



4Front Ventures Investor Presentation

May 2021





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Agenda

1. Our mission
2. Our belief
3. Our approach
4. Business strategy
5. Action plan
6. Investment highlights
7. Financials
8. Contact



Our mission

Our mission

To use our proven low-cost cultivation and production methodologies, together with our in-depth and closely-monitored knowledge of consumer preferences, to provide the products & brands that consumers love.



Our belief

Our belief

At 4Front, we believe the way the market values cannabis companies has moved on from a focus on arbitrary land grabs to a focus on strategy execution and operations.

Ability to execute

Companies that can prove they can execute at scale in highly competitive markets will thrive in this environment, and those that are held back by inefficiencies and poor management are rapidly losing market share.



✦ Low cost production

We believe low cost production and distribution of cannabis consumer packaged goods is the best opportunity in the cannabis industry.



Business overview

Operating one of the most efficient cannabis companies in North America. Founded in 2011.

Winning in Washington



76M / 23%

US Addressable Market



7.6M

Addressable Market



380

g/sq ft Annualized Yields



5

of the 15 most populous states. WA, IL, MA, CA, MI



#1

Edibles Manufacturer



20+ / 1900*

Brands / SKUs

*In Washington state alone



\$88.1M

FY 2020 Systemwide Pro Forma Revenue



#2

Producer of Flower



260+

Dispensaries carrying WA products



~200k

Current total square footage cultivation & production



#2

Total Market Share



25%

Stable EBITDA margins

Washington SOP's successfully replicated in Massachusetts, Illinois, California* and Michigan



Yields increase

MA, IL annualized yields of up to 404g/ sq ft



Brands

WA brands launched in IL, MA, coming soon in CA*



~300k

Additional square footage pending or under construction



Retail

Supporting medical and recreational stores: IL, MA, MI

*CA brand launches expected Q2/2021

Asset overview

update



Washington – medical & adult use market

Cultivation & Production:

120k sq ft

Yields: 380kg/sq ft*

Market share:

#1 Edibles / #2 Flower /
#2 Total Market

Brands:

20+ brands/ 1900 SKUs



Illinois – medical & adult use market

Cultivation & Production:

40k sq ft

Yields: 360g/ sq ft*

Retail:

- Mission South Chicago
- Mission Calumet City

Brands:

Washington brands introduced

Near term pipeline:

Additional 210k cultivation



Massachusetts – medical & adult use market

Cultivation & Production:

70k sq ft

Yields: up to 404g/ sq ft*

Retail:

- Mission Georgetown
- Mission Worcester

Brands:

Washington brands introduced

Near term pipeline:

- Mission Brookline – Q2 2021



Michigan – medical & adult use market

Retail: Longest

continuously operating cannabis retailer east of the Mississippi - over **5300 sq ft** located in the heart of downtown on Main Street, ½ mile from the University of Michigan

Average Basket size:

\$155 / 1st Mission store to offer delivery



California – medical & adult use market

Largest legal cannabis market in the US

Manufacturing & Production:

170k sq ft

Fully funded construction on schedule for early Q2 completion

Brands:

Target Q2 rollout of low-cost, high quality brands utilizing WA SOPs

* Annualized yields / sq ft



Our approach

4Front is a low-cost production leader

We do this by a commitment to operational excellence:

Leadership

Expert leadership and people who understand and have credibility in both business and cannabis.

Process

Model tested, developed, and perfected in Washington, where we have #2 share -- one of the most competitive states and challenging markets in the world.

Products

4Front produces over 2800 SKUs of branded product.

Assets

Vertically integrated asset strategy, market expansion and investment, from production to retail.

Expansion

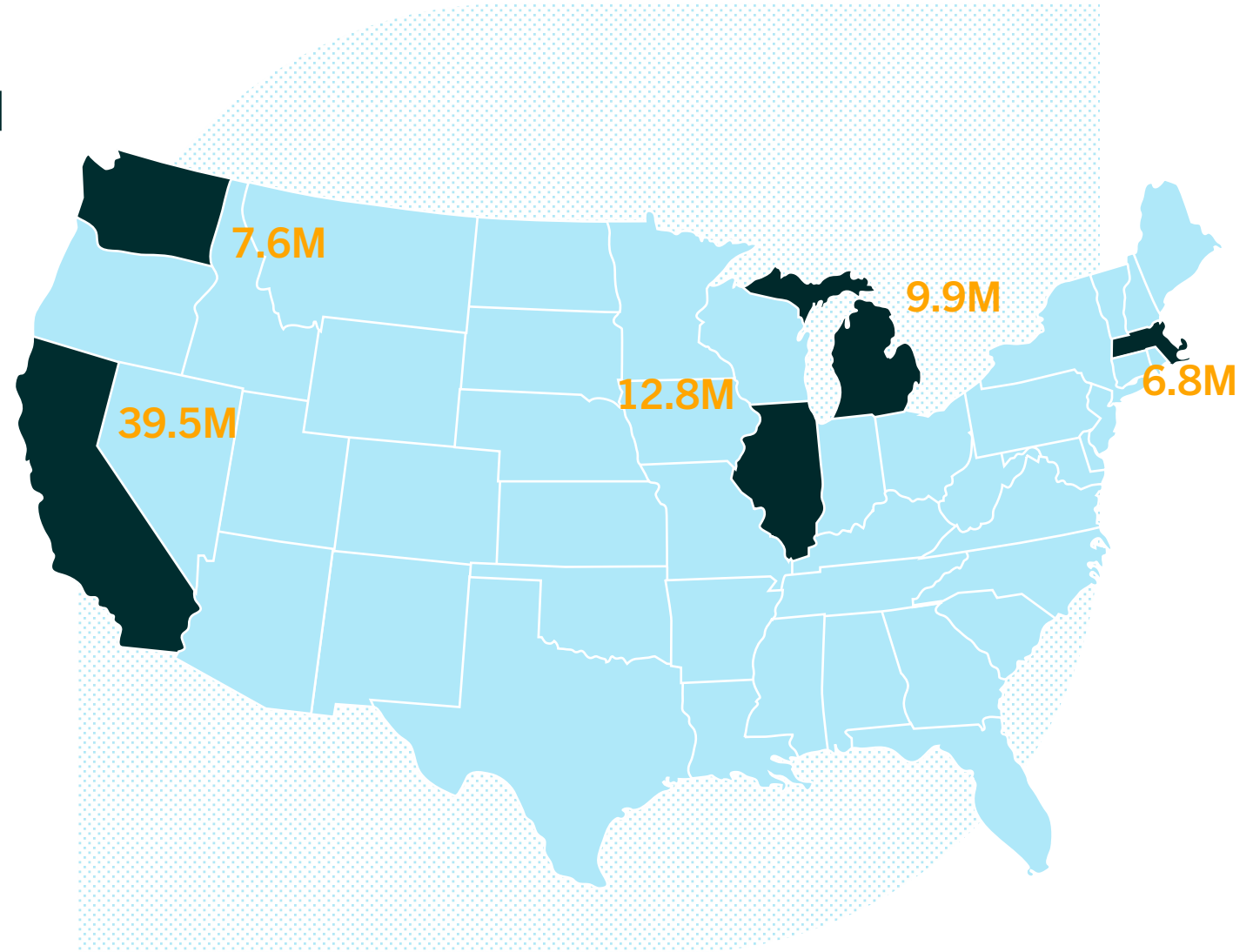
Developed and refined in Washington, 4Front's scaled, low-cost production capabilities are now being replicated in Illinois, Massachusetts, Michigan and California.

❖ A leading producer for leading states

4Front is replicating our tried and true production capabilities, supported by our retail stores, in large and nascent recreational cannabis markets.

We serve an addressable market of 76M people in:

- **Washington**
- **Illinois**
- **Massachusetts**
- **California**
- **Michigan**



Winning in Washington

For the past six years, 4Front has created a dominant position in Washington State--one of the most competitive and low-priced markets in the country while maintaining very attractive margins and profitability.

260*

**Retail locations
carrying
product line**

#1

**Edibles
manufacturer**

#2

**Producer of
flower**

#2

**Overall
Market share**

* monthly average



Winning in Washington, a proving ground for operations

1. Legalized in 2012 - Over 1400 cultivation licenses issued. Plus over 450 Tier 3 licenses allowing for 30,000 sq ft.



3. Company turns to improving throughput and reducing labor costs to maintain margins in addition to genetics and environmental optimization



5. #2 in Market Share. Company becomes one of the highest producers and most sought-after brands in the state. #1 in edibles, #2 in Flower



2. Due to imbalance in market supply, wholesale cannabis prices plummet from \$1600/lb in 2016 to \$500/lb in 2018.



4. Laser focus on R&D, production optimization and data driven business practices. Maintains stable 25% EBITDA margins





Winning in Washington

*

**60,000 sq ft of canopy
yielding over
380g/sq ft ¹
40,000 sq ft production
facility**

**Average of 737,800
grams flower material
used per month for
extract**

**Average of
130,000 grams
crude oil
per month**

**Average clear
(distillate) produced
monthly – 70,000
grams**

**Average disposables
(one time use vape
pens) per month –
12,000**

**Total distillate cartridges
(1g + 0.5g) produced
monthly – 40,000**

**Edibles per week –
approximately
200,000**

**Over 185 employees,
3 shifts per day,
24 hours a day**

*As of September 25, 2020

¹Calculated on 48,000 sq/ ft of flowering canopy

❖ Driving seed-to-sale efficiency at scale

We believe efficient, low-cost production will enable 4Front to own the largest market share in a state-by-state basis. Our proven systems and processes are replicated across our sites, resulting in industry leading yields and consistent high quality, low cost cannabis products.



Facility Design

We implement our advanced facility design to maximize footprint. We are now consistently producing up to 400 grams per square foot per year.



Growing Process

Our templated growing process combines plant genetics, nutrients, soil and setup.



Cultivation & Processing

We are one of the lowest-cost producers in cultivation and processing, skilled at taking flower and derivatives in their raw form and turning them into finished packaged goods.



Purchasing

We have consolidated the sourcing and purchasing of all of the pre-mix ingredients for derivative products which strengthens our planning and affords us price breaks.



Packaging

Our standard operating procedures reduce waste and increase efficiency in weight management and packaging, with lower labor requirements and higher volumes.

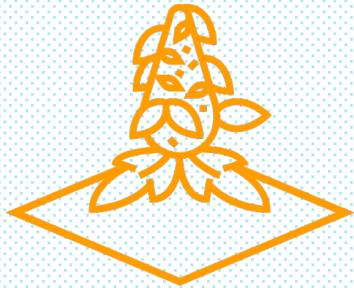


Retail

Our model incorporates retail and hospitality best practices, and is designed to scale the customer experience, not just our footprint.

Our process yields results

We increase yields by transferring knowledge from our industry leading proprietary processes for facility design, growing and cultivation developed in Washington, in each state of 4Front operation.



Up to 400g per sq ft -- Outperforming industry average by over 80%

Our proprietary process in Washington producing yields up to 400g/sq ft. We believe routinely outperforming, and up to double, the industry average.



High yields replicated successfully across all operations

By implementing the Washington process, Massachusetts annualized 404g/ sq ft from launch, plus 12 months of no fail harvests. Illinois facility yield increased from 250g/sq ft in January to 400g/sq ft in 2021



Price Protection

By engineering our facilities and processes to produce high yields, we protect ourselves against price fluctuations and market changes.

Operational leadership



Leo Gontmakher
CEO

Leo co-founded Northwest Cannabis Solutions, which under his leadership grew to be one of the largest and most successful producers of cannabis products in Washington state. He also served as Chief Operating Officer at Cannex, which merged with 4Front in July 2019. Before entering the cannabis industry, he served on the senior management team at North America's largest processor and distributor of specialized seafood products.



Karl Chowscano "Karlos"
President

Karlos joined 4Front in 2015 as a major investor and board member. He is a former executive director of the Aquilini Investment Group in Vancouver, B.C.; and former Chief Strategy Officer of Spear Education. Earlier in his career, Karlos was a partner and international tax attorney at Thorsteinssons, the largest law firm in Canada focused exclusively on tax law.



Kris Krane
President, Mission Disp.

Prior to co-founding 4Front Advisors with Josh Rosen in 2011, Kris served as director of client services for CannBe, a pioneer in developing best practices within the medical cannabis industry. Kris has dedicated his career to reforming the nation's misguided drug policies, having served as associate director of NORML from 2000 to 2005 and executive director of Students for Sensible Drug Policy from 2006 to 2009.



Andrew Thut
CIO, 4Front

Andrew was an early investor in 4Front, joining the company full time in 2014. He brings to the team a wealth of financial-management experience and business acumen having previously served as managing director of the BlackRock Small Cap Growth Fund at BlackRock Advisors LLC. During his 11-year involvement, the \$2 billion fund ranked in the top five percent of all domestic small cap growth funds.



Joe Feltham
COO

Joe joined 4Front in 2014 and was appointed as COO in 2020. He has brought a wealth of experience and support in financial analysis, market research and operations support and is instrumental in implementing new processes and projects for the company. Joe also works closely with Neighborhood Housing Solutions, a non profit corporation to assist low income families find safe and affordable housing in Arizona.

❖ Our formula for product development



**The Future is
finished goods.**

**Evaluating
customer
demand.**

**Speed and
agility.**

❖ Our formula for product development

The Future is finished goods.

We are focused on long-term brand success by developing finished goods, such as edibles, vapes, tinctures and capsules, as well as flower.



❖ Our formula for product development

Evaluating customer demand is key to efficient product development.

We develop multiple flavours of edibles, and analyze market data to determine the best performing flavours and products. We use these insights to expand and refine product offerings, and in the development of new lines and products.



❖ Our formula for product development

Speed and agility in getting products to market is key.

4Front actively monitors the market for product gaps, and using our skillsets and standardized process, we can quickly capitalize, creating a finished product in a four to six week time span.



❖ The 4Front brand family

We produce over 25 recreational Brands for flower, edibles, tinctures, concentrates and topicals and approximately 2800 SKUs

HI-BURST™

pure ratios

EZ VAPE



melo™

VERDURE™

CRYSTAL CLEAR™



PREMIUM ALL-FLAVOR MARIJUANA JOINTS
TERP STIX™
INFUSED WITH CRYSTAL CLEAR DISTILLATE



dabl™



PEBBLES



LEGENDS™



kakan

KOKO GEMZ™

Mari's

MARMAS™

❖ Our brands are trusted

Consistency is key

Customers want predictability in their purchases, and this is especially true in the cannabis industry. We believe consistency is an important predictor of overall customer experience and loyalty.

That's why we take great pains to deliver the same taste and experience in all of our products, regardless of where the customer purchases them.

Using advanced growing techniques and proprietary manufacturing processes we can offer reliable, safe products that can be trusted to deliver a consistent experience every time.

Available in a wide variety of strains, dosages, flavors and formats to suit a range of needs.





\$

MINI
BUDZLEGENDS
—x—FUNKY MONKEY
CANNABIS CO.

\$\$\$

Focusing on quality, catering to everybody

From the lower and mid-price point offerings of Mini Budz and Legends to original premium brand, Private Reserve, and our newest top shelf phenotype Funky Monkey, we're creating ever-better flower strains that delight the senses and help our customers make the most out of every experience, regardless of budget.



❖ Flower

Brand spotlight



Our premium flower brand features the best and brightest phenotypes in our gardens. The cheeky chimps at Funky Monkey Cannabis Company cultivate buds with a focus on quality, catering to cannabis enthusiasts who enjoy rare strains, small batches, and attention to detail.



❖ Edibles

Brand spotlight

MARMAS™

Born in the Pacific Northwest, Marmas quickly grew into one of the most popular edibles in Washington state where they've been delighting cannabis enthusiasts ever since. As opposed to traditional gummies, Marmas do not contain gelatin, making them an excellent gluten free and vegan option in an assortment of delicious fruity flavors. Famous for their unique texture that is both tender and satisfying, these brightly hued chewy treats are made for winding down or turning up. Just one taste and you'll see why Marmas are so beloved.

HI-BURST™

Hi-Burst infused fruit chews melt in your mouth. Ranging from sweet to sour, they are designed to delight with their taste and reliability so you can celebrate your sweet tooth in an uplifting way. We proudly use the same high-quality ingredients and natural flavors that confectioners source from all over the world to ensure a shockingly delicious edible.



❖ Concentrates

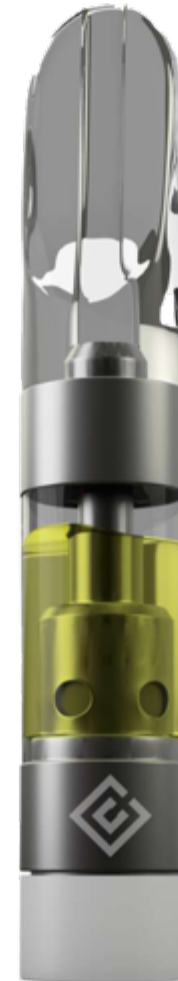
Brand spotlight

CRYSTAL CLEAR™

Crystal Clear delivers a great high every time because we are obsessive about our quality control. Each of our proprietary blends replicates a flower's terpene profile to create the same high without tars and resins. We oversee the entire process to ensure a consistent experience, one with a high potency at a great price that our loyal customers know and love.

PREMIUM ALL-FLOWER MARIJUANA JOINTS
TERP  STIX™
INFUSED WITH CRYSTAL CLEAR DISTILLATE

We appreciate the artisans, which is why we created a highly potent, infused joint for cannabis lovers who have been smoking together for generations. We've used our proprietary mixing process to homogenize distillate and flower to create a powerful pre roll that doesn't ooze harsh wax or waste product. All Terp Stix are crafted with exceptional diligence for a pre roll that is evenly burned, canoe-free, and goes far beyond just getting the job done.



pure ratios

Founded in 2015, Pure Ratios focuses on holistic wellness products that marry cannabinoids with traditional Eastern medicine ingredients, as well as hemp-derived CBD products that are sold nationwide.

Award winning 96-hour pain relief patch, the first and only pain management product of its kind.



Mission retail

4Front | A mass market for consumer cannabis | 32



❖ A mission to serve

Mission Dispensaries serves as the retail component in our vertically integrated model. These storefronts provide a high-touch venue for building brand awareness of our products, nurturing customer loyalty, and extending brand engagement. Mission dispensaries operate in states where retail makes good business sense.

Mission dispensaries operate in Illinois, Massachusetts and Michigan

Provisioning medical and adult-use cannabis in a collaborative, safe, and inspiring environment.

Promoting the healing power of the plant through advocacy, education, and research.



❖ We stand for our mission

Our commitment to social justice

4Front is the largest cannabis industry supporter of **Students for Sensible Drug Policy**. In addition to a substantial annual financial donation, 4Front maintains close ties to SSDP's network via mentorship, employment, and programmatic support. 4Front founder **Kris Krane** serves as Treasurer of SSDP's board of directors.

4Front launched an immediately impactful partnership with **Last Prisoner Project** in January. Raising about \$700 a week per store, with plans to continue to expand and evolve the partnership

4Front is a participant and donor to the **Marijuana Policy Project's Policy Council**, and participates in MPP's social equity policy development work.

4Front sits on the **NCIA** policy council with Kris Krane acting as company liaison.



Elected Official: Congressman Earl Blumenauer (D-Oregon)

Business strategy

❖ Leveraging knowledge, growing business

Our strategy is to replicate our success building one of the most efficient and profitable cannabis operators in Washington in the targeted states of Massachusetts, Illinois, Michigan and California.

Operational Excellence

We take considered and decisive measures to streamline our operational platform and believe more efficiencies will be achieved.

Maximizing Growth

Our complete attention is focused on maximizing growth in our core geographies and expanding our vertical operations to take meaningful market share in nascent adult-use markets that represent an addressable market of over 76m people.



Washington
Population:
7.6 million



Illinois
Population:
12.8 million



Michigan
Population:
9.9 million



California
Population:
39.5 million



Massachusetts
Population:
6.8 million

Investment highlights

❖ The opportunity to execute

4Front is at an inflection point

Growing footprint and brand recognition in major cannabis markets

Sharpened corporate focus on 5 large markets, Washington, Illinois, Massachusetts, Michigan and California

Proven low-cost cultivation and production model

Proven production model that is both replicable and scalable in new markets

Streamlined operational cost structure

Recent restructuring has decreased annualized corporate overhead of \$30m to under \$20m USD

Laser-focused on profitable growth

- Cash flow positive beginning August 2020 and positive adjusted EBITDA Q3 2020.
- Poised to show significant operating leverage in 2021.

Focus on adaptability and innovation in product development

Consumer-led product development and proven track record of adapting product portfolio to meet emerging customer demands

Ownership

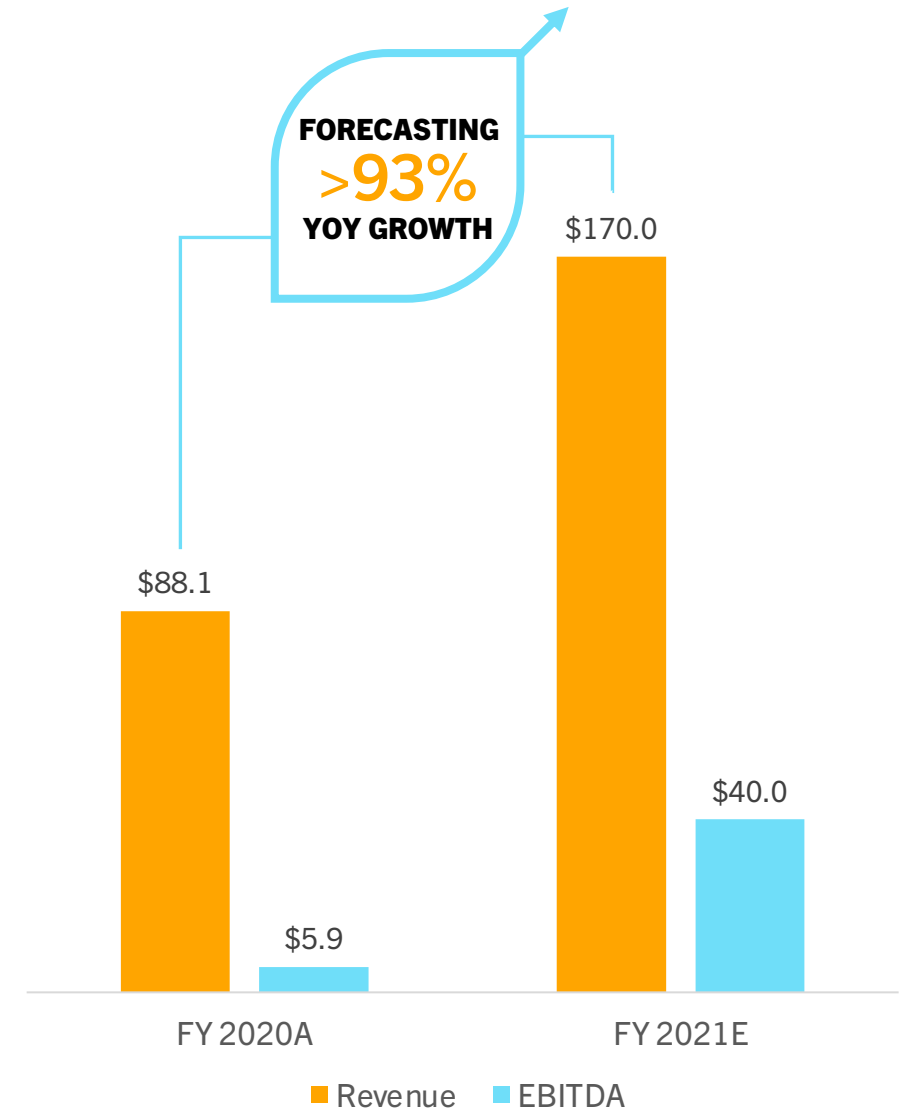
Inside ownership over 40%, fully aligned to maximize shareholder value

Financials

FY 2021 guidance

Currently forecasting Full Year 2021 systemwide pro forma revenue of \$170-180 million and adjusted EBITDA of \$40-50 million.

This forecast includes current operations plus the opening of the Brookline, MA dispensary and the Commerce, CA production facility in Q2 of 2021.





Capitalization table

4Front Shares I/O	Fully Diluted Share Count
Subordinate Voting Common (As-Converted)	592,139,699
Multiple Voting Shares (As-Converted)	1,276,208
TOTAL Basic Shares Outstanding	593,415,907
<i>Dilutive Securities</i>	
Options (CAD \$0.10 - \$1.63)	57,298,560
Warrants (CAD \$0.70 - \$1.99)	40,350,629
Total Dilutive Securities	97,649,189
TOTAL Fully Diluted Shares	691,065,096
Fully Diluted Shares (Treasury Method)	630,781,289

Cannabis industry

❖ Cannabis market overview

The legal US Cannabis market is forecast to be worth US\$30.2 - \$37 billion by 2024*

Worldwide spending is forecast to grow 38% to 20.4 billion in 2020.

15 states now legal for adult use and 34 states legal for medical use

Bipartisan support for legalization among residents of the US reaches 68%

Cannabis was declared an essential service amid the COVID-19 pandemic.

Adult use sales grew 25.1% in 2019 to 7.3 billion

US legal cannabis spending grew by more than 36.5% in 2019 to 12.4 billion.



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