



4Front Ventures Investor Presentation

September 2020





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Agenda

- 1. Our mission**
- 2. Our belief**
- 3. Our approach**
- 4. Business strategy**
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- 7. Financials**
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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.





Our approach

4Front is the 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.

Products

4Front produces over 300 SKUs of branded product.

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.

Assets

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

Expansion

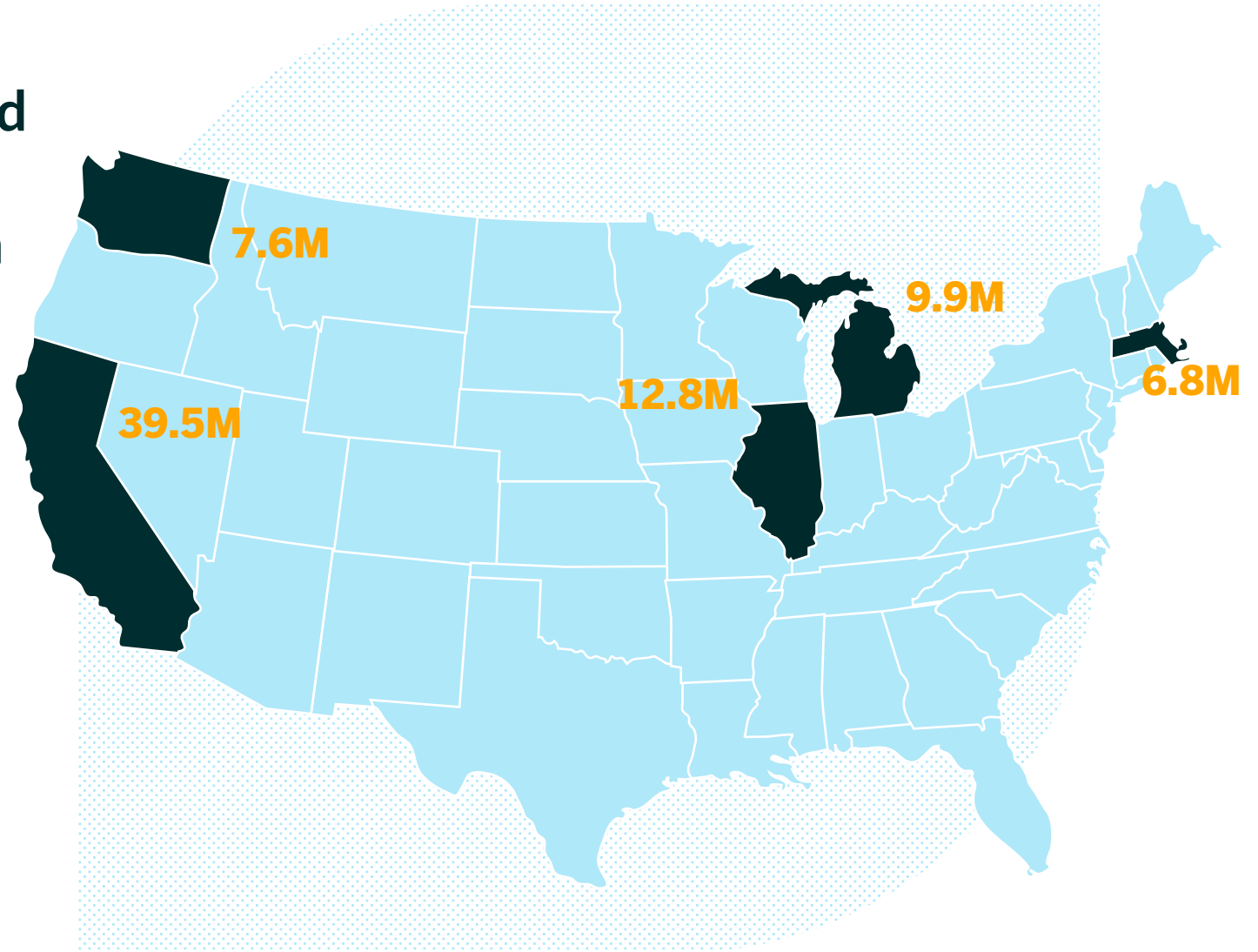
Developed and refined in Washington, 4Front's scaled, low-cost production capabilities are now being replicated in Illinois, Massachusetts, Michigan and California.

❖ 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.



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

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

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
400g/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

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

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 over 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.

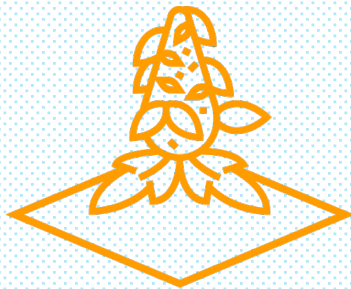


Packaging

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

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.



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

Our proprietary process in Washington consistently yields over 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 430g/ sq ft from launch, plus 12 months of no fail harvests. Illinois facility yield increased from 250g/sq ft in January to 350g/sq ft in August 2020.



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
Strategy & Operations

Karl 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, Karl was a partner and international tax attorney at Thorsteinssons, the largest law firm in Canada focused exclusively on tax law.



Kris Krane
President, 4Front & Mission

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

HI-BURST™

pure ratios

EZ VAPE



melo™

VERDURE™

CRYSTAL CLEAR™



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



dabl™



PEBBLES



LEGENDS™



kākan

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

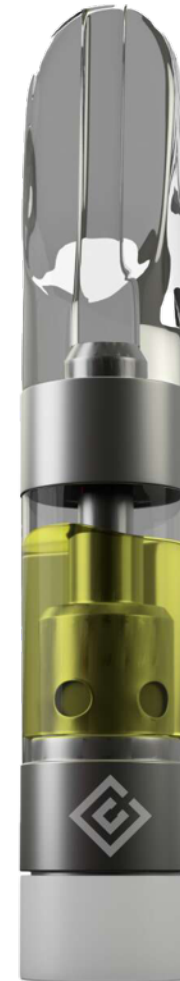
Brand spotlight

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



❖ 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.

Dedicated to improving the quality of life for both our guests and our community.

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)

❖ Target markets

Focus on key markets where we can achieve operational efficiency at scale.

States	Cultivation & Production	Retail	Rec.
Washington	3	0	✓
Illinois	2	2	✓
Michigan	0	1	✓
California	1	0	✓
Massachusetts	2	6	✓
Total	8	9	✓

Licensed facilities anticipated by YE 2020



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

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.

Action plan

❖ State by state strategy & update

Washington.

Tumwater cultivation facility (30,000 sq ft)

Elma cultivation facility (30,000 sq ft)

Tumwater production & packaging facility (40,000 sq ft)

- Record months recorded back to back in July and August
- Flower prices still trending up over the last 8-10 months
- We are currently at \$900/lb on avg as compared to \$650/lb 12 months ago
- Vape sales at record highs with 65k units/month
- Not lowering prices on derivatives and still gaining market share
- Momentum continues

❖ State by state strategy & update

Illinois.

Elk Grove cultivation and production facility

Mission South Chicago recreational and medical licensed retail store

Mission Calumet City retail store opening Q4

- Key personnel from Washington take over leadership of grow facility in January
- Consequently yields at Elk Grove facility increase from 250 to 350g/ sq ft
- Washington flower brands very well received in market, along with recently introduced Mini Budz value brand
- Mission South Chicago reaching pre-shutdown sales, expect increasing trends to continue
- Calumet City dispensary on track to open Q4
- Project expansion at cultivation facility underway to triple production capacity to 9,042 sq ft
- One of 19 “Tier 1” production licenses allowing for 210k sq ft of canopy providing ample blue sky

❖ State by state strategy & update

Massachusetts.

Worcester cultivation facility

Mission Worcester recreational and medical licensed retail store

Mission Georgetown recreational and medical licensed retail store

- Since launch of Worcester cultivation facility – no failed harvests and annualized yields of 430g/ sq ft
- Improvements to acquired Georgetown facilities growing environment and building upgrades – expecting to increase yields to Washington levels
- All of Washington brands introduced to Massachusetts markets, with the exception of Hi-Burst fruit chew, which is expected to launch in next months. Reception has been across the board positive
- Implemented extraction methodology enabling consistent feedstock for products along with production and packaging methodologies, greatly enhancing throughput and reducing labour
- Continued momentum with granting of adult use at Worcester location a third location in Brookline expected opening in early 2021
- Expansion opportunity for additional 20k sq ft of canopy in Georgetown

❖ State by state strategy & update

California.

Commerce processing facility, 185,000 sq ft

- Design and preliminary construction planning for the completion of processing facility begun in Commerce, California
- California operations will be leveraging tried and true Washington processes that have been scaled up for a larger market
- Positioned to enter the deepest US market, leveraging low-cost, automated production capabilities in the largest dedicated manufacturing facility in the state.
- 4Front will initially enter the market with a lower cost, high quality product in six major product categories

❖ State by state strategy & update

Michigan.

Om of Medicine recreational and medical licensed retail store

- Launched delivery in Q2 and expanded hours in Q3 from 3 days to seven days
- Our dispensary continues to foster a friendly, supportive, politically engaged, and fun community
- Gross margin went from 39% to 49% with strategic purchases and expecting continual improvement
- Our interest in Michigan stays strong and we are encouraged by the growth of our retail store and the progress of its recreational market
- Michigan stays in our pipeline as we look to enter production and processing in the future

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 as of August 2020 and positive adjusted EBITDA expected starting 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 nearing 47%, fully aligned to maximize shareholder value

Financials

❖ Q2 2020 Highlights

Adult use retail and production licenses granted for Massachusetts locations

April

May

June

Company achieves positive operating cash flow

All Washington brands introduced to Massachusetts market (ex. Hi-Burst, introducing in next months)

Mission South Chicago dispensary re-opens, and receives permit for new Calumet location



Capitalization table

4Front Shares I/O	Cash (CAD)	Price (CAD)	Total Shares	As-Converted Shares
Subordinate Voting Common			312,874,794	312,874,794
Proportionate Subordinate Voting Common			2,326,176	188,974,080
Multiple Voting Shares			1,276,208	1,276,208
Total As-Converted Subordinate Voting Shares (Basic Shares Outstanding)			315,440,321	506,379,437
Dilutive Securities				
GGP Convertible Debt @ USD 0.83*		\$1.16		40,423,445
Unsecured Convertible Preferred Note @ USD 0.46		\$0.64		26,192,914
Subordinate Convertible Note @ USD 0.25		\$0.35		23,306,697
Options @ USD 0.08	\$635,504	\$0.10		6,355,040
Options @ CAD 0.80	\$6,657,952	\$0.80		9,822,440
Options @ CAD 1.00	\$18,500,000	\$1.00		17,700,000
Options @ CAD 1.50	\$6,075,000	\$1.50		3,150,000
Compensation Warrants @ CAD 0.70	\$2,389,391	\$0.70		3,413,416
GGP Financing Warrants @ USD 0.67	\$2,106,311	\$0.94		2,230,080
GGP Financing Warrants @ USD 1.00	\$9,240,000	\$1.32		7,000,000
GGP Financing Warrants @ USD 1.33	\$7,894,737	\$1.75		4,511,278
GGP Financing Warrants @ USD 1.99	\$5,266,331	\$2.62		2,010,050
Total	\$58,129,722			146,115,361
Total As-Converted Shares Outstanding Plus Total Dilutive Securities				649,240,443
Fully Diluted Shares Outstanding (Treasury Method at 0.93 CAD)				560,513,603

*Includes principal and accrued interest through 8/31/2020

Cannabis industry

Overview

The worldwide market will more than triple from 14.8 billion in 2019 to 46.8 billion in 2025

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

More than ¼ of American adults already consume cannabis

Support for legalization among residents of the us has grown 50% in 2013 to 66% in 2020.

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

Adult use sales grew 25.1% in 2019 to 7.3billion

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



Contact

Andrew Thut

Chief Investment Officer, 4Front

617.413.0069

Andrew.thut@4frontventures.com

Leo Gontmakher

Chief Executive Officer

425.633.0799

leo@4frontventures.com

www.4frontventures.com