



# 4FRONT

**Inspired by the plant**

Investor Presentation

CSE: FFNT / OTCQX: FFNTF



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# Our belief

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The sweet spot in the cannabis value chain is the **low-cost, high-quality** production of cannabis consumer packaged goods **at scale**

# Our strategy

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After perfecting our **high quality, high margin production capabilities** in Washington state, we're replicating them in large cornerstone recreational markets like **California, Illinois, Massachusetts, and Michigan**



# Leveraging knowledge, growing business

Replicating our success building one of the most efficient and profitable cannabis operators in Washington in the targeted states of Massachusetts, Illinois, Michigan and California



**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**

## Operational Excellence

We take considered and decisive measures to automate and streamline our operational platform for improved efficiency

## Growing Market Share

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.



# Winning in Washington

Since 2015, 4Front has established 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**

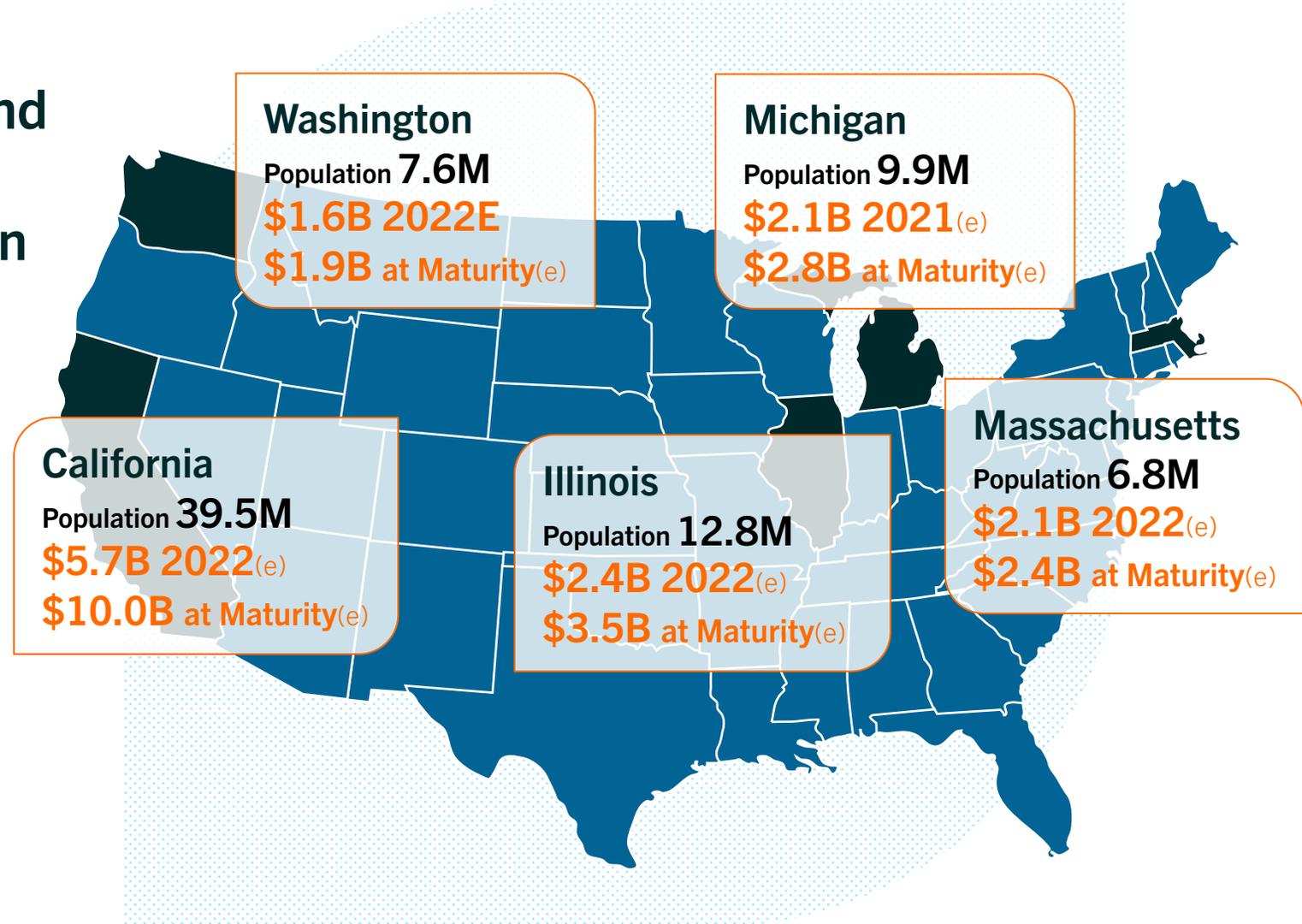
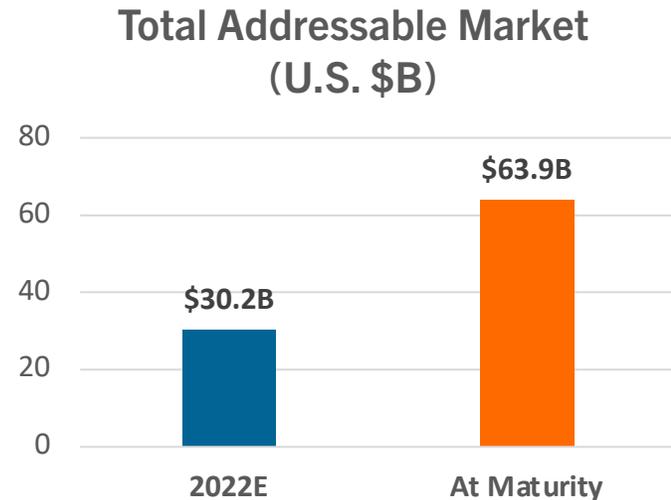
**Overall  
Market share**

Our processes work nationwide – 4Front is successfully and profitably scaling the products and brands from Washington into California, Massachusetts and Illinois.

\* monthly average

# 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.



\*Canaccord Genuity Capital Markets "Looking Ahead to 2022" (Oct 2021)



# Current asset overview



**Washington**  
**Population:**  
**7.6 million**

### Medical & Adult Use

- + Two Cultivation Facilities
- + Production & Packing Facility
- + Available in over 250 Retail Locations
- + Top Selling Edible Brand in the State
- + #2 Producer of Flower



**Illinois**  
**Population:**  
**12.8 million**

### Medical & Adult Use

- + Cultivation and Production Facility
- + Retail Dispensaries: Mission South Chicago & Mission Calumet City
- + Building an up to 558,000 sq ft Cultivation and Production Facility.
- + Phase I Slated for Q4 2022 Completion



**Michigan**  
**Population:**  
**9.9 million**

### Medical & Adult Use

- + Retail Dispensary in Ann Arbor. Om of Medicine is a Staple of the Community, Partnering with Numerous Local Non-profits
- + Recently Celebrated a Decade of Service in July



**California**  
**Population:**  
**39.6 million**

### Medical & Adult Use

- + 170,000 sq ft Manufacturing Only Facility in Commerce, California
- + 4 Cultivation facilities
- + State-of-the-art Fully Automated Operations is Capturing Market Share by Exploiting the Lack of Sophisticated, Automated Operations in California



**Massachusetts**  
**Population:**  
**6.8 million**

### Medical & Adult Use

- + Two Cultivation and Production Facilities
- + Retail Dispensaries: Mission Georgetown, Mission Worcester, & Mission Brookline
- + Recently Acquired Fully Operational, State-of-the-Art 55,000 sq ft Facility, Doubling Canopy Space in the State



# 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. At scale.



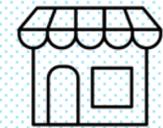
## Purchasing

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 Core Geographies

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# California, a bull market for 4Front



- Population of 39.6M
- 2022E Market size of **\$5.7B**, long-term TAM at maturity of **\$10B\***
- Next generation automation facility translates to **better margins** and greater price flexibility
- We believe we can beat market by **50%** and still enjoy **>50%** margins
- Cost-effective wholesale solutions void of overhead capital infrastructure costs

Capable of producing a minimum of 10x more product per shift than the Company's largest managed facilities in Washington

Manufacturing both in-house and partner brands, including infused pre-rolls, gummies, hard candies, fruit chews, caramels, mints, soft gel capsules, vapes, tinctures and more

Distribution partnership with Nabis, one of California's largest Cannabis distributors supplying 100% of California's dispensaries and delivery services

# **Disruptive manufacturing facility – robust private label pipeline**

Our Commerce, California facility is one of the largest, most efficient cannabis manufacturing facilities in the world.

## The details:

- 170k sq ft manufacturing space
- 80k sq ft of distribution and warehousing space
- 25k+ sq ft of finished goods storage
- ~4k sq ft of dry flower storage

Brings mass-produced, high-quality, low-cost products and brands to the largest cannabis market in the world.

in active partnerships with more than five leading retailers in the state, including large, region-leading operators with numerous chain locations; a statewide delivery service, a national publicly traded operator, and more to come.





# 4-Pronged Strategy in California

## 1. Direct Sales of our award winning and proven product suite

- Entering market with our proven and award-winning portfolio of products
- Priced as much as 50% lower than the leading incumbents, while maintaining healthy margins

## 2. Third-party processing and manufacturing

- White label market is **\$600M** industry in CA
- Asset-light operators can cut costs and improve quality and profitability via our manufacturing platform
- 3<sup>rd</sup> party partnerships garner additional shelf space for 4Front branded products in new retail locations

## 3. Select brand acquisitions

- CA market is ripe for consolidation as many strong brands struggle with profitability
- 4Front's **processes** can immediately unlock value
- Strategically accretive brand acquisitions are effectively **turnkey**. 4Front improves margins and enables increased capacity overnight
- Recent acquisitions include Island Cannabis Co. and Bloom Farms Co.

## 4. Strategic Retail

- 4Front has more success with greater vertical integration
- Ability to capture retail margins and drive brand awareness
- Shortens feedback loop allowing 4Front to respond more quickly to consumer demand
- Currently in active discussions for future retail presence

# Acquisition of Island Cannabis Co.

- Island is widely recognized for its high-quality, diverse line of pre-rolls, flower and infused products, with a loyal following in the extremely competitive California market
- **Completed April 2022**
- Seamlessly integrated premier California brand with 4Front's state-of-the-art Commerce, California manufacturing facility, reducing production costs and scaling volume
- Added Island Founder and CEO Ray Landgraf, COO Brandon Mills, and additional leadership to 4Front's deepening bench
- Since introducing Island to our product suite in California, sales have proliferated, and we now aim to bring the successful Island brand to our Massachusetts consumers in Q3



# Acquisition of Bloom Farms

- **Announced August 2022**
- Beloved California cannabis company known for bringing safe and enjoyable products to consumers in the form of vapes and tinctures.
- Will be integrated onto the 4Front platform, achieving a reduction in manufacturing costs while simultaneously increasing sales of the successful Bloom Farms brands, which include popular varieties of concentrates, flower, hemp CBD and vape products.



# State of the art facility and methodologies

- Acquired Massachusetts-based **New England Cannabis Corporation** in January 2022
- **Outstanding flower quality** – SOP's now introduced across Massachusetts, Illinois and Washington
- Fully operational brand new **55,000 sq. ft. licensed cultivation facility** strengthens our expanding footprint in this important limited-license state
- **More than doubles total flower canopy** to over 30,000 sq. ft, with further expansion potential for up to an additional 10,000 sq. ft.
- Approximately **triples our kitchen, processing and distribution space**
- Expands institutional knowledge of lighting, airflow, and fertigation techniques
- Provides reliable supply of product for Mission Dispensaries and positioning 4Front as a premier wholesaler in the state.

Garlic Z - Holliston



# Multi-phase expansion in Illinois

Construction of **Illinois' largest indoor cultivation facility** will help meet growing demand in the fast-growing Illinois cannabis market. Phase 1 is expected to come online in 2023, in time to serve the massive increase in retail stores anticipated over the next few years.

Total expansion to encompass 558k sq ft and will bring more than **500 high-quality jobs** to the community

## Phase 1:

- 250k sq ft in total
- 65k sq ft of flowering canopy
- 70k sq ft of manufacturing space
- Construction to be completed in **Q4 2022**



# 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. At scale.**

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 four to six weeks.



# Building trusted brands

## 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.



# The growing 4Front brand portfolio

Established and diversified brands at scale

We produce over **19** recreational brands of flower, edibles, tinctures, concentrates and topicals and approximately **1,800 SKUs**

**Flower**



FUNKY MONKEY CANNABIS CO. ISLAND LEGENDS PHARM FRESH FLOWER MINI BUDZ 1988

**Edibles**



CHEWEE'S KOKO GEMZ Mari's HI-BURST COSMIC PEBBLES Kikan MARMAS PHARM Kitchen Edibles

**Concentrates**



CRYSTAL CLEAR DABL GOLDEN GOD EZ VAPE TERP STIX BLOOM FARMS melo EVERGREEN WEATHER VANE EXTRACTS

**Wellness**



BLOOM FARMS WELLNESS VERDURE pure ratios



\$\$\$



ISLAND



\$



### 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, to our newest top shelf offerings, 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

### ISLAND



Island is a laid-back lifestyle brand celebrating the best California has to offer.

- Eco-friendly cultivation practices
- Freshness guaranteed due to year-round harvest
- Hand-trimmed flower
- Hand-selected genetics
- Triple-tested
- Grown in unique and temperate coastal microclimate



# 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.



# VERDURE

A wellness supplement for people who want a high-quality, value priced cannabis product to support a healthy, active, and pain-free lifestyle.

Verdure, pronounced vēr door, is the perfect self-care support for life in a stressful world. Our natural herbal solutions are a great alternative to help ease the aches, pains and stresses that come along with everyday life. We all need extra support when fatigue or frustration flare up. Verdure is here for you.



# Mission retail

## **A mission to serve**

Mission Dispensaries serve 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**

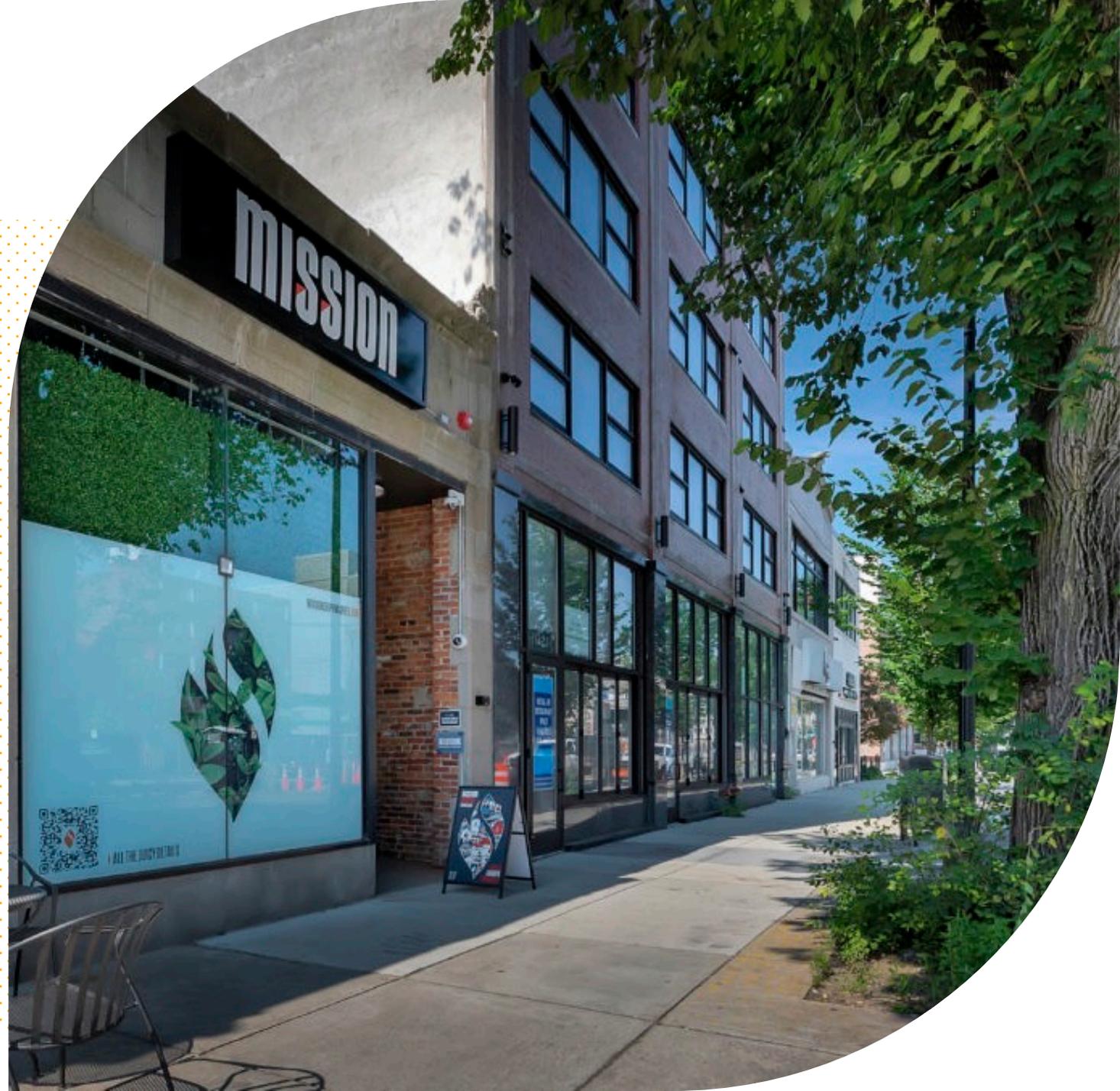
**Provisioning medical and adult-use cannabis in a collaborative, safe, and inspiring environment.**

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



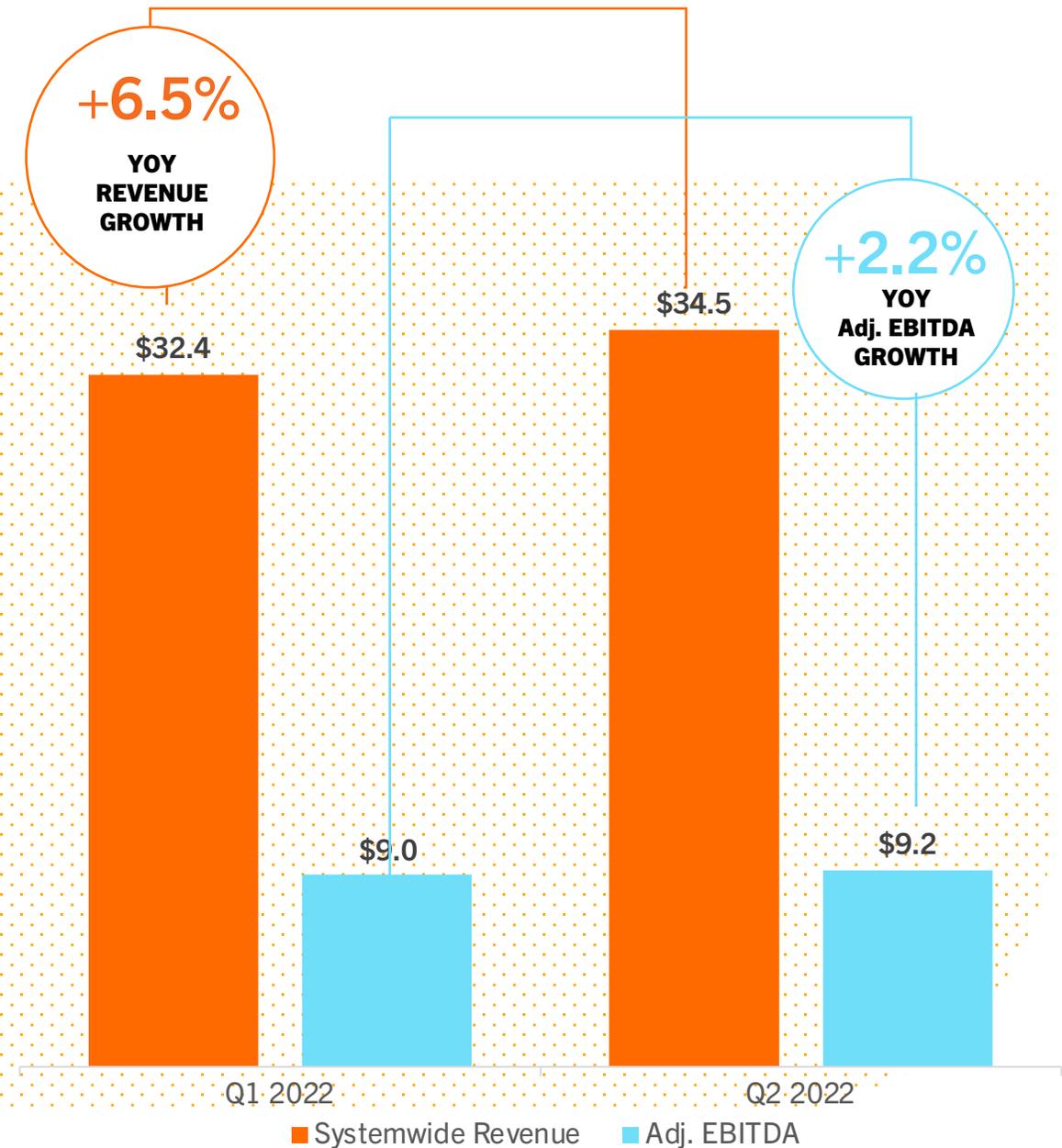
# High Performance

- Our retail locations are carefully selected for prime, high-traffic geographies with lasting potential for long term community engagement
- 4Front's robust production methods and D2C approach enable rapid scale in vertically integrated states with low overhead, high-margin performance at every Mission dispensary
- More than 1 million unique customers visited our stores in 2021



# Where we are

- Q2 2022 Systemwide Pro Forma Revenue of \$34.5M, +6.5% QoQ
- Q2 2022 Adjusted EBITDA of \$9.2M, +2.2% QoQ
- Q2 2022 Adjusted EBITDA margin of 26.7% vs 22% in Q2 2021.





# Designed to serve the market on the cusp of explosive growth

- **We have opened the world's largest cannabis processing facility in Commerce, CA**
  - State-of-the-art 170k sq ft manufacturing-only facility ramping up and now serving the \$3B CA market
  - Already in active partnerships with five of the leading retailers in the state, including several large, region-leading operators with numerous dispensary locations; a leading statewide delivery service; and a national, publicly traded operator with more to come
  - We believe we can beat market by 50% and still enjoy 50+% margins
- **Development of massive cultivation project is currently ongoing in Matteson, IL**
  - Construction on first phase of 250k sq ft to be completed in Q4 2022 and commence operating in 2023
  - Includes 65,000 sq. ft. of flowering canopy and 70,000 sq. ft. of manufacturing space
- **Further cultivation expansion in Massachusetts with acquisition of New England Cannabis Corporation**
  - Fully operational state of the art 55,000 sq. ft. cultivation facility adds scale and depth
  - New methodologies obtained from NECC resulted in notable improvements to the quality of our flower, SOPs exported to all our core states and facilities
  - More than doubles total flower canopy in important limited-license state, enabling wholesale operations
- **Further expansion to our already diverse product portfolio with purchase of Island Brands and Bloom Farms**



# Operational leadership



**Leo Gontmakher**  
**Chief Executive Officer**

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.



**Andrew Thut**  
**Chief Investment Officer**

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.



**Keith Adams**  
**Chief Financial Officer**

Keith previously served as the chief financial officer of LPF Holdco, LLC d/b/a Loudpack, with more than 30 years of experience in accounting and finance. Keith has a successful track record of scaling companies, driving profitability and raising equity and debt. After serving as CFO and driving growth in a variety of tech start-ups, Keith made his foray into cannabis in 2018 serving as chief accounting officer at DionyMed, a multi-state cannabis brands, distribution and delivery platform.



**Ray Landgraf**  
**President, California Operations**

Ray was the founder and CEO of Island Cannabis Co., a premier California cannabis brand and consumer-products business. Before founding Island, he served as vice president of global business development and head of authentication and verification solutions for Dun & Bradstreet, and has held leadership positions at Credibility Corp., Reply!, MerchantCircle, Viking Asset Management and Fisher Investments.



**Karl Chowscano**  
**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.



**Brandon Mills**  
**Executive Vice President**

Brandon served as president and chief operating officer of Island. Brandon brings expertise in corporate strategy, operations, technology, product and data in both public and private operating environments. In addition to his role at Island, Brandon has served as: co-founder and head of product for true[x], an advertising technology platform; founder and CEO of BlockBeacon, a mobile marketing platform acquired by Credibility Corp in 2012; and vice president and general manager of Dun & Bradstreet.



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*Chief Executive Officer*