



Inspired by the plant

Investor Presentation

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Our belief

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

Our strategy

Building upon our achievements in Washington state, we are successfully **replicating and refining successful standard operating procedures** (SOPs) from our cornerstone markets. By adopting best practices from each facility, we are optimizing production processes and **maximizing profitability across our entire portfolio**, ensuring consistency and excellence to fuel our ongoing growth.

Who we are

One of the most cost effective and efficient producers of high-quality cannabis consumer packaged goods in the U.S. cannabis industry. Our scalable production capabilities combine affordability with uncompromising quality.

- Data driven cultivation, processing, and manufacturing with an expanding retail and distribution platform.
- Focused, strategic asset base in rapidly consolidating medical and adult-use markets with significant opportunities to capture market share and strengthen our position as a leading producer.
- Coveted brand portfolio and suite of products across nearly all form factors.
- Strong operating momentum with a return to positive operational cash flow as of Q1 2023.

Unrivaled nationwide blueprint

By implementing cost-effective and scalable production methods, we are transforming the cannabis CPG industry. Our proven systems and processes are replicated across multiple sites, leading to industry-leading yields and consistent, high-quality, competitively priced cannabis products.



Facility Design

- Cutting-edge facility design optimizes workflow and resource utilization, resulting in improved productivity and cost-effectiveness



Cultivation

- Proprietary growing processes and genetics at large-scale, highly efficient facilities
- Industry-leading yields: +400g/sq ft/yr, +32 tons/yr



Processing

- Efficient and optimized processing methods effectively reduce costs, ensuring timely production of high-quality products
- Highly diversified product offering backed by advanced product innovation capabilities



Mass Manufacturing

- Tried-and-true SOPs that reduce operating costs, increase efficiencies, and drive volumes
- Attractive margins: increased automation; optimized sourcing and purchasing processes



Retail & Distribution

- Strategic retail network maximizes sell-through of our products and brands
- Strong partnerships with statewide distributors and retailers





~\$6.83B

total projected
market size by
2026

Focused footprint

Washington

Population: 7.7 million

2022A: 515.2M¹

2026E: \$1.98B

Illinois

Population: 12.7 million

2022A: \$1.5B²

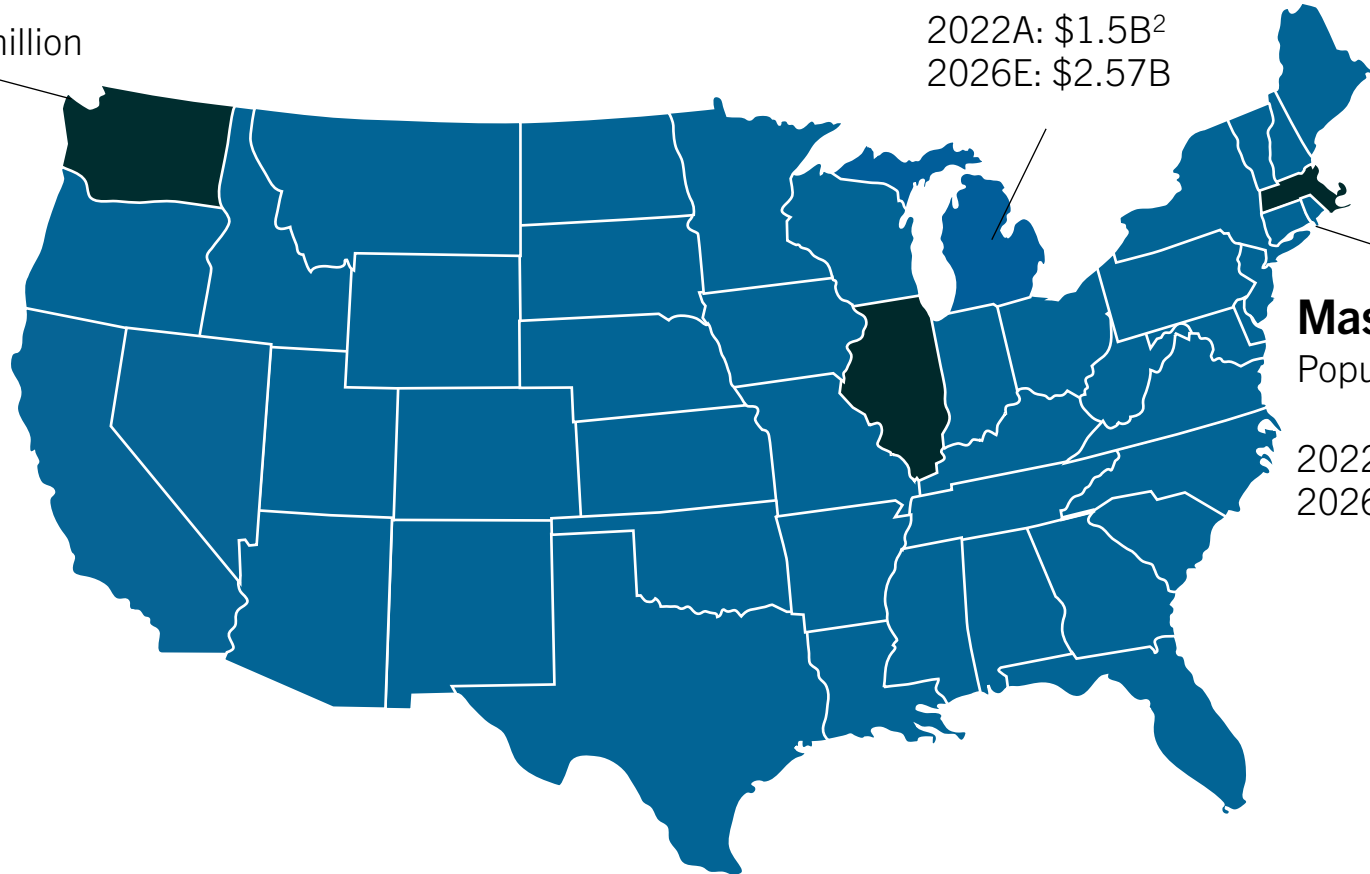
2026E: \$2.57B

Massachusetts

Population: 6.9 million

2022A: \$1.8B³

2026E: \$2.28B



Population source: United States Census Bureau

2026E market data source: BDSA

¹Washington State Liquor and Cannabis Board; ²Illinois Department of Financial and Professional Regulation; ³Massachusetts Cannabis Control Commission



Current asset overview

Core markets

Illinois
Population:
12.8 million



Medical & Adult Use

License: Integrated

Current Cultivation: 10,008 sq ft

Pipeline: 45,000 sq ft

Processing: 70,000 sq ft

- + Cultivation and production facility
- + Two Mission dispensaries in South Chicago & Calumet City
- + Growing retail network with acquisition of third dispensary license in Q1 2023 with plans to reach full complement of 10
- + Matteson facility on track to open in early 2024

Massachusetts
Population:
6.8 million



Medical & Adult Use

License: Integrated

Cultivation: 28,000 sq ft.

Three cultivation and production facilities – including state-of-the-art 55k sq ft facility

- + Mission retail dispensaries in Georgetown, Worcester, & Brookline

Washington
Population:
7.6 million



Medical & Adult Use

License: Cultivation/processing

Cultivation: 80,000 sq ft

Processing: 40,000 sq ft

- + Two cultivation facilities
- + Production & packing facility
- + Products available in +250 retail locations
- + Top in-state producer & processor



Core Markets



Winning in Washington

Top In-State Producer & Processor

- Dominant position in Washington State since 2015 – one of the most competitive, non-vertical, and low priced markets in the country
- Successfully and profitably scaling products and brands from legacy market into core market footprint
- Improved flower quality and refreshed branding led to doubling of flower sales in Q3 2023 as of the beginning of the year
- October 2023 marked first million-dollar flower month since 2021

20+

Recreational brands

1,800

SKUs

8

Form factors



Deepening operations in Illinois

- Largest indoor cultivation facility in the state on target to launch in early 2024 to help meet growing demand in the rapidly growing cannabis market
- Strong focus on expanding Mission retail network in the state with the acquisition of a third dispensary license in Chicago, subject to regulatory approval
- Ongoing advanced discussions regarding several additional retail licenses to reach the maximum allowable limit of 10

Matteson Facility

Construction completed in spring 2023

Phase I:

- ~50k sq ft of flowering canopy
- ~70k sq ft of manufacturing space
- Operations expected to commence in Q1'24



Unparalleled efficiencies & quality in Massachusetts

- Enhanced flower quality with over 80% of packaged flower testing +25% THC
- Third-party retail customer pipeline grew by ~17% YoY, and individual orders increased by ~15%*
- Maintaining outsized market share with robust offering of flagship brands – Island, Marmas, Crystal Clear, The Hunt, and 1988
- Growing wholesale channel and retail network with increased sell-through of branded products
- ~28% sequential growth of Island branded product sales*

*As of the third quarter ended September 30, 2023.

Garlic Z



Brands & Products

Coveted brand portfolio & suite of products

Flower



Vape & Concentrates



Edibles & Topicals



Retail network

- 5 operational dispensaries in Illinois (2), and Massachusetts (3)
- Acquired third dispensary license in Illinois in Q1 2023 with plans to reach full complement of 10 allowable dispensaries in the state
- Direct to consumer sales in our vertically integrated states of Illinois and Massachusetts allow us to capture high margins and scale with low overhead
- Building brand awareness and nurturing customer loyalty has led to increased sell-through of our products and strong community engagement





Where we are



- Achieved positive operational cash flow across core footprint of Illinois, Massachusetts, and Washington
- Strengthened financial position by extending maturity of senior secured debt for an additional two years until May 2026
- Secured \$10 million credit facility to fund further retail expansion efforts in Illinois
- Continued progress on operational efficiency improvement plan with a focus on generating free cash flow, growing topline, and managing operating expenses

*Systemwide Pro Forma Revenue and Adjusted EBITDA are non-GAAP measures. See “Note Regarding Non-GAAP Measures, Reconciliation, and Discussion” from earnings press release dated November 20, 2023.

Operational leadership



Andrew Thut
Chief Executive Officer

Andrew was an early investor in 4Front, joining the company full time in 2014 and served as Chief Investment Officer before being appointed Chief Executive Officer in Q1 2024. 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.



Ray Landgraf
President, Corporate Development

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.



Peter Kampian
Chief Financial Officer

Peter brings over two decades of financial expertise, including his tenure as CFO of Algonquin Power and Utilities Corp., where he led and supported debt and equity capital raising initiatives and numerous acquisitions. He also held the role of CFO at Mettrum Health Corp., which was later acquired by Canopy Growth Corp. Most recently, he was the Chief Restructuring Officer for the Canadian cannabis companies PharmHouse Inc. and Muskoka Grown Limited and has served as a board director for Harborside and Origin House.



Brandon Mills
President, Massachusetts and Illinois

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.



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.

Well positioned to serve consolidating markets on the cusp of explosive growth

- One of the most cost effective and efficient producers of high-quality cannabis consumer packaged goods
- Strategic asset base in rapidly consolidating medical and adult-use markets
- Coveted brand portfolio and suite of products successfully introduced across footprint

Contact

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