

## FORM 51-102F3

### MATERIAL CHANGE REPORT

#### Item 1 – Name and Address of Company:

4Front Ventures Corp.  
7010 E. Chauncey Lane, Suite 235  
Phoenix, Arizona  
USA 85054

#### Item 2 - Date of Material Change:

January 8, 2024

#### Item 3 – News Release:

News release was disseminated via PRNewswire on January 8, 2024 (the “**News Release**”). A copy of the News Release has been filed on SEDAR+ and is available at [www.sedarplus.ca](http://www.sedarplus.ca).

#### Item 4 – Summary of Material Change:

On January 8, 2024, 4Front Ventures Corp. (“**4Front**” or the “**Company**”) announced a proposed conditional amendment to the loan and security agreement with its senior secured lender, LI Lending, LLC (the “**Lender**”) under which the Lender will convert approximately 44% (\$USD 23,000,000) of the principal amount of its debt into class A subordinate voting shares of the Company.

Additionally, on January 8, 2024, 4Front announced that its board of directors have appointed Andrew Thut as Chief Executive Officer, effective January 8, 2024.

#### Item 5 – Full Description of Material Change:

##### 5.1 Full Description of Material Change

On January 8, 2024, 4Front announced a proposed conditional amendment to the loan and security agreement (collectively, the “**Amendment**”) with the Lender and under which the Lender will convert approximately 44% (\$USD 23,000,000) of the principal amount of its debt into class A subordinate voting shares of the Company (the “**SVS**”). The conversion price of \$CAD 0.125 (\$USD 0.094) per SVS (the “**Conversion Price**”), was negotiated with the Lenders and reserved with the Canadian Securities Exchange (the “**CSE**”) at the closing price on December 22, 2023. Under the terms of the Amendment, which as of the date of this report is still being finalized, the Company will also provide 15% warrant coverage with an exercise price of \$CAD 0.144 (\$USD 0.108), being a premium of 15% from the issue price of the SVS, each exercisable into one SVS for a term of three years. The terms for the remaining loan balance of \$USD 28,700,000 will be unamended, and the interest rate will remain at 12%. The Amendment is subject to requisite third-party concessions and approvals, including regulatory approval from the CSE.

In addition, the Company announced that its board of directors (the “**Board**”) have appointed Andrew Thut as Chief Executive Officer, effective January 8, 2024. Mr. Thut will succeed Leo Gontmakher, who has served as Chief Executive Officer since May 30, 2020. Mr. Gontmakher will remain on the Board as a director and serve as a consultant to the Company.

Leo Gontmakher and Roman Tkachenko, directors of the Company, each own 14.28% of the Lender.

## **5.2 Disclosure for Restructuring Transactions**

Not applicable.

### **Item 6 – Reliance on subsection 7.1(2) of National Instrument 51-102:**

Not applicable.

### **Item 7 - Omitted Information:**

Not applicable.

### **Item 8 – Executive Officer:**

Andrew Thut, Chief Executive Officer  
Phone: 602-633-3067

### **Item 9 – Date of Report:**

January 17, 2024

### *Forward Looking Statements*

*Certain statements in this material change report may be considered forward-looking, such as statements regarding the terms and conditions of the Amendment, third-party concessions, regulatory approvals, the potential acceleration of our path to positive cash flow generation and facilitation of sustainable and profitable growth, the possibility of cannabis rescheduling, federal banking reform and improved access to capital, the commitment of our lenders to safeguarding the financial health of the company and focusing on long term growth and our expectations regarding the growth of the company in Illinois and ability to realize our strategic growth plans and accelerate value creation. Forward-looking statements are typically identified by words and phrases such as “anticipate,” “estimate,” “believe,” “continue,” “could,” “intend,” “may,” “plan,” “potential,” “predict,” “seek,” “should,” “will,” “would,” “expect,” “objective,” “projection,” “forecast,” “goal,” “guidance,” “outlook,” “effort,” “target” or the negative of such words and other comparable terminology. However, the absence of these words does not mean that a statement is not forward-looking. Any forward-looking statements expressing an expectation or belief as to future events is expressed in good faith and believed to be reasonable at the time such forward-looking statement is made. However, these statements are not guarantees of future events and involve risks, uncertainties and other factors beyond 4Front’s control including but not limited to receipt of third-party and regulatory approvals, if any, on terms and conditions stated in the Amendment, the coming into force of any proposed government federal legislation including regarding cannabis rescheduling and banking reform and the risk factors and other cautionary statements as set out in the materials we file with applicable securities authorities including our Annual Report on Form 10-K for the year ended December 31, 2022. If the third party concessions and regulatory If such approvals*

*are not obtained on terms satisfactory to 4Front and LI Lending or at all, the transactions contemplated by the Amendment may not occur. Therefore, you are cautioned against relying on any of these forward-looking statements. Actual outcomes and results may differ materially from what is expressed in any forward-looking statement. Except as required by applicable law, including Canadian and U.S. federal securities laws, 4Front does not intend to update any of the forward-looking statements to conform them to actual results or revised expectations.*