



VERANO™

3Q 2023 EARNINGS PRESENTATION

11/08/23

BEFORE WE BEGIN

Forward-Looking Information

This presentation contains certain "forward-looking information" within the meaning of applicable Canadian securities legislation and also contains statements that may constitute "forward-looking statements" within the meaning of the safe harbor provisions of the United States Private Securities Litigation Reform Act of 1995. Such forward-looking information and forward-looking statements are not representative of historical facts or information or current condition, but instead represent only Verano Holding Corp.'s (the "Company") beliefs regarding future events, plans or objectives, many of which, by their nature, are inherently uncertain and outside of the Company's control.

Generally, such forward-looking information or forward-looking statements can be identified by the use of forward-looking terminology such as "plans", "strategies", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or may contain statements that certain actions, events or results "may", "could", "would", "might" or "will be taken", "will continue", "will occur" or "will be achieved". The forward-looking information and forward-looking statements contained herein include, but are not limited to statements or information with respect to the Company's position in the marketplace, proposed budgets and guidance, the proposed completion or buildout of Company facilities, the Company's cultivation capacity, the accretive nature of acquisitions, the fortification of the Company's presence in core markets, the possibility of material organic expansion, delivery of shareholder value and the ability to maintain industry-leading margins and add depth to leadership.

Forward-looking information and statements involve and are subject to assumptions and known and unknown risks, uncertainties, and other factors which may cause actual events, results, performance, or achievements of the Company to be materially different from future events, results, performance, and achievements expressed or implied by forward-looking information and forward-looking statements herein, including, without limitation, the risk factors discussed in the Company's filings with the U.S. Securities and Exchange Commission at www.sec.com/edgar, including, without limitation, the risk factors described in the Company's annual report on Form 10-K for the year ended December 31, 2022 and subsequent quarterly reports on Form 10-Q for 2023. The forward-looking information and forward-looking statements contained in this presentation are made as of the date of this presentation, and the Company does not undertake to update any forward-looking information or forward-looking statements that are contained or referenced herein, except as may be required in accordance with applicable securities laws. All subsequent written and oral forward-looking information and statements attributable to the Company or persons acting on its behalf is expressly qualified in its entirety by this notice regarding forward-looking information and statements.

BEFORE WE BEGIN

Non-GAAP Financial Measures

This presentation refers to certain non-GAAP measures to evaluate the performance of the Company. The terms “EBITDA”, “Adjusted EBITDA”, “Adjusted EBITDA Margin” and “Free Cash Flow” do not have any standardized meaning prescribed within U.S. Generally Accepted Accounting Principles (“GAAP”) and therefore may not be comparable to similar measures presented by other companies. Such measures should not be considered in isolation or as a substitute for measures of performance prepared in accordance with GAAP. EBITDA is calculated herein as Net Income (Loss) before interest expense, income tax expense, depreciation, and amortization. The Company presents EBITDA on a consistent basis from period to period. Adjusted EBITDA is calculated herein as Net Income (Loss) attributable to the Company plus net interest expense, income tax expense, depreciation and amortization, and also excludes certain one-time items. Adjusted EBITDA Margin is calculated herein as Adjusted EBITDA divided by Revenue. Free Cash Flow is calculated herein as Net Cash Provided by Operating Activities minus Capital Expenditures. Management believes that these non-GAAP financial measures provide useful information to readers as a supplement to reported GAAP financial information because these measures provide consistency and comparability with past financial performance and assist in comparisons with other companies, some of which use similar non-GAAP information to supplement their GAAP results. Management reviews these non-GAAP financial measures on a regular basis and uses them to evaluate and manage the performance of the Company’s operations. These measures should be evaluated only in conjunction with the Company’s comparable GAAP financial measures and reconciliations of each non-GAAP measure to its most directly comparable GAAP measure can be found on our website at investors.Verano.com and in the appendix of this presentation.

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01

3Q 2023 HIGHLIGHTS



3Q 2023 HIGHLIGHTS

Revenue of \$240M

Representing 5% YoY Growth

\$37M Cash Flow
from Operating
Activities

46% Vertical Mix²

**3Q 2023 Revenue
Contribution³**

**\$27M Free Cash
Flow¹**



RAISING AND TIGHTENING 2023 FREE CASH FLOW¹ GUIDANCE

Driven by strong Net Cash Provided by Operating Activities,
now anticipating \$72-76M Free Cash Flow¹ for 2023

- Up from previous guidance of \$65-75M



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OPERATIONAL REVIEW



UNIT VOLUMES PERSISTENTLY GROWING, UP 19% YoY

Strength in mature adult use markets¹

Total retail and net wholesale volume increased 18% in 3Q 2023 vs 3Q 2022

Led by strength in Arizona retail

Strength in newer adult use markets²

Total Connecticut retail and net wholesale volume has increased steadily through 2023, up 4% sequentially

Growth in mature medical markets³

Total retail and net wholesale volume increased 10% in 3Q 2023 vs 3Q 2022

Led by strength in Florida retail

¹Inclusive of Arizona, Illinois, Nevada, and Michigan. ²Inclusive of Connecticut. ³Inclusive of Florida, Pennsylvania, Ohio, and West Virginia.

KEY MARKET UPDATES



¹ According to BDSA.

Connecticut

- Both retail and net wholesale revenue increased sequentially each quarter in 2023
- Anticipate remaining 4 social equity joint ventures to open over the next year

Illinois

- New dispensary openings beginning to pressure retail market, though offer wholesale opportunity
- We continue to prioritize margin and work to maintain price points

Maryland

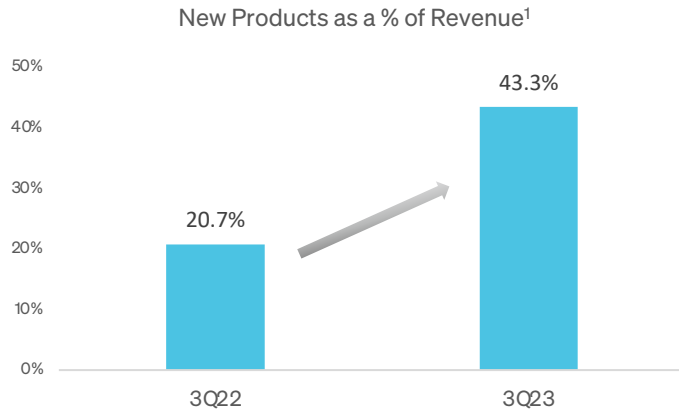
- Strong first quarter of adult use sales
- Market share growing steadily through the quarter up to over 7%, within the state's top 5¹

New Jersey

- Verano remains the #1 brand in the state, with Savvy at #5¹
- Anticipate new dispensary openings pressuring retail revenue mid-to-high single digits sequentially, though see opportunity for wholesale growth

A TURBOCHARGED INNOVATION ENGINE

Data-driven R&D and product launches



- Launched >100 products over the past 12 months
 - Reaching new consumer segments
 - Striving to deliver consistent, high-quality products
- Constantly evaluating new information and data
 - Anticipating further exciting and innovative launches

03

FEDERAL UPDATES



THE LATEST BALLOT INITIATIVES

OHIO

- Pleased to see a majority of Ohioans voted in favor of adult use cannabis
- Under the proposed program, Verano can open 1 additional dispensary
 - Bringing total footprint to 6 dispensaries and 22k sq ft of cultivation
- Cautious outlook given state's ability to veto or heavily amend the bill, despite strong constituent support
- We call on the state to support the clear will of voters to launch a safe and legal adult use program

FLORIDA

- Uncertainty remains whether adult use will successfully be added to the 2024 ballot
 - Governor's unfriendly position towards cannabis paired with Attorney General's challenge to the initiative
- Pleased with robust medical market in the interim with Verano's ~12% market share¹

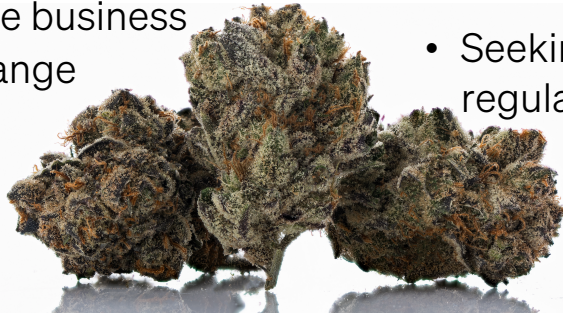
FEDERAL UPDATES

IMMINENT DEA DECISION FOLLOWING HHS' ANNOUNCEMENT

- Encouraged by HHS' recommendation to reschedule cannabis to Schedule III
 - Recognition from nation's leading health administration that cannabis provides true and safe medical benefits
- Eagerly awaiting to see if DEA follows suit, but we never run the business assuming legislative change

DISPUTING FEDERAL INTERVENTION IN STATE-LEGAL PROGRAMS

- Filed lawsuit against Attorney General alongside coalition of operators and investors
- Asking U.S. federal court to declare the Controlled Substances Act does not apply to state-legal cannabis businesses
- Seeking to confirm the rights of states to regulate cannabis within their borders



04

FINANCIAL REVIEW



3Q 2023 FINANCIAL RESULTS

- Retail / wholesale revenue split of 67% / 33% for the quarter¹
- \$10M of 3Q 2023 CAPEX fully funded by operating cash flow
- Generated \$27M of Free Cash Flow² in 3Q 2023 and \$51M YTD

\$USD thousands	3Q 2023 Results
Revenue	\$240,088
Gross Profit	\$133,220
Income from Operations	\$40,288
Net Loss	\$(17,842)

FORTIFYING THE BALANCE SHEET

- Holding \$130M cash for flexibility
 - Evaluating best use of excess cash with plans to deploy it in manners that maximize shareholder value
- Made \$115M in tax payments year to date

\$USD thousands	As of September 30, 2023
Cash	\$129,921
Total Assets	\$2,355,103
Debt	\$422,179
Total Liabilities	\$1,041,618

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CAPITAL MARKETS UPDATES



Cboe CANADA LISTING

Sits under Cboe's globally recognized exchange platform encompassing 26 markets

- Further aligns with US exchange listing requirements
- We believe we are positioned for a smoother transition into the US exchange if and when we receive approval
- Cboe Canada implements designated market maker model tasked to strengthen liquidity and enhance trading efficiencies
- MSCI and FTSE Russell index eligibility



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CLOSING & Q&A



EXCITING PATH AHEAD

Continuing to evaluate M&A opportunities

Evaluating accretive opportunities across the cannabis ecosystem to grow our business and/or improve verticality

4Q 2023 guidance

Anticipating low-to-mid-single digit revenue decline due to seasonal promotional activity and a normalizing New Jersey retail environment as new dispensaries open

Pricing strategy commitment

Strategy to avoid irrational pricing and maintain focus on high-quality brand identities

THANK YOU

VERANO™

THANK YOU

07

APPENDIX



VERANO HOLDINGS CORP.
Highlights from Unaudited Interim Condensed Consolidated Statements of Operations
(\$ in Thousands)

	For the Three Months Ended,		
	September 30, 2023	June 30, 2023	September 30, 2022
Revenues, net of Discounts	\$ 240,088	\$ 234,115	\$ 227,588
Cost of Goods Sold, net	106,868	118,924	104,594
Gross Profit	133,220	115,191	122,994
Gross Profit %	55 %	49 %	54 %
Operating Expenses			
Selling, General and Administrative	86,316	84,660	85,710
Loss on Impairment - Investment in Associates	6,571	—	—
Total Operating Expenses	92,887	84,660	85,710
Loss from Investments in Associates	(45)	(101)	(209)
Income from Operations	40,288	30,430	37,075
Other Income (Expense):			
Gain (Loss) on Disposal of Property, Plant and Equipment	(234)	(388)	1,443
Gain on Deconsolidation	—	—	75
Gain on Previously Held Equity Interest	—	—	175
Interest Expense, net	(15,166)	(14,013)	(11,785)
Other Income (Expense), net	2,145	(1,411)	(595)
Total Other Income (Expense), Net	(13,255)	(15,812)	(10,687)
Income Before Provision for Income Taxes and Non-Controlling Interest	27,033	14,618	26,388
Provision for Income Tax Expense	(44,797)	(27,679)	(69,381)
Net Income Attributable To Non-Controlling Interest	78	—	—
Net Loss Attributable to Verano Holdings Corp. & Subsidiaries	(17,842)	(13,061)	(42,993)

VERANO HOLDINGS CORP.
Highlights from Condensed Consolidated Balance Sheets
(\$ in Thousands)

	September 30,	December 31,
	2023	2022
	<i>(Unaudited)</i>	
Cash and Cash Equivalents	\$ 129,921	\$ 84,851
Other Current Assets	225,083	233,424
Property and Equipment, Net	512,589	525,905
Intangible Assets, Net	1,114,088	1,180,766
Goodwill	269,222	269,088
Other Long-Term Assets	104,200	102,021
Total Assets	\$ 2,355,103	\$ 2,396,055
Total Current Liabilities	\$ 352,300	\$ 386,645
Total Long-Term Liabilities	689,318	667,860
Total Shareholders' Equity	1,313,407	1,341,550
Non-Controlling Interest	78	—
Total Liabilities and Shareholders' Equity	\$ 2,355,103	\$ 2,396,055

VERANO HOLDINGS CORP.
Free Cash Flow Guidance Reconciliation (Non-U.S. GAAP)

	Full-Year 2023 Guidance	
	Low	High
<i>(\$ in thousands)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>
Net Cash Provided by Operating Activities	\$ 102,000	\$ 113,000
Purchase of property, plant, and equipment	(30,000)	(37,000)
Free Cash Flow	\$ 72,000	\$ 76,000

VERANO HOLDINGS CORP.
Reconciliation of Net Cash Provided by Operating Activities to Free Cash Flow (Non-U.S. GAAP)

	Nine Months Ended September 30,	
	2023	2022
<i>(\$ in thousands)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>
Net Cash Provided by Operating Activities	\$ 77,361	\$ 65,311
Purchase of property, plant, and equipment	(26,503)	(109,720)
Free Cash Flow	\$ 50,858	\$ (44,409)

	Three Months Ended September 30,	
	2023	
<i>(\$ in thousands)</i>	<i>(Unaudited)</i>	
Net Cash Provided by Operating Activities	\$ 36,621	
Purchase of property, plant, and equipment	(9,962)	
Free Cash Flow	\$ 26,659	

VERANO HOLDINGS CORP.
Reconciliation of Net Loss to EBITDA (Non-U.S. GAAP)

	For the Three Months Ended,		For the Nine Months Ended,	
	September 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022
<i>(\$ in thousands)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>
Net Loss Attributable to Verano Holdings Corp. & Subsidiaries	\$ (17,842)	\$ (42,993)	\$ (40,140)	\$ (53,054)
Interest Expense, Net	15,166	11,785	45,084	34,082
Income Tax Expense	44,797	69,381	100,796	105,998
Depreciation and Amortization - COGS	18,384	20,727	55,434	59,540
Depreciation and Amortization - SG&A	16,882	15,592	50,125	46,690
Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA)	\$ 77,387	\$ 74,492	\$ 211,299	\$ 193,256

VERANO HOLDINGS CORP.
Reconciliation of Net Loss to EBIT (Non-U.S. GAAP) and Adjusted EBITDA (Non-U.S. GAAP)

	For the Three Months Ended,		
	September 30, 2023	June 30, 2023	September 30, 2022
<i>(\$ in thousands)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>
Net Loss Attributable to Verano Holdings Corp. & Subsidiaries	\$ (17,842)	\$ (13,061)	\$ (42,993)
Interest Expense, Net	15,166	14,013	11,785
Income Tax Expense	44,797	27,679	69,381
Earnings Before Interest, Taxes (EBIT)	\$ 42,121	\$ 28,631	\$ 38,173
COGS Add-backs:			
Depreciation and Amortization - COGS	18,384	18,529	20,727
Acquisition, Transaction and Other Non-operating Costs	—	—	111
Employee Stock Compensation	625	488	1,745
SG&A Add-backs:			
Depreciation and Amortization - SG&A	16,882	16,708	15,592
Acquisition, Transaction and Other Non-operating Costs	617	472	(1,791)
Employee Stock Compensation	4,062	3,260	8,075
Acquisition Adjustments and Other Income (Expense), net	\$ 6,658	\$ 3,424	\$ (508)
Adjusted EBITDA	\$ 89,349	\$ 71,512	\$ 82,124