

VERANO™

1Q 2023 Earnings

5/10/23

VERANO™

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", "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 completion of pending acquisitions and debt transactions, 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. 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 earnings from operations before interest expense, tax expense, depreciation, and amortization. The Company presents EBITDA on a consistent basis from period to period. Adjusted EBITDA is calculated herein as income attributable to the Company plus net interest expense, income taxes, depreciation and amortization, and also excludes certain one-time items. Free Cash Flow is calculated herein as Cash Flow from Operations minus Capital Expenditures. Management believes that these non-GAAP financial measures provide useful information to readers as a supplement to reported GAAP financial information. 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.

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FIRST QUARTER HIGHLIGHTS



1Q 2023 HIGHLIGHTS

Revenue of \$227M

Representing 12% YoY Growth

**31% Adjusted
EBITDA Margins¹**

**Nearly 2.3M Retail
Transactions**

**46% In-House Brand
Sell Through²**

1Q 2023 REVENUE +12% YoY

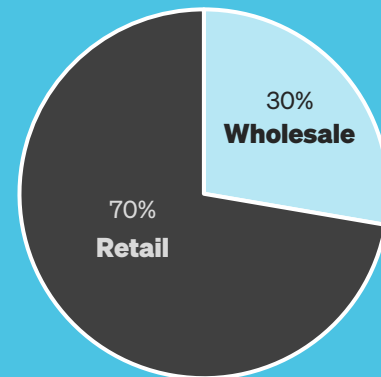
Retail -2%
Sequentially

Seasonality declines in New Jersey and Illinois offset increases in Connecticut

Wholesale +7%
Sequentially¹

Increases in Connecticut driven by launch of state's adult use market

1Q 2023 Revenue
Contribution¹



¹ Calculated on a gross basis, excluding intersegment eliminations.

KEY MARKETS UPDATE

Maryland

Prepared for anticipated July 1 adult use launch with max footprint

Grew wholesale sequentially by 11%¹

Expanding suite of products

Connecticut

Weekly sales trending up since adult use launch in January

Anticipate opening 6 JV dispensaries throughout 2023

Florida

Ranked #2 by ounces of smokeable product

With adult use initiative possibly making the 2024 ballot, feel prepared with 66 dispensaries

Illinois

Increased first quarter yields +23% and dry grams per employee +40% YoY

Flat quarterly sales YoY with dollars per labor hour +40%

02

CASH FLOW UPDATES



REITERATING 2023 FREE CASH FLOW¹ GUIDANCE OF \$50-75M

Generated \$8M of Free Cash Flow in 1Q 2023 and expect that to accelerate throughout 2023

Tightening Capex guidance to \$35-50M

Anticipate continued cash build from \$95M base

Expecting fluctuating gross margins throughout the year due to inventory rightsizing



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FINANCIAL REVIEW



1Q 2023 FINANCIAL RESULTS

- Retail / wholesale revenue split of 70% / 30% for the quarter¹
- \$9M of 1Q 2023 CAPEX fully funded by operating cash flow
- SG&A expenses for 1Q 2023 were 33% of revenues, a 270+ bps decrease from the 4Q 2022 driven by decreased professional and marketing expenses

\$USD thousands	1Q 2023 Results
Revenue	\$227,060
Gross Profit	\$109,185
Income from Operations	\$33,782
Net Loss	\$(9,237)

FORTIFYING THE BALANCE SHEET

- Decreased Acquisition Consideration Payable by \$3M to \$15M
 - Majority of the remainder paid down subsequent to 1Q 2023
- Decreased Income Taxes Payable by \$5M to \$248M
 - Expect liability to remain around these levels for the foreseeable future
- Anticipate continued cash build throughout the year

\$USD thousands	As of March 31, 2023
Cash	\$95,129
Total Assets	\$2,368,966
Debt	\$415,343
Total Liabilities	\$1,032,495

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OUTLOOK



NEVER RELIANT ON FEDERAL LEGISLATION

We will continue to focus on the business and things in our control, while monitoring government actions to make sure we are ready to take advantage of any opportunities.

- Continue to not only survive, but thrive, despite government inaction
- Optimistic about progress in Pennsylvania, Florida, and Ohio where we have strong footholds
- Promising state-level movement with New Jersey Governor unburdening our industry of onerous 280E tax regime resulting in immediate savings to the bottom line



CONTINUE M&A EVALUATION

- Exploring both expanding into new markets and deepening footprint in existing markets
- Remaining very selective in evaluating assets to best ensure accretion to our market, especially in light of decreased valuations



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CLOSING AND Q&A



06

APPENDIX



VERANO HOLDINGS CORP.
Unaudited Interim Condensed Consolidated Statements of Operations
(\$ in Thousands except share and per share amounts)

	Three Months Ended March 31,	
	2023	2022
		<i>(As Restated)</i>
Revenues, net of Discounts	\$ 227,060	\$ 202,235
Cost of Goods Sold, net	117,875	103,618
Gross Profit	109,185	98,617
Selling, General, and Administrative Expenses	75,243	89,560
Income (Loss) from Investments in Associates	(160)	2,005
Income from Operations	33,782	11,062
Other Income (Expense):		
Gain (Loss) on Disposal of Property, Plant and Equipment	67	(990)
Gain on Deconsolidation	—	9,558
Gain on Previously Held Equity Interest	—	14,099
Loss on Debt Extinguishment	(663)	—
Interest Expense, net	(15,906)	(10,671)
Other Income, net	1,803	2,534
Total Other Income (Expense)	(14,699)	14,530
Income Before Provision for Income Taxes and Non-Controlling Interest	19,083	25,592
Provision For Income Taxes	(28,320)	(25,515)
Net Income (Loss) Before Non-Controlling Interest	(9,237)	77
Net Income Attributable to Non-Controlling Interest	—	291
Net Loss Attributable to Verano Holdings Corp. & Subsidiaries	\$ (9,237)	\$ (214)
Net Loss per share – basic	(0.03)	(0.00)
Net Loss per share – diluted	(0.03)	(0.00)
Basic – weighted average shares outstanding	341,478,860	326,285,814
Diluted – weighted average shares outstanding	341,478,860	326,285,814

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

	March 31,	December 31,
	2023	2022
		<i>(Audited)</i>
Cash and Cash Equivalents	\$ 95,129	\$ 84,851
Other Current Assets	220,628	233,424
Property and Equipment, Net	523,103	525,905
Intangible Assets, Net	1,157,901	1,180,766
Goodwill	269,088	269,088
Other Long-Term Assets	103,117	102,021
Total Assets	\$ 2,368,966	\$ 2,396,055
Total Current Liabilities	\$ 363,386	\$ 386,645
Total Long-Term Liabilities	669,109	667,860
Total Shareholders' Equity	1,336,471	1,341,550
Non-Controlling Interest	\$ —	—
Total Liabilities and Shareholders' Equity	\$ 2,368,966	\$ 2,396,055

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

	Three Months Ended March 31,	
	2023	2022
<i>(\$ in thousands)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>
Net Cash Provided by Operating Activities	\$ 16,862	\$ 34,457
Purchase of property, plant, and equipment	(8,555)	(48,300)
Free Cash Flow	8,307	(13,843)

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		
	March 31, 2023	December 31, 2022	March 31, 2022
<i>(\$ in thousands)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>
Net Loss Attributable to Verano Holdings Corp.	\$ (9,237)	\$ (216,110)	\$ (214)
Interest Expense, Net	15,906	15,349	10,671
Income Tax Expense (Benefit)	28,320	(528)	25,515
Earnings Before Interest and Taxes (EBIT)	\$ 34,989	\$ (201,289)	\$ 35,972
COGS Add-backs:			
Depreciation and Amortization	18,522	18,580	19,725
Acquisition, Transaction and Other Non-operating Costs	—	695	4,612
Employee Stock Compensation	586	2,231	1,051
SG&A Add-backs:			
Depreciation and Amortization	16,534	16,578	14,709
Acquisition, Transaction and Other Non-operating Costs	494	1,043	12,252
Employee Stock Compensation	(42)	2,599	9,861
Impairment - Goodwill & License	—	229,182	—
Acquisition Adjustments and Other Income (Expense), net	\$ (448)	\$ 9,094	\$ (10,980)
Adjusted EBITDA	\$ 70,635	\$ 78,713	\$ 87,202

THANK YOU

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