

A close-up photograph of a person's hands rolling a cigarette on a wooden table. The person is using a white paper and a yellow filter. In the foreground, there is a metal grinder with a perforated top. The lighting is warm and focused on the hands and the cigarette.

VERANO™

ICR CONFERENCE 2023 PRESENTATION

AARON MILES
CHIEF INVESTMENT OFFICER

(CSE:VRNO)
(OTCQX:VRNOF)

Website: verano.com
Contact: investors@verano.com

BEFORE WE BEGIN

Forward-Looking Information

This presentation contains certain "forward-looking information" within the meaning of applicable Canadian securities legislation and may also contain 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 the Company's 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, the proposed completion or buildout of Company facilities, the Company's cultivation capacity, the completion of pending acquisitions, 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 statements herein, including, without limitation, the risk factors discussed in the Company's filings on EDGAR at www.sec.com/edgar. 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” and “Free Cash Flow” do not have any standardized meaning prescribed within International Financial Reporting Standards (“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 Adjusted EBITDA on a consistent basis from period to period and gains and losses from one-time non-recurring events are eliminated. Adjusted EBITDA is calculated herein as EBITDA adjusted for one-time expenses related to other expenses, gain from investment in associates and acquisition related costs. 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.

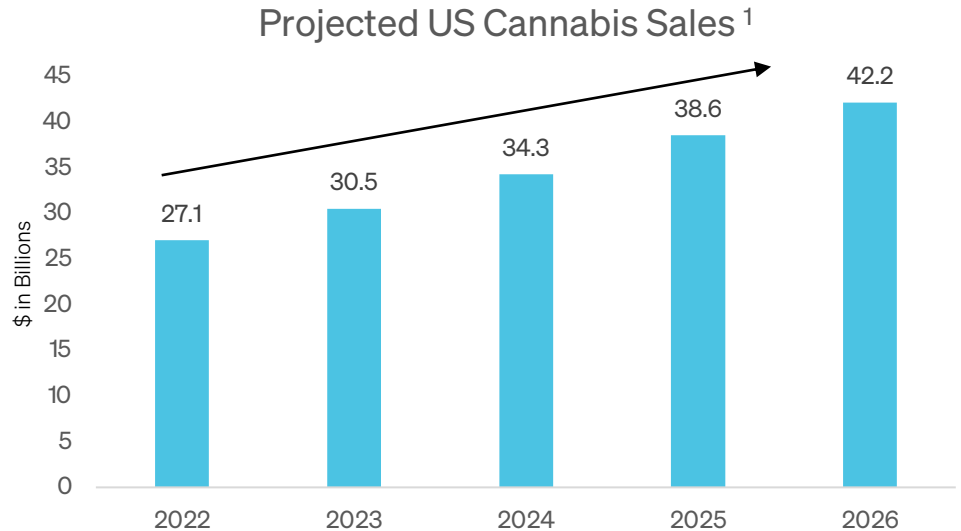
THE US CANNABIS MARKET



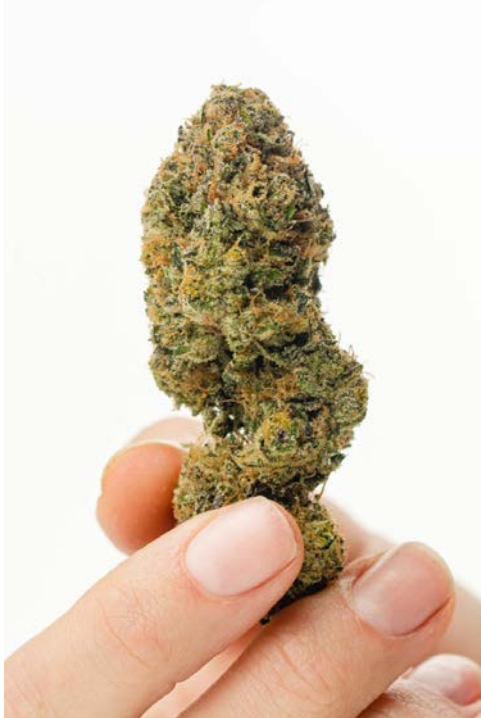
STRONG PROJECTED GROWTH FOR US CANNABIS

POTENTIAL GROWTH DRIVERS INCLUDE

- Additional states adopting medical programs and/or approval of adult-use legislation
- Continued development of state specific programs
- New and expanded adoption of cannabis by consumers
- Transitioning illicit markets to legal
- Potential utilization of cannabis in synergistic industries



LACK OF FEDERAL MOVEMENT OVERSHADOWS POTENTIAL GROWTH CATALYSTS



- Amendments to the Controlled Substance Act being evaluated by regulators – i.e. SAFE ACT
- Rescheduling of cannabis under contemplation
- Federal illegality of the industry restricts access to capital and ability to publicly list stock in the US – leads to higher priced debt and forces security listing in Canada
- Limited institutional participation and potential inclusion in major indexes anticipated driver of depressed multiples
- 280E tax impact remains
- State-specific operations, each with their own regulations limits potential benefit of economies of scale

LEGISLATIVE MOMENTUM



Encouraged by Biden's Directive

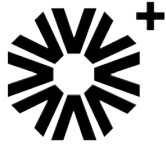
On October 6, 2022, the White House issued a pardon for simple cannabis possession along with the request that the Attorney General and HHS reevaluate cannabis' Schedule 1 drug classification

- Do not anticipate a scheduling decision in the short-term but encouraged by any progress
- Continuing our work to ensure we are well positioned for the possibility of entering the US capital markets
- In the interim, we will do what we do best: keep our heads down and efficiently operate the business

WHAT SETS VERANO APART



VERANOTM EST. 2014



**6
BRANDS**



**4K+
EMPLOYEES**



**13 ACTIVE
STATES**



**120 OPERATING
RETAIL LOCATIONS**



14 FACILITIES
CULTIVATION &
PRODUCTION FACILITIES
SPANNING 1M+ FT²



**100M+
ADDRESSABLE
POPULATION**

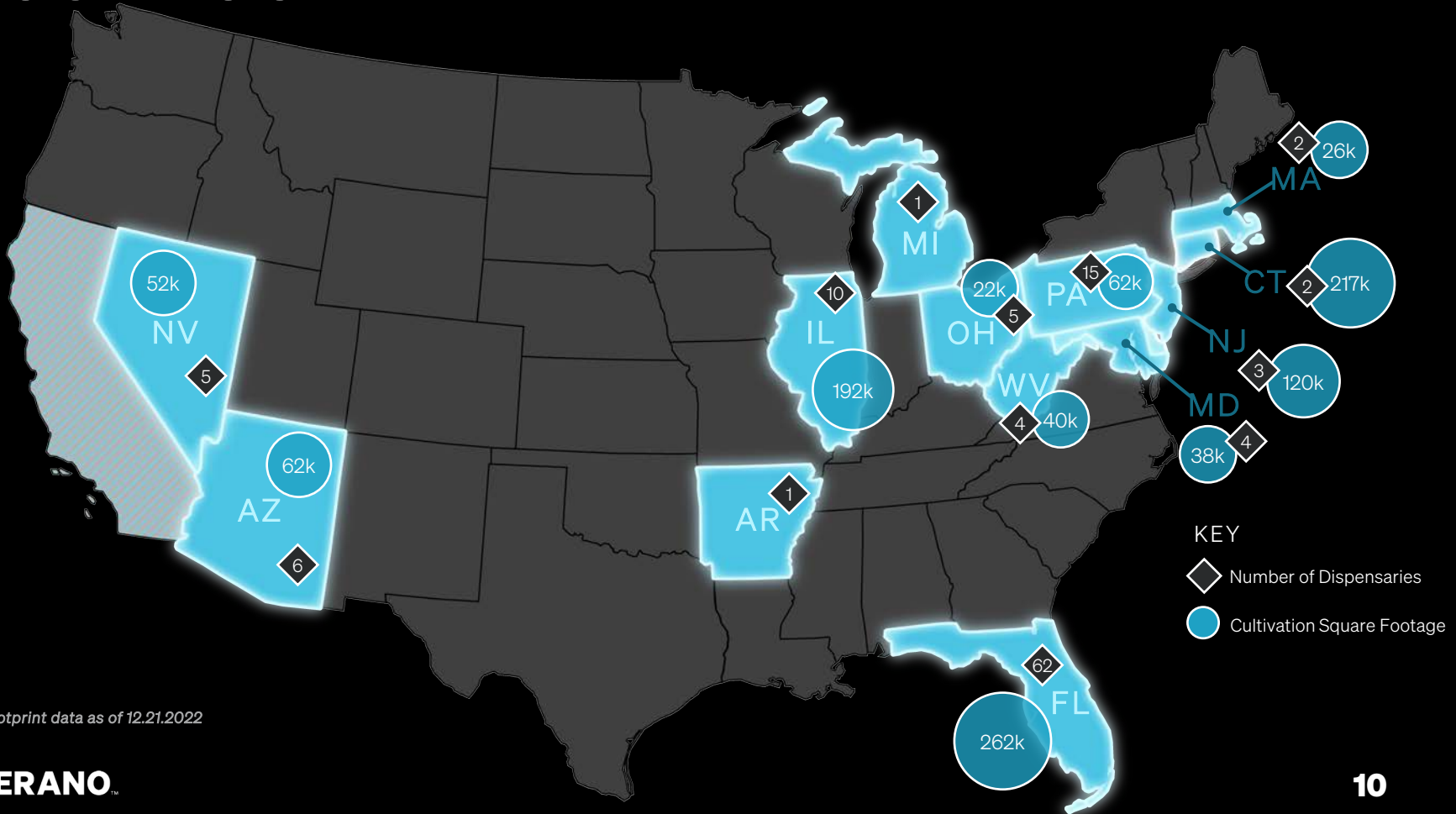


**~500 ACTIVE
WHOLESALE
ACCOUNTS**



**>130
PLANNED RETAIL
LOCATIONS**

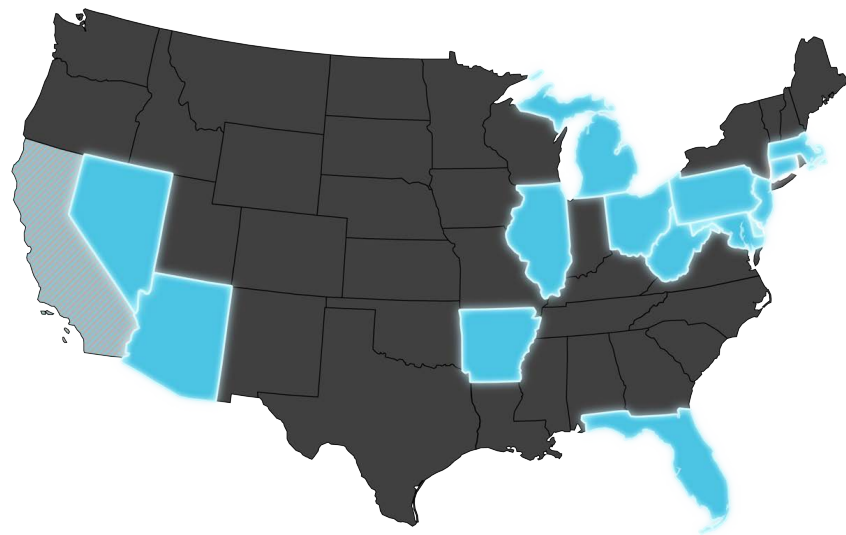
OUR FOOTPRINT



VERANO POISED TO CAPITALIZE ON GROWTH DRIVERS

STRATEGIC PORTFOLIO DRIVERS

- Premium and expansive product lines targeting variety of consumer needs
 - Flower, edibles, topicals, and more
- Scaled operations in five potential adult-use markets
 - CT starting on 1/10/23. Maryland approved adult use and is anticipated to begin sales in 2023
- Expanding presence in medical markets viewed as likely near-term adult-use markets
- Vertical integration increasing margins
 - Vertical in 11 of 13 markets providing wholesale and retail revenue streams
- Balanced approach reduces over-reliance on any single wholesaler or retailer





REMAINING SELECTIVELY ACQUISITIVE

- Will evaluate opportunities to strategically expand our footprint
- Goal of avoiding significant equity dilution
- Evaluating opportunities thoughtfully and carefully given challenging economic and industry headwinds

HOUSE OF BRANDS



müv™





EXPANDING RETAIL PRESENCE



ZEN LEAF



Zen Leaf™ aspires to be the most influential cannabis retail brand, and to command brand loyalty of the high-end cannabis consumer. Inspiring our customers drives our mission to capture people’s imaginations, satisfy deep and important life needs, and offer unparalleled innovative products underpinning our economic success and cultural influence in an increasingly crowded marketplace.

- Custom store designs provide an edge in the market and create an environment that satisfies the myriad of patron needs through reliability, accessibility, and authenticity
- Superior customer service
- Aggressive expansion underway with existing states and across our broader license footprint

MÜV



- Locations in Florida and Arizona, two high-growth states
- 62 operational retail locations in Florida
- State-of-the-art dispensaries offering an extensive selection of award-winning products
- One of the widest selections of concentrates for patients needing macro-dosing options
- Won five Best of Arizona medical cannabis awards
- Knowledgeable and friendly staff dedicated to helping medical patients

FINANCIAL HIGHLIGHTS



3Q22 SEQUENTIAL GROWTH

\$228 million in revenue representing 2% growth quarter over quarter, 10% growth year over year

- Driven by strength from New Jersey adult-use sales

Adjusted EBITDA margin of 36%

- \$82 million versus \$76 million in the prior quarter
- Driven by reduced SG&A expense due to decreased earnout expense in addition to headcount reduction and store hour rationalization



FINANCIAL RESULTS

- Retail / wholesale revenue split of 70% / 30% for the third quarter¹
- \$23 million of 3Q22 CAPEX fully funded by operating cash flow
 - Expecting ~\$25-50 million of capex in FY23
- SG&A expenses for the third quarter were 38% of revenues, a ~700+ bps decrease from the second quarter's 45% of revenues

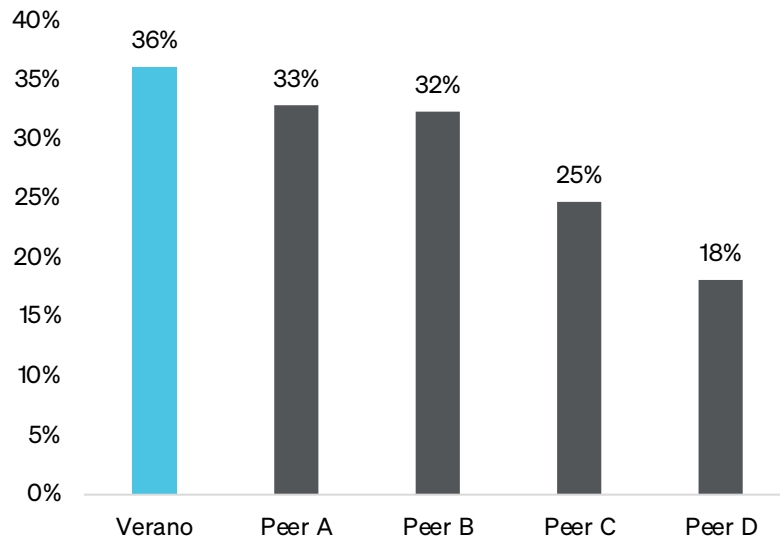
Third Quarter 2022 Results	
\$USD thousands	
Revenue	\$227,588
Gross Profit	\$122,994
Income from Operations	\$37,075
Net Loss	\$(42,993)

A TOP COMPETITOR WITH STRONG GROWTH

- Top five MSO by revenue
- Experiencing rapid growth (organically and through M&A)
- Our scale allows for operational efficiencies, more profitable cultivation and the ability to quickly adapt to changing legislation

THE CANNABIS INDUSTRY'S LEADING EBITDA PROFILE

3Q2022 Adjusted EBITDA Margins¹



¹Peer set includes the largest MSOs by revenue.

CAPITAL ALLOCATION



FINANCIAL FLEXIBILITY

\$USD thousands	As of September 30, 2022
Cash	\$76,418
Total Assets	\$2,623,027
Debt	\$392,135
Total Liabilities	\$1,082,733

STRONG CASH MANAGEMENT

Taking measures that we believe will insulate and prepare the business for a potential recessionary environment by prioritizing cash flow.

- Delayed capex we do not believe will provide returns in the immediate term
- Will react accordingly as progression towards adult-use picks up in certain markets
- Targeting \$20m capex in 4Q and \$25-50m in 2023



REFINANCED CREDIT FACILITY AND ADDED FLEXIBLE TERMS

Extended maturity

\$350 million facility refinanced at an initial rate of 12.75%¹ in a rising interest rate environment, with maturation in October 2026 and up to \$270 million in upside optionality²

Prepayment option

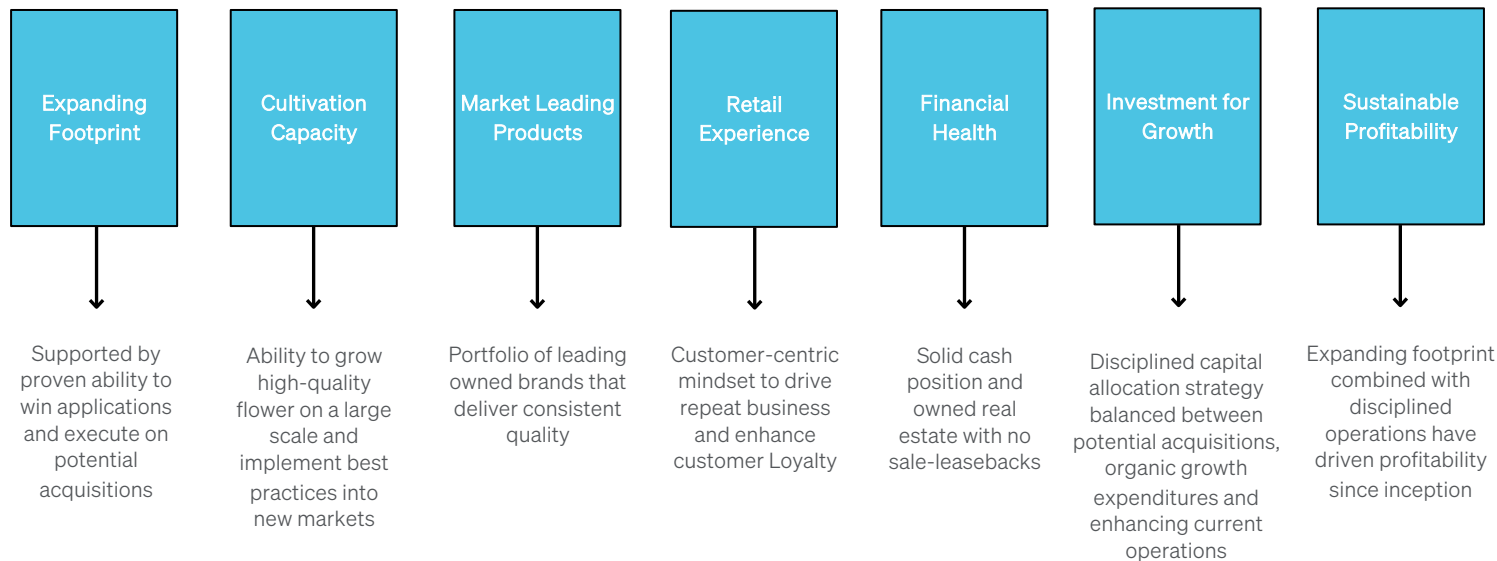
Option to prepay up to \$100 million for a \$1 million prepayment penalty fee

Expect to leverage unencumbered real estate

Goal of bringing down blended cost of capital to 10.5% in the medium term

¹Interest rate is floating and calculated as the prime rate plus 6.5%. ²The refinanced facility provides flexibility to secure additional future indebtedness of up to \$270 million, comprised of \$120 million in third-party mortgages secured by real estate that is currently unencumbered, a \$100 million accordion under the new credit facility to be funded at the option of the existing lenders, and a \$50 million third-party revolving credit facility upon the passage of cannabis banking legislation, in each case subject to certain conditions.

WHAT SETS VERANO APART





VERANOTM

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THANK YOU

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