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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549**

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**FORM 10-Q**

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**(Mark One)**

**QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended June 30, 2025

OR

**TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from to

Commission file number 000-56342

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**VERANO HOLDINGS CORP.**

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**(Exact name of registrant as specified in its charter)**

**British Columbia, Canada**

(State or other jurisdiction of incorporation or organization)

**224 W Hill Street, Suite 400,  
Chicago, Illinois**

(Address of Principal Executive Offices)

**98-1583243**

(I.R.S. Employer Identification No.)

**60610**

(Zip Code)

**(312) 265-0730**

(Registrant's telephone number, including area code)

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N/A

(Former name, former address and former fiscal year, if changed since last report)

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Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol	Name of each exchange on which registered
N/A	N/A	N/A

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes  No

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Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of “large accelerated filer,” “accelerated filer,” “smaller reporting company,” and “emerging growth company” in Rule 12b-2 of the Exchange Act.

Large accelerated filer	<input checked="" type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
		Emerging growth company	<input type="checkbox"/>

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes  No

As of August 5, 2025, the registrant had 361,779,913 Class A subordinate voting shares and no Class B proportionate voting shares outstanding.

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### Cautionary Note Regarding Forward-Looking Statements

This Quarterly Report on Form 10-Q (this “**Form 10-Q**”) contains “forward-looking information” and “forward-looking statements” within the meaning of United States and Canadian securities laws (together, “forward-looking statements”). All statements, other than statements of historical fact, made by the Company or its affiliates that address activities, events or developments that the Company or its affiliates expect or anticipate will or may occur in the future are forward-looking statements, including, but not limited to, statements preceded by, followed by or that include words such as “may,” “will,” “would,” “could,” “should,” “believes,” “assumes,” “estimates,” “projects,” “potential,” “expects,” “plans,” “intends,” “anticipates,” “targeted,” “continues,” “forecasts,” “designed,” “goal,” “progress,” or the negative of those words or other similar or comparable words.

The forward-looking statements contained herein are based on certain key expectations and assumptions, including, but not limited to, expectations and assumptions concerning:

- our ability to obtain, maintain and renew licenses and other regulatory approvals in all states and localities of our operations and planned operations on a timely basis;
- government regulations, including future U.S. state and federal legislative and regulatory developments involving medical and adult use cannabis and the timing thereof;
- our outlook on our expansion and growth of business and operations;
- our ability to achieve our goals, business plans and strategy;
- our ability to access capital and obtain necessary financing to pursue our growth and business plans;
- our operational results and other financial and business conditions and prospects;
- the timing and completion of acquisitions and other commercial transactions;
- the integration and operation of acquired businesses;
- the timing and amount of capital expenditures;
- the availability of facilities, equipment, skilled labor and services needed for cannabis operations;
- demand, developments and trends in the medical and adult use cannabis industry;
- competition in the cannabis industry in the markets in which we operate or plan to operate;
- the medical benefits, viability, safety, efficacy, and dosing of cannabis;
- the size of the medical cannabis market and the adult use cannabis market in each state; and
- conditions in general economic and financial markets.

Forward-looking statements may relate to future financial conditions, results of operations, plans, strategies, objectives, performance or business developments. These statements speak only as at the date they are made and are based on information currently available and on the then-current expectations of the party making the statement and assumptions concerning future events, which are subject to a number of known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements to be materially different from that which was expressed or implied by such forward-looking statements, including, but not limited to, risks and uncertainties related to:

- the illegality of cannabis under federal law, the U.S. federal regulatory landscape and enforcement related to medical or adult use cannabis, including political risks, civil asset forfeiture and regulation by additional regulatory authorities;
  - regulatory and political changes to U.S. federal, state and local laws related to medical or adult use cannabis, including political risks and regulation by additional regulatory authorities;
  - the impacts of economic uncertainty stemming from disruptions in U.S. and global markets, inflation, rising interest rates, and changes in consumer and business confidence;
  - our outstanding indebtedness and potential future indebtedness, including our ability to repay such indebtedness;
  - reliance on key management;
  - market acceptance of existing and new products and potential returns or recalls of our products;
  - consumer acceptance of our brand portfolio;
  - the accuracy of our forecasted demand for our products;
  - the potential for fraudulent activity by employees, contractors and consultants;
  - our exposure to growth-related operational and execution risks;
  - potential negative findings in our clinical research with respect to our products;
  - our ongoing litigation matter with Vireo Growth Inc., formerly known as Goodness Growth Holdings, Inc;
  - potential product liability claims;
  - our exposure to natural phenomena and resulting potential uninsured or under insured losses;
  - the risk that our property will be subject to civil asset forfeiture;
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- our structure and our resulting reliance on the performance of our subsidiaries and affiliates;
  - our expansion-by-acquisition strategy;
  - our ability to acquire businesses and cannabis licenses in desired markets and the integration and operation of acquired businesses;
  - the typically limited operations of businesses we acquire;
  - the unconventional due diligence process in the cannabis industry;
  - our ability to acquire and lease properties suitable for the cultivation, production and sale of cannabis;
  - potential limited representations and warranties of businesses we may acquire;
  - our acquisition of businesses in developing cannabis markets;
  - our lack of portfolio diversification by industry or geography;
  - our use of joint ventures, strategic partnerships and alliances;
  - our contractual relationships with our consolidated variable interest entities;
  - existing competition and new market entrants;
  - the introduction of synthetic alternatives to cannabis products by pharmaceutical and other companies;
  - the immaturity of the cannabis industry and limited comparable, competitive and established industry best practices;
  - the availability of and our reliance on third-party suppliers, service providers, contractors and manufacturers, and any significant interruption of these relationships, including negative changes to quality, availability, pricing, trade policy and other economics;
  - changes in U.S. trade policy, including the imposition of tariffs and the resulting consequences;
  - wholesale and retail price fluctuations;
  - public opinion and perception of the cannabis industry;
  - the availability of raw or other materials;
  - rising or volatile energy costs;
  - agricultural and environmental risks and the impacts of environmental regulations on the cannabis industry and environmental protections;
  - physical security risks, such as theft;
  - potential scrutiny from Canadian authorities;
  - disparate state-by-state regulatory landscapes and licensing regimes for medical and adult use cannabis;
  - the difficulties cannabis businesses face accessing and maintaining banking or financial services due to federal regulations;
  - the cost and difficulty of complying with various regulatory schemes;
  - the impact of state social equity legislation as it relates to the cannabis industry;
  - the risk of high bonding and insurance costs;
  - environmental regulations;
  - effects of changes in laws and policies governing employees and by union organizing activity;
  - potential divestment of licenses if required by regulatory authorities;
  - our dependency on the banking industry;
  - required public disclosure and governmental filings containing personal information of our officers, investors and other stakeholders;
  - potential findings by regulatory authorities that one of shareholders is unsuitable;
  - the risk that our directors, officers, employees or investors are barred from entering the U.S.;
  - the ability to, and constraints on, promoting and marketing cannabis products;
  - potential U.S. Food and Drug Administration governance of the cannabis industry;
  - the potential limitations on our ability to enforce our contracts or any liens granted to us;
  - the potential lack of access to federal bankruptcy protections in the U.S.;
  - reliance on information technology systems, the potential disclosure of personal information of patients and customers and cybersecurity risks;
  - our reliance on third-party software providers;
  - costs related to preserving our brand identity;
  - our ability to protect our intellectual property due to limited intellectual property protections available for cannabis products and the potential infringement by third parties;
  - potential infringement or misappropriation claims;
  - the risk of financial crimes;
  - the risk of receiving no return on our securities;
  - our elimination of monetary liability and indemnification rights against our directors, officers and employees under British Columbia law;
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- our dual class capital structure with Class A subordinate voting shares and Class B proportionate voting shares;
- the time and resources necessary to comply with corporate governance practices and securities rules and regulations in the U.S. and Canada;
- our management’s ability to maintain effective internal controls;
- potential dilution if we issue additional Subordinate Voting Shares or Proportionate Voting Shares;
- market perception of sales of a substantial amount of Subordinate Voting Shares;
- transfer restrictions on our Subordinate Voting Shares;
- price volatility of our Subordinate Voting Shares;
- our shareholders’ limited participation in our affairs;
- our expectation to not declare or pay out dividends;
- the concentration of our voting control;
- the taxation of cannabis companies in the U.S., including the impact of Section 280E of the Internal Revenue Code of 1986, as amended; and
- other risks described in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2024 filed with the U.S. Securities and Exchange Commission (the “SEC”) on February 27, 2025 and in the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2025 filed with the SEC on May 8, 2025, as more particularly described. in each case, under the heading “Item 1A. Risk Factors” therein.

Although we believe that the expectations and assumptions on which forward-looking statements are based are reasonable at the time made, undue reliance should not be placed on the forward-looking statements, because no assurance can be given that they will prove to be correct. Forward-looking statements address future events and conditions, and thus involve inherent risks and uncertainties. Readers are cautioned that the above list of cautionary statements is not exhaustive.

The cannabis industry involves risks and uncertainties that are subject to change based on various factors. Certain forward-looking statements contained herein concerning the cannabis industry and our general expectations concerning the cannabis industry are based on estimates prepared by us using data from publicly available governmental sources as well as from market research and industry analysis and on assumptions based on data and knowledge of the cannabis industry. Such data is inherently imprecise.

Consequently, all forward-looking statements made in this Form 10-Q and our other documents are qualified by such cautionary statements and there can be no assurance that the anticipated results or developments will actually be realized or, even if realized, that they will have the expected consequences to or effects on us. We do not undertake any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, other than as required under applicable securities legislation.

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**PART I - FINANCIAL INFORMATION**

**ITEM 1. UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

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

	June 30, 2025	December 31, 2024
	<i>(Unaudited)</i>	
<b>ASSETS</b>		
Current Assets:		
Cash and Cash Equivalents	\$ 68,569	\$ 87,796
Accounts Receivable, net	30,757	40,264
Held for Sale Assets	43,971	32,150
Inventory	214,341	184,456
Prepaid Expenses and Other Current Assets	13,718	12,843
<b>Total Current Assets</b>	<b>371,356</b>	<b>357,509</b>
Property, Plant and Equipment, net	511,212	537,964
Right-of-Use Assets, net	97,024	99,915
Intangible Assets, net	700,515	734,005
Goodwill	247,600	246,230
Deposits and Other Assets	14,000	13,333
<b>TOTAL ASSETS</b>	<b>\$ 1,941,707</b>	<b>\$ 1,988,956</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
<b>LIABILITIES</b>		
Current Liabilities:		
Accounts Payable	\$ 39,674	\$ 39,927
Accrued Liabilities	61,510	68,941
Income Tax Payable	31,308	58,762
Current Portion of Lease Liabilities	11,398	11,250
Current Portion of Debt	3,443	18,153
Acquisition Consideration Payable	499	935
<b>Total Current Liabilities</b>	<b>147,832</b>	<b>197,968</b>
Long-Term Liabilities:		
Debt, net of Current Portion	399,822	395,696
Lease Liabilities, net of Current Portion	94,293	97,884
Uncertain Tax Positions	300,515	270,579
Deferred Income Taxes	72,369	74,099
Other Long-Term Liabilities	1,421	1,911
<b>Total Long-Term Liabilities</b>	<b>868,420</b>	<b>840,169</b>
<b>TOTAL LIABILITIES</b>	<b>1,016,252</b>	<b>1,038,137</b>
<b>SHAREHOLDERS' EQUITY</b>	<b>927,232</b>	<b>952,174</b>
<b>NON-CONTROLLING INTEREST</b>	<b>(1,777)</b>	<b>(1,355)</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>\$ 1,941,707</b>	<b>\$ 1,988,956</b>

The accompanying notes are an integral part of these unaudited interim condensed consolidated financial statements.

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

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2025	2024	2025	2024
Revenues, net of Discounts	\$ 202,272	\$ 222,390	\$ 412,081	\$ 443,696
Cost of Goods Sold, net	89,288	108,050	199,516	216,396
<b>Gross Profit</b>	<b>112,984</b>	<b>114,340</b>	<b>212,565</b>	<b>227,300</b>
<b>Operating Expenses</b>				
Selling, General, and Administrative Expenses	86,345	87,074	170,924	177,363
Loss on Impairment of Fixed Assets	428	—	428	—
<b>Total Operating Expenses</b>	<b>86,773</b>	<b>87,074</b>	<b>171,352</b>	<b>177,363</b>
<b>Income from Operations</b>	<b>26,211</b>	<b>27,266</b>	<b>41,213</b>	<b>49,937</b>
<b>Other Income (Expense):</b>				
Loss on Disposal of Property, Plant and Equipment	(212)	—	(296)	(143)
Gain on Deconsolidation	—	—	4,739	—
Gain (Loss) on Debt Extinguishment	2,947	(3,068)	2,884	(3,068)
Interest Expense, net	(14,207)	(14,237)	(27,769)	(29,351)
Other Income (Expense), net	1,263	(1,195)	1,065	(1,954)
<b>Total Other (Expense), net</b>	<b>(10,209)</b>	<b>(18,500)</b>	<b>(19,377)</b>	<b>(34,516)</b>
<b>Income Before Provision for Income Taxes</b>	<b>16,002</b>	<b>8,766</b>	<b>21,836</b>	<b>15,421</b>
<b>Provision for Income Taxes</b>	<b>(35,152)</b>	<b>(30,530)</b>	<b>(52,501)</b>	<b>(42,007)</b>
<b>Net Loss Attributable to Verano Holdings Corp. &amp; Subsidiaries</b>	<b>\$ (19,150)</b>	<b>\$ (21,764)</b>	<b>\$ (30,665)</b>	<b>\$ (26,586)</b>
Net Loss per share – basic & diluted	\$ (0.05)	\$ (0.06)	\$ (0.09)	\$ (0.08)
Basic & Diluted – weighted average shares outstanding	360,368,777	345,020,397	359,760,571	345,483,701

The accompanying notes are an integral part of these unaudited interim condensed consolidated financial statements.

**VERANO HOLDINGS CORP.**  
**Unaudited Interim Condensed Consolidated Statements of Changes in Shareholders' Equity**  
*(\$ in Thousands)*

	Subordinate Voting Shares	Share Capital	Accumulated Other Comprehensive Income (Loss)	Accumulated Earnings (Deficit)	Non-Controlling Interest	Total
<b>Balance as of April 1, 2024</b>	344,163,149	\$ 1,685,483	\$ 2	\$ (446,569)	\$ —	\$ 1,238,916
Share-based compensation	2,253,995	4,240	—	—	—	4,240
Foreign Currency Translation Adjustment	—	—	—	—	—	—
Net Loss	—	—	—	(21,764)	—	(21,764)
<b>Balance as of June 30, 2024</b>	<u>346,417,144</u>	<u>\$ 1,689,723</u>	<u>\$ 2</u>	<u>\$ (468,333)</u>	<u>\$ —</u>	<u>\$ 1,221,392</u>
	Subordinate Voting Shares	Share Capital	Accumulated Other Comprehensive Income (Loss)	Accumulated Earnings (Deficit)	Non-Controlling Interest	Total
<b>Balance as of April 1, 2025</b>	359,718,318	\$ 1,738,497	\$ 5	\$ (795,121)	\$ (1,777)	\$ 941,604
Share-based compensation	1,764,370	3,004	—	—	—	3,004
Contingent consideration & other adjustments to purchase accounting	297,225	—	—	—	—	—
Foreign Currency Translation Adjustment	—	—	(3)	—	—	(3)
Net Loss	—	—	—	(19,150)	—	(19,150)
<b>Balance as of June 30, 2025</b>	<u>361,779,913</u>	<u>\$ 1,741,501</u>	<u>\$ 2</u>	<u>\$ (814,271)</u>	<u>\$ (1,777)</u>	<u>\$ 925,455</u>

The accompanying notes are an integral part of these unaudited interim condensed consolidated financial statements.

**VERANO HOLDINGS CORP.**  
**Unaudited Interim Condensed Consolidated Statements of Changes in Shareholders' Equity (Continued)**  
*(\$ in Thousands)*

	Subordinate Voting Shares	Share Capital	Accumulated Other Comprehensive Income (Loss)	Accumulated Earnings (Deficit)	Non-Controlling Interest	Total
<b>Balance as of January 1, 2024</b>	344,074,096	\$ 1,681,840	\$ (13)	\$ (441,747)	\$ —	\$ 1,240,080
Share-based compensation	2,311,867	7,883	—	—	—	7,883
Foreign Currency Translation Adjustment	—	—	15	—	—	15
Contingent consideration & other adjustments to purchase accounting	31,181	—	—	—	—	—
Net Loss	—	—	—	(26,586)	—	(26,586)
<b>Balance as of June 30, 2024</b>	<u>346,417,144</u>	<u>\$ 1,689,723</u>	<u>\$ 2</u>	<u>\$ (468,333)</u>	<u>\$ —</u>	<u>\$ 1,221,392</u>
	Subordinate Voting Shares	Share Capital	Accumulated Other Comprehensive Income (Loss)	Accumulated Earnings (Deficit)	Non-Controlling Interest	Total
<b>Balance as of January 1, 2025</b>	358,747,290	\$ 1,735,775	\$ 5	\$ (783,606)	\$ (1,355)	\$ 950,819
Share-based compensation	2,735,398	5,726	—	—	—	5,726
Foreign Currency Translation Adjustment	—	—	(3)	—	—	(3)
Contingent consideration & other adjustments to purchase accounting	297,225	—	—	—	—	—
Distributions paid to non-controlling interest holders	—	—	—	—	(4,672)	(4,672)
Non-controlling interest adjustment for change in ownership	—	—	—	—	4,250	4,250
Net Loss	—	—	—	(30,665)	—	(30,665)
<b>Balance as of June 30, 2025</b>	<u>361,779,913</u>	<u>\$ 1,741,501</u>	<u>\$ 2</u>	<u>\$ (814,271)</u>	<u>\$ (1,777)</u>	<u>\$ 925,455</u>

The accompanying notes are an integral part of these unaudited interim condensed consolidated financial statements.

**VERANO HOLDINGS CORP.**  
**Unaudited Interim Condensed Consolidated Statements of Cash Flows**  
*(\$ in Thousands)*

	<b>Six Months Ended June 30,</b>	
	<b>2025</b>	<b>2024</b>
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net loss attributable to Verano Holdings Corp. and Subsidiaries	\$ (30,665)	\$ (26,586)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Depreciation and amortization	63,279	71,285
Right-of-use assets amortization	5,973	6,816
Loss on disposal of property, plant and equipment	296	143
Gain on deconsolidation	(4,739)	—
Loss on impairment of fixed assets	428	—
(Gain) Loss on debt extinguishment	(2,884)	3,068
Stock based compensation	6,642	8,244
Other, net	7,406	4,799
Changes in assets and liabilities:		
Accounts receivable, net	6,020	(5,059)
Inventory	(31,210)	(13,633)
Accounts payable	1,358	(9,874)
Income tax payable	(27,454)	2,772
Uncertain tax positions	29,936	—
Deferred income taxes	(1,730)	(7,425)
Other assets, net	(1,879)	9,451
Other liabilities, net	(8,091)	(5,039)
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<b>12,686</b>	<b>38,962</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchases of property, plant and equipment	\$ (24,333)	\$ (28,215)
Proceeds from disposal of assets	79	—
Proceeds from deconsolidation	9,071	—
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>(15,183)</b>	<b>(28,215)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Payment of deferred acquisition price payable	\$ (458)	\$ (32)
Proceeds from issuance of debt	12,000	—
Principal repayments of debt	(23,141)	(54,302)
Debt issuance costs paid	(456)	—
Payment of debt extinguishment	—	(1,000)
Distributions paid to non-controlling interest holders	(4,672)	—
Other financing activities	—	(136)
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<b>(16,727)</b>	<b>(55,470)</b>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>\$ (19,224)</b>	<b>\$ (44,723)</b>
Effects of exchange rate fluctuations on cash and cash equivalents	\$ (3)	\$ 15
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD</b>	<b>\$ 87,796</b>	<b>\$ 174,760</b>
<b>CASH AND CASH EQUIVALENTS, END OF PERIOD</b>	<b>\$ 68,569</b>	<b>\$ 130,052</b>
<b>SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION</b>		
Interest paid, net	\$ 24,936	\$ 26,758
<b>NONCASH INVESTING AND FINANCING ACTIVITIES</b>		
Debt extinguishment in connection with deconsolidation	\$ 1,146	\$ —

The accompanying notes are an integral part of these unaudited interim condensed consolidated financial statements.

**VERANO HOLDINGS CORP.**  
**Notes to Unaudited Interim Condensed Consolidated Financial Statements**  
*(\$ in Thousands except shares and per share amounts)*

**1. OVERVIEW AND BASIS OF PRESENTATION**

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**(a) Description of Business**

Unless otherwise stated or the context requires otherwise, references herein to the “Company,” “Verano,” “we,” “us,” and “our” mean Verano Holdings Corp. and its direct and indirect subsidiaries, and controlled and managed entities.

The Company is a vertically integrated cannabis operator that focuses on limited-licensed markets in the United States (“U.S.”). As a vertically integrated operator, the Company owns, operates, manages, controls, and/or has licensing, consulting or other commercial agreements with cultivation, processing, and retail licenses across 13 state markets (Arizona, Connecticut, Florida, Illinois, Maryland, Massachusetts, Michigan, Nevada, New Jersey, Ohio, Pennsylvania, Virginia and West Virginia).

The Company also conducts pre-licensing activities in other markets. In these markets, the Company has either applied for licenses, or plans on applying for licenses, but does not currently operate or manage any cultivation, processing, or retail licenses.

The Company’s Class A subordinate voting shares, no par value (the “Subordinate Voting Shares”) are listed on Cboe Canada (“Cboe”) under the ticker symbol “VRNO” and are quoted in the United States on the OTCQX marketplace operated by the OTC Market Group, under the ticker symbol “VRNOF”.

The Company’s corporate headquarters is located at 224 W Hill Street, Suite 400, Chicago, Illinois 60610.

**(b) Basis of Presentation**

The accompanying Unaudited Interim Condensed Consolidated Financial Statements have been prepared in accordance with accounting principles generally accepted in the United States (“GAAP”) for interim financial information and in accordance with the rules and regulations of the U.S. Securities and Exchange Commission (“SEC”). Accordingly, certain information and disclosures required by GAAP for annual financial statements have been omitted. In the opinion of management, all adjustments, consisting of normal recurring adjustments, considered necessary for a fair presentation have been included. Unless otherwise indicated, all references to “\$” or “US\$” in this Form 10-Q refer to United States dollars, and all references to “C\$” refer to Canadian dollars. These Unaudited Interim Condensed Consolidated Financial Statements should be read in conjunction with the Company’s audited consolidated financial statements and notes thereto as of and for the year ended December 31, 2024 (the “2024 Annual Audited Financials”), included in the Company’s Annual Report on Form 10-K filed with the SEC on February 27, 2025 (the “Form 10-K”). Certain prior year amounts have been reclassified to conform to the current year’s presentation, which the Company does not consider to be material. The accompanying Unaudited Interim Condensed Consolidated Financial Statements include the accounts of Verano Holdings Corp. and its direct and indirect subsidiaries as well as the accounts of any entities over which the Company has a controlling financial interest in accordance with Accounting Standards Codification (“ASC”) 810 *Consolidation*. The preparation of the Company’s Unaudited Interim Condensed Consolidated Financial Statements requires management to make estimates and assumptions that impact the reported amounts of assets, liabilities, revenue and expenses and the disclosure of assets and liabilities in such financial statements and in the accompanying notes. Actual results may differ materially from these estimates. The results of operations for the three and six months ended June 30, 2025 are not necessarily indicative of the results to be expected for the 2025 full year or any future periods. The accompanying consolidated balance sheet as of December 31, 2024 has been derived from the audited consolidated balance sheet as of December 31, 2024 contained in the 2024 Annual Audited Financials included in the Form 10-K.

**VERANO HOLDINGS CORP.**  
**Notes to Unaudited Interim Condensed Consolidated Financial Statements**  
*(\$ in Thousands except shares and per share amounts)*

**1. OVERVIEW AND BASIS OF PRESENTATION** *(Continued)*

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**(c) Basis of Consolidation**

The Unaudited Interim Condensed Consolidated Financial Statements have been prepared in accordance with GAAP and include the accounts of the Company and its subsidiaries, as well as the accounts of any entities over which the Company has a controlling financial interest in accordance with ASC 810 *Consolidation*. All transactions and balances between these entities have been eliminated upon consolidation.

**(d) Significant Accounting Policies**

With the exception of Assets Held for Sale, as described below, there have been no changes to the Company's significant accounting policies as described in Note 2 - Significant Accounting Policies to the 2024 Annual Audited Financials included in the Form 10-K.

**i. Assets Held for Sale**

Assets held for sale represent land, buildings and other fixed assets less accumulated depreciation related to facilities in which the Company has no continuing involvement. The Company records assets held for sale in accordance with ASC 360, *Property, Plant, and Equipment*, at the lower of carrying value or fair value less cost to sell. Fair value is based on the estimated proceeds from the sale of the facility utilizing recent purchase offers. In an effort to maximize its return on investments coupled with footprint optimization the Company had \$41,581 of assets held for sale related to cultivation facilities in Florida, Massachusetts and Pennsylvania and \$2,390 of assets held for sale related to two retail facilities in Massachusetts and a property in Virginia as of June 30, 2025.

**(e) Earnings (Loss) per Share**

Basic earnings (loss) per share is calculated using the treasury stock method, by dividing the net earnings (losses) attributable to shareholders by the weighted average number of shares (including the Company's Class B proportionate voting shares, no par value (the "Proportionate Voting Shares") on an as converted to Subordinate Voting Shares basis of 100 Subordinate Voting Shares to one Proportionate Voting Share) outstanding during each of the periods presented. Contingently issuable shares (including shares held in escrow) are not considered outstanding shares and consequently are not included in the earnings (loss) per share calculations. Diluted income per share is calculated by adjusting the weighted average number of shares outstanding to assume conversion of all dilutive potential shares.

To determine diluted income (loss) per share, the Company assumes that any proceeds from the exercise of dilutive share options would be used to repurchase shares at the average market price during the period. The diluted income (loss) per share calculation excludes any potential conversion of share options and convertible debt, if any, that would increase earnings per share or decrease loss per share. No potentially dilutive share equivalents were included in the computation of diluted loss per share for the three and six months ended June 30, 2025 and 2024 because their impact would have been anti-dilutive.

**VERANO HOLDINGS CORP.**  
**Notes to Unaudited Interim Condensed Consolidated Financial Statements**  
*(\$ in Thousands except shares and per share amounts)*

**1. OVERVIEW AND BASIS OF PRESENTATION** *(Continued)*

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**(f) Recently Issued Accounting Standards**

In November 2024, the Financial Accounting Standards Board issued Accounting Standards Update 2024-03, Income Statement-Reporting Comprehensive Income-Expense Disaggregation Disclosures (“ASU 2024-03”): Disaggregation of Income Statement Expenses (as clarified by ASU 2025-01). This guidance focuses on the disaggregation of income statement expenses. ASU 2024-03 requires entities to provide more detailed disclosures about the components of significant expense categories, enhancing the transparency and decision-usefulness of financial statements. The objective is to provide users with a clearer understanding of the nature and variability of expenses reported in the income statement. The standard is effective for annual periods of fiscal years beginning after December 15, 2026, and interim periods of fiscal years beginning after December 15, 2027 with early adoption permitted. The Company is currently assessing the impact of ASU 2024-03 on our financial statement disclosures. While we anticipate that the adoption of this standard will require additional disclosures, we do not expect it to have a material impact on our financial position or results of operations.

In December 2023, the Financial Accounting Standards Board issued Accounting Standards Update 2023-09, Income Taxes (Topic 740): Improvements to Income Tax Disclosures (ASU “2023-09”), which requires disclosure of disaggregated income taxes paid, prescribes standard categories for the components of the effective tax rate reconciliation, and modifies other income tax-related disclosures. ASU 2023-09 is effective for fiscal years beginning after December 15, 2024 and allows for early adoption. While we anticipate that the adoption of this standard will require additional disclosures, we do not expect it to have a material impact on our financial position or results of operations and we do not intend to early adopt.

**VERANO HOLDINGS CORP.**  
**Notes to Unaudited Interim Condensed Consolidated Financial Statements**  
*(\$ in Thousands except shares and per share amounts)*

**2. INVENTORY**

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The Company's inventory consists of the following as of June 30, 2025 and December 31, 2024:

	<b>June 30, 2025</b>	<b>December 31, 2024</b>
Raw Materials	\$ 5,452	\$ 3,991
Work in Process	154,237	135,185
Packaging and Miscellaneous	11,155	10,115
Finished Goods	43,497	35,165
<b>Total Inventory</b>	<b>\$ 214,341</b>	<b>\$ 184,456</b>

**VERANO HOLDINGS CORP.**  
**Notes to Unaudited Interim Condensed Consolidated Financial Statements**  
*(\$ in Thousands except shares and per share amounts)*

### 3. PROPERTY, PLANT AND EQUIPMENT

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Property, plant and equipment and related accumulated depreciation consists of the following as of June 30, 2025 and December 31, 2024:

	<b>June 30, 2025</b>	<b>December 31, 2024</b>
Land	\$ 25,990	\$ 29,032
Buildings and Improvements	162,700	173,432
Furniture and Fixtures	21,349	21,326
Computer Equipment and Software	28,561	28,525
Leasehold Improvements	279,469	268,836
Tools and Equipment	99,537	98,133
Vehicles	4,317	4,341
Assets Under Construction <sup>(1)</sup>	96,834	96,981
Total Property, Plant and Equipment, Gross	718,757	720,606
Less: Accumulated Depreciation	(207,545)	(182,642)
<b>Total Property, Plant and Equipment, Net</b>	<b>\$ 511,212</b>	<b>\$ 537,964</b>

<sup>(1)</sup> Assets under construction represent construction in progress related to facilities not yet completed or otherwise not placed in service.

For the three months ended June 30, 2025 and June 30, 2024, depreciation expense included in costs of goods sold totaled \$9,777 and \$8,830, respectively. For the three months ended June 30, 2025 and June 30, 2024, depreciation expense included in selling, general, and administrative expense totaled \$4,935 and \$4,116, respectively.

For the six months ended June 30, 2025 and June 30, 2024, depreciation expense included in costs of goods sold totaled \$19,673 and \$17,554, respectively. For the six months ended June 30, 2025 and June 30, 2024, depreciation expense included in selling, general, and administrative expense totaled \$10,056 and \$8,157, respectively.

**VERANO HOLDINGS CORP.**  
**Notes to Unaudited Interim Condensed Consolidated Financial Statements**  
*(\$ in Thousands except shares and per share amounts)*

**4. INTANGIBLE ASSETS AND GOODWILL**

Intangible assets are recorded at cost less accumulated amortization and impairment losses, if any. Intangible assets acquired in a business combination are measured at fair value as of the acquisition date. Amortization of definite life intangible assets is provided on a straight-line basis over their estimated useful lives. The estimated useful lives, residual values, and amortization methods for intangible assets are reviewed by the Company at each year end, and any changes in estimates are accounted for prospectively.

As of June 30, 2025, intangible assets consisted of the following:

	Licenses	Tradenames	Technology	Total
<u>Cost</u>				
<b>Balance as of January 1, 2025</b>	\$ 922,358	\$ 45,108	\$ 5,546	\$ 973,012
<b>Balance as of June 30, 2025</b>	<u>\$ 922,358</u>	<u>\$ 45,108</u>	<u>\$ 5,546</u>	<u>\$ 973,012</u>
<u>Accumulated Amortization</u>				
<b>Balance as of January 1, 2025</b>	218,578	16,858	3,571	239,007
Amortization	30,778	2,255	457	33,490
<b>Balance as of June 30, 2025</b>	<u>\$ 249,356</u>	<u>\$ 19,113</u>	<u>\$ 4,028</u>	<u>\$ 272,497</u>
<u>Net Book Value</u>				
<b>Balance as of January 1, 2025</b>	703,780	28,250	1,975	734,005
<b>Balance as of June 30, 2025</b>	<u>\$ 673,002</u>	<u>\$ 25,995</u>	<u>\$ 1,518</u>	<u>\$ 700,515</u>

The following table outlines the estimated annual amortization expense related to intangible assets as of June 30, 2025:

Year Ending December 31:	Estimated Amortization
2025 (Remaining)	\$ 33,489
2026	66,332
2027	66,273
2028	66,259
2029	66,257
Thereafter	401,905
<b>Total</b>	<u>\$ 700,515</u>

The changes in the carrying amount of goodwill, by reportable segment, for the six months ended June 30, 2025 were as follows:

	January 1, 2025	Impairment	Adjustments to purchase price allocation	Acquisitions	June 30, 2025
<b>Cultivation</b>	\$ 48,597	\$ —	\$ 293	\$ —	\$ 48,890
<b>Retail</b>	197,633	—	1,077	—	198,710
<b>Total</b>	<u>\$ 246,230</u>	<u>\$ —</u>	<u>\$ 1,370</u>	<u>\$ —</u>	<u>\$ 247,600</u>

**VERANO HOLDINGS CORP.**  
**Notes to Unaudited Interim Condensed Consolidated Financial Statements**  
*(\$ in Thousands except shares and per share amounts)*

**5. EARNINGS (LOSSES) PER SHARE**

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The Company presents basic earnings (losses) per share. Basic earnings (losses) per share is calculated by dividing the earnings (loss) attributable to shareholders by the weighted average number of Subordinate Voting Shares (with outstanding Proportionate Voting Shares, if any, accounted for on an as converted to Subordinate Voting Shares basis) outstanding during the periods presented. Diluted earnings (losses) per share is computed based on the weighted average number of Subordinate Voting Shares (with outstanding Proportionate Voting Shares, if any, accounted for on an as converted to Subordinate Voting Shares basis) outstanding, to the extent dilutive.

The computations of net earnings (loss) per share on a basic and diluted basis, including reconciliations of the numerators and denominators, for the three and six months ended June 30, 2025 and June 30, 2024 were as follows:

	<b>Three Months Ended June 30,</b>		<b>Six Months Ended June 30,</b>	
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
<b>Numerator</b>				
Net Loss attributable to Verano Holdings Corp.	\$ (19,150)	\$ (21,764)	\$ (30,665)	\$ (26,586)
<b>Denominator</b>				
<u>Basic</u>				
Weighted-average shares outstanding – basic	360,368,777	345,020,397	359,760,571	345,483,701
<u>Diluted</u>				
Weighted-average shares outstanding – diluted	360,368,777	345,020,397	359,760,571	345,483,701
Net Loss per share - basic & diluted	\$ (0.05)	\$ (0.06)	\$ (0.09)	\$ (0.08)

For the three and six months ended June 30, 2025 outstanding restricted stock units (“RSUs”) of approximately 5,335,995 were anti-dilutive under the treasury stock method and were excluded from the computation of diluted earnings (loss) per share. These awards may be dilutive in the future. Potentially dilutive securities of approximately 3,833,306 and 3,753,438 for the three and six months ended June 30, 2024, respectively, were not included in the computation of diluted earnings per share because their effect would have been anti-dilutive.

**VERANO HOLDINGS CORP.**  
**Notes to Unaudited Interim Condensed Consolidated Financial Statements**  
*(\$ in Thousands except shares and per share amounts)*

**6. TRANSACTIONS**

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**Business Combinations**

The Company has determined that the acquisitions described below are business combinations under ASC Topic 805, *Business Combinations*. Acquisitions that are determined to be the acquisition of a business are accounted for by applying the acquisition method, whereby the assets acquired, and the liabilities assumed are recorded at their fair values at the date of acquisition with any excess of the aggregate consideration over the fair values of the identifiable net assets allocated to goodwill. Operating results for the companies acquired have been included in these Unaudited Interim Condensed Consolidated Financial Statements from the date of the acquisition. Any goodwill recognized is attributed based on reporting units.

The purchase price allocations for the acquisitions reflect various fair value estimates and analyses which are subject to change within the measurement period, which is the one-year period subsequent to the acquisition date. The primary areas of the purchase price allocation that are subject to change relate to the fair value of certain tangible assets, the value of intangible assets acquired, and residual goodwill. The Company expects to continue to obtain information to assist in determining the fair value of the net assets acquired at the acquisition date during the measurement period.

Measurement period adjustments that the Company determined to be material will be applied prospectively in the Company's future consolidated financial statements, and depending on the nature of the adjustments, other periods subsequent to the period of acquisition could be affected.

**2024 Business Combinations**

*203 Organix L.L.C. & Salubrious Wellness Clinic, Inc.*

On July 29, 2024, the Company entered into two equity purchase agreements with (a) The Cannabist Company Holdings Inc. ("Cannabist"), CC VA Holdco LLC, Columbia Care – Arizona, Tempe, L.L.C., Thomas Allison and Salubrious Wellness Clinic, Inc. ("SWC"), pursuant to which the Company acquired all of the issued and outstanding equity interests of SWC, and (b) Cannabist, CC VA Holdco LLC, Columbia Care-Arizona, Prescott, L.L.C. and 203 Organix, LLC ("203" and together with SWC, "Cannabist AZ"), pursuant to which the Company acquired all of the issued and outstanding equity interests of 203. The Company added an active cultivation and production facility and increased the Company's retail footprint in Arizona. The transactions closed on August 16, 2024. Pursuant to the equity purchase agreement, the Company paid total cash consideration of \$12,891.

*Columbia Care Eastern Virginia LLC*

On July 29, 2024, the Company entered into an equity purchase agreement with Cannabist, Columbia Care Eastern Virginia LLC ("CC East Virginia"), and the members of CC East Virginia party thereto (the "Virginia EPA"), pursuant to which the Company acquired all of the issued and outstanding equity interests of CC East Virginia. CC East Virginia is the sole vertical cannabis operator in HSA 5 in Eastern Virginia. The transaction closed on August 21, 2024. Pursuant to the Virginia EPA, the Company paid \$24,122 in cash consideration and equity consideration of 10,416,041 Subordinate Voting Shares with an estimated fair value of \$34,453, all of which was distributed on the closing date of the transaction. In addition, on the closing date of the transaction, the Company issued a \$26,700 promissory note, which was subsequently amended on May 27, 2025 to \$27,852 in connection with a purchase price adjustment (the "CC East Virginia Promissory Note"). The CC East Virginia Promissory Note has an estimated fair value of \$26,068 and bears interest at a rate of 7% per annum and matures on the two-year anniversary of the transaction closing date.

**VERANO HOLDINGS CORP.**  
**Notes to Unaudited Interim Condensed Consolidated Financial Statements**  
*(\$ in Thousands except shares and per share amounts)*

**6. TRANSACTIONS (Continued)**

For the acquisitions of CC East Virginia and Cannabist AZ, the purchase price allocation is complete.

For the acquisitions of CC East Virginia and Cannabist AZ, the major classes of assets and liabilities to which we have preliminarily allocated the purchase price were as follows:

	<b>CC East Virginia</b>	<b>Cannabist AZ</b>
Cash and Cash Equivalents	\$ 1,150	\$ 348
Accounts Receivable	535	252
Inventory	11,615	5,087
Prepaid Expenses and Other Current Assets	310	313
Property, Plant and Equipment	20,798	5,509
Right-of-Use Assets	3,323	2,212
Deposits and Other Assets	791	224
Intangible Assets	29,300	3,700
Goodwill	22,750	1,738
Accounts Payable and Accrued Liabilities	(2,461)	(3,789)
Income Tax Payable	—	(280)
Current Portion of Lease Liabilities	(470)	(208)
Lease Liabilities, net of Current Portion	(2,894)	(1,761)
Deferred Income Taxes	—	(399)
Other Long-Term Liabilities	(104)	(55)
<b>Purchase Price</b>	<b>\$ 84,643</b>	<b>\$ 12,891</b>

Goodwill was assigned to both the retail and cultivation (wholesale) segments. The goodwill was primarily attributed to increased synergies that are expected to be achieved from the integration of CC East Virginia and Cannabist AZ. Substantially all of the goodwill is expected to be non-deductible for income tax purposes.

**Dispositions**

*Noah's Ark, LLC*

On January 13, 2025, Verano terminated certain of its contracts with Noah's Ark, LLC, an Arkansas limited liability company, and its members. In addition, the Company's subsidiary, Verano El Dorado, LLC, an Arkansas limited liability company, sold real property located in El Dorado, Arkansas. As a result of such transactions, Verano no longer has any commercial agreements or affiliated operational activity related to Arkansas.

The disposition resulted in a gain of \$4,739 for the six months ended June 30, 2025 which is classified as a component of Other Income (Expense) in the Unaudited Interim Condensed Consolidated Statement of Operations.

**VERANO HOLDINGS CORP.**  
**Notes to Unaudited Interim Condensed Consolidated Financial Statements**  
*(\$ in Thousands except shares and per share amounts)*

**6. TRANSACTIONS** *(Continued)*

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**Other Acquisition Consideration Payable Adjustments**

On December 28, 2023, the Company became contractually obligated, upon the completion of certain conditions precedent, to issue \$1,250 worth of Subordinate Voting Shares, in the aggregate, as consideration for the acquisition of certain assets from Ivy Hall Mount Holly, LLC. During 2024, 297,225 Subordinate Voting Shares were issued as a portion of such consideration, representing a value of \$625. During the three months ended June 30, 2025 the Company made cash payments in the amount of \$125 and issued 297,225 Subordinate Voting Shares related to the purchase price consideration. During the six months ended June 30, 2025, the Company made total cash payments in the amount of \$458 related to the purchase price consideration of certain assets from Ivy Hall Mount Holly, LLC. The Company expects to make cash consideration payments of \$542, as the final portion of such consideration.

**VERANO HOLDINGS CORP.**  
**Notes to Unaudited Interim Condensed Consolidated Financial Statements**  
*(\$ in Thousands except shares and per share amounts)*

## 7. DEBT

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As of June 30, 2025 and December 31, 2024, debt consisted of the following:

	<b>June 30, 2025</b>	<b>December 31, 2024</b>
Credit Facility	\$ 292,650	\$ 294,750
Promissory Notes	2,454	22,455
Mortgage Loans	116,065	107,306
Vehicle and Equipment Loans	387	596
Unamortized Debt Issuance Costs	(8,291)	(11,258)
<b>Total Debt</b>	<b>\$ 403,265</b>	<b>\$ 413,849</b>
Less: Current Portion of Debt	3,443	18,153
<b>Total Long-Term Debt, net</b>	<b>\$ 399,822</b>	<b>\$ 395,696</b>

### Credit Facility

On October 27, 2022, Verano and certain of its subsidiaries and affiliates from time-to-time party thereto (collectively, the “Borrowers”), entered into a Credit Agreement (the “2022 Credit Agreement”) with Chicago Atlantic Admin, LLC (“Chicago Atlantic”), as administrative agent for the lenders, and the lenders from time-to-time party thereto (the “Lenders”), pursuant to which the Lenders advanced the Borrowers a \$350,000 senior secured term loan, all of which was used to repay the principal indebtedness outstanding under the Company's previous senior secured term loan credit facility. In connection with such repayment, such previous credit facility was terminated and is no longer in force or effect.

The 2022 Credit Agreement provides the Borrowers with the right, subject to conditions, to request an additional incremental term loan in the aggregate principal amount of up to \$100,000; provided that the Lenders elect to fund such incremental term loan. Beginning in October 2023, the loan requires scheduled amortization payments of \$350 per month and the remaining principal balance is due in full on October 30, 2026.

The 2022 Credit Agreement also provides the Borrowers with the right to (a) incur up to \$120,000 of additional indebtedness from third-party lenders secured by real estate excluded as collateral under the 2022 Credit Agreement, (b) incur additional mortgage financing from third-party lenders secured by real estate acquired after the closing date, and (c) upon the SAFE Banking Act or similar legislation making banking services available to U.S. cannabis companies being passed by the United States Congress, incur up to \$50,000 pursuant to a revolving credit facility from third-party lenders that is pari passu or subordinated to the 2022 Credit Agreement obligations, each of which are subject to customary conditions.

The obligations under the 2022 Credit Agreement are secured by substantially all of the assets of the Borrowers, excluding vehicles, specified parcels of real estate and other customary exclusions.

The 2022 Credit Agreement provides for a floating annual interest rate equal to the prime rate then in effect plus 6.50%, which rate may be increased by 3.00% upon an event of default that is not a material event of default or 6.00% upon a material event of default.

**VERANO HOLDINGS CORP.**  
**Notes to Unaudited Interim Condensed Consolidated Financial Statements**  
*(\$ in Thousands except shares and per share amounts)*

**7. DEBT (Continued)**

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At any time, the Company may voluntarily prepay up to \$100,000 of the principal balance, subject to a one-time \$1,000 prepayment premium upon the first prepayment, and may prepay the remaining outstanding principal balance for a prepayment premium at varying rates based on the timing of any subsequent prepayments. The Borrowers may not voluntarily prepay more than \$100,000 of the principal balance without prepaying the entire outstanding principal balance of the loan.

On April 30, 2024, the Company made a Permitted Partial Optional Prepayment (as defined in the 2022 Credit Agreement) in the amount of \$50,000 pursuant to the 2022 Credit Agreement and paid a \$1,000 prepayment premium in connection therewith. In connection with such Permitted Partial Optional Prepayment, Chicago Atlantic and certain Lenders agreed to (a) release certain Borrowers from their obligations under, and as parties to, the 2022 Credit Agreement and related agreements and (b) release all liens over such Borrowers' property, including real estate, held by Chicago Atlantic for the benefit of the Lenders, in each case, pursuant to a limited consent and waiver, dated as of April 29, 2024, by and among Borrowers, certain of the lenders party thereto and Chicago Atlantic.

The 2022 Credit Agreement includes customary representations and warranties and customary events of default, including, without limitation, payment defaults, breaches of representations and warranties, covenant defaults, cross-defaults to material indebtedness, and events of bankruptcy and insolvency.

The 2022 Credit Agreement also includes customary negative covenants limiting the Borrowers' ability to incur additional indebtedness and grant liens that are not otherwise permitted, and the ability to enter into or consummate acquisitions or dispositions that are not otherwise permitted, among others. Additionally, the 2022 Credit Agreement requires the Borrowers to meet certain financial tests regarding minimum cash balances, minimum levels of Adjusted EBITDA (as defined in the 2022 Credit Agreement) and a minimum fixed charge coverage ratio.

As of June 30, 2025, the Company was in compliance with such covenants.

*Columbia Care Eastern Virginia LLC*

On July 29, 2024, the Company entered into the Virginia EPA to purchase all of the issued and outstanding equity interests of CC East Virginia. The transaction closed on August 21, 2024. Pursuant to the Virginia EPA, the Company issued the CC East Virginia Promissory Note in the amount of \$26,700, which was amended to \$27,852 on May 27, 2025 in connection with a purchase price adjustment. The CC East Virginia Promissory Note has an estimated fair value of \$26,068, and bears interest at a rate of 7% per annum beginning on the closing date, through maturity on the two-year anniversary of the closing date. Subsequently, on May 27, 2025, the Company entered into a waiver and partial payoff agreement related to a portion of the CC East Virginia Promissory Note. During the three months ended June 30, 2025, the Company partially extinguished the CC East Virginia Promissory Note.

*Mortgage*

On March 14, 2025, the Company entered into a loan with Rainbow Realty Group IV, LLC to borrow a principal amount of \$12,000 secured by real estate in Coolidge, Arizona and North Las Vegas, Nevada. The loan bears an interest rate of 11% per annum and matures in March 2030.

**VERANO HOLDINGS CORP.**  
**Notes to Unaudited Interim Condensed Consolidated Financial Statements**  
*(\$ in Thousands except shares and per share amounts)*

**8. SHARE CAPITAL**

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Subordinate Voting Shares and Proportionate Voting Shares are classified as equity. Incremental costs directly attributable to the issuance of shares are recognized as a deduction from equity. The proceeds from the exercise of stock options or warrants, if applicable, together with amounts previously recorded in reserves over the vesting periods are recorded as share capital. Income tax relating to transaction costs of an equity transaction is accounted for in accordance with ASC 740, *Income Taxes*.

**(a) Issued and Outstanding**

As of June 30, 2025, the Company had 361,779,913 Subordinate Voting Shares issued and outstanding and no Proportionate Voting Shares outstanding. The Company has the following two classes of share capital, with each class having no par value:

**(i) Subordinate Voting Shares**

The holders of the Subordinate Voting Shares are entitled to receive dividends issued by the Company and one vote per share at shareholder meetings of the Company. All Subordinate Voting Shares are ranked equally regarding the Company's residual assets. The Company is authorized to issue an unlimited number of Subordinate Voting Shares.

**(ii) Proportionate Voting Shares**

Each Proportionate Voting Share is convertible into 100 Subordinate Voting Shares. The holders of the Proportionate Voting Share are entitled to receive dividends issued by the Company on an as converted to Subordinate Voting Share basis and 100 votes per share at shareholder meetings of the Company. The Proportionate Voting Shares are ranked equally on an as converted to Subordinate Voting Share basis regarding the Company's residual assets. The Company is authorized to issue an unlimited number of Proportionate Voting Shares.

**(b) Incentive Based Compensation**

In February 2021, the Company established the Verano Holdings Corp. Stock and Incentive Plan (the "Plan"), which provides for stock-based remuneration for its eligible directors, officers, employees, consultants, and advisors. The maximum number of RSUs, options and other stock-based awards that may be issued under the Plan cannot exceed 10% of the Company's then issued and outstanding share capital, determined on an as converted to Subordinate Voting Shares basis. In addition, in March 2024, the Company adopted the Long-Term Cash Incentive Plan, which provides for cash-based remuneration to eligible service providers of the Company. All goods and services received in exchange for the grant of any stock-based or cash-based awards are measured at their fair value. Equity-settled stock-based payments under stock-based payment plans are ultimately recognized as an expense in profit or loss with a corresponding credit to equity.

The Company recognizes compensation expense on a straight-line basis over the requisite service period of the award. Estimates are subsequently revised if there is any indication that the number of shares or amount of cash expected to vest differs from the previous estimate. Any cumulative adjustment prior to vesting is recognized in the current period with no adjustment to prior periods for expense previously recognized.

Option and RSU grants generally vest in installments over 12 to 36 months and options typically have a life of ten years.

**VERANO HOLDINGS CORP.**  
**Notes to Unaudited Interim Condensed Consolidated Financial Statements**  
*(\$ in Thousands except shares and per share amounts)*

**8. SHARE CAPITAL (Continued)**

*Options*

The Company had 31,759 fully vested and exercisable options, entitling the holder thereof to one Subordinate Voting Share per each option upon exercise, with a weighted average exercise price of C\$30.13 and a weighted average remaining contractual life of 5.66 years as of June 30, 2025.

No fully vested options, entitling the holder thereof to one Subordinate Voting Share per each option upon exercise, were cancelled during the six months ended June 30, 2025. No options were granted or forfeited during the six months ended June 30, 2025. As of June 30, 2025 and December 31, 2024, there were no in-the-money options.

*RSUs*

The following table summarizes the number of unvested RSU awards as of June 30, 2025 and December 31, 2024 and the changes during the six months ended June 30, 2025:

	Number of Shares	Weighted Avg. Grant Date Fair Value C\$
Unvested RSUs at December 31, 2024	6,302,987	4.96
Granted	1,819,053	0.86
Forfeited	218,105	4.58
Vested	2,567,940	4.56
<b>Unvested RSUs at June 30, 2025</b>	<b>5,335,995</b>	<b>3.49</b>

The stock-based compensation expense for the three and six months ended June 30, 2025 and 2024 were as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Stock Options	\$ —	\$ —	\$ —	\$ —
Restricted Stock Units	3,339	4,316	6,642	8,244
<b>Total Stock Based Compensation Expense</b>	<b>\$ 3,339</b>	<b>\$ 4,316</b>	<b>\$ 6,642</b>	<b>\$ 8,244</b>

**(c) Share Repurchase Program**

On June 17, 2024, the Company's Board of Directors authorized the repurchase of up to 5%, or 17,320,857, of its Subordinate Voting Shares over a 12-month period, and in no event repurchasing greater than an aggregate cost of \$50,000. The share repurchase program expired on June 17, 2025 and the Company repurchased zero Subordinate Voting Shares during the six months ended June 30, 2025.

**VERANO HOLDINGS CORP.**  
**Notes to Unaudited Interim Condensed Consolidated Financial Statements**  
*(\$ in Thousands except shares and per share amounts)*

**9. INCOME TAXES**

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The following table summarizes the Company's income tax expense and effective tax rates for the three and six months ended June 30, 2025 and 2024:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Income before Income Taxes	\$ 16,002	\$ 8,766	\$ 21,836	\$ 15,421
Income Tax Expense	(35,152)	(30,530)	(52,501)	(42,007)
Effective Tax Rate	220 %	348 %	240 %	272 %

The effective tax rates for the three and six months ended June 30, 2025 and 2024 were based on the Company's forecasted annualized effective tax rates and were adjusted for discrete items that occurred within the periods presented. Net discrete tax items of \$4,569 and \$8,932 were recorded during the three months ended June 30, 2025 and 2024, respectively. Net discrete tax items of \$13,634 and \$8,696 were recorded during the six months ended June 30, 2025 and 2024, respectively. Discrete items recorded during the three and six months ended June 30, 2025 and 2024 primarily relate to penalties and interest on unpaid tax liabilities, impacts of prior period and return to provision adjustments, and remeasurement of deferred taxes for state tax rate changes.

The Internal Revenue Service has taken the position that cannabis companies are subject to the limits of Section 280E of the U.S. Internal Revenue Code of 1986, as amended (the "Code") for U.S. federal income tax purposes, under which, they are only allowed to deduct expenses directly related to costs of goods sold. The Company has taken a position that its deduction of ordinary and necessary business expenses is not limited by Section 280E of the Code.

During the year ended December 31, 2024, the Company recorded an uncertain tax liability in uncertain tax positions on the Consolidated Balance Sheet for tax positions taken based on legal interpretations that challenge the Company's tax liability under Section 280E of the Code.

On July 4, 2025, the One Big Beautiful Bill Act ("OBBBA") was enacted in the U.S. The OBBBA makes key elements of the Tax Cuts and Jobs Act of 2017 permanent, including 100% bonus depreciation, domestic research cost expensing, and the business interest expense limitation. We are currently evaluating the provisions of the new legislation and the potential effects on our estimated annual effective tax rate and cash tax position for the year ending December 31, 2025.

Taxes paid during the six months ended June 30, 2025 and 2024 were \$52,037 and \$53,515, respectively.

**VERANO HOLDINGS CORP.**  
**Notes to Unaudited Interim Condensed Consolidated Financial Statements**  
*(\$ in Thousands except shares and per share amounts)*

**10. LEASES**

The Company has operating leases for some of its retail dispensaries and processing and production facilities located throughout the U.S., as well as for its corporate offices located in Chicago, Illinois. Operating lease right-of-use assets and operating lease liabilities are recognized based on the present value of future minimum lease payments over the lease term at commencement date.

Leases with an initial term of 12 months or less are not recorded on the Company's balance sheet. Certain leases require payments for taxes, insurance, and maintenance, and are considered non-lease components. The Company accounts for non-lease components separately.

The Company determines if an arrangement is a lease at inception. The Company must consider whether the contract conveys the right to control the use of an identified asset.

The Company leases certain business facilities from third parties under non-cancellable operating lease agreements that contain minimum rental provisions that expire through 2037. Some leases also contain renewal provisions and provide for rent abatement and escalating payments.

During the three months ended June 30, 2025 and 2024, the Company recorded approximately \$5,718 and \$4,913 in operating lease expense, respectively, of which \$317 and \$114 was included in cost of goods sold for the same periods, respectively. During the six months ended June 30, 2025 and 2024, the Company recorded approximately \$11,410 and \$9,912 in operating lease expense, respectively, of which \$635 and \$228 was included in cost of goods sold for the same periods, respectively.

Other information related to operating leases as of and for the periods ended June 30, 2025 and December 31, 2024, were as follows:

	<b>June 30, 2025</b>	<b>December 31, 2024</b>
Weighted average remaining lease term - years	7.87	8.08
Weighted average discount rate	10.43 %	10.28 %

Maturities of lease liabilities for operating leases as of June 30, 2025 were as follows:

<b>Year Ending December 31,</b>	<b>Maturities of Lease Liability</b>
2025 (Remaining) \$	10,855
2026	21,229
2027	20,551
2028	19,811
2029	18,763
Thereafter	69,227
<b>Total Lease Payments</b>	<b>160,436</b>
Less: Imputed Interest	(54,745)
<b>Present Value of Lease Liability \$</b>	<b>105,691</b>

**VERANO HOLDINGS CORP.**  
**Notes to Unaudited Interim Condensed Consolidated Financial Statements**  
*(\$ in Thousands except shares and per share amounts)*

**11. CONTINGENCIES AND OTHER**

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**(a) Claims and Litigation**

From time to time, the Company may be involved in litigation relating to claims arising out of operations in the normal course of business. As of June 30, 2025, other than as set forth below, there were no pending or threatened lawsuits that could reasonably be expected to have a material effect on the results of the Company's consolidated operations. There are no proceedings in which the Company is a party and any of the Company's directors, officers or affiliates is an adverse party or has a material interest adverse to the Company's interest.

On January 31, 2022, the Company entered into an Arrangement Agreement (the "GGH Arrangement Agreement") with Vireo Growth Inc., formerly known as Goodness Growth Holdings, Inc. ("GGH"), pursuant to which it agreed to acquire all of the issued and outstanding equity interests of GGH in exchange for equity interests in the Company, subject to the terms and conditions set forth in the GGH Arrangement Agreement. On October 13, 2022, the Company provided written notice to GGH of GGH's breach of the GGH Arrangement Agreement and exercised the Company's termination rights under the GGH Arrangement Agreement. On October 21, 2022, GGH filed suit against the Company in the Supreme Court of British Columbia alleging that the Company breached (i) the GGH Arrangement Agreement through, among other things, the purported wrongful repudiation of the GGH Arrangement Agreement, (ii) the duty of good faith, and (iii) the duty of honest performance in contract. In addition, on November 14, 2022, the Company filed a counterclaim asserting that GGH owes it a termination fee in the amount of \$14,875, or alternatively, the reimbursement of out-of-pocket fees and expenses of up to \$3,000 as a result of our termination of the GGH Arrangement Agreement, which was based upon our belief that GGH breached covenants and representations in the GGH Arrangement Agreement and the occurrence of other termination events. GGH filed a response to such counterclaim on December 7, 2022, in which GGH denied it was obligated to pay any termination fee or transaction expenses.

On May 2, 2024, GGH filed an application with the Supreme Court of British Columbia seeking an order granting summary trial in the ongoing litigation between the Company and GGH regarding the GGH Arrangement Agreement. In the application, GGH stated it is seeking \$860,900 in damages, plus costs and interest (the "GGH Application for Summary Trial"). On June 19, 2024, the Company filed an application in response seeking: (i) dismissal of the GGH Application for Summary Trial on the grounds that the issues raised by it are not suitable for disposition by summary trial and will not assist the efficient resolution of the proceeding; and (ii) an order that the report on damages filed by GGH in support of the GGH Application for Summary Trial is inadmissible and shall be excluded from evidence in the trial, or any summary trial, of this matter. On September 17, 2024, the Company filed an amended response and counterclaim with the Supreme Court of British Columbia, primarily in response to communications disclosed by GGH during the discovery process. The Company can provide no guarantees or assurances that it will prevail or settle this lawsuit or its counterclaim on favorable terms, if at all, and an adverse outcome could have a material adverse effect on its business, results of operations and financial condition.

**VERANO HOLDINGS CORP.**  
**Notes to Unaudited Interim Condensed Consolidated Financial Statements**  
*(\$ in Thousands except shares and per share amounts)*

**11. CONTINGENCIES AND OTHER** *(Continued)*

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**(b) Illegality of Cannabis at the U.S. Federal Level**

Verano operates within states where cannabis use, medical or adult use or both, has been approved by state and local regulatory bodies. Notwithstanding the permissive regulatory environment of medical, and in some cases also adult use cannabis at the state level, under U.S. federal law cannabis (other than hemp) is a Schedule I controlled substance under the Controlled Substances Act (21 U.S.C. § 811) (the “Controlled Substances Act”) which means it is viewed by the U.S. federal government as a drug that has a high potential for abuse and no therapeutic value. Therefore, even in states or territories that have legalized cannabis to some extent, the cultivation, processing, distribution, possession and sale of cannabis violates the Controlled Substances Act. Moreover, individuals and entities may violate U.S. federal law if they aid and abet another in violating the Controlled Substances Act or conspire with another to violate the law. Violating the Controlled Substances Act is also a predicate for other crimes, including money laundering laws and the Racketeer Influenced and Corrupt Organizations Act. Violations of any U.S. federal laws and regulations could result in significant fines, penalties, administrative sanctions, convictions or settlements arising from civil proceedings conducted by either the federal government or private citizens, or criminal charges, including, but not limited to, disgorgement of profits, cessation of business activities, civil forfeiture or divestiture.

Strict compliance with state and local laws with respect to cannabis may neither absolve the Company of liability under U.S. federal law, nor may it provide a defense to any federal proceeding which may be brought against the Company. This could have a material adverse effect on the Company, including its reputation and ability to conduct business, its cannabis licenses in the U.S., the listing and trading of its securities on stock exchanges and platforms, its financial position, operating results, profitability, liquidity and the market price of its publicly traded shares. In addition, it is difficult for the Company to estimate the time or resources that would be needed for the investigation of any such matters or its final resolution because, in part, the time and resources that may be needed are dependent on the nature and extent of any information requested by the applicable authorities involved, and such time and resources could be substantial.

There can be no assurance that the comprehensive U.S. federal legislation that would de-schedule and de-criminalize cannabis will be passed in the near future or at all. If such legislation is passed, there is no guarantee that it will include provisions that preserve the current state-based cannabis programs under which the Company operates or that such legislation will otherwise be favorable to the Company and its business.

**VERANO HOLDINGS CORP.**  
**Notes to Unaudited Interim Condensed Consolidated Financial Statements**  
*(\$ in Thousands except shares and per share amounts)*

**12. SEGMENTS**

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The Company conducts and manages its business through two reportable segments, representing the major lines of its cannabis business: cultivation (wholesale) and retail. The cultivation (wholesale) segment consists of the cultivation, production and sale of cannabis products to retail stores. The retail segment consists of the retailing of cannabis to patients and consumers.

The accounting policies used in the segment reporting are the same as those described in Note 2 - Significant Accounting Policies within the 2024 Annual Audited Financials on Form 10-K. The Company's Chief Operating Decision Maker ("CODM") is the Chief Executive Officer. The CODM utilizes each segment's Adjusted EBITDA as the key indicator in assessing the segment's performance and allocating resources. Segment-level Adjusted EBITDA includes intersegment revenues which consist primarily of sales of finished goods product from the wholesale (cultivation) to retail segment. Intersegment transactions are eliminated in consolidation. The elimination of such intersegment transactions is included in All Other in the table below. Additionally, we do not allocate certain shared expenses such as accounting, human resources, certain information technology and legal to our reportable segments. We include these expenses in All Other in the table below. The All Other column in the table below also includes unallocated corporate functions and expenses. Certain prior year line items have been adjusted and our allocation methodology is periodically evaluated and may change.

Within the tables below the Other Segment Items for each segment primarily consists of certain selling, general, and administrative expenses and other operational costs. Summarized financial information for the Company's reportable segments consisted of the following:

	<b>For the Three Months Ended June 30, 2025</b>			
	<b>Retail</b>	<b>Wholesale</b>	<b>All Other</b>	<b>Total</b>
Revenues, net of Discounts	\$ 169,098	\$ 73,340	\$ (40,166)	\$ 202,272
Cost of Goods Sold, net	(87,932)	(39,792)	38,436	(89,288)
Other Segment Items	(28,783)	12,581	(30,629)	(46,831)
Adjusted EBITDA	\$ 52,383	\$ 46,129	\$ (32,359)	\$ 66,153
Acquisition Adjustments and Other Income (Expense), net				2,238
Acquisition, Transaction and Other Non-operating Costs				(3,355)
Employee Stock Compensation				(3,339)
Interest Expense, net				(14,207)
Depreciation and Amortization				(31,488)
Income from operations before income taxes				<u>\$ 16,002</u>

**VERANO HOLDINGS CORP.**  
**Notes to Unaudited Interim Condensed Consolidated Financial Statements**  
*(\$ in Thousands except shares and per share amounts)*

**12. SEGMENTS (Continued)**

	<b>For the Three Months Ended June 30, 2024</b>			
	<b>Retail</b>	<b>Wholesale</b>	<b>All Other</b>	<b>Total</b>
Revenues, net of Discounts	\$ 164,592	\$ 92,471	\$ (34,673)	\$ 222,390
Cost of Goods Sold, net	(90,838)	(49,574)	32,362	(108,050)
Other Segment Items	(28,516)	10,474	(25,699)	(43,741)
Adjusted EBITDA	\$ 45,238	\$ 53,371	\$ (28,010)	\$ 70,599
Acquisition Adjustments and Other Income (Expense), net				(4,977)
Acquisition, Transaction and Other Non-operating Costs				(2,570)
Employee Stock Compensation				(4,316)
Interest Expense, net				(14,237)
Depreciation and Amortization				(35,733)
Income from operations before income taxes				<u>\$ 8,766</u>

	<b>For the Six Months Ended June 30, 2025</b>			
	<b>Retail</b>	<b>Wholesale</b>	<b>All Other</b>	<b>Total</b>
Revenues, net of Discounts	\$ 337,905	\$ 152,901	\$ (78,725)	\$ 412,081
Cost of Goods Sold, net	(183,161)	(92,400)	76,045	(199,516)
Other Segment Items	(55,579)	25,843	(62,278)	(92,014)
Adjusted EBITDA	\$ 99,165	\$ 86,344	\$ (64,958)	\$ 120,551
Acquisition Adjustments and Other Income (Expense), net				5,881
Acquisition, Transaction and Other Non-operating Costs				(6,906)
Employee Stock Compensation				(6,642)
Interest Expense, net				(27,769)
Depreciation and Amortization				(63,279)
Income from operations before income taxes				<u>\$ 21,836</u>

	<b>For the Six Months Ended June 30, 2024</b>			
	<b>Retail</b>	<b>Wholesale</b>	<b>All Other</b>	<b>Total</b>
Revenues, net of Discounts	\$ 333,180	\$ 178,591	\$ (68,075)	\$ 443,696
Cost of Goods Sold, net	(183,701)	(97,447)	64,752	(216,396)
Other Segment Items	(56,785)	21,636	(55,005)	(90,154)
Adjusted EBITDA	\$ 92,694	\$ 102,780	\$ (58,328)	\$ 137,146
Acquisition Adjustments and Other Income (Expense), net				(6,799)
Acquisition, Transaction and Other Non-operating Costs				(6,046)
Employee Stock Compensation				(8,244)
Interest Expense, net				(29,351)
Depreciation and Amortization				(71,285)
Income from operations before income taxes				<u>\$ 15,421</u>

**VERANO HOLDINGS CORP.**  
**Notes to Unaudited Interim Condensed Consolidated Financial Statements**  
*(\$ in Thousands except shares and per share amounts)*

**13. LOYALTY OBLIGATIONS**

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The Company has customer loyalty programs where retail customers accumulate points for each dollar of spending, net of tax. These points are recorded as a contractual liability until customers redeem their points for discounts on eligible products as part of an in-store sales transaction. In addition, the Company records a performance obligation as a reduction of revenue based on the estimated probability of point obligation incurred.

The Company's loyalty programs have a calculated standalone selling price that ranges between \$0.03<sup>1</sup> and \$0.06<sup>1</sup> per loyalty point. Upon redemption, the loyalty program obligation is relieved, and the offset is recorded as revenue. The Company estimates that 20% of points will not be redeemed (breakage) prior to their six-month expiration dates. The Company continues to evaluate breakage and redemption values to determine the standalone selling price.

As of June 30, 2025, there were approximately 169 million<sup>1</sup> points outstanding with an approximate value of \$6,821. As of December 31, 2024, there were approximately 150 million<sup>1</sup> points outstanding with an approximate value of \$7,449. Such balances are included in Accrued Liabilities on the Company's Condensed Consolidated Balance Sheets.

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<sup>1</sup> Such amount not in Thousands

**VERANO HOLDINGS CORP.**  
**Notes to Unaudited Interim Condensed Consolidated Financial Statements**  
*(\$ in Thousands except shares and per share amounts)*

#### 14. CONSOLIDATION

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In accordance with ASC 810, the Company consolidates through the variable interest entity (“VIE”) model. The following table presents the summarized financial information about the Company’s consolidated VIEs, which are included in the Company’s Condensed Consolidated Balance Sheets as of June 30, 2025 and December 31, 2024.

	<b>June 30, 2025</b>	<b>December 31, 2024</b>
Current Assets	\$ 4,831	\$ 6,736
Non-Current Assets	28,983	26,555
Current Liabilities	34,172	31,492
Non-Current Liabilities	6,366	5,903
Equity attributable to Verano Holdings Corp.	(4,947)	(1,844)
Non-Controlling Interest	(1,777)	(2,260)

##### **Consolidated Variable Interest Entities**

Consolidated VIEs occur when (a) the Company closes an acquisition while the state has not finalized the transfer of the cannabis license or (b) the Company owns an equity interest in a joint venture, which it exercises control over.

Consolidation occurs on the effective date of the purchase agreement, or in the case of joint venture VIEs, on the effective date of a limited liability company agreement governing the applicable joint venture, and a management service agreement (an “MSA”). The MSA grants the management company, Verano, the ability to make business operating decisions, manage and staff employees, determine product mix, and the authority to direct allocation of cash. The MSA or the limited liability company agreement also allows Verano to limit distributions of the entity at Verano’s discretion. Certain states may limit the distribution or transfer of cash until license transfer.

The Company has entered into financing arrangements with certain VIEs to provide funding for potential capital expenditures including, but not limited to, the construction of dispensaries and other facilities.

The Company applies ASC 810-10-15 to determine control of the legal entity. With respect to VIEs acquired via acquisition, the purchase agreements limit the sellers involvement in future operations, and their risks of loss. With respect to joint venture VIEs, the limited liability company agreements limit the partners’ involvement in future operations and control over financial decisions, including distributions. In addition, Verano enters into an MSA with the legal entity that grants the Company strategic decision-making ability of the business operations.

The Company is involved in all qualitative and quantitative aspects of each consolidated VIE, such as but not limited to, software choices, procurement, staffing and payroll, advertising, and use of cash flow. With respect to VIEs acquired via acquisition, the Company absorbs all risk of loss and receives expected future returns based on the purchase agreement and MSA, resulting in Verano being the primary beneficiary.

Verano does not fully own all entities consolidated under ASC 810 and records a non-controlling interest for such non-owned portion in the Unaudited Interim Condensed Consolidated Financial Statements. The income of less-than-wholly owned entities is attributed to non-controlling interest and Verano based on the contractual arrangements between the other interest holders and Verano, or, in the absence of contractual arrangements, on a pro rata basis based on relative ownership percentage. As an exception to the aforementioned attribution method, during periods in which a less-than-wholly owned entity records an accumulated deficit, the net losses of the less-than-wholly owned subsidiary are, generally, attributed entirely to Verano.

**VERANO HOLDINGS CORP.**  
**Notes to Unaudited Interim Condensed Consolidated Financial Statements**  
*(\$ in Thousands except shares and per share amounts)*

**15. FAIR VALUE MEASUREMENTS**

The Company applies fair value accounting for all financial assets and liabilities that are recognized or disclosed at fair value in the Condensed Consolidated Financial Statements on a recurring basis. Fair value is defined as the price that would be received from selling an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When determining the fair value measurements for assets and liabilities that are required to be recorded at fair value, the Company considers all related factors of the asset by market participants in which the Company would transact and the market-based risk measurements or assumptions that market participants would use in pricing the asset or liability, such as inherent risk, transfer restrictions, and credit-risk.

The Company applies the following fair value hierarchy, which prioritizes the inputs used to measure fair value into three levels, and bases the categorization within the hierarchy upon the lowest level of input that is available and significant to the fair value measurement:

*Level 1* – Unadjusted quoted prices in active markets for identical assets or liabilities;

*Level 2* – Inputs other than quoted prices that are observable for the asset or liability, either directly or indirectly; and

*Level 3* – Inputs for the asset or liability that are not based on observable market data.

**Financial Instruments**

The Company’s financial instruments consist of cash and cash equivalents, accounts receivable, accounts payable, accrued liabilities, debt, and acquisition consideration payable.

For the Company’s long-term debt (which primarily consists of a credit facility and mortgage loans), for which there were no quoted market prices of active trading markets, it was not practicable to estimate the fair value of these financial instruments. The carrying amount of debt as of June 30, 2025 and December 31, 2024 was \$403,265 and \$413,849, respectively, which included \$3,443 and \$18,153, respectively, of short-term debt due within one year.

Financial instruments recorded at fair value are classified using a fair value hierarchy that reflects the significance of the inputs to fair value measurements. The fair value of the Company’s financial instruments associated with each of the three levels of the hierarchy are:

	<b>As of June 30, 2025</b>			
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Cash and Cash Equivalents	\$ 68,569	\$ —	\$ —	\$ 68,569
Acquisition Consideration Payable	—	—	(499)	(499)
<b>Total</b>	<b>\$ 68,569</b>	<b>\$ —</b>	<b>\$ (499)</b>	<b>\$ 68,070</b>

  

	<b>As of December 31, 2024</b>			
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Cash and Cash Equivalents	\$ 87,796	\$ —	\$ —	\$ 87,796
Acquisition Consideration Payable	—	—	(935)	(935)
<b>Total</b>	<b>\$ 87,796</b>	<b>\$ —</b>	<b>\$ (935)</b>	<b>\$ 86,861</b>

**VERANO HOLDINGS CORP.**  
**Notes to Unaudited Interim Condensed Consolidated Financial Statements**  
*(\$ in Thousands except shares and per share amounts)*

**16. RELATED PARTY TRANSACTIONS**

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*2022 Credit Agreement*

George Archos, the Chairman and Chief Executive Officer of the Company, participated in the 2022 Credit Agreement as a Lender funding \$1,000 of the \$350,000 principal amount. Mr. Archos is excluded from certain approval rights of the lenders and any penalties and fees due to Mr. Archos under the 2022 Credit Agreement are immaterial to the Company.

*Two Pointo*

In October 2022, the Company entered into a conditional management and services agreements with each of Americana Dream, LLC and Green Therapy, LLC, operators of dispensaries in Illinois pursuant to social equity licenses issued by Illinois regulatory authorities (together, the “LLCs”), and in 2023 the Company received an aggregate of \$10 for services rendered under the agreements. The Company sold products to the LLCs and two associated entities on a wholesale basis in the aggregate amount of \$854, net of discounts, and \$1,321, net of discounts in the first and second quarter of 2024, respectively. As of December 31, 2024, the amount due from the LLCs and two associated entities was \$552. Two Pointo, LLC (“Two Point”) has contractual rights to purchase ownership interests in the LLCs and associated entities, subject to submitting a request for and receiving applicable Illinois regulatory approvals and other conditions. The existing owners of the LLCs and associated entities will maintain ownership interests together with Two Point. In 2023, Darren Weiss, the Company’s President, received in connection with application support services rendered to an LLC in 2019, (i) a 2.73% profit interest in Two Point subject to Two Point’s purchase of ownership interests in the LLCs, and (ii) a profit interest in Two Point of 0.30%, and David Spreckman, the Company’s Chief Marketing Officer, received a profit interest in Two Point of 0.30% for services. All profit interests issued to Messrs. Weiss and Spreckman were voluntarily forfeited in 2024 as if they were never granted. Maria Fragias, an immediate family member of George Archos, the Company’s Chairman and Chief Executive Officer, is the beneficiary of a trust that held a 7.92% ownership interest and a 3.95% profit interest in Two Point. During the year ended December 31, 2024, the trust for which Maria Fragias was a beneficiary, divested all ownership and profit interests in Two Point. To the Company’s knowledge, none of the trust or such persons received any distributions, payments, or proceeds from Two Point.

*Leases*

The Company leases real property for a retail dispensary in Aurora, Illinois from 740 Rte. 59, LLC (“740”). Pursuant to the lease agreement, the Company made payments totaling \$46 and \$46 during each of the three months ended June 30, 2025 and 2024, respectively, and \$92 and \$92 during each of the six months ended June 30, 2025 and 2024, respectively. Payments consist of base rent, real estate taxes and customary tenant charges. George Archos, the Company’s Chief Executive Officer, holds an indirect 50% ownership interest in 740. Pursuant to the lease agreement, the initial term expires on June 30, 2030.

The Company leases real property for a retail dispensary in Lombard, Illinois from 783 Butterfield LLC (“783”). Pursuant to the lease agreement, the Company made payments to 783 totaling \$93 and \$91 during the three months ended June 30, 2025 and 2024, respectively, and \$185 and \$182 during the six months ended June 30, 2025 and 2024, respectively. Payments consist of base rent, real estate taxes and customary tenant charges. George Archos, the Company’s Chief Executive Officer, holds a 50% indirect ownership interest in 783. Pursuant to the lease agreement, the initial term expires on January 11, 2031.

*Sweed*

High Tech Holdings, Inc. (“Sweed”) provides point of sale software systems to retail cannabis businesses under the names “Sweed” and “Leaftrade.” Sweed provides these software systems to the Company. For these services the Company paid Sweed \$1,696 during the six months ended June 30, 2025 and \$1,382 during the year ended December 31, 2024. GP Management Group, LLC, an entity beneficially owned and controlled by George Archos, held an ownership interest of less than 1% in Sweed as of June 30, 2025.

**VERANO HOLDINGS CORP.**  
**Notes to Unaudited Interim Condensed Consolidated Financial Statements**  
*(\$ in Thousands except shares and per share amounts)*

**17. SUBSEQUENT EVENTS**

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*Resignation of President*

On August 1, 2025, Darren Weiss resigned from his role as the President of the Company and from all his positions as an officer, director, manager or employee with all subsidiaries and controlled affiliates of the Company. Mr. Weiss is pursuing other business opportunities related to the cannabis industry and its participants outside of North America, and his decision to resign from the Company is not the result of any disagreements with the Company.

## ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

*This management discussion and analysis (this "MD&A") of the financial condition and results of operations of the Company is for the three and six months ended June 30, 2025 and June 30, 2024. It is supplemental to, and should be read in conjunction with, the Company's Unaudited Interim Condensed Consolidated Financial Statements and the accompanying notes for the three and six months ended June 30, 2025 and with the Company's Audited Consolidated Financial Statements and the accompanying notes for the years ended December 31, 2024, 2023 and 2022 included in the Form 10-K. The financial statements referenced in this MD&A are prepared in accordance with GAAP. Financial information presented in this MD&A is presented in United States dollars ("\$" or "US\$") and expressed in thousands, unless otherwise indicated. This MD&A contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those projected, forecasted, or expected in these forward-looking statements as a result of various factors, including, but not limited to, those discussed in the Form 10-K and this Form 10-Q. See "Cautionary Statement Regarding Forward-Looking Statements" above, "Risk Factors" in Part I, Item 1A above and "Risk Factors" in the Form 10-K and Part II, Item 1A of subsequently filed Form 10-Qs. The Company's management believes the assumptions underlying the Company's financial statements and accompanying notes are reasonable. However, the Company's financial statements and accompanying notes may not be an indication of the Company's financial condition and results of operations in the future.*

### OVERVIEW OF THE COMPANY

Verano, one of the U.S. cannabis industry's leading companies based on historical revenue, geographical scope and brand performance, is a vertically integrated, multi-state operator embracing a mission of saying *Yes* to plant progress and the bold exploration of cannabis. An operator of licensed cannabis cultivation, processing, wholesale distribution and retail facilities, our goal is the ongoing development of communal wellness by providing responsible access to regulated medical and adult use cannabis products to discerning customers. As of August 5, 2025, through our subsidiaries and affiliates we operate businesses in 13 states, including 157 retail dispensaries and 15 cultivation and processing facilities with over 1.1 million square feet of cultivation capacity. We produce a wide variety of high-quality cannabis products sold under our portfolio of consumer brands, including Encore™, Avexia™, MÜV™, Savvy™, (the) Essence™, BITST™ and Verano™. We also design, build and operate branded retail environments including Zen Leaf™ and MÜV™ dispensaries that deliver a cannabis shopping experience in both medical and adult use markets.

Notwithstanding the permissive regulatory environment of medical, and in some cases, also adult use (i.e., recreational) cannabis, at the state level, it remains illegal under U.S. federal law to cultivate, manufacture, distribute, sell or possess cannabis in the U.S. Because federal law prohibits transporting any federally restricted substance across state lines, cannabis cannot be transported across state lines. As a result of current federal law prohibitions, the U.S. cannabis industry is conducted on a state-by-state basis. To date, in the U.S. 39 states plus the District of Columbia and the U.S. territories of Puerto Rico, Guam, the Commonwealth of Northern Mariana Islands, and the U.S. Virgin Islands have authorized comprehensive medical cannabis programs, 24 states plus the District of Columbia and the U.S. territories of Guam, the Commonwealth of Northern Mariana Islands, and the U.S. Virgin Islands have authorized comprehensive programs for medical and adult use (i.e. recreational) cannabis, and 6 states allow the use of low tetrahydrocannabinol (THC) and high cannabidiol (CBD) products for specified medical uses. Verano operates within states where cannabis use, medical or both medical and adult use, has been approved by state and local regulatory bodies. Strict compliance with state and local laws with respect to cannabis may neither absolve the Company of liability under U.S. federal law, nor may it provide a defense to any federal proceeding which may be brought against the Company or any of its subsidiaries.

Our strategy is to vertically integrate as a single cohesive company in multiple states through the consolidation of seed-to-sale cultivating, manufacturing, distributing, and dispensing cannabis brands and products at scale. Our cultivation, processing and wholesale distribution of cannabis consumer packaged goods are designed to guarantee shelf-space in our national retail dispensary chains, as well as to develop and foster long term wholesale supply relationships with third-party retail operators. Our model includes geographic diversity by establishing a footprint to allow us to adapt to changes in both industry and market conditions.

The United States government has recently adopted new approaches to trade policy and has announced tariffs on certain foreign goods and the possibility of significant additional tariff increases or expansions of tariffs. The timing and scope of such tariffs by the United States and retaliatory tariffs by other countries in response to such tariffs is currently uncertain. Such tariffs could create supply chain disruptions or increased pricing of procured materials, which could impact our current and expansion strategy as well as our business, operating results and financial condition. See "Risk Factors" in Part II, Item 1A in the Form 10-Q filed for the period ended March 31, 2025.

## SELECTED RESULTS OF OPERATIONS

The following presents selected financial data derived from the (i) Unaudited Interim Condensed Consolidated Financial Statements for the three and six months ended June 30, 2025 and 2024 and (ii) the Condensed Consolidated Balance Sheets as of June 30, 2025 and December 31, 2024, and should be read in conjunction with the Unaudited Interim Condensed Consolidated Financial Statements and accompanying notes presented in Item 1 of this Form 10-Q. The selected Unaudited Interim Condensed Consolidated financial information below may not be indicative of the Company's future performance.

### *Three Months Ended June 30, 2025, as Compared to Three Months Ended June 30, 2024*

<i>(\$ in thousands)</i>	<b>For the Three Months Ended June 30,</b>		
	<b>2025</b>	<b>2024</b>	<b>\$ Change</b>
Revenues, net of discounts	\$ 202,272	\$ 222,390	\$ (20,118)
Gross Profit	112,984	114,340	(1,356)
Net Loss attributable to Verano Holdings Corp. & Subsidiaries	(19,150)	(21,764)	2,614
Net Loss per share – basic & diluted	(0.05)	(0.06)	0.01

#### *Revenues, net of discounts*

Revenues, net of discounts, for the three months ended June 30, 2025 was \$202,272, a decrease of \$20,118 or 9.0%, compared to revenue of \$222,390 for the three months ended June 30, 2024. The decrease in revenue, net of discounts, was driven primarily by the Company's accounts receivable strategy of maintaining a number of accounts on hold for non-payment coupled with expected third-party price compression in established markets. This is partially offset by the launch of the Ohio adult-use program during August 2024, new stores associated with the acquisition of CC East Virginia and Cannabist AZ, and increased sales within the Florida market when comparing the three months ended June 30, 2025 to the three months ended June 30, 2024. During the three months ended June 30, 2025, the Company opened three new stores: one in Connecticut, one in Florida and one in Ohio. Retail revenue for the three months ended June 30, 2025 was approximately 69.7% of total revenue compared to 64.0% of total revenue for the three months ended June 30, 2024, in each case, excluding intersegment eliminations. Cultivation (wholesale) revenue for the three months ended June 30, 2025 was 30.3% of total revenue compared to 36.0% of total revenue for the three months ended June 30, 2024, in each case, excluding intersegment eliminations.

#### *Gross Profit*

Gross profit for the three months ended June 30, 2025 was \$112,984, representing a gross profit margin of 55.9%. This is compared to gross profit for the three months ended June 30, 2024 of \$114,340, which represented a gross profit margin of 51.4%. The decrease in gross profit during the three months ended June 30, 2025 compared to the three months ended June 30, 2024, was primarily attributable to overall top-line revenue decline coupled with increased promotional activity in established markets, partially offset by more efficient harvests from expanded cultivation facilities.

#### *Net Loss*

Net Loss attributable to the Company for the three months ended June 30, 2025 was \$(19,150), a decrease of \$2,614, compared to a net loss of \$(21,764) for the three months ended June 30, 2024. The decrease was primarily driven by an overall decrease in other income (expense), net partially offset by an increase in the provision for income taxes when comparing the three months ended June 30, 2025 to the three months ended June 30, 2024.

(\$ in thousands)	For the Three Months Ended June 30,		
	2025	2024	\$ Change
Cost of Goods Sold, net	\$ 89,288	\$ 108,050	\$ (18,762)
Selling, General, and Administrative Expenses	86,345	87,074	(729)
Total Other Income (Expense), net	(10,209)	(18,500)	8,291
Provision for Income Taxes	(35,152)	(30,530)	(4,622)

*Cost of Goods Sold, net*

Cost of goods sold, net includes the costs directly attributable to cultivating and processing cannabis and for retail purchases of finished goods, such as flower, edibles, and concentrates. Cost of goods sold, net for the three months ended June 30, 2025 was \$89,288, a decrease of \$18,762 or 17.4%, as compared to the three months ended June 30, 2024. The decrease was primarily driven by overall decline in top-line revenue coupled with more efficient harvests from expanded cultivation facilities.

*Selling, General, and Administrative Expenses*

Selling, general and administrative expenses (“SG&A”) for the three months ended June 30, 2025 were \$86,345, a decrease of \$729 or 0.8%, compared to SG&A expenses of \$87,074 for the three months ended June 30, 2024. SG&A expenses as a percentage of revenue were 42.7% and 39.2% for the three months ended June 30, 2025 and June 30, 2024, respectively. The slight decrease in SG&A expenses was attributable to a decrease in amortization largely offset by additional SG&A costs associated with new locations related to the CC East Virginia and Cannabist AZ acquisitions when comparing the three months ended June 30, 2025 to the three months ended June 30, 2024.

*Total Other Income (Expense), net*

Total other income (expense), net for the three months ended June 30, 2025, was \$(10,209), a decrease of \$8,291 as compared to the three months ended June 30, 2024. The total other income (expense), net decrease was primarily due to the Company's voluntary partial payoff agreement for the CC East Virginia Promissory Note resulting in a Gain on Debt Extinguishment of \$2,947 for the three months ended June 30, 2025, compared to a Loss on Debt Extinguishment of \$(3,068) attributable to the Permitted Partial Optional Prepayment under the 2022 Credit Agreement for the three months ended June 30, 2024.

*Provision for Income Taxes*

Income tax expense is recognized based on the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at year-end. Income tax expense for the three months ended June 30, 2025, was \$35,152, an increase of \$4,622 or 15.1% when compared to the three months ended June 30, 2024, primarily due to the forecasted annualized effective tax rates, adjusted for discrete items.

*Six Months Ended June 30, 2025, as Compared to Six Months Ended June 30, 2024*

<i>(\$ in thousands)</i>	<b>For the Six Months Ended June 30,</b>		
	<b>2025</b>	<b>2024</b>	<b>\$ Change</b>
Revenues, net of discounts	\$ 412,081	\$ 443,696	\$ (31,615)
Gross Profit	212,565	227,300	(14,735)
Net Loss attributable to Verano Holdings Corp. & Subsidiaries	(30,665)	(26,586)	(4,079)
Net Loss per share – basic & diluted	(0.09)	(0.08)	(0.01)

*Revenues, net of discounts*

Revenues, net of discounts, for the six months ended June 30, 2025 was \$412,081, a decrease of \$31,615 or 7.1%, compared to revenue of \$443,696 for the six months ended June 30, 2024. The decrease in revenue, net of discounts was driven primarily by the Company's accounts receivable strategy of maintaining a number of accounts on hold for non-payment coupled with expected third-party price compression in established markets. This is partially offset by the launch of the Ohio adult-use program during August 2024, new stores associated with the acquisition of CC East Virginia and Cannabist AZ, and increased sales within the Florida market. During the six months ended June 30, 2025, the Company opened five new stores: two in Connecticut, two in Florida and one in Ohio. Retail revenue for the six months ended June 30, 2025 was approximately 68.8% of total revenue compared to 65.1% of total revenue for the six months ended June 30, 2024, in each case, excluding intersegment eliminations. Cultivation (wholesale) revenue for the six months ended June 30, 2025 was 31.2% of total revenue compared to 34.9% of total revenue for the six months ended June 30, 2024, in each case, excluding intersegment eliminations.

*Gross Profit*

Gross profit for the six months ended June 30, 2025 was \$212,565, representing a gross profit margin on the sale of cannabis, cannabis extractions, edibles and related accessories of 51.6%. This is compared to gross profit for the six months ended June 30, 2024 of \$227,300, which represented a 51.2% gross profit margin on the sale of cannabis, cannabis extractions, edibles and related accessories. The decrease in gross profit during the six months ended June 30, 2025 compared to the six months ended June 30, 2024, was primarily attributable to overall top-line revenue decline coupled with increased promotional activity in established markets, partially offset by more efficient harvests from expanded cultivation facilities.

*Net Loss*

Net Loss attributable to the Company for the six months ended June 30, 2025 was \$(30,665), an increase of \$4,079, compared to a net loss of \$(26,586) for the six months ended June 30, 2024. The increase was driven by an overall decline in top-line revenues, net of discounts and gross profit coupled with an increase in the provision for income taxes for the six months ended June 30, 2025 compared to the six months ended June 30, 2024.

(\$ in thousands)	For the Six Months Ended June 30,		
	2025	2024	\$ Change
Cost of Goods Sold, net	\$ 199,516	\$ 216,396	\$ (16,880)
Selling, General, and Administrative Expenses	170,924	177,363	(6,439)
Total Other Income (Expense), net	(19,377)	(34,516)	15,139
Provision for Income Taxes	(52,501)	(42,007)	(10,494)

#### *Cost of Goods Sold, net*

Cost of goods sold, net, includes the costs directly attributable to cultivating and processing cannabis and for retail purchases of finished goods, such as flower, edibles, and concentrates. Cost of goods sold, net, for the six months ended June 30, 2025 was \$199,516, a decrease of \$16,880 or 7.8%, as compared to the six months ended June 30, 2024. The decrease was primarily driven by overall decline in top-line revenue coupled with more efficient harvests from expanded cultivation facilities.

#### *Selling, General, and Administrative Expenses*

SG&A for the six months ended June 30, 2025 were \$170,924, a decrease of \$6,439 or 3.6%, compared to SG&A expenses of \$177,363 for the six months ended June 30, 2024. SG&A expenses as a percentage of revenue was 41.5% and 40.0% for the six months ended June 30, 2025, and June 30, 2024, respectively. The decrease in SG&A expenses was driven by a decrease in amortization coupled with ongoing efficiencies generated across the business. This decrease was partially offset by additional SG&A costs associated with new locations related to the CC East Virginia and Cannabist AZ acquisitions when comparing the six months ended June 30, 2025 to the six months ended June 30, 2024.

#### *Total Other Income (Expense), net*

Total other income (expense), net for the six months ended June 30, 2025, was \$(19,377), a decrease of \$15,139 as compared to the six months ended June 30, 2024. The total other income (expense), net decrease was largely attributable to the voluntary partial payoff agreement for the CC East Virginia Promissory Note resulting in a Gain on Debt Extinguishment of \$2,947 for the three months ended June 30, 2025, compared to a Loss on Debt Extinguishment of \$(3,068) attributable to the Permitted Partial Optional Prepayment under the 2022 Credit Agreement for the three months ended June 30, 2024. Additionally, the other income (expense), net decrease was attributable to less interest expense on our debt obligations coupled with a Gain on Deconsolidation relating to our Arkansas operations during January 2025, which no longer met the criteria for consolidation as a result of termination of contracts providing us with control over the applicable entity's operations, when comparing the three months ended June 30, 2025 to the three months ended June 30, 2024.

#### *Provision for Income Taxes*

Income tax expense is recognized based on the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at year-end. Income tax expense for the six months ended June 30, 2025, was \$(52,501), an increase of \$(10,494) or 25.0% primarily due to the forecasted annualized effective tax rates, adjusted for discrete items.

## Results of Operations by Segment

The Company has two reportable segments: (i) cultivation (wholesale) and (ii) retail. Due to the vertically integrated nature of its business, the Company reviews its revenue at the cultivation (wholesale) and retail levels while reviewing its operating results on a consolidated basis.

The following tables summarize revenues, net of discounts, by segment for the three and six months ended June 30, 2025 and 2024:

(\$ in thousands)	For the Three Months Ended June 30,			
	2025	2024	\$ Change	% Change
Revenues, net of discounts				
Cultivation (Wholesale)	\$ 73,340	\$ 92,471	\$ (19,131)	(20.7)%
Retail	169,098	164,592	4,506	2.7 %
Intersegment Eliminations	(40,166)	(34,673)	(5,493)	15.8 %
<b>Total Revenues, net of discounts</b>	<b>\$ 202,272</b>	<b>\$ 222,390</b>	<b>\$ (20,118)</b>	<b>(9.0)%</b>

Revenues, net of discounts, for the cultivation (wholesale) segment were \$73,340 for the three months ended June 30, 2025, a decrease of \$19,131 or 20.7%, compared to the three months ended June 30, 2024, in each case, excluding intersegment eliminations. The decrease in cultivation (wholesale) revenues, net of discounts, was driven by the Company's accounts receivable strategy of maintaining a number of accounts on hold for non-payment, competition in the New Jersey and Illinois markets and strategic allocation of materials for new product development when comparing the three months ended June 30, 2025 to the three months ended June 30, 2024.

Revenues, net of discounts, for the retail segment were \$169,098 for the three months ended June 30, 2025, an increase of \$4,506 or 2.7%, compared to the three months ended June 30, 2024, in each case, excluding intersegment eliminations. The increase in retail revenues, net of discounts, was primarily driven by favorable contributions from the CC East Virginia and Cannabist AZ acquisitions and increased sales within the Florida market. Additionally, the Company continued to see increased competition and promotional activity, specifically in New Jersey and Illinois, which is consistent with other multi-state cannabis operators.

(\$ in thousands)	For the Six Months Ended June 30,			
	2025	2024	\$ Change	% Change
Revenues, net of discounts				
Cultivation (Wholesale)	\$ 152,901	\$ 178,591	\$ (25,690)	(14.4)%
Retail	337,905	333,180	4,725	1.4 %
Intersegment Eliminations	(78,725)	(68,075)	(10,650)	15.6 %
<b>Total Revenues, net of discounts</b>	<b>\$ 412,081</b>	<b>\$ 443,696</b>	<b>\$ (31,615)</b>	<b>(7.1)%</b>

Revenues, net of discounts, for the cultivation (wholesale) segment were \$152,901 for the six months ended June 30, 2025, a decrease of \$25,690 or 14.4%, compared to the six months ended June 30, 2024, in each case, excluding intersegment eliminations. The decrease in cultivation (wholesale) revenues, net of discounts, was driven by the Company's accounts receivable strategy of maintaining a number of accounts on hold for non-payment, competition and reduced third-party wholesale sales in the New Jersey and Illinois markets, as well as, strategic allocation of materials for new product development.

Revenues, net of discounts, for the retail segment were \$337,905 for the six months ended June 30, 2025, an increase of \$4,725 or 1.4%, compared to the six months ended June 30, 2024, in each case, excluding intersegment eliminations. The increase in retail revenues, net of discounts, was driven by increased sales within the Florida market, the launch of the Ohio adult-use program during August 2024, new store openings and acquisition activity when comparing the six months ended June 30, 2025 to the six months ended June 30, 2024. Additionally, the Company continued to see increased competition and promotional activity, specifically in New Jersey and Illinois which is consistent with other multi-state cannabis operators.

## **Drivers of Operational Performance**

### *Revenue*

The Company derives its revenue from both its cultivation (wholesale) business in which it cultivates, produces and sells cannabis products to third-party retail customers, and its retail business, in which it directly sells cannabis products to retail patients and consumers. For the three months ended June 30, 2025, approximately 30.3% of the Company's revenue was generated from the cultivation (wholesale) business, excluding intersegment eliminations, and approximately 69.7% from the retail business, excluding intersegment eliminations. For the six months ended June 30, 2025, approximately 31.2% of revenue was generated from the cultivation (wholesale) business and approximately 68.8% from the retail business, excluding intersegment eliminations.

### *Gross Profit*

Gross profit is revenue less cost of goods sold, net. Cost of goods sold, net includes the costs directly attributable to product sales and includes amounts paid for finished goods, such as flower, edibles, and concentrates, as well as packaging and other supplies, fees for services and processing, rent, utilities, and related costs. Cannabis costs are affected by various state regulations that limit the sourcing and procurement of cannabis product, which may create fluctuations in gross profit over comparative periods as the regulatory environment changes. Gross profit margin measures the Company's gross profit as a percentage of revenue.

The Company's expansion and revenue growth strategy has taken priority and will continue to do so for the foreseeable future as it expands its footprint, by exploring new markets and opening or acquiring new dispensary locations, and scales production within certain markets. In the core markets in which the Company is already operational and, as the state markets mature, the Company anticipates that there will be pressure on margins in the cultivation (wholesale) and retail channels. The Company's current production capacity has not been fully realized and it is expected that price compression at the cultivation (wholesale) level, will be partially offset by operational optimization.

### *Total Expenses*

Total expenses other than the cost of goods sold consist of selling costs to support customer relationships and to deliver product to the Company's retail stores. It also includes a significant investment in the corporate infrastructure required to support ongoing business.

Selling costs generally correlate to revenue. As a percentage of sales, selling costs are expected to increase slightly in currently operational markets as facility and market expansion occurs. The increase is expected to be driven primarily by the growth of the Company's retail and cultivation (wholesale) channels and new retail openings.

SG&A expenses also include costs incurred at the Company's corporate offices, primarily related to back-office personnel costs, including salaries, incentive compensation, benefits, stock-based compensation and professional service costs. SG&A expenses may increase in connection with supporting the business and could experience an increase in expenses related to recruiting and hiring talent, along with legal and professional fees associated with being a public-reporting company and publicly traded in Canada and a public-reporting company in the U.S.

### *Provision for Income Taxes*

The Company is subject to income taxes in the jurisdictions in which it operates and, consequently, income tax expense is a function of the allocation of taxable income by jurisdiction and the various activities that impact the timing of taxable events. As the Company operates in the cannabis industry, it is subject to the limits of Section 280E of the Code under which the Company is only allowed to deduct expenses directly related to the sale of products. This results in permanent differences between ordinary and necessary business expenses deemed non-allowable under Section 280E of the Code and a higher effective tax rate than most industries. The Company has taken a position that it does not owe taxes attributable to the application of Section 280E of the Code.

## LIQUIDITY, FINANCING ACTIVITIES AND CAPITAL RESOURCES

As of June 30, 2025 and December 31, 2024, the Company had total current liabilities of \$147,832 and \$197,968, respectively. As of June 30, 2025 and December 31, 2024, the Company had cash and cash equivalents of \$68,569 and \$87,796, respectively, to meet its current obligations. The Company had working capital of \$223,524 as of June 30, 2025, an increase of working capital of \$63,983 as compared to December 31, 2024. This increase in working capital during the six months ended June 30, 2025 compared to December 31, 2024, was attributable to an increase in inventory driven by higher production volumes and more efficient harvests from expanded cultivation facilities coupled with increases in Held for Sale Assets related to, in the aggregate, cultivation facilities in Florida, Massachusetts and Pennsylvania, two retail facilities in Massachusetts and a property in Virginia as of June 30, 2025.

The Company generates cash from revenues and deploys its capital to acquire and develop assets capable of producing additional revenues and earnings over both the immediate and long term. Capital is primarily being utilized for capital expenditures, facility improvements, strategic investment opportunities, product development and marketing, as well as customer, supplier, and investor and industry relations. The Company takes a cautious approach in allocating its capital to maximize its returns while ensuring appropriate liquidity. Given inflation and the uncertainty of the future economic environment, the Company has taken additional measures in monitoring and deploying its capital to minimize the potentially negative impact on its operations and expansion plans.

### Liquidity Requirements

Our short-term liquidity requirements consist primarily of funds necessary to pay for our acquisitions, to repay borrowings, maintain our operations and other general business needs. We believe that internally generated funds and other sources of liquidity discussed below will be sufficient to meet working capital needs, capital expenditures, and other business requirements for at least the next 12 months. We believe we will meet known or reasonably likely future cash requirements through the combination of cash generated from operating activities, available cash balances and available borrowings. If these sources of liquidity need to be augmented, additional cash requirements would likely be financed through the issuance of equity securities or additional borrowings; however, there can be no assurances that we will be able to obtain additional equity financing or debt financing on acceptable terms, or on terms similar to our existing financings, in the future.

Our long-term liquidity requirements consist primarily of completing additional acquisitions, scheduled debt payments and future payments of income tax payables, maintaining and expanding our operations and other general business needs. We expect to meet our long-term liquidity requirements through various sources of capital, which may include future debt or equity issuances, net cash provided by operations and other secured and unsecured borrowings. We believe that the foregoing sources of capital will provide sufficient funds for our operations, anticipated expansion and scheduled debt payments for the long-term. Our ability to fund our operating needs will depend on our future ability to continue to generate positive cash flow from operations and our ability to obtain debt or equity financing on acceptable terms.

### Credit Facility

In October 2022, Verano and certain of its subsidiaries and affiliates, as the Borrowers, entered into the 2022 Credit Agreement with Chicago Atlantic, as administrative agent for the Lenders, and the Lenders party thereto, pursuant to which the Lenders advanced the Borrowers a \$350,000 senior secured term loan, and which also provides the Borrowers with the right, subject to conditions, to request an additional incremental term loan of up to \$100,000; provided that the Lenders elect to fund such incremental term loan. At funding, all the proceeds of the loans made under the 2022 Credit Agreement were used to repay the amounts owing under the Company's previous senior secured term loan credit facility. In connection with such repayment, such previous credit facility was terminated and is no longer in force or effect.

The 2022 Credit Agreement allows the Borrowers to (i) incur up to \$120,000 of additional indebtedness from third-party lenders secured by real estate excluded as collateral under the 2022 Credit Agreement, (ii) incur additional mortgage financing from third-party lenders secured by real estate acquired after the initial funding of the 2022 Credit Agreement, and (iii) upon the SAFE Banking Act or similar legislation making banking services available to U.S. cannabis companies being passed by the United States Congress, incur up to \$50,000 under a revolving credit facility from third-party lenders that is pari passu or subordinated to the 2022 Credit Agreement obligations, all of which are subject to customary conditions.

The obligations under the 2022 Credit Agreement are secured by substantially all of the assets of the Borrowers, excluding vehicles, specified parcels of real estate and other customary exclusions. The 2022 Credit Agreement provides for a floating annual interest rate equal to the prime rate then in effect plus 6.50%, which rate may be increased by 3.00% upon an event of default that is not a material event of default or 6.00% upon a material event of default as provided in the 2022 Credit Agreement. The initially funded \$350,000 loan requires scheduled amortization payments of \$350 per month beginning in October 2023 with the remaining principal balance due in full on October 30, 2026.

At any time, the Borrowers may voluntarily prepay up to \$100,000 of the principal balance, subject to a one-time \$1,000 prepayment premium upon the first prepayment, and may prepay the remaining outstanding principal balance for a prepayment premium at varying rates based on the timing of any subsequent prepayments. The Borrowers may not voluntarily prepay more than \$100,000 of the principal balance without prepaying the entire outstanding principal balance of the loan.

On April 30, 2024, the Company made a Permitted Partial Optional Prepayment (as defined in the 2022 Credit Agreement) in the amount of \$50,000 pursuant to the 2022 Credit Agreement and paid a \$1,000 prepayment premium in connection therewith. In connection with such Permitted Partial Optional Prepayment, Chicago Atlantic and certain Lenders agreed to (a) release certain Borrowers from their obligations under, and as parties to, the 2022 Credit Agreement and related agreements and (b) release all liens over such Borrowers' property, including real estate, held by Chicago Atlantic for the benefit of the Lenders, in each case, pursuant to a limited consent and waiver, dated as of April 29, 2024, by and among Borrowers, certain of the lenders party thereto and Chicago Atlantic.

The 2022 Credit Agreement includes customary representations, warranties and covenants and customary events of default, including payment defaults, breaches of representations and warranties, covenant defaults, cross-defaults to material indebtedness, and events of bankruptcy and insolvency.

The 2022 Credit Agreement also includes customary negative covenants limiting the Borrowers' ability to incur additional indebtedness and grant liens, and the ability to enter into definitive documents or consummate acquisitions or dispositions that are not otherwise permitted thereunder, among others. Additionally, the 2022 Credit Agreement requires the Borrowers to meet financial tests regarding minimum cash balances, minimum levels of Adjusted EBITDA (as defined in the 2022 Credit Agreement) and a minimum fixed charge coverage ratio.

As of June 30, 2025, the Company was in compliance with such covenants.

George Archos, the Chairman and Chief Executive Officer of the Company, participated in the 2022 Credit Agreement as a lender funding \$1,000 of the \$350,000 principal amount. Mr. Archos is excluded from certain approval rights of the lenders and any penalties and fees due to Mr. Archos under the 2022 Credit Agreement are immaterial to the Company.

#### *Tax Liabilities*

The Company has U.S. income tax payable liabilities. These income tax payable liabilities will require payment from our liquidity sources, and we believe we have sufficient liquidity for both short-term and long-term payments of our income tax payable liabilities in addition to our other obligations. The Company expects to retain additional cash from operations, due in part to the Company's treatment of Section 280E of the Code as not applying to limit its deduction of ordinary and necessary business expenses.

## Sources and Uses of Cash

### *Net Cash Provided by (Used in) Operating Activities, Investing and Financing Activities*

Net cash provided by (used in) operating, investing, and financing activities for the six months ended June 30, 2025 and 2024 were as follows:

	Six Months Ended June 30,		
	2025	2024	\$ Change
Net Cash Provided by Operating Activities	\$ 12,686	\$ 38,962	\$ (26,276)
Net Cash Used in Investing Activities	(15,183)	(28,215)	13,032
Net Cash Used in Financing Activities	(16,727)	(55,470)	38,743

*Cash Flows from Operating Activities.* Cash flow generated from operating activities provides us with a source of liquidity. Our cash flows from operating activities result from cash received from our customers, offset by cash payments we make for products and services, operational costs, and income taxes. During the six months ended June 30, 2025 and 2024, the Company had net cash inflows of \$12,686 and \$38,962, respectively. The \$26,276 decrease was largely driven by an increase in inventory driven by higher production volumes and more efficient harvests from expanded cultivation facilities when comparing the six months ended June 30, 2025 to the six months ended June 30, 2024.

*Cash Flows from Investing Activities.* During the six months ended June 30, 2025 and 2024, the Company had net cash outflows of \$(15,183) and \$(28,215), respectively. The \$13,032 decrease in net cash outflows during the six months ended June 30, 2025 compared to the six months ended June 30, 2024 was primarily driven by proceeds from the Noah's Ark deconsolidation of \$9,071 coupled with lower purchases of property, plant and equipment of \$(24,333) during the six months ended June 30, 2025, compared to purchases of property, plant and equipment of \$(28,215) during the six months ended June 30, 2024.

*Cash Flows from Financing Activities.* During the six months ended June 30, 2025 and 2024, the Company had net cash outflows of \$(16,727) and \$(55,470), respectively. The \$38,743 decrease in net cash outflows during the six months ended June 30, 2025 compared to the six months ended June 30, 2024 was largely attributable to the Permitted Partial Optional Prepayment under the 2022 Credit Agreement during the six months ended June 30, 2024 partially offset by the partial payoff related to a portion of the CC East Virginia Promissory Note and distributions made to non-controlling interest holders during the six months ended June 30, 2025.

## Changes in or Adoption of Accounting Practices

Refer to the discussion of recently issued accounting standards under Part I, Item 1, Notes to Unaudited Interim Condensed Consolidated Financial Statements, *Note 1 - Overview and Basis of Presentation*.

## Critical Accounting Policies and Significant Judgements and Estimates

There were no material changes to our critical accounting policies and estimates from the information provided in "Management's Discussion and Analysis of Financial Condition and Results of Operations," included in the Form 10-K.

### **ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK**

There have been no material changes to our market risk disclosures as set forth in Part II, Item 7A of the Form 10-K.

### **ITEM 4. CONTROLS AND PROCEDURES**

#### **Disclosure Controls and Procedures**

Our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the “Exchange Act”)) are designed to ensure that information we are required to disclose in reports that we file or submit under the Exchange Act is recorded, processed, summarized, and reported within the time periods specified in SEC rules and forms, and that such information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow for timely decisions regarding required disclosure.

As required by Rule 13a-15(b) and Rule 15d-15(b) under the Exchange Act, our management, including our Chief Executive Officer (who is our principal executive officer) and Chief Financial Officer (who is our principal financial officer), evaluated, as of June 30, 2025, the end of the period covered by this Form 10-Q, the effectiveness of our disclosure controls and procedures as defined in Exchange Act Rule 13a-15(e) and Rule 15d-15(e). Based on this evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were effective as of the end of the period covered by this Form 10-Q.

We believe that a controls system, no matter how well designed and operated, cannot provide absolute assurance that the objectives of the controls systems are met, and no evaluation of controls can provide absolute assurance that all control issues and instances of fraud or error, if any, within a company have been detected.

#### **Changes in Internal Control over Financial Reporting**

There have not been any changes in our internal control over financial reporting during the quarter ended June 30, 2025, that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

## **PART II - OTHER INFORMATION**

### **ITEM 1. LEGAL PROCEEDINGS**

From time to time, the Company may be subject to legal proceedings, claims, investigations and government inquiries in the ordinary course of business. The Company has received, and may in the future continue to receive, claims from third parties.

Please see the Notes to Unaudited Interim Condensed Consolidated Financial Statements, *Note 11 – Contingencies and Other – Claims and Litigation*, which is incorporated herein by reference.

### **ITEM 1A. RISK FACTORS.**

Each of Part I, Item 1A. “Risk Factors” in our Form 10-K and Part II, Item 1A. “Risk Factors” in our Quarterly Report on Form 10-Q filed with the SEC on May 8, 2025 (the “Q1 2025 Form 10-Q”), include a discussion of our risk factors. There have been no material changes from the risk factors described within the Form 10-K and the Q1 2025 Form 10-Q. We may disclose changes to such risk factors or disclose additional risk factors from time to time in our future SEC filings.

### **ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS**

On December 28, 2023, the Company became contractually obligated, upon the completion of certain conditions precedent, to issue \$1,250,000 worth of Subordinate Voting Shares, in the aggregate, as consideration for the acquisition of certain assets from Ivy Hall Mount Holly, LLC. During the three months ended June 30, 2025, 297,225 Subordinate Voting Shares were issued as a portion of such consideration, representing a value of \$625,000. All of such Subordinate Voting Shares were issued in reliance upon the exemptions from registration afforded by Section 4(a)(2) and Rule 506 promulgated under the Securities Act of 1933, as amended (the “Securities Act”), because (i) the issuances were not made by general solicitation or advertising and (ii) the issuances were made only to “accredited investors” (as such term is defined in Rule 501(a) of Regulation D under the Securities Act).

### **ITEM 3. DEFAULTS UPON SENIOR SECURITIES**

None.

### **ITEM 4. MINE SAFETY DISCLOSURES**

Not Applicable.

### **ITEM 5. OTHER INFORMATION**

Rule *10b5-1* Trading Plans

Trip McDermott, the Company’s Chief Operating Officer, terminated his prearranged share trading plan, which was intended to satisfy the affirmative defenses of Rule 10b5-1(c) under the Exchange Act and the Company’s policies regarding insider transactions on June 2, 2025.

*Form 8-K Disclosures*

We are providing the following disclosure in lieu of filing a Current Report on Form 8-K relating to Item 5.02 (Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers).

*Resignation of President*

On August 1, 2025, Darren Weiss resigned from his role as the President of the Company and from all his positions as an officer, director, manager or employee with all subsidiaries and controlled affiliates of the Company. Mr. Weiss is pursuing other business opportunities related to the cannabis industry and its participants outside of North America, and his decision to resign from the Company is not the result of any disagreements with the Company.

*Consulting Agreement*

On August 4, 2025, the Company entered into a consulting agreement with Mr. Weiss (the “Consulting Agreement”). Under the Consulting Agreement, Mr. Weiss will provide strategic, business development and other business services to the Company and its subsidiaries related to the cannabis industry and its participants operating outside of North America, including regulatory and market updates. Mr. Weiss has also granted the Company a right of first refusal to participate in transactions and business opportunities outside of North America which are proposed, initiated or led by Mr. Weiss or in which he intends to participate.

The scheduled term of the Consulting Agreement will expire on August 3, 2026, which may be extended by mutual agreement of the Company and Mr. Weiss. In consideration for Mr. Weiss’ services, the Company will pay Mr. Weiss a monthly base consulting fee of \$39,000 per month, plus reimbursement for reasonable out-of-pocket business expenses incurred in performing the consulting services. In addition, Mr. Weiss is eligible to earn performance bonuses based on the fulfillment of certain conditions. The Consulting Agreement contains customary representations, warranties, covenants and confidentiality provisions.

The foregoing description of the Consulting Agreement does not purport to be complete and is qualified, in its entirety, by reference to the full text and terms of the Consulting Agreement, which is filed as Exhibit 10.4 to this Quarterly Report on Form 10-Q.

**ITEM 6. EXHIBITS**

<b>Exhibit Number</b>	<b>Description of Exhibit</b>
3.1*	<a href="#">Articles of Verano Holdings Corp., dated February 11, 2021 (filed as Exhibit 3.1 to our Registration Statement on Form 10 filed on April 26, 2022 (File No. 000-56342) and incorporated herein by reference).</a>
3.2*	<a href="#">Notice of Articles of Verano Holdings Corp., dated February 11, 2021 (filed as Exhibit 3.2 to our Registration Statement on Form 10 filed on April 26, 2022 (File No. 000-56342) and incorporated herein by reference).</a>
10.1*†	<a href="#">Resignation Agreement and General Release between Verano Holdings Corp. and Brett Summerer dated April 13, 2025 (filed as Exhibit 10.1 to our Current Report on Form 8-K filed on April 14, 2025 (File No. 000-56342) and incorporated herein by reference).</a>
10.2**#	<a href="#">Amendment, effective May 27, 2025, to the Verano Holdings LLC Promissory Note dated August 21, 2024.</a>
10.3**	<a href="#">Waiver and Partial Payoff Agreement by and among Verano Holdings, LLC, The Cannabist Company Holdings, Inc. and CC VA Holdco LLC entered into as of May 27, 2025.</a>
10.4**†^	<a href="#">Consulting Agreement dated August 4, 2025 by and between Verano Holdings Corp. and Darren Weiss.</a>
31.1**	<a href="#">Certification of Chief Executive Officer Pursuant to Rule 13a-14(a) and Rule 15d-14(a) of the Securities Exchange Act of 1934, as amended.</a>
31.2**	<a href="#">Certification of Chief Financial Officer Pursuant to Rule 13a-14(a) and Rule 15d-14(a) of the Securities Exchange Act of 1934, as amended.</a>
32.1***	<a href="#">Certification of Chief Executive Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.</a>
32.2***	<a href="#">Certification of Chief Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.</a>
101.INS	Inline XBRL Instance Document
101.SCH	Inline XBRL Taxonomy Extension Schema Document
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document
104	Cover Page Interactive Data File (embedded within the Inline XBRL Document)

\* Previously filed.

\*\* Filed herewith

\*\*\* Furnished herewith

† Management contract, compensatory plan or arrangement.

# Certain information contained in this exhibit has been omitted pursuant to 601(b)(10) because such information (i) is not material and (ii) is the type of information that the Company both customarily and actually treats as private and confidential.

^ Schedules have been omitted pursuant to Item 601(b)(2) of Regulation S-K. The Company hereby agrees to furnish supplementally a copy of any omitted schedule to the SEC upon request.

**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Dated: August 7, 2025

**VERANO HOLDINGS CORP.**

By: /s/ George Archos

Name: George Archos

Title: Chief Executive Officer

By: /s/ Richard Tarapchak

Name: Richard Tarapchak

Title: Chief Financial Officer

Certain information marked with “[\*\*\*]” has been excluded from the exhibit because it is both not material and is the type that the Registrant treats as private and confidential.

**AMENDMENT TO THE  
PROMISSORY NOTE**

THIS AMENDMENT TO THE PROMISSORY NOTE (this “Amendment”) is effective as of May 27, 2025, by and between Verano Holdings, LLC, a Delaware limited liability company (“Buyer”), and The Cannabist Company Holdings Inc., a British Columbia corporation, acting in its individual capacity and as the Member representative (“Cannabist”).

**RECITALS**

**WHEREAS**, Buyer issued a promissory note, dated August 21, 2024 (the “Promissory Note”), in the principal amount of \$26,700,000 (the “Principal”) and in favor of the members (collectively, the “Members”) of Columbia Care Eastern Virginia LLC, a Virginia limited liability company (the “Company”);

**WHEREAS**, pursuant to (a) Section 2.4(c) of that certain equity purchase agreement, dated as of July 29, 2024, by and among Buyer, Verano Holdings Corp., a British Columbia corporation, the Company, the Members and Cannabist (the “EPA”), and (b) Section 7 of the Promissory Note, the parties thereto agreed that the Promissory Note shall be amended to increase the Principal amount by the Excess Amount (as defined in the EPA) calculated in accordance with the EPA;

**WHEREAS**, pursuant to Section 6.2(e) of the EPA, any indemnification payments to be made by Cannabist may be made by deducting such amount from the amount due to the Members, on a several basis, under the Promissory Note;

**WHEREAS**, the parties hereto agreed that Cannabist and the Members were obligated to indemnify Buyer for \$39,179 (the “[\*\*\*] Amount”) in connection with [\*\*\*];

**WHEREAS**, in accordance with the EPA, Buyer and Cannabist agreed that the Excess Amount equals \$1,190,813, and accordingly, Buyer and Cannabist agree that the Promissory Note shall be amended to increase the Principal by \$1,151,634 (which amount equals the Excess Amount *minus* the [\*\*\*] Amount) to \$27,851,634;

**WHEREAS**, the Promissory Note may be amended by the written agreement of Buyer and Cannabist; and

**WHEREAS**, the parties hereto desire to amend the Promissory Note as set forth herein, in accordance with the terms set forth in the Promissory Note.

**NOW, THEREFORE**, in consideration of the premises, the mutual covenants set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

## AGREEMENT

1. Definitions. Capitalized terms used herein and not defined herein shall have the meaning ascribed to such term as set forth in the Promissory Note, and all references to Sections shall mean the Sections of the Promissory Note unless reference is made to another document.

2. Amendments to the Promissory Note.

(a) All references to \$26,700,000 in the Promissory Note are hereby amended and replaced in their entirety to “\$27,851,634”.

(b) A new sentence shall be added to the end of Section 2(b) of the Promissory Note reading as follows:

*Notwithstanding anything contained herein to the contrary, to the extent all principal and accrued Interest has been repaid in full prior to the Maturity Date, Buyer shall have no further payments or obligations due to the Members, and the Members shall have no further right or title to any payments, under this Promissory Note.*

3. Full Force and Effect. Except as specifically amended, modified, or supplemented by this Amendment, the Promissory Note, as amended, shall remain unchanged and in full force and effect.

4. Governing Law. The parties hereto expressly agree that this Amendment shall be governed by, and construed in accordance with, the laws of the State of Delaware.

5. Counterparts. This Amendment may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Counterparts may be delivered via facsimile, electronic mail (including pdf or any electronic signature) or other commonly recognized transmission method and any counterpart so delivered shall be deemed to have been duly and validly delivered and be valid and effective for all purposes.

[Signature Page Follows]

**IN WITNESS WHEREOF**, the parties have executed this Amendment as of the date first written.

**BUYER:**

Verano Holdings, LLC

By /s/ George P. Archos  
Name: George P. Archos  
Title: Chief Executive Officer

**CANNABIST:**

The Cannabist Company Holdings Inc.

By /s/ David Hart  
Name: David Hart  
Title: Chief Executive Officer

## WAIVER AND PARTIAL PAYOFF AGREEMENT

THIS WAIVER AND PARTIAL PAYOFF AGREEMENT (this "Agreement") is entered into as of May 27, 2025, by and among Verano Holdings, LLC ("Buyer"), The Cannabist Company Holdings Inc., a British Columbia corporation ("Cannabist"), and CC VA Holdco LLC, a Delaware limited liability company ("CC VA"). Buyer, Cannabist and CC VA are referred to in this Agreement, individually, as a "Party" and collectively, as the "Parties".

### RECITALS

WHEREAS, the Parties are party, among others, to that certain Promissory Note, dated as of August 21, 2024 in the original principal amount of \$26,700,000 (as amended or otherwise modified from time to time, the "Promissory Note"), pursuant to which Buyer, as the borrower thereunder, is obligated to pay such principal amount, accrued interest thereon, and other amounts as set forth therein, to CC VA and the other Members party thereto (unless otherwise defined herein, each capitalized term used herein has the meaning assigned thereto in the Promissory Note);

WHEREAS, Buyer may at any time voluntarily prepay in cash the principal outstanding under the Promissory Note in whole or in part, together with accrued and unpaid interest on the portion of principal so prepaid;

WHEREAS, any prepayment made by Buyer must be paid to each of the Members in accordance with their respective Pro Rata Shares (the "Pro Rata Payment Requirement");

WHEREAS, any provision of the Promissory Note may be amended, waived or modified upon the written consent of Buyer and Cannabist;

WHEREAS, Buyer and Cannabist wish to modify the Promissory Note to waive the Pro Rata Payment Requirement with respect to the prepayment contemplated by this Agreement;

WHEREAS, as of May 27, 2025, the portion of the principal amount of the Promissory Note, accrued and unpaid interest thereon and all other amounts thereunder owing to CC VA is \$13,931,001 (the "CC VA Note Balance");

WHEREAS, that Parties have agreed that it is in their mutual best interest for Buyer to voluntarily prepay the CC VA Note Balance to CC VA in full on the date hereof in exchange for a 25% discount, which discounted CC VA Note Balance is \$10,448,250.75;

WHEREAS, the Parties desire for the CC VA Note Balance to be further reduced by (a) \$94,582 pursuant to that certain Final Purchase Price Confirmation Agreement (the "SWC True-Up"), dated as of the date hereof, by and between Verano Arizona, LLC, an Arizona limited liability company ("Verano AZ"), and Cannabist, (b) \$351,300 pursuant to that certain Final Purchase Price Confirmation Agreement (the "203 True-Up"), dated as of the date hereof, by and between Verano AZ and Cannabist and (c) \$700,000, which amount reflects a partial payment of wholesale payables due from Cannabist and its Affiliates to Buyer and its Affiliates (the "Wholesale Partial Payment"); and

WHEREAS, in full satisfaction of Buyer's obligations to CC VA under the Promissory Note, Buyer has agreed to make a payment of \$9,302,368.75 (the "Payoff Amount") to CC VA on May 27, 2025.

NOW, THEREFORE, in consideration of the foregoing and the respective covenants and agreements set forth herein, and intending to be legally bound, subject to the conditions and other terms herein set forth, the Parties hereby agree as follows:

### **AGREEMENTS**

1. The Promissory Note is hereby modified to waive the Pro Rata Payment Requirement with respect to the prepayment made by Buyer to CC VA in accordance with this Agreement.

2. Buyer shall pay the Payoff Amount by wire transfer of immediately available funds to CC VA on May 27, 2025 in full satisfaction of (a) Buyer's obligations to CC VA under the Promissory Note, (b) Cannabist's obligations to Buyer and Verano AZ under the SWC True-Up and 203 True-Up, and (c) Cannabist's and its Affiliates' obligations to Buyer and its Affiliates for the Wholesale Partial Payment.

3. Upon receipt by CC VA of the Payoff Amount, all obligations of Buyer to CC VA under the Promissory Note, including principal, accrued interest, expenses and fees, shall be paid in full and any obligations of Buyer under the Promissory Note owing to CC VA and rights of CC VA thereunder shall be automatically terminated and released in full.

4. Upon receipt by CC VA of the Payoff Amount, (a) all obligations of Cannabist and CC VA owing to Buyer and Verano AZ for the SWC True-Up and the 203 True-Up, and (b) all obligations of Cannabist and its Affiliates owing to Buyer and its Affiliates for the amount of the Wholesale Partial Payment, automatically shall be deemed paid in full and cancelled, and any obligations of Cannabist, CC Va and their Affiliates thereunder owing to Buyer and its Affiliates shall be automatically terminated and released in full.

5. After payment of the Payoff Amount, CC VA and Cannabist shall execute and deliver to Buyer (or its designee), from time to time, all lien releases, termination statements, certificates, instruments, and documents reasonably requested by Buyer to evidence the payment in full of obligations of Buyer owing to CC VA under the Promissory Note, each in form and substance reasonably satisfactory to Buyer, and take (and hereby authorizes Buyer or any of its authorized designees to take) any other actions, as may be reasonably requested by Buyer to evidence the consummation of the payment in full of the CC VA Note Balance contemplated hereby.

6. Buyer acknowledges and agrees that (a) its obligations and liabilities under the Promissory Note owing to the other Members remain in full force and effect and have not been modified or reduced pursuant to this Agreement, except as it relates to the waiver of the Pro Rata

Payment Requirement contemplated hereby and (b) its obligations and liabilities owing to CC VA under the Promissory Note shall be reinstated with full force and effect if, at any time on or after the date hereof, all or any portion of the Payoff Amount paid to CC VA is voided or rescinded or must otherwise be returned to Buyer or any other person upon the insolvency, bankruptcy or reorganization of Buyer or otherwise, all as though such payment had not been made.

7. This Agreement shall be binding upon and inure to the benefit of the Parties and their respective successors and permitted assigns.

8. This Agreement shall be governed by, and construed in accordance with the law of the State of Delaware applicable to contracts to be carried out wholly within such State.

9. This Agreement may be executed simultaneously in multiple counterparts, and in separate counterparts, each of which shall be deemed an original, but both of which taken together shall constitute one and the same instrument.

*[Signature page follows]*

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed and delivered as of the date first written above.

BUYER:

**VERANO HOLDINGS, LLC**

By:  /s/ George Archos   
Name: George Archos  
Title: CEO

CANNABIST:

**THE CANNABIST COMPANY HOLDINGS INC.**

By:  /s/ David Hart   
Name: David Hart  
Title: CEO

CC VA:

**CC VA HOLDCO LLC**

By:  /s/ David Hart   
Name: David Hart  
Title: President

Schedules have been omitted pursuant to Item 601(b)(2) of Regulation S-K. The Company hereby agrees to furnish supplementally a copy of any omitted schedule to the SEC upon request.

## CONSULTING SERVICES AGREEMENT

THIS CONSULTING SERVICES AGREEMENT (this “Agreement”) is entered into to be effective as of August 4, 2025 (the “Effective Date”), by and between Verano Holdings Corp., a British Columbia corporation (the “Company”), and Darren Weiss, an individual (the “Consultant”).

### PRELIMINARY STATEMENTS

- A. Through its subsidiaries, the Company is an operator of cannabis cultivation, processing, wholesale distribution and retail facilities, producing and selling cannabis products for both medical and adult use markets in the United States.
- B. Consultant has extensive experience in the cannabis industry and with the Company’s operations and is expanding his business activities outside of North America.
- C. The Company desires to engage Consultant to provide consulting, business development and other services to the Company and its subsidiaries with respect to the cannabis industry and its participants in geographic areas outside of North America.
- D. Consultant desires to accept such engagement, and the Company and Consultant are entering into this Agreement to set forth the terms and conditions of Consultant’s engagement and provision of services.

### AGREEMENT

**NOW, THEREFORE**, in consideration of the foregoing preliminary statements and the covenants and agreements contained in this Agreement, and other good and valuable consideration, the receipt and legal sufficiency of which are hereby acknowledged by the Company and Consultant, each of the Company and Consultant, intending to be legally bound, agree as follows:

**1. Engagement.** As of the Effective Date, the Company is engaging Consultant, and Consultant accepts such engagement, upon the terms and conditions hereinafter set forth, for the 12-month period commencing on the Effective Date and expiring on August 3, 2026 (the “Term”). If this Agreement and Consultant’s engagement hereunder has not been previously terminated, this Agreement and Consultant’s engagement hereunder may be extended for additional time periods beyond the Term upon the mutual written agreement of the Company and Consultant. If any such mutual written agreement to extend the Term and this Agreement does not occur, this Agreement and Consultant’s engagement hereunder will automatically terminate at the end of the Term, unless earlier terminated pursuant to Section 7.

**2. Consulting Services.** Consultant will provide strategic, business development and other business services to the Company and its subsidiaries related to the cannabis industry and its participants operating in geographic areas outside of North America in which Consultant is conducting and targeting his business activities, including: (a) advising the Company in

periodically reviewing and mapping its strategy for expansion outside of North America, (b) advising the Company in its business development activities in select geographic markets outside of North America, (c) advising the Company in identifying potential business partners outside of North America and assisting in introductions to such potential partners, (d) advising the Company with respect to investment, partnership and acquisition opportunities outside of North America, (e) advising and assisting the Company in its business dealings outside of North America, including with respect to any Transaction (as defined in Section 4(a)) and as set forth on Schedule 6(c) hereto, (f) assisting the Company in reviewing cannabis regulatory and legal requirements in select geographic markets outside of North America, (g) providing regular presentations updating the Company's senior management on the cannabis industry in select markets outside of North America, including relevant market trends and developments, material political and regulatory developments and potential strategic opportunities with respect to the Company's strategy and goals for expansion outside of North America, and (h) otherwise being available to the Company's senior management at mutually acceptable times to provide cannabis industry information, business development assistance and advisory services for target markets outside of North America as mutually agreed to by the Company and Consultant from time to time (all of the foregoing, the "Consulting Services").

**3. Performance.** Consultant will report directly to the Chief Executive Officer of the Company and work with and advise senior executive officers of the Company as designated from time to time by the Chief Executive Officer. During the Term, Consultant will devote his business time, energy and skill to the Consulting Services as may be reasonably necessary to satisfactorily perform the Consulting Services. Consultant may work remotely outside of North America at a location specified by Consultant from time to time; however, as reasonably requested by the Company from time-to-time Consultant will work from the Company's office in Chicago, Illinois, and Consultant will be expected to travel on a worldwide basis as may be advisable or necessary in performing the Consulting Services, in all cases with Consultant's out-of-pocket travel expenses being reimbursed by the Company in accordance with Section 6(d).

**4. Company Right of First Refusal.**

(a) Offer. In the event Consultant proposes, initiates, leads or intends to partner, invest or participate in any sale, purchase, transfer, investment, joint venture, partnership, supply arrangement, distribution arrangement, license, financing or other strategic business transaction with a third party in the cannabis industry outside of North America (a "Transaction"), at least two months prior to the scheduled consummation date of the proposed Transaction (or such shorter period as may be agreed to by the Company at its option), Consultant will deliver a written notice (the "Offer Notice") to the Company specifying in reasonable detail a description and the structure of the proposed Transaction, the identity of the proposed participants, pricing terms, time frame and other terms and conditions of the proposed Transaction and Consultant's role and proposed participation therein, including any term sheets, indications of interest, letters of intent or proposed documentation.

(b) Company Election. The Company may elect to participate in the proposed Transaction (i) in place of, and on the same terms as, Consultant as set forth in the Offer Notice,

(ii) together with Consultant on a pro rata basis on the same terms as Consultant as set forth in the Offer Notice, or (iii) in such other capacity as the Company and Consultant may agree to in good faith, by delivering written notice of its election to Consultant within 14 days after the Company's receipt of the Offer Notice. If the Company does not elect to participate in the proposed Transaction, the Consultant will be entitled to participate or offer participation in the proposed Transaction to a third-party on the same pricing terms, structure, time frame and other terms and conditions as provided to the Company in the Offer Notice. If the proposed Transaction is not consummated in the time frame (but in no event later than three months of the Company's receipt of the Offer Notice) and on the terms and conditions set forth in the Offer Notice, the proposed Transaction will once again be subject to the Company's right of first refusal set forth in this Agreement.

## **5. Representations, Warranties and Covenants.**

(a) Consultant. As of the date of this Agreement and during the Term, Consultant represents, warrants and covenants to the Company as follows:

(i) Consultant has all requisite power and authority to enter into this Agreement and perform the Consulting Services. This Agreement has been duly executed and delivered by Consultant and, assuming due execution and delivery by the Company, constitutes the valid and binding obligation of Consultant, enforceable against Consultant in accordance with its terms, except as the enforceability thereof may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws affecting creditors' rights generally and by general principles of equity.

(ii) Consultant will perform the Consulting Services in a diligent, timely and competent manner in good faith and in compliance with applicable law.

(iii) Upon the expiration or earlier termination of the Term, Consultant will return to the Company all property received by Consultant in connection with providing Consulting Services then in Consultant's possession. Notwithstanding the foregoing, nothing in this Agreement requires Consultant to delete copies of files from backup servers or similar storage media; *provided, however*, that any such information so retained remains subject to the terms of Sections 5(a)(vi) and 12(a)12.

(iv) This Agreement and any materials, documents, information, works or intellectual property created or used by Consultant during his provision of the Consulting Services will not violate any third party's confidentiality or intellectual property rights and all materials, documents, information, works or intellectual property created by Consultant as part of his provision of the Consulting Services, or provided to the Company by or on behalf of Consultant, will not contain any materials to which any party other than the Company may have any claim of confidentiality or ownership, including with respect to any Transaction.

(v) Consultant is not a party to or bound by any agreement that directly or indirectly restricts his ability to perform his obligations under this Agreement and provide the Consulting Services. Consultant is not a party to any litigation, arbitration or other legal or

administrative proceeding or investigation that if finally determined adversely to Consultant could reasonably be expected to have a material adverse effect on Consultant's ability to perform the Consulting Services or his obligations under this Agreement or on the Company.

(vi) The Consultant acknowledges and agrees that he is aware that (A) information relating to the Company and its subsidiaries and other affiliates and their current, future and potential operations, has been and may be furnished to Consultant that contains material non-public information regarding the Company and its subsidiaries and other affiliates, and (B) securities laws generally prohibit any Persons (as defined in Section 12 (a)) who have material non-public information from purchasing or selling securities of a company on the basis of such information or from communicating such information to any Person. In furtherance of the foregoing, Consultant agrees and acknowledges that during the Term he is deemed to be a "Covered Person," as such term is defined in the Company's Insider Trading Policy and that he is subject to all provisions regarding Covered Persons set forth therein, in addition to all other applicable securities laws. Consultant expressly promises, covenants, and agrees that he will maintain the confidentiality of all such material non-public information in compliance with all applicable securities laws and in accordance with Section 1112.

(b) The Company. As of the date of this Agreement and during the Term, the Company represents and warrants to Consultant as follows:

(i) The Company is duly organized, validly existing and in good standing under the laws of the Province of British Columbia and the Company and its subsidiaries have the requisite corporate power and authority to carry on their respective businesses as now being conducted.

(ii) The Company has all requisite corporate power and authority to enter into this Agreement and perform its obligations hereunder. The execution and delivery of this Agreement has been duly authorized by all necessary action on the part of the Company. This Agreement has been duly executed and delivered by the Company, and, assuming due execution and delivery by Consultant, constitutes the valid and binding obligation of the Company, enforceable against the Company in accordance with its terms, except as the enforceability thereof may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws affecting creditors' rights generally and by general principles of equity.

## **6. Consulting Fees and Expenses.**

(a) Consulting Fees. As payment and consideration for Consultant's performance of the Consulting Services, during the Term the Company will pay Consultant the consulting fees set forth in this Section 6, with no duplication of amounts intended and subject to and in accordance with the terms, conditions, qualifications and timing set forth in this Section 6. All amounts paid or reimbursed to Consultant pursuant to this Agreement will be calculated and paid in United States Dollars, and will be earned, paid and accepted by Consultant in the United States.

(b) Consulting Fee. Consultant will receive for each month (or partial month, on a prorated basis) a total monthly base consulting fee of \$39,000 in cash (the "Consulting Fee"). The Consulting Fee will be payable by the Company in arrears for the Consulting Services rendered by Consultant in accordance with the Company's normal payroll business practices, but at least monthly.

(c) Performance Bonus. Consultant will be entitled to earn performance bonuses based on the fulfillment of certain conditions which if earned, will be comprised of payments consisting of cash and at the option of the Company in certain circumstances, shares of the Company's stock in accordance with Schedule 6(c) attached hereto (the "Performance Bonuses").

(d) Expenses. Consultant will be entitled to reimbursement by the Company for all reasonable out-of-pocket business expenses that Consultant incurs on behalf of the Company in performing the Consulting Services; *provided that*, Consultant must provide the Company with reasonable documentation in accordance with the Company's expense reimbursement policies in effect from time to time. The Company will reimburse Consultant within 45 days from its receipt of Consultant's business expense report that is in accordance with such expense reimbursement policies. Expenses greater than \$2,000 individually or in the aggregate for any 30-day period are subject to the prior written approval of the Company, which consent the Company may withhold at its option.

## **7. Termination; Termination Fees; and Related Matters.**

(a) Termination. This Agreement and Consultant's provision of the Consulting Services may be terminated at any time prior to the scheduled expiration of the Term, at the option of either the Company or Consultant, by providing written notice to the other party in accordance with this Section 7. Upon any such early termination, the Term will automatically end and be concluded as of the specified termination date as provided in such written notice and that complies with Section 7(c).

### **(b) Rights Upon Termination.**

(i) Upon any termination of Consultant's services hereunder and this Agreement upon the scheduled expiration of the Term or for whatever reason by either the Consultant or the Company prior to the scheduled expiration of the Term, Consultant will in all events be (A) paid all accrued but unpaid Consulting Fees and Performance Bonuses through the effective date of expiration or termination of the Term, which accrued and unpaid amounts will be paid no later than one month following the effective date of termination or expiration, as applicable, and (B) reimbursed all unpaid reasonable out-of-pocket business expenses incurred prior to the effective date of termination or expiration of the Term in accordance with Section 6(d).

(ii) In the event that either (A) the Company terminates Consultant's services and this Agreement for any reason or no reason other than for Cause (as defined below) or (B) Consultant terminates his services and this Agreement due to the Company's uncured breach of this Agreement, the Company will pay to Consultant (1) the remaining Consulting Fees that

otherwise would be payable to Consultant for the remainder of the scheduled Term in the absence of such termination (the “Early Termination Consulting Fee Payments”), and (2) any remaining Performance Bonuses that otherwise becomes earned and payable to Consultant for the remainder of the originally scheduled Term in the absence of such early termination (the “Early Termination Performance Bonus Payments”). The Early Termination Consulting Fee Payment and the Early Termination Performance Bonus Payments, if any, will be paid in accordance with the payment schedules contained in Section 6(b) or Schedule 6(c), respectively.

(iii) In the event that either (A) the Company terminates Consultant’s services and this Agreement for Cause or (B) Consultant terminates his services and this Agreement for any reason or no reason other than due to the Company’s uncured breach of this Agreement, Consultant will only receive the accrued and unpaid amounts set forth in Section 7(b)(i) and the Company will have no obligation to pay Consultant the Early Termination Consulting Fee Payments or any Early Termination Performance Bonus Payments.

(iv) As used herein, “Cause” means any of Consultant’s (A) engagement in dishonesty, illegal conduct, or gross misconduct, which, in each case, may be injurious to the Company or any of its affiliates; (B) embezzlement, misappropriation, or fraud, whether or not related to Consultant’s engagement with the Company; (C) indictment, conviction of or plea of guilty or nolo contendere to a crime that constitutes a felony (or state or non-U.S. law equivalent); (D) the breach or refusal or failure to perform in any material respect any of his obligations under this Agreement; or (E) any action or inaction by Consultant that causes measurable reputational or financial harm to the Company or any of its affiliates. For the avoidance of doubt, if any action or omission by Consultant could be deemed a violation of any U.S. federal law relating to the cultivation, harvesting, production, distribution, sale or possession of cannabis, marijuana or related substances or products containing or relating to the foregoing, and such action or omission is not a violation of, and is done in compliance with, applicable U.S. state law, then such action or omission shall not be deemed a basis for Cause hereunder.

(c) Notice of Termination. The notice of any termination of Consultant’s services, this Agreement and the Term will be communicated by written notice (a “Notice of Termination”) from the terminating party hereto to the other party hereto in accordance with this Agreement. Any Notice of Termination purporting to be a termination by the Company for Cause or by Consultant due to the Company’s breach hereunder must include the specific events or actions given rise thereto that are being alleged by the notifying party and must provide prior to the effectiveness of the termination of the Term, the Consulting Services and this Agreement becoming effective (i) for payment breaches by the Company, at least a five business day period to cure after the date of the Company’s receipt of the Notice of Termination, (ii) for all other breaches by the Company, at least a ten business day period to cure after the date of the Company’s receipt of the Notice of Termination, and (iii) for Cause, at least a five business day period to cure after the date of Consultant’s receipt of the Notice of Termination if the basis for Cause is curable and if not curable, then no cure period is required and such termination will be effective as specified in the Notice of Termination.

**8. Relationship.** The Company and Consultant intend and agree that (a) this Agreement is a consulting agreement and not a partnership agreement, (b) Consultant is an independent contractor and not an employee of the Company or any of its subsidiaries or affiliates, and (c) the Consulting Services are of a personal nature and require the unique and specific knowledge, experience, skills and insights of Consultant and may not be assigned in whole or in part. Consultant will always operate as an independent contractor of the Company and its subsidiaries. Without limiting the generality of the foregoing, nothing in this Agreement will be construed as creating an employer and employee relationship, partnership, joint venture, or other business group between Consultant, on one hand, and the Company and any of its subsidiaries, on the other hand. Consultant agrees never to claim that he was or is an employee of the Company or any of its subsidiaries because of this Agreement for any period during the Term. Consultant will have no authority to act for or on behalf of, or to bind the Company in any manner whatsoever. Consultant will not be eligible to participate in any of the Company's employee benefit plans, long term incentive plans, bonus plans, fringe benefit programs, group insurance arrangements, or other similar programs or benefits, and Consultant agrees never to claim that he was or is entitled to any benefits under any such plans, programs, or arrangements under the relationship established pursuant to this Agreement.

**9. No Authority to Supervise.** While the Company's and its subsidiaries' personnel may from time to time assist Consultant in rendering the Consulting Services (if and when the Company may reasonably direct), Consultant will have no authority to supervise, direct, hire, fire or make other management decisions regarding such personnel.

**10. Taxes.** Consultant and the Company agree that Consultant is not an employee of the Company for state, federal or other jurisdictional tax purposes. Consultant is solely responsible for any and all income, unemployment, social security, worker's compensation, FICA or any other taxes or amounts payable with respect to the Consulting Fees, Performance Bonuses, if any, and all other compensation paid or provided to Consultant pursuant to this Agreement. Consultant will indemnify, defend and hold harmless the Company and its subsidiaries from and against any tax or other liability that he may have with respect to any such payments and against any and all losses or liabilities, including, without limitation, defense costs, arising out of Consultant's failure to pay any taxes due from Consultant in any local, state, federal or other jurisdiction in or outside the United States. Upon the Company's request, Consultant will provide evidence of the timely filing of all of Consultant's individual or joint tax returns and related filings and the payment of all amounts owing thereunder by Consultant that may relate to the receipt of any Consulting Fees or Performance Bonuses hereunder. Every calendar year The Company will timely provide Consultant with U.S. Internal Revenue Service Form 1099-NEC, Nonemployee Compensation, or successor form for the Consulting Fees and Bonus Payments, if any.

**11. Workers' Compensation and Unemployment Insurance.** Consultant is not entitled to worker's compensation benefits, unemployment compensation benefits or any other similar benefits provided by or on behalf of the Company. The Company is not obligated to pay for worker's compensation for Consultant, contribute to any unemployment fund for Consultant, or pay any unemployment tax for Consultant or pay for any health insurance benefits for

Consultant. Consultant will indemnify, defend and hold harmless the Company and its subsidiaries from and against any liability with respect to any such payments or benefits and against any and all losses or liabilities, including, without limitation, defense costs, arising out of any claims against the Company for any such payments or benefits in any local, state, federal or other jurisdiction in or outside the United States.

## **12. Protective Covenants.**

### **(a) Confidential Information; Inventions.**

(i) Consultant will not use (except to the extent that such use is directly related to and required by Consultant's performance of the Consulting Services) or disclose at any time, either during the Term or at any time thereafter, any Confidential Information (as defined below) of which Consultant is or becomes aware, whether or not such information is developed by Consultant. Consultant must take commercially reasonable steps to safeguard Confidential Information in Consultant's possession and to protect the Company and its affiliates against disclosure, misuse, espionage, loss and theft, but in no event less than the safeguards that Consultant uses to protect his own confidential information. Consultant will deliver to the Company at the end of the Term or at any other time the Company may request from Consultant, all memoranda, notes, plans, records, reports, computer discs and drives and software and other documents and data (and copies thereof) relating to the Confidential Information or the Work Product (as defined below) of the Company or its affiliates which Consultant may then possess or have under Consultant's control. Notwithstanding the foregoing, (A) Consultant will be permitted to retain copies of any Confidential Information to the extent required by applicable law, (B) any such Confidential Information so retained under the foregoing remains subject to the terms of this Section 12(a), and (C) nothing in this Section 12(a) will require Consultant to delete copies of files from backup servers or similar storage media. In addition, notwithstanding the foregoing, Consultant may truthfully respond to a lawful and valid subpoena or other legal process of any court or regulatory authority consistent with the advice of counsel, provided that other than with respect to communications with regulatory authorities, Consultant must give the Company prior written notice thereof and will, as much in advance of the return date as possible, make available to the Company's counsel the documents and other information sought, and will reasonably assist the Company's counsel, at the Company's sole expense, in resisting or otherwise responding to such process.

(ii) As used in this Agreement, the term "Confidential Information" means information that is not generally known to the public and that is used, developed or obtained by the Company or any of its affiliates in connection with their businesses, including, without limitation, information, observations and data obtained by Consultant (including any such information obtained prior to the Effective Date) concerning (A) the existing or proposed business or affairs of the Company or its affiliates, (B) existing and proposed products or services, (C) fees, costs and pricing structures, (D) methods, know how, trade secrets, proprietary information, developments, processes and other intellectual property, (E) analyses, reports and data, (F) computer software and data bases, including operating systems, applications and listings, (G) handbooks, manuals and documentation, (H) financial results,

financial projections and accounting, tax and business methods, practices and plans, (I) potential or planned acquisitions or divestitures of assets or businesses, (J) strategies, business plans, expansion plans and opportunities, (K) terms and pricing and the identity of vendors and other business partners, (L) license applications, (M) lobbying efforts and political contributions, (N) terms of and parties to contracts and agreements, (O) terms of compensation and offers of employment, (P) terms and conditions of this Agreement that are not publicly disclosed, and (Q) all similar and related information in whatever form. Confidential Information will not include any information that has been published (other than an intentional or inadvertent disclosure by Consultant or any of his affiliates or representatives) in a form generally available to the public prior to the date Consultant proposes to or otherwise discloses or uses such information. Confidential Information will not be deemed to have been published merely because select portions of the information have been separately published, but only if all material features comprising such information have been published in combination.

(iii) As used in this Agreement, the term “Person” will be construed broadly and includes an individual, a partnership, a limited liability company, a corporation, an association, a joint stock company, a trust, a joint venture, an unincorporated organization and a governmental entity or any department, agency or political subdivision thereof.

(iv) As used in this Agreement, the term “Work Product” means all inventions, innovations, improvements, technical information, systems, scientific developments, methods, recipes, designs, analyses, drawings, reports, service marks, trademarks, trade names, logos and all similar or related information (whether patented, patentable or unpatentable, copyrightable, registrable as a trademark, reduced to writing, or otherwise) which relate to the Company’s or any of its affiliates’ actual or anticipated business, research and development or existing or future products or services and which are conceived, developed or made by Consultant, or any employee or representative or agent of Consultant (whether or not during usual business hours, whether or not by the use of the facilities of the Company, and whether or not alone or in conjunction with any other Person) while performing any Consulting Services (including those conceived, developed or made prior to the Effective Date), together with all patent applications, letters patent, trademark, trade name and service mark applications or registrations, copyrights and reissues thereof that may be granted for or upon any of the foregoing. All Work Product that Consultant may discover, invent or originate with respect to the Company or any of its affiliates and their respective businesses will be the exclusive property of the Company or any of its subsidiaries as designated by the Company, and Consultant (and all employees, representatives and agents of Consultant) hereby assigns all of Consultant’s (and all employees, representatives and agents of Consultant) right, title and interest in and to such Work Product to the Company or any of its subsidiaries as designated by the Company, including all intellectual property rights therein. Consultant (and all employees, representatives and agents of Consultant) will promptly disclose all Work Product to the Company, will execute at the request of the Company any reasonable assignments or other documents the Company may deem necessary to protect or perfect the Company’s and its affiliates’ rights therein, and will assist the Company in obtaining, defending and enforcing its and its affiliates rights therein.

(b) **Enforcement.** The Consulting Services are unique and Consultant (and all employees, representatives and agents of Consultant) has access to Confidential Information and Work Product. Accordingly, a breach by Consultant of any of the covenants in this **Section 12** would cause immediate and irreparable harm to the Company and its affiliates that would be difficult or impossible to measure, and any damage to the Company or any of its affiliates for any such injury would therefore be an inadequate remedy for any such breach. Therefore, in the event of any breach or threatened breach of any provision of this **Section 12**, the Company will be entitled, in addition to, and without limitation upon, all other remedies the Company and its affiliates may have under this Agreement, at law or otherwise, to seek to obtain specific performance, injunctive relief and/or other appropriate relief (without posting any bond or deposit) in order to enforce or prevent any violations of the provisions of this **Section 12**, or require Consultant (and all employees, representatives and agents of Consultant) to account for and pay over to the Company all compensation, profits, moneys, accruals, increments or other benefits derived from or received as a result of any transactions constituting a breach of this **Section 12** if and when final judgment of a court of competent jurisdiction is so entered against Consultant (or any employees, representatives and agents of Consultant).

(c) **Ownership.** All software, hardware, equipment or records, including all copies or extracts of them, of the Company or any of its affiliates which Consultant (or any employee, representatives and agents of Consultant) prepares, uses or sees in relation to the performance of the Consulting Services will be and remains the sole property of the Company or such affiliate.

(d) **Non-Solicitation.** Consultant agrees that during the Term and for the 12 month period after the end of the Term, neither Consultant nor any of his affiliates will directly or indirectly solicit to hire or hire any employee of the Company or any of its subsidiaries so long as such employee is then an employee of the Company or one of its subsidiaries or was an employee thereof within six months prior to such solicitation, other than (i) a general solicitation in the ordinary course of business not specifically targeted at employees of the Company or any of its subsidiaries or (ii) solicitations of former employees of the Company or any of its subsidiaries whose employment was terminated by the Company or any of its subsidiaries.

### **13. Miscellaneous.**

(a) **Successors; Assignment.** This Agreement is not assignable by Consultant other than to a wholly owned entity of Consultant; *provided that* such entity remains wholly owned by Consultant and Consultant is an employee or authorized representative thereof, Consultant personally performs the Consulting Services hereunder and prior written notice of such assignment is given to the Company. This Agreement may only be assigned by the Company to a successor to all or substantially all the business or assets of the Company and will be binding upon, and inure to the benefit of, such successor. The Company will require any such successor to assume expressly and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform it if no such succession had taken place. As used herein, “successor” or “assignee” will include any Person which at any time, whether by purchase, merger or otherwise, directly or indirectly acquires the ownership of the Company or to which the Company assigns this Agreement by operation of law or otherwise.

(b) Waiver. Neither the failure nor any delay on the part of the Company, Consultant or any third party beneficiary to exercise any right, remedy, power or privilege under this Agreement will operate as a waiver thereof, nor will any single or partial exercise of any right, remedy, power or privilege preclude any other or further exercise of the same or of any right, remedy, power or privilege, nor will any waiver of any right, remedy, power or privilege with respect to any occurrence be construed as a waiver of such right, remedy, power or privilege with respect to any other occurrence. No waiver will be binding unless in writing and signed by the party asserted to have granted such waiver.

(c) Modification; Interpretation. This Agreement and any provision hereof may not be amended, modified or waived other than by a written agreement executed by the Company and Consultant. The Company's affiliates are third party beneficiaries of this Agreement. All references in this Agreement (including Schedules attached hereto) to dollars or \$ refers to United States dollars and currency. Where specific language is used in this Agreement to clarify a general statement by example or reference, such specific language will not be deemed to modify, limit or restrict in any manner the construction of the general statement to which it relates, and for the avoidance of doubt, the word "including" means including without limitation.

(d) Complete Agreement. Except as otherwise provided herein, this Agreement (including Schedules attached hereto) contains the entire agreement and final understanding between the Company and Consultant with respect to the subject matter addressed herein between them and supersedes and replaces all prior negotiations and all agreements proposed or executed, whether written or oral, with Consultant and the Company concerning the subject matter hereof. Notwithstanding anything to the contrary in this Agreement, Consultant and the Company agree and acknowledge that (i) the Employment Agreement, dated as of February 18, 2021, between the Company and Consultant and the amendment thereto, dated to be effective as of January 1, 2022, between the Company and Consultant (together, the "Employment Agreement"), previously was terminated and the employment period thereunder ceased and the Company has no payment obligation thereunder to Consultant for any salary, benefits or other compensation, other than accrued and unpaid compensation through the date of Consultant's termination of employment thereunder, if any, and (ii) the provisions set forth in the Employment Agreement to survive the termination of the Employment Agreement will continue to survive as stated therein, except that the restrictive covenants set forth in Section 5(a) of the Employment Agreement regarding noncompetition are waived by the Company and its subsidiaries and are not enforceable against Consultant; *provided that*, Consultant abides by and does not breach Section 4, Right of First Refusal, during the Term, with such noncompetition provisions becoming in full force and effect in accordance with the Employment Agreement in the event of any such breach of Section 4 by Consultant during the Term.

(e) Survival. From and after the Effective Date, the provisions of Sections 5(a)(iii), 5(a)(vi), 7, 8, 10, 11, 12 and 13 will survive the termination of the Term and this Agreement for any reason and will remain in effect in accordance with their terms.

(f) Governing Law. This Agreement will be governed by the laws of the State of Delaware as to all matters, including, without limitation, matters of validity, construction,

interpretation, effect and performance as applied to contracts made and to be fully performed in such state, without regard to any choice of law or principles of conflict of laws rules or provisions (whether of the State of Delaware or any other U.S. federal, state or non-U.S. jurisdiction) that would cause the application of laws of any jurisdiction other than the State of Delaware.

(g) Counterparts. This Agreement may be executed in one or more counterparts, and each counterpart, when executed, will be deemed an original but all of which together will have the efficacy of one signed original. A facsimile signature, portable document format signature or signature sent by electronic transmission will be considered an original signature. Photographic copies of such signed counterparts may be used in lieu of the originals for any purpose.

(h) Attorneys' Fees. In the event of a legal dispute between the parties hereto relating to the subject matter hereof, the prevailing party will be entitled to receipt from the losing party of all reasonable out-of-pocket attorneys' fees and costs related thereto.

(i) Dispute Resolution; Waiver of Jury Trial. Any dispute, claim or controversy arising out of or relating to this Agreement or the breach, termination, enforcement, interpretation or validity thereof, including the determination of the scope or applicability of this agreement to arbitrate, will be determined by binding and confidential arbitration in Chicago, Illinois, before one arbitrator. The arbitration will be administered by JAMS pursuant to its Comprehensive Arbitration Rules and Procedures and in accordance with the Expedited Procedures in those Rules or pursuant to JAMS' Streamlined Arbitration Rules and Procedures. Judgment on the Award may be entered in any court having jurisdiction. This clause will not preclude parties from seeking provisional remedies in aid of arbitration from a court of appropriate jurisdiction. EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY WAIVES ALL RIGHT TO TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM ARISING OUT OF THIS AGREEMENT.

(j) Notices. Any notice to be given hereunder by any party to the other may be affected by personal delivery, in writing, with a copy sent by email. Notices will be addressed to the parties at the addresses set forth below, but each party may change its address by written notice in accordance with this Section 13(j). Notices will be deemed communicated as of the actual receipt or refusal of receipt.

*If to Consultant:*

Darren Weiss  
[\*\*\*]  
Email: [\*\*\*]

*If to the Company:*

Verano Holdings Corp.  
224 West Hill Street St.

Suite 400  
Chicago, Illinois 60610  
Attn: George Archos, Chief Executive Officer and  
Chief Legal Officer  
Email: [\*\*\*]

(k) Headings; Construction. The section and paragraph headings and titles contained in this Agreement are inserted for convenience only, and they neither form a part of this Agreement nor are they to be used in the construction or interpretation of this Agreement. Where the context requires, the singular will include the plural, the plural will include the singular, and any gender will include all other genders.

*[Signature page follows]*

**IN WITNESS WHEREOF**, the Company and Consultant have caused this Agreement to be effective as of the Effective Date.

**THE COMPANY:**

VERANO HOLDINGS CORP.  
a British Columbia corporation

By: /s/ George Archos  
George Archos,  
Chief Executive Officer

**CONSULTANT:**

By: /s/ Darren Weiss  
Darren Weiss

**CERTIFICATE OF CHIEF EXECUTIVE OFFICER  
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, George Archos, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Verano Holdings Corp.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 7, 2025

*/s/ George Archos*

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George Archos  
(Principal Executive Officer)

**CERTIFICATE OF CHIEF FINANCIAL OFFICER  
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Richard Tarapchak, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Verano Holdings Corp.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 7, 2025

*/s/ Richard Tarapchak*

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Richard Tarapchak  
(Principal Financial Officer)

**CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY  
ACT OF 2002**

In connection with the Quarterly Report on Form 10-Q of Verano Holdings Corp. (the "Company") for the three and six months ended June 30, 2025 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, George Archos, Chief Executive Officer of the Company, certify pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge, the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, and the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: August 7, 2025

*/s/ George Archos*

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George Archos  
(Principal Executive Officer)

**CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY  
ACT OF 2002**

In connection with the Quarterly Report on Form 10-Q of Verano Holdings Corp. (the "Company") for the three and six months ended June 30, 2025 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Richard Tarapchak, Chief Financial Officer of the Company, certify pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge, the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, and the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: August 7, 2025

*/s/ Richard Tarapchak*

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Richard Tarapchak  
(Principal Financial Officer)