

# 3Q21

INVESTOR PRESENTATION

(CSE:VRNO) (OTCQX:VRNOF)



## Before We Begin

# FORWARD-LOOKING INFORMATION

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

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

Forward-looking information and statements involve and are subject to assumptions and known and unknown risks, uncertainties, and other factors which may cause actual events, results, performance, or achievements of the Company to be materially different from future events, results, performance, and achievements expressed or implied by forward-looking information and statements herein, including, without limitation, the risk factors discussed in the Company's filings on SEDAR at [www.sedar.com](http://www.sedar.com). The forward-looking information and forward-looking statements contained in this presentation are made as of the date of this presentation, and the Company does not undertake to update any forward-looking information or forward-looking statements that are contained or referenced herein, except as may be required in accordance with applicable securities laws. All subsequent written and oral forward-looking information and statements attributable to the Company or persons acting on its behalf is expressly qualified in its entirety by this notice regarding forward-looking information and statements.

## Before We Begin

# NON-IFRS FINANCIAL MEASURES

This presentation refers to certain non-IFRS measures to evaluate the performance of the Company. The terms “EBITDA”, “Adjusted EBITDA” and “Free Cash Flow” do not have any standardized meaning prescribed within International Financial Reporting Standards (“IFRS”) and therefore may not be comparable to similar measures presented by other companies.

Such measures should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS. EBITDA is calculated herein as net earnings from operations before interest expense, tax expense, depreciation, and amortization. The Company presents the EBITDA on a consistent basis from period to period and gains and losses from one-time non-recurring events are eliminated. Adjusted EBITDA is calculated herein as EBITDA adjusted for one-time expenses related to other expenses, gain from investment in associates and acquisition related costs. Free Cash Flow is calculated herein as Cash Flow from Operations minus Capital Expenditures. Management believes that these non-IFRS financial measures provide useful information to readers as a supplement to reported IFRS financial information. Management reviews these non-IFRS financial measures on a regular basis and uses them to evaluate and manage the performance of the Company’s operations. These measures should be evaluated only in conjunction with the Company’s comparable IFRS financial measures.




**4**  
brands



**90** operating  
retail locations



**3k+**  
employees



**15**  
states



**12** cultivation  
& production facilities  
spanning **1,000,000+ ft**



**>90** planned  
retail locations



**~500** active wholesale  
dispensary accounts

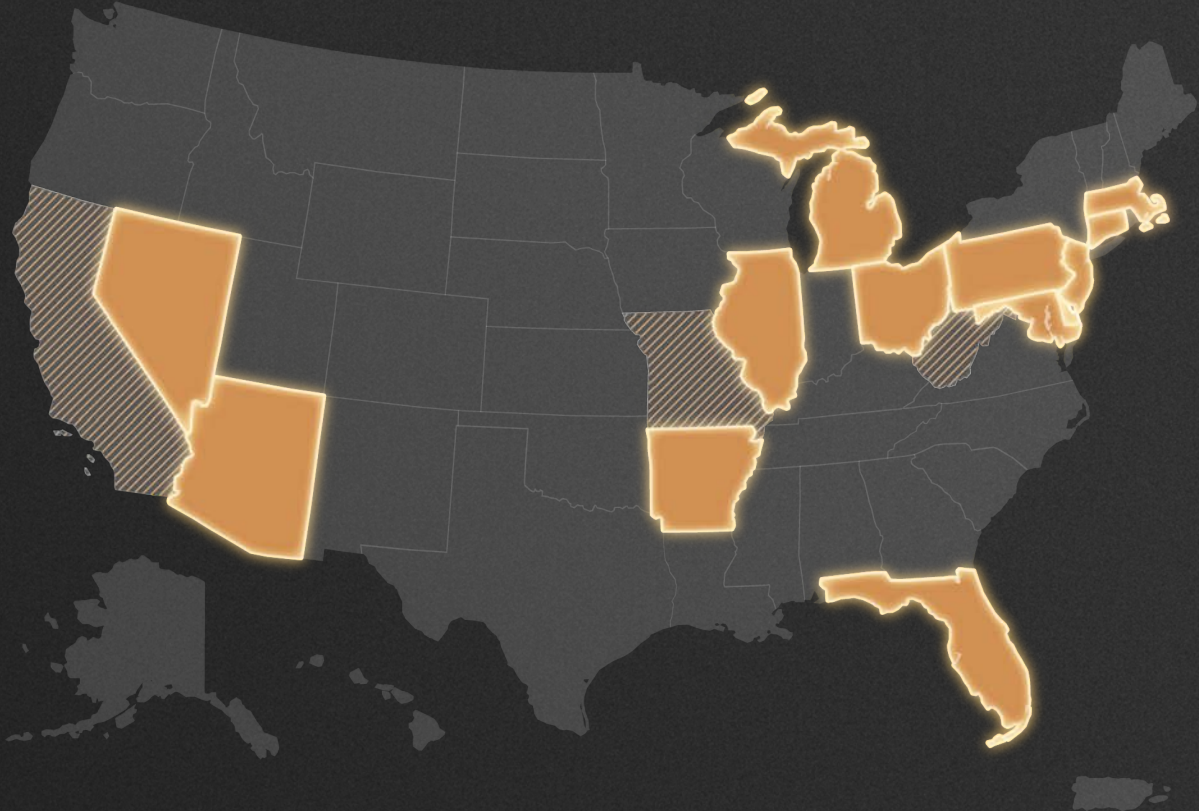


**150m+**  
addressable  
population

\* Includes the contribution from the pending acquisitions and the completion of planned construction. In addition, includes: (1) licenses directly owned, managed, or operated; (2) those licenses with which Verano has executed management agreements or other commercial agreements; and/or (3) those licenses to which Verano has a purchase option.



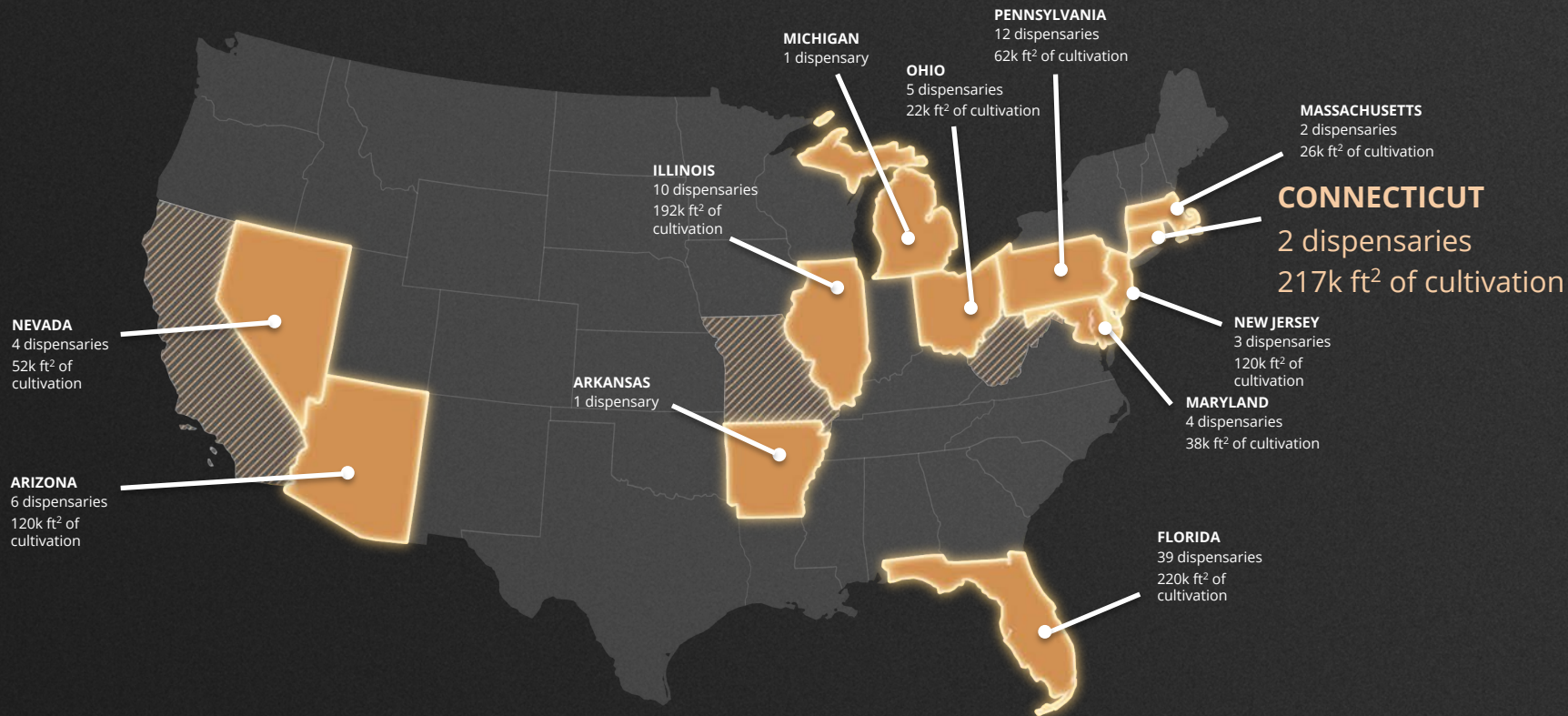
# BUILDING A **POWERHOUSE** CANNABIS COMPANY













# THOUGHTFUL M&A CONTINUES WITH CONNECTICUT ACQUISITION

Increasing our strategic Northeastern footprint in highly populated and limited license states







# SCALABLE PLATFORM — CORE MARKETS

STATE	MARKET SIZE	ASSET DETAILS
IL 	<ul style="list-style-type: none"> <li>Population ~12.7M</li> <li>Medical and Adult Use markets</li> </ul>	<ul style="list-style-type: none"> <li>10 operating dispensaries (5 combined medical/adult-use, 5 adult-use)</li> <li>192k sq. ft. indoor &amp; greenhouse cultivation and manufacturing facility in Albion</li> </ul>
FL 	<ul style="list-style-type: none"> <li>Population ~21.5M</li> <li>Medical market</li> </ul>	<ul style="list-style-type: none"> <li>39 dispensaries in operation, with additional 2+ additional planned by end of 2021</li> <li>220k sq. ft. indoor cultivation and manufacturing facility in Apollo Beach</li> </ul>
AZ 	<ul style="list-style-type: none"> <li>Population ~7.3M</li> <li>Medical and Adult Use markets</li> </ul>	<ul style="list-style-type: none"> <li>6 operating dispensaries</li> <li>90k sq. ft. indoor cultivation and manufacturing facility in Coolidge (includes 60k sq. ft. expansion underway) and a ~20k sq. ft. cultivation in Winslow</li> </ul>
NJ 	<ul style="list-style-type: none"> <li>Population ~8.9M</li> <li>Medical market (adult use approved)</li> </ul>	<ul style="list-style-type: none"> <li>3 operating dispensaries – Elizabeth, Neptune, and Lawrence</li> <li>120k sq. ft. indoor cultivation and manufacturing facility In Branchburg with staggered expansion planned to be completed by Q3 2021</li> </ul>
PA 	<ul style="list-style-type: none"> <li>Population ~12.8M</li> <li>Medical market</li> </ul>	<ul style="list-style-type: none"> <li>12 operating dispensaries, with 6 additional planned</li> <li>One 62k sq. ft. indoor cultivation and manufacturing facility in Chester; a second facility planned with sq. ft. TBD (anticipated completion by Q3'22)</li> </ul>
OH 	<ul style="list-style-type: none"> <li>Population ~11.7M</li> <li>Medical market</li> </ul>	<ul style="list-style-type: none"> <li>5 operating dispensaries</li> <li>22k sq. ft. indoor cultivation and manufacturing facility</li> </ul>
NV 	<ul style="list-style-type: none"> <li>Population ~3.1M</li> <li>Medical and adult-use market</li> </ul>	<ul style="list-style-type: none"> <li>5 operating dispensaries*</li> <li>2 indoor cultivation and manufacturing facilities; a 42k sq. ft. facility with expansion underway, and an additional 10k sq. ft. facility</li> </ul>
MD 	<ul style="list-style-type: none"> <li>Population ~6.1M</li> <li>Medical market</li> </ul>	<ul style="list-style-type: none"> <li>4 operating medical dispensaries</li> <li>38k sq. ft. indoor cultivation facility – currently under expansion</li> </ul>


\* Includes the contribution from the pending acquisitions and the completion of planned construction. In addition, includes: (1) licenses directly owned, managed, or operated; (2) those licenses with which Verano has executed management agreements or other commercial agreements; and/or (3) those licenses to which Verano has a purchase option.



# SCALABLE PLATFORM — DEVELOPING MARKETS\*

STATE	MARKET SIZE	ASSET DETAILS
MA 	<ul style="list-style-type: none"> <li>Population ~6.9M</li> <li>Medical and adult-use market</li> </ul>	<ul style="list-style-type: none"> <li>2 dispensaries in Sharon and Plymouth</li> <li>26k sq. ft. indoor cultivation and manufacturing facility under development – set to open by end of Q3 2021</li> </ul>
MI 	<ul style="list-style-type: none"> <li>Population ~10.0M</li> <li>Medical and adult-use market</li> </ul>	<ul style="list-style-type: none"> <li>1 operating dispensary in Buchanan</li> </ul>
CT 	<ul style="list-style-type: none"> <li>Population ~3.5M</li> <li>Medical and adult-use market</li> </ul>	<ul style="list-style-type: none"> <li>2 dispensaries in Waterbury and Meriden</li> <li>217k sq. ft. indoor cultivation and manufacturing facility</li> </ul>
AR 	<ul style="list-style-type: none"> <li>Population ~3.0M</li> <li>Medical market</li> </ul>	<ul style="list-style-type: none"> <li>1 operating dispensary in El Dorado</li> </ul>

# SCALABLE PLATFORM — UNDER DEVELOPMENT\*

STATE	MARKET SIZE	ASSET DETAILS
WV 	<ul style="list-style-type: none"> <li>Population ~1.8M</li> <li>Medical market</li> </ul>	<ul style="list-style-type: none"> <li>Approved for cultivation, processing, and 7 dispensaries</li> </ul>

### OTHER ASSETS NOT SHOWN:

1. California: Majority stake in pesticide remediation business
2. Missouri: 1 manufacturing license.

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# THE CASE FOR VERANO



## PEOPLE

- Entrepreneurial spirit
- Culture of diversity and inclusion
- Long average tenure
- Cannabis advocacy



## • PROCESS

- Operator's mindset, stringent SOPs – all about efficiency
- Hospitality-driven
- Extensive R&D
- Leverage leading-edge production automation



## PRODUCT

- Leading genetics
- Premium flower/proprietary strains
- Comprehensive CPG brand offering
- Products cover nearly all formats and formula



# SOLID MARGIN POTENTIAL

THROUGH VERTICAL INTEGRATION

**Balanced approach reduces over-reliance on any single wholesaler or 1352006 retailer.**

Vertically integrated in **10 of 12** active markets.<sup>1</sup>

## CULTIVATION & PRODUCTION

**12** cultivation & manufacturing facilities<sup>1</sup>

## RETAIL SPACES

**90** operational locations<sup>1</sup> across 12 active states

## BRAND DISTRIBUTION

**150+ million** in population nationwide

~**500** active dispensary wholesale partnerships

**Leading brand** in all markets (premium positioning, premium pricing, highest margins)

<sup>1</sup> Includes the contribution from pending acquisitions and the completion of planned construction.



# M&A STRATEGY

## A DELIBERATE APPROACH



**Grow within states** identified to have high likelihood to pass recreational use



Seek **well-performing stores** with potential for continued enhancement from integration



**Look for teams** that are willing to stay on board and continue as strong operators



**Transact** at attractive mid-single digit 2021 EBITDA multiples

### AQUISITIONS



### TERRITORY



### NSE



### AGRONOMED BIOLOGICS





# PREMIUM BRANDS TO FIT EVERY LIFESTYLE





# UNMATCHED BRAND PORTFOLIO

Extensive portfolio of trusted consumer brands

Indoor nature – allows for consistency across state lines

Premium quality, positioning and pricing contributes to growth and strong margin profile



## VERANO

- Flagship brand
- Premium price point
- Flower, pre-rolls, concentrates, and vape cartridges



## AVEXIA

- Medicinal line
- Pain relief functionality
- Serums, soaks, balms, and tablets



## ENCORE

- Edible line
- Products serving consumer occasions across the spectrum
- Mints, gummies, chocolates, and caramels



## MÜV

- Medicinal line
- Florida and Arizona markets
- Flower, concentrates, tinctures, vapes, and lotions



Depending on a consumer's needs and preferences, the Verano™ product line offers plenty of options. Choose from Swift Lifts (a pre-rolled, mini pack), Sunrock Shatter (a very popular concentrate), G-Line flower (proprietary crosses with our popular G6 strain), or a variety of distillate and reserve vape cartridges.



# AVEXIA™

MEDICINAL CANNABIS

With years of experience in developing these blends, we're focused on making sure each dose provides a consumer with a memorable and relaxing sense of relief.





We find great joy in the craftsmanship of our culinary endeavors. Our skilled artisans create inspiring, distinctive, delicious handcrafted edibles using non-industrialized methods, that inspire a life full of curiosity. As with all Verano™ products, Encore Edibles are lab-tested for potency and purity.







## Determination

MÜV is focused on developing outstanding, consistent and pure cannabis-based products.

## Exploration

MÜV believes in the power of research to advance understanding, and discover new opportunities to enhance well-being, with ingredients derived from the cannabis plant — one of humanity's most ancient sources of natural medications.

## Experienced

MÜV believes in knowledge. Our medical, scientific, and development teams are uniquely qualified to ask the right questions, specify exacting formulations, and conduct research aimed at producing the finest and most consistent cannabis-based products on the market.

## Guaranteed

MÜV believes in purity, testing ingredients and product components to assure 100% compliance with our benchmark quality standards.





# EXPANDING RETAIL PRESENCE





- Zen Leaf™ aspires to be the most **influential cannabis retail brand**, and to command brand loyalty of the high-end cannabis consumer. Inspiring our customers drives our mission to capture people's imaginations, satisfy deep and important life needs, and offer unparalleled innovative products underpinning our economic success and cultural influence in an increasingly crowded marketplace.
- **Custom store designs** that provide an edge in the market and create an environment that satisfies the myriad needs of its patrons through reliability, accessibility and authenticity.
- **Superior customer service** — we're the experts so you don't have to be.
- **Aggressive expansion** underway with existing states and across our broader license footprint.





MEDICAL CANNABIS DISPENSARY

- Locations in **two high growth states** — Florida and Arizona.
- **39** operational retail locations in Florida.
- **1** operational retail location in Arizona.
- **State-of-the-art dispensaries** offering an extensive selection of award-winning products including flower, pre-rolls, vaporizer pens, metered dose inhalers, topicals and oral sprays; along with patented encapsulation formulations in its EnCaps™ capsules, tinctures, 72-hour transdermal patches and transdermal gels.
- One of the **widest selections** of concentrates for patients needing macro-dosing options.
- Won **five** Best of Arizona medical cannabis awards since inception.
- Dispensaries in Florida and Arizona are staffed with **knowledgeable and friendly** teams thoroughly trained to assist medical cannabis patients.
- **Dedicated Medtenders**, as well as a Patient Care Support Team, available to help patients navigate their way through their medical cannabis journey and to better understand delivery methods and product options.



# 3Q21 FINANCIALS AT A GLANCE

Strong quarter for margins

**\$207m**

REVENUE

**\$133m**

GROSS PROFIT

**\$111m**

ADJUSTED EBITDA

**+106%**

VS. 3Q 2020

**+93%**

VS. 3Q 2020

**+99%**

VS. 3Q 2020

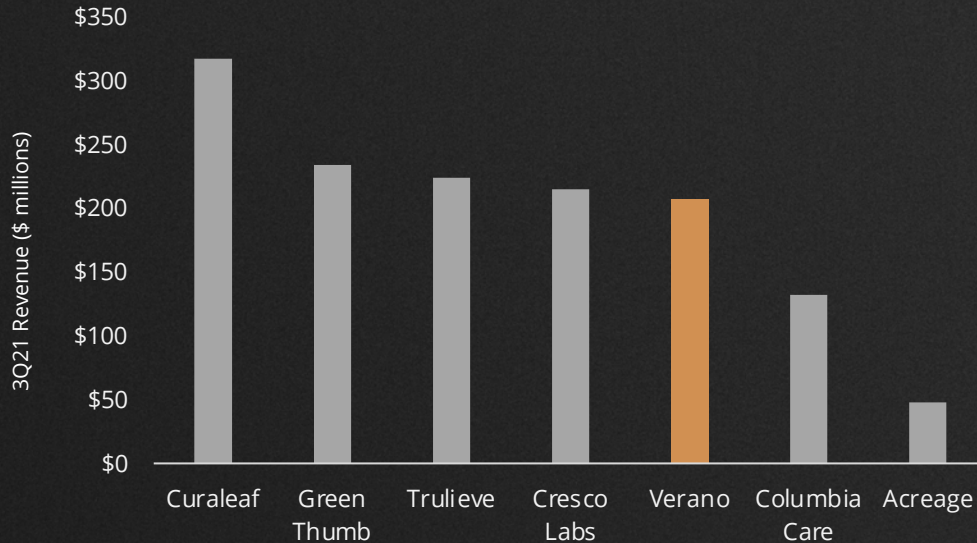
*Adjusted EBITDA is a Non-IFRS financial measure calculated herein as EBITDA adjusted for one-time expenses related to other expenses, gain from investment in associates and acquisition related costs.*

# A TOP COMPETITOR WITH STRONG GROWTH

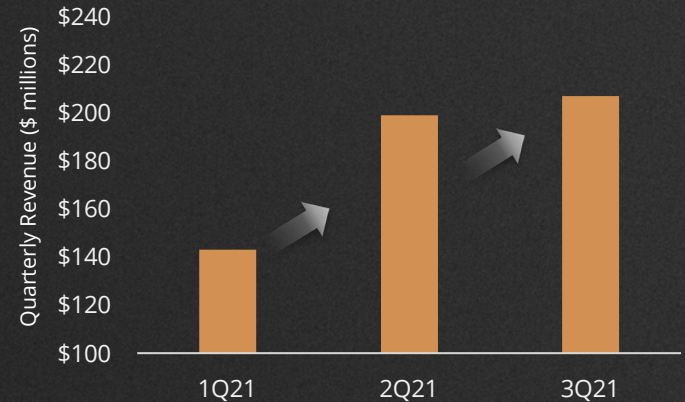
Top 5 MSO by revenue

Experiencing rapid growth, organically and through M&A

Our scale allows for operational efficiencies, more profitable cultivation and the ability to quickly adapt to changing legislation

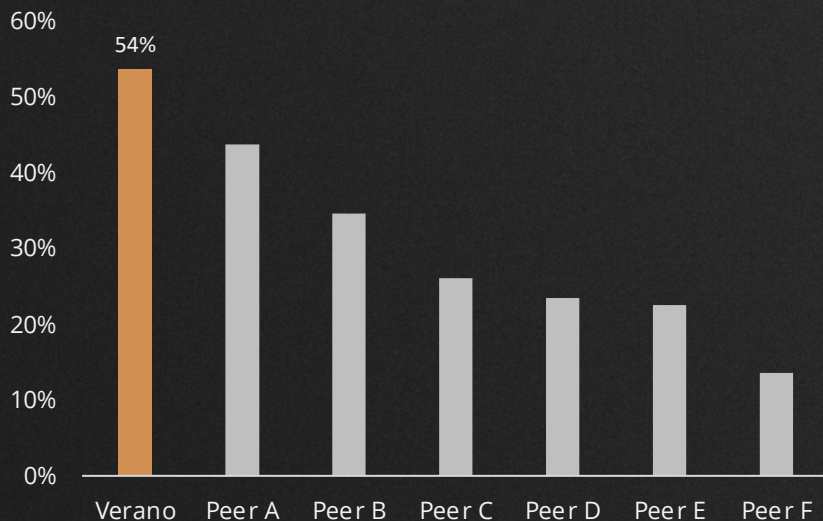


## REVENUE MOMENTUM

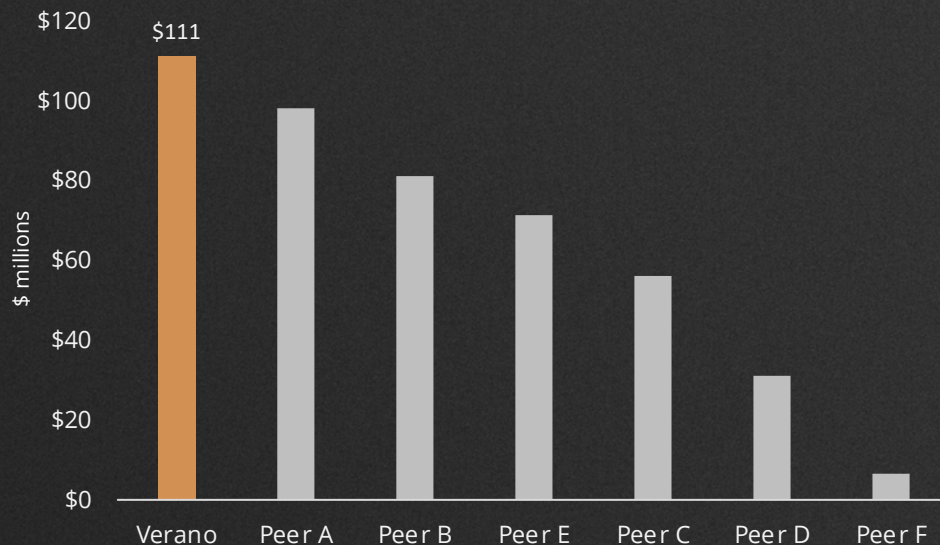


# INDUSTRY LEADING EBITDA PROFILE

## 3Q21 ADJUSTED EBITDA MARGINS



## 3Q21 ADJUSTED EBITDA IN \$USD



Adjusted EBITDA is a Non-IFRS financial measure calculated herein as EBITDA adjusted for one-time expenses related to other expenses, gain from investment in associates and acquisition related costs. Peer group values are from publicly-disclosed press releases.



# FINANCIAL FLEXIBILITY

Strong financial health to support organic and inorganic growth

Unencumbered by sale leasebacks

Prudent increases in debt ahead of growth

Debt upsize of \$120m, to a total **\$250m**, at improved terms

Working capital of **\$162m**

Ability to self fund Capex

Free cash flow of **\$35m**

## Summary Balance Sheet

<i>\$USD thousands</i>	<b>As of Sept. 30, 2021</b>
Cash	\$56,937
Total Assets	\$2,686,956
Debt	\$162,785
Total Liabilities	\$986,203

\* Numbers for 3Q21 as of 9/30/21.



# CAPITAL STRATEGY

## BALANCING GROWTH AND FINANCIAL STRENGTH

### GROWTH

- Increasing headcount/hiring
- Investments in brands and R&D
- Acquisitions



### FINANCIAL STRENGTH

- Maintain healthy balance sheet
- Hold sufficient cash on hand
- Leverage strong balance sheet for strategic M&A

# VERANO: A UNIQUE INVESTMENT OPPORTUNITY WITH PROVEN ABILITY TO DELIVER PROFITABILITY

## WHAT SETS VERANO APART

### Vertical Integration

Supported by  
proven ability to  
**win applications**  
and execute on  
potential acquisitions

### Cultivation Capacity

Ability to grow  
**high-quality flower**  
on a large scale and  
implement best  
practices into  
new markets

### Market Leading Products

Portfolio of  
leading owned  
brands that deliver  
**consistent quality**

### Retail Experience

**Customer-centric  
mindset** to drive  
repeat business  
and enhance  
customer loyalty

### Financial Health

**Solid cash position**  
and owned real  
estate with no sale-  
leasebacks

### Investment for Growth

**Disciplined capital  
allocation strategy**  
balanced between  
potential acquisitions,  
organic growth  
expenditures and  
enhancing current  
operations

### Sustainable Profitability

**Expanding footprint**  
combined with  
disciplined operations  
have driven  
profitability since  
inception



# LEGISLATIVE OUTLOOK

Recent shift in sentiment **across the aisle**

**Engaging representatives** to ensure we have an active voice in legislative conversations

Encouraged by recent conversations but **we can successfully operate if federal legalization is not passed**

Maintaining optimism and **preparing for an up-list to the US markets once legislation change makes possible**

# THANK YOU

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# APPENDIX

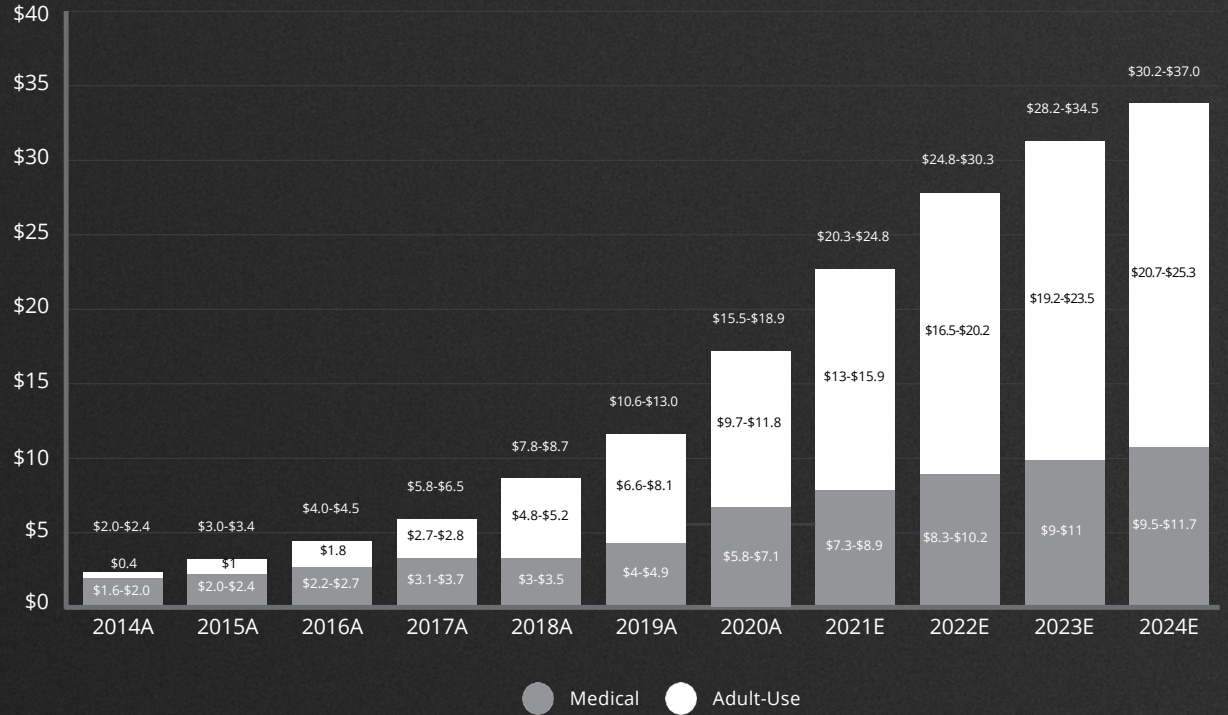
**GROWING MARKET**

# Growing Market Opportunity

- Legal cannabis sales in the United States are forecast to reach \$15.5-\$18.9 billion in 2020 and rise to **\$30.2-\$37.0 billion** in 2024.
- **Two-thirds of U.S. states** have legal medical markets; approximately one-fifth currently allow adult-use sales.

\* Source: Marijuana Business 2020 Factbook

U.S. CANNABIS RETAIL SALES ESTIMATES: 2014 – 2024\* IN BILLIONS OF US DOLLARS



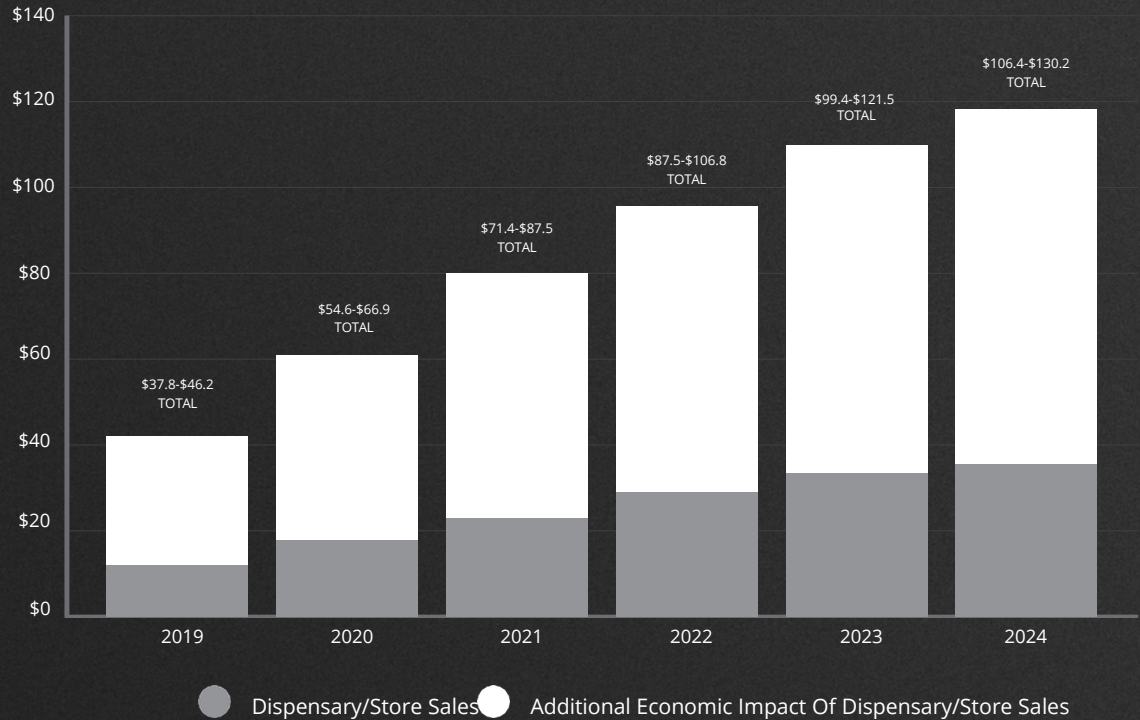
# Growing Market Opportunity

The marijuana industry is estimated to have an economic impact of \$55 billion – \$67 billion in the U.S. in 2020 and **surpass \$100 billion** in economic benefits in 2024.

Based on the assumption that for every \$1 that consumers and patients spend at recreational stores and dispensaries, MJ Biz Daily estimates that an additional \$2.50 will be injected into the economy, much of it at the local level.

\* Source: Marijuana Business 2020 Factbook

## U.S. CANNABIS INDUSTRY TOTAL ECONOMIC IMPACT: 2019 – 2024\* IN BILLIONS OF US DOLLARS





# STRATEGIC M&A

# Accretive M&A Activity — Florida & Arizona



ALTMED\* COMBINATION GAVE VERANO:

- **Access to Florida and Arizona** vertically-integrated operations
- **36** active retail locations in Florida with **6+** more planned by end of 2021
- **One** active retail location in Phoenix, Arizona
- **State-of-the-art** cultivation facilities — 220,000 sq. ft. in Florida and 30,000 sq. ft. in Arizona (current expansion of an additional 60,000 sq. ft. underway)

## TERRITORY

TERRITORY DISPENSARY\*\* GAVE VERANO:

- **Three** active retail locations in Arizona — Chandler, Gilbert and Mesa
- **One** ~20,000 sq. ft. cultivation facility



EMERALD DISPENSARY\*\* ACQUISITION GAVE VERANO:

- **One** active retail location in Phoenix, Arizona



THE LOCAL JOINT\*\* ACQUISITION GAVE VERANO:

- **One** active retail location in Phoenix, Arizona

# Accretive M&A Activity — Pennsylvania



TERRAVIDA\* GAVE VERANO:

- **Three** active dispensaries located in the Philadelphia metropolitan area — Sellersville, Abington, and Malvern



THE HEALING CENTER\* GAVE VERANO:

- **Three** active dispensaries located in the Pittsburgh metropolitan area -- Cranberry Township, Washington and Monroeville



AGRI-KIND\* GAVE VERANO:

- **One** 62,000 sq. ft. grower/processor located in Chester

NSE\*

NSE

- Verano entered into an agreement pursuant to which a subsidiary of Verano acquired all of the issued and outstanding equity interests of NSE, holder of one permit, which gives the Company the ability to open **three** dispensaries in Pennsylvania

AGRONOMED  
BIOLOGICS\*\*

AGRONOMED BIOLOGICS

- Through Pennsylvania's Chapter 20 Clinical Research Program, Agronomed is a Phase II Approved Clinical Registrant, and therefore is permitted to open a medical marijuana growing and processing facility, as well as six dispensaries, to conduct medical marijuana research in partnership with Drexel University College of Medicine

# Accretive M&A Activity — Illinois, Ohio and Nevada



## THE HERBAL CARE CENTER GAVE VERANO:

- One of Illinois' **largest and top-performing** combined medical and adult-use dispensaries, located in Chicago's Medical District, and second adult-use dispensary in the city's bustling West Loop/Greektown neighborhood



## MAD RIVER REMEDIES\* GAVE VERANO:

- **One** active retail location in Dayton, Ohio



## SIERRA WELL\*\* WOULD GIVE VERANO

- **One** retail location in Carson City, NV
- A cultivation/production facility and **one** retail location in Reno, NV

# Accretive M&A Activity — Connecticut



CT PHARMO\*\* WOULD GIVE VERANO:

- **217k square feet** of state-of-the-art cultivation and production facility in Rocky Hill, CT



CARING NATURE\*\* WOULD GIVE VERANO:

- **One** active retail location in Waterbury, CT



WILLOW BROOK WELLNESS\* GAVE VERANO

- **One** retail location in Meriden, CT

# CORE STATES

ILLINOIS, FLORIDA, ARIZONA, NEW JERSEY, PENNSYLVANIA, OHIO, NEVADA, MARYLAND

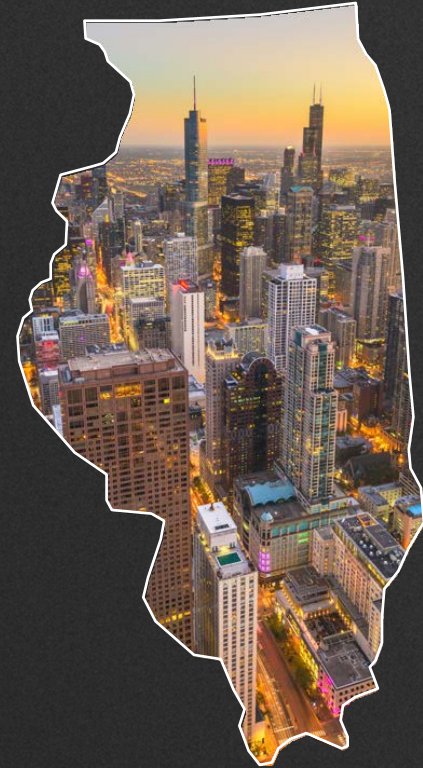
# Illinois Overview

## Market Overview

- Adult-Use and medical markets
- 12.7M population
- 150k medical patients; 1.2% penetration
- \$669M adult-use sales in the first year
- Total market expected to grow from \$1.03B (2020) to \$1.8B (2026E)

## Verano Operations

- 10 operational dispensaries (5 combined medical & adult-use and 5 adult-use)
- 192k sq. ft. cultivation and manufacturing facility in Albion



Market size forecasts based on BDSA estimates. Patient counts based on BDSA estimates. Includes the contribution from the following: (1) licenses directly owned, managed, or operated; (2) those licenses with which Verano has executed management agreements or other commercial agreements

# Florida Overview

## Market Overview

### Medical market

- 21.5M population
- 457k medical patients; 2.1% penetration
- Total market expected to grow from \$970M (2020) to \$2.56B (2026E)

## Verano Operations

- 39 dispensaries in operation – 2+ planned to open by the end of 2021
- 220k sq. ft. indoor cultivation and manufacturing facility in Apollo Beach



*Market size forecasts based on BDSA estimates.*



# Arizona Overview

## Market Overview

- Adult-Use and medical markets
- 7.3M population
- Adult-use program active as of January 2021
- ~295k medical patients; 4.0% penetration
- Total market expected to grow from \$1.03B (2020) to \$1.81B (2026E)

## Verano Operations

- 6 operational dispensaries
- 30k sq. ft. indoor cultivation and manufacturing facility in Coolidge – 60k sq. ft. expansion underway
- ~20K sq. ft. facility in Winslow



Market size forecasts based on BDSA estimates. Includes: (1) licenses directly owned, managed, or operated; (2) those licenses with which Verano has executed management agreements or other commercial agreements; and/or (3) those licenses to which Verano has a purchase option.

# New Jersey Overview

## Market Overview

- Adult-Use and medical markets
- 8.9M population
- ~99k medical patients; 1.1% penetration
- Total market expected to grow from \$178.5M (2020) to \$1.84 (2026E)
- Adult-use signed into legislation in February 2021

## Verano Operations

- 3 active medical dispensaries
- 120k sq. ft. indoor cultivation and manufacturing facility with staggered expansion planned to be completed by the end of Q3 2021



Market size forecasts based on BDSA estimates. Includes: (1) licenses directly owned, managed, or operated; (2) those licenses with which Verano has executed management agreements or other commercial agreements; and/or (3) those licenses to which Verano has a purchase option.

# Pennsylvania Overview

## Market Overview

- Medical market
- 12.8M population
- 380k medical patients; 3.0% penetration
- Total market expected to grow from \$545M (2020) to \$1.3B (2026E)

## Verano Operations

- 12 active medical dispensaries; 6 additional medical dispensaries planned
- 1 active 62k sq. ft. cultivation and manufacturing facility in Chester
- 1 additional planned cultivation and manufacturing facility



Market size forecasts based on BDSA estimates. Includes: (1) licenses directly owned, managed, or operated; (2) those licenses with which Verano has executed management agreements or other commercial agreements; and/or (3) those licenses to which Verano has a purchase option.

# Ohio Overview

## Market Overview

- Medical market
- 11.7M population
- 160k medical patients; 1.4% penetration
- Total market expected to grow from \$217.6M (2020) to \$1.37B (2026E)

## Verano Operations

- 5 medical dispensaries
- 22k sq. ft. indoor cultivation and manufacturing facility in Canton



Market size forecasts based on BDSA estimates. Includes: (1) licenses directly owned, managed, or operated; (2) those licenses with which Verano has executed management agreements or other commercial agreements; and/or (3) those licenses to which Verano has a purchase option.

# Nevada Overview

## Market Overview

- Adult-Use and medical markets
- 2.9M population
- 9.8k medical patients; 0.3% penetration
- Total market expected to grow from \$808M (2020) to \$1.68B (2026E)

## Verano Operations

- 5 active dispensaries
- 42k sq. ft. indoor cultivation and manufacturing facility – expansion underway
- 10k sq. ft. indoor and manufacturing facility



Market size forecasts based on BDSA estimates. Includes the contribution from a pending acquisition. In addition, includes: (1) licenses directly owned, managed, or operated; (2) those licenses with which Verano has executed management agreements or other commercial agreements; and/or (3) those licenses to which Verano has a purchase option.

# Maryland Overview

## Market Overview

- Medical market
- 6.1M population
- 123k medical patients; 2.0% penetration
- Total market expected to grow from \$449M (2020) to \$1.39B (2026E)

## Verano Operations

- 4 operating medical dispensaries
- 39k sq. ft. cultivation facility – expansion is nearing completion



Market size forecasts based on MJBizDaily 2020 estimates. Includes: (1) licenses directly owned, managed, or operated; (2) those licenses with which Verano has executed management agreements or other commercial agreements; and/or (3) those licenses to which Verano has a purchase option.

# KEY DEVELOPING STATES

MASSACHUSETTS, CONNECTICUT, MICHIGAN,  
ARKANSAS

# Massachusetts Overview

OVERVIEW OF MARKET AND VERANO OPERATIONS

## Market Overview

- Adult-Use and medical markets
- 6.9M population
- 100k medical patients; 1.4% penetration
- Total market expected to grow from \$917M (2020) to \$1.78B (2026E)

## Verano Operations

- 2 adult-use dispensaries
- A 26k sq. ft. indoor cultivation and manufacturing facility under construction; first room expected to come online by end of Q3 2021



Market size forecasts based on MJBizDaily 2020 estimates. Includes: (1) licenses directly owned, managed, or operated; (2) those licenses with which Verano has executed management agreements or other commercial agreements; and/or (3) those licenses to which Verano has a purchase option.



# Arkansas Overview

## OVERVIEW OF MARKET AND VERANO OPERATIONS

### Market Overview

- Medical market
- 3M population
- 66.6k medical patients; 2.2% penetration
- Total market expected to grow from \$129M (2020) to \$720M (2026E)

### Verano Operations

- 1 medical dispensary in El Dorado



*Market size forecasts based on BDSA estimates. Includes: (1) licenses directly owned, managed, or operated; (2) those licenses with which Verano has executed management agreements or other commercial agreements; and/or (3) those licenses to which Verano has a purchase option.*

# Michigan Overview

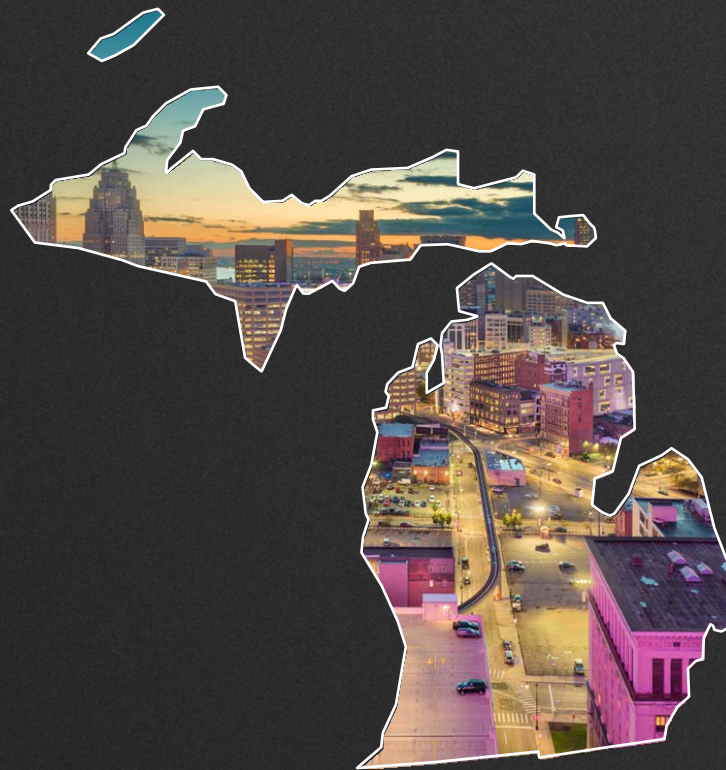
OVERVIEW OF MARKET AND VERANO OPERATIONS

## Market Overview

- Adult-Use and medical markets
- 10M population
- 247k medical patients; 2.5% penetration
- Total market expected to grow from \$985M (2020) to \$1.69B (2026E)

## Verano Operations

- 1 medical & adult-use dispensary in Buchanan, MI (~30 min from South Bend and Elkhart, IN (directly across border), ~90 min from Chicago, IL)



Market size forecasts based on BDSA estimates. Includes: (1) licenses directly owned, managed, or operated; (2) those licenses with which Verano has executed management agreements or other commercial agreements; and/or (3) those licenses to which Verano has a purchase option.

# Connecticut Overview

## Market Overview

- Adult-Use and medical markets
- 3.5M population
- ~60k medical patients; 1.6% penetration
- Total market expected to grow from \$126.5M (2020) to \$386.8M (2026E)

## Verano Operations

- 2 active dispensaries
- 217k sq. ft. indoor cultivation and manufacturing facility



Market size forecasts based on BDSA estimates. Includes the contribution from a pending acquisition. In addition, includes: (1) licenses directly owned, managed, or operated; (2) those licenses with which Verano has executed management agreements or other commercial agreements; and/or (3) those licenses to which Verano has a purchase option.

# OTHER DEVELOPING STATES

CALIFORNIA, WEST VIRGINIA, MISSOURI

# California, West Virginia, Missouri Overview

## OVERVIEW OF MARKET AND VERANO OPERATIONS

Below is an overview of assets owned by Verano which are not included in its financial forecasts:<sup>(1)</sup>



### California

- 1 processing facility



### West Virginia

- Approved for cultivation, processing and 7 dispensaries
- West Virginia medical market expected to grow to \$33M by 2026E<sup>(2)</sup>



### Missouri

- Won 1 manufacturing license
- 6.1M population; medical market
- 44k medical patients (0.7% penetration)
- Missouri medical market expected to grow to \$863M by 2026E<sup>(2)</sup>

<sup>1</sup> Includes: (1) licenses directly owned, managed, or operated; (2) those licenses with which Verano has executed management agreements or other commercial agreements; and/or (3) those licenses to which Verano has a purchase option.

<sup>2</sup> Market size forecasts based on BDSA estimates.

# APPENDIX FINANCIALS

(All amounts expressed in thousands of U.S. Dollars)

Verano Holdings Corporation Pro Forma  
Unaudited Reconciliation of Net Income to Adjusted EBITDA and Non-IFRS  
For the Three Months Ended September 30, 2021 and 2020

(\$ in thousands)	For the Three Months Ended		
	9/30/21 (Unaudited)	6/30/21 (Unaudited)	9/30/20 (Unaudited)
Net Income <sup>1</sup>	\$ 103,715	6,830	\$ 81,612
Depreciation and Amortization	9,851	9,404	3,498
Interest Expense, Net	8,068	5,531	2,868
Income Tax Expense	73,733	5,088	17,879
Earnings (Loss) Before Interest, Taxes, Depreciation and Amortization (EBITDA) (Non-IFRS)	\$ 195,367	\$ 26,853	\$ 105,858
Other expense (income), net	445	88	(3,161)
RTO, M&A, and Transaction Costs	1,062	6,923	48
Inventory Step Up	277	5,718.3	-
Employee Earnout Accrual	(2,642)	10,348	-
Other non-operating costs	4,992	6,623	128
Adjusted EBITDA (Non-IFRS)	\$ 199,501	\$ 56,553	\$ 102,873
Net Impact of Fair Value of Biological Assets	(88,804)	24,921	(47,226)
Adjusted EBITDA (non-IFRS), Net of Impact of Biological Assets	\$ 110,697	\$ 81,474	\$ 55,648