

VERANO™

2Q 2022 Earnings

8/16/22

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BEFORE WE BEGIN

Forward-Looking Information

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

Generally, such forward-looking information or forward-looking statements can be identified by the use of forward-looking terminology such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or may contain statements that certain actions, events or results "may", "could", "would", "might" or "will be taken", "will continue", "will occur" or "will be achieved". The forward-looking information and forward-looking statements contained herein include, but are not limited to statements or information with respect to the Company's position in the marketplace, 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 forward-looking statements herein, including, without limitation, the risk factors discussed in the Company's filings on EDGAR at www.sec.com/edgar. The forward-looking information and forward-looking statements contained in this presentation are made as of the date of this presentation, and the Company does not undertake to update any forward-looking information or forward-looking statements that are contained or referenced herein, except as may be required in accordance with applicable securities laws. All subsequent written and oral forward-looking information and statements attributable to the Company or persons acting on its behalf is expressly qualified in its entirety by this notice regarding forward-looking information and statements.

BEFORE WE BEGIN

Non-GAAP Financial Measures

This presentation refers to certain non-GAAP measures to evaluate the performance of the Company. The terms “EBITDA”, “Adjusted EBITDA” and “Free Cash Flow” do not have any standardized meaning prescribed within U.S. Generally Accepted Accounting Principles (“GAAP”) and therefore may not be comparable to similar measures presented by other companies.

Such measures should not be considered in isolation or as a substitute for measures of performance prepared in accordance with GAAP. EBITDA is calculated herein as net earnings from operations before interest expense, tax expense, depreciation, and amortization. The Company presents 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-GAAP financial measures provide useful information to readers as a supplement to reported GAAP financial information. Management reviews these non-GAAP financial measures on a regular basis and uses them to evaluate and manage the performance of the Company’s operations. These measures should be evaluated only in conjunction with the Company’s comparable GAAP financial measures.

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2Q22 HIGHLIGHTS



2Q22 REVENUE OF \$224 MILLION

11% growth quarter over quarter

- Driven by strength from New Jersey and Illinois market share gains
 - Partial quarter impact from Elizabeth and Lawrence locations in New Jersey
 - Verano flower market share gains of 310 bps¹ in Illinois quarter over quarter





BALANCED SG&A INVESTMENTS AHEAD OF ANTICIPATED GROWTH

- Hired over 200 New Jersey employees¹
- Automation investments in New Jersey cultivation
- Hired over 120 employees in Connecticut as additional grow rooms were brought online²
- Headcount also added for Massachusetts and Nevada cultivation
- Identified and eliminated significant amount of costs subsequent to the second quarter

ADAPTABLE TO CHANGING CONSUMER PREFERENCES

Verano Essence

- Mid-tier option to complement Premium Verano Reserve product line
- More accessible option for consumers wanting Verano strains
- Expected to widen Verano consumer base
- Rolled out in 1H22



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Savvy

- Value brand unaffiliated with Verano strains to prevent brand dilution
- Expected 2H22 launch is timed to address consumer changes due to macroeconomic pressures
- Anticipating to offset lower price with increased automation and reduced labor



MARKET UPDATES

New Jersey

- One of the most robust menus in the state across multiple form factors
- Opened our Neptune location to adult-use consumers near the Jersey Shore
- Ramping up capabilities in our state-of-the-art 120k sq ft facility

Pennsylvania

- Launched full Verano line early August across 14 dispensary footprint and wholesaling partners



Illinois

- Gained 310 bps¹ in market share quarter over quarter
- Looking forward to welcoming the anticipated 185 social equity dispensary operators as valued wholesaling partners

¹Data from BDSA inclusive of flower sales within the inhalables category.

INVESTING AHEAD OF GROWTH

Striving for agility

Monitoring legislative environments with an adaptive mindset

Delaying certain capex projects

Cultivation expansions in Florida and Pennsylvania to be delayed given new internal adult-use legislation timelines

Providing new capex guidance

Expecting \$130-160 million in total capex spend for 2022 including an estimated \$10 million¹ in maintenance capex

CASH FLOW CONVERSION

ONE OF THE HIGHEST RATIOS IN THE INDUSTRY

- Cash flow from Operations to adjusted EBITDA was a tax-adjusted 14.4% for TTM 2Q22 and 22.9% for FY 2021
- Relative to the industry, Verano is under levered at 1.55x, or 1.68x inclusive of taxes payable, for TTM 2Q22

<i>FY 21 financials in the thousands</i>	VRNO	VRNO (Tax Adjusted)	Peer Average ¹	VRNO (Tax Adjusted) TTM 2Q22
Total Debt (ex leases) or Debt Like	\$ 498,274	\$ 498,274	--	\$ 469,530
Total Leases	\$ 63,375	\$ 63,375	--	\$ 74,083
Income Taxes Payable	\$ 154,512	\$ 47,683 ²	--	\$ 44,027 ²
Gross Profit	\$ 331,019	\$ 331,019	--	\$ 305,637
'21 aEBITDA	\$ 324,063	\$ 324,063	--	\$ 350,626
Cash Flow from Operations	\$ 181,197	--	--	--
Tax-Adjusted CFO ³	--	\$ 74,368	--	\$ 50,597
Lease + Gross Debt to '21 aEBITDA	1.73x	1.73x	4.22x	1.55x
Lease + Gross Debt + Tax Payable to '21 aEBITDA	2.21x	1.88x	4.53x	1.68x
CFO to aEBITDA Conversion	55.9%	22.9%	-11.0%	14.4%

¹Peer average inclusive of eight peers, excluding Verano. ²Normalized to align with industry average defined as the equal-weighted percentage of taxes payable of gross profit. Amounts over the industry average are subtracted from CFO resulting in Tax-Adjusted CFO. ³Tax-adjusted CFO is calculated as Cash Flow from Operations less the taxes payable premium VRNO holds versus a peer group average. The peer group average of taxes payable is defined as the equal-weighted percentage of taxes payable of gross profit.

FINANCIAL REVIEW



FINANCIAL RESULTS

- Retail / wholesale revenue split of 73% / 27% for the quarter¹
- \$39 million of 2Q22 capex fully funded by operating cash flow
 - Expecting ~\$43-73 million of capex in 2H22
- SG&A expenses for the second quarter were 45% of revenues or 30%² of revenues if excluding D&A and earn outs

Second Quarter 2022 Results	
\$USD thousands	
Revenue	\$223,662
Gross Profit	\$98,115
Income Loss from Operations	\$(2,292)
Net Loss	\$(9,847)

FINANCIAL FLEXIBILITY

- Unencumbered by sale leasebacks
- Focus on improving debt terms
- Acquisition Consideration Payable has decreased from \$143 million in 1Q22 to \$67 million
 - Up to ~\$10 million is due in cash with the remainder due in equity

As of June 30, 2022	
\$USD thousands	
Cash	\$92,833
Total Assets	\$2,604,970
Debt	\$402,629
Total Liabilities	\$1,056,245

CLOSING AND Q&A



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THANK YOU

APPENDIX



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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
Revenue	\$ 223,662	\$ 199,066	\$ 425,897	\$ 319,961
Cost of Sales	125,547	129,856	229,165	196,461
Gross Profit	98,115	69,210	196,732	123,500
Gross Profit %	43.9 %	34.8 %	46.2 %	38.6 %
Expenses:				
Selling, General, and Administrative	100,263	70,013	189,824	112,679
Total Expenses	100,263	70,013	189,824	112,679
Income (Loss) from Investments in Associates	(144)	645	1,860	1,448
Income (Loss) from Operations	(2,292)	(158)	8,768	12,269
Other Income (Expense):				
Loss on Disposal of Property, Plant and Equipment	(203)	(429)	(1,192)	(429)
Gain (Loss) on Deconsolidation	(73)	—	9,485	—
Gain (Loss) on Previously Held Equity Interest	(171)	—	13,928	—
Interest Expense, net	(11,624)	(5,434)	(22,295)	(7,201)
Other Income (Expense), net	15,619	(131)	18,153	(997)
Total Other Income (Expense)	3,548	(5,994)	18,079	(8,627)
Net Income (Loss) Before Provision for Income Taxes and Non-Controlling Interest	1,256	(6,152)	26,847	3,642
Provision For Income Taxes	(11,103)	(23,438)	(36,617)	(39,852)
Net Income Attributable To Non-Controlling Interest	—	98	291	1,364
Net Income (Loss) Attributable to Verano Holdings Corp.	(9,847)	(29,688)	(10,061)	(37,574)
Net Loss per share - basic	(0.03)	(0.10)	(0.03)	(0.14)
Net Loss per share - diluted	(0.03)	(0.10)	(0.03)	(0.14)
Weighted average number of shares outstanding - basic	328,519,193	300,715,671	327,402,503	265,842,657
Weighted average number of shares outstanding - diluted	328,519,193	300,715,671	327,402,503	265,842,657

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

	June 30,	December 31,
	2022	2021
	<i>(Unaudited)</i>	<i>(As Restated)</i>
Cash and Cash Equivalents	\$ 92,833	\$ 99,118
Other Current Assets	195,123	177,926
Property and Equipment, Net	515,698	452,232
Intangible Assets, Net	1,343,371	1,379,913
Goodwill	376,637	368,130
Other Long-Term Assets	81,308	71,336
Total Assets	\$ 2,604,970	\$ 2,548,655
Total Current Liabilities	\$ 586,777	\$ 470,516
Total Long-Term Liabilities	469,468	596,333
Total Shareholders' Equity	1,548,725	1,480,530
Non-controlling Interest	—	1,276
Total Liabilities and Shareholders' Equity	\$ 2,604,970	\$ 2,548,655

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

(\$ in thousands)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
Net Loss Attributable to Verano Holdings Corp.	\$ (9,847)	\$ (29,688)	\$ (10,061)	\$ (37,574)
Interest Expense, net	11,624	5,434	22,295	7,201
Income Tax Expense	11,103	23,438	36,617	39,852
Depreciation and Amortization - COGS	19,089	13,963	38,814	22,282
Depreciation and Amortization - SG&A	16,388	10,311	31,097	13,775
Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA)	48,357	23,458	118,762	45,536

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

(\$ in thousands)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
Net Loss Attributable to Verano Holdings Corp.	\$ (9,847)	\$ (29,688)	\$ (10,061)	\$ (37,574)
Interest Expense, Net	11,624	5,434	22,295	7,201
Income Tax Expense	11,103	23,438	36,617	39,852
Earnings Before Interest and Taxes (EBIT)	\$ 12,880	\$ (816)	\$ 48,851	\$ 9,479
COGS Add-backs:				
Depreciation and Amortization	19,089	13,963	38,814	22,282
Acquisition, Transaction and Other Non-operating Costs	15,385	35,167	19,998	53,804
Employee Stock Compensation	2,976	—	4,027	—
SG&A Add-backs:				
Depreciation and Amortization	16,388	10,311	31,097	13,775
Acquisition, Transaction and Other Non-operating Costs	10,720	10,038	22,972	23,316
Employee Stock Compensation	10,515	12,580	20,377	18,333
Acquisition Adjustments and Other Income (Expense), net	(12,428)	(635)	(23,397)	421
Adjusted EBITDA	\$ 75,526	\$ 80,608	\$ 162,738	\$ 141,409