

VERANO™

WHAT COULD THE DEA'S RESCHEDULING DECISION MEAN?

A Schedule III designation could tear down some metaphorical red tape and allow Verano to operate more like a 'normal' business; thus far, Verano has produced a 2-year 13% revenue CAGR despite operating in the face of oppressive restrictions and tax codes.



Possible Benefits Include²



Reduced cost of capital

We anticipate improved terms of credit and access to a larger lending pool



Additional payment methods for consumers

We anticipate increased basket sizes and a less burdensome cash management system



Broader vendor access

We anticipate more vendors willing to do business with the industry, increasing Verano's back-office efficiencies



Step forward for capital markets

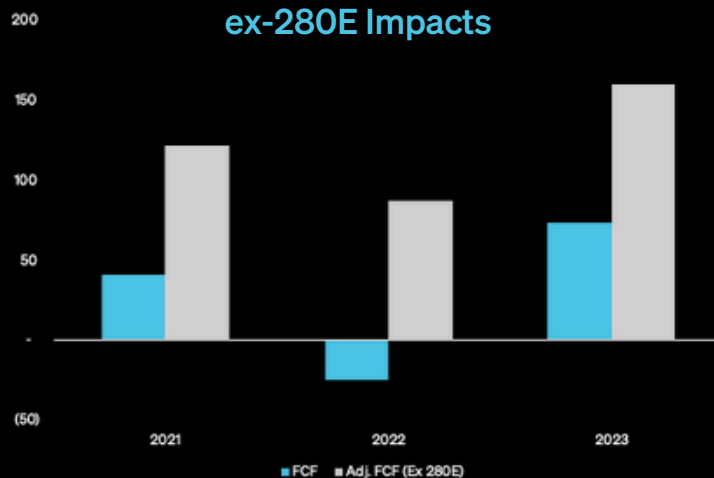
We anticipate US exchanges warming up to the idea of US cannabis company listings

\$80+ MILLION SAVED ANNUALLY

due to expected lower tax expense¹

The Company is no longer subject to the 280E tax code once descheduled to Schedule III.

Historical Free Cash Flow ex-280E Impacts



Illustrative purposes only. Free Cash Flow Adj. calculated as if the Company had been taxed at ordinary effective tax rates.

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¹ Estimate based on FY 2023 financial results in which the Company estimates it would have incurred \$80 million less in income tax expense given its likely ability to take standard business deductions once it is not subject to the 280E tax code. Historical Free Cash Flow estimates calculated using a traditional federal and state tax scheme against net income. Free Cash Flow is a Non-GAAP number the Company defines as Net Cash Provided by Operating Activities minus Capital Expenditures. Reconciliation for Free Cash Flow can be found in the financial results released on 2/29/24 at investors.verano.com in the Newsroom ² Industry impacts dependent upon the DEA's final ruling, subject to review, comment period, and rule making processes along with a number of other factors and third-party decisions. There is no guarantee any or all possible benefits outlined will occur.