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

FORM 10-Q

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the quarterly period ended March 31, 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

VERANO HOLDINGS CORP.

(Exact name of registrant as specified in its charter)

British Columbia, Canada
(State or other jurisdiction of incorporation or organization)

98-1583243
(I.R.S. Employer Identification No.)

224 W Hill Street, Suite 400,
Chicago, Illinois
(Address of Principal Executive Offices)

60610
(Zip Code)

(312) 265-0730

(Registrant's telephone number, including area code)

N/A

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

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

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 May 5, 2025, the registrant had 359,718,318 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;
- 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;
- cost related to preserving our brand identity;
- our ability to protect our intellectual property due to limited intellectual property protection 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;
- 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 on February 27, 2025, as more particularly described 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.

PART I - FINANCIAL INFORMATION

ITEM 1. UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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

	March 31, 2025	December 31, 2024
ASSETS	<i>(Unaudited)</i>	
Current Assets:		
Cash and Cash Equivalents	\$ 84,220	\$ 87,796
Accounts Receivable, net	40,017	40,264
Held for Sale Assets	30,575	32,150
Inventory	192,262	184,456
Prepaid Expenses and Other Current Assets	14,067	12,843
Total Current Assets	361,141	357,509
Property, Plant and Equipment, net	529,996	537,964
Right-of-Use Assets, net	99,686	99,915
Intangible Assets, net	717,260	734,005
Goodwill	247,600	246,230
Deposits and Other Assets	13,299	13,333
TOTAL ASSETS	\$ 1,968,982	\$ 1,988,956
LIABILITIES AND SHAREHOLDERS' EQUITY		
LIABILITIES		
Current Liabilities:		
Accounts Payable	\$ 45,401	\$ 39,927
Accrued Liabilities	58,459	68,941
Income Tax Payable	34,963	58,762
Current Portion of Lease Liabilities	11,408	11,250
Current Portion of Debt	16,800	18,153
Acquisition Consideration Payable	613	935
Total Current Liabilities	167,644	197,968
Long-Term Liabilities:		
Debt, net of Current Portion	403,828	395,696
Lease Liabilities, net of Current Portion	96,676	97,884
Uncertain Tax Positions	283,771	270,579
Deferred Income Taxes	72,977	74,099
Other Long-Term Liabilities	2,482	1,911
Total Long-Term Liabilities	859,734	840,169
TOTAL LIABILITIES	\$ 1,027,378	\$ 1,038,137
SHAREHOLDERS' EQUITY	943,381	952,174
NON-CONTROLLING INTEREST	(1,777)	(1,355)
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$ 1,968,982	\$ 1,988,956

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 March 31,	
	2025	2024
Revenues, net of Discounts	\$ 209,809	\$ 221,306
Cost of Goods Sold, net	110,228	108,346
Gross Profit	99,581	112,960
Selling, General, and Administrative Expenses	84,579	90,289
Income from Operations	15,002	22,671
Other Income (Expense):		
Loss on Disposal of Property, Plant and Equipment	(84)	(143)
Gain on Deconsolidation	4,739	—
Loss on Debt Extinguishment	(63)	—
Interest Expense, net	(13,562)	(15,114)
Other Expense, net	(198)	(759)
Total Other (Expense), net	(9,168)	(16,016)
Income Before Provision for Income Taxes	5,834	6,655
Provision for Income Taxes	(17,349)	(11,477)
Net Loss Attributable to Verano Holdings Corp. & Subsidiaries	\$ (11,515)	\$ (4,822)
Net Loss per share – basic & diluted	(0.03)	(0.01)
Basic & Diluted – weighted average shares outstanding	359,145,607	344,083,000

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
Balance as of January 1, 2024	344,074,096	\$ 1,681,840	\$ (13)	\$ (441,747)	\$ —	\$ 1,240,080
Share-based compensation	57,872	3,643	—	—	—	3,643
Foreign Currency Translation Adjustment	—	—	15	—	—	15
Contingent consideration & other adjustments to purchase accounting	31,181	—	—	—	—	—
Net Loss	—	—	—	(4,822)	—	(4,822)
Balance as of March 31, 2024	<u>344,163,149</u>	<u>\$ 1,685,483</u>	<u>\$ 2</u>	<u>\$ (446,569)</u>	<u>\$ —</u>	<u>\$ 1,238,916</u>
	Subordinate Voting Shares	Share Capital	Accumulated Other Comprehensive Income (Loss)	Accumulated Earnings (Deficit)	Non-Controlling Interest	Total
Balance as of January 1, 2025	358,747,290	\$ 1,735,775	\$ 5	\$ (783,606)	\$ (1,355)	\$ 950,819
Share-based compensation	971,028	2,722	—	—	—	2,722
Foreign Currency Translation Adjustment	—	—	—	—	—	—
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	—	—	—	(11,515)	—	(11,515)
Balance as of March 31, 2025	<u>359,718,318</u>	<u>\$ 1,738,497</u>	<u>\$ 5</u>	<u>\$ (795,121)</u>	<u>\$ (1,777)</u>	<u>\$ 941,604</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)

	Three Months Ended March 31,	
	2025	2024
CASH FLOW FROM OPERATING ACTIVITIES		
Net loss attributable to Verano Holdings Corp. and Subsidiaries	\$ (11,515)	\$ (4,822)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Depreciation and amortization	31,791	35,552
Right-of-use assets amortization	2,965	2,934
Loss on disposal of property, plant and equipment	84	143
Gain on deconsolidation	(4,739)	—
Loss on debt extinguishment	63	—
Stock based compensation	3,303	3,928
Other, net	4,534	1,197
Changes in assets and liabilities:		
Accounts receivable, net	(1,696)	(3,232)
Inventory	(8,493)	(9,998)
Accounts payable	7,565	(4,031)
Income tax payable	(23,799)	9,597
Uncertain tax positions	13,193	—
Deferred income taxes	(1,122)	(1,964)
Other assets, net	(1,318)	10,065
Other liabilities, net	(9,030)	(8,328)
NET CASH PROVIDED BY OPERATING ACTIVITIES	1,786	31,041
CASH FLOW FROM INVESTING ACTIVITIES		
Purchases of property, plant and equipment	\$ (13,864)	\$ (9,699)
Proceeds from disposal of assets	22	—
Proceeds from deconsolidation	9,071	—
NET CASH USED IN INVESTING ACTIVITIES	(4,771)	(9,699)
CASH FLOW FROM FINANCING ACTIVITIES		
Payment of deferred acquisition price payable	\$ (333)	\$ (32)
Proceeds from issuance of debt	12,000	—
Principal repayments of debt	(7,130)	(2,150)
Debt issuance costs paid	(456)	—
Distributions paid to non-controlling interest holders	(4,672)	—
Other financing activities	—	(136)
NET CASH USED IN FINANCING ACTIVITIES	(591)	(2,318)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	\$ (3,576)	\$ 19,024
Effects of exchange rate fluctuations on cash and cash equivalents	\$ —	\$ 15
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	\$ 87,796	\$ 174,760
CASH AND CASH EQUIVALENTS, END OF PERIOD	\$ 84,220	\$ 193,799
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Interest paid, net	\$ 12,055	\$ 15,002
NONCASH INVESTING AND FINANCING ACTIVITIES		
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

(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 months ended March 31, 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)*

(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

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.

(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, if applicable) 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 income (loss) per share for the three months ended March 31, 2025 and 2024 because their impact would have been anti-dilutive.

(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.

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

2. INVENTORY

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

	March 31, 2025	December 31, 2024
Raw Materials	\$ 4,533	\$ 3,991
Work in Process	136,966	135,185
Packaging and Miscellaneous	10,674	10,115
Finished Goods	40,089	35,165
	<hr/>	<hr/>
Total Inventory	\$ 192,262	\$ 184,456

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

3. PROPERTY, PLANT AND EQUIPMENT

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

	March 31, 2025	December 31, 2024
Land	\$ 29,032	\$ 29,032
Buildings and Improvements	171,283	173,432
Furniture and Fixtures	21,282	21,326
Computer Equipment and Software	28,817	28,525
Leasehold Improvements	272,685	268,836
Tools and Equipment	100,884	98,133
Vehicles	4,317	4,341
Assets Under Construction ⁽¹⁾	97,084	96,981
	<hr/>	<hr/>
Total Property, Plant and Equipment, Gross	725,384	720,606
Less: Accumulated Depreciation	(195,388)	(182,642)
	<hr/>	<hr/>
Total Property, Plant and Equipment, Net	\$ 529,996	\$ 537,964

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

For the three months ended March 31, 2025 and March 31, 2024, depreciation expense included in costs of goods sold totaled \$9,896 and \$8,724, respectively. For the three months ended March 31, 2025 and March 31, 2024, depreciation expense included in selling, general, and administrative expense totaled \$5,121 and \$4,041, respectively.

VERANO HOLDINGS CORP.
Notes to Unaudited Interim Condensed Consolidated Financial Statements
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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 March 31, 2025, intangible assets consisted of the following:

	Licenses	Tradenames	Technology	Total
<u>Cost</u>				
Balance as of January 1, 2025	\$ 922,358	\$ 45,108	\$ 5,546	\$ 973,012
Balance as of March 31, 2025	\$ 922,358	\$ 45,108	\$ 5,546	\$ 973,012
<u>Accumulated Amortization</u>				
Balance as of January 1, 2025	218,578	16,858	3,571	239,007
Amortization	15,389	1,128	228	16,745
Balance as of March 31, 2025	\$ 233,967	\$ 17,986	\$ 3,799	\$ 255,752
<u>Net Book Value</u>				
Balance as of January 1, 2025	703,780	28,250	1,975	734,005
Balance as of March 31, 2025	\$ 688,391	\$ 27,122	\$ 1,747	\$ 717,260

The following table outlines the estimated annual amortization expense related to intangible assets as of March 31, 2025:

	Year Ending December 31,	Estimated Amortization
	2025 (Remaining)	\$ 50,234
	2026	66,332
	2027	66,273
	2028	66,259
	2029	66,257
	Thereafter	401,905
	Total	\$ 717,260

The changes in the carrying amount of goodwill, by reportable segment, for the three months ended March 31, 2025 were as follows:

	January 1, 2025	Impairment	Adjustments to purchase price allocation	Acquisitions	March 31, 2025
Cultivation	\$ 48,597	\$ —	\$ 293	\$ —	\$ 48,890
Retail	197,633	—	1,077	—	198,710
Total	\$ 246,230	\$ —	\$ 1,370	\$ —	\$ 247,600

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5. EARNINGS (LOSSES) PER SHARE

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 months ended March 31, 2025 and March 31, 2024 were as follows:

	For the Three Months Ended March 31,	
	2025	2024
Numerator		
Net Loss attributable to Verano Holdings Corp.	\$ (11,515)	\$ (4,822)
Denominator		
<u>Basic</u>		
Weighted-average shares outstanding – basic	359,145,607	344,083,000
<u>Diluted</u>		
Weighted-average shares outstanding – diluted	359,145,607	344,083,000
Net Loss per share - basic & diluted	(0.03)	(0.01)

For the three months ended March 31, 2025 outstanding restricted stock units (“RSUs”) of approximately 6,162,724 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 4,580,744 for the three months ended March 31, 2024, were not included in the computation of diluted earnings per share because their effect would have been anti-dilutive.

VERANO HOLDINGS CORP.
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6. TRANSACTIONS

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, inclusive of estimated ongoing purchase price adjustments.

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 (the "CC East Virginia Promissory Note") with an estimated fair value of \$26,068 and which bears interest at a rate of 7% per annum and matures on the two-year anniversary of the transaction closing date.

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6. TRANSACTIONS (Continued)

For the acquisitions of CC East Virginia and Cannabist AZ, the purchase price allocation as of the date of acquisition was based on a preliminary valuation and is subject to revision as more detailed analyses are completed and additional information about the fair value of assets acquired and liabilities assumed becomes available. The primary areas that remain preliminary for the acquisitions of CC East Virginia and Cannabist AZ relate to the fair values of goodwill, intangible assets, and income taxes.

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:

	CC East Virginia	Cannabist AZ
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)
Purchase Price	\$ 84,643	\$ 12,891

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 at 3213 N. West Avenue, El Dorado, Union County, Arkansas 71730. 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 three months ended March 31, 2025 which is classified as a component of Other Income (Expense), net in the Unaudited Interim Condensed Consolidated Statement of Operations.

VERANO HOLDINGS CORP.
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6. TRANSACTIONS *(Continued)*

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 March 31, 2025 the Company made cash payments in the amount of \$333 related to the purchase price consideration. The Company expects to issue an additional 297,225 Subordinate Voting Shares in 2025 and \$667 of cash consideration in the aggregate during 2025 and 2026, as the final portion of such consideration.

VERANO HOLDINGS CORP.
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7. DEBT

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

	March 31, 2025	December 31, 2024
Credit Facility	\$ 293,700	\$ 294,750
Promissory Notes	19,584	22,455
Mortgage Loans	117,090	107,306
Vehicle and Equipment Loans	482	596
Unamortized Debt Issuance Costs	(10,228)	(11,258)
Total Debt	\$ 420,628	\$ 413,849
Less: Current Portion of Debt	16,800	18,153
Total Long-Term Debt, net	\$ 403,828	\$ 395,696

Credit Facility

On October 27, 2022, Verano and certain of its subsidiaries and affiliates (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, 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.

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7. DEBT (Continued)

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 March 31, 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 is subject to further adjustment and has an estimated fair value of \$26,068, and which 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.

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.

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8. SHARE CAPITAL

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 March 31, 2025, the Company had 359,718,318 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.

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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\$21.03 and a weighted average remaining contractual life of 5.91 years as of March 31, 2025.

No fully vested options, entitling the holder thereof to one Subordinate Voting Share per each option upon exercise, were cancelled during the three months ended March 31, 2025. No options were granted or forfeited during the three months ended March 31, 2025. As of March 31, 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 March 31, 2025 and December 31, 2024 and the changes during the three months ended March 31, 2025:

	Number of Shares	Weighted Avg. Grant Date Fair Value C\$
Unvested RSUs at December 31, 2024	6,302,987	4.96
Granted	20,493	0.93
Forfeited	85,521	4.85
Vested	75,235	7.45
Unvested RSUs at March 31, 2025	6,162,724	4.90

The stock-based compensation expense for the three months ended March 31, 2025 and 2024 were as follows:

	For the Three Months Ended March 31,	
	2025	2024
Stock Options	\$ —	\$ —
Restricted Stock Units	3,303	3,928
Total Stock Based Compensation Expense	\$ 3,303	\$ 3,928

(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 more than an aggregate cost of \$50,000. During the three months ended March 31, 2025, the Company repurchased zero Subordinate Voting Shares. The total remaining repurchase authorization remains at \$50,000.

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9. INCOME TAXES

The following table summarizes the Company's income tax expense and effective tax rates for the three months ended March 31, 2025 and 2024:

	For the Three Months Ended March 31,	
	2025	2024
Income before Income Taxes	\$ 5,834	\$ 6,655
Income Tax Expense	(17,349)	(11,477)
Effective Tax Rate	297 %	172 %

The effective tax rates for the three months ended March 31, 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 \$9,065 and \$(236) were recorded during the three months ended March 31, 2025 and 2024, respectively. Discrete items recorded during the three months ended March 31, 2025 and 2024 primarily relate to penalties and interest on unpaid tax liabilities, impacts of prior period 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.

Taxes paid during the three months ended March 31, 2025 and 2024 were \$32,485 and \$9,585, respectively.

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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 March 31, 2025 and 2024, the Company recorded approximately \$5,692 and \$4,999 in operating lease expense, respectively, of which \$317 and \$114 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 March 31, 2025 and December 31, 2024, were as follows:

	March 31, 2025	December 31, 2024
Weighted average remaining lease term - years	8.02	8.08
Weighted average discount rate	10.38 %	10.28 %

Maturities of lease liabilities for operating leases as of March 31, 2025 were as follows:

Year Ending December 31,	Maturities of Lease Liability
2025 (Remaining)	\$ 16,357
2026	21,231
2027	20,569
2028	19,696
2029	18,501
Thereafter	68,684
Total Lease Payments	165,038
Less: Imputed Interest	(56,954)
Present Value of Lease Liability	\$ 108,084

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11. CONTINGENCIES AND OTHER

(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 March 31, 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.

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11. CONTINGENCIES AND OTHER *(Continued)*

(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.

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(\$ in Thousands except shares and per share amounts)

12. SEGMENTS

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.

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

12. SEGMENTS *(Continued)*

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:

	For the Three Months Ended March 31, 2025			
	Retail	Wholesale	All Other	Total
Revenues, net of Discounts	\$ 168,807	\$ 79,561	\$ (38,559)	\$ 209,809
Cost of Goods Sold, net	(95,229)	(52,608)	37,609	(110,228)
Other Segment Items	(26,796)	13,262	(31,649)	(45,183)
Adjusted EBITDA	\$ 46,782	\$ 40,215	\$ (32,599)	\$ 54,398
Acquisition Adjustments and Other Income (Expense), net				(3,551)
Acquisition, Transaction and Other Non-operating Costs				3,643
Employee Stock Compensation				(3,303)
Interest Expense, net				(13,562)
Depreciation and Amortization				(31,791)
Income from operations before income taxes				\$ 5,834

	For the Three Months Ended March 31, 2024			
	Retail	Wholesale	All Other	Total
Revenues, net of Discounts	\$ 168,588	\$ 86,120	\$ (33,402)	\$ 221,306
Cost of Goods Sold, net	(92,863)	(47,873)	32,390	(108,346)
Other Segment Items	(28,269)	11,162	(29,306)	(46,413)
Adjusted EBITDA	\$ 47,456	\$ 49,409	\$ (30,318)	\$ 66,547
Acquisition Adjustments and Other Income (Expense), net				(1,822)
Acquisition, Transaction and Other Non-operating Costs				(3,476)
Employee Stock Compensation				(3,928)
Interest Expense, net				(15,114)
Depreciation and Amortization				(35,552)
Income from operations before income taxes				\$ 6,655

VERANO HOLDINGS CORP.
Notes to Unaudited Interim Condensed Consolidated Financial Statements
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13. LOYALTY OBLIGATIONS

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 \$0.03¹ and \$0.06¹ per loyalty point. Upon redemption, the loyalty programs' 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 March 31, 2025, there were approximately 165,000,000¹ points outstanding with an approximate value of \$6,883. As of December 31, 2024, there were approximately 150,000,000¹ points outstanding with an approximate value of \$7,449. Such balances are included in Accrued Liabilities on the Company's Condensed Consolidated Balance Sheets.

¹ Such amount not in Thousands

VERANO HOLDINGS CORP.
Notes to Unaudited Interim Condensed Consolidated Financial Statements
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14. CONSOLIDATION

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 March 31, 2025 and December 31, 2024.

	March 31, 2025	December 31, 2024
Current Assets	\$ 6,059	\$ 6,736
Non-Current Assets	29,209	26,555
Current Liabilities	35,270	31,492
Non-Current Liabilities	6,534	5,903
Equity attributable to Verano Holdings Corp.	(4,759)	(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 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
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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 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 March 31, 2025 and December 31, 2024 was \$420,628 and \$413,849, which included \$16,800 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:

	As of March 31, 2025			
	Level 1	Level 2	Level 3	Total
Cash and Cash Equivalents	\$ 84,220	\$ —	\$ —	\$ 84,220
Acquisition Consideration Payable	—	—	(613)	(613)
Total	\$ 84,220	\$ —	\$ (613)	\$ 83,607

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

VERANO HOLDINGS CORP.
Notes to Unaudited Interim Condensed Consolidated Financial Statements
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16. RELATED PARTY TRANSACTIONS

2022 Credit Agreement

George Archos, the Chairman, Chief Executive Officer of the Company, participated in the 2022 Credit Agreement as a lender funding \$1,000 of the original \$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, in the first quarter of 2024. 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 in the first quarter of 2024 and \$46 during the first quarter of 2025, which 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 \$91 in the first quarter of 2024 and \$92 during the first quarter of 2025, which 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 \$775 during the three months ended March 31, 2025 and \$1,382 during the year ended December 31, 2024. GP Management Group, LLC, an entity beneficially owned and controlled by George Archos, the Company’s Chief Executive Officer, held an ownership interest of less than 1% in Sweed as of March 31, 2025.

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17. SUBSEQUENT EVENTS

The Company has evaluated subsequent events to determine if events or transactions occurring through the filing date of this Form 10-Q require adjustment to or disclosure in the Company's Unaudited Interim Condensed Consolidated Financial Statements. There were no events that require adjustment to or disclosure in the Company's Unaudited Interim Condensed Consolidated Financial Statements, except as disclosed below.

Resignation of Chief Financial Officer

On April 14, 2025, the Company announced that Brett Summerer resigned as Chief Financial Officer of the Company. At the time of Mr. Summerer's resignation, the Company and Mr. Summerer entered into a Resignation Agreement and General Release setting forth the terms of his separation of service with the Company which was filed as Exhibit 10.1 to our Current Report on Form 8-K filed on April 14, 2025. Pursuant to the terms of the Resignation Agreement and General Release, Mr. Summerer resigned from all his positions as an officer, director, manager and employee of the Company and its subsidiaries and controlled affiliates effective immediately after the close of business on April 11, 2025.

Appointment of Chief Financial Officer

On April 14, 2025, the Company announced that Richard Tarapchak was promoted and appointed as the Chief Financial Officer of the Company and its subsidiaries and was designated as the Company's Principal Financial Officer effective as of April 11, 2025. There are no arrangements or understandings between Mr. Tarapchak and any other person pursuant to which he was appointed Chief Financial Officer of the Company. Mr. Tarapchak does not have any family relationships with any director or other executive officer of the Company, and there are no transactions in which Mr. Tarapchak has an interest requiring disclosure under Item 404(a) of Regulation S-K.

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 months ended March 31, 2025 and March 31, 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 months ended March 31, 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. 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 May 5, 2025, through our subsidiaries and affiliates we operate businesses in 13 states, including 155 retail dispensaries and 15 production 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™, BITS™ 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. 38 states plus the District of Columbia and the U.S. territories of Puerto Rico, Guam, the Commonwealth of Northern Marina 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 I, Item 1A below.

SELECTED RESULTS OF OPERATIONS

The following presents selected financial data derived from the (i) Unaudited Interim Condensed Consolidated Financial Statements for the three months ended March 31, 2025 and 2024 and (ii) the Condensed Consolidated Balance Sheets as of March 31, 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 March 31, 2025, as Compared to Three Months Ended March 31, 2024

<i>(\$ in thousands)</i>	For the Three Months Ended March 31,		
	2025	2024	\$ Change
Revenues, net of Discounts	\$ 209,809	\$ 221,306	\$ (11,497)
Gross Profit	99,581	112,960	(13,379)
Net Loss Attributable to Verano Holdings Corp. & Subsidiaries	(11,515)	(4,822)	(6,693)
Net Loss per share – basic & diluted	(0.03)	(0.01)	(0.02)

Revenues, net of Discounts

Revenues, net of discounts, for the three months ended March 31, 2025 was \$209,809, a decrease of \$(11,497) or (5.2)%, compared to revenue of \$221,306 for the three months ended March 31, 2024. The period-over-period decrease in revenues, net of discounts for the three months ended March 31, 2025 were primarily driven by continued increased competition and promotional activity in select retail markets, specifically in New Jersey and Illinois which is consistent with other multi-state cannabis operators, which was partially offset by the Ohio adult-use program launch during August 2024 and acquisition activity during the year ended December 31, 2024. During the three months ended March 31, 2025, the Company opened two new stores, one in Connecticut and one in Florida. Retail revenue for the three months ended March 31, 2025 was approximately 68.0% of total revenue compared to 66.2% of total revenue for the three months ended March 31, 2024, in each case, excluding intersegment eliminations. Cultivation (wholesale) revenues, net of discounts, for the three months ended March 31, 2025 decreased when compared to the three months ended March 31, 2024 primarily due to reduced third-party wholesale sales in the New Jersey and Illinois markets which attributed to decreased production output and sales of cannabis flower and cannabis related products. Cultivation (wholesale) revenue for the three months ended March 31, 2025 was 32.0% of total revenue compared to 33.8% of total revenue for the three months ended March 31, 2024, in each case, excluding intersegment eliminations.

Gross Profit

Gross profit for the three months ended March 31, 2025 was \$99,581, representing a gross profit margin of 47.5%. This is compared to gross profit for the three months ended March 31, 2024 of \$112,960, which represented a gross profit margin of 51.0%. The decrease in gross profit during the three months ended March 31, 2025 compared to the three months ended March 31, 2024, was primarily attributable to overall top-line revenue decline coupled with increased promotional activity in established markets.

Net Loss

Net Loss attributable to the Company for the three months ended March 31, 2025 was \$(11,515), an increase of \$6,693, compared to a net loss of \$(4,822) for the three months ended March 31, 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 three months ended March 31, 2025 compared to the three months ended March 31, 2024.

(\$ in thousands)	For the Three Months Ended March 31,		
	2025	2024	\$ Change
Cost of Goods Sold, net	\$ 110,228	\$ 108,346	\$ 1,882
Selling, General, and Administrative Expenses	84,579	90,289	(5,710)
Other Expense, net	(9,168)	(16,016)	6,848
Provision for Income Taxes	(17,349)	(11,477)	(5,872)

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 March 31, 2025 was \$110,228, an increase of \$1,882 or 1.7%, as compared to the three months ended March 31, 2024. The increase was primarily driven by promotional activity and discounts within the retail markets, which has seen an increase in competition as well as pricing pressure.

Selling, General, and Administrative Expenses

Selling, general and administrative expenses (“SG&A”) for the three months ended March 31, 2025 were \$84,579, a decrease of \$5,710 or 6.3%, compared to SG&A expenses of \$90,289 for the three months ended March 31, 2024. SG&A expenses as a percentage of revenue was 40.3% and 40.8% for the three months ended March 31, 2025, and March 31, 2024, respectively. When comparing the three months ended March 31, 2025 to the three months ended March 31, 2024 the decrease was driven by a decrease in amortization coupled with ongoing efficiencies generated across the business. This is partially offset by additional SG&A costs associated with new store openings related to the CC East Virginia and Cannabist AZ acquisitions when comparing the three months ended March 31, 2025 to the three months ended March 31, 2024.

Other Expense, net

Other expense, net for the three months ended March 31, 2025, was \$9,168, a decrease of \$6,848 as compared to \$16,016 for the three months ended March 31, 2024. The other expense decrease was primarily due 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 March 31, 2025 to the three months ended March 31, 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 March 31, 2025, was \$17,349, an increase of \$5,872 or 51.2% primarily due to impacts of prior period return to provision adjustments when compared to the three months ended March 31, 2024.

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 months ended March 31, 2025 and 2024:

(\$ in thousands)	For the Three Months Ended March 31,			
	2025	2024	\$ Change	% Change
Revenues, net of Discounts				
Cultivation (Wholesale)	\$ 79,561	\$ 86,120	\$ (6,559)	(7.6)%
Retail	168,807	168,588	219	0.1 %
Intersegment Eliminations	(38,559)	(33,402)	(5,157)	15.4 %
Total Revenues, net of Discounts	\$ 209,809	\$ 221,306	\$—	(5.2)%

Revenues, net of discounts, for the cultivation (wholesale) segment were \$79,561 for the three months ended March 31, 2025, a decrease of \$6,559 or 7.6%, compared to the three months ended March 31, 2024, in each case, excluding intersegment eliminations. The decrease in cultivation (wholesale) revenues, net of discounts, was primarily driven by reduced third-party wholesale sales in the New Jersey and Illinois markets which attributed to decreased production output and sales of cannabis flower and cannabis related products when comparing the three months ended March 31, 2025 to the three months ended March 31, 2024.

Revenues, net of discounts for the retail segment were \$168,807 for the three months ended March 31, 2025, an increase of \$219 or 0.1%, compared to the three months ended March 31, 2024, in each case, excluding intersegment eliminations. The increase in retail revenues, net of discounts, was primarily driven by the Ohio adult-use program launch during August 2024, new store openings and acquisition activity during the year ended December 31, 2024 and after March 31, 2024, when comparing the three months ended March 31, 2025 to the three months ended March 31, 2024. Additionally, the Company continued to see increased competition and promotional activity in select retail markets, 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 March 31, 2025, approximately 32.0% of the Company's revenue was generated from the cultivation (wholesale) business, excluding intersegment eliminations, and approximately 68.0% from the retail business, excluding intersegment eliminations. For the three months ended March 31, 2024, approximately 33.8% of revenue was generated from the cultivation (wholesale) business and approximately 66.2% from the retail business.

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 the ramp up from 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. Going forward, SG&A expenses are expected to continue in line with the Company's expansion plans. Furthermore, the Company expects to continue to incur acquisition and transaction costs related to these expansion plans 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 March 31, 2025 and December 31, 2024, the Company had total current liabilities of \$167,644 and \$197,968, respectively. As of March 31, 2025 and December 31, 2024, the Company had cash and cash equivalents of \$84,220 and \$87,796, respectively, to meet its current obligations. The Company had working capital of \$193,497 as of March 31, 2025, an increase of working capital of \$33,956 as compared to December 31, 2024. This increase in working capital was primarily driven by cash flows provided by operating activities which was largely offset by income tax payments made during the three months ended March 31, 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 Credit Agreement 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 Credit Agreement 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 Credit Agreement 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 March 31, 2025, the Company was in compliance with such financial 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 and 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

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

Net cash provided by (used in) operating, investing, and financing activities for the three months ended March 31, 2025 and 2024 were as follows:

	For the Three Months Ended March 31,		
	2025	2024	\$ Change
Net Cash Provided by Operating Activities	\$ 1,786	\$ 31,041	\$ (29,255)
Net Cash Used in Investing Activities	\$ (4,771)	\$ (9,699)	\$ 4,928
Net Cash Used in Financing Activities	\$ (591)	\$ (2,318)	\$ 1,727

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 three months ended March 31, 2025 and 2024, the Company had net cash inflows of \$1,786 and \$31,041, respectively. The \$29,255 decrease was largely driven by tax payments made during the three months ended March 31, 2025.

Cash Flows from Investing Activities. During the three months ended March 31, 2025 and 2024, the Company had net cash outflows of \$4,771 and \$9,699, respectively. The \$4,928 decrease in net cash outflows during the three months ended March 31, 2025 compared to the three months ended March 31, 2024 was driven by proceeds from the Noah's Ark deconsolidation of \$9,071 during the three months ended March 31, 2025, which offset the purchases of property, plant and equipment of \$13,864 during the three months ended March 31, 2025, compared to purchases of property, plant and equipment of \$9,699 during the three months ended March 31, 2024.

Cash Flows from Financing Activities. During the three months ended March 31, 2025 and 2024, the Company had net cash outflows of \$591 and \$2,318, respectively. The \$1,727 decrease in net cash outflows was driven by proceeds from the issuance of debt of \$12,000, partially offset by principal repayments of debt of \$7,130 during the three months ended March 31, 2025, compared to \$2,150 of principal repayments of debt during the three months ended March 31, 2024. This was further offset by distributions paid to non-controlling interest holders of \$4,672 during the three months ended March 31, 2025.

The Company has updated its capital expenditures guidance to a range of \$30,000 - \$45,000 for the year-ended December 31, 2025. The Company expects to have a continued focus on efficiency enhancements at its cultivation and processing facilities and strategic expansion of its retail footprint.

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 March 31, 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 March 31, 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 the Unaudited Interim Condensed Consolidated Financial Statements, *Note 11 – Contingencies and Other – Claims and Litigation*, which is incorporated herein by reference.

ITEM 1A. RISK FACTORS

Except as set forth below, there have been no material changes in or additions to the Company’s risk factors included in our Annual Report on Form 10-K under Part I, Item 1A. “Risk Factors” filed with the SEC on February 27, 2025. We may continue to disclose changes to such risk factors or disclose additional risk factors from time to time in our future SEC filings.

Changes in U.S. trade policy, including the imposition of tariffs and the resulting consequences, may have a material adverse impact on our business, operating results, and financial condition.

Our business requires significant packaging, construction, and other materials. While we strategically and proactively procure these materials from our suppliers in sufficient quantities to facilitate supply chain demands and on relevant construction timelines, we cannot yet predict the effect of the recently imposed or future U.S. tariffs on imports or the extent to which other countries will impose quotas, duties, tariffs, taxes or other similar restrictions upon the import of materials in the future, nor can we predict future trade policy or the terms of any renegotiated trade agreements and their impact on our business.

The U.S. government has adopted new approaches to trade policy and in some cases, may renegotiate, or potentially terminate, certain existing bilateral or multi-lateral trade agreements. The U.S. government has also imposed tariffs on certain foreign goods and has raised the possibility of imposing significant additional tariff increases or expanding the tariffs to capture other countries and certain types of foreign goods. Any such current and future tariff increases, expanding the tariffs to capture other countries and types of foreign goods or other changes in U.S. trade policy may make it more difficult or costly for us to procure packaging, construction, and other materials. As a result, we may experience supply chain interruptions or increased pricing of such procured materials and planned projects may be delayed, which could have a material adverse effect on our current and expansion strategy as well as our business, operating results and financial condition.

In addition, in response to tariffs, other countries have implemented retaliatory tariffs on U.S. goods. Political tensions as a result of trade policies could reduce trade volume, investment, technological exchange, and other economic activities between major international economies, resulting in a material adverse effect on global economic conditions and the stability of global financial markets, which could in turn have a material adverse impact on our business, operating results and financial condition.

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

Recent Sales of Unregistered Securities

None which have not been reported on a Current Report on Form 8-K.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 4. MINE SAFETY DISCLOSURES

Not Applicable.

ITEM 5. OTHER INFORMATION

Rule 10b5-1 Trading Plans

During the first quarter ended March 31, 2025, none of our directors or officers have adopted or terminated a “Rule 10b5-1 trading arrangement” or “non-Rule 10b5-1 trading arrangement,” as those terms are defined in Regulation S-K, Item 408(a).

ITEM 6. EXHIBITS

Exhibit Number	Description of Exhibit
3.1*	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).
3.2*	Notice of Articles of Verano Holdings Corp., dated February 11, 2021 (filed as Exhibit 3.2 to our Registration Statement on Form 10 filed April 26, 2022 (File No. 000-56342) and incorporated herein by reference).
31.1**	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
31.2**	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
32.1***	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.
32.2***	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.
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

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: May 8, 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

**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: May 8, 2025

/s/ George Archos

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: May 8, 2025

/s/ Richard Tarapchak

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 months ended March 31, 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: May 8, 2025

/s/ George Archos

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 months ended March 31, 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: May 8, 2025

/s/ Richard Tarapchak

Richard Tarapchak
(Principal Financial Officer)