

A close-up photograph of a person's hands rolling a cigarette. The person is using a white paper and a yellow filter. In the background, a gold-colored metal grinder is visible on a wooden surface. The lighting is warm and focused on the hands.

VERANOTM

1Q 2022 Earnings

5 / 25 / 22

BEFORE WE BEGIN

Forward-Looking Information

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

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

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

BEFORE WE BEGIN

Non-GAAP Financial Measures

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

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

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1Q22 HIGHLIGHTS



NEW JERSEY POSITIONING



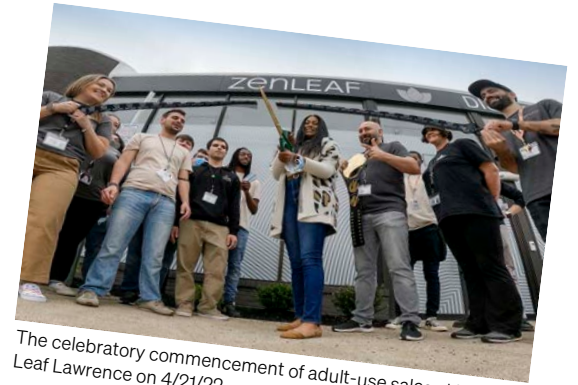
Governor Phil Murphy speaks before the Zen Leaf Elizabeth location opened on 4/21/22.

Confident in our ability to adequately supply the market

- Did not limit sales per customer as opposed to dispensaries in the state that implemented caps

Sales are off to a very strong start

- Zen Leaf Elizabeth: ~4 miles from Newark airport, approved for adult-use
- Zen Leaf Lawrence: ~8 miles from PA border, approved for adult-use
- Zen Leaf Neptune: Jersey Shore location, pending adult-use licensing



The celebratory commencement of adult-use sales at Zen Leaf Lawrence on 4/21/22.

GROWTH DRIVERS IN PLACE

Investing in our key growth markets

- Interior cultivation expansion underway in **Connecticut** where adult-use sales are slated to begin this fall
- Building out second cultivation facility in **Pennsylvania** given signs of movement towards adult-use legislation
- Cultivation expansion underway in **Maryland** where an adult-use bill is on the ballot





GROWTH DRIVERS IN PLACE

Investing in our key growth markets

- Goodness Growth continues to build out its **New York** and **Minnesota** cultivation assets
- Constructing second cultivation facility in **Florida** in advance of any adult-use legislation
- Increasing flower market share¹ in **Illinois** ahead of the additional 185 dispensary openings

¹ Market share increased from 12/31/21 ending share through 3/31/22.

CAPITAL MARKETS UPDATE



CAPITAL MARKETS INITIATIVES

NYSE and NASDAQ

Having regular conversations with US exchange representatives to increase familiarity with the Verano story

Institutional Investors

Sourcing long-term investor partners that see the opportunity ahead with Verano

SAFE Banking Advocation

Partnering with ATACH (American Trade Association of Cannabis and Hemp) to advance SAFE interests

FINANCIAL REVIEW



FINANCIAL RESULTS

- Retail / wholesale revenue split of 76% / 24% for the quarter
- \$47 million of 2Q22 capex fully funded by operating cash flow
- SG&A expenses for the fourth quarter were 27% of revenues¹

\$USD thousands	First Quarter 2022 Results
Revenue	\$202,235
Gross Profit	\$99,669
Operating Income	\$20,048
Net Loss	\$7,001

FINANCIAL FLEXIBILITY

- Unencumbered by sale leasebacks
- Prudent increases in debt ahead of growth
 - Debt upsize of \$100m to a total of \$350m
- Ability to self fund Capex
 - Free cash flow of \$6m

As of Mar. 31, 2021	
\$USD thousands	
Cash	\$139,637
Total Assets	\$2,640,041
Debt	\$384,244
Total Liabilities	\$1,143,373

2022 OUTLOOK



2022 OUTLOOK

Well-positioned for 2022

- Anticipating top line growth in 2Q along with flat margins
- Expecting full year adj EBITDA margins 40%+
- Will provide more detailed guidance on 2Q call



THANK YOU

VERANO™

THANK YOU