

VERANO™

4Q & 2023 FY EARNINGS

2/29/24

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BEFORE WE BEGIN

Forward-Looking Information

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

Generally, such forward-looking information or forward-looking statements can be identified by the use of forward-looking terminology such as "plans", "strategies", "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, proposed budgets and guidance, the proposed completion or buildout of Company facilities, the Company's cultivation capacity, the accretive nature of acquisitions, the fortification of the Company's presence in core markets, the possibility of material organic expansion, delivery of shareholder value and the ability to maintain industry-leading margins and add depth to leadership.

Forward-looking information and statements involve and are subject to assumptions and known and unknown risks, uncertainties, and other factors which may cause actual events, results, performance, or achievements of the Company to be materially different from future events, results, performance, and achievements expressed or implied by forward-looking information and forward-looking statements herein, including, without limitation, the risk factors discussed in the Company's filings with the U.S. Securities and Exchange Commission at www.sec.com/edgar, including, without limitation, the risk factors described in the Company's annual report on Form 10-K for the year ended December 31, 2023, to be filed subsequent to the date hereof, and subsequent quarterly reports on Form 10-Q for 2024. 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.

Non-GAAP Financial Measures

This presentation refers to certain non-GAAP measures to evaluate the performance of the Company. The terms "EBITDA", "Adjusted EBITDA", "Adjusted EBITDA Margin" and "Free Cash Flow" do not have any standardized meaning prescribed within U.S. Generally Accepted Accounting Principles ("GAAP") and therefore may not be comparable to similar measures presented by other companies. Such measures should not be considered in isolation or as a substitute for measures of performance prepared in accordance with GAAP. EBITDA is calculated herein as Net Income (Loss) before interest expense, income tax expense, depreciation, and amortization. The Company presents EBITDA on a consistent basis from period to period. Adjusted EBITDA is calculated herein as Net Income (Loss) attributable to the Company plus net interest expense, income tax expense, depreciation and amortization, and also excludes certain extraordinary one-time items. Adjusted EBITDA Margin is calculated herein as Adjusted EBITDA divided by Revenue. Free Cash Flow is calculated herein as Net Cash Provided by Operating Activities minus Capital Expenditures. Management believes that these non-GAAP financial measures provide useful information to readers as a supplement to reported GAAP financial information because these measures provide consistency and comparability with past financial performance and assist in comparisons with other companies, some of which use similar non-GAAP information to supplement their GAAP results. 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 and reconciliations of each non-GAAP measure to its most directly comparable GAAP measure can be found on our website at investors.verano.com and in the appendix of this presentation.

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4Q & FY 2023 HIGHLIGHTS



MET 2023 GUIDANCE IN GENERATING \$73M FREE CASH FLOW¹

\$938M 2023 Revenue

+7% YoY Growth

\$475M 2023 Gross Profit

+250bps Margin Expansion YoY

\$305M 2023 Adj. EBITDA¹

32% Margin

- **Expanding retail footprint**
 - Added 16 dispensaries in 2023
 - Today's footprint stands at 138
- Product portfolio gained **+225bps of market share** throughout 2023²
 - Deployed 70+ products in 2023
- Strong margins supported by **46% vertical mix³ and disciplined pricing strategy**



NEVERENDING FOCUS ON EFFICIENCIES

- Increased units produced/headcount **+47%**¹ in Connecticut and Maryland's first quarter of adult use sales, supporting a successful launch
- Additional automation implemented in New Jersey, Illinois, and Florida
- Increased units produced/headcount **+26%** in 2023 versus 2022²

¹ Average increase across Connecticut and Maryland in their first quarter of adult use sales, 1Q23 and 3Q23, respectively, versus their prior respective quarters. ² Average across New Jersey, Illinois, and Florida.

EXECUTED OUR CAPITAL ALLOCATION STRATEGY

Decreased Our Cost of Capital

Completed \$50M+ in real estate loans in 2023

Lower-cost of capital new loans and refinancings modestly decreased blended cost of capital

Efficiently Managed the Balance Sheet

Paid \$167M cash in federal and state income taxes in 2023

Built a Cash War Chest for Flexibility

Grew cash balance by \$90M throughout 2023 to \$175M

Deleveraging through scheduled \$50M prepayment of our senior credit facility, saving \$8M in interest expense annually¹

MAJOR PORTFOLIO STATES SHOW CONTINUED STRENGTH

New Jersey

Retail revenue normalizing as the state's dispensary count grew from 19 to 90+ throughout 2023

Wholesaling and social equity retail JVs offer opportunity to offset retail pressures

Held over 19% market share in 2023¹

Illinois

Increased market share by 20% throughout 4Q 2023 to 9% market share or #3 in the state²

Relaunch of The Essence brand and Green Wednesday were tailwinds

Florida

Revenue increased 11% sequentially

Gained 90bps of market share sequentially³

In preparation of possible adult use program, increasing cultivation capacity in both facilities

¹ According to BDSA. ² Market share for December 2023. ³ OMMU Florida data, measured by ounces sold.

FINANCIAL REVIEW



FY 2023 FINANCIAL RESULTS

- Retail / wholesale revenue split of 68% / 32% for the year¹
- \$36M of FY 2023 CAPEX fully funded by operating cash flow
- Generated \$73M of Free Cash Flow²
- Net loss primarily driven by the increase in provision for income taxes and goodwill impairment

\$USD thousands	FY 2023 Results
Revenue	\$938,452
Gross Profit	\$475,122
Income from Operations	\$98,386
(Net Loss)	\$(117,348)

4Q 2023 FINANCIAL RESULTS

- Retail / wholesale revenue split of 68% / 32% for the quarter¹
- SG&A expense as a percent of revenue remained flat versus the prior year period at 36%
 - Balanced store opening costs with business growth

\$USD thousands	4Q 2023 Results
Revenue	\$237,189
Gross Profit	\$117,526
Income from Operations	\$(6,114)
(Net Loss)	\$(77,208)

INCREASED CASH BALANCE PROVIDES FLEXIBILITY

- Grew cash balance by \$90M throughout 2023
 - Scheduled a prepayment of \$50M under senior credit facility
 - Retain optionality to further pay down the facility at a time of our choosing¹
- Made \$167M in income tax payments in 2023

\$USD thousands	As of December 31, 2023
Cash	\$174,760
Total Assets	\$2,318,745
Debt	\$445,624
Total Liabilities	\$1,078,665

2024 OUTLOOK

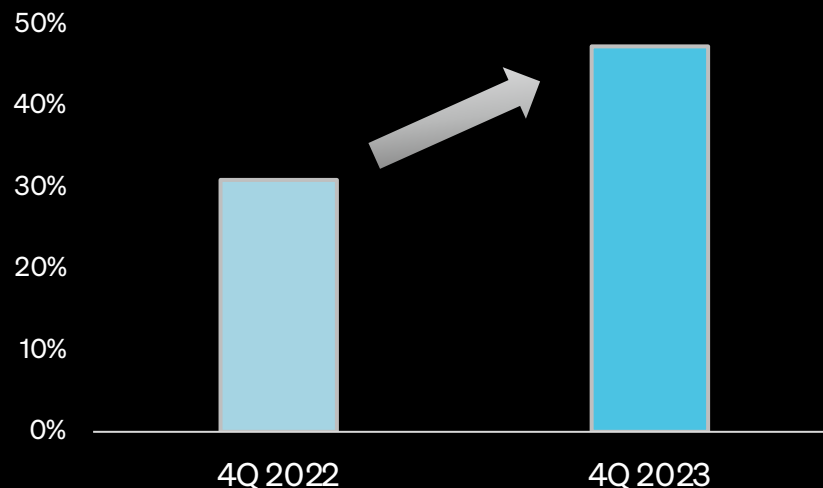


INNOVATION FUELING GROWTH

ROBUST R&D PIPELINE

- Savvy and BITS, launched 2H22, contributed 22% of net revenue in 4Q 2023
- New products¹ contributed 47% to net revenue in 4Q 2023
 - Expecting new product revenue to normalize below 40%
- Over 70 products launched in 2023
- Increasing investments in direct marketing after initial success with X, or Twitter

New Products as a % of Revenue¹

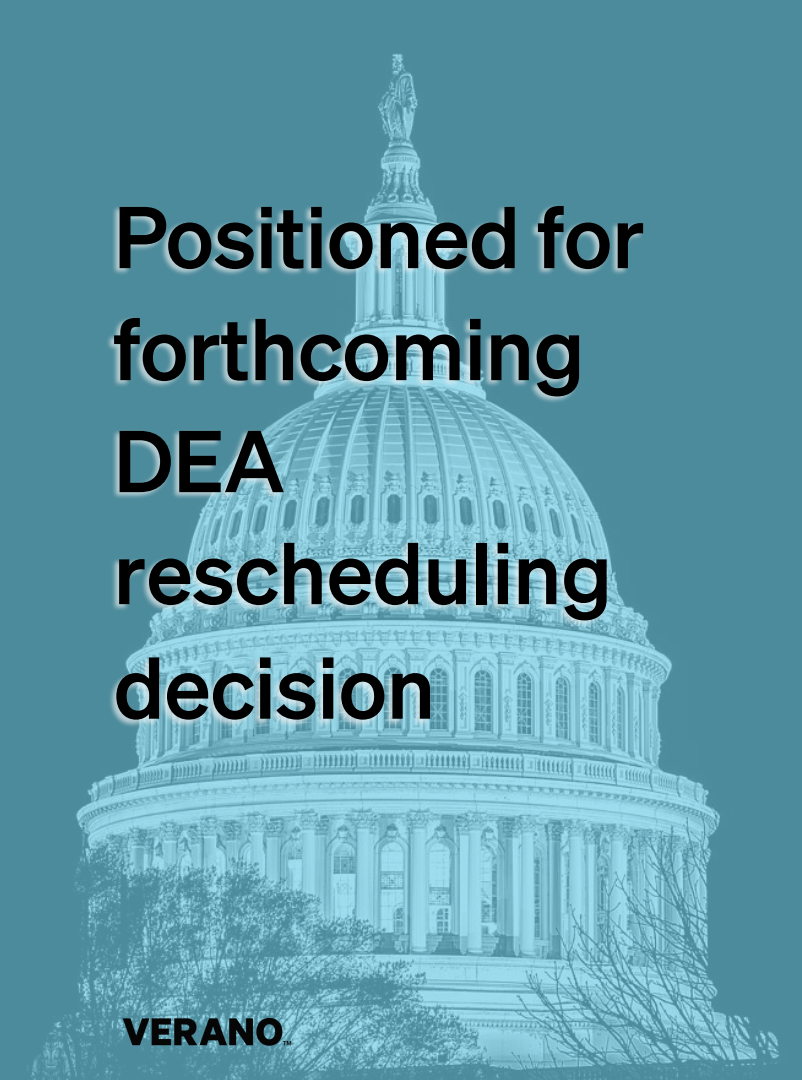


CONTINUED FOCUS ON STATE-LEVEL INITIATIVES

2024 lobbying efforts targeting high ROI at the state level

- Lower various state-level fees
- Lower consumer-level taxes
- Hemp-synthesized intoxicant regulation
- 280E decoupling
- Additional legalization campaigns





Positioned for forthcoming DEA rescheduling decision

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Possible Benefits from a Schedule III Ruling¹

- Incur taxes as an ordinary business, estimating over **\$80 million less in income tax expense²** for 2023 if Company had not been subject to 280E
- Improve credit terms, possibly lowering cost of capital
- Permit additional payment methods for consumers, potentially increasing basket sizes
- Access a broader vendor pool
- Move closer towards a U.S. exchange listing

¹Industry impacts dependent upon the DEA's final ruling, which is subject to review and comment period and the rule making process. ²There is no guarantee that any or all possible benefits outlined will occur and such possible benefits could be impacted by a number of factors, including independent decisions by third-parties, such as stock exchanges and financial institutions.

2024 CATALYSTS

Ohio Adult Use Commencement

Ramping up production in anticipation of a summer launch

Plan to add 1 dispensary, bringing state total to 6

Pennsylvania and Florida Momentum

Pleased to see continued momentum, seeing **possibility of 2025 adult use programs for both states**

New Medical Market Opportunities

Encouraged by the level of discussions surrounding new medical programs

Runway for organic opportunities as new states launch medical programs



CLOSING AND Q&A



THANK YOU

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THANK YOU

APPENDIX



VERANO HOLDINGS CORP.
Highlights from Consolidated Statements of Operations
(\$ in Thousands)

	For the Three Months Ended,			For the Year Ended,	
	December 31, 2023	September 30, 2023	December 31, 2022	December 31, 2023	December 31, 2022
	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Audited)</i>	<i>(Audited)</i>
Revenues, net of Discounts	\$ 237,189	\$ 240,088	\$ 225,927	\$ 938,452	\$ 879,412
Cost of Goods Sold, net	119,579	106,868	122,591	463,246	456,350
Gross Profit	117,610	133,220	103,336	475,206	423,062
Gross Profit %	50 %	55 %	46 %	51 %	48 %
Operating Expenses					
Selling, General and Administrative	85,709	86,316	81,038	331,928	356,569
Loss on Impairment of Investment in Associates	—	6,571	—	6,571	—
Loss on Impairment of Intangibles – Goodwill	37,931	—	113,031	37,931	113,031
Loss on Impairment of Intangibles – License & Fixed Assets	13,686	—	116,151	13,686	116,151
Total Operating Expenses	137,326	92,887	310,220	390,116	585,751
Income (Loss) from Investments in Associates	—	(45)	(93)	(306)	1,558
Income (Loss) from Operations	(19,716)	40,288	(206,977)	84,784	(161,131)
Other Income (Expense), net:					
Loss on Disposal of Property, Plant and Equipment	(568)	(234)	(408)	(1,123)	(157)
Gain on Deconsolidation	—	—	—	—	9,560
Gain on Previously Held Equity Interest	—	—	—	—	14,103
Loss on Debt Extinguishment	—	—	(7,987)	(663)	(7,987)
Interest Expense, net	(14,708)	(15,166)	(15,349)	(59,793)	(49,431)
Other Income, net	2,056	2,145	14,083	4,593	31,640
Total Other Income (Expense), Net	(13,220)	(13,255)	(9,661)	(56,986)	(2,272)
Income (Loss) Before Provision for Income Taxes and Non-Controlling Interest	(32,936)	27,033	(216,638)	27,798	(163,403)
Provision for Income Tax (Expense) Benefit	(44,350)	(44,797)	528	(145,146)	(105,470)
Net Income (Loss) Attributable To Non-Controlling Interest	(78)	78	—	—	291
Net Loss Attributable to Verano Holdings Corp. & Subsidiaries	(77,208)	(17,842)	(216,110)	(117,348)	(269,164)

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

	December 31,	
	2023	2022
Cash and Cash Equivalents	\$ 174,760	\$ 84,851
Other Current Assets	219,436	233,424
Property, Plant and Equipment, net	501,304	525,905
Intangible Assets, Net	1,086,146	1,180,766
Goodwill	231,291	269,088
Other Long-Term Assets	105,808	102,021
Total Assets	\$ 2,318,745	\$ 2,396,055
Total Current Liabilities	\$ 412,188	\$ 386,645
Total Long-Term Liabilities	666,477	667,860
Total Shareholders' Equity	1,240,080	1,341,550
Non-Controlling Interest	—	—
Total Liabilities and Shareholders' Equity	\$ 2,318,745	\$ 2,396,055

VERANO HOLDINGS CORP.
Segmented Revenue By State (Unaudited)

Net Retail Sales by State <i>(\$ in thousands)</i>	For the Three Months Ended,		For the Year Ended,	
	December 31, 2023		December 31, 2023	
Florida	\$	59,695	\$	221,957
Illinois		29,299		123,040
New Jersey		26,337		126,876
Arizona		15,626		67,061
Pennsylvania		12,587		55,010
Maryland		10,875		28,594
Connecticut		8,862		29,673
Nevada		7,097		29,158
Ohio		5,868		25,152
Massachusetts		2,984		12,628
West Virginia		1,625		5,777
Other		4,264		16,500
Total Net Retail Sales	\$	185,119	\$	741,426

Wholesale Sales by State <i>(\$ in thousands)</i>	For the Three Months Ended,				For the Year Ended,			
	December 31, 2023		December 31, 2023		December 31, 2023		December 31, 2023	
	Gross	Net ¹	Gross	Net ¹	Gross	Net ¹	Gross	Net ¹
New Jersey	\$	24,049	\$	15,511	\$	99,928	\$	51,291
Illinois		19,227		11,027		79,204		45,858
Connecticut		14,204		10,342		54,584		42,011
Maryland		8,444		5,384		28,273		19,357
Pennsylvania		7,476		3,781		29,168		15,903
Arizona		7,084		2,575		25,989		9,888
Nevada		2,924		845		10,359		2,963
Ohio		1,857		914		7,816		3,693
Massachusetts		1,640		809		6,967		3,249
West Virginia		1,665		882		5,528		2,793
Other		—		—		20		20
Total Wholesale Sales	\$	88,570	\$	52,070	\$	347,836	\$	197,026

¹Net of intercompany eliminations

VERANO HOLDINGS CORP.
Reconciliation of Net Cash Provided by Operating Activities to Free Cash Flow (Non-U.S. GAAP, Unaudited)

	For the Three Months Ended,		For the Year Ended,	
	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
<i>(\$ in thousands)</i>				
Net Cash Provided by Operating Activities	\$ 32,349	\$ 29,036	\$ 109,710	\$ 94,347
Purchase of property, plant, and equipment	(9,827)	(9,454)	(36,330)	(119,174)
Free Cash Flow	\$ 22,522	\$ 19,582	\$ 73,380	\$ (24,827)

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

	For the Three Months Ended,			For the Year Ended,	
	December 31, 2023	September 30, 2023	December 31, 2022	December 31, 2023	December 31, 2022
<i>(\$ in thousands)</i>					
Net Loss Attributable to Verano Holdings Corp. & Subsidiaries	\$ (77,208)	\$ (17,842)	\$ (216,110)	\$ (117,348)	\$ (269,164)
Interest Expense, net	14,708	15,166	15,349	59,793	49,431
Income Tax Expense (Benefit)	44,350	44,797	(528)	145,146	105,470
Depreciation and Amortization - COGS	18,417	18,384	18,580	73,851	78,120
Depreciation and Amortization - SG&A	17,157	16,882	16,578	67,282	63,267
Earnings (Loss) Before Interest, Taxes, Depreciation and Amortization (EBITDA)	\$ 17,424	\$ 77,387	\$ (166,131)	\$ 228,724	\$ 27,124

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

	For the Three Months Ended,			For the Year Ended,	
	December 31, 2023	September 30, 2023	December 31, 2022	December 31, 2023	December 31, 2022
<i>(\$ in thousands)</i>					
Net Loss Attributable to Verano Holdings Corp. & Subsidiaries	\$ (77,208)	\$ (17,842)	\$ (216,110)	\$ (117,348)	\$ (269,164)
Interest Expense, Net	14,708	15,166	15,349	59,793	49,431
Income Tax Expense	44,350	44,797	(528)	145,146	105,470
Earnings Before Interest, Taxes (EBIT)	\$ (18,150)	\$ 42,121	\$ (201,289)	\$ 87,591	\$ (114,263)
COGS Add-backs:					
Depreciation and Amortization - COGS	18,417	18,384	18,580	73,851	78,120
Acquisition, Transaction and Other Non-operating Costs	—	—	695	—	20,804
Employee Stock Compensation	970	625	2,231	2,669	8,003
SG&A Add-backs:					
Depreciation and Amortization - SG&A	17,157	16,882	16,578	67,282	63,267
Acquisition, Transaction and Other Non-operating Costs	595	617	1,043	2,177	22,224
Employee Stock Compensation	3,281	4,062	2,599	10,561	31,051
Impairment - Goodwill, License & Fixed Assets	51,617	—	229,182	51,617	229,182
Acquisition Adjustments and Other Income (Expense), net	(511)	6,658	9,094	9,123	(14,821)
Adjusted EBITDA	\$ 73,376	\$ 89,349	\$ 78,713	\$ 304,871	\$ 323,667
Net Loss Margin	(33)%	(7)%	(96)%	(13)%	(31)%
Adjusted EBITDA Margin	31 %	37 %	35 %	32 %	37 %