

VERANO™

4Q and FY 2022 Earnings

3/30/23

VERANO™

BEFORE WE BEGIN

Forward-Looking Information

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

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

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

BEFORE WE BEGIN

Non-GAAP Financial Measures

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

Such measures should not be considered in isolation or as a substitute for measures of performance prepared in accordance with GAAP. EBITDA is calculated herein as net earnings from operations before interest expense, tax expense, depreciation, and amortization. The Company presents EBITDA on a consistent basis from period to period. Adjusted EBITDA is calculated herein as EBITDA adjusted for one-time expenses related to other expenses, intangible and goodwill impairments, employee stock compensation, 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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01

4Q AND FY 2022 HIGHLIGHTS



4Q22 REVENUE +7% YoY

Retail +2% Sequentially

Lift from New Jersey as final adult use location contributed a full quarter of sales

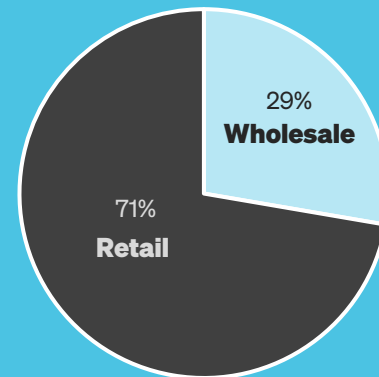
New Jersey strength offset soft sales in Pennsylvania as additional stores open

Wholesale -6% Sequentially¹

Declines in New Jersey as other operators increased wholesale efforts, as anticipated, in addition to price compression in Illinois

Verano product line was the #1 brand in New Jersey in 2022², so opportunities remain once new dispensaries open

4Q22 Revenue Contribution¹



Consistently increased sell through of in-house brands throughout 2022 to over 48%³ by the end of December.

¹ Calculated on a gross basis, excluding intersegment eliminations. ² According to BDSA data based on sales. ² Excludes Arkansas and Michigan, which do not have wholesale operations, and Florida, which is an entirely vertical state. Sell through for the entire fourth quarter was 47%.

RECORD

2022

With Revenue
Surpassing
\$879M



INVESTED IN GROWTH

Added +29 dispensaries in 2022

- +21 in Florida, +2 in Nevada, +2 in Pennsylvania, +4 in West Virginia

Expanded cultivation capabilities in New Jersey and Florida

FLEXIBLE DEBT

Refinanced \$350M of debt

- Added prepayment flexibility
- Optionality to leverage real estate debt up to \$120M at relatively low interest rates
- Maturity extended to October 2026

BRAND LAUNCHES

Savvy, value brand of flower and vapes has been extremely well received in the market

- Accounted for 15% of the Company's flower sales in 4Q22

Introduced BITS, our low-dose adaptogen edible line.

- Complements the Encore line of edibles, without significant cannibalization

02

FINANCIAL REVIEW



FY 2022 FINANCIAL RESULTS

- Retail / wholesale revenue split of 72% / 28% for the year¹
- \$119M of FY 2022 CAPEX fully funded by operating cash flow
- Loss from Operations driven by impairments of \$229M in the fourth quarter

\$USD thousands	FY 2022 Results
Revenue	\$879,412
Gross Profit	\$423,062
Loss from Operations	\$(161,131)
Net Loss	\$(269,164)

4Q 2022 FINANCIAL RESULTS

- Retail / wholesale revenue split of 71% / 29% for the quarter¹
- \$9M of 4Q 2022 CAPEX fully funded by operating cash flow
- SG&A expenses for the fourth quarter were 36% of revenues, a 180+ bps decrease from the third quarter driven by headcount optimization
- Loss from Operations driven by impairments of \$229M in the fourth quarter

\$USD thousands	4Q 2022 Results
Revenue	\$225,927
Gross Profit	\$103,335
Loss from Operations	\$(206,976)
Net Loss	\$(216,109)

FORTIFYING THE BALANCE SHEET

- Refinanced credit facility with new maturity of October 2026
 - Goal to leverage real estate in effort to decrease blended cost of capital
- Acquisition Consideration Payable has decreased from \$54M in 3Q 2022 to \$18M in 4Q 2022
 - ~\$16M due in cash in 1Q 2023 with the remainder due in equity

\$USD thousands	As of December 31, 2022
Cash	\$84,851
Total Assets	\$2,396,055
Debt	\$413,004
Total Liabilities	\$1,054,505

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2023 OUTLOOK



BUILDING ON MOMENTUM

Connecticut Adult Use Market

Launched in January 2023

- Verano presence of 2 dispensaries, 1 medical only and 1 hybrid, and significant wholesale distribution

Approved for 6 JVs with social equity dispensary owners

- Expected to open throughout 2023

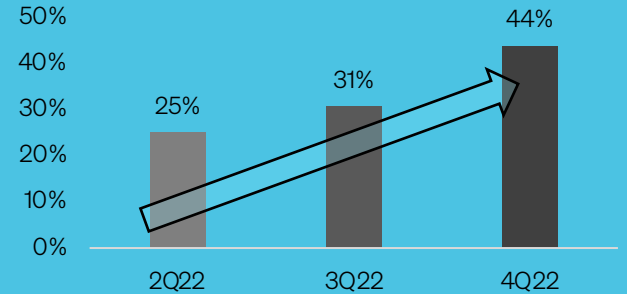
126% sales lift upon adult use commencement¹

Maryland Adult Use Market

Strengthening positioning in advance of anticipated 2H 2023 launch

- Legacy position with 4 dispensaries and strong wholesale distribution
- Increased wholesale sales sequentially by 6%
- ~10% market share by sales in January 2023²

Maryland Sell Through



¹ Figures calculated from first 4 weeks of adult use sales in the Company's only adult use location in Meriden, CT. ² According to BDSA data.

OPPORTUNISTIC ENVIRONMENT

Not Reliant on SAFE Passage

We do not run the business on federal legislative assumptions

Business has been built with longevity and durability in mind

Strategic M&A Approach

Difficult environment has created acquisition opportunities

Evaluating new partnerships at attractive multiples

Strength of our Strategy

Methodically crafted geographic exposure requires no forced sales in unattractive market

04

CAPITAL ALLOCATION



PRESERVING CASH TO WEATHER THE STORM

Focused on maintaining a strong balance sheet in light of macroeconomic and industry-specific pressures.

- \$119M 2022 CAPEX → \$25-50M 2023 CAPEX guidance
- \$117M acquisition consideration paid in cash in 2022 → \$16M expected for 2023
- Leveraged unencumbered real estate for loans at mid-single digits → plans to execute additional deals
- Cost savings initiatives targeting a reduction in SG&A expense as a percentage of revenue for 2023 vs 2022



GUIDING TO \$50-75 MILLION OF FREE CASH FLOW¹ IN 2023

Anticipate putting excess cash towards to work with an eye towards cost of capital

Reiterating CAPEX guidance of \$25-50M for 2023

Expecting typical 1Q seasonality of softer sales relative to 4Q and continued margin pressure



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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, 2022	September 30, 2022	December 31, 2021	December 31, 2022	December 31, 2021
	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Audited)</i>	<i>(As Restated)</i>
Revenues, net of discounts	\$ 225,927	\$ 227,588	\$ 211,420	\$ 879,412	\$ 737,850
Cost of Goods Sold, net	122,591	104,594	102,102	456,350	406,831
Gross Profit	103,336	122,994	109,318	423,062	331,019
Gross Profit %	46 %	54 %	52 %	48 %	45 %
Operating Expenses					
Selling, General and Administrative	81,038	85,710	81,775	356,569	270,929
Loss on Impairment of Intangibles – Goodwill	113,031	—	—	113,031	—
Loss on Impairment of Intangibles – License	116,151	—	—	116,151	—
Total Operating Expenses	310,220	85,710	81,775	585,751	270,929
Income (Loss) from Investments in Associates	(93)	(209)	1,886	1,558	4,623
Income (Loss) from Operations	(206,977)	37,075	29,429	(161,131)	64,713
Other Income (Expense):					
Gain (Loss) on Disposal of Property, Plant and Equipment	(408)	1,443	(647)	(157)	(1,085)
Gain on Deconsolidation	—	75	—	9,560	—
Gain on Previously Held Equity	—	175	—	14,103	—
Loss on Notes Payable Extinguishment	(7,987)	—	—	(7,987)	—
Interest Expense, net	(15,349)	(11,785)	(8,955)	(49,431)	(24,270)
Other Income (Expense), net	14,083	(595)	10,396	31,640	9,632
Total Other Income (Expense), Net	(9,661)	(10,687)	794	(2,272)	(15,723)
Income (Loss) Before Provision for Income Taxes and Non-Controlling Interest	(216,638)	26,388	30,223	(163,403)	48,990
Provision for Income Tax (Expense) Benefit	528	(69,381)	(37,049)	(105,470)	(103,988)
Net Income Attributable To Non- Controlling Interest	—	—	593	291	2,509
Net Loss Attributable to Verano Holdings Corp.	(216,110)	(42,993)	(7,419)	(269,164)	(57,507)

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

	As of December 31,	
	2022	2021 <i>(As Restated)</i>
Cash and Cash Equivalents	\$ 84,851	\$ 99,118
Other Current Assets	233,424	177,926
Property and Equipment, Net	525,905	452,232
Intangible Assets, Net	1,180,766	1,379,913
Goodwill	269,088	368,130
Other Long-Term Assets	102,021	71,336
Total Assets	\$ 2,396,055	\$ 2,548,655
Total Current Liabilities	\$ 386,645	\$ 470,516
Total Long-Term Liabilities	667,860	596,333
Total Shareholders' Equity	1,341,550	1,480,530
Non-Controlling Interest	\$ —	1,276
Total Liabilities and Shareholders' Equity	\$ 2,396,055	\$ 2,548,655

VERANO HOLDINGS CORP.

Reconciliation of Net Cash Provided by Operating Activities to Free Cash Flow (Non-U.S. GAAP)

	Three Months Ended December 31,		For the Year Ended December 31,	
	2022	2021	2022	2021
<i>(\$ in thousands)</i>	<i>(Unaudited)</i>		<i>(As Restated)</i>	
Net Cash Provided by Operating Activities	\$ 29,036	\$ 63,007	\$ 94,347	\$ 182,872
Purchase of property, plant, and equipment	(9,454)	(49,313)	(119,174)	(141,265)
Free Cash Flow	19,582	13,694	(24,827)	41,607

VERANO HOLDINGS CORP.

Reconciliation of Net Loss to EBITDA (Non-U.S. GAAP)

	For the Three Months Ended			For the Year Ended	
	December 31, 2022	September 30, 2022	December 31, 2021	December 31, 2022	December 31, 2021
<i>(\$ in thousands)</i>	<i>(Unaudited)</i>			<i>(Audited)</i>	
Net Loss	\$ (216,110)	\$ (42,993)	\$ (7,419)	\$ (269,164)	\$ (57,507)
Interest Expense, Net	15,349	11,785	8,955	49,431	24,270
Income Tax Expense (Benefit)	(528)	69,381	37,049	105,470	103,988
Depreciation and Amortization - COGS	18,580	20,727	16,095	78,120	54,460
Depreciation and Amortization - SG&A	16,578	15,592	14,528	63,267	41,784
Earnings (Loss) Before Interest, Taxes, Depreciation and Amortization (EBITDA)	\$ (166,131)	\$ 74,492	\$ 69,208	\$ 27,124	\$ 166,995