



NEWS RELEASE

Verano Holdings to Add Depth to Arizona Footprint with Agreement to Acquire Local Joint

3/22/2021

- Pending transaction supports the Company's focused strategy to establish a leading position in core markets
- Expands Verano's retail footprint in Arizona, a newly adopted adult-use market, to six operating dispensaries
- Gives the Company the third largest active retail footprint in the state, while adding another primely located Phoenix storefront

CHICAGO, March 22, 2021 (GLOBE NEWSWIRE) -- Verano Holdings Corp. (CSE: VRNO) ("Verano" or "the Company"), a leading multi-state cannabis company, today announced it has entered into an agreement to acquire control of Patient Alternative Relief Center, Inc. d/b/a Local Joint, a high traffic dispensary in Phoenix, Arizona. The transaction will further elevate Verano's retail footprint in Arizona – one of the country's latest states to begin sales of adult-use cannabis - to six operating dispensaries.¹

"Adding meaningful depth within our core markets has been our recent focus," said George Archos, Co-Founder and CEO of Verano. "Arizona is, of course, a core market for us and will remain a priority within our national footprint going forward. The addition of Local Joint, a highly active, efficient operation with a prime, downtown Phoenix location and a robust consumer-base is very appealing to us. We've been fortunate to find like-minded partners and operators to expand our Verano family in Arizona in support of our objective to capture a leading

position in the market.”

The dispensary is situated just minutes from the airport and the densely-populated university campus community. Under the terms of the agreement, Verano Arizona II, LLC, a subsidiary of Verano, will acquire the rights to manage Local Joint from its current manager, Flower Launch LLC. The total consideration includes cash consideration of US\$13,500,000, with US\$10,000,000 payable on the closing date and a US\$3,500,000 promissory note payable within 120 days after the closing date, and stock consideration of US\$3,500,000 payable in Class A subordinate voting shares of the Company.

“We are excited to see the next phase of Local Joint’s development” said John Vatistas, Flower Launch President. “We take real pride in having transformed Local Joint from its prior iteration to the present highly active, efficient operation which attracted the notice of a sophisticated operator like Verano.”

The closing of the transaction described herein is subject to regulatory filings or approvals and other customary closing conditions. The transaction is expected to close in late Q1 or early Q2 of 2021.

About Verano

Verano Holdings Corp. is a leading, vertically-integrated, multi-state cannabis operator in the U.S., devoted to the ongoing improvement of communal wellness by providing responsible access to regulated cannabis products. With a mission to address vital health and wellness needs, Verano produces a comprehensive suite of premium, innovative cannabis products sold under its trusted portfolio of consumer brands: Verano, Avexia, Encore, and MÜV™. The company’s portfolio encompasses 14 U.S. States, with active operations in 11, which includes eight production facilities comprising approximately 750,000 square feet of cultivation. Verano designs, builds, and operates dispensaries under retail brands Zen Leaf™ and MÜV™, delivering a superior cannabis shopping experience in both medical and adult-use markets. Learn more at www.verano.com.

Forward Looking Statements

This press release 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 may include, but are not limited to, information concerning the ability of the Company to complete the transactions referred to herein, the satisfaction of conditions to closing, the receipt of all necessary approvals including regulatory approvals, the integration of the operations of the companies being acquired, the proposed management of the companies being acquired and expectations for other economic, market, business, and competitive factors.

Although Verano believes that the assumptions and factors used in preparing, and the expectations contained in, the forward-looking information and statements are reasonable, undue reliance should not be placed on such information and statements, and no assurance or guarantee can be given that such forward-looking information and statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information and statements. The forward-looking information and forward-looking statements contained in this press release are made as of the date of this press release, 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.

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1 Includes the agreement to acquire three premium, high traffic dispensaries located in Mesa, Chandler, and Gilbert, Arizona, an 11,000 sq. ft. indoor cultivation facility, an 8,100 sq. ft. greenhouse in Winslow and two real estate locations disclosed by the Company on February 24, 2021, and one active dispensary in Phoenix announced on February 26, 2021.

Source: Verano Holdings Corp.