

FORM 9

NOTICE OF ISSUANCE OR PROPOSED ISSUANCE OF LISTED SECURITIES **(or securities convertible or exchangeable into listed securities)**

Name of Listed Issuer:

Symbol(s):

Verano Holdings Corp. (the “**Issuer**”).

VRNO

Date: February 24, 2021 Is this an updating or amending Notice: ☐ Yes ☒ No

If yes provide date(s) of prior Notices: N/A.

Issued and Outstanding Securities of Issuer Prior to Issuance:

*125,663,380.6484 Class A subordinate voting shares in the capital of the Issuer (the “**Subordinate Voting Shares**”) and 1,643,366.1833 Class B proportionate voting shares in the capital of the Issuer (the “**Proportionate Voting Shares**”).*

Pricing

Date of news release announcing proposed issuance: February 24, 2021

Date of confidential request for price protection: N/A

Closing Market Price on Day Preceding the news release: C\$30.18

Day preceding request for price protection: N/A

Closing

Number of securities to be issued:

3,989,875 shares on an as-converted to Subordinate Voting Shares basis.

The Issuer will have the right to determine whether the shares issued and delivered pursuant to the Merger (as defined below) are Subordinate Voting Shares and/or Proportionate Voting Shares as is reasonably required for the Issuer to maintain foreign private issuer status as reasonably determined by the Issuer.

Please also see section 8, below, with respect to securities to be issued as compensation.

Issued and outstanding securities following issuance:

The number of Subordinate Voting Shares and Proportionate Voting Shares outstanding following the issuance will depend on a) the number of such shares outstanding immediately prior to the time of issuance; and b) the number of Subordinate Voting Shares and Proportionate Voting Shares issued upon the closing of the Merger.

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Instructions:

1. For private placements (including debt settlement), complete tables 1A and 1B in Part 1 of this form.
2. Complete Table 1A – Summary for all purchasers, excluding those identified in Item 8.
3. Complete Table 1B – Related Persons only for Related Persons
4. If shares are being issued in connection with an acquisition (either as consideration or to raise funds for a cash acquisition) please proceed to Part 2 of this form.
5. An issuance of non-convertible debt does not have to be reported unless it is a significant transaction as defined in Policy 7, in which case it is to be reported on Form 10 – Notice of Proposed Transaction
6. Post the completed Form 9 to the CSE website in accordance with *Policy 6 – Distributions*. In addition, the completed form must be delivered to listings@thecse.com with an appendix that includes the information in Table 1B for ALL placees.

Part 1. Private Placement

This part is not applicable.

Table 1A – Summary

Each jurisdiction in which purchasers reside	Number of Purchasers	Price per Security	Total dollar value (CDN\$) raised in the jurisdiction
Total number of purchasers:			
Total dollar value of distribution in all jurisdictions:			

Table 1B – Related Persons

Full Name & Municipality of Residence of Placee	Number of Securities Purchased or to be Purchased	Purchase price per Security (CDN\$)	Conversion Price (if Applicable) (CDN\$)	Prospectus Exemption	Total Securities Previously Owned, Controlled or Directed	Payment Date ⁽¹⁾	Describe relationship to Issuer ⁽²⁾

¹An issuance of non-convertible debt does not have to be reported unless it is a significant transaction as defined in Policy 7, in which case it is to be reported on Form 10.

1. Total amount of funds to be raised: _____ .

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2. Provide full details of the use of the proceeds. The disclosure should be sufficiently complete to enable a reader to appreciate the significance of the transaction without reference to any other material. _____ .
3. Provide particulars of any proceeds which are to be paid to Related Persons of the Issuer: _____ .
4. If securities are issued in forgiveness of indebtedness, provide details of the debt agreement(s) or and the agreement to exchange the debt for securities.
5. Description of securities to be issued:
 - (a) Class _____ .
 - (b) Number _____ .
 - (c) Price per security _____ .
 - (d) Voting rights _____ .
6. Provide the following information if warrants, (options) or other convertible securities are to be issued:
 - (a) Number _____ .
 - (b) Number of securities eligible to be purchased on exercise of warrants (or options) _____ .
 - (c) Exercise price _____ .
 - (d) Expiry date _____ .
7. Provide the following information if debt securities are to be issued:
 - (a) Aggregate principal amount : _____ .
 - (b) Maturity date _____ .
 - (c) Interest rate _____ .
 - (d) Conversion terms: _____ .
 - (e) Default provisions: _____ .

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8. Provide the following information for any agent's fee, commission, bonus or finder's fee, or other compensation paid or to be paid in connection with the placement (including warrants, options, etc.):
- (a) Details of any dealer, agent, broker or other person receiving compensation in connection with the placement (name, and if a corporation, identify persons owning or exercising voting control over 20% or more of the voting shares if known to the Issuer): _____ .
 - (b) Cash _____ .
 - (c) Securities _____ .
 - (d) Other _____ .
 - (e) Expiry date of any options, warrants etc. _____ .
 - (f) Exercise price of any options, warrants etc. _____ .
9. State whether the sales agent, broker, dealer or other person receiving compensation in connection with the placement is Related Person or has any other relationship with the Issuer and provide details of the relationship
_____ .
10. Describe any unusual particulars of the transaction (i.e. tax "flow through" shares, etc.).

11. State whether the private placement will result in a change of control.
_____ .
12. Where there is a change in the control of the Issuer resulting from the issuance of the private placement shares, indicate the names of the new controlling shareholders. _____

_____ .
13. Each purchaser has been advised of the applicable securities legislation restricted or seasoning period. All certificates for securities issued which are subject to a hold period bear the appropriate legend restricting their transfer

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until the expiry of the applicable hold period required by National Instrument 45-102 Resale of Securities.

Part 2. Acquisition

1. Provide details of the assets to be acquired by the Issuer (including the location of the assets, if applicable). The disclosure should be sufficiently complete to enable a reader to appreciate the significance of the transaction without reference to any other material:

*Each of NZCO LLC, an Arizona limited liability company ("**NZCO**"), Murff & Company LLC, an Arizona limited liability company ("**M&C**"), JWC1 LLC, an Arizona limited liability company ("**JWC**"), Hu Commercial Properties LLC, an Arizona limited liability company ("**HCP**"), and Cobish LLC, an Arizona limited liability company ("**Cobish**" and together with NZCO, M&C, JWC and HCP, each a "**Target Company**" and collectively, the "**Target Companies**"), will merge with and into Verano Arizona Holdings, LLC, an Arizona limited liability company and a direct wholly-owned subsidiary of the Issuer (the "**Purchaser**", and such merger, the "**Merger**"), with the Purchaser surviving the Merger, on the terms and conditions set forth in the Agreement (as defined below), and the outstanding equity securities of each Target Company being cancelled and converted into the right to receive the consideration set forth in the Agreement. As a result of the Merger, BISCHO LLC (the "**Management Company**"), an Arizona limited liability company that manages certain dispensary and cultivation sites located in the State of Arizona, shall become an indirect, wholly owned subsidiary of the Issuer.*

2. Provide details of the acquisition including the date, parties to and type of agreement (eg: sale, option, license etc.) and relationship to the Issuer. The disclosure should be sufficiently complete to enable a reader to appreciate the significance of the acquisition without reference to any other material:

*The Merger noted above is made pursuant to the Reorganization and Merger Agreement (the "**Agreement**"), dated February 23, 2021, by and among the Purchaser, Issuer, the Target Companies, each of Nicolas Peterson, Hugo Dixon Oates, James Christensen, Rodney Hu and Daniel Sullivan, in their capacities as the holders of equity securities of the Target Companies and as representatives, agents and attorneys-in-fact for each holder of equity securities of the Target Companies (the "**Holder Reps**"), the board members of AZGM 3, Inc., an Arizona non-profit corporation, the members of Vending Logistics LLC, an Arizona limited liability company, the managers of Vending Logistics LLC, Best-in-Show Holdings L.L.C., an Arizona limited liability company, the sole member of The Medicine Room LLC, an Arizona limited liability company, and the managers of Medicine Room LLC. The parties are arm's length parties to the Issuer and the Agreement was negotiated at arm's length.*

3. Provide the following information in relation to the total consideration for the acquisition (including details of all cash, securities or other consideration) and any required work commitments:

(a) Total aggregate consideration in Canadian dollars:

The aggregate consideration for the Merger is US\$7,250,000 (C\$9,137,175)¹ subject to a working capital adjustment at closing and a post-closing working capital adjustment true-up plus 3,989,875 shares (on an as-converted to Subordinate Voting Shares basis).

(b) Cash: US\$7,250,000 (C\$9,137,175)

(c) Securities (including options, warrants etc.) and dollar value:

3,989,875 shares on an as-converted to Subordinate Voting Shares basis.

(d) Other: N/A.

(e) Expiry date of options, warrants, etc. if any: N/A.

(f) Exercise price of options, warrants, etc. if any: N/A.

(g) Work commitments: N/A.

4. State how the purchase or sale price was determined (e.g. arm's-length negotiation, independent committee of the Board, third party valuation etc).

The purchase price was determined by arm's length negotiation among the parties to the Agreement.

5. Provide details of any appraisal or valuation of the subject of the acquisition known to management of the Issuer: N/A.

6. The names of parties receiving securities of the Issuer pursuant to the acquisition and the number of securities to be issued are described as follows:

¹ Unless stated otherwise, exchange rates in this Form 9 are based on the exchange rate posted by the Bank of Canada on February 23, 2021 for illustrative purposes.

Name of Party (If not an individual, name all insiders of the Party)	Number and Type of Securities to be Issued	Dollar value per Security (CDN\$)	Conversion price (if applicable)	Prospectus Exemption	Total Securities, Previously Owned, Controlled or Directed by Party	Describe relationship to Issuer ⁽¹⁾
Member 1	20.00000% of the securities to be issued. Number of Subordinate Voting Shares and Proportionate Voting Shares issued to be determined at closing.	To be determined at closing.	N/A	Section 2.11 of National Instrument 45-106 (Business Combination and Reorganization)	0	Not a related person.
Member 2	10.00000% of the securities to be issued. Number of Subordinate Voting Shares and Proportionate Voting Shares issued to be determined at closing.	Same as above.	Same as above.	Same as above.	Same as above.	Same as above.
Member 3	10.00000% of the securities to be issued. Number of Subordinate Voting Shares and Proportionate Voting Shares issued to be determined at closing.	Same as above.	Same as above.	Same as above.	Same as above.	Same as above.

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Member 4	8.00000% of the securities to be issued. Number of Subordinate Voting Shares and Proportionate Voting Shares issued to be determined at closing.	Same as above.	Same as above.	Same as above.	Same as above.	Same as above.
Member 5	12.00000% of the securities to be issued. Number of Subordinate Voting Shares and Proportionate Voting Shares issued to be determined at closing.	Same as above.	Same as above.	Same as above.	Same as above.	Same as above.
Member 6	20.00000% of the securities to be issued. Number of Subordinate Voting Shares and Proportionate Voting Shares issued to be determined at closing.	Same as above.	Same as above.	Same as above.	Same as above.	Same as above.
Member 7	3.32327% of the securities to be issued. Number of Subordinate Voting Shares and Proportionate Voting Shares issued to be determined at closing.	Same as above.	Same as above.	Same as above.	Same as above.	Same as above.

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Member 8	3.32327% of the securities to be issued. Number of Subordinate Voting Shares and Proportionate Voting Shares issued to be determined at closing.	Same as above.	Same as above.	Same as above.	Same as above.	Same as above.
Member 9	2.67372% of the securities to be issued. Number of Subordinate Voting Shares and Proportionate Voting Shares issued to be determined at closing.	Same as above.	Same as above.	Same as above.	Same as above.	Same as above.
Member 10	2.31721% of the securities to be issued. Number of Subordinate Voting Shares and Proportionate Voting Shares issued to be determined at closing.	Same as above.	Same as above.	Same as above.	Same as above.	Same as above.
Member 11	0.91843% of the securities to be issued. Number of Subordinate Voting Shares and Proportionate Voting Shares issued to be determined at closing.	Same as above.	Same as above.	Same as above.	Same as above.	Same as above.

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Member 12	0.85800% of the securities to be issued. Number of Subordinate Voting Shares and Proportionate Voting Shares issued to be determined at closing.	Same as above.	Same as above.	Same as above.	Same as above.	Same as above.
Member 13	1.06948% of the securities to be issued. Number of Subordinate Voting Shares and Proportionate Voting Shares issued to be determined at closing.	Same as above.	Same as above.	Same as above.	Same as above.	Same as above.
Member 14	0.76737% of the securities to be issued. Number of Subordinate Voting Shares and Proportionate Voting Shares issued to be determined at closing.	Same as above.	Same as above.	Same as above.	Same as above.	Same as above.
Member 15	1.06949% of the securities to be issued. Number of Subordinate Voting Shares and Proportionate Voting Shares issued to be determined at closing.	Same as above.	Same as above.	Same as above.	Same as above.	Same as above.

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Member 16	0.71299% of the securities to be issued. Number of Subordinate Voting Shares and Proportionate Voting Shares issued to be determined at closing.	Same as above.	Same as above.	Same as above.	Same as above.	Same as above.
Member 17	0.71299% of the securities to be issued. Number of Subordinate Voting Shares and Proportionate Voting Shares issued to be determined at closing.	Same as above.	Same as above.	Same as above.	Same as above.	Same as above.
Member 18	0.53474% of the securities to be issued. Number of Subordinate Voting Shares and Proportionate Voting Shares issued to be determined at closing.	Same as above.	Same as above.	Same as above.	Same as above.	Same as above.
Member 19	0.23565% of the securities to be issued. Number of Subordinate Voting Shares and Proportionate Voting Shares issued to be determined at closing.	Same as above.	Same as above.	Same as above.	Same as above.	Same as above.

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Member 20	0.23021% of the securities to be issued. Number of Subordinate Voting Shares and Proportionate Voting Shares issued to be determined at closing.	Same as above.	Same as above.	Same as above.	Same as above.	Same as above.
Member 21	0.32085% of the securities to be issued. Number of Subordinate Voting Shares and Proportionate Voting Shares issued to be determined at closing.	Same as above.	Same as above.	Same as above.	Same as above.	Same as above.
Member 22	0.35650% of the securities to be issued. Number of Subordinate Voting Shares and Proportionate Voting Shares issued to be determined at closing.	Same as above.	Same as above.	Same as above.	Same as above.	Same as above.
Member 23	0.21390% of the securities to be issued. Number of Subordinate Voting Shares and Proportionate Voting Shares issued to be determined at closing.	Same as above.	Same as above.	Same as above.	Same as above.	Same as above.

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Member 24	0.17825% of the securities to be issued. Number of Subordinate Voting Shares and Proportionate Voting Shares issued to be determined at closing.	Same as above.	Same as above.	Same as above.	Same as above.	Same as above.
Member 25	0.13021% of the securities to be issued. Number of Subordinate Voting Shares and Proportionate Voting Shares issued to be determined at closing.	Same as above.	Same as above.	Same as above.	Same as above.	Same as above.
Member 26	0.05347% of the securities to be issued. Number of Subordinate Voting Shares and Proportionate Voting Shares issued to be determined at closing.	Same as above.	Same as above.	Same as above.	Same as above.	Same as above.

(1) Indicate if Related Person

7. Details of the steps taken by the Issuer to ensure that the vendor has good title to the assets being acquired:

The Target Companies and Holder Reps are providing representations and warranties in the Agreement regarding their title to the equity securities of the Management Company and the Target Companies.
8. Provide the following information for any agent's fee, commission, bonus or finder's fee, or other compensation paid or to be paid in connection with the acquisition (including warrants, options, etc.):

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- (a) Details of any dealer, agent, broker or other person receiving compensation in connection with the acquisition (name, and if a corporation, identify persons owning or exercising voting control over 20% or more of the voting shares if known to the Issuer):

Verano Holdings, LLC, an indirect, wholly owned subsidiary of the Issuer, entered a Finder's Fee Agreement with [REDACTED] (as assigned by [REDACTED]) (the "Finder"), which is wholly owned by [REDACTED], pursuant to which the Company has agreed to pay the Finder, as compensation, a fee equal to 2% of the transaction value of the Merger, as agreed to by the parties, of which approximately 30% will be payable in shares of the Issuer.

- (b) Cash:

US\$1,624,970.87 (C\$2,047,950.79)

- (c) Securities:

27,500 shares (on an as-converted to Subordinate Voting Share basis). Subordinate Voting Shares and Proportionate Voting Shares will be issued in the same proportions as the consideration payable in connection with the Merger.

- (d) Other *N/A.*

- (e) Expiry date of any options, warrants etc. *N/A.*

- (f) Exercise price of any options, warrants etc. *N/A.*

9. State whether the sales agent, broker or other person receiving compensation in connection with the acquisition is a Related Person or has any other relationship with the Issuer and provide details of the relationship. *No*
10. If applicable, indicate whether the acquisition is the acquisition of an interest in property contiguous to or otherwise related to any other asset acquired in the last 12 months. *N/A.*

Certificate Of Compliance

The undersigned hereby certifies that:

1. The undersigned is a director and/or senior officer of the Issuer and has been duly authorized by a resolution of the board of directors of the Issuer to sign this Certificate of Compliance on behalf of the Issuer.
2. As of the date hereof there is not material information concerning the Issuer which has not been publicly disclosed.
3. the Issuer has obtained the express written consent of each applicable individual to:
 - (a) the disclosure of their information to the Exchange pursuant to this Form or otherwise pursuant to this filing; and
 - (b) the collection, use and disclosure of their information by the Exchange in the manner and for the purposes described in Appendix A or as otherwise identified by the Exchange, from time to time
4. The undersigned hereby certifies to the Exchange that the Issuer is in compliance with the requirements of applicable securities legislation (as such term is defined in National Instrument 14-101) and all Exchange Requirements (as defined in CSE Policy 1).
5. All of the information in this Form 9 Notice of Issuance of Securities is true.

Dated February 24, 2021.

Daren Weiss
Name of Director or Senior
Officer

"Darren Weiss"
Signature

General Counsel and
Chief Legal Officer
Official Capacity

Appendix A

PERSONAL INFORMATION COLLECTION POLICY REGARDING FORM 9

The Canadian Securities Exchange and its subsidiaries, affiliates, regulators and agents (collectively, “CSE or the “Exchange”) collect and use the information (which may include personal or other information) which has been provided in Form 9 for the following purposes:

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- To determine whether an individual is suitable to be associated with a Listed Issuer;
- To determine whether an issuer is suitable for listing;
- To determine whether allowing an issuer to be listed or allowing an individual to be associated with a Listed Issuer could give rise to investor protection concerns or could bring the Exchange into disrepute;
- To conduct enforcement proceedings;
- To ensure compliance with Exchange Requirements and applicable securities legislation; and
- To fulfil the Exchange’s obligation to regulate its marketplace.

The CSE also collects information, including personal information, from other sources, including but not limited to securities regulatory authorities, law enforcement and self-regulatory authorities, regulation service providers and their subsidiaries, affiliates, regulators and agents. The Exchange may disclose personal information to these entities or otherwise as provided by law and they may use it for their own investigations.

The Exchange may use third parties to process information or provide other administrative services. Any third party will be obliged to adhere to the security and confidentiality provisions set out in this policy.

All personal information provided to or collected by or on behalf of The Exchange and that is retained by The Exchange is kept in a secure environment. Only those employees who need to know the information for the purposes listed above are permitted access to the information or any summary thereof. Employees are instructed to keep the information confidential at all times.

Information about you that is retained by the Exchange and that you have identified as inaccurate or obsolete will be corrected or removed.

If you wish to consult your file or have any questions about this policy or our practices, please write the Chief Privacy Officer, Canadian Securities Exchange, 220 Bay Street – 9th Floor, Toronto, ON, M5J 2W4.