FORM 7  
  
MONTHLY PROGRESS REPORT

Name of Listed Issuer: Verano Holdings Corp. (the “**Issuer**”)

Trading Symbol: VRNO

Number of Outstanding Listed Securities: 321,903,922.6238 Class A subordinate voting shares (“**SV Shares**”)

Date: October 4, 2022

This Monthly Progress Report must be posted before the opening of trading on the fifth trading day of each month. This report is not intended to replace the Issuer’s obligation to separately report material information forthwith upon the information becoming known to management or to post the forms required by Exchange Policies. If material information became known and was reported during the preceding month to which this report relates, this report should refer to the material information, the news release date and the posting date on the Exchange website.

This report is intended to keep investors and the market informed of the Issuer’s ongoing business and management activities that occurred during the preceding month. Do not discuss goals or future plans unless they have crystallized to the point that they are "material information" as defined in the Policies. The discussion in this report must be factual, balanced and non-promotional.

**General Instructions**

1. Prepare this Monthly Progress Report using the format set out below. The sequence of questions must not be altered nor should questions be omitted or left unanswered. The answers to the items must be in narrative form. State when the answer to any item is negative or not applicable to the Issuer. The title to each item must precede the answer.
2. The term “Issuer” includes the Issuer and any of its subsidiaries.
3. Terms used and not defined in this form are defined or interpreted in Policy 1 – Interpretation and General Provisions.

**Report on Business**

1. Provide a general overview and discussion of the development of the Issuer’s business and operations over the previous month. Where the Issuer was inactive disclose this fact.

* On September 1, 2022, the Issuer announced the opening of MÜV Auburndale, Jacksonville and Titusville, the Issuer’s 57th , 58th and 59th Florida locations and 112th, 113th and 114th dispensary locations affiliated with the Issuer nationwide. MÜV Auburndale is located at 2093 U.S. 92 in Auburndale and is the third MÜV dispensary in Polk County. MÜV Jacksonville Skymarks is located at 725 Skymarks Drive in Jacksonville, adjacent to the River City Marketplace shopping mall and just over three miles from Jacksonville International Airport. MÜV Titusville is located at 4520 South Washington Avenue in Titusville, based in Florida’s “Space Coast,” a popular tourist destination, and less than 10 miles from the Kennedy Space Center. The comprehensive product selection includes edibles, chocolates and lozenges, flower, pre-rolls, an array of vaporizer pens, concentrates, metered-dose inhalers, topicals and oral sprays, along with patented encapsulation formulations in EnCaps™ capsules, tinctures, 72-hour transdermal patches and transdermal gels.
* On September 7, 2022, the Issuer announced the closing of its transaction to acquire all of the equity interests of WSCC, Inc., d/b/a Sierra Well (“Sierra Well”), adding two operational dispensaries and an active cultivation and production facility in Nevada, along with two real estate properties in Carson City and Reno. The acquisition, which was previously announced on July 26, 2021, increases Verano’s vertically integrated Nevada operations to five active dispensaries and two cultivation and production facilities that are geographically spread across the state’s key population and tourist regions.
* On September 7, 2022, an affiliate of the Issuer purchased 22627 Bayshore Dr., Port Charlotte, Florida, which was previously leased by Plants of Ruskin, LLC (an affiliate of the Issuer).
* On September 8, 2022, the Issuer announced the opening of its new Pennsylvania location, Zen Leaf New Kensington, which is the Company’s 15th affiliated Pennsylvania dispensary, fifth location in the greater Pittsburgh area, and 117th dispensary locations affiliated with the Issuer nationwide.
* As previously announced on the Issuer’s Form 8-K filed with the U.S. Securities and Exchange Commission on September 16, 2022, Baker Tilly US, LLP (“Baker Tilly”) served as the independent registered public accounting firm of the Issuer since June 2021; on September 14, 2022, Baker Tilly resigned as the independent registered public accounting firm of the Issuer, and the Audit Committee (the “Audit Committee”) of the Board of Directors of the Issuer accepted the resignation of Baker Tilly as of September 16, 2022. Effective September 16, 2022, the Audit Committee engaged Macias Gini & O’Connell LLP to serve as the Issuer’s independent registered public accounting firm, commencing with the review of the Issuer’s financial statements to be included in the Issuer’s quarterly report on Form 10-Q for the fiscal quarter ending September 30, 2022.
* On September 20, 2022, an affiliate of the Issuer purchased 11340 Summerlin Sq., Fort Myers, Florida, which was previously leased by Plants of Ruskin, LLC (an affiliate of the Issuer).

1. Provide a general overview and discussion of the activities of management.

The Issuer is a 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, the Issuer produces a suite of cannabis products sold under its portfolio of consumer brands: Verano™, Avexia™, Encore™, and MÜV™. The Issuer designs, builds, and operates dispensaries under retail brands Zen Leaf™ and MÜV™, among others, delivering a superior cannabis shopping experience in both medical and adult-use markets. The Issuer’s portfolio encompasses 14 U.S. states, with active operations in 13 U.S. States, and 117 retail dispensaries and 14 cultivation and production facilities comprising over 1,000,000 square feet.

1. Describe and provide details of any new products or services developed or offered. For resource companies, provide details of new drilling, exploration or production programs and acquisitions of any new properties and attach any mineral or oil and gas or other reports required under Ontario securities law.

Not applicable.

1. Describe and provide details of any products or services that were discontinued. For resource companies, provide details of any drilling, exploration or production programs that have been amended or abandoned.

Not applicable.

1. Describe any new business relationships entered into between the Issuer, the Issuer’s affiliates or third parties including contracts to supply products or services, joint venture agreements and licensing agreements etc. State whether the relationship is with a Related Person of the Issuer and provide details of the relationship.

Not applicable.

1. Describe the expiry or termination of any contracts or agreements between the Issuer, the Issuer’s affiliates or third parties or cancellation of any financing arrangements that have been previously announced.

Not applicable.

7. Describe any acquisitions by the Issuer or dispositions of the Issuer’s assets that occurred during the preceding month. Provide details of the nature of the assets acquired or disposed of and provide details of the consideration paid or payable together with a schedule of payments if applicable, and of any valuation. State how the consideration was determined and whether the acquisition was from or the disposition was to a Related Person of the Issuer and provide details of the relationship.

As set forth in Part 1 above, in September 2022, affiliates of the Issuer purchased 11340 Summerlin Sq., Fort Myers, Florida, and 22627 Bayshore Dr., Port Charlotte, Florida, each of which was previously leased by Plants of Ruskin, LLC (an affiliate of the Issuer). These purchases of real estate were cash transactions, and the amount of consideration was determined based on the fair market values of each property. Neither purchased was made with a Related Person of the Issuer.

8. Describe the acquisition of new customers or loss of customers.

As set forth in Part 1 above, in September 2022, the Issuer opened medical dispensaries in Auburndale, Jacksonville and Titusville, Florida, and New Kingston, Pennsylvania. The Issuer expects to attract new customers at these four new locations.

9. Describe any new developments or effects on intangible products such as brand names, circulation lists, copyrights, franchises, licenses, patents, software, subscription lists and trademarks.

Not applicable.

10. Report on any employee hirings, terminations or lay-offs with details of anticipated length of lay-offs.

Not applicable.

11. Report on any labour disputes and resolutions of those disputes if applicable.

Not applicable.

12. Describe and provide details of legal proceedings to which the Issuer became a party, including the name of the court or agency, the date instituted, the principal parties to the proceedings, the nature of the claim, the amount claimed, if any, if the proceedings are being contested, and the present status of the proceedings.

Not applicable.

13. Provide details of any indebtedness incurred or repaid by the Issuer together with the terms of such indebtedness.

Not applicable.

14. Provide details of any securities issued and options or warrants granted.

|  |  |  |  |
| --- | --- | --- | --- |
| **Security** | **Number Issued** | **Details of Issuance** | **Use of Proceeds(1)** |
| SV Shares | 1,208,745 | Issued to the stockholders of WSCC, Inc., which was acquired by the Issuer on September 7, 2022. The SV Shares were valued at CDN$8.33 per share. | Not applicable. |
| SV Shares | 505,613 | Issued to a seller of Caring Nature LLC, which was acquired by the Issuer on December 20, 2021. The SV Shares were issued as additional consideration payable to such seller on September 20, 2022. The SV Shares were valued at CDN$7.88 per share. | Not applicable. |

*(1) State aggregate proceeds and intended allocation of proceeds.*

*Not applicable.*

15. Provide details of any loans to or by Related Persons.

Not applicable.

16. Provide details of any changes in directors, officers or committee members.

Not applicable.

17. Discuss any trends which are likely to impact the Issuer including trends in the Issuer’s market(s) or political/regulatory trends.

The Issuer continues to monitor the COVID-19 situation in the U.S. The Issuer proactively modifies and implements precautions and mandates to adhere to applicable laws in the geographic areas in which it operates, taking into account public health guidance.

In addition, the Issuer is actively monitoring economic changes that may impact its markets and financial performance, including inflation, rising interest rates, supply shortages, global disruptions and volatility, and declining consumer and business confidence, all of which could lead to decreased levels of consumer spending and higher costs. The Issuer is taking these economic changes into account in its planning processes.

*[Certificate of Compliance follows]*

**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.
2. As of the date hereof there is no material information concerning the Issuer which has not been publicly disclosed.
3. 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 CNSX Policy 1).
4. All of the information in this Form 7 Monthly Progress Report is true.

Dated October 4, 2022 Darren Weiss

Name of Director or Senior Officer

*/s/ Darren Weiss*Signature

Chief Operating Officer, General Counsel & Chief Legal Officer

Official Capacity

|  |  |  |
| --- | --- | --- |
|  | For Month End  September 30, 2022 | Date of Report  22/10/4 |
| Issuer Address  415 Dearborn St., 4th Floor, Chicago, IL, United States | | |
| City/Province/Postal Code  60654 | Issuer Fax No.  N/A | Issuer Telephone No.  (312) 265-0730 |
| Contact Name  Aaron Miles | Contact Position  Chief Investment Officer | Contact Telephone No.  (312) 265-0730 |
| Contact Email Address  [investors@verano.com](mailto:investors@verano.com) | Web Site Address  <http://www.verano.com> | |