

**FORM 51-102F3**  
**MATERIAL CHANGE REPORT**  
**UNDER NATIONAL INSTRUMENT 51-102**

**Item 1. Name and Address of Company**

Goodness Growth Holdings, Inc.  
207 South 9<sup>th</sup> Street  
Minneapolis, Minnesota  
55402

**Item 2. Date of Material Change**

September 24, 2021.

**Item 3. News Release**

A news release in respect of the material change was disseminated on September 28, 2021.

**Item 4. Summary of Material Change**

On September 1, 2021, a wholly-owned subsidiary of Goodness Growth Holdings, Inc. (the “**Company**”) entered into a Purchase and Sale Agreement with IIP-NY 2 LLC (“**IIP**”), pursuant to which the parties agreed that the Company would exercise its option to purchase 92.3 acres (the “**Property**”) adjacent to its existing cannabis cultivation facility in Johnstown, New York, and simultaneously enter into a sale-leaseback transaction for the Property (the “**Sale-Leaseback**”) with IIP, which closed on September 24, 2021. In connection with the Sale-Leaseback, the Company and IIP amended their existing lease agreement (the “**Lease Amendment**”).

**Item 5. Full Description of Material Change**

**5.1 Full Description of Material Change**

On September 1, 2021, a wholly-owned subsidiary of the Company entered into a Purchase and Sale Agreement with IIP, pursuant to which the parties agreed that the Company would exercise its previously announced option to purchase the Property adjacent to its existing cannabis cultivation facility in Johnstown, New York and simultaneously enter into the Sale-Leaseback for the Property with IIP.

On September 24, 2021 (the “**Closing Date**”), the parties closed the Sale-Leaseback. The purchase price for the Property was approximately US\$1.2 million, excluding transaction costs. In connection with the Sale-Leaseback, on the Closing Date the Company and IIP entered into the Lease Amendment for the Johnstown cultivation property to add the Property. Under the Lease Amendment, IIP agreed to provide tenant improvement reimbursement to the Company of approximately US\$55 million for the construction of a new 324,000 square foot cannabis cultivation, processing, and research and development facility on the Property, approximately US\$9 million of which was reimbursed on the Closing Date.

The initial annualized base rent for the Property is 10.5% of the tenant improvement budget plus the purchase price, for a term of twenty years. The Lease Amendment contains a rent escalation clause that is triggered in 18 months if the Company does not satisfy certain strategic benchmarks as specified in the Lease Amendment, which would increase the annualized base rent by 1.5% of the tenant improvement budget plus the purchase price. Base rent will be phased in incrementally over the course of a 16-month period, and will be subject to annual increases of 2.75%.

**5.2 Disclosure for Restructuring Transactions**

Not applicable.

**Item 6. Reliance on subsection 7.1(2) of National Instrument 51-102**

Not applicable.

**Item 7. Omitted Information**

Not applicable.

**Item 8. Executive Officer**

Kyle Kingsley, Chief Executive Officer  
Telephone: 1 844 484-7366

**Item 9. Date of Report**

October 7, 2021.