

FORM 51-102F3
MATERIAL CHANGE REPORT

1. Name and Address of Company

Goodness Growth Holdings, Inc. (the "Corporation" or "Goodness")

2. Date of Material Change

January 31, 2022

3. News Release

A press release disclosing the material change was released on February 1, 2022 through the facilities of Globe Newswire.

4. Summary of Material Change

Goodness Growth enters into arrangement agreement with Verano Cannabis Corp. to acquire all issued and outstanding shares.

5.1 Full Description of Material Change

Verano Holdings Corp. ("Verano") and Goodness Growth Holdings, Inc. are pleased to announce that they have entered into a definitive arrangement agreement (the "Arrangement Agreement") pursuant to which Verano will acquire all of the issued and outstanding shares of Goodness ("Goodness Shares") in an all-share transaction valued at approximately U.S.\$413 million on a fully-diluted basis (the "Transaction"). Under the terms of the Arrangement Agreement, it is expected that each holder of Goodness subordinate voting shares will receive 0.22652 of a Verano Class A subordinate voting share (a "Verano Share") for each Goodness subordinate voting share held and each holder of Goodness multiple voting shares and Goodness super voting 1 Source: BDSA Data shares will receive 22.652 Verano Shares for each Goodness multiple voting share and Goodness super voting share held, respectively. Goodness' active operations include 18 dispensaries; five cultivation and processing facilities; a research and development facility; and the Vireo, 1937, LiteBud, Kings & Queens, Hi-Color, and Amplifi product brands. The acquisition of Goodness is expected to expand Verano's operational footprint with the addition of the New York, Minnesota and New Mexico markets, strategically increasing the Company's presence in the Northeast, Midwest and Southwest, while adding a suite of established cannabis brands to the Company's portfolio. Management Commentary "We have always viewed New York as a strategic market to strengthen our existing east coast presence, particularly ahead of the state's adult-use rollout, as we further expand the Verano platform and exceed a milestone of operating more than 100 dispensaries across the country," said George Archos, Verano Founder and Chief Executive Officer. "Adding the New York, Minnesota and New Mexico markets to our portfolio, with full vertical integration, provides Verano with a solid foundation for future growth. We're excited to welcome new colleagues to the Verano family and look forward to serving patients and consumers in communities across these great states." "After an extensive evaluation process, George and the Verano team are unquestionably the ideal partners to take our business to the next level," said Goodness Chairman and Chief

Executive Officer, Kyle Kingsley, M.D. “Evidenced by their strong leadership team, sound operating principles, core values, and sustained growth, Verano continues to reach new heights as one of the top multi-state cannabis operators. We are confident in Verano’s ability to foster future growth opportunities for our employees and deliver an exceptional experience for our patients and consumers.” Transaction Highlights The Transaction includes 18 active dispensaries; five cultivation and processing facilities; a research and development facility; and the Vireo, 1937, LiteBud, Kings & Queens, Hi-Color, and Amplifi product brands. New York Goodness currently holds one of ten vertically-integrated licenses to grow and dispense medical cannabis products in the state of New York. It operates four medical dispensaries under the Vireo Health brand in Albany, Johnson City, Queens and White Plains. Goodness is also entitled to open an additional four dispensaries in advance of the commencement of the state’s recently approved adult-use program, which allows for three of its total of eight dispensaries to sell recreational-use products. Goodness also operates a home-delivery service across New York City and all its boroughs, as well as in Westchester, Rockland, Nassau and Suffolk Counties. Its home-delivery business currently accounts for more than half of its total medical cannabis sales in the state. Goodness currently grows and manufactures its products in a 64,204 sq. ft. greenhouse cultivation and processing facility in Johnstown, and is in the process of expanding this facility with the construction of 324,000 sq.ft. of indoor warehouse, 170,000 sq.ft. of which has been approved for indoor cultivation and processing. Minnesota Goodness currently holds one of two vertically-integrated licenses to grow and dispense medical cannabis products in the state of Minnesota. It operates eight dispensaries in the state under the Green Goods name in Blaine, Bloomington, Burnsville, Duluth / Hermantown, Minneapolis, Moorhead, Rochester and Woodbury. Products are manufactured at Goodness’s 87,232 sq. ft. greenhouse cultivation facility in Otsego, where Goodness has the potential to expand onto an adjacent 20-acre parcel in the future. The state of Minnesota has recently approved the sale of smokeable flower within its medical program, with flower sales expected to begin by the end of March 2022, followed by the introduction of certain edible products this coming summer. New Mexico Goodness operates a 18,650 sq. ft. cultivation facility in Gallup, as well as four medical dispensaries under the Green Goods name in Albuquerque, Gallup, Las Cruces and Santa Fe. Goodness has also identified several locations for projected store expansion in the near-term future. The state of New Mexico’s cannabis program is expected to commence adult-use sales in April 2022, at which point all of the Green Goods dispensaries in New Mexico will be eligible to sell recreational use products. Maryland Goodness currently operates two medical dispensaries in Maryland under the Green Goods name in Baltimore and Frederick. It also currently operates a 143,500 sq. ft. greenhouse in the town of Massey, Maryland. Goodness also operates a separate 22,500 sq. ft. manufacturing and processing facility in the town of Hurlock. Arizona Goodness operates an active 18 acre outdoor cultivation facility in Amado. Terms of the Transaction The Transaction will be effected by way of a plan of arrangement pursuant to the Business Corporations Act (British Columbia). Under the terms of the Arrangement Agreement, Verano will acquire all of the issued and outstanding Goodness Shares, with each holder of Goodness subordinate voting shares expected to receive 0.22652 of a Verano Share for each Goodness subordinate voting share held, and each holder of Goodness multiple voting shares and Goodness super voting shares expected to receive 22.652 Verano Shares for each Goodness multiple voting share and each Goodness super voting share held, respectively, implying a current market price per Goodness

subordinate voting share of US\$2.39, based on the closing share price of Verano and the Bank of Canada exchange rate on January 31, 2022. Based on the 15-Day volume weighted average price of Verano ending January 27, 2022 and a CAD/USD exchange rate of 0.790, the Transaction implies a price per Goodness subordinate voting share of US\$2.64. After giving effect to the Transaction, Goodness shareholders are expected to hold in aggregate approximately 10.1% of the issued and outstanding pro forma Verano Shares (on a fully-diluted basis). In accordance with the terms of Goodness' 2019 Company Equity Incentive Plan, the terms of each Goodness option and RSU will be adjusted to entitle the holder to receive, upon exercise, in substitution for the number of Goodness Shares subject to such option or RSU, that number of Verano Shares based on the Exchange Ratio. In accordance with the terms of Goodness' outstanding warrants, the terms of each Goodness warrant will be adjusted to entitle the holder to receive, upon exercise, in substitution for the number of Goodness Shares subject to such warrant, that number of Verano Shares based on the Exchange Ratio. Additional details of the Transaction will be described in the management information circular and proxy statement (the "Circular") that will be distributed to Goodness shareholders in connection with a special meeting of Goodness shareholders (the "Meeting") expected to be held within 120 days (unless the U.S. Securities and Exchange Commission elects to review the preliminary Circular, in which case the Meeting will be conducted within the next 170 days) to approve the Transaction. Goodness shareholders holding approximately 36.7% of the voting power of the issued and outstanding Goodness Shares have agreed to vote in favor of the Transaction pursuant to voting and support agreements. In addition, the Chief Executive Officer of Goodness has entered into a lock-up agreement with the Company (the "Lock-Up Agreement"), pursuant to which such shareholder has agreed not to transfer any Verano Shares received in connection with the Transaction for a period of 12 months following the effective date of the Transaction. Pursuant to the terms of the Lock-Up Agreement, 20% of the covered securities will be released on the effective date of the Transaction with an additional 20% being released every three months. The Arrangement Agreement provides for customary provisions, including covenants in respect of nonsolicitation of alternative transactions, US\$14.875 million reciprocal termination fees under certain circumstances and reciprocal expense reimbursement provisions in certain circumstances. Implementation of the Transaction is subject to the approval of at least (i) two-thirds (66 2/3%) of the votes cast by Goodness shareholders present in person or represented by proxy at the Meeting, voting as a single class, and (ii) pursuant to Multilateral Instrument 61-101 – Protection of Minority Security Holders in Special Transactions ("MI 61-101"), the approval of the majority of the votes cast by the holders of Goodness subordinate voting shares, the Goodness multiple voting shares and the Goodness super voting shares, on a class basis, excluding the votes of Goodness shareholders whose votes are required to be excluded for the purposes of "minority approval" pursuant to MI 61-101. The Transaction is subject to the approvals of the Supreme Court of British Columbia, receipt of U.S. regulatory approvals, including pursuant to the Hart–Scott–Rodino Antitrust Improvements Act and New York State regulatory requirements, and other customary conditions of closing.

Approvals and Recommendation The Transaction has been unanimously approved by the Boards of Directors of each of Verano and Goodness. The Board of Directors of Goodness (the "Goodness Board") has unanimously determined, after receiving financial and legal advice from outside advisors and a unanimous recommendation from a committee of independent directors (the "Transaction Committee"), that the Transaction

is in the best interests of Goodness, and that, on the basis of the Fairness Opinions (as defined herein), that the consideration to be received by the Goodness shareholders is fair, from a financial point of view. The Goodness Board unanimously recommends that Goodness shareholders vote in favour of the resolution to approve the Transaction that will be set forth in the Circular. The Board and the Transaction Committee obtained a fairness opinion from Hyperion Capital Inc., and the Transaction Committee obtained an independent fairness opinion from Cormark Securities Inc. (collectively, the “Fairness Opinions”), which provide that, as at the date of such opinions and based upon and subject to the assumptions, procedures, factors, limitations and qualifications set forth therein, the consideration to be received by the Goodness shareholders pursuant to the Transaction is fair, from a financial point of view, to the Goodness shareholders. None of the Verano Shares or any other securities to be issued pursuant to the Transaction have been or will be registered under the United States Securities Act of 1933, as amended (the “U.S. Securities Act”), or any U.S. state securities laws, and any securities issuable in the Transaction are anticipated to be issued in reliance upon available exemptions from such registration requirements pursuant to Section 3(a)(10) of the U.S. Securities Act and applicable exemptions under state securities laws. This press release does not constitute an offer to sell or the solicitation of an offer to buy any securities

5.2 Disclosure for Restructuring Transactions

Not applicable.

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

The report is not being filed on a confidential basis.

7. Omitted Information

No significant facts have been omitted from this Material Change Report.

8. **Executive Officer**

For further information, contact Sam Gibbons, Vice-President, Investor Relations, samgibbons@vireohealth.com (612) 314-8995 or Albe Zakes, Vice-President, Corporate Communications, albezakes@vireohealth.com.

9. **Date of Report**

This report is dated February 14, 2022.

Cautionary Statement Regarding Forward-Looking Information

Certain statements contained in this material change report constitute "forward-looking information" as such term is used in applicable Canadian securities laws. Forward-looking information is based on plans, expectations and estimates of management at the date the information is provided and is subject to certain factors and assumptions, including, that the Company's financial condition and development plans do not change as a result of unforeseen events and that the Company obtains regulatory approval. Forward-looking information is subject to a variety of risks and uncertainties and other factors that could cause plans, estimates and actual results to vary materially from those projected in such forward-looking information. Factors that could cause the forward-looking information in this material change report to change or to be inaccurate include, but are not limited to, the risk that any of the assumptions referred to prove not to be valid or reliable, that occurrences such as those referred to above are realized and result in delays, or cessation in planned work, that the Company's financial condition and development plans change, and delays in regulatory approval, as well as the other risks and uncertainties applicable the industries in which the Company operates and proposes to operate, and additional risks and uncertainties to the Company as set forth in the Company's filing statement in respect of its qualifying transaction, filed under the Company's profile at www.sedar.com. The Company undertakes no obligation to update these forward-looking statements, other than as required by applicable law.