

## FORM 51-102F3

### MATERIAL CHANGE REPORT

1. **Name and Address of Company**

Goodness Growth Holdings, Inc. (“**Goodness Growth**”)  
207 South 9<sup>th</sup> Street  
Minneapolis, Minnesota  
55402

2. **Date of Material Change**

October 13, 2022

3. **News Release**

The news release announcing the material change referred to in this report was disseminated on October 14, 2022 through approved public media and filed on SEDAR on October 14, 2022.

4. **Summary of Material Change**

On October 13th, 2022, Verano Holdings Corp. (“**Verano**”) delivered notice (the “**Termination Notice**”) to Goodness Growth purporting to terminate the arrangement agreement between Verano and Goodness Growth dated January 31, 2022, as amended (the “**Arrangement Agreement**”).

5. **Full Description of Material Change**

On January 31, 2022, Goodness Growth entered into the Arrangement Agreement with Verano, pursuant to which, Verano agreed, subject to the terms and conditions thereof, to acquire all of the issued and outstanding subordinate voting shares of Goodness Growth, multiple voting shares of Goodness Growth and super voting shares of Goodness Growth, pursuant to a plan of arrangement under the *Business Corporations Act* (British Columbia) (the “**Arrangement**”).

The Arrangement Agreement provides for the payment of a \$14,875,000 termination fee (the “**Termination Fee**”) if the Arrangement Agreement is terminated in certain specified circumstances, including, among other things, in the event that the Arrangement Agreement is terminated due to certain specified breaches of the Arrangement Agreement by the breaching party. The Arrangement Agreement also provides for the payment of certain transaction expenses up to a maximum of \$3,000,000 (the “**Transaction Expenses**”) in the event of (i) an uncured breach of representations, warranties, or covenants the remains uncured for a certain period of time after notice of such breach from the other party or (ii) a material adverse effect that is not capable of being cured by December 31, 2022.

On October 13, 2022, Goodness Growth received a notice of purported termination of the Arrangement Agreement (the “**Notice**”) from Verano. The Notice asserts certain breaches of the Arrangement Agreement, including claims that Goodness Growth’s public filings and communications with respect to its business and ongoing operations were misleading and that it breached its representations to Verano under the Arrangement Agreement. Verano also claims, as a result of such breaches, it is entitled to payment of the Termination Fee and its Transaction Expenses.

Goodness Growth denies all of Verano's allegations and has complied with its obligations under the Arrangement Agreement in all material respects at all times. Verano has no factual or legal basis to justify or support its purported grounds for termination of the Arrangement Agreement. Goodness Growth will file suit promptly to recover all damages available to it under the Arrangement Agreement and at law and hold Verano responsible for its breaches and failure to consummate the transactions contemplated thereunder.

The foregoing summary of the terms of the Arrangement Agreement is qualified in its entirety by reference to the full text of the Arrangement Agreement, a copy of which is available on SEDAR at [www.sedar.com](http://www.sedar.com).

5. **Disclosure for Restructuring Transactions**

Not Applicable.

6. **Reliance on Section 7.1(2) or (3) of National Instrument 51-102**

Not Applicable.

7. **Omitted Information**

None.

8. **Executive Officer**

For further information, contact Sam Gibbons, Vice-President, Investor Relations, [samgibbons@vireohealth.com](mailto:samgibbons@vireohealth.com), (612) 314-8995.

9. **Date of Report**

This report is dated October 14, 2022.

**Cautionary Statement Regarding Forward-Looking Information**

This material change report contains "forward-looking information" and "forward-looking statements" within the meaning of applicable United States and Canadian securities legislation (collectively, "forward-looking information"). Forward-looking information contained in this material change report may be identified by the use of words such as "should," "may," "continue," "expect," "outlook," "will," "believe," "subject to," "plans," and "pending," or variations of such words and phrases. These statements should not be read as guarantees of future performance or results. Forward-looking information includes both known and unknown risks, uncertainties, and other factors which may cause the actual results, performance, or achievements of Goodness Growth or its subsidiaries to be materially different from any future results, performance, or achievements expressed or implied by the forward-looking statements or information contained in this material change report. Forward-looking information is based upon a number of estimates and assumptions of management, believed but not certain to be reasonable, in light of management's experience and perception of trends, current conditions, and expected developments, as well as other factors relevant in the circumstances, including assumptions in respect of current and future litigation matters and award claims. Although Goodness Growth believes that the expectations and assumptions on which such forward-looking information is based are reasonable, undue reliance should not be placed on

the forward-looking information because Goodness Growth can give no assurance that they will prove to be correct. Actual results and developments may differ materially from those contemplated by these statements. Forward-looking information is subject to a variety of risks and uncertainties that could cause actual events or results to differ materially from those projected in the forward-looking information. Such risks and uncertainties include, but are not limited to: Goodness Growth's intent to immediately commence legal proceedings against Verano; the timing, cost and outcome of the pending litigation with Verano; the termination of the Arrangement; Goodness Growth's intent to enforce its rights under the Arrangement Agreement; Goodness Growth's intent to promptly file suit against Verano; the recovery of all damages available to Goodness Growth under the Arrangement Agreement; the mailing of the Proxy to shareholders of Goodness Growth; Goodness Growth's ability to hold Verano responsible for its breaches of the Arrangement Agreement and failure to consummate the transactions contemplated thereunder; the impact of the termination of the Arrangement on Goodness Growth; timing of adult-use legislation in markets where Goodness Growth currently operates; current and future market conditions, including the market price of the subordinate voting shares of Goodness Growth; risks related to the COVID-19 pandemic; federal, state, local, and foreign government laws, rules, and regulations, including federal and state laws in the United States relating to cannabis operations in the United States and any changes to such laws; operational, regulatory and other risks; execution of business strategy; management of growth; difficulty to forecast; conflicts of interest; risks inherent in an agricultural business; liquidity and additional financing; labor union relations; the timing of adult-use sales in New York; and Goodness Growth's ability to meet the demand for smokable cannabis flower in Minnesota.

The statements in this material change report are made as of the date of this material change report. Except as required by law, we undertake no obligation to update any forward-looking statements or forward-looking information to reflect events or circumstances after the date of such statements.