



goodness growth holdingssm

Goodness Growth Holdings Announces Amended Credit Facility and Governance Updates

- Amended credit facility with Green Ivy removes amortization schedule and extends maturity date –*
- Company in advanced discussions to finalize separate \$10 million convertible loan financing –*
- Company also announces governance updates and conversion of Super Voting Shares –*

MINNEAPOLIS – March 31, 2023 – Goodness Growth Holdings, Inc. ("Goodness Growth" or the "Company") (CSE: GDNS; OTCQX: GDNSF), a cannabis company committed to providing safe access, quality products and great value to its customers, today announced that it has executed a fifth amendment to its credit facility with its senior secured lender, Green Ivy, an affiliate of Chicago Atlantic.

The fifth amendment to the Company's Green Ivy credit facility reduces cash outlays through the removal of a required amortization schedule and extends the maturity date on the credit facility loans to April 30, 2024 with opportunities for performance-based extensions. The Company will issue up to 15,000,000 Subordinate Voting Shares to the lenders in consideration for the credit facility amendment.

In addition, the Company is in advanced discussions with a separate affiliate of Chicago Atlantic to finalize a U.S. \$10.0 million secured convertible loan financing. Preliminary terms for this convertible note offering include a three-year term and an interest rate of 12.0%, including 6.0% paid-in-kind and warrants to purchase 6,250,000 Subordinate Voting Shares of the Company.

Interim Chief Executive Officer Josh Rosen commented, "We continue to be pleased with the partnership approach from our senior secured lender. Verano's decision to terminate our transaction put us in a vulnerable position in a challenging capital markets' environment for cannabis, but we are on a path toward becoming a better credit partner with the actions we've taken to improve the strength of the Company and we're optimistic that likely state-level regulatory catalysts can augment and accelerate our growth and drive improved cash flow generation."

John Mazarakis, Principal of Chicago Atlantic said, "We are pleased to continue partnering with Goodness Growth's management team and provide them with additional flexibility to execute their strategy. The Company's footprint is well positioned to benefit from regulatory catalysts and we appreciate the aggressive actions the Company has recently taken to improve its operating and financial performance."

As of March 31, 2023, the Company has U.S. \$60.4 million in loans outstanding related to its credit facility with Green Ivy, which does not include any proceeds from the contemplated U.S. \$10.0 million secured convertible financing. The cash interest rate on the Company's credit facility loans has been changed to equal the U.S. prime rate plus 10.375%, with a minimum required rate of 13.625% per year, in addition to paid-in-kind interest of 2.75% per year. The Company has the potential to extend the maturity date on its credit facility loans to January 31, 2026, with the satisfaction of certain performance-related conditions.

Corporate Governance Updates & Conversion of Super Voting Shares

The Company also announced that Chelsea Grayson and Amber Shimpa have resigned from its Board of Directors, effective immediately. Ms. Grayson had been serving on the Company's Board since March of 2019, when the Company became publicly traded. Ms. Shimpa had been serving on the Company's Board since its formation from the amalgamation of two predecessor companies in January 2018. The resignations of Ms. Grayson and Ms. Shimpa result in a reduction in the current number of members of the Company's Board to five.

The Company also announced that all issued and outstanding Super Voting Shares of Goodness Growth ("Super Voting Shares") are being converted into Subordinate Voting Shares of Goodness Growth ("Subordinate Voting Shares"). The conversions are required under the amendment to the Green Ivy credit facility announced today. Following the conversion, there will be no Super Voting Shares outstanding, which will have the effect of retiring the enhanced voting rights of the former Super Voting Shares.

Executive Chairman Dr. Kyle Kingsley commented, "Today's announcement to retire our class of super voting shares results in a more shareholder-friendly voting structure, and aligns our voting rights with several other cannabis companies who have made similar changes in efforts to improve corporate governance. We'd also like to thank Chelsea Grayson and Amber Shimpa, whose leadership and contributions to our board of directors have been instrumental in our evolution as a multi-state operator. We look forward to Amber Shimpa's continued support of the Company's mission with her increased management responsibilities in her new role as President of Goodness Growth and Chief Executive Officer of Vireo Health of Minnesota."

Following the issuance of 15,000,000 Subordinate Voting Shares to the lenders in connection with the amended credit facility and the conversion of Super Voting Shares to Subordinate Shares, the Company will have 93,262,130 Subordinate Voting shares issued and outstanding, and 34,864,200 Multiple Voting Shares issued and outstanding. The Company will have a total of 128,126,330 equity shares issued and outstanding on an as-converted basis, 178,921,494 shares outstanding on an as-converted, fully diluted basis, and 131,348,007 fully-diluted shares on the treasury method basis.

About Goodness Growth Holdings, Inc.

Goodness Growth Holdings, Inc. is a cannabis company whose mission is to provide safe access, quality products and value to its customers while supporting its local communities through active participation and restorative justice programs. The Company is evolving with the industry and is in the midst of a transformation to being significantly more customer-centric across its operations, which include cultivation, manufacturing, wholesale and retail business lines. Today, the Company is licensed to grow, process, and/or distribute cannabis in five markets and operates 18 dispensaries in four states. For more information about Goodness Growth Holdings, please visit www.goodnessgrowth.com.

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Forward-Looking Statement Disclosure

This press release contains "forward-looking information" within the meaning of applicable United States and Canadian securities legislation. To the extent any forward-looking information in this press release constitutes "financial outlooks" within the meaning of applicable United States or Canadian securities laws, such information is being provided as preliminary financial results and the reader is cautioned that this information may not be appropriate for any other purpose and the reader should not place undue reliance on such financial outlooks. Forward-looking information contained in this press release may be identified by the use of words such as "should," "believe," "estimate," "would," "looking forward," "may," "continue," "expect," "expected," "will," "believe," "likely," "subject to," 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 the Company 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 press release. Financial outlooks, as with forward-looking information generally, are, without limitation, based on the assumptions and subject to various risks as set out herein and in our Annual Report on Form 10-K filed with the Securities Exchange Commission. Our actual financial position and results of operations may differ materially from management's current expectations. 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 market conditions, the current and future regulatory environment, and the availability of licenses, approvals and permits.

Although the Company 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 the Company 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, risks related to the timing of adult-use legislation in markets where the Company currently operates; current and future market conditions, including the market price of the subordinate voting shares of the Company; risks related to epidemics and pandemics; federal, state, local, and foreign government laws, rules, and regulations, including federal and state laws and regulations in the United States relating to cannabis operations in the United States and any changes to such laws or regulations; operational, regulatory and other risks; execution of business strategy; management of growth; difficulties inherent in forecasting future events; conflicts of interest; risks inherent in an agricultural business; risks inherent in a manufacturing business; liquidity and the ability of the Company to raise additional financing to continue as a going concern; the inability of the Company to obtain or maintain sufficient commercial banking relationships; the timing of adult-use sales in New York and Maryland; the potential for an adult-use market in Minnesota; the Company's ability to meet the demand for flower in Minnesota; risk of failure in the lawsuit against Verano and the expense associated with such litigation; our ability to dispose of our assets held for sale at an acceptable price or at all; and risk factors set out in the Company's Annual Report on Form 10-K for the year ended December 31, 2022, which will be available on EDGAR with the U.S. Securities and Exchange Commission and filed on SEDAR at www.sedar.com later today.

The statements in this press release are made as of the date of this release. 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.