



goodness growth holdings

Goodness Growth Holdings Closes on Initial \$2.0 Million Tranche of \$10.0 Million Financing Commitment

MINNEAPOLIS – May 4, 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 on April 28, 2023 it closed on a U.S. \$2.0 million tranche of a new convertible debt facility which enables the Company to access up to U.S. \$10.0 million in aggregate principal amount of convertible notes (the "Convertible Notes"). This facility is being funded by a separate affiliate of the Company's senior secured lender and was previously announced as in final discussions on March 31, 2023.

Interim Chief Executive Officer Josh Rosen commented, "We are pleased to close this convertible loan as we anticipated in late March. We appreciate the collaborative nature of our relationship with Chicago Atlantic, who have patiently supported our business improvement plans subsequent to Verano's decision to wrongfully terminate our merger transaction last year. This gives us additional flexibility to execute our strategy for the year ahead, which encompasses a focus on producing and selling higher quality products more efficiently, with the underlying measuring stick of improving cash flow from operations."

The convertible facility has a term of three years, with an interest rate of 12.0 percent, including 6.0 percent cash and 6.0 percent paid-in-kind. The initial tranche's principal amount of Convertible Notes outstanding, plus all paid-in-kind interest and all other accrued but unpaid interest thereunder, is convertible into Subordinate Voting Shares of the Company at the option of the holders at any time by written notice to the Company, at a conversion price equal to U.S. \$0.145. For each future tranche advanced, the principal amount of Convertible Notes outstanding, plus all paid-in-kind interest and all other accrued but unpaid interest thereunder, is convertible into Subordinate Voting Shares of the Company at the option of the holders at any time by written notice to the Company, at a conversion price equal to the lesser of U.S. \$0.145 or a 20.0 percent premium over the 30-day volume weighted average price of the Company's Subordinate Voting Shares calculated on the day prior to the date on which each tranche is advanced, if permitted by the Canadian Securities Exchange. The lenders also have the right to advance any remaining undrawn funds on the convertible loan facility to the Company at any time.

Finally, in connection with this financing, the Company will issue 6,250,000 Warrants (the "Warrants") to purchase Subordinate Voting Shares of the Company to the lenders. The Warrants will have a term of five years with a strike price equal to U.S. \$0.145. The Company does not expect to issue any additional warrants related to this convertible loan facility.

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. 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. 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.

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 risks and other risk factors set out in the Company’s Annual Report for the year ended December 31, 2022, which is available on EDGAR with the U.S. Securities and Exchange Commission and filed with the Canadian securities regulators and available under the Company’s profile on SEDAR at www.sedar.com.

The statements in this press release are made as of the date of this release. Except as required by law, the Company undertakes no obligation to update any forward-looking statements or forward-looking information to reflect events or circumstances after the date of such statements.