



Molecule Holdings Inc. Announces Issuance of Third Partial Revocation Order

March 4, 2025 – Molecule Holdings Inc. (CSE: MLCL) (“**Molecule**” or the “**Company**”), a Canadian craft-focused cannabis beverage production company, today announces that on February 27, 2025 (the “**Issue Date**”), the Ontario Securities Commission (the “**OSC**”), as principal regulator of the Company, issued an order (the “**Third Partial Revocation Order**”) partially revoking the “failure to file” cease trade order (“**FFCTO**”) issued by the OSC on March 5, 2024.

The FFCTO was issued as a result of the Company’s delay in filing its annual financial statements, management’s discussion and analysis and related officer certifications for the year ended October 31, 2023 (collectively, the “**Annual Filings**”) pursuant to National Instrument 51-102 - *Continuous Disclosure Obligations*. It is currently expected that the Annual Filings and the Company’s Statement of Executive Compensation, as well as the Company’s interim financial report, interim management’s discussion and analysis, and certifications of the interim filings for the three months ended January 31, 2024, the three and six months ended April 30, 2024, and three and nine months ended July 31, 2024 (collectively, the “**Interim Filings**”), will be completed prior to the first half of 2025.

The Company was previously granted a partial revocation order dated May 3, 2024, which was terminated on August 1, 2024 (the “**First Order**”), and a second partial revocation order dated August 30, 2024 (the “**Second Order**”). The First Order and Second Order were each granted to partially revoke the FFCTO to allow for the completion of the Completed Amendment Transaction and the Proposed Financing (each as defined below). On November 28, 2024, while that the Second Order was in effect (the “**Second Order Term**”), the Company entered into amending and settlement agreements (each, an “**Amending Agreement**”) with certain holders (the “**Amending Holders**”) of 8% unsecured convertible debentures issued on September 17, 2020, July 30, 2021, and August 11, 2021 (collectively, the “**Unsecured Debentures**”) that had previously matured, to amend the terms of the Unsecured Debentures, resulting in the settlement and conversion of the Unsecured Debentures (the “**Completed Amendment Transaction**”). As a result of the Completed Amendment Transaction, total amounts owing by the Company to the Amending Holders of greater than \$3,000,000 were settled and extinguished, resulting in the issuance of 152,670,000 common shares in the capital of the Company (“**Common Shares**”) and 61,068,000 warrants to purchase Common Shares (“**Warrants**”). For further information on the Completed Amendment Transaction, refer to the Company’s press release dated November 28, 2024.

Notwithstanding the completion of the Completed Amendment Transaction, holders of Unsecured Debentures (the “**Default Holders**”) in the aggregate principal amount of \$780,000 (the “**Default Principal Amount**”) did not participate in the Completed Amendment Transaction. However, Unsecured Debentures beneficially held by twelve (12) Default Holders and registered in the name of the same broker, representing \$435,000 of the Default Principal Amount (the “**Delayed Default Holders**”) indicated that they intended to participate in the Completed Amendment Transaction. The Delayed Default Holders were unable to participate as a result of broker-related administrative issues with respect to the Unsecured Debentures.

As well, the Proposed Financing could not be completed during the Second Order Term as the Completed Amendment Transaction closed shortly prior to the termination of the Second Order. Potential investors indicated a willingness to invest only upon a restructuring of the Company’s balance sheet, which was completed on closing of the Completed Amendment Transaction.

As a result of the above, the Company applied, and was granted, the Third Partial Revocation Order. The Third Partial Revocation Order permits the Company to:

- (a) amend the terms of the Unsecured Debentures held by the Delayed Default Holders, and potentially additional Default Holders who were unable to be contacted prior to completion of the Completed Amendment Transaction, on substantially the same terms as the Amending Holders in the Completed Amendment Transaction (as revised in accordance with the Third Partial Revocation Order), resulting in the conversion of such Unsecured Debentures into Common Shares and the issuance of Warrants pursuant to the terms of the Amending Agreements (the “**Additional Amendment Transaction**”). The Additional Amendment Transaction will result in the Company satisfying the Default Principal Amount, accrued and

unpaid interest, and premium owing pursuant to the Unsecured Debentures held by the Default Holders in full; and

(b) complete a non-brokered unit private placement offering of up to \$300,000 (the “**Proposed Financing**”).

The Company intends to use the proceeds from the Proposed Financing, if any, towards (i) the payment of outstanding fees owed for regulatory, stock exchange and late filing fees with respect to the Annual Filings and Interim Filings, (ii) accounting, audit, bookkeeping and professional fees associated with the preparation and filing of the relevant continuous disclosure documents and completion of the Additional Amendment Transaction and the Proposed Financing, and (iii) legacy accounts payable, operational and contractual commitments, other operating expenses and general corporate purposes. Further details regarding the Proposed Financing will be provided as appropriate.

Prior to completion of each of the Additional Amendment Transaction and the Proposed Financing, each holder of Unsecured Debentures and each subscriber to the Proposed Financing will be required to provide a signed and dated acknowledgement to the Company that all of the Company's securities, including any securities issued pursuant to the Additional Amendment Transaction or in the Proposed Financing, will remain subject to the FFCTO until such order is fully revoked, and that the granting of the Third Partial Revocation Order by the OSC does not guarantee the issuance of a full revocation order in the future.

The Third Partial Revocation Order will terminate on the earlier of (a) the closing of both the Additional Amendment Transaction and Proposed Financing, and (b) 90 days from the Issue Date. The Company intends to complete the Additional Amendment Transaction and the Proposed Financing prior to the termination of the Third Partial Revocation Order. The Canadian Securities Exchange (the “**CSE**”) has conditionally approved the completion of the Additional Amendment Transaction. The completion of the Proposed Financing remains subject to any required approvals by the CSE.

It is currently expected that a director of the Company will participate in the Proposed Financing. The participation of such director in the Proposed Financing would constitute a related party transaction as defined under Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* (“**MI 61-101**”). The Company intends to rely on the exemptions in Sections 5.5(a) and 5.7(a) from the formal valuation and minority shareholder approval requirements of MI 61-101 as the fair market value of the securities issued in the Proposed Financing will not exceed 25% of the Company’s market capitalization.

For further information, please contact:
André Audet, Chairman and Co-Founder
Phone: 1 (888) 665-2853 x101
Email: andre@molecule.ca
www.molecule.ca

About Molecule Holdings Inc.

Molecule is a licensed producer dedicated to creating cannabis-infused beverages for the Canadian market. We produce leading, top-quality drinks to provide opportunity and choice to people seeking a convenient and social way to consume cannabis. Molecule is focused on growing both our portfolio, and the overall cannabis beverage market. We want to ensure people have the best opportunity to find exactly the product and experience they thirst for.

Neither the CSE nor its regulation services provider accepts responsibility for the adequacy or accuracy of this press release.

Cautionary Note Regarding Forward-Looking Statements

This press release contains statements that constitute “forward-looking information” (“forward-looking information”) within the meaning of the applicable Canadian securities legislation. All statements, other than statements of historical fact, are forward-looking information and are based on expectations, estimates and projections as at the date of this news release. Any statement that discusses predictions, expectations, beliefs, plans, projections, objectives, assumptions, future events or performance (often but not always using phrases such as

“expects”, or “does not expect”, “is expected”, “anticipates” or “does not anticipate”, “plans”, “budget”, “scheduled”, “forecasts”, “estimates”, “believes” or “intends” or variations of such words and phrases or stating that certain actions, events or results “may” or “could”, “would”, “might” or “will” be taken to occur or be achieved) are not statements of historical fact and may be forward-looking information. In disclosing the forward-looking information contained in this press release, the Company has made certain assumptions. Forward-looking information in this press release includes statements regarding the completion of the Annual Filings and Interim Filings, including the timing thereof, the terms, timing and completion of the Additional Amendment Transaction and the Proposed Financing, including the intended use of proceeds, the application for, and receipt of, a full revocation order, approval of the CSE with respect to the Proposed Financing, and the Company’s ability to produce cannabis-infused beverages for the Canadian beverage market to provide opportunities for people to consume cannabis. In disclosing the forward-looking information contained in this press release, the Company has made certain assumptions.

The Company’s actual results could differ materially from those anticipated in this forward-looking information as a result of regulatory decisions, competitive factors in the industries in which the Company operates, prevailing economic conditions, and other factors, many of which are beyond the control of the Company. Specifically, there are risks that: the Annual Filings and Interim Filings may not be completed within the timeframe described herein or at all; the OSC may not lift the FFCTO; and the Additional Amendment Transaction and the Proposed Financing may not be completed on the terms described herein, or at all. Additional risk factors can also be found in the Company’s current MD&A, which has been filed on SEDAR+ and can be accessed at www.sedar.com.

The Company believes that the expectations reflected in the forward-looking information are reasonable, but no assurance can be given that these expectations will prove to be correct and such forward-looking information should not be unduly relied upon. Any forward-looking information contained in this news release represents the Company’s expectations as of the date hereof and is subject to change after such date. The Company disclaims any intention or obligation to update or revise any forward-looking information whether as a result of new information, future events or otherwise, except as required by applicable securities legislation.