



## **Molecule Holdings Inc. Announces Private Placement Offering of Senior Secured Convertible Debenture Units**

**March 19, 2021, (Ottawa, Ontario)** – Molecule Holdings Inc. (CSE: MLCL) (“**Molecule**” or the “**Company**”), is pleased to announce that it has completed a non-brokered private placement offering (the “**Offering**”) of 1,000 senior secured convertible debenture units (each a “**Unit**”, collectively the “**Units**”) for gross proceeds of \$1,000,000. Each Unit is comprised of \$1,000 in principal amount (the “**Principal Amount**”) of senior secured convertible debenture (each, a “**Debenture**”, collectively the “**Debentures**”) and one share purchase warrant (each a “**Warrant**”, collectively the “**Warrants**”) for each \$0.30 of Principal Amount, each Warrant entitling the holder thereof to acquire one common share of the Company (each a “**Warrant Share**”, collectively the “**Warrant Shares**”) at an exercise price of \$0.23 per Warrant Share (the “**Exercise Price**”) (subject to adjustment) for a period of thirty-six (36) months from the date of closing of the Offering (the “**Closing**”), expiring on March 18, 2024.

The Debentures will bear interest at a simple rate of 8.00% per annum, payable quarterly in cash beginning on June 30<sup>th</sup>, 2021, and maturing eighteen (18) months from the date of issuance, being September 18, 2022 (the “**Maturity Date**”). The holders of the Debenture are entitled to convert the Principal Amount of the Debentures at any time prior to the Maturity Date into common shares of the Company at a conversion price of \$0.15 (the “**Conversion Price**”), subject to adjustment. As of the date that is four (4) months and one (1) day following the Closing Date, the Company will have a right to prepay or redeem the Principal Amount, in whole or in part, at par plus accrued and unpaid interest at any time by providing a minimum of 30 days’ and a maximum of 60 days’ notice.

The net proceeds of the Offering are expected to be used for general working capital purposes.

The obligations under the Debentures are secured by the assets of the Company and its wholly owned subsidiary, Molecule Inc., which has also acted as guarantor (the “**Guarantor**”), including a pledge of the shares of the Guarantor (collectively, the “**Security**”). The enforcement of the Security is subject to the terms and conditions of the certificates representing the Debentures (the “**Debenture Certificates**”) and to an Agency and Interlender Agreement entered into among the



holders of the Debenture Certificates, the Company, the Guarantor, and an agent.

Subject to the policies of the Canadian Securities Exchange (the “CSE”) and approval if required, the Debentures and the Warrants provide for change of control as well as anti-dilution adjustments, including corporate actions of the Company as well as future equity issuances below the Conversion Price or Exercise Price, as applicable.

The Company paid a lending fee in connection with the Offering as well as commission to a finder consisting of cash and 583,333 compensation warrants (the “**Compensation Warrants**”). Each Compensation Warrant is exercisable into one common share of the Corporation for a period of 36 months at an exercise price of \$0.15.

All securities issued pursuant to the Offering are subject to a statutory hold period of four months and a day following the Closing Date, expiring on July 19, 2021.

*None of the securities issued in connection with the Offering will be registered under the United States Securities Act of 1933, as amended (the “1933 Act”), and none of them may be offered or sold in the United States absent registration or an applicable exemption from the registration requirements of the 1933 Act. This press release shall not constitute an offer to sell or a solicitation of an offer to buy nor shall there be any sale of the securities in any state where such offer, solicitation, or sale would be unlawful.*

**ON BEHALF OF THE BOARD**

**MOLECULE HOLDINGS INC.**

Per: “*Philip Waddington*”

President, CEO and Director

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[www.molecule.ca](http://www.molecule.ca)

### **About Molecule Holdings Inc.**

Molecule works with client-partners to engage in the production of cannabis-infused beverages and edibles. We provide the infrastructure, know-how, technology, and licensing for craft producers to create consumable cannabis products. Molecule's goal is to be the on-ramp for companies wishing to enter into the cannabis beverage and edibles market, but who choose not to go through the significant process of obtaining the required cannabis licences.

*Neither the Canadian Securities Exchange nor its regulation services provider accepts responsibility for the adequacy or accuracy of this press release.*

### **Forward-Looking Statements**

*Certain statements contained in this news release may constitute forward-looking information.*

*Forward-looking information is often, but not always, identified by the use of words such as "anticipate", "plan", "estimate", "expect", "may", "will", "intend", "should", and similar expressions. Forward-looking information involves known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking information. 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. In this news release, the Company is making forward-looking statements with respect to the use of the net proceeds of the Offering. 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.*