



Molecule Holdings Inc. Announces Unsecured Convertible Debenture Financing

July 22, 2021 (Ottawa, Ontario) – Molecule Holdings Inc. (CSE: MLCL) (“**Molecule**” or the “**Company**”), is pleased to announce that it proposes to undertake a non-brokered private placement of unsecured convertible debentures (each, a “**Debenture**”, collectively the “**Debentures**”) of the Company for targeted gross proceeds of \$1,500,000 (the “**Offering**”).

The Debentures will mature on the date (the “**Maturity Date**”) that is thirty-six (36) months from the date of issuance (the “**Closing Date**”) and will bear interest at a simple rate of 8.00% per annum, payable semi-annually in cash within 30 days of each June 30th and December 31st until conversion or repayment. The holders of the Debentures will be 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 \$0.10 (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, without penalty.

For each \$1,000 in principal amount (the “**Principal Amount**”) of the Debentures, the holder will be entitled to receive 6,000 share purchase warrants (each a “**Warrant**”, collectively the “**Warrants**”), 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 \$0.15 per Warrant Share (the “**Exercise Price**”) (subject to adjustment) for a period of thirty-six (36) months from the Closing Date.

The Company intends to close the Offering on or before July 30, 2021. The proceeds of the Offering are expected to be used for general working capital. Completion of the Offering is subject to the receipt of all required regulatory approvals, as applicable. Finder's fees of cash and/or non-transferable warrants may be paid in connection with the Offering in accordance with applicable laws. The Debentures and the securities issuable upon conversion of the Debentures will be subject to a statutory hold period expiring on the date that is four months and one day after the Closing Date.



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

The Company anticipates one or more directors or officers of the Company to participate in the Offering. Such participation of insiders will be considered "related party" transactions subject to and in accordance with Multilateral Instrument 61-101 ("MI 61-101"). The Company intends to rely on exemptions from the formal valuation and minority shareholder approval requirements in respect of any such insider participation.

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

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 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 Offering, including but not limited to the terms thereof, anticipated timing for closing, insider participation and use of proceeds. 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.