



**Molecule Holdings Inc. Announces Closing of \$600,000
Secured Convertible Debenture Unit Offering**

May 31, 2022 – Molecule Holdings Inc. (CSE: MLCL) (“**Molecule**” or the “**Company**”), a Canadian craft-focused cannabis beverage production company, is pleased to announce that it has completed a non-brokered private placement (the “**Offering**”) of 600 senior secured convertible debenture units (each, a “**Unit**”) to an arm’s length party for gross proceeds of \$600,000. Each Unit is comprised of \$1,000 principal amount of senior secured convertible debentures (the “**Debentures**”) and 6,000 common share purchase warrant (“**Warrants**”), with each Warrant entitling the holder thereof to acquire one common share (each, a “**Common Share**”) in the capital of the Company for a period of 36 months from the date of closing at an exercise price of \$0.15 per Warrant Share, subject to adjustment pursuant to certain anti-dilution provisions.

The Debentures will bear interest at a rate of 8.00% per annum, which interest is payable in quarterly installments beginning June 30, 2022, and will mature on September 18, 2024 (the “**Maturity Date**”). The holder of the Debenture is entitled to convert the indebtedness under the Debenture at any time prior to the Maturity Date into Common Shares at a conversion price of \$0.10, subject to adjustment pursuant to certain anti-dilution provision. Commencing four months and a day from the date of issuance of the Debenture, Company shall have the right to prepay or redeem the indebtedness under the Debenture, in whole or in part, at any time by providing a minimum of 30 days’ and a maximum of 60 days’ notice. The obligations under the Debentures are secured against the assets of the Company and its wholly owned subsidiary, Molecule Inc. which has also acted as guarantor under the Debenture.

Subject to the policies of the Canadian Securities Exchange (the “**CSE**”) and approval, if required, the Debentures and the Warrants provide for typical change of control as well as anti-dilution adjustments. The net proceeds of the Offering are expected to be used to repay \$250,000 of the Company’s existing secured convertible debentures that were issued in March 2021, with the balance expected to be used for working capital and general corporate purposes.

Commented David Reingold, CEO of Molecule, “We are excited to have completed this round of financing and look forward to working with our new partners in continuing to build the Molecule story. The beverage category is enjoying so much growth as consumers continue to indulge and experiment with cannabis infused beverages. We are focused on increasing points of distribution and working with

retailers to provide education and excitement to attract new consumers to the category through the busy beverage season.”

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All of the securities issued pursuant to the Offering are subject to a statutory hold period of four months and a day following from the date of issuance, which expires on October 1, 2022.

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.

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 Canadian Securities Exchange nor its regulation services provider accepts responsibility for the adequacy or accuracy of this press release.

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. Forward-looking statements in this news release include statements regarding the use of proceeds of the Offering; consumer and retailers’ acceptance of Molecule products; 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. 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.