



Molecule Holdings Inc. Announces \$3,000,000 Brokered Private Placement of Convertible Debenture Units

June 15, 2022 – Molecule Holdings Inc. (CSE: MLCL) (“**Molecule**” or the “**Company**”), a Canadian craft-focused cannabis beverage production company, today announces that it has entered into an agreement with Canaccord Genuity Corp. (the “**Agent**”) to complete a brokered private placement (the “**Offering**”) of units of the Company (each, a “**Debenture Unit**”) at a price of \$1,000 per Debenture Unit for gross proceeds of up to \$3,000,000 on a “commercially reasonable efforts” agency basis. Each Unit will be comprised of \$1,000 principal amount of unsecured convertible debentures (the “**Debentures**”) and 6,000 common share purchase warrants (“**Warrants**”) of the Company, with each Warrant entitling the holder thereof to acquire one common share (each, a “**Common Share**”) in the capital of the Company at an exercise price of \$0.15 per Common Share (the “**Exercise Price**”) for a period of 36 months from the date of closing (the “**Closing Date**”), subject to an accelerated expiry date at the option of the Company in the event that the 10-day volume weight average price of the Common Shares, as traded on the facilities of the Canadian Securities Exchange (the “**CSE**”), is greater than \$0.30 prior to expiry of the Warrants (the “**Acceleration Provision**”).

The Debentures will mature 36 months from the Closing Date (the “**Maturity Date**”) and bear interest at a rate of 8.00% per annum, which interest shall be payable semi-annually in cash within 30 days of the last day of each June and December until the Maturity Date. The holders of Debentures will be entitled to convert the indebtedness under the Debentures at any time prior to (i) the Maturity Date, or (ii) if called for redemption, the date fixed for redemption, at a conversion price of \$0.10 per Common Share. Commencing four months and a day from the date of issuance of the Debentures, the Company shall have the right to prepay or redeem the indebtedness under the Debentures, in whole or in part, without penalty.

The Company has also granted the Agent an option to sell up to an additional \$450,000 of Debenture Units under the Offering, exercisable in whole or in part up until 48 hours prior to the Closing Date. In connection with the Agent acting as sole book runner under the Offering, the Company has agreed to pay the Agent a commission equal to up to 7.0% of the aggregate gross proceeds of the Offering (the “**Cash Commission**”) payable in cash or Debenture Units at the option of the Agent and a cash corporate finance fee (the “**Corporate Finance Fee**”) equal to up to 2.0% of the aggregate gross proceeds of the Offering, and to issue to the Agent broker warrants (the “**Broker Warrants**”) exercisable to acquire such number of Common Shares (“**Broker Warrant Shares**”) as is equal to 7.0% of the aggregate number of Debenture Units sold under the Offering, at an exercise price of C\$0.10 per Broker Warrant Share for a period of 36 months from the Closing Date, subject to acceleration pursuant to the Acceleration Provision.

The net proceeds of the Offering are expected to be used for working capital and general corporate purposes. Subject to customary closing conditions, including applicable CSE approvals, the Offering is expected close on or about July 15th, 2022 or such other date as the Company and the Agent may agree.

The Company expects that certain insiders of the Company may subscribe for up to \$700,000 of Debenture Units under the Offering; however, the exact value of such subscriptions, if any, has not yet been determined as of the date hereof. The issuances of any Debenture Units to insiders pursuant to the Offering will be considered related party transactions within the meaning of Multilateral Instrument

61-101 *Protection of Minority Security Holders in Special Transactions* (“MI 61-101”). The Company intends to rely on exemptions from the formal valuation and minority approval requirements in sections 5.5(b) and 5.7(b) of MI 61-101 in respect of any such insider participation. Further details will be provided in the Company’s material change report to be filed on SEDAR.

Commented David Reingold: “We are thrilled with the growth in the beverage category and the performance of the Molecule business since entering the market just over one year ago. The Molecule portfolio has now grown to 12 products in multiple provinces with more products approved to launch through the summer. Both the retail community and the provinces are hungry for innovation which will provide additional opportunities for new products to launch beyond what is in our current pipeline. Our Phresh brand continues to enjoy its leadership position in Ontario and has also launched extremely well in British Columbia over the last month. Klon, Embody and Canajo are also showing promise and will benefit from the injection of capital. The funds being raised are critical in continuing to drive growth during the busy summer season as we push ahead with increased marketing and distribution nationally.”

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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 CSE 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 Offering, the expected gross proceeds from the Offering, the final terms of the Units, and the securities underlying the Units, the anticipated closing date of the Offering, the final value of insider subscriptions for Debenture Units, the commission structure of the Broker, 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.