



Molecule Holdings Inc. Announces Entrance into Non-Binding Letter of Intent and Term Sheet with Canna-Day Regarding Acquisition and Private Placement of Units

September 28, 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 a non-binding letter of intent (the “**Letter of Intent**”) for the acquisition (the “**Acquisition**”) of all of the issued and outstanding shares of Canna-Day Development Inc. (“**Canna-Day**”) from the shareholders of Canna-Day for an aggregate purchase price of \$750,000, which shall be satisfied by the issuance of an aggregate of 15,000,000 common shares in the capital of the Company (the “**Common Shares**”) at a deemed price of \$0.05 per Common Share. Half of the Common Shares issued as consideration in the Acquisition shall be subject to a one (1) year escrow period.

Completion of the Acquisition is subject to certain conditions being satisfied including, but not limited to: (i) satisfactory completion of due diligence of each party; (ii) Canna-Day having no liabilities, other than certain transaction costs; (iii) the completion of the Financing (as defined below); (iv) receipt of all necessary regulatory and third-party consents, approvals and authorizations as may be required in respect of the Acquisition and the Financing, including without limitation, the approval of the Canadian Securities Exchange (the “**CSE**”), if applicable, any approvals required by Health Canada, and any approvals required under the existing outstanding debt documentation of the Company, all such consents, acceptances and approvals to be on terms and conditions acceptable to the Company; (v) approval of the board of directors of the Company (the “**Board**”) to the final terms and conditions of the Acquisition as set forth in the definitive agreement with respect to the Acquisition; and (vi) certain other conditions that are customary for transactions of this nature.

Concurrent Financing

Concurrently with the Acquisition, the Company is proposing to complete a non-brokered private placement (the “**Financing**”, together with the Acquisition, the “**Transaction**”) of units (the “**Units**” and each, a “**Unit**”) of up to an aggregate of \$3,750,000 at a price of \$0.05 per Unit, with each Unit consisting of one Common Share and one half of one Common Share purchase warrant (the “**Warrants**” and each whole warrant, a “**Warrant**”), resulting in the issuance of up to an aggregate of 75,000,000 Common Shares and 37,500,000 Warrants, pursuant to a non-binding term sheet entered into between the Company and Jean-Denis Coté (the “**Term Sheet**”). Each full Warrant will be exercisable for one Common Share (the “**Warrant Shares**” and each, a “**Warrant Share**”) at an exercise price of \$0.10 per Warrant Share for a period of two years from the closing date of the Financing.

The Financing will be led by one or more of the shareholders of Canna-Day as the lead investor(s) (collectively, the “**Lead Investors**”) and is anticipated to include other family, friends and business associates of the Company.

Completion of the Financing will be conditional on the following, among other things (i) a minimum of \$3,500,000 being raised, with the Lead Investors having a minimum investment of \$2,000,000; (ii) the Lead Investors being satisfied with their diligence efforts on the Company; (iii) the holders of a number of outstanding debentures of the Company agreeing to certain terms and certain outstanding debentures of the Company being redeemed; (iv) all relevant corporate and regulatory approvals being obtained (including, but not limited to, required corporate approvals, CSE approval, if necessary, and Health Canada approval, if necessary); (v) the appointment of the current Chief Executive Officer of Canna-Day to be the Chief Executive Officer of the Company, subject to clearance by the CSE of a CSE Form 3 – *Personal Information Form* (“PIF”) and security clearance by Health Canada; (vi) the appointment of a new independent chair to the Board and a nominee of Canna-Day to the Board in replacement of two existing directors, with each Board appointment being subject to the clearance of a PIF with the CSE and obtaining security clearance from Health Canada; and (vii) the entrance into an investor rights agreement between the Company and the Lead Investors that would provide for certain Board nomination rights, approval rights, anti-dilution rights and top-up rights, provided the shareholdings of the Lead Investors in the Company are above certain thresholds.

All securities issued in connection with the Financing will be subject to a statutory hold period of four months and one day from the date of issuance in accordance with applicable securities legislation, and such other resale restrictions as prescribed by the policies of the CSE.

The Company intends to use the net proceeds from the Financing to finance working capital and general corporate purposes.

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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.

About Canna-Day Development Inc.

Canna-Day is a beverage company that has developed a range of innovative cannabis-based beverages and was founded by a group of industry veterans. Canna-Day’s Chief Executive Officer, Charles Crawford, was the founder of Domaine Pinnacle and Ungava Spirits (now a division of Corby) which he built into a Canadian leader in the craft cider and spirits industries, with distribution nationally and internationally. Canna-Day’s other experienced beverage-industry

principals include Jean-Denis Côté, the founder of Groupe Paul Masson (now Arterra) and Tristan Bourgeois Cousineau, the Chief Executive Officer and founder of Groupe Triani/Thirsty Beverages.

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

Cautionary Note and Risk Factors

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: the ability of the Company and Canna-Day to complete the Transaction on the terms and timing described herein, or at all; the ability of the Company and Canna-Day to obtain all necessary corporate and regulatory approvals, including Board approval, any approval required from the CSE and Health Canada; the ability of the management and Board nominees of Canna-Day to clear a PIF and obtain security clearance from Health Canada; the ability of the Company to obtain any necessary consents or agreements from the debentureholders referenced herein; the use of proceeds of the Financing.

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 Transaction may not be completed on the terms and timing described herein or at all; the Company and Canna-Day may not be able to obtain any of the necessary corporate and regulatory approvals, including Board approval, any approval required from the CSE or Health Canada; the management and board nominees of Canna-Day may be unable to clear a PIF or obtain security clearance from Health Canada; there is a deterioration of market conditions such that the minimum amount of the Financing cannot be raised; debentureholders of the Company may not agree to the terms set out in the Term Sheet; the benefits of the Transaction to the Company, including the Company capitalizing on the industry experience of the principals of Canna-Day, may not materialize; the use of proceeds of the Financing may differ from the use of proceeds set out herein. 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.