



Molecule Holdings Inc. Announces Amendments to Certain Convertible Debentures and Provides Corporate Update

February 23, 2023 – 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 amending agreement (the “**Amending Agreement**”) with certain holders of 8% secured convertible debentures issued on March 18, 2021 and that matured on September 18, 2022 (the “**Debentures**”), to amend certain terms of the Debentures.

Following the repayment of \$250,000 in principal amount of the Debentures in May 2022, \$750,000 in principal amount remained outstanding under the Debentures (the “**Outstanding Principal Amount**”). Pursuant to the terms of the Amending Agreement, the Company and the holders of \$500,000 of the Outstanding Principal Amount (the “**Amending Debentureholders**”) have agreed to the following amendments to the Amending Debentureholders’ Debentures:

- to extend the maturity date of the Amending Debentureholders’ to September 18, 2023 (the “**New Maturity Date**”);
- to increase the interest rate of the Debentures to 12%, to take effect retroactively from September 18, 2022 until the earlier of (a) the New Maturity Date; and (b) the date on which all of the indebtedness under the Debentures is converted into common shares in the capital of the Corporation;
- to provide a one-time penalty payment to 15% of the face value of the Amending Debentureholders’ principal amount, payable on the date of the Amending Agreement; and
- to adjust the principal amount of the Amending Debentureholders’ Debentures to account for an interest overpayment remitted by the Company and interest payments owed by the Company to the Amending Debentureholders.

The holders (the “**Default Holders**”) of \$250,000 of the Outstanding Principal Amount (the “**Default Principal Amount**”) have not agreed to the above terms and their Debentures remain in default as a result of their maturity on September 18, 2022. The Company intends to repay the Default Principal Amount under the Debentures or come to a solution with the Default Holders. However, at present, there can be no assurance as to what, if any, alternatives might be pursued by the Company. There can also be no assurance that the Company will reach any solution with the Default Holders, or as to the terms of any such solution, if achieved.

Company Update

Molecule is pleased to announce that it has introduced 2 new products, under the brand name - DULCES. These new products, DULCES Cherry Shockwave and DULCES Sweet Peach are about to be released on the OCS website. The DULCES brand is an exciting new addition to our family of products. It will be available in stores in the coming weeks. These two products are in addition to the 14 other Molecule products that are available across the PHRESH, PRESH STRAINS, Klön, and embody brands.



Molecule also announces an update to the Company's operations. As of February 20, the Company has significantly reduced its workforce by implementing temporary layoffs in order to further preserve cash as a result of ongoing market and business conditions. The Company has ensured adequate resources are available in the Company's operations to ensure that deliveries of product can continue to be made.

The Company continues to seek financing opportunities to fund future operations. The Company will provide future updates to the market as necessary.

For further information, please contact:
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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.

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

Cautionary Note

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 information in this press release includes statements related to the Amending Agreement, the obligations set out therein, and related approval of the CSE; the Default Principal Amount, including the ability to repay or come to a solution with the Default Holders; the ability to obtain financing; 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. For a complete list of the risk factors identified by the Company, please refer to the Company's current management's discussion and analysis, which has been filed on the Company's SEDAR page 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.

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