



Molecule Holdings Inc. Provides Update on Application for Management Cease Trade Order and Corporate Update

October 6, 2023 – Molecule Holdings Inc. (CSE: MLCL) (“**Molecule**” or the “**Company**”), a Canadian craft-focused cannabis beverage production company, today announces that, further to its press release dated September 15, 2023, the Ontario Securities Commission (the “**OSC**”), as principal regulator of the Company, has denied the Company’s application for a management cease trade order (“**MCTO**”) under National Policy 12-203 – *Management Cease Trade Orders* (“**NP 12-203**”). As such, on October 5, 2023 the OSC issued on a “failure to file” cease trade order (“**CTO**”) prohibiting the trading by any person or company of any securities of the Company in Canada, except pursuant to limited exceptions under the CTO.

The CTO was issued as a result of a delay in the preparation of the Company’s interim financial statements, management’s discussion and analysis and related officer certifications for the three and nine months ended July 31, 2023 (collectively, the “**Interim Filings**”) as required under Parts 4 and 5 of National Instrument 51-102 – *Continuous Disclosure Obligations* and pursuant to National Instrument 52-109 – *Certification of Disclosure in Issuer’s Annual and Interim Filings*. The ongoing delay is as a result of a contractual dispute between the Company and the financial services company that assists the Company with finance-related consulting services (the “**Consultant**”) regarding the delayed payment of fees. The Company continues to engage in active discussions with the Consultant in order to agree to an amicable resolution. Management of the Company has also initiated the process of exploring alternative paths for the preparation and filing of the Interim Filings in the event the dispute cannot be resolved.

The CTO will remain in place until such time as it is revoked following the filing of the Interim Filings by the Company, in accordance with National Policy 11-207 – *Failure-to-File Cease Trade Orders and Revocations in Multiple Jurisdictions*.

There can be no assurance that the Company will be able to remedy its filing default and have the CTO lifted in a timely manner or at all. Shareholders of the Company may suffer a significant decline or total loss in value of its investment in the common shares in the capital of the Company as a result.

The Company regrets this unnecessary delay in filing and the inconvenience to shareholders and intends file the Interim Filings as soon as possible.

The Company will make further announcements with respect to the status of the Interim Filings as and when appropriate.

Corporate Update

The Company is also pleased to provide a general corporate update regarding its ongoing activities.

The Company continues to operate its business activities on a reduced budget in order to preserve cash resources. The Company is continuing to manufacture and deliver product to its customers upon receipt of purchase orders. The Company’s key brands, PHRESH WATERS, PHRESH STRAINS, EMBODY, and DULCES continue to perform strong sales volumes by meeting forecasted projections.

On September 16, 2023, the aggregate principal amount of \$1,065,000 in unsecured debentures issued on September 16, 2020 became due and payable (the “**Matured Debentures**”). The Company is engaged in discussions with both the CSE and the holders of certain debentures issued by the Company (the “**Holders**”), including the Holders of the Matured Debentures, to amend the terms of such debentures in order to allow for conversion on terms satisfactory to the Company, the Holders, and the CSE.

The Company believes that amendments of certain debentures, if approved by all relevant stakeholders, will assist the Company in reorganizing its capital structure in order to attract investment required to manage the growth of the

business. The Company has initiated conversations with potential investors regarding a financing, and investors have shown potential interest at this preliminary stage.

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 Holders and the CSE, the terms of any such solution, if achieved, or the completion of any financing.

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 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.

Cautionary Note Regarding 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. 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 statements regarding the anticipated filing, including the timing thereof, of the Interim Filings, and the revocation of the CTO; the ability of the Company to resolve the dispute being the Company and the Consultant; the ability to prepare and file the Interim Filings if the dispute cannot be resolved; the Company’s ability to amend its outstanding debentures, including the CSE’s and debenture holders’ approvals of same; the completion of a 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. Specifically, there are risks that: the Interim Filings may not be completed on the terms and timing described herein or at all; the dispute between the Company and the Consultant is not resolved; the Ontario Securities Commission does not issue the MCTO; or the Company not complying with the provisions set out in NP 12-203. 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.