



## **Molecule Holdings Inc. Announces Issuance of Partial Revocation Order and Further Details Regarding Debenture Amendments and Private Placement**

**May 6, 2024** – Molecule Holdings Inc. (CSE: MLCL) (“**Molecule**” or the “**Company**”), a Canadian craft-focused cannabis beverage production company, today announces that on May 3, 2024 (the “**Issue Date**”), the Ontario Securities Commission (the “**OSC**”), as principal regulator of the Company, issued an order (the “**Partial Revocation Order**”) partially revoking the “failure to file” cease trade order (“**FFCTO**”) issued by the OSC on March 5, 2024.

The FFCTO was issued as a result of the Company’s delay in filing its annual financial statements, management’s discussion and analysis and related officer certifications for the year ended October 31, 2023 (collectively, the “**Annual Filings**”) pursuant to National Instrument 51-102 - *Continuous Disclosure Obligations*. It is currently expected that the Annual Filings, as well as the Company’s interim financial report, interim management’s discussion and analysis, and certifications of the interim filings for the three months ended January 31, 2024 (the “**Interim Filings**”), will be completed prior to the end of July.

The Partial Revocation Order permits the Company to:

- (a) amend the terms of outstanding unsecured debentures issued by the Company in the aggregate principal amount of \$3,140,000 (the “**Unsecured Debentures**”) that will result in, following the completion of the amendments, each holder of Unsecured Debentures converting such Unsecured Debentures into common shares in the capital of the Company, which would satisfy the outstanding principal amount and accrued and unpaid interest owing pursuant to the Unsecured Debentures in full (the “**Amendment Transaction**”); and
- (b) complete a non-brokered private placement offering of up to \$300,000 (the “**Proposed Financing**”) following completion of the Amendment Transaction.

The Company intends to use the proceeds from the Proposed Financing, if any, towards (i) the payment of outstanding fees owed for regulatory, stock exchange and late filing fees with respect to the Annual Filings and Interim Filings, (ii) accounting, audit, bookkeeping and professional fees associated with the preparation and filing of the relevant continuous disclosure documents and completion of the Amendment Transaction and the Proposed Financing, and (iii) legacy accounts payable, operational and contractual commitments, other operating expenses and general corporate purposes. Further details regarding the Proposed Financing will be provided as appropriate.

Prior to completion of the Amendment Transaction and the Proposed Financing, each holder of Unsecured Debentures and each subscriber to the Proposed Financing will be required to provide a signed and dated acknowledgement to the Company that all of the Company's securities, including any securities issued pursuant to the Amendment Transaction or in the Proposed Financing, will remain subject to the FFCTO until such order is fully revoked, and that the granting of the Partial Revocation Order by the OSC does not guarantee the issuance of a full revocation order in the future.

The Partial Revocation Order will terminate on the earlier of (a) the closing of the Amendment Transaction and Proposed Financing, and (b) 90 days from the Issue Date. The Company intends to complete the Amendment Transaction and the Proposed Financing prior to the termination of the Partial Revocation Order. The Canadian Securities Exchange (the “**CSE**”) has conditionally approved the completion of the Amendment Transaction and has granted the Company an exemption from the requirement to obtain securityholder approval for such transaction. The Proposed Financing remains subject to any required approvals by the CSE.

It is currently expected that all of the directors and officers of the Company will participate in the Amendment Transaction and/or the Proposed Financing. The participation of the directors and officers in the Amendment Transaction and/or the Proposed Financing will constitute a related party transaction as defined under Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* (“**MI 61-101**”). The Company intends to rely on the financial hardships exemptions from the formal valuation and minority shareholder approval requirements of MI 61-101.

## **Business Update**

The Company's key brands PHRESH, DULCES and its high-dose cannabidiol (CBD) brand EMBODY continue to perform well in the Company's chosen provincial markets. The Company plans to expand distribution over the next two quarters to new provinces in Canada. The Company is also evaluating potential private label partners to assist with driving profitable volume through the Company's manufacturing system.

As well, the PRESH brand continues to lead amongst its peers in Ontario, providing potential to leverage the brand's popularity to enter into other categories to allow the Company to effectively use its manufacturing resources.

The Company also remains focused on restructuring its balance sheet, including with respect to the Amendment Transaction, to ensure the business will be in a strong position to take advantage of opportunities as they arise. The Company will continue to update the market as relevant news becomes available.

### **For further information, please contact:**

**André Audet, Chairman and Co-Founder**

**Phone: 1 (888) 665-2853 x101**

**Email: [andre@molecule.ca](mailto:andre@molecule.ca)**

**[www.molecule.ca](http://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 CSE 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 completion of the Annual Filings and Interim Filings, including the timing thereof, the terms, timing and completion of the Amendment Transaction and the Proposed Financing, including the intended use of proceeds, the application for, and receipt of, a full revocation order, approval of the CSE with respect to the Proposed Financing, the Company's plans to expand distribution, the Company's decision to potentially enter into new categories with its manufacturing abilities, 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 Annual Filings and Interim Filings may not be completed within the timeframe described herein*

*or at all; the OSC may not lift the FFCTO; and the Amendments and the Proposed Financing may not be completed on the terms described herein, or at all. 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](http://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.*