



**FORM 7**  
**APRIL MONTHLY PROGRESS REPORT**

**Name of CSE Issuer:** Molecule Holdings Inc. (the “Company”)

**Trading Symbol:** MLCL

**Number of Outstanding Listed Securities:** 97,781,903 common shares in the capital of the Company

**Date:** May 6, 2024

**Report on Business**

1. Provide a general overview and discussion of the development of the Issuer’s business and operations over the previous month. Where the Issuer was inactive disclose this fact.

**During the month of April, the Company focused on its product lines and sales of its products throughout the month of April. The Company has also been engaged in strategic discussions regarding planned distribution expansion into new provinces of Canada, as well as evaluating potential private label partners.**

**As well, the Company worked with its financial consultants to prepare the annual financial statements, management’s discussion and analysis and related officer certifications for the year ended October 31, 2023 (collectively, the “Annual Filings”) and 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”). It is currently expected that the Annual Filings and Interim Filings will be completed prior to the end of July.**

**Cease Trade Order and Partial Revocation Order**

**On March 5, 2024, the Ontario Securities Commission (the “OSC”), as principal regulator of the Company, issued 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, as a result of the Company’s failure to file its Annual Filings. The CTO will remain in place until such time as it is fully revoked following the filing of the Annual Filings by the Company.**

**On May 3, 2024, the OSC issued an order (the “Partial Revocation Order”) partially revoking the CTO. For further information, refer to “Subsequent Events”.**

2. Provide a general overview and discussion of the activities of management.

**During the month of April, management engaged in various activities to further the Company’s objectives. From an operational and sales perspective, management was particularly focused on strengthening its sales efforts, developing its product lines and continuing to manufacture and deliver product pursuant to purchase orders. Management was also engaged in strategic discussions regarding planned**

distribution expansion into new provinces of Canada, as well as evaluating potential private label partners.

**From a financial and public company perspective, the Company was focused on working with its financial consultants to prepare the Annual Filings and Interim Filings. The Company was also focused on preparing, submitting and responding to inquiries from the OSC with respect to the application to obtain the Partial Revocation Order. The Partial Revocation Order was granted on May 3, 2024. For further information, refer to “Subsequent Events”.**

3. Describe and provide details of any new products or services developed or offered. For resource companies, provide details of new drilling, exploration or production programs and acquisitions of any new properties and attach any mineral or oil and gas or other reports required under Ontario securities law.

**The Company did not offer any new products or services during the month of April. The Company regularly works on developing new potential products and will provide updates upon any products being approved for sale into new provinces or territories of Canada.**

4. Describe and provide details of any products or services that were discontinued. For resource companies, provide details of any drilling, exploration or production programs that have been amended or abandoned.

**There were no products or services which were discontinued during the month of April.**

5. Describe any new business relationships entered into between the Issuer, the Issuer’s affiliates or third parties including contracts to supply products or services, joint venture agreements and licensing agreements etc. State whether the relationship is with a Related Person of the Issuer and provide details of the relationship.

**None noted.**

**During the month of April, the Company continued to work with current clients and toward acquiring new clients as a co-packer.**

6. Describe the expiry or termination of any contracts or agreements between the Issuer, the Issuer’s affiliates or third parties or cancellation of any financing arrangements that have been previously announced.

**There were no material contracts or agreements that expired or were terminated during the month of April.**

7. Describe any acquisitions by the Issuer or dispositions of the Issuer’s assets that occurred during the preceding month. Provide details of the nature of the assets acquired or disposed of and provide details of the consideration paid or payable together with a schedule of payments if applicable, and of any valuation. State how the consideration was determined

and whether the acquisition was from or the disposition was to a Related Person of the Issuer and provide details of the relationship.

**No acquisitions or dispositions of assets occurred during the month of April.**

8. Describe the acquisition of new customers or loss of customers.

**None noted.**

9. Describe any new developments or effects on intangible products such as brand names, circulation lists, copyrights, franchises, licenses, patents, software, subscription lists and trade-marks.

**None noted.**

10. Report on any employee hirings, terminations or lay-offs with details of anticipated length of lay-offs.

**None noted.**

11. Report on any labour disputes and resolutions of those disputes if applicable.

**None noted.**

12. Describe and provide details of legal proceedings to which the Issuer became a party, including the name of the court or agency, the date instituted, the principal parties to the proceedings, the nature of the claim, the amount claimed, if any, if the proceedings are being contested, and the present status of the proceedings.

**None noted.**

13. Provide details of any indebtedness incurred or repaid by the Issuer together with the terms of such indebtedness.

**None noted.**

14. Provide details of any securities issued and options or warrants granted.

**None noted.**

15. Provide details of any loans to or by Related Persons.

**None noted.**

16. Provide details of any changes in directors, officers or committee members.

**The Company is continuing its evaluation of the composition of its board of directors (“Board”) and its search for a new Board member.**

17. Discuss any trends which are likely to impact the Issuer including trends in the Issuer's market(s) or political/regulatory trends.

The trends and risks which are likely to impact the Company are detailed in the Company's filing statement dated September 14, 2020, under the heading "*Risk Factors*" in the Company's most recently filed management's discussion and analysis, and in the Company's other public filings, all of which are available under the Company's SEDAR+ profile at [www.sedarplus.com](http://www.sedarplus.com), and which are incorporated into this report by reference thereto.

### **Subsequent Events**

On May 3, 2024, the OSC issued the Partial Revocation Order. The Partial Rebuilding 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.

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 May 3, 2024. 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.

For further information, refer to the Company's press release dated May 6, 2024.



## Certificate Of Compliance

The undersigned hereby certifies that:

1. The undersigned is a director and/or senior officer of the Issuer and has been duly authorized by a resolution of the board of directors of the Issuer to sign this Certificate of Compliance.
2. As of the date hereof there were is no material information concerning the Issuer which has not been publicly disclosed.
3. The undersigned hereby certifies to CNSX that the Issuer is in compliance with the requirements of applicable securities legislation (as such term is defined in National Instrument 14-101) and all CNSX Requirements (as defined in CNSX Policy 1).
4. All of the information in this Form 7 Monthly Progress Report is true.

Dated: May 6, 2024

"Philip Waddington"

Philip Waddington

Chief Operating Officer and Director

<b>Issuer Details</b> Name of Issuer  <i>MOLECULE HOLDINGS INC.</i>	For Month <i>April 2024</i>	Date of Report YY/MM/DD <i>24/05/06</i>
Issuer Address <i>591 Reynolds Road</i>		
City/Province/Postal Code <i>Lansdowne, ON, K0E 1L0</i>	Issuer Fax No. <i>N/A</i>	Issuer Telephone No. <i>1 (888) 665-2853</i>
Contact Name <i>David Reingold</i>	Contact Position <i>President, CEO &amp; Director</i>	Contact Telephone No. <i>1 (888) 665-2853</i>
Email: <i>david@molecule.ca</i>	Website: <i>www.molecule.ca</i>	