

Form 5500 Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Annual Return/Report of Employee Benefit Plan This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6057(b) and 6058(a) of the Internal Revenue Code (the Code). ▶ Complete all entries in accordance with the instructions to the Form 5500.	OMB Nos. 1210-0110 1210-0089 2023 This Form is Open to Public Inspection
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Part I	Annual Report Identification Information
For calendar plan year 2023 or fiscal plan year beginning 01/01/2023 and ending 12/31/2023	
A	This return/report is for: ☐ a multiemployer plan ☐ a multiple-employer plan (Filers checking this box must provide participating employer information in accordance with the form instructions.) ☒ a single-employer plan ☐ a DFE (specify) _____ ☐ the first return/report ☐ the final return/report ☐ an amended return/report ☐ a short plan year return/report (less than 12 months)
C	If the plan is a collectively-bargained plan, check here. ▶ ☐
D	Check box if filing under: ☒ Form 5558 ☐ automatic extension ☐ the DFVC program ☐ special extension (enter description)
E	If this is a retroactively adopted plan permitted by SECURE Act section 201, check here. ▶ ☐

Part II	Basic Plan Information—enter all requested information
1a	Name of plan MOLEKULE GROUP 401(K) PLAN
1b	Three-digit plan number (PN) ▶ 002
1c	Effective date of plan 01/01/2018
2a	Plan sponsor's name (employer, if for a single-employer plan) Mailing address (include room, apt., suite no. and street, or P.O. Box) City or town, state or province, country, and ZIP or foreign postal code (if foreign, see instructions) MOLEKULE GROUP, INC. 10455 RIVERSIDE DR SUITE 100 PALM BEACH GARDENS, FL 33410
2b	Employer Identification Number (EIN) 45-3213164
2c	Plan Sponsor's telephone number 415-259-7537
2d	Business code (see instructions) 335310

Caution: A penalty for the late or incomplete filing of this return/report will be assessed unless reasonable cause is established.

Under penalties of perjury and other penalties set forth in the instructions, I declare that I have examined this return/report, including accompanying schedules, statements and attachments, as well as the electronic version of this return/report, and to the best of my knowledge and belief, it is true, correct, and complete.

SIGN HERE	Filed with authorized/valid electronic signature.	10/14/2024	CHRISTOPHER GATTY
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE			
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE

3a Plan administrator's name and address ☒ Same as Plan Sponsor	3b Administrator's EIN 3c Administrator's telephone number
4 If the name and/or EIN of the plan sponsor or the plan name has changed since the last return/report filed for this plan, enter the plan sponsor's name, EIN, the plan name and the plan number from the last return/report: a Sponsor's name MOLEKULE, INC. c Plan Name MOLEKULE 401(K) PLAN	4b EIN 47-3147970 4d PN 001
5 Total number of participants at the beginning of the plan year	5 205
6 Number of participants as of the end of the plan year unless otherwise stated (welfare plans complete only lines 6a(1) , 6a(2) , 6b , 6c , and 6d). a(1) Total number of active participants at the beginning of the plan year a(2) Total number of active participants at the end of the plan year b Retired or separated participants receiving benefits c Other retired or separated participants entitled to future benefits d Subtotal. Add lines 6a(2) , 6b , and 6c e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits f Total. Add lines 6d and 6e g(1) Number of participants with account balances as of the beginning of the plan year (only defined contribution plans complete this item) g(2) Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item) h Number of participants who terminated employment during the plan year with accrued benefits that were less than 100% vested	6a(1) 90 6a(2) 100 6b 0 6c 66 6d 166 6e 0 6f 166 6g(1) 182 6g(2) 151 6h 0
7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)	7

8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristics Codes in the instructions:
2E 2F 2G 2J 2K 2T 3D 3H

b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristics Codes in the instructions:

9a Plan funding arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor	9b Plan benefit arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor
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10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)

a Pension Schedules

- (1) ☒ **R** (Retirement Plan Information)
- (2) ☐ **MB** (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary
- (3) ☐ **SB** (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary
- (4) ☐ **DCG** (Individual Plan Information) – Number Attached _____
- (5) ☐ **MEP** (Multiple-Employer Retirement Plan Information)

b General Schedules

- (1) ☒ **H** (Financial Information)
- (2) ☐ **I** (Financial Information – Small Plan)
- (3) ☐ **A** (Insurance Information) – Number Attached 0
- (4) ☒ **C** (Service Provider Information)
- (5) ☐ **D** (DFE/Participating Plan Information)
- (6) ☐ **G** (Financial Transaction Schedules)

Part III Form M-1 Compliance Information (to be completed by welfare benefit plans)

11a If the plan provides welfare benefits, was the plan subject to the Form M-1 filing requirements during the plan year? (See instructions and 29 CFR 2520.101-2.) ☐ Yes ☐ No

If "Yes" is checked, complete lines 11b and 11c.

11b Is the plan currently in compliance with the Form M-1 filing requirements? (See instructions and 29 CFR 2520.101-2.) ☐ Yes ☐ No

11c Enter the Receipt Confirmation Code for the 2023 Form M-1 annual report. If the plan was not required to file the 2023 Form M-1 annual report, enter the Receipt Confirmation Code for the most recent Form M-1 that was required to be filed under the Form M-1 filing requirements. (Failure to enter a valid Receipt Confirmation Code will subject the Form 5500 filing to rejection as incomplete.)

Receipt Confirmation Code _____

SCHEDULE C (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Service Provider Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110
		2023
		This Form is Open to Public Inspection.

For calendar plan year 2023 or fiscal plan year beginning 01/01/2023 and ending 12/31/2023

A Name of plan MOLEKULE GROUP 401(K) PLAN	B Three-digit plan number (PN) ▶ 002
C Plan sponsor's name as shown on line 2a of Form 5500 MOLEKULE GROUP, INC.	D Employer Identification Number (EIN) 45-3213164

Part I

Service Provider Information (see instructions)

You must complete this Part, in accordance with the instructions, to report the information required for **each person** who received, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of monetary value) in connection with services rendered to the plan or the person's position with the plan during the plan year. If a person received **only** eligible indirect compensation for which the plan received the required disclosures, you are required to answer line 1 but are not required to include that person when completing the remainder of this Part.

1

Information on Persons Receiving Only Eligible Indirect Compensation

- a

Check "Yes" or "No" to indicate whether you are excluding a person from the remainder of this Part because they received only eligible indirect compensation for which the plan received the required disclosures (see instructions for definitions and conditions).....

X

YesNo
- b

If you answered line 1a "Yes," enter the name and EIN or address of each person providing the required disclosures for the service providers who received only eligible indirect compensation. Complete as many entries as needed (see instructions).

(b)	Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation
FIDELITY INVESTMENTS INSTITUTIONAL	
04-2647786	

(b)	Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation
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2. Information on Other Service Providers Receiving Direct or Indirect Compensation. Except for those persons for whom you answered "Yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

(a) Enter name and EIN or address (see instructions)

FIDELITY INVESTMENTS INSTITUTIONAL

04-2647786

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
37 64 65	RECORDKEEPER	2087	Yes ☒ No ☐	Yes ☒ No ☐	0	Yes ☐ No ☒

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

Part I Service Provider Information (continued)

3. If you reported on line 2 receipt of indirect compensation, other than eligible indirect compensation, by a service provider, and the service provider is a fiduciary or provides contract administrator, consulting, custodial, investment advisory, investment management, broker, or recordkeeping services, answer the following questions for (a) each source from whom the service provider received \$1,000 or more in indirect compensation and (b) each source for whom the service provider gave you a formula used to determine the indirect compensation instead of an amount or estimated amount of the indirect compensation. Complete as many entries as needed to report the required information for each source.

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	

Part II Service Providers Who Fail or Refuse to Provide Information

4 Provide, to the extent possible, the following information for each service provider who failed or refused to provide the information necessary to complete this Schedule.

(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
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(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide

Part III Termination Information on Accountants and Enrolled Actuaries (see instructions)
(complete as many entries as needed)

a Name:	BPM LLP	b EIN:	81-4234542
c Position:	AUDITOR		
d Address:		e Telephone:	408-333-9824

Explanation: TOO EXPENSIVE

a Name:		b EIN:	
c Position:			
d Address:		e Telephone:	

Explanation:

a Name:		b EIN:	
c Position:			
d Address:		e Telephone:	

Explanation:

a Name:		b EIN:	
c Position:			
d Address:		e Telephone:	

Explanation:

a Name:		b EIN:	
c Position:			
d Address:		e Telephone:	

Explanation:

SCHEDULE H (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Financial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110
		2023
		This Form is Open to Public Inspection

For calendar plan year 2023 or fiscal plan year beginning 01/01/2023 and ending 12/31/2023		
A Name of plan MOLEKULE GROUP 401(K) PLAN	B Three-digit plan number (PN) ▶	002
C Plan sponsor's name as shown on line 2a of Form 5500 MOLEKULE GROUP, INC.		
		D Employer Identification Number (EIN) 45-3213164

Part I	Asset and Liability Statement		
1 Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.			
Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash	1a	97961	0
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)	0	0
(2) Participant contributions	1b(2)	0	0
(3) Other	1b(3)	0	0
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)	33668	4422
(2) U.S. Government securities	1c(2)	0	0
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)	0	0
(B) All other	1c(3)(B)	0	0
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)	0	0
(B) Common	1c(4)(B)	0	0
(5) Partnership/joint venture interests	1c(5)	0	0
(6) Real estate (other than employer real property)	1c(6)	0	0
(7) Loans (other than to participants)	1c(7)	0	0
(8) Participant loans	1c(8)	29084	26857
(9) Value of interest in common/collective trusts	1c(9)	0	0
(10) Value of interest in pooled separate accounts	1c(10)	0	0
(11) Value of interest in master trust investment accounts	1c(11)	0	0
(12) Value of interest in 103-12 investment entities	1c(12)	0	0
(13) Value of interest in registered investment companies (e.g., mutual funds)	1c(13)	4981866	6383179
(14) Value of funds held in insurance company general account (unallocated contracts)	1c(14)	0	0
(15) Other	1c(15)	0	0

1d Employer-related investments:		(a) Beginning of Year	(b) End of Year
(1) Employer securities	1d(1)	0	0
(2) Employer real property	1d(2)	0	0
e Buildings and other property used in plan operation	1e	0	0
f Total assets (add all amounts in lines 1a through 1e)	1f	5142579	6414458
Liabilities			
g Benefit claims payable	1g	103128	0
h Operating payables	1h	0	0
i Acquisition indebtedness	1i	0	0
j Other liabilities	1j	0	0
k Total liabilities (add all amounts in lines 1g through 1j)	1k	103128	0
Net Assets			
l Net assets (subtract line 1k from line 1f)	1l	5039451	6414458

Part II Income and Expense Statement

2 Plan income, expenses, and changes in net assets for the year. Include all income and expenses of the plan, including any trust(s) or separately maintained fund(s) and any payments/receipts to/from insurance carriers. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 2a, 2b(1)(E), 2e, 2f, and 2g.

Income		(a) Amount	(b) Total
a Contributions:			
(1) Received or receivable in cash from: (A) Employers	2a(1)(A)	440446	
(B) Participants	2a(1)(B)	985474	
(C) Others (including rollovers)	2a(1)(C)	106028	
(2) Noncash contributions	2a(2)	0	
(3) Total contributions. Add lines 2a(1)(A) , (B), (C), and line 2a(2)	2a(3)		1531948
b Earnings on investments:			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)	171	
(B) U.S. Government securities	2b(1)(B)	0	
(C) Corporate debt instruments	2b(1)(C)	0	
(D) Loans (other than to participants)	2b(1)(D)	0	
(E) Participant loans	2b(1)(E)	908	
(F) Other	2b(1)(F)	0	
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		1079
(2) Dividends: (A) Preferred stock	2b(2)(A)	0	
(B) Common stock	2b(2)(B)	0	
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)	201751	
(D) Total dividends. Add lines 2b(2)(A) , (B), and (C)	2b(2)(D)		201751
(3) Rents	2b(3)		0
(4) Net gain (loss) on sale of assets: (A) Aggregate proceeds	2b(4)(A)	0	
(B) Aggregate carrying amount (see instructions)	2b(4)(B)	0	
(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result	2b(4)(C)		
(5) Unrealized appreciation (depreciation) of assets: (A) Real estate	2b(5)(A)	0	
(B) Other	2b(5)(B)	0	
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		

		(a) Amount	(b) Total
(6) Net investment gain (loss) from common/collective trusts.....	2b(6)		0
(7) Net investment gain (loss) from pooled separate accounts.....	2b(7)		0
(8) Net investment gain (loss) from master trust investment accounts.....	2b(8)		0
(9) Net investment gain (loss) from 103-12 investment entities.....	2b(9)		0
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds)	2b(10)		980640
c Other income	2c		-121058
d Total income. Add all income amounts in column (b) and enter total	2d		2594360

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	1309608	
(2) To insurance carriers for the provision of benefits.....	2e(2)	0	
(3) Other	2e(3)	0	
(4) Total benefit payments. Add lines 2e(1) through (3)	2e(4)		1309608
f Corrective distributions (see instructions)	2f		0
g Certain deemed distributions of participant loans (see instructions)	2g		0
h Interest expense	2h		0
i Administrative expenses:			
(1) Salaries and allowances	2i(1)	0	
(2) Contract administrator fees.....	2i(2)	0	
(3) Recordkeeping fees.....	2i(3)	17253	
(4) IQPA audit fees.....	2i(4)	0	
(5) Investment advisory and investment management fees	2i(5)	95	
(6) Bank or trust company trustee/custodial fees	2i(6)	0	
(7) Actuarial fees	2i(7)	0	
(8) Legal fees	2i(8)	0	
(9) Valuation/appraisal fees	2i(9)	0	
(10) Other trustee fees and expenses	2i(10)	0	
(11) Other expenses	2i(11)	0	
(12) Total administrative expenses. Add lines 2i(1) through (11)	2i(12)		17348
j Total expenses. Add all expense amounts in column (b) and enter total	2j		1326956

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d	2k		1267404
l Transfers of assets:			
(1) To this plan	2l(1)		107603
(2) From this plan	2l(2)		0

Part III Accountant's Opinion

3 Complete lines 3a through 3c if the opinion of an independent qualified public accountant is attached to this Form 5500. Complete line 3d if an opinion is not attached.

a The attached opinion of an independent qualified public accountant for this plan is (see instructions):

(1) ☒ Unmodified (2) ☐ Qualified (3) ☐ Disclaimer (4) ☐ Adverse

b Check the appropriate box(es) to indicate whether the IQPA performed an ERISA section 103(a)(3)(C) audit. Check both boxes (1) and (2) if the audit was performed pursuant to both 29 CFR 2520.103-8 and 29 CFR 2520.103-12(d). Check box (3) if pursuant to neither.

(1) ☒ DOL Regulation 2520.103-8 (2) ☐ DOL Regulation 2520.103-12(d) (3) ☐ neither DOL Regulation 2520.103-8 nor DOL Regulation 2520.103-12(d).

c Enter the name and EIN of the accountant (or accounting firm) below:

(1) Name: **TEMPLETON & COMPANY, LLP**

(2) EIN: **14-1918990**

d The opinion of an independent qualified public accountant is **not attached** as part of Schedule H because:

(1) ☐ This form is filed for a CCT, PSA, DCG or MTIA. (2) ☐ It will be attached to the next Form 5500 pursuant to 29 CFR 2520.104-50.

Part IV Compliance Questions

4 CCTs and PSAs do not complete Part IV. MTIAs, 103-12 IEs, and GIAs do not complete lines 4a, 4e, 4f, 4g, 4h, 4k, 4m, 4n, or 5. 103-12 IEs also do not complete lines 4j and 4l. MTIAs also do not complete line 4l. DCGs do not complete lines 4e, 4f, 4k, 4l, and 5, and DCGs generally complete the rest of Part IV collectively for all plans in the DCG, except as otherwise provided (see instructions).

During the plan year:

	Yes	No	Amount
a Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.)		☒	
b Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.)		☒	
c Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)		☒	
d Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.)		☒	
e Was this plan covered by a fidelity bond?	☒		500000
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?		☒	
g Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?		☒	
h Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?		☒	
i Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.)	☒		
j Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked and see instructions for format requirements.)		☒	
k Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?		☒	
l Has the plan failed to provide any benefit when due under the plan?		☒	
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)	☒		
n If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.	☒		

5a Has a resolution to terminate the plan been adopted during the plan year or any prior plan year? ☐ Yes ☒ No
If "Yes," enter the amount of any plan assets that reverted to the employer this year _____.

5b If, during this plan year, any assets or liabilities were transferred from this plan to another plan(s), identify the plan(s) to which assets or liabilities were transferred. (See instructions.)

5b(1) Name of plan(s)	5b(2) EIN(s)	5b(3) PN(s)

5c Was the plan a defined benefit plan covered under the PBGC insurance program at any time during this plan year? (See ERISA section 4021 and instructions.) ☐ Yes ☐ No ☐ Not determined

If "Yes" is checked, enter the My PAA confirmation number from the PBGC premium filing for this plan year _____.

SCHEDULE R (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Retirement Plan Information This schedule is required to be filed under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110 2023 This Form is Open to Public Inspection.
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For calendar plan year 2023 or fiscal plan year beginning 01/01/2023 and ending 12/31/2023		
A Name of plan MOLEKULE GROUP 401(K) PLAN	B Three-digit plan number (PN) ▶	002
C Plan sponsor's name as shown on line 2a of Form 5500 MOLEKULE GROUP, INC.	D Employer Identification Number (EIN) 45-3213164	

Part I	Distributions
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All references to distributions relate only to payments of benefits during the plan year.

1	Total value of distributions paid in property other than in cash or the forms of property specified in the instructions.....	
2	Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits): EIN(s): 47-3868366 04-6568107	
Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.		
3	Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year	

Part II	Funding Information (If the plan is not subject to the minimum funding requirements of section 412 of the Internal Revenue Code or ERISA section 302, skip this Part.)
---------	--

4	Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)?	☐ Yes	☐ No	☐ N/A
If the plan is a defined benefit plan, go to line 8.				
5	If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. Date: Month _____ Day _____ Year _____ If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.			
6	a Enter the minimum required contribution for this plan year (include any prior year accumulated funding deficiency not waived)	6a		
	b Enter the amount contributed by the employer to the plan for this plan year	6b		
	c Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount)	6c		
If you completed line 6c, skip lines 8 and 9.				
7	Will the minimum funding amount reported on line 6c be met by the funding deadline?	☐ Yes	☐ No	☐ N/A
8	If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure or other authority providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change?	☐ Yes	☐ No	☐ N/A

Part III	Amendments
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9	If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box. If no, check the "No" box.	☐ Increase	☐ Decrease	☐ Both	☐ No
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Part IV	ESOPs (see instructions). If this is not a plan described under section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.
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10	Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan?	☐ Yes	☐ No
11	a Does the ESOP hold any preferred stock?	☐ Yes	☐ No
	b If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.)	☐ Yes	☐ No
12	Does the ESOP hold any stock that is not readily tradable on an established securities market?	☐ Yes	☐ No

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

13 Enter the following information for each employer that (1) contributed more than 5% of total contributions to the plan during the plan year or (2) was one of the top-ten highest contributors (measured in dollars). See instructions. *Complete as many entries as needed to report all applicable employers.*

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

14 Enter the number of deferred vested and retired participants (inactive participants), as of the beginning of the plan year, whose contributing employer is no longer making contributions to the plan for: a The current plan year. Check the box to indicate the counting method used to determine the number of inactive participants: ☐ last contributing employer ☐ alternative ☐ reasonable approximation (see instructions for required attachment) b The plan year immediately preceding the current plan year. ☐ Check the box if the number reported is a change from what was previously reported (see instructions for required attachment) c The second preceding plan year. ☐ Check the box if the number reported is a change from what was previously reported (see instructions for required attachment)	14a 14b 14c	
15 Enter the ratio of the number of participants under the plan on whose behalf no employer had an obligation to make an employer contribution during the current plan year to: a The corresponding number for the plan year immediately preceding the current plan year b The corresponding number for the second preceding plan year	15a 15b	
16 Information with respect to any employers who withdrew from the plan during the preceding plan year: a Enter the number of employers who withdrew during the preceding plan year b If line 16a is greater than 0, enter the aggregate amount of withdrawal liability assessed or estimated to be assessed against such withdrawn employers	16a 16b	
17 If assets and liabilities from another plan have been transferred to or merged with this plan during the plan year, check box and see instructions regarding supplemental information to be included as an attachment..... ☐		

Part VI	Additional Information for Single-Employer and Multiemployer Defined Benefit Pension Plans
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18 If any liabilities to participants or their beneficiaries under the plan as of the end of the plan year consist (in whole or in part) of liabilities to such participants and beneficiaries under two or more pension plans as of immediately before such plan year, check box and see instructions regarding supplemental information to be included as an attachment..... ☐	
19 If the total number of participants is 1,000 or more, complete lines (a) and (b): a Enter the percentage of plan assets held as: Public Equity: _____% Private Equity: _____% Investment-Grade Debt and Interest Rate Hedging Assets: _____% High-Yield Debt: _____% Real Assets: _____% Cash or Cash Equivalents: _____% Other: _____% b Provide the average duration of the Investment-Grade Debt and Interest Rate Hedging Assets: ☐ 0-5 years ☐ 5-10 years ☐ 10-15 years ☐ 15 years or more	
20 PBGC missed contribution reporting requirements. If this is a multiemployer plan or a single-employer plan that is not covered by PBGC, skip line 20. a Is the amount of unpaid minimum required contributions for all years from Schedule SB (Form 5500) line 40 greater than zero? ☐ Yes ☐ No b If line 20a is "Yes," has PBGC been notified as required by ERISA sections 4043(c)(5) and/or 303(k)(4)? Check the applicable box: ☐ Yes. ☐ No. Reporting was waived under 29 CFR 4043.25(c)(2) because contributions equal to or exceeding the unpaid minimum required contribution were made by the 30th day after the due date. ☐ No. The 30-day period referenced in 29 CFR 4043.25(c)(2) has not yet ended, and the sponsor intends to make a contribution equal to or exceeding the unpaid minimum required contribution by the 30th day after the due date. ☐ No. Other. Provide explanation: _____	

Part VII	IRS Compliance Questions
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21a Does the plan satisfy the coverage and nondiscrimination tests of Code sections 410(b) and 401(a)(4) by combining this plan with any other plans under the permissive aggregation rules? ☐ Yes ☒ No 21b If this is a Code section 401(k) plan, check all boxes that apply to indicate how the plan is intended to satisfy the nondiscrimination requirements for employee deferrals and employer matching contributions (as applicable) under Code sections 401(k)(3) and 401(m)(2). ☒ Design-based safe harbor method ☐ "Prior year" ADP test ☒ "Current year" ADP test ☐ N/A	
22 If the plan sponsor is an adopter of a pre-approved plan that received a favorable IRS Opinion Letter, enter the date of the Opinion Letter <u>06 / 30 / 2020</u> (MM/DD/YYYY) and the Opinion Letter serial number <u>Q702438A</u> .	

MOLEKULE GROUP 401(k) PLAN
REPORT ON AUDIT OF FINANCIAL STATEMENTS
AS OF DECEMBER 31, 2023 AND FOR THE YEAR THEN ENDED

MOLEKULE GROUP 401(k) PLAN

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Independent Auditor's Report

To the Plan Administrator
Molekule Group 401(k) Plan
Palm Beach Gardens, Florida

Scope and Nature of the ERISA Section 103(a)(3)(C) Audit of the 2023 Financial Statements

We have performed an audit of the accompanying financial statements of Molekule Group 401(k) Plan (the Plan), an employee benefit plan subject to the Employee Retirement Income Security Act of 1974 (ERISA), as permitted by ERISA Section 103(a)(3)(C) [ERISA Section 103(a)(3)(C) audit]. The financial statements comprise the statement of net assets available for benefits as of December 31, 2023 and the related statement of changes in net assets available for benefits for the year then ended, and the related notes to the financial statements.

Management, having determined it is permissible in the circumstances, has elected to have the audit of the Plan's financial statements performed in accordance with ERISA Section 103(a)(3)(C) pursuant to 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. As permitted by ERISA Section 103(a)(3)(C), our audit need not extend to any statements or information related to assets held for investment of the Plan (investment information) by a bank or similar institution or insurance carrier that is regulated, supervised, and subject to periodic examination by a state or federal agency (qualified institution), provided that the statements or information regarding assets so held are prepared and certified to by the qualified institution, in accordance with 29 CFR 2520.103-5 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.

Management has obtained certifications from Fidelity Management Trust Company as of December 31, 2023 and for the period September 1, 2023 through December 31, 2023 and Matrix Trust Company for the period from January 1, 2023 through August 31, 2023, stating that the certified investment information, as described in Note 3 to the financial statements, is complete and accurate.

Opinion on the 2023 Financial Statements

In our opinion, based on our audit and on the procedures performed as described in the Auditor's Responsibilities for the Audit of the 2023 Financial Statements section of our report:

- The amounts and disclosures in the financial statements referred to above, other than those agreed to or derived from the certified investment information, are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).
- The information in the accompanying financial statements related to assets held by and certified to by qualified institutions agrees to, or is derived from, in all material respects, the information prepared and certified by an institution that management determined meets the requirements of ERISA Section 103(a)(3)(C).

Basis for Opinion on the 2023 Financial Statements

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the 2023 Financial Statements section of our report. We are required to be independent of the Plan and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our ERISA Section 103(a)(3)(C) audit opinion on the 2023 financial statements.

Responsibilities of Management for the 2023 Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error. Management's election of the ERISA Section 103(a)(3)(C) audit does not affect management's responsibility for the financial statements.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Plan's ability to continue as a going concern for one year after the date the financial statements are available to be issued.

Management is also responsible for maintaining a current plan instrument, including all Plan amendments; administering the Plan; and determining that the Plan's transactions that are presented and disclosed in the financial statements are in conformity with the Plan's provisions, including maintaining sufficient records with respect to each of the participants, to determine the benefits due or which may become due to such participants.

Auditor's Responsibilities for the Audit of the 2023 Financial Statements

Except as described in the Scope and Nature of the ERISA Section 103(a)(3)(C) Audit of the 2023 Financial Statements section of our report, our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Plan's ability to continue as a going concern for a reasonable period of time.

Our audit did not extend to the certified investment information, except for obtaining and reading the certification, comparing the certified investment information with the related information presented and disclosed in the 2023 financial statements, and reading the disclosures relating to the certified investment information to assess whether they are in accordance with the presentation and disclosure requirements of U.S. GAAP.

Accordingly, the objective of an ERISA Section 103(a)(3)(C) audit is not to express an opinion about whether the financial statements as a whole are presented fairly, in all material respects, in accordance with U.S. GAAP.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Other Matters

2023 Supplemental Information Required by ERISA

The supplemental information of Schedule H, line 4a – schedule of delinquent participant contributions and Schedule H, line 4i – schedule of assets (held at end of year), as of or for the year ended December 31, 2023, is presented for purposes of additional analysis and is not a required part of the financial statements but is supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information included in the supplemental information, other than that agreed to or derived from the certified investment information, has been subjected to auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS. For information included in the supplemental information that agreed to or is derived from the certified investment information, we compared such information to the related certified investment information.

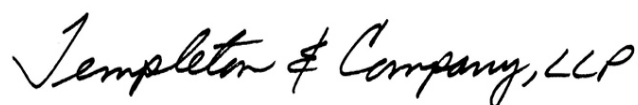
In forming our opinion on the supplemental information, we evaluated whether the supplemental information, other than the information agreed to or derived from the certified investment information, including its form and content, is presented in conformity with the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.

In our opinion—

- The form and content of the supplemental information, other than the information in the supplemental information that agreed to or is derived from the certified investment information, are presented, in all material respects, in conformity with the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.
- The information in the supplemental information related to assets held by and certified to by qualified institutions agrees to or is derived from, in all material respects, the information prepared and certified by an institution that management determined meets the requirements of ERISA Section 103(a)(3)(C).

Report on Compilation of the 2022 Financial Statement

Plan management is responsible for the accompanying financial statement of Molekule Group 401(k) Plan (an employee benefit plan), which comprise the statement of net assets available for benefits as of December 31, 2022, in accordance with accounting principles generally accepted in the United States of America. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statement nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on this financial statement as of December 31, 2022.



West Palm Beach, Florida
October 8, 2024

MOLEKULE GROUP 401(k) PLAN
STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
December 31, 2023 and 2022

	(Audited) 2023	(Compiled) 2022
Investments:		
Interest-bearing cash	\$ 4,422	\$ 33,668
Investments, at fair value	<u>6,383,179</u>	<u>4,981,866</u>
Total investments	<u>6,387,601</u>	<u>5,015,534</u>
Non-interest bearing cash	<u>-</u>	<u>97,961</u>
Receivables:		
Notes receivable from participants	26,857	29,084
Employer contributions receivable	3,286	23,815
Participant contributions	<u>-</u>	<u>20,084</u>
Total receivables	<u>30,143</u>	<u>72,983</u>
Net assets available for benefits	<u>\$ 6,417,744</u>	<u>\$ 5,186,478</u>

See accompanying notes to financial statements.

MOLEKULE GROUP 401(k) PLAN
STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
For the Year Ended December 31, 2023

Additions to net assets attributed to:

Investment income:

Net appreciation in fair value of investments \$ 980,640

Dividend and interest income 80,864

Total investment income 1,061,504

Interest income on notes receivable from participants 908

Contributions:

Participants 961,659

Employer 423,648

Rollover 106,028

Total contributions 1,491,335

Total additions 2,553,747

Deductions from net assets attributed to:

Benefits paid to participants 1,412,736

Administrative expenses 17,348

Total deductions 1,430,084

Change in net assets before transfers 1,123,663

Plan transfers:

Transfer in from other qualified plan (see Note 1) 107,603

Change in net assets 1,231,266

Net assets available for benefits:

Beginning of year 5,186,478

End of year \$ 6,417,744

MOLEKULE GROUP 401(k) PLAN

NOTES TO FINANCIAL STATEMENTS

Note 1 – Description of Plan

The following description of the Molekule Group 401(k) Plan (the Plan), formerly the Molekule 401(k) Plan, provides only general information. Participants should refer to the Plan document for a more complete description of the Plan's provisions.

General and eligibility

The Plan was established on January 1, 2018, as a defined contribution plan. The Plan is available to eligible employees of Molekule Group, Inc. and its subsidiary Molekule, Inc. (collectively, the Company, Employer or Plan Sponsor). Eligible employees are covered full-time employees who work more than 500 hours during the Plan year and are age 21 or older, as defined in the Plan document. An eligible employee may begin participating in the Plan immediately after completing the Plan's age and service requirements. The Plan's management determines the appropriateness of the Plan's investment offerings and monitors investment performance.

On October 3, 2023, Molekule Group, Inc. and its wholly owned subsidiary, Molekule, Inc., filed a voluntary petition with the U.S. Court of the Southern District of Florida for relief under the provisions of Chapter 11 of Title 11 of the U.S. Code. The Company continued to operate its business as a "debtor-in-possession" until the Company's Pre-Packaged Plan of Reorganization was approved. As the Plan is fully funded, the Plan continues to be a going concern.

The Company is the Plan Administrator. Through August 31, 2023, the Plan's investment assets were held by Matrix Trust Company (Matrix or the former trustee). Effective September 1, 2023, the Plan contracted with Fidelity Management Trust Company (Fidelity or the Trustee), to provide trust and recordkeeping services. As of December 31, 2023, the Trustee holds the Plan's investment assets, executes investment transactions and provides recordkeeping services.

On January 12, 2023, AeroClean Technologies, Inc. and its affiliates completed an acquisition of Molekule, Inc. In conjunction with this transaction, Molekule, Inc. continued as the surviving entity and as a wholly owned subsidiary of AeroClean Technologies, Inc. As part of this transaction, AeroClean Technologies, Inc. changed its name from AeroClean Technologies, Inc. to Molekule Group, Inc.

The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

Plan amendments

Effective May 22, 2023, the Plan was amended to exclude non-resident aliens from being eligible to participate in the Plan.

Effective September 1, 2023, the Plan was amended and restated to change the Plan's custodian and trustee to Fidelity Management Trust Company and changed its name to Molekule Group 401(k) Plan, further amending the Plan to change the Plan's sponsor and administrator and sponsoring employer to Molekule Group, Inc., as a participating employer. In addition, AeroClean Technologies, Inc. 401(k) Plan (AeroClean Plan) merged into and transferred the AeroClean Plan's assets and participant accounts into the Plan.

Effective August 31, 2023, the Plan was amended to update the maximum percentage of eligible compensation for elective deferrals to 90% for all types of elective deferrals, and allowed for additional discretionary employer matching contributions, with any such contributions to be allocated over each Plan year.

Contributions

Through September 1, 2023, participants could voluntarily make pre-tax deferrals of up to 90% of their annual compensation for pre-tax deferrals and 50% of their eligible compensation for Roth deferrals, as defined by the Plan, within the limits prescribed by the Internal Revenue Service (IRS).

MOLEKULE GROUP 401(k) PLAN

NOTES TO FINANCIAL STATEMENTS, CONTINUED

Note 1 – Description of Plan, Continued

Contributions, continued

Beginning September 1, 2023, participants may voluntarily make pre-tax and after-tax contributions of up to 90% of eligible compensation, as defined.

Participants who have attained age 50 before the end of the Plan year are eligible to make catch-up contributions. Participants may also contribute amounts representing distributions from other qualified defined-benefit or contribution plans (rollover). Participants may make Roth 401(k) elective deferrals. Participants direct the investment of their contributions into various investment options offered by the Plan.

The Employer makes a safe harbor matching contribution equal to 100% of the first 4% of eligible compensation, as defined, that a participant contributes to the Plan. For the year ended December 31, 2023, the Employer made safe harbor matching contributions totaling \$423,648. Employer safe harbor matching contributions are invested in accordance with the participant's direction and the Plan's provisions. The Employer may also make discretionary profit sharing and qualified nonelective (QNEC) contributions using a discretionary, pro-rata formula. Participants must have performed a specified period of service (defined as 500 hours of service during the Plan year) and be employed on the last day of the plan year, except in the event of death, disability or retirement during the year, to be eligible for the profit-sharing contribution. There were no such discretionary profit sharing or QNEC contributions for the year ended December 31, 2023.

Contributions are subject to certain IRS limitations.

Participant accounts

Each participant's account is credited with the participant's contributions, Employer contributions, and an allocation of net Plan earnings or losses. Participant accounts are charged with an allocation of administrative expenses that are paid by the Plan. Allocations are based on participant earnings, account balances, or specific participant transactions, as defined. The benefit to which participants are entitled is the vested portion of their accounts.

Vesting of benefits

Participants are 100% vested in their individual deferral, Roth, after-tax, and rollover contributions and the allocated earnings thereon. Participants are 100% vested in their Employer contributions when made and the related net earnings on the Employer's contributions.

Notes receivable from participants

Plan participants may borrow from their account \$1,000 up to a maximum equal to the lesser of \$50,000 or 50% of the participant's vested account balance. Loan terms range from one to five years unless the loan is used to acquire the principal residence of the participant which must be repaid with ten years from the date the loan is issued. Loans are secured by the balance in a participant's account and bear a reasonable rate of interest, as defined. Principal and interest are paid through regular payroll deductions and remitted to the Trustee. Any delinquent notes receivable from participants are recorded as distributions.

Forfeitures

Forfeited nonvested accounts may be used to offset Plan administrative expenses or reduce future Employer contributions. For the year ended December 31, 2023, no forfeitures were used to reduce Employer contributions or offset Plan administrative expenses. At December 31, 2023 and 2022, unallocated forfeitures totaled \$4 and \$0, respectively.

MOLEKULE GROUP 401(k) PLAN

NOTES TO FINANCIAL STATEMENTS, CONTINUED

Note 1 – Description of Plan, Continued

Payment of benefits

On termination of service due or death, disability or normal retirement age (65), a participant may elect to receive an amount equal to the value of the participant's vested interest in his or her account in either a lump sum payment. Mandatory distributions of account balances under \$5,000 will be made as soon as possible. On termination, a participant's account balance is distributed if the vested value of the participant's account is \$1,000 or less. For terminated participants with vested balances greater than \$1,000, but less than \$5,000, their vested balance may be automatically rolled into an IRA unless otherwise elected. On termination of service due to reasons other than death, disability, or retirement, a participant is entitled to a benefit equal to the vested interest in the participant's account. Participants may elect to take an in-service distribution of vested funds if they meet certain defined requirements, including becoming disabled, reaching age 59½ or for a qualifying financial hardship, as defined.

Administrative expenses

The Plan allows certain administrative expenses to be paid from Plan investment assets. Certain administrative expenses are paid by the Employer and are not reflected in these financial statements.

Plan administration

The Company is the Plan Administrator and, as such, controls and manages the operations of the Plan. Effective September 1, 2023, the Plan's assets were transferred to, and thereafter, maintained by Fidelity. Prior to September 1, 2023, the Plan's assets and participant accounts were maintained by Matrix.

SECURE Act 2.0

In December 2022, the Securing a Strong Retirement Act (SECURE Act 2.0) was passed into law. The provisions of SECURE Act 2.0 continue the reforms that began with the 2019 SECURE Act. Most of the SECURE Act 2.0 provisions will become effective in 2024 and thereafter, therefore there is no current impact to the Plan. Since the provisions include both required and optional elements, the Plan Administrator will determine the optional SECURE Act 2.0 provisions to elect.

Note 2 – Summary of Significant Accounting Policies

Basis of accounting

The accompanying financial statements of the Plan are prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Investment valuation and income recognition

Investments are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Plan Administrator determines the Plan's valuation policies utilizing information provided by the Plan's Trustee.

Purchases and sales of securities are recorded on a trade date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Net appreciation in fair value of investments includes the Plan's gains and losses on investments bought and sold, as well as held during the year.

MOLEKULE GROUP 401(k) PLAN

NOTES TO FINANCIAL STATEMENTS, CONTINUED

Note 2 – Summary of Significant Accounting Policies, Continued

Use of estimates

The preparation of financial statements in accordance with U.S. GAAP requires the Plan management to make estimates and assumptions that affect certain reported amounts of assets and liabilities and changes therein and disclosure of contingent assets and liabilities. Actual results could differ from those estimates and such differences could be material.

Risks and uncertainties

The Plan provides for various investment options. Investment securities are exposed to various risks, such as interest rate risk, market risk, and credit risk. Due to the high level of risk associated with certain investment securities, including the uncertainty related to changes in the values of investment securities, it is at least reasonably possible that changes in such risks in the near-term would materially affect participant account balances and the amounts reported in the financial statements.

Notes receivable from participants

Notes receivable from participants are measured at their unpaid principal balance plus any accrued but unpaid interest. Interest income is recorded on an accrual basis. Related fees are charged directly to the borrowing participant's account and are included as administrative expenses when incurred. Any delinquent notes receivable from participants are reclassified as distributions based on the terms of the Plan document. No allowance for credit losses has been recorded at December 31, 2023 and 2022.

Payment of benefits

The Plan records benefits when paid.

Plan expenses

The Plan classified certain administrative expenses as an expense rather than as a reduction of investment income. Substantially all administrative expenses for maintaining the Plan are paid by the Plan Sponsor and are not reflected in these financial statements. Certain expenses paid by the Plan consist of recordkeeping, trustee, and third-party administrator fees. Certain participant directed transactions such as loan processing fees are charged directly to participants' accounts.

Uncertain tax positions

U.S. GAAP requires the Plan to assess its uncertain tax positions for the likelihood they would be overturned upon examination by the IRS. In accordance with this guidance, the Plan Administrator has determined it does not have any positions at December 31, 2023 that it would be unable to substantiate.

Note 3 – Certified Investment Information

The Plan Administrator has elected the method of annual reporting compliance permitted by ERISA Section 103(a)(3)(C) pursuant to 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Accordingly, Fidelity Management Trust Company and Matrix Trust Company, qualified institutions, have certified that the following investment information included in the accompanying financial statements and ERISA-required supplemental information is complete and accurate:

MOLEKULE GROUP 401(k) PLAN

NOTES TO FINANCIAL STATEMENTS, CONTINUED

Note 3 – Certified Investment Information, Continued

- Investments and notes receivable from participants shown on the statement of net assets available for benefits as of December 31, 2023;
- Net investment activity and interest income on notes receivable from participants as shown in the statement of changes in net assets available for benefits for the year ended December 31, 2023; and
- Investment information included in the Schedule H, line 4i – Schedule of Assets (held at end of year) as of December 31, 2023, as shown on the ERISA-required supplemental information.

At the request of the Plan's Administrator, the Plan's independent auditors did not perform auditing procedures with respect to this certified information, except for comparing such certified information to the related investment information included in the financial statements, including the disclosures related to the investments to assess whether they are in accordance with the presentation and disclosure requirements of U.S. GAAP, and in the ERISA-required supplemental information, including assessing whether the supplemental information is in conformity with the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.

Note 4 – Fair Value Measurements

Accounting guidance provides a framework for measuring fair value and establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

The three levels of the fair value hierarchy are described as follows:

Level 1	Unadjusted quoted prices for identical, unrestricted assets or liabilities in active markets that a plan has the ability to access.
Level 2	Quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in inactive markets; inputs other than quoted prices that are observable for the asset or liability; and inputs that are derived principally from or corroborated by observable market data by correlation or other means for substantially the full term of the assets or liabilities.
Level 3	Significant unobservable inputs.

A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques maximize the use of relevant observable inputs and minimize the use of unobservable inputs. There have been no changes in the methodologies used at December 31, 2023 and 2022. During the year ended December 31, 2023, there were no transfers of financial instruments into or out of Level 3.

Following is a description of the valuation methodologies used for assets measured at fair value:

Mutual funds – are valued at the daily closing price as reported by the fund. Mutual funds held by the Plan are open ended funds traded on national exchanges. These funds are required to publish their daily net asset value (NAV) and to transact at those prices. The mutual funds are deemed to be actively traded.

Money market fund – institutional short-term investment vehicle valued daily with a NAV of \$1. NAV is the quoted price in an active market and therefore is classified within Level 1 of the fair value hierarchy.

MOLEKULE GROUP 401(k) PLAN

NOTES TO FINANCIAL STATEMENTS, CONTINUED

Note 4 – Fair Value Measurements, Continued

The preceding methods described may produce a fair value calculation which may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following tables set forth by level, within the fair value hierarchy, the Plan's investments measured at fair value on a recurring basis as of December 31, 2023 and 2022:

Fair Value Measurements as of December 31, 2023 (Audited)				
	Level 1	Level 2	Level 3	Total
Mutual funds	\$ 6,383,179	\$ -	\$ -	\$ 6,383,179
Money market fund	<u>4,422</u>	<u>-</u>	<u>-</u>	<u>4,422</u>
Total investments, at fair value	<u>\$ 6,387,601</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,387,601</u>

Fair Value Measurements as of December 31, 2022 (Unaudited)				
	Level 1	Level 2	Level 3	Total
Mutual funds	\$ 4,981,866	\$ -	\$ -	\$ 4,981,866
Money market fund	<u>33,668</u>	<u>-</u>	<u>-</u>	<u>33,668</u>
Total investments, at fair value	<u>\$ 5,015,534</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,015,534</u>

Note 5 – Plan Merger

Effective September 1, 2023, the AeroClean Plan merged into the Plan and the net assets of the AeroClean Plan, totaling \$107,603, along with the participants' accounts and outstanding loans were transferred into the Plan.

Note 6 – Plan Termination

Although it has not expressed any intention to do so, the Company has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions set forth in ERISA. In the event that the Plan is terminated, participants will become 100% vested in their accounts.

Note 7 – Tax Status

The Plan uses a non-standardized pre-approved profit-sharing plan with CODA plan document sponsored by Financial Management and Research Company, LLC. Financial Management and Research Company, LLC received an opinion letter from the IRS, dated June 30, 2020, which states that the prototype document, as then designed, satisfies the applicable provisions of the Internal Revenue Code (IRC). The Plan itself has not received a determination letter from the IRS. The Plan has been amended since receiving the opinion letter, however, the Plan's management and the Plan's tax counsel believes that the Plan is currently designed and being operated in compliance with the applicable requirements of the IRC. Therefore, no provision for income tax has been included in the Plan's financial statements.

U.S. GAAP requires plan management to evaluate tax positions taken by the Plan and recognize a tax liability (or asset) if the Plan has taken an uncertain position that more likely than not would not be sustained upon examination by the IRS. In accordance with guidance the Administrator has determined it does not have any positions at December 31, 2023 that it could be unable to substantiate. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no IRS examinations for any tax periods in progress. The Plan Administrator believes it is no longer subject to income tax examinations for years prior to 2020.

MOLEKULE GROUP 401(k) PLAN

NOTES TO FINANCIAL STATEMENTS, CONTINUED

Note 8 – Party-In-Interest Transactions

Parties-in-interest are defined under the DOL Regulations as any fiduciary of the Plan, any party rendering service to the Plan, the Employer and certain others. The Plan's investment funds and accounts are maintained and managed by Fidelity who serves as the Plan's Trustee, and therefore, these transactions qualify as party-in-interest transactions. Participant loan and distribution processing fees are paid to Fidelity by participants. The Plan also receives revenue credits from Fidelity. The Plan also issues loans to participants which are secured by the vested balance of the participants' accounts. As described in Note 2, the Plan paid certain expenses related to plan operations and investment activity to various service providers. These transactions are party-in-interest transactions, which are exempt from the prohibited transaction rules under ERISA. Certain administrative functions are performed by officers and employees of the Employer. No officer or employee receives compensation from the Plan for these services.

Fidelity provides certain administrative services to the Plan pursuant to a Master Plan Services Agreement (MSA) between the Company and Fidelity. Fidelity receives revenue from mutual fund service providers for services Fidelity provides to the funds. This revenue is used to offset certain amounts owed to Fidelity for its administrative services to the Plan. If the revenue received by Fidelity from such mutual fund service providers exceeds the amount owed under the MSA, Fidelity remits the excess to the Plan's trust on a quarterly basis. Such amounts may be applied to pay Plan administrative expenses or allocated to the accounts of the participants. The Plan or Plan Sponsor may make a payment to Fidelity for administrative expenses not covered by revenue sharing.

Note 9 – Reconciliation of Financial Statements to Form 5500

The following is a reconciliation of net assets available for benefits shown on Form 5500 at December 31, 2023 and 2022 and changes in net assets available for benefits for the year ended December 31, 2023 with the amounts shown in the financial statements.

	(Audited) 2023	(Unaudited) 2022
Net assets available for benefits – Form 5500	\$ 6,414,458	\$ 5,039,451
Reconciling items:		
Prior year participant contributions receivable	-	23,815
Current and prior year Employer contributions receivable	3,286	20,084
Benefits paid in current year recorded on 2022 Form 5500	<u>-</u>	<u>103,128</u>
Net assets available for benefits – financial statements	<u>\$ 6,417,744</u>	<u>\$ 5,186,478</u>
	(Audited) 2023	
Change in net assets – Form 5500	\$ 1,375,007	
Reconciling items:		
Prior year participant contributions	(23,815)	
Net adjustment for Employer contributions	(16,798)	
Benefits paid to participants in 2023 reported on 2022 Form 5500	<u>(103,128)</u>	
Change in net assets – financial statements	<u>\$ 1,231,266</u>	

Note 10 – Subsequent Events

The Plan evaluated events occurring subsequent to December 31, 2023 through October 8, 2024, the date on which the financial statements were available to be issued, for matters that should be recorded in the financial statements or disclosed in the footnotes thereto.

SUPPLEMENTAL INFORMATION

MOLEKULE GROUP 401(k) PLAN
PLAN SPONSOR'S EIN: 45-3213164
PLAN NUMBER: 002

SCHEDULE H, Line 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR)
December 31, 2023

(a)	(b) Identity of issuer, borrower or similar party	(c) Description of investment including maturity date, rate of interest, collateral, par, or maturity value	(d) Cost	(e) Current Value
	Mutual funds:			
	Calvert	Intl Eq Fund	**	\$ 4,889
	Blackrock	Strat Glb Bond Fund	**	1,912
	JPMorgan	US Value Fund	**	3,773
	RBC	Emrg Mkts Eq Fund	**	6,150
	JPMorgan	Govt Bond Fund	**	5,022
	iShares	US Agg BD Idx Fund	**	5,674
	iShares	MSCI Tot Intl Fund	**	85,970
	Dodge & Cox	IS R2000 SM-Cap Fund	**	3,304
	John Hancock	Enterprise Fund	**	5,325
	Western Asset	Core Pls Bond Fund	**	3,764
	Allspring	Special Mid Cap Val Fund	**	11,443
	iShares	Mid-Cap Idx Fund	**	2,805
	PIMCO	RAE US Sm Fund	**	4,782
	JPMorgan	US Equity Fund	**	15,437
	PIMCO	Commplus Strat Fund	**	443
*	Fidelity	500 Index Fund	**	329,127
*	Fidelity	Total Bond Fund	**	1,046
*	Fidelity	Blue Chip Gr Fund	**	17,280
*	Fidelity	FRDM Bld 2060 Fund	**	302,427
*	Fidelity	FRDM Bld 2055 Fund	**	982,247
*	Fidelity	FRDM Bld 2050 Fund	**	1,259,638
*	Fidelity	FRDM Bld 2045 Fund	**	661,608
*	Fidelity	FRDM Bld 2040 Fund	**	1,498,328
*	Fidelity	FRDM Bld 2035 Fund	**	579,561
*	Fidelity	FRDM Bld 2030 Fund	**	414,881
*	Fidelity	FRDM Bld 2025 Fund	**	142,791
*	Fidelity	FRDM Bld 2010 Fund	**	13,145
*	Fidelity	FRDM Bld 2065 Fund	**	20,407
	Total mutual funds			<u>6,383,179</u>
	Interest-bearing cash equivalents:			
	Gabelli US	Money Market Fund	**	2,947
*	Fidelity	Holding Account	**	1,475
	Total interest-bearing cash equivalents			<u>4,422</u>
	Total investments			6,387,601
*	Notes receivable from participants	Loans to participants, interest rates ranging from 4.25% - 9.50% with various maturities.	-	<u>26,857</u>
	Total assets held			<u>\$ 6,414,458</u>

* A party-in-interest, as defined by ERISA.

** The cost of participant-directed investments is not required to be disclosed.

MOLEKULE GROUP 401(k) PLAN
REPORT ON AUDIT OF FINANCIAL STATEMENTS
AS OF DECEMBER 31, 2023 AND FOR THE YEAR THEN ENDED

MOLEKULE GROUP 401(k) PLAN

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Independent Auditor's Report

To the Plan Administrator
Molekule Group 401(k) Plan
Palm Beach Gardens, Florida

Scope and Nature of the ERISA Section 103(a)(3)(C) Audit of the 2023 Financial Statements

We have performed an audit of the accompanying financial statements of Molekule Group 401(k) Plan (the Plan), an employee benefit plan subject to the Employee Retirement Income Security Act of 1974 (ERISA), as permitted by ERISA Section 103(a)(3)(C) [ERISA Section 103(a)(3)(C) audit]. The financial statements comprise the statement of net assets available for benefits as of December 31, 2023 and the related statement of changes in net assets available for benefits for the year then ended, and the related notes to the financial statements.

Management, having determined it is permissible in the circumstances, has elected to have the audit of the Plan's financial statements performed in accordance with ERISA Section 103(a)(3)(C) pursuant to 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. As permitted by ERISA Section 103(a)(3)(C), our audit need not extend to any statements or information related to assets held for investment of the Plan (investment information) by a bank or similar institution or insurance carrier that is regulated, supervised, and subject to periodic examination by a state or federal agency (qualified institution), provided that the statements or information regarding assets so held are prepared and certified to by the qualified institution, in accordance with 29 CFR 2520.103-5 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.

Management has obtained certifications from Fidelity Management Trust Company as of December 31, 2023 and for the period September 1, 2023 through December 31, 2023 and Matrix Trust Company for the period from January 1, 2023 through August 31, 2023, stating that the certified investment information, as described in Note 3 to the financial statements, is complete and accurate.

Opinion on the 2023 Financial Statements

In our opinion, based on our audit and on the procedures performed as described in the Auditor's Responsibilities for the Audit of the 2023 Financial Statements section of our report:

- The amounts and disclosures in the financial statements referred to above, other than those agreed to or derived from the certified investment information, are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).
- The information in the accompanying financial statements related to assets held by and certified to by qualified institutions agrees to, or is derived from, in all material respects, the information prepared and certified by an institution that management determined meets the requirements of ERISA Section 103(a)(3)(C).

Basis for Opinion on the 2023 Financial Statements

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the 2023 Financial Statements section of our report. We are required to be independent of the Plan and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our ERISA Section 103(a)(3)(C) audit opinion on the 2023 financial statements.

Responsibilities of Management for the 2023 Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error. Management's election of the ERISA Section 103(a)(3)(C) audit does not affect management's responsibility for the financial statements.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Plan's ability to continue as a going concern for one year after the date the financial statements are available to be issued.

Management is also responsible for maintaining a current plan instrument, including all Plan amendments; administering the Plan; and determining that the Plan's transactions that are presented and disclosed in the financial statements are in conformity with the Plan's provisions, including maintaining sufficient records with respect to each of the participants, to determine the benefits due or which may become due to such participants.

Auditor's Responsibilities for the Audit of the 2023 Financial Statements

Except as described in the Scope and Nature of the ERISA Section 103(a)(3)(C) Audit of the 2023 Financial Statements section of our report, our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Plan's ability to continue as a going concern for a reasonable period of time.

Our audit did not extend to the certified investment information, except for obtaining and reading the certification, comparing the certified investment information with the related information presented and disclosed in the 2023 financial statements, and reading the disclosures relating to the certified investment information to assess whether they are in accordance with the presentation and disclosure requirements of U.S. GAAP.

Accordingly, the objective of an ERISA Section 103(a)(3)(C) audit is not to express an opinion about whether the financial statements as a whole are presented fairly, in all material respects, in accordance with U.S. GAAP.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Other Matters

2023 Supplemental Information Required by ERISA

The supplemental information of Schedule H, line 4a – schedule of delinquent participant contributions and Schedule H, line 4i – schedule of assets (held at end of year), as of or for the year ended December 31, 2023, is presented for purposes of additional analysis and is not a required part of the financial statements but is supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information included in the supplemental information, other than that agreed to or derived from the certified investment information, has been subjected to auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS. For information included in the supplemental information that agreed to or is derived from the certified investment information, we compared such information to the related certified investment information.

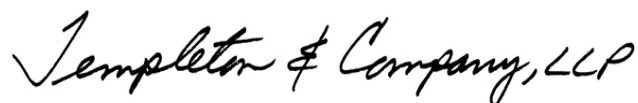
In forming our opinion on the supplemental information, we evaluated whether the supplemental information, other than the information agreed to or derived from the certified investment information, including its form and content, is presented in conformity with the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.

In our opinion—

- The form and content of the supplemental information, other than the information in the supplemental information that agreed to or is derived from the certified investment information, are presented, in all material respects, in conformity with the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.
- The information in the supplemental information related to assets held by and certified to by qualified institutions agrees to or is derived from, in all material respects, the information prepared and certified by an institution that management determined meets the requirements of ERISA Section 103(a)(3)(C).

Report on Compilation of the 2022 Financial Statement

Plan management is responsible for the accompanying financial statement of Molekule Group 401(k) Plan (an employee benefit plan), which comprise the statement of net assets available for benefits as of December 31, 2022, in accordance with accounting principles generally accepted in the United States of America. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statement nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on this financial statement as of December 31, 2022.



West Palm Beach, Florida
October 8, 2024

MOLEKULE GROUP 401(k) PLAN
STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
December 31, 2023 and 2022

	(Audited) 2023	(Compiled) 2022
Investments:		
Interest-bearing cash	\$ 4,422	\$ 33,668
Investments, at fair value	<u>6,383,179</u>	<u>4,981,866</u>
Total investments	<u>6,387,601</u>	<u>5,015,534</u>
Non-interest bearing cash	<u>-</u>	<u>97,961</u>
Receivables:		
Notes receivable from participants	26,857	29,084
Employer contributions receivable	3,286	23,815
Participant contributions	<u>-</u>	<u>20,084</u>
Total receivables	<u>30,143</u>	<u>72,983</u>
Net assets available for benefits	<u>\$ 6,417,744</u>	<u>\$ 5,186,478</u>

See accompanying notes to financial statements.

MOLEKULE GROUP 401(k) PLAN
STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
For the Year Ended December 31, 2023

Additions to net assets attributed to:

Investment income:

Net appreciation in fair value of investments \$ 980,640

Dividend and interest income 80,864

Total investment income 1,061,504

Interest income on notes receivable from participants 908

Contributions:

Participants 961,659

Employer 423,648

Rollover 106,028

Total contributions 1,491,335

Total additions 2,553,747

Deductions from net assets attributed to:

Benefits paid to participants 1,412,736

Administrative expenses 17,348

Total deductions 1,430,084

Change in net assets before transfers 1,123,663

Plan transfers:

Transfer in from other qualified plan (see Note 1) 107,603

Change in net assets 1,231,266

Net assets available for benefits:

Beginning of year 5,186,478

End of year \$ 6,417,744

MOLEKULE GROUP 401(k) PLAN

NOTES TO FINANCIAL STATEMENTS

Note 1 – Description of Plan

The following description of the Molekule Group 401(k) Plan (the Plan), formerly the Molekule 401(k) Plan, provides only general information. Participants should refer to the Plan document for a more complete description of the Plan's provisions.

General and eligibility

The Plan was established on January 1, 2018, as a defined contribution plan. The Plan is available to eligible employees of Molekule Group, Inc. and its subsidiary Molekule, Inc. (collectively, the Company, Employer or Plan Sponsor). Eligible employees are covered full-time employees who work more than 500 hours during the Plan year and are age 21 or older, as defined in the Plan document. An eligible employee may begin participating in the Plan immediately after completing the Plan's age and service requirements. The Plan's management determines the appropriateness of the Plan's investment offerings and monitors investment performance.

On October 3, 2023, Molekule Group, Inc. and its wholly owned subsidiary, Molekule, Inc., filed a voluntary petition with the U.S. Court of the Southern District of Florida for relief under the provisions of Chapter 11 of Title 11 of the U.S. Code. The Company continued to operate its business as a "debtor-in-possession" until the Company's Pre-Packaged Plan of Reorganization was approved. As the Plan is fully funded, the Plan continues to be a going concern.

The Company is the Plan Administrator. Through August 31, 2023, the Plan's investment assets were held by Matrix Trust Company (Matrix or the former trustee). Effective September 1, 2023, the Plan contracted with Fidelity Management Trust Company (Fidelity or the Trustee), to provide trust and recordkeeping services. As of December 31, 2023, the Trustee holds the Plan's investment assets, executes investment transactions and provides recordkeeping services.

On January 12, 2023, AeroClean Technologies, Inc. and its affiliates completed an acquisition of Molekule, Inc. In conjunction with this transaction, Molekule, Inc. continued as the surviving entity and as a wholly owned subsidiary of AeroClean Technologies, Inc. As part of this transaction, AeroClean Technologies, Inc. changed its name from AeroClean Technologies, Inc. to Molekule Group, Inc.

The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

Plan amendments

Effective May 22, 2023, the Plan was amended to exclude non-resident aliens from being eligible to participate in the Plan.

Effective September 1, 2023, the Plan was amended and restated to change the Plan's custodian and trustee to Fidelity Management Trust Company and changed its name to Molekule Group 401(k) Plan, further amending the Plan to change the Plan's sponsor and administrator and sponsoring employer to Molekule Group, Inc., as a participating employer. In addition, AeroClean Technologies, Inc. 401(k) Plan (AeroClean Plan) merged into and transferred the AeroClean Plan's assets and participant accounts into the Plan.

Effective August 31, 2023, the Plan was amended to update the maximum percentage of eligible compensation for elective deferrals to 90% for all types of elective deferrals, and allowed for additional discretionary employer matching contributions, with any such contributions to be allocated over each Plan year.

Contributions

Through September 1, 2023, participants could voluntarily make pre-tax deferrals of up to 90% of their annual compensation for pre-tax deferrals and 50% of their eligible compensation for Roth deferrals, as defined by the Plan, within the limits prescribed by the Internal Revenue Service (IRS).

MOLEKULE GROUP 401(k) PLAN

NOTES TO FINANCIAL STATEMENTS, CONTINUED

Note 1 – Description of Plan, Continued

Contributions, continued

Beginning September 1, 2023, participants may voluntarily make pre-tax and after-tax contributions of up to 90% of eligible compensation, as defined.

Participants who have attained age 50 before the end of the Plan year are eligible to make catch-up contributions. Participants may also contribute amounts representing distributions from other qualified defined-benefit or contribution plans (rollover). Participants may make Roth 401(k) elective deferrals. Participants direct the investment of their contributions into various investment options offered by the Plan.

The Employer makes a safe harbor matching contribution equal to 100% of the first 4% of eligible compensation, as defined, that a participant contributes to the Plan. For the year ended December 31, 2023, the Employer made safe harbor matching contributions totaling \$423,648. Employer safe harbor matching contributions are invested in accordance with the participant's direction and the Plan's provisions. The Employer may also make discretionary profit sharing and qualified nonelective (QNEC) contributions using a discretionary, pro-rata formula. Participants must have performed a specified period of service (defined as 500 hours of service during the Plan year) and be employed on the last day of the plan year, except in the event of death, disability or retirement during the year, to be eligible for the profit-sharing contribution. There were no such discretionary profit sharing or QNEC contributions for the year ended December 31, 2023.

Contributions are subject to certain IRS limitations.

Participant accounts

Each participant's account is credited with the participant's contributions, Employer contributions, and an allocation of net Plan earnings or losses. Participant accounts are charged with an allocation of administrative expenses that are paid by the Plan. Allocations are based on participant earnings, account balances, or specific participant transactions, as defined. The benefit to which participants are entitled is the vested portion of their accounts.

Vesting of benefits

Participants are 100% vested in their individual deferral, Roth, after-tax, and rollover contributions and the allocated earnings thereon. Participants are 100% vested in their Employer contributions when made and the related net earnings on the Employer's contributions.

Notes receivable from participants

Plan participants may borrow from their account \$1,000 up to a maximum equal to the lesser of \$50,000 or 50% of the participant's vested account balance. Loan terms range from one to five years unless the loan is used to acquire the principal residence of the participant which must be repaid with ten years from the date the loan is issued. Loans are secured by the balance in a participant's account and bear a reasonable rate of interest, as defined. Principal and interest are paid through regular payroll deductions and remitted to the Trustee. Any delinquent notes receivable from participants are recorded as distributions.

Forfeitures

Forfeited nonvested accounts may be used to offset Plan administrative expenses or reduce future Employer contributions. For the year ended December 31, 2023, no forfeitures were used to reduce Employer contributions or offset Plan administrative expenses. At December 31, 2023 and 2022, unallocated forfeitures totaled \$4 and \$0, respectively.

MOLEKULE GROUP 401(k) PLAN

NOTES TO FINANCIAL STATEMENTS, CONTINUED

Note 1 – Description of Plan, Continued

Payment of benefits

On termination of service due or death, disability or normal retirement age (65), a participant may elect to receive an amount equal to the value of the participant's vested interest in his or her account in either a lump sum payment. Mandatory distributions of account balances under \$5,000 will be made as soon as possible. On termination, a participant's account balance is distributed if the vested value of the participant's account is \$1,000 or less. For terminated participants with vested balances greater than \$1,000, but less than \$5,000, their vested balance may be automatically rolled into an IRA unless otherwise elected. On termination of service due to reasons other than death, disability, or retirement, a participant is entitled to a benefit equal to the vested interest in the participant's account. Participants may elect to take an in-service distribution of vested funds if they meet certain defined requirements, including becoming disabled, reaching age 59½ or for a qualifying financial hardship, as defined.

Administrative expenses

The Plan allows certain administrative expenses to be paid from Plan investment assets. Certain administrative expenses are paid by the Employer and are not reflected in these financial statements.

Plan administration

The Company is the Plan Administrator and, as such, controls and manages the operations of the Plan. Effective September 1, 2023, the Plan's assets were transferred to, and thereafter, maintained by Fidelity. Prior to September 1, 2023, the Plan's assets and participant accounts were maintained by Matrix.

SECURE Act 2.0

In December 2022, the Securing a Strong Retirement Act (SECURE Act 2.0) was passed into law. The provisions of SECURE Act 2.0 continue the reforms that began with the 2019 SECURE Act. Most of the SECURE Act 2.0 provisions will become effective in 2024 and thereafter, therefore there is no current impact to the Plan. Since the provisions include both required and optional elements, the Plan Administrator will determine the optional SECURE Act 2.0 provisions to elect.

Note 2 – Summary of Significant Accounting Policies

Basis of accounting

The accompanying financial statements of the Plan are prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Investment valuation and income recognition

Investments are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Plan Administrator determines the Plan's valuation policies utilizing information provided by the Plan's Trustee.

Purchases and sales of securities are recorded on a trade date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Net appreciation in fair value of investments includes the Plan's gains and losses on investments bought and sold, as well as held during the year.

MOLEKULE GROUP 401(k) PLAN

NOTES TO FINANCIAL STATEMENTS, CONTINUED

Note 2 – Summary of Significant Accounting Policies, Continued

Use of estimates

The preparation of financial statements in accordance with U.S. GAAP requires the Plan management to make estimates and assumptions that affect certain reported amounts of assets and liabilities and changes therein and disclosure of contingent assets and liabilities. Actual results could differ from those estimates and such differences could be material.

Risks and uncertainties

The Plan provides for various investment options. Investment securities are exposed to various risks, such as interest rate risk, market risk, and credit risk. Due to the high level of risk associated with certain investment securities, including the uncertainty related to changes in the values of investment securities, it is at least reasonably possible that changes in such risks in the near-term would materially affect participant account balances and the amounts reported in the financial statements.

Notes receivable from participants

Notes receivable from participants are measured at their unpaid principal balance plus any accrued but unpaid interest. Interest income is recorded on an accrual basis. Related fees are charged directly to the borrowing participant's account and are included as administrative expenses when incurred. Any delinquent notes receivable from participants are reclassified as distributions based on the terms of the Plan document. No allowance for credit losses has been recorded at December 31, 2023 and 2022.

Payment of benefits

The Plan records benefits when paid.

Plan expenses

The Plan classified certain administrative expenses as an expense rather than as a reduction of investment income. Substantially all administrative expenses for maintaining the Plan are paid by the Plan Sponsor and are not reflected in these financial statements. Certain expenses paid by the Plan consist of recordkeeping, trustee, and third-party administrator fees. Certain participant directed transactions such as loan processing fees are charged directly to participants' accounts.

Uncertain tax positions

U.S. GAAP requires the Plan to assess its uncertain tax positions for the likelihood they would be overturned upon examination by the IRS. In accordance with this guidance, the Plan Administrator has determined it does not have any positions at December 31, 2023 that it would be unable to substantiate.

Note 3 – Certified Investment Information

The Plan Administrator has elected the method of annual reporting compliance permitted by ERISA Section 103(a)(3)(C) pursuant to 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Accordingly, Fidelity Management Trust Company and Matrix Trust Company, qualified institutions, have certified that the following investment information included in the accompanying financial statements and ERISA-required supplemental information is complete and accurate:

MOLEKULE GROUP 401(k) PLAN

NOTES TO FINANCIAL STATEMENTS, CONTINUED

Note 3 – Certified Investment Information, Continued

- Investments and notes receivable from participants shown on the statement of net assets available for benefits as of December 31, 2023;
- Net investment activity and interest income on notes receivable from participants as shown in the statement of changes in net assets available for benefits for the year ended December 31, 2023; and
- Investment information included in the Schedule H, line 4i – Schedule of Assets (held at end of year) as of December 31, 2023, as shown on the ERISA-required supplemental information.

At the request of the Plan's Administrator, the Plan's independent auditors did not perform auditing procedures with respect to this certified information, except for comparing such certified information to the related investment information included in the financial statements, including the disclosures related to the investments to assess whether they are in accordance with the presentation and disclosure requirements of U.S. GAAP, and in the ERISA-required supplemental information, including assessing whether the supplemental information is in conformity with the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.

Note 4 – Fair Value Measurements

Accounting guidance provides a framework for measuring fair value and establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

The three levels of the fair value hierarchy are described as follows:

Level 1	Unadjusted quoted prices for identical, unrestricted assets or liabilities in active markets that a plan has the ability to access.
Level 2	Quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in inactive markets; inputs other than quoted prices that are observable for the asset or liability; and inputs that are derived principally from or corroborated by observable market data by correlation or other means for substantially the full term of the assets or liabilities.
Level 3	Significant unobservable inputs.

A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques maximize the use of relevant observable inputs and minimize the use of unobservable inputs. There have been no changes in the methodologies used at December 31, 2023 and 2022. During the year ended December 31, 2023, there were no transfers of financial instruments into or out of Level 3.

Following is a description of the valuation methodologies used for assets measured at fair value:

Mutual funds – are valued at the daily closing price as reported by the fund. Mutual funds held by the Plan are open ended funds traded on national exchanges. These funds are required to publish their daily net asset value (NAV) and to transact at those prices. The mutual funds are deemed to be actively traded.

Money market fund – institutional short-term investment vehicle valued daily with a NAV of \$1. NAV is the quoted price in an active market and therefore is classified within Level 1 of the fair value hierarchy.

MOLEKULE GROUP 401(k) PLAN

NOTES TO FINANCIAL STATEMENTS, CONTINUED

Note 4 – Fair Value Measurements, Continued

The preceding methods described may produce a fair value calculation which may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following tables set forth by level, within the fair value hierarchy, the Plan's investments measured at fair value on a recurring basis as of December 31, 2023 and 2022:

Fair Value Measurements as of December 31, 2023 (Audited)				
	Level 1	Level 2	Level 3	Total
Mutual funds	\$ 6,383,179	\$ -	\$ -	\$ 6,383,179
Money market fund	<u>4,422</u>	<u>-</u>	<u>-</u>	<u>4,422</u>
Total investments, at fair value	<u>\$ 6,387,601</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,387,601</u>

Fair Value Measurements as of December 31, 2022 (Unaudited)				
	Level 1	Level 2	Level 3	Total
Mutual funds	\$ 4,981,866	\$ -	\$ -	\$ 4,981,866
Money market fund	<u>33,668</u>	<u>-</u>	<u>-</u>	<u>33,668</u>
Total investments, at fair value	<u>\$ 5,015,534</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,015,534</u>

Note 5 – Plan Merger

Effective September 1, 2023, the AeroClean Plan merged into the Plan and the net assets of the AeroClean Plan, totaling \$107,603, along with the participants' accounts and outstanding loans were transferred into the Plan.

Note 6 – Plan Termination

Although it has not expressed any intention to do so, the Company has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions set forth in ERISA. In the event that the Plan is terminated, participants will become 100% vested in their accounts.

Note 7 – Tax Status

The Plan uses a non-standardized pre-approved profit-sharing plan with CODA plan document sponsored by Financial Management and Research Company, LLC. Financial Management and Research Company, LLC received an opinion letter from the IRS, dated June 30, 2020, which states that the prototype document, as then designed, satisfies the applicable provisions of the Internal Revenue Code (IRC). The Plan itself has not received a determination letter from the IRS. The Plan has been amended since receiving the opinion letter, however, the Plan's management and the Plan's tax counsel believes that the Plan is currently designed and being operated in compliance with the applicable requirements of the IRC. Therefore, no provision for income tax has been included in the Plan's financial statements.

U.S. GAAP requires plan management to evaluate tax positions taken by the Plan and recognize a tax liability (or asset) if the Plan has taken an uncertain position that more likely than not would not be sustained upon examination by the IRS. In accordance with guidance the Administrator has determined it does not have any positions at December 31, 2023 that it could be unable to substantiate. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no IRS examinations for any tax periods in progress. The Plan Administrator believes it is no longer subject to income tax examinations for years prior to 2020.

MOLEKULE GROUP 401(k) PLAN

NOTES TO FINANCIAL STATEMENTS, CONTINUED

Note 8 – Party-In-Interest Transactions

Parties-in-interest are defined under the DOL Regulations as any fiduciary of the Plan, any party rendering service to the Plan, the Employer and certain others. The Plan's investment funds and accounts are maintained and managed by Fidelity who serves as the Plan's Trustee, and therefore, these transactions qualify as party-in-interest transactions. Participant loan and distribution processing fees are paid to Fidelity by participants. The Plan also receives revenue credits from Fidelity. The Plan also issues loans to participants which are secured by the vested balance of the participants' accounts. As described in Note 2, the Plan paid certain expenses related to plan operations and investment activity to various service providers. These transactions are party-in-interest transactions, which are exempt from the prohibited transaction rules under ERISA. Certain administrative functions are performed by officers and employees of the Employer. No officer or employee receives compensation from the Plan for these services.

Fidelity provides certain administrative services to the Plan pursuant to a Master Plan Services Agreement (MSA) between the Company and Fidelity. Fidelity receives revenue from mutual fund service providers for services Fidelity provides to the funds. This revenue is used to offset certain amounts owed to Fidelity for its administrative services to the Plan. If the revenue received by Fidelity from such mutual fund service providers exceeds the amount owed under the MSA, Fidelity remits the excess to the Plan's trust on a quarterly basis. Such amounts may be applied to pay Plan administrative expenses or allocated to the accounts of the participants. The Plan or Plan Sponsor may make a payment to Fidelity for administrative expenses not covered by revenue sharing.

Note 9 – Reconciliation of Financial Statements to Form 5500

The following is a reconciliation of net assets available for benefits shown on Form 5500 at December 31, 2023 and 2022 and changes in net assets available for benefits for the year ended December 31, 2023 with the amounts shown in the financial statements.

	(Audited) 2023	(Unaudited) 2022
Net assets available for benefits – Form 5500	\$ 6,414,458	\$ 5,039,451
Reconciling items:		
Prior year participant contributions receivable	-	23,815
Current and prior year Employer contributions receivable	3,286	20,084
Benefits paid in current year recorded on 2022 Form 5500	<u>-</u>	<u>103,128</u>
Net assets available for benefits – financial statements	<u>\$ 6,417,744</u>	<u>\$ 5,186,478</u>
	(Audited) 2023	
Change in net assets – Form 5500	\$ 1,375,007	
Reconciling items:		
Prior year participant contributions	(23,815)	
Net adjustment for Employer contributions	(16,798)	
Benefits paid to participants in 2023 reported on 2022 Form 5500	<u>(103,128)</u>	
Change in net assets – financial statements	<u>\$ 1,231,266</u>	

Note 10 – Subsequent Events

The Plan evaluated events occurring subsequent to December 31, 2023 through October 8, 2024, the date on which the financial statements were available to be issued, for matters that should be recorded in the financial statements or disclosed in the footnotes thereto.

SUPPLEMENTAL INFORMATION

MOLEKULE GROUP 401(k) PLAN
PLAN SPONSOR'S EIN: 45-3213164
PLAN NUMBER: 002

SCHEDULE H, Line 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR)
December 31, 2023

(a)	(b) Identity of issuer, borrower or similar party	(c) Description of investment including maturity date, rate of interest, collateral, par, or maturity value	(d) Cost	(e) Current Value
	Mutual funds:			
	Calvert	Intl Eq Fund	**	\$ 4,889
	Blackrock	Strat Glb Bond Fund	**	1,912
	JPMorgan	US Value Fund	**	3,773
	RBC	Emrg Mkts Eq Fund	**	6,150
	JPMorgan	Govt Bond Fund	**	5,022
	iShares	US Agg BD Idx Fund	**	5,674
	iShares	MSCI Tot Intl Fund	**	85,970
	Dodge & Cox	IS R2000 SM-Cap Fund	**	3,304
	John Hancock	Enterprise Fund	**	5,325
	Western Asset	Core Pls Bond Fund	**	3,764
	Allspring	Special Mid Cap Val Fund	**	11,443
	iShares	Mid-Cap Idx Fund	**	2,805
	PIMCO	RAE US Sm Fund	**	4,782
	JPMorgan	US Equity Fund	**	15,437
	PIMCO	Commplus Strat Fund	**	443
*	Fidelity	500 Index Fund	**	329,127
*	Fidelity	Total Bond Fund	**	1,046
*	Fidelity	Blue Chip Gr Fund	**	17,280
*	Fidelity	FRDM Bld 2060 Fund	**	302,427
*	Fidelity	FRDM Bld 2055 Fund	**	982,247
*	Fidelity	FRDM Bld 2050 Fund	**	1,259,638
*	Fidelity	FRDM Bld 2045 Fund	**	661,608
*	Fidelity	FRDM Bld 2040 Fund	**	1,498,328
*	Fidelity	FRDM Bld 2035 Fund	**	579,561
*	Fidelity	FRDM Bld 2030 Fund	**	414,881
*	Fidelity	FRDM Bld 2025 Fund	**	142,791
*	Fidelity	FRDM Bld 2010 Fund	**	13,145
*	Fidelity	FRDM Bld 2065 Fund	**	20,407
	Total mutual funds			<u>6,383,179</u>
	Interest-bearing cash equivalents:			
	Gabelli US	Money Market Fund	**	2,947
*	Fidelity	Holding Account	**	1,475
	Total interest-bearing cash equivalents			<u>4,422</u>
	Total investments			6,387,601
*	Notes receivable from participants	Loans to participants, interest rates ranging from 4.25% - 9.50% with various maturities.	-	<u>26,857</u>
	Total assets held			<u>\$ 6,414,458</u>

* A party-in-interest, as defined by ERISA.

** The cost of participant-directed investments is not required to be disclosed.