FORM 2A

LISTING STATEMENT

ATMOFIZER TECHNOLOGIES INC.

IN CONNECTION WITH THE LISTING OF THE SHARES OF THE COMPANY
(FORMERLY KNOWN AS CONSOLIDATED HCI HOLDINGS CORPORATION)

Dated as of November 12, 2021

Neither the Canadian Securities Exchange Inc. nor any securities regulatory authority has in any way passed upon the merits of the Business Combination described in this Listing Statement.

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GLOSSARY OF TERMS

The following is a glossary of certain definitions used in this Listing Statement. Terms and abbreviations used in the appendices to this Listing Statement are defined separately and the terms and abbreviations defined below are not used therein, except where otherwise indicated. Words importing the singular, where the context requires, include the plural and *vice versa* and words importing any gender include all genders.

"**2020 IP Agreements**" has the meaning ascribed to it in *"General Development of the Business – Vaxxinator*";

"**2021 IP Agreements**" has the meaning ascribed to it in *"General Development of the Business – Vaxxinator"*;

"**Affiliate**", a company is an "Affiliate" of another company if (a) one of them is the subsidiary of the other, or (b) each of them is controlled by the same Person. A company is "controlled" by a Person if (a) voting securities of the company are held, other than by way of security only, by or for the benefit of that Person and (b) the voting securities, if voted, entitle the Person to elect a majority of the directors of the company. A Person beneficially owns securities that are beneficially owned by (a) a company controlled by that Person, or (b) an Affiliate of that Person or an Affiliate of any company controlled by that Person;

"**Amalco**" has the meaning ascribed to it in *"General Development of the Business – Business Combination"*;

"**Amalgamation**" has the meaning ascribed to it in *"General Development of the Business – Business Combination"*;

"**Associate**", when used to indicate a relationship with a Person, means (a) an issuer of which the Person beneficially owns or controls directly, or indirectly, voting securities entitling him to more than 10% of the voting rights attached to all outstanding voting securities of the issuer, (b) any partner of the Person, (c) any trust or estate in which the Person has a substantial beneficial interest or in respect of which the Person serves as trustee or in a similar capacity, (d) in the case of a person who is an individual, (i) that Person's spouse or child, or (ii) any relative of that Person or of his spouse who has the same residence as that Person;

"**BCBCA**" means the *Business Corporations Act* (British Columbia), as amended from time to time;

"**Board**" or "**Board of Directors**" means the board of directors of the Company;

"Business Combination Agreement" means the business combination agreement dated effective July 14, 2021, as amended August 24, 2021 among CHCI, Vaxxinator, and Subco and setting forth the terms and conditions of the Business Combination;

"**Business Combination**" means the acquisition of Vaxxinator by the Company by way of a reverse takeover transaction pursuant to the terms and conditions of the Business Combination Agreement;

"**CBCA**" means the *Canada Business Corporations Act*, as amended from time to time;

"**CDC**" means the United States Centers for Disease Control and Prevention;

"**CEO"** means Chief Executive Officer;

"**CFO**" means Chief Financial Officer;

"**CHCI**" means the Company, Consolidated HCI Holdings Corporation Inc., a company incorporated under the CBCA, prior to the Business Combination;

"**CHCI Name Change**" means the name change of the Company to "Atmofizer Technologies Inc.";

"**CHCI Option**" means a stock option to acquire Common Shares which are not governed by any shareholder approved securities-based compensation plan including the Omnibus Incentive Plan;

"**CHCI Shareholders**" means the holders of the Common Shares, prior to the Business Combination;

"**Closing**" means the completion of the Business Combination;

"**Common Shares**" means the at any particular time the issued and outstanding common shares in the capital of the Company with no par value in the capital;

"**Company**" or "**Resulting Issuer**" means Atmofizer Technologies Inc. (formerly Consolidated HCI Holdings Corporation), a corporation continued under the BCBCA with its registered office located in Vancouver, British Columbia;

"**Consolidation**" has the meaning ascribed to it in *"General Development of the Business – Business Combination"*;

"**Continuance**" has the meaning ascribed to it in *"General Development of the Business – Business Combination"*;

"**Control Person**" means any Person that holds or is one of a combination of Persons that holds a sufficient number of any of the securities of an issuer so as to affect materially the control of that issuer, or that holds more than 20% of the outstanding voting securities of an issuer except where there is evidence showing that the holder of those securities does not materially affect the control of the issuer;

"**CSE**" means the Canadian Securities Exchange;

"**Davidson**" means Davidson & Company LLP, auditors of the Company;

"**Deferred Share Unit"** or "**DSU**" means a deferred share unit granted pursuant to the Omnibus Incentive Plan;

"**DNA**" means doxyribonucleic acid;

"**Eligible Participants**" has the meaning ascribed to it in "*Options to Purchase Securities*";

"**EPA**" means the U.S. Environmental Protection Agency;

"**EU**" means the European Union;

FDA" means the U.S. Food and Drug Administration;

"**FD&C Act**" means the U.S. *Federal Food Drug and Cosmetic Act*.

"**FIFRA**" means the U.S. *Federal Insecticide Fungicide and Rodenticide Act*;

"**Finder's Fee**" has the meaning ascribed to it in *"General Development of the Business – Business Combination"*;

"**HEPA**" means High Efficiency Particulate Air;

"**IFRS**" means the International Financial Reporting Standards as issued by the International Accounting Standards Board and Interpretations of the International Financial Interpretations Committee;

"**Insider**" if used in relation to an issuer, means: (a) a director or executive officer of the issuer; (b) a director or executive officer of a company that is an Insider or subsidiary of the issuer; (c) a Person that beneficially owns or controls, directly or indirectly, voting shares carrying more than 10% of the voting rights attached to all outstanding voting shares of the issuer; (d) the issuer itself if it holds any of its own securities; (e) a person that is designated as an Insider by the British Columbia Securities Commission; or (f) a class of persons that are prescribed by applicable securities laws;

"**Investor Relations Activities**" has the meaning set forth under the applicable policies of the CSE;

"**IUTA**" means the Institute of Energy and Environmental Technology;

"**IVD**" is a device which, whether used alone or in combination, is intended by the manufacturer for the in-vitro examination of specimens derived from the human body solely or principally to provide information for diagnostic, monitoring or compatibility purpose;

"**Klebsiella aerogenes**" is a Gram-negative, oxidase negative, catalase positive, citrate positive, indole negative, rod-shaped bacterium. The bacterium is approximately 1-3 microns in length, and is capable of motility via peritrichous flagella;

"**Licensed Fields**" has the meaning ascribed to it in *"Narrative Description of the Business – General Business of the Company - Proprietary Protection and Intellectual Property – Exclusively Licensed Rights"*;

"**Listing"** means the listing of the Common Shares on the CSE;

"**Listing Date**" means the date on which the Common Shares commence trading on the CSE;

"**Listing Statement**" means this listing statement, together with all appendices attached hereto and including the summary hereof;

"**MDA**" means the Medical Device Amendments (Pub. L. 94-295) to the FD&C Act;

"**MD&A**" means management's discussion and analysis;

"**MRSE**" means Methicillin-Resistant Staphylococcus epidermidis, a bacterial organism that is responsible for the difficult-to-treat infections in humans and responsible of hospital-acquired-infections;

"**MS2**" means an icosahedral, positive-sense single-stranded RNA virus that infects the bacterium Escherichia coli and other members of the Enterobacteriaceae. MS2 is a member of a family of closely related bacterial viruses that includes bacteriophage f2, bacteriophage Qβ, R17, and GA;

"**Named Executive Officer**" or "**NEO**" has the meaning ascribed to it in Form 51-102F6 – *Statement of Executive Compensation* under National Instrument 51-102 – *Continuous Disclosure Obligations*;

"**NEX**" means the NEX board of the TSXV;

"**Odyssey**" means Odyssey Trust Company, the registrar and transfer agent of the Company;

"**Omnibus Incentive Plan**" means the securities-based incentive compensation plan of the Company adopted by the CHCI Shareholders at the annual and special meeting of CHCI Shareholders held on September 21, 2021 providing for the grant of incentive Stock Options, RSUs and DSUs to qualified directors, officers, employees and consultants;

"**Patent Applications**" has the meaning ascribed to it in *"Narrative Description of the Business – General Business of the Company - Proprietary Protection and Intellectual Property – Exclusively Licensed Rights"*;

"**Patent Cooperation Treaty**" or "**PCT**" is an international patent law treaty, concluded in 1970, providing a unified procedure for filing patent applications to protect inventions in each of its contracting states– the PCT is a patent filing system that provides deferred patent filing rights in more than 150 countries – it defers but does not replace the requirement to file individual patent applications;

"**Person**" means a natural person, partnership, limited partnership, limited liability partnership, corporation, limited liability company, unlimited liability company, joint stock company, trust, unincorporated association, joint venture or other entity or governmental entity, and pronouns having a similar extended meaning;

"**PRIA**" means the U.S. *Pesticide Registration Improvement Extension Act*;

"**Promoter**" has the meaning ascribed to it in the *Securities Act* (Ontario);

"**PureKana**" means PureKana, LLC, a limited liability company existing under the laws of the state of Arizona;

"**PhiX-174**" or "**ΦX174 Bacteriophage**" means a single-stranded DNA virus that infects Escherichia coli and the first DNA-based genome to be sequenced;

"**Restricted Share Unit"** or "**RSU**" means a restricted share unit granted pursuant to the Omnibus Incentive Plan;

"**RNA**" means ribonucleic acid;

"**SARS-CoV-2**" severe acute respiratory syndrome coronavirus 2;

"**Shareholders**" means any holders of Common Shares following the completion of the Business Combination;

"**Smart Material**" means Smart Material Printing B.V., a limited liability company existing under the laws of the Netherlands;

"**South African Patent**" means a patent owned by Windplussonne entitled "Method and device for separating and/or cleaning aerosols and solid material particles and fibers from gas and solid material particles and fibres from fluids by acoustophoresis" and granted by the Companies and Intellectual Property Commission Department of Trade and Industry (CIPC) in South Africa on September 25, 2019 (ZA210805944B);

"**SRCO**" means SRCO Professional Corporation, the former auditors of the Company;

"**Stock Option**" means a stock option to acquire Common Shares pursuant to the Omnibus Incentive Plan;

"**Subco**" has the meaning ascribed to it in *"General Development of the Business – Business Combination"*;

"**Atmofizer USA**" means The Better Tomorrow Project, LLC (formerly, Vaxxinator USA, LLC) d/b/a Atmofizer, a wholly-owned subsidiary of the Company, existing under the laws of Florida;

"**TSXV**" means the TSX Venture Exchange;

"**Ultrafine Particles**" or "**UFPs**" means particulate matter of nanoscale size (less than 0.1 µm or 100 nm in diameter);

"**Ultraviolet**" or "**UV**" means ultraviolet radiation with wavelengths between 100 and 400 nm;

"**United States**" or "**U.S.**" means the United States of America;

"**Units**" has the meaning ascribed to it in *"General Development of the Business – Vaxxinator"*;

"**USPTO**" means United States Patent and Trademark Office.

"**Vaxxinator**" means Vaxxinator Enterprises Inc (formerly SOL Wellness Co Ltd.), a company existing under the laws of British Columbia;

"**Vaxxinator Air**" means Vaxxinator Air B.V., a limited liability company existing under the laws of the Netherlands;

"**Vaxxinator Coating**" means Vaxxinator Coating B.V., a limited liability company existing under the laws of the Netherlands;

"**Vaxxinator LeaseCo**" means Vaxxinator Lease Co., LLC, a subsidiary of Atmofizer USA, existing under the laws of Nevada;

"**Vaxxinator Option**" means a stock option to acquire Vaxxinator Shares;

"**Vaxxinator Shareholders**" means the former holders of the Vaxxinator Shares;

"**Vaxxinator Shares**" means the common shares with no par value in the capital of Vaxxinator (or, following the Business Combination, the Common Shares);

"**Vaxxinator Warrantholders**" means the former holders of the Vaxxinator Warrants;

"**Vaxxinator Warrants**" means non-transferable warrants issued to purchase Vaxxinator Shares (or, following the Business Combination, Warrants);

"**Volatile Organic Compounds**" or "**VOCs**" means gases that are emitted into the air from products or processes;

"**Warrants**" means common share purchase warrants issued by the Company to acquire Common Shares; and

"Warrant Acceleration Press Release" has the meaning ascribed to it in "*Description of Securities– Warrants*"

"**Windplussonne**" means Windplussonne GmbH, a limited liability corporation existing under the laws of Germany.

EXCHANGE RATE INFORMATION

In this Listing Statement, all references to "C$" refer to Canadian dollars, all references to "US$" refer to U.S. dollars, and all references to "€" refer to the Euro. The daily exchange rate on December 31, 2020 as reported by the Bank of Canada was US$1.00 = C$1.273. The daily exchange rate on December 31, 2020 as reported by the U.S Federal Reserve was US$1.00 = €1.2230.

CONVERSION FACTORS AND ABBREVIATIONS

Conversion Factors

1 kilometre (km)	0.6214 miles
1 kilogram (kg)	2.2046 pounds (lbs)
1 micrometer (µm)	One millionth of a meter (1×10−6 m)
1 micron	One millionth of a meter (1×10−6 m)
1 nanometer (nm)	One billionth of a meter (1×10−9 m)

FORWARD-LOOKING INFORMATION

This Listing Statement contains forward-looking information. Often, but not always, forward-looking information can be identified by the use of words such as "plans", "expects", "does not expect", "estimates", "intends", "anticipates", "does not anticipate", or "believes", or variations of such words and phrases or states that certain actions, events or results "may", "could", "would", "might" or "will" be taken to occur or be achieved.

Forward-looking information involves known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking information. Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements.

Without limitation, this document may contain forward-looking statements pertaining to the following:

- The Company's capital and organizational structure;
- The Company's expected working capital;
- The Company's business plans and strategies including targets for future growth;
- The development of the Company's business;
- The Company's Patent Applications;
- The Company's control over the patent prosecution process associated with its licensed patent rights;
- Expansion, developments and production targets and growth profile;
- Plans to conduct third party testing on the Company's device efficacy;

- Expectations with respect to future opportunities;
- Capital expenditure programs and future capital requirements;
- The receipt of regulatory and stock exchange approvals;
- Timing of the commencement of certain operations including the commercialization of air purification units;
- The product form factors of the Company;
- The Company's plan to submit a 510(k) to the FDA;
- Supply and demand fundamentals for products and services of the Company;
- The Company's plans regarding and composition of principal securityholders, directors, officers, promoters and management;
- The Company's plans and funding for planned development activities and the expected results of such activities;
- The Company's treatment under governmental and international regulatory regimes and intellectual property laws;
- The Company's future general and administrative expenses;
- The Company's stock option plan;
- The Company's access to capital and overall strategy and development plans for all of the Company's assets;
- Expectations on how the Company will manage production and marketing risks; and
- The business and strategic plans of the Company.

With respect to forward-looking statements and forward-looking information contained in this Listing Statement, numerous assumptions have been made regarding, among other things:

- General business and economic conditions;
- Current and future share prices;
- The future operational and financial activities of the Company generally;
- The Company's ability to obtain appropriate intellectual property applications and protections in a timely and cost-efficient manner;
- Fluctuations in foreign currency exchange rates, business prospects and opportunities;
- The regulatory framework governing intellectually property in the jurisdictions in which the Company will conduct its business and any other jurisdictions in which the Company may conduct its business in the future;

- Trade secrets, know-how, contractual provisions and confidentiality procedures to protect its intellectual property rights;
- The Company's ability to comply with the regulatory bodies governing its activities;
- Future capital expenditures to be made by the Company;
- Current and future sources of funding for capital programs and the Company's ability to obtain financing on acceptable terms;
- The impact of competition on the Company;
- The impact of SARS-CoV-2, the COVID-19 pandemic and other future viruses;
- The impact of the Business Combination on the Company;
- Political developments and/or instability;
- Changes in law; and
- Anticipated and unanticipated costs.

The foregoing list of assumptions is not exhaustive. Actual results could differ materially from those anticipated in forward-looking statements as a result of various events and circumstances, including, among other things, the risk factors set forth under the heading "*Risk Factors*".

Should one or more of these risks or uncertainties materialize, or should assumptions underlying the forward-looking information prove incorrect, actual results, performance or achievement may vary materially from those expressed or implied by the forward-looking information contained in this Listing Statement. These factors should be carefully considered and readers are cautioned not to place undue reliance on forward-looking information, which speaks only as of the date of this Listing Statement. All subsequent forward-looking information of the Company herein is expressly qualified in its entirety by the cautionary statements contained in or referred to herein. The Company does not undertake any obligation to release publicly any revisions to this forward-looking information to reflect events or circumstances that occur after the date of this Listing Statement or to reflect the occurrence of unanticipated events, except as may be required under applicable securities laws.

2. CORPORATE STRUCTURE

Corporate Name and Incorporation

The full corporate name of the Company is Atmofizer Technologies Inc., existing under the laws of the CBCA. The Company's head office and its registered office is located at 550 Burrard Street, Suite 2300, Bentall 5, Vancouver, British Columbia, V6C 2B5, Canada.

The Company was incorporated as "HCI Holdings Ltd." under the CBCA on September 21, 1977 with an authorized capital of 2,000,000 common shares and a fixed number of five (5) directors. On January 29, 1979, the Company amended its articles to increase its authorized capital by creating a class of 1,500,000 first preference shares.

On March 11, 1980, the articles were amended to increase the authorized capital by creating an unlimited number of Class A shares and Class B shares. The then common shares were redesignated as Class A shares and Class B shares on the basis of one-third (1/3) of a Class A share and 1 Class B

share for every one (1) then common share. On December 19, 1980, the Class A shares and Class B shares were each split on a 1:3 basis.

On February 8, 1982, the articles were amended to change the number of directors to a minimum of five (5) and a maximum of nine (9).

On March 18, 1983, the Class A shares were redesignated as Class A (Non-voting) shares.

On June 28, 1985, the articles were amended to change the number of directors to a minimum of five (5) and a maximum of ten (10).

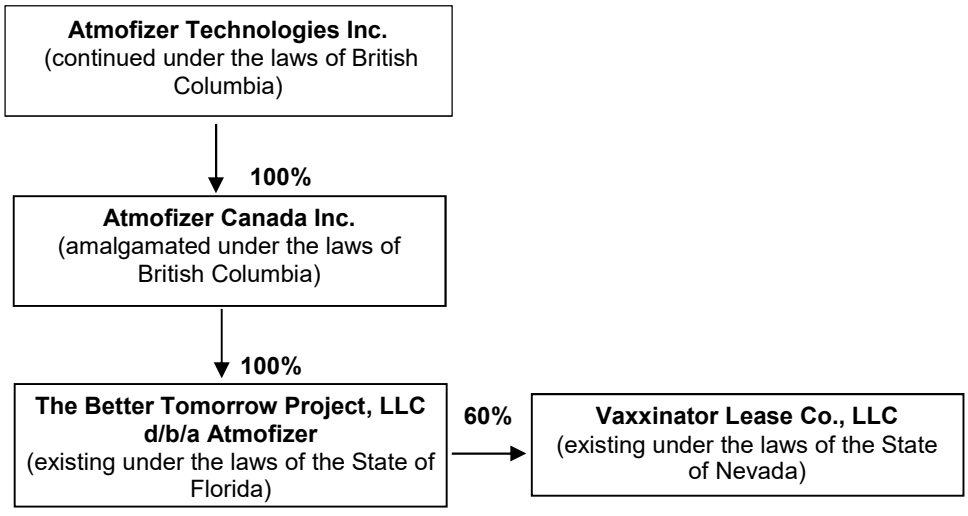
On December 23, 1986, the Company changed its name to "Consolidated HCI Holdings Corporation" and the Class A shares and Class B shares were each consolidated on a 7:1 basis.

On March 25, 2003, the articles were amended to redesignate each issued and outstanding Class A share as one (1) Class B share. The authorized capital of Class A shares and first preferred shares were also cancelled leaving the Company with an authorized capital of an unlimited number of Class B shares.

On November 12, 2021, in connection with the Business Combination, the Company consolidated the Class B shares on a 24.691:1 basis and changed its name to "Atmofizer Technologies Inc." In addition, the Company was continued from the federal jurisdiction under the CBCA to British Columbia under the BCBCA and the Class B shares were redesignated as Common Shares.

Intercorporate Relationships

The Company has three wholly-owned subsidiaries. The following diagram illustrates the current corporate structure of the Company and its material subsidiaries including jurisdictions of incorporation:



3. GENERAL DEVELOPMENT OF THE BUSINESS

The Company

The Company began as an Ontario-based real estate development and holding company but in 2017, the Company divested substantially all of its operations and ceased to be actively engaged in any ongoing business. Up until the Business Combination, the Company did not hold any material assets

other than cash and did not conduct any operations other than to identify and evaluate new business opportunities and acquisitions.

On November 12, 2021, the Company completed the Business Combination resulting in the change of business of the Company from real estate holdings and investments to the research, development and distribution of proprietary and patented air purification and surface coatings (anti-viral products). For further information regarding the Business Combination, please see "*General Development of the Business – Business Combination*". Additionally, readers are encouraged to refer to the Business Combination Agreement, a copy of which has been filed by the Company with the Canadian securities regulatory authorities and is available at www.sedar.com.

The Company is a reporting issuer under the laws of the Provinces of British Columbia, Alberta, Ontario and Quebec. The Common Shares (then Class B shares) were previously listed for trading on the NEX board of the TSXV under the symbol "CXA.H". The Common Shares were voluntarily de-listed from the TSXV on November 12, 2021.

Vaxxinator

Vaxxinator was incorporated under the BCBCA as "Sol Wellness Inc." on September 30, 2019. On September 30, 2020, Vaxxinator changed its corporate name to "Vaxxinator Enterprises Inc." The head office and registered office of Vaxxinator was located at Suite 2300, Bentall 5, 550 Burrard Street, Vancouver, BC, V6C 2B5.

Vaxxinator was established in 2019 with the purpose of developing a business in the health and wellness space. The development of the business began in 2020 in the field of air purification and surface cleaning due to the demand created by the COVID-19 pandemic. Certain key initial agreements in these areas were entered into in September 2020 to advance these business activities.

In the fourth quarter of 2020, Vaxxinator began negotiations for access to certain air purification and anti-bacterial and anti-viral surface coating technologies invented by Dr. Gregor Luthe and further developed by Vaxxinator Air and Vaxxinator Coating, respectively. On October 26, 2020, Vaxxinator acquired co-ownership rights to these air purification and anti-bacterial and anti-viral surface coating technologies by way of intellectual property agreements with Vaxxinator Air and Vaxxinator Coating, respectively (the "**2020 IP Agreements**"). For further information on the 2020 IP Agreements, see "*Narrative Description of the Business – Proprietary Protection and Intellectual Property"*.

Concurrently with the execution of the 2020 IP Agreements on October 26, 2020, Vaxxinator completed a non-brokered private placement of an aggregate of 35,250,000 Vaxxinator Shares at a price of US$0.02 per share for gross proceeds of US$705,000.

Between December 4, 2020 and February 5, 2021, Vaxxinator completed a non-brokered private placement of Vaxxinator Shares in multiple tranches whereby an aggregate of 8,820,000 Vaxxinator Shares were issued and sold at a price of US$0.50 per share for aggregate gross proceeds of US$4,410,000.

On May 17, 2021, Vaxxinator entered into additional intellectual property agreements for a license to use and enforce patent rights to certain proprietary technology invented by Dr. Luthe and owned by Smart Material and Windplussonne for neutralizing Ultrafine Particles including bacteria, viruses, mold and spores from air and water (the "**2021 IP Agreements**"). The 2021 IP Agreements were comprised of (i) two (2) "upstream" exclusive licenses granted by each of Smart Material and Windplussonne to Vaxxinator Coating; and (ii) a "downstream" exclusive sub-license granted by Vaxxinator Coating to Vaxxinator. For further information on the 2021 IP Agreements, see "*Narrative Description of the Business – Proprietary Protection and Intellectual Property"*.

Between May 17, 2021 and July 7, 2021, Vaxxinator completed a non-brokered private placement of units ("**Units**") in multiple tranches whereby an aggregate of 3,828,266 Units were issued and sold at a price of US$3.00 per Unit for aggregate gross proceeds of $11,484,798. Each Unit comprised of one (1) Vaxxinator Share and one-half of one (1/2) Vaxxinator Warrant. Each whole Warrant was exercisable for one Vaxxinator Share at an exercise price of US$3.50 for a period of two (2) years from the issue date.

On October 20, 2021, Vaxxinator completed a non-brokered private placement of 73,333 Units at a price of US$3.00 for aggregate gross proceeds of US$220,000.

Business Combination

On April 18, 2021, the Company entered into a non-binding letter of intent with Vaxxinator proposing the Business Combination. On July 14, 2021, the Company entered into the Business Combination Agreement with Vaxxinator, as further amended on August 24, 2021, providing for the definitive terms and conditions of the reverse takeover of the Company by the shareholders of Vaxxinator and the change of business of the Company to that of Vaxxinator.

On November 12, 2021 the Company completed the Business Combination, which was effected by way of a "three-cornered" amalgamation under the BCBCA (the "**Amalgamation**") involving the Company, Vaxxinator and a wholly-owned subsidiary of the Company, 1314092 B.C. Ltd. ("**Subco**"). Conditional to the completion of the Business Combination, the Company consolidated its then Class B shares on a 24.691:1 basis (the "**Consolidation**") and continued from the federal jurisdiction under the CBCA to British Columbia under the BCBCA (the "**Continuance**"). Upon adopting new articles under the Continuance, the Company redesignated its Class B shares as Common Shares. In accordance with the terms of the Amalgamation, Vaxxinator Shareholders received one (1) Common Share for each Vaxxinator Share held and Vaxxinator Warrants were cancelled in exchange for Warrants bearing equivalent terms on the same 1:1 basis. The Company received one (1) common share in the amalgamated entity, Atmofizer Canada Inc. ("**Amalco**"), for each common share of Subco held. As consideration for the issuance of the Common Shares to the Vaxxinator Shareholders to effect the Amalgamation, Amalco issued to the Company one (1) additional Amalco common share for each Common Share so issued. An aggregate of 72,213,603 Common Shares and 2,534,126 Warrants were issued to former holders of Vaxxinator Shares and Vaxxinator Warrants resulting in former Vaxxinator shareholders holding approximately 97.74% of the issued and outstanding Common Shares on a non-diluted basis. The 1,800,000 Vaxxinator Options were cancelled and exchanged for 1,800,000 Stock Options on equivalent terms.

The Board of Directors was reconstituted to be comprised of Michael Galloro, Olivier Centner, Peter Simeon, Joshua Helman and Nareda Mills. Olivier Centner was also appointed as Chief Executive Officer of the Company and Brian Meadows was appointed as Chief Financial Officer and Secretary of the Company. For additional information on the directors and officers of the Company, please see *"Directors and Officers – Directors, Officers and Management of the Company*".

As a condition to the Business Combination, the Company was delisted from the TSXV, which required CHCI Shareholder approval from a majority of the minority of CHCI Shareholders.

For more information on the outstanding capital of the Company, please see "*Consolidated Capitalization*" and "*Description of Securities*".

Upon completion of the Business Combination, the Company paid a finder's fee to an arm's length party for introducing Vaxxinator to the Company (the "**Finder's Fee**"). The Finder's Fee was satisfied entirely by the issuance of 833,333 Common Shares to the finder. The Common Shares issued in connection with the Finder's Fee were issued on a post-Consolidation basis.

Immediately following the completion of the Business Combination, the Company's financial year-end was changed from September 30th to December 31st.

4. NARRATIVE DESCRIPTION OF THE BUSINESS

General Business of the Company

The Company is a clean technology company focused on providing clean air and water through its commercial products. Transmission of bacteria and viruses through air and water is a global problem, which was highlighted by the COVID-19 pandemic. Clean air and water are the key to global health and require the removal of ultra-fine particles to create a better tomorrow. The global air purifier market size was valued at US$10.2 billion in 2020 and is expected to expand at a compound annual growth rate of 10.0% from 2021 to 2028.[1] The market is expected to be driven by rising airborne diseases and increasing pollution levels in urban areas.

The Company is focused on commercializing its patented scientific technology through stand alone, integrated and licensed applications across various industry applications including business, consumer, medical and industrial applications.

Developing and deploying new ways to bring clean air and water to all corners of the world to ensure a better tomorrow for our planet and the life upon it that relies on clean air and water for health and survival. The Company has developed a number of key prototypes since 2020 and commenced sale of two commercial products during the second quarter of 2021. The Company's Atmofizer One and the Atmofizer Pro air purifiers launched during the second quarter in the United States. The Company is now expanding sales of these two products outside the United States beginning with the United Kingdom and in the European Union. The Company has recently entered into its first national distribution agreement in the United States.

The Company, indirectly through Atmofizer USA, owns a 60% interest in Vaxxinator LeaseCo. Vaxxinator LeaseCo is a financing company formed under the laws of Nevada. Vaxxinator LeaseCo offers debt financing solutions and flexible payment options for existing and prospective clients of Atmofizer USA. Vaxxinator LeaseCo's product offering is primarily comprised of lease and loan facilities to retail and corporate customers. Vaxxinator LeaseCo underwrites, adjudicates and services debt facilities for terms ranging from one (1) month to five (5) years. Vaxxinator LeaseCo currently extends financing in both United States and Canada. Vaxxinator LeaseCo entered into its first lease agreement with a customer during the second quarter of 2021.

Principal Products or Services

The Company's principal products are air purification devices that utilize proprietary technology that is able to destroy and neutralize UFPs without creating harmful bi-products. The Company has developed air purification products which were launched in the second quarter of 2021 with commercial and professional grade products and solutions. The Company is currently working on medical grade product solutions and additional commercial products. The product form factors will include: stand-alone devices, wearables, and integrated solutions into existing air and water handling systems. The Company also plans to license its technology to industry peers for integration into their existing products.

Current Products

Atmofizer One – The Atmofizer One product is an air purification unit that utilizes our German engineered aggregation and sterilization technology. The Atmofizer One reduces 99.9% of airborne viruses and

[1]World Consumer Air Treatment Systems (The Freedonia Group, March 2016)

bacteria in treated air.[2][3] It has the capability to neutralize UFPs and was engineered for smaller commercial rooms or consumer use.

Atmofizer Pro - The Atmofizer Pro[4] product is an air purification unit that utilizes our German engineered aggregation and sterilization technology and is designed for larger commercial spaces. The Atmofizer Pro reduces 99.9% of airborne viruses and bacteria in treated air. It has the capability to neutralize UFPs.

Operations

The Company's core operations are based in Canada and the United States headed by its CEO, Olivier Centner. The Company's operations are focused on research and development, product development, marketing and sales of our products using proprietary technology. The Company works with strategic partners to manufacture our products who have the requisite scale, quality assurance and low production costs to produce our products. Our research and development team is global and led by Germany-based Dr. Luthe, who is a scientific advisor to the Company.

Stated Business Objectives

The Resulting Issuer's business will be the same as Vaxxinator's business which is the business of being a bio-technology products company that researches, develops, and distributes proprietary and patented air purification and surface coatings (anti-viral products).

Milestones

The following table sets out the Resulting Issuer's business milestones, as well as the expected timeframe for, and cost of, achieving same:

Milestone	Estimated Completion Date	Estimated Cost (US$)
Internet of Things (IOT) functionality and app complete	December 31, 2021	0.1 Million
Marketing program development	November 30, 2021	0.1 Million
First customer licensing deal complete	November 30, 2021	0.1 Million
Medical device efficacy testing and product certification for U.S. marketplace	December 31, 2022	0.3 Million
Commencement of production of second product line of commercial air purifiers	January 31, 2022	0.2 Million
Corporate Marketing Campaign	December 31, 2022	$1.25 Million
Total		**$2.05 Million**

[2] Atmofizer One was tested using the aerosolized MSRE (a bacteria) and PhiX-174 (a virus) in April 2021 achieving the 99.9% reduction result within a 180 minute period inside a 1m3 enclosure and was witnessed by UL.
[3] Atmofizer One was tested using the aerosolized Klebsiella aerogenes (a bacteria) and MS2 Bacteriophage (a virus) in September 2021 achieving the 99.98% reduction result for the bacteria and 98.9% reduction result for the virus within a 180 minute period inside a 1m3 enclosure.
[4] Atmofizer Pro was tested using the aerosolized MRSE (a bacteria) and PhiX-174 (a virus) in April 2021 the 99.9% reduction result within a 180 minute period inside a 1m3 enclosure and was witnessed by UL.

Available Funds and Principal Purposes

The Resulting Issuer is expected to have approximately US$8.8 million (C$10.9 million) in working capital available to it on the Listing Date following completion of the Business Combination. The Resulting Issuer is expected to use the funds available to it in furtherance of its stated business objectives for the 12 months following the Listing which are summarized in the table appearing below. The intended uses of funds may vary based upon a number of factors and such variances may be material. *See "Forward-Looking Information"* and *"Risk Factors."*

The amounts shown in the table are estimates only and are based upon the information available to the Company as of the date hereof:

	Estimated Amount (US$) (1)	Estimated Amount (C$) (1)
Estimated working capital deficit of CHCI as at October 31, 2021	(266,774)	(330,000)
Estimated working capital of Vaxxinator as at October 31, 2021	9,100,000	11,256,700
Total Working Capital as of Oct 31, 2021[5]	**8,833,226**	**10,926,700**
Uses of Funds:		
Internet of Things (IOT) functionality	100,000	123,700
Marketing program development[6]	100,000	123,700
Customer licensing deal	100,000	123,700
Medical Device certification under FDA	300,000	371,100
Commencement of production of second product line of commercial air purifiers	200,000	247,400
Corporate Marketing[7]	1,250,000	1,546,250
Ongoing operations	4,800,000	5,937,600
Unallocated working capital	1,983,226	2,453,250
Total Uses	**8,833,226**	**10,926,700**

Notes:

(1) All amounts in this table have been converted from US dollars to Canadian dollar amounts based on the daily exchange rate between October 20, 2021 and November 3, 2021 as reported by the Bank of Canada of US$1.00 = C$1.237. Amounts have been rounded.

Notwithstanding the proposed uses of available funds set out above, there may be circumstances where, for sound business reasons, a reallocation of funds or additional funds may be necessary. It is difficult, at this time, to definitively project the total funds necessary to effect the planned activities of the Resulting Issuer. For these reasons, management of the Company consider it to be in the best interests of the Resulting Issuer and its shareholders to afford management a reasonable degree of flexibility as to how the funds are employed amongst the uses identified above, or for other purposes, as the need arises.

[5] The pro forma working capital as of June 30, 2021 is US$10,927,797 compared to US$8,833,226 pro-forma working capital as of October 31, 2021. The reduction of US$2,094,571 is due to the funding of operating expenses for the months of July 2021 to October 2021, expenditures on key milestone initiatives and inventory prepayments.

[6] Marketing programs are focused on marketing support for the sales of the Company's products.

[7] Corporate marketing refers to the Company's marketing efforts on promoting the Company's brand to increase customer awareness.

Further, the above uses of available funds should be considered estimates. See "*Forward-Looking Information*".

Market and Technology

The Company is focused on developing UFP technologies for two primary markets: (a) air purification and (b) water purification.

Ultrafine Particles or UFPs are particulate matter of nanoscale size (less than 0.1 µm or 100 nm in diameter). Examples of UFP's includes SARS-CoV-2 (0.1 µm), influenza virus (0.12 µm) and zika virus (0.045 µm).

Ultrafine Particles in Air Systems

UFPs in air pollution are so small that they get deep into your lungs and can travel to other parts of your body. UFPs are the smallest particles in air pollution. Once in your lungs, UFPs can get into your blood and travel to other parts of the human body, including the heart and brain. A 2016 study found that air pollution constitutes a threat to human health, whereas their adverse impacts and underlying mechanisms of different particular matters are not clearly defined. [8] The authors found that, "Ultrafine particles (UFPs) are high related to the anthropogenic emission sources, i.e., combustion engines and power plants. Their composition, source, typical characters, oxidative effects, potential exposure routes and health risks were thoroughly reviewed. UFPs play a major role in adverse impacts on human health and require further investigations in future toxicological research of air pollution."[9] Another study in 2015 by the California Environmental Protection Agency's Office of Environmental Health Hazard Assessment demonstrated an association between long-term exposure to Ultrafine Particle air pollution and death from heart disease. The study found that "ultrafine air pollution particles are tiny – about 0.1 micron in diameter or roughly one-thousandth the width of a human hair. These particles are generated from gas and diesel motor vehicle engines, biomass burning and energy production."[10]

A study published in 2021 by Rosalind Wright stated that, "children whose mothers had prenatal exposure to ultra-fine particle pollution, which is not subject to U.S federal regulation, were at an increased risk of being diagnosed with asthma."[11]

A study published in the Global Nest Journal in 2018 found that "the epidemiological studies have provided evidence that there are serious health hazards associated with the human exposure to environmental levels of particulate matter found in the urban centers at concentrations below the acceptable particulate matter levels."[12]

The following table includes the systems in which the particles could be accumulated, and the possible effects from human exposure to suspended particulate matter and UFPs.[13]

System	Possible Effects
Respiratory System	• Some epidemiological studies showed adverse effects only in compromised people • Changes in lung function and increase in respiratory pathologic symptoms

[8]Rui Chen et al., "Beyond PM2.5: The role of ultrafine particles on adverse health effects of air pollution," Biochimica et Biophysica Acta 1860, no. 12 (December 2016): 2844-2855.
[9]Chen et al., "Beyond PM2.5," 2844-2855.
[10]Bart Ostro et al., "Associations of mortality with long-term exposures to fine and ultrafine particles, species and sources: results from the California Teachers Study Cohort", Environmental, Health Perspectives 123 no. 6 (June 2015): 549-556.
[11]Rosalind Wright et al., "Prenatal ambient ultrafine particle exposure and childhood asthma in the Northeastern United States," American Journal of Respiratory and Critical Care Medicine, (May 2021). https://doi.org/10.1164/rccm.202010-3743OC.
[12]M. Politis, C. Pilinis, and T.D. Lekkas, "Ultrafine Particles (UFP) and health effects. Dangerous. Like no other PM? Review and analysis," Global NEST Journal 10, no. 3 (November 2008): 439-452.
[13]M. Politis, C. Pilinis, and T.D. Lekkas, "Ultrafine Particles," 439-452.

System	Possible Effects
	• Changes in lung histology and structure • Changes in respiratory immune mechanisms • Asthma exacerbation • Chronic bronchitis • Pulmonary system infection • Macrophage, neutrophil and monocyte concentrations were significantly greater in the bronchoalveolar lavage of exposed people • Significantly higher IL-6 and IL-8 levels in the bronchoalveolar lavage of exposed people • Significantly higher leukocyte counts in the control group in the bronchoalveolar lavage of exposed people • Mild focal interstitial fibrosis • Inflammatory reaction in the lung • Lung disease exacerbation (as corroborated by increased numbers of hospital admissions, visit to emergency room, school absences, missed work-hours, days of reduced activity due to health problems) • Alterations in FEV1, FVC and PEF and spirometry • Increased respiratory morbidity and mortality in sensitive populations
Cardiovascular System	• The whole process predisposes the person to cardiovascular damage • Damage in epithelial cells from reactive oxygen species and activation of regulation factors • Activation of vascular endothelium and circulatory polymorphonuclear leukocytes • Inflammatory cell migration from the blood to tissues • Up-regulation of adhesive molecules in vascular endothelium • Increased secretion of interleukin – 6 (IL-6) and tissue factors through activation of blood factors • Mononucleated cells activate C-reactive protein (CRP), amyloid A and fibrinogen • Cardiac ischemic disease • Heart attack • ST segment depression risk • Increasing the sensitivity to myocardial ischemia • Heart disease exacerbation (as corroborated by increased numbers of hospital admissions, visit to emergency room, school absences, missed work-hours, days of reduced activity due to health problems) • Increased cardiovascular morbidity and mortality in sensitive populations
Gastrointestinal System	• UFPs are related to Crohn's disease (chronic recurrent inflammatory intestinal disease) • UFPs deposited and accumulated in the liver • UFPs deposited and accumulated in the bladder
Circulatory System	• Changes in blood indicators • UPF penetrate very deep and fast in the interstitial space and could enter blood circulation
Nervous System	• CNS • Mn Ultrafine Particles translocated to the olfactory bulb, cerebellum and striatum • Particle accumulation in the olfactory bulb was observed • Ionic Mn was shown to have the ability to pass through synaptic junctions and migrate from the olfactory region to more distant regions, including the hypothalamus • Transfer ability of solid Ultrafine Particles was shown alongside axons of olfactory nerves to the olfactory bulb • ANS • Alterations in Autonomic Nervous System (ANS) function, and changes in cardiovascular risk factors such as arterial blood pressure, C-reactive protein and endothelial dysfunction

System	Possible Effects
Urine	• Thin layer chromatography (TLC) showed the presence of a soluble 99mTc type and the absence of any TC type bound to carbon particles
General	• Cough • Fatigue • Muscle aches • Discomfort in the neck • Premature mortality

The COVID-19 pandemic highlighted the dangers with small airborne pathogens circulating in the air that we breathe. The SARS-CoV-2 molecule is very small (averaging 1000 nanometers or 1 µm) rendering traditional filter-based systems less effective against filtering out the virus from the air. It is expected that additional viruses will appear in the future potentially even smaller than the SARS-CoV-2 virus. Society is now more aware of the importance of protecting ourselves from the air that we breathe in our homes, our work spaces and other public spaces where we have traditionally gathered for shopping and recreation.

The global industrial air purification market is growing due to various factors such as environmental awareness, industrialization, and infrastructure. Increasing number of coal, cement, chemical, and thermal industries are degrading the quality of air. This technology helps in purifying the hazardous particles in the environment and improves the quality of air. Increasing demand for energy-efficient products is expected to increase the demand for air purifiers. Certain air purifiers have High Efficiency Particulate Air or HEPA filters which help to clean the air which has been circulated. HEPA filters aid in purifying the air by monitoring small particles and removes them from the atmosphere.

Rising air pollutants including hazardous gases, viruses and harmful bacteria are increasing continuously because of rapid growth of industries. The rules and regulations related to air quality control has increased. Along with the automotive industry, other industries are also showing tremendous growth. Increasing number of manufacturing industries are increasing the levels of pollution, driving the growth of the air purification market. The sale of passenger cars was 78.6 million vehicles in 2017.[14] The U.S. and China are expected to be the largest automobile markets both in terms of production and sales.[15]

Air purification helps to clean the dust created by automobile industries and creates a healthy environment. The number of manufacturing units such as food processing units and metal manufacturing units is increasing because of rapid growth of population. The high levels of toxins and fumes released by them are harmful for equipment and people. HEPA filter, cartridge and carbon filter are efficient methods to purify the air. HEPA filters are used to help maintain the quality and safety of food and beverages. Production of various components used in the aerospace industry releases dust that must be monitored to keep them at safe levels in order to reduce the risk of damage for both people and products. In addition, strict environmental rules and norms for all manufacturing industries is driving the demand for purifiers.[16]

The air filters market is growing because of improved distribution channels which have opened new channels of sales including direct to consumer e-commerce marketplaces. These new channels are beneficial to both vendors and end-users as they eliminate the role of middlemen. The rising number of air purifier manufacturers are presently launching new models to serve the demands of individual customers, which is expected to lead to high growth of the industry. Based on geography, the industrial air purification market can be segmented into North America, Europe, Asia-Pacific, Middle East & Africa

[14]Industrial Air Purification Market – Global Industry Analysis, Size, Share, Growth, Trends, and Forecast 2018 – 2026 (Transparency Market Research, 2018): Abstract.
[15]Industrial Air Purification Market (Transparency Market Research, 2018): Abstract.
[16]Industrial Air Purification Market (Transparency Market Research, 2018): Abstract.

and South America. The air purification market can also be segmented on the basis of technology, end-use industry and geography. The residential segment is expected to have higher growth rate due to the increased awareness about health and pollution.[17]

Ultrafine Particles in Water Systems

UFPs are also found in water systems, which come from a variety of sources including, but not limited to, (i) domestic sewage which contains dissolved materials, (ii) agriculture fertilizers and pesticides, and (iii) industrial waste.

Air Purification Market

The global air purifier market is segmented into four types of filters: (i) the HEPA purifier, (ii) the electrostatic precipitator, (iii) the stimulated carbon air purifier and (iv) the ion and ozone generator air purifier. The HEPA purifier is likely to overshadow other types with a ~35% market share in 2018 and is expected to capture 38% by 2023.[18]

The global air purifier unit shipments are expected to increase from approximately 21 million units in 2018 to approximately 27 million units in 2023 at a CAGR of 5.2%.[19] In comparison, the total shipments of household appliances are expected to be approximately 4.25 billion units by 2023 at a CAGR of 1.5% between 2018 and 2023.[20]

A report in 2018 found that the global demand for consumer air treatment systems is forecast to total US$10.2 billion in 2019, representing annual gains of 10% from US$6.2 billion in 2014.[21] Growth will be driven by rising awareness of air pollution and its effect on health. Continued gains in consumer incomes, coupled with portable systems' affordability, will help drive sales. Worldwide demand for whole-house air treatment systems is expected to increase 14% annually through 2019, outpacing portable systems. Sales will be supported by the ongoing recovery in the single-family housing market and the greater use of these systems in newer homes.[22]

According to a 2021 report, over 6.9 million air purifiers were sold in 2020 in the U.S. and by 2025, up to 8.6 million units could be sold per year in the United States.[23] Industrial air purification products account for 41% of the market, general air purification products account for 4% and UV-based systems account for 10%. The air purification market was valued at US$2.9 billion in the United States in 2020 and forecasted to grow to 3.30 by 2025.[24]

The Asia-Pacific market will account for 35% of the global air purifier market by 2023.[25] China and India are expected to be the highest growth markets in the Asia-Pacific market due to their poor air quality, rising disposable income and improved lifestyles.[26]

[17]Industrial Air Purification Market (Transparency Market Research, 2018): Abstract.
[18]Air purifier shipments (Global air purifier market report; August 2018)
[19]Air purifier shipments (Global air purifier market report; August 2018)
[20]Global household appliance unit shipments (Statista, August 2018)
[21]Air purifier shipments (Global air purifier market report; August 2018)
[22]World Consumer Air Treatment Systems (The Freedonia Group, March 2016)
[23]IBIS and EuroMonitor International, report 2021
[24]IBIS and EuroMonitor International, report 2021
[25]IBIS and EuroMonitor International report 2021
[26]IBIS and EuroMonitor International report 2021

Water Purification Market

Consumers are more aware of the issues with their water supply than ever before. In the United States, there are concerns over lead, mercury and arsenic contamination. In emerging economies such as China and India, there are growing concerns over pollution and untreated water.

According to a 2018 report, the global water treatment system market was worth US$14.5 billion. The western EU accounted for 10.4%, North American accounted for 11% and Asia-Pacific accounted for 60.4% of this market.[27]

Traditional Air Purification Technologies

HEPA Filter Technology

High-efficiency particulate air, commonly known as HEPA, filter technology is an effective standard of air filter and was commercialized in the 1950's. Filters meeting the HEPA standard must satisfy certain levels of efficiency. To qualify as a HEPA filter, the filter must remove from the air that passes through at least 99.95% (European Standard by European Union) or 99.97%, (American Society of Mechanical Engineers and U.S. Department of Energy) of particles whose diameter is equal to 0.3 μm, with the filtration efficiency increasing for particle diameters both less than and greater than 0.3 μm. HEPA filters are not designed to efficiently filter Ultrafine Particles below 0.3 μm.

Ionization Technology

Ionization is the process whereby atoms and molecules become electrically charged and form ions. An atom can gain one or more electrons to form a negative ion or lose electrons to form a positive ion. Air ionization refers to the ionization of air molecules. This can take place as a result of various natural processes or a device can be employed to ionize the air in order to bring health benefits either directly or through air purification by the removal of airborne allergens, pathogens and pollutants. It is generally agreed that negative ions are more effective than positive ions for these purposes. Air ionizers generally work by applying a high-voltage electric current to a metal prong or needle. An electric current consists of a flow of negatively charged electrons. As the electrons approach the end of the needle, the electrostatic repulsion between them causes them to detach from the metal surface and attach themselves to molecules of nitrogen and oxygen in the air and to airborne particles, forming negative ions. The effects of air ionizers might not always be beneficial. The ionization of nitrogen and oxygen can result in the formation of small amounts of ozone and nitrogen oxides. These are lung irritants and are classed as pollutants. There is concern that some air ionizers could generate harmful levels of these gases.[28]

This technology has proven effective in dealing with UFPs, however researchers have found drawbacks with this approach. One recent study in March 2021, authored by researchers at Illinois Institute of Technology, Portland State University and Colorado State University, found that cleaning up one harmful air pollutant can create a suite of others.[29] Both chamber and field tests found that an ionizing device led to a decrease in some Volatile Organic Compounds, also known as VOCs, including xylenes, but an increase in others, most prominently oxygenated VOCs (e.g., acetone, ethanol) and toluene. These substances are commonly found in paints, paint strippers, aerosol sprays and pesticides. According to the EPA, exposure to VOCs has been linked to a range of health effects from eye, nose and throat irritation, headaches, loss of coordination and nausea, to damage to liver, kidney and central nervous

[27] *Filters: United States* (The Freedonia Group, April 2019)
[28] Phil Riddel, "What Is Air Ionization? (with pictures)" Infobloom, accessed July 14, 2021, https://www.infobloom.com/what-is-air-ionization.htm.
[29] Yicheng Zeng et al., "Evaluating a commercially available in-duct bipolar ionization device for pollutant removal and potential byproduct formation, Building and Environment "195 no. 107750 (May 2021), https://doi.org/10.1016/j.buildenv.2021.107750.

systems. Some VOCs can cause cancer in animals while some are suspected or known to cause cancer in humans.[30]

The study also found that the air purifier marketplace is fraught with inadequate test standards, confusing terminology and a lack of peer-reviewed studies of their effectiveness and safety. Unlike air filtration (where air is pushed through a filter to remove airborne pollutants), there has been limited research on the effectiveness and side effects of "additive" air cleaning methods such as ionization technology.[31]

The Company believes that there are key weaknesses in HEPA and ionization technologies – the traditional air purification technologies. These include (i) HEPA filter technologies with limited efficacy below 300 nm; (ii) high cost of filters which need continual replacement resulting in high operating and maintenance costs; (iii) limited ability to recycle filters; and (iv) harmful by-products of ionization technology including hydroxyl radicals, ozone and formaldehyde.

Vaxxinator Air and Water Purification Technologies

The Company's technology uses ultrasonic cavitation that agglomerates small particles and viruses using ultraviolet light. This patent pending technology has key advantages over the existing air purification technologies on the market today. Specifically, the technology (i) is able to address harmful nano particles that are smaller than 0.3 µm through agglomeration and UV; (ii) does not create dangerous by-products; and (iii) the elimination of hazardous filter waste.

There are three key steps that our technology utilizes to purify air outlined below.

Ultrasonic agglomeration

The Company's technology agglomerates UFPs and weakens and destroys outer cell-wall with ultra-sound cavitation. Electricity is used to power the piezos that generate high frequency sound waves. A standing wave is formed between the piezos. This is an open structure allowing air to flow through without any restriction. Where the nodes meet, the pressure is zero and agglomeration of nanoparticles will occur. Nanoparticles act almost like a gas and not as a particle. Under these circumstances, they will remain situated in this node and they will bind to each other and to larger particles to form even bigger particles. This agglomeration occurs for particles sizes 1 to 5000 nm or higher for particles, bacteria, metal, salts, organics, acidic compounds, aerosols and viruses. The agglomeration of nanoparticles is a nanotechnology principle. These agglomerated particles do not breakdown in smaller particles after assimilation. So once assimilated the size can be larger than 2 µm.

An additional benefit of our ultra-sound technology is that it disrupts and kills microorganisms such as bacteria and deactivates viruses. For instance, ultrasonic deactivation of E. coli followed by irradiation has been shown to be the most potent technique for preparation of an effective colibacillosis vaccine. Ultrasonic lysis and extraction are reliable and long-time established methods for the release of viruses, viral proteins, DNA and RNA of the virus. Ultrasonic homogenization of viruses is a fast, easy and reproducible method for sample preparation for virus disruption as well as DNA and RNA fragmentation. "The capsid of a virus is something like the shell of a turtle," said physicist Otto Sankey of Arizona State University. "If the shell can be compromised by mechanical vibration, the virus can be inactivated."[32]

A March 2021 study from the Massachusetts Institute of Technology found that "simulations show ultrasound waves at medical imaging frequencies can cause the virus' shell and spikes to collapse and rupture…[a] new study by researchers in MIT's Department of Mechanical Engineering suggests that

[30]Zeng et al., "Evaluating a commercially available in-duct bipolar ionization device"
[31]Zeng et al., "Evaluating a commercially available in-duct bipolar ionization device"
[32]E.C. Dykeman and Otto F. Sankey, "Vibrational energy funneling in viruses – simulations of impulsive stimulated Raman scattering in M13 bacteriophage," J. Phys.: Condens. Matter 21 no. 50 (December 2009): 505102, https://doi.org/10.1088/0953-8984/21/50/505102.

coronaviruses may be vulnerable to ultrasound vibrations, within the frequencies used in medical diagnostic imaging."[33] The authors explained that "through computer simulations, the team has modeled the virus' mechanical response to vibrations across a range of ultrasound frequencies. The researchers found that vibrations between 25 and 100 megahertz triggered the virus' shell and spikes to collapse and start to rupture within a fraction of a millisecond. This effect was seen in simulations of the virus in air and in water."[34]

The authors further stated, "[we've] proven that under ultrasound excitation the coronavirus shell and spikes will vibrate, and the amplitude of that vibration will be very large, producing strains that could break certain parts of the virus, doing visible damage to the outer shell and possibly invisible damage to the RNA inside."

UV Radiation

The Company's proprietary technology then use UV light to destroy the DNA and RNA of harmful bacteria and viruses. The technology provides optimal conditions realized for UV radiation, as a result of the following key features (i) extended UV exposure time results in denaturation of virus; (ii) precision based UV light and (iii) fixed distance between UV light and virus results in concentrated and precision-based results.

These features allow our technology to use a higher UV wave length (above 250 nm) without producing harmful radicals.

The inactivation of viruses or damaging of its virus envelope to reduce its effectiveness, is realized through absorption of UV radiation. The absorption of the photons depends on how the "matter" can accept and transform this energy. To take up a photon's energy there must be a "match with the matter". When there is a "match", the incoming energy is transformed from electromagnetic light energy into internal energy of the absorber for example, thermal energy. When light hits the virus, some of the photons are transmitted while others are scattered or absorbed. Thus, a crucial factor for viruses, a nanoparticle, is its size, for it affects its ability to absorb UV radiation. Small nanoparticles (such as viruses) have extraordinarily little light absorption. This is why UV is so efficient to bacteria and less efficient to viruses (such as SARS-CoV-2) with smaller nm size range. Due to the agglomeration of the nanoparticles by the Company's technology, the size of the targeted particle has increased and this increases the efficiency of the UV light absorption dramatically.

Ultra-high temperature

The Company's UV light operates at a temperature over 200° Celsius, which allows for the efficient destruction of harmful bacteria and viruses. As ambient aerosol droplets of viruses contain mainly water, the boiling point is 100° Celsius. While the virus proteins do not have a boiling point, at these temperatures the protein denatures and inactivates viruses.

Core Testing of Vaxxinator's Technology

Dr. Luthe contracted with the IUTA to test the agglomeration and UV technology in November of 2020. IUTA is one of the few global institutions capable of measuring nanoparticles, which is core to being able to test the nanoparticle agglomeration capabilities of the Company's technology. The IUTA "is a research institute in the field of energy and environmental technology and forms the bridge between basic research and industrial application. The goals of the research are the acquisition of new scientific knowledge and methods as well as the transfer of the knowledge into practice, for example through specific product and process developments. The approximately 120 employees work mainly on

[33]Jennifer Chu, "Ultrasound has potential to damage coronaviruses."
[34]Jennifer Chu, "Ultrasound has potential to damage coronaviruses."

application-oriented research & development projects with industrial partners. To support application-oriented research, basic projects are also carried out with universities and other research institutions. The key work areas can be assigned to the following four main themes: (1) Aerosols & Particles, (2) Air pollution control & gas process technology, (3) Resources & energy and (4) Analytics & measurement technology."[35]

Present at the IUTA testing was an additional third-party consultant, Mr. L.A (Ludwin) Daal of BlueXPRT, who was contracted to provide an independent analysis of the IUTA testing. Mr. Daal is a chemist and environmental engineer who has completed multiple scientific studies in those areas. He has completed several master courses on micro-biology at the Dutch Faculty of Biology in Utrecht as well as courses on micro-biological wastewater treatment at Wageningen University. Mr. Daal is an expert in handling multi-disciplinary topics with an emphasis on chemistry and process technology. He has experience with nanoparticles in (flue) gases using membrane filtration technologies. Mr. Daal's multidisciplinary expertise is internationally recognized. He works for the European Commission in conducting independent evaluations. These concern innovative technical proposals within the framework of innovation subsidy programs such as FP7, Horizon 2020 and RFCS. In his independent report, Mr. Daal wrote, "BlueXPRT was asked to conduct an evaluation of the working principle of the technology of the Vaxxinator technology in which agglomeration of nanoparticles (aerosols, viruses etc.) is induced and subsequently treated with UV-light to damage/destroy viruses. For this evaluation, easily available online information, standards and IUTA test results on nanoparticles were used."[36]

Mr. Daal concluded in his report on the IUTA test results that, "the Vaxxinator technology's working principle and the results measured at the IUTA demonstrate the following:

1 Nanoparticles and aerosols will be agglomerated into larger particles with an effectivity of 92%.

2 There are little to no nanoparticles below 100 nm.

3 Ultrasound is known to deactivate and crack virus capsuides and virus envelops.

4 Agglomeration to larger particles enhances the efficiency of the UV light.

5 An increased absorption was measured as particles / aerosols reached their boiling point. The temperature of the particles is above the denaturation temperature of SARS-CoV-2.

The Vaxxinator device has demonstrated it agglomerates nanoparticles in the range of the SARS-CoV-2 and it has three methods to inactivate it. The most promising results were achieved with model nanoparticle (aerosols) which reached their boiling point".[37]

Additional Testing of the Company's Technology

The Company has, as part of its testing and compliancy actions, worked with third party labs in the United States and Canada to test the efficacy of its prototypes against virus and bacteria. The Company successfully completed a claims verification program with the UL. UL is a global safety science leader that helps companies to demonstrate safety, enhance sustainability, strengthen security, deliver quality, manage risk and achieve regulatory compliance.

The Company plans to continue to perform additional third party testing on its devices efficacy to kill bacteria and inactivate viruses.

[35]IUTA Website – "Research". Accessed July 14, 2021. https://www.iuta.de.
[36]L.A. Daal, MSc. Chem. & Env. Eng., Evaluation of Vaxxinator on combating viruses (BluXPRT BV Consultants, February 3, 2021).
[37]L.A. Daal, Evaluation of Vaxxinator on combating viruses, 14

Regulatory Environment

The Company's primary market is the United States and this section provides a detailed review of the regulatory environment within which its products must comply.

The Company has added legal and regulatory experts to assist with the Company's compliance team.

Antimicrobial Mechanical Devices in the United States

Air treating devices, such as those developed by the Company, are a group of air treatment technologies which remove airborne contaminants, particulates and/or microorganisms. These modalities include, but are not limited, to filtration, electrostatic precipitation and ultraviolet light irradiation. The regulatory authority over air treating devices is dependent on the product and technology's intended use and associated claim set. Products in the relevant technology category can fall under regulatory purview of EPA or FDA. In many circumstances, air treating mechanical devices may have jurisdictional duality. The definitions, applicable regulation and registration requirements are directed by the specific agency. This assessment will outline the differences and similarities in EPA and FDA regulated air treatment devices.

In the United States, the Company's technologies are subject to EPA and FDA oversight. It should be noted regulatory oversight is not mutually exclusive, with joint authority existing for many antimicrobial devices, specifically air treating devices. The regulatory obligations and registration requirements for air treatment technologies vary greatly by agency, including differences in data requirements and registration processes.

The EPA, under the authority granted by FIFRA, assumes regulatory authority over multiple air treating technologies including antimicrobial chemical products, mechanical pesticide devices and combination chemical/mechanical products. The FDA, under the authority granted by the FD&C Act, assumes regulatory authority over air treating mechanical device technologies intended for medical use. The regulatory jurisdictional boundary of these technologies is best defined by product intended use and efficacy claims. The EPA regulates multiple air treatment technologies under FIFRA, including multi-modality technologies similar to the Company's. Prior to marketing or offering a device for sale, the Company expects to be required to fulfil specific registration requirements. These requirements vary by product classification and involve data development considerations, application fees, review times and agency interactions.

Under the FD&C Act, the FDA regulates over air treating mechanical devices as well but does not conform to the same regulation and registration standards as EPA. The registration of devices with EPA and premarket authorization from FDA are not mutually exclusive and possessing an active registration with EPA does not convey premarket authorization from FDA. Similarly, possessing an active registration with the FDA does not necessitate or confirm registration status with the EPA.

Product registration and authorization processes are often a time-intensive and costly undertaking for manufacturers, especially in the air treatment space.

Pesticide Devices Regulated by EPA

The EPA, under FIFRA, regulates antimicrobial pesticide devices, including air treating devices, which are not used or intended for use for the removal of pests on medical instruments, medical machines, and in/on living humans or animals. Pesticide devices are defined in FIFRA 2(h), EPA policy document 41 Fed. Reg. 51,065 9 (Nov. 19, 1976), and 40 CFR § 152.500 as:

> *"An instrument or contrivance (other than a firearm) that is used to destroy, repel, trap or mitigate (lessen the severity of) any pest such as insects, weeds, rodents, certain other animals, birds, mold/mildew, bacteria and viruses. (other than man and other than a bacterium, virus, or other microorganisms on or in living man or living animals)."*

Pesticide devices, unlike antimicrobial chemicals, demonstrate efficacy through physical or mechanical processes. These devices are not subject to the regulatory and registration requirements identified for pesticidal chemicals under FIFRA. Instead, pesticide device regulation is imposed jointly by EPA and state regulatory agencies. It should be noted that not all mechanical air treating devices are classified as pesticide devices. FIFRA oversight and registration of pesticide devices is claim-dependent and the EPA does not classify claims against non-pest originating allergen as pesticidal. Products with such claims are not regulated under FIFRA. The Company makes claims against human-health concerning organisms and therefore FIFRA regulation is applicable.

There has been substantial movement in the air treating pesticide device as a result of the COVID-19 global pandemic. Technologies claiming to "clean," "sanitize", "purify" and/or "disinfect" indoor air have proliferated as consumers react to evolving CDC guidance indicating aerosolized SARS-CoV-2 particles facilitate the highest rates of COVID-19 transmission and infection. The current regulatory landscape for air treating pesticide devices, such as devices that use the Company's technology, is a constantly evolving space. The EPA has indicated increased concern for substantive efficacy data for devices with claims against SARS-CoV-2 and other human health concerning pathogens. Though the agency does not intend to publish literature on federal regulation of such claims, the Antimicrobial Division of the EPA has stated that industry substantive efficacy data should be prioritized for registrants.

In addition to increased focus on efficacy data development, the EPA has commented on the continued need for verification of device technologies. As a result of the regulatory grey area surrounding pesticide devices, the EPA has identified an uptick in attempts to register products that do not classify as pesticide devices. For complex or emerging technologies, the EPA suggests submitting the proposed pesticide device for official determinations. This assessment, known as a "Device Determination", is conducted as a "PRIA Action". This assessment allows the EPA to thoroughly review the modality and claims of the proposed product and allows for the provision official feedback as to its classification as a pesticide device or pesticide product. As a PRIA Action, this determination is bound by regulation-dedicated review time and associated fees. It should be noted that Vaxxinator is not required to undergo this review.

As the air treating pesticide device space continues to develop, industry participants have indicated an increase of enforcement actions and non-compliance notices issued by both the EPA and state agencies. These notices consistently cite "false and misleading" product claims and are holding market stakeholders accountable for exaggerated or unsubstantiated efficacy claims.

Federal Regulatory Requirements

Pesticide devices are regulated under the provisions identified in 40 CFR 152.500 and by production and labelling requirements set forth in FIFRA Sec 2(q)(1) and 40 CFR 156.00. Though FIFRA does outline the basic regulatory guidelines and general labelling considerations for pesticide devices, federal registration under FIFRA Section 3 is not required. The standard production requirements dictate that pesticide devices must be produced in an EPA registered producing establishment and must be in compliance with FIFRA Section 7. Receiving an EPA establishment number, a unique and site specific registration number assigned to an establishment that intends to produce a pesticide, a device or an active ingredient used to produce a pesticide, is an administrative matter and should not be confused with EPA pesticide registration number, required for pesticide products. The requirements for annual reports are outlined in 40 CFR § 167.20(a)(3).

Though the EPA does not register or formally assess supportive data for product registration, pesticide device efficacy claims are subject to review for “misbranding” or “false and misleading” implications. The EPA classifies “false and misleading” claims as those that do not adhere to provisions outlined in 40 CFR § 156.10. These provisions include, but are not limited to:

- a false or misleading statement concerning the composition of the device;
- a false or misleading statement concerning the efficacy of the product as a pesticide device;
- a false or misleading statement about the value of the product for purposes other than as a device;
- a false or misleading comparison with other devices; or
- a true statement used in such a way as to give a false or misleading impression to the consumer.

The federal provisions outlining “false and misleading” claims are indefinite, yet subject to thorough evaluation for adherence during state registration. If the Company’s products, or any pesticide device, is found in violation of these provisions, both federal and state regulatory authorities have the right to levy enforcement action. Such enforcement actions vary in severity depending on their cause which include, but are not limited to, label non-compliance, false & misleading claims or the sale of an unregistered pesticide device. Specific penalties can include stop-sale orders, civil penalties, and/or legal action. A further discussion of applicable penal sanctions is discussed below. Industry and EPA stakeholders have identified a trend of increased enforcement actions involving air treating pesticide devices as a result of increased agency surveillance and consumer protection measures initiated in response to COVID-19.

In addition to production and labelling requirements, FIFRA regulates the international commerce of pesticide devices. The Company must adhere to the guidelines identified in FIFRA Section 17 with respect to importing or exporting its devices. For the export of the Company’s products, the Company is required to adhere to labelling requirements compliant with 40 CFR § 68.71, collateral labelling as defined by 40 CFR § 168.69. The Company is required to keep thorough records of export and allow agency access to these records, as requested.

For any importation of the Company’s units into the United States, the Company must comply with U.S. Customs & Border Patrol regulations set forth in 19 CFR § 12.110 - 12.117, as well general FIFRA requirements. Under FIFRA, the following considerations are required for compliant import:

- no imported pesticide or device may be adulterated, misbranded or otherwise violate FIFRA;
- all imported pesticides and devices, including unregistered pesticides, must have been produced in an EPA-registered establishment (even when the production establishment is outside the United States) and labelled accordingly with that establishment number; and
- all imported pesticides must include a completed EPA Notice of Arrival of Pesticides and Devices, EPA Form 3540-1.

If these above requirements are not met, the EPA reserves the authority to hold the shipment at port of entry or refuse entry and return to the shipment to port of export.

The Company will be required to report annual unit production to the EPA. The Company will also be responsible for ensuring that the manufacturing facilities of its contract manufacturers are EPA Registered Pesticide Producing establishments and are enrolled with EPA’s Central Data Exchange

(CDX) portal. The CDX portal is the method by which producing entities will file annual production reports. If the Company enlists a foreign contract manufacturer to produce the Company's air purification units, the manufacturing entity is required be represented by an authorized US agent. This agent can be the product registrant (the Company) or another US-based third party.

State Regulatory Requirements

The Company and its contract manufacturers, as with all pesticide device manufacturers, are subject to additional regulatory purview and registration by participating state regulatory agencies. The registration of pesticide devices is not required in each state, with many states allowing devices to enter the channels of trade without registration. Manufacturers are free to market, sell and distribute pesticide devices in states with no registration requirements as long as the basic FIFRA requirements have been fulfilled. Currently, the following states require registration of pesticide devices prior to sale, or marketing: Colorado, Hawaii, Indiana, New Mexico, Oklahoma, Washington, D.C., West Virginia and Wyoming.

States which register pesticide devices abide by a generally uniform standard of data review - yet variations in review practices can occur. Though adherence to Good Laboratory Practice (GLP) standards is not required and standardized testing protocols are not in effect, applicants to states are required to provide efficacy data which fully supports the claims of their pesticide device. If this data is not provided to state agencies upon agency request, registrants may face the possibility of application rejection, device registration cancellation or non-compliance enforcement actions. If pesticide device registration is pursued, the Company will likely adhere to the application standards for the most scrupulous state agency thereby increasing the company's chances of applicant success across participating constituencies.

The Company has registered its devices in all the necessary states and has received approval from Colorado, Washington, D.C., New Mexico, Oklahoma, West Virginia and Wyoming. Indiana is conditionally approved and Hawaii is pending approval.

Post Registration Requirements

For any device registered as a pesticide device, a company must comply with certain post-registration production requirements. As dictated by FIFRA Section 7, pesticide device manufacturers are required to report production quantities to the EPA each calendar year. These reports reflect the following parameters:

- Total Quantity of Units Produced – Current Production Year
- Quantity of Units Distributed, United States – Current Production Year
- Quantity of Units Distributed, Foreign Markets – Current Production Year
- Quantity of Units to Be Produced – Next Production Year

These reports are filed annually with the EPA, generally in mid-March and are submitted by the entity which wholly owns and operates the production facility.

Potential Penalties for Non-Compliance with FIFRA Regulation

The enforcement of environmental law is central to the EPA's strategic plan to protect consumer health and the environment. When warranted, the EPA will take civil or criminal enforcement action against violators of environmental law. The EPA's enforcement authorities are set forth in FIFRA §13 and §14.

FIFRA Section 13 outlines the EPA's authority to issue "stop sale" or removal orders whenever a pesticide device is found to be in violation of FIFRA. FIFRA Section 14(b) outlines the assessment of criminal penalties for FIFRA violations. Noted previously, the EPA prohibits the sale and distribution of unregistered, adulterated, or misbranded pesticide devices or the use of any pesticide device in a manner inconsistent with its labelling. To enforce FIFRA requirements, the EPA actively conducts product facility audits & inspections, marketplace surveillance and product sampling. The EPA enforces FIFRA compliance through (i) criminal enforcement, (ii) emergency authority and (iii) state enforcement.

Though EPA's Temporary Enforcement Policy for COVID-19 Claims are no longer in effect as of August 31, 2021, pesticide device manufacturers should continue due diligence measures to mitigate unsubstantiated claims against SARS-CoV-2. EPA press releases and accompanying Stop Sale, Use, or Removal Orders (SSUROs) indicate that such unauthorized claims will continue to be of increased interest to EPA - raising concern of additional enforcement action cross the antimicrobial industry.

Criminal Enforcement

In general, any registrant, applicant for a registration, or producer who knowingly violates any provision of FIFRA is subject to a fine of not more than US$50,000 and/or imprisonment not to exceed 1 year. Any commercial applicator of a restricted use pesticide; or any other person not described previously who distributes or sells pesticides, and who knowingly violates any provision of FIFRA is subject to a fine of not more than US$25,000 and/or imprisonment not to exceed 1 year. Any private applicator who knowingly violates any provision of FIFRA is subject to a fine of not more than US$1,000 and/or imprisonment not to exceed 30 days.

Additionally, criminal fines may be imposed by 18 U.S.C §3571, the *Alternative Fines Act*.

Emergency Authority

Section 6(c) of FIFRA provides for the suspension of a pesticide registration if it is determined that it is necessary to prevent an imminent hazard. Section 13(a) of FIFRA provides for the issuance of a stop sale, use, removal, and seizure order under circumstances outlined in the statute.

State Enforcement

Under FIFRA Section 26, any state shall have primary enforcement responsibilities for pesticide, pesticide device, and any use violations if the EPA determines that such state has adopted and is implementing adequate pesticide use laws and regulations, enforcement procedures, and recordkeeping and reporting requirements. Under FIFRA, each state has broad authority to regulate pesticides and pesticide devices, however, it is unlawful for a state to impose or continue in effect any requirements for labeling or packaging in addition to or different from those required under FIFRA. For more information on this limitation, see 7 U.S.C. § 136(b).

FDA Regulatory Overview for Medical Devices

The Medical Device Amendments, known as the MDA, to the FD&C Act were enacted on May 28, 1976. The MDA directed FDA to issue regulations that classify all devices that were in commercial distribution at that time into one of three regulatory control categories: Class I, II, or III, depending upon the degree of regulation necessary to provide reasonable assurance of their safety and effectiveness. The class into which a device is placed determines the requirements that a medical device manufacturer must meet prior to distributing a device in interstate commerce.

According to section 513(a)(1) of the FD&C Act (21 U.S.C. § 360c(a)(1)), the three device classes are defined as follows:

- Class I: Devices are subject to a comprehensive set of regulatory authorities called general controls that are applicable to all classes of devices. Devices classified under Class I are considered as low risks for human use.

- Class II: Devices for which general controls, by themselves, are insufficient to provide reasonable assurance of the safety and effectiveness of the device, and for which there is sufficient information to establish special controls to provide such assurance. Devices classified under Class II are considered as moderate risks for human use. A Class II medical device is defined by the FDA to have a moderate to high risk to the patient and/or user and most medical devices are considered Class II.

- Class III: Devices for which general controls, by themselves, are insufficient and for which there is insufficient information to establish special controls to provide reasonable assurance of the safety and effectiveness of the device. Class III devices typically require premarket approval. Devices classified under Class III are considered as high risks for human use. [38]

A 510(k), formally known as a Pre-market Notification, is the technical dossier required by the FDA to sell a medium-risk medical device or IVD in the United States. A 510(k) contains detailed technical, safety and performance information about a medical device.

The FDA's 510(k) review and clearance approach is for manufacturers with the claim to purify the air for 'medical purposes'. An air purifying device that is intended for medical purposes to be used to destroy bacteria and viruses in the air by exposure to ultraviolet radiation would need to file a 510(k) with the FDA. The FDA defined air purifying devices intended for medical purposes to kill pathogens in the air by exposure to UV radiation or remove them through filtration.

According to section 513(f) of the FD&C Act, a new (post-MDA) device is automatically in Class III and must undergo premarket approval or reclassification before it can be marketed, unless it is a type of device that was in commercial distribution prior to May 28, 1976, and is SE to another such device; or it is within a type of device introduced after May 28, 1976, that has been reclassified into Class I or II and is SE to another device within such classification. [39]

The Company intends to submit a 510(k) to the FDA in the future as it looks to enter the medical device market for its products.

Other Global Markets Regulatory Strategy

The Company plans to follow the same regulatory strategy in other global markets. The Company will retain legal and regulatory resources in each key market to ensure compliance with those specific markets. The largest commercial market and focus of the Company’s business plan is the United States.

Marketing Plans and Strategies

The Company intends to market its products globally to the business-to-business (B2B) market for air purification. The key markets that Vaxxinator is focused on in 2021 are the United States, the European Union and Japan. The Company’s route to market will be through distributors, resellers and brokers for end user products such as stand-alone air purification units. In the cases of large end user customers, the Company may also choose to sell direct to those customers.

[38] The 510(k) Program: Evaluating Substantial Equivalence in Premarket Notifications [510(k)], FDA, July 28, 2014
[39] The 510(k) Program: Evaluating Substantial Equivalence in Premarket Notifications [510(k)], FDA, July 28, 2014

The Company will also pursue licensing agreements to integrate its technology into other companies' air purification products. Initial target industries include travel and transportation, aviation, automotive and sea vessels, real estate (commercial buildings and malls) and hospitality (hotels and restaurants).

Competitive Conditions

Competition in the global air purification market can be segmented into a business to business (B2B) segment and a business to consumer (B2C) segment. Competitors utilize typically either HEPA filter-based technologies or ionization-based technologies. In some cases, products may incorporate both technologies. In addition, some competitors have incorporated active carbon for adsorbing gasses and odours or an oxidation process for VOCs and formaldehyde. Other important performance attributes beyond the effectiveness of the device in handling with particulate matter include, airflow and space covered, total cost of ownership over three years and noise level.

North America holds a major share of the industrial air purification market due to the presence of a large number of industries. The industrial air purification market in the region is also increasing due to the presence of major countries like the U.S. and their increasing adoption of air purifiers. India and China are expected to contribute significantly to the expansion of the industrial air purification market in the region due to rapid growth of manufacturing industries. According to the International Monetary Fund, the Indian industrial economy is expected to grow from 6.6 % in 2018 to 6.9% in 2019.[40]

Major players in the B2B air purification market are Austin Air Systems Ltd., AllerAir Industries. Ltd., Blueair AB, Beijing YADU Science & Technology Co, Daikin Industries, Ltd., Eureka Forbes Ltd, and Honeywell. These companies have implemented both HEPA filter-based technologies and ionization technologies in their products. Remaining cost competitive will help the players to increase their potential in the market and gain competitive advantages. Technology offering after sale service and product pricing are some of the key factors adopted by major industry players to capture large Industrial Air Purification Market share.

Concentration in this industry is low with only one company expected to account for more than a 5.0% share of industry revenue. Low industry concentration stems partly from the diversity of products manufactured in this industry, however, also from the high number of small- and medium-sized businesses. Some operators specialize in products for specific downstream markets, such as industrial strength purification systems versus small, standalone consumer models. Still, a very small proportion of industry establishments employ more than 500 workers, indicating that major companies do impact the industry's employment composition. The average industry operator employs 53 employees per company, while operating between one or two establishments.[41]

Major players in the B2C air purification market are Dyson, Holmes, Hamilton Beach, Bionaire, Hunter, Samsung, BlueAir, Molecule and IQ Air. There is quite an array of technology capability and pricing. These companies have implemented both HEPA filter-based technologies and ionization technologies in their products. In some cases, these competitors have implemented a combination of the two technologies. A number of these players have very limited technology and are characterized by a low market price.

Proprietary Protection and Intellectual Property

The Company has the capabilities to commercialize products that improve air and water quality by utilizing aggregation technology to neutralize ultra-fine toxic particles in the submicron and nano size range. Intellectual property rights are valuable and important to the Company's business. The

[40]Industrial Air Purification Market (Transparency Market Research, 2018): Abstract.
[41]Ryan Roth, Gasping for air: Volatile industrial production and weakened export levels inhibited revenue growth, (IBIS Word, March 2020)

Company's propriety and intellectual property right consists of (i) exclusively licensed rights, (ii) co-ownership rights and (iii) other ownership rights such as trademarks and copyrights.

Exclusively Licensed Rights

The Company holds an exclusive and worldwide license to use and enforce patent rights for neutralizing Ultrafine Particles including bacteria, viruses, mold and spores from air and water using aggregation technology. The license rights were acquired by Vaxxinator in connection with the 2021 IP Agreements.

The Company's exclusively licensed patent rights include:

1 a family of patent applications filed in fifty-six (56) countries that has an October 2018 priority date (acquired from Smart Material);

2 a pending PCT patent application that has a February 2019 priority date (acquired from Smart Material);

3 a pending PCT patent application that has an April 2020 priority date (acquired from Smart Material);

4 a family of patent applications filed in forty-nine (49) countries that has a March 2016 priority date (acquired from Windplussonne); and

5 a pending United States provisional patent application that has a July 2021 priority date (acquired from Smart Material).

None of the patent applications referenced above other than the South African Patent (collectively, the "**Patent Applications**") have been granted to Smart Material or Windplussonne. The South African Patent was granted by the Companies and Intellectual Property Commission Department of Trade and Industry (CIPC) in South Africa on September 25, 2019 and is one of the forty-nine patent applications filed by Windplussonne with a March 2016 priority date.

Although no patents under the Patent Applications have been issued, other than the South African Patent, on the patent rights the Company has licensed, the license provides the exclusive right to utilize technology in the Licensed Fields described in the Patent Applications and enforce any patents that may issue from the licensed patent applications.

The 2021 IP Agreements have a common feature that the license fields include (i) air and water purification technology capable of removing viruses, bacteria, Ultrafine Particles including mold and spores through aggregation; and (ii) thin coating with virucidal and bactericidal materials for use in combatting viruses and bacteria on surfaces (the "**Licensed Fields**"). The Company has not received any intellectual property or licensing rights outside of the Licensed Fields.

The initial term of exclusive licenses obtained under the 2021 IP Agreements is ninety-nine (99) years and this initial term is automatically extended for an additional period of ninety-nine (99) years at no additional consideration. Importantly, neither of the two (2) upstream exclusive licenses between Smart Material, Windplussonne and Vaxxinator Coating can be terminated without the prior written consent of the Company. This preserves the flow through of intellectual property and licensing rights from Smart Material and Windplussonne through Vaxxinator Coating to the Company for the entire term of the downstream exclusive license from Vaxxinator Coating to the Company. The downstream license agreement between the Company and Vaxxinator Coating can only be terminated by Vaxxinator Coating in the event that the Company does not commercialize a product in the Licensed Fields by May 2026.

In the downstream exclusive license, the Company has obtained an exclusive, irrevocable, royalty-free license to commercially exploit the intellectual property of Smart Material and Windplussonne in the Licensed Fields throughout the world, including the right to grant a sublicense to any third party.

All improvements to the Smart Material technologies within the Licensed Fields will be owned by Smart Material and are automatically included in the exclusive license to the Company at no additional consideration. All improvements to Windplussonne technologies within the Licensed Fields shall be owned by Windplussonne and are automatically included in the exclusive license to the Company at no additional consideration. Additionally, under the terms of the 2021 IP Agreements, the Company shall pay to Smart Material and Windplussonne costs incurred in prosecution and maintenance of the patent rights up to a maximum of €300,000 per year.

The technologies and patent rights acquired under the 2021 IP Agreements are derived from the research and innovation of Dr. Luthe. Dr. Luthe is a distinguished professor, researcher, inventor and well-regarded internationally known pioneer in the fields of toxicology, nanotechnology and chemistry. He is one of the named inventors of the technologies and patents acquired pursuant to the 2021 IP Agreements. Born in Germany, Dr. Luthe studied chemistry, biology and physics the University of Muenster and received his PhD in the Netherlands from VU University in Amsterdam in 2002. He went on to be a lecturer at Saxion University of Applied Sciences in the Netherlands. In 2002, he received the Marie Curie Scholarship of the European Council and was a senior researcher at the Norwegian University of Science and Technology in Norway. In 2005, Dr. Luthe was the recipient of the Feodor Lynen Research Scholarship of the Alexander von Humboldt Foundation, which enabled him to be a Visiting Professor in Human Toxicology at the University of Iowa.

Acknowledged as a Foreign Countries Tutor of the Germany Society of Chemists for the Netherlands in 2007, he relocated to Hawaii to lecture at the University of Hawaii at Hilo as a Visiting Professor. Following this, Dr. Luthe moved back to Germany, where he was appointed Head of the Nanotechnology Chair at Saxion University of Applied Sciences in 2012. In 2013, Science Guide chose him as one of the 15 Most Inspiring Professors in the Netherlands. Dr. Luthe is also the founder of a company called Smart Material which developed 3D printing on antibacterial surfaces, as well as a company called Nanobay, a micro technology and nanotechnology platform that supports members with news, developments and marketplace opportunities.

Co-Ownership Rights

The Company holds equal and undivided interest as co-owners in all worldwide rights, titles and interests for certain air purification systems that provide protection against viruses and bacteria within the air and aerosols and for thin coatings with virucidal and bactericidal materials for use in combating viruses and bacteria. The co-ownership rights were acquired by Vaxxinator in connection with the 2020 IP Agreements.

The combined effect of 2020 IP Agreements is that the Company has the sole and exclusive right to use and practice the technologies developed by and Vaxxinator Coating and Vaxxinator Air. The Company also has the sole and exclusive right to negotiate and grant licenses to these intellectual property rights. No further consideration will be owed by the Company for exploiting any of the intellectual property rights acquired under the 2020 IP Agreements.

The “sole and exclusive rights” give the Company the commercialization rights of all the transferred intellectual property rights referred to in the 2020 IP Agreements, including the equal and undivided interest in the intellectual property rights retained by the Company from Vaxxinator Coating and Vaxxinator Air. In other words, the sole and exclusive rights held by the Company prevent Vaxxinator Air and Vaxxinator Coating from independently commercializing their respective retained equal and undivided interest in the intellectual property rights without prior approval of the Company.

The 2020 IP Agreements contemplate patent rights as being included in and transferred to the Company, despite that Vaxxinator Air and Vaxxinator Coating do not in fact hold the relevant patent rights. The Company is permitted to apply for any patent, utility model or design based upon or disclosing the intellectual property acquired under the 2020 IP Agreements, with the express written consent of Vaxxinator Air or Vaxxinator Coating, as the case may be. Similarly, Vaxxinator Air and Vaxxinator Coating are not permitted to apply for a patent, utility model or design based upon or disclosing the intellectual property under the 2020 IP Agreements, without the express written consent of the Company.

Other Intellectual Property

Trademarks are also important to the overall marketing and branding of our products and services. The Company, indirectly through Atmofizer USA, owns trademark applications for the marks "VAXXINATOR" and "ATMOFIZER" in the United States. The trademark application for VAXXINATOR was acquired by Vaxxinator pursuant to a trademark assignment agreement between Atmofizer USA and PureKana, dated June 26, 2021. It was then assigned to Atmofizer USA on September 13, 2021.

The Company has also filed registered trademarks applications for "THE BETTER TOMORROW PROJECT," and "PURIFENSE," in the United States. The Company is the registered holder of "www.atmofizer.com."

The Company also expects to rely on trade secrets, know-how, contractual provisions and confidentiality procedures to protect its intellectual property rights. The Company enters into proprietary information and invention assignment agreements or similar agreements with our employees, consultants and contractors. The Company controls the use of its proprietary technology and intellectual property rights through provisions in our agreements with customers.

The Company intends to pursue additional intellectual property protection to the extent we believe it would be beneficial and cost-effective. The Company's exclusive licenses under the 2021 IP Agreements extend to any discovery, improvement, technology, know-how, data or invention that we develop using our in-house expertise and is directly related to our exclusively licensed technology. However, despite the Company's efforts to protect and enforce our intellectual property rights, they may not be respected in the future or may be invalidated, circumvented, or challenged.

For additional information on intellectual property risks, see the *"Risk Factors."*

5. SELECT CONSOLIDATED FINANCIAL INFORMATION

Annual Information of CHCI

CHCI incurred costs in seeking, evaluating and negotiating a potential reverse takeover transaction, and to satisfy the continuous disclosure obligations required of it as a reporting issuer. The table below sets forth certain selected balance sheet data and financial information of CHCI as at and for the financial years ended September 30, 2020 and September 30, 2019 (audited) and for the three and nine months ending June 30, 2021 and 2020 (unaudited). Such data has been derived from the financial statements of CHCI for such periods, which have been attached hereto under A.1.1.1.1Appendix "A".

The financial statements of CHCI were prepared in accordance with IFRS as issued by the International Accounting Standards Board and the Interpretations of International Financial Interpretations Committee. The financial statements of CHCI were further prepared on a historical cost basis except for financial instruments classified as financial instruments at fair value.

	Nine months ended June 30, 2021 (unaudited) (C$)	Year ended September 30, 2020 (audited) (C$)	Year ended September 30, 2019 (audited) (C$)
Net Sales or Total Revenues	nil	nil	nil
Income from Continuing Operations	(363,000)	(279,000)	(326,000)
Net Income or Loss, in Total	(363,000)	(279,000)	(326,000)
Total Assets	180,000	312,000	222,000
Total Long Term Financial Liabilities	nil	nil	nil
Cash Dividends Declared	nil	nil	nil
Working Capital (Deficiency)	(252,000)	(106,000)	173,000
Shareholders' Equity (Deficiency)	(252,000)	(106,000)	173,000

Annual Information of Vaxxinator

The table below sets forth certain selected balance sheet data and financial information of Vaxxinator as at and for the financial year ended December 31, 2020 (audited) and for the period from the date of incorporation (September 30, 2019) to December 31, 2019 (audited) and for the six month interim period ended June 30, 2021 (unaudited). Such data has been derived from the financial statements of Vaxxinator for such periods, which have been attached hereto under A.1.1.1.1Appendix "C". Vaxxinator's audited consolidated financial statements are expressed in U.S. dollars.

The financial statements of Vaxxinator were prepared in accordance with IFRS as issued by the International Accounting Standards Board and the Interpretations of International Financial Interpretations Committee. The financial statements of Vaxxinator were also prepared on a historical cost basis except for financial instruments classified as financial instruments at fair value.

	Six months ended June 30, 2021 (unaudited) (US$)	Year ended December 31, 2020 (audited) (US$)	Period ended December 31, 2019 (unaudited) (US$)
Net Sales or Total Revenues	53,000	nil	nil
Income (loss) from Continuing Operations	(3,759,386)	(1,168,090)	(2,915)
Net Income or Loss, in Total	(3,759,386)	(1,168,090)	(2,915)
Total Assets	14,485,849	2,381,236	326
Total Long Term Financial Liabilities	nil	nil	nil
Cash Dividends Declared	nil	nil	nil
Working Capital (Deficiency)	4,561,448	2,228,426	(2,911)
Shareholders' Equity (Deficiency)	14,485,839	2,228,426	326

Quarterly Information of CHCI

The results for each of the eight most recently completed quarters of CHCI ending at the end of the most recently completed interim period, being June 30, 2021, are summarized below:

	FISCAL 2019			FISCAL 2020			FISCAL 2021	
	Q4 (C$)	Q1 (C$)	Q2 (C$)	Q3 (C$)	Q4 (C$)	Q1 (C$)	Q2 (C$)	Q3 (C$)
Total Revenues		-	-	-	-	-	-	-
Net Income (loss)	(29,000)	(63,000)	(81,000)	(66,000)	(69,000)	(273,000)	(48,000)	(42,000)
Net Income (loss) per share	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.01)	(0.00)	(0.00)

Quarterly Information of Vaxxinator

The results for each of the eight most recently completed quarters of Vaxxinator ending at the end of the most recently completed interim period, being June 30, 2021, are summarized below:

	FISCAL 2019		FISCAL 2020				FISCAL 2021	
	Q3 (US$)	Q4 (US$)	Q1 (US$)	Q2 (US$)	Q3 (US$)	Q4 (US$)	Q1 (US$)	Q2 (US$)
Total Revenues	-	-	-	-	-	-	-	53,000
Net Income (loss)	-	(2,915)	44	-	(17,618)	(1,150,516)	(2,326,268)	(1,235,374)
Net Income (loss) per share	-	728.75	11	-	(4,405)	0.04	0.04	0.02

Pro Forma Financial Information of the Company

The following table presents selected unaudited pro forma financial information for the Company for the interim six (6) period ending June 30, 2021 after giving effect to the Business Combination.

	Period ended June 30, 2021 (US$)
Revenue	53,000
Total expenses	7,757,671
Net income (loss)	**(7,704,671)**
Current assets	11,727,129
Total assets	21,200,882
Current liabilities	504,678
Total liabilities	799,332
Shareholders' equity (deficiency)	**20,401,550**

The unaudited pro forma consolidated financial statements of the Company for the six (6) months ended June 30, 2021 have been attached hereto under A.1.1.1.1Appendix "A".

Dividends

Neither CHCI nor Vaxxinator paid any dividends during the financial periods noted above.

There are no restrictions in the Company's articles or by-laws that could prevent the Company from paying dividends. The payment of any dividends on the Common Shares is not anticipated in the foreseeable future. Any decision to pay dividends on its shares will be made by the Board on the basis of its earnings, financial requirements and other conditions existing at such future time.

6. MANAGEMENT'S DISCUSSION AND ANALYSIS

CHCI MD&A

CHCI's management's discussion and analysis for the financial years ended September 30, 2020 and 2019 and for the three and nine months ended June 30, 2021 provide further information in respect of the financial condition and results of operations of CHCI to enable a reader to assess any material changes in the financial condition and results of operations for the relevant periods, which have been attached hereto as Appendix "B".

Vaxxinator MD&A

Vaxxinator's management's discussion and analysis for the financial year ended December 31, 2020 and for the period from incorporation (September 30, 2019) to December 31 2019 and for the six months ended June 30, 2021 provide a discussion and analysis of the financial condition and results of operations of Vaxxinator to enable a reader to assess any material changes in the financial condition and results of operations for the relevant periods, which are attached hereto as Appendix "D".

7. MARKET FOR SECURITIES

The Company's Common Shares previously traded on the NEX under the symbol "CXA.H" and were delisted from the NEX at the close of trading on November 12, 2021. The Common Shares have been conditionally accepted for listing on the CSE under the symbol "ATMO". The following table sets out trading information for the Common Shares on the NEX for the periods indicated:

Period	High (C$)	Low (C$)	Trading Volume
November 1 – 12, 2021	0.115	0.115	0
October, 2021 (1)	0.115	0.115	0
September ,2021 (1)	0.115	0.115	0
August, 2021 (1)	0.115	0.115	0
July, 2021 (1)	0.115	0.115	0
April – June, 2021 (1)	0.115	0.115	0
January – March, 2021	0.19	0.115	5,000
October – December, 2020	0.19	0.11	14,000
July – September, 2020	0.13	0.05	51,856
April – June, 2020	0.10	0.10	0
January – March, 2020	0.10	0.10	0
October – December, 2019	0.10	0.10	3,000

Note:

(1) Trading of the Common Shares was halted on April 19, 2021 upon the announcement of the proposed Business Combination.

8. CONSOLIDATED CAPITALIZATION

The following table sets forth the Company's capitalization as at September 30, 2020, and on a *pro forma* basis after having given effect to the completion of the Business Combination.

Designation	As at September 30, 2020 (C$)	As at June 30, 2021 after giving effect to the Business Combination (US$)
Liabilities		
Accounts payable and accrued liabilities	63,000	504,678
Notes payable	355,000	294,654
Shareholders' Equity		
Common Shares	35,890,000	30,775,845
Retained earnings (deficit)	(35,996,000)	(11,411,256)

9. OPTIONS TO PURCHASE SECURITIES

On September 21, 2021, the Company adopted the Omnibus Incentive Plan, which was a condition to the completion of the Business Combination and was approved by the Company's shareholders at an annual and special meeting of CHCI Shareholders held on September 21, 2021 that provides for the grant of Stock Options, RSUs and DSUs to qualified directors, officers, employees and consultants (the "**Eligible Participants**"). The purpose of the Omnibus Incentive Plan is to, among other things: (i) provide incentive to Eligible Participants to continue their services for the Company and to encourage such Eligible Participants whose skills, performance and loyalty to the objectives and interests of the Company are necessary or essential to the Corporation's success, image, reputation or activities; (ii) reward Eligible Participants for the performance of their services while working for the Company; and (iii) provide a means through which the Company may attract and retain able persons to enter its employment or service.

The Omnibus Incentive Plan is an "evergreen" plan as Common Shares covered by awards, which have been exercised or settled, as applicable, will be available for subsequent grant under the Omnibus Incentive Plan and the number of awards that may be granted under the Omnibus Plan increases if the total number of issued and outstanding Shares of the Corporation increases from time to time.

The maximum number of Common Shares available for issuance under the Omnibus Incentive Plan will not exceed 10% of the issued and outstanding Common Shares, less the number of Common Shares subject to grants of securities under any other share compensation arrangement.

In addition, the Omnibus Incentive Plan has limits on grants to Eligible Participants who are also insiders. The maximum number of Shares issuable to Eligible Participants who are insiders, collectively, under the Omnibus Incentive Plan and any other share-based compensation arrangement of the Company, cannot exceed 10% of the outstanding Common Shares from time to time. The maximum number of Common Shares issuable to any one Eligible Participant who is an insider, under the Omnibus Incentive Plan and any other share-based compensation arrangement of the Company, cannot exceed 5% of the outstanding Common Shares from time to time.

Further, the maximum number of Common Shares issued to Eligible Participants who are insiders, collectively, within any 1 year period, under the Omnibus Incentive Plan and any other share-based compensation arrangement of the Company, cannot exceed 10% of the outstanding Common Shares at the time of issuance. The maximum number of Common Shares issued to any one Eligible Participant who is an insider, within any 1 year period, under the Omnibus Incentive Plan and any other share-based compensation arrangement of the Company, cannot exceed 5% of the outstanding Common Shares at the time of issuance.

The total number of Common Shares issuable as compensation to any Eligible Participant performing Investor Relations Activities, in a 12 month period pursuant to the Omnibus Incentive Plan and any other

share-based compensation arrangement of the Company, cannot exceed 1% of the outstanding Common Shares at the time of issuance.

An RSU is an award in the nature of a bonus for services rendered that, upon settlement, entitles the recipient to receive Common Shares or as determined by the board of directors to receive the cash equivalent of the Common Share value or a combination thereof.

A DSU is an award that entitles the recipient to receive Common Shares or as determined by the board of directors to receive the cash equivalent of the Common Share value or a combination thereof, payable after the termination of the recipient. Only non-employee Board members may be granted DSUs.

There are currently 1,800,000 Stock Options to acquire 1,800,000 Common Shares and nil RSUs and nil DSUs issued and outstanding pursuant to the Omnibus Incentive Plan. The Stock Options were issued in exchange for then outstanding Vaxxinator Options pursuant to the Business Combination. Each outstanding Stock Option vests on April 15, 2023 and is exercisable for one (1) Common Share at an exercise price of US$0.50 per Common Share until April 15, 2026. It is expected that, following the Business Combination, the Company will issue additional Stock Options, RSUs and DSUs pursuant to the terms and conditions of the Omnibus Incentive Plan.

An aggregate of 83,333 CHCI Options to acquire 83,333 Common Shares are issued and outstanding that were issued to then directors of the Company prior to the completion of the Business Combination. The CHCI Options are not governed by the Omnibus Incentive Plan nor by any other securities-based compensation plan approved by the Company's shareholders. Each outstanding CHCI Option is fully vested and is exercisable at an exercise price of C$0.13 per Common Share until October 22, 2025.

The following table sets out all outstanding options to purchase Common Shares held by the following persons:

Category of Holder	Designation and Number of Option Securities to Purchase Common Shares held as group	Date of Grant	Issue, Conversion or Exercise Price	Expiry Date
All executive officers and past executive officers of the Company and all directors and past directors of the Company who are not also executive officers[(1)]	83,333 CHCI Options	October 22, 2020	C$0.13 per Common Share	October 22, 2025
	1,800,000 Stock Options	November 12, 2021	US$0.50 per Common Share	April 15, 2026
All executive officers and past executive officers of all subsidiaries of the Company and all directors and past directors of all subsidiaries of the Company who are not also executive officers	0			
All other employees and past employees of the Company	0			
All other employees and past employees of subsidiaries of the Company	0			
All consultants of the Company	0			
TOTAL OUTSTANDING	**1,883,333**			

10. DESCRIPTION OF SECURITIES

Common Shares

The holders of Common Shares are entitled to receive notice of and attend all meetings of the shareholders of the Company and will be entitled to one vote in respect of each Common Share held at such meetings. The holders of Common Shares will be entitled to receive dividends if, as and when declared by the Board. In the event of liquidation, dissolution or winding-up of the Company, the holders of Common Shares will be entitled to share rateably in any distribution of the property or assets of the Company, subject to the rights of holders of any other class of securities of the Company entitled to receive assets or property of the Company upon such distribution in priority or rateably with the holders of Common Shares.

Warrants

Pursuant to the terms and conditions of the Business Combination, the Company issued non-transferable Warrants in exchange for the Vaxxinator Warrants on economically equivalent terms and the Vaxxinator Warrants were subsequently cancelled. An aggregate of 2,534,126 Warrants are issued and outstanding, all of which are held by former Vaxxinator Warrantholders. Each Warrant is exercisable for one (1) Common Share at an exercise price of US$3.50 per Common Share and have the following expiry dates:

Number of Warrants	Expiry Date
479,563 Warrants	May 17, 2023
387,499 Warrants	May 27, 2023
122,066 Warrants	June 7, 2023
250,000 Warrants	June 28, 2023
674,999 Warrants	July 7, 2023
583,333 Warrants	July 9, 2023
36,666 Warrants	October 20, 2023

In the event that the volume-weighted average trading price of the Common Shares on the CSE (or if the Common Shares are not trading on the CSE, then such other recognized Canadian stock exchange) is equal to or greater than C$7.00 over a five (5) consecutive trading day period, then the Company may, at its option, within ten (10) business days following such five-day period, accelerate the expiry date of the Warrants by issuing a press release (a "**Warrant Acceleration Press Release**"), and, in such case, the expiry date of the Warrants shall be deemed to be 5:00 p.m. (Toronto time) on the 30th day following the issuance of the Warrant Acceleration Press Release.

Prior Sales

The Company

For the 12-month period immediately prior to the date of this Listing Statement, the Company has not issued or sold any securities, other than as set out below:

Date Issued	Number of and Type of Security	Exercise Price	Aggregate Issue Price
October 22, 2020	83,333 CHCI Options(1)	C$0.13	N/A
November 12, 2021	72,213,603 Common Shares(2)	N/A	N/A
November 12, 2021	2,534,126 Warrants(3)	US$3.50	N/A
November 12, 2021	1,800,000 Stock Options(4)	US$0.50	N/A
November 12, 2021	833,333 Common Shares (5)	N/A	N/A

Notes:

(1) On a post-Consolidation basis.
(2) Issued in exchange for Vaxxinator Shares pursuant to the terms of the Business Combination.
(3) Issued in exchange for Vaxxinator Warrants pursuant to the terms of the Business Combination.
(4) Issued in exchange for Vaxxinator Options pursuant to the terms of the Business Combination.
(5) Issued in connection with the Finder's Fee.

Vaxxinator

For the 12-month period immediately prior to the date of this Listing Statement, Vaxxinator has not issued or sold any securities, other than as set out below:

Date Issued	Number of and Type of Security	Price Per Security (US$)	Aggregate Issue Price (US$)
October 26, 2020 (1)	7,500,000 Vaxxinator Shares	0.02	150,000
October 26, 2020 (2)	35,250,000 Vaxxinator Shares	0.02	705,000
December 4, 2020 (2)	380,000 Vaxxinator Shares	0.50	190,000
December 9, 2020 (2)	1,000,000 Vaxxinator Shares	0.50	500,000
December 15, 2020 (2)	2,500,000 Vaxxinator Shares	0.50	1,785,000
January 6, 2021 (3)	500,000 Vaxxinator Shares	0.50	250,000
January 6, 2021 (2)	250,000 Vaxxinator Shares	0.50	125,000
January 7, 2021 (2)	1,000,000 Vaxxinator Shares	0.50	500,000
January 20, 2021 (2)	340,000 Vaxxinator Shares	0.50	170,000
February 4, 2021 (2)	100,000 Vaxxinator Shares	0.50	50,000
February 5, 2021 (2)	3,250,000 Vaxxinator Shares	0.50	1,625,000
March 17, 2021 (3)	7,642,000 Vaxxinator Shares	0.50	3,821,000
April 15, 2021 (4)	1,800,000 Vaxxinator Options	0.50	-
May 17, 2021 (5)	7,600,000 Vaxxinator Shares	0.50	3,800,000
May 17, 2021 (2)	959,134 Units	3.00	2,877,402
May 27, 2021 (2)	774,999 Units	3.00	2,324,997
June 7, 2021 (2)	244,133 Units	3.00	723,399
June 28, 2021 (2)	500,001 Units	3.00	1,500,003
July 7, 2021 (2)	1,349,999 Units	3.00	4,049,997
July 9, 2021(6)	583,333 Vaxxinator Warrants	0.01	5,833
October 20, 2021(2)	73,333 Units	3.00	220,000
October 26, 2021 (7)	1,000,000 Vaxxinator Shares	3.00	3,000,000

Notes:

(1) Issued pursuant to the 2020 IP Agreements. For further information, see "General Development of the Business– Vaxxinator".

(2) Issued pursuant to a non-brokered private placement. For further information, see "*General Development of the Business– Vaxxinator*"

(3) Issued in connection with the settlement of debt.

(4) Issued to Olivier Centner in connection with his compensation agreement.

(5) Issued in connection with the consideration paid under the 2021 IP Agreements. For further information, see "General Development of the Business– Vaxxinator".

(6) Issued to certain arm's length consultants in connection with their consulting agreements.

(7) Issued pursuant to a marketing sponsorship agreement with an arm's length party.

11. ESCROWED SECURITIES

The Company is an "exempt issuer" as such term is defined in Section 3.2(b) of National Policy 46-201 – *Escrow for Initial Public Offerings* ("**NP 46-201**"). As such, the securities of the Company are exempt from the escrow requirements set out in NP 46-201.

An aggregate of 39,791,603 Common Shares are subject to contractual lock-up agreements between the Company and certain Shareholders, which will be released from lock-up as follows:

Designation of class held in escrow	Number of securities subject to lock-up	Percentage of class[(1)]	Release Schedule
Common Shares	14,850,004	20.10%	2.5% will be released 3 months from the Listing Date; 2.5% will be released 4 months from Listing Date; 2.5% will be released 6 months from Listing Date; 10% will be released 9 months from Listing Date; 12.5% will be released 12 months from Listing Date; 30% will be released 9 months from Listing Date and 40% will be released 18 months from Listing Date.
Common Shares	9,040,000	12.24%	10% will be released immediately upon Listing Date; 20% will be released 4 months from Listing Date; 20% will be released 8 months from Listing Date; 25% will be released 10 months from Listing Date and 25% will be released 12 months from Listing Date.
Common Shares	801,599	1.08%	25% will be released immediately upon Listing Date; 25% will be released 2 months from Listing Date; 25% will be released 4 months from Listing Date and 25% will be released 6 months from Listing Date.
Common Shares	15,100,000	20.44%	2.32% will be released immediately upon Listing Date; 2.44% will be released 4 months from Listing Date; 2.75% will be released 6

					months from Listing Date; 10% will be released 9 months from Listing Date; 12.5% will be released 12 months from Listing Date; 30% will be released 15 months from Listing Date and 40% will be released 18 months from Listing Date. [2] [3]

Notes

(1) Based on 73,880,270 Common Shares issued and outstanding.

(2) For further information, see "*General Development of the Business – Vaxxinator*"

(3) These Common Shares may be accelerated from lock-up under certain circumstances to permit the holders thereof to satisfy certain tax obligations on the terms and conditions agreed to between Vaxxinator and the holders thereto.

12. PRINCIPAL SHAREHOLDERS

To the knowledge of the directors and officers of the Company, the following shareholder beneficially owns, controls or directs more than 10% of the issued and outstanding Common Shares:

Name and Municipality of Residence	Type of Ownership	Number of Common Shares	Percentage of Outstanding Common Shares (Non-Diluted)[1]	Percentage of Outstanding Common Shares (Fully Diluted)[2]
Vaxxinator Coating B.V. *Enschede, Netherlands*	Registered	11,350,000	15.36%	14.50%

Notes:

(1) Based on 73,880,270 Common Shares issued and outstanding.

(2) Based on 78,297,729 Common Shares issued and outstanding.

13. DIRECTORS AND OFFICERS

Directors, Officers and Management of the Company

The following table lists the names and municipalities of residence of the directors, officers, and promoters of the Company, their current positions and offices with the Company, respectively, their principal occupations during the last five years and the number and percentage of Common Shares anticipated to be owned, directly or indirectly, or over which control or discretion is exercised by each.

Name and Municipality of Residence	Position or Office	Principal Occupation During Past 5 Years	Number and Percentage of Common Shares Beneficially Owned, or Controlled or Directed, Directly or Indirectly[1]
Olivier Centner [2] *Toronto, Ontario, Canada*	Director and Chief Executive Officer	Founder of UNOapp, a leader in digital first solutions for retail-tech and consumer engagement. Olivier is an active investor in residential multi-unit real estate as well fintech and technology driven companies in Canada and the USA	-
Brian Meadows *Vancouver, British Columbia, Canada*	Chief Financial Officer and Secretary	President and Chief Financial Officer of GLG Life Tech Corporation; Chief Financial Officer of Simply Better Brands Corp; Chief Financial Officer of Vaxxinator Enterprises Inc.	2,000,000 2.71%

Name and Municipality of Residence	Position or Office	Principal Occupation During Past 5 Years	Number and Percentage of Common Shares Beneficially Owned, or Controlled or Directed, Directly or Indirectly[1]
Michael Galloro[2] *Toronto, Ontario, Canada*	Director	Principal, Aloe Finance	-
Peter Simeon *Oakville, Ontario, Canada*	Director	Partner, Gowling WLG (Canada) LLP	200,000 0.27%
Joshua Helman *Tampa, Florida, United States*	Director	Physician, TrueNorth Health Center	-
Nareda Mills [2] *London, Ontario, Canada*	Director	Global President Patient Solutions, Ashfield Engage	50,000 0.07%
		TOTAL:	**2.250,000 3.05%**

Notes:

(1) Based on 73,880,270 Common Shares issued and outstanding.

(2) Proposed member of the Resulting Issuer Audit Committee. Mr. Galloro is the proposed Audit Committee Chair.

Each of the directors of the Company will hold office until the next annual meeting of the shareholders or until his successor is duly elected or appointed, unless his office is earlier vacated in accordance with the Company's Articles or Notice of Articles.

The following biographies provide certain selected information in respect of the persons who will be serving as directors, officers and/or management of the Company:

Olivier Centner, Director and Chief Executive Officer of the Company (Age: 48)

Mr. Centner has over 25 years building businesses in various industries. Notably, Mr. Centner is the founder of UNOapp, a leader in digital first solutions for retail-tech and consumer engagement. Working with over 2,000 retailers and Fortune 500 brands such as Coca-Cola, Monster Energy, Corby, Diageo. UNOapp's leading edge IoT retail-tech solutions is driving promoted brands sales growth of 20%+ at retail and direct consumer engagement through, mobile first, digital activation beyond the 4 walls of retail to drive consumers back to retail and e-commerce. In addition to leading UNOapp, Mr. Centner is an active investor in residential multi-unit real estate as well fintech and technology driven companies in Canada and the USA.

Brian Meadows, Chief Financial Officer and Secretary of the Company (Age: 57)

Mr. Meadows has been the Chief Financial Officer of Vaxxinator Enterprises Inc. since October 2020. Mr. Meadows also currently serves as CFO of Simply Better Brands Corp on the TSXV since December 2020. Mr. Meadows has served as the CFO of PureKana LLC since January 2019, as the President and CFO of GLG Life Tech Corporation from October 2007 to January 2019 and as Director of Operations at TELUS from 2002 to 2007.

Michael Galloro, Proposed Director of the Company (Age: 46)

Mr. Galloro is a financial executive with over 25 years of hands-on experience. Mr. Galloro is a Principal at ALOE Finance, a boutique transaction services firm focused on providing advisory services to the small and mid-cap public markets space. ALOE works closely with emerging private and publicly listed

companies listed on both the Canadian and the U.S. securities markets across various industries that operate globally. Mr. Galloro's experience includes mergers & acquisitions, financings, corporate structuring, corporate governance and most notably, quarterbacking public transactions. Mr. Galloro's entrepreneurial spirit has led him to successfully list and transact Capital Pool Companies (CPCs) where stakeholders have invested in management and the board to transact with successful operating businesses seeking exposure to public markets. In addition, Mr. Galloro excels at the operational level engaging with management to fine-tune business and corporate goals. Mr. Galloro's public company strength has earned him directorship roles acting as the Chairman and member of the Audit and Compensation Committees, and Special Advisor. Mr. Galloro earned his Chartered Professional Accountant (CPA). Chartered Accountant (CA) designation while working in the financial institutions practice for KPMG LLP and has his Honours Bachelor of Accounting (BAcc) Degree from Brock University. Aside from his professional life, Mr. Galloro is a family man with a passionate love for motor racing and automobiles.

Peter Simeon, Proposed Director of the Company (Age: 45)

Mr. Simeon has over 20 years of experience as a lawyer focused on securities, corporate finance, and mergers and acquisitions. Since February 2015 he has been a partner at Gowling WLG (Canada) LLP and has extensive experience in corporate commercial and securities law. Prior to 2015, he was a partner at Wildeboer Dellelce LLP, a boutique corporate law firm in Toronto. Mr. Simeon has a Bachelor of Arts from Queen's University and a law degree from Osgoode Hall at York University. Mr. Simeon acts as an independent director on several publicly traded companies in Canada.

Joshua Helman, M.D., Proposed Director of the Company (Age: 54)

Dr. Joshua Helman is a Harvard-trained physician licensed in fourteen states. Dr. Helman has a Bachelor's degree in biochemistry from Harvard University, a Master's degree in Biochemistry from the University of Cambridge. Dr. Helman received his medical degree from Harvard Medical School and the Massachusetts Institute of Technology. Dr. Helman is Board Certified by the American Board of Emergency Medicine and American Board of Lifestyle Medicine. He is the former Medical Director of Hippocrates Health Institute and is currently affiliated with TrueNorth Health Center. His areas of interest include toxins, mold, Lyme disease and fasting. As a plant-based physician, he embraces an integrative approach including the importance of diet and lifestyle for optimal health.

Nareda Mills, Director of the Company (Age: 47)

Ms. Mills has over 25 years' experience in the healthcare and pharmaceuticals industries in various leadership roles since receiving her degree as a Registered Nurse in London, Ontario. Ms. Mills began her clinical career at the John Hopkins All Children's Hospital in St. Petersburg, Florida working in Hematology, Oncology and Bone Marrow Transplant prior to becoming the manager of the University of South Florida Pediatric Fellowship clinics in Allergy, Immunology, Rheumatology, Endocrinology, Nephrology and Behavioral Neuroscience. Ms. Mills has been recognized as a Certified Asthma Educator by the Association of Asthma Educators and as a Fellow to the American College of Allergy, Asthma and Immunology. Ms. Mills has been with Ashfield Healthcare, LLC since 2008 and is currently the President of the Global Patient Solutions business unit.

Corporate Cease Trade Orders or Bankruptcies

Except as described below, no director, officer or Promoter of the Company or shareholder anticipated to hold a sufficient number of securities of the Company to affect materially the control of the Company is or has, within the past 10 years, been a director, officer or Promoter of any Person or issuer that, while such Person was acting in that capacity, was the subject of a cease trade or similar order or an order that denied that Person or issuer access to any exemptions under applicable securities legislation for a

period of more than 36 consecutive days or became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver-manager or trustee appointed to hold the assets of that Person.

Mr. Meadows served as the Chief Financial Officer of GLG Life Tech Corporation from October 2007 through January 2019. On May 2, 2012, the British Columbia Securities Commission imposed a cease trade order on GLG Life Tech Corporation's common shares for failure to file its annual financial statements, its management discussion and analysis relating to its annual financial statements, its annual information form and the CEO and CFO certifications for the period ended December 31, 2011, beyond the prescribed deadline of March 30, 2012. Similar CTO's were imposed by the Ontario Securities Commission and the Manitoba Securities Commission on May 16, 2012 and July 9, 2012, respectively. On May 3, 2012, the Investment Industry Regulatory Organization of Canada imposed a temporary suspension of trading in the common shares of corporation. On August 15, 2012, the corporation filed its annual financial statements, its annual information form and the CEO and CFO certifications for the period ended December 31, 2011. The cease trade over was revoked on June 18, 2013 by the British Columbia Securities Commission, on June 27, 2013 by the Ontario Securities Commission and June 17, 2013 by the Manitoba Securities Commission. Trading resumed in GLG Life Tech Corporation's common shares on the Toronto Stock Exchange on June 28, 2013.

On April 10, 2012, Mr. Meadows was the subject of a management cease trade order issued by the British Columbia Securities Commission as a result of GLG Life Tech Corporation having not filed its annual financial statements, its annual information form and the CEO and CFO certifications for the period ended December 31, 2011. The management cease trade order was revoked on June 18, 2013.

Penalties or Sanctions

No director, officer or Promoter of the Company or shareholder anticipated to hold a sufficient number of securities of the Company to affect materially the control of the Company or a personal holding corporation of such Persons is or has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by any securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority or been subject to any other penalties or sanctions proposed by a court or regulatory body, including a self-regulatory body, that would be likely to be considered important to a reasonable securityholder making a decision about the Company.

Personal Bankruptcies

No director, officer or Promoter of the Company or shareholder anticipated to hold a sufficient number of securities of the Company to affect materially the control of the Company, or a personal holding corporation of such Persons is or has, within the past 10 years, become bankrupt, made a proposal under bankruptcy or insolvency legislation or been subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold their assets.

Conflicts of Interest

Some of the individuals serving as directors or officers of the Company are also directors, officers and/or Promoters of other reporting and non-reporting issuers. As of the date of this Listing Statement and to the knowledge of the directors and officers of the Company, there are no existing conflicts of interest in the Company.

Other Reporting Issuer Experience

The following table sets out the proposed directors, officers and Promoters of the Company that are, or have within the preceding five year period been directors of other reporting issuers:

Name	Name and Jurisdiction of Reporting Issuer	Name of Trading Market	Term (From/To)
Michael Galloro	AF2 Capital Corp.	TSXV	August 2020 – Present
	World-Class Extraction Systems	CSE	April 2020 - Present
	Simply Better Brands Corp. (formerly PureK Holdings Corp.)	TSXV, OTCQX	January 2019 – Present
	Fountain Asset Corp.	TSXV	July 2018 – Present
	1169071 BC Ltd.	Unlisted	December 2018 – Present
	Simply Inc.	OTCQC	June 2018 – Present
	Dinamic IP Holdings Inc. (formerly 1169077 BC Ltd.)	Unlisted	December 2018 – April 2021
	Bluma Wellness Inc. (formerly Goldstream Minerals Inc.)	CSE	September 2012 – June 2020
	Bragg Gaming Group Inc. (formerly Breaking Data Corp.)	TSX, OTCBB	December 2018 – March 2019
	Liberty Health Sciences Inc. (formerly, SecureCom Mobile Inc.)	-	November 2016 – February 2019
	Eviana Health Corporation	CSE	August 2017 – November 2018
	Santa Maria Petroleum Inc.	TSXV	May 2016 – December 2016
	Universal PropTech Inc. (formerly Sustainco Inc.)		March 2012 – April 2021
Olivier Centner	SOL Global Investments Corp.	CSE	August 2020 – Present
Brian Meadows	Simply Better Brands Corp. (formerly PureK Holdings Corp.)	TSXV, OTCQX	December 2020 – Present
	Cluny Capital Corp.	TSXV	November 2012 – May 2018
	Ready Set Gold Copr.	CSE	June 2021 - Present
	PlantX Life Inc.	CSE	August 2020 - Present
	AF2 Capital Corp.	TSXV	August 2020 - Present
	Khiron Life Sciences Corp.	TSXV	May 2018 – May 2019
Peter Simeon	Simply Better Brands Corp. (formerly PureK Holdings Corp.)	TSXV	December 2018 – May 2020
	Choom Holdings Inc.	CSE	November 2017 – Present
	Liberty Health Sciences Inc.	TSXV	November 2016 – June 2017
	Namaste Technologies Inc.	TSXV	February 2016 – March 2018
	Amilot Capital Inc.	TSXV	June 2013 – Present

14. CAPITALIZATION

To the best of the knowledge and estimation of the Company, the following table sets out the number of the shares of the Company available in the Company's public float and freely-tradeable float on a diluted basis and a non-diluted basis.

Issued Capital

	Number of Common Shares (non-diluted)	Number of Common Shares (fully-diluted)	%of Issued (non-diluted)	% of Issued (fully diluted)
Public Float				
Total outstanding (A)	73,880,270	78,297,729	100.0%	100.0%
Held by Related Persons or employees of the Issuer or Related Persons of the Issuer, or by persons or companies who beneficially own or control, directly or indirectly, more than a 5% voting position in the Issuer (or who would beneficially own or control, directly or indirectly, more than a 5% voting position in the Issuer upon exercise or conversion of other securities held) (B)	43,449,704	45,249,704	58.8%	57.8%
Total Public Float (A-B)	**30,430,566**	**33,048,025**	**41.2%**	**42.2%**
Freely-Tradeable Float				
Number of outstanding securities subject to resale restrictions, including restrictions imposed by pooling or other arrangements or in a shareholder agreement and securities held by control block holders (C)	39,791,603	39,791,603	53.9%	50.8%
Total Tradeable Float (A-C)	**34,088,667**	**38,506,126**	**46.1%**	**49.2%**

Public Securityholders (Registered)

Class of Security

Size of Holding	Number of holders	Total number of Common Shares
1 – 99 securities	177	2,901
100 – 499 securities	47	8,816
500 – 999 securities	14	9,425
1,000 – 1,999 securities	12	17,724
2,000 – 2,999 securities	6	14,814
3,000 – 3,999 securities	3	10,712
4,000 – 4,999 securities	-	-
5,000 or more securities	83	30,366,174
Total	**342**	**30,430,566**

Public Securityholders (Beneficial)

Class of Security

Size of Holding	Number of holders	Total number of Common Shares
1 – 99 securities	177	2,901
100 – 499 securities	46	8,518
500 – 999 securities	14	9,425
1,000 – 1,999 securities	12	17,724
2,000 – 2,999 securities	5	12,106
3,000 – 3,999 securities	3	10,712
4,000 – 4,999 securities	-	-
5,000 or more securities	76	30,369,180

Unable to confirm		-
Total	**333**	**30,430,566**

Non-Public Securityholders (Registered)

Class of Security

Size of Holding	Number of holders	Total number of Common Shares
1 – 99 securities	-	-
100 – 499 securities	-	-
500 – 999 securities	-	-
1,000 – 1,999 securities	-	-
2,000 – 2,999 securities	-	-
3,000 – 3,999 securities	-	-
4,000 – 4,999 securities	-	-
5,000 or more securities	9	43,249,704
Total	**9**	**43,249,704**

The following table states the securities convertible or exchangeable into Common Shares.

Description of Security	Number of Convertible Securities Outstanding	Number and Percentage of Common Shares Issuable upon Exercise[1]
Options[2]	1,883,333	1,883,333 Common Shares 2.58%
Warrants	2,534,126	2,534,126 Common Shares 3.43%
TOTAL	**4,417,459**	**4,417,459** **5.98%**

Notes:

(1) Based on 73,880,270 Common Shares issued and outstanding.

(2) Represents issued and outstanding CHCI Options and Stock Options on a combined basis.

15. EXECUTIVE COMPENSATION

CHCI

The following table sets out all compensation paid, payable, awarded, granted, given, or otherwise provided, directly or indirectly, by CHCI to its NEOs and directors, in any capacity, for the two most recently completed financial years ending September 30, 2020 and 2019.

Table of Compensation Excluding Compensation Securities							
Name and Position	Year	Salary, consulting fee, retainer or commission (C$)	Bonus (C$)	Committee or meeting fees (C$)	Value of perquisites (C$)	Value of all Other compensation (C$)	Total compensation (C$)
Bradley Morris *Director, Chairman and Chief Executive Officer* [1]	2020 2019	nil nil	nil nil	nil nil	nil nil	nil nil	nil nil
Mike Dai [2] *Director and Chief Financial Officer*	2020 2019	nil nil	nil nil	nil nil	nil nil	nil nil	nil nil

Table of Compensation Excluding Compensation Securities							
Name and Position	**Year**	**Salary, consulting fee, retainer or commission (C$)**	**Bonus (C$)**	**Committee or meeting fees (C$)**	**Value of perquisites (C$)**	**Value of all Other compensation (C$)**	**Total compensation (C$)**
Peter Simeon [3] *Director*	2020 2019	nil nil	nil nil	nil nil	nil nil	nil nil	nil nil
Stanley Goldfarb [4] *Former President, former Chief Executive Officer and former Director*	2021 2020 2019	nil 125,000 [5]	nil nil	nil nil	nil nil	nil nil	nil 125,000
Arnold Resnick [6] *Former Chief Financial Officer*	2020 2019	nil nil	nil nil	nil nil	nil nil	81,900 138,500 [7]	81,900 138,500
Marc Muzzo [8] *Former Vice President and former Director*	2020 2019	nil 125,000	nil nil	nil nil	nil nil	nil nil	nil 125,000
John Craig [9] *Former Secretary and former Director*	2020 2019	nil nil	nil nil	nil nil	nil nil	nil nil	nil nil
Richard Gambin [10] *Former Director*	2020 2019	nil nil	nil nil	nil nil	nil nil	nil nil	nil nil
Rudolph Bratty [11] *Former Director*	2020 2019	nil nil	nil nil	nil nil	nil nil	nil nil	nil nil

Notes:

(1) Mr. Morris was appointed as a director and Chief Executive Officer on August 7, 2020.

(2) Mr. Dai was appointed as a director and Chief Financial Officer on August 7, 2020.

(3) Mr. Simeon was appointed a director on August 7, 2020.

(4) Mr. Goldfarb resigned as a director and President and Chief Executive Officer on August 7, 2020.

(5) Pursuant the terms of a management agreement between the CHCI and Circle M Consulting Limited Partnership and Logpin Investments Limited (the "Consultants"), the Consultants provided the services of Stanley Goldfarb and Marc Muzzo to CHCI. The management fee was based on 3% of the CHCI's pre-tax profits with a minimum of C$250,000.

(6) Mr. Resnick resigned as Chief Financial Officer on August 7, 2020.

(7) Accounting, financial reporting and office management services in a month to month arrangement.

(8) Mr. Muzzo resigned as a director and Vice President on August 7, 2020.

(9) Mr. Craig resigned as a director and Secretary on August 7, 2020.

(10) Mr. Gambin resigned as a director on August 7, 2020.

(11) Mr. Bratty resigned as a director on August 7, 2020.

Stock Options and other Compensation Securities of CHCI

No CHCI Options or other compensation securities granted or issued by CHCI to any NEO or director of CHCI or any of its subsidiaries during the most recently completed fiscal year ended September 30, 2020.

During the most recently completed fiscal year ended September 30, 2020, none of the NEOs or directors exercised any CHCI Options or other compensation securities of CHCI.

Vaxxinator

The following table sets out all compensation paid, payable, awarded, granted, given, or otherwise provided, directly or indirectly, by Vaxxinator to its NEOs, in any capacity, for the financial year ending December 31, 2020 and the period from incorporation until December 31, 2019.

Table of Compensation Excluding Compensation Securities							
Name and Position	**Year**	**Salary, consulting fee, retainer or commission (US$)**	**Bonus (US$)**	**Committee or meeting fees (US$)**	**Value of perquisites (US$)**	**Value of all other compensation (US$)**	**Total compensation (US$)**
Oliver Centner [(1)] *Chief Executive Officer and Director*	2020 2019	nil nil	nil nil	nil nil	nil nil	nil nil	nil nil
Brian Meadows [(2)] *Chief Financial Officer and Director*	2020 2019	10,000 nil	nil nil	nil nil	nil nil	nil nil	10,000 nil
Torsten Maehle [(3)] *Former Interim Chief Executive Officer and Former Director*	2020 2019	111,500 [(4)] nil	nil nil	nil nil	nil nil	nil nil	111,500 nil
Campbell Becher [(5)] *Former Interim Chief Financial Officer and Former Director*	2020 2019	25,000[(6)] nil	nil nil	nil nil	nil nil	nil nil	25,000 nil

Notes:

(1) Mr. Centner was appointed as Chief Executive Officer and as a director of the Company as of April 15th, 2021.

(2) Mr. Meadows was appointed as a director on February 25, 2021 and as Chief Financial Officer on October 21, 2020.

(3) Mr. Maehle was appointed as a director on August 24, 2020 and as Chief Executive Officer on February 25, 2021. Mr. Maehle resigned as a director and Chief Executive Officer on April 15, 2021.

(4) Mr. Maehle received 4,950,000 Vaxxinator Shares October 26, 2020 at an aggregate value of US$99,000 in connection with services rendered to Vaxxinator.

(5) Mr. Becher was appointed as a director and as Chief Executive Officer on August 24, 2020 and as Chief. Mr. Becher resigned as a director and Chief Executive Officer on February 25, 2021.

(6) Mr. Becher received 1,250,000 Vaxxinator Shares October 26, 2020 at an aggregate value of US$25,000 in connection with services rendered to Vaxxinator.

Stock Options and other Compensation Securities of Vaxxinator

No Vaxxinator Options or other compensation securities were granted or issued by Vaxxinator to any NEO or director of Vaxxinator or any of its subsidiaries during the most recently completed fiscal year ended December 31, 2020.

During the most recently completed fiscal year ended December 31, 2020, none of the NEOs or directors exercised any Vaxxinator Options or other compensation securities of Vaxxinator.

Resulting Issuer

The Resulting Issuer's compensation program will be based on a "pay-for-performance" philosophy which supports its objective of developing its business. The Resulting Issuer's compensation policies

will be founded on the principle that compensation should be aligned with the interests of the Shareholders, while also recognizing that the Resulting Issuer's corporate performance is dependent upon the recruitment and retention of highly trained, experienced and dedicated directors, executive officers and employees who have the necessary skill sets, education, experience and personal qualities required in the Resulting Issuer's business.

The components of the Resulting Issuer's executive compensation program is being finalized, however it is anticipated that the executive compensation program will be comprised of the following principal components: (i) base salary, (ii) short term incentive compensation comprised of cash bonuses and/or share options and (iii) long term incentive compensation comprised of share options. Together, these components support the Resulting Issuer's long-term development strategy and will be designed to address the following key objectives of its compensation program:

- align executive compensation with the interests of the Shareholders;
- attract and retain highly qualified management; and
- focus performance by linking incentive compensation to the achievement of business objectives and financial and operational results.

The aggregate value of these principal components and related benefits is used as a basis for assessing the overall competitiveness of the Resulting Issuer's executive compensation package.

The following is the anticipated compensation, as known, for each of the NEOs of the Resulting Issuer for the 12 month period following the completion of the Business Combination.

Name and principal position	Annual Salary (US$)	Share-based awards (US$)	Option-based awards (US$)	Annual Incentive Plans (US$)	Long-term incentive plans (US$)	Pension value (US$)	All other compensation (US$)	Total Compensation (US$)
Olivier Centner *Chief Executive Officer*	300,000	nil	555,578	nil	nil	nil	nil	855,578
Brian Meadows *Chief Financial Officer*	195,000	750,000	nil	nil	nil	nil	nil	945,000

Incentive Plan Awards

Option-based Awards

The Resulting Issuer will likely grant future option-based awards, being Stock Options granted under the Omnibus Incentive Plan, including, for greater certainty, by granting Stock Options to its directors, officers, employees and consultants. The timing, amounts, exercise price of these future option-based awards are not yet determined. For further information regarding the Omnibus Incentive Plan, see "*The following table sets* forth the Company's capitalization as at September 30, 2020, and on a *pro forma* basis after having given effect to the completion of the Business Combination.

Designation	As at September 30, 2020 (C$)	As at June 30, 2021 after giving effect to the Business Combination (US$)
Liabilities		
Accounts payable and accrued liabilities	63,000	504,678
Notes payable	355,000	294,654
Shareholders' Equity		
Common Shares	35,890,000	30,775,845
Retained earnings (deficit)	(35,996,000)	(11,411,256)

Options to Purchase Securities".

Share-based Awards

The Resulting Issuer will likely grant future share-based awards, being RSUs and DSUs granted under the Omnibus Incentive Plan, including, for greater certainty, by granting RSUs to its directors, officers, employees and consultants and DSUs to its non-employee directors. The timing, amounts, exercise price of these future share-based awards are not yet determined. As of the date hereof, the Company has awarded Brian Meadows 1,500,000 RSUs, which vest over 12-months, following the completion of the Business Combination. For further information regarding the Omnibus Incentive Plan, see "*The following table sets* forth the Company's capitalization as at September 30, 2020, and on a *pro forma* basis after having given effect to the completion of the Business Combination.

Designation	As at September 30, 2020 (C$)	As at June 30, 2021 after giving effect to the Business Combination (US$)
Liabilities		
Accounts payable and accrued liabilities	63,000	504,678
Notes payable	355,000	294,654
Shareholders' Equity		
Common Shares	35,890,000	30,775,845
Retained earnings (deficit)	(35,996,000)	(11,411,256)

Options to Purchase Securities*".*

Pension Plan Benefits

During the 12 month period immediately following the Listing, it is not expected that the Resulting Issuer will provide for any pension plans to NEOs that provide for payments or benefits in connection with retirement or provide NEOs with any deferred compensation plans.

Compensation of Directors

The directors of the Resulting Issuer may be paid fees for their services. However, it is expected that the Resulting Issuer will grant option-based awards and share-based awards to the majority of the directors in recognition of the time and effort that such directors devote to the Resulting Issuer. In particular, non-employee directors are eligible to receive DSUs. The timing, amounts, exercise price of these future option-based awards, share-based awards and any paid fees for service are not yet determined.

Employment, Consulting and Management Agreements

Other than as set out herein, the Resulting Issuer has no agreements or arrangements under which compensation was provided during the most recently completed financial year or is payable in respect of services provided to the Resulting Issuer or any of its subsidiaries that were performed by a director or NEO, or performed by any other party but are services typically provided by a director or NEO.

Olivier Centner

Mr. Centner serves as the Resulting Issuer's CEO pursuant to the terms and conditions of an executive employment agreement made effective November 12, 2021. Mr. Centner serves as CEO on a full-time basis for an indefinite period of time unless terminated in accordance with the terms of his employment agreement. Under the agreement, Mr. Centner will receive (i) a base salary of US$300,000, (ii) annual cash bonus(es) to be determined by the Board; and (iii) RSUs pursuant to the Omnibus Incentive Plan.

In the event Mr. Centner is terminated without cause by the Resulting Issuer or is found by a court of competent jurisdiction to have been constructively dismissed by the Resulting Issuer, then Mr. Centner will receive the greater of: (i) the minimum payments and entitlement prescribed under applicable statutory employment standards in the Province of Ontario; and (ii) four weeks' notice, or in the Resulting Issuer's sole discretion, payment in lieu of all or any part thereof, for each year of service (with a prorated entitlement for partial years of service) subject to a minimum of six weeks during the first year of employment, subject to a minimum of three months thereafter and subject to a maximum of 52 weeks.

Notwithstanding the above, Mr. Centner's combined length of service and termination entitlements under his employment agreement cannot be less than a total of twelve (12) months during the first year of his employment with the Resulting Issuer.

Mr. Centner's employment agreement includes a customary non-disclosure provision and a 12-month non-solicitation provision following a termination of employment.

Any outstanding RSUs would be settled in accordance with the terms of the applicable RSU grant agreement and the Omnibus Incentive Plan.

Brian Meadows

Mr. Meadows serves as the Resulting Issuer's CFO pursuant to the terms and conditions of an executive employment agreement made effective November 12, 2021. Mr. Meadows serves as CFO on a full-time basis for an indefinite period of time unless terminated in accordance with the terms of his employment agreement. Under the agreement, Mr. Meadows will receive (i) a base salary of US$195,000, (ii) annual cash bonus(es) to be determined by the Board; and (iii) RSUs pursuant to the Omnibus Incentive Plan.

In the event Mr. Meadows is terminated without cause by the Resulting Issuer or is found by a court of competent jurisdiction to have been constructively dismissed by the Resulting Issuer, then Mr. Meadows will receive the greater of: (i) the minimum payments and entitlement prescribed under applicable statutory employment standards in the Province of British Columbia; and (ii) four weeks' notice, or in the Company's sole discretion, payment in lieu of all or any part thereof, for each year of service (with a prorated entitlement for partial years of service) subject to a minimum of six weeks during the first year of employment, subject to a minimum of three months thereafter and subject to a maximum of 52 weeks.

Notwithstanding the above, Mr. Meadows' combined length of service and termination entitlements under his employment agreement cannot be less than a total of twelve (12) months during the first year of his employment with the Resulting Issuer.

Mr. Meadow's employment agreement includes a customary non-disclosure provision and a 12-month non-solicitation provision following a termination of employment.

Any outstanding RSUs would be settled in accordance with the terms of the applicable RSU grant agreement and the Omnibus Incentive Plan.

16. INDENTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

No individual who: (a) is a director or officer of the Company; (b) at any time during the most recently completed financial year of CHCI or Vaxxinator, was a director or officer of CHCI or Vaxxinator or (c) is an Associate of any of the foregoing, is either: (i) indebted to the Company or any of its subsidiaries; or (ii) indebted to another entity with such indebtedness being the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company or any of its subsidiaries.

17. RISK FACTORS

There are a number of risk factors associated with the Company and its business. Investment in the Company must be considered highly speculative due to the nature of the Company's business. An investment in any securities of the Company should only be considered by those persons who can afford a significant or total loss of their investment. Investors should carefully consider the risks described below and the other information contained in this Listing Statement before making an investment in the Company. In addition to other information contained in this Listing Statement, the following risk factors must be considered. Additional risks and uncertainties not presently known to the Company or that the Company currently considers immaterial may also impair the business and operations of the Company and cause the trading price of the Common Shares to decline. If any of the following or other risks occur, the Company's business, prospects, financial condition, results of operations and cash flows could be materially adversely impacted. In that event, the trading price of the Common Shares could decline and investors could lose all or part of their investment. There is no assurance that risk management steps taken will avoid future loss due to the occurrence of the risks described below or other unforeseen risks.

The Company incurred losses in the past and may be unable to achieve or sustain profitability in the future

The Company has incurred net losses in each period since it commenced operations. For the six months ended June 30, 2021, the Company incurred net losses of US$7,704,671 after giving effect to the Business Combination. The Company expects to continue to incur significant expenses including sales and marketing expenses, research and development costs and other expenses. In addition, the Company expects that its general and administrative expenses will increase following this Listing due to the additional costs associated with being a public company. These efforts and additional expenses may be more costly than the Company expects, and the Company cannot guarantee that it will be able to increase its revenue to offset such expenses. The Company's revenue may decline or its revenue growth may be constrained for a number of reasons, including reduced demand for the Company's products and services, increased competition or failure to capitalize on growth opportunities. The Company will need to generate significant additional revenue to achieve and sustain profitability and, even if it achieves profitability, the Company cannot be sure that it will remain profitable for any substantial period of time. The Company's failure to achieve or sustain profitability could negatively impact the value of the Common Shares.

The Company has a limited operating history which makes it difficult to evaluate its future prospects for success

Vaxxinator had a limited history of operations prior to the Business Combination and consequently, the Company's current operations inherited from Vaxxinator are subject to all of the business risks and uncertainties associated with any early-stage enterprise, including possible under-capitalization, cash shortages, limitations with respect to personnel, financial and other resources, and lack of significant revenue. The limited operating history may also make it difficult for investors to evaluate the Company's prospects for success.

Public health crises, such as COVID-19, may have a material adverse impact on the Company's operations

The Company's business, operations, financial condition and operating results could be materially adversely affected by the outbreak of epidemics, pandemics or other health crises, such as the outbreak of COVID-19 or a resurgence thereof. Such public health crises can result in operational and supply chain delays and disruptions, global stock market and financial market volatility, declining trade and market sentiment, reduced movement of people, labour shortages and travel and shipping disruptions and shutdowns, including as a result of government regulation and prevention measures, or a fear of any of the foregoing.

The Company's ability to acquire and maintain exclusive licenses to intellectual property may affect its revenue and profitability

The Company holds an exclusive, worldwide license to intellectual property directed to apparatus and methods for removal of ultra-fine toxic particles from air and water using aggregation. The Company also holds an exclusive, worldwide license to thin coatings for use in combatting viruses and bacteria on surfaces. These exclusively licensed rights include any discovery, improvement, technology, know-how, data or invention that the Company develops using its in-house expertise and is directly related to its exclusively licensed technology. These intellectual property licenses limit the Company's access to intellectual property to specific fields of use, for specific time periods and are conditioned on achieving target milestones. The Company will not have ownership of any improvements to the technology described in the licensed intellectual property rights but its license agreement grants the Company an exclusive license to any such improvements made to the licensed technology at no additional consideration. The Company may not be able to maintain these exclusive licenses. Product design may evolve and the intellectual property rights that are licensed may not provide adequate coverage for the Company's commercially available current or future products or services. If the Company is unable to maintain these licenses or obtain additional licenses on reasonable economic terms or with significant commercial value, its revenue and profitability may be adversely impacted. These additional licenses may become more expensive and increase the advances, guarantees and royalties to be paid to Smart Material and Windplussonne, which could significantly increase costs and adversely affect the Company's profitability.

Failure to adequately protect the Company's intellectual property could adversely affect its business, financial condition, and results of operations

The Company's business will depend substantially on the Company's intellectual property, including the Company's licensed patents (both current and pending) and other licensed rights. Consequently, the protection of the Company's licensed intellectual property rights is expected to be crucial to the success of the Company's business. Policing and enforcing the Company's intellectual property rights is difficult and may not always be effective. In particular, the Company may need to enforce the Company's licensed rights under the laws of countries that do not protect proprietary rights to as great an extent as do the laws of the United States, Canada and various European countries.

The Company holds an exclusive license to use and enforce patent rights that may be issued from five families of pending Patent Applications described above. Should patents be issued from these Patent Applications, the exclusive license will allow the Company to prevent others from using its inventions and proprietary information and technology in the Licensed Fields. However, as of the date of this Listing Statement, only a single patent, the South African Patent, has been granted to provide an enforceable patent right.

Numerous patents and pending patent applications owned by others exist in the Licensed Fields where the Company expects to commercialize its licensed technology and sell its products or services. These patents and patent applications might have priority over the Company's licensed Patent Applications and could subject the Company's licensed Patent Applications to invalidation and/or prevent one or more of the Patent Applications to be granted to provide an enforceable patent right. The Company may be unable to obtain adequate patent protection or any patent protection for technology claimed in its licensed Patent Applications or such patent protection may not be obtained quickly enough to meet its business needs.

Furthermore, the patent prosecution process is expensive, time-consuming, and complex. The Company will share control over the patent prosecution process associated with its licensed patent rights with its licensor and significant shareholder, Vaxxinator Coating B.V. and its licensors, Smart Material and Windplussonne. The Company therefore may not be able to prepare, file, prosecute, maintain, and enforce all necessary or desirable patent applications at a reasonable cost or in a timely manner. The scope of any patent protection obtained can be reinterpreted after issuance and any issued patents may be invalidated. Even if the Company's licensed Patent Applications do result in the successful issuance of patents, they may not necessarily be issued in a form that is sufficiently broad to protect the Company's technology, prevent competitors or other third parties from competing with the Company, and/or otherwise provide the Company with any competitive advantage.

In addition, any intellectual property rights including the Company's licensed patent rights may be challenged, narrowed, invalidated, held unenforceable and/or circumvented in litigation or other administrative proceedings, including, where applicable, opposition, re-examination, inter partes review, post-grant review, interference, nullification and derivation proceedings and equivalent proceedings in foreign jurisdictions. Such challenges to the Company's intellectual property rights may result in substantial cost and require significant time from management, even if the eventual outcome is favorable. The Company may be required to spend significant resources to monitor and protect its intellectual property and other proprietary rights. The Company may conclude that in at least some instances the benefits of protecting its intellectual property or other proprietary rights may be outweighed by the expense or distraction to its management. Effective protection of the Company's intellectual property rights including its licensed parent rights may not be available in every country in which its products or services are available. The laws of some countries may not be as protective of intellectual property rights as those in the United States, Canada and various European countries, and mechanisms for enforcement of intellectual property rights may be inadequate. Accordingly, any enforceable patent or other intellectual property rights obtained may be lost or no longer provide the Company meaningful competitive advantages.

Third parties may also legitimately and independently develop products, services, and technology similar to, or duplicative of, the Company's products and services. Despite the Company's best efforts, third parties may attempt to disclose, obtain, copy, or use the Company's intellectual property rights or other proprietary information or technology without authorization. Efforts to protect intellectual property and other proprietary rights may not prevent such unauthorized disclosure or use, misappropriation, infringement, reverse engineering or other infringement of these rights.

The Company may initiate claims or litigation against third parties for infringement, misappropriation or other violation of its intellectual property rights or other proprietary rights or to establish the validity of its

intellectual property rights or other proprietary rights. Any such litigation, whether or not it is resolved in its favor, could be time-consuming, result in significant expense to and divert the efforts of technical and management personnel. Furthermore, attempts to enforce intellectual property rights against third parties could also provoke these third parties to assert their own intellectual property rights or other claims against the Company or result in a holding that invalidates or narrows the scope of the Company's rights, in whole or in part.

In addition to protection under intellectual property laws, the Company will rely on confidentiality or license agreements that it will generally enter into with corporate partners, employees, consultants, contractors, advisors, vendors and customers. The Company will generally limit access to and distribution of its proprietary information. However, the Company cannot be certain that it will have entered into such agreements with all parties who may have or had access to confidential information or that the agreements have entered into will not be breached or challenged or that such breaches will be detected. Furthermore, non-disclosure provisions can be difficult to enforce, and even if successfully enforced, may not be entirely effective. The Company cannot guarantee that any of the measures it will have taken will prevent infringement, misappropriation, or other violation of its technology or other intellectual property or proprietary rights. The Company also may be a target for a cyberattack, which poses a risk of unauthorized access to, and misappropriation of, its proprietary and competitively sensitive information.

Intellectual property infringement assertions by third parties could result in significant costs and adversely affect the Company's business, financial condition, results of operations, and reputation

The Company's success and ability to compete also depends in part on its ability to operate without infringing, misappropriating or otherwise violating the intellectual property or other proprietary rights of third parties. These third-party rights may preclude the Company from making, using or selling its commercial products and services. This risk exists independently of the Company's licensed patent rights. Current and potential competitors may own patents, copyrights, trademarks and trade secrets and may pursue litigation based on allegations of infringement, misappropriation or other violations of intellectual property rights. The Company may receive notices that claim the Company infringed, misappropriated, misused or otherwise violated other parties' intellectual property rights. These other parties may have the capability to dedicate substantial resources to enforce their intellectual property rights and to defend claims that may be brought against them. Although to-date, the Company has not received any notices that it has violated intellectual rights of any third party, to the extent the Company gains greater commercial visibility, the Company faces a higher risk of being the subject of intellectual property infringement, misappropriation or other violation claims. Any intellectual property litigation initiated against the Company may involve non-practicing patent assertion entities or companies who use their patents as a means to extract license fees by threatening costly litigation or that have minimal operations or relevant product revenue. The Company's licensed patent rights may provide little or no deterrence or protection against such non-practicing patent assertion entities. Moreover, there could be public announcements of the results of hearings, motions or other interim proceedings or developments in any dispute involving intellectual property rights. If securities analysts or investors perceive these announcements or results to be negative, it could have a substantial adverse effect on the price of the Common Shares.

There may be third-party intellectual property rights, including issued patents or pending patent applications that cover significant aspects of the Company technologies, products, services or business methods. There may also be third-party intellectual property rights, including trademark registrations, pending trademark applications and non-registered common law use, which covers the way the Company markets its goods and services. The Company may also be exposed to increased risk of being the subject of intellectual property infringement, misappropriation, or other violation claims as a result of acquisitions and/or its incorporation of third-party products and services (e.g., hardware and software)

into its product and service offerings. The Company has a lower level of visibility into the development process with respect to such third-party products and services or the care taken by any third-party to safeguard their products and services against infringement, misappropriation, or other intellectual property violation risks.

In addition, former employers of the Company's current, former or future employees may assert claims that such employees have improperly disclosed confidential or proprietary information of these former employers. Any intellectual property claims, with or without merit, are difficult to predict, could be very time-consuming and expensive to settle or litigate, could divert the management's attention and other resources and may not be covered by insurance. These claims could subject the Company to significant liability for damages, potentially including treble damages if the Company is found to have willfully infringed a third-party's intellectual property rights. These claims could also result in having to stop using technology, or product branding found to be in violation of a third-party's rights. The Company could be required to seek a license for third-party intellectual property, which may not be available on commercially reasonable terms or at all. Even if a license were available, the Company could be required to pay significant royalties, which would increase its expenses.

As a result of any such allegations of intellectual property infringement, the Company may need to redesign or rebrand its products and services. This may include developing alternative non-infringing technology or branding, which could require significant effort and expense. If the Company cannot license rights or develop alternative technology for any infringing aspect of its business, it would be forced to limit or stop sales of one or more of its products or services, it could lose existing customers, and it may be unable to compete effectively. Any of these results would harm the Company's business, financial condition, and results of operations.

Further, the Company's agreements with customers and other third parties may include indemnification provisions under which it agrees to indemnify them for losses suffered or incurred as a result of third-party claims of intellectual property infringement, misappropriation, or other violations of intellectual property rights, damages caused by the Company to property or Persons, or other liabilities relating to or arising from its platforms, services, or other contractual obligations. Large indemnity payments could harm the business, financial condition and operations of the Company. Any dispute with a customer with respect to such obligations could have adverse effects on its relationship with that customer, other existing customers and new customers which could harm the business and results of operations.

If the Company fails to develop and retain an effective direct sales force, or is unable to successfully expand its sales management and sales specialist teams, it could negatively impact the Company's sales, and it may not generate sufficient revenue to sustain profitability

The Company's revenue and profitability is directly dependent upon the sales and marketing efforts of its sales management and sales specialist teams. In order to expand the Company's business, the Company plans to build a substantial direct sales force. The Company believes it is necessary to utilize sales management and sales specialist teams that have strong sales leadership and technical backgrounds specializing in sales and marketing of products for air purification units. As the Company increases its marketing efforts, the Company will need to retain, develop and expand the number of direct sales personnel that it employs. The Company intends to make a significant investment in recruiting and training sales representatives as it expands its business. There is significant competition for sales personnel experienced in relevant air purification unit sales. Once hired, the training process is lengthy as it requires significant education on the Company's products for new sales representatives to achieve the level of competency expected by customers. Upon completion of the training, sales representatives typically require lead time in the field to grow their network of accounts and achieve the productivity levels expected of them in any individual territory. Furthermore, the use of the Company's products often requires or benefits from direct support from the Company, including through experienced sales representatives. The Company's future success will depend largely on its ability to continue to hire,

train, retain and motivate skilled members of the sales management and sales specialist teams with significant technical knowledge in various areas. If the Company is unable to attract, motivate, develop and retain a sufficient number of qualified sales personnel, and if the Company's sales representatives do not achieve the productivity levels expected of them, the Company's revenue will not grow at the rate the Company expects and its financial performance will suffer. Also, to the extent the Company hires personnel from its competitors, the Company may have to wait until applicable non-competition provisions have expired before deploying such personnel in restricted territories or incur costs to relocate personnel outside of such territories. Additionally, because the market for experienced sales personnel is competitive, the Company's competitors may try to hire the Company's sales personnel away from the Company. If successful, the Company would be required to dedicate resources to recruiting, filling and training those vacant positions. The Company may also be vulnerable to poaching of its sales personnel from its competitors. Any of these risks may adversely affect the Company's business.

The Company is subject to substantial government regulation that could have a material adverse effect on its business

The Company's products are regulated by the FDA. The production and marketing of the Company's products and its ongoing research and development are subject to extensive regulation and review by numerous governmental authorities both in the United States and abroad. U.S. and foreign regulations govern the design, development, testing, clinical trials, premarket clearance and approval, safety, marketing and registration of air purification devices, in addition to regulating manufacturing practices, reporting, labeling and recordkeeping procedures. The regulatory process requires significant time, effort and expenditures to bring the Company's products to market, and the Company cannot be assured that any of its products will be approved. The regulations to which the Company is subject to are complex and have tended to become more stringent over time. The Company's failure to comply with applicable regulatory requirements could result in these governmental authorities issuing warning letters or untitled letters, imposing fines and penalties, preventing the Company from manufacturing or selling products, bringing civil or criminal charges against the Company, delaying the introduction of new products into the market, recalling or seizing products or withdrawing, suspending or denying approvals or clearances for its products.

If the Company experiences problems with, or is required to change its manufacturers, the Company may be unable to meet customer orders for its products in a timely manner or within its budget

The Company does not have its own manufacturing facilities or capabilities. The Company's business is wholly reliant on third-party manufacturers and outsourcing of materials to build and produce its commercial products. If the Company is unable to receive adequate quantity or quality of its products on a timely basis, the Company's ability to become profitable may be adversely affected and the Company may not have adequate resources to execute its business strategy. The Company's third-party manufacturers may not prioritize the production of the Company's products compared to their larger customers so the Company may experience longer delays in receiving its requested orders. If one of the Company's third-party manufacturers is unable to manufacture or supply to the Company as expected or contractually obligated, it may have adverse effects on the Company.

Furthermore, if the Company is required to change the manufacturer of its products, it will be required to verify that the new manufacturer maintains facilities, procedures and operations that comply with its quality standards and applicable regulatory requirements, which could further impede the Company's ability to manufacture its products in a timely manner. Transitioning to a new manufacturer could be time-consuming and expensive, may result in interruptions in its operations and product delivery, could affect the performance specifications of its products or could require that the Company modify the design of those products. A change in manufacturer could trigger the requirement to submit and obtain a new 510(k) clearance from the FDA, or similar international regulatory authorization before implementing the

change, which could cause substantial delays. The occurrence of any of these events could harm the Company's ability to meet the demand for its products in a timely and cost effective manner. The Company cannot assure investors that any need to change manufacturers will not cause interruptions in its operations.

The Company may not receive, or may be delayed in receiving, the necessary clearances or approvals for future products or modifications to current products, and failure to timely obtain necessary clearances or approvals for its future products or modifications to current products would adversely affect the ability to grow the Company's business

In the United States, before the Company can market a new medical device, or a new use of, new claim for or significant modification to an existing product, the Company must first receive either clearance under Section 510(k) of the FD&C Act or approval of a premarket approval (PMA), from the FDA, unless an exemption applies. In the 510(k) clearance process, before a device may be marketed, the FDA must determine that a proposed device is "substantially equivalent" to a legally-marketed "predicate" device, which includes a device that has been previously cleared through the 510(k) process, a device that was legally marketed before May 28, 1976 (pre-amendments device), a device that was originally on the U.S. market pursuant to an approved PMA and later down-classified, or a 510(k)-exempt device. To be "substantially equivalent," the proposed device must have the same intended use as the predicate device, and either have the same technological characteristics as the predicate device or have different technological characteristics and not raise different questions of safety or effectiveness than the predicate device. Clinical data is sometimes required to support substantial equivalence. In the process of obtaining PMA approval, the FDA must determine that a proposed device is safe and effective for its intended use based, in part, on extensive data, including, but not limited to, technical, pre-clinical, clinical trial, manufacturing and labeling data. The PMA process is typically required for devices that are deemed to pose the greatest risk, such as life-sustaining, life-supporting or implantable devices. To date, none of the Company's products have received marketing authorization pursuant to the 510(k) clearance process.

Modifications to products that are approved through a PMA application generally require FDA approval. Similarly, certain modifications made to products cleared through a 510(k) may require a new 510(k) clearance. Both the PMA and the 510(k) clearance process can be expensive, lengthy and uncertain. The FDA's 510(k) clearance process usually takes from three to twelve months, but can last longer. The process of obtaining a PMA is much more costly and uncertain than the 510(k) clearance process and generally takes from one to three years, or even longer, from the time the application is submitted to the FDA. In addition, a PMA generally requires the performance of one or more clinical trials. Despite the time, effort and cost, a device may not be approved or cleared by the FDA. Any delay or failure to obtain necessary regulatory clearances or approvals could harm the Company's business. Furthermore, even if the Company is granted regulatory clearances or approvals, they may include significant limitations on the indicated uses for the device, which may limit the market for the device.

The Company may not be able to establish or strengthen its brand

The Company believes that establishing and strengthening the Atmofizer brand is important to achieving widespread acceptance of the Company's air purification units, particularly because of the highly competitive nature of the market for similar products. Promoting and positioning the Company's brand will depend largely on the success of the Company's sales and marketing efforts. Additionally, the Company believes the quality and reliability of its product, and any negative publicity regarding the quality or reliability of the Atmofizer Pro or Atmofizer One could significantly damage its reputation in the market. These brand promotion activities may not yield increased sales and, even if they do, any sales increases may not offset the expenses incurred to promote the Company's brand. If the Company fails to successfully promote and maintain its brand, or if the Company was to incur substantial expenses in

an unsuccessful attempt to promote and maintain its brand, it would adversely affect the Company's business, results of operations and financial condition.

Risks related to regulation

The Company will be subject to a variety of laws and regulations domestically and abroad that involve intellectual property, advertising, marketing, distribution, data and information security, electronic communications, competition, consumer protection, unfair commercial practices, product liability, taxation, economic or other trade prohibitions or sanctions, securities law compliance, online payment and payment processing services. The Company may introduce new products, expand its activities in certain jurisdictions, or take other actions that may subject it to additional laws, regulations or other government scrutiny.

These laws, regulations and legislation, along with other applicable laws and regulations, which in some cases can be enforced by private parties or government entities, are constantly evolving and can be subject to significant change. As a result, the application, interpretation, and enforcement of these laws and regulations, including pre-existing laws regulating communications and commerce in the context of the Company's business, particularly in the new and rapidly evolving industries in which the Company operates, may be interpreted and applied inconsistently across jurisdictions and inconsistently with its future policies and practices.

These laws and regulations, as well as any changes to the same and any related inquiries, investigations or any other government actions, may be costly to comply with and may delay or impede new product development, result in negative publicity, increase the Company's operating costs, require significant management time and attention, and subject it to remedies that may harm its business including fines or demands or orders that modify, or cease certain or all existing business practices, or implement costly and burdensome compliance measures. Any such consequences could adversely affect the Company's business, results of operations or financial condition.

Product liability and recalls

The Company risks exposure to product liability claims, regulatory actions and litigation if its products are alleged to have caused significant loss, injury, illness or death. A product liability claim or regulatory action against the Company could result in increased costs, could adversely affect the Company's reputation with its customers and could have a material adverse effect on the Company's results of operations and financial condition.

Further, if any of the Company's products are recalled due to an alleged product defect or for any other reason, the Company could be required to incur the unexpected expense of the recall and any legal proceedings that might arise in connection with the recall. The Company may lose a significant amount of sales and may not be able to replace those sales at an acceptable margin or at all. In addition, a product recall may require significant management attention. Although the Company has detailed procedures in place for testing its products, there can be no assurance that any quality, potency or contamination problems will be detected in time to avoid unforeseen product recalls, regulatory action or lawsuits. A product recall could lead to decreased demand for the Company's products and could have a material adverse effect on the results of operations and financial condition of the Company. Product recalls may lead to increased scrutiny of the Company's operations by governmental regulatory authorities requiring further management attention and potential legal fees and other expenses.

The air purification market is fragmented and competitive and the Company may not be able to compete successfully with new or existing competitors

The air purification market is fragmented and competitive. The Company's competition varies by product line, customer classification and geographic market. The principal competitive factors in the industry are quality of product, pricing, service and delivery capabilities and availability of product. The Company will compete with many local, regional and national air purification distributors and dealers. Increased competition by larger and better financed competitors could materially and adversely affect the business, financial condition and results of operations of the Company.

The Company will face competition from other parties, some of which have longer operating histories and more financial resources and manufacturing and marketing experience than the Company. The Company's ability to compete will depend on the success of its plans to improve existing products, to develop and commercialize new products, to effectively respond to consumer preferences and to manage the complexity of its intellectual property and technologies. Some of the Company's competitors have substantially greater financial resources, higher revenues and greater economies of scale. These advantages may allow competitors to implement their operational strategies more quickly or effectively than the Company can, or benefit from changes in technologies, which could harm its competitive position. These competitive advantages may be exacerbated in a difficult economy, thereby permitting competitors to gain market share. There can be no assurance that the Company will be able to successfully respond to changing consumer preferences, including with respect to new developing technologies and acquiring and developing intellectual property. If the Company is unable to maintain its competitive position, the Company could experience lower demand for products, downward pressure on prices, reduced margins, an inability to take advantage of new business opportunities, a loss of market share, reduced profitability and an inability to attract consumers or business partners in the future.

Any future international expansion will subject the Company to additional costs and risks that may have a material adverse effect on the Company's business, financial condition and results of operations

All of the Company's sales are presently primarily to customers in the United States. To the extent the Company enters into international markets in the future, there are significant costs and risks inherent in conducting business in international markets. If the Company expands, or attempts to expand, into foreign markets, the Company will be subject to new business risks, in addition to regulatory risks. In addition, expansion into foreign markets imposes additional burdens on the Company's executive and administrative personnel, finance and legal teams, research and marketing teams and general managerial resources.

The Company has limited experience with regulatory environments and market practices internationally, and it may not be able to penetrate or successfully operate in new markets. The Company may also encounter difficulty expanding into international markets because of limited brand recognition in certain parts of the world. If the Company is unable to expand internationally and manage the complexity of international operations successfully, it could have a material adverse effect on its business, financial condition and results of operations. If the Company's efforts to introduce its products into foreign markets are not successful, the Company may have expended significant resources without realizing the expected benefit. Ultimately, the investment required for expansion into foreign markets could exceed the results of operations generated from this expansion.

Customers may be hesitant in adopting UV light-based technologies, and the Company's inability to overcome this hesitation could limit the market acceptance of the Company's products and market share

The Company's UV light disinfection systems represent relatively new technologies in the market. The Company's future success will depend on its ability to increase demand for its products by demonstrating to a broad spectrum of medical professionals, dentists, hospitality industry, their patients and customers, the potential performance advantages of its UV light systems over traditional methods of air purification and competitive UV light systems, and the Company's inability to do so could have a material adverse effect on its business, financial condition, and results of operations.

Conventional germicidal UV light was historically considered as a human health hazard if improperly used and can lead to skin cancer and cataracts. The Company may experience long sales cycles because healthcare facilities and hotels and other facilities may be slow to adopt new technologies on a widespread basis and admit that such technologies can sanitize public space without damaging public health. As a result, the Company is generally required to invest a significant amount of time and resources to educate the general public about the benefits of its products in comparison to competing products and technologies before completing a sale, if any. Factors that could inhibit adoption of UV technologies by healthcare facilities or hospitality companies include the initial cost and concerns about the safety, efficacy, and reliability of the Company's UV systems. In addition, economic pressure, caused, for example, by an economic slowdown as a result of COVID-19, changes in health care reimbursement or by competitive factors in a specific market, could make businesses reluctant to purchase substantial capital equipment or invest in new technologies. Customer acceptance will depend on the recommendations of governmental authorities, as well as other factors, including the relative effectiveness, safety, reliability, and comfort of the Company's systems as compared to other instruments and methods for performing disinfecting procedures.

Additional funding may be required

Capital expenditures and related costs with growing the Company's business may necessitate external equity or debt financing and there is no assurance that it will be able to secure either kind of external financing at an economically viable cost under reasonable conditions, if at all. Additional equity financing could be dilutive to Company's shareholders and could substantially decrease the trading price of the Company's securities. The Company may issue securities in the future for a number of reasons. Additional debt financing, if secured, could involve restrictions being placed on financing and operating activities which could reduce the scope of the Company operations or anticipated expansion, or involve forfeiting its interest in some or all of its assets, incurring financial penalties, or reducing or terminating its operations.

Shareholders may become diluted

The Company is authorized to issue an unlimited number of Common Shares. If the Company raises additional financing through the issuance of Common Shares (including securities convertible or exchangeable into Common Shares) or completes an acquisition or merger by issuing additional Common Shares, such issuance may substantially dilute the interests of Shareholders and reduce the value of their investment. Shareholders will have no pre-emptive rights in connection with a future issuance. The Board has the discretion to determine the price and the terms of future issuances and the market price of the Common Shares could decline as a result of issuances of new Common Shares. Moreover, additional Common Shares may be issued by the Company upon the exercise of Stock Options, RSUs and DSUs and upon the exercise of outstanding Warrants.

Future acquisitions could disrupt the Company's business and harm the Company's financial condition and operating results

The Company's success will depend, in part, on the Company's ability to expand the Company's markets and grow the Company's business in response to intellectual property protection, changing technologies, customer needs and competitive pressures. The Company may seek to grow the Company's business by acquiring complementary intellectual property, businesses, solutions or technologies. The identification of suitable acquisition candidates can be difficult, time-consuming and costly and the Company may not be able to successfully complete identified acquisitions. In addition, the Company may not be able to successfully assimilate and integrate the business, technologies, solutions, personnel or operations of any company the Company acquires. Acquisitions may also involve the entry into geographic or business markets in which the Company has little or no prior experience.

Moreover, the anticipated benefits of any acquisition, investment or business relationship may not be realized or the Company may be exposed to unknown liabilities. For one or more of those transactions, the Company may:

- issue additional equity securities that would dilute the holders of Common Shares;
- use cash that the Company may need in the future to operate its business;
- incur debt on terms unfavorable to the Company or that the Company is unable to repay;
- incur large charges or expenses or assume substantial liabilities;
- encounter difficulties retaining key employees of the acquired companies or integrating technologies; and
- become subject to adverse tax consequences, substantial depreciation or deferred compensation charges.

Any of these risks could harm the Company's business and operating results.

The Company may have certain key customers that, if lost, may negatively affect the Company's revenues and profitability

Several of the Company's material agreements may expire within the next twelve months and the Company could cease to have a presence in existing markets. Additional resources may be required to re-establish presence in those markets or enter into new markets. The Company also has high customer concentration which would make the termination or non-renewal of any material agreement even more significant.

Conflicts of interest may occur

Certain directors and officers may also from time to time become involved with potential competitors of the Company. As a result, situations may arise in connection with potential acquisitions in investments where the other interests of these directors and officers may conflict with the interests of the Company. Directors and officers of the Company with conflicts of interest will be subject to and are expected to follow the procedures set out in applicable corporate and securities legislation, regulation, rules and policies. Further, any failure of the directors or officers of the Company to address these conflicts in an appropriate manner or to allocate opportunities that they become aware of to the Company could have a material adverse effect on the Company's business, financial condition, results of operations, cash flows or prospects.

Volatile market price of the Common Shares

The Company's failure to meet expectations, downward revision in securities analysts' estimates, adverse changes in general market conditions or economic trends, acquisitions, dispositions, industry related developments, results of product development or commercialization, changes in government regulations or other material public announcements by the Company or its competitors, along with a variety of additional factors may adversely affect the market price of the Common Shares.

Furthermore, the securities markets in Canada, as well as in other countries around the world, have experienced a high level of price and volume volatility, and the market prices of securities of many companies have experienced wide fluctuations in price that have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. It may be anticipated that any quoted market price for the Common Shares will be subject to similar market trends and conditions generally. Consequently, the market price of the Common Shares may decline even if the Company's operating results, underlying asset values or prospects have not changed.

Once the lock-up restrictions applicable to certain of the Common Shares have expired, sales of a substantial number of Common Shares in the public market could occur at any time. These sales, or the market perception that the holders of a large number of Common Shares intend to sell, could reduce the market price of the Common Shares.

There can be no assurance that material adverse fluctuations in the trading price of the Common Shares will not occur. A prolonged decline in the price of the Common Shares could result in a reduction in the liquidity of the Common Shares or a reduction in the Company's ability to raise capital. Such reductions may force the Company to reallocate funds from other planned uses and may have a significant negative effect on the Company's business plan and operations, including its ability to develop new products and continue its current operations.

Lack of active public market for the Common Shares

An active public market for the Common Shares may not develop or be sustained. If an active public market for the Common Shares does not develop or continue, the liquidity of a Shareholder's investment may be limited and the price of the Common Shares may decline.

Growth may place significant demands on the Company's internal systems and controls

The Company may be subject to growth-related risks including capacity constraints and pressure on its internal systems and controls. The Company's ability to manage growth effectively will require it to continue to implement and improve its operational and financial systems and to expand, train and manage its personnel. The inability of the Company to manage growth may have a material adverse effect on the Resulting Issuer's business, financial condition, results of operations and prospects.

The Company may not pay dividends

The Company is unlikely to pay any dividends in the foreseeable future as it may employ available funds for the expansion of the business. Any future determination to pay dividends will be at the discretion of the Board and will depend on the Company's financial condition, results of operations, capital requirements and such other factors as the Board then deems relevant.

Difficulty in enforcing judgments and effecting service of process on directors who reside outside Canada

Certain directors of the Company reside outside of Canada and some or all of the assets of such persons may be located outside of Canada. Therefore, it may not be possible for Shareholders to collect or to enforce judgments obtained in Canadian courts predicated upon the civil liability provisions of applicable Canadian securities laws against such persons. Moreover, it may not be possible for Shareholders to effect service of process within Canada upon such persons.

The Company will rely on the experience of management and consultants

The Company will be dependent on the skills and experience of its executives and consultants whose contributions to the immediate and future operations of the Company and the implementation of the Company's business plan are of great importance. The loss of services of any key management personnel or consultants may have an adverse effect on the Company's business and prospects. The Company may not be able to retain some or all of its key management personnel and consultants and, even if replaceable, it may be time consuming and costly to recruit qualified replacements.

Global macro-economic conditions may have an adverse effect on the Company's operations and financial condition

Recent, unprecedented events including the COVID-19 pandemic, efforts to tackle global climate change and increased trade tensions between the United States and China, have had a profound impact on the global economy. Similarly, increasing risks to global economic conditions, including but not limited to, inflation, fuel and energy costs, lack of available credit, the state of the financial markets, interest rates and tax rates, may adversely affect the Company's operations. Specifically, a global credit/liquidity crisis could impact the cost and availability of financing and its overall liquidity. As the global economy recovers from the COVID-19 pandemic, there have been excessive supply chain constraints, including significant delays in key shipping routes, resulting in delays and increased costs in companies receiving key inputs and components. Notably, microchips, an integral component of the Company's products have been subject to widespread shortages globally. These factors could have a material adverse effect on the Company's financial condition and results of operations.

Foreign currency risk

The Company's revenues and expenses are expected to be primarily denominated in United States dollars, and therefore may be exposed to significant currency exchange fluctuations. The Canadian dollar relative to the United States dollar or other foreign currencies is subject to fluctuations. The Company will be subject to risks and losses resulting from fluctuations in the relative value of the currencies of different countries where its customers, suppliers and operations are located. While the Company will attempt to be prudent in managing such foreign exchange risks, there can be no assurance that the Company will not suffer losses from such risks in the future. Any such losses could have a material adverse impact on results of operations and cash available to support operations.

Information technology systems, cyber-attacks and security breaches

The Company's operations depend, in part, on how well it and its suppliers protect networks, equipment, information technology ("**IT**") systems and software against damage from a number of threats, including, but not limited to, cable cuts, damage to physical plants, natural disasters, intentional damage and destruction, fire, power loss, hacking, computer viruses, vandalism and theft. The Company is susceptible to operational, financial and information security risks resulting from cyber-attacks and/or malfunctioning technology. The Company's operations also depend on the timely maintenance, upgrade and replacement of networks, equipment, IT systems and software, as well as pre-emptive expenses to

mitigate the risks of failures. Any of these and other events could result in information system failures, delays, increase in capital expenses, financial losses, the inability to process transactions, the unauthorized release of customer information and reputational risk. If there was a breach in security or if there was a failure of information systems or a component of information systems, it could, depending on the nature of any such breach or failure, adversely impact the Company's reputation, business continuity and results of operations.

The Company has not experienced any material losses to date relating to cyber-attacks or other information security breaches, but there can be no assurance that the Company will not incur such losses in the future. The Company's risk and exposure to these matters cannot be fully mitigated because of, among other things, the evolving nature of these threats. As a result, cyber security and the continued development and enhancement of controls, processes and practices designed to protect systems, computers, software, data and networks from attack, damage or unauthorized access is a priority. As cyber threats continue to evolve, the Company may be required to expend additional resources to continue to modify or enhance protective measures or to investigate and remediate any security vulnerabilities.

18. PROMOTERS

The Company does not have any Promoters, as of the date of this Listing Statement, as the term is contemplated under the BCBCA or the applicable CSE policies.

19. LEGAL PROCEEDINGS

Legal Proceedings

There are no legal proceedings as to which the Company is, or has been, a party or of which any of its property is, or has been, the subject matter, and to the knowledge of the management of the Company, there are no such proceedings contemplated.

Regulatory Actions

There have not been any penalties or sanctions imposed against the Company by a court relating to provincial or territorial securities legislation or by a securities regulatory authority, nor have there been any other penalties or sanctions imposed by a court or regulatory body against the Company, and the Company has not entered into any settlement agreements before a court relating to provincial or territorial securities legislation or with a securities regulatory authority.

20. INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Except as disclosed in this Listing Statement, no director or executive officer of the Company or any person or company that is the direct or indirect beneficial owners of, or who exercises control or direction over, more than 10 percent of any class of the Company's outstanding voting securities, or an associate or affiliate of any persons or companies referred to in this paragraph, has any material interest, direct or indirect, in any transaction within the three years before the date of this Listing Statement, or in any proposed transaction, that has materially affected or will materially affect the Company or a subsidiary of the Company.

Vaxxinator Coating, an insider of the Company, was a party to the 2020 IP Agreements and 2021 IP Agreements. For further information regarding these transactions, see "*Narrative Description of the Business – Proprietary Protection and Intellectual Property*".

21. AUDITORS, TRANSFER AGENT AND REGISTRAR

Auditors

The current auditors of the Company are Davidson, located at 1200-609 Granville St., Vancouver, BC V7Y 1G6, who succeeded SRCO, located at 5 Wertheim Ct Suite 409, Richmond Hill, ON L4B 3H7, Richmond Hill, Ontario, Canada, immediately following the completion of the Business Combination. No reportable event occurred in connection with the change of auditors.

Transfer Agent and Registrar

The transfer agent and registrar of the Company is Odyssey Transfer Agent & Trust Company located at 1230 – 300 5th Avenue SW, Calgary AB, T2P 3C4.

22. MATERIAL CONTRACTS

During the course of the two years prior to the date of this Listing Statement, the Company has entered into the following material contracts, other than contracts entered into in the ordinary course of business:

1 The Business Combination Agreement;

2 The 2020 IP Agreements; and

3 The 2021 IP Agreements.

23. INTEREST OF EXPERTS

The following opinions or reports have been described or included in this Listing Statement:

1 the auditors' report of SRCO for the consolidated financial statements of CHCI for the financial years ended September 30, 2020 and 2019; and

2 the auditors' report of Davidson for the consolidated financial statements of Vaxxinator for the financial year ended December 30, 2020 and for the period from the date of incorporation (September 30, 2019) to December 31, 2019.

SRCO is independent from CHCI, Vaxxinator and the Company. As at the date of this Listing Statement, it does not hold any securities of the Company.

Davidson is independent from CHCI, Vaxxinator and the Company. As at the date of this Listing Statement, it does not hold any securities of the Company.

In addition, none of the aforementioned Persons or companies, nor any director, officer or employee of any of the aforementioned Persons or companies, is or is expected to be elected, appointed or employed as a director, officer or employee of the Company or of any Associate or Affiliate of the Company. See "*Forward-Looking Information*".

24. OTHER MATERIAL FACTS

There are no other material facts about the Company and its securities that are not otherwise disclosed in this Listing Statement and are necessary in order for the Listing Statement to contain full, true and plain disclosure of all material facts relating to the Company and its respective securities.

25. FINANCIAL STATEMENTS

The following financial statements are attached as Appendix “A” to Appendix “D”:

Appendix “A”– Financial Statements of the Company:

1 Audited consolidated financial statements of the Company for the financial years ended September 30, 2020 and 2019;

2 Unaudited condensed consolidated interim financial statements of the Company for the three and nine months ended June 30, 2021 and 2020; and

3 Unaudited pro forma consolidated financial statements of the Company for the six (6) months ended June 30, 2021.

Appendix “B” – MD&A of the Company:

1 Annual MD&A of the Company as at September 30, 2020; and

2 Interim MD&A of the Company for the three and nine months ended June 30, 2021 and 2020; and

Appendix “C”– Financial Statements of Vaxxinator:

1 Audited consolidated financial statements of Vaxxinator for the year ended December 31, 2020 and for the period from the date of incorporation (September 30, 2019) to December 31, 2019; and

2 Unaudited condensed consolidated interim financial statements for the six months ended June 30, 2021.

Appendix “D” – MD&A of Vaxxinator:

1 Annual MD&A of Vaxxinator for the year ended December 31, 2020 and for the period from the date of incorporation (September 30, 2019) to December 31, 2019; and

2 Interim MD&A of Vaxxinator for the six months ended June 30, 2021.

CERTIFICATE OF ATMOFIZER TECHNOLOGIES INC.

Pursuant to a resolution duly passed by its Board of Directors, Atmofizer Technologies Inc., hereby applies for the listing of the above mentioned securities on the CSE. The foregoing contains full, true and plain disclosure of all material information relating to Atmofizer Technologies Inc. It contains no untrue statement of a material fact and does not omit to state a material fact that is required to be stated or that is necessary to prevent a statement that is made from being false or misleading in light of the circumstances in which it was made.

Dated at Toronto, Ontario, this 12th day of November, 2021.

s/"Olivier Centner"

Olivier Centner
Chief Executive Officer

s/"Brian Meadows"

Brian Meadows
Chief Financial Officer

s/"Nareda Mills"

Nareda Mills
Director

s/"Michael Galloro"

Michael Galloro
Director

CERTIFICATE OF VAXXINATOR ENTERPRISES INC.

The foregoing contains full, true and plain disclosure of all material information relating to Vaxxinator Enterprises Inc. It contains no untrue statement of a material fact and does not omit to state a material fact that is required to be stated or that is necessary to prevent a statement that is made from being false or misleading in light of the circumstances in which it was made.

Dated at Toronto, Ontario, this 12th day of November, 2021.

s/"Olivier Centner"	*s/"Brian Meadows"*
Olivier Centner Chief Executive Officer and Director	**Brian Meadows** Chief Financial Officer and Director

APPENDIX "A"
FINANCIAL STATEMENTS OF THE COMPANY

(See attached)

Consolidated HCI Holdings Corporation

UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE THREE AND NINE MONTHS ENDED JUNE 30, 2021 AND 2020

(expressed in Canadian Dollars)

Consolidated HCI Holdings Corporation
Condensed Consolidated Interim Statements of Financial Position
(Expressed in thousands of Canadian dollars, except share and per share amounts)

	Note	**June 30, 2021 (unaudited)**	September 30, 2020 (audited)
		$	$
ASSETS			
Current assets			
Cash		**159**	277
Income taxes recoverable	5	**2**	2
Other		**19**	33
		180	312
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities		**67**	63
Notes payable	6	**365**	355
		432	418
SHAREHOLDERS' DEFICIENCY			
Capital stock	7	**35,890**	35,890
Contributed surplus	8	**217**	-
Deficit		**(36,359)**	(35,996)
		(252)	(106)
		180	312

Going concern (note 2)
Contingencies and commitments (note 11)

The accompanying notes are an integral part of these unaudited condensed consolidated interim financial statements.

Consolidated HCI Holdings Corporation
Unaudited Condensed Consolidated Interim Statements of Loss and Comprehensive Loss
For the Three and Nine Months Ended June 30, 2021 and 2020
(Expressed in thousands of Canadian dollars, except share and per share amounts)

	Note	Three months ended June 30, 2021	2020	Nine months ended June 30, 2021	2020
		$	$	**$**	$
Income (expenses)					
General and administrative		**(39)**	(63)	**(136)**	(207)
Interest and other income		**-**	-	**-**	1
Interest on notes payable	6	**(3)**	(3)	**(10)**	(6)
Stock-based compensation	8	**-**	-	**(217)**	-
Loss before income taxes		**(42)**	(66)	**(363)**	(212)
Recovery of income taxes	5	**-**	-	**-**	2
Net loss for the period		**(42)**	(66)	**(363)**	(210)
Net loss per share - basic and diluted		**(0.002)**	(0.003)	**(0.018)**	(0.010)
Weighted average number of shares outstanding - basic and diluted		**20,575,866**	20,575,866	**20,575,866**	20,575,866

The accompanying notes are an integral part of these unaudited condensed consolidated interim financial statements.

Consolidated HCI Holdings Corporation
Unaudited Condensed Consolidated Interim Statements of Changes in Shareholders' Deficiency
For the periods ended June 30, 2021 and 2020
(Expressed in thousands of Canadian dollars, except share and per share amounts)

	Number of Shares	Capital Stock	Contributed Surplus	Deficit	Total
		$	$	$	$
Balance - October 1, 2020	**20,575,866**	**35,890**	**-**	**(35,996)**	**(106)**
Issuance of stock options	-	-	217	-	217
Net loss for the period	-	-	-	(363)	(363)
Balance - June 30, 2021	**20,575,866**	**35,890**	**217**	**(36,359)**	**(252)**
Balance - October 1, 2019	20,575,866	35,890	-	(35,717)	173
Net loss for the period	-	-	-	(210)	(210)
Balance - June 30, 2020	20,575,866	35,890	-	(35,927)	(37)

The accompanying notes are an integral part of these unaudited condensed consolidated interim financial statements.

Consolidated HCI Holdings Corporation
Unaudited Condensed Consolidated Interim Statements of Cash Flows
For the nine months ended June 30, 2021 and 2020
(Expressed in thousands of Canadian dollars, except share and per share amounts)

	Nine months ended	
	June 30, 2021	June 30, 2020
	$	$
Operating activities		
Net loss for the period	**(363)**	(210)
Changes in non-cash working capital items:		
Accounts payable and accrued liabilities	**4**	(14)
Interest accrued	**10**	6
Income taxes recoverable	**-**	116
Stock-based compensation	**217**	-
Other	**14**	5
Cash flow used in operating activities	**(118)**	(97)
Financing activities		
Notes payable	**-**	345
Cash flow provided by financing activities	**-**	345
(Decrease) increase in cash	**(118)**	248
Cash, beginning of period	**277**	61
Cash, end of period	**159**	309
Cash paid during the period for interest	**-**	-
Cash recovered during the period for income taxes	**-**	120

The accompanying notes are an integral part of these unaudited condensed consolidated interim consolidated financial statements.

1. Description of Business

Consolidated HCI Holdings Corporation (the "Company") is an Ontario-based publicly traded company which, effective September 21, 2017, commenced trading on the NEX under the trading symbol CXA.H. The NEX is a separate board of the TSX Venture Exchange ("TSX-V") for issuers previously listed on the Toronto Stock Exchange or TSX-V but which no longer maintain compliance with the ongoing financial listing standards of those markets.

Management and the Board of Directors are considering options as to the Company's future given that as of June 30, 2017, as previously reported, the Company had discontinued and divested substantially all of its operations, and had ceased to be actively engaged in any ongoing business.

On April 18, 2021, the Company entered into a letter of intent (the "LOI") with Vaxxinator Enterprises Inc. ("Vaxxinator") outlining the proposed terms and conditions pursuant to which the Company and Vaxxinator will effect a business combination that will result in a reverse takeover of the Company by the shareholders of Vaxxinator (the "Proposed Transaction"). The entity resulting from the Proposed Transaction (the "Resulting Issuer") will continue to carry on the business of Vaxxinator as a clean technology company. The LOI was negotiated at arm's length.

In connection with the Proposed Transaction, the Company intends to change its name to "Vaxxinator Enterprises Inc." or such other name requested by Vaxxinator and acceptable to applicable regulatory authorities.

The Proposed Transaction will be structured as an amalgamation, arrangement, takeover bid, share purchase or other similar form of transaction mutually acceptable to the Company and Vaxxinator. The Proposed Transaction will not be completed while the Company is listed on the NEX board of the TSX Venture Exchange ("TSXV"). The Company intends to issue a subsequent press release with comprehensive details relating to the Proposed Transaction.

The address of the Company's registered office is 40 King Street West, Suite 2100, Toronto, Ontario.

The Board of Directors approved the unaudited condensed consolidated interim financial statements on August 16, 2021.

Covid-19

On March 11, 2020, the World Health Organization characterized the outbreak of a strain of the novel coronavirus ("Covid -19") as a pandemic which has resulted in a series of public health and emergency measures that have been put in place to combat the spread of the virus. The duration and impact of Covid -19 is unknown at this time and it is not possible to reliably estimate the impact that the length and severity of these developments will have on the financial results and condition of the Company in future periods.

2. Going Concern

These unaudited condensed consolidated interim financial statements have been prepared using generally accepted accounting principles that are applicable to a going concern. The going concern basis assumes that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of business. The Company incurred a net loss of $363 during the nine months ended June 30, 2021, has a working capital deficiency, no longer has any source of revenue and continues to incur general and administrative expenses. Management and the Board of Directors continue to consider options as to the Company's future. Whether and when the Company can successfully source capital and/or financing and successfully develop a revenue-producing profitable business with positive cash flows is uncertain. Accordingly, material uncertainty exists whether the Company can discharge its obligations, including its accounts payable and accrued liabilities and notes payable, within the next twelve months. These material uncertainties cast significant doubt upon the Company's ability to continue as a going concern and therefore the use of generally accepted accounting principles that are applicable to a going concern may not be appropriate. These unaudited condensed consolidated interim financial statements do not reflect adjustments to carrying values and classification of assets and liabilities that might be necessary should the Company be unable to continue as a going concern, and such adjustments may be material.

3. Basis of Presentation and Statement of Compliance

Statement of compliance

These unaudited condensed consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") applicable to the preparation of interim consolidated financial statements, including International Accounting Standard ("IAS") 34, Interim Financial Reporting. The policies applied in these unaudited condensed consolidated interim financial statements are based on IFRS policies effective as of June 30, 2021.

Basis of measurement and presentation

These unaudited condensed consolidated interim financial statements have been prepared under the historical cost basis.

Functional and presentation currency

The functional currency of the Company is determined based on the primary economic environment in which the Company operates. Accordingly, these unaudited condensed consolidated interim financial statements are presented in Canadian dollars, which is also the functional currency of the Company.

Significant accounting judgments and estimates

These unaudited condensed consolidated interim financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the unaudited condensed consolidated interim financial statements and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in future periods, if the revision affects both current and future periods.

3. Basis of Presentation and Statement of Compliance (continued)

These estimates are based on historical experience, current and future economic conditions, and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Significant assumptions about the future and other sources of estimation uncertainty that management has made at the reporting date that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

Fair value of stock options
Management uses the Black-Scholes option-pricing model to calculate the fair value of stock options. Use of this method requires management to make assumptions and estimates about the expected life of options, the risk free rate, and the expected volatility of the Company's share price. In making these assumptions and estimates, management relies on historical market data.

Basis of consolidation

These statements consolidate the accounts of the Company and its wholly owned subsidiaries, 968907 Ontario Inc. (not active) and Gasmuz Construction Inc. (not active). Control is achieved when we have the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities, are exposed to, or have rights to, variable returns from our involvement with the entity and have the ability to affect those returns through our power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Company until the date on which control ceases. Profit and loss or other comprehensive income (loss) of subsidiaries acquired during the period are recognized from the date of acquisition or effective date of disposal as applicable. Significant intercompany accounts and transactions have been eliminated on consolidation.

The Company has the following subsidiaries:

Name of Entity	% Ownership	Accounting Method
Gasmuz Construction Inc.	100	Consolidation
968907 Ontario Inc.	100	Consolidation

When the proportion of the equity (deficiency) held by non-controlling interest changes, the Company adjusts the carrying amounts of the controlling and non-controlling interests to reflect the changes in their relative interest in the subsidiary. The Company recognizes directly in equity (deficiency) any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received and attribute it to the members of the Company.

These unaudited condensed consolidated interim financial statements should be read in conjunction with the Company's annual consolidated financial statements for the year ended September 30, 2020.

4. Accounting Standards

Share-based compensation and issuance of stock for non-cash consideration

The Company records share-based compensation using the estimated fair value of the options at the date of grant. The estimated fair value is expensed over the period in which the grantee unconditionally become entitled to the award. The amount recognized as an expense is adjusted to reflect the number of awards for which the related service conditions are expected to be met, such that the amount ultimately recognized as an expense is based on the number of awards that do meet the related services and non-market performance conditions at the vesting date. The corresponding charge is to share-based payment reserve. Any consideration paid on the exercise of stock options is credited to share capital.

The Company estimates the fair value of stock options granted using the Black-Scholes valuation model. This model requires the Company to make estimates and assumptions including, among other things, estimates regarding the length of time a grantee will retain vested stock options before exercising them, the estimated volatility of the Company's common share price and the number of options that will be forfeited prior to vesting. Changes in these estimates and assumptions can materially affect the determination of the fair value of share-based compensation and consequently, the related amount recognized in the Company's unaudited condensed consolidated interim statement of loss and comprehensive loss.

Standards and interpretations issued, but not yet effective

Certain new standards, interpretations and amendments to existing standards were issued by the IASB or International Financial Reporting Issues Committee that are not yet effective, and have not been applied in preparing these unaudited condensed consolidated interim financial statements. Management of the Company is currently assessing the potential impacts of these standards.

Amendments to IAS 1: Classification of Liabilities as Current or Non-Current and Deferral of Effective Date

In January 2020, the IASB issued amendments to IAS 1, Presentation of Financial Statements, to provide a more general approach to the presentation of liabilities as current or non-current based on contractual arrangements in place at the reporting date. These amendments:

- specify that the rights and conditions existing at the end of the reporting period are relevant in determining whether the Company has a right to defer settlement of a liability by at least twelve months.
- provide that management's expectations are not a relevant consideration as to whether the Company will exercise its rights to defer settlement of a liability; and
- clarify when a liability is considered settled.

On July 15, 2020, the IASB issued a deferral of the effective date for the new guidance by one year to annual reporting periods beginning on or after January 1, 2023 and is to be applied retrospectively. The Company has not yet determined the impact of these amendments on its consolidated financial statements.

(Expressed in thousands of Canadian dollars, except share and per share amounts)

5. Income Taxes

The income tax recovery for the nine months ended June 31, 2021 is $NIL (2020 - $2).

The income tax recovery was computed by applying the average statutory Canadian federal and provincial income tax rates to losses before the income tax recoveries. $NIL of such losses are available for carry-back to a prior year. The Company has $307 of losses available for carry forward for which an income tax benefit has not been recognized. These losses commence to expire in 2040.

6. Notes Payable

On January 14, 2020, the Company completed the private placement of unsecured promissory notes for gross proceeds of $345. The purpose of this borrowing was to provide the Company with sufficient working capital for general corporate purposes while management and the Board of Directors decide on the future direction of the Company. The promissory notes bear interest at the annual rate of 4% and are repayable without penalty at any time prior to maturity. The principal amount and all accrued and unpaid interest were due on January 14, 2021. On January 13, 2021, the terms of the notes were amended to extend the maturity date to April 14, 2021. On April 14, 2021, the terms of the notes were amended to extend the maturity date to July 14, 2021. As at the date of these financial statements, the notes were in default and remain unpaid. All other terms and conditions remain in full force and effect.

7. Capital Stock

Authorized

Unlimited Class B, voting shares, without par value

Issued and Outstanding

Details of issued capital stock are as follows:

	Number of shares	Amount
Balance, September 30, 2020, and June 30, 2021	**20,575,866**	**$35,890**

(Expressed in thousands of Canadian dollars, except share and per share amounts)

8. Share Purchase Options

The Board of Directors of the Company may from time to time, in its discretion and in accordance with the Exchange requirements, grant to directors, officers, consultants and employees of the Company, non-transferable options to purchase common shares, provided that the number of common shares reserved for issuance will not exceed 10% of the total issued and outstanding common shares of the Company, exercisable for a period of up to five years from the date of the grant. The following table outlines the option activity for the nine months ended June 30, 2021:

	Number of Options		Weighted Average Exercise Price	Expiry Date
Balance, October 1, 2019 and 2020	**-**	**$**	**-**	
Granted	2,057,586		0.13	October 22, 2025
Balance, June 30, 2021	**2,057,586**	**$**	**0.13**	

On October 22, 2020, the Company granted options to its directors and officers entitling the purchase of 2,057,586 class B shares at a price of $0.13 per share. The options are for a five-year term, expiring on October 22, 2025, and vest on the date of grant. Options granted were allocated an estimated fair value using the Black-Scholes option pricing model to estimate the fair value using the weighted average assumptions of an expected forfeiture rate of 0%, a risk-free interest rate of 0.36%, an expected dividend yield of 0%, an expected stock price volatility of 117%, and an expected option life of five years. This resulted in a calculated fair value per stock option of $0.105. During the three and nine months ended June 30, 2021, the Company recognized $NIL and $217, respectively, (2020 - $NIL and $NIL, respectively) of stock-based payments that were recorded as contributed surplus.

9. Financial Instruments and Risk Management

Credit Risk

The Company's maximum exposure to credit risk is the outstanding balance of cash. The Company limits its exposure to credit loss by placing its cash with high credit quality financial institutions.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due and remain solvent. The Company has a planning and budgeting process in place to help determine the funds required to support the Company's normal operating requirements on an ongoing basis. To date, the Company has relied on external financing to fund its operations. Although the Company has been successful in the past in obtaining financing, there is no assurance that it will be able to obtain adequate financing in the future or that financing will be on terms advantageous to the Company.

Fair Values

The fair values of cash, accounts payable and accrued liabilities and notes payable approximate their carrying values due to their short-term maturities.

(Expressed in thousands of Canadian dollars, except share and per share amounts)

9. Financial Instruments and Risk Management (continued)

Interest Rate Risk

The Company is not exposed to significant interest rate risk as the interest on the unsecured promissory note is a fixed rate.

Capital Risk Management

The Company's objectives when managing its capital are:

- To maintain a flexible capital structure that optimizes the cost of capital at acceptable risk while providing an appropriate return to its shareholders;
- To maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business;
- To safeguard the Company's ability to obtain financing should the need arise; and
- To maintain financial flexibility in order to have access to capital in the event of future capital acquisitions.

The Company manages its capital structure and makes adjustments to it in accordance with the objectives stated above, and in response to changes in economic conditions and the risk characteristics of the underlying assets. The Company is not subject to externally imposed capital requirements.

10. Related Party Transactions

Related party transactions consist of management compensation, share-based compensation, rent expense and legal fees.

Transactions with related parties during the period were as follows:

	Nine months ended		**Three months ended**	
	June 30 2021	June 30 2020	**June 30 2021**	June 30 2020
Legal fees	**$ 27**	$ 40	**$ -**	$ 19
Management fee expense (to a former director)	**6**	73	**-**	17
Rent expense (to a former director)	**-**	3	**-**	1
Stock based compensation (note 8)	**217**	-	**-**	-

As at June 30, 2021, the Company's accounts payable balance consists of $37 (June 30, 2020 - $NIL) owing to a law firm that provides legal services to the Company in which a director of the Company is a partner.

11. Contingencies and Commitments

The Company, from time to time, may be subject to legal proceedings being brought against it and its subsidiaries which could have a material adverse effect on the Company's interim consolidated financial position or financial performance. Management is not aware of any such proceedings against the Company.

12. Subsequent Event

On July 14, 2021, the Company entered into a definitive business combination agreement dated (the "Combination Agreement") with Vaxxinator Enterprises Inc. ("Vaxxinator"), a private clean tech company, and 1314092 B.C Ltd., a wholly-owned subsidiary of the Company. Completion of the transactions contemplated in the Combination Agreement will result in the reverse takeover of the Company by Vaxxinator (the "Proposed Transaction"). Pursuant to the Combination Agreement, The Company and Vaxxinator will complete an arm's length business combination by way of a three-cornered amalgamation pursuant to the provisions of the Business Corporations Act (British Columbia). The Company's shares will be consolidated on a 24.691:1 basis (the "Consolidation").

Consolidated HCI Holdings Corporation
Consolidated Financial Statements
September 30, 2020 and September 30, 2019
(in thousands of Canadian dollars)

MANAGEMENT'S RESPONSIBILITIES

The consolidated financial statements of Consolidated HCI Holdings Corporation (the "Company") have been prepared by management of the Company in accordance with International Financial Reporting Standards.

Management maintains appropriate controls to provide reasonable assurance that the assets of the Company, and its subsidiaries are safeguarded and that financial information is reliable and accurate. Where necessary, management uses judgment to make estimates based on informed knowledge of the facts.

The Board of Directors bears ultimate responsibility for the consolidated financial statements. An Audit Committee composed of independent directors has reviewed in detail these consolidated financial statements with management and also with the external auditor appointed by the shareholders. The Audit Committee has recommended its approval to the Board. The Board of Directors has approved these consolidated financial statements.

All other financial and operating data included in the annual report are consistent with information contained in the consolidated financial statements and have been reviewed by the Board of Directors.

(Signed)

Bradley Morris

Chief Executive Officer

SRCO Professional Corporation
Chartered Professional Accountants
Licensed Public Accountants
Park Place Corporate Centre
15 Wertheim Court, Suite 409
Richmond Hill, ON L4B 3H7

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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Consolidated HCI Holdings Corporation

Opinion

We have audited the consolidated financial statements of Consolidated HCI Holdings Corporation (the "Entity"), which comprise the consolidated statement of financial position as at September 30, 2020, the consolidated statements of, loss and comprehensive loss, changes in shareholders' equity (deficiency), and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Entity as at September 30, 2020, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRS").

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 2 in the consolidated financial statements, which indicates that the Entity has experienced losses and negative operating cash flows for the year ended September 30, 2020. These events or conditions, along with other matters as set forth in Note 2, indicate that a material uncertainty exists that may cast significant doubt on the Entity's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

(continues)

Independent Auditor's Report to the Shareholders of Consolidated HCI Holdings Corporation *(continued)*

Other Matter – Comparative Information

The consolidated financial statements for the year ended September 30, 2019 were audited by another auditor who expressed an unmodified opinion on those consolidated financial statements on January 22, 2020.

Other Information

Management is responsible for the other information. The other information comprises the information included in the Management's Discussion and Analysis.

Our opinion on the consolidated financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon. In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained the information included in Management's Discussion and Analysis as at the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor's report. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity's financial reporting process.

(continues)

Independent Auditor's Report to the Shareholders of Consolidated HCI Holdings Corporation *(continued)*

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

Our objectives are to obtain reasonable assurance about whether the consolidated 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 a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. 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.

- 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 Entity's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

(continues)

Independent Auditor's Report to the Shareholders of Consolidated HCI Holdings Corporation *(continued)*

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group Entity to express an opinion on the consolidated financial statements.

  We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor's report is Sohail Raza.

/s/ SRCO Professional Corporation

CHARTERED PROFESSIONAL ACCOUNTANTS
Authorized to practice public accounting by the
Chartered Professional Accountants of Ontario

Richmond Hill, Canada
January 28, 2021

Consolidated HCI Holdings Corporation
Consolidated Statements of Financial Positions
As at September 30, 2020 and 2019
(Expressed in thousands of Canadian dollars, except share and per share amounts)

	Note	September 30, 2020	September 30, 2019
ASSETS			
Current assets			
Cash		$ 277	$ 61
Income taxes recoverable	6	2	118
Other		33	43
		$ 312	$ 222
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities		$ 63	$ 49
Notes payable	5	355	-
		418	49
SHAREHOLDERS' (DEFICIENCY) EQUITY			
Capital stock	7	35,890	35,890
Deficit		(35,996)	(35,717)
		(106)	173
		$ 312	$ 222

Going concern (Note 2)
Subsequent events (Note 13)

The accompanying notes are an integral part of these consolidated financial statements.

Approved by the Board of Directors:

(Signed) “Bradley Morris” (Signed) “Mike Dai”

Director Director

Consolidated HCI Holdings Corporation
Consolidated Statements of Loss and Comprehensive Loss
For the Years Ended September 30, 2020 and 2019
(Expressed in thousands of Canadian dollars, except share and per share amounts)

	Note		September 30, 2020		September 30, 2019
Income (expenses)					
General and administrative	10	$	(259)	$	(478)
Interest and other income			1		5
Recovery of prior year land cost of sale			-		29
Impairment of land investment	11		(23)		-
Loss before income taxes			(281)		(444)
Recovery of income taxes	6		2		118
Net loss for the year		$	(279)	$	(326)
Net loss per share – basic and diluted	7	$	(0.014)	$	(0.016)
Weighted average number of shares outstanding – basic and diluted			20,575,866		20,575,866

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated HCI Holdings Corporation
Consolidated Statements of Changes in Shareholders' Equity (Deficiency)
For the Years Ended September 30, 2020 and 2019
(Expressed in thousands of Canadian dollars, except share and per share amounts)

	Note	Number of Shares	Capital stock	Deficit	Total
Balance – October 1, 2018		20,575,866	$ 35,890	$ (34,774)	$ 1,116
Net loss for the year		-	-	(326)	(326)
Dividends paid	12	-	-	(617)	(617)
Balance – October 1, 2019		20,575,866	$ 35,890	$ (35,717)	$ 173
Net loss for the period		-	-	(279)	(279)
Balance – September 30, 2020		20,575,866	$ 35,890	$ (35,996)	$ (106)

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated HCI Holdings Corporation
Consolidated Statements of Cash Flows
For the Years Ended September 30, 2020 and 2019
(Expressed in thousands of Canadian dollars, except share and per share amounts)

		September 30, 2020		September 30, 2019
Operating activities				
Net loss for the year	$	(279)	$	(326)
Changes in non-cash working capital items:				
Income taxes recoverable		116		140
Other		10		(20)
Accounts payable and accrued liabilities		14		9
Interest accrued in notes payable		10		-
Cash flow used in operating activities		(129)		(197)
Financing activities				
Dividends paid		-		(617)
Notes payable		345		-
Cash flow provided by (used in) financing activities		345		(617)
Increase (decrease) in cash		216		(814)
Cash, beginning of year		61		875
Cash, end of year	$	277	$	61
Cash paid during the year for interest	$	-	$	-
Cash recovered during the year for income taxes	$	(119)	$	(258)

The accompanying notes are an integral part of these consolidated financial statements.

1. Description of Business

Consolidated HCI Holdings Corporation (the "Company") is an Ontario-based publicly traded company which, effective September 21, 2017, commenced trading on the NEX under the trading symbol CXA.H. The NEX is a separate board of the TSX Venture Exchange ("TSX-V") for issuers previously listed on the Toronto Stock Exchange or TSX-V but which no longer maintain compliance with the ongoing financial listing standards of those markets.

Management and the Board of Directors are considering options as to the Company's future given that as of June 30, 2017, as previously reported, the Company had discontinued and divested substantially all of its operations, and had ceased to be actively engaged in any ongoing business.

The address of the Company's registered office is 40 King Street West, Suite 2100, Toronto, Ontario.

The Board of Directors approved the consolidated financial statements on January 28, 2021.

2. Basis of Presentation and Statement of Compliance

Going Concern

These consolidated financial statements have been prepared on the basis of accounting principles that are applicable to a going concern. The going concern basis assumes that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of business.

In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but is not limited to, twelve months from the end of the reporting period. Management is aware in making its assessment, of material uncertainties related to events or conditions, such as those described below and herein, that may cast significant doubt upon the Company's ability to continue as a going concern.

During the year ended September 30, 2020, the Company has incurred net loss of $279 (September 30, 2019 - $326) and as at September 30, 2020, the Company has an accumulated deficit of $35,996 (September 30, 2019 - $35,717) and net deficiency of assets of $106. These circumstances create a significant doubt about the Company's ability to meet its obligations as they become due and, accordingly, the appropriateness of the use of the going concern assumption. The Company no longer has any source of revenue and continues to incur general and administrative expenses.

Management and the Board of Directors continue to consider options as to the Company's future. Whether and when the Company can successfully source capital and/or financing and successfully develop a revenue-producing profitable business with positive cash flows is uncertain. Accordingly, material uncertainty exists whether the Company can discharge its obligations, including its accounts payable and accrued liabilities and notes payable, within the next 12 months. This material uncertainty casts significant doubt upon the Company's ability to continue as a going concern. These consolidated financial statements do not reflect adjustments to carrying values and classification of assets and liabilities that might be necessary should the Company be unable to continue as a going concern, and such adjustments may be material.

2. Basis of Presentation and Statement of Compliance (continued)

Statement of compliance

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board applicable to the preparation of consolidated annual financial statements. The policies applied in these consolidated financial statements are based on IFRS policies effective as of September 30, 2020.

Basis of measurement and presentation

These consolidated financial statements have been prepared under the historical cost basis.

Functional and presentation currency

The functional currency of the Company is determined based on the primary economic environment in which the Company operates. Accordingly, these consolidated financial statements are presented in Canadian dollars, which is also the functional currency of the Company.

Basis of consolidation

These statements consolidate the accounts of the Company and its wholly owned subsidiaries 968907 Ontario Inc. (not active) and Gasmuz Construction Inc. (not active). Control is achieved when we have the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities, are exposed to, or have rights to, variable returns from our involvement with the entity and have the ability to affect those returns through our power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Company until the date on which control ceases. Profit and loss or other comprehensive income (loss) of subsidiaries acquired during the period are recognized from the date of acquisition or effective date of disposal as applicable. Significant intercompany accounts and transactions have been eliminated on consolidation.

The Company has the following subsidiaries:

Name of Entity	% Ownership	Accounting Method
Gasmuz Construction Inc.	100	Consolidation
968907 Ontario Inc.	100	Consolidation

When the proportion of the equity (deficiency) held by non-controlling interest changes, the Company adjusts the carrying amounts of the controlling and non-controlling interests to reflect the changes in their relative interest in the subsidiary. The Company recognizes directly in equity (deficiency) any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received and attribute it to the members of the Company.

2. Basis of Presentation and Statement of Compliance (continued)

Critical accounting judgements and key sources of estimate uncertainty

The preparation of these consolidated financial statements, in conformity with IFRS, requires management to make judgments and estimates and form assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements, reported amounts of revenues and expenses during the reporting period and the related disclosures of contingent assets and liabilities. On an ongoing basis, management evaluates its judgments and estimates in relation to assets, liabilities, revenues and expenses and makes revisions as determined necessary. Revisions are recognized in the period in which the estimates are revised. Management uses historical experience and various other factors it believes to be reasonable under the circumstances as the basis for its judgments and estimates. Actual outcomes may differ from these estimates under different assumptions and conditions. Estimates include:

i) Going concern

The assumption that the Company will be able to continue as a going concern is subject to estimates and judgement by management including the Company's short and long-term operating budget, expected profitability, investing and financing activities, and management's strategic planning.

ii) Covid-19 Pandemic

On March 11, 2020, the World Health Organization declared the ongoing COVID-19 outbreak as a global health emergency. This resulted in governments worldwide enacting emergency measures to combat the spread of the virus, including the closure of certain non-essential businesses.

During the year ended September 30, 2020, the pandemic did not have a material impact on the Company's operations. The Company has taken steps to minimize the potential impact of the pandemic including safety measures with respect to personal protective equipment, the reduction in travel and the implementation of a virtual office including regular video conference meetings. Due to the rapid developments and uncertainty surrounding COVID-19, it is not possible to predict the impact that COVID-19 will have on the Company's business, financial position and operating results in the future. In addition, it is possible that estimates in the Company's consolidated financial statements will change in the near term as a result of COVID-19 and the effect of any such changes could be material. The Company is closely monitoring the impact of the pandemic on all aspects of its business.

3. Summary of Significant Accounting Policies

Financial Instruments

Financial Instruments

The Company classifies its financial instruments in the following categories: at fair value through profit and loss ("FVTPL"), at fair value through other comprehensive income (loss) ("FVTOCI") or at amortized cost.

Amortized cost - This category includes financial assets that are held within a business model with the objective to hold the financial assets in order to collect contractual cash flows that meet the solely principal and interest ("SPPI") criterion. Financial asset classified in this category are measured at amortized cost using the effective interest method.

Fair value through profit or loss - This category includes derivative instruments as well as quoted equity instruments which the Company has not irrevocably elected, at initial recognition or transition, to classify at FVOCI. This category would also include debt instruments whose cash flow characteristics fail the SPPI criterion or are not held within a business model whose objective is either to collect contractual cash flows, or to both collect contractual cash flows and sell. Financial assets in this category are recorded at fair value with changes recognized in profit or loss.

Financial assets at fair value through other comprehensive income - Equity instruments that are not held-for-trading can be irrevocably designated to have their change in fair value recognized through other comprehensive income instead of through profit or loss. This election can be made on individual instruments and is not required to be made for the entire class of instruments. Attributable transaction costs are included in the carrying value of the instruments. Financial assets at fair value through other comprehensive income are initially measured at fair value and changes therein are recognized in other comprehensive income.

The Company determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics. Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or if the Company has opted to measure them at FVTPL.

The Company's financial assets and liabilities are classified as follows:

Asset or Liability	Classification
Cash	Amortized cost
Accounts payable and accrued liabilities	Amortized cost
Notes payable	Amortized cost

3. Summary of Significant Accounting Policies (continued)

Financial assets are classified and measured based on the business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. Financial assets are recognized in the consolidated statements of financial position if the Company has a contractual right to receive cash or other financial assets from another entity. Financial assets are derecognized when the rights to receive cash flows from the asset have expired or were transferred and the Company has transferred substantially all risks and rewards of ownership.

All financial liabilities are recognized initially on the trade date at which the Company becomes a party to the contractual provisions of the instruments. The Company derecognizes a financial liability when its contractual obligations are discharged, cancelled or expired.

Financial instruments are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

Financial assets and liabilities measured at amortized cost are recognized initially at fair value inclusive of any directly attributable transaction costs and subsequently carried at amortized cost using the effective interest method, less any impairment losses. Financial assets are written off when there is no reasonable expectation of recovery.

Financial assets and financial liabilities are offset and the net amount presented in the consolidated statements of financial position when, and only when, the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

Fair value
Fair value estimates are made at the consolidated statements of financial position date based on relevant market information and other information about financial instruments. Financial assets and financial liabilities measured at fair value in the statements of financial position are grouped into a fair value evaluation hierarchy. This hierarchy combines financial assets and financial liabilities into three levels according to the significance of the inputs used in the fair value evaluation of the financial assets and financial liabilities. The fair value levels of the hierarchy are as follows:

Level 1 Quoted prices (unadjusted) in active markets for identical assets and liabilities at the financial reporting date;

Level 2 Inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3 Inputs for the assets or liabilities that are not based on observable market data.

The level within which the financial asset or financial liability is classified is determined based on the lowest level of significant input to the fair value measurement. The Company did not have any financial instruments carried at fair value.

3. Summary of Significant Accounting Policies (continued)

Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

Interest Income

Interest income is recognized using the effective interest rate method.

Income Taxes

Income tax expense comprises current and deferred taxes.

Current income tax
Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amounts are those that are enacted or substantively enacted at the reporting date in the countries where the Company operates and generates taxable income. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred income tax
Deferred tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable income will be available to allow all or part of the deferred tax assets to be utilized. Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable income will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date. The effect of a change in the enacted or substantively enacted tax rates is recognized in net earnings and comprehensive income or in equity depending on the item to which the adjustment relates.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

4. Accounting Standards

Accounting standards effective in the current year

The Company's adoption of the following new standards and amendments to existing standards, which were effective in the current year, had no material impact on its consolidated financial statements.

Leases

Effective October 1, 2019, the Company adopted IFRS 16, Leases ("IFRS 16"), which supersedes previous accounting standards for leases, including IAS 17 – Leases and IFRIC 4 – Determining whether an arrangement contains a lease. IFRS 16 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of a low value. A lessee is required to recognize a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments.

The Company accounted for real estate operating leases with a remaining lease term, as of October 1, 2019, of less than 12 months as short-term leases. The Company primarily leases office space for office use. For all lease contracts entered into, or changed, on or after October 1, 2019, the Company will recognize a right-of-use asset and a lease liability at the lease commencement date, if any.

The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, less any lease incentive received. The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. There are no dismantling, removal and restoration costs included in the cost of the right-of-use asset as management has not incurred an obligation for those costs.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. The lease liability is measured at amortized cost using the effective interest method.

4. Accounting Standards (continued)

Transition

The Company applied IFRS 16 with a date of initial application of October 1, 2019 using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under IAS 17.

The Company previously classified all its lease for office space as operating expense under IAS 17. The Company has elected not to recognize right-of-use asset and lease liability for short-term lease in which the lease term ends within 12 months of the date of initial application. The lease payment associated with this lease is recognized as an expense on a straight-line basis over the lease term. As a result of initially applying IFRS 16, in relation to the leases that were previously classified as operating expense, there is no impact to opening consolidated statement of financial position as at October 1, 2019.

The adoption of IFRS 16 has not had an effect on the Company's accounting policies related to the lease. There was no material impact of transition to IFRS 16 on the Company's consolidated statement of financial position at October 1, 2019.

Standards and interpretations issued, but not yet effective

Certain new standards, interpretations and amendments to existing standards were issued by the IASB or International Financial Reporting Issues Committee that are not yet effective for the year ended September 30, 2020, and have not been applied in preparing these consolidated financial statements. Management of the Company is currently assessing the potential impacts of these standards.

Amendments to IAS 1 and IAS 8: Definition of Material

Amendments to IAS 1, issued in October 2018, provide clarification on the definition of material and how it should be applied. The amendments also align the definition of material across International Financial Reporting Standards and other publications.

The amendments are effective for annual periods beginning on or after January 1, 2020 and are required to be applied prospectively. The Company does not expect these amendments to have a significant impact on its consolidated financial statements.

(Expressed in thousands of Canadian dollars, except share and per share amounts)

4. Accounting Standards (continued)

Amendments to IAS 1: Classification of Liabilities as Current or Non-Current and Deferral of Effective Date

In January 2020, the IASB issued amendments to IAS 1, Presentation of Financial Statements, to provide a more general approach to the presentation of liabilities as current or non-current based on contractual arrangements in place at the reporting date. These amendments:

- specify that the rights and conditions existing at the end of the reporting period are relevant in determining whether the Company has a right to defer settlement of a liability by at least twelve months.
- provide that management's expectations are not a relevant consideration as to whether the Company will exercise its rights to defer settlement of a liability; and
- clarify when a liability is considered settled.

On July 15, 2020, the IASB issued a deferral of the effective date for the new guidance by one year to annual reporting periods beginning on or after January 1, 2023 and is to be applied retrospectively. The Company has not yet determined the impact of these amendments on its consolidated financial statements.

5. Note Payable

On January 14, 2020, the Company completed the private placement of unsecured promissory notes for gross proceeds of $345. The purpose of this borrowing was to provide the Company with sufficient working capital for general corporate purposes while management and the Board of Directors decide on the future direction of the Company. The promissory notes bear interest at the annual rate of 4%, with the principal amount and all accrued and unpaid interest being due and payable on January 14, 2021. The notes are repayable without penalty at any time prior to maturity. On January 13, 2021, the terms of the notes were amended to extend the maturity date to April 14, 2021. All other terms and conditions remain in full force and effect.

6. Income Taxes

The income tax recovery for the year ended September 30, 2020 is $2 (September 30, 2019 - $118). The income tax recovery was computed by applying the average statutory Canadian federal and provincial income tax rates to losses before the income tax recoveries.

	September 30, 2020	September 30, 2019
	$	$
Net loss for the year	(281)	(444)
Expected income tax recovery at 26.5% (2019 – 26.5%)	74	118
Tax effect of temporary differences	(6)	-
Benefits of tax losses not recognized	(66)	-
Income tax recovery	2	118

6. Income Taxes (continued)

The Company has $251 of losses available for carry forward for which an income tax benefit has not been recognized because it is not probable that future taxable income will be available to allow the deferred tax asset to be recovered. These non-capital losses will commence to expire in 2040.

7. Capital Stock

Authorized
Unlimited Class B, voting shares, without par value

Details of issued capital stock, unchanged since October 1, 2017, are as follows:

	Number of shares	Amount
Balance, September 30, 2020 and September 30, 2019	**20,575,866**	**$35,890**

8. Financial Instruments and Risk Management

Credit Risk

The Company's maximum exposure to credit risk is the outstanding balance of cash. The Company limits its exposure to credit loss by placing its cash with high credit quality financial institutions.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due and remain solvent. The Company has a planning and budgeting process in place to help determine the funds required to support the Company's normal operating requirements on an ongoing basis. To date, the Company has relied on external financing to fund its operations. Although the Company has been successful in the past in obtaining financing, there is no assurance that it will be able to obtain adequate financing in the future or that financing will be on terms advantageous to the Company.

Fair Values

The fair values of cash, accounts payable and accrued liabilities and notes payable approximate their carrying values due to their short-term maturities.

Interest Rate Risk

The Company is not exposed to significant interest rate risk as the interest on the unsecured promissory note is a fixed rate.

8. Financial Instruments and Risk Management (continued)

Capital Risk Management

The Company's objectives when managing its capital are:

- To maintain a flexible capital structure that optimizes the cost of capital at acceptable risk while providing an appropriate return to its shareholders;
- To maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business;
- To safeguard the Company's ability to obtain financing should the need arise; and
- To maintain financial flexibility in order to have access to capital in the event of future capital acquisitions.

The Company manages its capital structure and makes adjustments to it in accordance with the objectives stated above, and in response to changes in economic conditions and the risk characteristics of the underlying assets. The Company is not subject to externally imposed capital requirements.

9. Related Party Transactions

Parties are related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties may be individuals or corporate entities. A transaction is a related party transaction when there is a transfer of resources or obligations between related parties.

The following is a summary of the Company's related party relationships that existed for the year ended September 30, 2020:

- the Company is managed by two shareholders who are also officers and directors; and
- a shareholder who is also a director is associated with a law firm that provides legal services to the Company.

Related party transactions are recorded at the amount of consideration agreed to by the parties.

Transactions with related parties during the year were as follows:

		2020		2019
Management fee expense	$	**93**	$	125
Legal fees		**6**		-
Rent expense		**4**		-
	$	**103**	$	125

Included in accounts payable was $6 (2019 - $nil) of management fees payable to a related party.

(Expressed in thousands of Canadian dollars, except share and per share amounts)

9. Related Party Transactions (continued)

Key Management Compensation

Key management includes the current and former Chief Executive Officer, the Chief Financial Officer, and Directors and they have been compensated as follows:

		2020		2019
Consulting fees	$	**-**	$	139
Management fees		**93**		125
Directors' fees		**-**		40
	$	**93**	$	304

10. General and Administrative Expenses by Nature

Expenses incurred by nature are as follows:

		2020		2019
Salaries, employee benefits, consulting fees and directors' fees	$	**-**	$	178
Management fees		**93**		125
Professional fees		**87**		61
Other		**79**		114
	$	**259**	$	478

11. Impairment of land investment

The Company held an option to acquire land in the form of one 0.2 acre frozen lot awaiting adjacent development. As at September 30, 2020, management does not intend to exercise this option, and has accordingly impaired this option during the year to $nil.

12. Dividends

On February 11, 2019, the Company declared a special dividend of $0.03 per Class B share payable to shareholders of record at the close of business on February 25, 2019. The dividend, totaling $617, was paid on March 5, 2019.

13. Subsequent events

In October 2020, the Company granted stock options for a total of 2,057,586 class B shares to certain directors and officers of the Company. These stock options are exercisable at $0.13 per stock option and will expire on October 22, 2025. These stock options vested and became exercisable immediately upon the grant date.

On January 2021, the holders of the promissory notes (note 5) extended the maturity date from January 14, 2021 to April 14, 2021.

Atmofizer Technologies Inc. (formerly Consolidated HCI Holdings Corporation)

Unaudited pro forma consolidated statement of financial position as at June 30, 2021
(Expressed in US Dollars)

	Atmofizer Technologies Inc. (formerly Consolidated HCI Holdings Corporation)	Vaxxinator Enterprises Inc.	Note 5	Adjustments	Total
Assets	US$	US$		US$	US$
Current assets					
Cash	128,012	2,959,026	e	(450,000)	
			g	4,019,996	6,657,034
Amounts receivable	1,548	74,141			75,689
Finance lease receivables, current	-	24,158			24,158
Prepaid expenses	15,477	882,255			897,732
Deposits	-	872,792	i	3,000,000	3,872,792
Inventory		199,724			199,724
Total current assets	145,037	5,012,096		6,569,996	11,727,129
Finance lease receivables, long term		25,777			25,777
Equipment		28,067			28,067
Intellectual property		9,419,909			9,419,909
Total assets	145,037	14,485,849		6,569,996	21,200,882
Liabilities					
Current liabilities					
Accounts payable and accrued liabilities	54,030	450,648			504,678
Total current liabilities	54,030	450,648		-	504,678
Non-current liabilities					
Notes payable	294,654	-			294,654
Total liabilities	348,684	450,648		-	799,332
Shareholders' Equity					
Common shares	28,957,386	18,505,848	a	(28,957,386)	
			d	2,500,002	
			f	2,499,999	
			g	4,269,996	
			i	3,000,000	30,775,845
Subscriptions received in advance	-	250,000	g	(250,000)	-
Share-based payment reserve	174,685	197,744	b	(174,685)	
			d	141,719	
			h	676,870	1,016,333
Retained earnings (deficit)	(29,335,718)	(4,939,019)	c	29,335,718	
			d	(2,845,368)	
			e	(450,000)	
			f	(2,499,999)	
			h	(676,870)	(11,411,256)
Non-controlling interest	-	20,628			20,628
Total shareholders' equity	(203,647)	14,035,201		6,569,996	20,401,550
Total liabilities and shareholders' equity	145,037	14,485,849		6,569,996	21,200,882

See accompanying notes to the unaudited pro forma financial statement

Atmofizer Technologies Inc. (formerly Consolidated HCI Holdings Corporation)

Unaudited pro forma consolidated statement of loss and comprehensive loss
For the six months ended June 30, 2021
(Expressed in US Dollars)

	Atmofizer Technologies Inc. (formerly Consolidated HCI Holdings Corporation)	Vaxxinator Enterprises Inc.	Note 5	Adjustments	Total
	$	$			$
Revenue	-	53,000			53,000
Cost of goods sold	-	(32,512)		-	32,512
Gross profit		20,488			20,488
Expenses					
Consulting fees	-	1,717,184			1,717,184
Depreciation	-	356			356
Finance expense (income)	-	(1,113)			(1,113)
Foreign exchange loss	-	8,323			8,323
General and administrative	73,047	154,927			227,974
Management fees	-	513,750			513,750
Professional fees	-	201,293			201,293
Rent	-	8,670			8,670
Research and development	-	563,184			563,184
Salaries and wages		63,942			63,942
Sales and marketing	-	317,039			317,039
Share-based payments	-	197,744			197,744
Transaction costs	-	-	d	2,845,368	
			e	450,000	
			h	676,870	3,972,238
Travel	-	34,575			34,575
	73,047	3,779,874		3,972,238	7,825,159
Net Loss and Comprehensive Loss	**(73,047)**	**(3,759,386)**		**(3,972,238)**	**(7,804,671)**
Income and comprehensive income attributable to:					
Common shareholders	(73,047)	(3,759,386)		(3,972,238)	(7,804,671)
Non-controlling interest	-	8,628			8,628
Loss per share attributable to common shareholders, basic and diluted					**$ (0.11)**

Atmofizer Technologies Inc. (formerly Consolidated HCI Holdings Corporation)

Unaudited pro forma consolidated statement of loss and comprehensive loss
For the year ended December 31, 2020
(Expressed in US Dollars)

	Atmofizer Technologies Inc. (formerly Consolidated HCI Holdings Corporation)	Vaxxinator Enterprises Inc.	Note 5	Adjustments	Total
	$	$			$
Expenses					
Consulting fees	-	679,483			679,483
Foreign exchange loss	-	13,453			13,453
General and administrative	169,909	32,775			202,684
Management fees	-	47,500			47,500
Professional fees	-	156,033			156,033
Regulatory and transfer agents	-	883			883
Research and development	-	161,774			161,774
Sales and marketing	-	70,571			70,571
Transaction costs	-	-	d	2,845,368	
			e	450,000	
			h	676,870	3,972,238
Travel	-	5,618			5,618
	169,909	1,168,090			5,310,237
Loss from operations before income taxes	169,909	1,168,090			5,310,237
Income tax expense - current (recovery)	(76)	-			(76)
Net Loss and Comprehensive Loss	**169,833**	**1,168,090**			**5,310,161**
Loss per share attributable to common shareholders, basic and diluted					**$ (0.07)**

Atmofizer Technologies Inc. (formerly Consolidated HCI Holdings Corporation)

Notes to Unaudited Pro Forma Consolidated Financial Statements
June 30, 2021

1. Basis of presentation

The unaudited pro forma consolidated statement of financial position of Atmofizer Technologies Inc. (formerly Consolidated HCI Holdings Corporation) (the "Company") as at June 30, 2021 (the "Pro Forma Financial Statements"), have been prepared by management based on historical financial statements prepared in accordance with International Financial Reporting Standards ("IFRS"), for illustrative purposes only, after giving effect to the proposed transaction between the Company and Vaxxinator Enterprises Inc. ("Vaxxinator") on the basis of the assumptions and adjustments described in notes 2, 3, 4 and 5.

The unaudited Pro Forma Financial Statements have been derived from:

a) the unaudited consolidated financial statements of the Company for the three and nine months ended June 30, 2021;
b) the unaudited consolidated financial statements of the Company for the three and nine months ended June 30, 2020;
c) the audited consolidated financial statements of the Company for the year ended September 30, 2020;
d) the unaudited consolidated financial statements of Vaxxinator for the three and six months ended June 30, 2021;
e) the audited financial statements of Vaxxinator for the year ended December 31, 2020; and
f) unless otherwise noted, the unaudited pro forma consolidated statements of financial position and its accompanying notes are presented in US Dollars. For the purpose of these pro forma consolidated statements, all of the Company's numbers have been converted from Canadian to US Dollars based on the closing rate per the Bank of Canada on December 31, 2020 and June 30, 2021 of 1.2732 and 1.2394, respectively.

It is management's opinion that the unaudited Pro Forma Financial Statements, include all adjustments necessary for the fair presentation, in all material respects, of the transactions described in notes 3 and 4 in accordance with IFRS, applied on a basis consistent with Vaxxinator's accounting policies, except as otherwise noted. The unaudited Pro Forma Financial Statements are not necessarily indicative of the financial position that would have resulted if the combination had actually occurred on January 1, 2020.

The unaudited Pro Forma Financial Statements should be read in conjunction with the historical financial statements and notes thereto of the Company and Vaxxinator, included elsewhere in this Filing Statement.

2. Significant accounting policies

The unaudited Pro Forma Financial Statements have been compiled using the significant accounting policies, as set out in the audited consolidated financial statements of Vaxxinator as at December 31, 2020. Management has determined that no material pro forma adjustments are necessary to conform the Company's accounting policies to the accounting policies used by Vaxxinator in the preparation of its audited financial statements.

3. The transaction

a) The Company will consolidate its shares capital on a 1 for 24.6910 basis.

b) Company will merge with Vaxxinator and continue as one corporation. Former Vaxxinator security holders shall receive replacement common shares of the Company in exchange for Vaxxinator shares on a 1 for 1 basis. Following the consolidation, the Company shall have 833,334 common shares outstanding.

c) Upon completion of the transaction, the former owners of Vaxxinator will become the controlling shareholders of the Company. This type of share exchange, referred to as a reverse acquisition ("RTO"), deems Vaxxinator to be the acquirer for accounting purposes.

The acquisition is subject, but not limited, to regulatory and shareholder approvals.

4. Accounting for RTO

The Transaction has been accounted for in accordance with IFRS 2, which results in the following:

a) Vaxxinator is deemed to be the acquirer and the Company is deemed to be the acquiree for accounting purposes;
b) accordingly, Vaxxinator's balances are accounted for at cost and the Company is accounted for at fair value;
c) since the Company's operations do not constitute a business, the transaction has been accounted for as a reverse acquisition that is not a business combination;
d) therefore, the Company's share capital and deficit will be eliminated, the consideration transferred by the Company will be allocated to share capital and transaction costs will be expensed;
e) the capital structure recognized in the consolidated financial statements will be that of the Company, but the dollar amount of the issued share capital in the unaudited pro forma consolidated statement of financial position immediately prior to acquisition will be that of Vaxxinator, plus any shares issued by the Company prior to or as part of the transaction.

5. Pro forma assumptions and adjustments

The unaudited pro forma consolidated statement of financial position reflects the following assumptions and adjustments:

a A reduction in share capital of $28,957,386 to eliminate the Company's historical share capital.

b A reduction in share-based payment reserve of $174,685 to eliminate the Company's historical share-based payment reserve.

c An adjustment of $29,335,718 to eliminate the Company's historical deficit.

d Since the Company's operations do not constitute a business, the consideration transferred by the Company will be allocated to share capital and transaction costs will be expensed. An increase in share capital of $2,500,002 and an increase in deficit of $2,845,368 has been allocated based on the following:

Consideration transferred:		
833,334 shares at a fair value of $3.00 per share	$	2,500,002
83,333 options [(1)]	$	141,719
	$	2,641,721
Cash	$	128,012
Amounts receivable		1,548
Prepaid expenses		15,477
Accounts payable and accrued liabilities		(54,030)
Notes payable		(294,654)
Transaction costs		2,845,368
	$	2,641,721

(1) Valued using the Black-Scholes Option Pricing Model using volatility of 75%, strike price of $3.21, risk free rate of 0.44%,expected life of 4.56 years and dividend yield of 0%

e A decrease in cash and a corresponding increase in transaction costs in the amount of $450,000 representing the estimated legal, accounting, and other fees for the Transaction.

f An increase in common share capital of $2,499,999 to reflect the payment of a finder's fee by way of issuance of 833,333 common shares.

g An increase in common share capital of $4,269,996 to reflect a private placement issuance of 1,423,332 common shares and 711,665 warrants, each exercisable into a common share at $3.50, with an expiry of 2 years from the date of issuance.

h An increase in share-based payment reserve of $676,870 to reflect issuance of 583,333 warrants for services, based on the Black-Scholes Option Pricing Model using volatility of 75%, strike price of $3.50, risk free rate of 0.44%, expected life of 4.56 years and dividend yield of 0%.

i An increase in common share capital and prepaid expenses of $3,000,000 to reflect an issuance of 1,000,000 common shares, pursuant to a sponsorship agreement.

6. Pro forma common share capital

	Number		Amount
The Company's common shares outstanding - June 30, 2020 post 1 for 24.6910 consolidation of the Company's shares	833,334	$	28,957,386
Common shares issued to Vaxxinator shareholders	69,790,271		18,505,848
Common shares issued to Finder (note 5f)	833,333		2,499,999

Common shares issued in private placement (note 5g)	1,423,332	4,269,996
Common shares issued for sponsorship (note 5i)	1,000,000	3,000,000
Reverse takeover adjustment - the Company's common shares (note 5a)	-	(28,957,386)
Consideration transferred to shareholders of the Company (note 5d)	-	2,500,002
Pro forma common share capital - June 30, 2021	**73,880,270**	**$ 30,775,845**

7. Pro forma share-based payment reserve

	Amount
The Company's share-based payment reserve	$ 174,685
Vaxxinator's share-based payment reserve	197,744
Elimination of the Company's share-based payment reserve as described in note 5b	(174,685)
Issuance of replacement options (note 5d)	141,719
Issuance of warrants for services (note 5h)	676,870
Pro forma share-based payment reserve - June 30, 2021	**$ 1,016,333**

8. Pro forma retained earnings (deficit)

	Amount
The Company's deficit	$ (29,335,718)
Vaxxinator's retained earnings	(4,939,019)
Elimination of the Company's deficit (note 5c)	29,335,718
Additional transaction costs (note 5d)	(2,845,368)
To record additional transaction costs (note 5e)	(450,000)
Finder's fee paid in common shares (note 5f)	(2,499,999)
Issuance of warrants for services (note 5h)	(676,870)
Pro forma deficit - June 30, 2021	**$ (11,411,256)**

9. Pro forma income taxes

The Company expects to have a pro forma income tax rate of 26.5%.

APPENDIX "B"
MD&A OF THE COMPANY

(See attached)

Consolidated HCI Holdings Corporation

MANAGEMENT'S DISCUSSION and ANALYSIS
For the Three and Nine Months Ended June 30, 2021 and 2020
(Expressed in thousands of Canadian dollars, except share and per share amounts)

OVERVIEW

Consolidated HCI Holdings Corporation (the "Company") is an Ontario-based publicly traded company which trades on the NEX under the trading symbol CXA.H. The NEX is a separate board of the TSX Venture Exchange ("TSX-V") for issuers previously listed on the Toronto Stock Exchange or TSX-V but which no longer maintain compliance with the ongoing financial listing standards of those markets.

The following management's discussion and analysis ("MD&A") of the financial condition of the Company and its financial performance for the nine months ended June 30, 2021 are the views of management and should be read in conjunction with the unaudited condensed consolidated interim financial statements for the nine months ended June 30, 2021 and the audited consolidated financial statements for the year ended September 30, 2020. Amounts presented in this MD&A, except per share amounts, are in thousands of Canadian dollars.

On July 14, 2021, the Company entered into a definitive business combination agreement dated (the "Combination Agreement") with Vaxxinator Enterprises Inc. ("Vaxxinator"), a private clean tech company, and 1314092 B.C Ltd., a wholly-owned subsidiary of the Company. Completion of the transactions contemplated in the Combination Agreement will result in the reverse takeover of the Company by Vaxxinator (the "Proposed Transaction"). Pursuant to the Combination Agreement, The Company and Vaxxinator will complete an arm's length business combination by way of a three-cornered amalgamation pursuant to the provisions of the Business Corporations Act (British Columbia). The Company's shares will be consolidated on a 24.691:1 basis (the "Consolidation").

The information included in this MD&A, including the 2020 comparative information, has been prepared in accordance with International Financial Reporting Standards ("IFRS") unless otherwise noted.

GOING CONCERN

The Company's unaudited condensed consolidated interim financial statements have been prepared on the basis of accounting principles that are applicable to a going concern. The going concern basis assumes that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of business.

In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but is not limited to, twelve months from the end of the reporting period. Management is aware in making its assessment, of material uncertainties related to events or conditions, such as those described below and herein, that may cast significant doubt upon the Company's ability to continue as a going concern.

During the nine months ended June 30, 2021, the Company incurred a net loss of $363 (2020 - $210) and as at June 30, 2021, the Company has an accumulated deficit of $36,359 (September 30, 2020 - $35,996) and working capital deficit of $252 (September 30, 2020 - $106). These circumstances create a significant doubt about the Company's ability to meet its obligations as they become due and, accordingly, the appropriateness of the use of the going concern assumption. The Company no longer has any source of revenue and continues to incur general and administrative expenses.

Management and the Board of Directors continue to consider options as to the Company's future. Whether and when the Company can successfully source capital and/or financing and successfully develop a revenue-producing profitable business with positive cash flows is uncertain. Accordingly, material uncertainty exists whether the Company can discharge its obligations, including its accounts payable and accrued liabilities and notes payable, within the next 12 months. This material uncertainty casts significant doubt upon the Company's ability to continue as a going concern. These unaudited condensed consolidated interim financial statements do not reflect adjustments to carrying values and classification of assets and liabilities that might be necessary should the Company be unable to continue as a going concern, and such adjustments may be material.

COVID-19

On March 11, 2020, the World Health Organization declared the ongoing COVID-19 outbreak as a global health emergency. This resulted in governments worldwide enacting emergency measures to combat the spread of the virus, including the closure of certain non-essential businesses.

During the nine months ended June 30, 2021, the pandemic did not have a material impact on the Company's operations. The Company has taken steps to minimize the potential impact of the pandemic including safety measures with respect to personal protective equipment, the reduction in travel and the implementation of a virtual office including regular video conference meetings. Due to the rapid developments and uncertainty surrounding COVID-19, it is not possible to predict the impact that COVID-19 will have on the Company's business, financial position and operating results in the future. In addition, it is possible that estimates in the Company's unaudited condensed consolidated interim financial statements will change in the near term as a result of COVID-19 and the effect of any such changes could be material. The Company is closely monitoring the impact of the pandemic on all aspects of its business.

RESPONSIBILITY OF MANAGEMENT AND THE BOARD OF DIRECTORS

Management is responsible for the information disclosed in this MD&A, and has in place information systems, procedures and controls to ensure information used internally by management and disclosed externally is materially complete and reliable. In addition, the Company's Audit Committee and Board of Directors provide an oversight role with respect to all public financial disclosures by the Company, and have reviewed and approved this MD&A and the unaudited condensed consolidated interim financial statements as at June 30, 2021 and 2020.

FORWARD-LOOKING STATEMENTS

In various places in the MD&A, there are forward-looking statements reflecting management's current expectations regarding future economic conditions, results of operations, financial performance and other matters affecting the Company. Forward-looking statements include information regarding possible or assumed future results or transactions as well as statements preceded by, followed by, or that include the words such as "believes," "expects," "anticipates," "estimates," "intends" or similar expressions. Important factors, in addition to those discussed in this document, could affect the future results of the Company and could cause those results to differ materially from those expressed in any forward-looking statements.

REVIEW OF FINANCIAL RESULTS

Financial data presented herein is expressed in thousands of Canadian dollars and is in accordance with IFRS.

Results of operations

Summary of operating results

(Unaudited, in thousands of Canadian dollars, except per share amounts)

	Nine months ended June 30,	
	2021	2020
Revenue	**$ -**	$ -
Loss before income taxes	**(363)**	(212)
Recovery of income taxes	**-**	2
Net loss for the period	**$ (363)**	$ (210)
Basic and diluted loss per share	**$(0.018)**	$(0.010)

General and Administrative Expenses

	For the three months ended June 30, 2021	For the three months ended June 30, 2020	**For the nine months ended June 30, 2021**	For the nine months ended June 30, 2020
Consulting fees	**$ -**	$ 17	**$ 6**	$ 73
Management fees	-	-	-	-
Professional fees	**38**	27	**101**	64
Other	**1**	19	**29**	70
	$ 39	$ 63	**$ 136**	$ 207

Professional fees for the nine months ended June 30, 2021 was $101 (2020 - $64), which increased by $37, compared to the same period in 2020 as a result of increased legal fees related to the extension of notes payable.

Consulting fees for the nine months ended June 30, 2021 was $6 (2020 - $73), which decreased by $67, compared to the same period in 2020 as a result of the management change and reduction in overhead over the period.

Stock-based compensation

Stock-based compensation was $217 (2020 - $Nil), as a result of stock options being granted to officers and directors of the Company during the nine months ended June 30, 2021.

FINANCIAL CONDITION

(in thousands of dollars)

	June 30, 2021	September 30, 2020
Cash	**$ 159**	$ 277
Income taxes recoverable	**2**	2
Other assets	**19**	33
Total assets	**$ 180**	$ 312

OUTSTANDING SHARE DATA

As at July 31, 2021, the Company's authorized capital stock consists of an unlimited number of Class B, voting shares, without par value, of which 20,575,866 shares are issued and outstanding at a stated value of $35,890.

On October 22, 2020, the Company granted options to its directors and officers entitling the purchase of 2,057,586 class B shares at a price of $0.13 per share. The options are for a five-year term, expiring on October 22, 2025, and vest on the date of grant.

The following table presents the fully diluted shares outstanding as at August 16, 2021:

Common shares	20,575,866
Options	2,057,586
Fully diluted shares outstanding	**22,633,452**

NOTES PAYABLE

On January 14, 2020, the Company completed the private placement of unsecured promissory notes for gross proceeds of $345. The purpose of this borrowing was to provide the Company with sufficient working capital for general corporate purposes while management and the Board of Directors decide on the future direction of the Company. The promissory notes bear interest at the annual rate of 4% and are repayable without penalty at any time prior to maturity. The principal amount and all accrued and unpaid interest were due on January 14, 2021. On January 13, 2021, the terms of the notes were amended to extend the maturity date to April 14, 2021. On April 14, 2021, the terms of the notes were amended to extend the maturity date to July 14, 2021. All other terms and conditions remain in full force and effect. As at August 16, 2021, the company is in default on these notes payable.

LIQUIDITY AND CAPITAL RESOURCES

Cash flows

(in thousands of dollars)

	Nine months ended	
	June 30 2021	June 30, 2020
Cash from (used in):		
Operating activities	**$(118)**	$(97)
Financing activities	**-**	345
Increase (decrease) in cash	**(118)**	248
Cash, beginning of the period	**277**	61
Cash, end of the period	**$159**	$309

The decrease of cash was due to the receipt of proceeds from private placement of unsecured promissory notes of $345 in January 2020, whereas no financing was received for the nine months ended June 30, 2021. At June 30, 2021, the Company is facing material liquidity risk as explained above under GOING CONCERN.

TRANSACTIONS WITH RELATED PARTIES

Related party transactions consist of management compensation, share-based compensation, rent expense and legal fees.

Transactions with related parties during the period were as follows:

	Nine months ended		**Three months ended**	
	June 30 2021	June 30 2020	**June 30 2021**	June 30 2020
Legal fees	**$ 27**	$ 40	**$ -**	$ 19
Management fee expense (to a former director)	**6**	73	**-**	17
Rent expense (to a former director)	**-**	3	**-**	1
Stock based compensation (note 8)	**217**	-	**-**	-

As at June 30, 2021, the Company's accounts payable balance consists of $37 (June 30, 2020 - $NIL) owing to a law firm that provides legal services to the Company in which a director of the Company is a partner.

During the nine months ended June 30, 2021, the Company granted options to its directors and officers entitling the purchase of 2,057,586 class B shares at a price of $0.13 per share. The options are for a five-year term, expiring on October 22, 2025, and vest on the date of grant. The Company recognized $217 (2020 - $NIL) of stock-based payments that were recorded as contributed surplus.

RISK MANAGEMENT

Liquidity Risk

Liquidity risk is managed by maintaining cash in excess of projected needs. At June 30, 2021, the Company is facing material liquidity risk as explained above under GOING CONCERN.

The Company's contractual obligations are its accounts payable and accrued liabilities and notes payable. Uncertainty exists whether the Company can discharge these obligations within the next twelve months as explained above under GOING CONCERN.

OFF-BALANCE SHEET ARRANGEMENTS

The Company does not have any off-balance sheet arrangements.

OUTLOOK

Management and the Board of Directors are considering options as to the Company's future as the Company had discontinued and divested substantially all of its operations, and had ceased to be actively engaged in any ongoing business in 2017. Uncertainty exists as to the Company's ability to continue as a going concern as explained above under GOING CONCERN.

Additional information relating to the Company has been filed on SEDAR and can be found at www.sedar.com

MANAGEMENT'S DISCUSSION and ANALYSIS

As at September 30, 2020

(Expressed in thousands of Canadian dollars, except share and per share amounts)

OVERVIEW

Consolidated HCI Holdings Corporation (the "Company") is an Ontario-based publicly traded company which trades on the NEX under the trading symbol CXA.H. The NEX is a separate board of the TSX Venture Exchange ("TSX-V") for issuers previously listed on the Toronto Stock Exchange or TSX-V but which no longer maintain compliance with the ongoing financial listing standards of those markets.

The following management's discussion and analysis ("MD&A") of the financial condition of the Company and its financial performance for the years ended September 30, 2020 and 2019 are the views of management and should be read in conjunction with the consolidated financial statements including the related notes in the September 30, 2020 and 2019 audited consolidated financial statements. Amounts presented in this MD&A are in thousands of Canadian dollars, unless otherwise noted.

The information included in this MD&A, including the 2019 comparative information, has been prepared in accordance with International Financial Reporting Standards ("IFRS") unless otherwise noted.

GOING CONCERN

These consolidated financial statements have been prepared on the basis of accounting principles that are applicable to a going concern. The going concern basis assumes that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of business.

In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but is not limited to, twelve months from the end of the reporting period. Management is aware in making its assessment, of material uncertainties related to events or conditions, such as those described below and herein, that may cast significant doubt upon the Company's ability to continue as a going concern.

During the year ended September 30, 2020, the Company has incurred net loss of $279 (September 30, 2019 - $326) and as at September 30, 2020, the Company has an accumulated deficit of $35,996 (September 30, 2019 - $35,717) and net deficiency of assets of $106. These circumstances create a significant doubt about the Company's ability to meet its obligations as they become due and, accordingly, the appropriateness of the use of the going concern assumption. The Company no longer has any source of revenue and continues to incur general and administrative expenses.

Management and the Board of Directors continue to consider options as to the Company's future. Whether and when the Company can successfully source capital and/or financing and successfully develop a revenue-producing profitable business with positive cash flows is uncertain. Accordingly, material uncertainty exists whether the Company can discharge its obligations, including its accounts payable and accrued liabilities and notes payable, within the next 12 months. This material uncertainty casts significant doubt upon the Company's ability to continue as a going concern. These consolidated financial statements do not reflect adjustments to carrying values and classification of assets and liabilities that might be necessary should the Company be unable to continue as a going concern, and such adjustments may be material.

COVID-19

On March 11, 2020, the World Health Organization declared the ongoing COVID-19 outbreak as a global health emergency. This resulted in governments worldwide enacting emergency measures to combat the spread of the virus, including the closure of certain non-essential businesses.

During the year ended September 30, 2020, the pandemic did not have a material impact on the Company's operations. The Company has taken steps to minimize the potential impact of the pandemic including safety measures with respect to personal protective equipment, the reduction in travel and the implementation of a virtual office including regular video conference meetings. Due to the rapid developments and uncertainty surrounding COVID-19, it is not possible to predict the impact that COVID-19 will have on the Company's business, financial position and operating results in the future. In addition, it is possible that estimates in the Company's consolidated financial statements will change in the near term as a result of COVID-19 and the effect of any such changes could be material. The Company is closely monitoring the impact of the pandemic on all aspects of its business.

RESPONSIBILITY OF MANAGEMENT AND THE BOARD OF DIRECTORS

Management is responsible for the information disclosed in this MD&A, and has in place information systems, procedures and controls to ensure information used internally by management and disclosed externally is materially complete and reliable. In addition, the Company's Audit Committee and Board of Directors provide an oversight role with respect to all public financial disclosures by the Company, and have reviewed and approved this MD&A and the consolidated financial statements as at September 30, 2020 and 2020.

FORWARD-LOOKING STATEMENTS

In various places in the MD&A, there are forward-looking statements reflecting management's current expectations regarding future economic conditions, results of operations, financial performance and other matters affecting the Company. Forward-

looking statements include information regarding possible or assumed future results or transactions as well as statements preceded by, followed by, or that include the words such as "believes," "expects," "anticipates," "estimates," "intends" or similar expressions. Important factors, in addition to those discussed in this document, could affect the future results of the Company and could cause those results to differ materially from those expressed in any forward-looking statements.

REVIEW OF FINANCIAL RESULTS

Financial data presented herein is expressed in thousands of Canadian dollars and is in accordance with IFRS.

Results of operations

Two-year summary of operating results
(in thousands of dollars, except per share amounts)

	2020	2019
Total revenue	**$1**	$5
Loss before income taxes	**$(281)**	$(444)
Recovery of income taxes	**2**	118
Net loss for the year	**$(279)**	$(326)
Basic and diluted loss per share	**$(0.014)**	$(0.016)

Total revenue decreased in 2020 by $4 compared to the revenue recorded for the same period in 2019, the result of a decrease in interest income.

General and administrative expenses

General and administrative expenses in 2020, in aggregate, decreased by $219 over those of 2019 the result of reduced corporate activity in general.

Income taxes

The income tax recovery for the year of $2 (June 30, 2019 - $108) was computed by applying the average statutory Canadian federal and provincial income tax rate of 26.5% (2019 – 26.5%) to losses before income taxes. The Company has $251 of losses available for carry forward for which an income tax benefit has not been recognized because it is not probable that future taxable income will be available to allow the deferred tax asset to be recovered. These non-capital losses will commence to expire in 2040.

FINANCIAL CONDITION

(in thousands of dollars)

	September 30, 2020	September 30, 2019
Cash	**$ 277**	$ 61
Income taxes recoverable	**2**	118
Other assets	**33**	43
Total assets	**$312**	$222

OTHER ASSETS

The Company's remaining real estate holding consisted of one serviced residential lot in Mississauga, Ontario, the last remaining lot in a subdivision developed by the Company in a previous year. This lot was previously deeded to the City of Mississauga in accordance with the subdivision agreement and would only be returned to the Company and be available to sell on the resolution of certain storm water management issues affecting the lot and non-owned adjoining lands. Management has determined that a builder has purchased the non-owned adjoining lands for development. Recent discussions with the builder regarding the builder's development plans lead management to believe that it is not possible to predict when the lot will be returned to the Company. During the year ended September 30, 2020, the Company recognized a full impairment on this asset.

OUTSTANDING SHARE DATA

As at January 28, 2021, the Company's authorized capital stock consists of an unlimited number of Class B, voting shares, without par value, of which 20,575,866 shares are issued and outstanding at a stated value of $35,890.

The following table presents the fully diluted shares outstanding as at January 28, 2021:

Common shares	20,575,866
Options	2,057,586
Fully diluted shares outstanding	**22,633,452**

NOTES PAYABLE

On January 14, 2020, the Company completed the private placement of unsecured promissory notes for gross proceeds of $345. The purpose of this borrowing was to provide the Company with sufficient working capital for general corporate purposes while management and the Board of Directors decide on the future direction of the Company. The promissory notes bear interest at the annual rate of 4%, with the principal

amount and all accrued and unpaid interest being due and payable on January 14, 2021. The notes are repayable without penalty at any time prior to maturity. On January 13, 2021, the terms of the notes were amended to extend the maturity date to April 14, 2021. All other terms and conditions remain in full force and effect.

LIQUIDITY AND CAPITAL RESOURCES

Cash flows

(in thousands of dollars)

	2020	2019
Cash used in:		
Operating activities	**$(129)**	$(197)
Financing activities	**345**	(617)
Increase (decrease) in cash	**216**	(814)
Cash, beginning of the year	**61**	875
Cash, end of the year	**$277**	$61

Cash increased in the year ended September 30, 2020 by $216 resulting from the receipt of proceeds from private placement of unsecured promissory notes of $345 net of $129 of cash expended in payment of general and administrative expenses. At September 30, 2020 the Company is facing material liquidity risk as explained above under GOING CONCERN.

TRANSACTIONS WITH RELATED PARTIES

The Company has entered into transactions with other entities in which the following individuals held former management positions during the year ended September 30, 2020 as noted in the following tables:

September 30, 2020	Note	Receives management fees from the Company
Marc Muzzo	(1)	$-
Stanley Goldfarb	(2)	$-

September 30, 2019	Note	Receives management fees from the Company
Marc Muzzo	(1)	$62.5
Stanley Goldfarb	(2)	$62.5

(1) Marc Muzzo is a shareholder, and past director and officer of the Company who held a management position in an entity that has provided management services to the Company as noted in the tables above.

(2) Stanley Goldfarb is a shareholder and past director and officer of the Company who holds a management position in an entity that has provided

management services to the Company as noted in the tables above.

During the year ended September 30, 2020, the Company shared an office with a company in which Stanley Goldfarb is a shareholder, director and officer at an annual rental of $4. As at September 30, 2020, the Company no longer operates out of that office space.

The Company's former Chief Financial Officer provided accounting, reporting and office management functions for the Company on a month to month, fee for service basis. Total fees for the period from October 1, 2019 to September 30, 2020 are $93, of which $6 are included in accounts payable and accrued liabilities.

RISK MANAGEMENT

Liquidity Risk

Liquidity risk is managed by maintaining cash in excess of projected needs. At September 30, 2020, the Company is facing material liquidity risk as explained above under GOING CONCERN.

The Company's contractual obligations are its accounts payable and accrued liabilities and notes payable. Uncertainty exists whether the Company can discharge these obligations within the next twelve months as explained above under GOING CONCERN.

OFF-BALANCE SHEET ARRANGEMENTS

The Company does not have any off-balance sheet arrangements.

SUBSEQUENT EVENT

In October 2020, the Company granted stock options for a total of 2,057,586 class B shares to certain directors and officers of the Company. These stock options are exercisable at $0.13 per stock option and will expire on October 22, 2025. These stock options vested and became exercisable immediately upon the grant date.

On January 2021, the maturity date on the Company's promissory notes were extended from January 14, 2021 to April 14, 2021.

OUTLOOK

Management and the Board of Directors are considering options as to the Company's future as the Company had discontinued and divested substantially all of its operations, and had ceased to be actively engaged in any ongoing business in 2017. Uncertainty exists as to the Company's ability to continue as a going concern as explained above under GOING CONCERN.

Additional information relating to the Company has been filed on SEDAR and can be found at www.sedar.com

APPENDIX "C"
FINANCIAL STATEMENTS OF VAXXINATOR

(See attached)

VAXXINATOR ENTERPRISES INC.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED JUNE 30, 2021
(UNAUDITED)

(Expressed in United States Dollars)

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(Expressed in United States Dollars)

	As at Note(s)	June 30, 2021 $	December 31, 2020 $
ASSETS			
Current assets			
Cash		2,959,026	1,415,494
Amounts receivable		74,141	19,522
Finance lease receivables	3	24,158	-
Prepaid expenses	4	882,255	9,927
Deposits	5	872,792	889,509
Inventory	6	199,724	46,784
		5,012,096	**2,381,236**
Non-current assets			
Finance lease receivables	3	25,777	-
Equipment	7	28,067	-
Intellectual property	8	9,419,909	-
		9,473,753	**-**
TOTAL ASSETS		**14,485,849**	**2,381,236**
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	9	450,648	152,810
TOTAL LIABILITIES		**450,648**	**152,810**
SHAREHOLDERS' EQUITY			
Share capital	10	18,505,848	2,704,431
Subscriptions received in advance	10	250,000	645,000
Obligation to issue shares	10	-	50,000
Stock options reserve	10	197,744	-
Deficit		(4,939,019)	(1,171,005)
		14,014,573	2,228,426
Non-controlling interest		20,628	-
TOTAL SHAREHOLDERS' EQUITY		**14,035,201**	**2,228,426**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**14,485,849**	**2,381,236**

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These unaudited condensed consolidated interim financial statements were approved for issue by the Board of Directors and signed on its behalf by:

/s/ Brian Meadows Director **/s/ Olivier Centner Director**

(Expressed in United States Dollars)

	Note(s)	For the three months ended June 30, 2021 $	June 30, 2020 $	For the six months ended June 30, 2021 $	June 30, 2020 $
Revenue	3	**53,000**	**-**	**53,000**	**-**
Cost of goods sold	3	**(32,512)**	**-**	**(32,512)**	**-**
Gross margin		**20,488**	**-**	**20,488**	**-**
Expenses					
Consulting fees	4	243,512	-	1,717,184	-
Depreciation	7	356	-	356	-
Foreign exchange loss (gain)		380	-	8,323	(44)
General and administrative		106,062	-	154,927	-
Management fees	4, 11	258,750	-	513,750	-
Professional fees		101,733	-	201,293	-
Rent		8,670	-	8,670	-
Research and development		343,072	-	563,184	-
Salaries and wages		63,942	-	63,942	-
Sales and marketing		105,921	-	317,039	-
Share-based payments	10	197,744	-	197,744	-
Travel		24,577	-	34,575	-
		(1,454,719)	**-**	**(3,780,987)**	**44**
Other expenses					
Finance income	3	1,113	-	1,113	-
Total income (loss) and comprehensive income (loss)		**(1,433,118)**	**-**	**(3,759,386)**	**44**
Income (loss) and comprehensive income (loss) attributable to:					
Shareholders of the Company		(1,441,746)	-	(3,768,014)	44
Non-controlling interests		8,628	-	8,628	-
		(1,433,118)	**-**	**(3,759,386)**	**44**
Basic and diluted earnings (loss) per share for the period presented ($ per common share)		**(0.02)**	**-**	**(0.06)**	**11.00**
Weighted average number of common shares outstanding - basic and diluted		**64,323,490**	**4**	**58,127,116**	**4**

(Expressed in United States Dollars)

	Note(s)	Share capital: Number of shares #	Share capital: Amount $	Subscriptions received in advance $	Obligation to issue shares $	Stock options reserve $	Deficit $	Total $	Non-controlling interest $	Total $
Balance at December 31, 2020		**46,630,004**	**2,704,431**	**645,000**	**50,000**	**-**	**(1,171,005)**	**2,228,426**	**-**	**2,228,426**
Shares issued for cash - private placement (net of share issue costs)	10	10,990,267	9,716,417	(645,000)	-	-	-	**9,071,417**	-	**9,071,417**
Shares issued for intellectual property	8, 10	7,600,000	3,800,000	-	-	-	-	**3,800,000**	-	**3,800,000**
Shares issued for settlement of accounts payable	10	100,000	50,000	-	(50,000)	-	-	**-**	-	**-**
Shares issued for services received	10	2,720,000	1,360,000	-	-	-	-	**1,360,000**	-	**1,360,000**
Shares issued for services included in prepaid expenses	4, 10	1,750,000	875,000	-	-	-	-	**875,000**	-	**875,000**
Share subscriptions received	10	-	-	250,000	-	-	-	**250,000**	-	**250,000**
Contributions from non-controlling interests	10	-	-	-	-	-	-	**-**	12,000	**12,000**
Share-based payments		-	-	-	-	197,744	-	**197,744**	-	**197,744**
Loss for the period		-	-	-	-	-	(3,768,014)	**(3,768,014)**	8,628	**(3,759,386)**
Balance at June 30, 2021		**69,790,271**	**18,505,848**	**250,000**	**-**	**197,744**	**(4,939,019)**	**14,014,573**	**20,628**	**14,035,201**

Balance at December 31, 2019		**7,500,000**	**150,000**	**-**	**-**	**-**	**-**	**150,000**	**-**	**150,000**
Income for the period		-	-	-	-	-	44	**44**	-	**44**
Balance at June 30, 2020		**7,500,000**	**150,000**	**-**	**-**	**-**	**44**	**150,044**	**-**	**150,044**

(Expressed in United States Dollars)

	Note(s)	For the six months ended June 30, 2021 $	June 30, 2020 $
OPERATING ACTIVITIES			
Net income (loss)		(3,759,386)	44
Adjustments for items not affecting cash:			
Depreciation	7	356	-
Share-based payments	10	197,744	-
Management and consulting fees paid by common shares	4	1,797,500	-
Change in non-cash working capital			
Amounts receivable		(54,619)	-
Finance lease receivable	3	(49,935)	-
Prepaid expenses	4	65,172	-
Deposits		16,717	-
Inventory		(152,940)	-
Accounts payable and accrued liabilities		297,838	(44)
Cash flow used in operating activities		**(1,641,553)**	**-**
INVESTING ACTIVITIES			
Purchase of equipment	7	(28,423)	-
Purchase of intellectual property	8	(5,619,909)	-
Cash flow used in investing activities		**(5,648,332)**	**-**
FINANCING ACTIVITIES			
Proceeds from share issuance, net of share issue costs		9,071,417	-
Shares subscribed		250,000	-
Contributions from non-controlling interests		12,000	-
Cash flow from financing activities		**9,333,417**	**-**
Increase in cash		**2,043,532**	**-**
Cash, beginning of period		**1,415,494**	**-**
Cash, end of period		**3,459,026**	**-**
SUPPLEMENTAL CASH FLOW			
Shares issued for debt settlement	10	50,000	-
Shares issued for intellectual property	8, 10	3,800,000	-
Shares issued for services included in prepaid expenses	4, 10	875,000	-
Finance lease arrangements	3	53,000	-
Cash paid during the period for interest		-	-
Cash paid during the period for income taxes		-	-

1. CORPORATE INFORMATION AND CONTINUANCE OF OPERATIONS

Vaxxinator Enterprises Inc. ("Vaxxinator" or the "Company") was incorporated by Certificate of Incorporation issued pursuant to the provisions of the British Columbia Business Corporations Act on September 30, 2019. The Company is a biotechnology products company that researches, develops, and distributes proprietary and patented air purification and surface coatings (anti-viral products). The Company's products are developed and manufactured with patented technology developed by leading a German scientist. The Company's technologies are disruptive in nature and solve the real-world problems such as eliminating viruses and bacteria. The head office and the registered address of the Company is located at Suite 2300 - 550 Burrard Street, Vancouver, BC V6C 2B5. On October 14, 2020, The Better Tomorrow Project LLC (formerly Vaxxinator USA LLC) ("Vaxx USA"), a wholly-owned subsidiary of the Company, was incorporated under the laws of Florida. On February 22, 2021, Vaxxinator Lease Co., LLC ("Vaxx Lease"), of which 60% interest is held by Vaxx USA, was incorporated under the laws of the State of Nevada.

These unaudited condensed consolidated interim financial statements have been prepared on the assumption that the Company and its subsidiaries will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the ordinary course of operations. Different bases of measurement may be appropriate if the Company is not expected to continue operations for the foreseeable future. The Company's ability to continue operations and fund future business activities is dependent on management's ability to secure additional financing, and to generate profit through its operations. Management is actively pursuing additional sources of financing and sales opportunities. However, there is no assurance that they will be able to do so successfully. As such, these material uncertainties may cast significant doubt about the Company's ability to continue as a going concern. If the going concern assumption is not appropriate for these consolidated financial statements, then adjustments would be necessary to the carrying value of assets and liabilities, and the reported profit or loss and financial position classifications used. Such adjustments could be material.

Proposed Transaction

The Company and Consolidated HCI (CHCI) entered into the Business Combination Agreement (BCA) dated effective July 15, 2021 for the purpose of effecting the Business Combination, pursuant to which CHCI will acquire all of the issued and outstanding common shares the Company. Completion of the transactions contemplated in the BCA will result in the reverse takeover of CHCI by Vaxxinator. Pursuant to the Combination Agreement, CHCI and Vaxxinator will complete an arm's length business combination by way of a three-cornered amalgamation pursuant to the provisions of the Business Corporations Act (British Columbia). The shareholders of Vaxxinator (the "Vaxxinator Shareholders"), other than the Vaxxinator Shareholders who exercise their dissent rights, will receive, subject to adjustment, one common share in the capital of CHCI (a "CHCI Share") (on a post-CHCI consolidation basis) for each common share in the authorized share structure of Vaxxinator held. In addition, all outstanding warrants of Vaxxinator will be exchanged for warrants of the issuer resulting from the Proposed Transaction (the "Resulting Issuer"), respectively, on equivalent terms after having given effect to all of the transactions contemplated by the Proposed Transaction. As contemplated by the Combination Agreement, CHCI and Vaxxinator intend to apply to delist the common shares in the capital of CHCI from the NEX Board of the TSX Venture Exchange (the "TSXV") and apply to the NEO Exchange (the "NEO") for the listing of the common shares in the capital of the Resulting Issuer (as defined below) and to close the Proposed Transaction on the NEO. The delisting of CHCI from the TSXV is subject to approval by a majority of the minority shareholders of CHCI. As a condition precedent of the Proposed Transaction, CHCI's board of directors and shareholders will approve a consolidation of CHCI's issued and outstanding share capital. For illustrative purposes, the CHCI Shares will be consolidated on a 24.691:1 basis (the "Share Consolidation"). Upon completion of the Proposed Transaction, assuming completion of the Share Consolidation, former Vaxxinator Shareholders will hold, in the aggregate, approximately 71,140,270 common shares (the "Resulting Issuer Shares") in the capital of the Resulting Issuer, representing approximately 97.7% of the outstanding Resulting Issuer Shares and existing holders of CHCI Shares (the "CHCI Shareholders") will hold, in the aggregate, approximately 833,334 Resulting Issuer Shares, representing approximately 1.1% of the outstanding Resulting Issuer Shares.

1. CORPORATE INFORMATION AND CONTINUANCE OF OPERATIONS (CONTINUED)

Proposed Transaction

The completion of the Proposed Transaction is subject to the satisfaction of various conditions, including but not limited to: (i) the approval of the delisting of the CHCI Shares from the TSXV; (ii) the approval of the listing of the CHCI Shares on the NEO; (iii) the approval of the Proposed Transaction by the requisite majority of Vaxxinator Shareholders; (iv) the approval of various matters related to the Proposed Transaction by the requisite majority of CHCI Shareholders; and (v) other conditions customary for a transaction of this nature.

In connection with the Proposed Transaction, CHCI intends to change its name to "The Better Tomorrow Project Ltd." and to replace all directors and officers of CHCI on the effective date of the Proposed Transaction with nominees of Vaxxinator.

COVID-19

In March 2020, the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. It is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Company's business or results of operations at this time.

2. SIGNIFICANT ACCOUNTING STANDARDS AND BASIS OF PREPARATION

Statement of compliance to International Financial Reporting Standards

These unaudited condensed consolidated interim financial statements of the Company have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). These financial statements comply with International Accounting Standard 34, Interim Financial Reporting.

Basis of presentation

These unaudited condensed consolidated interim financial statements include the accounts of the Company and its subsidiaries. This interim financial report does not include all of the information required of a full annual financial report and is intended to provide users with an update in relation to events and transactions that are significant to an understanding of the changes in financial position and performance of the Company since the end of the last annual reporting period. It is therefore recommended that this financial report be read in conjunction with the annual financial statements of the Company for the year ended December 31, 2020.

2. SIGNIFICANT ACCOUNTING STANDARDS AND BASIS OF PREPARATION (CONTINUED)

New accounting standards

There were no new or amended IFRS pronouncements effective January 1, 2021 that impacted these condensed consolidated interim financial statements.

There were no significant changes in accounting policies applied by the Company in these condensed consolidated interim financial statements compared to those used in the most recent annual consolidated financial statements of December 31, 2020, except for the followings:

Leases (Note 3)

In case of lease contracts based on which the Company is acting as a lessor each of its leases is classified as either operating or finance lease. Leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases.

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership to the lessee. Examples of situations where the risks and rewards of ownership are considered as having been transferred to the lessee are as follows:

- the lease transfers ownership of the underlying asset to the lessee by the end of the lease term;
- the lessee has the option to purchase the underlying asset at a price that is expected to be sufficiently lower than the fair value at the date the option becomes exercisable for it to be reasonably certain, at the inception date, that the option will be exercised;
- the lease term is for the major part of the economic life of the underlying asset even if title is not transferred;
- at the inception date, the present value of the lease payments amounts to at least substantially all of the fair value of the underlying asset; or
- the underlying asset is of such a specialized nature that only the lessee can use it without major modifications.

Intangible assets (Note 8)

Intangible assets acquired as part of a business combination, other than goodwill, are initially measured at their fair value at the date of the acquisition. Intangible assets acquired separately are initially recognized at cost. Indefinite life intangible assets are not amortized and are subsequently measured at cost less any impairment. Finite life intangible assets are subsequently measured at cost less amortization and any impairment. The gains or losses recognized in profit or loss arising from the derecognition of intangible assets are measured as the difference between net disposal proceeds and the carrying amount of the intangible asset. The method and useful lives of finite life intangible assets are reviewed annually. Changes in the expected pattern of consumption or useful life are accounted for prospectively by changing the amortization method or period.

During the six months ended June 30, 2021, no amortization was charged on the intellectual property as it is not ready for use.

These unaudited condensed consolidated interim financial statements of the Company for the six months ended June 30, 2021 were approved by the Board of Directors on August 17, 2021.

(Expressed in United States Dollars)

3. FINANCE LEASE RECEIVABLES

Finance lease receivables are presented in the statement of financial position as follows:

	June 30, 2021	December 31, 2020
	$	$
Current	24,158	-
Non-current	25,777	-
	49,935	**-**

Finance lease arrangements

The Company through its subsidiary, Vaxx Lease, entered into various lease arrangements as a lessor that are considered to be finance leases. The Company leases equipment and as they transfer substantially all of the risks and rewards of ownership of the assets they are classified as finance leases.

The maturity analysis of lease receivables, including the undiscounted lease payments to be received, as of June 30, 2021 are as follows:

	$
Less than 1 year	30,144
1 - 2 years	27,566
Total undiscounted lease payments receivable	**57,710**
Unearned finance income	(7,775)
Net investment in the lease	**49,935**

Profit and loss information

	June 30, 2021	June 30, 2020
	$	$
Selling profit or loss	20,488	-
Finance income on the net investment in the lease	1,113	-
Income relating to variable lease payments not included in the measurement of the net investment in the lease	-	-

4. PREPAID EXPENSES

Prepaid expenses consist of amounts paid in advance for services which will be amortized over the term of the contract.

During the six months ended June 30, 2021, the Company issued 1,500,000 common shares with fair value of $750,000 to the Company's Chief Financial Officer for the management services to be provided during the year ended December 31, 2021 (Note 10). These amounts were initially classified as prepaid expenses and will be amortized over 12-month period. During the six months ended June 30, 2021, $375,500 was charged to the statement of loss and comprehensive loss as management fees.

During the six months ended June 30, 2021, the Company issued 250,000 common shares with fair value of $125,000 to the Company's advisor for the sales advisory services to be provided during the year ended December 31, 2021 (Note 10). These amounts were initially classified as prepaid expenses and will be amortized over 12-month period. During the six months ended June 30, 2021, $62,500 was charged to the statement of loss and comprehensive loss as consulting fees.

(Expressed in United States Dollars)

4. PREPAID EXPENSES (CONTINUED)

On May 17, 2021 (the "Effective Date"), the Company entered into an intellectual property license agreement (the "IP License Agreement") for the exclusive use of a licensed technology for a period of 99 years from the Effective Date (the "Term"). During the Term, the licensor will provide ongoing consultation and advisory services to the Company (the "Services"). During the six months ended June 30, 2021, the Company made an advance to the licensor with the amount of $363,568 (€310,000) for the research and development and technical advisory services. As of June 30, 2021, $363,568 (€310,000) remains as prepaid expenses.

5. DEPOSITS

As of June 30, 2021, the Company made a deposit of $872,792 to one of its vendors for purchasing the inventory (December 31, 2020 – $889,509).

6. INVENTORY

As of June 30, 2021, the Company has inventories of $199,724 (December 31, 2020 – $46,784). The inventories consist of inventory which are available for sale.

7. EQUIPMENT

	Computer equipment
	$
Cost	
As at December 31, 2020	-
Additions	28,423
As at June 30, 2021	**28,423**
Depreciation	
As at December 31, 2020	-
Charged for the period	(356)
As at June 30, 2021	**(356)**
Net book value	
As at December 31, 2020	-
As at June 30, 2021	**28,067**

(Expressed in United States Dollars)

8. INTELLECTUAL PROPERTY

2020 Intellectual Property Licensing Agreements

On September 16, 2020, the Company entered into two intellectual property agreements with Vaxxinator Coating B.V. ("Vaxxinator Coating") and Vaxxinator Air B.V. ("Vaxxinator Air") to acquire co-ownership rights to certain surface coating products and air purification products (the "2020 IP Agreements"). As consideration under the 2020 IP Agreements, during the year ended December 31, 2020, the Company issued 7,500,000 common shares with fair value of $150,000. The 2020 IP Agreements were further amended on May 17, 2021.

Pursuant to IAS 38 "Intangible Assets", the 2020 IP Agreements did not meet the criterion for recognized as intangible assets; as a result, the Company recognized the $150,000 as of research and development expenses during the year ended December 31, 2020.

2021 Intellectual Property Licensing Agreements

On May 17, 2021, the Company entered into additional intellectual property agreements with Vaxxinator Coating, Smart Material Printing B.V. ("Smart Material") and Windplussonne GmbH ("Windplussonne") for the exclusive use of certain air purification technology (the "2021 IP Agreements"). As consideration under 2021 IP Agreements, the Company issued 7,600,000 common shares with fair value of $3,800,000 and paid cash in the aggregate amount of $5,446,000 (€4,500,000).

The 2021 IP Agreements consist of two (2) upstream exclusive licenses granted by each of Smart Material and Windplussonne to Vaxxinator Coating, with each agreement effective as of May 17, 2021. Contemporaneously, Vaxxinator Coating licensed the technologies of Smart Material and Windplussonne to Vaxxinator in a downstream exclusive license to Vaxxinator. There are two further addendums to the downstream license dated May 17, 2021 and June 22, 2021. The 2021 IP Agreements have a common feature that the license fields include (i) air and water purification technology capable of removing viruses, bacteria, Ultrafine Particles including mold and spores through aggregation; and (ii) thin coating with virucidal and bactericidal materials for use in combatting viruses and bacteria on surfaces (the "Licensed Fields").

In addition, the Company incurred professional fees of $173,909 during the six months ended June 30, 2021. Pursuant to IAS 38 "Intangible Assets", the Company capitalized these fees as intellectual property and will amortize over the life of the intellectual property.

9. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

The Company's accounts payable and accrued liabilities are broken down as follows:

	June 30, 2021	December 31, 2020
	$	$
Trade payables	416,354	148,060
Accrued liabilities	29,544	-
Other payables	4,750	4,750
	450,648	**152,810**

10. SHARE CAPITAL

Authorized share capital
Unlimited number of common shares without par value.

Issued share capital
At June 30, 2021, the Company had 69,790,271 (December 31, 2020 – 46,630,004) common shares issued and outstanding with a value of $18,505,848 (December 31, 2020 – $2,704,431).

During the six months ended June 30, 2021

- On February 5, 2021, the Company completed a private placement and issued 4,940,000 common shares at a price of $0.50 per share for gross proceeds of $2,470,000 of which $645,000 was received during the year ended December 31, 2020.

- On May 17, 2021, the Company issued 7,600,000 Common Shares upon execution of the IP License Agreement.

- In May 2021 and June 2021, the Company completed a private placement of 2,478,267 units (the "Units") at a price of $3.00 per Unit for gross proceeds of $7,434,801. The private placement was completed in different tranches. Each Unit consists of one common share and one-half common share purchase warrant. Each whole warrant entitles its holder to purchase one additional common share at an exercise price of $3.50 for a period of two-year from the date of issuance of the warrants, subject to acceleration in the event that the common shares of the Company trade on a recognized Canadian stock exchange and the volume-weighted average price is equal or greater to $7.00 for five consecutive trading days.

- The Company issued 1,500,000 common shares with fair value of $750,000 to the Company's Chief Financial Officer for the management services to be provided during the year ended December 31, 2021 (Note 4).

- The Company issued 250,000 common shares with fair value of $125,000 to the Company's advisor for the sales advisory services to be provided during the year ended December 31, 2021 (Note 4).

- The Company issued 2,620,000 common shares with fair value of $1,310,000 to various consultants for the consulting services provided during the six months ended June 30, 2021.

- The Company issued 100,000 common shares with fair value of $50,000 to one of the legal counsels of the Company for the legal services provided the six months ended June 30, 2021.

- The Company issued 100,000 common shares with fair value of $50,000 to a vendor to settle the outstanding payables. This amount was recorded as obligation to issue shares as of December 31, 2020.

- In connection with private placements completed during the six months ended June 30, 2021, the Company incurred share issue costs of $1,974,384 of which $1,786,000 was satisfied by issuing 3,572,000 common shares of the Company.

(Expressed in United States Dollars)

10. SHARE CAPITAL (CONTINUED)

Issued share capital (continued)

Subsequent to June 30, 2021

- the Company issued 1,349,999 Units at a price of $3.00 per Unit for gross proceeds of $4,049,997 of which $250,000 was received during the six months end June 30, 2021.

Warrants

Subsequent to June 30, 2021

- The Company entered into an arm's-length agreements with a consultant to provide management consulting services to the Company. The agreements are for a one-year term. The Company issued a total of 250,000 of its share purchases warrants in consideration for the consulting services. Each warrant entitles its holder to purchase one additional common share at an exercise price of $3.50 for a period of two-year from the date of issuance.

- The Company entered into an arm's-length agreements with a consultant in providing capital market advisory services to the Company. The agreements are for a one-year term. The Company issued a total of 333,333 of its share purchases warrants in consideration for the consulting services. Each warrant entitles its holder to purchase one additional common share at an exercise price of $3.50 for a period of two-year from the date of issuance.

Stock options

The Company does not have a formal stock option plan, any historical grants of stock options occurred outside of any formal plan. Stock options to purchase common shares have been granted to executives, directors, and consultants at exercise prices determined by the Board of Directors at the time such stock options were granted. The Board of Directors also set vesting provisions, and maximum option life terms.

The changes in options during the six months ended June 30, 2021 are as follows:

	Number outstanding	Weighted average exercise price ($)
Balance, beginning of period	**-**	**-**
Granted	1,800,000	0.50
Balance, end of period	**1,800,000**	**0.50**

On April 15, 2021, the Company granted 1,800,000 options with an exercise price of $0.50 to the Company's Chief Executive Officer (the "CEO"). The options are exercisable for a period of five years. The options will vest evenly over the twenty-four months period immediately after the grant date.

There were no options granted, exercised or expired during the six months ended June 30, 2020.

(Expressed in United States Dollars)

10. SHARE CAPITAL (CONTINUED)

Stock options (continued)

The estimated grant date fair value of the options granted during the six months ended June 30, 2021 calculated using the Black-Scholes option pricing model with the following assumptions:

Number of options granted	1,800,000
Risk-free interest rate	0.27%
Expected annual volatility	100%
Expected life (in years)	3.00
Expected dividend yield	0%
Grant date fair value per option ($)	0.31
Share price at grant date ($)	0.50

During the six months ended June 31, 2021, the Company recognized share-based payments of $197,744 (June 30, 2020 – $nil).

The following summarizes information about stock options outstanding and exercisable at June 30, 2021:

Expiry date	Exercise price ($)	Options outstanding	Options exercisable	Estimated grant date fair value ($)	Weighted average remaining contractual life (in years)
April 15, 2026	0.50	1,800,000	225,000	553,578	4.79

Non-controlling interest

The following schedule shows the effects of the changes in non-controlling interest regarding the 40% ownership of Vaxx Lease during the six months ended June 30, 2021:

	$
Balance as of December 31, 2020	**-**
Contributions	12,000
Share of income	8,628
Balance as of June 30, 2021	**20,628**

11. RELATED PARTY TRANSACTIONS AND BALANCES

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties may be individuals or corporate entities. The Company has identified its directors and officers as its key management personnel. Other related parties to the Company include companies in which key management has control or significant influence.

During the six months ended June 30, 2021, the short-term benefits incurred for the key management personnel were $513,750 (June 30, 2020 – $nil) of which $375,000 was settled by issuing the common shares of the Company. As discussed in Note 4, during the six months ended June 30, 2021, the Company issued 1,500,000 common shares with fair value of $750,000 to the Company's Chief Financial Officer for the management services to be provided during the year ended December 31, 2021. During the six months ended June 30, 2021, $375,000 (June 30, 2020 – $nil) was charged to the statement of income (loss) and comprehensive income (loss) as management fees.

In addition, during the six months ended June 30, 2021, the Company granted 1,800,000 options (June 30, 2020 – nil) with an exercise price of $0.50 to the CEO and recognized share-based payments of $197,744 June 30, 2020 – $nil).

During the six months ended June 30, 2021, the Company incurred $180,180 (June 30, 2020 – $nil) in development expenses with a company that was 49% owned by the Company's CEO for internet connectivity and application development for its air purification products. The Company will own the software and application at the end of the project.

12. SEGMENTED INFORMATION

During the six months ended June 30, 2021, the Company was operating only in the air-purification segment.

13. CAPITAL MANAGEMENT

The Company's objective when managing capital is to maintain adequate levels of funding in order to safeguard the Company's ability to continue as a going concern, fund its planned activities and commitments and retain financial flexibility to respond to unforeseen future events and circumstances. The Company manages and makes adjustments to its capital structure based on the level of funds on hand and anticipated future expenditures. To maintain or adjust its capital structure, the Company may issue new equity instruments, new debt, or acquire and/or dispose of assets.

Management reviews its capital management approach on an ongoing basis. There were no changes in the Company's approach to capital management during the six months ended June 30, 2021.

The Company is not subject to any externally imposed capital restrictions.

(Expressed in United States Dollars)

14. FINANCIAL INSTRUMENTS

Fair value

The carrying values of cash, amounts receivable, accounts payable and accrued liabilities approximate their fair values due to the relatively short period to maturity of those financial instruments. The carrying value of the Company's finance lease receivables approximates its fair value as it has been discounted with implicit interest rate.

Financial instruments recorded at fair value on the consolidated statements of financial position are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities and the lowest priority to unobservable inputs.

The three levels of the fair value hierarchy are as follows:
Level 1: Unadjusted quoted prices in active markets for identical assets or liabilities;
Level 2: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
Level 3: Inputs that are not based on observable market data.

As at June 30, 2021 and December 31, 2020, the financial instrument recorded at fair value on the consolidated statement of financial position is cash which is measured using Level 1 of the fair value hierarchy.

Set out below are the Company's financial assets and financial liabilities by category:

	June 30, 2021 $	FVTPL $	Amortized costs $	FVTOCI $
Financial assets:				
ASSETS				
Cash	2,959,026	2,959,026	-	-
Amounts receivable	74,141	-	74,141	-
Finance lease receivables	49,935	-	49,935	-
Financial liabilities:				
LIABILITIES				
Accounts payable and accrued liabilities	450,648	-	450,648	-

	December 31, 2020 $	FVTPL $	Amortized costs $	FVTOCI $
Financial assets:				
ASSETS				
Cash	1,415,494	1,415,494	-	-
Amounts receivable	19,522	-	19,522	-
Finance lease receivables	-	-	-	-
Financial liabilities:				
LIABILITIES				
Accounts payable and accrued liabilities	152,810	-	152,810	-

14. FINANCIAL INSTRUMENTS (CONTINUED)

Financial risk management (continued)

Credit risk
Credit risk is such that a counterparty to a financial instrument will not discharge its obligations resulting in a financial loss to the Company. The Company has procedures in place to minimize its exposure to credit risk.

Company management evaluates credit risk on an ongoing basis including counterparty credit rating and activities related to receivables and other counterparty concentrations as measured by amount and percentage.

The primary sources of credit risk for the Company arise from cash, amounts receivable and finance lease receivable. The Company's maximum exposure to credit risk is minimal as cash is deposited with reputable financial institutions.

Amounts receivable are due from a government agency.

For finance lease receivable, the Company deals with creditworthy counterparties to mitigate the risk of financial loss from defaults. The Company monitors the credit risk of customers through credit rating reviews.

Liquidity risk
Liquidity risk is the risk that an entity will encounter difficulty raising funds to meet commitments associated with financial instruments. The Company manages liquidity by maintaining adequate cash balances to meet liabilities as they become due. As of June 30, 2021, the Company had cash of $2,959,026 to meet short-term business requirements. As of June 30, 2021, the Company had current liabilities of $450,648.

Market risk
The significant market risks to which the Company is exposed are interest rate risk, currency risk, other price risk, and commodity price risk.

- Interest rate risk
  Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to interest rate risk as no financial instruments of the Company as of June 30, 2021 are interest-bearings.

- Currency risk
  The Company is exposed to currency risk to the extent that monetary assets and liabilities held by the Company are not denominated in Canadian dollars. The Company has not entered into any foreign currency contracts to mitigate this risk.

  The Company's cash, amounts receivable and accounts payable and accrued liabilities are held in USD, Canadian Dollars ("CA$"), and European Dollar ("Euro" or "€"); therefore, CA$ and Euro accounts are subject to fluctuation against the Canadian dollar.

(Expressed in United States Dollars)

14. FINANCIAL INSTRUMENTS (CONTINUED)

Financial risk management (continued)

Market risk (continued)

- Currency risk (continued)
  The Company had the following balances in foreign currency as at June 30, 2021:

	US$	CA$	EURO$
Cash	2,882,785	94,501	-
Amounts receivable	5,105	85,571	-
Finance lease receivables	49,935	-	-
Accounts payable and accrued liabilities	(174,521)	(309,863)	(22,004)
	2,763,304	**(129,791)**	**(22,004)**
Rate to convert to $1.00 USD	1.00000	0.80678	1.18778
Equivalent to USD	**2,763,304**	**(104,712)**	**(26,136)**

Based on the above net exposures as at June 30, 2021, and assuming that all other variables remain constant, a 10% appreciation or depreciation of the USD against the CAD and EURO would increase/decrease comprehensive loss by $33,000.

VAXXINATOR ENTERPRISES INC.

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2020
AND
FOR THE PERIOD FROM THE DATE OF INCORPORATION (SEPTEMBER 30, 2019) TO DECEMBER 31, 2019

(Expressed in United States Dollars)

INDEPENDENT AUDITOR'S REPORT

To the Directors of

Vaxxinator Enterprises Inc.

Opinion

We have audited the accompanying consolidated financial statements of Vaxxinator Enterprises Inc. (the "Company"), which comprise the consolidated statements of financial position as at December 31, 2020 and 2019 and the consolidated statements of loss and comprehensive loss, changes in shareholders' equity, and cash flows for the year ended December 31, 2020 and the period from incorporation on September 30, 2019 to December 31, 2019, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2020 and 2019, and its financial performance and its cash flows for the periods then ended in accordance with International Financial Reporting Standards ("IFRS").

Basis for Opinion

We conducted our audits in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 of the consolidated financial statements, which state events and conditions indicating that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other Information

Management is responsible for the other information. The other information obtained at the date of this auditor's report includes Management's Discussion and Analysis.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

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

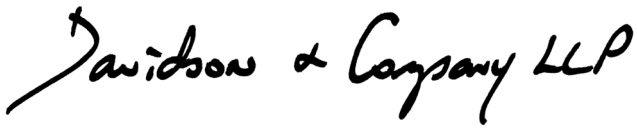
Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. 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.
- 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.



Vancouver, Canada

August 17, 2021

Chartered Professional Accountants

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(Expressed in United States Dollars)

	As at Note(s)	December 31, 2020 $	December 31, 2019 $
ASSETS			
Current assets			
Cash		1,415,494	-
Amounts receivable		19,522	326
Prepaid expenses		9,927	-
Deposits	3	889,509	-
Inventory	4	46,784	-
		2,381,236	**326**
TOTAL ASSETS		**2,381,236**	**326**
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	5	152,810	3,237
TOTAL LIABILITIES		**152,810**	**3,237**
SHAREHOLDERS' EQUITY (DEFICIENCY)			
Share capital	6	2,704,431	4
Subscriptions received in advance	12	645,000	-
Obligation to issue shares	12	50,000	-
Deficit		(1,171,005)	(2,915)
TOTAL SHAREHOLDERS' EQUITY (DEFICIENCY)		**2,228,426**	**(2,911)**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIENCY)		**2,381,236**	**326**

Corporate information and continuance of operations	1
Segmented information	8
Subsequent events	1, 12

These consolidated financial statements were approved for issue by the Board of Directors and signed on its behalf by:

/s/ Brian Meadows Director **/s/ Olivier Centner Director**

(Expressed in United States Dollars)

	Note(s)	For the year ended December 31, 2020 $	For the period from the date of incorporation (September 30, 2019) to December 31, 2019 $
Expenses			
Consulting fees	6, 7	679,483	-
Foreign exchange loss		13,453	43
General and administrative		32,775	-
Management fees	7	47,500	-
Professional fees		156,033	2,872
Regulatory and transfer agents		883	-
Research and development	6	161,774	-
Sales and marketing		70,571	-
Travel		5,618	-
		(1,168,090)	**(2,915)**
Total loss and comprehensive loss		**(1,168,090)**	**(2,915)**
Basic and diluted loss per share for the period presented ($ per common share)		**(0.15)**	**(728.75)**
Weighted average number of common shares outstanding - basic and diluted		**8,033,856**	**4**

(Expressed in United States Dollars)

		Share capital					
	Note(s)	Number of shares	Amount	Subscriptions received in advance	Obligation to issue shares	Deficit	Total
		#	$	$	$	$	$
Incorporator's shares, September 30, 2019	6	4	4	-	-	-	**4**
Loss for the period		-	-	-	-	(2,915)	**(2,915)**
Balance at December 31, 2019		**4**	**4**	**-**	**-**	**(2,915)**	**(2,911)**
Shares issued for cash - private placement	6	16,320,000	2,040,000	-	-	-	**2,040,000**
Shares issued for intellectual property	6	7,500,000	150,000	-	-	-	**150,000**
Shares issued for settlement of accounts payable	6	88,000	44,000	-	-	-	**44,000**
Shares issued for services received	6, 7	22,722,000	561,000	-	-	-	**561,000**
Share issue costs	6	-	(90,573)	-	-	-	**(90,573)**
Share subscriptions received	6	-	-	645,000	-	-	**645,000**
Consulting fees to be paid by shares	6	-	-	-	50,000	-	**50,000**
Loss for the year		-	-	-	-	(1,168,090)	**(1,168,090)**
Balance at December 31, 2020		**46,630,004**	**2,704,431**	**645,000**	**50,000**	**(1,171,005)**	**2,228,426**

(Expressed in United States Dollars)

	Note(s)	For the year ended December 31, 2020 $	For the period from the date of incorporation (September 30, 2019) to December 31, 2019 $
OPERATING ACTIVITIES			
Net loss		(1,168,090)	(2,915)
Adjustments for items not affecting cash:			
Management and consulting fees paid by common shares	6	561,000	-
Consulting fees to be paid by common shares	6	50,000	-
Common shares issued for intellectual property	6	150,000	-
Change in non-cash working capital			
Amounts receivable		(19,196)	(326)
Prepaid expenses		(9,927)	-
Deposits		(889,509)	-
Inventory		(46,784)	-
Accounts payable and accrued liabilities		118,691	3,237
Cash flow used in operating activities		**(1,253,815)**	**(4)**
FINANCING ACTIVITIES			
Proceeds from share issuance, net of share issue costs	6	2,024,309	4
Shares subscribed	6	645,000	-
Cash flow from financing activities		**2,669,309**	**4**
Increase in cash		**1,415,494**	**-**
Cash, beginning of period		**-**	**-**
Cash, end of period		**1,415,494**	**-**
SUPPLEMENTAL CASH FLOW INFORMATION			
Shares issued for debt settlement	6	44,000	-
Share issue costs included in accounts payable	6	74,882	-
Cash paid during the period for interest		-	-
Cash paid during the period for income taxes		-	-

1. CORPORATE INFORMATION AND CONTINUANCE OF OPERATIONS

Vaxxinator Enterprises Inc. ("Vaxxinator" or the "Company") was incorporated by Certificate of Incorporation issued pursuant to the provisions of the British Columbia Business Corporations Act on September 30, 2019. The Company is a biotechnology products company that researches, develops, and distributes proprietary and patented air purification and surface coatings (anti-viral products). The Company's products are developed and manufactured with patented technology developed by leading a German scientist. The Company's technologies are disruptive in nature and solve the real-world problems such as eliminating viruses and bacteria. The head office and the registered address of the Company is located at Suite 2300 - 550 Burrard Street, Vancouver, BC V6C 2B5. On October 14, 2020, The Better Tomorrow Project LLC (formerly Vaxxinator USA LLC) ("Vaxx USA"), a wholly-owned subsidiary of the Company, was incorporated under the laws of Florida. On February 22, 2021, Vaxxinator Lease Co., LLC ("Vaxx Lease"), of which 60% interest is held by Vaxx USA, was incorporated under the laws of the State of Nevada.

These consolidated financial statements have been prepared on the assumption that the Company and its subsidiaries will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the ordinary course of operations. Different bases of measurement may be appropriate if the Company is not expected to continue operations for the foreseeable future. The Company's ability to continue operations and fund future business activities is dependent on management's ability to secure additional financing, and to generate profit through its operations. Management is actively pursuing additional sources of financing and sales opportunities. However, there is no assurance that they will be able to do so successfully. As such, these material uncertainties may cast significant doubt about the Company's ability to continue as a going concern. If the going concern assumption is not appropriate for these consolidated financial statements, then adjustments would be necessary to the carrying value of assets and liabilities, and the reported profit or loss and financial position classifications used. Such adjustments could be material.

Proposed Transaction

The Company and Consolidated HCI (CHCI) entered into the Business Combination Agreement (BCA) dated effective July 15, 2021 for the purpose of effecting the Business Combination, pursuant to which CHCI will acquire all of the issued and outstanding common shares the Company. Completion of the transactions contemplated in the BCA will result in the reverse takeover of CHCI by Vaxxinator. Pursuant to the Combination Agreement, CHCI and Vaxxinator will complete an arm's length business combination by way of a three-cornered amalgamation pursuant to the provisions of the Business Corporations Act (British Columbia). The shareholders of Vaxxinator (the "Vaxxinator Shareholders"), other than the Vaxxinator Shareholders who exercise their dissent rights, will receive, subject to adjustment, one common share in the capital of CHCI (a "CHCI Share") (on a post-CHCI consolidation basis) for each common share in the authorized share structure of Vaxxinator held. In addition, all outstanding warrants of Vaxxinator will be exchanged for warrants of the issuer resulting from the Proposed Transaction (the "Resulting Issuer"), respectively, on equivalent terms after having given effect to all of the transactions contemplated by the Proposed Transaction. As contemplated by the Combination Agreement, CHCI and Vaxxinator intend to apply to delist the common shares in the capital of CHCI from the NEX Board of the TSX Venture Exchange (the "TSXV") and apply to the NEO Exchange (the "NEO") for the listing of the common shares in the capital of the Resulting Issuer (as defined below) and to close the Proposed Transaction on the NEO. The delisting of CHCI from the TSXV is subject to approval by a majority of the minority shareholders of CHCI. As a condition precedent of the Proposed Transaction, CHCI's board of directors and shareholders will approve a consolidation of CHCI's issued and outstanding share capital. For illustrative purposes, the CHCI Shares will be consolidated on a 24.691:1 basis (the "Share Consolidation"). Upon completion of the Proposed Transaction, assuming completion of the Share Consolidation, former Vaxxinator Shareholders will hold, in the aggregate, approximately 71,140,270 common shares (the "Resulting Issuer Shares") in the capital of the Resulting Issuer, representing approximately 97.7% of the outstanding Resulting Issuer Shares and existing holders of CHCI Shares (the "CHCI Shareholders") will hold, in the aggregate, approximately 833,334 Resulting Issuer Shares, representing approximately 1.1% of the outstanding Resulting Issuer Shares.

1. CORPORATE INFORMATION AND CONTINUANCE OF OPERATIONS (CONTINUED)

Proposed Transaction

The completion of the Proposed Transaction is subject to the satisfaction of various conditions, including but not limited to: (i) the approval of the delisting of the CHCI Shares from the TSXV; (ii) the approval of the listing of the CHCI Shares on the NEO; (iii) the approval of the Proposed Transaction by the requisite majority of Vaxxinator Shareholders; (iv) the approval of various matters related to the Proposed Transaction by the requisite majority of CHCI Shareholders; and (v) other conditions customary for a transaction of this nature.

In connection with the Proposed Transaction, CHCI intends to change its name to "The Better Tomorrow Project Ltd." and to replace all directors and officers of CHCI on the effective date of the Proposed Transaction with nominees of Vaxxinator.

COVID-19

In March 2020, the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. It is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Company's business or results of operations at this time.

2. SIGNIFICANT ACCOUNTING STANDARDS AND BASIS OF PREPARATION

Statement of compliance to International Financial Reporting Standards

These consolidated financial statements of the Company have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

The policies set out below were consistently applied to all periods presented unless otherwise noted below.

These consolidated financial statements have been prepared on a historical cost basis except for financial instruments carried at fair value. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting except for cash flow information.

The consolidated financial statements of the Company for the year ended December 31, 2020 and for the period from the date of incorporation (September 30, 2019) to December 31, 2019 were approved by the Board of Directors on August 17, 2021.

2. SIGNIFICANT ACCOUNTING STANDARDS AND BASIS OF PREPARATION (CONTINUED)

Basis of preparation

These consolidated financial statements, including comparatives, have been prepared on the basis of IFRS standards that are published at the time of preparation and that are effective on December 31, 2020. In addition, these financial statements are presented in United States dollars (USD).

Basis of consolidation

These consolidated financial statements comprise the accounts of the Company and Vaxx USA, a wholly-owned subsidiaries of the Company.

The Company and Vaxx USA have a reporting date of December 31.

- ***Subsidiaries***
  A subsidiary is an entity over which the Company has power to govern the operating and financial policies in order to obtain benefits from its activities. The consolidated financial statements include all the assets, liabilities, revenues, expenses and cash flows of the Company and its subsidiary after eliminating inter-entity balances and transactions.

- ***Acquisitions and disposals***
  The results of businesses acquired during the reporting period are brought into the consolidated financial statements from the date the control is transferred; the results of businesses sold during the reporting period are included in the consolidated financial statements for the period up to the date the control is ceased.

- ***Acquisitions and disposals***
  Gains or losses on disposal are calculated as the difference between the sale proceeds (net of expenses) and the net assets attributable to the interest which has been sold. Where a disposal represents a separate major line of business or geographical area of operations, the net results attributable to the disposed entity are shown separately in the statement of loss and comprehensive loss.

Significant management judgment and estimates in applying accounting policies

The preparation of these financial statements requires management to make certain estimates, judgements and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported expenses during the year. Actual results could differ from these estimates. Significant assumptions about the future and other sources of estimation uncertainty that management has made at the end of the reporting period, that could result in a material adjustment to the carrying amounts of assets and liabilities in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

- **Critical accounting estimates**

  Shares issued for services

  The Company has applied estimates with respect to the valuation of shares issued for non-cash consideration, specifically relating to shares issued for services and for debt settlement. Shares are valued at the fair value of the equity instruments granted at the date the Company receives the good or service. When no market price is available, a valuation technique is used to determine what price the equity instruments would have been on the measurement date in an arm's length transaction between knowledgeable, willing parties. In the case of the Company, the fair value of the shares issued was estimated with reference to the price of recent private placement closed.

2. SIGNIFICANT ACCOUNTING STANDARDS AND BASIS OF PREPARATION (CONTINUED)

Significant management judgment and estimates in applying accounting policies (continued)

- **Critical accounting estimates (continued)**

  Income taxes and recoverability of potential deferred tax assets
  In assessing the probability of realizing income tax assets recognized, management makes estimates related to expectations of future taxable income, applicable tax planning opportunities, expected timing of reversals of existing temporary differences and the likelihood that tax positions taken will be sustained upon examination by applicable tax authorities. In making its assessments, management gives additional weight to positive and negative evidence that can be objectively verified. Estimates of future taxable income are based on forecasted cash flows from operations and the application of existing tax laws in each jurisdiction. The Company considers whether relevant tax planning opportunities are within the Company's control, are feasible, and are within management's ability to implement. Examination by applicable tax authorities is supported based on individual facts and circumstances of the relevant tax position examined in light of all available evidence. Where applicable tax laws and regulations are either unclear or subject to ongoing varying interpretations, it is reasonably possible that changes in these estimates can occur that materially affect the amounts of income tax assets recognized. Also, future changes in tax laws could limit the Company from realizing the tax benefits from the deferred tax assets. The Company reassesses unrecognized income tax assets at each reporting period.

- **Critical accounting judgments**

  Critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the consolidated financial statements are as follows:

  Determination of going concern (note 1)
  The preparation of these consolidated financial statements requires management to make judgments regarding the going concern of the Company as discussed in Note 1.

  Determination of functional currency
  In accordance with IAS 21 "The Effects of Changes in Foreign Exchange Rates", the functional currency is the currency of the primary economic environment in which the Company and its subsidiary operates. The functional currencies of the Company and its subsidiary are USD.

Significant accounting policies

Foreign exchange

- **Translation of foreign transactions and balances into the functional currency**
  Foreign currency transactions are translated into the functional currency of the underlying entity using appropriate average rates of exchange. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rate of exchange in effect at the end of each reporting period. Foreign exchange gains and losses resulting from the settlement of such transactions are recognized in profit or loss.

2. SIGNIFICANT ACCOUNTING STANDARDS AND BASIS OF PREPARATION (CONTINUED)

Significant accounting policies (continued)

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, deposits held on call with banks, highly liquid investments that are readily convertible into a known amount of cash and which are subject to insignificant risk of changes in value, net of bank overdrafts which are repayable on demand. As at December 31, 2020 and 2019, the Company did not have any cash equivalents.

Financial instruments

- **Financial assets**

  Classification and measurement

  The Company classifies its financial assets in the following categories: at fair value through profit or loss ("FVTPL"), at fair value through other comprehensive income ("FVTOCI") or at amortized cost. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

  The classification of debt instruments is driven by the business model for managing the financial assets and their contractual cash flow characteristics. Debt instruments are measured at amortized cost if the business model is to hold the instrument for collection of contractual cash flows and those cash flows are solely principal and interest. If the business model is not to hold the debt instrument, it is classified as FVTPL. Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payments of principal and interest.

  Equity instruments that are held for trading (including all equity derivative instruments) are classified as FVTPL, for other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument by-instrument basis) to designate them as at FVTOCI.

  Financial assets at FVTPL – Financial assets carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the statement of loss and comprehensive loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial asset held at FVTPL are included in the statement of loss and comprehensive loss in the period in which they arise. Derivatives are also categorized as FVTPL unless they are designated as hedges. As of December 31, 2020 and 2019, the Company has classified its cash as FVTPL.

  Financial assets at FVTOCI – Investments in equity instruments at FVTOCI are initially recognized at fair value plus transaction costs. Subsequently they are measured at fair value, with gains and losses arising from changes in fair value recognized in other comprehensive income. There is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. As of December 31, 2020 and 2019, the Company has no financial assets classified as FVOCI.

  Financial assets at amortized cost – Financial assets at amortized cost are initially recognized at fair value and subsequently carried at amortized cost less any impairment. They are classified as current assets or non-current assets based on their maturity date. As of December 31, 2020 and 2019, the Company has classified its amounts receivable as amortized cost.

2. SIGNIFICANT ACCOUNTING STANDARDS AND BASIS OF PREPARATION (CONTINUED)

Significant accounting policies (continued)

Financial instruments (continued)

- **Financial assets (continued)**

Impairment of financial assets at amortized cost
The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the loss allowance for the financial asset is measured at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset has not increased significantly since initial recognition, the loss allowance is measured for the financial asset at an amount equal to twelve month expected credit losses.

Impairment losses on financial assets carried at amortized cost are reversed in subsequent periods if the amount of the loss decreases and the decrease can be objectively related to an event occurring after the impairment was recognized.

Derecognition of financial assets
Financial assets are derecognized when they mature or are sold, and substantially all the risks and rewards of ownership have been transferred. Gains and losses on derecognition of financial assets classified as FVTPL or amortized cost are recognized in the income statement. Gains or losses on financial assets classified as FVTOCI remain within accumulated other comprehensive income.

- **Financial liabilities**

Classification and measurement
The Company classifies its financial liabilities into one of two categories as follows:

Fair value through profit or loss (FVTPL) – This category comprises derivatives and financial liabilities incurred principally for the purpose of selling or repurchasing in the near term. They are carried at fair value with changes in fair value recognized in profit or loss.

Other financial liabilities – This category consists of liabilities carried at amortized cost using the effective interest method. The Company derecognizes a financial liability when its contractual obligations are discharged, cancelled or expire. As at December 31, 2020 and 2019, the Company has classified its accounts payable and accrued liabilities as other financial liabilities.

Derecognition of financial liabilities
A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in the consolidated statement of loss.

Refer to Note 10 for further disclosures.

2. SIGNIFICANT ACCOUNTING STANDARDS AND BASIS OF PREPARATION (CONTINUED)

Significant accounting policies (continued)

Taxation

Income tax on the profit or loss for the years presented comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at year end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: goodwill not deductible for tax purposes; the initial recognition of assets or liabilities that affect neither accounting or taxable profit; and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the financial position reporting date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized.

Loss per share

Basic loss per share is calculated by dividing the net loss for the year divided by the weighted average number of common shares outstanding during the year. The diluted earnings (loss) per share reflects the potential dilution of common share equivalents, such as outstanding stock options and warrants, in the weighted average number of common shares outstanding during the period, if dilutive.

Inventories

Inventories as of December 31, 2020, mainly consists of air purifier. Inventories are stated at the lower of cost and net realisable value. Cost is determined on a weighted average cost basis. Cost comprises of direct materials and delivery costs, direct labor, import duties and other taxes, an appropriate proportion of variable and fixed overhead expenditure based on normal operating capacity, and, where applicable, transfers from cash flow hedging reserves in equity. Costs of purchased inventory are determined after deducting rebates and discounts received or receivable.

Stock in transit is stated at the lower of cost and net realizable value. Cost comprises of purchase and delivery costs, net of rebates and discounts received or receivable.

Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Research and development costs

Research expenditures are expensed when incurred. Development costs are capitalized in the event they meet capitalization criteria; otherwise, they are expensed as incurred. To date, no development costs have been capitalized.

(Expressed in United States Dollars)

2. SIGNIFICANT ACCOUNTING STANDARDS AND BASIS OF PREPARATION (CONTINUED)

Significant accounting policies (continued)

Share capital

Common shares are classified as shareholders' equity. Incremental costs directly attributable to the issue of common shares are recognized as a deduction from share capital as share issuance costs. Common shares issued for consideration other than cash, are valued based on their market value at the date the shares are issued. Common shares issued for non-monetary consideration are recorded at their fair value on the date of issuance and classified as shareholders' equity.

Share-based payments

Equity-settled share-based payment transactions with employees and others providing similar services are recorded based on the estimated fair value of the equity instrument granted at the grant date.

Equity-settled share-based payment transactions with parties other than employees and those providing similar services are measured at the fair value of the goods or services received, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments issued or granted, measured at the date the Company obtains the goods or the counterparty renders the service.

New accounting standards

There were no new or amended IFRS pronouncements effective January 1, 2020 that impacted these consolidated financial statements.

3. DEPOSITS

During the year ended December 31, 2020, the Company made a deposit of $889,509 to one of its vendors for purchasing the inventory (December 31, 2019 – $nil).

4. INVENTORY

As of December 31, 2020, the Company has inventories of $46,784 (December 31, 2019 – $nil). The inventories mainly consist of prototype inventory which are available for sale or provided as samples.

5. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

The Company's accounts payable and accrued liabilities are broken down as follows:

	December 31, 2020	December 31, 2019
	$	$
Trade payables	148,060	3,237
Other payables	4,750	-
	152,810	**3,237**

6. SHARE CAPITAL

Authorized share capital
Unlimited number of common shares without par value.

Issued share capital
At December 31, 2020, the Company had 46,630,004 (December 31, 2019 – 4) common shares issued and outstanding with a value of $2,704,431 (December 31, 2019 – $4).

During the year ended December 31, 2020

- On September 16, 2020, the Company entered into two intellectual property agreements (each an "IP Agreement" and together, the "IP Agreements") to acquire the intellectual property for certain surface coating and air purification technologies. The consideration paid under each IP Agreement was $75,000. The total amount of $150,000 was satisfied by issuing 7,500,000 common shares of the Company to the IP transferor.

  Pursuant to IAS 38 “Intangible Assets”, the two IPs did not meet the criterion for recognized as intangible assets; as a result, the Company recognized the $150,000 as of research and development expenses during the year ended December 31, 2020.

- On October 26, 2020, the Company completed a private placement and issued 12,750,000 common shares at a price of $0.02 per share for gross proceeds of $255,000.

- On December 15, 2020, the Company completed a private placement and issued 3,570,000 common shares at a price of $0.50 per share for gross proceeds of $1,785,000.

- The Company issued 13,022,000 common shares with fair value of $367,000 to various consultants for the consulting services provided during the year ended December 31, 2020.

- The Company issued 8,450,000 common shares with fair value of $169,000 to one of the Company directors for the consulting services provided during the year ended December 31, 2020.

- The Company issued 1,250,000 common shares with fair value of $25,000 to the Company’s Chief Executive Officer for the management services provided during the year ended December 31, 2020.

- The Company issued 88,000 common shares with fair value of $44,000 to various vendors to settle the outstanding payables.

For the period from the date of incorporation (September 30, 2019) to December 31, 2019

- On September 30, 2019, the Company issued 4 shares at $4 to the incorporator.

7. RELATED PARTY TRANSACTIONS AND BALANCES

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties may be individuals or corporate entities. The Company has identified its directors and officers as its key management personnel. Other related parties to the Company include companies in which key management has control or significant influence.

During the periods ended December 31, 2020, the short-term benefits incurred for the key management personnel were $47,500 (December 31, 2019 – $nil) of which $25,000 was paid by issuing 1,250,000 common shares to the Company's Chief Executive Officer for the management services provided during the year ended December 31, 2020.

During the year ended December 31, 2020, the Company issued 8,450,000 common shares with fair value of $169,000 to one of the Company directors for the consulting services provided during the year ended December 31, 2020 (December 31, 2019 – $nil).

8. SEGMENTED INFORMATION

During the periods ended December 31, 2020 and 2019, the he Company was operating only in the air-purification segment.

9. CAPITAL MANAGEMENT

The Company's objective when managing capital is to maintain adequate levels of funding in order to safeguard the Company's ability to continue as a going concern, fund its planned activities and commitments and retain financial flexibility to respond to unforeseen future events and circumstances. The Company manages and makes adjustments to its capital structure based on the level of funds on hand and anticipated future expenditures. To maintain or adjust its capital structure, the Company may issue new equity instruments, new debt, or acquire and/or dispose of assets.

Management reviews its capital management approach on an ongoing basis. There were no changes in the Company's approach to capital management during the periods ended December 31, 2020 and 2019.

The Company is not subject to any externally imposed capital restrictions.

10. FINANCIAL INSTRUMENTS

Fair value

The carrying values of cash, amounts receivable, accounts payable and accrued liabilities approximate their fair values due to the relatively short period to maturity of those financial instruments.

Financial instruments recorded at fair value on the consolidated statements of financial position are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities and the lowest priority to unobservable inputs.

(Expressed in United States Dollars)

10. FINANCIAL INSTRUMENTS (CONTINUED)

Fair value (continued)

The three levels of the fair value hierarchy are as follows:
Level 1: Unadjusted quoted prices in active markets for identical assets or liabilities;
Level 2: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
Level 3: Inputs that are not based on observable market data.

As at December 31, 2020 and 2019, the financial instrument recorded at fair value on the consolidated statement of financial position is cash which is measured using Level 1 of the fair value hierarchy.

Set out below are the Company's financial assets and financial liabilities by category:

	December 31, 2020 $	FVTPL $	Amortized costs $	FVTOCI $
Financial assets:				
ASSETS				
Cash	1,415,494	1,415,494	-	-
Amounts receivable	19,522	-	19,522	-
Financial liabilities:				
LIABILITIES				
Accounts payable and accrued liabilities	152,810	-	152,810	-

	December 31, 2019 $	FVTPL $	Amortized costs $	FVTOCI $
Financial assets:				
ASSETS				
Amounts receivable	326	-	326	-
Financial liabilities:				
LIABILITIES				
Accounts payable and accrued liabilities	3,237	-	3,237	-

Financial risk management

Credit risk
Credit risk is such that a counterparty to a financial instrument will not discharge its obligations resulting in a financial loss to the Company. The Company has procedures in place to minimize its exposure to credit risk.

Company management evaluates credit risk on an ongoing basis including counterparty credit rating and activities related to receivables and other counterparty concentrations as measured by amount and percentage.

The primary sources of credit risk for the Company arise from cash and amounts receivable. The Company's maximum exposure to credit risk is minimal as cash is deposited with reputable financial institutions. Amounts receivable are due from a government agency.

10. FINANCIAL INSTRUMENTS (CONTINUED)

Financial risk management (continued)

Liquidity risk
Liquidity risk is the risk that an entity will encounter difficulty raising funds to meet commitments associated with financial instruments. The Company manages liquidity by maintaining adequate cash balances to meet liabilities as they become due. As of December 31, 2020, the Company had cash of $1,415,494 to meet short-term business requirements. As of December 31, 2020, the Company had current liabilities of $152,810.

Market risk
The significant market risks to which the Company is exposed are interest rate risk, currency risk, other price risk, and commodity price risk.

- Interest rate risk
  Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to interest rate risk as no financial instruments of the Company as of December 31, 2020 are interest-bearings.

- Currency risk
  The Company is exposed to currency risk to the extent that monetary assets and liabilities held by the Company are not denominated in Canadian dollars. The Company has not entered into any foreign currency contracts to mitigate this risk.

  The Company's cash, amounts receivable and accounts payable and accrued liabilities are held in USD, Canadian Dollars ("CA$"), and European Dollar ("Euro" or "€"); therefore, CA$ and Euro accounts are subject to fluctuation against the Canadian dollar.

  The Company had the following balances in foreign currency as at December 31, 2020:

	US$	CA$	EURO$
Cash	1,379,488	45,875	-
Amounts receivable	-	24,873	-
Accounts payable and accrued liabilities	(56,606)	(105,195)	(11,121)
	1,322,882	**(34,447)**	**(11,121)**
Rate to convert to $1.00 USD	1.00000	0.78488	1.22633
Equivalent to USD	**1,322,882**	**(27,037)**	**(13,638)**

  Based on the above net exposures as at December 31, 2020, and assuming that all other variables remain constant, a 10% appreciation or depreciation of the USD against the CAD and EURO would increase/decrease comprehensive loss by $4,000.

(Expressed in United States Dollars)

11. INCOME TAXES

A reconciliation of income taxes at statutory rates with the reported taxes is as follows:

	2020 $	2019 $
Loss for the year	**(1,168,090)**	**(2,915)**
Expected income tax (recovery)		
Change in statutory, foreign tax, foreign exchange rates and other	(315,000)	(1,000)
Permanent differences	15,000	-
Share issue cost	(24,000)	-
Change in unrecognized deductible temporary differences	324,000	1,000
Total income tax expense (recovery)	**-**	**-**

The significant components of the Company's temporary differences, unused tax credits and unused tax losses that have not been included on the consolidated statement of financial position are as follows:

	December 31, 2020 $	Expiry Range	December 31, 2019 $	Expiry Range
Temporary Differences				
Share issue costs	72,000	2041 to 2044	-	N/A
Research and development	150,000	No expiry dates	-	-
Non-capital losses available for future period	1,039,000	2039 to 2040	2,915	2039

Tax attributes are subject to review and potential adjustment by tax authorities.

12. SUBSEQUENT EVENTS

Subsequent to December 31, 2020:

- On February 5, 2021, the Company completed a private placement and issued 4,940,000 common shares at a price of $0.50 per share for gross proceeds of $2,470,000 of which $645,000 was received during the year ended December 31, 2020.

- On May 17, 2021, the Company issued 7,600,000 Common Shares upon execution of the IP License Agreement.

- In May 2021 and June 2021, the Company completed a private placement of 2,478,267 units (the "Units") at a price of $3.00 per Unit for gross proceeds of $7,434,801. The private placement was completed in different tranches. Each Unit consists of one common share and one-half common share purchase warrant. Each whole warrant entitles its holder to purchase one additional common share at an exercise price of $3.50 for a period of two-year from the date of issuance of the warrants, subject to acceleration in the event that the common shares of the Company trade on a recognized Canadian stock exchange and the volume-weighted average price is equal or greater to $7.00 for five consecutive trading days.

- In July 2021, the Company issued 1,349,999 Units at a price of $3.00 per Unit for gross proceeds of $4,049,997.

12. SUBSEQUENT EVENTS (CONTINUED)

- The Company issued 1,500,000 common shares with fair value of $750,000 to the Company's Chief Financial Officer for the management services to be provided during the year ended December 31, 2021.

- The Company issued 250,000 common shares with fair value of $125,000 to the Company's advisor for the sales advisory services to be provided during the year ended December 31, 2021.

- The Company issued 2,620,000 common shares with fair value of $1,310,000 to various consultants for the consulting services provided subsequent to December 31. 2020.

- The Company issued 100,000 common shares with fair value of $50,000 to one of the legal counsels of the Company for the legal services provided subsequent to December 31. 2020.

- The Company issued 100,000 common shares with fair value of $50,000 to a vendor to settle the outstanding payables. This amount was recorded as obligation to issue shares as of December 31, 2020.

- In connection with private placements completed subsequent to December 31. 2020, the Company incurred share issue costs of $1,974,384 of which $1,786,000 was satisfied by issuing 3,572,000 common shares of the Company.

- The Company entered into an arm's-length agreements with a consultant in providing the consulting services to the Company. The agreements are for a one-year term. The Company issued a total of 250,000 of its share purchases warrants in consideration for the consulting services. Each warrant entitles its holder to purchase one additional common share at an exercise price of $3.50 for a period of two-year from the date of issuance.

- The Company entered into an arm's-length agreements with a consultant in providing capital market advisory services to the Company. The agreements are for a one-year term. The Company issued a total of 333,333 of its share purchases warrants in consideration for the consulting services. Each warrant entitles its holder to purchase one additional common share at an exercise price of $3.50 for a period of two-year from the date of issuance.

APPENDIX "D"
MD&A OF VAXXINATOR

(See attached)

VAXXINATOR ENTERPRISES INC.

Management's Discussion and Analysis

June 30, 2021

(Expressed in United States Dollars)

Table of Contents

INTRODUCTION

This Management's Discussion and Analysis ("MD&A") is intended to help the reader understand Vaxxinator Enterprises Inc. ("Vaxx", "Vaxxinator", "we", "our" or the "Company"), our operations, financial performance, and current and future business environment. This MD&A is intended to supplement and complement the unaudited condensed consolidated financial statements and notes thereto prepared in accordance with International Financial Reporting Standards ("IFRS") for the six months ended June 30, 2021. This MD&A should be read in conjunction with the unaudited condensed consolidated interim financial statements of the Company and the notes relating thereto, for the six months ended June 30, 2021, and the annual management discussion and analysis for the year ended December 31, 2020.

This MD&A is prepared as of August 17, 2021. All dollar amounts in this MD&A are expressed in thousands of United States dollars ("$", "US$" or "US dollar"), unless otherwise specified. Canadian dollars and Euros are referred to as "CA$" and "€", respectively.

FORWARD LOOKING STATEMENTS

Certain information provided in this MD&A constitutes forward-looking statements or information (collectively, "forward-looking statements"). Forward-looking statements are typically identified by words such as "may", "will", "should", "could", "anticipate", "expect", "project", "estimate", "forecast", "plan", "intend", "target", "believe" and similar words suggesting future outcomes or statements regarding an outlook. Although these forward-looking statements are based on assumptions the Company considers to be reasonable based on the information available on the date such statements are made, such statements are not guarantees of future performance and readers are cautioned against placing undue reliance on forward-looking statements. By their nature, these statements involve a variety of assumptions, known and unknown risks and uncertainties, and other factors which may cause actual results, levels of activity, and achievements to differ materially from those expressed or implied by such statements. The forward-looking statements contained in this MD&A are based on certain assumptions and analysis by management of the Company ("Management") in light of its experience and perception of historical trends, current conditions and expected future development and other factors that it believes are appropriate. The material factors and assumptions used to develop the forward-looking statements herein include, but are not limited to, the following: (i) the impact of the COVID-19 pandemic (ii) the regulatory climate in which the Company operates; (iii) the continued sales success of the Company's products; (iv) the continued success of sales and marketing activities; (v) the absence of significant delays in the development and commercialization of the Company's products; (vi) there being no significant reduction in the availability of qualified and cost-effective human resources; (vii) new products continuing to be added to the Company's portfolio; (viii) the demand for hemp-based wellness products continuing to grow in the foreseeable future; (ix) the absence of significant barriers to the acceptance of the Company's products in the market; (x) the Company being able to maintain compliance with applicable contractual and regulatory obligations and requirements; (x) the Company having adequate liquidity available to carry out its operations; (xi) no competitive products being developed that would render the Company's current and future product offerings undesirable; (xii) the Company being able to minimize the impact of competition and keep pace with changing consumer preferences; and (xiii) the Company being able to successfully manage and integrate acquisitions, if any.

The Company's forward-looking statements are subject to risks and uncertainties pertaining to, among other things, the adverse impact of the COVID-19 pandemic to our operations, our supply chain, our distribution chain, and to the broader market for our products, revenue fluctuations, nature of government regulations (both domestic and foreign), economic conditions, loss of key customers, retention and availability of executive talent, competing products, the effectiveness of ecommerce marketing strategies, loss of proprietary information, product acceptance, internet and system infrastructure functionality, information technology security, cash available to fund operations,

availability of capital and, international and political considerations, the successful integration of acquired businesses, if any, as well as the risks and uncertainties discussed under the heading "Risks and Uncertainties" in this MD&A. The impact of any one risk, uncertainty, or factor on a particular forward-looking statement is not determinable with certainty as these are interdependent, and the Company's future course of action depends on Management's assessment of all information available at the relevant time. Except to the extent required by law, the Company assumes no obligation to publicly update or revise any forward-looking statements made in this MD&A, whether as a result of new information, future events, or otherwise. All subsequent forward-looking statements, whether written or oral, attributable to the Company or persons acting on the Company's behalf, are expressly qualified in their entirety by these cautionary statements.

COMPANY OVERVIEW

The Company was incorporated by Certificate of Incorporation issued pursuant to the provisions of the British Columbia Business Corporations Act on September 30, 2019. The Company is a biotechnology products company that researches, develops, and distributes proprietary and patented air purification and surface coatings (anti-viral products). The Company's products are developed and manufactured with patented technology developed by leading a German scientist. The Company's technologies are disruptive in nature and solve the real-world problems such as eliminating viruses and bacteria. The Company launched its first commercial air purification products during the second quarter of 2021. The Atmofizer One and the Atmofizer Pro air purification products were launched in the US market during the second quarter of 2021. The Company has expanded its sells outside the US starting in July of 2021 and is selling products also in Canada, the UK, Germany and other EU countries. The head office and the registered address of the Company is located at Suite 2300 - 550 Burrard Street, Vancouver, BC V6C 2B5. On October 14, 2020, The Better Tomorrow Project LLC (formerly Vaxxinator USA LLC) ("Vaxx USA"), a wholly-owned subsidiary of the Company, was incorporated under the laws of Florida. On February 22, 2021, Vaxxinator Lease Co., LLC ("Vaxx Lease"), of which 60% interest is held by Vaxx USA, was incorporated under the laws of the State of Nevada. The Company's performance and future success depends on a number of factors. These factors are also subject to a number of inherent risks and challenges which had been discussed under the heading "Risk and Uncertainties".

HIGHLIGHTS

- On February 5, 2021, the Company completed a private placement and issued 4,940,000 common shares at a price of $0.50 per share for gross proceeds of $2,470,000.

- On April 15, 2021, the Company granted 1,800,000 options with an exercise price of $0.50 to the Company's Chief Executive Officer (the "CEO").

- In May 2021 and June 2021, the Company completed a private placement of 2,478,267 units (the "Units") at a price of $3.00 per Unit for gross proceeds of $7,434,801. The private placement was completed in different tranches. Each Unit consists of one common share and one half common share purchase warrant. Each whole warrant entitles its holder to purchase one additional common share at an exercise price of $3.50 for a period of two-year from the date of issuance of the warrants, subject to acceleration in the event that the common shares of the Company trade on a recognized Canadian stock exchange and the volume-weighted average price is equal or greater to $7.00 for five consecutive trading days.

- On May 17, 2021, the Company entered into an intellectual property license agreement (the "IP License Agreement") for the exclusive use of a licensed technology. Pursuant to the terms of the IP License Agreement:

- the Company made cash payments of €4,500,000 (€2,000,000 upon execution of the IP License Agreement and €2,500,000 on June 7, 2021); and

- issued 7,600,000 Common Shares upon execution of the IP License Agreement (with fair value of $3,800,000).

See "The IP License Agreement" below for details.

- The Company entered into an arm's-length agreements with a consultant in providing the consulting services to the Company. The agreements are for a one-year term. The Company issued a total of 250,000 of its share purchases warrants in consideration for the consulting services. Each warrant entitles its holder to purchase one additional common share at an exercise price of $3.50 for a period of two-year from the date of issuance.

- The Company entered into an arm's-length agreements with a consultant in providing capital market advisory services to the Company. The agreements are for a one-year term. The Company issued a total of 333,333 of its share purchases warrants in consideration for the consulting services. Each warrant entitles its holder to purchase one additional common share at an exercise price of $3.50 for a period of two-year from the date of issuance.

- The Company launched its first commercial air purification products during the second quarter. Two commercial products were launched - the Atmofizer One and the Atmofizer Pro. (see www.atmofizer.com for more information)

The IP License Agreement

2020 Intellectual Property Licensing Agreements
On September 16, 2020, the Company entered into two intellectual property agreements with Vaxxinator Coating B.V. ("Vaxxinator Coating") and Vaxxinator Air B.V. ("Vaxxinator Air") to acquire co-ownership rights to certain surface coating products and air purification products (the "2020 IP Agreements"). As consideration under the 2020 IP Agreements, during the year ended December 31, 2020, the Company issued 7,500,000 common shares with fair value of $150,000. The 2020 IP Agreements were further amended on May 17, 2021.

Pursuant to IAS 38 "Intangible Assets", the 2020 IP Agreements did not meet the criterion for recognized as intangible assets; as a result, the Company recognized the $150,000 as of research and development expenses during the year ended December 31, 2020.

2021 Intellectual Property Licensing Agreements
On May 17, 2021, the Company entered into additional intellectual property agreements with Vaxxinator Coating, Smart Material Printing B.V. ("Smart Material") and Windplussonne GmbH ("Windplussonne") for the exclusive use of certain air purification technology (the "2021 IP Agreements"). As consideration under 2021 IP Agreements, the Company issued 7,600,000 common shares with fair value of $3,800,000 and paid cash in the aggregate amount of $5,446,000 (€4,500,000).

The 2021 IP Agreements consist of two (2) upstream exclusive licenses granted by each of Smart Material and Windplussonne to Vaxxinator Coating, with each agreement effective as of May 17, 2021. Contemporaneously, Vaxxinator Coating licensed the technologies of Smart Material and Windplussonne to Vaxxinator in a downstream exclusive license to Vaxxinator. There are two further addendums to the downstream license dated May 17, 2021 and June 22, 2021. The 2021 IP Agreements have a common feature that the license fields include (i) air and water purification technology capable of removing viruses, bacteria, Ultrafine Particles including mold and spores through

(Expressed in United States Dollars unless otherwise specified)

aggregation; and (ii) thin coating with virucidal and bactericidal materials for use in combatting viruses and bacteria on surfaces (the "Licensed Fields").

SELECTED FINANCIAL INFORMATION

The figures in the following table are based on the audited consolidated financial statements of the Company which were prepared in accordance with IFRS as issued by the International Accounting Standards Board.

	For the six months ended		
	June 30, 2021	**June 30, 2020**	**June 30, 2019**
	$	**$**	**$**
Sales	53,000	-	N/A
Gross margin	20,488	-	N/A
Operating expenses	3,780,987	(44)	N/A
Interest and miscellaneous income	1,113	-	N/A
Net income (loss) for the period	(3,759,386)	44	N/A
Comprehensive income (loss) for the period	(3,759,386)	44	N/A
Basic and diluted earning (loss) per share:	(0.06)	11.00	N/A

As at	**June 30, 2021**	**December 31, 2020**	**December 31, 2019**
	$	**$**	**$**
Working capital (deficiency)	4,561,448	2,228,426	(2,911)
Total assets	14,485,849	2,381,236	326
Total liabilities	450,648	152,810	3,237
Share capital	18,505,848	2,704,431	4
Deficit	(4,939,019)	(1,171,005)	(2,915)

Vaxx was incorporated in September 2019 and the business activities were limited in its first year of operations and first quarter of 2020. From the fourth quarter of 2020, the Company continued to develop its business in the health and wellness space and pursued activities targeted at developing technology in the area of air purification and surface coatings. The increase in operating expenses in the second quarter of 2021 reflect the expenses incurred to develop technology aimed at developing products in these fields. Consulting fees were incurred in the development of the air and surface coating technologies in the second quarter of 2021. Two key intellectual agreements were also entered into in the fourth quarter of 2020 that gave the company access to technology and knowhow in air purification and surface coatings, which incurred significant costs in research and development, legal fees and consulting fees. Additionally, the Company raised funds through a private placement in the fourth quarter of 2020 and the second quarter of 2021 and incurred legal fees in the course of raising those funds.

(Expressed in United States Dollars unless otherwise specified)

SUMMARY OF QUARTERLY RESULTS

	Three months ended			
	June 30, 2021	**March 31, 2021**	**December 31, 2020**	**September 30, 2020**
	$	**$**	**$**	**$**
Sales	53,000	-	-	-
Gross margin	20,488	-	-	-
Interest income	1,113	-	-	-
Net income (loss)	(1,433,118)	(2,326,268)	(1,150,516)	(17,618)
Comprehensive loss	(1,433,118)	(2,326,268)	(1,150,516)	(17,618)
Basic and diluted loss per share	(0.02)	(0.04)	(0.04)	(4,405.00)

	Three months ended			
	June 30, 2020	**March 31, 2020**	**December 31, 2019**	**September 30, 2019**
	$	**$**	**$**	**$**
Sales	-	-	-	N/A
Gross margin	-	-	-	N/A
Interest income	-	-	-	N/A
Net income (loss)	-	44	(2,915)	N/A
Comprehensive loss	-	44	(2,915)	N/A
Basic and diluted loss per share	-	11.00	(728.75)	N/A

Vaxx was incorporated on September 30, 2019 and had a limited operation until the fourth quarter of 2020. Expenses in the fourth quarter of 2019 reflect the incorporation costs of the Company. The Company's shareholders commenced their review of business opportunities in the area of health and wellness in the fourth quarter of 2019. With the advent of the COVID-19 pandemic starting in the first quarter of 2020, the Company began searching for opportunities that would help consumers and businesses cope with the pandemic. The Company evaluated various opportunities during 2020, and identified promising technologies towards the end of the second quarter of 2020. During the third quarter of 2020, these technologies were assessed by consultants of the Company, culminating in two intellectual property agreements entered into in September 2020. During the first and second quarter of 2021 and the fourth quarter of 2020, the Company began raising capital in order to develop the technologies acquired through the IP Agreements. Expenses in research and development, legal and professional and consulting fees were incurred to raise capital and develop the technologies.

RESULTS OF OPERATIONS

Three months ended June 30, 2021

During the three months ended June 30, 2021, the Company continued to raise equity to develop the technologies acquired through the IP Agreements.

During the three months ended June 30, 2021, the Company launched its first two commercial products, the Atmofizer One and the Atmofizer Pro and recognized its first commercial sales of $53,000.

During the three months ended June 30, 2021, the Company recorded net loss of $1,433,118 compared to a net loss of $nil for the three months ended June 30, 2020.

During the three months ended June 30, 2021, the Company through Vaxx Lease entered into a lease agreement with one of our customers. The lease was classified as finance lease pursuant to IFRS 16 Leases; as a result, the

Company recognized the fair value of the leased assets as revenue ($53,000) and recognized the costs of the leased assets as cost of goods sold ($32,512) and resulted in a gross profit of $20,488.

During the three months ended June 30, 2021, the Company incurred the following significant expenditures:

- Consulting fees of $243,512 ($31,250 of which was satisfied by issuing the Company's common shares);
- Management fees of $258,750 ($187,500 of which was satisfied by issuing the Company's common shares) paid to the Company's Chief Executive Officer and Chief Financial Officers;
- Professional fees of $101,733, which included legal fees of $77,944 and accounting fees of $23,789; and
- Research and development costs of $343,072;
- Salaries and wages of $63,942;
- Sales and marketing costs of $105,921; and
- Share-based payments of $ 197,744.

Six months ended June 30, 2021

During the six months ended June 30, 2021, the Company continued to raise equity to develop the technologies acquired through the IP Agreements.

During the six months ended June 30, 2021, the Company launched its first two commercial products, the Atmofizer One and the Atmofizer Pro and recognized its first commercial sales of $53,000.

During the six months ended June 30, 2021, the Company recorded net loss of $3,759,386 compared to a net income of $44 for the six months ended June 30, 2020.

During the six months ended June 30, 2021, the Company through Vaxx Lease entered into a lease agreement with one of our customers. The lease was classified as finance lease pursuant to IFRS 16 Leases; as a result, the Company recognized the fair value of the leased assets as revenue ($53,000) and recognized the costs of the leased assets as cost of goods sold ($32,512) and resulted in a gross profit of $20,488.

During the six months ended June 30, 2021, the Company incurred the following significant expenditures:

- Consulting fees of $1,717,184 ($1,372,500 of which was satisfied by issuing the Company's common shares);
- Management fees of $513,750 ($3750,000 of which was satisfied by issuing the Company's common shares) paid to the Company's Chief Executive Officer and Chief Financial Officers;
- Professional fees of $201,293, which included legal fees of $174,512 ($50,000 of which was satisfied by issuing the Company's common shares) and accounting fees of $26,781; and
- Research and development costs of $563,184;
- Salaries and wages of $63,942;
- Sales and marketing costs of $317,039; and
- Share-based payments of $ 197,744.

Earnings before Interest, Taxes, Depreciation, and Amortization ("EBITDA") and Adjusted EBITDA (Non-GAAP Measures)

EBITDA and Adjusted EBITDA are non-GAAP measures used by management that are not defined by IFRS. EBITDA and Adjusted EBITDA do not have a standardized meaning prescribed by IFRS and therefore may not be Comparable to similar measures presented by other issuers. Management believes that EBITDA and Adjusted EBITDA provide meaningful and useful financial information as these measures demonstrate the operating performance of business excluding non-cash charges.

(Expressed in United States Dollars unless otherwise specified)

The most directly comparable measure to EBITDA and Adjusted EIBTDA calculated in accordance with IFRS is net loss.

	for the three months ended		For the six months ended	
	June 30, 2021	June 30, 2020	June 30, 2021	June 30, 2020
	$	$	$	$
Total income (loss) and comprehensive income (loss)	**(1,433,118)**	**-**	**(3,759,386)**	**44**
Add (less):				
Depreciation	356	-	356	-
EBITDA	**(1,432,762)**	**-**	**(3,759,030)**	**44**
Add (less):				
Share-based payments	197,744	-	197,744	-
Management and consulting fees paid by common shares	218,750	-	1,797,500	-
Adjusted EBITDA	**(1,016,268)**	**-**	**(1,763,786)**	**44**

PROPOSED TRANSACTIONS

The Company and Consolidated HCI (CHCI) entered into the Business Combination Agreement (BCA) dated effective July 15, 2021 for the purpose of effecting the Business Combination, pursuant to which CHCI will acquire all of the issued and outstanding common shares the Company. Completion of the transactions contemplated in the BCA will result in the reverse takeover of CHCI by Vaxxinator. Pursuant to the Combination Agreement, CHCI and Vaxxinator will complete an arm's length business combination by way of a three-cornered amalgamation pursuant to the provisions of the Business Corporations Act (British Columbia). The shareholders of Vaxxinator (the "Vaxxinator Shareholders"), other than the Vaxxinator Shareholders who exercise their dissent rights, will receive, subject to adjustment, one common share in the capital of CHCI (a "CHCI Share") (on a post-CHCI consolidation basis) for each common share in the authorized share structure of Vaxxinator held. In addition, all outstanding warrants of Vaxxinator will be exchanged for warrants of the issuer resulting from the Proposed Transaction (the "Resulting Issuer"), respectively, on equivalent terms after having given effect to all of the transactions contemplated by the Proposed Transaction. As contemplated by the Combination Agreement, CHCI and Vaxxinator intend to apply to delist the common shares in the capital of CHCI from the NEX Board of the TSX Venture Exchange (the "TSXV") and apply to the NEO Exchange (the "NEO") for the listing of the common shares in the capital of the Resulting Issuer (as defined below) and to close the Proposed Transaction on the NEO. The delisting of CHCI from the TSXV is subject to approval by a majority of the minority shareholders of CHCI. As a condition precedent of the Proposed Transaction, CHCI's board of directors and shareholders will approve a consolidation of CHCI's issued and outstanding share capital. For illustrative purposes, the CHCI Shares will be consolidated on a 24.691:1 basis (the "Share Consolidation"). Upon completion of the Proposed Transaction, assuming completion of the Share Consolidation, former Vaxxinator Shareholders will hold, in the aggregate, approximately 71,140,270 common shares (the "Resulting Issuer Shares") in the capital of the Resulting Issuer, representing approximately 97.7% of the outstanding Resulting Issuer Shares and existing holders of CHCI Shares (the "CHCI Shareholders") will hold, in the aggregate, approximately 833,334 Resulting Issuer Shares, representing approximately 1.1% of the outstanding Resulting Issuer Shares.

The completion of the Proposed Transaction is subject to the satisfaction of various conditions, including but not limited to: (i) the approval of the delisting of the CHCI Shares from the TSXV; (ii) the approval of the listing of the CHCI Shares on the NEO; (iii) the approval of the Proposed Transaction by the requisite majority of Vaxxinator

Shareholders; (iv) the approval of various matters related to the Proposed Transaction by the requisite majority of CHCI Shareholders; and (v) other conditions customary for a transaction of this nature.

In connection with the Proposed Transaction, CHCI intends to change its name to "The Better Tomorrow Project Ltd." and to replace all directors and officers of CHCI on the effective date of the Proposed Transaction with nominees of Vaxxinator.

LIQUIDITY AND CAPITAL RESOURCES

The Company's activities have been funded through equity financings and the Company expects it will continue to be able to utilize this source of financing until it develops cash flow from future operations.

On February 5, 2021, the Company completed a private placement and issued 4,940,000 common shares at a price of $0.50 per share for gross proceeds of $2,470,000.

In May 2021 and June 2021, the Company completed a private placement of 2,478,267 Units at a price of $3.00 per Unit for gross proceeds of $7,434,801.

In July 2021, the Company issued 1,349,999 Units at a price of $3.00 per Unit for gross proceeds of $4,049,997

There can be no assurances the Company will be successful in its endeavors. If such funds are not available or other sources of finance cannot be obtained, the Company may be forced to curtail its activities to a level for which funding is available or can be obtained.

As of the date of this MD&A and June 30, 2021, the Company has working capital of $7,895,802 and $4,561,448, respectively.

OUTSTANDING SHARE DATA

At June 30, 2021 and December 31, 2020, the Company had 69,790,271 and 46,630,004 common shares issued and outstanding, respectively.

During the six months ended June 30, 2021

- On February 5, 2021, the Company completed a private placement and issued 4,940,000 common shares at a price of $0.50 per share for gross proceeds of $2,470,000 of which $645,000 was received during the year ended December 31, 2020.

- On April 15, 2021, the Company granted 1,800,000 options with an exercise price of $0.50 to the CEO. The options are exercisable for a period of five years. The options will vest evenly over the twenty-four months period immediately after the grant date.

- On May 17, 2021, the Company issued 7,600,000 Common Shares upon execution of the IP License Agreement.

- In May 2021 and June 2021, the Company completed a private placement of 2,478,267 Units at a price of $3.00 per Unit for gross proceeds of $7,434,801. The private placement was completed in different tranches. Each Unit consists of one common share and one-half common share purchase warrant. Each whole warrant entitles its holder to purchase one additional common share at an exercise price of $3.50 for a period of two-year from the

date of issuance of the warrants, subject to acceleration in the event that the common shares of the Company trade on a recognized Canadian stock exchange and the volume-weighted average price is equal or greater to $7.00 for five consecutive trading days.

- The Company issued 1,500,000 common shares with fair value of $750,000 to the Company's Chief Financial Officer for the management services to be provided during the year ended December 31, 2021.

- The Company issued 250,000 common shares with fair value of $125,000 to the Company's advisor for the sales advisory services to be provided during the year ended December 31, 2021.

- The Company issued 2,620,000 common shares with fair value of $1,310,000 to various consultants for the consulting services provided during the six months ended June 30, 2021.

- The Company issued 100,000 common shares with fair value of $50,000 to one of the legal counsels of the Company for the legal services provided the six months ended June 30, 2021.

- The Company issued 100,000 common shares with fair value of $50,000 to a vendor to settle the outstanding payables. This amount was recorded as obligation to issue shares as of December 31, 2020.

- In connection with private placements completed during the six months ended June 30, 2021, the Company incurred share issue costs of $1,974,384 of which $1,786,000 was satisfied by issuing 3,572,000 common shares of the Company.

Subsequent to June 30, 2021

- The Company issued 1,349,999 Units at a price of $3.00 per Unit for gross proceeds of $4,049,997 of which $250,000 was received during the six months end June 30, 2021.

- The Company entered into an arm's-length agreements with a consultant to provide management consulting services to the Company. The agreements are for a one-year term. The Company issued a total of 250,000 of its share purchases warrants in consideration for the consulting services. Each warrant entitles its holder to purchase one additional common share at an exercise price of $3.50 for a period of two-year from the date of issuance.

- The Company entered into an arm's-length agreements with a consultant in providing capital market advisory services to the Company. The agreements are for a one-year term. The Company issued a total of 333,333 of its share purchases warrants in consideration for the consulting services. Each warrant entitles its holder to purchase one additional common share at an exercise price of $3.50 for a period of two-year from the date of issuance.

As at the date of this MD&A, the Company had 71,140,270 common shares issued and outstanding.

In addition, as at the date of this MD&A, the Company had 2,497,460 share purchase warrants with exercise prices of $3.50 per share and 1,800,000 share purchase warrants with exercise prices of $0.50 per share issued and outstanding.

OFF-BALANCE SHEET ARRANGEMENTS

As of June 30, 2021 and the date of this MD&A, the Company did not have any off-balance sheet financing arrangements.

TRANSACTIONS BETWEEN RELATED PARTIES

Key Management personnel include persons having the authority and responsibility for planning, directing, and controlling the activities of the Company as a whole. The Company has determined that key Management personnel consists of executive and non-executive members of the Company's board of directors and corporate officers.

Below are the related persons or entities of the Company:

- Olivier Centner — Chief Executive Officer and Director
- Brian Meadows — Chief Financial Officer and Director
- Torsten Maehle — Former Interim Chief Executive Officer and Former Director
- Campbell Becher — Former Chief Executive Officer and Former Director

During the six months ended June 30, 2021, the short-term benefits incurred for the key management personnel were $513,750 (June 30, 2020 – $nil) of which $375,000 was settled by issuing the common shares of the Company. As discussed in Note 4, during the six months ended June 30, 2021, the Company issued 1,500,000 common shares with fair value of $750,000 to the Company's Chief Financial Officer for the management services to be provided during the year ended December 31, 2021. During the six months ended June 30, 2021, $375,000 (June 30, 2020 – $nil) was charged to the statement of income (loss) and comprehensive income (loss) as management fees.

In addition, during the six months ended June 30, 2021, the Company granted 1,800,000 options (June 30, 2020 – nil) with an exercise price of $0.50 to the CEO and recognized share-based payments of $197,744 June 30, 2020 – $nil).

During the six months ended June 30, 2021, the Company incurred $180,180 (June 30, 2020 – $nil) in development expenses with a company that was 49% owned by the Company's CEO for internet connectivity and application development for its air purification products. The Company will own the software and application at the end of the project.

CRITICAL ACCOUNTING ESTIMATES

The preparation of our consolidated financial statements requires Management to use judgment and make estimates and assumptions that affect the reported amounts assets and liabilities and disclosures of contingent liabilities at the date of the financial statements and the reported amount of expenses during the period. Actual results could materially differ from these estimates. Refer to note 2 of our annual audited consolidated financial statements for the year ended December 31, 2020 for a more detailed discussion of the critical accounting estimates and judgments.

CHANGES IN ACCOUNTING POLICIES INCLUDING INITIAL ADOPTION

New accounting standards

There were no new or amended IFRS pronouncements effective January 1, 2021 that impacted these condensed consolidated interim financial statements.

There were no significant changes in accounting policies applied by the Company in preparing the condensed consolidated interim financial statements for the six months ended June 30, 2021 compared to those used in the most recent annual consolidated financial statements of December 31, 2020, except for the followings:

Leases

In case of lease contracts based on which the Company is acting as a lessor each of its leases is classified as either operating or finance lease. Leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases.

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership to the lessee. Examples of situations where the risks and rewards of ownership are considered as having been transferred to the lessee are as follows:

- the lease transfers ownership of the underlying asset to the lessee by the end of the lease term;
- the lessee has the option to purchase the underlying asset at a price that is expected to be sufficiently lower than the fair value at the date the option becomes exercisable for it to be reasonably certain, at the inception date, that the option will be exercised;
- the lease term is for the major part of the economic life of the underlying asset even if title is not transferred;
- at the inception date, the present value of the lease payments amounts to at least substantially all of the fair value of the underlying asset; or
- the underlying asset is of such a specialized nature that only the lessee can use it without major modifications.

Intangible assets

Intangible assets acquired as part of a business combination, other than goodwill, are initially measured at their fair value at the date of the acquisition. Intangible assets acquired separately are initially recognized at cost. Indefinite life intangible assets are not amortized and are subsequently measured at cost less any impairment. Finite life intangible assets are subsequently measured at cost less amortization and any impairment. The gains or losses recognized in profit or loss arising from the derecognition of intangible assets are measured as the difference between net disposal proceeds and the carrying amount of the intangible asset. The method and useful lives of finite life intangible assets are reviewed annually. Changes in the expected pattern of consumption or useful life are accounted for prospectively by changing the amortization method or period.

During the six months ended June 30, 2021, no amortization was charged on the intellectual property as it is not ready for use.

FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

Fair value

The carrying values of cash, amounts receivable, accounts payable and accrued liabilities approximate their fair values due to the relatively short period to maturity of those financial instruments.

Financial instruments recorded at fair value on the consolidated statements of financial position are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The hierarchy

(Expressed in United States Dollars unless otherwise specified)

gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities and the lowest priority to unobservable inputs.

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

Level 1: Unadjusted quoted prices in active markets for identical assets or liabilities;
Level 2: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
Level 3: Inputs that are not based on observable market data.

As at June 30, 2021 and December 31, 2020, the financial instrument recorded at fair value on the consolidated statement of financial position is cash which is measured using Level 1 of the fair value hierarchy.

Set out below are the Company's financial assets and financial liabilities by category:

	June 30, 2021 $	FVTPL $	Amortized costs $	FVTOCI $
Financial assets:				
ASSETS				
Cash	2,959,026	2,959,026	-	-
Amounts receivable	74,141	-	74,141	-
Finance lease receivables	49,935	-	49,935	-
Financial liabilities:				
LIABILITIES				
Accounts payable and accrued liabilities	450,648	-	450,648	-

	December 31, 2020 $	FVTPL $	Amortized costs $	FVTOCI $
Financial assets:				
ASSETS				
Cash	1,415,494	1,415,494	-	-
Amounts receivable	19,522	-	19,522	-
Finance lease receivables	-	-	-	-
Financial liabilities:				
LIABILITIES				
Accounts payable and accrued liabilities	152,810	-	152,810	-

Financial risk management

Credit risk
Credit risk is such that a counterparty to a financial instrument will not discharge its obligations resulting in a financial loss to the Company. The Company has procedures in place to minimize its exposure to credit risk.

Company management evaluates credit risk on an ongoing basis including counterparty credit rating and activities related to receivables and other counterparty concentrations as measured by amount and percentage.

The primary sources of credit risk for the Company arise from cash, amounts receivable and finance lease receivable. The Company's maximum exposure to credit risk is minimal as cash is deposited with reputable financial institutions.

Amounts receivable are due from a government agency.

For finance lease receivable, the Company deals with creditworthy counterparties to mitigate the risk of financial loss from defaults. The Company monitors the credit risk of customers through credit rating reviews.

Liquidity risk
Liquidity risk is the risk that an entity will encounter difficulty raising funds to meet commitments associated with financial instruments. The Company manages liquidity by maintaining adequate cash balances to meet liabilities as they become due. As of June 30, 2021, the Company had cash of $2,959,026 to meet short-term business requirements. As of June 30, 2021, the Company had current liabilities of $450,648.

Market risk
The significant market risks to which the Company is exposed are interest rate risk, currency risk, other price risk, and commodity price risk.

- Interest rate risk
  Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to interest rate risk as no financial instruments of the Company as of June 30, 2021 are interest-bearings.

- Currency risk
  The Company is exposed to currency risk to the extent that monetary assets and liabilities held by the Company are not denominated in Canadian dollars. The Company has not entered into any foreign currency contracts to mitigate this risk.

  The Company's cash, amounts receivable and accounts payable and accrued liabilities are held in USD, Canadian Dollars ("CA$"), and European Dollar ("Euro" or "€"); therefore, CA$ and Euro accounts are subject to fluctuation against the Canadian dollar.

  The Company had the following balances in foreign currency as at June 30, 2021:

	US$	**CA$**	EURO$
Cash	2,882,785	94,501	-
Amounts receivable	5,105	85,571	-
Finance lease receivables	49,935	-	-
Accounts payable and accrued liabilities	(174,521)	(309,863)	(22,004)
	2,763,304	**(129,791)**	**(22,004)**
Rate to convert to $1.00 USD	1.00000	0.80678	1.18778
Equivalent to USD	**2,763,304**	**(104,712)**	**(26,136)**

  Based on the above net exposures as at June 30, 2021, and assuming that all other variables remain constant, a 10% appreciation or depreciation of the USD against the CAD and EURO would increase/decrease comprehensive loss by $33,000.

VAXXINATOR ENTERPRISES INC.

Management's Discussion and Analysis

FOR THE YEAR ENDED DECEMBER 31, 2020

(Expressed in United States Dollars)

Table of Contents

INTRODUCTION

This Management's Discussion and Analysis ("MD&A") is intended to help the reader understand Vaxxinator Enterprises Inc. ("Vaxx", "we", "our" or the "Company"), our operations, financial performance, and current and future business environment. This MD&A is intended to supplement and complement the consolidated financial statements and notes thereto prepared in accordance with International Financial Reporting Standards ("IFRS") for the year ended December 31, 2020. This MD&A should be read in conjunction with our audited consolidated financial statements for the year ended December 31, 2020.

This MD&A is prepared as of August 17, 2021. All dollar amounts in this MD&A are expressed in thousands of United States dollars ("$", "US$" or "US dollar"), unless otherwise specified. Canadian dollars and Euros are referred to as "CA$" and "€", respectively.

FORWARD LOOKING STATEMENTS

Certain information provided in this MD&A constitutes forward-looking statements or information (collectively, "forward-looking statements"). Forward-looking statements are typically identified by words such as "may", "will", "should", "could", "anticipate", "expect", "project", "estimate", "forecast", "plan", "intend", "target", "believe" and similar words suggesting future outcomes or statements regarding an outlook. Although these forward-looking statements are based on assumptions the Company considers to be reasonable based on the information available on the date such statements are made, such statements are not guarantees of future performance and readers are cautioned against placing undue reliance on forward-looking statements. By their nature, these statements involve a variety of assumptions, known and unknown risks and uncertainties, and other factors which may cause actual results, levels of activity, and achievements to differ materially from those expressed or implied by such statements. The forward-looking statements contained in this MD&A are based on certain assumptions and analysis by management of the Company ("Management") in light of its experience and perception of historical trends, current conditions and expected future development and other factors that it believes are appropriate. The material factors and assumptions used to develop the forward-looking statements herein include, but are not limited to, the following: (i) the impact of the COVID-19 pandemic (ii) the regulatory climate in which the Company operates; (iii) the continued sales success of the Company's products; (iv) the continued success of sales and marketing activities; (v) the absence of significant delays in the development and commercialization of the Company's products; (vi) there being no significant reduction in the availability of qualified and cost-effective human resources; (vii) new products continuing to be added to the Company's portfolio; (viii) the demand for hemp-based wellness products continuing to grow in the foreseeable future; (ix) the absence of significant barriers to the acceptance of the Company's products in the market; (x) the Company being able to maintain compliance with applicable contractual and regulatory obligations and requirements; (x) the Company having adequate liquidity available to carry out its operations; (xi) no competitive products being developed that would render the Company's current and future product offerings undesirable; (xii) the Company being able to minimize the impact of competition and keep pace with changing consumer preferences; and (xiii) the Company being able to successfully manage and integrate acquisitions, if any.

The Company's forward-looking statements are subject to risks and uncertainties pertaining to, among other things, the adverse impact of the COVID-19 pandemic to our operations, our supply chain, our distribution chain, and to the broader market for our products, revenue fluctuations, nature of government regulations (both domestic and foreign), economic conditions, loss of key customers, retention and availability of executive talent, competing products, the effectiveness of ecommerce marketing strategies, loss of proprietary information, product acceptance, internet and system infrastructure functionality, information technology security, cash available to fund operations, availability of capital and, international and political considerations, the successful integration of acquired

businesses, if any, as well as the risks and uncertainties discussed under the heading "Risks and Uncertainties" in this MD&A. The impact of any one risk, uncertainty, or factor on a particular forward-looking statement is not determinable with certainty as these are interdependent, and the Company's future course of action depends on Management's assessment of all information available at the relevant time. Except to the extent required by law, the Company assumes no obligation to publicly update or revise any forward-looking statements made in this MD&A, whether as a result of new information, future events, or otherwise. All subsequent forward-looking statements, whether written or oral, attributable to the Company or persons acting on the Company's behalf, are expressly qualified in their entirety by these cautionary statements.

COMPANY OVERVIEW

The Company was incorporated by Certificate of Incorporation issued pursuant to the provisions of the British Columbia Business Corporations Act on September 30, 2019. The Company is a biotechnology products company that researches, develops, and distributes proprietary and patented air purification and surface coatings (anti-viral products). The Company's products are developed and manufactured with patented technology developed by leading a German scientist. The Company's technologies are disruptive in nature and solve the real-world problems such as eliminating viruses and bacteria. The Company launched its first commercial air purification products during the second quarter of 2021. The Atmofizer One and the Atmofizer Pro air purification products were launched in the US market during the second quarter of 2021. The Company has expanded its sells outside the US starting in July of 2021 and is selling products also in Canada, the UK, Germany and other EU countries. The head office and the registered address of the Company is located at Suite 2300 - 550 Burrard Street, Vancouver, BC V6C 2B5. On October 14, 2020, The Better Tomorrow Project LLC (formerly Vaxxinator USA LLC) ("Vaxx USA"), a wholly-owned subsidiary of the Company, was incorporated under the laws of Florida. On February 22, 2021, Vaxxinator Lease Co., LLC ("Vaxx Lease"), of which 60% interest is held by Vaxx USA, was incorporated under the laws of the State of Nevada. The Company's performance and future success depends on a number of factors. These factors are also subject to a number of inherent risks and challenges which had been discussed under the heading "Risk and Uncertainties".

HIGHLIGHTS

- On September 16, 2020, the Company entered into two intellectual property agreements (each an "IP Agreement" and together, the "IP Agreements") to acquire the intellectual property for certain surface coating and air purification technologies. The consideration paid under each IP Agreement was $75,000. The total amount of $150,000 was satisfied by issuing 7,500,000 common shares of the Company to the IP transferor.

- On October 26, 2020, the Company completed a private placement and issued 12,750,000 common shares at a price of $0.02 per share for gross proceeds of $255,000.

- On December 15, 2020, the Company completed a private placement and issued 3,570,000 common shares at a price of $0.50 per share for gross proceeds of $1,785,000.

- On February 5, 2021, the Company completed a private placement and issued 4,940,000 common shares at a price of $0.50 per share for gross proceeds of $2,470,000.

- In May 2021 and June 2021, the Company completed a private placement of 2,478,267 units (the "Units") at a price of $3.00 per Unit for gross proceeds of $7,434,801. The private placement was completed in different tranches. Each Unit consists of one common share and one half common share purchase warrant. Each whole warrant entitles its holder to purchase one additional common share at an exercise price of $3.50 for a period of two-year from the date of issuance of the warrants, subject to acceleration in the event that the common shares

of the Company trade on a recognized Canadian stock exchange and the volume-weighted average price is equal or greater to $7.00 for five consecutive trading days.

- In July 2021, the Company issued 1,349,999 Units at a price of $3.00 per Unit for gross proceeds of $4,049,997.

- On May 17, 2021, the Company entered into an intellectual property license agreement (the "IP License Agreement") for the exclusive use of a licensed technology. Pursuant to the terms of the IP License Agreement:

  - the Company made cash payments of €4,500,000 (€2,000,000 upon execution of the IP License Agreement and €2,500,000 on June 7, 2021); and

  - issued 7,600,000 Common Shares upon execution of the IP License Agreement (with fair value of $3,800,000).

  See "The IP License Agreement" below for details.

- The Company entered into an arm's-length agreements with a consultant in providing the consulting services to the Company. The agreements are for a one-year term. The Company issued a total of 250,000 of its share purchases warrants in consideration for the consulting services. Each warrant entitles its holder to purchase one additional common share at an exercise price of $3.50 for a period of two-year from the date of issuance.

- The Company entered into an arm's-length agreements with a consultant in providing capital market advisory services to the Company. The agreements are for a one-year term. The Company issued a total of 333,333 of its share purchases warrants in consideration for the consulting services. Each warrant entitles its holder to purchase one additional common share at an exercise price of $3.50 for a period of two-year from the date of issuance.

- The Company launched its first commercial air purification products during the second quarter. Two commercial products were launched - the Atmofizer One and the Atmofizer Pro. (see www.atmofizer.com for more information)

The IP License Agreement

2020 Intellectual Property Licensing Agreements

On September 16, 2020, the Company entered into two intellectual property agreements with Vaxxinator Coating B.V. ("Vaxxinator Coating") and Vaxxinator Air B.V. ("Vaxxinator Air") to acquire co-ownership rights to certain surface coating products and air purification products (the "2020 IP Agreements"). As consideration under the 2020 IP Agreements, during the year ended December 31, 2020, the Company issued 7,500,000 common shares with fair value of $150,000. The 2020 IP Agreements were further amended on May 17, 2021.

Pursuant to IAS 38 "Intangible Assets", the 2020 IP Agreements did not meet the criterion for recognized as intangible assets; as a result, the Company recognized the $150,000 as of research and development expenses during the year ended December 31, 2020.

2021 Intellectual Property Licensing Agreements

On May 17, 2021, the Company entered into additional intellectual property agreements with Vaxxinator Coating, Smart Material Printing B.V. ("Smart Material") and Windplussonne GmbH ("Windplussonne") for the exclusive use of certain air purification technology (the "2021 IP Agreements"). As consideration under 2021 IP Agreements, the Company issued 7,600,000 common shares with fair value of $3,800,000 and paid cash in the aggregate amount of $5,446,000 (€4,500,000).

(Expressed in United States Dollars unless otherwise specified)

The 2021 IP Agreements consist of two (2) upstream exclusive licenses granted by each of Smart Material and Windplussonne to Vaxxinator Coating, with each agreement effective as of May 17, 2021. Contemporaneously, Vaxxinator Coating licensed the technologies of Smart Material and Windplussonne to Vaxxinator in a downstream exclusive license to Vaxxinator. There are two further addendums to the downstream license dated May 17, 2021 and June 22, 2021. The 2021 IP Agreements have a common feature that the license fields include (i) air and water purification technology capable of removing viruses, bacteria, Ultrafine Particles including mold and spores through aggregation; and (ii) thin coating with virucidal and bactericidal materials for use in combatting viruses and bacteria on surfaces (the "Licensed Fields").

SELECTED FINANCIAL INFORMATION

The figures in the following table are based on the audited consolidated financial statements of the Company which were prepared in accordance with IFRS as issued by the International Accounting Standards Board.

	For the year ended		
	December 31, 2020	**December 31, 2019**	**December 31, 2018**
	$	**$**	**$**
Operating expenses	1,168,090	2,915	N/A
Interest and miscellaneous income	-	-	N/A
Net loss for the period	(1,168,090)	(2,915)	N/A
Comprehensive loss for the period	(1,168,090)	(2,915)	N/A
Basic and diluted loss per share:	(0.15)	(728.75)	N/A

As at	**December 31, 2020**	**December 31, 2019**	**December 31, 2018**
	$	**$**	**$**
Working capital (deficiency)	2,228,426	(2,911)	N/A
Total assets	2,381,236	326	N/A
Total liabilities	152,810	3,237	N/A
Share capital	2,704,431	4	N/A
Deficit	(1,171,005)	(2,915)	N/A

(1) From the date of incorporation (September 30, 2019) to December 31, 2019.

Vaxx was incorporated in September 2019 and the business activities were limited in its first year of operations. In 2020, the Company continued to develop its business in the health and wellness space and pursued activities targeted at developing technology in the area of air purification and surface coatings. The increase in operating expenses in 2020 reflect the expenses incurred to develop technology aimed at developing products in these fields. Consulting fees were incurred in the development of the air and surface coating technologies in 2020. Two key intellectual agreements were also entered into in 2020 that gave the company access to technology and knowhow in air purification and surface coatings, which incurred significant costs in research and development, legal fees and consulting fees. Additionally, the Company raised funds through a private placement in 2020 and incurred legal fees in the course of raising those funds.

(Expressed in United States Dollars unless otherwise specified)

SUMMARY OF QUARTERLY RESULTS

	Three months ended			
	December 31, 2020	**September 30, 2020**	**June 30, 2020**	**March 31, 2020**
	$	**$**	**$**	**$**
Interest income	-	-	-	-
Net (income) loss	(1,150,516)	(17,618)	-	44
Comprehensive loss	(1,150,516)	(17,618)	-	44
Basic and diluted loss per share	(0.04)	(4,405.00)	-	11.00

	Three months ended			
	December 31, 2019	**September 30, 2019**	**June 30, 2019**	**March 31, 2019**
	$	**$**	**$**	**$**
Interest income	-	-	N/A	N/A
Net (income) loss	(2,915)	-	N/A	N/A
Comprehensive loss	(2,915)	-	N/A	N/A
Basic and diluted loss per share	(728.75)	-	N/A	N/A

Vaxx was incorporated on September 30, 2019 and therefore, no expenses were incurred in the first nine months of 2019. Expenses in the fourth quarter of 2019 reflect the incorporation costs of the Company. The Company's shareholders commenced their review of business opportunities in the area of health and wellness in the fourth quarter of 2019. With the advent of the COVID-19 pandemic starting in the first quarter of 2020, the Company began searching for opportunities that would help consumers and businesses cope with the pandemic. The Company evaluated various opportunities during 2020, and identified promising technologies towards the end of the second quarter of 2020. During the third quarter of 2020, these technologies were assessed by consultants of the Company, culminating in two intellectual property agreements entered into in September 2020. During the fourth quarter of 2020, the Company began raising capital in order to develop the technologies acquired through the IP Agreements. Expenses in research and development, legal and professional and consulting fees were incurred to raise capital and develop the technologies.

RESULTS OF OPERATIONS

Three months ended December 31, 2020

During the three months ended December 31, 2020, the Company recorded net loss of $1,150,516 compared to a net loss of $2,915 for the three months ended December 31, 2019.

During the three months ended December 31, 2020, the Company incurred the following significant expenditures:

- Consulting fees of $679,483 ($536,000 of which was satisfied by issuing the Company's common shares);
- Management fees of $47,500 ($25,000 of which was satisfied by issuing the Company's common shares) paid to the Company's Chief Executive Officer and Chief Financial Officers;
- Professional fees of $138,415, which included legal fees of $135,935 and accounting fees of $2,480; and
- Research and development costs of $161,774, which included intellectual property acquired under the IP Agreements (with a fair value of $150,000).

Year ended December 31, 2020

During the year ended December 31, 2020, the Company recorded net loss of $1,168,090 compared to a net loss of $2,915 for the three months ended December 31, 2019.

During the three months ended December 31, 2020, the Company incurred the following significant expenditures:

- Consulting fees of $679,483 ($536,000 of which was satisfied by issuing the Company's common shares);
- Management fees of $47,500 ($25,000 of which was satisfied by issuing the Company's common shares) paid to the Company's Chief Executive Officer and Chief Financial Officers;
- Professional fees of $156,033, which included legal fees of $153,553 and accounting fees of $2,480; and
- Research and development costs of $161,774, which included intellectual property acquired under the IP Agreements (with a fair value of $150,000).

PROPOSED TRANSACTIONS

The Company and Consolidated HCI (CHCI) entered into the Business Combination Agreement (BCA) dated effective July 15, 2021 for the purpose of effecting the Business Combination, pursuant to which CHCI will acquire all of the issued and outstanding common shares the Company. Completion of the transactions contemplated in the BCA will result in the reverse takeover of CHCI by Vaxxinator. Pursuant to the Combination Agreement, CHCI and Vaxxinator will complete an arm's length business combination by way of a three-cornered amalgamation pursuant to the provisions of the Business Corporations Act (British Columbia). The shareholders of Vaxxinator (the "Vaxxinator Shareholders"), other than the Vaxxinator Shareholders who exercise their dissent rights, will receive, subject to adjustment, one common share in the capital of CHCI (a "CHCI Share") (on a post-CHCI consolidation basis) for each common share in the authorized share structure of Vaxxinator held. In addition, all outstanding warrants of Vaxxinator will be exchanged for warrants of the issuer resulting from the Proposed Transaction (the "Resulting Issuer"), respectively, on equivalent terms after having given effect to all of the transactions contemplated by the Proposed Transaction. As contemplated by the Combination Agreement, CHCI and Vaxxinator intend to apply to delist the common shares in the capital of CHCI from the NEX Board of the TSX Venture Exchange (the "TSXV") and apply to the NEO Exchange (the "NEO") for the listing of the common shares in the capital of the Resulting Issuer (as defined below) and to close the Proposed Transaction on the NEO. The delisting of CHCI from the TSXV is subject to approval by a majority of the minority shareholders of CHCI. As a condition precedent of the Proposed Transaction, CHCI's board of directors and shareholders will approve a consolidation of CHCI's issued and outstanding share capital. For illustrative purposes, the CHCI Shares will be consolidated on a 24.691:1 basis (the "Share Consolidation"). Upon completion of the Proposed Transaction, assuming completion of the Share Consolidation, former Vaxxinator Shareholders will hold, in the aggregate, approximately 71,140,270 common shares (the "Resulting Issuer Shares") in the capital of the Resulting Issuer, representing approximately 97.7% of the outstanding Resulting Issuer Shares and existing holders of CHCI Shares (the "CHCI Shareholders") will hold, in the aggregate, approximately 833,334 Resulting Issuer Shares, representing approximately 1.1% of the outstanding Resulting Issuer Shares.

The completion of the Proposed Transaction is subject to the satisfaction of various conditions, including but not limited to: (i) the approval of the delisting of the CHCI Shares from the TSXV; (ii) the approval of the listing of the CHCI Shares on the NEO; (iii) the approval of the Proposed Transaction by the requisite majority of Vaxxinator Shareholders; (iv) the approval of various matters related to the Proposed Transaction by the requisite majority of CHCI Shareholders; and (v) other conditions customary for a transaction of this nature.

In connection with the Proposed Transaction, CHCI intends to change its name to "The Better Tomorrow Project Ltd." and to replace all directors and officers of CHCI on the effective date of the Proposed Transaction with nominees of Vaxxinator.

LIQUIDITY AND CAPITAL RESOURCES

The Company's activities have been funded through equity financings and the Company expects it will continue to be able to utilize this source of financing until it develops cash flow from future operations.

During the year ended December 31, 2020, the Company closed two private placements for 16,320,000 common shares with total gross proceeds of $2,040,000.

Subsequent to December 31, 2020, the Company completed the following private placements:

- On February 5, 2021, the Company completed a private placement and issued 4,940,000 common shares at a price of $0.50 per share for gross proceeds of $2,470,000.

- In May 2021 and June 2021, the Company completed a private placement of 2,478,267 Units at a price of $3.00 per Unit for gross proceeds of $7,434,801.

- In July 2021, the Company issued 1,349,999 Units at a price of $3.00 per Unit for gross proceeds of $4,049,997.

There can be no assurances the Company will be successful in its endeavors. If such funds are not available or other sources of finance cannot be obtained, the Company may be forced to curtail its activities to a level for which funding is available or can be obtained.

As of the date of this MD&A and December 31, 2020, the Company has working capital of $7,895,802 and $2,228,426, respectively.

OUTSTANDING SHARE DATA

At December 31, 2020 and 2019, the Company had 46,630,004 and 4 common shares issued and outstanding.

During the year ended December 31, 2020

- On September 16, 2020, the Company issued 7,500,000 common shares of the Company pursuant to the IP Agreement.

- On October 26, 2020, the Company completed a private placement and issued 12,750,000 common shares at a price of $0.02 per share for gross proceeds of $255,000.

- On December 15, 2020, the Company completed a private placement and issued 3,570,000 common shares at a price of $0.50 per share for gross proceeds of $1,785,000.

- The Company issued 13,072,000 common shares with fair value of $367,000 to various consultants for the consulting services provided during the year ended December 31, 2020.

- The Company issued 8,450,000 common shares with fair value of $169,000 to one of the Company directors for the consulting services provided during the year ended December 31, 2020.

- The Company issued 1,250,000 common shares with fair value of $25,000 to the Company's Chief Executive Officer for the management services provided during the year ended December 31, 2020.

- The Company issued 88,000 common shares with fair value of $44,000 to various vendors to settle the outstanding payables.

For the period from the date of incorporation (September 30, 2019) to December 31, 2019

- On September 30, 2019, the Company issued 4 shares at $1 per share to the incorporator.

Subsequent to December 31, 2020

- On February 5, 2021, the Company completed a private placement and issued 4,940,000 common shares at a price of $0.50 per share for gross proceeds of $2,470,000 of which $645,000 was received during the year ended December 31, 2020.

- On May 17, 2021, the Company issued 7,600,000 Common Shares upon execution of the IP License Agreement.

- In May 2021 and June 2021, the Company completed a private placement of 2,478,267 Units at a price of $3.00 per Unit for gross proceeds of $7,434,801. The private placement was completed in different tranches. Each Unit consists of one common share and one-half common share purchase warrant. Each whole warrant entitles its holder to purchase one additional common share at an exercise price of $3.50 for a period of two-year from the date of issuance of the warrants, subject to acceleration in the event that the common shares of the Company trade on a recognized Canadian stock exchange and the volume-weighted average price is equal or greater to $7.00 for five consecutive trading days.

- In July 2021, the Company issued 1,349,999 Units at a price of $3.00 per Unit for gross proceeds of $4,049,997.

- The Company issued 1,500,000 common shares with fair value of $750,000 to the Company's Chief Financial Officer for the management services to be provided during the year ended December 31, 2021.

- The Company issued 250,000 common shares with fair value of $125,000 to the Company's advisor for the sales advisory services to be provided during the year ended December 31, 2021.

- The Company issued 2,620,000 common shares with fair value of $1,310,000 to various consultants for the consulting services provided during the six months ended June 30, 2021.

- The Company issued 100,000 common shares with fair value of $50,000 to one of the legal counsels of the Company for the legal services provided the six months ended June 30, 2021.

- The Company issued 100,000 common shares with fair value of $50,000 to a vendor to settle the outstanding payables. This amount was recorded as obligation to issue shares as of December 31, 2020.

- In connection with private placements completed during the six months ended June 30, 2021, the Company incurred share issue costs of $1,974,384 of which $1,786,000 was satisfied by issuing 3,572,000 common shares of the Company.

- The Company entered into an arm's-length agreements with a consultant to provide management consulting services to the Company. The agreements are for a one-year term. The Company issued a total of 250,000 of its share purchases warrants in consideration for the consulting services. Each warrant entitles its holder to purchase one additional common share at an exercise price of $3.50 for a period of two-year from the date of issuance.

- The Company entered into an arm's-length agreements with a consultant in providing capital market advisory services to the Company. The agreements are for a one-year term. The Company issued a total of 333,333 of its share purchases warrants in consideration for the consulting services. Each warrant entitles its holder to purchase one additional common share at an exercise price of $3.50 for a period of two-year from the date of issuance.

As at the date of this MD&A, the Company had 71,140,270 common shares issued and outstanding.

In addition, as at the date of this MD&A, the Company had 2,497,460 share purchase warrants with exercise prices of $3.50 per share issued and outstanding.

OFF-BALANCE SHEET ARRANGEMENTS

As of December 31, 2020 and the date of this MD&A, the Company did not have any off-balance sheet financing arrangements.

TRANSACTIONS BETWEEN RELATED PARTIES

Key Management personnel include persons having the authority and responsibility for planning, directing, and controlling the activities of the Company as a whole. The Company has determined that key Management personnel consists of executive and non-executive members of the Company's board of directors and corporate officers.

Below are the related persons or entities of the Company:

- Olivier Centner — Chief Executive Officer and Director
- Brian Meadows — Chief Financial Officer and Director
- Torsten Maehle — Former Interim Chief Executive Officer and Former Director
- Campbell Becher — Former Chief Executive Officer and Former Director

During the years ended December 31, 2020, the short-term benefits incurred for the key Management personnel were $47,500, $25,000 of which was satisfied by issuing 1,250,000 common shares to the Company's former Chief Executive Officer for Management services provided during the year ended December 31, 2020.

During the year ended December 31, 2020, the Company issued 8,450,000 common shares with fair value of $169,000 to the Company's former director for the consulting services provided during the year ended December 31, 2020.

CRITICAL ACCOUNTING ESTIMATES

The preparation of our consolidated financial statements requires Management to use judgment and make estimates and assumptions that affect the reported amounts assets and liabilities and disclosures of contingent liabilities at the date of the financial statements and the reported amount of expenses during the period. Actual results could materially differ from these estimates. Refer to note 2 of our annual audited consolidated financial statements for the year ended December 31, 2020 for a more detailed discussion of the critical accounting estimates and judgments.

(Expressed in United States Dollars unless otherwise specified)

CHANGES IN ACCOUNTING POLICIES INCLUDING INITIAL ADOPTION

There were no new or amended IFRS pronouncements subsequent to the year ended December 31, 2020 that impacted these consolidated financial statements and the Company did not adopt any new accounting policies during its most recently completed financial year.

FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

Fair value

The carrying values of cash, amounts receivable, accounts payable and accrued liabilities approximate their fair values due to the relatively short period to maturity of those financial instruments.

Financial instruments recorded at fair value on the consolidated statements of financial position are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities and the lowest priority to unobservable inputs.

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

- Level 1: Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
- Level 3: Inputs that are not based on observable market data.

As at December 31, 2020 and 2019, the financial instrument recorded at fair value on the consolidated statement of financial position is cash which is measured using Level 1 of the fair value hierarchy.

Set out below are the Company's financial assets and financial liabilities by category:

	December 31, 2020 $	FVTPL $	Amortized costs $	FVTOCI $
Financial assets:				
ASSETS				
Cash	1,415,494	1,415,494	-	-
Amounts receivable	19,522	-	19,522	-
Financial liabilities:				
LIABILITIES				
Accounts payable and accrued liabilities	152,810	-	152,810	-

	December 31, 2019 $	FVTPL $	Amortized costs $	FVTOCI $
Financial assets:				
ASSETS				
Amounts receivable	326	-	326	-
Financial liabilities:				
LIABILITIES				
Accounts payable and accrued liabilities	3,237	-	3,237	-

Financial risk management

Credit risk
Credit risk is such that a counterparty to a financial instrument will not discharge its obligations resulting in a financial loss to the Company. The Company has procedures in place to minimize its exposure to credit risk.

Company Management evaluates credit risk on an ongoing basis including counterparty credit rating and activities related to receivables and other counterparty concentrations as measured by amount and percentage.

The primary sources of credit risk for the Company arise from cash and amounts receivable. The Company's maximum exposure to credit risk is minimal as cash is deposited with reputable financial institutions. Amounts receivable are due from a government agency.

Liquidity risk
Liquidity risk is the risk that an entity will encounter difficulty raising funds to meet commitments associated with financial instruments. The Company manages liquidity by maintaining adequate cash balances to meet liabilities as they become due. As of December 31, 2020, the Company had cash of $1,415,494 to meet short-term business requirements. As of December 31, 2020, the Company had current liabilities of $152,810.

Market risk
The significant market risks to which the Company is exposed are interest rate risk, currency risk, other price risk, and commodity price risk.

- Interest rate risk
  Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to interest rate risk as no financial instruments of the Company as of December 31, 2020 are interest-bearing.

- Currency risk
  The Company is exposed to currency risk to the extent that monetary assets and liabilities held by the Company are not denominated in Canadian dollars. The Company has not entered into any foreign currency contracts to mitigate this risk.

  The Company's cash, amounts receivable and accounts payable and accrued liabilities are held in USD, Canadian Dollars ("CA$"), and European Dollar ("Euro" or "€"); therefore, CA$ and Euro accounts are subject to fluctuation against the Canadian dollar.

  The Company had the following balances in foreign currency as at December 31, 2020:

	USD ($)	**CAD ($)**	**€**
Cash	1,379,488	45,875	-
Amounts receivable	-	24,873	-
Accounts payable and accrued liabilities	(56,606)	(105,195)	(11,121)
	1,322,882	**(34,447)**	**(11,121)**
Rate to convert to $1.00 USD	1.00000	0.78488	1.22633
Equivalent to USD	**1,322,882**	**(27,037)**	**(13,638)**

Based on the above net exposures as at December 31, 2020, and assuming that all other variables remain constant, a 10% appreciation or depreciation of the USD against the CAD and Euro would increase/decrease comprehensive loss by $4,000.