



ATMOFIZER TECHNOLOGIES INC. ANNOUNCES YEAR END 2021 FINANCIAL RESULTS

April 29, 2022, Vancouver, British Columbia – Atmofizer Technologies Inc. (the “**Company**” or “**Atmofizer**”) (CSE: ATMO) (Frankfurt: J3K) (OTCQB: ATMFF) is pleased to announce its financial results for the year ended December 31, 2021. All amounts are expressed in United States dollars unless otherwise noted. Certain metrics, including those expressed on an adjusted basis, are non-IFRS measures, see "Non-IFRS Measures" below.

CORORATE DEVELOPMENTS

On February 5, 2021, Vaxxinator Enterprises Inc. (“**Vaxxinator**”) 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, Vaxxinator granted 1,800,000 options with an exercise price of \$0.50 to the Company’s Chief Executive Officer.

In May 2021 and June 2021, Vaxxinator 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, Vaxxinator 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).

Vaxxinator launched its first commercial air purification products during the second quarter.

On October 26, 2021, Vaxxinator entered into a sponsorship agreement with an arm's length party, Steinbrenner Racing, LLC ("**Steinbrenner Racing**"), to become the official supply sponsor of Steinbrenner Racing for a sponsorship fee of \$3,000,000 (the "**Sponsorship Fee**"). On the same day, Steinbrenner Racing agreed to subscribe 1,000,000 common shares of the Company for an aggregate price of \$3,000,000 (the "**Subscription Amount**"). The Company and Steinbrenner Racing agreed to set off the Sponsorship Fee with Subscription Amount. On January 28, 2022, the agreement was amended to provide for additional sponsorship rights including becoming the official supplier sponsor of a Steinbrenner Racing team car for the "24 Hours of Daytona" race to be held in each of 2022 and 2023 (the "**Amended Sponsorship Agreement**"). In addition, Steinbrenner Racing will facilitate commercial introductions to stadium and arena owners and operators and aid with product testing and development. In consideration for the amendments, the Company issued 4,500,000 common shares to Steinbrenner Racing.

On November 15, 2021, the Company closed the reverse takeover ("**RTO**") with Vaxxinator. In connection with the RTO, the Company voluntarily delisted from the TSX Venture Exchange and commenced trading on the Canadian Securities Exchange (the "**CSE**").

On December 2, 2021, the Company announced a distribution agreement (the "**Distribution Agreement**") with USA Rapid Test, LLC (the "**USA Rapid Test**") granting USA Rapid Test with non-exclusive rights to purchase Atmofizer products from the Company for distribution and resale on a worldwide basis. USA Rapid Test is a US-based distributor of COVID-19 rapid tests, which it distributes to companies in the healthcare, retail, hospitality, education and entertainment industries. USA Rapid Test is required to sell the Company's products in accordance with the Company's prescribed pricing which includes a discount to USA Rapid Test should USA Rapid Test satisfy certain minimum order quantities. The Distribution Agreement is for an indefinite term but may be terminated by either party without cause upon sixty (60) days prior written notice to the other party. In addition, the Company may immediately terminate the Distribution Agreement for cause for, among other things, USA Rapid Test engaging in unlawful or unfair business practices, USA Rapid Test engaging in actions that expose or threaten to expose the Company to any liability, obligation or violation of law, and USA Rapid Test becoming insolvent or makes an assignment for the benefit of creditors. In connection with the Distribution Agreement, Vaxxinator also granted USA Rapid Test a non-exclusive, non-transferable, revocable and limited license to use the Atmofizer trademarks solely to promote and sell Atmofizer products for the duration of the Distribution Agreement.

The Company engaged First Marketing GmbH ("**First Marketing**"), a leading investor relations and marketing firm based in Heidelberg, Germany, to provide the Company advertising, corporate communications and promotional services in Germany, Switzerland and Austria. Pursuant to the terms and conditions of the agreement, First Marketing will provide these services for a period of 12 months for a fee of €1,500,000. Such fee will be paid in two installments with €1,000,000 being paid upon signing and €500,000 to be paid in January 2022. The engagement was terminated subsequently on December 31, 2021.

On January 14, 2022, the Company filed a base shelf prospectus in all of the provinces and territories in Canada (the "**Base Shelf Prospectus**"). The Base Shelf Prospectus allows the Company to qualify the distribution of up to C\$60,000,000 in common shares, warrants, units, debt securities and subscription receipts or any combination thereof (collectively, the "**Securities**"), during the 25-month period that the Base Shelf Prospectus remains effective. The specific terms of any offering of Securities under the Base Shelf Prospectus, including the use of proceeds from

any offering, will be set forth in a prospectus supplement to the Base Shelf Prospectus, which will be filed with the applicable Canadian securities regulatory authorities in connection with any such offering. The Securities will be offered in amounts, at prices and on terms to be determined at the time of sale and, subject to applicable regulations, may include “at-the-market distributions” (as such term is defined in National Instrument 44-102 – *Shelf Distributions*), public offerings or strategic investments.

On January 25, 2022, the Company and Steinbrenner Racing amended the terms of the Sponsorship Agreement to provide for additional sponsorship rights including Atmofizer becoming the official supplier sponsor of a Steinbrenner Racing team car for the “24 Hours of Daytona” race to be held in each of 2022 and 2023. In addition, Steinbrenner Racing will facilitate commercial introductions to stadium and arena owners and operators and aid with product testing and development. In consideration for these amendments, the Company issued 4,500,000 common shares at a deemed price of C\$0.26 per share to Steinbrenner Racing.

On January 27, 2022, the Company entered into a debt-settlement agreement with an arm’s length business development and media consultant of the Company, for debt in the aggregate amount of US\$396,730, equal to a deemed value of C\$500,000. To satisfy the debt, the Company issued an aggregate of 2,000,000 common shares at a deemed price of C\$0.25 per share.

On February 23, 2022, the Company filed a prospectus supplement to the Base Shelf Prospectus establishing an at-the-market equity program (the “**ATM Program**”) that allows the Company to issue and sell up to C\$5,000,000 of common shares from treasury to the public, from time to time, at the Company’s discretion. All common shares sold under the ATM Program will be made through sales that are deemed to be “at-the-market distributions” as defined in NI 44-102 through the CSE or any other “marketplace” in Canada as defined under applicable securities laws.

As of the date hereof, the Company has issued 14,055,500 common shares with gross proceeds of C\$1,307,608 under the ATM Program.

Distributions of the common shares under the ATM Program will be made pursuant to the terms of an equity distribution agreement dated February 23, 2022 (the “**Equity Distribution Agreement**”) entered into between the Company and Clarus Securities Inc. (“**Clarus**”). The volume and timing of distributions under the ATM Program, if any, will be determined in the Company’s sole discretion. The common shares will be distributed at the market prices prevailing at the time of each sale and, as a result, prices may vary as between purchasers and during the period of the ATM Program. The ATM Program will be effective until the earlier of the issuance and sale of all of the common shares issuable pursuant to the ATM Program and February 14, 2024, unless terminated prior to such date by the Company or Clarus in accordance with the terms of the Equity Distribution Agreement.

On March 10, 2022, the Company announced that Whit Pepper joined the Company as President and Chief Commercial Officer.

On March 21, 2022, the Company announced that its common shares commenced trading in the United States on the OTCQB Venture Market under the trading symbol “ATMFF”. The common shares continue to trade in Canada on the CSE under the trading symbol “ATMO”.

On March 30 2022, the Company entered into a debt-settlement agreement with an arm’s length business development and media consultant of the Company, for debt in the aggregate amount of

C\$225,000. To satisfy the debt, the Company issued an aggregate of 2,500,000 common shares at a deemed price of C\$0.09 per share.

On April 5, 2022, the US Patent and Trademark Office issued the U.S. Patent relating to the Company's air and water purification technology. The U.S. Patent provides protection for the application of the Company's air and water purification technology in the United States.

On April 28, 2022, the Company amended its December 13, 2021 agreement with Emerging Markets Consulting, LLC ("**EMC**"). EMC provides investor and public relations services including content creation, web development, and webcasting for the Company in North America. Pursuant to the terms and conditions of the amended agreement, EMC will provide these services for an additional; period of two months for an additional aggregate cash fee of US\$225,000. Certain functions of EMC may include "investor relations activities" under the policies of the CSE and applicable securities laws.

FINANCIAL HIGHLIGHTS FOR YEAR ENDED DECEMBER 31, 2021

For the twelve months ended December 31, 2021, the Company generated revenue of \$497,280 with a gross profit of \$83,199 (16.7%) compared to \$nil during the twelve months ended December 31, 2020.

The Company incurred \$13,180,714 in expenses during the twelve months ended December 31, 2021 compared to \$1,168,090 during the twelve months ended December 31, 2020. The increase of \$12.0 million increase in expenses was driven by the increased operational activity in developing the Company's products, sales and marketing of its core products, the addition of new employees and professional fees incurred as the Company completed its RTO in November 2021.

In addition, the Company recognized share-based payments of \$4,280,108 related to the stock options and restricted shares units granted to the Company's officers, directors and consultants.

During the twelve months ended December 31, 2021, the Company recognized a listing expense of \$7,096,390 due to the completion of the RTO. In addition, the Company wrote-off an advance payment of \$847,433 made to a consultant pursuant to the agreement which was terminated subsequent to December 31, 2021.

During the twelve months ended December 31, 2021, the Company recorded net loss of \$21,428,425 compared to a net loss of \$1,168,090 for the twelve months ended December 31, 2020. The biggest contributors to the increase in the net loss of \$20.2 million were the listing expense recognized in the fourth quarter of \$7.1 million, share-based payments of \$4.3 million, increased R&D expenses of \$0.8 million, increased professional expenses of \$0.7 million, increased salaries and management fees of \$1.4 million, increased consulting expenses of \$3.1 million and a one-time contract wrote-off of \$0.8 million.

Earnings before Interest, Taxes, Depreciation, and Amortization ("EBITDA") and Adjusted EBITDA

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.

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 year ended	
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
	\$	\$	\$	\$
Loss for the year	(15,569,464)	(1,150,516)	(21,428,425)	(1,168,090)
Add (less):				
Amortization	475,986	-	475,986	-
Depreciation	2,431	-	5,156	-
EBITDA	(15,901,047)	(1,150,516)	(20,947,283)	(1,168,090)
Add (less):				
Share-based payments	3,957,233	-	4,280,108	-
Listing expenses	7,096,390	-	7,096,390	-
Management and consulting fees paid by common shares	218,750	561,000	2,235,000	561,000
Adjusted EBITDA	(3,818,674)	(589,516)	(7,335,785)	(607,090)

Adjusted EBITDA loss for the three months ended December 31, 2021, was \$3.8 million compared to an EBITDA loss of \$0.6 million for comparable period. The major factors contributing to the \$3.2 million increase in loss was driven by an increase in management and consulting expenses of \$0.7 million, an increase in sales and marketing expenses of \$0.5 million, an increase of \$0.1 million in research and development, an increase of \$0.3 million in salaries and other expenses and development, a one-time write-off of a 12-month consulting contract of \$1.2 million and an increase of \$0.4 million in legal and professional fees related to the Company getting listed on the CSE.

Adjusted EBITDA loss for the twelve months ended December 31, 2021, was \$7.3 million compared to an EBITDA loss of \$0.6 million for comparable period. The major factors contributing to the \$6.7 million increase in loss was driven by an increase in management and consulting expenses of \$2.8 million, an increase in sales and marketing expenses of \$0.8 million, an increase of \$0.8 million in research and development, an increase of \$0.4 million in salaries and other expenses and development, a one-time write-off of a 12-month consulting contract of \$1.2 million and an increase of \$0.7 million in legal and professional fees related to the Company getting listed on the CSE.



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About Atmofizer Technologies Inc.

Atmofizer's consumer and industrial solutions are based on its patent-protected and patent pending technology for ultrafine particle agglomeration and neutralization. This capability creates a revolutionary and more efficient method for addressing the wide range of dangerous nano-scale particles, viruses and bacteria that are too small to be effectively managed by conventional HEPA filters and ultraviolet lights. Atmofizer plans to disrupt the air treatment industry by improving air safety and purification efficiency while lowering customers' operational costs.

Atmofizing air refers to the process of using ultrasonic acoustic waves to agglomerate (cluster together) small particles into a larger target that is then radiated by ultraviolet light to neutralize their harmful properties, making the air you breath less hazardous to your health. Using units that atmofize air in tandem with HEPA filters can make the HEPA filters work more efficiently, enable the use of a less-powerful filter and result in a cleaner and longer-lasting filter that reduces operating costs and is less of a health hazard to clean or replace.

Atmofizer is patent-pending and patent-protected sole source of technology to atmofize air and is applying its proprietary technology in consumer and industrial air purification products currently manufactured under the Atmofizer brand, as well as in retail and commercial devices produced by other companies that integrate Atmofizer technology into their own products under license. Atmofizer's owned and licensed product lines include wearable, portable and mobile use for personal air treatment, as well as larger systems to handle higher air volumes for commercial, industrial, institutional and residential applications.

About Emerging Markets Consulting, LLC.

Based in Orlando, Florida, Emerging Markets Consulting, LLC (EMC) brings 40 years of combined experience in the investor relations industry. EMC is an international investor relations firm with affiliates around the world. EMC is relationship-driven and results oriented to seek attractive emerging companies and concentrate its resources and efforts to serve a limited number of high-quality clients.

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Forward-Looking Information

This press release contains "forward-looking information" within the meaning of applicable securities laws. All statements contained herein that are not clearly historical in nature may constitute forward-looking information. In some cases, forward-looking information can be identified by words or phrases such as "may", "will", "expect", "likely", "should", "would", "plan", "anticipate", "intend", "potential", "proposed", "estimate", "believe" or the negative of these terms,

or other similar words, expressions and grammatical variations thereof, or statements that certain events or conditions “may” or “will” happen, or by discussions of strategy. The forward-looking information contained herein includes, without limitation, the services and functions of EMC and the business and strategic plans of the Company.

By their nature, forward-looking information is subject to inherent risks and uncertainties that may be general or specific and which give rise to the possibility that expectations, forecasts, predictions, projections or conclusions will not prove to be accurate, that assumptions may not be correct and that objectives, strategic goals and priorities will not be achieved. A variety of factors, including known and unknown risks, many of which are beyond our control, could cause actual results to differ materially from the forward-looking information in this press release including, without limitation: the Company’s ability to comply with all applicable laws and governmental regulations relating to its commercial products; the ability of the Company to protect its intellectual property; impacts to the business and operations of the Company due to the COVID-19 pandemic; the conflict in eastern Europe; having only a limited operating history, the ability of the Company to access capital to meet future financing needs; the Company’s reliance on management and key personnel; competition; changes in consumer trends; foreign currency fluctuations; and general economic, market or business conditions.

Additional risk factors can also be found in the Company’s continuous disclosure documents, which have been filed on SEDAR and can be accessed at www.sedar.com. Readers are cautioned to consider these and other factors, uncertainties and potential events carefully and not to put undue reliance on forward-looking information. The forward-looking information contained herein is made as of the date of this press release and is based on the beliefs, estimates, expectations and opinions of management on the date such forward-looking information is made. The Company undertakes no obligation to update or revise any forward-looking information, whether as a result of new information, estimates or opinions, future events or results or otherwise or to explain any material difference between subsequent actual events and such forward-looking information, except as required by applicable law.