ATMOFIZER TECHNOLOGIES INC.

ANNUAL INFORMATION FORM

FOR THE YEAR ENDED DECEMBER 31, 2021

April 29, 2022

ITEM 1. ABOUT THIS ANNUAL INFORMATION FORM

In this annual information form ("**AIF**" or "**Annual Information Form**"), unless the context otherwise requires, the "**Company**", "**Atmofizer**", "**we**", "**us**" and "**our**" refers to Atmofizer Technologies Inc. (formerly Consolidated HCI Holdings Corporation) together with its wholly-owned subsidiaries, as defined and set out below under "Intercorporate Relationships".

All financial information in this Annual Information Form is prepared in Canadian dollars, except where otherwise indicated, and using IFRS as issued by the International Accounting Standards Board.

In this AIF, all references to "C$" refer to Canadian dollars, all references to "US$" refer to U.S. dollars and all references to "€" refer to Euros. The daily US/Canadian dollar exchange rate as reported by the Bank of Canada was US$1.00 = C$1.2678 on December 31, 2021.

This AIF applies to the business activities and operations of the Company for the fiscal year ended December 31, 2021, with certain information updated to reflect changes occurring subsequent to December 31, 2021, up to the date of this AIF. Unless otherwise indicated, the information in this AIF is given as of April ●, 2022.

This Annual Information Form contains company names, product names, trade names, trademarks and service marks of the Company and other organizations, all of which are the property of their respective owners.

The information contained in this AIF, including news releases and other disclosure items of the Company, is available under the Company's profile on SEDAR at www.sedar.com. The Common Shares are traded on the CSE under the symbol "ATMO".

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This AIF, including information and documents incorporated by reference, contains certain information, forecasts, projections, and/or disclosures about the Company that may constitute "forward-looking information" and "forward-looking statements" under applicable securities laws (collectively, "**forward-looking statements**"). All such statements, forecasts, projections and/or disclosures included in this AIF and the documents and information incorporated by reference, other than those of historical fact, that address activities, events or developments that the Company anticipates or expects may or will occur in the future (in whole or in part) should be considered forward-looking statements. Forward-looking statements are based upon the Company's current internal expectations, estimates, projections and assumptions about future events and financial trends that management believes may affect the Company's financial condition, results of operations, business strategy and financial needs, as the case may be. The forward-looking statements are subject to significant known and unknown risks, uncertainties and other factors, many of which are beyond the control of the Company. In some cases, forward-looking statements can be identified by the use of forward-looking terminology such as "expect", "likely", "may", "will", "should", "intend", "anticipate", "potential", "proposed", "estimate", "believe", "plan", "forecast" and other words of similar import, understanding and meaning, including negative and grammatical variations thereof, or statements that certain events or conditions "may" or "will" happen, or by discussions of strategy. Actual results and developments may differ materially from those contemplated by these forward-looking statements.

Without limitation, this AIF 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 Distribution Agreement;
- the Company's Sponsorship Agreement;
- the Company's Patent Applications;
- the filing of a prospectus supplement to the Base Shelf Prospectus;
- 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 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 security holders, 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 Omnibus Incentive Plan;
- the vesting of compensation securities pursuant to the Company's Omnibus Incentive 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 Annual Information Form, 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 intellectual 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 "*Item 5.2 - 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 AIF. 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 AIF. 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 AIF or to reflect the occurrence of unanticipated events, except as may be required under applicable securities laws.

MARKET AND INDUSTRY DATA

This AIF may contain market and industry data and forecasts obtained from third-party sources, industry publications and publicly available information. The Company believes that the industry data is accurate and that its estimates and assumptions are reasonable, but there is no assurance as to the accuracy or completeness of this data. Third-party sources generally state that the information contained therein has been obtained from sources believed to be reliable, but there can be no assurance as to the accuracy or completeness of included information. Although management believes it to be reliable, the Company has not independently verified any of the data from third-party sources referred to in this AIF, or analyzed or verified the underlying information relied upon or referred to by such sources, or ascertained the underlying economic assumptions relied upon by such sources.

GLOSSARY OF TERMS

The following is a glossary of certain terms used in this Annual Information Form. Words below 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 "*Item 4.1 – Three Year History – Vaxxinator*";

"**2021 IP Agreements**" has the meaning ascribed to it in "*Item 4.1 – Three Year History – 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 "*Item 4.2 – Significant Acquisitions – Business Combination"*;

"**Amalgamation**" has the meaning ascribed to it in "*Item 4.2 – Significant Acquisitions – Business Combination*";

"**Articles**" means the articles of the Company;

"**ATM Program**" has the meaning ascribed to it in "*Item 4.2 – Significant Acquisitions* – Post-Business Combination Developments";

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

"**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 the State of Florida;

"**Audit Committee**" means the audit committee of the Board;

"**Auditor"** has the meaning ascribed to it in "*Item 16.1 – Interests of Experts*";

"**Base Shelf Prospectus**" has the meaning ascribed to it in "*Item 4.2 – Significant Acquisitions* – Post-Business Combination Developments";

"**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**" 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;

"**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;

"**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 the Chief Executive Officer of the Company;

"**CFO**" means the Chief Financial Officer of the Company;

"**CHCI**" means the Company, prior to the Business Combination;

"**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;

"**Clarus**" means Clarus Securities Inc., a company existing under the laws of the Province of Ontario.

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

"**Consolidation**" has the meaning ascribed to it in "*Item 4.2 – Significant Acquisitions – Business Combination*";

"**Continuance**" has the meaning ascribed to it in "*Item 4.2 – Significant Acquisitions – Business Combination*";

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

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

"**Distribution Agreement**" has the meaning ascribed to it in "*Item 4.1 – Three Year History – Vaxxinator*";

"**Eligible Participants**" has the meaning ascribed to it in "*Item* 7.2 *– Options to Purchase Securities";*

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

"**Equity Distribution Agreement**" has the meaning ascribed to it in "*Item 4.2 – Significant Acquisitions* – Post-Business Combination Developments";

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

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

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

"**Finder's Fee**" has the meaning ascribed to it in "*Item 4.2 – Significant Acquisitions – Business Combination*";

"**First Marketing**" means First Marketing GmbH, a company existing under the laws of Germany;

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

"**IFRS**" means International Financial Reporting Standards;

"**Investor Relations Activities**" has the meaning ascribed to it in the policies of the CSE;

"**Licensed Fields**" has the meaning ascribed to it in "*Item 5.1(f) – Intangible Properties*";

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

"**Listing Date**" means the date on which the Common Shares commenced trading on the CSE, which occurred on November 18, 2021;

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

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

"**NI 44-102**" means National Instrument 44-102 – *Shelf Distributions;*

"**NI 52-110**" means National Instrument 52-110 – *Audit Committees*;

"**NP 46-201**" means National Policy 46-201 – *Escrow for Initial Public Offerings*;

"**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 "*Item 5.1(f) – Intangible Properties*";

"**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*;

"**Prospectus Supplement**" has the meaning ascribed to it in "*Item 4.2 – Significant Acquisitions* – Post-Business Combination Developments";

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

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

"**Securities**" has the meaning ascribed to it in "*Item 4.2 – Significant Acquisitions* – Post-Business Combination Developments";

"**SEDAR**" means the System for Electronic Document Analysis and Retrieval;

"**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);

"**Sponsorship Agreement**" has the meaning ascribed to it in "*Item 4.1 – Three Year History – Vaxxinator*";

"**Steinbrenner Racing**" has the meaning ascribed to it in "*Item 4.1 – Three Year History – Vaxxinator*";

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

"**Subco**" has the meaning ascribed to it in "*Item 4.2 – Significant Acquisitions – Business Combination*";

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

"**Ultrafine Particles**" or "**UFPs**" are 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;

"**U.S. Patent**" means United States patent 11,291,939B1 owned by Smart Material entitled "Ultra-Fine Particle Aggregation, Neutralization and Filtration" (US Patent Application No. 17/471,610) granted by the United States Patent and Trademark Office on April 5, 2022.

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

"**Units**" has the meaning ascribed to it in "*Item 4.1 – Three Year History – Vaxxinator*";

"**USA Tech Direct**" has the meaning ascribed to it in "*Item 4.2 – Significant Acquisitions* – Post-Business Combination Developments";

"**Vaxxinator**" means Vaxxinator Enterprises Inc. (formerly SOL Wellness Co Ltd.), a company, prior to the Business Combination, 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, prior to the Business Combination, 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 authorized share structure of Vaxxinator (or, following the Business Combination, 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 compounds that are emitted as gases into the air from certain solids or liquids or processes, some of which may have short- and long-term adverse health effects;

"**Warrant Acceleration Press Release**" has the meaning ascribed to it in "*Item 7.1 – Share Capital – Warrants*";

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

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

ITEM 2. TABLE OF CONTENTS

ITEM 3. CORPORATE STRUCTURE

3.1 Name, Address and Incorporation

The full corporate name of the Company is Atmofizer Technologies Inc. (formerly Consolidated HCI Holdings Corporation), which was continued under the laws of the BCBCA. 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 continued as "HCI Holdings Ltd." into the federal jurisdiction of Canada 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 one (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).

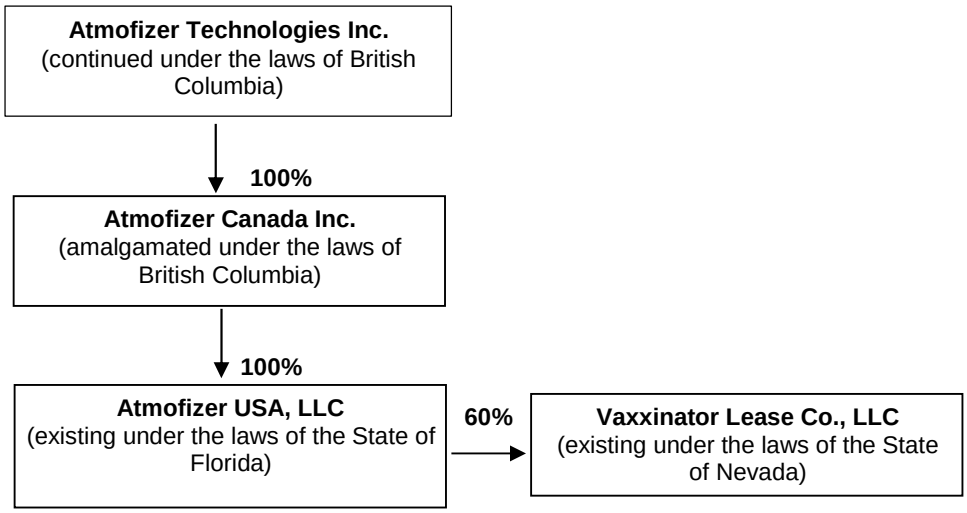
On December 23, 1986, the Company changed its name to "Consolidated HCI Holdings Corporation" and the Class A shares and Class B shares were each consolidated on a 7:1 basis.

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 closing of 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.

3.2 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 and the percentage of voting securities beneficially owned, directly or indirectly, by the Company:



ITEM 4. GENERAL DEVELOPMENT OF THE BUSINESS

4.1 Three Year History

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 "*Item 4 – General Development of the Business – Three Year History – 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 under the Company's profile on SEDAR 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 delisted from the TSXV on November 12, 2021. On November 18, 2021, the Common Shares commenced trading on the CSE under the trading symbol "ATMO".

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 "*Item 5 – Description of the Business – General – Intangible Properties*".

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 "*Item 5 – Description of the Business – General – Intangible Properties*".

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 US$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.

On October 26, 2021, Vaxxinator entered into a sponsorship agreement (the "**Sponsorship Agreement**") with Steinbrenner Racing, LLC, a Florida-based motorsports racing organization ("**Steinbrenner Racing**"), pursuant to which Vaxxinator became an official supplier sponsor of the Steinbrenner Racing team. Under the terms of the Sponsorship Agreement, the Company, as successor to Vaxxinator, is entitled to sponsor a designated car and mutually designated driver in the IndyCar

Series for the 2022 and 2023 racing seasons. The IndyCar Series is a North American open-wheel auto racing series whose premier event is the Indianapolis 500. The term of the agreement began January 1, 2022 and expires on December 31, 2023 but can be terminated by either party upon, among other things, the occurrence of a default that is not cured by the defaulting party within 30 days upon written notice to the defaulting party and the commencement of insolvency or bankruptcy proceedings in respect of the non-terminating party that is not cured within 30 days from the commencement of such proceedings.

4.2 Significant Acquisitions

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 the business 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, Dr. 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 *"Item 10 – Directors and Officers*".

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 "*Item 7 – Description of Capital Structure*" and "*Item 8 – Market for 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 upon the completion of the Business Combination, the Company changed its auditors to the auditors of Vaxxinator, Davidson & Company LLP. Further, the Company changed its financial year-end from September 30th to December 31st, being the financial year-end of Vaxxinator.

Post-Business Combination Developments

On November 19, 2021, the Company issued 3,335,000 RSUs to certain directors, officers, employees and consultants of the Company pursuant to the terms and conditions of the Omnibus Incentive Plan.

On December 2, 2021, the Company announced a distribution agreement (the "**Distribution Agreement**") with USA Rapid Test, LLC ("**USA Tech Direct**") granting USA Tech Direct with non-exclusive rights to purchase Atmofizer products from the Company for distribution and resale on a worldwide basis. USA Tech Direct 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 Tech Direct is required to sell the Company's products in accordance with the Company's prescribed pricing which includes a discount to USA Tech Direct should USA Tech Direct 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 Tech Direct engaging in unlawful or unfair business practices, USA Tech Direct engaging in actions that expose or threaten to expose the Company to any liability, obligation or violation of law, and USA Tech Direct becoming insolvent or makes an assignment for the benefit of creditors. In connection with the Distribution Agreement, Vaxxinator also granted USA Tech Direct 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.

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 NI 44-102), 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 (the "**Prospectus Supplement**") 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.

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. 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.

As of the date hereof, the Company has issued an aggregate of 14,055,500 Common Shares pursuant to the ATM Program for aggregate gross proceeds of C$1,307,608.

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 commended 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.

ITEM 5. DESCRIPTION OF THE BUSINESS

5.1 General

(a) Summary

The Company is a clean air and clean water solutions provider that is focused on commercializing its proprietary technology through stand alone, integrated and licensed applications across business, consumer, medical and industrial applications. Atmofizer's consumer and industrial solutions are based on its patent-protected and patent-pending technology that utilizes ultrasonic acoustic waves to agglomerate (cluster together) ultra-fine particles into a larger target, which is then radiated by ultraviolet light to neutralize their harmful properties. The Company believes this technology to be 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 most effectively or efficiently managed by conventional filters and ultraviolet lights. The Company is currently applying its proprietary technology in consumer, commercial, and industrial air purification products under development and/or manufactured under the Atmofizer brand, as well as in retail and commercial devices produced by other companies that integrate Atmofizer's technology into their own products under licenses.

The Company currently sells one commercial air purification product, the Atmofizer One, in addition to continuing to develop key prototypes. Sales of Atmofizer One air purifiers in the United States began during the second quarter of 2021. The Company is now expanding marketing and sales of 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.

(b) Production and 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 bacteria in treated air.[1,2] It has the capability to neutralize UFPs and was engineered for smaller commercial rooms or consumer use.

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.

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 the Company focused on in 2021 were 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.

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 (office buildings and academic facilities) and hospitality (hotels and restaurants).

(c) Specialized Skill and Knowledge

The Company believes that its success is largely dependent on the performance of its management and key employees, many of whom have specialized experience relating to our industry, products, regulatory

[1] 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.
[2] 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.

environment, customers and business. The assembled management team and Board has experience in the management and growth of successful emerging enterprises.

The Company believes that it has adequate personnel with the specialized skills and knowledge to successfully carry out the Company's business and operations.

See also "*Item 5.2 – Risk Factors – The Company will rely on the experience of management and consultants*".

(d) 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.[3]

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.[4]

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.

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

(e) Components

The Company relies on third-party manufactures and suppliers to source inputs and manufacture its products.

See also "*Item 5.2 – Risk Factors. 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 budget*".

(f) Intangible Properties

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 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 sixty (60) countries that has an October 2018 priority date (acquired from Smart Material);

2 a family of patent applications filed in seventy-two (72) countries 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 fifty-six (56) countries that has a March 2016 priority date (acquired from Windplussonne);

5 the U.S. Patent and a pending United States utility patent application (US Patent Application No. 17/678,291), each deriving from a pending United States provisional patent application that has a July 2021 priority date (acquired from Smart Material); and

6 a pending United States provisional patent application that has a March 2022 priority date (acquired from Smart Material).

None of the patent applications referenced above other than the South African Patent and U.S. 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 derives from one of the fifty-six (56) patent applications filed by Windplussonne with a March 2016 priority date.

Although no patents under the Patent Applications have been issued, other than the U.S. Patent and 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 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.

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 the 2020 IP Agreements is that the Company has the sole and exclusive right to use and practice the technologies developed by 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 Company, indirectly through Atmofizer USA, has also filed for trademark applications for various design marks for ATMOFIZER and the A Logo in Canada and the United States. The trademark application for VAXXINATOR was acquired by Vaxxinator pursuant to a trademark assignment agreement between Atmofizer USA and PureKana, LLC dated June 26, 2021. It was then assigned to Atmofizer USA on September 13, 2021.

The Company, indirectly through Atmofizer USA, has also filed trademarks applications for "THE BETTER TOMORROW PROJECT," AIR BY ATMOFIZER, CHANGE IS IN THE AIR, and THE TOMORROW PROJECT, 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 its 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 it believes 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 it develops using the Company's in-house expertise and is directly related to the Company's 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 "*Item 5.2 – Risk Factors*".

(g) 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 radiation. 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 the 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 of 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, at this time, the Company 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 the shipment to the 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 to undertake 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. [5]

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

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

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. [6]

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.

(h) Economic Dependence

The Company's business is substantially dependent on the 2020 IP Agreements and 2021 IP Agreements. See "*Item 5 – Description of the Business – General – Intangible Properties*".

(i) Employees

As at the date of this AIF, there are 7 of employees of the Company.

(j) Foreign Operations

The Company is expanding sales of its product, the *Atmofizer One,* outside the United States beginning with the United Kingdom and the European Union. The key markets that the Company focused on in 2021 were the United States, the European Union and Japan.

See "*Item 5.2 – Risk Factors – Global macro-economic conditions may have an adverse effect on the Company's operations and financial condition*" and "*Item 5.2 – Risk Factors – Global macro-economic conditions may have an adverse effect on the Company's operations and financial condition".*

(k) Lending

The Company, indirectly through Atmofizer USA, owns a 60% interest in Vaxxinator LeaseCo, a Nevada company that offers debt financing solutions and flexible payment options to existing and prospective customers of Atmofizer USA in the United States and Canada. Vaxxinator LeaseCo underwrites, adjudicates and services debt facilities for terms ranging from one (1) month to five (5) years. Vaxxinator LeaseCo entered into its first lease agreement with a customer during the second quarter of 2021.

(l) Bankruptcy and Similar Procedures

There have been no bankruptcy or receivership proceedings against the Company or any of its subsidiaries within the three most recently completed financial years or the current financial year.

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

(m) Reorganizations

See "*Item 4 – General Development of the Business – Three Year History – Business Combination".*

5.2 Risk Factors

The following are certain risk factors relating to the Company's business which prospective investors should carefully consider before deciding whether to purchase Common Shares. The following information is a summary only of certain risk factors and is qualified in its entirety by reference to, and must be read in conjunction with, the detailed information appearing elsewhere in this AIF. These risks and uncertainties are not the only ones the Company is facing. Additional risks and uncertainties not presently known to the Company, or that the Company currently deem immaterial, may also impair operations. If any such risks actually occur, the business, financial condition, liquidity and results of our operations could be materially adversely affected.

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

The Vaxxinator business incurred net losses in each period since it commenced operations leading up to the Business Combination. For the twelve months ended December 31, 2021, Vaxxinator incurred net losses from operating activities of US$21,428,425. The Company expects to continue to incur net losses from operations as a result of the change of business of the Company to the business of Vaxxinator due to the Business Combination. The Company expects to incur significant expenses due to, among other things, sales and marketing expenses, research and development costs and other expenses. In addition, the Company expects that its general and administrative expenses will increase 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 less than expected 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 ongoing global outbreak of COVID-19 has resulted in governments worldwide enacting emergency measures to protect against the spread of the virus. These measures, which include, among other things, limitations on travel, self-imposed quarantine periods and social distancing measures, have caused material disruption to businesses globally resulting in an economic slowdown. Global equity markets have experienced significant volatility and weakness. Governments and central banks have reacted with

significant monetary and fiscal interventions designed to stabilize economic conditions. The duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of any government and/or central bank interventions. It is not possible to reliably estimate the length and severity of these developments and the impact that they could have on the financial results and condition of the Company and its operating subsidiaries in future periods.

Global pandemics (like the COVID-19 Pandemic) and other public health threats, or a fear thereof, could adversely impact our production operations, sales efforts, lead to labour shortages, and severely impact supply chain logistics including travel and shipping disruptions and shutdowns (including as a result of government regulation and prevention measures) affecting production and delivery of the inputs and materials we need to operate and deliver our products to customers. It is unknown whether and how the Company may be affected if such an occurrence persists for an extended period of time but we anticipate that it would have a material adverse effect on our business, operating results and financial performance. In addition, the Company may also be required to incur additional expenses and/or delays relating to such events which could have a further negative impact on our business, operating results and financial performance. The Company is actively addressing the risks to its business from COVID-19 through a broad range of measures throughout its structure and is re-assessing its response to the COVID-19 pandemic on an ongoing basis.

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

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 financial results 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 financial prospects.

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 Annual Information Form, 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, 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 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 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 achieve profitability

The Company's revenue and financial prospects 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.

Dependency on Distribution Agreement

The Company currently relies on a single distributor, USA Tech Direct, for the distribution of substantially all of the Company's products. If the Distribution Agreement is terminated by either party, then the Company may not be able to replace USA Tech Direct with another distributor in a timely manner or on terms commercially acceptable to the Company, or at all. In addition, the new distributor may not be able to manage the same sales and distribution network as effectively as USA Tech Direct. For these reasons, the loss of USA Tech Direct as distributor may materially and adversely affect the Company's financial results and prospects.

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 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 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, 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 financial prospects

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 Company'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.

ITEM 6. DIVIDENDS

6.1 Dividends or Distributions

The Company has not paid dividends on its Common Shares in the three most recently completed financial years, and the Company has no present intention to pay dividends in the future.

There are no restrictions in the Notice of Articles or Articles of the Company that could prevent the Company from paying dividends in the future. The Company does not anticipate paying any dividends on the Common Shares in the foreseeable future. Any future determination to make any distributions on the Common Shares will be at the discretion of the Board on the basis of the Company's earnings, financial requirements and other conditions existing at such future time.

ITEM 7. DESCRIPTION OF CAPITAL STRUCTURE

7.1 Share Capital

Common Shares

The authorized share structure of the Company consists of an unlimited number of Common Shares without par value. As of the date of this AIF, there are 97,104,056 Common Shares issued and outstanding on a non-diluted basis.

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.

7.2 Options to Purchase Securities

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 2,484,126 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
429,563 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.

Omnibus Incentive Plan

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 Company'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 Incentive Plan increases if the total number of issued and outstanding Common Shares of the Company 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 Common 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 Stock Options to acquire 2,800,000 Common Shares and 4,085,000 RSUs and nil DSUs issued and outstanding pursuant to the Omnibus Incentive Plan. 1,800,000 Stock Options were issued in exchange for then outstanding Vaxxinator Options pursuant to the Business Combination. Immediately following the Business Combination, each outstanding Stock Option was scheduled to vest on April 15, 2023.

On November 19, 2021, the Board approved an acceleration of the vesting schedule of 1,800,000 Stock Options in accordance with the terms and conditions of the Omnibus Incentive Plan. Accordingly, the vesting schedule of such Stock Options was accelerated such that 25% of the Stock Options vested on November 19, 2021, 50% shall vest on May 19, 2022 and 25% of shall vest on November 19, 2022. Each Stock Option is exercisable for one (1) Common Share at an exercise price of US$0.50 per Common Share until April 15, 2026.

On November 19, 2021, the Company granted an aggregate of 3,335,000 RSUs to certain directors, officers, employees and consultants of the Company pursuant to the terms and conditions of the Omnibus Incentive Plan. An aggregate of 243,750 RSUs vested immediately upon the date of grant, 293,750 RSUs vested on the 3-month anniversary from the date of grant, 953,750 RSUs will vest on the 6-month anniversary from the date of grant, 250,000 RSUs will vest on the 9-month anniversary from the date of grant, 953,750 RSUs will vest on the 12-month anniversary from the date of grant, 160,000 RSUs will vest on the 18-month anniversary from the date of grant, 160,000 RSUs will vest on the 24-month anniversary from the date of grant, 160,000 RSUs will vest on the 30-month anniversary from the date of grant and 160,000 RSUs will vest on the 36-month anniversary from the date of grant.

On March 15, 2022, the Company granted an aggregate of 750,000 RSUs to an officer of the Company pursuant to the terms and conditions of the Omnibus Incentive Plan. An aggregate of 250,000 will vest on March 15, 2023, 250,000 RSUs will vest on September 15, 2023 and 250,000 RSUs will vest on March 15, 2024.

On March 15, 2022, the Company granted an aggregate of 1,000,000 Stock Options pursuant to the terms and conditions of the Omnibus Incentive Plan. An aggregate of 333,333 Stock Options will vest on September 15, 2022, 333,333 Stock Options will vest on March 15, 2023 and 333,334 Stock Options will vest on September 15, 2023. Each Stock Option is exercisable for one (1) Common Share at an exercise price of C$0.25 and shall be exercisable until March 15, 2027.

CHCI Options

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.

ITEM 8. MARKET FOR SECURITIES

8.1 Trading Price and Volume

The Common Shares have been listed and posted for trading on the CSE under the symbol "ATMO" since November 18, 2021. Prior to the Business Combination, the Company's Common Shares 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 Company is a reporting issuer in each of the provinces and territories in Canada.

The following table sets forth, for the periods indicated, the marketplace, reported high and low trading prices (in the currencies in which such securities were listed and posted for trading) and the volume traded on the relevant stock exchange.

Month	Stock Symbol	Market	High Trading Price (C$)	Low Trading Price (C$)	Share Volume
January 2021	CXA.H	NEX	0.19	0.115	5,000
February 2021	CXA.H	NEX	0.115	0.115	0
March 2021	CXA.H	NEX	0.115	0.115	0
April 2021 (2)	CXA.H	NEX	0.115	0.115	0
May 2021 (2)	CXA.H	NEX	0.115	0.115	-
June 2021 (2)	CXA.H	NEX	0.115	0.115	-
July 2021 (2)	CXA.H	NEX	0.115	0.115	-
August 2021 (2)	CXA.H	NEX	0.115	0.115	-
September 2021 (2)	CXA.H	NEX	0.115	0.115	-
October 2021(2)	CXA.H	NEX	0.115	0.115	-
November 2021(1)	ATMO	CSE	7.50	4.10	4,334,072
December 2021	ATMO	CSE	7.05	2.50	2,355,139

Notes:

(1) Trading of the Common Shares commenced on the CSE on November 18, 2021, upon the completion of the Business Combination and the Listing.

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

8.2 Prior Sales

The following table sets forth securities issued by the Company that are not listed or quoted on a marketplace during the year ended December 31, 2021 and to the date of this AIF.

Date	Type of Security Issued	Number/Principal Amount of Securities Issued(1)	Issuance/Exercise Price per Security
October 22, 2020	CHCI Options	83,333(2)	C$0.13

Date	Type of Security Issued	Number/Principal Amount of Securities Issued[1]	Issuance/Exercise Price per Security
November 12, 2021	Warrants	2,534,126[3] [4]	US$3.50
November 12, 2021	Stock Options	1,800,000[5]	US$0.50
November 19, 2021	Restricted Share Units	3,335,000[6] [7]	N/A
March 15, 2022	Restricted Share Units	750,000	N/A
March 15, 2022	Stock Options	1,000,000	C$0.25

Notes:
(1) On a post-Consolidation basis.
(2) Issued in connection with the Finder's Fee.
(3) Issued in exchange for Vaxxinator Warrants pursuant to the terms of the Business Combination.
(4) Subsequent to November 12, 2021, 50,000 Warrants were exercised pursuant to their terms.
(5) Issued in exchange for Vaxxinator Options pursuant to the terms of the Business Combination.
(6) Subsequent to November 19, 2021, 285,000 vested Restricted Share Units were settled through the issuance of 200,000 Common Shares.

ITEM 9. ESCROWED SECURITIES AND SECURITIES SUBJECT TO CONTRACTUAL RESTRICTIONS ON TRANSFER

9.1 Escrowed Securities and Securities Subject to Contractual Restriction on Transfer

As at the date of this AIF, an aggregate of 29,203,269 Common Shares are subject to contractual restriction from transfer pursuant to lock-up agreements between the Company and certain Shareholders. Subject to the applicable lock-up release schedule, such locked-up Common Shares will be gradually released from lock-up over the course of 18 months from the Listing Date.

The following table sets out, as at the date of this AIF, the securities of the Company that are, to the Company's knowledge, held in escrow or that are subject to a contractual restriction on transfer and the percentage that number represents of the outstanding securities of that class.

Designation of Class	Number of Securities Held in Escrow or Subject to Contractual Restriction on Transfer	Percentage of Class[1]
Common Shares	9,193,628 [2]	9.47%
Common Shares	4,578,000 [3]	4.71%
Common Shares	200,400[4]	0.21%
Common Shares	14,381,240 [5] [6] [7]	14.81%
Common Shares	850,000 [8]	0.88%

Notes:
(1) On a non-diluted basis, based on 97,104,056 Common Shares being issued and outstanding as of the date of this AIF.
(2) 241,938 Common Shares will be released from lock-up 6 months from Listing Date; 967,750 Common Shares will be released from lock-up 9 months from Listing Date; 1,209,688 Common Shares will be from lock-up released 12 months from Listing Date; 2,903,251 Common Shares will be released from lock-up 15 months from Listing Date and 3,871,001 Common Shares will be released from lock-up 18 months from Listing Date.
(3) 1,308,000 Common Shares will be released from lock-up 8 months from Listing Date; 1,635,000 Common Shares will be released from lock-up 10 months from Listing Date and 1,635,000 Common Shares will be released from lock-up 12 months from Listing Date.
(4) 200,400 Common Shares will be released from lock-up 6 months from Listing Date.
(5) 415,250 of the Common Shares will be released from lock-up 6 months from Listing Date; 1,510,000 of the Common Shares will be released 9 months from Listing Date; 1,887,500 of the Common Shares will be released 12 months from Listing Date; 4,530,000 Common Shares will be released from lock-up 15 months from Listing Date and 6,038,490 Common Shares will be released from lock-up 18 months from Listing Date.
(6) For further information, see "*Item 4– General Development of the Business – Three Year History – Vaxxinator*".
(7) 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 the Company and the holders thereto.
(8) 850,000 Common Shares will be released from lock-up 6 months from Listing Date.

ITEM 10. DIRECTORS AND OFFICERS

10.1 Name, Occupation and Security Holding

The following table sets out the name, province or state and country of residence, positions and offices held with the Company, period served as a director and/or officer and the principal occupations during the last five (5) years, for each Person who serves as a director and/or officer of the Company as at the date of this AIF. Each director shall hold office until the next annual general meeting of the Company, or until his or her successor is duly elected or appointed, unless his or her office is earlier vacated in accordance with the Company's Articles.

Name, Residence and Positions Held [(1)]	Director or Officer Since	Principal Occupation for Previous Five Years[(1)]
Olivier Centner[(2)] *Toronto, Ontario, Canada* Director and Chief Executive Officer	November 12, 2021	Founder of UNOapp
Brian Meadows *Vancouver, British Columbia, Canada* Chief Financial Officer and Secretary	November 12, 2021	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.
Whit Pepper President and Chief Commercial Officer	March 15, 2022	Principal, Senior Vice President, and Global Head of Clients & Markets at Ryan LLC.
Michael Galloro[(2) (3)] *Toronto, Ontario, Canada* Director	November 12, 2021	Principal, Aloe Finance
Peter Simeon *Oakville, Ontario, Canada* Director	August 7, 2020	Partner at Gowling WLG (Canada) LLP.
Joshua Helman [(3)] *Tampa, Florida, United States* Director	November 12, 2021	Physician, TrueNorth Health Center.
Nareda Mills[(2) (3)] *London, Ontario, Canada* Director	November 12, 2021	Global President Patient Solutions, Ashfield Engage

Notes:

(1) The information as to place of residence and principal occupation has been furnished by the respective directors and officers of the Company individually.
(2) Member of the Audit Committee. Mr. Galloro is the chairperson of the Audit Committee.
(3) Member of the Compensation, Nomination and Corporate Governance Committee. Ms. Mills is the chairperson of the Compensation, Nomination and Corporate Governance Committee.

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

As at the date of this AIF, the directors and executive officers of the Company, as a group, beneficially owned or controlled or directed, directly or indirectly, 2,450,000 Common Shares, representing approximately 2.52% of the issued and outstanding Common Shares, based on 97,104,056 Common Shares issued and outstanding. The information as to the Common Shares beneficially owned or controlled or directed, directly or indirectly, by the directors and executive officers, not being within the knowledge of the Company, has been furnished by such directors and executive officers.

10.2 Cease Trade Orders, Bankruptcies, Penalties or Sanctions

Cease Trade Orders and Bankruptcies

To the knowledge of the Company, except as described below, no director or executive officer of the Company, or personal holding company of any of them is, as of the date of this AIF, or was within ten (10) years before the date of this AIF, a director, chief executive officer or chief financial officer of any company (including this Company) that:

i. was subject to a cease trade or similar order, or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than thirty (30) consecutive days (an "**Order**") that was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer; or

ii. was subject to an Order that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that Person was acting in the capacity as director, chief executive officer or chief financial officer.

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 the 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.

To the knowledge of the Company, no director or executive officer of the Company, or shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company, or personal holding company of any of them is, as at the date of this AIF, or has been within the ten (10) years before the date of this AIF, a director or executive officer of any company (including this Company) that, while that Person was acting in that capacity, or within a year of that Person ceasing to act in that capacity, 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 its assets.

Personal Bankruptcies

To the knowledge of the Company, no director or executive officer of the Company, or shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company, or personal holding company of any of them has, within the ten (10) years before the date of this AIF, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become 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.

Penalties and Sanctions

To the knowledge of the Company, no director or executive officer of the Company, or shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company, or personal holding company of any of them, has been subject to:

i. any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or

ii. any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

10.3 Conflicts of Interest

Certain of the directors and/or officers of the Company serve as directors and/or officers of other companies or have shareholdings in other companies. Such associations may give rise to conflicts of interest from time to time. To the knowledge of the Company, there are no known existing or potential material conflicts of interest between the Company and any director or officer of the Company.

Any conflicts of interest will be subject to and governed by the law applicable to directors' and officers' conflicts of interest and fiduciary duties, including the procedures prescribed by the BCBCA respecting disclosable interests. The BCBCA requires, among other things, that directors and officers of the Company, who are also directors or officers of, or who have a material interest in, a party which enters into a material contract or transaction with the Company, or otherwise have a material interest in a material contract or transaction entered into by the Company, must disclose their interest and, in certain instances, refrain from voting on any resolution of the Board to approve the contract or transaction.

ITEM 11. PROMOTERS

11.1 Promoters

The Company does not have any "promoters", as of the date of this AIF, as the term is contemplated under the BCBCA and applicable securities laws.

ITEM 12. LEGAL PROCEEDINGS AND REGULATORY ACTIONS

12.1 Legal Proceedings

The Company is not currently a party to any legal proceedings, nor is the Company currently contemplating any legal proceedings. To the knowledge of the Company, there are no existing or contemplated legal proceedings to which the Company is or was a party, or to which any of its property

is or was the subject, during the financial year ended December 31, 2021 or during the period commencing January 1, 2022 to the date of this AIF.

12.2 Regulatory Actions

There have been no penalties or sanctions imposed against the Company by a court relating to securities legislation or by a securities regulatory authority during the financial year ended December 31, 2021, or during the period commencing January 1, 2022 to the date of this AIF. There have been no other penalties or sanctions imposed by a court or regulatory body against the Company that would likely be considered important to a reasonable investor in making an investment decision. The Company has not entered into any settlement agreement before a court relating to securities legislation or with a securities regulatory authority during the financial year ended December 31, 2021, or during the period commencing January 1, 2022 to the date of this AIF.

ITEM 13. INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

13.1 Interest of Management and Others in Material Transactions

No director or executive officer of the Company or a Person or company that is the direct or indirect beneficial owner of, or who exercises control or direction over, more than 10% of any class or series of the Company's outstanding voting securities, nor any of their respective associates or Affiliates have any material interest, direct or indirect, in any transaction within the last three (3) years before the date of this AIF, 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 "*Item 4 – General Development of the Business – Three Year History – Vaxxinator*".

ITEM 14. TRANSFER AGENTS AND REGISTRARS

14.1 Transfer Agents and Registrars

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.

ITEM 15. MATERIAL CONTRACTS

15.1 Material Contracts

Except for material contracts entered into in the ordinary course of business, the only material contracts entered into by the Company within the most recently completed financial year and through to the date of this AIF, or prior thereto and that are still in effect as of the date hereof, are set forth below:

(a) the 2020 IP Agreements;
(b) the 2021 IP Agreements;
(c) the Sponsorship Agreement;
(d) the Distribution Agreement; and
(e) the Equity Distribution Agreement.

Additional details with respect to the terms of these contracts are included elsewhere in this AIF. Copies of any material contracts are available on the Company's SEDAR profile at www.SEDAR.com.

ITEM 16. INTERESTS OF EXPERTS

16.1 Interests of Experts

Davidson & Company LLP, are the auditors of the Company and have confirmed that they are independent with respect to the Company within the meaning of the relevant rules and related interpretations prescribed by the relevant professional bodies in Canada and any applicable legislation or regulations.

ITEM 17. ADDITIONAL INFORMATION

17.1 Audit Committee Information

The following information regarding the Audit Committee is required to be disclosed pursuant to NI 52-110.

Pursuant to applicable laws, the policies of the Exchange and NI 52-110, the Company is required to have an audit committee composed of a minimum of three (3) members, each of whom must be a director of the Company, and a majority of whom are not officers, employees or control persons of the Company or of an Affiliate of the Company.

The overall purpose of the Audit Committee is to provide oversight of the Company's financial management and the design and implementation of an effective system of internal financial controls, to review and report to the Board on the integrity of the financial statements of the Company, and to oversee, report on and make recommendations to the Board in respect of financial and non-financial risks faced by the Company. The Audit Committee has specific responsibilities relating to the Company's financial reports, external auditors, internal controls, regulatory reports and returns, and legal and compliance matters that have a material impact on the Company. In fulfilling its responsibilities, the Audit Committee meets regularly with the external auditors and members of management.

Audit Committee Charter

The Board has adopted a written charter for the Audit Committee, which is disclosed in Appendix "A" to this AIF.

Composition of the Audit Committee

As at the date of this AIF, the following are the members of the Audit Committee. Also indicated is whether such members are "independent" and "financially literate" within the meaning of NI 52-110.

Name of Audit Committee Member	Independent[(1)]	Financially Literate[(2)]
Michael Galloro	Yes	Yes
Dr. Joshua Helman	Yes	Yes
Nareda Mills	Yes	Yes

Notes:

(1) A member of the Audit Committee is independent if he or she has no direct or indirect material relationship with the Company. A "material relationship" is one which could, in the view of the Board, be reasonably expected to interfere with the exercise of a member's independent judgment.

(2) A member of the Audit Committee is financially literate if he or she has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements.

Relevant Education and Experience

Each member of the Audit Committee is financially literate and, collectively, the Audit Committee has the education and experience to fulfill the responsibilities outlined in the Audit Committee Charter. The following is a description of the education and experience of each member of the Audit Committee that is, in addition to such member's general business experience, relevant to the performance of his or her responsibilities as a member of the Audit Committee.

Michael Galloro - Age: 47 –Audit Committee Chair

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) and 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.

Dr. Joshua Helman - Age: 55 – Audit Committee Member

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 - Age: 47 – Audit Committee Member

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.

Audit Committee Oversight

Since the commencement of the financial year ended December 31, 2022, and to the date of this AIF, there has not been a recommendation of the Audit Committee to nominate or compensate an external auditor which was not adopted by the Board.

Reliance on Certain Exemptions

Since the commencement of the financial year ended December 31, 2022 and to the date of this AIF, the Company has not relied on:

i. the exemption in section 2.4 of NI 52-110 (*De Minimis Non-Audit Services*),

ii. the exemption in subsection 6.1.1(4) of NI 52-110 (*Circumstances Affecting the Business or Operations of the Venture Issuer*),

iii. the exemption in subsection 6.1.1(5) of NI 52-110 (*Events Outside Control of Member*),

iv. the exemption in subsection 6.1.1(6) of NI 52-110 (*Death, Incapacity or Resignation*), or

v. an exemption from the requirements of NI 52-110, in whole or in part, granted under Part 8 of NI 52-110 (*Exemptions*).

The Company is a "venture issuer" for the purposes of NI 52-110. The Company is relying upon the exemption in section 6.1 of NI 52-110, which exempts the Company from the requirements of Part 3 (*Composition of Audit Committee*) and Part 5 (*Reporting Obligations*) of NI 52-110.

Pre-Approval Policies and Procedures

The Audit Committee will pre-approve all non-audit services to be provided to the Company by the external auditors, as required by the Audit Committee Charter. The Audit Committee may delegate to one or more independent members the authority to pre-approve non-audit services, so long as the pre-approval is presented to the full Audit Committee at its first scheduled meeting following such pre-approval.

External Auditor Service Fees

	Fiscal Year Ended December 31, 2021 (C$)	Fiscal Year Ended December 31, 2020 (C$)
Audit Fees(1)	85,250	16,000
Audit-Related Fees(2)	Nil	7,000
Tax Fees(3)	Nil	Nil
All Other Fees(4)	Nil	Nil
	82,250	25,000

Notes:

(1) "**Audit Fees**" include fees necessary to perform the annual audit of the Company's consolidated financial statements and for review of tax provisions and for accounting consultations on matters reflected in the financial statements. Audit Fees also include audit or other attest services required by legislation or regulation, such as comfort letters, consents, reviews of securities filings and statutory audits.

(2) "**Audit-Related Fees**" include services that are traditionally performed by the auditor. These audit-related services include employee benefit audits, due diligence assistance, accounting consultations on proposed transactions, internal control reviews and audit or attest services not required by legislation or regulation.

(3) "**Tax Fees**" include fees for all tax services other than those included in "Audit Fees" and "Audit-Related Fees". This category includes fees for tax compliance, tax planning and tax advice. Tax planning and tax advice includes assistance with tax audits and appeals, tax advice related to mergers and acquisitions and requests for rulings or technical advice from tax authorities.

(4) "**All Other Fees**" include all other non-audit services.

Additional information relating to the Company may be found on SEDAR at www.sedar.com.

Additional information, including directors' and officers' remuneration and indebtedness, principal holders of the Company's securities and securities authorized for issuance under the Omnibus Incentive Plan is contained in the Company's management information circular for the annual and special meeting of its shareholders held on September 21, 2021. Additional information is also provided in the Company's financial statements and management's discussion and analysis for its most recently completed financial year.

APPENDIX A

AUDIT COMMITTEE CHARTER

ATMOFIZER TECHNOLOGIES INC.

1. Role and Objective

The Audit Committee (the "**Committee**") is a committee of the board of directors (the "**Board**") of ATMOFIZER TECHNOLOGIES INC. (the "**Company**") to which the Board has delegated its responsibility for the oversight of the following:

- nature and scope of the annual audit;
- management's reporting on internal accounting standards and practices;
- the review of financial information, accounting systems and procedures;
- financial reporting and financial statements,

and has charged the Committee with the responsibility of recommending, for approval of the Board, the audited financial statements, interim financial statements and other mandatory disclosure releases containing financial information.

The primary objectives of the Committee, with respect to the Company and its subsidiaries, are as follows:

- to assist the directors of the Company (the "**Directors**") in meeting their responsibilities in respect of the preparation and disclosure of the financial statements of the Company and related matters;
- to provide an open avenue of communication among the Company's auditors, financial and senior management and the Board;
- to ensure the external auditors' independence and review and appraise their performance;
- to increase the credibility and objectivity of financial reports; and
- to strengthen the role of the outside Directors by facilitating in depth discussions between Directors on the Committee, management and external auditors.

2. Composition

The Committee will be comprised of at least three Directors or such greater number as the Board may determine from time to time and all members of the Committee shall be "independent" (as such term is used in National Instrument 52-110 – *Audit Committees* ("**NI 52-110**")) unless the Board determines that an exemption contained in NI 52-110 is available and determines to rely thereon. "**Independent**" generally means free from any business or other direct or indirect material relationship with the Company that could, in the view of the Board, reasonably interfere with the exercise of the member's independent judgment.

All of the members of the Committee must be "financially literate" (as defined in NI 52-110) unless the Board determines that an exemption under NI 52-110 from such requirement in respect of any particular member is available and determines to rely thereon in accordance with the provisions of NI 52-110. Being "**financially literate**" means members have the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Company's financial statements.

The Board shall from time to time designate one of the members of the Committee to be the chairperson of the Committee (the "**Chair**").

3. Meetings and Administrative Matters

(a) The Committee shall meet at least four times per year and/or as deemed appropriate by the Committee Chair. As part of its job to foster open communication, the Committee will meet at least annually with management and the external auditors in separate sessions, and at such other times as the external auditor and/or the Committee consider appropriate. The Chief Financial Officer of the Company shall attend meetings of the Committee, unless otherwise excused from all or part of any such meeting by the Chair.

(b) Agendas, with input from management and approved by the Chair, shall be circulated to Committee members and relevant management personnel along with background information on a timely basis prior to the Committee meetings.

(c) A quorum for meetings of the Committee will be a majority of its members, and the rules for calling, holding, conducting and adjourning meetings of the Committee will be the same as those governing the Board unless otherwise determined by the Committee or the Board.

(d) The Chair will preside at all meetings of the Committee, unless the Chair is not present, in which case the members of the Committee that are present will designate from among such members the Chair for purposes of the meeting.

(e) At all meetings of the Committee, every resolution shall be decided by a majority of the votes cast. In case of an equality of votes, the Chair of the meeting shall be entitled to a second or casting vote.

(f) The minutes of the Committee meetings shall accurately record the decisions reached and shall be distributed to the Committee members with copies to the Board, the Chief Financial Officer or such other officer acting in that capacity, and the external auditor.

(g) The Committee may invite such officers, directors and employees of the Company and its subsidiaries, if any, as it sees fit from time to time to attend at meetings of the Committee and assist in the discussion and consideration of the matters being considered by the Committee.

(h) The Committee may retain persons having special expertise and/or obtain independent professional advice to assist in fulfilling its responsibilities at the expense of the Company as determined by the Committee without any further approval of the Board.

(i) Any members of the Committee may be removed or replaced at any time by the Board and will cease to be a member of the Committee as soon as such member ceases to be a Director. The Board may fill vacancies on the Committee by appointment from among its members. If and whenever a vacancy exists on the Committee, the remaining members may exercise all its powers so long as a quorum remains. Subject to the foregoing, following appointment as a member of the Committee, each member will hold such office until the Committee is reconstituted.

(j) Any issues arising from these meetings that bear on the relationship between the Board and management should be communicated to the Chairman of the Board by the Committee Chair.

4. Mandate and Responsibilities

To fulfill its responsibilities and duties, the Committee shall:

(a) undertake annually a review of this mandate and make recommendations to the Corporate Governance and Nominating Committee as to proposed changes;

(b) satisfy itself on behalf of the Board with respect to the Company's internal control systems, including, where applicable, relating to derivative instruments:

(i) identifying, monitoring and mitigating business risks; and

(ii) ensuring compliance with legal, ethical and regulatory requirements;

(c) review the Company's financial statements and reports and any related management's discussion and analysis ("**MD&A**"), any annual earnings, interim earnings and press releases before the Company publicly discloses this information and any reports or other financial information (including quarterly financial reports), which are submitted to any governmental body, or to the public, including any certification, report, opinion, or review rendered by the external auditors; the process should include but not be limited to:

(i) reviewing changes in accounting principles and policies, or in their application, which may have a material impact on the current or future years' financial statements;

(ii) reviewing significant accruals, reserves or other estimates such as the ceiling test calculation;

(iii) reviewing accounting treatment of unusual or non-recurring transactions;

(iv) ascertaining compliance with covenants under loan agreements;

(v) reviewing financial reporting relating to asset retirement obligations;

(vi) reviewing disclosure requirements for commitments and contingencies;

(vii) reviewing adjustments raised by the external auditors, whether or not included in the financial statements;

(viii) reviewing unresolved differences between management and the external auditors;

(ix) obtain explanations of significant variances with comparative reporting periods; and

(x) determine through inquiry if there are any related party transactions and ensure the nature and extent of such transactions are properly disclosed;

(d) review the financial reports and related information included in prospectuses, MD&A, information circular-proxy statements and annual information forms and all public disclosure containing audited or unaudited financial information (including, without limitation, annual and interim press releases and any other press releases disclosing earnings or financial results) before release and prior to Board approval. The Committee must be satisfied that adequate procedures are in place for the review of the Company's disclosure of all other financial information and will periodically assess the adequacy of those procedures;

(e) with respect to the appointment of external auditors by the Board:

(i) require the external auditors to report directly to the Committee;

(ii) review annually the performance of the external auditors who shall be ultimately accountable to the Board and the Committee as representatives of the shareholders of the Company;

(iii) obtain annually, a formal written statement of external auditors setting forth all relationships between the external auditors and the Company and confirming their independence from the Company;

(iv) review and discuss with the external auditors any disclosed relationships or services that may impact the objectivity and independence of the external auditors;

(v) be directly responsible for overseeing the work of the external auditors engaged for the purpose of issuing an auditors' report or performing other audit, review or attest services for the Company, including the resolution of disagreements between management and the external auditor regarding financial reporting;

(vi) review management's recommendation for the appointment of external auditors and recommend to the Board appointment of external auditors and the compensation of the external auditors;

(vii) review the terms of engagement of the external auditors, including the appropriateness and reasonableness of the auditors' fees;

(viii) when there is to be a change in auditors, review the issues related to the change and the information to be included in the required notice to securities regulators of such change;

(ix) take, or recommend that the full Board take, appropriate action to oversee the independence of the external auditors;

(x) at each meeting, consult with the external auditors, without the presence of management, about the quality of the Company's accounting principles, internal controls and the completeness and accuracy of the Company's financial reports;

(f) review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the present and former external auditors of the Company;

(g) review annually with the external auditors their plan for their audit and, upon completion of the audit, their reports upon the financial reports of the Company and its subsidiaries;

(h) review and pre-approve all audit and audit-related services and the fees and other compensation related thereto, and any non-audit services, provided by the Company's external auditors and consider the impact on the independence of the auditors; The pre-approval requirement is waived with respect to the provision of non-audit services if:

(i) the aggregate amount of all such non-audit services provided to the Company constitutes not more than five percent (5%) of the total amount of fees paid by the Company to its external auditors during the fiscal year in which the non-audit services are provided;

(ii) such services were not recognized by the Company at the time of the engagement to be non-audit services; and

(iii) such services are promptly brought to the attention of the Committee by the Company and approved prior to the completion of the audit by the Committee or by one or more members of the Committee who are members of the Board to whom authority to grant such approvals has been delegated by the Committee;

provided the pre-approval of the non-audit services is presented to the Committee's first scheduled meeting following such approval, such authority may be delegated by the Committee to one or more independent members of the Committee;

(i) review any other matters that the Audit Committee feels are important to its mandate or that the Board chooses to delegate to it;

(j) with respect to the financial reporting process:

(i) in consultation with the external auditors, review with management the integrity of the Company's financial reporting process, both internal and external;

(ii) consider the external auditors' judgments about the quality and appropriateness of the Company's accounting principles as applied in its financial reporting;

(iii) consider and approve, if appropriate, changes to the Company's auditing and accounting principles and practices as suggested by the external auditors and management;

(iv) review significant judgments made by management in the preparation of the financial reports and the view of the external auditors as to appropriateness of such judgments;

(v) following completion of the annual audit, review separately with management and the external auditors any significant difficulties encountered during the course of the audit, including any restrictions on the scope of work or access to required information;

(vi) review any significant disagreement among management and the external auditors regarding financial reporting;

(vii) review with the external auditors and management the extent to which changes and improvements in financial or accounting practices have been implemented; and

(viii) review the certification process,

(k) review financial reporting relating to risk exposure and risk management policies and procedures of the Company (i.e., hedging, litigation and insurance),

(l) establish a procedure for:

(i) the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters; and

(ii) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.

5. Authority

Following each meeting, in addition to a verbal report, the Committee will report to the Board by way of providing copies of the minutes of such Committee meeting at the next Board meeting after a meeting is held (these may still be in draft form).

Supporting schedules and information reviewed by the Committee shall be available for examination by any director.

The Committee shall have the authority to investigate any financial activity of the Company and to communicate directly with the internal and external auditors. All employees are to cooperate as requested by the Committee.

The Committee may retain, and set and pay the compensation for, persons having special expertise and/or obtain independent professional advice to assist in fulfilling its duties and responsibilities at the expense of the Company.