



ATMOFIZER TECHNOLOGIES INC. ANNOUNCES HVAC MARKET DEVELOPMENT AND THIRD QUARTER 2022 FINANCIAL RESULTS

November 29, 2022, Vancouver, British Columbia – Atmofizer Technologies Inc. (the “Company” or “Atmofizer”) (CSE: ATMO) (Frankfurt: J3K) (OTCQB: ATMFF) is pleased to announce its recent progress in developing its technology for the HVAC market and its financial results for the quarter ended September 30, 2022. All amounts are expressed in United States dollars unless otherwise noted.

FORCED AIR (HVAC) MARKET DEVELOPMENTS

The Company continues to transition the business to its most valuable addressable market to integrate the agglomeration technology into existing forced air systems. The Company is ready to focus on the third objective of our strategic plan: 1 - Prove it, 2 - Protect it, 3 - Promote it.

PROVE IT

The Company has been working closely with an HVAC service provider in the United States. The Company has validated the product market fit and helped to develop the final production design which can be installed in less than 15 minutes by any HVAC service technician and sell for less than other similar accessories in the market. The Company has completed testing on the HVAC solution with almost immediate agglomeration at air speeds consistent or superior to most HVAC applications, meaningful improvement of filter performance and improve HVAC performance. The last phase of comprehensive third-party laboratory tests to independently certify the results of this new product range is scheduled for January 2023. The design can be easily adapted to expand beyond the residential HVAC market to service commercial, industrial and agricultural applications.

PROTECT IT

The Company successfully received its second US patent, its agglomeration technology for integrated and HVAC applications. On August 23, 2022, the Company announced that the USPTO issued a Notice of Allowance for new claims related to the Company's air and water purification technology. This was followed by a formal patent issuance on October 25, 2022. (U.S. Patent No. 11,478,742). The allowed patent application, titled, "Ultra-Fine Particle Aggregation, Neutralization and Filtration" (US Patent Application No. 11,291,939) provides broad protection for important aspects of Atmofizer's air purification technology. The Notice of Allowance from the USPTO is directed to a new design that delivers ultra-fine particle agglomeration and nanoparticle reduction performance in larger air ducts with faster-moving air, using less parts.

PROMOTE IT

The HVAC solution has been designed to scale to other HVAC applications with an asset light strategy that will target existing HVAC suppliers and manufacturers with existing distribution and scale. The Company will look to partner to execute its asset light, technology first approach to license its patented technology for high margin licensing opportunities. The Company is in the final stages of distribution discussions with a partner in the United States to launch its HVAC solution, to be announced in due course.

CORPORATE DEVELOPMENTS

On August 23, 2022, the Company announced that the USPTO issued a Notice of Allowance for new claims related to the Company's air and water purification technology. The allowed patent application, titled, "Ultra-Fine Particle Aggregation, Neutralization and Filtration" (US Patent Application No. 11,291,939) provides broad protection for important aspects of Atmofizer's air purification technology. The recent Notice of Allowance from the USPTO is directed to a new design that delivers ultra-fine particle agglomeration and nanoparticle reduction performance in larger air ducts with faster-moving air, using less parts. The Company plans to market this patent to be licensed by air purification device manufacturers, HVAC suppliers and service companies. This was followed by a formal patent issuance on October 25, 2022. (U.S. Patent No. 11,478,742). The allowed patent application, titled, "Ultra-Fine Particle Aggregation, Neutralization and Filtration" (US Patent Application No. 11,291,939) provides broad protection for important aspects of Atmofizer's air purification technology.

On August 25, 2022, the Company announced the latest testing performed by a third-party laboratory on Atmofizer ONE technology demonstrated a greater than 4-log reduction (> 99.99%) in specifically targeted microorganisms, including gram-positive bacteria, gram-negative bacteria, and enveloped virus. The Atmofizer ONE is now marketed subject to the U.S. Food and Drug Administration's "Enforcement Policy for Sterilizers, Disinfectant Devices, and Air Purifiers During the Coronavirus Disease 2019 (COVID-19) Public Health Emergency" (March 2020).

Atmofizer ONE Performance Update

Atmofizer Efficacy Claims:

- 99.99% reduction of *Klebsiella Aerogenes* [gram-negative bacteria]
- 99.99% reduction of *Staphylococcus Epidermis* [gram-positive bacteria]

- 99.99% reduction of Phi-6 Bacteriophage [enveloped virus, Surrogate for SARS-CoV-2]

Atmofizer SARS-CoV-2 Specific Efficacy Claims

- Atmofizer reduces airborne SARS-CoV-2
- Atmofizer destroys over 99.99% SARS-CoV-2 without a filter
- Atmofizer destroys SARS-CoV-2 by over 99.99% in 45 minutes

These results are based on third-party laboratory tests at 180 minutes of continuous device operation. The FDA has not evaluated Atmofizer technology. Atmofizer ONE has not been reviewed or approved by the FDA. SARS-CoV-2 data is based on Third-Party Testing of Phi-6 Bacteriophage, a surrogate microorganism for SARS-CoV-2.

As of the nine months ended September 30, 2022, the Company had issued 46,791,500 common shares in the authorized share structure of the Company ("**Common Shares**") with gross proceeds of C\$2,338,580 under the "at-the-market" equity distribution program pursuant to a prospectus supplement dated February 26, 2022 (the "**ATM Program**").

FINANCIAL HIGHLIGHTS FOR QUARTER ENDED SEPTEMBER 30, 2022

For the three months ended September 30, 2022, the Company generated nil revenue compared to \$23,585 in revenue and a gross profit of \$6,810 (28.87%) during the three months ended September 30, 2021.

Our initial launch of the portable device application which leveraged our patented agglomeration technology to bunch together small particles and enhance the impact of industry ultra-violet technology to neutralize viruses and bacteria by absorbing more heat. Despite the performance results achieved by the technology to deliver and the increased demand related to the COVID-19 pandemic, the Company was faced with supply chain disruptions that had severe impacts on competitive market pricing where traditional lower cost devices, regulatory marketing claim uncertainty and lack of consumer knowledge of published results in the sector that severely impacted revenues. The two core device distributors were affected by the previously reported supply chain disruptions highlighted in our second quarter MD&A which affected their ability to convert their sales pipeline into revenue. Demand for air purifier devices has softened since the decline in COVID-19. In light of the poor sales performance from the Company's main distributor, USA Tech Direct, the Company and USA Tech Direct have decided to phase out their distribution relationship.

In addition, the Company was successful in securing an additional US patent on its agglomeration technology within an HVAC application. On August 23, 2022, the Company announced that the USPTO issued a Notice of Allowance for new claims related to the Company's air and water purification technology. This was followed by a formal patent issuance on October 25, 2022. (U.S. Patent No. 11,478,742). The allowed patent application, titled, "Ultra-Fine Particle Aggregation, Neutralization and Filtration" (US Patent Application No. 11,291,939) provides broad protection for important aspects of Atmofizer's air purification technology. The recent Notice of Allowance from the USPTO is directed to a new design that delivers ultra-fine particle agglomeration and nanoparticle reduction performance in larger air ducts with faster-moving air, using less parts. The Company plans to market this patent to be licensed by air purification device manufacturers, HVAC suppliers and service companies. The Company expects that the application of its agglomeration technology in the HVAC market is a larger market opportunity than the air purifier

market in the United States. Products would be available for this market opportunity in the first quarter of 2023.

During the nine months ended September 30, 2022, the Company generated revenue of \$210,000 with a gross profit of \$60,293 (28.71%) compared to \$76,585 with a gross profit of \$27,298 (35.64%) during the nine months ended September 30, 2021.

The Company incurred \$4.5 million in expenses during the three months ended September 30, 2022, compared to \$2.1 million during the three months ended September 30, 2021. The increase of \$2.4 million increase in expenses was driven primarily by an increase in share-based payments of \$2.5 million, an increase in amortization of \$0.2 million and impairments of inventories and receivables of \$0.4 million and an increase in salaries and wages of \$0.2 million. There were significant decreases over the previous quarter in management fees (\$0.4 million), consulting fees (\$0.3 million) and professional fees (\$0.2 million). The Company has focused on reducing operating expenses and excluding amortization expenses, impairments of inventories and receivables and share-based payments, operating expenses were reduced by \$0.8 million during the quarter ended September 30, 2022. In addition, during the three months ended September 30, 2022, the Company recognized an impairment of receivables of \$0.1 million and impairment of inventories of \$0.3 million. No such impairment was recognized in previous year.

The Company incurred \$16.1 million in expenses during the nine months ended September 30, 2022, compared to \$5.9 million during the nine months ended September 30, 2021. The increase of \$10.2 million in expenses was driven primarily by share based payments of \$9.3 million and \$1.6 million in sales and marketing expense of which \$1 million was paid by issuing the Common Shares. There were significant decreases over the previous year in consulting fees (\$1.1 million), management fees (\$0.9 million) and research and development expenses (\$0.5 million). The Company has focused on reducing operating expenses and excluding amortization expenses, impairments of inventories and receivables and share-based payments, operating expenses were reduced by \$1.4 million for the nine months ended September 30, 2022.

During the three months ended September 30, 2022, the Company recorded net loss of \$4.6 million compared to a net loss of \$2.1 million for the three months ended September 30, 2021. The biggest contributors to the increase in the net loss of \$2.5 million were share-based payments of \$2.5 million, salaries and wages of \$0.2 million, impairment charges of \$0.4 million and amortization of \$0.2 million, which were offset by a decrease in management fees (\$0.4 million), consulting fees (\$0.3 million) and professional fees (\$0.2 million).

During the nine months ended September 30, 2022, the Company recorded net loss of \$16.1 million compared to a net loss of \$5.9 million for the nine months ended September 30, 2021. The biggest contributors to the increase in the net loss of \$10.2 million were share-based payments of \$9.0 million, sales and marketing of \$1.3 million, salaries and wages of \$0.8 million, impairment charges of \$0.9 million and amortization of \$0.7 million, which were offset by a decrease in management fees (\$0.9 million), consulting fees (\$1.1 million) and research and development (\$0.5 million).

“The Company achieved a number of important technology development milestones during the second quarter of 2022. Our science team continued to make significant advancements to prove and productize our technology to achieve our ultimate goal of delivering cleaner air, energy savings and improved efficiency during the quarter. We are doing this by expanding beyond our appliance business and into the multi-billion dollar HVAC industry. We recently received a Notice

of Allowance for new claims related to the Company's air purification technology from the USPTO. The recent Notice of Allowance from the USPTO is directed to a new design that delivers ultra-fine particle agglomeration and nanoparticle reduction performance in larger air ducts with faster-moving air, using less parts," said Atmofizer CEO, Olivier Center. "The Company plans to market this patent to be licensed by air purification device manufacturers, HVAC suppliers and service companies. Our first priority is to leverage our strong relationships with HVAC distribution partners to commercialize our nano particle agglomeration technology through licensing. With respect to our appliance business, we experienced head winds from both supply chain related issues as well as regulatory issues. We see ourselves now in a better position to work with our distributors under the FDA's Air Purifier Policy and deliver appliance sales as well as having more appliance inventory on hand to sell through. We continue to follow our asset light objective of developing new clean technology and licensing or partnering with industry leaders to scale faster and capital efficiently."

SUBSEQUENT EVENTS

On November 4, 2022, the Company sold a property based in Mississauga, Ontario (the "**Mississauga Property**") for C\$575,000 to a real estate developer (the "**Buyer**"). The Company received \$150,000 immediately upon closing and agreed to give the Buyer a six-month 7.5% first ranking vendor-take back mortgage against the Mississauga Property for the balance of the proceeds of \$425,000. The mortgage matures on May 1, 2023. The Mississauga Property was a non-core asset of the Company, which two of its subsidiaries acquired title to pursuant to a legacy option agreement for nil consideration immediately prior to the sale transaction.



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About Atmofizer Technologies Inc.

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

Atmofizing air refers to the process of using ultrasonic acoustic waves to agglomerate (cluster together) small particles into a larger target that is then radiated by ultraviolet light to neutralize

their harmful properties, making the air you breathe less hazardous to your health. Using units that atomize air in tandem with high efficiency particulate air (“HEPA”) filters can make the HEPA filters work more efficiently, enable the use of a less-powerful filter and result in a cleaner and longer-lasting filter that reduces operating costs and is less of a health hazard to clean or replace.

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

Forward-Looking Information

This press release contains “forward-looking information” within the meaning of applicable securities laws. All statements contained herein that are not clearly historical in nature may constitute forward-looking information. In some cases, forward-looking information can be identified by words or phrases such as “may”, “will”, “expect”, “likely”, “should”, “would”, “plan”, “anticipate”, “intend”, “potential”, “proposed”, “estimate”, “believe” or the negative of these terms, or other similar words, expressions and grammatical variations thereof, or statements that certain events or conditions “may” or “will” happen, or by discussions of strategy. The forward-looking information contained herein includes, without limitation, the business and strategic plans of the Company.

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

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