



ATMOFIZER TECHNOLOGIES INC.

**CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED MARCH 31, 2024
(UNAUDITED)**

(Expressed in United States Dollars)

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

Under National Instrument 51-102, Part 4, subsection 4.3(3) (a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor. The Company's independent auditor has not performed a review of these financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor.

The accompanying unaudited interim financial statements of Atmofizer Technologies Inc. for the three months ended March 31, 2024 have been prepared by the management of the Company and approved by the Company's Audit Committee and the Company's Board of Directors.

The accompanying unaudited interim financial statements of the Company have been prepared by and are the responsibility of the Company's management.

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Atmofizer Technologies Inc.

Condensed Consolidated Interim Statements of Financial Position (unaudited)

(Expressed in United States Dollars)

	As at	March 31,	December 31,
	Note(s)	2024	2023
		\$	\$
ASSETS			
Current assets			
Cash		112,114	224,469
Accounts receivable		66,942	66,787
Prepaid expenses		-	13,442
TOTAL ASSETS		179,056	304,698
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	3	1,494,845	1,443,519
Notes payable	4	294,541	300,409
TOTAL LIABILITIES		1,789,386	1,743,928
SHAREHOLDERS' EQUITY (DEFICIENCY)			
Share capital	5	44,667,313	44,667,313
Warrants reserve	5	849,465	849,465
Restricted share unit reserve	5	97,004	94,601
Additional paid-in capital		4,795,831	4,795,831
Accumulated deficit		(52,043,430)	(51,863,159)
Accumulated other comprehensive income		23,487	16,719
TOTAL SHAREHOLDERS' EQUITY (DEFICIENCY)		(1,610,330)	(1,439,230)
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIENCY)		179,056	304,698
Corporate information and continuance of operations	1		
Segmented information	7		
Subsequent event	1		

The unaudited condensed consolidated interim financial statements were approved for issue by the Board of Directors and signed on its behalf by:

/s/ Michael Galloro Director

/s/ Olivier Centner Director

Atmofizer Technologies Inc.

Condensed Consolidated Interim Statements of Loss and Comprehensive Loss (unaudited)

(Expressed in United States Dollars)

	Note(s)	For the three months ended	
		March 31, 2024	March 31, 2023
		\$	\$
Expenses			
Consulting fees		3,516	20,899
Depreciation		-	2,466
Foreign exchange loss		(28,064)	(51,854)
General and administrative expenses		27,413	49,054
Marketing expenses		-	8,660
Professional fees	6	47,778	65,452
Research and development		-	6,429
Salaries and wages	6	121,254	163,122
Share-based payments	5, 6	2,403	37,797
Transfer agent, regulatory and filing fees		4,009	28,411
Travel		968	7,867
Total expenses		(179,277)	(338,303)
Other income (expenses)			
Finance costs		(994)	(3,164)
Other income		-	600
Net loss		(180,271)	(340,867)
Other comprehensive loss			
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation differences for foreign operations		6,768	(307)
Comprehensive loss		(173,503)	(341,174)
Basic and diluted loss per share for the period attributable to common shareholders (\$ per common share)			
		(0.02)	(0.04)
Weighted average number of common shares outstanding - basic and diluted			
		8,640,898	7,651,798

See accompanying notes to these condensed consolidated interim financial statements.

Atmofizer Technologies Inc.

Condensed Consolidated Interim Statements of Changes in Shareholders' Equity (Deficiency) (unaudited)
(Expressed in United States Dollars)

		Share capital	Warrants reserve	Stock options reserve	Restricted share unit reserve	Additional paid-in capital	Accumulated deficit	Accumulated other comprehensive income	TOTAL	Non-controlling interest	TOTAL
Note(s)	#	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Balance as of December 31, 2023	8,640,898	44,667,313	849,465	-	94,601	4,795,831	(51,863,159)	16,719	(1,439,230)	-	(1,439,230)
Share-based payments	5	-	-	-	2,403	-	-	-	2,403	-	2,403
Loss and comprehensive loss		-	-	-	-	-	(180,271)	6,768	(173,503)	-	(173,503)
Balance as of March 31, 2024	8,640,898	44,667,313	849,465	-	97,004	4,795,831	(52,043,430)	23,487	(1,610,330)	-	(1,610,330)

Balance as of December 31, 2022		6,687,398	44,415,306	849,465	4,474	73,019	4,789,996	(50,841,125)	23,517	(685,348)	(3,938)	(689,286)
Shares issued for cash, net of share issue costs	5	1,668,500	189,339	-	-	-	-	-	-	189,339	-	189,339
Reclassification of grant-date fair value on issue of shares for the restricted shares units	5	95,000	48,502	-	-	(48,502)	-	-	-	-	-	-
Share-based payments	5	-	-	-	1,895	35,902	-	-	-	37,797	-	37,797
Loss and comprehensive loss		-	-	-	-	-	(340,867)	(307)	(341,174)	-	-	(341,174)
Balance as of March 31, 2023		8,450,898	44,653,147	849,465	6,369	60,419	4,789,996	(51,181,992)	23,210	(799,386)	(3,938)	(803,324)

See accompanying notes to these condensed consolidated interim financial statements.

Atmofizer Technologies Inc.

Condensed Consolidated Interim Statements of Cash Flows (unaudited)

(Expressed in United States Dollars)

		For the three months ended	
		March 31, 2024	March 31, 2023
	Note(s)	\$	\$
Cash flow from (used in)			
OPERATING ACTIVITIES			
Net loss		(180,271)	(340,867)
Accretion of interest of note payable	4	636	2,132
Depreciation		-	2,466
Share-based payments	5	2,403	37,797
Net changes in non-cash working capital items:			
Accounts receivable		(155)	(4,156)
Prepaid expenses		13,442	(74,108)
Accounts payable and accrued liabilities		51,590	156,291
Cash flow used in operating activities		(112,355)	(220,445)
INVESTING ACTIVITIES			
FINANCING ACTIVITIES			
Proceeds on issuance of common shares, net of cash share issue costs	5	-	189,339
Cash flow provided by financing activities		-	189,339
Effects of exchange rate changes on cash		-	11
Decrease in cash		(112,355)	(31,095)
Opening cash		224,469	400,977
Ending cash		112,114	369,882
Supplemental cash flow information			
Reclassification of grant-date fair value on issue of shares for the restricted shares units		-	48,502
Cash paid for income taxes		-	-
Cash paid for interest		-	-

See accompanying notes to these condensed consolidated interim financial statements.

Atmofizer Technologies Inc.

Notes to the Condensed Consolidated Interim Financial Statements (unaudited)

For the Three Months Ended March 31, 2024

(Expressed in United States Dollars)

1. CORPORATE INFORMATION AND CONTINUANCE OF OPERATIONS

Atmofizer Technologies Inc. ("Atmofizer", "ATMO" or the "Company") is a publicly traded company which, effective September 21, 2017, commenced trading on the NEX under the trading symbol CXA.H. The NEX is a separate board of the TSX Venture Exchange ("TSXV") for issuers previously listed on the Toronto Stock Exchange or TSXV but which no longer maintain compliance with the ongoing financial listing standards of those markets. On November 12, 2021 the Company voluntarily delisted from the TSXV.

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.

The head office and the registered address of the Company is located at Suite 2300 - 550 Burrard Street, Vancouver, BC V6C 2B5.

On April 9, 2024, Atmofizer USA, LLC was voluntarily dissolved.

Going Concern

These unaudited condensed consolidated interim financial statements have been prepared on the assumption that the Company and its subsidiaries will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the ordinary course of operations. Realization values may be substantially different from carrying values as shown and the financial statements do not give effect to adjustments that would be necessary to the carrying values and the classification of assets and liabilities should the Company be unable to continue operating as a going concern. Such adjustments could be material.

At March 31, 2024, the Company had an accumulated deficit of \$52,043,430 (December 31, 2023 – \$51,863,159) and a working capital deficiency of \$1,610,330 (December 31, 2023 – \$1,439,230). The Company incurred a net loss of \$180,271 during the three months ended March 31, 2024. These circumstances raise material uncertainties which may cast substantial doubt as to the ability of the Company to meet its ongoing obligations as they come due, and accordingly, the appropriateness of the use of the accounting principles applicable to a going concern. The Company's ability to continue as a going concern is dependent upon its ability to raise adequate financing to meet its present and future commitments and to generate profitable operations in the future.

Atmofizer Technologies Inc.

Notes to the Condensed Consolidated Interim Financial Statements (unaudited)

For the Three Months Ended March 31, 2024

(Expressed in United States Dollars)

2. MATERIAL ACCOUNTING POLICY INFORMATION AND BASIS OF PREPARATION**Statement of compliance to International Financial Reporting Standards**

These unaudited condensed consolidated interim financial statements of the Company have been prepared in accordance with IFRS Accounting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB"). These financial statements comply with International Accounting Standard 34, Interim Financial Reporting.

Basis of presentation

These unaudited condensed consolidated interim financial statements include the accounts of the Company and its subsidiaries. This interim financial report does not include all of the information required of a full annual financial report and is intended to provide users with an update in relation to events and transactions that are significant to an understanding of the changes in financial position and performance of the Company since the end of the last annual reporting period. It is therefore recommended that this financial report be read in conjunction with the annual financial statements of the Company for the year ended December 31, 2023.

New accounting standards

Certain IFRS pronouncements that are mandatory for accounting years beginning on or after January 1, 2024 have been issued. The Company concludes that the effect of such amendments did not have a material impact and therefore did not record any adjustments to the financial statements.

3. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

The Company's accounts payable and accrued liabilities are broken down as follows:

	March 31, 2024	December 31, 2023
	\$	\$
Trade payables	891,781	943,746
Accrued liabilities	603,064	499,773
	1,494,845	1,443,519

4. NOTES PAYABLE

In connection with the reverse takeover of Vaxxinator Enterprises Inc. (the "RTO") during the year ended December 31, 2021, the Company assumed five unsecured promissory notes with principal amount of CA\$345,045. The promissory notes bear interest at the annual rate of 4% and are repayable without penalty at any time prior to maturity. The notes were in default as of the date of the RTO.

On February 1, 2022, the Company entered into an amending and extension agreement with one of the promissory noteholders to extend the maturity date to January 31, 2024. The total principal amount of these loans that were extended was CA\$220,045.

During the three months ended March 31, 2024, the Company recognized interest expenses of \$636 (CA\$857) (March 31, 2023 – \$2,132 (CA\$2,882)).

As of March 31, 2024, the balance of the note payables including outstanding interest was \$294,541 (CA\$398,800) (December 31, 2023 – \$300,490 (CA\$397,943)).

Atmofizer Technologies Inc.

Notes to the Condensed Consolidated Interim Financial Statements (unaudited)

For the Three Months Ended March 31, 2024

(Expressed in United States Dollars)

5. SHARE CAPITAL

Authorized share capital

Unlimited number of Common Shares without par value.

Issued share capital

At March 31, 2024 and December 31, 2023, the Company had 8,640,898 common shares issued and outstanding with a value of \$44,667,313.

During the three months ended March 31, 2024, no share capital transactions occurred.

During the three months ended March 31, 2023

- The Company sold 1,668,500 common shares under the at-the-market equity program (the “ATM Program”), which was established during the December 31, 2022, with gross proceeds of \$194,193 (CA\$261,318). In connection with the share issuance of 1,668,500 common shares, the Company paid a commission of \$4,854 (CA\$6,533).

The average gross and net share price of the 1,668,500 common shares issued under the ATM Program was \$0.116 (CA\$0.157) and \$0.114 (CA\$0.153), respectively.

- The Company issued 95,000 common shares with fair value of \$48,502 for the restricted share unit.

Equity Incentive Plan (the “Incentive Plan”)

To provide a share-related mechanism to attract, retain and motivate qualified directors, employees and consultants of the Company and its subsidiaries, the Company implemented an Incentive Plan which includes the incentive stock options (“Options”) and RSUs. The Incentive Plan is administered by the Board, which sets the terms of incentive awards under the Incentive Plan. The maximum number of Common Shares available for issue under the Incentive Plan is 10% of the aggregate number of issued and outstanding Common Shares, less the number of Common Shares issuable pursuant to Options or RSUs. Under the Incentive Plan, an option's maximum term is ten years from the grant date and the Board has the option of determining vesting periods for the Options and RSUs. For RSUs, upon vesting, the Company has the option to settle the RSU by (i) issuing Common Shares, (ii) paying the cash equivalent or (iii) a combination thereof.

- Stock options

During the three months ended March 31, 2024 and 2023, no options were granted, exercised or expired.

During the three months ended March 31, 2024, the Company recognized share-based payments arising from the stock options of \$nil (March 31, 2023 – \$1,895).

As of March 31, 2024 and December 31, 2023, no stock options were issued and outstanding.

Atmofizer Technologies Inc.

Notes to the Condensed Consolidated Interim Financial Statements (unaudited)

For the Three Months Ended March 31, 2024

(Expressed in United States Dollars)

5. SHARE CAPITAL (CONTINUED)**Equity Incentive Plan (the “Incentive Plan”) (continued)****• RSU**

During the three months ended March 31, 2024, no RSUs were granted or cancelled.

During the three months ended March 31, 2023, the Company issued 95,000 Common Shares for the settlement of vested RSUs.

During the three months ended March 31, 2024, the Company recognized share-based payments expense arising from the RSUs of \$2,403 (March 31, 2023 – \$35,902).

6. RELATED PARTY TRANSACTIONS AND BALANCES

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties may be individuals or corporate entities. The Company has identified its directors and officers as its key management personnel. Other related parties to the Company include companies in which key management has control or significant influence. Key management personnel receive remuneration from the Company summarized as follows:

During three months ended March 31, 2024

- The short-term benefits incurred for the key management personnel were \$113,991.
- The Company incurred professional fees of \$2,338 from a law firm in which the one of the Company’s directors is a partner.
- The Company recognized share-based payments of \$2,403 related to the RSUs granted to the Company’s officer.

During three months ended March 31, 2023

- The short-term benefits incurred for the key management personnel were \$147,824.
- In addition, the Company incurred \$3,914 in development expenses with a company that was 49% owned by the Company’s CEO for internet connectivity and application development for its air purification products.

The balances due to the Company’s directors, officers and former officer included in accounts payable and accrued liabilities were \$1,276,358 as of March 31, 2024 (December 31, 2023 – \$1,039,391). The balance is unsecured, non-interest bearing with no fixed terms of repayment.

In addition, the note payable (Note 4) included an amount of \$21,642 (December 31, 2023 – \$22,048) due to one of the Company’s directors.

Atmofizer Technologies Inc.

Notes to the Condensed Consolidated Interim Financial Statements (unaudited)

For the Three Months Ended March 31, 2024

(Expressed in United States Dollars)

7. SEGMENTED INFORMATION

The Company operates in one reportable segment being the sale of the air purifier.

8. CAPITAL MANAGEMENT

The Company's objective when managing capital is to maintain adequate levels of funding in order to safeguard the Company's ability to continue as a going concern, fund its planned activities and commitments and retain financial flexibility to respond to unforeseen future events and circumstances. The Company manages and makes adjustments to its capital structure based on the level of funds on hand and anticipated future expenditures. To maintain or adjust its capital structure, the Company may issue new equity instruments, new debt, or acquire and/or dispose of assets.

Management reviews its capital management approach on an ongoing basis. There were no changes in the Company's approach to capital management during the three months ended March 31, 2024.

The Company is not subject to any externally imposed capital restrictions.

9. FINANCIAL INSTRUMENTS**Fair value**

The carrying values of cash, amounts receivable, accounts payable and accrued liabilities, and notes payable approximate their fair values due to the relatively short period to maturity of those financial instruments.

Financial instruments recorded at fair value on the consolidated statements of financial position are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities and the lowest priority to unobservable inputs.

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

Level 1: Unadjusted quoted prices in active markets for identical assets or liabilities;

Level 2: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability either directly (i.e., as prices) or indirectly (i.e., derived from prices); and

Level 3: Inputs that are not based on observable market data.

As at March 31, 2024 and December 31, 2023, the financial instrument recorded at fair value on the consolidated statement of financial position is cash which is measured using Level 1 of the fair value hierarchy.

Atmofizer Technologies Inc.

Notes to the Condensed Consolidated Interim Financial Statements (unaudited)

For the Three Months Ended March 31, 2024

(Expressed in United States Dollars)

9. FINANCIAL INSTRUMENTS (CONTINUED)**Fair value (continued)**

Set out below are the fair value of the Company's financial assets and financial liabilities by category:

	March 31, 2024		FVTPL	Amortized costs	FVTOCI
	\$		\$	\$	\$
FINANCIAL ASSETS					
ASSETS					
Cash	112,114	-		112,114	-
Accounts receivable	66,942	-		66,942	-
FINANCIAL LIABILITIES					
LIABILITIES					
Accounts payable and accrued liabilities	(1,494,845)	-		(1,494,845)	-
Notes payable	(294,541)	-		(294,541)	-

	December 31, 2023		FVTPL	Amortized costs	FVTOCI
	\$		\$	\$	\$
FINANCIAL ASSETS					
ASSETS					
Cash	224,469	-		224,469	-
Accounts receivable	66,787	-		66,787	-
FINANCIAL LIABILITIES					
LIABILITIES					
Accounts payable and accrued liabilities	(1,443,519)	-		(1,443,519)	-
Notes payable	(300,409)	-		(300,409)	-

Financial risk management**Credit risk**

Credit risk is such that a counterparty to a financial instrument will not discharge its obligations resulting in a financial loss to the Company. The Company has procedures in place to minimize its exposure to credit risk.

Company management evaluates credit risk on an ongoing basis including counterparty credit rating and activities related to other receivables and other counterparty concentrations as measured by amount and percentage.

The primary sources of credit risk for the Company arise from cash and amounts receivable. The Company's maximum exposure to credit risk is the cash with an amount of \$112,114 which is deposited with reputable financial institutions. Amounts receivable are due from government agencies.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty raising funds to meet commitments associated with financial instruments. The Company manages liquidity by maintaining adequate cash balances to meet liabilities as they become due. As of March 31, 2024, the Company had cash of \$112,114 to meet short-term business requirements. As of March 31, 2024, the Company had accounts payable and accrued liabilities and notes payable of \$1,494,845 and \$294,541, respectively.

Atmofizer Technologies Inc.

Notes to the Condensed Consolidated Interim Financial Statements (unaudited)

For the Three Months Ended March 31, 2024

(Expressed in United States Dollars)

9. FINANCIAL INSTRUMENTS (CONTINUED)**Financial risk management (continued)****Market risk**

The significant market risks to which the Company is exposed are interest rate risk, currency risk, other price risk, and commodity price risk.

- **Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's notes payable are not subject to interest rate risk as it is not subject to a variable interest rate.

- **Currency risk**

The Company is exposed to currency risk to the extent that monetary assets and liabilities held by the Company are not denominated in Canadian dollars. The Company has not entered into any foreign currency contracts to mitigate this risk.

The Company's cash, amounts receivable and accounts payable and accrued liabilities are held in United States Dollars (" \$" or "US\$") and Canadian Dollars ("CA\$"); therefore, CA\$ accounts are subject to fluctuation against the United States Dollars.

The Company had the following balances in foreign currency as at March 31, 2024:

	US\$	CA\$
Cash	1,650	149,565
Accounts receivable	-	90,638
Accounts payable and accrued liabilities	(937,048)	(755,240)
Notes payable	-	(398,800)
	(935,398)	(913,837)
Rate to convert to \$1.00 US\$	1.00	0.74
Equivalent to US\$	(935,398)	(674,931)

Based on the above net exposures as at March 31, 2024, and assuming that all other variables remain constant, a 10% appreciation or depreciation of the USD against the CA\$ and € would increase/decrease comprehensive loss by \$67,000.