

RAPID DOSE THERAPEUTICS CORP

ANNUAL INFORMATION FORM

DATE OF INFORMATION

February 28, 2022



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1. CORPORATE INFORMATION AND STRUCTURE

DATE OF REPORT: January 27, 2023
DATE OF MOST RECENTLY COMPLETED FISCAL YEAR: February 28, 2022

NAME: Rapid Dose Therapeutics Corp

REGISTERED HEAD OFFICE: Unit 3A, 1121 Walkers Line
 Burlington Ontario Canada L7N 2G4

INCORPORATION:

The Company was incorporated on May 3, 2017 under the B.C. Business Corporations Act. Under the name CTC Pharma International Inc.

In September 11, 2017, the Company changed its name to Rapid Dose Therapeutics Inc. to more effectively communicate its business purpose and move its business name away from an unrelated company, CTC Pharmaceuticals Holdings Inc.

On December 7, 2018, RDT and Acme Resources Corp. (“ACME”) completed a Reverse takeover for the purpose of listing Rapid Dose Therapeutics shares on the Canadian Securities Exchange. ACME changed its name Rapid Dose Therapeutics Corp. (“RDT”) and commenced trading on December 17, 2108 under the listing “DOSE”.

On February 20, 2019 the Rapid Dose Therapeutics Inc. filed Articles of Continuance under the Ontario Business Corporations Act and on March 1, 2019 filed its Articles of Amalgamation under the Ontario Business Corporations Act amalgamating Rapid Dose Therapeutics Inc. into Rapid Dose Therapeutics Corp.

Intercorporate Relationships

The Company has the following wholly owned subsidiaries as at March 1, 2022:

Name	Rapid Dose Therapeutics (UK) Limited	Consolidated Consumer Brands Inc.	Rapid Dose Solutions Inc.	OG Manufacturing Inc.	RDT Therapeutics Inc.
Date of Incorporation	April 27 2021	March 19 2021	November 13 2019	February 10 2021	January 17 2018
Jurisdiction	UK	Ontario	Ontario	Ontario	Delaware, USA
Shares issued and outstanding	100 common shares	3,025,100 common shares	100 common shares	100 common shares issued	5,000 common shares issued
Issue price	1 GBP per share	CDN\$1.00 per share	CDN\$1.00 per share	CDN\$1.00 per share	USD\$0.01 per share



2. Three Year History

QuickStrip™

The Company's mission is to provide an alternative oral delivery device to ingestibles (e.g. pills) and injectables (needles). The Company has focused on the development and commercialization of its proprietary oral thin film ("OTF") formulations and processes carrying active ingredients into the bloodstream through mucosal delivery. The result of its research and its development efforts over the past three years has been introduction of QuickStrip into three verticals – health & wellness, cannabis and pharmaceutical.

The Company operates in regulated environments and accordingly is dependent on regulatory approval for the production, distribution, licensing and sale of its products. Regulatory approvals have proven to be time consuming and expensive, especially in light of key anticipated launch dates in 2020. Regulatory authorities shifted their product approvals focus and their availability during shutdowns imposed by the COVID-19 pandemic.

In 2019 calendar year (FY2020):

- The Company, operating under a federal government research program in collaboration with the chemistry faculty at McMaster University in Hamilton Ontario developed its initial formulations and began testing with selected active ingredients using small scale production processes.
- The Company built out production facilities for cannabis and nutraceutical products and obtained licenses of manufacture for both cannabis and nutraceutical products.
 - Executed Managed Strip Services Agreements with US and Canadian licensed cannabis producers to provide turn-key production equipment, formulations, materials and technology to produce QuickStrip cannabis products in licensed jurisdictions
 - Installed equipment in three jurisdictions and initiated on-site testing
- Completed the build out of the Burlington facility and procurement of equipment
- Obtained micro processing licence for cannabis for the Burlington facility
- Signed a white label manufacturing agreement to produce cannabis strips for a Canadian cannabis licensee
- Filed patent applications for cannabis strip formulation processing
- Continued R&D activities with additional government funding and collaboration with McMaster University
- Raised \$1,500,000 through private placement financing of common share units
- Cease trade order – company filed in November 2020



In 2020 calendar year (FY2021):

- COVID-19 adversely impacted operations
- Obtained federal government relief for personnel and rent costs
- MSSA agreement programs shelved at licensee's locations
- Terminated agreements with licensees and initiated the return of RDT's equipment to Burlington
- Entered into white label manufacturing agreement with second Canadian cannabis licensee, formerly a party to an MSS Agreement
- Entered into negotiations to acquire Consolidated Craft Brands
- Obtained working capital loan financing of \$500,000 through a private secured lending facility
- Obtained working capital of \$600,000 from CCB in advance of closing of the acquisition of the company
- Raised \$900,000 through a private placement of common share units
- Completed patent application for CBD/THC conversion process and entered into a licensing agreement with a state of Michigan licensee. Approval process in Michigan was delayed with regulation amendments, subsequent approval on hold.
- Cease trade order – company filed in August 2021
- Subsequently Restated revenue and loss from operations for the fiscal year ended February 28, 2021 to recognize a portion of the deferred revenue which was had arisen from the cash proceeds for executing the MSS agreements

In 2021 calendar year (FY2022):

- Completed acquisition of CCB on March 19, 2021 issuing 20,000,000 common shares in exchange for 14,100,000 shares of CCB
- Engaged Thomas Bryson, President of CCB as President of RDT to over see integration of the unit into RDT and develop its product lines
- Increased white label cannabis strip production in Burlington facility
- Submitted approval CBD product under Novel Food Act in UK
- Cease trade order – company filed in January 2023



3. Significant Acquisitions

On March 19, 2021, the Company acquired 100% of the common shares of CCB, an early-stage company in the consumer-packaged brands industry focused on developing, manufacturing, and distributing therapeutic wellness products. Immediately after the acquisition, CCB was amalgamated with a newly incorporated wholly owned subsidiary of the Company with the succeeding company carrying on business as CCB.

The acquisition brought to the Company synergistic products, valuable relationships, various business partnerships and experienced management which would allow for production of products complimentary to the Company’s offerings.

The acquisition is being accounted for as a Business Combination in accordance with IFRS 3 “Business Combinations”.

Form 51-102F4 has been posted to SEDAR.

4. Business of the Company and Reporting Segments

The Company is focused on creating products with its oral thin film strip technology both as a primary producer of strips containing active ingredients and in collaboration with licensees and strategic partners with rights to the production of active ingredients, the facilities for producing oral thin film strips and identified target markets with specific applications and customers for deploying strips.

RDT’s Oral Thin Film Strip Technology

Platform company with proprietary technology focused on delivering active ingredients within three verticals

Health & Wellness	Cannabis	Pharmaceutical drugs
<p>Manufactured by 3rd party</p> <p>Nutraceutical product portfolio (NPN, Health Canada approved)</p> <ul style="list-style-type: none"> • QuickStrip™ Energy (Caffeine) • QuickStrip™ Vitamin B12 • QuickStrip™ Sleep (Melatonin) • Other products in portfolio (e.g. Immunity (D3 & K2), Anti -Fatigue (B12)) 	<p>Manufactured by DOSE in house licensed cannabis facility</p> <ul style="list-style-type: none"> • CBD, THC and in combination for licensed cannabis customers • PCT Provisional patent application for Cannabinoids into a thin film strip • Patent Pending CBD to THC conversion- enables low-cost CBD to be converted to high grade, high purity THC 	<p>Manufactured by Skycare Labs under co-production agreement</p> <p>Revenue sharing strip drugs for medical and dental markets</p>
		<div style="background-color: #00AEEF; color: white; padding: 5px; text-align: center; margin-bottom: 5px;">Pharmaceutical Vaccine strip development</div> <p>In house and 3rd parties under collaboration agreements developing strips vaccines</p>



Distribution of Oral Thin Film Products

Health & wellness sales channels

- Direct to consumer online e.g., Amazon
- Retail - convenience stores, pharmacies, nutrition centres and grocery chains through master distribution agreement with Coremark International

Cannabis sales channels

Canada

- Licensing of technology and equipment to cannabis producers
- Manufacturing under white label agreements for licensed producers
- Direct to consumer through provincial cannabis retail channels utilizing company license to produce and sell cannabis products

USA

- Licensing of technology and equipment to cannabis producers under managed Strip Service Agreements with RDT equipment installed and operated in licensee's facilities.

Worldwide

- Application under Novel Foods Act for approval of RDT's CBD strips for UK
- Strategic partners with licensing and expertise in the production and distribution of regulated cannabis products

Pharmaceutical sales channels

- Operate under a shares revenue agreement with Canadian company establishing manufacturing operations in Ontario
- Developing collaborative formulated products operating under a College of Pharmacists license to sell DINS to medical practitioners, clinics, hospitals and pharmacies in Ontario and Canada
- Collaborative vaccine research agreements with university and vaccine producers



Current revenue sources and results

The Company has three primary sources of revenue:

- 1) Sales of health and wellness products consisting of nutraceuticals and infused soaps;
- 2) Sales of oral thin film strips containing active ingredients under cannabis licensing
- 3) Revenue derived from licensing under service agreements (MSSA).

The following table sets out the revenue and costs for each segment:

	Year ended February 28, 2022			Year ended February 28, 2021		
	Revenue \$	Cost of Sales \$	Gross Profit \$	Revenue \$	Cost of Sales \$	Gross Profit \$
Nutraceuticals	18,295	18,042	253	52,444	33,236	19,208
Infused soaps	34,211	12,414	21,797	-	-	-
Health and wellness	52,506	30,456	22,050	52,444	33,236	19,208
White Label	917,179	306,691	610,488	208,114	22,115	185,999
Product Testing	58,925	50,975	7,950	-	-	-
White Label	976,104	375,565	618,438	208,114	22,115	185,999
MSSA contracts	692,549	-	692,549	492,396	-	492,396
Licensing and other	30,757	18,997	11,760	2,247	-	2,247
MSSA	723,306	18,997	704,309	494,643	-	494,643
Total	1,751,916	407,119	1,344,797	755,201	55,351	699,850

Customer Concentration:

Two customers comprised 99% of white label revenues during the year ended February 28, 2022

One customer comprised 100% of MSSA revenues during the year ended February 28, 2022

Geographic Information:

All of the Company's operations and assets are in Canada.

Manufacturing and Production

The Company obtained Health Canada cannabis micro processing licence in November 2019 for its Burlington facility and completed its commercial scale production testing in that year. The Company operates one complete production line for both THC and CBD products for its cannabis customers.

Specialized Skills and Knowledge

The Company has developed and implemented unique product processes and techniques in the use of its customized equipment resulting in consistent attainment of product specifications required by its customers.



Competitive Conditions

There is no established market for the consumption of oral thin film strips. Market awareness of the benefits the oral thin film delivery device against established competition has not been created. In each vertical, there is no competitor offering a similar OTF product with significant market share.

Pills, tablets and capsules are cost competitive because of the significant production volumes and large quantity sales SKUs provide value to the consumer. Pharmaceutical and wellness product producers have extensive investment and expertise in mass quantity production.

Needles and injectables are a higher cost alternative when combined with the need to for the attendance of health practitioners along with transportation, storage and disposal costs.

Components

The Company is limited in the use of raw material products through the requirement of a pre-approval process for formulated products approved by Health Canada. As a result, once a product is approved its raw materials are subject to a continuing certification process and disincentive to switch to alternative source of supply.

All ingredients used in the manufacturing process are subject to Certificates of Acceptance. Active ingredients provided to the Company by its customers for us in their strip production are subject to test certification prior to acceptance by the Company into its manufacture facility.

Intangible assets

The Company has filed applications for patent protection for several of its process inventions. The Company monitors the patent application against published literature of similar applications to ensure its compliance with the Company's infringement policies.

5. Capital Structure

The Company is authorized to issue an unlimited number of shares designated as Common Shares. Each common share has one vote. There are no other features, rights or provisions stated in the Articles of Amalgamation of Rapid Dose Therapeutics Corp, dated March 1, 2019.

6. Market for Securities

The Company is listed on the Canadian Securities Exchange under the stock symbol "DOSE".

Trading Price and Volume:

Trading period: December 2018 to August 2022

Prices ranges and volume

High: \$1.33

Low: \$0.07

Average volume: 29,200



7. Escrowed Securities

Designation of Class	No of Securities held in escrow	Percent of class	Escrow release date
Shares	none	0%	n/a
Warrants	none	0%	n/a
Options	437,500	5%	Jul 27 2023
Options	100,000	1%	Dec 14 2023

Capital Transfer Agency is the depository for the escrowed shares.

8. Directors and Officers

Name	Director	No of years	Position	No of years	Residency
Mark Upsdell	Yes, Chair	4	CEO	4	Ontario Canada
Jason Lewis	Yes	4	SVP Business Development	4	Ontario Canada
Peter Thilo Hasler	Yes	2		-	Bavaria Germany
Douglas Hyland	No	-	Interim CFO	2	Ontario Canada

Peter Thilo Hasler is the owner Sphene Capital GmbH providing equity and bond research in the Eurozone. Peter, as an independent board member has acted as the Chairperson of the Audit Committee.

Directors and officers, collectively own 28,962,500 common shares representing 28.1% of the 103,068,110 common shares issued and outstanding as of February 28, 2022

9. Legal Proceedings and Regulatory Actions

Legal proceedings

There are no material legal proceedings or actions have been commenced by the Company or have been served on the Company

Cease trade orders

In the prior three years management cease trade orders have been issued to the CEO and Interim CFO as follows (updated to February 10, 2023):

- Management Cease Trade Order dated June 29, 2022 issued by the Ontario Securities Commission against Mark Upsdell and Doug Hyland regarding Rapid Dose Therapeutics Corp.



- Failure to File Cease Trade Order dated August 26, 2022 issued by the Ontario Securities Commission against Rapid Dose Therapeutics Corp.
- Suspension on August 29, 2022 by Canadian Securities Exchange of Rapid Dose Therapeutics Corp. Suspension currently in force.
- Management Cease Trade Order dated June 29, 2022 issued by the Ontario Securities Commission against Mark Upsdell and Doug Hyland regarding Rapid Dose Therapeutics Corp.
- Failure to File Cease Trade Order dated August 26, 2022 issued by the Ontario Securities Commission against Rapid Dose Therapeutics Corp.
- Suspension on August 29, 2022 by Canadian Securities Exchange of Rapid Dose Therapeutics Corp. Suspension currently in force.
- Management Cease Trade Order dated June 29, 2021 issued by the Ontario Securities Commission against Mark Upsdell and Doug Hyland regarding Rapid Dose Therapeutics Corp.
- Management Cease Trade Order rescinded August 26, 2021 issued by the Ontario Securities Commission against Rapid Dose Therapeutics Corp.
- Management Cease Trade Order dated June 26, 2020 issued by the Ontario Securities Commission against Mark Upsdell and Doug Hyland regarding Rapid Dose Therapeutics Corp.
- Failure to File Cease Trade Order dated August 26, 2020 issued by the Ontario Securities Commission against Rapid Dose Therapeutics Corp.
- Suspension on August 29, 2020 by Canadian Securities Exchange of Rapid Dose Therapeutics Corp.
- Cease Trade Order lifted November 19, 2020

10. Interest of Management and Others in Material Transactions

There are no directors, officers or employees of the Company with an interest in any party that has entered into a material contract for supply or sale of the Company's products or services.

Inventorship by officers or employees which may be included in corporate patent filings is identified in the filing with ownership, by contractual agreement to the Company.



11. Transfer Agents and Registrars

Capital Transfer Agency in Toronto Canada is the transfer agent and registrar.

12. Material Contracts

The Company has entered into the following contracts which are material to the operations of the business:

- 1) Managed Strip Services Agreement with Skycare Compounding as set out in press release dated April 26, 2022 - Rapid Dose Therapeutics and Skycare Compounding Labs to Provide Patients with a Novel Oral Delivery Option for Pharmaceutical Products
- 2) White label manufacturing agreement with Thrive Cannabis (now Aurora Cannabis Inc.)
- 3) White label production supply agreement with Aphria Inc. (now Tilray Brands)
- 4) White label production supply agreement with Phoena Holdings
- 5) Nutraceutical Products product distribution agreement with Coremark International Inc. for convenience store market in Canada
- 6) Collaborative research agreement with McMaster University under NSERC federal funding program to develop strips with LNP ingredients