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VM HOTEL ACQUISITION CORP. ANNOUNCES THE PROPOSED ACQUISITION OF THE PYURE COMPANY INC. AS ITS QUALIFYING ACQUISITION

Transaction to Introduce The Pyure Company Inc. as a Publicly-Listed Company and Create a Platform to Further Develop Pyure's Position as a Leading Disruptor in the fast-growing Global Indoor Air Quality market through the Manufacture and Distribution of its Patented Dynamic Air and Surface Purification Technology and its Indoor Air Quality Management Platform.

- **The Global Indoor Air Quality market is experiencing exponential growth, driven by the worldwide Covid-19 pandemic and the need for healthier air.**
- **Pyure's technology significantly reduces Covid-19 and other viruses, bacteria, and mold in air and on surfaces through an active Indoor Air and Surface purification solution.**
- **Pyure has developed a patented disruptive technology that replicates the way sunlight sanitizes the atmosphere by generating hydroxyls and diffusing natural molecules that clean all air and surfaces within a treated space.**
- **Pyure serves major international blue-chip B2B customers and sells portable and induct units through profitable distribution agreements with an established network of specialized distributors and channel partners.**
- **Global Indoor Air Quality demand is expected to grow exponentially over the next few years with a compound annual growth rate reaching USD\$22.8 Billion in 2028.**
- **With a 15-year operating history, Pyure has developed a strong reputation with an experienced management team with industry subject matter expertise who will stay in place following closing.**
- **VMH will acquire Pyure for share consideration at a value of approximately USD\$250 million.**
- **Pyure will look to complete a debt or equity financing round for at least USD\$15 million prior to closing.**
- **The acquisition is expected to close in Q4 2022.**

Toronto, Ontario – September 22, 2022 – VM Hotel Acquisition Corp. (TSX: VMH.U and VMH.WT.U) (“VMH”), a publicly traded special purpose acquisition company (“SPAC”), is pleased to announce that it has entered into a business combination agreement (the “**Business Combination Agreement**”) to acquire, through a series of transactions, all of the issued and outstanding shares of The Pyure Company Inc. (“Pyure”), which would, if consummated, qualify as VMH's qualifying acquisition (the “**Qualifying Acquisition**”). The Qualifying Acquisition will introduce Pyure as a publicly-listed company.

Pyure, which is located in Boynton Beach, Florida, manufactures and distributes hydroxyl air purification technology and provides comprehensive design, commissioning, and maintenance services. Pyure offers

active purification with a technology that replicates the way sunlight sanitizes the atmosphere by generating hydroxyls and diffusing natural molecules that clean all air and surfaces in the indoor space. Pyure has also developed a cloud-based Indoor Air Quality Management platform that can monitor and control its devices and generate recurring revenues through a SaaS-like model that delivers indoor air quality as a service.

The worldwide Covid-19 pandemic brought attention to Indoor Air Quality (IAQ) and society's increased awareness and concern about IAQ has significantly increased the demand for IAQ purification solutions. Global IAQ demand is expected to grow at a double-digit compound annual growth rate (CAGR) reaching USD\$22.8 Billion in 2028. (Source: Air Purifier Market Analysis, 2017 – 2028, Opportunities Beyond COVID-19 Crisis).

Existing IAQ purification options of fresh air ventilation, High Efficiency Particulate (HEPA) filters, Germicidal Ultra Violet (UV), and surface cleaning with chemicals, provide limited protection against airborne pathogens and can increase energy consumption by 25% or more and also increase operating and labour costs. Pyure believes each of these options have compromises and inherent limitations relative to Pyure's technology: HEPA and other filter systems are passive approaches to purification; they only treat air that passes through them, have no effect on surfaces and restrict air flow, leading to increased energy consumption and shortened equipment life; fresh air ventilation increases energy costs and only dilutes airborne pathogens, with no effect on surfaces; chemical treatments are costly, generate air pollutants, and do not destroy airborne pathogens. In nature, the sun produces hydroxyls that destroy viruses, bacteria, mold, and pollutants. Pyure's patented UV-based technology replicates nature's hydroxyl production indoors to rapidly and effectively reduce pathogens, including the COVID-19 virus, in air and on surfaces.

VMH believes that the increasing and unmet global demand for IAQ, coupled with the absence of a dominant effective and affordable technological solution that is also energy efficient, creates a timely opportunity for Pyure's technology to quickly gain considerable worldwide market share.

Pyure is currently advancing its business strategy to sell IAQ as a service and build the world's most extensive cloud-based database of air quality data through its Internet of Things (IoT) platform and proprietary database. Pyure has upgraded its product line with wireless communication and IoT capabilities in partnership with Rockwell Automation, Inc. and PTC Inc., which, among other service capabilities, provides Pyure with a centralized IoT platform and advanced automation capabilities. The fully IoT-enabled product portfolio provides customers with real-time local and remote monitoring, diagnostics, and control capabilities, and integration with building management and HVAC management systems on a local and national scale. It also provides operators and building management systems with IAQ monitoring which can provide significant energy savings when integrated with HVAC controls. These unique advantages are expected to allow Pyure to leverage connectivity across its products and amongst its customers to accelerate subscription and consumable recurring sales.

Pyure currently focuses on commercial, institutional, and industrial end-users (B2B) primarily within the United States and Canadian markets and plans to increase its presence in Europe and other foreign countries. Pyure's portable and induct units are currently sold through profitable distribution agreements with an extensive network of distributors and channel partners to customers in 12 countries. Current distribution agreements cover the following end-users: HVAC; Janitorial & Sanitation; Remediation; Hospitals; and IT/IS infrastructure. Pyure has also secured blue chip direct customers and believes these customers and channel partners will drive revenue growth that will accelerate over the next 18 months. Pyure has developed a detailed plan to establish a dedicated international team (with a focus on the EU and other strategic markets) to oversee market development, regional manufacturing, supply chain, engineering, regulatory affairs, and customer service.

VMH believes that with the recent achievements and organizational preparations undertaken by Pyure's management, the company has reached an inflection point in its business life cycle. VMH's strong relationships and experience in the North American real estate market is expected to create new market opportunities for Pyure's technology. VMH believes that the credibility gained with being a publicly-traded company will benefit management with access to institutional and retail capital markets, a professional investor relations strategy and campaign, and exposure to large institutional real estate customers.

Ian McAuley and Tom Wenner, VMH's Chief Executive Officer and Chief Financial Officer, respectively, will continue in their current roles post-closing and they will be supported by the Pyure management team currently in place.

Summary of the Qualifying Acquisition

VMH, TPCI MergerSub, Inc. ("**Merger Sub**"), a wholly owned subsidiary of VMH created to facilitate the acquisition, Pyure, HGI Industries Inc. ("**HGI**"), a predecessor and majority shareholder of Pyure, and certain other management shareholders have entered into the Business Combination Agreement dated September 22, 2022, whereby, among other things, VMH will, indirectly through a series of transactions, acquire all of the issued and outstanding shares of Pyure.

The Qualifying Acquisition values Pyure at approximately US\$250 million, subject to certain adjustments. In consideration for the acquisition of Pyure, approximately 25,000,000 common shares of VMH ("**New Pyure Common Shares**") will be issued to the existing shareholders of Pyure. In connection with the Qualifying Acquisition, certain outstanding options to acquire Pyure shares will be exchanged for options to acquire New Pyure Common Shares. As a result of the Qualifying Acquisition, Pyure will become an indirectly wholly-owned subsidiary of VMH. Following closing of the Qualifying Acquisition, VMH intends to change its name to reflect its acquisition of Pyure.

In connection with the Qualifying Acquisition, certain shareholders of Pyure and HGI, representing the holders of at least that number of Pyure shares and HGI shares, respectively, required to approve the Qualifying Acquisition, have entered into support agreements with VMH whereby, among other things, such shareholders have agreed to approve the Qualifying Acquisition and any other matter necessary for approval in connection with the Qualifying Acquisition.

Certain Pyure and HGI shareholders will be required to enter into a lock-up agreement pursuant to which they will agree not to, directly or indirectly, sell assign or transfer the New Pyure Common Shares held by them, other than in accordance with the provisions of the lock-up agreement. Similarly, VM HA Sponsor LP and VM HA Sponsor Corp., the sponsors of VMH, and certain VMH directors will also be required to enter into a lock-up agreement pursuant to which they will agree not to, directly or indirectly, sell assign or transfer the VMH founders shares held by them, other than in accordance with the provisions of the lock-up agreement.

Pursuant to the Business Combination Agreement, certain of the management shareholders of Pyure have agreed to a hold back of 5% of the New Pyure Common Shares otherwise deliverable to them under the agreement as security for the limited indemnification obligations of such management shareholders to VMH under the Business Combination Agreement.

The Qualifying Acquisition is subject to certain customary closing conditions, as well as the condition that Pyure completes a debt or equity financing round of at least USD\$15 million prior to closing.

The Qualifying Acquisition is intended to constitute VMH's qualifying acquisition under Part X of the Toronto Stock Exchange (the "TSX"). The closing of the Qualifying Acquisition, which is subject to obtaining certain regulatory approvals, the satisfaction of certain conditions (including the approval of the TSX) and the continued listing of VMH's common shares on the TSX, is anticipated to occur in the fourth quarter of 2022. If the Business Combination Agreement is terminated and the closing does not occur, each of Pyure and HGI, on the one hand, and VMH and Merger Sub, on the other, shall be responsible to pay the transaction expenses incurred by such party. If the closing occurs, all of the transaction expenses will be paid following closing.

A copy of the Business Combination Agreement will be available under VMH's profile on SEDAR at www.sedar.com, which will contain further information in respect of the Qualifying Acquisition. VMH will also file a non-offering prospectus in accordance with the rules of the TSX in each of the provinces and territories of Canada, other than Quebec, in due course.

Advisors

Echelon Wealth Partners are acting as financial advisors to VMH. Goodmans LLP and Hodgson Russ LLP are serving as legal counsel to VMH.

About VM Hotel Acquisition Corp.

VMH is a SPAC incorporated under the laws of the Province of British Columbia for the purpose of effecting a qualifying acquisition within a specified period of time. VMH's head office is located at Brookfield Place, 161 Bay Street, Suite 2420, Toronto, ON, M5J 2S1 and the registered office is located at 700 West Georgia Street, Floor 25, Vancouver, BC V7Y 1B3.

About The Pyure Company Inc.

Pyure is an air purification technology company located in Boynton Beach, Florida. Pyure was incorporated on September 2, 2020 as a Delaware Corporation. Shortly after its incorporation, Pyure acquired all of the assets, contracts and liabilities from HGI, which assets formed the entirety of its business. Pyure manufactures and distributes hydroxyl air purification solutions and provides comprehensive design, commissioning, and maintenance services.

Forward-Looking Statements

This press release may contain forward-looking information within the meaning of applicable securities legislation, which reflects VMH's current expectations regarding future events. The words "anticipate", "could", "should", "will", "expect", "intend", "may", "project" and similar expressions are often intended to identify forward-looking information, although not all forward-looking information contains these identifying words. Specific forward-looking information contained in this press release includes, but is not limited to, statements with respect to the following: the completion and proposed terms of, and matters relating to, the Qualifying Acquisition, including the satisfaction of the conditions to consummate the Qualifying Acquisition, and the expected timing related thereto; the expected operations, financial results and condition of VMH following the Qualifying Acquisition; the expected benefits of the Qualifying Acquisition to VMH; and the expectations regarding trends in the air purification industry and overall market growth rates. Forward-looking information in this press release is based on a number of assumptions and is subject to a number of risks and uncertainties, many of which are beyond VMH and Pyure's control, which could cause actual results and events to differ materially from those that are disclosed in or implied by such forward-looking information. Such risks and uncertainties include, but are not limited to: conditions

precedent or approvals required for the Qualifying Acquisition not being obtained; there can be no assurance that the Qualifying Acquisition will be completed on the expected terms, or at all; Pyure being unable to succeed in establishing, maintaining, and strengthening its brand; Pyure being unable to protect its intellectual property; Pyure being unable to control costs associated with its operations; unfavourable economic conditions adversely affecting Pyure's operations; the continuing effects of the COVID-19 pandemic and related prophylactic measure could have a material and adverse effect on Pyure's business, financial condition, liquidity and results of operations; declines or unanticipated changes in customer demand; possible departures from the combined senior management team; integration risks associated with acquisitions; Pyure may not be able to successfully implement its business strategy on a timely basis or at all, and may be unable to manage future growth effectively; Pyure's business may be adversely affected by various operating risks common to the air purification industry, including competition from competitors who may have greater financial resources and established manufacturing, distribution and marketing capabilities; non-performance of third-party vendors and contractors; regulatory approvals and timely product launches; and market reception of the products and services; as well as the factors discussed under the heading "Risk Factors" in the investor presentation to be filed and those to be set out in the preliminary prospectus, which will be available under VMH's profile on SEDAR at www.sedar.com. VMH and its sponsors undertake no obligation to update such forward-looking information, whether as a result of new information, future events or otherwise, except as expressly required by applicable law.

FOR FURTHER INFORMATION PLEASE CONTACT:

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