



Nextech AR Announces Update Of Proposed Arrangement To Spin Out Real-World Augmented Reality Spatial Mapping Platform ARway

-Increases dividend shares to Nextech shareholders again to 4 million shares +25% from the 3,200,000 previously announced

-Execution of Arrangement Agreement To Spin Out Real-World Augmented Reality Spatial Mapping Platform ARway

TORONTO, ON, Canada – August 2, 2022 - [Nextech AR Solutions Corp.](#) (“Nextech” or the “Company”) (OTCQB: NEXCF) (CSE: NTAR) (FSE: N29) is pleased to announce that it has entered into an arrangement agreement dated effective July 29, 2022 with its wholly-owned subsidiary 1000259749 Ontario Inc. (“Spinco”) and a special purpose financing company, 1373222 B.C. Ltd. (“FinanceCo”). The Arrangement Agreement, a copy of which will be available under the Company’s profile on SEDAR, sets out the terms on which Nextech will complete a plan of arrangement (the “Arrangement”) under the *Business Corporations Act* (British Columbia) whereby the Company’s ARway platform and associated assets will be spun out to Spinco.

The Arrangement, if completed, will result in, among other things, Nextech receiving an aggregate of 16,000,000 common shares of Spinco (“Spinco Shares”) and an aggregate of 4,000,000 Spinco Shares being distributed directly to the shareholders of Nextech on a *pro rata* basis. Nextech currently intends to transfer an aggregate of 3,000,000 of the 16,000,000 Spinco Shares which it receives pursuant to the Arrangement to certain service providers in consideration of past services and other indebtedness

Evan Gappelberg, Chief Executive Officer of Nextech comments “This spin-off transaction is quickly moving forward and will give Nextech shareholders ownership in yet another exciting public company with a spatial computing platform which I believe is



perfectly positioned for growth in the rapidly emerging Web3.0 world. Once approved, this spinco will be another major milestone for Nextech and its valued shareholders. This transaction is anticipated to enable the realization of the true potential of ARway (formerly ARitize Maps) assets under a highly experienced and focused management team, unlocking the true value of our real world Spatial Computing platform. He continues “After 16 years of walking around with a smartphone in our pockets the next generation of devices is about to emerge in the form of Computer glasses. Computer glasses will become the device of choice for spatial commuting and the spatial web which is the next evolution of our computer driven world. I believe it will become a major focus of investors when Apple Computer releases a pair of computer glasses which is widely anticipated and expected to happen in the next 12 months. Once fully launched ARway, spatial computing and the spatial web will have unlimited potential and use cases including; healthcare, education, sports venues, hospitals, campuses, trade shows, theme parks, airports, museums, warehouse wayfinding, entertainment forever changing our world into a metaverse with spatially aware computers”.

Subco intends to seek a listing of its common shares on the Canadian Securities Exchange (“CSE”) following the completion of the Arrangement.

About ARway

ARway (previously ARitize Maps) is a mobile app and studio, all-in-one no code real-world Metaverse creation tool, with self-generating augmented reality (“AR”) mapping solutions for consumers and brands alike. The ARway offering will be paired with a no-code web based Creator Portal and SDK to form the Metaverse Experience Builder Platform (MEBP). Creators can map, author and publish various Metaverse experiences ranging from wayfinding, to an array of AR experiences for exclusive branded activations.

With the ARway mobile app, anyone can spatially map their location within minutes, and populate it with interactive 3D content, augmented reality navigation, audio, text, images and more. Nextech provides a number of pre-loaded 3D objects, and creators can also upload their own OBJ/GLB files, and create their own 3D objects to populate their Metaverse. The platform has a Visual Position System (“VPS”) which Nextech refers to as Mapping and Localization where users can map and enable VPS in any area through the platform. Occlusion, Depth Sensing and segmentation are also available. Users can share their Metaverse with others, creating a new level of immersive interactivity for social,



branding, advertising, gaming and more Metaverse experiences. Features in the ARway Creator Portal will include:

- **AR NAVIGATION:** Brands and creators can now author augmented reality navigation paths for large scale maps in real time.
- **MULTIPLE CREATORS:** Creators can now collaborate in the authoring of Metaverse experiences from across the globe in real time.
- **VERSION CONTROL:** The option to save map edits and version control, which will allow creators to control what changes to the maps will be released publicly.
- **ANALYTICS:** Creators can gauge the success of their creations against set objectives by analyzing consumption data.

Paul Duffy, the President of Nextech, recently presented an exclusive demo of ARway on the Wall Street Reporter's Next Super Stock Live! Watch the demo - [click here](#)

The app has successfully been used and showcased at major events including:

- **“Reality Hack” at MIT:** [Nextech teamed up with the Massachusetts Institute of Technology \(MIT\) for the XR Hackathon, “Reality Hack”](#) where ARway was used as the main Metaverse platform. MIT event organizers used ARway for their participants, providing engaging event information, immersive event updates, and indoor augmented reality wayfinding, allowing participants to navigate their way around the event. In addition, hackers got access to the ARway platform, where they used the Company's immersive technology to build their projects. A team that used ARway received the silver prize at the hackathon.
- **RC Show by Restaurants Canada:** The [RC Show](#) is one of the biggest events of the year for the foodservice and hospitality industry. As an official partner of the event, Nextech had its ARway 3D/AR technology on full display to the entire food, beverage and restaurant industry. View these video reels of ARway experiences of [Bothwell Cheese](#) and a [Wine Showcase](#).



The ARway app has an unlimited number of use cases for augmenting physical spaces in the Metaverse, including [gamification](#), events and tradeshows, art galleries, universities, retail stores, shopping centres, office buildings, transport, public spaces, sports stadiums, museums, restaurants, [rental properties](#), [real estate](#), and more. With value propositions spanning multiple industries and use cases, this app opens Nextech's 3D/AR technology solutions to new markets, for personal and professional use by creators, brands and companies alike.

Private Placement

In connection with the Arrangement, FinanceCo shall complete a private placement of a minimum of 6,000,000 subscription receipts ("Subscription Receipts") at a price of C\$0.25 per Subscription Receipt to raise aggregate gross proceeds of a minimum of C\$1,500,000 (the "Private Placement"). Each Subscription Receipt will automatically convert upon the satisfaction or waiver of all conditions precedent to the Arrangement and certain other ancillary conditions (the "Release Conditions") into units ("Units") at no additional cost to, and without further action by, the holder of such Subscription Receipt, with each Unit ultimately being comprised of one (1) common share of FinanceCo (a "FinanceCo Share") and one share purchase warrant (each such share purchase warrant, a "FinanceCo Warrant"), with each FinanceCo Warrant being exercisable to acquire one (1) additional FinanceCo Share at an exercise price of C\$0.50 for a period of three years from the date of issuance. The gross proceeds from the Private Placement will be held in escrow pending the satisfaction of the Release Conditions, whereupon the Units underlying the Subscription Receipts will be issued to the purchasers and the gross proceeds of the Private Placement will be paid to Spinco. Immediately following the conversion of the Subscription Receipts, FinanceCo will amalgamate with a wholly-owned subsidiary of Spinco pursuant to the Arrangement and all FinanceCo Shares and FinanceCo Warrants shall be exchanged for equivalent securities of Spinco on a 1:1 basis.

Alternatively, each Subscription Receipt will terminate on the earlier of: (i) the failure to satisfy the Release Conditions prior to 5:00 p.m. (Toronto time) on a scheduled date to be determined (the "Release Deadline"); or (ii) public announcement by Nextech prior to the Release Deadline, that (A) it does not intend to satisfy any of the Release Conditions or (B) the Release Conditions are incapable of being satisfied by the Release Deadline. On termination of the Subscription Receipts, the gross proceeds of the Private Placement shall be returned to the purchasers *pro rata* without any deduction or interest and the Subscription Receipts shall be automatically cancelled.



It is intended that the proceeds raised pursuant to the Private Placement will be used for further development and promotion of the ARway app and for general corporate purposes. The Private Placement is anticipated to close prior to August 31, 2022.

Additional Terms of the Arrangement

The Arrangement will also be subject to, among other things, approval of the CSE and the Supreme Court of British Columbia. Full details of the proposed Arrangement, the business of Spinco, the Private Placement and the ARway application will be contained in a notice of meeting and information circular, which will be mailed to shareholders and filed on SEDAR in due course.

The directors and officers of Spinco on closing of the Arrangement are anticipated to be Evan Gappelberg (director and Chairman), Paul Duffy (director and President), Belinda Tyldesley (director and Corporate Secretary) and Andrew Chan (Chief Financial Officer).

Evan Gappelberg – Director and Chairman. Mr. Gappelberg is an accomplished entrepreneur with an expertise in creating, funding and running start-ups, and he has extensive experience both as a hands-on operating executive and well as a public markets professional. He is founder and currently serves as the Chief Executive Officer and a director of Nextech. He was also co-founder and CEO of an app development company which created, published and owns over 500 successful apps for both Apple's iTunes store and the Google Play store. Prior to being a successful entrepreneur, Mr. Gappelberg worked on Wall Street and has more than 25 years of extensive experience as both a hedge fund manager and Senior Vice President of Finance. He has extensive capital markets relationships, know-how and experience in all operational facets of managing a public company.

Paul Duffy – Director and President. Creator of the HumaGram and inventor of the patent for Holographic Telepresence over the Internet (TOIP), Mr. Duffy is a serial entrepreneur with over 25 years of experience in successfully starting, expanding, diversifying and selling global technology companies. He currently serves as the President and a director of Nextech. Mr. Duffy co-founded Corporate Communications Interactive (CCI) in 1992 and grew it to one of the largest online learning and communication companies in North America. With clients such as AT&T, GE, IBM, Microsoft, Pearson Education and Manulife Financial, CCI was sold to SkillPath Seminars in 2003. Mr. Duffy is also a former member of the Board of Governors for the Michener Institute for Applied



Health Sciences, and holds a Bachelor of Science in Applied Computer Science from Ryerson University.

Belinda Tyldesley – Director and Corporate Secretary. Mrs. Tyldesley is the President of Closing Bell Services, a consulting company that provides corporate secretarial services. Mrs. Tyldesley has extensive experience across all sectors of the economy with regulatory compliance in all Canadian jurisdictions and reporting issuers listed on the Toronto Stock Exchange (TSX), the TSX Venture Exchange (TSX-V), Canadian Securities Exchange (CSE) and the NEO Exchange (NEO), as well as providing legal assistance and secretarial services. Mrs. Tyldesley holds an Associate Diploma in Business Legal Practice from Holmesglen College in Melbourne, Australia. She currently serves as the Corporate Secretary and a director of Nextech.

Andrew Chan – Chief Financial Officer. Mr. Chan has over 20 years of experience across finance, accounting, business analytics, and strategy, focusing on the technology and financial services sectors with half of his career serving high-growth, public technology companies. After over a decade in public accounting (including 9 years at Ernst & Young), Andrew moved into senior finance positions with Real Matters Inc. (TSX: REAL) and goeasy ltd. (TSX: GSY) – both offering technology solutions for the financial services industry – where he was involved in several financings, transactions and acquisitions with an aggregate value of well over a billion dollars. Mr. Chan has successfully integrated and led finance-related functional groups including treasury and banking, corporate reporting and budgeting and was instrumental in forging strong relationships with business unit leaders to enable successful revenue forecasting and delivery. He currently serves as the Chief Financial Officer of Nextech. Mr. Chan is a Chartered Public Accountant (CPA,CA) and also holds a Bachelor of Commerce degree specializing in accounting and finance from the University of Toronto.

The Arrangement is subject to regulatory approval, including the approval of the CSE, court and shareholder approval of the Arrangement, and standard closing conditions. The Arrangement cannot close until the required shareholder, regulatory and court approvals are obtained. There can be no assurance that the Arrangement will be completed as proposed, or at all.

Further details about the proposed Arrangement will be provided in a disclosure document to be prepared and filed in connection therewith. Investors are cautioned that, except as disclosed in the disclosure document to be prepared in connection with the Arrangement,



any information released or received with respect to the foregoing matters may not be accurate or complete and should not be relied upon.

About Nextech

Using breakthrough artificial intelligence (“AI”), Nextech is able to quickly, easily and affordably ARitize (transform) vast quantities and varieties of existing assets at scale making products, people and places ready for interactive 3D use, giving creators at every level all the essential tools they need to build out their digital AR vision in the Metaverse. Its platform agnostic tools allow brands, educators, students, manufacturers, creators, and technologists to create immersive, interactive and the most photo-realistic 3D assets and digital environments, compose AR experiences, and publish them omnichannel. With a full suite of end-to-end AR solutions in 3D Commerce, Education, Events, and Industrial Manufacturing, Nextech is well positioned to meet the needs of both commercial brands and other Metaverse contributors. Nextech funds the development of its AR and Metaverse growth initiatives through its e-Commerce platforms, which currently generate most of its revenue. Nextech's e-commerce platforms include: vacuumcleanermarket.com (“VCM”), infinitepetlife.com (“IPL”) and Trulyfesupplements.com (“TruLyfe”). VCM and product sales of residential vacuums, supplies and parts, and small home appliances sold on Amazon. These e-commerce platforms serve as an incubator for developing and testing Nextech's leading edge AR, AI and machine learning applications for powering next-generation e-commerce technology.

To learn more, please follow Nextech on [Twitter](#), [YouTube](#), [Instagram](#), [LinkedIn](#), and [Facebook](#), or visit the Company’s website: <https://www.Nextechar.com>.

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Cautionary Statements



The CSE has not reviewed and does not accept responsibility for the adequacy or accuracy of this release.

This press release contains forward-looking information based on current expectations. Statements about the closing of the Arrangement and Private Placement, expected terms and structure of the Arrangement and Private Placement, the number of securities that may be issued in connection with the Private Placement and the parties' ability to satisfy closing conditions and receive necessary approvals, as well as the prospective nature of the products of Nextech and Spinco and the potential growth of the associated markets on a going forward basis, are all forward-looking information. These statements should not be read as guarantees of future performance or results. Such statements involve known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements to be materially different from those implied by such statements. Although such statements are based on management's reasonable assumptions, there can be no assurance that the Arrangement or Private Placement will occur or that, if the Arrangement and/or Private Placement does occur, it will be completed on the terms described above. None of Nextech, FinanceCo nor Spinco assumes any responsibility to update or revise forward-looking information to reflect new events or circumstances unless required by law.

In the event that insiders of Nextech receive any Spinco Shares in connection with the Transaction, it may be deemed to be a "related party transaction" within the meaning of Multilateral Instrument 61-101 Protection of Minority Security Holders in Special Transactions ("MI 61-101"). The Company will provide further details of the applicability of MI 61-101 and any requisite additional details in due course.