

FAIRNESS OPINION

Proposed Transaction between

NEXTECH AR SOLUTIONS CORP.

&

1000259749 ONTARIO INC. / 1373222 B.C. LTD.

(whom are to be amalgamated into Amalco)

Prepared for:

**Special Committee of the Independent Members of the Board
of Nextech AR Solutions Corp.**

**121 Richmond Street West, Suite 501
Toronto, Ontario M5H 2K1**

August 19, 2022



RwE GROWTH PARTNERS, INC.

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1.0 ASSIGNMENT AND PROPOSED TRANSACTION

RwE Growth Partners, Inc. (“RwE” or the “authors of the Report”) was engaged by the Independent Members of the Board of Directors (the “Board”) of Nextech AR Solutions Corp. (“Nextech”, “NTAR” or the “Company”) to prepare this Fairness Opinion (the “Report”) regarding a proposed transaction (the “Proposed Transaction”) between NTAR, 1000259749 Ontario Inc. (“SpinCo”) and 1373222 B.C. LTD. (“FinanceCo”), (collectively, the “Parties”) whereby the overall items and terms are as follows:

- Nextech, SpinCo and FinanceCo wish to effect a share reorganization transaction by way of a statutory plan of arrangement under Section 288 of the Business Corporations Act (BC) on the terms and conditions set out in an Arrangement Agreement and Plan of Arrangement (the “POA”) - refer to Appendix 1.0.
- Nextech AR Solutions Corp. is a public company listing for trading on the Canadian Securities Exchange (“CSE” or the “Exchange”) that is organized under the existing under the laws of British Columbia.
- SpinCo is 1000259749 Ontario Inc., is an Ontario incorporated company.
- SpinCo includes the “Spinout Assets” – which refers to all right, title and interest in and to all direct and indirect assets of Nextech utilized in connection with the creation of an all-in-one no code real-world Metaverse creation tool and mobile app ARway, with a self-generating augmented reality mapping solutions for both consumers and brands, and all business, corporate, legal and accounting books, records and documents used in connection with the foregoing and related undertakings (referred to as the “ARway Assets”).
- The Parties confirm that there are zero (C\$0.00) liabilities to be assumed or transferred to the SpinCo at the closing of the Proposed Transaction.
- FinanceCo is a special purpose finance company established for the purposes of completing a so-called “Subscription Receipt Financing”. The Subscription Receipt Financing is a private placement of Subscription Receipts at a price of C\$0.25 each, to raise minimum aggregate gross proceeds of C\$1,500,000 – i.e., exchanged 6,000,000 shares (the funds raised are referred to as the “New Capital”). The Subscription Receipts of FinanceCo, each of which shall automatically convert upon the satisfaction of the release conditions, into one unit of FinanceCo consisting of one FinanceCo Share and one FinanceCo Warrant. This New Capital will be used to fund the SpinCo’s business operations for the twelve (12) months following the closing the Proposed Transaction.
- FinanceCo Warrants means share purchase warrants of FinanceCo, each of which shall entitle the holder to acquire one FinanceCo Share at an exercise price of C\$0.50 for a period of three (3) years from the date of issuance of the FinanceCo Warrants.



- The Parties agree that the POA will be carried out as part of a reorganization of
- the business of NTAR and with the intention that all SpinCo Shares and SpinCo Warrants issued on completion of the POA or exchanged with the Nextech Shareholders, FinanceCo Shareholders and/or holders of FinanceCo Warrants, as applicable, in the United States will be issued in reliance on the exemption from the registration requirements of the U.S. Securities Act provided by Section 3(a)(10) of the U.S. Securities Act.
- The authorized capital of NTAR consists of an unlimited number of Nextech Shares without par value of which, as at the date of the POA, 100,729,121 Nextech Shares are issued and outstanding as fully paid and nonassessable;
- Nextech, other than holders of Nextech share purchase warrants to acquire in the aggregate 20,153,861 Nextech Shares and holders of Nextech stock options to acquire in the aggregate 17,090,797 Nextech Shares.
- The authorized capital of SpinCo consists of an unlimited number of SpinCo Shares without par value, of which, as at the date of this Arrangement Agreement, 100 SpinCo Shares are issued and outstanding as fully paid and non-assessable.
- The authorized capital of FinanceCo consists of an unlimited number of FinanceCo Shares without par value, of which, as at the date of the POA, one (1) FinanceCo Share is issued and outstanding as fully paid and non-assessable.
- Pursuant to an Asset Purchase Agreement (refer to Appendix 1.0 and from NTAR's Board), Nextech will transfer all of the Spinout Assets and all Spinout Liabilities to SpinCo in consideration for the issuance by SpinCo of such number of fully-paid and non-assessable SpinCo Shares to Nextech such that immediately after the foregoing issuance Nextech shall hold an aggregate of 16,000,100 SpinCo Shares.
- Through the POA process, obtain an aggregate of 4,000,000 SpinCo Shares to be distributed on a pro rata process amongst all Nextech Shareholders.
- As part of closing the Proposed Transaction there will be an amalgamation completed between FinanceCo and Subco such that a new entity ("Amalco" or the "Resulting Issuer") will own all of the SpinCo Assets and all of the New Capital raised will be placed in Amalco, which will be a highly focused, surviving entity that will be listed for trading on the CSE.
- The Resulting Issuer shall issue 3,000,000 shares to the founders of the Resulting Issuer; i.e., Evan Gappelberg (2m shares) as new CEO + NTAR Mgt (1m shares).

All of the above, as defined above, forms the "Proposed Transaction".



The Report opines as to the fairness of the Proposed Transaction from a financial point of view of the NTAR shareholders.

Given this, and the related nature of the Parties, the Special Committee of the Board of the Company is interested in obtaining an independent opinion as to the fairness of the Proposed Transaction, from a financial point of view of the shareholders of record of NTAR near to the completion of the Proposed Transaction.

The Report, or a summary, will be submitted to the Supreme Court of British Columbia as part of completing the Proposed Transaction.

NTAR paid RWE a fixed professional fee, plus GST taxes to prepare this Report.

RWE, its principals and partners, staff and associates, do not assume any type of responsibility and/or business/financial liability for losses incurred by NTAR, SpinCo, FinanceCo and Amalco and/or any related shareholders or securityholders, NTAR, SpinCo, FinanceCo and Amalco directors and/or its management, and/or any regulatory bodies and/or other parties as a result of the circulation, publication, reproduction, or use of the Report, as well as any use contrary to the provisions of the Report and our engagement letter.

The Report is based on the scope of work that has been undertaken, the data and information provided by NTAR, SpinCo, FinanceCo and Amalco (the “Companies”) and the assumptions made.

RWE has not audited the information and data provided by NTAR, SpinCo, FinanceCo and Amalco, nor has it performed any forensic review, nor can it be expected to catch or identify any fraud and/or misleading data or information from the Company. Instead, RWE has relied on the fact that NTAR, SpinCo, FinanceCo and Amalco has provided accurate and reliable data.

RWE also reserves the right to review all calculations included or referred to in the Report and, if RWE considers it necessary, to revise the Report in light of any information existing at the Valuation Date (i.e., as at or near August 19, 2022) which becomes known to RWE after the date of the Report.

Unless otherwise indicated, all monetary amounts are stated in Canadian dollars (C\$).

2.0 BACKGROUND

RWE has reviewed all of the materials provided from the Company.

Nextech acquired all of the issued and outstanding shares of ARway Ltd. (“ARway”) on August 26, 2021 (the “Acquisition”). The purchase price consisted of 609,666 common shares NTAR at a deemed value of C\$2.06 at a price of US\$1,000,000 (“ARway Payment Shares”). The ARway Payment Shares were subject to certain contractual restrictions on



trading for a period of up to 23 months from the date of issuance, and a statutory hold period that expired on December 27, 2021.

Formerly known as Imarec Ltd., ARway was founded in 2017 and has developed an initial intellectual property (“IP”) package that is centred around providing an easy-to-use “metaverse-type visual positioning solution”.

In simple terms, ARway has developed the “ARway IP” that has been designed to provide possible metaverse-type partners (e.g., hotels) and their users (e.g., guests and staff) a positioning and easy-to-follow visualization toolkit.

The existing ARway IP allows partners and/or users to outline their physical space (e.g., their metaverse) so that their users can navigate in/around and through their spaces in a more interactive and virtual means. This improves the metaverse by making it more interactive than just surfing around the metaverse (as has been common). In a way, the ARway IP implementation is similar to how Google Maps provides its partners/users how to navigate on roads, etc. The ARway IP provides the means to do this “virtual navigation” in a more interactive means so that they can better navigate – especially in indoor and more confined space(s), where there are limited solutions today.

The ARway IP uses spatial mapping and artificial intelligence (“AI”) elements and components to scan and recognize surroundings so as to create more detailed and accurate location visualization.

ARway (i.e., an Augmented Reality solution and hence the name) has been developing the ARway IP since 2017/2018 by building initially a Software Development Kit (SDK) that enables to ARway partners/customers to frame their digital metaverse faster and easier. The spatial mapping elements is helpful to building future metaverse solutions.

To-date ARway and NTAR have developed a workable ARway IP solution that operates in limited spaces and areas. Now, that a workable SDK-based solution exists, NTAR wants to further build out a more scalable ARway IP software/AR package that can work over expanded areas (e.g., an entire floor and/or an entire building). NTAR has advised RWE that it has been in discussions with a variety of potential partners/customers that it can expand and deploy the next generation of its ARway IP to. ARway principal founders Baran Korkmaz and Nikhil Sawlani do have expertise in AR and IP development – which makes the creation and deployment of a next generation, more robust version of the ARway IP more likely.

Given all of the above, the Board of NTAR has decided that it wants to separate the ARway IP and the related business opportunities into a new CSE-listed public entity (the Resulting Issuer) that will be solely focused on the ARway IP (versus the multi-faceted business of NTAR). The reorganization will enable the Resulting Issuer to have a business focus that will allow it to attract new investors and partners with a simple, straight forward message.



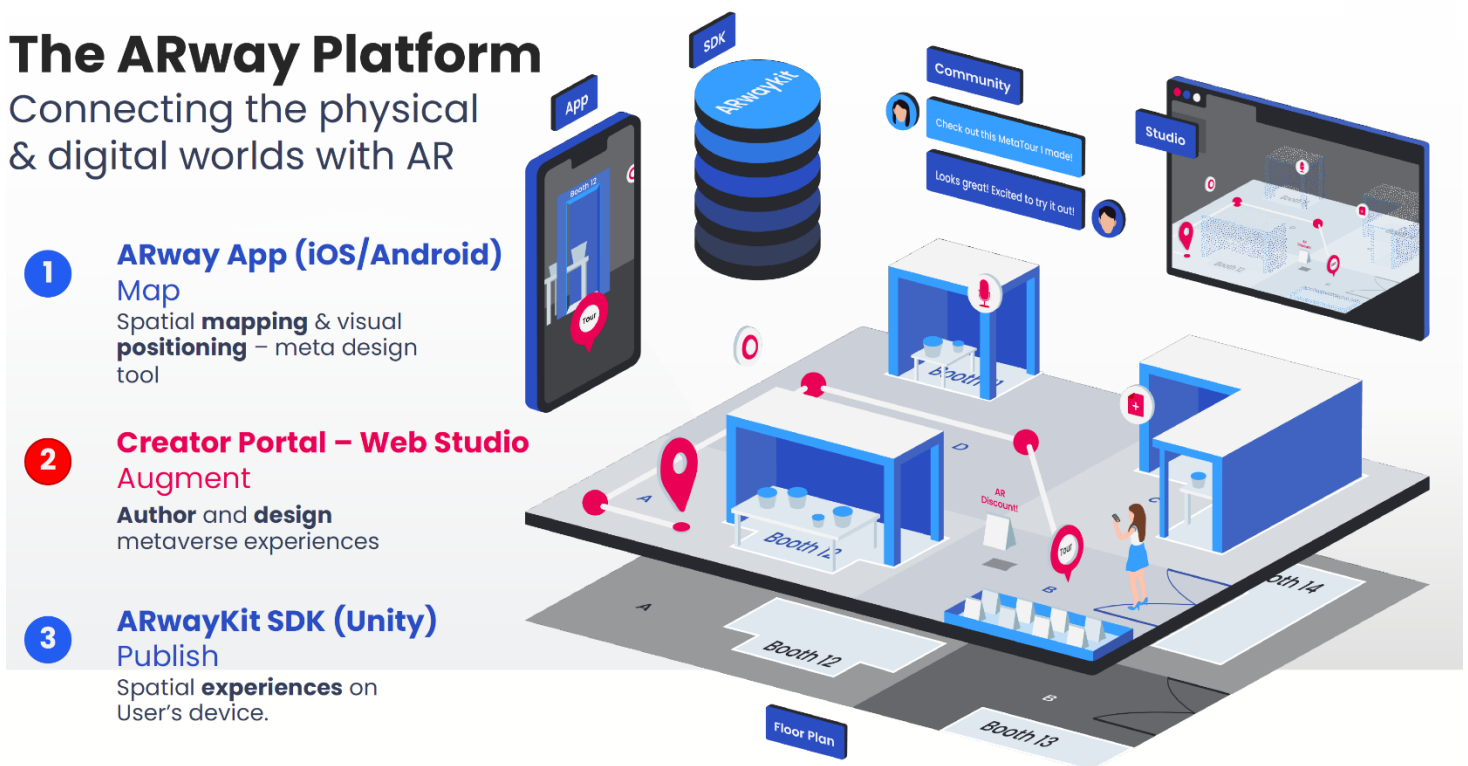
3.0 SCOPE OF THE REPORT

RwE has relied on the following documents and information:

- Interviewed the NTAR Company’s CEO and CFO and management and collected data from technical personnel, and from certain members of the Company.
- Interviewed Nikhil Sawlani to gather and collect data regarding the past, present and planned development of the ARway IP.
- Collected data on the ARway IP and functionality to-date and planned IP developments.

The ARway Platform

Connecting the physical & digital worlds with AR

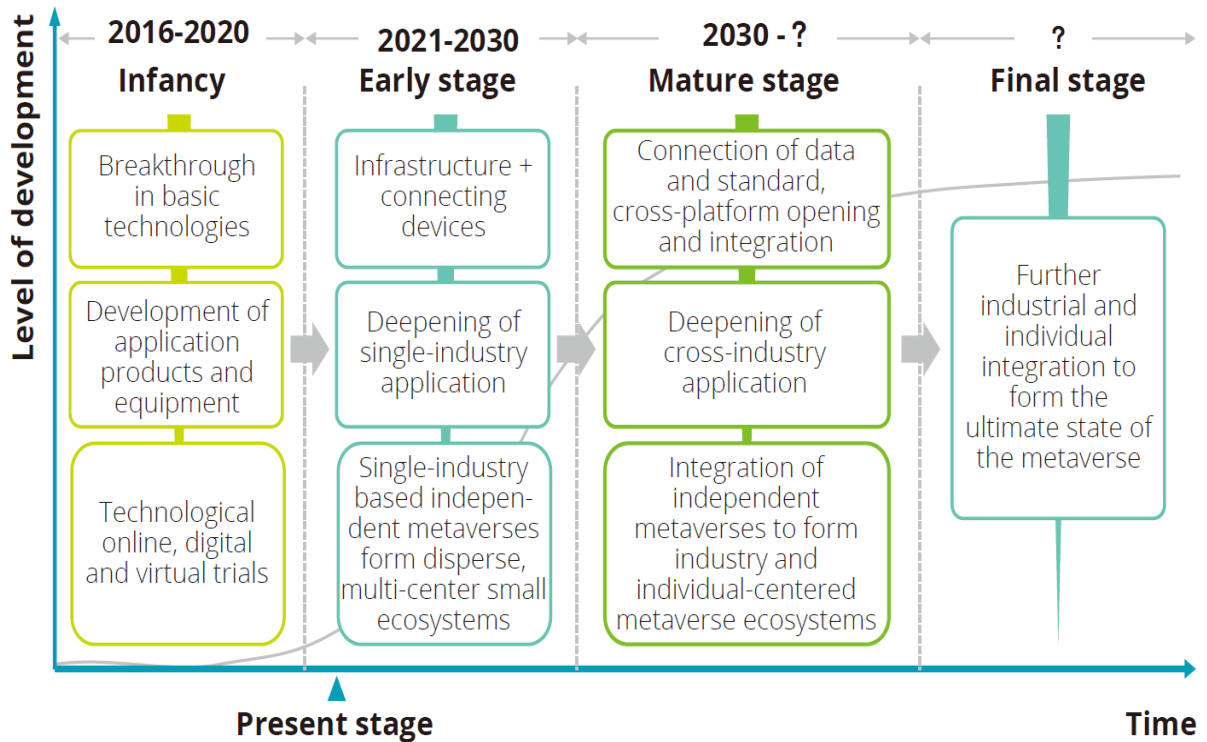


A no-code spatial computing platform for the real-world metaverse

- Collected data on the AR and metaverse. Following the PC-based desktop Internet era and the smartphone-connection mobile Internet era, the metaverse (refer to Definitions and Abbreviations section above) has unlocked the imagination of the next era of information interconnection, creating an ideal virtual world through the connection of the virtual world with reality. The concept of the metaverse first appeared in writings in 1992 (Neo Stevenson) where it was described as a cyber world parallel to the real world. Literature over the last ten years has noted that the metaverse is the next Internet era where people in the real world all have a digital avatars and they actively interact and live with each other through these avatars. When Facebook CEO Mark Zuckerberg



announced on October 28, 2021 that Facebook Inc. (the parent company behind the namesake app, as well as Instagram, WhatsApp, Messenger, and the virtual reality company Oculus) to Meta Platforms Inc. there was immediate enhanced enthusiasm in the capital markets for the metaverse.



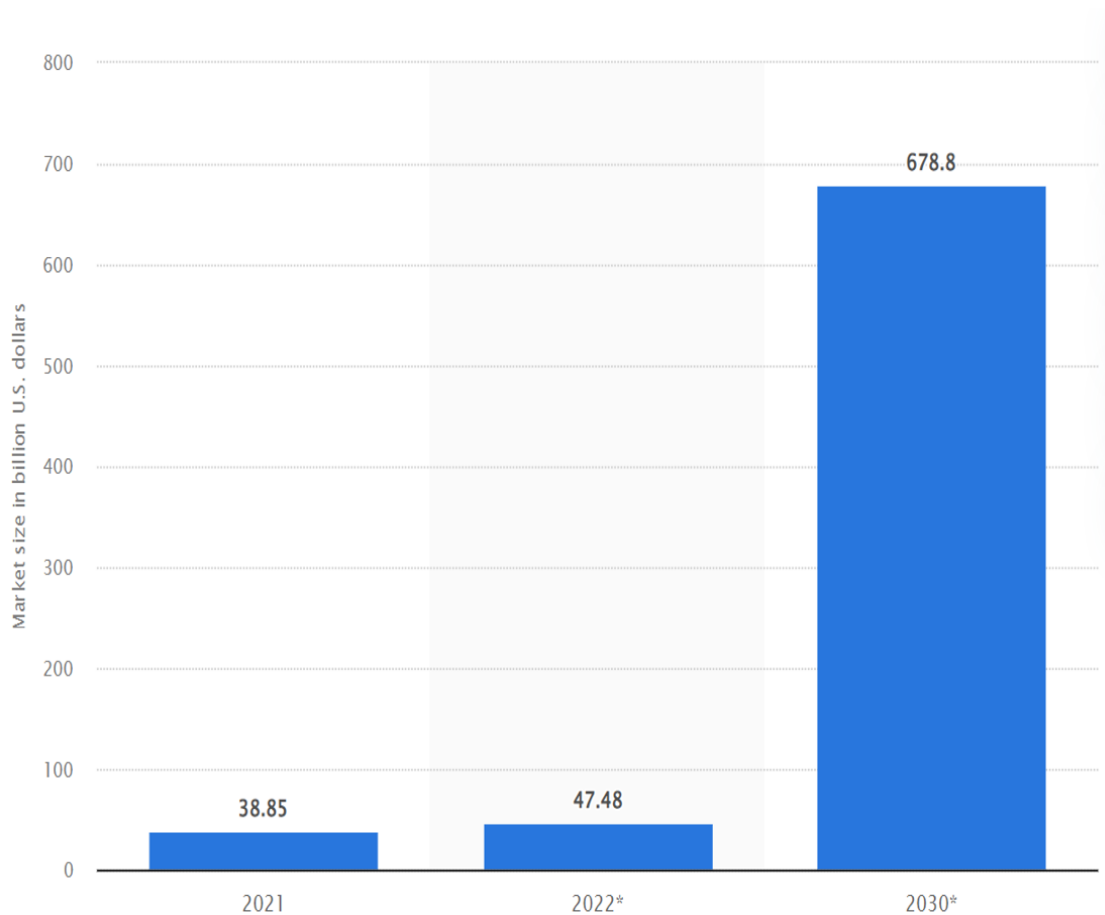
- Grand View Research (www.grandviewresearch.com), a leading metaverse pundit, noted that in 2021, it was estimated that the global metaverse market size stood at US\$38.85 billion. In 2022, this is expected to rise to US\$47.48 billion, before surging to US\$678.8 billion by 2030. This is due to the fact that Grand View Research noted that “the metaverse is noted as the likely next iteration of the Internet, where the physical and digital worlds will come and stay together”.
- The global augmented reality, virtual reality, and mixed reality (MR) market reached US\$28 billion in 2021, rising to over US\$250 billion by 2028. Augmented reality technology integrates digital information with the physical environment, live and in real-time. Through the addition of graphics, sounds, haptic feedback, or even smell to the natural world as it exists, AR can combine real life with a super-imposed image or animation using the camera on a mobile device or AR headset. As part of the wider extended reality (XR) industry, the global AR market size is expected to grow considerably in the coming years.
- Regarded as the next iteration of the internet, the metaverse is where the physical and digital worlds come together. As an evolution of social technologies, the metaverse allows digital representations of people, avatars, to interact with each other in a variety



of settings. Whether it be at work, in an office, going to concerts or sports events, or even trying on clothes, the metaverse provides a space for endless, interconnected virtual communities using virtual reality headsets, augmented reality glasses, smartphone APPs, or other devices.

- Reviewed the Sequeira Partners, October 6, 2021 pricing/valuation analysis outlining their opinion as to the ARway acquisition by NTAR, available from NTAR directly.
- Development of the metaverse will require collaboration across companies, creators, and policymakers. Continued investment in product innovation and tech talent will also be needed: Meta’s plans to create 10,000 high-skilled jobs in the European Union over the next five years to build the metaverse highlight this. Although Facebook’s name change may appear as ownership of the metaverse at this early stage, Zuckerberg himself has stated that no one company will own and operate the metaverse. Instead, it will act as a collective space, like the internet, with openness a key feature. Already, several companies including Microsoft, Roblox, and Epic are investing in their versions of the metaverse, supported by advancements in technology enablers such as 5G, artificial intelligence (AI), edge, and cloud computing.

Metaverse Market Revenue Worldwide from 2021 to 2030 (in billion U.S. dollars)



Source: Grand View Research, 2022



- The metaverse as a term was coined in Neal Stephenson's 1992 science fiction novel *Snow Crash*, where humans, as avatars, interact with each other. In Stephenson's novel, the metaverse refers to a digital universe that can be accessed through VR. As a plot, it has been used in several works of science fiction, including the *Matrix* films, and served as a source of inspiration to the founders of Google, Amazon, and Facebook. Mark Zuckerberg's repeated references to the metaverse throughout 2020 and 2021 saw the concept gain mass global attention.
- Facebook Rebrands as Meta. In October 2021, Facebook announced that it had changed its company name to Meta. The name change, which was announced at the Facebook Connect AR/VR conference, reflects the company's growing ambitions beyond social media, notably bringing the metaverse to life. Facebook and its other apps, such as Messenger, Instagram, and WhatsApp will remain but under the Meta umbrella. There will be a rebranding of some of its VR products to Meta, shifting away from the original brand name of Oculus, with the company also revealing that it would start reporting the financial results of its AR/VR business.
- Conducted limited financial due diligence with Bloomberg, Reuters, Capital IQ, Bank of Canada, Toronto Dominion Bank, Scotiabank, Moodys, Financial Week, Barrons, The Globe and Mail, mergermarket, TD Securities, BMO Capital Markets, CIBC World Markets, National Bank, The Economist, Morningstar Dividend Investor and Standard Bank.
- Reviewed a variety of companies and transactions involving AR, VR and metaverse companies. Reviewed companies included: Baller Mixed Reality (March 2022, Seed round of US\$3 million at pre-money valuation of US\$5.9 million); Niantic (November 2021, Series D round US\$300 million at pre-money valuation US\$8.7 billion); Mojo Vision (January 2022, Series B round US\$45 million at pre-money valuation US\$375 million); Inworld AI (March 2022, Seed round US\$12.5 million at pre-money valuation US\$25.0 million); XRHealth (June 2022, Grant/Equity round US\$100,000 at pre-money valuation US\$2.0 million); Mira (July 2020, Seed round US\$3 million at pre-money valuation US\$10.0 million); and Auki Labs (February 2022. Seed round US\$13 million at pre-money valuation of US\$40 million).
- Reviewed financial and stock market trading data on comparable companies in the AR, VR, 3D mapping and metaverse sectors and whose shares trade on North American stock exchanges. In addition to reviewing financial information, RWE reviewed the operations of these various companies to determine if any had undertaken any material or relevant acquisitions in the last 12 - 24 months. Found that a number of acquisitions were occurring within these markets in Canada and the United States.
- Did not review any ARway historical financial statements.
- Reviewed all NTAR SEDAR filings for 2021 and 2022, including available financial data.
- Reviewed management provided multi-year financial projections for the ARway IP.



4.0 CONDITIONS AND RESTRICTIONS OF THE REPORT

- The Report is for the Board of the Company and for their use for internal circulation purposes and only the final signed Report can be relied on by the Company's Board and related regulatory bodies.
- RWE understands that a summary of the signed Report may be included in the documentation advising only NTAR's Committee and Board of such findings.
- The signed Report may be used for inclusion in public disclosure documents in Canada and the U.S. only. RWE will require that it review public disclosure documents in order to ensure accuracy and consistency with the Report. Such consent will not be unreasonably withheld.
- The Report cannot be submitted to any non-North American or international stock exchanges and or foreign regulatory authorities, or to the CRA or the IRS.
- RWE did apply generally accepted CICBV valuation principles to the financial information it did receive from the Company and followed valuation standards.
- RWE has assumed that the information, which is contained in the Report, is 100% accurate, correct and complete, and that there are no material omissions of information that would affect the conclusions contained in the Report that the Companies, or their representatives, are aware of.
- RWE did not attempt to audit the accuracy or completeness of the financial, technical, exploration, development and business data and information provided to it.
- This Report contains conclusions on fair value and on the fair market value of assets based on the review and analysis undertaken.
- This Report has been prepared in light of those standards of the Canadian Institute of Chartered Business Valuators and the American Society of Appraiser (both of which Richard W. Evans is a member in good standing).
- Should the assumptions used in the Report be found to be incorrect, then the valuation and conclusions may be rendered invalid and would likely have to be reviewed in light of correct and/or additional information.
- The Report, and more specifically the assessments and views contained therein, is meant as independent review of the Spinco Projects as at the Valuation Date respecting the scope outlined above.
- The authors of the Report make no representations, conclusions, or assessments, expressed or implied, regarding Companies after the Valuation Date.



- The information/assessments contained in the Report pertain only to the conditions prevailing at the time the Report was completed in July and August of 2022.
- RWE denies any responsibility, financial or legal or otherwise, for any use and/or improper use of the Report however occasioned.
- Any legal disputes or legal action against RWE Growth Partners, Inc. as a result of the Report, or any other matter, is agreed by NTAR, SpinCo, FinanceCo and Amalco, and their management, officers, directors and their respective shareholders are agreed to be settled only in a Canadian court of law.
- RWE as well as all of its principals, partner, staff or associates' total liability for any errors, omissions or negligent acts, whether they are in contract or in tort or in breach of fiduciary duty or otherwise, arising from any professional services performed or not performed by RWE, its principals, partner, any of its directors, officers, shareholders or employees, shall be limited to the fees charged and paid for the Report.
- No claim shall be brought against any of the above parties, in contract or in tort, more than two years after the date of the Report.

5.0 ASSUMPTIONS OF THE REPORT

The authors of the Report have made the following assumptions in completing the Report:

- (1) As at the Valuation Date all assets and liabilities in respect of the ARway IP, NTAR, SpinCo, FinanceCo and Amalco have been recorded in their financial statements and follow IFRS standards. A current audit of the Companies' financial statements would not result in any material change to the financial data set out by NTAR as provided to RWE.
- (2) NTAR, SpinCo, FinanceCo and Amalco and all of their related parties and their principals had no contingent liabilities, unusual contractual arrangements, or substantial commitments, other than in the ordinary course of business, nor litigation pending or threatened, nor judgments rendered against, other than those disclosed by management and included in the Report that would affect the evaluation or comments on the Spinco Projects.
- (3) All conditions precedent to the closing of the Proposed Transaction have, or will be completed, or waived, as set out in the Report, as at or before the closing of the Proposed Transaction and that all Companies complete the Proposed Transaction without any material change/concern/addition/deletion to the shares issued to each of the Companies as per the all terms/conditions of the Arrangement Agreement.
- (4) There are no other dilutive events at the close of the Proposed Transaction other than what has been disclosed by the Company's Board in the Report.



- (5) There will be no unforeseen and/or material negative tax consequences to the Company's shareholders and/or securityholders through the closing of the Proposed Transaction.
- (6) RWE has been advised by the NTAR Board that FinanceCo and Amalco will complete a Proposed Transaction financing for gross proceeds of C\$1,500,000. RWE has assumed this to be accurate.
- (7) All terms and conditions of the Arrangement Agreement (refer to Appendix 1.0) is complete, accurate and complete. All conditions for closing of the Proposed Transaction close and the Resulting Issuer is listed for trading on the CSE.
- (8) NTAR will, and can, provide SpinCo and Amalco an electronic version of the ARway IP that is complete, clean, separate and fully documented.
- (9) The existing founders / management of ARway will continue to be responsible for the development and commercialization of the ARway IP.
- (10) SpinCo and Amalco will acquire zero (C\$0) liabilities from NTAR.
- (11) The Board has noted to RWE that it is not aware of any other facts or data involving the Proposed Transaction or and other matter that would have any material effect on the conclusions in the Report that has not been provided to RWE.

RWE reserves the right to review all information and calculations included or referred to in this Report and, if it considers it necessary, to revise its views in the light of any information which becomes known to it during or after the date of this Report.

6.0 DEFINITION OF FAIR VALUE AND FAIR MARKET VALUE

For the Report, fair value is set out in International Financial Reporting Standards (IFRS) 13 Fair Value Measurement.

This applies to IFRS that require or permit fair value measurements or disclosures and provides a single IFRS framework for measuring fair value and requires disclosures about fair value measurement.

The standard defines fair value on the basis of an 'exit price' notion and uses a 'fair value hierarchy', which results in a market-based, rather than entity-specific, measurement. IFRS 13 was originally issued in May 2011 and applies to annual periods beginning on or after January 1, 2013 on a forward basis.

Fair Value is the method of valuing business assets (and liabilities) for financial reporting in line with accounting practices as established by the Financial Accounting Standards Board (FASB). Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.



Fair Value is also defined as “the amount for which an asset could be exchanged between knowledgeable, willing parties in an arm’s-length transaction” in the International Valuation Standards, 2007, p. 88 by the International Valuation Standards Council. IFRS uses this definition. In conducting this assignment, sufficient information, and due diligence investigations regarding the background of the Assets, operations, future plans, the industry and markets and major risk factors must be researched, reviewed, and analyzed. This information and our assessments of these areas will be incorporated into the Report.

In this Report, fair market value is the price, expressed in terms of cash equivalents, at which property would change hands between a hypothetical willing and able buyer and a hypothetical willing and able seller, acting at arms-length in an open and unrestricted market, when neither is under compulsion to buy or sell and when both have reasonable knowledge of the relevant facts. In Canada, the term “price” should be replaced with the term “highest price”.

This definition is set out in: <https://cbvinstitute.com/wp-content/uploads/2020/02/Practice-Bulletin-No.-2-E.pdf>.

With respect to the market for the shares of a company viewed “en bloc” there are, in essence, as many “prices” for any business interest as there are purchasers and each purchaser for a particular “pool of assets”, be it represented by overlying shares or the assets themselves, can likely pay a price unique to it because of its ability to utilize the assets in a manner peculiar to it. In any open market transaction, a purchaser will review a potential acquisition in relation to what economies of scale (e.g., reduced or eliminated competition, ensured source of material supply or sales, cost savings arising on business combinations following acquisitions, and so on), or “synergies” that may result from such an acquisition.

Theoretically, each corporate purchaser can be presumed to be able to enjoy such economies of scale in differing degrees and therefore each purchaser could pay a different price for a particular pool of assets than can each other purchaser.

Based on the authors of the Report’s experience, it is only in negotiations with such a special purchaser that potential synergies can be quantified and even then, the purchaser is generally in a better position to quantify the value of any special benefits than is the vendor.

In this engagement RWE was not able to expose the ARway IP or the Companies for sale in the open market and were therefore unable to determine the existence of any special interest purchasers who might be prepared to pay a price equal to or greater than the fair value or fair market value outlined in the Report. RWE should note that it is possible that a special interest purchaser may pay a price that is higher than fair market value (i.e., the special purchaser price). The reason for this may be synergistic reasons known only to them. RWE has not factored in any likely special purchaser consideration for the reasons that valuers cannot reasonably quantify such synergies, and valuation literature supports that unless such synergies can be quantified and proven (though multiple written bids, etc.) they cannot be included.



7.0 VALUATION METHODOLOGIES

7.1 Overview

In valuing an asset and/or a business, there is no single or specific mathematical formula. The particular approach and the factors to consider will vary in each case. Valuation approaches are primarily income-based or asset-based. Income-based approaches are appropriate where an asset and/or enterprise's future earnings are likely to support a value in excess of the value of the net assets employed in its operation.

Commonly used income-based approaches are the Capitalization of Indicated Earnings or Capitalization of Maintainable Cash Flows or a Discounted Cash Flow. Asset-based approaches can be founded on either going concern assumptions (i.e. an enterprise is viable as a going concern but has no commercial goodwill) or liquidation assumptions (i.e. an enterprise is not viable as a going concern, or going concern value is closely related to liquidation value).

Standard valuation methods applicable to determining value can be grouped into five general categories:

- (1) Cost approach;
- (2) Market approach (or sales comparison approach);
- (3) Income-based approach;
- (4) Rules-of-Thumb approach; and
- (5) Combination of any of the above approaches.

As there are many definitions of cost, the Cost approach generally reflects the original cost of the assets and/or business in question or the cost to reproduce the intangible assets of the business itself.

This approach is premised on the principle that the most a notional purchaser and/or an investor will pay for an investment is the cost to obtain an investment of equal utility (whether by purchase or reproduction).

The Market or Sales Comparison approach uses the sales price of comparable assets as the basis for determining value. If necessary, the market transaction data is adjusted to improve its comparability and applicability to the asset being valued.

The Income-Based Approach considers the earnings to be derived through the use of the asset. The capitalized value of the Company's earnings or cash flows is determined with the application of a capitalization rate, reflecting an investor's required rate of return on such an investment.



The Rules-of-Thumb approach can be applied to certain assets to serve as a useful determination of value when industry professionals provide specific information as to standard industry characteristics and/or acknowledged and accepted rules.

Rules-of-Thumb often involve the input of specific industry competitors and professionals to indicate certain measurable criteria that can be assessed and applied to as indications of value.

Lastly, a combination of the above approaches may be necessary to consider the various elements that are often found within specialized companies and/or are associated with various forms of intangible assets.

8.0 VALUATION METHOD USED

8.1 Methods Used

- 8.11 The first stage in determining which approach to utilize in valuing assets or a company / business is to determine whether such assets (when deployed) or a company is a going concern or whether it should be valued based on a liquidation assumption.

A set of assets or a business is deemed to be a going concern if it is both conducting operations at a given date and has every reasonable expectation of doing so for the foreseeable future after that date. If such assets or a company is deemed to not be a going concern, it is valued based on a liquidation assumption.

In reviewing the historical financial results of related to the ARway IP with consideration to the past and the future, RWE is of the view that the ARway IP should be valued on a going concern basis. With respect to this, RWE believed it was appropriate to value the ARway IP on a going concern basis.

The reason for this is:

- (1) NTAR was building the ARway IP and finding new business opportunities in 2021/2022+;
 - (2) the ARway IP shows signs of generating a return for the shareholders;
 - (3) the operating history shows the advancement of the ARway IP, though little commercial revenues, and it does indicate that commercial goodwill has developed and that it extends beyond personal goodwill; and
 - (5) that the going concern approach yields a higher value than a liquidation approach (which indicates nominal value).
- 8.12 In valuing an asset and/or a business, there is no single or specific mathematical formula. The particular approach and the factors to consider will vary in each case. Where there is



evidence of open market transactions having occurred involving the shares, or operating assets, of a business interest, those transactions may often form the basis for establishing the value of the company. In the absence of open market transactions, the three basic, generally-accepted approaches for valuing a business interest are:

- (a) The Income / Cash Flow Approach;
- (b) The Market Approach; and
- (c) The Cost or Asset-Based Approach.

A summary of these generally-accepted valuation approaches is provided below.

- 8.13 The Income/Cash Flow Approach is a general way of determining a value indication of a business (or its underlying assets), using one or more methods wherein a value is determined by capitalizing or discounting anticipated future benefits. This approach contemplates the continuation of the operations, as if the business is a “going concern”.
- 8.14 The Market Approach to valuation is a general way of determining a value indication of a business or an equity interest therein using one or more methods that compare the subject entity to similar businesses, business ownership interests and securities (investments) that have been sold. Examples of methods applied under this approach include, as appropriate: (a) the “Guideline Public Company Method”, (b) the “Merger and Acquisition Method”; and (c) analyses of prior transactions of ownership interests.
- 8.15 The Cost Approach is based upon the economic principle of substitution. This basic economic principle asserts that an informed, prudent purchaser will pay no more for an asset than the cost to obtain an opportunity of equal utility (that is, either purchase or construct a similar asset). From an economic perspective, a purchaser will consider the costs that they will avoid and use this as a basis for value.

The Cost Approach typically includes a comprehensive and all- inclusive definition of the cost to recreate an asset.

Typically, the definition of cost includes the direct material, labor and overhead costs, indirect administrative costs, and all forms of obsolescence applicable to the asset.

- 8.16 The Asset-Based Approach is adopted where either:
- a) liquidation is contemplated because the business is not viable as an ongoing operation;
 - b) the nature of the business is such that asset values constitute the prime determinant of corporate worth (e.g., vacant land, a portfolio of real estate, marketable securities, or investment holding company, etc.); or
 - c) there are no indicated earnings/cash flows to be capitalized.



If consideration of all relevant facts establishes that the Asset-Based Approach is applicable, the method to be employed will be either a going-concern scenario (“Adjusted Net Asset Method”) or a liquidation scenario (on either a forced or an orderly basis), depending on the facts.

- 8.17 Lastly, a combination of the above approaches may be necessary (i.e., a “Weighted Approach”) to consider the various elements and time periods (i.e., past, present and future) that are often found within operating businesses as well as specialized companies and/or those firms associated with various forms of intellectual property and where one or two approaches to value is insufficient to capture the nature of the business and its assets.
- 8.18 Given the nature and status of the ARway IP’s overall technical development and business operations at the Valuation Date as well as the approaches of valuation outlined above, it is the view of the authors of the Report that that the most appropriate method in determining the baseline fair value of the ARway IP as at the Valuation Date was a Cost Method (Replacement Cost).

The upside of the ARway IP can best be measured by a Discounted Cash Flow analysis.

Specifically, RWE used a Depreciated Replacement Cost method and analysis given the nature of the IP, the timing issues related to the commercialization stage of the ARway IP and the fact that any party interested in the ARway IP would only be willing to pay for what NTAR has, versus based solely on the potential of what it may generate in the future (the ability to generate free cash flow in the future). RWE conducted a Discounted Cash Flow analysis to also assess the potential related to the ARway IP and to show that there is an expectation that the ARway IP and Resulting issuer could increase in the future.

The approach used was determined to be the most appropriate given the operating results and long-term financial forecast of the ARway IP and the Company, the emerging nature of the metaverse markets, the nature of the business/industry and that expected cash flows will be important for measuring the financial progress of the ARway IP.

9.0 FAIRNESS CONSIDERATIONS

The fairness of a Proposed Transaction for NTAR’s shareholders is tested by:

- i. Assessing the value of the components of the Proposed Transaction.
- ii. Assessing the value of the ARway IP, using the Cost Method.
- iii. Not assuming or considering – that the financing occurs per the NTAR Board and management disclosure. This is a material assumption.
- iv. Considering qualitative factors, such as simplification or synergies, that may result from the Proposed Transaction.



There are many events that are assumed will occur between the Valuation Date and the closing of the Proposed Transaction.

These events are either conditions of the Proposed Transaction or are necessary (e.g., due diligence, legal costs and other cost incurred in connection with the Proposed Transaction) aspects of the closing process.

10.0 CONCLUSION AS TO FAIRNESS

Based upon RWE's valuation work and subject to all of the foregoing, RWE is of the opinion, as at the Valuation Date, that the terms of the **Proposed Transaction is fair, from a financial point of view, to the shareholders of NTAR as is shown in Schedule .**

In assessing the fairness of the Proposed Transaction to the shareholders of NTAR, RWE has considered, *inter alia*, the following:

1. All of the components of the Proposed Transaction.
2. ARway IP valuation (refer to the Report's Schedules)
3. Other potential benefits that may be realized subsequent to the completion of the Proposed Transaction include focus by both entities and simplification of the messaging of each business. RWE has considered such factors and perhaps other changes/reductions that are likely through the Proposed Transaction. RWE has not attributed any separate value related to this.

RWE has not attempted to quantify other additional qualitative potential benefits. Certain additional potential benefits are as follows:

- i. The transaction rationalizes the entities business models better and more clearly.
- ii. Evan Gappelberg assumes the role of CEO of the Resulting Issuer. His commitment to driving the commercialization and financing of the Resulting Issuer (the ARway IP) is material. As the founder of NTAR he is driven to make all of the Companies successful, and his attention on the Resulting Issuer is important and helpful as is his placing of certain NTAR mgt. in it.
- iii. Private placements remain difficult for small technology, AR, VR and technology firms that have not developed "scale" business operations. Terms/conditions, although improving, still do not appear as favorable to such companies as at the Valuation Date as they once did.

When one considers all of the above together, it is reasonable to conclude that the Proposed Transaction is fair, from a financial viewpoint to the shareholders of NTAR.



11.0 QUALIFICATIONS AND CERTIFICATE

11.1 Qualifications

The Report preparation, and related fieldwork and due diligence investigations, were carried out by Richard W. Evans, MBA, CBV, ASA and other analysts of RWE, who were fully supervised by Mr. Evans.

Since 1994 Richard W. Evans has been involved in the financial services and management consulting fields and has been involved in the preparation of over 3,000 technical and assessment reports, business plans, business valuations, and feasibility studies.

Richard Evans is a Principal of RWE. He has fifteen years of experience working in the areas of valuation, litigation support, mergers & acquisitions and capital formation.

He has more than 10 years of management experience in the high-tech field where he held various positions in technical support, development, marketing, project manager, channels management and senior management positions.

Prior to focusing on expanding and diversifying a small financial consulting firm, Richard was extensively involved in the high technology sector in Western Canada and the U.S. Pacific Northwest where he served for two years as the General Manager of Sidus Systems Inc.

At Sidus he was directly responsible for managing the firm's US\$15 million business operation throughout Western Canada and the Pacific Northwest. Previous to this, he spent almost nine years with Digital Equipment of Canada Limited where he was involved in a technical support, sales, marketing, project management and eventually channels management capacity.

RWE has conducted numerous valuations and fairness opinions of cannabis companies in which its clients, their advisors, buyers, planners, accountants and the courts and regulatory bodies have been satisfied and relied on RWE as a qualified valuator.

Many of the reports he has authored have been used by the court systems in B.C., Alberta and Ontario as well as in the U.S. and Europe.

He has also done work for public regulatory boards and groups worldwide.

Richard has been actively involved in the above professional services with hundreds of companies and has served as a board member for a select number of public and private firms.

His area of professional expertise is in middle market and micro-cap companies, especially firms needing advice and assistance with their business plans, operating plans and valuations.



He has also undertaken work used on and relied upon by public companies and regulatory bodies in Canada, the United States, Europe and Asia. He has undertaken valuation work for the Courts in British Columbia, Alberta, Ontario and Australia as well as for the Family Court in B.C.

Richard is extensively involved in sports coaching management and volunteer work throughout BC helping young adults and volunteer associations.

He obtained his Bachelor of Business Administration degree from Simon Fraser University, British Columbia in 1981 as well as completed his Master's degree in Business Administration at the University of Portland, Oregon in 1984 (where he graduated with honors). Richard holds the professional designations of Chartered Business Valuator and Accredited Senior Appraiser. He is a member in good standing with both the Canadian Institute of Chartered Business and the American Society of Appraisers.

11.2 Certification and Independence

The analyses, opinions, calculations and conclusions were developed, and this Report has been prepared in accordance with the standards set forth by the Canadian Institute of Chartered Business Valuators and follows standards. RWE was paid a professional fee, plus GST taxes for the preparation of the Report. The professional fee established for the Report has not been contingent upon the value or other opinions presented.

The authors of the Report have no present or prospective interest in the Companies and/or parties and/or any other entity / company / property that is the subject of this Report.

RWE and its principal has no personal interest with respect to any of the parties involved with any of the entities or properties described within this Report. RWE has relied on information and data provided to it by the Company's Board and management and from management.

RwE Growth Partners, Inc.



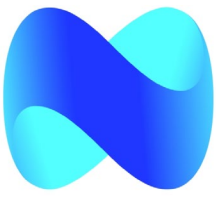
Richard W. Evans, MBA, CBV, ASA

Chartered Business Valuator – Canadian Institute of Chartered
Business Valuators Accredited Senior Appraiser – American
Society of Appraiser

Telephone: (778) 374-1994



RwE GROWTH PARTNERS, INC.



REPRESENTATION & WARRANTY LETTER

Special Committee of the Independent Members of the Board of Nextech AR Solutions Corp.
121 Richmond Street West, Suite 501
Toronto, Ontario M5H 2K1

TO: RWE Growth Partners, Inc. **Attention: Richard W. Evans**
4720 Kingsway
Unit 2600 Metrotower 2
Burnaby, British Columbia
Canada V5H 4N3

Dear Sir:

**Disclosure of Information for the Fairness Opinion (the "Report")
regarding the Proposed Transactions involving
NEXTECH AR SOLUTIONS CORP.
&
1000259749 ONTARIO INC. / 1373222 B.C. LTD.
(whom are to be amalgamated into Amalco)**

We acknowledge and confirm that Nextech AR Solutions Corp. (the "Company") has provided all pertinent and necessary information, to the best of our knowledge and ability, to RWE Growth Partners, Inc. ("RWE") for their preparation of the DRAFT Report, dated, for reference, August 19, 2022.

We further acknowledge that we reviewed the entire document and thereafter provided all necessary feedback and information to RWE so that RWE is now in a position to issue a final, signed Report.

In summary, we and all representatives of the Company have made full, true and plain disclosure to RWE concerning the Company, its assets and liabilities, the terms and conditions of the Proposed Transaction (all as stated in the Report) and all elements related to the Proposed Transaction – as is reflected in the Report.

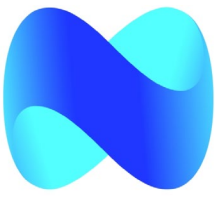
We confirm, to the best of our knowledge and belief, the following representations made to you during the preparation of the Report:

1. We are responsible for the fair presentation of information regarding the history of the Company and all aspects related to "Spinout Assets" as defined in the Report. The "Spinout Assets" and Company financial information provided by us is, to the best of our knowledge, accurate. The information contained in the Report represents accurately the history of the



Company and the “Spinout Assets” and there are no facts or omissions of information that would materially affect the disclosures contained therein.

2. We have made available to you (to the best of your knowledge):
 - Financial records and related data on the “Spinout Assets” and on all aspects of the Proposed Transaction and all related matters;
 - Available financial data;
 - Any material contracts and agreements; and
 - Existing and previous data, documentation, and other information required for the completion of the Report
3. There have been, and are, no:
 - Irregularities involving the Company and/or the “Spinout Assets”, the Company’s directors, management or anyone else involved in the Proposed Transaction. or with any of the related parties to either form that have not been entirely disclosed.
 - Communications from any government, court, commission or regulatory body or agency of the federal, provincial, or municipal governments or related bodies concerning any violations of any laws, regulations or rulings thereof concerning the “Spinout Assets” or the Company or any assets involved in the Proposed Transaction (to the best of our knowledge) and any related parties.
 - Nor has there been any such violation or possible violations that could have any material effect on the Report.
5. We have no plans or intentions that may cause the representations, disclosures and information made in the Report to be inaccurate or misleading.
6. As at the date of the Report there are no issues of litigation threatened or implied, including any class action lawsuits or shareholder dissent remedies, actions against the Company or the planned go-forward entities not disclosed in the Report.
7. As at the date of the Report no minority shareholder interests (to the best of our knowledge), or any related parties or non-arms’ length parties are presently being oppressed in any manner.
8. The Company is in good standing with all securities regulators and there is no litigation(s) pending or threatened.



- 9. The Company (to the best of our knowledge) has satisfactory title to all of the “Spinout Assets” as described in the Report, and there are no liens or encumbrances on such assets nor has any assets been pledged, except as disclosed in the Report.
- 10. No events have occurred subsequent to the date of the Report that would require amendment, revision, or disclosure in the Report.
- 11. There is no material facts, data or information regarding the Company and/or the “Spinout Assets” that is not disclosed in the Report that would be material to its conclusions (to the best of our knowledge).

We declare that we have provided RWE complete, full, true, and plain disclosure about the Company and the “Spinout Assets” as set out in the Report (to the best of our knowledge).

Given that we declare all of the above is accurate, complete and true, we are now in agreement that RWE may immediately issue to the Special Committee of the Independent Members of the Board a final, signed Report.

Yours very truly,

Special Committee of the Independent Members of the Board of Nextech AR Solutions Corp.
or an
Independent Member of the Nextech AR Solutions Corp. Board of Directors

Jeff Dawley
Signature

Jeff Dawley
Printed Name

Nextech AR Solutions Corp.
Entity Representing

Director
Title or Position

September 4, 2022
Date

APPENDIX AND SCHEDULES

- Appendix 1.1 – Arrangement Agreement**

- Schedule 1.1 – Depreciated Replacement Cost Method**
- Schedule 2.1 – SpinCo Adjusted Book Value**
- Schedule 3.1 – Management Projections**
- Schedule 4.1 – Discounted Cash Flow Analysis**
- Schedule 4.2 – Weighted Average Cost of Capital**
- Schedule 5.1 – Fairness Calculations**



ARRANGEMENT AGREEMENT

This agreement made as effective of the 29th day of July, 2022,

B E T W E E N :

NEXTECH AR SOLUTIONS CORP., a company incorporated under the laws of British Columbia and having an office at Suite 501 – 121 Richmond Street West, Toronto, ON M5H 2K1

("Nextech")

AND:

1000259749 ONTARIO INC., a company incorporated under the laws of Ontario and having an office at Suite 501 – 121 Richmond Street West, Toronto, ON M5H 2K1

("Spinco")

AND:

1373222 B.C. LTD., a company incorporated under the laws of British Columbia and having an office at Suite 501 – 121 Richmond Street West, Toronto, ON M5H 2K1

("FinanceCo")

WHEREAS Nextech, Spinco and FinanceCo wish to effect a share reorganization transaction by way of a statutory plan of arrangement under Section 288 of the *Business Corporations Act* (British Columbia) on the terms and conditions set out in this Arrangement Agreement and the Plan of Arrangement annexed hereto as Exhibit A.

THEREFORE THIS ARRANGEMENT AGREEMENT WITNESSES that, in consideration of the premises and of the mutual covenants and agreements hereinafter set forth, each of the Parties hereto agrees with the other as follows:

ARTICLE 1 **INTERPRETATION**

1.1 **Definitions**

In this Arrangement Agreement, terms used herein and defined in the Plan of Arrangement attached hereto as Exhibit A, will have the meaning ascribed thereto in the Plan of Arrangement and the following terms have the following meanings, respectively:

"**Arrangement**" means an arrangement under the provisions of Section 288 of the Business Corporations Act on the terms and conditions set forth in the Plan of Arrangement;

"**Arrangement Agreement**" means this Arrangement Agreement, including Exhibit A hereto, as it may be supplemented or amended from time to time;

"**Arrangement Resolution**" means the special resolution of Nextech Shareholders authorizing and approving the Plan of Arrangement, in such form as may be determined by Nextech in accordance with applicable Law;

"**Business Corporations Act**" means the *Business Corporations Act* (British Columbia), S.B.C. 2002, c. 57, as amended;

"**Business Day**" means a day which is not a Saturday, Sunday or a day when commercial banks are not open for business in Vancouver, British Columbia;

"**Closing**" has the meaning given in Section 6.3 of this Arrangement Agreement;

"**Court**" means the Supreme Court of British Columbia;

"**CSE**" means Canadian Securities Exchange;

"**Effective Date**" means the date on which the last of all necessary documents to effect the Plan of Arrangement have been filed with the Registrar;

"**Final Order**" means the final order of the Court, after being informed of the intention to rely upon the Section 3(a)(10) Exemption from registration under the U.S. Securities Act in connection with the issuance of the Spinco Shares to Nextech Shareholders in the United States, the issuance of Spinco Shares to FinanceCo Shareholders in the United States, and the issuance of Spinco Warrants to holders of FinanceCo Warrants in the United States, approving the Arrangement, in the form required by this Arrangement Agreement;

"**FinanceCo**" means 1373222 B.C. Ltd., a special purpose finance company established for the purposes of completing the Subscription Receipt Financing;

"**FinanceCo Shareholder**" means a holder of FinanceCo Shares;

"**FinanceCo Shares**" means common shares of FinanceCo;

"**FinanceCo Warrants**" means share purchase warrants of FinanceCo, each of which shall entitle the holder to acquire one FinanceCo Share at an exercise price of C\$0.50 for a period of three (3) years from the date of issuance of such FinanceCo Warrants;

"**Governmental Entity**" means: (a) any multinational, federal, provincial, territorial, state, regional, municipal, local or other government, governmental or public department, central bank, court, tribunal, arbitral body, commission, board, bureau, agency or entity, domestic or foreign; (b) any subdivision, agent, commission, board or authority of any of the foregoing; or (c) any quasi-governmental or private body, including any tribunal, commission, regulatory agency or self-regulatory organization, exercising any regulatory, expropriation or taxing authority under or for the account of any of the foregoing;

"Information Circular" means the information circular to be sent to Nextech Shareholders in connection with the Meeting;

"Interim Order" means the order of the Court, after being informed of the intention to rely upon the Section 3(a)(10) Exemption from registration under the U.S. Securities Act in connection with the issuance of the Spinco Shares to Nextech Shareholders in the United States, the issuance of Spinco Shares to FinanceCo Shareholders in the United States, and the issuance of Spinco Warrants to holders of FinanceCo Warrants in the United States, pursuant to the application therefor contemplated by Sections 2.2 and 2.3 hereof;

"ITA" means the *Income Tax Act* (Canada) and the regulations made thereunder, as amended from time to time;

"Law" or **"Laws"** means all laws (including common law), by-laws, statutes, rules, regulations, principles of law and equity, orders, rulings, ordinances, judgements, injunctions, determinations, awards, decrees or other requirements, whether domestic or foreign, and the terms and conditions of any grant of approval, permission, authority or license of any Governmental Entity or self-regulatory authority (including the CSE), and the term "applicable" with respect to such Laws and in a context that refers to one or more Parties, means such Laws as are applicable to such Party or its business, undertaking, property or securities and emanate from a person having jurisdiction over the Party or Parties or its or their business, undertaking, property or securities;

"Meeting" means the annual and special meeting of Nextech Shareholders to be held virtually at such time as may be determined by Nextech in accordance with applicable law, for the purpose of considering and approving the Arrangement, amongst other matters, and any adjournment or postponement thereof;

"Nextech" means Nextech AR Solutions Corp., a company existing under the laws of British Columbia;

"Nextech Shareholder" means the holders of Nextech Shares;

"Nextech Shares" means common shares without par value of Nextech;

"Nextech Special Committee" means the special committee of the board of directors of Nextech formed for the purpose of considering and making recommendations regarding the Arrangement;

"Party" means any one of Nextech, FinanceCo and Spinco, and **"Parties"** means each of them as the context requires;

"person" means any individual, corporation, firm, partnership (including, without limitation, a limited partnership), sole proprietorship, syndicate, joint venture, trustee, trust, any unincorporated organization or association, any government or instrumentality thereof and any tribunal;

"Plan of Arrangement" means the plan of arrangement substantially in the form attached hereto as Exhibit A and any amendment or variation hereto made in accordance with Article 5 thereof and Section 6.1 and 6.2 of this Arrangement Agreement;

"Registrar" means the Registrar of Companies appointed under Section 400 of the Business Corporations Act;

"Release Conditions" means the written confirmation by the Parties of satisfaction or waiver of all conditions precedent to the completion of the Arrangement;

"Section 3(a)(10) Exemption" has the meaning ascribed thereto in Section 2.2 of this Arrangement Agreement;

"Spinco" means 1000259749 Ontario Inc., a company incorporated under the laws of Ontario;

"Spinco Shares" means common shares without par value of Spinco;

"Spinco Warrants" means share purchase warrants of Spinco, each of which shall entitle the holder to acquire one Spinco Share at an exercise price of C\$0.50 for a period of three (3) years from the date of issuance of such Spinco Warrants;

"Spinout Assets" means all right, title and interest in and to all direct and indirect assets of Nextech utilized in connection with the creation of an all-in-one no code real-world Metaverse creation tool and mobile app ARWay, with a self-generating augmented reality mapping solutions for both consumers and brands, and all business, corporate, legal and accounting books, records and documents used in connection with the foregoing and related undertakings;

"Spinout Liabilities" means all liabilities or obligations (contingent or otherwise) (other than any liability or obligation for Taxes) in respect (but only in respect) of the Spinout Assets (including the operations or activities in connection therewith);

"Subscription Receipt Financing" means the private placement of Subscription Receipts at a price of \$0.25 each, to raise minimum aggregate gross proceeds of C\$1,500,000;

"Subscription Receipts" means subscription receipts of FinanceCo, each of which shall automatically convert upon the satisfaction of the Release Conditions, into one unit of FinanceCo consisting of one FinanceCo Share and one FinanceCo Warrant;

"Taxes" means any taxes, duties, fees, premiums, assessments, imposts, levies, expansion fees and other charges of any kind whatsoever imposed by any Governmental Entity, including all interest, penalties, fines, additions to tax or other additional amounts imposed by any Governmental Entity in respect thereof, and including those levied on, or measured by, or referred to as, income, gross receipts, profits, windfall, royalty, capital, transfer, land transfer, sales, goods and services tax, harmonized sales tax, use, value-added, excise, stamp, withholding, business, franchising, property, development, occupancy, employer health, payroll, employment, health, social services, education and social security taxes, all surtaxes, all customs duties and import and export taxes, countervail and anti-dumping, all licence, franchise and registration fees and all employment insurance, health insurance and Canada Pension Plan

premiums or contributions imposed by any Governmental Entity, and any transferee liability in respect of any of the foregoing;

"**United States**" or "**U.S.**" means the United States of America, its territories and possessions, any state of the United States and the District of Columbia;

"**U.S. Exchange Act**" means the *United States Securities Exchange Act of 1934*, as amended, and the rules and regulations promulgated from time to time thereunder;

"**U.S. Investment Company Act**" means the *United States Investment Company Act of 1940*, as amended, and the rules and regulations promulgated from time to time thereunder;

"**U.S. Person**" has the meaning ascribed to it in Regulation S of the U.S. Securities Act; and

"**U.S. Securities Act**" means the *United States Securities Act of 1933*, as amended, and the rules and regulations promulgated from time to time thereunder.

1.2 Exhibits

The following exhibit is attached to this Arrangement Agreement and forms part hereof:

Exhibit A – Plan of Arrangement

ARTICLE 2 **ARRANGEMENT**

2.1 The Parties agree to carry out the Arrangement in accordance with and subject to the satisfaction of the terms and conditions contained in this Arrangement Agreement, the Interim Order and the Final Order and the Plan of Arrangement.

2.2 The Parties agree that the Arrangement will be carried out as part of a reorganization of the business of Nextech and with the intention that all Spinco Shares and Spinco Warrants issued on completion of the Arrangement or exchanged with the Nextech Shareholders, FinanceCo Shareholders and/or holders of FinanceCo Warrants, as applicable, in the United States will be issued in reliance on the exemption from the registration requirements of the U.S. Securities Act provided by Section 3(a)(10) of the U.S. Securities Act (the "**Section 3(a)(10) Exemption**"). In order to ensure the availability of the Section 3(a)(10) Exemption, the Parties agree that the Arrangement will be carried out on the following basis:

- (a) the Arrangement will be subject to the approval of the Court;
- (b) prior to the issuance of the Interim Order, the Court will be advised of the intention of the Parties to rely on the Section 3(a)(10) Exemption with respect to the issuance of the Spinco Shares to Nextech Shareholders in the United States, the issuance of Spinco Shares to FinanceCo Shareholders in the United States, and the issuance of Spinco Warrants to holders of FinanceCo Warrants in the United States, in connection with the Arrangement, based on the Court's approval of the Arrangement;

- (c) the Court will be required to satisfy itself as to the fairness of the Arrangement;
- (d) the Parties will ensure that each Nextech Shareholder, FinanceCo Shareholder and holder of FinanceCo Warrants entitled to receive Spinco Shares and/or Spinco Warrants, as applicable, on completion of the Arrangement will be given adequate notice advising them of their right to attend the hearing of the Court to give approval of the Arrangement and providing them with sufficient information necessary for them to exercise that right and that there shall not be any improper impediments to the appearance at the hearing of any Nextech Shareholder, FinanceCo Shareholder or holder of FinanceCo Warrants;
- (e) the Interim Order approving the Meeting will specify that each Nextech Shareholder, FinanceCo Shareholder and holder of FinanceCo Warrants will have the right to appear before the Court at the hearing of the Court to give approval of the Arrangement so long as they enter an appearance within a reasonable time;
- (f) the Nextech Shareholders, FinanceCo Shareholders and holders of FinanceCo Warrants will be advised that the Spinco Shares and Spinco Warrants issued pursuant to the Arrangement have not been registered under the U.S. Securities Act and will be issued by Spinco in reliance on the Section 3(a)(10) Exemption, and that certain restrictions on resale under the securities laws of the United States may be applicable with respect to securities issued to affiliates of Nextech or FinanceCo and persons who have been affiliates of Nextech or FinanceCo within 90 days of the Effective Date;
- (g) the Final Order approving the Arrangement that is obtained from the Court will expressly state that the Arrangement is approved by the Court as being fair to the Nextech Shareholders, FinanceCo Shareholders and holders of FinanceCo Warrants; and
- (h) Nextech shall request that the Final Order shall include a statement to substantially the following effect:

"This Order will serve as a basis of a claim to an exemption, pursuant to section 3(a)(10) of the United States Securities Act of 1933, as amended, from the registration requirements otherwise imposed by that act, regarding the distribution of securities of 1000259749 Ontario Inc. pursuant to the Plan of Arrangement."

2.3 Nextech, FinanceCo and Spinco will, as soon as reasonably practicable, apply to the Court pursuant to Section 291(2) of the Business Corporations Act for the Interim Order providing for, among other things, the calling and holding of the Meeting for the purpose of considering and, if deemed advisable, approving the Arrangement. If the approval of the Arrangement as set forth in the Interim Order is obtained, Nextech, FinanceCo and Spinco will take the necessary steps to submit the Arrangement to the Court and apply for the Final Order in such fashion as the Court may direct, as soon as practicable after the Meeting, subject to satisfaction or waiver of any other conditions provided for in this Arrangement Agreement.

ARTICLE 3
REPRESENTATIONS AND WARRANTIES

3.1 Representations and Warranties of Nextech

As at the date hereof and as at the date of the Closing, Nextech represents and warrants to Spinco and FinanceCo, and acknowledges that Spinco and FinanceCo are relying on such representations and warranties, as follows:

- (a) Nextech is a company duly organized, validly existing and in good standing with respect to all filings required under applicable Laws, has the corporate power to own or lease its property and assets and to carry on its business as now conducted by it, is duly licensed or qualified as a foreign corporation in each jurisdiction in which the character of the property and assets now owned by it or the nature of its business as now conducted by it requires it to be so licensed or qualified (save where failure to have such licence or qualification is not in the aggregate material) and has the corporate power to enter into this Arrangement Agreement and perform its obligations hereunder;
- (b) the authorized capital of Nextech consists of an unlimited number of Nextech Shares without par value of which, as at the date of this Arrangement Agreement, 100,729,121 Nextech Shares are issued and outstanding as fully paid and non-assessable;
- (c) no person has any agreement, option, understanding or commitment (including convertible securities, warrants or convertible obligations of any nature) for the purchase or issue of or conversion into any of the unissued Nextech Shares or any unissued securities of Nextech, other than holders of Nextech share purchase warrants to acquire in the aggregate 20,153,861 Nextech Shares and holders of Nextech stock options to acquire in the aggregate 17,090,797 Nextech Shares;
- (d) the financial statements of Nextech appearing on the SEDAR website present fairly the financial position of Nextech at the relevant dates and the results of its operations and the changes in its financial position for the periods indicated in those financial statements, and have been prepared in accordance with accounting principles generally accepted in Canada consistently applied;
- (e) the execution and delivery of this Arrangement Agreement and the consummation of the Arrangement do not and will not:
 - (i) result in the breach of or violate any term or provision of the constating documents of Nextech;
 - (ii) conflict with, result in a breach of, constitute a default under, or accelerate or permit the acceleration of the performance required by, any agreement, instrument, licence, permit or authority to which Nextech is a party or by which it is bound or to which any property of Nextech is subject or result in the creation of any lien, charge or encumbrance upon any of the assets

of Nextech under any such agreement or instrument, or give to others any material interest or rights, including rights of purchase, termination, cancellation or acceleration, under any such agreement, instrument, licence, permit or authority; or

- (iii) violate any provision or law or administrative regulation or any judicial or administrative order, award, judgment or decree applicable to Nextech;
- (f) the execution and delivery of this Arrangement Agreement has been duly approved by the board of directors of Nextech;
- (g) there are no agreements, covenants, undertakings or other commitments of Nextech or any partnership or joint venture in which it is a partner or participant or any instruments binding on it:
 - (i) under which the consummation of the Arrangement would have the effect of imposing restrictions or obligations on Spinco materially greater than those imposed upon Nextech or any such partnership or joint venture at the date hereof; or
 - (ii) which would give a third party, as a result of the Arrangement, a right to terminate any material agreement, or a right to acquire Nextech's interest in any material agreement, to which Nextech or any such partnership or joint venture is a party;
- (h) Nextech has not incurred any liability for brokerage fees, finder's fees, agent's commissions or other similar forms of compensation in connection with this Arrangement Agreement or the Arrangement, except a fixed fee to be paid to a third party valuator for a fairness opinion and other financial advice regarding the transactions contemplated herein;
- (i) there are no actions, suits, proceedings or investigations commenced, or to the knowledge of Nextech contemplated or threatened, against or affecting Nextech or before or by any person or before any arbitrator of any kind which would prevent or hinder the Arrangement or which involve the possibility of any judgment or liability which can reasonably be expected to have a material adverse effect on the business operations, properties, assets or condition, financial or otherwise, of Nextech;
- (j) the corporate records and minute books of Nextech as required to be maintained by it under the laws of British Columbia are up to date and contain complete and accurate minutes of all meetings of its directors and Nextech Shareholders and all resolutions consented to in writing;
- (k) the Nextech Shares are at present listed and posted for trading on the CSE and Nextech is in material compliance with all rules, regulations and policies of the CSE;

- (l) Nextech is a reporting issuer in all of the Provinces of Canada other than Quebec, is not the subject of a cease trade order or investigation under the securities legislation in any such jurisdiction, is not the subject of any investigation by the CSE or any other regulatory or administrative authority or body, is current with all filings required to be made under the securities legislation in those provinces and is not aware of any deficiencies in the filing of any documents or reports with the securities commissions or similar authorities in each of those jurisdictions that would cause it to be placed on the list of defaulting reporting issuers;
- (m) none of the representations, warranties or statements of fact made in this Section 3.1 contains any untrue statement of a material fact or omits to state any material fact necessary to make any such warranty or representation not misleading; and
- (n) as of the date hereof Nextech: (i) is a "foreign private issuer" within the meaning of Rule 405 under the U.S. Securities Act, (ii) has no class of securities outstanding that is or is required to be registered under Section 12 of the U.S. Exchange Act or that is subject to the reporting requirements of Section 13 or Section 15(d) of the U.S. Exchange Act, and (iii) is not registered or required to register and will not as a result of the completion of the Arrangement and the issuance of any securities pursuant to the Arrangement be required to register as an investment company under the U.S. Investment Company Act.

3.2 Representations and Warranties of Spinco

As at the date hereof and as at the date of the Closing, Spinco represents and warrants to Nextech and FinanceCo, and acknowledges that Nextech and FinanceCo are relying on such representations and warranties, as follows:

- (a) Spinco is a company duly organized, validly existing and in good standing with respect to all filings required under applicable Laws, and has the corporate power to own or lease its property and assets and to carry on its business as proposed to be conducted by it and has the corporate power to enter into this Arrangement Agreement and perform its obligations hereunder;
- (b) the authorized capital of Spinco consists of an unlimited number of Spinco Shares without par value, of which, as at the date of this Arrangement Agreement, 100 Spinco Shares are issued and outstanding as fully paid and non-assessable;
- (c) no person has any agreement, option, understanding or commitment (including convertible securities, warrants or convertible obligations of any nature) for the purchase or issue of or conversion into any of the unissued Spinco Shares or any unissued securities of Spinco, except as disclosed in this Arrangement Agreement;
- (d) the execution and delivery of this Arrangement Agreement and the consummation of the Arrangement do not and will not:

- (i) result in the breach of or violate any term or provision of the constating documents of Spinco;
 - (ii) conflict with, result in a breach of, constitute a default under, or accelerate or permit the acceleration of the performance required by, any agreement, instrument, licence, permit or authority to which Spinco is a party or by which it is bound or to which any property of Spinco is subject or result in the creation of any lien, charge or encumbrance upon any of the assets of Spinco under any such agreement or instrument, or give to others any material interest or rights, including rights of purchase, termination, cancellation or acceleration, under any such agreement, instrument, licence, permit or authority; or
 - (iii) violate any provision or law or administrative regulation or any judicial or administrative order, award, judgment or decree applicable to Spinco;
- (e) as of the Effective Date, Spinco is not and will not be a party to any material agreements, covenants, undertakings or other commitments, other than this Arrangement Agreement;
- (f) the execution and delivery of this Arrangement Agreement has been duly approved by the board of directors of Spinco;
- (g) Spinco has not incurred any liability for brokerage fees, finder's fees, agent's commissions or other similar forms of compensation in connection with this Arrangement Agreement or the Arrangement;
- (h) there are no actions, suits, proceedings or investigations commenced, or to the knowledge of Spinco contemplated or threatened, against or affecting Spinco or before or by any person or before any arbitrator of any kind which would prevent or hinder the Arrangement or which involve the possibility of any judgment or liability which can reasonably be expected to have a material adverse effect on the business operations, properties, assets or condition, financial or otherwise, of Spinco;
- (i) there are no known or anticipated material liabilities of Spinco of any kind whatsoever (including absolute, accrued or contingent liabilities) nor any commitments whether or not determined or determinable, in respect of which Spinco is or may become liable;
- (j) Spinco is not a party to any agreement to acquire or lease any other businesses or business operations;
- (k) the corporate records and minute books of Spinco as required to be maintained by it under the laws of Ontario are up to date and contain complete and accurate minutes of all meetings of its directors and shareholders and all resolutions consented to in writing;

- (l) none of the representations, warranties or statements of fact made in this Section 3.2 contains any untrue statement of a material fact or omits to state any material fact necessary to make any such warranty or representation not misleading; and
- (m) as of the date hereof Spinco: (i) is a "foreign private issuer" within the meaning of Rule 405 under the U.S. Securities Act, (ii) has no class of securities outstanding that is or is required to be registered under Section 12 of the U.S. Exchange Act or that is subject to the reporting requirements of Section 13 or Section 15(d) of the U.S. Exchange Act, and (iii) is not registered or required to register and will not as a result of the completion of the Arrangement and the issuance of any securities pursuant to the Arrangement be required to register as an investment company under the U.S. Investment Company Act.

3.3 Representations and Warranties of FinanceCo

As at the date hereof and as at the date of the Closing, FinanceCo represents and warrants to Nextech and Spinco, and acknowledges that Nextech and Spinco are relying on such representations and warranties, as follows:

- (a) FinanceCo is a company duly organized, validly existing and in good standing with respect to all filings required under applicable Laws, and has the corporate power to own or lease its property and assets and to carry on its business as proposed to be conducted by it and has the corporate power to enter into this Arrangement Agreement and perform its obligations hereunder;
- (b) the authorized capital of FinanceCo consists of an unlimited number of FinanceCo Shares without par value, of which, as at the date of this Arrangement Agreement, one (1) FinanceCo Share is issued and outstanding as fully paid and non-assessable;
- (c) no person has any agreement, option, understanding or commitment (including convertible securities, warrants or convertible obligations of any nature) for the purchase or issue of or conversion into any of the unissued FinanceCo Shares or any unissued securities of FinanceCo, except as disclosed in this Arrangement Agreement and pursuant to the Subscription Receipt Financing;
- (d) the execution and delivery of this Arrangement Agreement and the consummation of the Arrangement do not and will not:
 - (i) result in the breach of or violate any term or provision of the constating documents of FinanceCo;
 - (ii) conflict with, result in a breach of, constitute a default under, or accelerate or permit the acceleration of the performance required by, any agreement, instrument, licence, permit or authority to which FinanceCo is a party or by which it is bound or to which any property of FinanceCo is subject or result in the creation of any lien, charge or encumbrance upon any of the assets of FinanceCo under any such agreement or instrument, or give to

others any material interest or rights, including rights of purchase, termination, cancellation or acceleration, under any such agreement, instrument, licence, permit or authority; or

- (iii) violate any provision or law or administrative regulation or any judicial or administrative order, award, judgment or decree applicable to FinanceCo;
- (e) as of the Effective Date, FinanceCo is not and will not be a party to any material agreements, covenants, undertakings or other commitments, other than this Arrangement Agreement and agreements and other documents in connection with the Subscription Receipt Financing;
- (f) the execution and delivery of this Arrangement Agreement has been duly approved by the board of directors of FinanceCo;
- (g) FinanceCo has not incurred any liability for brokerage fees, finder's fees, agent's commissions or other similar forms of compensation in connection with this Arrangement Agreement or the Arrangement;
- (h) there are no actions, suits, proceedings or investigations commenced, or to the knowledge of FinanceCo contemplated or threatened, against or affecting FinanceCo or before or by any person or before any arbitrator of any kind which would prevent or hinder the Arrangement or which involve the possibility of any judgment or liability which can reasonably be expected to have a material adverse effect on the business operations, properties, assets or condition, financial or otherwise, of FinanceCo;
- (i) there are no known or anticipated material liabilities of FinanceCo of any kind whatsoever (including absolute, accrued or contingent liabilities) nor any commitments whether or not determined or determinable, in respect of which FinanceCo is or may become liable;
- (j) FinanceCo is not a party to any agreement to acquire or lease any other businesses or business operations;
- (k) the corporate records and minute books of FinanceCo as required to be maintained by it under the laws of British Columbia are up to date and contain complete and accurate minutes of all meetings of its directors and shareholders and all resolutions consented to in writing;
- (l) none of the representations, warranties or statements of fact made in this Section 3.3 contains any untrue statement of a material fact or omits to state any material fact necessary to make any such warranty or representation not misleading; and
- (m) as of the date hereof FinanceCo: (i) is a "foreign private issuer" within the meaning of Rule 405 under the U.S. Securities Act, (ii) has no class of securities outstanding that is or is required to be registered under Section 12 of the U.S. Exchange Act or that is subject to the reporting requirements of Section 13 or

Section 15(d) of the U.S. Exchange Act, and (iii) is not registered or required to register and will not as a result of the completion of the Arrangement and the issuance of any securities pursuant to the Arrangement be required to register as an investment company under the U.S. Investment Company Act.

ARTICLE 4 **COVENANTS**

4.1 Covenants of Nextech, FinanceCo and Spinco

Each of Nextech, FinanceCo and Spinco agrees that it will take such steps and do all such other acts and things as may be necessary or desirable in order to give effect to the transactions contemplated by this Arrangement Agreement, subject to applicable shareholder, Court and regulatory approvals, and, without limiting the generality of the foregoing, will use its commercially reasonable efforts to apply for and obtain such consents, orders or approvals as are necessary or desirable for the implementation of the Arrangement and, without limiting the generality of the foregoing, to:

- (a) apply for and obtain the Interim Order and the Final Order as provided in Section 2.3 hereof; and
- (b) obtain written consents from any persons who are parties to agreements with Nextech required to effect the transfer of Spinout Assets and Spinout Liabilities in accordance with all applicable Laws, including an asset purchase and assumption of liabilities agreement and any consents required to such transfer, no later than 10 Business Days before the Effective Date. The asset purchase and assumption of liabilities agreement to effect the transfer of Spinout Assets and Spinout Liabilities to Spinco hereunder will become effective as of the Effective Date.

4.2 Each of Nextech, FinanceCo and Spinco agrees that it will take such steps and do all such other acts and things as may be necessary or desirable in order to give effect to the transactions contemplated by this Arrangement Agreement, subject to applicable shareholder, Court and regulatory approvals, and, without limiting the generality of the foregoing, will:

- (a) ensure that the Information Circular contains prospectus-level disclosure respecting the Spinout Assets and Spinco, and the information and financial statements related to the Spinout Assets, Spinco and FinanceCo respectively, contained in the Information Circular and any related documentation to be distributed in connection with the solicitation of proxies by the management of Nextech in connection with the Meeting will be true, correct and complete in all material respects and will not contain any untrue statement of any material fact or omit to state any material fact required to be stated therein or necessary in order to make the statements therein not misleading in light of the circumstances in which they are made and will comply with applicable securities laws;
- (b) obtain all required certifications and consents of their respective auditors in respect of the respective financial statements to be provided in the Information Circular; and

- (c) at Closing, have the respective authorized and issued share capital set forth herein, other than as contemplated by this Arrangement Agreement or as may be altered by the exercise of outstanding convertible securities or consented to by Nextech or Spinco, as the case may be, such consent not to be unreasonably withheld.

4.3 Interim Order

As soon as practicable after the date hereof, Nextech will apply to the Court pursuant to section 291(2) of the Business Corporations Act for the Interim Order providing for, among other things, the calling and holding of the Meeting.

4.4 Final Order

If the Interim Order and all Nextech Shareholder and other requisite approvals as required in respect of the Plan of Arrangement are obtained, Nextech will promptly thereafter take the necessary steps to submit the Plan of Arrangement to the Court and apply for the Final Order in such fashion as the Court may direct, and as soon as practicable following receipt of the Final Order, and subject to the satisfaction or waiver of the other conditions provided for in Article 5 hereof, Nextech will make any filings required to give effect to the Plan of Arrangement pursuant to the Final Order.

ARTICLE 5 **CONDITIONS PRECEDENT**

5.1 Mutual Conditions Precedent

The Parties' obligations to complete the transactions contemplated in this Arrangement Agreement are subject to satisfaction of the following conditions on or before the Effective Date:

- (a) the Interim Order and Final Order will have been obtained from the Court on terms acceptable to each of the Parties and will not have been set aside or modified in a manner unacceptable to any of the Parties, on appeal or otherwise;
- (b) Nextech, FinanceCo and Spinco will have received all required approvals, including (i) approval by Nextech Shareholders of the Arrangement Resolution at the Meeting; (ii) approval by Spinco of the Arrangement as the sole shareholder of Subco; (iii) approval by Nexech of the Arrangement as the sole shareholder of Spinco; (iv) approval by the FinanceCo Shareholders of the Arrangement; (v) approval by the holders of the FinanceCo Warrants of the Arrangement; (vi) approval by the respective boards of directors of each of the Parties and Subco, approval by the Nextech Special Committee, and approval of the CSE to the Arrangement, subject only to compliance with the usual conditions of that approval, if any;
- (c) the Spinco Shares to be issued pursuant to the Arrangement to Nextech Shareholders in the United States, the Spinco Shares to be issued pursuant to the Arrangement to FinanceCo Shareholders in the United States, and the Spinco Warrants to be issued to holders of FinanceCo Warrants in the United States, shall

either be: (i) exempt from the registration requirements of the U.S. Securities Act pursuant to Section 3(a)(10) thereof; (ii) be registered pursuant to an effective registration statement under the U.S. Securities Act; or (iii) issued pursuant to an exemption from the registration requirements of the U.S. Securities Act; provided, however, that Nextech and FinanceCo shall not be entitled to the benefit of the conditions in this Section 5.1(c) and shall be deemed to have waived such condition in the event that Nextech fails to advise the Court prior to the hearing in respect of the Interim Order that Nextech and FinanceCo intend to rely on the Section 3(a)(10) Exemption based on the Court's approval of the Arrangement and comply with the requirements set forth in Section 2.2 and the Final Order shall reflect such reliance;

- (d) Nextech will have received confirmation from counsel that the delivery of any Spinco Shares and Spinco Warrants to the Nextech Shareholders, FinanceCo Shareholders and holders of FinanceCo Warrants, as applicable, pursuant to the Arrangement will be exempt from the prospectus requirements in each of the provinces and territories of Canada in which Nextech Shareholders, FinanceCo Shareholders or holders of FinanceCo Warrants, as applicable, are resident in Canada;
- (e) there will not be in force any order or decree restraining or enjoining the completion of the transactions contemplated by this Arrangement Agreement or the Plan of Arrangement;
- (f) none of the consents, orders, regulations or approvals contemplated by this Arrangement Agreement will contain terms or conditions or require undertakings or security deemed unsatisfactory or unacceptable by any of the Parties hereto, acting reasonably;
- (g) the Subscription Receipt Financing shall have been completed to raise minimum aggregate gross proceeds of C\$1,500,000;
- (h) the Spinco Shares will have been conditionally approved for listing on the CSE;
- (i) this Arrangement Agreement will not have been previously terminated; and
- (j) the obligation of each Party to complete the Arrangement is subject to the further condition that the covenants of the other Parties will have been duly performed.

The foregoing conditions in this Section 5.1 are inserted for the benefit of all Parties and may only be waived in whole or in part at any time by all Parties.

5.2 Conditions Solely for the Benefit of Nextech

The obligations of Nextech to complete the transactions contemplated in this Arrangement Agreement are subject to satisfaction of the following conditions on or before the Effective Date:

- (a) no adverse material change will have occurred in the business, affairs, financial condition or operations of Spinco or FinanceCo;
- (b) Nextech will have received a satisfactory fairness opinion and valuation in respect of the Arrangement and tax advice satisfactory to Nextech, in its sole discretion, respecting the tax consequences of the Arrangement to the Nextech Shareholders; and
- (c) the representations and warranties of Spinco and FinanceCo as set out in this Arrangement Agreement will be true and correct on and as of the Effective Date as if they were made on and as of such date, except as affected by transactions contemplated or permitted by this Arrangement Agreement and except for any failures or breaches of representations or warranties which would not have a material adverse effect on the business, assets, financial condition or results of operations of Spinco or FinanceCo, respectively.

The foregoing conditions in this Section 5.2 are inserted for the exclusive benefit of Nextech and may be waived by it in whole or in part at any time.

5.3 Conditions Solely for the Benefit of Spinco

The obligations of Spinco to complete the transactions contemplated in this Arrangement Agreement are subject to satisfaction of the following conditions on or before the Effective Date:

- (a) no adverse material change will have occurred in the business, affairs, financial condition or operations of Nextech or FinanceCo; and
- (b) the representations and warranties of Nextech and FinanceCo as set out in this Arrangement Agreement will be true and correct on and as of the Effective Date as if they were made on and as of such date, except as affected by transactions contemplated or permitted by this Arrangement Agreement and except for any failures or breaches of representations or warranties which would not have a material adverse effect on the business, assets, financial condition or results of operations of Nextech or FinanceCo, respectively.

The foregoing conditions in this Section 5.3 are inserted for the exclusive benefit of Spinco and may be waived by it in whole or in part at any time.

5.4 Conditions Solely for the Benefit of FinanceCo

The obligations of FinanceCo to complete the transactions contemplated in this Arrangement Agreement are subject to satisfaction of the following conditions on or before the Effective Date:

- (a) no adverse material change will have occurred in the business, affairs, financial condition or operations of Nextech or Spinco; and
- (b) the representations and warranties of Nextech and Spinco as set out in this Arrangement Agreement will be true and correct on and as of the Effective Date

as if they were made on and as of such date, except as affected by transactions contemplated or permitted by this Arrangement Agreement and except for any failures or breaches of representations or warranties which would not have a material adverse effect on the business, assets, financial condition or results of operations of Nextech or Spinco, respectively.

The foregoing conditions in this Section 5.3 are inserted for the exclusive benefit of FinanceCo and may be waived by it in whole or in part at any time.

ARTICLE 6

AMENDMENT, CLOSING AND TERMINATION

6.1 Amendment

This Arrangement Agreement and the Plan of Arrangement may, at any time and from time to time before the Effective Date, be amended by written agreement of the Parties hereto without, subject to applicable Law, further notice to or authorization on the part of their respective shareholders. Without limiting the generality of the foregoing, any such amendment may:

- (a) change the time for performance of any of the obligations or acts of the Parties hereto;
- (b) waive any inaccuracies or modify any representation contained herein or any document to be delivered pursuant hereto;
- (c) change non-material terms;
- (d) waive compliance with or modify any of the covenants herein contained or waive or modify performance of any of the obligations of the Parties hereto; and
- (e) amend the terms of Section 3.1 of the Plan of Arrangement and Sections 5.1, 5.2, and 5.3 hereof and the sequence of transactions described in the Plan of Arrangement subject to any required approval of the Nextech Shareholders, FinanceCo Shareholders and holders of FinanceCo Warrants, given in the same manner as required for the approval of the Arrangement or as may be ordered by the Court.

6.2 This Arrangement Agreement and the Exhibit hereto may be amended in accordance with the Final Order, but if the terms of the Final Order requires any such amendment, the rights of the Parties hereto under Sections 5.1, 5.2, 5.3, 6.1, 6.2 and 6.4 will remain unaffected.

6.3 Closing

The completion of the Arrangement (the "**Closing**") will be at the offices of Fogler Rubinoff LLP, 3000-77 King Street West, Toronto, Ontario, at 10:00 a.m. (Toronto time) on the Effective Date as to certain transactions comprised in the Arrangement as more particularly described in

the Plan of Arrangement, or such other place or time as may be mutually agreed by the Parties. At the Closing, the Parties will exchange documents to effect the Closing and to complete the Arrangement and related matters as contemplated by this Arrangement Agreement.

6.4 Termination

Subject to Section 6.5, this Arrangement Agreement may at any time before or after the holding of the Meeting, and before or after the granting of the Final Order, but in each case prior to the Effective Date, be terminated by direction of the board of directors of Nextech without further action on the part of Nextech Shareholders, or the board of directors of Spinco or FinanceCo, and nothing expressed or implied herein or in the Plan of Arrangement will be construed as fettering the absolute discretion of the board of directors of Nextech to terminate this Arrangement Agreement and discontinue efforts to effect the Arrangement for whatever reasons it may consider appropriate.

6.5 Cessation of Right

The right of Nextech or any other Party to amend or terminate the Plan of Arrangement pursuant to Section 6.4 will be extinguished on the Effective Date.

6.6 Costs

Nextech will pay all of the costs, fees and expenses, including the fees and expenses of advisors, accountants and legal counsel, incurred in connection with the Arrangement and the transactions contemplated by this Arrangement Agreement.

ARTICLE 7 **ORDINARY COURSE**

7.1 Until the earlier of the Closing and the termination of this Arrangement Agreement without completion of the Arrangement, neither Spinco nor FinanceCo will, without the prior written consent of Nextech, enter into any contract in respect of its business or assets, other than as provided for in this Arrangement Agreement (including without limitation, the Subscription Receipt Financing in respect of FinanceCo), and no Party will perform any act or enter into any transaction or negotiation which interferes or is inconsistent with the completion of the transactions contemplated hereby without the prior written consent of the other Parties.

ARTICLE 8 **PUBLIC DISCLOSURE AND CONFIDENTIALITY**

8.1 No disclosure or announcement, public or otherwise, in respect of this Arrangement Agreement or the transactions contemplated herein will be made by any Party without the prior agreement of the other Parties as to timing, content and method, provided that the obligations herein will not prevent any Party from making, after consultation with the other Parties, such disclosure as its counsel advises is required by applicable Laws or the rules and policies of the CSE or the reporting jurisdictions of the Party.

8.2 Unless and until the transactions contemplated in this Arrangement Agreement have been completed, except with the prior consent of the other Parties, each Party and its respective employees, officers, directors, shareholders, agents, advisors and other representatives will hold all information received from the other Parties in strictest confidence, except such information and documents which: (i) are or subsequently may become generally available to the public through no fault of the disclosing Party; (ii) are required to be disclosed by applicable Law; (iii) are available on a non-confidential basis to the disclosing Party prior to disclosure hereunder; (iv) become available to one Party on a non-confidential basis from a source other than the other Parties, provided that such other source is not bound by a confidentiality agreement with the other Parties; (v) are independently developed; or (vi) were available to each Party as a result of the relationship of the Parties prior to the date hereof.

8.3 All such information in written form and documents will be returned to the Party originally delivering them in the event that the transactions provided for in this Arrangement Agreement are not completed.

ARTICLE 9 **GENERAL**

9.1 The covenants, representations and warranties contained in this Arrangement Agreement will merge upon Closing of the transactions contemplated by this Arrangement Agreement.

9.2 Time is of the essence of this Arrangement Agreement.

9.3 Each Party hereto will, from time to time, both before and after the Effective Date, at the request of the other Parties, do all other acts, and execute and deliver all other documents, agreements and instruments that may be reasonably required in order to fully perform and carry out the terms, conditions and intent of this Arrangement Agreement. The Parties agree to make modifications to the structure of the Arrangement and the transactions contemplated under this Arrangement Agreement reasonably necessary or desirable based on recommendations of legal, tax or other advisors or requirements of regulatory authorities.

9.4 All references to currency are references to Canadian dollars unless otherwise indicated.

9.5 No Party may assign its rights or obligations under this Arrangement Agreement.

9.6 Any waiver or release of any conditions of this Arrangement Agreement, to be effective, must be in writing executed by the Party for whom such condition is expressed by this Arrangement Agreement to benefit.

9.7 The Parties intend that this Arrangement Agreement will be binding upon them until terminated.

9.8 Any notice to be given under this Arrangement Agreement to the Parties will be deemed to be validly given if delivered, or if sent by e-mail:

- (a) if to Nextech, to:

Suite 501 – 121 Richmond Street West
Toronto, Ontario M5H 2K1
Attention: President

E-mail: evan@nextechar.com

(b) if to Spinco or FinanceCo, to:

Suite 501 – 121 Richmond Street West
Toronto, Ontario M5H 2K1
Attention: President

E-mail: andrew.chan@nextechar.com

and any such notice delivered or sent by e-mail on a Business Day in accordance with the foregoing will be deemed to have been received on the date of delivery or e-mail.

9.9 This Arrangement Agreement and the rights and obligations of the Parties hereunder will be governed by and construed exclusively according to the laws of the Province of British Columbia and the laws of Canada applicable therein. The courts of British Columbia shall have exclusive jurisdiction to hear and determine all disputes arising hereunder. Each of the Parties hereto irrevocably attorns to the jurisdiction of said courts and consents to the commencement of proceedings in such courts. This Section shall not be construed to affect the rights of a Party to enforce a judgment or award outside said province, including the right to record and enforce a judgment or award in any other jurisdiction.

9.10 This Arrangement Agreement will enure to the benefit of and be binding upon the Parties to this Arrangement Agreement, and their successors and permitted assigns.

9.11 This Arrangement Agreement may be executed in counterparts, and by electronically reproduced equivalent, with the same effect as if all Parties had signed the same document. These counterparts will for all purposes constitute one agreement, binding on the Parties, notwithstanding that all Parties are not signatories to the same counterpart.

IN WITNESS WHEREOF the Parties hereto have executed this Arrangement Agreement as of the year and day set out on the first page hereof.

NEXTECH AR SOLUTIONS CORP.

1000259749 ONTARIO INC.

Per:

Per: *Andrew Chan*

Director

Director

1373222 B.C. LTD.

Andrew Chan


Director

IN WITNESS WHEREOF the Parties hereto have executed this Arrangement Agreement as of the year and day set out on the first page hereof.

NEXTECH AR SOLUTIONS CORP.

1000259749 ONTARIO INC.

Per:



Director

Per:

Director

1373222 B.C. LTD.

Director

EXHIBIT "A"

TO THE ARRANGEMENT AGREEMENT DATED EFFECTIVE AS OF JULY 29, 2022 BETWEEN NEXTECH AR SOLUTIONS CORP., 1000259749 ONTARIO INC. AND 1373222 B.C. LTD.

PLAN OF ARRANGEMENT UNDER SECTION 288 OF THE *BUSINESS CORPORATIONS ACT* (BRITISH COLUMBIA)

ARTICLE 1 INTERPRETATION

1.1 Definitions

In this Plan of Arrangement, unless there is something in the subject matter or context inconsistent therewith, the following terms will have the respective meanings set forth below:

"**Amalco**" means the entity formed by the Amalgamation;

"**Amalco Shares**" means the common shares in the capital of Amalco;

"**Amalgamation**" means the amalgamation of FinanceCo and Subco on the terms and subject to the conditions set forth in the Arrangement Agreement and this Plan of Arrangement;

"**Arrangement**" means an arrangement under the provisions of Section 288 of the Business Corporations Act on the terms and conditions set forth in this Plan of Arrangement;

"**Arrangement Agreement**" means the arrangement agreement dated effective July 29, 2022 between Nextech, FinanceCo and Spinco, to which this Plan of Arrangement is attached as Exhibit A, as it may be supplemented or amended from time to time;

"**Arrangement Resolution**" means the special resolution of Nextech Shareholders authorizing and approving the Plan of Arrangement, in such form as may be determined by Nextech in accordance with applicable Law;

"**Asset Purchase Agreement**" means the agreement to be entered into between Nextech and Spinco pursuant to which Spinco acquires the Spinout Assets and assumes the Spinout Liabilities;

"**Business Corporations Act**" means the *Business Corporations Act* (British Columbia), S.B.C. 2002, c. 57, as amended;

"**Business Day**" means a day which is not a Saturday, Sunday or a day when commercial banks are not open for business in Vancouver, British Columbia;

"**Closing**" has the meaning given in Section 6.3 of the Arrangement Agreement;

"**Court**" means the Supreme Court of British Columbia;

"CSE" means the Canadian Securities Exchange;

"**Dissent Rights**" means the rights of dissent granted in favour of registered FinanceCo Shareholders in the manner prescribed by Section 238 of the Business Corporations Act with respect to such FinanceCo Shareholder's FinanceCo Shares in respect of the FinanceCo Amalgamation Resolution, all as described in this Plan of Arrangement and the Interim Order;

"**Dissenting FinanceCo Shareholder**" means a FinanceCo Shareholder which has exercised Dissent Rights;

"**Effective Date**" means the date on which the last of all necessary documents to effect the Plan of Arrangement have been filed with the Registrar;

"**Effective Time**" means 12:01 a.m. (local Vancouver time) on the Effective Date;

"**Final Order**" means the final order of the Court pursuant to section 291 of the Business Corporations Act approving the Plan of Arrangement, after being informed of the intention to rely upon the Section 3(a)(10) Exemption from registration under the U.S. Securities Act in connection with the issuance of the Spinco Shares to Nextech Shareholders in the United States, the issuance of Spinco Shares to FinanceCo Shareholders in the United States, and the issuance of Spinco Warrants to holders of FinanceCo Warrants in the United States, as such order may be amended by the Court (with the consent of the Parties, acting reasonably) at any time prior to the Effective Date, or, if appealed, then, unless such appeal is withdrawn or denied, as affirmed or as amended (with the consent of the Parties, acting reasonably) on appeal, which order shall include a statement to the following effect: "This Order will serve as a basis of a claim to an exemption, pursuant to section 3(a)(10) of the United States Securities Act of 1933, as amended, from the registration requirements otherwise imposed by that act, regarding the distribution of securities of 1000259749 Ontario Inc. pursuant to the Plan of Arrangement";

"**FinanceCo**" means 1373222 B.C. Ltd., a special purpose finance company existing under the Laws of British Columbia for the purposes of completing the Subscription Receipt Financing;

"**FinanceCo Amalgamation Resolution**" means the special resolution required to be passed by the FinanceCo Shareholders approving the Plan of Arrangement in accordance with applicable Law;

"**FinanceCo Shareholder**" means a holder of FinanceCo Shares;

"**FinanceCo Shares**" means common shares of FinanceCo;

"**FinanceCo Warrants**" means share purchase warrants of FinanceCo, each of which shall entitle the holder to acquire one FinanceCo Share at an exercise price of C\$0.50 for a period of three (3) years from the date of issuance of such FinanceCo Warrants;

"**Governmental Entity**" means: (a) any multinational, federal, provincial, territorial, state, regional, municipal, local or other government, governmental or public department, central bank, court, tribunal, arbitral body, commission, board, bureau, agency or entity, domestic or foreign; (b) any subdivision, agent, commission, board or authority of any of the foregoing; or (c) any

quasi-governmental or private body, including any tribunal, commission, regulatory agency or self-regulatory organization, exercising any regulatory, expropriation or taxing authority under or for the account of any of the foregoing;

"Information Circular" means the information circular to be sent to Nextech Shareholders in connection with the Meeting;

"ITA" means the *Income Tax Act* (Canada) and the regulations made thereunder, as amended from time to time;

"Interim Order" means the order made after application to the Court, and being informed of the intention to rely upon the Section 3(a)(10) Exemption from registration under the U.S. Securities Act in connection with the issuance of the Spinco Shares to Nextech Shareholders in the United States, the issuance of Spinco Shares to FinanceCo Shareholders in the United States, and the issuance of the Spinco Warrants to the holders of FinanceCo Warrants in the United States, pursuant to section 291 of the Business Corporations Act, providing for, among other things, the calling and holding of the Meeting, as such order may be amended, supplemented or varied by the Court (with the consent of the Parties, acting reasonably);

"Law" or **"Laws"** means all laws (including common law), by-laws, statutes, rules, regulations, principles of law and equity, orders, rulings, ordinances, judgements, injunctions, determinations, awards, decrees or other requirements, whether domestic or foreign, and the terms and conditions of any grant of approval, permission, authority or license of any Governmental Entity or self-regulatory authority (including the CSE), and the term "applicable" with respect to such Laws and in a context that refers to one or more Parties, means such Laws as are applicable to such Party or its business, undertaking, property or securities and emanate from a person having jurisdiction over the Party or Parties or its or their business, undertaking, property or securities;

"Meeting" means the annual and special meeting of Nextech Shareholders to be held virtually at such time as may be determined by Nextech in accordance with applicable Law, for the purpose of considering and approving the Arrangement, amongst other matters, and any adjournment or postponement thereof;

"Nextech" means Nextech AR Solutions Corp., a company existing under the laws of British Columbia;

"Nextech Common Share" means a common share without par value in the authorized share structure of Nextech outstanding immediately prior to the Effective Time;

"Nextech Class A Common Share" has the meaning set out in subsection 2.2(b);

"Nextech New Shares" has the meaning set out in subsection 2.2(b);

"Nextech Shareholder" means a holder of Nextech Common Shares, Nextech Class A Common Shares or Nextech New Shares as the context requires;

"Parties" means Nextech, FinanceCo and Spinco;

"Plan of Arrangement" means, and similar expressions mean, this plan of arrangement, including the appendices hereto, and any amendments, variations or supplements hereto made in accordance with the terms hereof, the Arrangement Agreement or made at the direction of the Court in the Final Order;

"Registrar" means the Registrar of Companies appointed under Section 400 of the Business Corporations Act;

"Release Conditions" means the written confirmation by the Parties of satisfaction or waiver of all conditions precedent to the completion of the Arrangement;

"Section 3(a)(10) Exemption" means the exemption from the registration requirements of the U.S. Securities Act provided by Section 3(a)(10) thereof;

"Spinco" means 1000259749 Ontario Inc., a company incorporated under the laws of Ontario;

"Spinco Shareholder" means a holder of Spinco Shares;

"Spinco Shares" means common shares without par value of Spinco;

"Spinco Warrants" means share purchase warrants of Spinco, each of which shall entitle the holder to acquire one Spinco Share at an exercise price of C\$0.50 for a period of three (3) years from the date of issuance of such Spinco Warrants;

"Spinout Assets" means all right, title and interest in and to all direct and indirect assets of Nextech utilized in connection with the creation of an all-in-one no code real-world Metaverse creation tool and mobile app ARWay, with a self-generating augmented reality mapping solutions for both consumers and brands, and all business, corporate, legal and accounting books, records and documents used in connection with the foregoing and related undertakings;

"Spinout Liabilities" means all liabilities or obligations (contingent or otherwise) (other than any liability or obligation for Taxes) in respect (but only in respect) of the Spinout Assets (including the operations or activities in connection therewith);

"Subco" means 1373221 B.C. Ltd., a company existing under the Laws of British Columbia and a wholly-owned subsidiary of Spinco;

"Subco Shares" means common shares of Subco;

"Subscription Receipt Financing" means the private placement of Subscription Receipts at a price of \$0.25 each, to raise minimum aggregate gross proceeds of C\$1,500,000;

"Subscription Receipts" means subscription receipts of FinanceCo, each of which shall automatically convert upon the satisfaction of the Release Conditions, into one unit of FinanceCo consisting of one FinanceCo Share and one FinanceCo Warrant;

"Taxes" means any taxes, duties, fees, premiums, assessments, imposts, levies, expansion fees and other charges of any kind whatsoever imposed by any Governmental Entity, including all

interest, penalties, fines, additions to tax or other additional amounts imposed by any Governmental Entity in respect thereof, and including those levied on, or measured by, or referred to as, income, gross receipts, profits, windfall, royalty, capital, transfer, land transfer, sales, GST/HST, use, value-added, excise, stamp, withholding, business, franchising, property, development, occupancy, employer health, payroll, employment, health, social services, education and social security taxes, all surtaxes, all customs duties and import and export taxes, countervail and anti-dumping, all licence, franchise and registration fees and all employment insurance, health insurance and Canada Pension Plan premiums or contributions imposed by any Governmental Entity, and any transferee liability in respect of any of the foregoing;

"Transfer Agent" means Computershare Trust Company of Canada; and

"U.S. Securities Act" means the *United States Securities Act of 1933*, as amended, and the rules and regulations promulgated from time to time thereunder.

1.2 Headings and References

The division of this Plan of Arrangement into Articles and sections and the insertion of headings are for convenience of reference only and do not affect the construction or interpretation of this Plan of Arrangement. Unless otherwise specified, references to sections are to sections of this Plan of Arrangement.

1.3 Number, etc.

Unless the context otherwise requires, words importing the singular number only shall include the plural and vice versa; words importing the use of any gender shall include all genders; and words importing persons shall include firms and corporations and vice versa.

1.4 Date of Any Action

In the event that any date on which any action is required to be taken hereunder by any of the parties is not a Business Day in the place where the action is required to be taken, such action shall be required to be taken on the next succeeding day which is a Business Day in such place.

1.5 Meaning

Words and phrases not otherwise defined herein and defined in either the Arrangement Agreement or the Business Corporations Act will have the same meaning herein as set forth therein, unless the context otherwise requires.

ARTICLE 2 THE ARRANGEMENT

2.1 Effectiveness

This Plan of Arrangement is made pursuant to, is subject to the provisions of, and forms part of the Arrangement Agreement.

2.2 The Arrangement

At the Effective Time, the events and transactions set out in Subsections (a) to (e), inclusive, will occur and be deemed to occur, unless otherwise provided, in the order set out below, without any further act or formality, and with each event or transaction occurring and being deemed to occur immediately after the occurrence of the immediately preceding event or transaction, and the exchanges, cancellations and steps provided for in this Section 2.2 shall be deemed to occur on the Effective Date notwithstanding that certain of the procedures related thereto are not completed until after the Effective Time:

- (a) Pursuant to the Asset Purchase Agreement, Nextech will transfer all of the Spinout Assets and Spinout Liabilities to Spinco in consideration for the issuance by Spinco of such number of fully-paid and non-assessable SpinCo Shares to Nextech such that immediately after the foregoing issuance Nextech shall hold an aggregate of 16,000,100 Spinco Shares (together with the 100 Spinco Shares held immediately prior to the foregoing issuance);
- (b) Nextech shall undertake a reorganization of capital within the meaning of Section 86 of the ITA as follows, with the following steps occurring in the following order:
 - (i) Nextech's authorized share capital and its Articles will be altered by:
 - (A) renaming and redesignating all of the issued and unissued Nextech Common Shares as Nextech Class A Common Shares;
 - (B) providing the rights, privileges, restrictions and conditions attached to the Nextech Class A Common Shares are as follows:
 - (1) to vote at all meetings of shareholders of Nextech except meetings at which only holders of a specified class of shares are entitled to vote and to be entitled to two votes for each Nextech Class A Common Share held;
 - (2) to receive, subject to the rights of the holders of another class of shares, any dividend declared by Nextech; and
 - (3) to receive, *pari passu* with the Nextech New Shares (as defined below), and subject to the rights of the holders of another class of shares, the remaining property of Nextech on the liquidation, dissolution or winding up of Nextech, whether voluntary or involuntary;
 - (C) creating a new class consisting of an unlimited number of common shares without par value (the "**Nextech New Shares**");
 - (D) providing that the rights, privileges, restrictions and conditions attached to the Nextech New Shares are as follows:

- (1) to vote at all meetings of shareholders of Nextech except meetings at which only holders of a specified class of shares are entitled to vote and to be entitled to one vote for each Nextech New Share held;
 - (2) to receive, subject to the rights of the holders of another class of shares, any dividend declared by Nextech; and
 - (3) to receive, *pari passu* with the Nextech Class A Common Shares, and subject to the rights of the holders of another class of shares, the remaining property of Nextech on the liquidation, dissolution or winding up of Nextech, whether voluntary or involuntary;
- (ii) each Nextech Shareholder will exchange each Nextech Class A Common Share held immediately following step 2.2(b)(i) above for (A) one Nextech New Share, and (B) such Nextech Shareholder's *pro rata* share of an aggregate of 4,000,000 Spinco Shares to be distributed amongst all Nextech Shareholders, and such Nextech Shareholders shall cease to be the holders of the Nextech Class A Common Shares so exchanged;
 - (iii) the aggregate amount added to the stated capital of the Nextech New Shares issued pursuant to Section 2.2(b)(ii) above shall be equal to the amount if any, by which (A) the aggregate paid-up capital (as that term is defined for the purposes of the ITA) of the Nextech Class A Common Shares immediately prior to step 2.2(b)(ii), exceeds (B) the fair market value of the Spinco Shares distributed to the Nextech Shareholders; and
 - (iv) the authorized share capital of Nextech shall be amended to delete the Nextech Class A Common Shares, none of which will be issued and outstanding, and to delete the rights, privileges, restrictions and conditions attached to the Nextech Class A Common Shares.

No fractional shares will be issued and Nextech Shareholders will not receive any compensation in lieu thereof. The name of each Nextech Shareholder who is so deemed to exchange his, her or its Nextech Class A Common Shares, shall be removed from the securities register of Nextech Class A Common Shares with respect to the Nextech Class A Common Shares so exchanged and shall be added to the securities registers of Nextech New Shares and Spinco Shares as the holder of the number of Nextech New Shares and Spinco Shares deemed to have been received on the exchange;

- (c) Nextech will surrender to Spinco for cancellation, the 100 Spinco Shares issued to Nextech on incorporation of Spinco;
- (d) each FinanceCo Share held by a Dissenting FinanceCo Shareholder shall be deemed to be transferred by the holder thereof, without any further act or formality on its part, free and clear of all liens, to Spinco for cancellation and

thereupon each Dissenting FinanceCo Shareholder shall have the rights set out in Section 3.1; and

- (i) such Dissenting FinanceCo Shareholders shall cease to be registered holders of such FinanceCo Shares and the names of such registered holders shall be removed from the register of FinanceCo Shareholders; and
 - (ii) such Dissenting FinanceCo Shareholders shall be deemed to have executed and delivered all consents, releases, assignments and waivers, statutory or otherwise, required to transfer and assign such FinanceCo Shares in accordance with this Section 2.2(d);
- (e) the Amalgamation will be completed and FinanceCo and Subco will continue as Amalco on the following terms:
- (i) the name of Amalco shall be such numbered name as may be assigned by the applicable regulatory authorities;
 - (ii) the property, rights and interests of each FinanceCo and Subco shall continue to be the property, rights and interests of Amalco;
 - (iii) Amalco shall continue to be liable for the obligations of each of FinanceCo and Subco;
 - (iv) the Articles of Subco shall be the Articles of Amalco;
 - (v) each FinanceCo Share held by a FinanceCo Shareholder other than a Dissenting FinanceCo Shareholder, and each FinanceCo Warrant, will be exchanged for one Spinco Share and one Spinco Warrant, respectively, provided that no fractional securities will be issued and FinanceCo Shareholders and holders of FinanceCo Warrants will not receive any compensation in lieu thereof;
 - (vi) with respect to each FinanceCo Share and FinanceCo Warrant transferred and assigned in accordance with section 2.2(e)(vi) hereof:
 - (A) the registered holder thereof shall cease to be the registered holder of such FinanceCo Share and/or FinanceCo Warrant, as applicable, and the name of such registered holder shall be removed from the register of FinanceCo Shareholders and/or holders of FinanceCo Warrants, as applicable; and
 - (B) the registered holder thereof shall be deemed to have executed and delivered all consents, releases, assignments and waivers, statutory or otherwise, required to exchange such FinanceCo Share and FinanceCo Warrant, as applicable, in accordance with section 2.2(e)(vi) hereto;

- (vii) the Subco Shares will be exchanged for Amalco Shares on the basis of one Amalco Share for each one Subco Share;
- (viii) in consideration for Spinco's issuance of Spinco Shares referenced in section 2.2(e)(vi), Amalco shall issue to Spinco one Amalco Share for each Spinco Share issued by Spinco under section 2.2(e)(vi);
- (ix) any existing cause of action, claim or liability to prosecution with respect to either or both of Subco and FinanceCo shall be unaffected;
- (x) any civil, criminal or administrative action or proceeding pending by or against any of Subco or FinanceCo may be continued to be prosecuted by or against Amalco;
- (xi) any conviction against, or ruling, order or judgment in favour of or against, any of Subco or FinanceCo may be enforced by or against Amalco;
- (xii) FinanceCo Shares which are held by a Dissenting FinanceCo Shareholder shall not be exchanged as prescribed by Section 2.2(e)(vi). However, if a Dissenting FinanceCo Shareholder fails to perfect or effectively withdraws its claim under section 238 of the Business Corporations Act or forfeits its right to make a claim under section 238 of the Business Corporations Act or if its rights as a FinanceCo Shareholder are otherwise reinstated, such FinanceCo Shareholder's FinanceCo Shares shall thereupon be deemed to have been exchanged as of the Effective Time as prescribed by Section 2.2(e)(vi); and
- (xiii) the board of directors of Amalco shall be comprised of a minimum of one and a maximum of 10 directors, and Mr. Evan Gappelberg shall be appointed as the first director of Amalco.

2.3 Deemed Fully Paid and Non-Assessable Shares

All Nextech New Shares and Spinco Shares issued pursuant hereto shall be deemed to be validly issued and outstanding as fully paid and non-assessable shares for all purposes.

2.4 Arrangement Effectiveness

The Arrangement shall become final and conclusively binding on the Nextech Shareholders, FinanceCo Shareholders, holders of FinanceCo Warrants and each of Nextech, FinanceCo, Subco and Spinco on the Effective Date.

2.5 Supplementary Actions

Notwithstanding that the transactions and events set out in Section 2.2 shall occur and shall be deemed to occur in the chronological order therein set out without any act or formality, each of Nextech, FinanceCo and Spinco shall be required to make, do and execute or cause and procure

to be made, done and executed all such further acts, deeds, agreements, transfers, assurances, instruments or documents as may be required to give effect to, or further document or evidence, any of the transactions or events set out in Section 2.2, including, without limitation, any resolutions of directors authorizing the issue, transfer or redemption of shares, any share transfer powers evidencing the transfer of shares and any receipt therefor, and any necessary additions to or deletions from share registers.

2.6 Withholding Rights

Nextech shall be entitled to deduct or withhold from the consideration or other amount payable to any Nextech Shareholder, FinanceCo Shareholder or holder of FinanceCo Warrants and from all dividends, other distributions or other amounts otherwise payable to any Nextech Shareholder, FinanceCo Shareholder or holder of FinanceCo Warrants under the Arrangement such Taxes or other amounts as Nextech is required, entitled or permitted to deduct and withhold with respect to such payment under the ITA, the United States Internal Revenue Code of 1986, or any other provisions of any applicable Laws. For greater certainty, to the extent that the exchange in subsection 2.2(b)(ii) hereof gives rise to a deemed dividend under the ITA, Nextech shall be entitled to retain and sell that number of Spinco Shares as required to satisfy any withholding requirement under the ITA or any other applicable Laws. To the extent that Taxes or other amounts are so deducted or withheld, such deducted or withheld Taxes or other amounts shall be treated for all purposes under this Plan of Arrangement as having been paid to the Nextech Shareholder, FinanceCo Shareholder or holder of FinanceCo Warrants, as applicable, in respect of which such deduction and withholding was made, provided that such withheld amounts are actually remitted to the appropriate taxing authority and for greater certainty the number of Spinco Shares retained and sold by Nextech, if any, shall be deemed to have been issued to the applicable Nextech Shareholders.

2.7 U.S. Securities Law Exemption

Notwithstanding any provision herein to the contrary, the Parties agree that the Plan of Arrangement will be carried out with the intention that all Spinco Shares and Spinco Warrants issued on completion of the Plan of Arrangement to the Nextech Shareholders, FinanceCo Shareholders and holders of FinanceCo Warrants, as applicable, in the United States will be issued by Spinco in reliance on the Section 3(a)(10) Exemption from the registration requirements of the U.S. Securities Act.

ARTICLE 3 DISSENT RIGHTS

3.1 Dissent Rights

- (a) Nextech Shareholders will not be given the right to dissent in respect of the Arrangement Resolution and accordingly, the dissent proceedings contained in Division 2 of Part 8 of the Business Corporations Act do not apply to the Arrangement Resolution.
- (b) Each registered FinanceCo Shareholder may exercise Dissent Rights with respect to the FinanceCo Shares held by it pursuant to and in the manner set forth in the

Interim Order. Dissenting FinanceCo Shareholders who: (i) are ultimately entitled to be paid by Spinco the fair value for their FinanceCo Shares shall be deemed to have transferred such FinanceCo Shares (free of any liens, claims or encumbrances) to Spinco for cancellation in accordance with Section 2.2(d); or (ii) are ultimately not entitled, for any reason, to be paid by Spinco fair value for their FinanceCo Shares in respect of which they dissent, shall be deemed to have participated in the Arrangement in respect of those FinanceCo Shares on the same basis as a non-dissenting FinanceCo Shareholder.

- (c) In no event shall FinanceCo, Spinco or Amalco or any other person be required to recognize a Dissenting FinanceCo Shareholder who was paid fair value of their FinanceCo Shares pursuant to 3.1(b)(i) above as a registered or beneficial owner of FinanceCo Shares at or after the Effective Time, and at the Effective Time the names of such Dissenting FinanceCo Shareholders shall be deleted from the central securities register of FinanceCo as at the Effective Time.
- (d) For greater certainty, in addition to any other restrictions in the Interim Order, no person shall be entitled to exercise Dissent Rights with respect to FinanceCo Shares in respect of which a person has voted in favour of the FinanceCo Amalgamation Resolution.

ARTICLE 4 DELIVERY OF SECURITIES

4.1 Right to Receive Spinco Shares and Spinco Warrants

As soon as practicable following the Effective Date, Nextech and Spinco will cause to be delivered to the Transfer Agent, to be delivered to Nextech Shareholders, FinanceCo Shareholders and holders of FinanceCo Warrants as of the Effective Date in accordance with the terms hereof, certificates representing the aggregate Spinco Shares and/or Spinco Warrants to which such securityholders are entitled following the Arrangement. The Nextech Shareholders, FinanceCo Shareholders and holders of FinanceCo Warrants shall be deemed to be the registered holders of the Nextech New Shares, Spinco Shares and Spinco Warrants, as applicable, to which they are entitled hereunder, as of the Effective Time.

ARTICLE 5 AMENDMENTS

5.1 Amendments

- (a) The Arrangement Agreement and the Plan of Arrangement may be amended at any time and from time to time before or after the holding of the Meeting but not later than the Effective Time; provided that any such amendment (i) is in writing and is agreed to in writing by the Parties; (ii) if required, is filed with the Court; and (iii) if made following the Meeting, is approved by the Court and, if and as required by the Court, is communicated to Nextech Shareholders, FinanceCo Shareholders and holders of FinanceCo Warrants and/or consented to by Nextech

Shareholders, FinanceCo Shareholders and holders of FinanceCo Warrants, as applicable.

- (b) Any such amendment may, subject to the Interim Order and the Final Order and applicable Law, without limitation:
 - (i) change the time for performance of any of the obligations or acts of the Parties;
 - (ii) waive any inaccuracies or modify any representation or warranty contained herein or in any document delivered pursuant to the Arrangement Agreement;
 - (iii) waive compliance with or modify any of the covenants contained in the Arrangement Agreement or waive or modify performance of any of the obligations of the Parties; and/or
 - (iv) waive compliance with or modify any mutual conditions precedent contained in the Arrangement Agreement.
- (c) Any amendment made before the Meeting in accordance with this Section 5.1 may be made with or without any other prior notice or communication and, if accepted by the persons voting at the Meeting (other than as may be required under the Interim Order), shall become part of this Agreement and the Plan of Arrangement for all purposes.
- (d) Notwithstanding the foregoing provisions of this Section 5.1, any amendment, modification or supplement to this Plan of Arrangement may be made by any of the Parties without approval of the Nextech Shareholders or any other securityholders of Nextech, Subco, Spinco or FinanceCo provided that it concerns a matter which, in the reasonable opinion of Nextech, Subco, Spinco and FinanceCo is of an administrative or clerical nature required to better give effect to the implementation of this Plan of Arrangement and is not materially adverse to the financial or economic interests of any of the Nextech, Subco, Spinco or FinanceCo securityholders.

5.2 Further Assurances.

Notwithstanding that the transactions and events set out herein shall occur and be deemed to occur at the time and in the manner set out in this Plan of Arrangement without any further act or formality, Nextech, FinanceCo and Spinco shall make, do and execute, or cause to be made, done or executed, all such further acts, deeds, agreements, transfers, assurances, instruments or documents as may reasonably be required by any of them in order to further document or evidence any of the transactions or events set out herein.

ARway IP

Depreciated Replacement Cost Analysis

Canadian dollars

Intangible Processes / Base Functionality SDK / Scalability Framework developed in ARway and NTAR

Schedule 1.1

					IP, SDK, Software, Database and Processing Interface Methods & Techniques							
					Year 1		Year 2		Year 3		Project	
					# People	Costs	# People	Costs	# People	Costs	Total:	
1	TECHNICAL AND INTELLECTUAL CREATIVE RE-DEVELOPMENT BURDEN											
2												
3	Individuals involved in Development	Industry Acceptable (North American)	Annual	Contract								
4		Standards - Adjusted Costs/Professional	Rate	Period								
5												
6	Project & Overall Operational Management	2022 - Projected Salary	120,000	3.0 yrs	1.0	\$ 120,000	1.0	\$ 120,000	1.0	\$ 120,000	\$ 360,000	
7	Technicians and Industry Related Professionals											
8	#1 Industry Process and IP Engineering - Advanced/Senior	2022 - Projected Salary	90,000	3.0 yrs	4.0	\$ 360,000	4.0	\$ 360,000	1.0	\$ 90,000	\$ 810,000	
9	#2 Industry Process and IP Engineering - Mid-Level	2022 - Projected Salary	75,000	3.0 yrs	3.0	\$ 225,000	3.0	\$ 225,000	0.0	\$ -	\$ 450,000	
10	Specialists - Intellectual Development of Methods	2022 - Projected Salary	105,000	3.0 yrs	2.0	\$ 210,000	1.0	\$ 105,000	0.0	\$ -	\$ 315,000	
11	Specialists - QA and Testing, etc.	2022 - Projected Salary	60,000	1.0 yrs	0.0	\$ -	0.0	\$ -	3.0	\$ 180,000	\$ 180,000	
12						\$ 915,000		\$ 810,000		\$ 390,000	\$ 2,115,000	
13												
14	Development Operating Expenses	Development Staff Burden	25%			\$ 228,750		\$ 202,500		\$ 97,500	\$ 528,750	
15												
16	Other Infrastructure Costs not on Balance Sheet											
17	Equipment, systems, networks and tools for R&D processes					\$ 125,000		\$ -		\$ -	\$ 125,000	
18	R&D Development Leverage from and with Strategic Partners					\$ 75,000		\$ 75,000		\$ -	\$ 150,000	
19	Total Development Burden					\$ 1,343,750		\$ 1,087,500		\$ 487,500	\$ 2,918,750	
20												
21	Estimated Burdened Replacement Cost											
22									Years	Annual %	Total	
23	INTELLECTUAL AND ENGINEERING DEVELOPMENT BURDEN - Replacement Value								(based on lost utility/innovation)	3 years	5%	\$ 2,502,463
24									3 years	10%	\$ 2,127,769	
25	<u>Assumed Facts and Assumptions, Conditions and Analysis:</u>								Basic Average:		\$ 2,315,116	
26	RwE reviewed and considered the replacement costs of the above based on review of the industry								Net Present Value		\$ 2,067,068	
27	Documentation outlines that R&D occurred over many years and was consistent; IP development has been since 2017; but materially since 2018/2019								(12% Discount Rate)			
28	Based on Assumptions and Assumed Facts in the Report; analysis is limited as based on documentation (online) examined								Net Present Value		\$ 1,961,963	
29	Combination of Input and Costs giving leveraged-up access to partners facilities, equipment and expertise								(18% Discount Rate)			
30	Creative and development professionals, managers and IP engineers are readily available											
31	Normalized Salary Costs / Personnel Costs are from www.payscale.com											
32	The commercial life expectancy of the Intangible Assets here are 5 years or less given work completed								Adjustments		-	
33	Labor costs for re-development assumed constant over the replacement cost period											
34	Burden rates are based on a general analysis and assessment of what established companies would require to replicate the development costs								Fair Value	\$ 1,960,000	\$ 2,070,000	
35	Technical Re-Development discount rate ranges specified due to level of methodologies in-place; discount risk rates 12% to 18% are reasonable											
36	The Sequeira Partners, October 6, 2021 pricing/valuation analysis sets out that a FV of US\$1.0m is reasonable for the ARway IP / entity + C\$500,000 spent since supports FV calculated here.								Other Related IP and/or Systems			
37	Data collected from companies noted in the Report											
38	Readers are cautioned that the analysis is based on limited data and information and could be subject to material changes if more data available.									\$ -	\$ -	
									Total ARway IP Fair Value		1+2	
									Total Fair Value	\$ 2,000,000	\$ 2,100,000	

SpinCo

Adjusted Book Value as at Closing of the Proposed Transaction Canadian dollars

Schedule 2.1

		Net Adjusted Tangible Assets & Intangible Assets					
		based on Certain Adjustments					
1	Company	Adjustments	Adjustments	Adjusted Book Value	Adjusted Book Value	Notes	
	Unadjusted	Low	High	Low	High		
2	CURRENT ASSETS						
3	Cash equivalents	\$ -	\$ -	\$ -	\$ -	-	
3	Accounts receivable	\$ -	\$ -	\$ -	\$ -	-	
4	Other receivable	\$ -	\$ -	\$ -	\$ -	-	
5	Inventory	\$ -	\$ -	\$ -	\$ -	-	
6	Prepaid expenses	\$ -	\$ -	\$ -	\$ -	-	
7	Shareholders	\$ -	\$ -	\$ -	\$ -	-	
8	Adjusted Current Assets			\$ -	\$ -	-	
9							
10	<i>less:</i> CURRENT LIABILITIES						
11	Accounts payable	\$ -	\$ -	\$ -	\$ -	-	
12	Accrued liabilities	\$ -	\$ -	\$ -	\$ -	-	
13	Other payables	\$ -	\$ -	\$ -	\$ -	-	
14	Taxes payable	\$ -	\$ -	\$ -	\$ -	-	
15	Adjusted Current Liabilities			\$ -	\$ -	-	
16							
17	WORKING CAPITAL						
18							
19	<i>plus:</i> OTHER ASSETS						
20	Property	\$ -	\$ -	\$ -	\$ -	-	
21	Equipment, net	\$ -	\$ -	\$ -	\$ -	-	
22	Other	\$ -	\$ -	\$ -	\$ -	-	
23	FV - IP. Software and all Processes/Techniques	\$ -	\$ 1,960,000	\$ 2,070,000	\$ 1,960,000	\$ 2,070,000	
24	FV - Brand / Customer Relationships	\$ -	\$ -	\$ -	\$ -	-	
25	Adjusted Other Assets			\$ 1,960,000	\$ 2,070,000		
26							
27	<i>less:</i> Long Term Liabilities						
28	Shareholder loan	\$ -	\$ -	\$ -	\$ -	-	
29	Other	\$ -	\$ -	\$ -	\$ -	-	
30							
31							
32	Assets less Liabilities			\$ 1,960,000	\$ 2,070,000		
33							
34	Adjusted Book Value, or Fair Market Value of Equity, say			\$ 1,960,000	\$ 2,070,000		
35							
				\$	\$	2,015,000	

Schedule 3.1

ARway IP

Summary of Projections as prepared by NTAR Management

Schedule 3.1

as at the Valuation Date

Canadian dollars

to December 31st	2023	2024	2025	2026	2027
Revenue	\$ 725,000	\$ 5,000,000	\$ 9,000,000	\$ 10,350,000	\$ 10,867,500
Y-o-Y %		589.7%	80.0%	15.0%	5.0%
Cost of Goods Sold	\$ 75,000	\$ 900,000	\$ 1,620,000	\$ 1,759,500	\$ 1,738,800
% of Revenue	10.3%	18.0%	18.0%	17.0%	16.0%
Gross Profit	\$ 650,000	\$ 4,100,000	\$ 7,380,000	\$ 8,590,500	\$ 9,128,700
% of Revenue	89.7%	82.0%	82.0%	83.0%	84.0%
OPEX	\$ 2,352,231	\$ 2,500,000	\$ 4,410,000	\$ 4,968,000	\$ 4,890,375
% of Revenue	324.4%	50.0%	49.0%	48.0%	45.0%
Y-o-Y %		6.3%	76.4%	12.7%	-1.6%
EBITDA	\$ (1,702,231)	\$ 1,600,000	\$ 2,970,000	\$ 3,622,500	\$ 4,238,325
% of Revenue	-234.8%	32.0%	33.0%	35.0%	39.0%

SpinCo - ARway IP
Discounted Cash Flow Analysis
as at August 19, 2022
Canadian dollars

Schedule 4.1

	2022	2023	2024	2025	2026	Terminal
	09/01 - 12/31	01/01 - 12/31	01/01 - 12/31	09/01 - 12/31	01/01 - 12/31	Calculation
1 Revenue	\$ -	\$ 725,000	\$ 5,000,000	\$ 9,000,000	\$ 10,350,000	\$ 10,557,000
2 Y-o-Y %			589.7%	80.0%	15.0%	2.0%
3 Reported EBITDA	\$ (567,410)	\$ (1,702,231)	\$ 1,600,000	\$ 2,970,000	\$ 3,622,500	\$ 3,694,950
4			32.0%	33.0%	35.0%	
5 RWE Adjustments - per Peer Group	\$ -	\$ -	\$ (1,000,000)	\$ (1,500,000)	\$ (1,750,000)	
6 Normalized EBITDA	\$ (567,410)	\$ (1,702,231)	\$ 600,000	\$ 1,470,000	\$ 1,872,500	\$ 3,694,950
7		-234.8%	12.0%	16.3%	18.1%	
8			In-line with industry participants			
9 Income Taxes using LCFs	28.0%	\$ -	\$ -	\$ -	\$ 448,801	\$ 1,034,586
10 Debt-free Net Income	\$ (567,410)	\$ (1,702,231)	\$ 600,000	\$ 1,470,000	\$ 2,321,301	\$ 2,660,364
11 Add: Industry Peer Depreciation	\$ -	\$ 10,875	\$ 75,000	\$ 135,000	\$ 155,250	\$ 158,355
12 Less: CAPEX and Investment	\$ (1,500,000)	\$ (18,125)	\$ (5,125,000)	\$ (225,000)	\$ (258,750)	\$ (263,925)
13 Add/Less: Changes in Debt-free Working Capital - per Mgt.	\$ (53,272)	\$ 1,563,739	\$ 3,794,389	\$ 6,595,785	\$ 10,096,939	\$ 10,298,877
14	\$ (2,120,682)	\$ (145,741)	\$ (655,611)	\$ 7,975,785	\$ 12,314,739	\$ 12,561,034
15 Period Remaining	1	1	1	1	1	1
16 Unlevered Free Cash Flows	(2,120,682)	(145,741)	(655,611)	7,975,785	12,314,739	12,561,034
17						
18 Monte Carlo Simulation						
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Resulting Issuer

Weighted Average Cost of Capital

Corporate Analysis

Schedule 4.2

		Lower Rate	Mid-Range	Higher Rate	Note
Cost of equity					
Risk free rate	R_f	2.50%	2.50%	2.50%	1
Equity risk premium	RP_m	5.50%	5.50%	5.50%	2
Industry risk premium	RP_i	1.93%	1.93%	1.93%	3
Size premium	RP_s	4.80%	4.80%	4.80%	4
Company specific risk reduction	RP_u	0.00%	0.00%	0.00%	5
Company specific risk premium	RP_u	14.00%	8.00%	15.00%	5
	$k_e = R_f + RP_m + RP_i + RP_s + RP_u$	28.73%	22.73%	29.73%	
After-tax cost of debt					
Pre-tax cost of debt	$k_{d(pt)}$	12.00%	12.00%	12.00%	6
1- Estimated Tax rate of 26.5%	$(1-t)$	73.5%	73.5%	73.5%	7
After-tax cost of debt	$k_d = k_{d(pt)} \times (1 - t)$	8.82%	8.82%	8.82%	
Capitalization Structure					
Percentage of Equity	W_e	90.0%	85.0%	90.0%	8
Percentage of Debt	W_d	10.0%	15.0%	10.0%	8
Discount Rate					
Cost of Equity		25.9%	19.3%	26.8%	
Cost of Debt		0.9%	1.3%	0.9%	
Weighted Average Cost of Capital	$WACC = (k_e \times W_e) + (k_d \times W_d)$	26.74%	20.64%	27.64%	
Realistic long-term growth rate					9
					2.0%

Notes

- 1 Kroll (Duff & Phelps) Cost of Capital Navigator - Normalized and Recommended
- 2 Kroll (Duff & Phelps) Cost of Capital Navigator - Recommended
- 3 Kroll (Duff & Phelps) Cost of Capital Navigator - 1.35 GICS 451020 - Full Information Beta ($R_{pi} = 1.93\%$)
- 4 Kroll (Duff & Phelps) Cost of Capital Navigator - CRSP Decile 10; Sector: Media / Services / Software
- 5 Assessed risk given growth and stability of business as at the Valuation Date

Forecast risk	13.0%	14.0%
Infrastructure and transition implementation	1.0%	1.0%
- 6 Based on Company's overall debt rates and per industry rates per S&P Capital IQ
- 7 Tax rates per Mgt and then industry rates
- 8 Optimal Capital Structure as at the Valuation Date
Based inputs from Mgt and Industry optimal capital structure
Used ReadyRatios and considered this in light of Company position
Some firms carry higher debt ratio but have much bigger asset bases and earnings to support them
Given performance of Company RWE deemed it reasonable to use ratio selected
- 9 Assumes that company reaches it mature stage at terminal calculation range, otherwise should extend projection period. Assuming that five years is appropriate period, the terminal growth rates typically range between the historical inflation rate 1% - 3% and GDP growth rates of up to 3%.
Terminal growth rate higher than the average GDP indicates Company expects its growth to outperform that of the economy forever
Reasonable long-term growth for this CGU is 2.0%

Nextech AR Solutions Corp. ("NTAR") sale of the ARway IP to Amalco ("Resulting Issuer") - Proposed Transaction
Fairness Calculations

Schedule 5.1

Stated Gross Financing	\$1,500,000	Concurrent Financing
Pricing of Financing - per NTAR Board	\$0.25	

PRE Proposed Transaction Basis:

	Low	High
ARway IP - Fair Value, say	\$ 1,960,000	\$ 2,070,000
Other consideration as part of the Proposed Transaction	\$ -	\$ -
Less: Other Liabilities	\$ -	\$ -
Total Net Assets included in Amalco	\$ 1,960,000	\$ 2,070,000
Mid-Point, say	\$ 2,015,000	
DCF Analysis	\$ 4,500,000	\$ 4,600,000

POST Proposed Transaction Basis:

Implied Value of Resulting Issuer Post-Proposed Transaction (C\$)	Low		High	
Fair value of the ARway IP <i>Assuming Funding of the Proposed Transaction on the Terms and Conditions set out in POA</i>	\$ 1,960,000	\$ 2,070,000		
Proceeds from Option Exercise - "In-the-Money"	\$ -	\$ -		
Proceeds from Any "In-the-Money" Warrant Exercise	\$ -	\$ -		
Proceeds from Financing - per NTAR Board Disclosure	\$ 1,500,000	\$ 1,500,000		
Expenses to Close Proposed Transaction - Estimate NTAR Mgt	\$ (150,000)	\$ (150,000)		
Less: Estimate Agent Placement Fee	\$ -	\$ -		
Less: Other Liabilities	\$ -	\$ -		
Implied Value of FCC - POST Proposed Transaction, say*	\$ 3,310,000	\$ 3,420,000		

Calculation of Shares Outstanding in Resulting Issuer POST Proposed Transaction	Low		High	
Shares Issued to Resulting Issuer Founding Shareholders - Evan Gappelberg (2m shares) as CEO + Mgt (1m shares)		3,000,000		3,000,000
Shares to be Issued to Existing NTAR Shareholders		17,000,000		17,000,000
Shares being distributed by NTAR to its NTAR shareholders		4,000,000		4,000,000
Shares being retained by NTAR		13,000,100		13,000,100
Shares Issued from Any "In-the-Money" Option Exercise - POST Proposed Transaction		0		0
Shares Issued from Any "In-the-Money" Warrant Exercise - POST Proposed Transaction		0		0
Shares Issued for Financing (Proposed price of C\$0.25) - per NTAR Board		6,000,000		6,000,000
Related to Parties Performing Closing Services		0		0
Shares Issued for Transaction/Financing Fees (8% fee)		0		0
Other		0		0
Shares Outstanding to All Parties - POST Proposed Transaction		26,000,100		26,000,100

* - assumes completion of the Proposed Transaction.

Assumed Shareholdings in Resulting Issuer POST Proposed Transaction*		
Shares issued to Founding Resulting Issuer Shareholders - Evan Gappleberg + Mgt	3,000,000	11.54%
Shares to be Issued to the NTAR Shareholders	4,000,000	15.38% (1)
Shares Retained by NTAR (held pro rata by NTAR Shareholders)	13,000,100	50.00% (2)
Shares Issued for Financing	6,000,000	23.08%
"In the Money" Options that purchase shares	0	0.00%
"In the Money" Warrants that purchase shares	0	0.00%
	26,000,100	100.0%
Combined Fair Market Value of Resulting Issuer, say:	\$ 3,310,000	\$ 3,420,000
Mid-Point, say	\$ 3,365,000	

Nextech AR Solutions Corp.

Pre-Proposed Transaction

	Value Held	
Fair Value of the Arway IP owned 100% by NTAR Shareholders - Pre-Proposed Transaction, say:	\$ 2,015,000	(a)

Post-Proposed Transaction

	Value Received	
Implied Value of the Consideration Received by the NTAR shareholders - (1) & (2) - Closing of Proposed Transaction, say:	\$ 2,200,000	(b)

(b) is equal to or greater than (a) so the Proposed Transaction is Fair to the Nextech AR Solutions Corp. Shareholders