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## **Nextech AR Announces Execution of Arrangement Agreement To Spin Out Generative AI IPO *Toggle3D* To Shareholders**

***Toggle3D is a SaaS Web based Studio Uses AI to Turn CAD files into Web3D Models at Scale, Disrupting the \$11 Billion CAD Market***

**TORONTO, ON, Canada – April 6, 2023 - [Nextech3D.AI](https://www.nextech3d.ai)** (formally “Nextech AR Solutions Corp” or the “Company”) (OTCQX: NEXCF) (CSE: NTAR) (FSE: EP2) is pleased to announce that it has entered into an arrangement agreement dated effective April 5, 2023 with its wholly-owned subsidiary Toggle3D.ai Inc. (“Spinco”) and a special purpose financing company, 1400330 B.C. Ltd. (“FinanceCo”). The Arrangement Agreement, a copy of which will be available under the Company’s profile on SEDAR, sets out the terms on which Nextech will complete a plan of arrangement (the “Arrangement”) under the *Business Corporations Act* (British Columbia) whereby the Company’s Toggle3D platform and associated assets will be spun out to Spinco.

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

“This spin-off transaction is moving forward quickly and will give Nextech3D.ai shareholders ownership in yet another exciting public company. Toggle3D already has over 1300 users on its AI- Powered 3D design studio which I believe is perfectly positioned for growth in the rapidly emerging 3D everything and everywhere world. Once approved, this Spinco will be another major milestone for Nextech3D.ai and its valued shareholders. This transaction is anticipated to bring to the public markets our patent pending CAD to POLY technology under a highly experienced and focused management team, unlocking the true value of our groundbreaking AI technology and creating yet another pure play technology company, while creating value for our shareholders.

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



## Latest Toggle3D News

- [Nextech3D.ai AI-Powered CAD Design Studio Toggle3D Achieves 10X File Reduction Opening Up The platform to New Large Enterprise Customers](#)
- [Nextech3D.ai Announces Its AI-Powered SaaS Platform Toggle3D Experiences A +963% Jump in Users in 60-Days Crossing Over 1000 Users](#)
- [Nextech's AI-Powered CAD-3D Design Studio Toggle3D Launches New Machine Learning and Computer Vision Technology](#)
- [Nextech AR's AI-Powered 3D Design Studio Toggle3D Launches Major Tech Upgrade](#)
- [Livestream: Toggle3D Q1 Business Updates and Presentation](#)

## About Toggle3D

Launched in September, Toggle3D is an AR enhanced standalone web application which enables product designers, 3D artists, marketing professionals and eCommerce site owners to create, customize and publish high-quality 3D models and experiences without any technical or 3D design knowledge required. The Company believes that Toggle3D is the first platform of its kind, and this break-through SaaS product is a potential game changer for the manufacturing and design industry, as it provides a viable solution to convert large CAD files into lightweight 3D models at affordable prices and at scale. According to BIS Research, the CAD market, quantified by the amount spent on the creation of CAD files, is projected to reach \$11 Billion dollars by 2023.

### *Top Three Competitive Advantages of Toggle 3D Versus 3D Legacy Software Generating \$11 Billion In Revenue*

1. **NO Learning Curve:** What makes Toggle3D different from the legacy 3D design software is its ease-of-use and democratization of 3D design. The goal is for anyone with no prior technical or 3D design experience to be able to hop into the platform and create a high-quality 3D visual in minutes. This is unlike legacy 3D modeling systems, that require months to truly feel comfortable with. Users would first be required to learn and understand the industry lingo, learn what the tools do and then learn how to use them in the legacy software. Meanwhile, we have streamlined this process in Toggle3D by “humanizing” 3D design terminology, creating templates to guide creation and simplifying the tools using machine learning to transfer the complexity out of the user experience into the backend platform, and instead allow more room for creativity.
2. **Web-based:** Toggle3D is a web-based design studio which means the user can access everything on the browser and start designing instantly. No desktop downloads involved, no updates to keep track of, and no system requirements to worry about. All the templates are organized into project panels that a user



can access anywhere and seamlessly navigate between. This is different from how legacy software were built back in the day with the software package being broken out into multiple desktop apps that would require the user to understand system compatibility, download, sync, and learn independently.

3. **Collaboration:** Toggle3D will allow advanced, in-app collaboration. These new sets of features will allow multiple users to work at the same time and on the same project resulting in quick feedback and decision making cross-department, and team. These tools will allow businesses to adopt 3D organization-wide and unlock the power of group iteration. Users could set up workflows, permissions, and version history to keep up with real-time design changes. These advanced collaboration cycles are harder to set up in desktop apps and may sometimes slowdown or isolate the design workflow.

### **Private Placement**

In connection with the Arrangement, FinanceCo shall complete a private placement of a minimum of 6,000,000 subscription receipts ("Subscription Receipts") at a price of C\$0.25 per Subscription Receipt to raise aggregate gross proceeds of a minimum of C\$1,500,000 (the "Private Placement"). Each Subscription Receipt will automatically convert upon the satisfaction or waiver of all conditions precedent to the Arrangement and certain other ancillary conditions (the "Release Conditions") into units ("Units") at no additional cost to, and without further action by, the holder of such Subscription Receipt, with each Unit ultimately being comprised of one (1) common share of FinanceCo (a "FinanceCo Share") and one share purchase warrant (each such share purchase warrant, a "FinanceCo Warrant"), with each FinanceCo Warrant being exercisable to acquire one (1) additional FinanceCo Share at an exercise price of C\$0.50 for a period of three years from the date of issuance, provided that in the event that the closing price of the FinanceCo Shares is equal to or exceeds \$1.00 for a period of at least 10 trading days on the principal stock exchange on which such shares trade, FinanceCo may disseminate a press release announcing the acceleration of such expiry date to a date that is 30 days following the date of such press release. The gross proceeds from the Private Placement will be held in escrow pending the satisfaction of the Release Conditions, whereupon the Units underlying the Subscription Receipts will be issued to the purchasers and the gross proceeds of the Private Placement will be paid to Spinco. Immediately following the conversion of the Subscription Receipts, FinanceCo will amalgamate with a wholly-owned subsidiary of Spinco pursuant to the Arrangement and all FinanceCo Shares and FinanceCo Warrants shall be exchanged for equivalent securities of Spinco on a 1:1 basis.

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



It is intended that the proceeds raised pursuant to the Private Placement will be used for further development and promotion of the Toggle3D app and for general corporate purposes. The Private Placement is anticipated to close prior to May 31, 2023.

### **Additional Terms of the Arrangement**

The Arrangement will also be subject to, among other things, approval of the CSE and the Supreme Court of British Columbia. Full details of the proposed Arrangement, the business of Spinco, the Private Placement and the Toggle3D application will be contained in a notice of meeting and information circular, which will be made available to shareholders and filed on SEDAR in due course.

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

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

**Jeff Dawley – Director.** Mr. Dawley worked in finance and technology across a broad spectrum of Canadian and international organizations for over 25 years in many industries including technology, financial services, mining, information processing, manufacturing and professional services. His career has seen him operate as a CFO for 10 years with both publicly listed and private companies, as well as 5 years as a CTO/CIO, responsible for all aspects of information management and technology. Mr. Dawley holds a Chartered Professional Accountant designation from Ontario, Canada, a Certified Public Accountant and Certified Information Technology Professional designation from Illinois, USA and a Chartered Global Management Accountant designation, recognized in the UK and USA. He currently serves as a director of Nextech and Arway Corp.

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



Holmesglen College in Melbourne, Australia. She currently serves as the Corporate Secretary and a director of Nextech and Arway Corp.

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

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

Further details about the proposed Arrangement will be provided in a disclosure document to be prepared and filed in connection therewith. Investors are cautioned that, except as disclosed in the disclosure document to be prepared in connection with the Arrangement, any information released or received with respect to the foregoing matters may not be accurate or complete and should not be relied upon.

### **About Nextech3D.ai**

Nextech3D.ai (OTCQX: NEXCF) (CSE: NTAR) (FSE: EP2) is a diversified augmented reality, AI technology company that leverages proprietary artificial intelligence (AI) to create 3D experiences for the metaverse. Its main businesses are creating 3D WebAR photorealistic models for the Prime Ecommerce Marketplace as well as many other online retailers. The company develops or acquires what it believes are disruptive technologies and once commercialized, spins them out as stand-alone public companies issuing a stock distribution to shareholders while retaining a significant ownership stake in the public spin-out. On October 26, 2022, Nextech spun out its spatial computing platform, “ARway” as a stand alone public company. Nextech retained a control ownership in ARway Corp. with 13 million shares, or a 50% stake, and distributed 4 million shares to Nextech shareholders. ARway is currently listed on the Canadian Securities Exchange (CSE:ARWY), in the USA on the (OTC: ARWYF) and internationally on the Frankfurt Stock Exchange (FSE: E65). ARway Corp. is disrupting the augmented reality wayfinding market with a no-code, no beacon spatial computing platform enabled by visual marker tracking. To learn more about ARway, visit <https://www.arway.ai/>



For further information, please contact:

**Nextech3D.ai**

Lindsay Betts, Investor Relations Contact

Evan Gappelberg, CEO and Director

[investor.relations@Nextechar.com](mailto:investor.relations@Nextechar.com)

866-ARITIZE (274-8493) Ext 7201

**Cautionary Statements**

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

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

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