

## **ARRANGEMENT AGREEMENT**

This agreement made as effective of the 29<sup>th</sup> 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](mailto: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](mailto: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.**

Per: /s/ "Evan Gappelberg"

Director

**1000259749 ONTARIO INC.**

Per: /s/ "Andrew Chan"

Director

**1373222 B.C. LTD.**

/s/ "Andrew Chan"

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.