

Nextech AR Announces Generative AI IPO Spin-out - Toggle3D

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

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“

Times are changing... for 16 years we all have been walking around with a smartphone in our pockets. The next generation of devices is about to emerge in the form of computer glasses.”

*Evan Gappelberg Gappelberg-
CEO/Founder*

Corp. (“Nextech” or the “Company”) (OTCQB: NEXCF) (CSE: NTAR) (FSE: EP2) is pleased to announce today that after further consideration, it has determined to pursue a direct spinout of its generative AI powered Toggle3D platform through a wholly-owned subsidiary of the Company (“Subco”). The transaction is currently anticipated to proceed by way of plan of arrangement (the “Arrangement”) pursuant to which the Toggle3D platform and associated assets will be spun out into a new Subco, but will be subject to final tax and legal structuring considerations.

Evan Gappelberg, CEO of Nextech AR commented, “The

spin-out of ARway Corporation (CSE: ARWY), (OTC: ARWYF) (FSE: E65) on October 26th, 2022 has proven to be a tremendously successful method to unlock value for Nextech shareholders. As of February 1, 2023, ARway is trading at \$1.25 with 26.5 million shares issued, which is worth \$33.1 million. Nextech still retains ownership of 13 million shares which are worth \$16 million dollars from essentially zero prior to the spin out. Now we are announcing that we are going to do the same thing with Toggle3D. We believe there is a tremendous amount of shareholder value currently trapped inside Nextech and these spin-outs are aimed at unlocking that value by listing pure-play technology companies. We believe that Toggle3D is now commercially ready to disrupt the \$11billion CAD market and once it's spun out, we believe that just like ARway, it will create value for Nextech shareholders. This Toggle3D spin-out and the possibility of additional future spin-outs are intended to unlock the value of the technology that we have been heavily investing in, incubating and building inside Nextech for the last 4 years.” He continued, “Times are changing... for 16 years we all have been walking around with a smartphone in our pockets. The next generation of devices is about to emerge in the form of computer glasses. Once launched, computer glasses will become the device of choice in 2023 and beyond, causing everything AR/3D to go up in value seemingly overnight. We believe that an AR/3D spatially aware world is the next evolution of our computer driven world. We expect a major shift in the focus of

investors in 2023 when Apple Computer releases a pair of computer glasses which perfectly positions Nextech, ARway, and now Toggle3D for significant valuation adjustments to the upside.”

The Arrangement, if completed, is anticipated to result in, among other things, (i) Nextech retaining approximately 65% of the issued and outstanding shares of Subco (“Subco Shares”) upon completion of the transaction, (ii) approximately 20% of the Subco Shares being distributed directly to Nextech shareholders on a pro rata basis; and (iii) approximately 15% of the Subco Shares being distributed to certain service providers of Nextech in consideration of past services, as calculated prior to completion of the Private Placement (as further detailed below) following which the above percentages will be adjusted on a pro rata basis. In connection with the Arrangement, Nextech intends to seek a direct listing of the Subco Shares on the Canadian Securities Exchange (“CSE”).

Private Placement

In connection with the Arrangement, Subco or a special purpose financing vehicle shall complete a private placement of a minimum of u subscription receipts (“Subscription Receipts”) at a price of C\$0.25 per Subscription Receipt to raise aggregate gross proceeds of a minimum of C\$1.5mill (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) Subco Share and one share purchase warrant (each such share purchase warrant, a “Warrant”), with each Warrant being exercisable to acquire one (1) additional Subco Share at an exercise price of C\$1.0 for a period of [three] years from the date of issuance, provided that in the event that the closing price of the Subco 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, Subco 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 released to the issuer. 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 in any of these circumstances, 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 Toggle3D and for general corporate purposes. The Private Placement is anticipated to close prior to [date], 2023.

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.

About Nextech AR Solutions

Nextech AR Solutions (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/>

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Cautionary Statements

The CSE has not reviewed and does not accept responsibility for the adequacy or accuracy of this release. This press release contains forward-looking information based on current expectations. Statements about the closing of the Arrangement and Private Placement, expected terms and structure of the Arrangement and Private Placement, the number of securities that may be issued in connection with the Private Placement and the parties' ability to satisfy closing conditions and receive necessary approvals, as well as the prospective nature of the products of Nextech and Subco 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. either Nextech nor Subco 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 Subco Shares in connection with the Arrangement and/or the Private Placement, 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

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