NEXTECH AR SOLUTIONS CORP.

ANNUAL INFORMATION FORM

For the Fiscal Year Ended December 31, 2021

Dated effective March 22, 2022

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EXPLANATORY NOTES

Date of Information

Unless otherwise noted or the context otherwise indicates, references to the Company are to NexTech AR Solutions Corp., and references to “NexTech”, “we”, “us” and “our” refer to the Company and its subsidiaries on a consolidated basis, in each case as constituted on December 31, 2021. This Annual Information Form (this “Annual Information Form” or “AIF”) is dated effective March 22**,** 2022 and has been approved by the Company’s Board of Directors. Unless specifically stated otherwise, all information disclosed in this Annual Information Form is provided as at December 31, 2021.

Presentation of Financial Information and Exchange Rate Data

We present our consolidated financial statements in Canadian dollars, and certain of the disclosure in this AIF contains references to United States dollars and Canadian dollars. In this AIF, all references to “$” or “dollars” are to Canadian dollars and references to “US$” are references to United States dollars. All amounts are stated in Canadian dollars unless otherwise indicated. On December 31, 2021, the closing rate of exchange, as quoted by the Bank of Canada, for Canadian dollars in terms of U.S. dollars was US$1.00=$1.2678 or $1.00=US$0.7888.

Trademarks and Trade Names

This AIF includes trade-marks that may include “NexTech”, “ARitize”, “Jolokia”, “IngiteX”, “LiveX” and/or “AiRShow” which are or may be protected under applicable intellectual property laws and are the property of NexTech. Solely for convenience, our trade-marks and trade names referred to in this AIF may appear without the ® or ™ symbol, but such references are not intended to indicate, in any way, that we will not assert, to the fullest extent under applicable law, our rights to these trade-marks and trade names. All other trade-marks used in this Annual Information Form are the property of their respective owners.

FORWARD-LOOKING STATEMENTS

This Annual Information Form contains forward-looking statements that relate to our current expectations and views of future events. In some cases, these forward-looking statements can be identified by words or phrases such as “may”, “will”, “expect”, “anticipate”, “aim”, “estimate”, “intend”, “plan”, “seek”, “believe”, “potential”, “continue”, “is/are likely to” or the negative of these terms, or other similar expressions intended to identify forward-looking statements. Forward-looking statements are intended to assist readers in understanding management’s expectations as of the date of this Annual Information Form and may not be suitable for other purposes. We have based these forward-looking statements on our current expectations and projections about future events and financial trends that we believe may affect our financial condition, results of operations, business strategy and financial needs. These forward-looking statements include, among other things, statements relating to:

- the economy generally;
- market participants' interest in NexTech’s services and products, both in respect of its current offerings and its proposed roll-out of future products and services;
- fluctuations in foreign currency exchange rates;
- business prospects and opportunities;
- anticipated and unanticipated costs;
- management's outlook regarding future trends;
- uncertainty regarding the market and economic impacts of COVID-19;
- our expectations regarding our revenue, expenses and operations;
- our anticipated cash needs and our needs for additional financing;
- our plans for and timing of expansion of our solutions and services;
- our future growth plans including the entry into adjacent markets;
- the acceptance by our customers and the marketplace of new technologies and solutions;
- our ability to attract new customers and develop and maintain existing customers;
- our ability to attract and retain personnel;
- our future growth and its dependence on continued development of our direct sales force and their ability to obtain new customers;
- our expectations with respect to advancement in our technologies;
- our competitive position and our expectations regarding competition;
- regulatory developments and the regulatory environments in which we operate;
- anticipated trends and challenges in our business and the markets in which we operate
- an increased demand for 3D volumetric objects, content and experiences;
- the anticipated benefits of our product offerings and services; and
- the retention of earnings for corporate purposes and the payment of future dividends.

Forward-looking statements are based on certain assumptions and analysis made by us in light of our experience and perception of historical trends, current conditions and expected future developments and other factors we believe are appropriate. Forward-looking statements are also subject to risks and uncertainties which include:

- If we are unable to attract new customers or sell additional products to our existing customers, our revenue growth and profitability will be adversely affected.
- We encounter long sales cycles, particularly with our larger customers, which could have an adverse effect on the amount, timing and predictability of our revenue.

- Downturns or upturns in new sales will not be immediately reflected in operating results and may be difficult to discern.
- Our quarterly results of operations may fluctuate. As a result, we may fail to meet or exceed the expectations of investors or securities analysts which could cause our share price to decline.
- Our ability to retain customers and attract new customers could be adversely affected by an actual or perceived breach of security relating to customer information.
- We have incurred operating losses in the past and may incur operating losses in the future.
- If we are unable to develop new products and services, sell our solutions into new markets or further penetrate our existing markets, our revenue will not grow as expected.
- Our inability to assess and adapt to rapid technological developments could impair our ability to remain competitive.
- Downturns in general economic and market conditions and reductions in spending may reduce demand for our solutions, which could negatively affect our revenue, results of operations and cash flows.
- Our ability to continue to sell our products through sales channels and marketplaces such as Amazon, Walmart, and eBay may not meet our expectations.
- We are subject to fluctuations in currency exchange rates.
- The markets in which we participate may become competitive, and our failure to compete successfully would make it difficult for us to add and retain customers and would reduce or impede the growth of our business.
- If we fail to retain our key employees, our business would be harmed and we might not be able to implement our business plan successfully.
- Our growth is dependent upon the continued development of our direct sales force.
- If we experience significant fluctuations in our rate of anticipated growth and fail to balance our expenses with our revenue forecasts, our results could be harmed.
- Interruptions or delays in the services provided by third party data centers and/or internet service providers could impair the delivery of our solutions and our business could suffer.
- The use of open-source software in our products may expose us to additional risks and harm our intellectual property.
- We may not receive significant revenue as a result of our current research and development efforts.
- Current and future accounting pronouncements and other financial reporting standards might negatively impact our financial results.
- The Company’s directors and officers may serve as directors or officers of other companies or have significant shareholdings in other companies may have a conflict of interest.
- Our strategy includes pursuing acquisitions and our potential inability to successfully integrate newly acquired companies or businesses may adversely affect our financial results.
- The market price for our Common Shares may be volatile.
- We may issue additional Common Shares in the future which may dilute our shareholders’ investments.
- We may face challenges to our intellectual property rights, which could have a material adverse impact on the Company.
- Uncertainties associated with the economic and market impact related to COVID-19.
- We may need to raise additional funds to pursue our growth strategy or continue our operations, and we may be unable to raise capital when needed or on acceptable terms.

These risks are described in further detail in the section entitled "*Risk Factors*" in this Annual Information Form. Although the forward-looking statements contained in this Annual Information Form are based upon assumptions management believes to be reasonable, these risks, uncertainties, assumptions and other factors could cause our actual results, performance, achievements and experience to differ materially from our expectations, future results, performances or achievements expressed or implied by the forward-looking statements. In light of these risks, uncertainties and assumptions, readers should not place undue reliance on forward-looking statements.

The forward-looking statements made in this Annual Information Form relate only to events or information as of the date on which the statements are made in this Annual Information Form and are expressly qualified in their entirety by this cautionary statement. Except as required by law, we do not assume any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, after the date on which the statements are made or to reflect the occurrence of unanticipated events.

All of the forward-looking statements in this Annual Information Form are qualified by these cautionary statements and other cautionary statements or factors contained herein, and there can be no assurance that the actual results or developments will be realized or, even if substantially realized, that they will have the expected consequences to, of effects on, NexTech.

GLOSSARY OF TERMS

In this Annual Information Form, the following terms have the meanings set forth herein:

"**2D**" means two dimensional.

"**3D**" means three dimensional.

"**AIF**" or "**Annual Information Form**" means this annual information form of the Company for the year ended December 31, 2021.

"**AI**" means artificial intelligence

"**Android**" means an open-source operating system used for smartphones and tablet computers.

"**app**" means an application, especially as downloaded by a user to a mobile device.

"**App Portfolio**" means the portfolio of gaming and all-in-one applications known as the "All-In-One-App Portfolio" which is comprised of over 200 apps.

"**App Store**" means the software-based online digital media store operated by Apple Inc.

"**AR**" means augmented reality.

"**AR First**" means content to be originally created for AR, as opposed to content created for mobile, computer and other 2D display devices.

"**ARitize**™" means turning 2D objects into 3D objects.

"**ARitize**™ **App**" has the meaning set out under the heading *"General Development of the Business – NexTech's Solutions- ARitize™ App"* below.

"**ARitize360 App**" has the meaning set out under the heading *"General Development of the Business – NexTech's Solutions- ARitize360 App"* below.

"**AR Models**" means 3D computer models modified for AR display devices.

"**AR Objects**" means any one of a AR Human, AR Audio, AR Video Wall, AR Presentation Charts and Graphics, AR Models, AR Text, AR Functions Widgets, AR Icons and AR 3D Ads.

"**Audit Committee**" means the audit committee of the Board of Directors.

"**BCBCA**" means the *Business Corporations Ac*t (British Columbia) and the regulations made thereunder, as promulgated or amended from time to time, and includes any successor thereto.

"**Board of Directors**" means the board of directors of the Company.

"CDN" means a content delivery network or content distribution network.

"**CEO**" means the Chief Executive Officer of the Company.

"**CFO**" means the Chief Financial Officer of the Company.

"**COVID-19**" means the COVID-19 pandemic declared by the World Health Organization on March 11, 2020.

"**CSE**" means the Canadian Securities Exchange.

"**FSE**" means the Frankfurt Stock Exchange.

"Genie in a Bottle" means an augmented reality technology application that provides customers with a virtual registered dietitian.

"**IFRS**" means International Financial Reporting Standards as developed and adopted by the International Accounting Standards Board from time to time.

"**IgniteX Platform**" has the meaning set out under the heading *"General Development of the Business – NexTech's Solutions- IgniteX (formerly InfernoAR Platform)"* below.

"**iOS**" means the operating system used for mobile devices manufactured by Apple Inc.

"**IPL**" means the e-commerce store for the sale of pet supplements located at www.infinitepetlife.com.

"LiveX" means NexTech's highly scalable all-in-one streaming platform for creators, corporate events, livestreaming, music and NFTs which is AR enhanced and advertising enabled.

"**MD&A**" means management's discussion and analysis.

"**Native AR Experience**" means virtual rooms or volumetric spaces (with a length, width and height) populated with one or more of the AR objects types in varying combinations, as determined by customer objectives.

"NEO" means the NEO Exchange.

"**NexTech Shares**" or "**Common Shares**" means common shares in the capital of NexTech.

"**NFT**" means non-fungible token.

"**NP 46-201**" means National Policy 46-201 – *Escrow for Initial Public Offerings*.

"Omni-channel" means a multichannel approach to sales that seeks to provide customers with a seamless shopping experience, whether shopping online from a desktop or mobile device, by telephone, or in a brick-and-mortar store.

"OTCQB" means the over-the-counter market in the United States (middle tier).

“**Software as a Service (SaaS)**” means the software licensing and delivery model in which software is licensed on a subscription basis and is centrally hosted.

“**Technology stack**” means a list of all the technology services used to build and run one single application.

“**Verticals**” means business niches where vendors serve a specific audience and their set of needs.

“**VR**” means virtual reality.

“TruLyfe” means the e-commerce store the sale of the TruLyfe brand of supplements and vitamins located at www.trulyfesupplements.com.

“**VCM**” means the e-commerce store for the sale of vacuums and housewares located at www.vacuumcleanermarket.com.

“**Virtual Events**” means an event that is held in a digital format.

“Virtual Experience Platform” or “**VXP**” means an augmented reality and video learning experience platform for events.

CORPORATE STRUCTURE

Name, Address and Incorporation

NexTech AR Solutions Corp. was incorporated on January 12, 2018 under the BCBCA. The Company is a reporting issuer in the provinces of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, New Brunswick, Nova Scotia, Prince Edward Island and Newfoundland and Labrador. The Common Shares of the Company are listed for trading on the NEO and the CSE under the symbol “NTAR”, are quoted on the OTCQB under the symbol “NEXCF” and are quoted on the FSE under the symbol “N29”.

The principal offices of the Company are located at 121 Richmond St, Suite 501, Toronto, Ontario, M5H 2K1. The Company’s registered and records office is located at Suite 1200 – 750 West Pender Street, Vancouver, British Columbia, V6C 2T8.

Intercorporate Relationships

NexTech has six direct, wholly-owned subsidiaries: (1) Nextech AR Solutions USA LLC. (“Nextech USA”), a company incorporated under the laws of the State of Delaware on October 3, 2018; (2) AR Ecommerce, LLC (“**AR Ecomm**”), a Delaware limited liability company acquired on January 14, 2019; (3) Jolokia Corporation (“**Jolokia**”), a California corporation acquired on April 30, 2020; (4) Nextech AR Solutions PTE. Ltd. a company incorporated under the laws of Singapore on February 19, 2021; (5) Threedy.ai Inc., a Delaware corporation acquired on June 25, 2021; and (6) ARWAY Ltd., a corporation existing under the laws of England acquired on August 26, 2021.

GENERAL DEVELOPMENT OF THE BUSINESS

NexTech is a provider of AR solutions and various other e-commerce platforms. NexTech’s business strategy has been to create new products, marketplaces and platforms organically or through acquisition. In certain situations, NexTech also provides professional services to customers which can include designing, building Virtual Events and publishing AR content.

NexTech currently has a technology stack for the publishing and distribution of AR across all verticals which is currently being utilized in e-commerce, Virtual Events, learning and training, digital advertising and entertainment. Set forth below is a summary of the material developments in NexTech’s business from incorporation on January 12, 2018 to the date of this AIF.

History

Fiscal Period from Incorporation (January 12, 2018) to May 31, 2018

The Company was incorporated on January 12, 2018.

On February 15, 2018, the Company completed a private placement of convertible debentures in the principal amount of $250,000. Each convertible debenture was convertible into NexTech Shares at a price of $0.05 per share until February 15, 2019, or otherwise converted automatically, and without further action of the holder, into NexTech Shares immediately prior to NexTech listing on the CSE. In connection with the issuance of the convertible debentures, NexTech issued 5,000,000 share purchase warrants, each entitling the holder to acquire one additional NexTech Share at a price of $0.05 for a period of 12 months after the date of issuance, subject to acceleration in certain circumstances.

On March 20, 2018, NexTech entered into an assignment and purchase agreement with Future Farm Technologies Inc. and AR E1 LLC to purchase the App Portfolio and an exclusive worldwide license to use patents relating to advertising technology, direct response advertising, branded entertainment, gaming and an AR platform. the Company issued 13,000,000 NexTech Shares to Future Farm Technologies Inc. and 3,775,000 NexTech Shares to AR E1 LLC at a deemed price of $0.25 per share as consideration. The App Portfolio consisted of a diverse group of gaming self-help education and learning apps.

On March 29, 2018, the Company completed a private placement of 11,213,600 units at a price of $0.25 per unit for gross proceeds of $2,803,400. Each unit was comprised of one NexTech Share and one share purchase warrant entitling the holder to purchase one additional NexTech Share at a price of $0.50 for a period of 24 months from the date of issuance, subject to acceleration in certain circumstances.

On May 17, 2018, NexTech entered into an exclusive license agreement with edCetra Training Inc. a company owned by Reuben Tozman, a former director and officer of the Company. The license agreement allows for a copy of the source code for eLearning capabilities. The Company issued 100,000 NexTech Shares as consideration to Mr. Tozman. In addition, NexTech had the option to purchase the entire edCetra business and its intellectual property for a period of 12 months for an additional 300,000 NexTech Shares.

Fiscal Year Ended May 31, 2019

On June 21, 2018, the Company entered into an arrangement agreement with Future Farm Technologies Inc. pursuant to which the parties agreed to proceed with the plan of arrangement under Part 9, Division 5 of the BCBCA pursuant to which Future Farm Technologies Inc. effectively spun-out 11,000,000 of its NexTech Shares on a pro rata basis to its shareholders (the "**Arrangement**"). The Arrangement was subsequently completed on August 31, 2018.

On August 29, 2018, the ARitize™ App went live and became available for download in the App Store.

On October 31, 2018, NexTech Shares commenced trading on the CSE under the trading symbol "NTAR".

On November 19, 2018, NexTech Shares were listed on the FSE under the trading symbol "N29".

On December 3, 2018, the Company exercised its option to acquire the edCetra on-line learning technology from Mr. Reuben Tozman in consideration of the issuance of 300,000 NexTech Shares at a deemed price of $0.38 per share.

On January 7, 2019, the Company entered into an agreement with Reuben Tozman, and Evan Gappelberg, to purchase all of the shares of AR Ecomm in consideration of the issuance of 2,000,000 NexTech Shares at a deemed price of $0.81 per share. AR Ecomm's business consists of offering online vacuum cleaner ecommerce brands and selling high end residential vacuums, accessories and parts. The acquisition was completed on January 14, 2019. See "Interest of Management and Others in Material Transactions".

On February 5, 2019, the Company announced that the accelerated expiry date of all the outstanding warrants issued pursuant to the private placement completed on March 29, 2018. The Company subsequently raised $1,464,000 on March 7, 2019 from the exercise of 2,929,200 warrants in connection with the acceleration.

On March 11, 2019, the NexTech Shares commenced trading on the OTCQB under the trading symbol "NEXCF".

On April 11, 2019, NexTech acquired Infinite Pet Life for the purchase price of US$1,850,000. Infinite Pet Life is a provider of anti-aging supplements for pets that promote better joint and internal health.

Fiscal Year from June 1, 2019 to December 31, 2019

On July 19, 2019, the Company completed a private placement of 1,006,666 units at a price of $0.60 per share for gross proceeds of $664,000. Each unit consisted of one NexTech Share and one-half of one share purchase warrant, with each whole such share purchase warrant entitling the holder to acquire one additional NexTech Share at a price of $0.70 per share for a period of two years, subject to acceleration in certain circumstances.

On July 19, 2019, the Company issued $985,500 worth of secured convertible debentures (the "**2019 Debentures**") bearing an interest rate of 9% per annum (non-compounded) and maturing 36 months from the date of issuance. The Company had the option to pay down the amount of the principal and interest owing under the 2019 Debentures in cash and/or Common Shares at a deemed price of $0.60 per share. The Company could, at any time, prepay all portion of the principal subject owing under the 2019 Debentures to a 15% prepayment penalty payable in cash. In connection with the 2019 Debenture offering, NexTech also issued a total of 1,642,500 share purchase warrants (the "**Debenture Warrants**"), each entitling the holder to acquire one NexTech Share at an exercise price of $0.70 per share for a period of two years from issuance, subject to acceleration in certain circumstances. See "Interest of Management and Others in Material Transactions".

On August 16, 2019, the Company completed a private placement of 1,936,299 units at a price of $0.60 per unit for gross proceeds of $1,161,780. Each unit consisted of one NexTech Share and one-half of one transferable share purchase warrant, with each whole such share purchase warrant entitling the holder to acquire one additional NexTech Share at a price of $0.70 per share for a period of two years, subject to acceleration in certain circumstances.

On September 24, 2019, NexTech announced the launch of its self-service 3D AR publishing platform called ARitize™. The platform is deigned to optimize conversions, reduce returns, and increase sales leads with one easy-to-use AR platform for eCommerce.

On November 22, 2019, the Company completed a private placement of 4,000,000 units at a price of $0.75 per unit for gross proceeds of $3,000,000. Each unit consisted of one NexTech Share and one transferable common share purchase warrant of the Company entitling the holder to acquire one additional NexTech Share at a price of $0.93 per share for a period of two years, subject to acceleration in certain circumstances.

On November 25, 2019, the Company changed its financial year end from May 31 to December 31.

Fiscal Year Ended December 31, 2020

On February 4, 2020, NexTech launched 3D/AR-360 Advertising Platform, an end-to-end solution allowing

NexTech to leverage its 3D asset creation into 3D/AR ads. This product targets advertisers and brands and allows them to create AR advertisements across all browsers and devices.

On April 30, 2020, the Company acquired 100% of the outstanding shares of Jolokia in consideration for 1,000,000 NexTech Shares and up to US$4,000,000 worth of future NexTech Shares contingent on product revenues and profitability metrics generated by Jolokia's learning experience platform in the year following the acquisition. Jolokia is a video first learning experience platform. The Common Shares were subject to a voluntary lock-up agreement and became free trading in tranches over a twelve-month period.

On May 5, 2020, the Company extinguished the 2019 Debentures by converting the remaining principal balance of $739,125 and accrued interest of $2,741 into 1,236,444 NexTech Shares. The extinguishment was subject to a 15% cash prepayment penalty of $158,384. See "Interest of Management and Others in Material Transactions".

On June 4, 2020, NexTech launched the ARitize360 App for download for iOS and Android. This technology makes 3D augmented reality creation accessible to everyone who owns a smartphone and for any product. This allows for 3D asset creation at scale which can be leveraged across our omni channel offerings including advertising and e-commerce.

On June 19, 2020, the Company completed a private placement of 1,528,036 units at a price of $2.10 per unit for gross proceeds of $3,208,876. Each unit consisted of one NexTech Share and one-half of one share purchase warrant, with each whole warrant entitling the holder to acquire one additional NexTech Share at a price of $3.00 per share for a period of two years, subject to acceleration in certain circumstances.

On July 28, 2020, Ori Inbar was appointed to the Board of Directors.

On August 20, 2020, the Company closed a marketed short form prospectus offering of 2,035,000 units at a price of $6.50 per unit for gross proceeds of $13,227,500. Each unit consisted of one Common Share and one-half of one share purchase warrant entitling the holder to acquire one additional Common Share at a price of $8.00 for a period of two years, subject acceleration in certain circumstances.

On September 9, 2020, the Company announced it had acquired 100% of the assets of Next Level Ninjas LLC ("Next Level Ninjas"). Next Level Ninjas provides a platform that matches buyers with focus groups to allow for brands to gain momentum in marketplaces. The total cash consideration of the acquisition was US$550,500.

On October 1, 2020, the Company acquired the AiRShow application ("**AiRShow**"). AirShow is an application which allows consumers to view and interact with a human holograms for applications such as virtual concerts, conferences, and other events. The consideration paid for the acquisition consisted of a cash payment of US$150,000 and NexTech Shares valued at US$150,000.

On October 2, 2020, Dr. David Cramb was appointed to the Board of Directors.

On November 23, 2020, NexTech acquired hybrid event management platform Map Dynamics for $780,000 (US$600,000) in cash up front with a 12-month potential earn out of up to an additional $525,000 (US$400,000) in cash or the equivalent amount in Common Shares. Map Dynamic's self-serve hybrid virtual events platform supports live video, chat, networking and analytics, reporting for associations, conferences, trade shows, webinars, summits, forums, workshops and events.

On December 9, 2020, NexTech announced that it launched ARoom, a new collaborative video streaming solution with AI and AR enhancements, that integrates with its existing virtual experience platform and its ARitize software-as-a-service offerings.

On December 23, 2020, NexTech announced that it launched its Genie in a Bottle human hologram AR marketing platform and new e-commerce store for its TruLyfe brand of supplements and vitamins.

On January 5, 2021, the Common Shares began trading on the NEO under the symbol “NTAR”.

On January 5, 2021, NexTech hired former President of Microsoft Online Inc., Hareesh Achi, as President of its 3D/AR Advertising network.

On February 19, 2021, the Company incorporated an entity in Singapore named Nextech AR Solutions PTE. Ltd. to establish a presence and pursue business opportunities.

On April 8, 2021, the Company announced the closing of a short form prospectus offering pursuant to the terms of an underwriting agreement entered into between the Company and Research Capital Corporation as a sole underwriter and bookrunner of the offering. The Company issued 2,801,500 units at a price of $5.00 per unit, and 100,000 share purchase warrants in partial exercise of the over-allotment option, for aggregate gross proceeds to the Company of approximately $14 million. Each unit was comprised of one Common Share and one-half of one share purchase warrant, with each whole such share purchase warrant entitling the holder to acquire one additional Common Share at a price of $6.00 for a period of 24 months following the closing of the offering, subject to an accelerated expiry if the volume-weighted average price of the Common Shares on the CSE (or such other stock exchange where the majority of the trading volume occurs) exceeds $10.00 for 15 consecutive trading days.

On May 12, 2021, the Company announced the launch of its next-generation digital experience platform, LiveX. LiveX is a highly scalable all-in-one streaming platform for creators, corporate events, livestreaming, music, NFTs which is AR enhanced and advertising enabled. The platform is also being intergraded with Shopify to allow for seamless ecommerce and merchandise sales. The Company has committed that all current and future events to be hosted and monetized on LiveX platform.

On June 1, 2021, the Company announced the appointment of Andrew Chan, CPA, CA, as CFO.

On June 8, 2021, the Company announced that its EdTechX platform for the education market was an approved Microsoft Co-sell partner, enabling joint selling opportunities between Microsoft and NexTech to a global education market.

On June 10, 2021, NexTech announced that it and its partner Ryerson University had received up to $150,000 in funding for the creation and delivery of AR learning experiences for use within post-secondary education institutions. The award – received from eCampusOntario, the government of Ontario’s $50 million Virtual Learning Strategy (VLS) – will build upon the initial Ryerson Augmented Learning Experience announced in 2020.

On June 25, 2021, NexTech announced that it had acquired all of the issued outstanding shares of Threedy.ai Inc. (“**Threedy**”), a builder of AI technologies for the 3D model creation of physical products at scale. Threedy has an expansive list of clients including Walmart, Wayfair, Kohl’s Pier 1 Imports, K-mart Australia and Lighting Plus New Zealand. Threedy’s patent-pending technology leverages AI to enhance the building of quality 3D models from simple 2D photos at scale through an AI-powered assembly line. In consideration for the acquisition, the Company issued 3,877,551 Common Shares at a deemed price of US$2.45 per share (CA$3.01 per share), for total share consideration of US$9.5 million. The Common Shares are subject to certain contractual restrictions on trading for a period of up to 23 months from the date of issuance.

On August 26, 2021, the Company acquired ARWAY Ltd., which is a U.K.-based company that has developed a spatial mapping platform critical to building “mini-metaverses”, which the Company is actively pursuing as a potential new business opportunity. In consideration for the acquisition, the Company issued 609,666 Common Shares at a deemed value of $2.06 per share. The Common Shares are subject to certain contractual restrictions on trading for a period of up to 23 months from the date of issuance.

On September 29, 2021, the Company appointed Marcum LLP, a top 20 firm ranked in the USA and #5 Nationally-Ranked SEC Audit Practice, as the Company’s new independent auditor to better serve our key goal of listing our stock on a U.S. exchange and better aligns us with Nasdaq-listed technology companies.

On November 3, 2021, the Company closed a $5 million private placement with institutional investors issuing 3,030,304 Common Shares and Warrants to purchase up to an aggregate of 1,515,152 Common Shares at a purchase price of CAD $1.65 per Common Share and associated one-half of one Warrant. Each whole Warrant entitles the holder to purchase one Common Share at an exercise price of CAD $1.92 for a period of three years following the issuance date. The net proceeds will be used by the Company for working capital and general corporate purposes, including, without limitation, acquisitions of assets used in the Company’s business and strategic transactions and/or acquisitions.

On November 16, 2021, NexTech rebrands as “Nextech AR Solutions, A Metaverse Company.” Additionally, all of its augmented reality products will use the “Aritize'' naming convention. The Company’s website and marketing materials will progressively roll-out these branding and logo changes. The word “ARitize'' will become the new term when referring to the transformation from 2D into 3D augmented reality and the Metaverse.

On November 23, 2021, the Company announced the appointment of Jeff Dawley to the Company's Board of Directors and as the Chair of the Audit Committee. Mr. Dawley holds a Chartered Professional Accountant designation from Ontario, Canada, a Certified Public Accountant and Certified Information Technology Professional designation from Illinois, USA and a Chartered Global Management Accountant designation, recognized in the UK and USA.

On December 21, 2021, NexTech announced a multi-year, Metaverse marketplace deal with Restaurants Canada, the largest foodservice organization in Canada with over 30,000 members. This deal utilizes the company's virtual events and Metaverse Studio as a managed service, which includes 3D AR booths, human holograms, 3D AR product experiences, and augmented reality ads. The company will also build a “metaverse marketplace” which allows members and vendors to virtually meet with one another and see all products and services under one umbrella.

Developments Subsequent to the Year Ended December 31, 2021

On January 12, 2022, the Company announced the closing of a large enterprise ARitize 3D deal with a multinational e-commerce brand. This deal provides the Company with a growing base of MRR (Monthly Recurring Revenue) and showcases the accelerating demand of Nextech's state-of-the-art ARitize 3D factory which is powered by AI and ML. The Company is contracted to produce 2,500 3D models to be distributed through the client's online subsidiaries globally.

On January 25, 2022, the Company closed a $10 million private placement with a single institutional investor. NexTech issued 8,130,082 Common Shares and Warrants to purchase up to an aggregate of 8,130,082 Common Shares at a purchase price of CAD $1.23 per Common Share and associated Warrant. Each Warrant entitles the holder to purchase one Common Share at an exercise price of CAD $1.54 for a period of three years following the issuance date. The net proceeds of the Private Placement will be used by the Company for working capital and general corporate purposes.

On January 27, 2022, NexTech announced the release of its Shopify App. The app will provide self-serve access to NexTech's proprietary AI-powered solution for 3D/AR Ecommerce to all businesses who use Shopify to power their ecommerce business. This App provides Shopify merchants with a frictionless and seamless one click integration for 3D model making as more ecommerce businesses are looking for 3D models at an affordable price and at scale.

On February 2, 2022, the Company announced the launch of its beta metaverse app, ARitize Maps. This app is an all-in-one metaverse creation studio, and the first end-to-end metaverse mapping solution for consumers and brands alike. The beta ARitize Maps app will be available for both iOS and Android. Through this FREE app, everyone can spatially map their location within minutes, and populate it with interactive 3D objects, navigation, wayfinding, audio, text, images and more.

DESCRIPTION OF THE BUSINESS

General

NexTech is a diversified technology company that is both a provider of a broad array of in market AR solutions as well as owner operator of an ecommerce and Virtual Events business that it uses as a test bed for its technology. NexTech's AR solutions provide global customers with critical functionality needed for 3D AR immersive experiences. These AR solutions can be used across many verticals and are currently being utilized in e-commerce, Virtual Events, higher ed learning, corporate training, digital advertising and entertainment. NexTech's AR solutions are able to scale the production of 3D models by using AI algorithms and computer vision technology. The resulting product and service offerings allow its customers to deliver photo-realistic, volumetric 3D AR at scale for mass adoption. The majority of the company's technology is available over the web however the Company also has multiple AR applications on iOS/Android including; ARitize360, ARitize, and HoloX allowing for 3D visualization across all platforms and available for all AR use cases creating a one stop shop for AR. The company also has recently acquired ARway, a geolocation 3D mapping startup that has a SaaS business for the Metaverse.

NexTech's business was founded in January 2018 on the premise that the future of digital experiences and content will include AR and that it wanted to get in front of this inevitability. However, the Company also recognizes that the AR industry is an emerging industry, and that AR products and services have not yet been widely adopted. As such, the Company has sought to enhance shareholder value by coupling its AR products and services with existing and proven business models such as e-commerce, Virtual Events, virtual learning, and advertising. In addition to generating sales revenue for the Company, these other divisions also provide NexTech with the opportunity to test and showcase its AR technology for the growing e-commerce industry and to develop new and innovative ways to sell e-commerce products through the use of AR. NexTech executed on this business model by acquiring VCM, IPL and TruLyfe. Before being acquired by NexTech, VCM historically sold vacuums, parts, and accessories from brands such as Miele, Simplicity, Dyson, Cebo, Hoover, Titan, Kirby, Metrovac and Sanitaire. As ecommerce exploded during 2020 due to the pandemic these established businesses with established brands have also rapidly grown since Nextech acquired them hence the majority of the revenue that NexTech generates is from selling these products on Amazon, on the VCM website, and through other online sales channels. The same thing also happened with its Virtual Events business. NexTech believes that the ultimate value of these businesses is in creating better AR solutions in respect of e-commerce and online purchasing. NexTech currently has a dedicated team of approximately 140 employees, of which 120 employees focus on technology development, virtual events and AR innovations, while a team of 20 employees focuses on the Company's VCM, IPL and TruLyfe e-commerce operations based in California. The Company expects that the number of employees in e-commerce operations will remain consistent, while it expects to continue to expand its employee base for its AR technology services as the AR technology starts to scale.

COVID-19 Pandemic

Due to the COVID-19 pandemic, many traditional brick and mortar stores were forced to close their doors. As a result, the e-commerce industry, including the Company's e-commerce platform VCM, experienced growth. The Company incorporated its AR technologies and capabilities into VCM in order to allow customers to interact with products online by way of 3D models and by way of AR technology on mobile devices. In addition, the Company has incorporated AR technology into the TruLyfe platform, and is working on incorporating AR technology into the IPL platform similar to the AR technology currently being used by TruLyfe. In particular, NexTech plans to offer consumers hologram access to a licensed veterinarian, similar to how TruLyfe provides hologram access to a registered dietician, in order to provide consumers additional information about the supplement brand and its products. In addition to the success of NexTech's e-commerce businesses, NexTech identified an opportunity to showcase its AR technology for use in connection with virtual events, as physical events were restricted due to the COVID-19 pandemic. In light of this, NexTech purchased all of the outstanding shares of Jolokia through which it acquired a proprietary video platform with event capabilities now known as the IgniteX Platform. See "Description of the Business – General – Summary – NexTech's Solutions" below.

Revenue Streams

NexTech has three principal revenue streams as follows:

(i) Product sales – NexTech sells a variety of products through both (I) a variety of online marketplaces including Amazon.com, Ebay.com, Chewy.com and Walmart.com; and (II) a retail store located at 7463 Monterey Rd, Gilroy, California. These products include:

- housewares, air quality appliances and vacuum cleaners sold through VCM;
- pet supplements sold through IPL; and
- health supplements sold through TruLyfe.

(ii) Technology services – NexTech provides various technology services to its clients which can be used across many verticals such as e-commerce, Virtual Events, learning and training, digital advertising and entertainment. In addition, NexTech also provides professional services to customers including designing, building Virtual Events and publishing AR content. NexTech's technology services include:

- ARitize Events 3D
- ARitize Labs
- MapD

(iii) Renewable software licensing – NexTech offers software licensing to its customers, including licensing of the ARitize 3D, ARitize CAD, ARitize Siwrl, MapD.

For further details of NexTech's product and service offerings, see "Description of the Business – General – Summary – NexTech's Solutions" below. VCM, IPL and TruLyfe (collectively, the "**e-Commerce Platforms**") are owned by the Corporation's wholly owned subsidiary AR Ecomm which sells products directly to customers through vacuumcleanermarket.com, infinitepetlife.com and trulyfesupplements.com, as well as certain sales channels such as Amazon.com and eBay where it pays a marketplace fee of 15%. NexTech focuses on developing AR solutions however the e-Commerce Platforms are currently NexTech's primary source of revenue.

To date, the majority of the Corporation's revenues have been generated from the eCommerce Platforms with the balance of revenues being generated from the sale of technology services and renewable software licensing. In particular, the majority of the e-Commerce Platforms revenue was derived from VCM and Amazon sales of home appliances and supplements. For each of the fiscal year ended December 31, 2021 and 2020, and the seven-month fiscal period ended December 31, 2019, the Company generated revenue from each of its three principal revenue streams as follows:

Revenue Stream	**Fiscal Year Ended December 31, 2021**	**Fiscal Year Ended December 31, 2020**	**Seven Month Fiscal Period Ended December 31, 2019**
Product Sales	$ 19,245,130	$ 13,932,871	$ 3,955,997
Technology Services	$ 5,295,779	$ 3,417,501	$ 47,633
Renewable Software Licensing	$ 1,394,070	$ 335,280	NIL

See also "Risk Factors - *Our quarterly results of operations may fluctuate. As a result, we may fail to meet or exceed the expectations of investors or securities analysts which could cause our share price to decline*."

Once AR technology is widely adopted, NexTech anticipates that revenues derived from NexTech's AR technology services and renewable software licensing such as Threedy.ai will eventually comprise the majority of its revenues. The Company recognizes revenue in accordance with IFRS 15 Revenue from contracts with customers. Revenue represents the fair value on consideration received or receivable from customers for goods and services provided by the Company, less any discounts and sales taxes. The Company generates revenue from the sale of home appliances, supplements and technology services using sales channels, e-Commerce Platforms and/or its physical retail store. A summary of how revenues are earned by the Company is set out below.

Sales Channels

A customer searching for a product may encounter the Company's products through a sales channel such as Amazon or Ebay. Once the customer purchases the product through the sales channel, the Company receives a notification and then fulfills the product order from the Company's warehouse located in California. In certain cases, the Company may store products at a third party warehouse and pay a pick, pack and ship fee. The warehouse will then ship the products to the customer. The Company will receive revenue for the sale of the product less any costs once the product has been shipped. In addition, the Company will pay a marketplace fee to the sales channel. Revenue recognized from sales channels excludes sales tax and is recorded net of discounts and an allowance for estimated returns unless the terms of the sale are final.

e-Commerce Platforms

A customer searching for a product will visit one of the Company's e-Commerce Platform direct websites. Once the customer purchases the product through the e-Commerce Platform, the Company receives a notification and then fulfills the product order from the Company's warehouse located in California. The warehouse will then ship the products to the customer. The Company will receive revenue for the sale of the product less any costs once the product has been shipped. Revenue from the e-Commerce Platform recognized excludes sales tax and is recorded net of discounts and an allowance for estimated returns unless the terms of the sale are final.

Retail Store

A customer searching for a product will visit the Company's retail store in California. Once the customer purchases the product at the retail store, the Company would record revenue at the point of sale. Revenue recognized from the retail store excludes sales tax and is recorded net of discounts and an allowance for estimated returns unless the terms of the sale are final.

Technology Services

The Company sells software licenses on a specified term basis, with customer held options for renewal. Recognition of revenue from the sale of licenses is recognized at the time that the software has been made available to the customer and is recognized ratably over the term of the related agreement. Revenue from contracts for virtual events and technology services, other than software licenses, is recognized on a percentage of completion basis once the customer has entered into an agreement with the Company. Services included in the fixed price contracts are not distinct and determinable, therefore the entire purchase price is allocated using percentage of completion. The Company does not recognize contract assets or liabilities as these contracts are short term and completed within a year. In most cases, the Company obtains a non-refundable deposit up-front and also collects the final payment prior to the Virtual Event date or the date the technology services are provided. There is a timing difference between the date the contract is signed (i.e. the contract being booked) and the date when the Company recognizes the revenue from the contract.

Summary - NexTech's Technology Solutions

NexTech has developed and continues to innovate on a proprietary AR platform which helps democratize the development and display of AR content. This technology stack covers the pipeline of an AR experience from creating 3D models, through to distributing AR experiences to wide audiences while keeping the barriers of entry to this technology as low as possible without compromising quality and innovation.

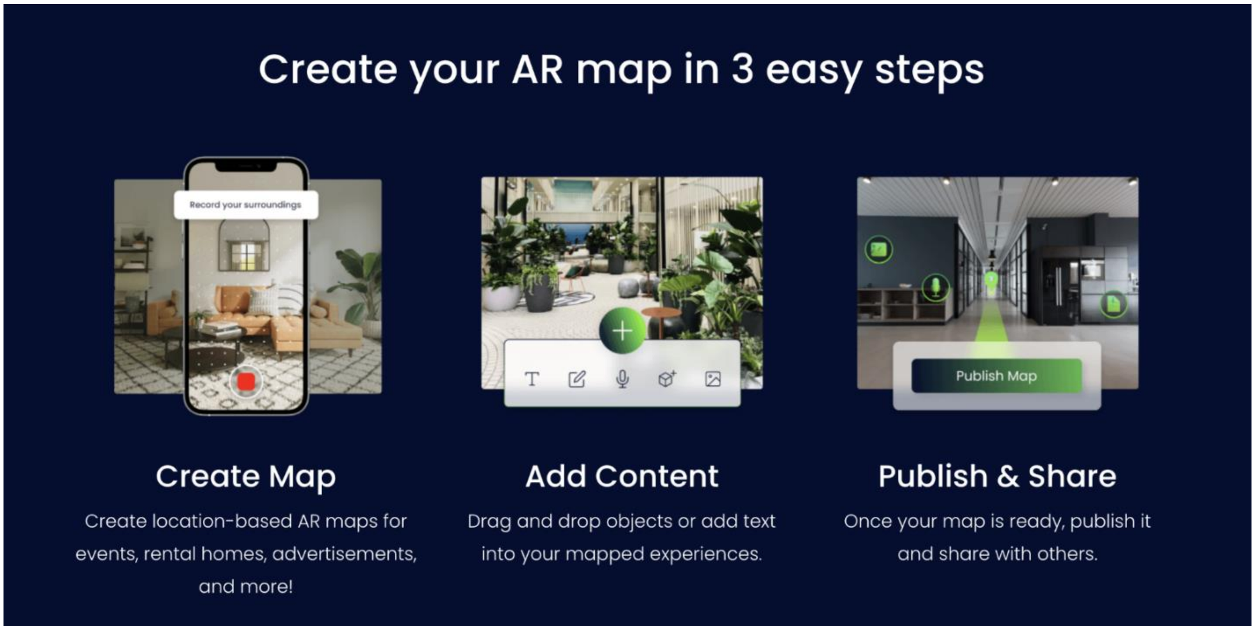
NexTech's Augmented Experience Platform consists of various AR products, as further detailed below.

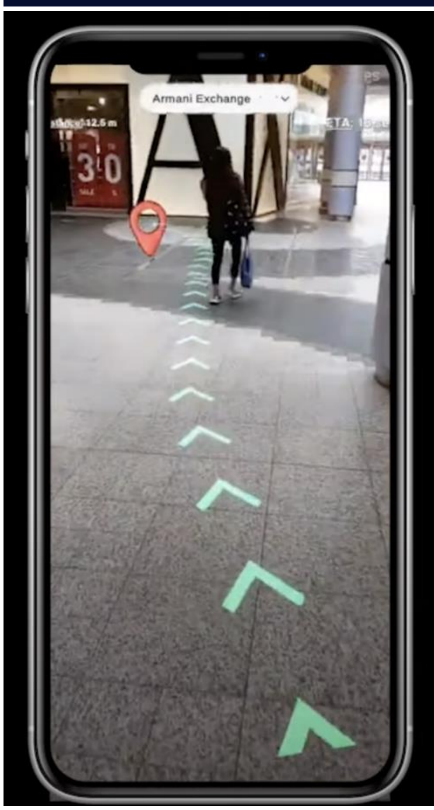
NexTech's technology stack includes the following core elements:

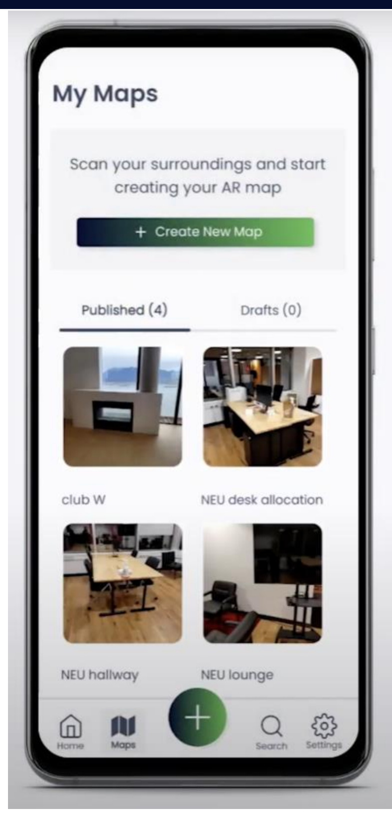
1. ARitize Maps
2. ARitize 3D
3. ARitize Swirl
4. ARitize Social Swirl
5. ARitize CAD
6. ARitize Decorator
7. ARitize Holograms
8. ARitize CPG
9. ARitize Labs
10. ARitize Events 3D
11. ARitize Portals
12. ARitize Capture
13. ARitize Play
14. Map D

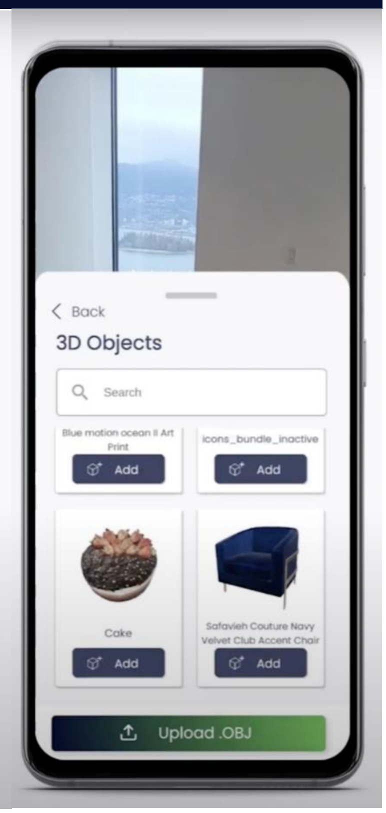
<u>ARitize Maps</u>

An all-in-one metaverse creation studio allowing users to spatially map their location and populate it with interactive 3D objects, navigations, wayfinding, audio and more. ARitize Maps is a smartphone application available on iOS and android for authoring, sharing and viewing location-persistent AR experiences and AR Navigation. It is a self-serve solution, and all is done on a smartphone device in a matter of minutes.



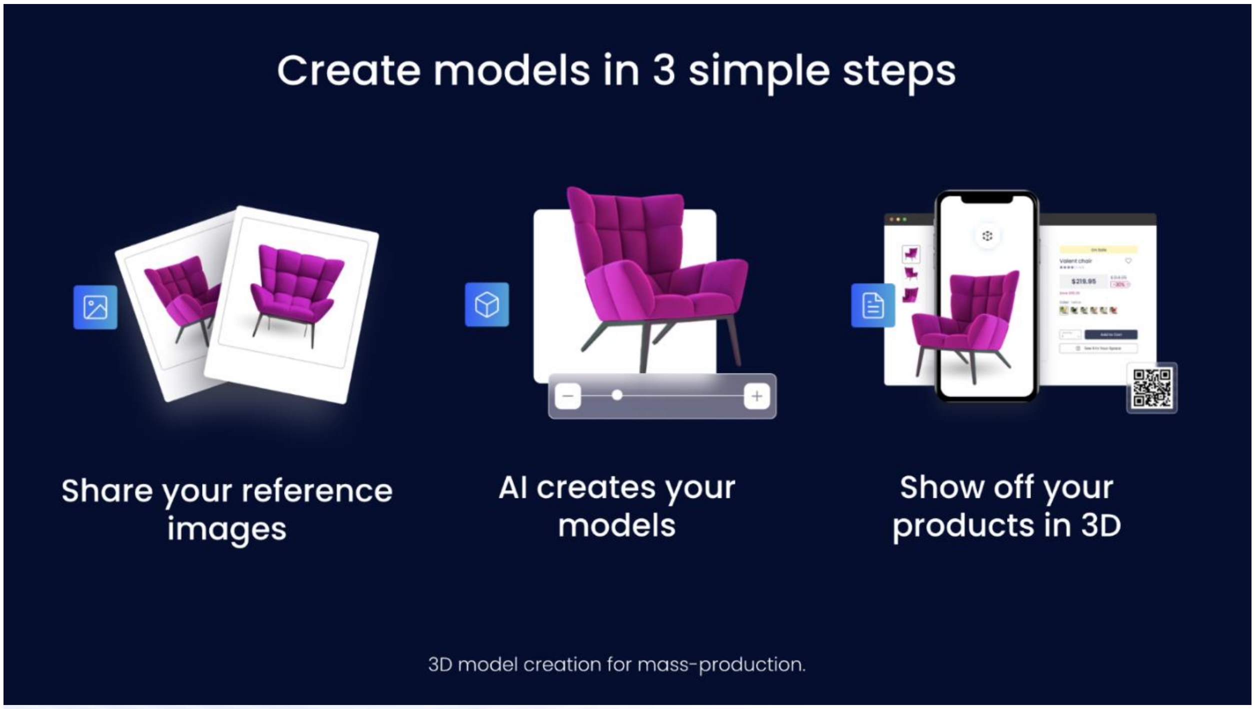


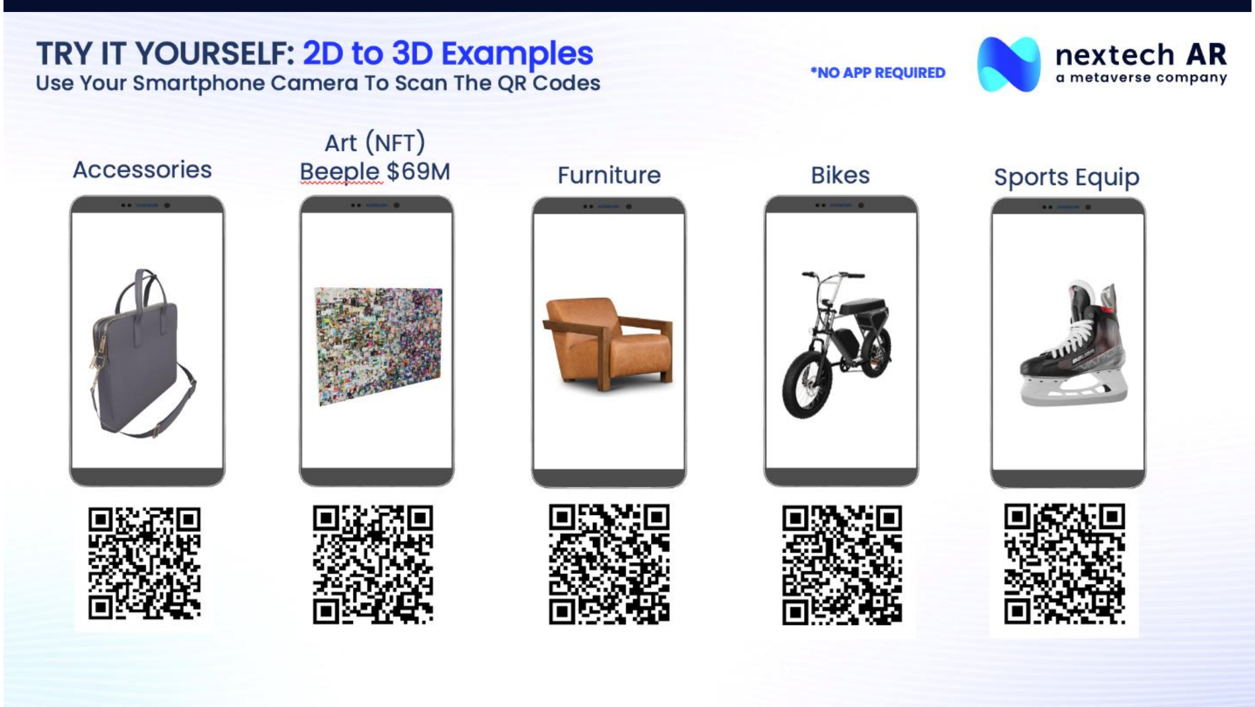




<u>ARitize 3D</u>

A WebAR Solution for eCommerce that is a component of the NexTech AR platform and is an end-to-end AR platform with content creation, hosting and viewing of AR/3D assets all in one. ARitize 3D for eCommerce tools give users the ability to embed a 3D model in a product page on an ecommerce website. This embedded experience, once rendered in a shopper's browser, will provide a 3D model experience that a shopper can easily manipulate and explore. Works across all mobile and desktop devices on the web.

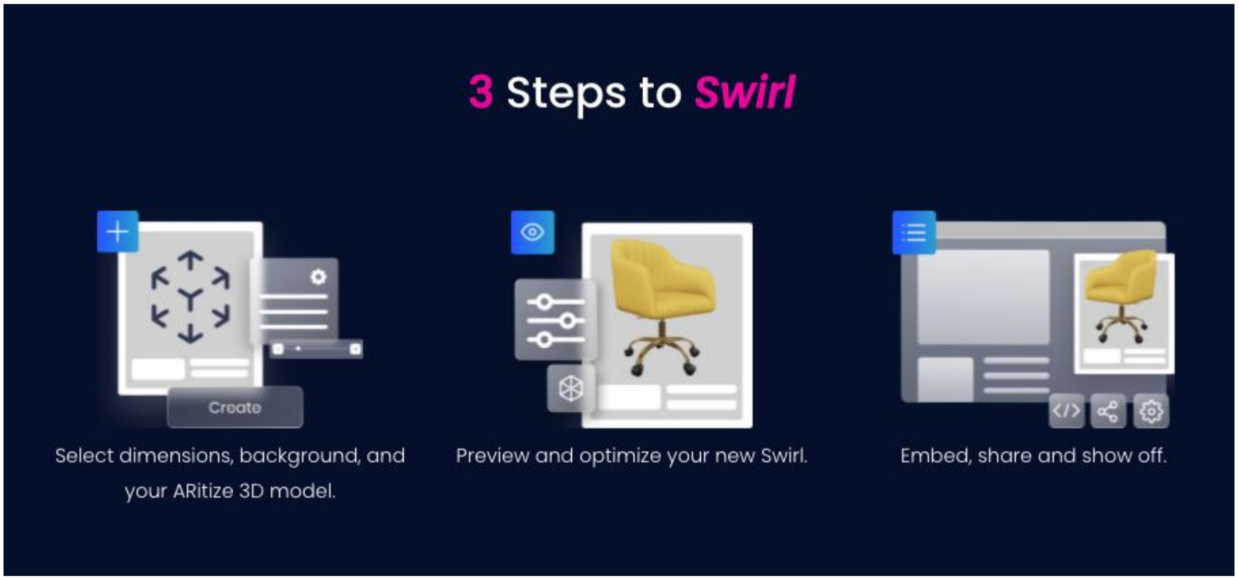


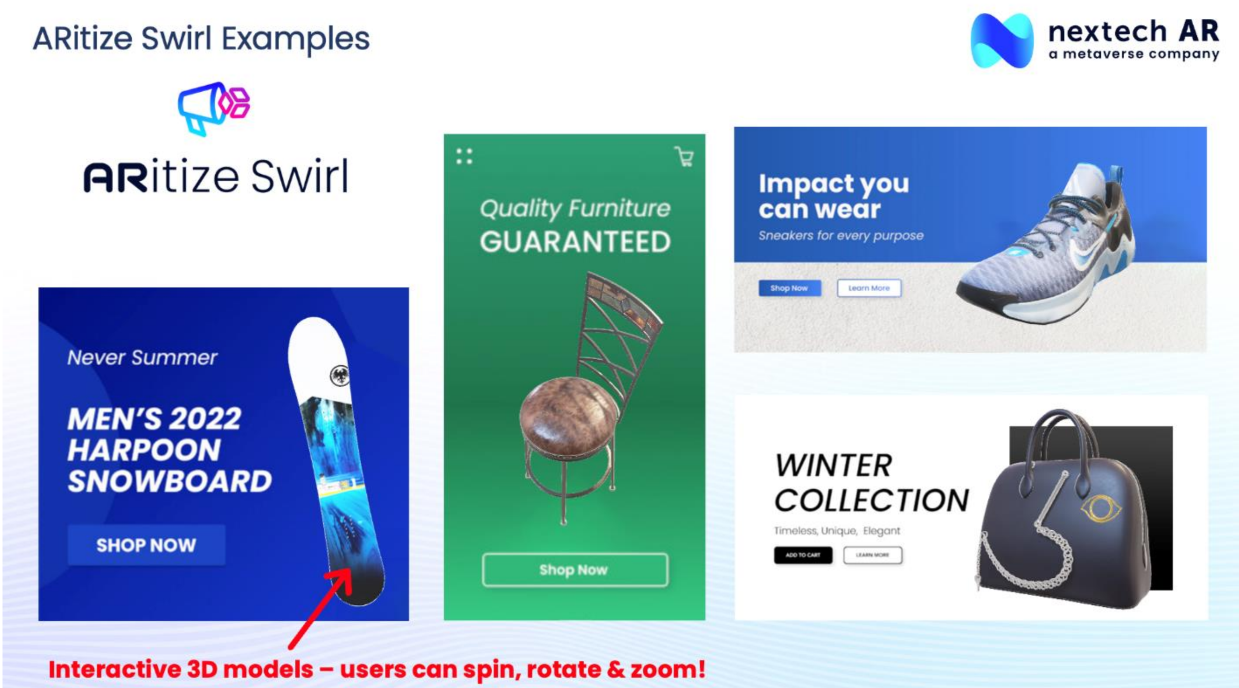


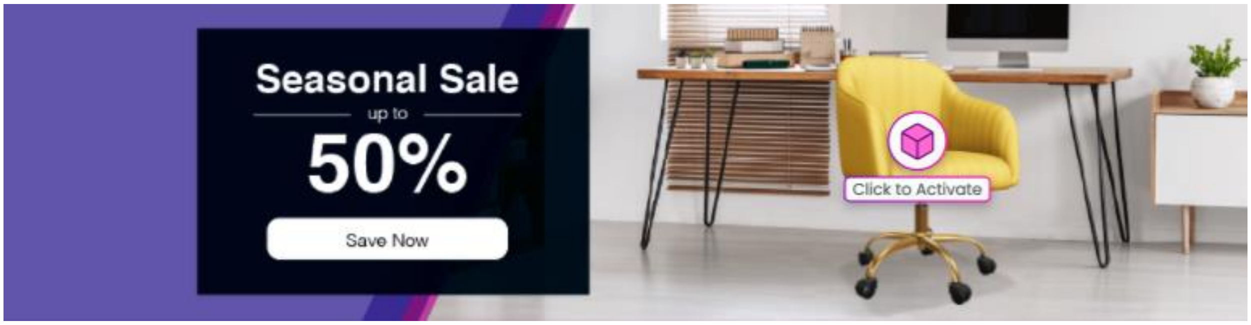
ARitize Swirl

An ARitize Swirl is a swirling (rotating) 3D asset on the header or page of an ecommerce website. In a few simple steps, any customer can create a fully interactive ARitize Swirl 3D/AR banner using their existing

3D models and embed them into their ecommerce website to create 6X higher purchase intent, increase conversions and click-through rates. The ARitize Swirl self-serve creator tool is an upsell opportunity for existing ARitize 3D clients, and allows for the creation and management of 3D and AR banners for their ecommerce websites, highlighting the products that clients wish to promote.





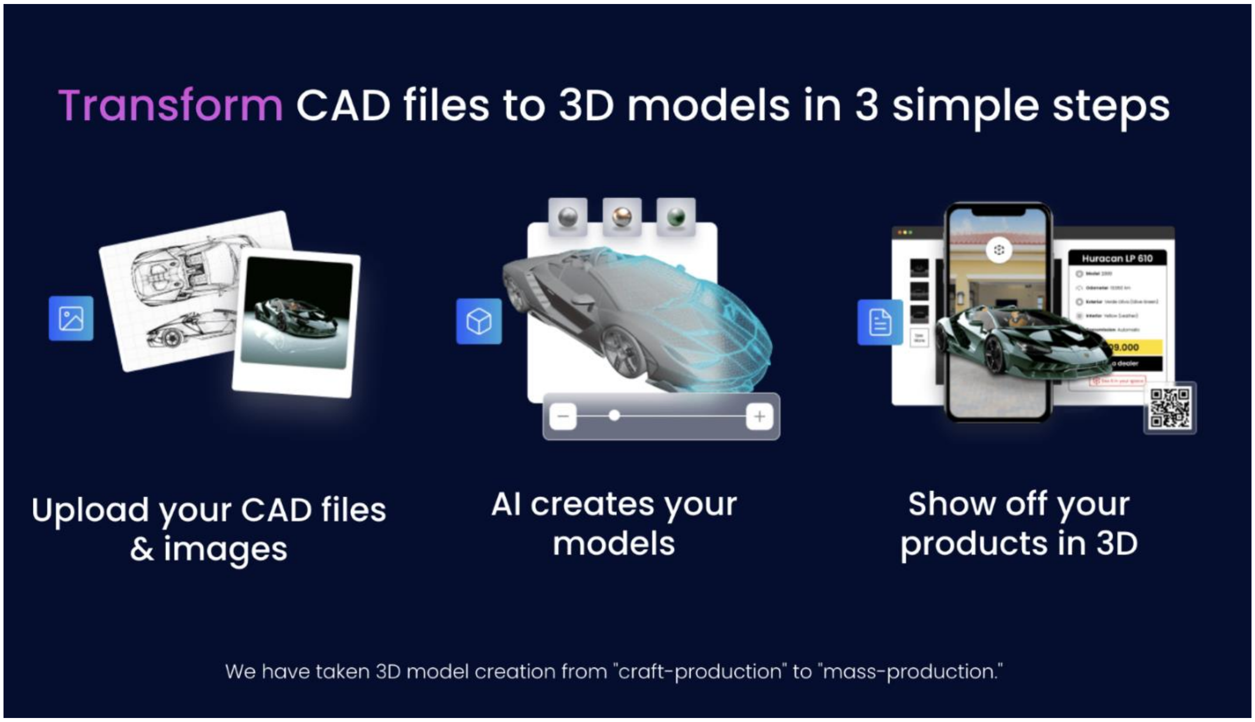


<u>ARitize Social Swirl</u>

ARitize Social Swirl is a social media AR filter designed to promote and visualize ecommerce products in an interactive and shareable way. Available for Instagram, Meta, and Snapchat, ARitize Social Swirls are designed to create new engagement opportunities for customers. ARitize Social Swirl is a managed service where Nextech creates ads for clients with their existing 3D models, or from Nextech's existing list of AR templates, to be advertised on the client's Instagram, Facebook and Snapchat. Nextech also creates custom filters to match client's branding. When users click on the ad, they can see the product in 3D in their space, giving the user the ability to experience and interact with the product, before sending them to the client's website to purchase the product.

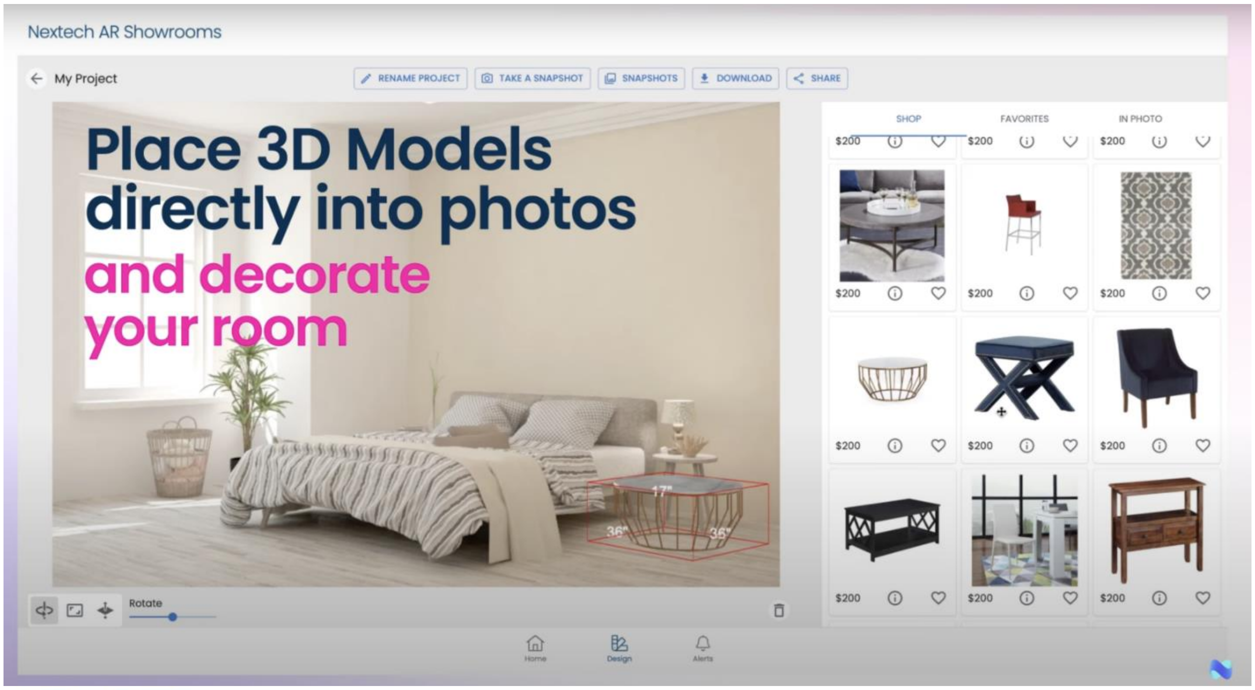
<u>ARitize CAD</u>

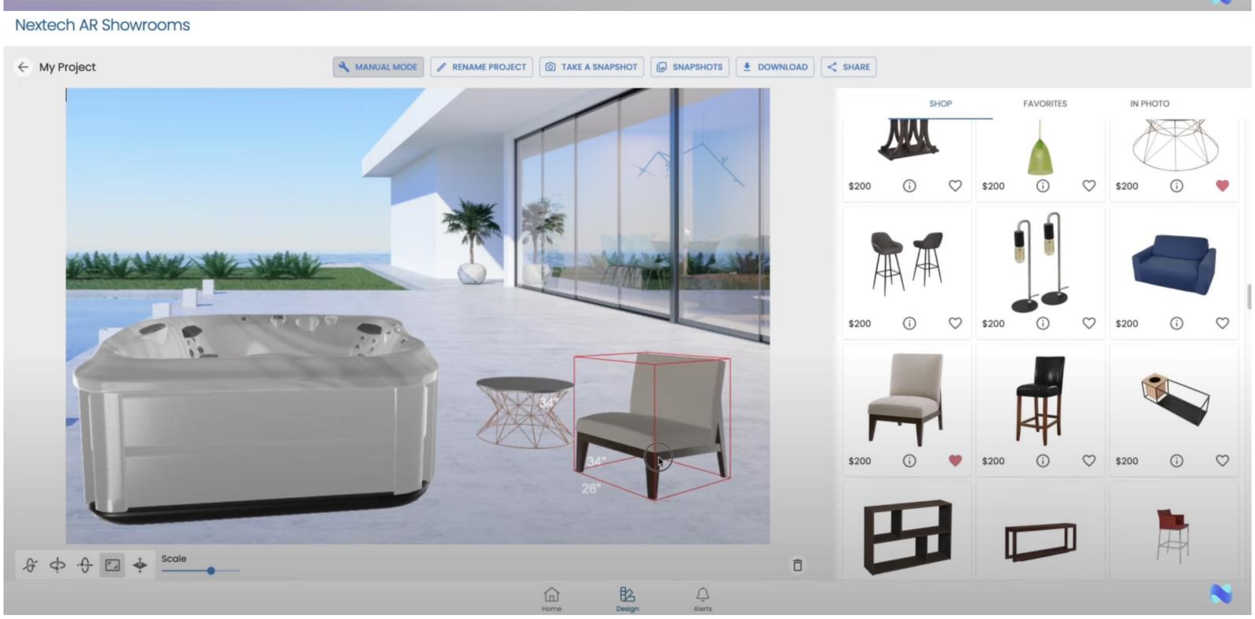
ARitize CAD enables the conversion of CAD files into 3D/AR models at scale. CAD is a function of product engineering. Industrial designers, working for product manufacturers, use CAD software (e.g., AutoCAD, SolidWorks, etc.) to design many of the products in the modern world. Using ARitize CAD, those files can be converted to 3D/AR models with the creation of photo realistic, fully textured 3D models from raw CAD models and reference images. This technology creates optimized 3D meshes that are suitable for 3D and AR applications.



<u>ARitize Decorator</u>

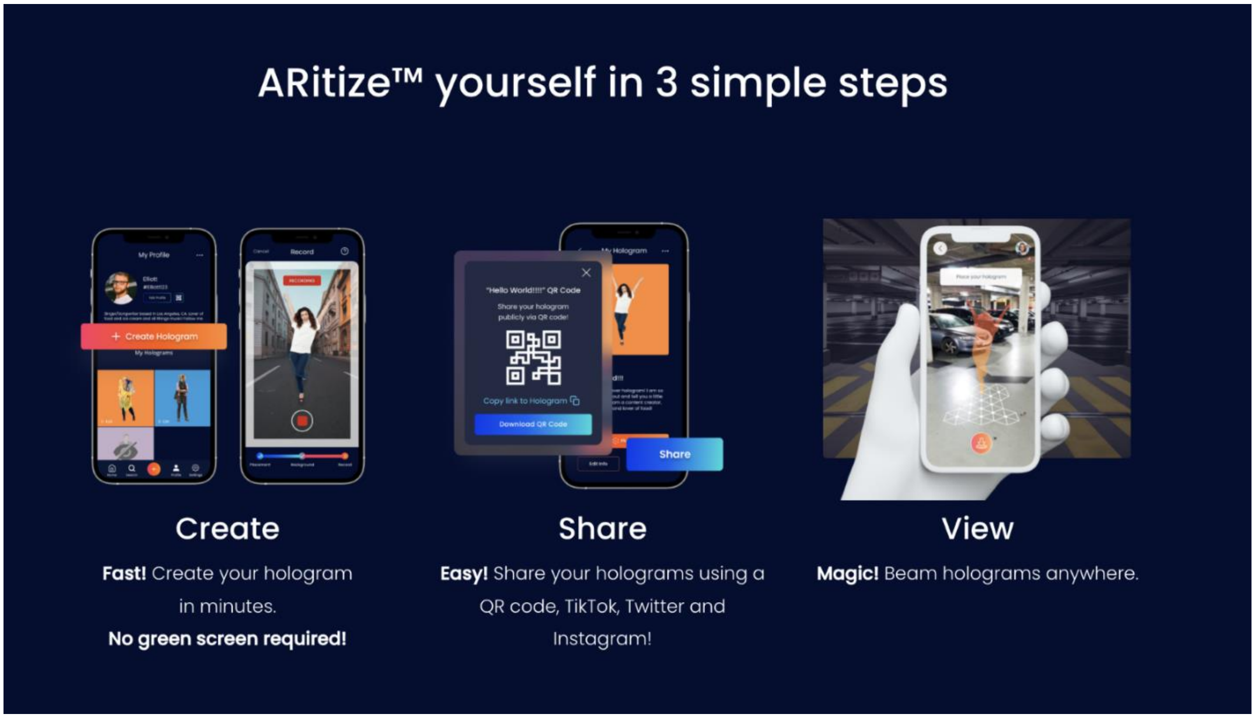
ARitize Decorator enables customers to virtually preview home furnishing and decor in a desired location, using just a simple 2D photo of a room. The solution uses Nextech's AI to analyze a room layout automatically and then parses out room surfaces, reconstructs the scene, and allows 3D objects to be seamlessly placed inside a 2D photo, as if they were part of the room.



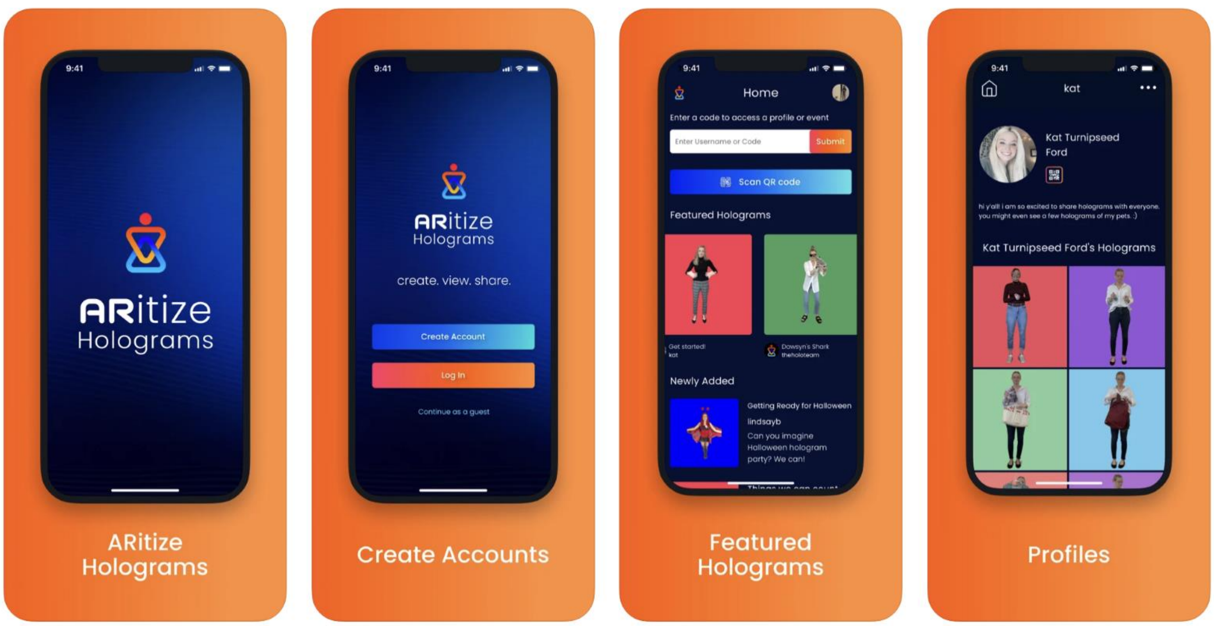


<u>ARitize Holograms</u>

ARitize Holograms is Nextech's human hologram creator mobile app. Currently available in the apple iOs store. ARitize Holograms lets you CREATE, SHARE and VIEW holograms on your smartphone device. It is as easy as creating a video. No green screen or technical equipment required; anyone can create themselves as a human hologram in minutes.

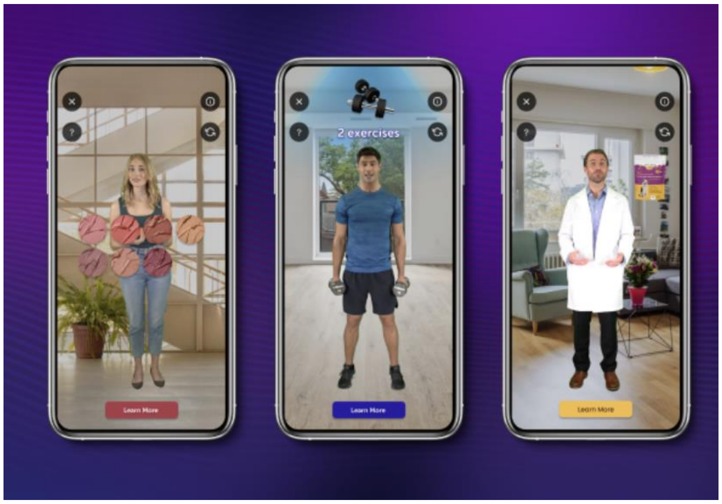


iPhone Screenshots



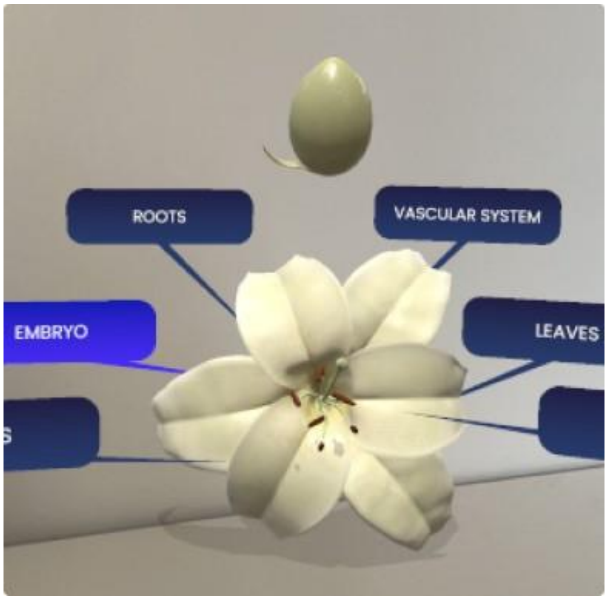
<u>ARitize CPG</u>

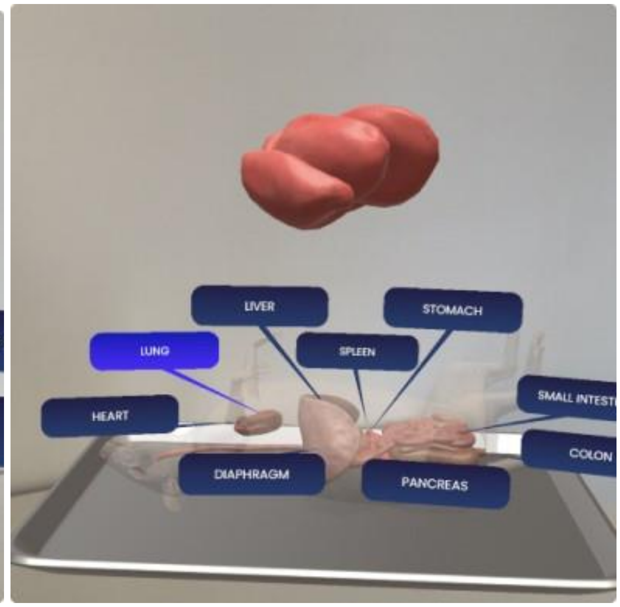
ARitize CPG (CPG = Consumer Packaged Goods) is an Augmented Reality hologram experience, triggered by a visual anchor such as a QR code placed on product packaging, in-store aisles or end-cap displays. This interactive AR hologram takes smart packaging to a new level with exciting 3D objects, innovative visual effects and engaging episodic content.

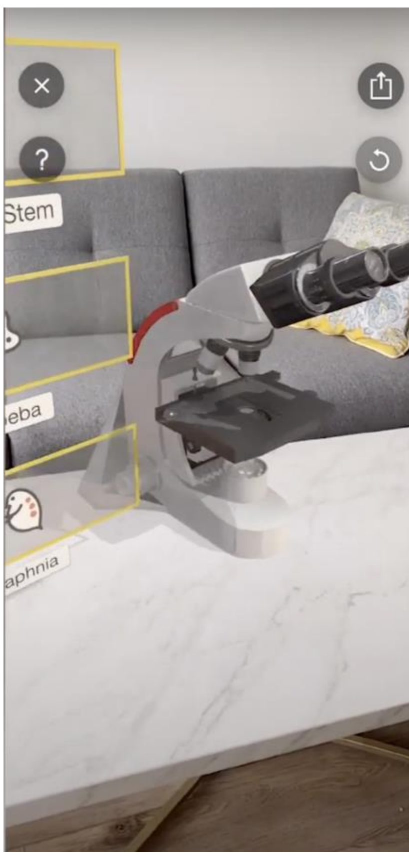


<u>ARitize Labs</u>

With ARitize Labs, higher education institutions can bring classrooms to life with immersive and engaging augmented learning labs. Using Nextech's ARitize Play app, students are welcomed into a virtual learning lab, where they can interact and learn in 3D, mimicking a traditional lab environment. The Nextech AR platform allows users to design, build and publish native AR experiences for delivery through a learning platform. These learning experiences provide students the opportunity to learn through pre-recorded AR learning objects on their smart phones, tablets and AR headsets.



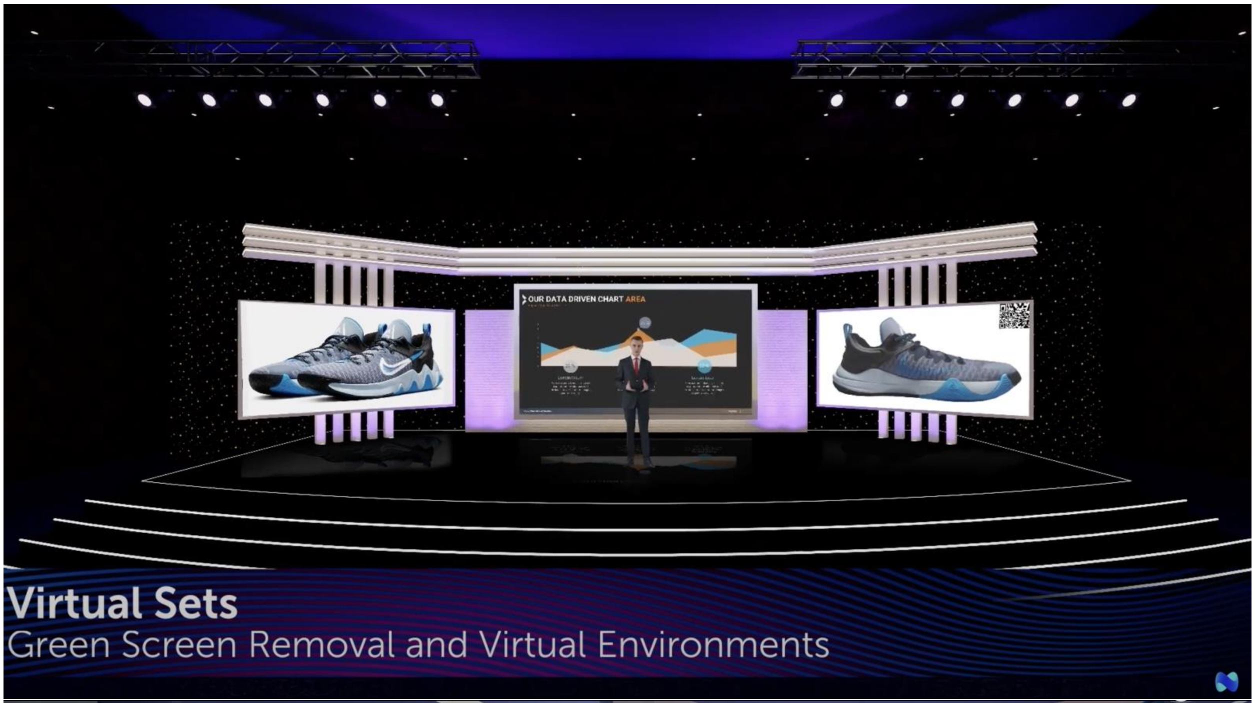


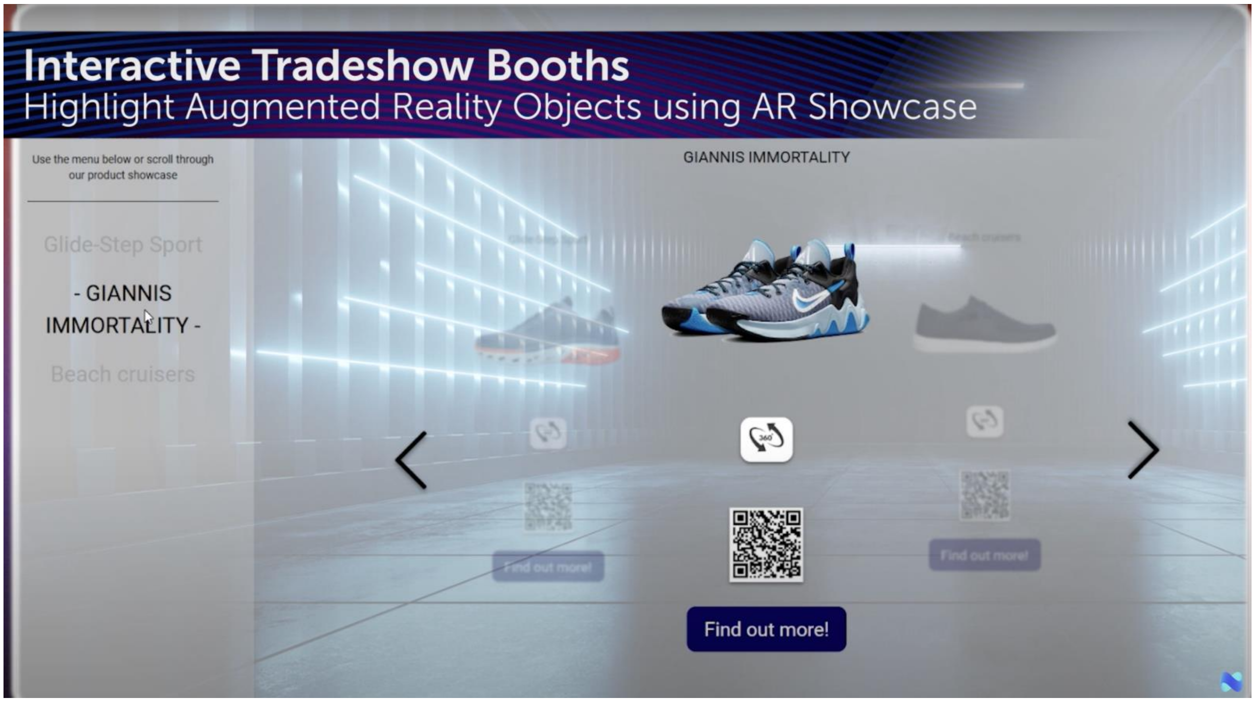


<u>ARitize Events 3D</u>

ARitize Events is Nextech AR’s virtual and hybrid events platform. ARitize Events self-serve platform enables customers to create stunning floor plans, unique exhibitor booths, poster sessions, and more.
ARitize Events 3D allows companies to fully brand their experiences and enrich them with NexTech's Augmented Reality Products like AR (Live) Streaming Holograms, AR Portals, or AR 3D Objects. A LiveX

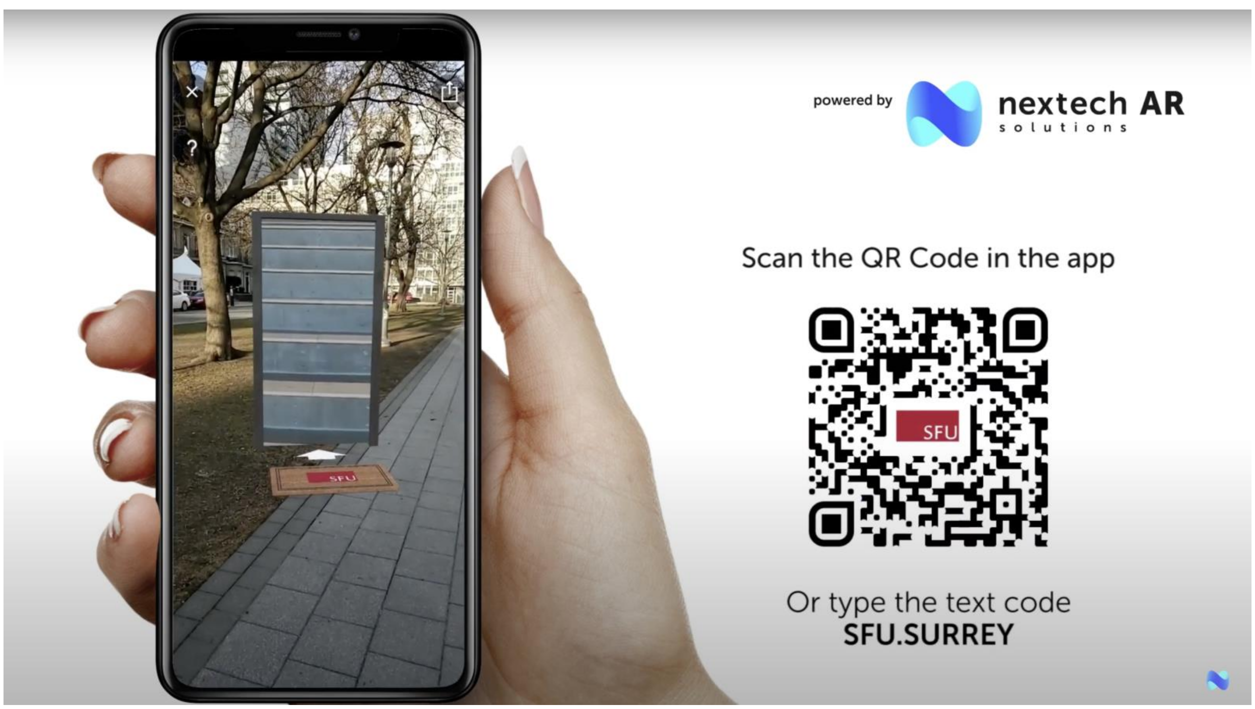
digital experience is built using preconfigured components and engages audiences on a more human level with an interactive, (live-) streaming and multimedia content platform. These are the building blocks; (live) streamed video sessions, on-demand video, AR enhanced video, collaborative meetings, networking, chat, polls, Q&A, and many more.

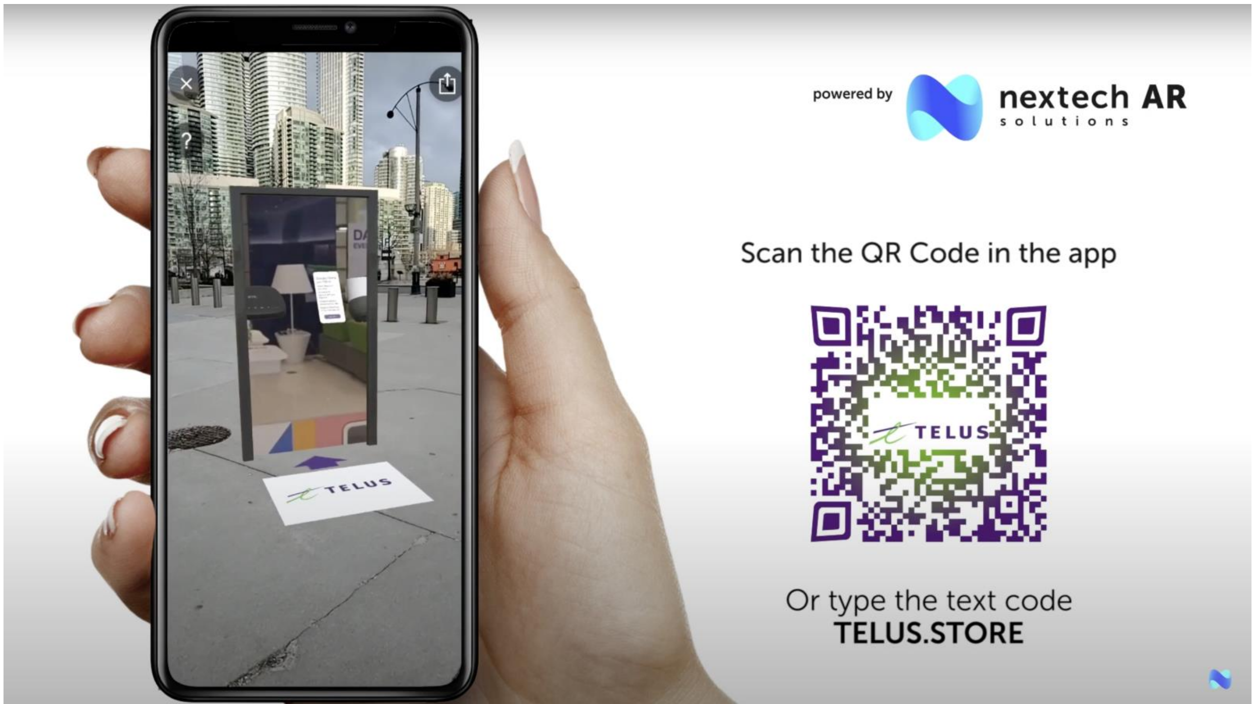


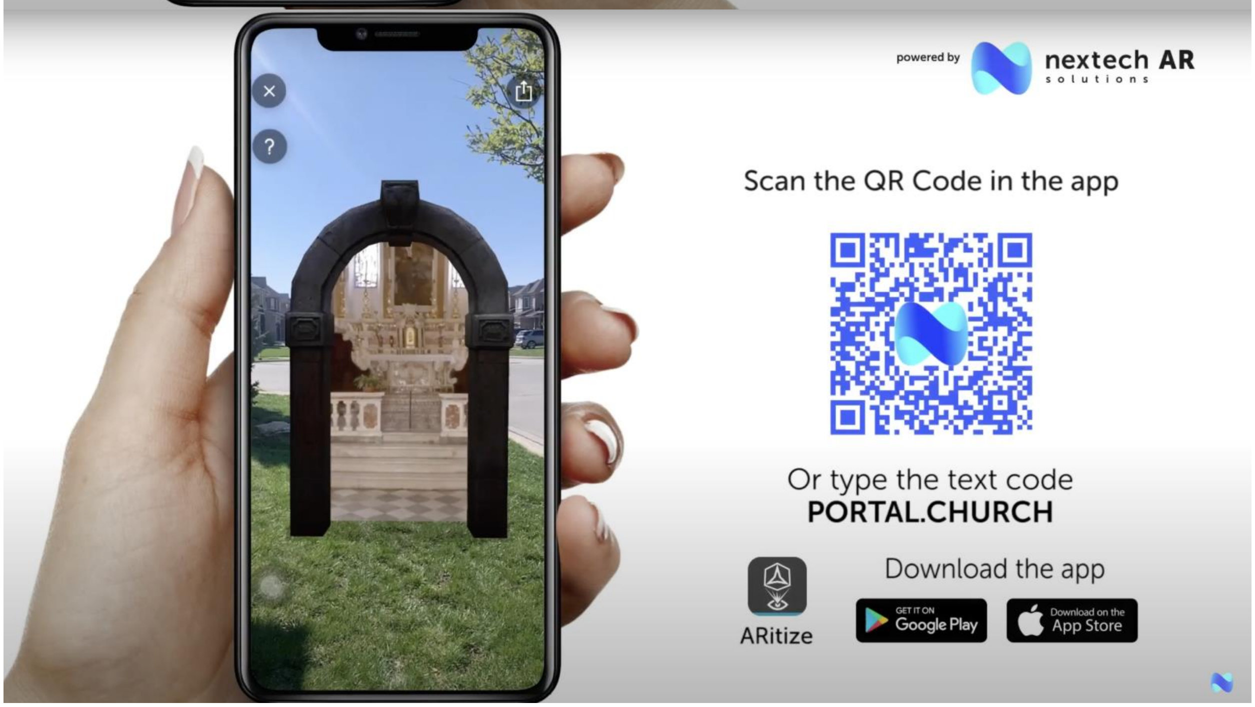


ARitize Portals

With ARitize Portals, users can transport themselves into new environments using augmented reality. Users can place the portal in their space using a smartphone, then walk through the portal to enter a new world. Users can look up, down, and around 360 degrees to view completely new surroundings through augmented reality.

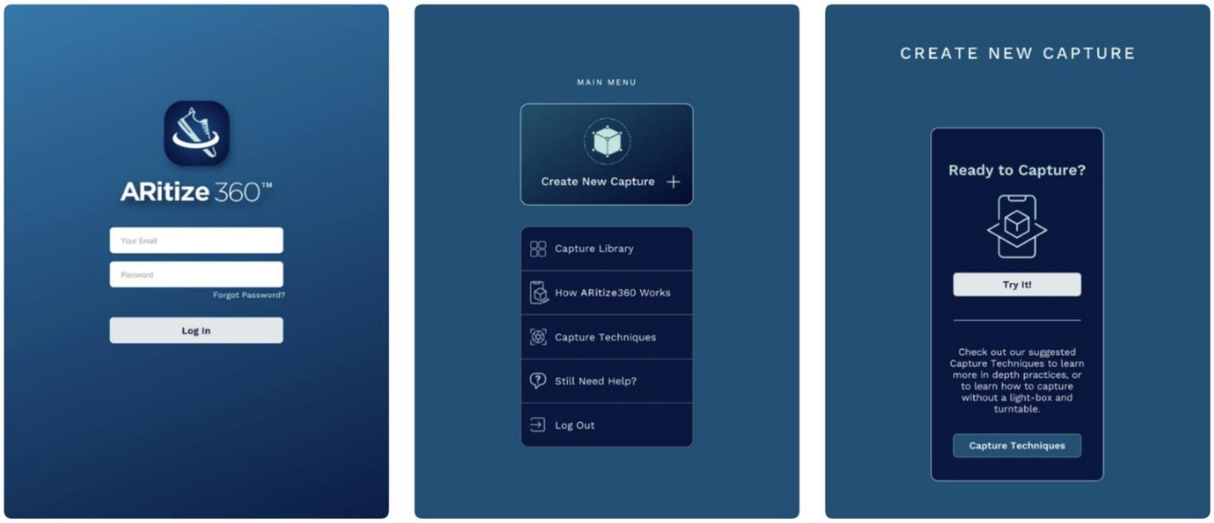






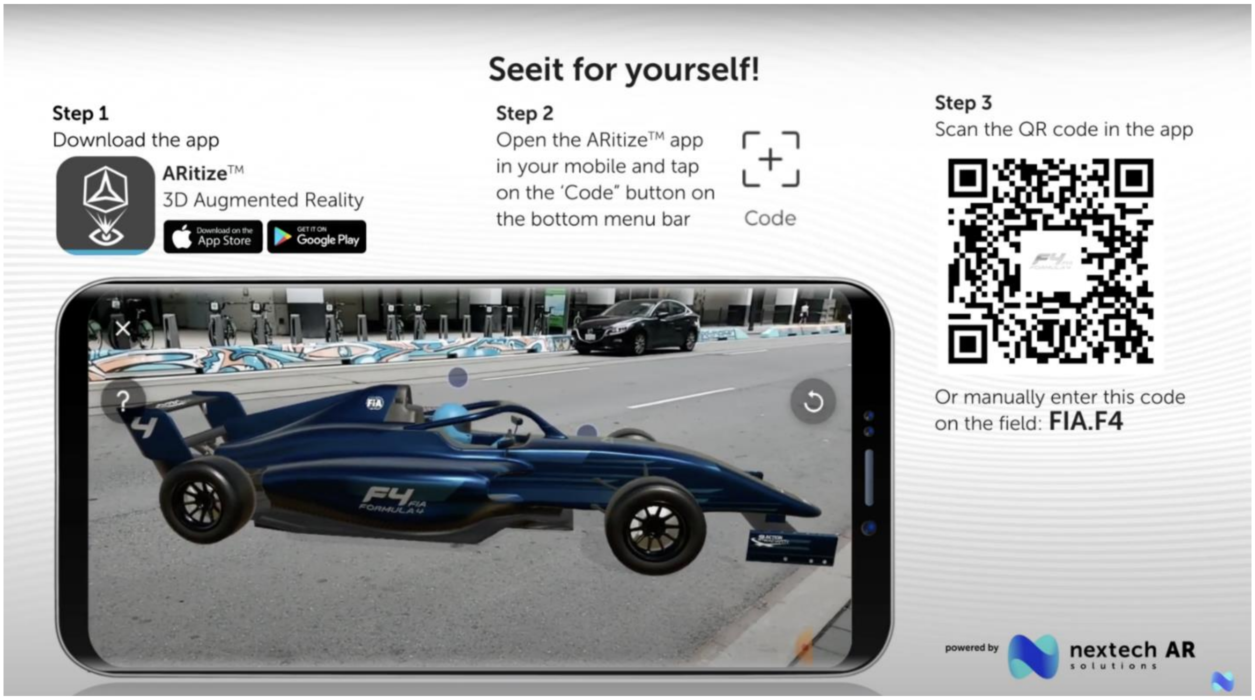
<u>ARitize Capture</u>

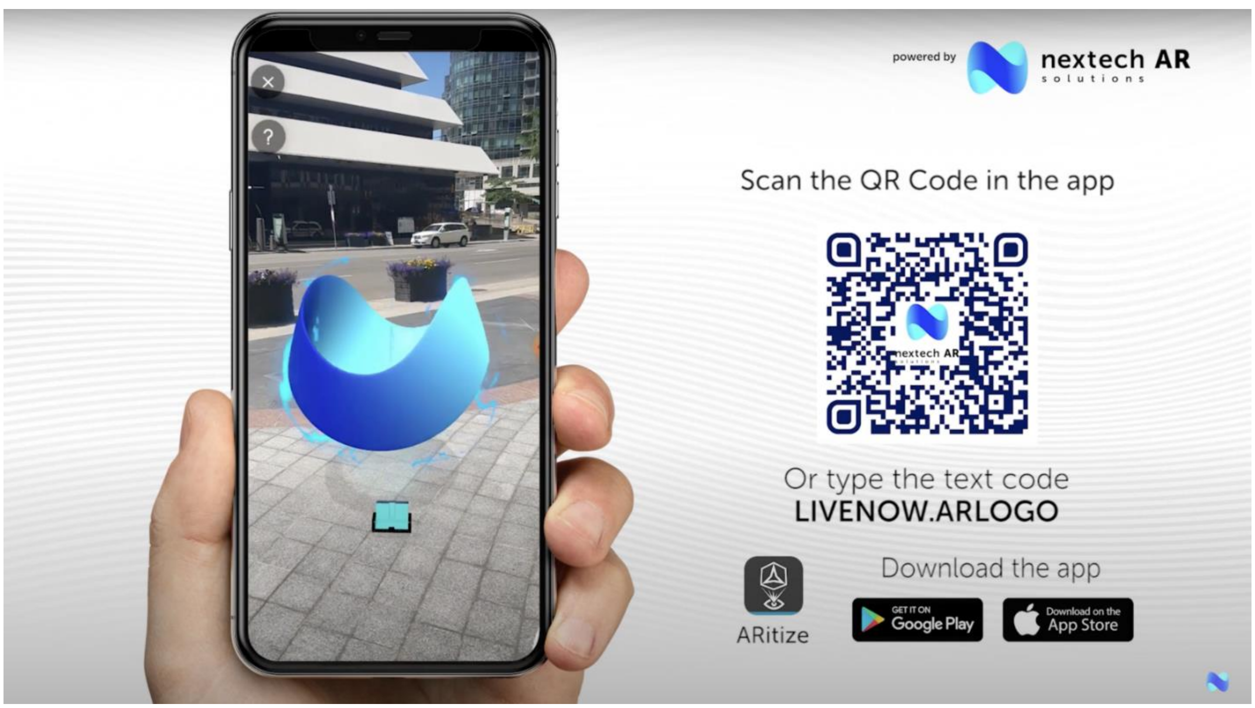
Formerly known as ARitize360. ARitize Capture allows the user to create 3D augmented reality photo realistic models right from their smartphone. The main purpose is to turn products into 3D models to enhance the user experience and create engagement with the products. Users can experience the product from every angle, zooming into the minutest of details and product features.



<u>ARitize Play</u>

Formerly known as the standalone app called ARitize. ARitize Play is a mobile app that lets users experience immersive augmented reality technology. This app is used to scan QR codes that launch exciting augmented reality experiences for consumers and users of all ages. Users can engage in these immersive experiences, which include 3D AR products, portals, AR labs, human holograms, and more.

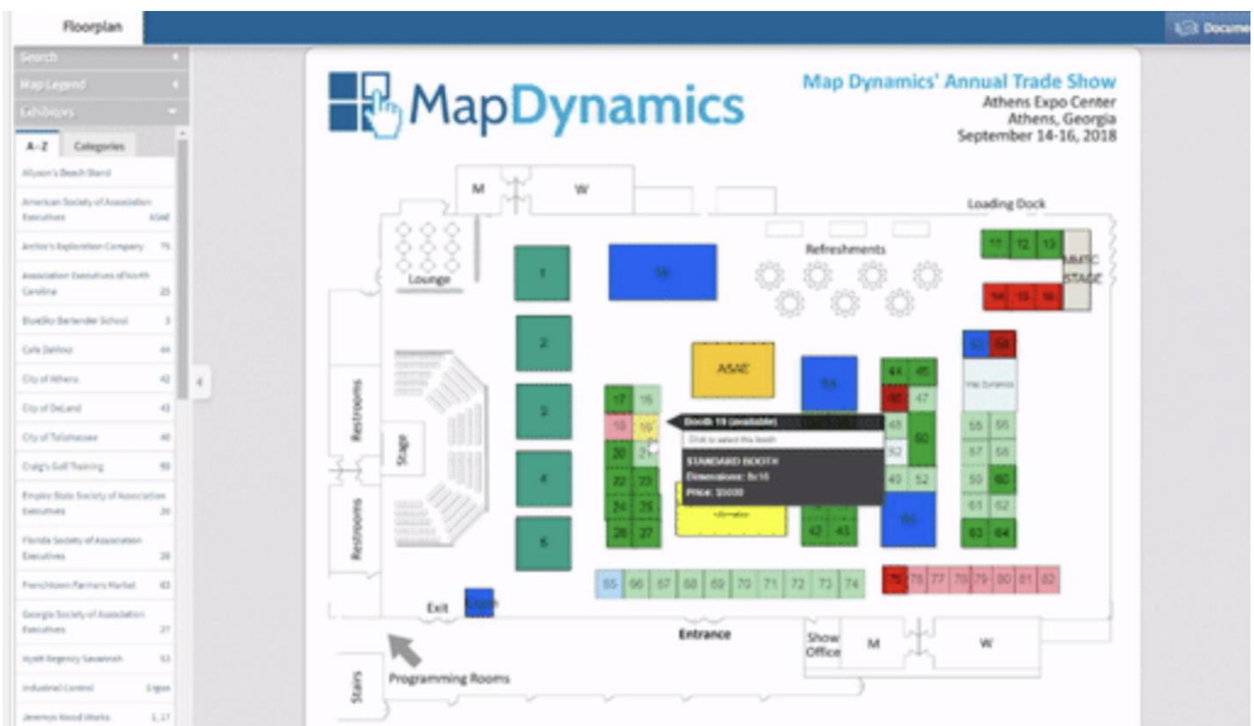


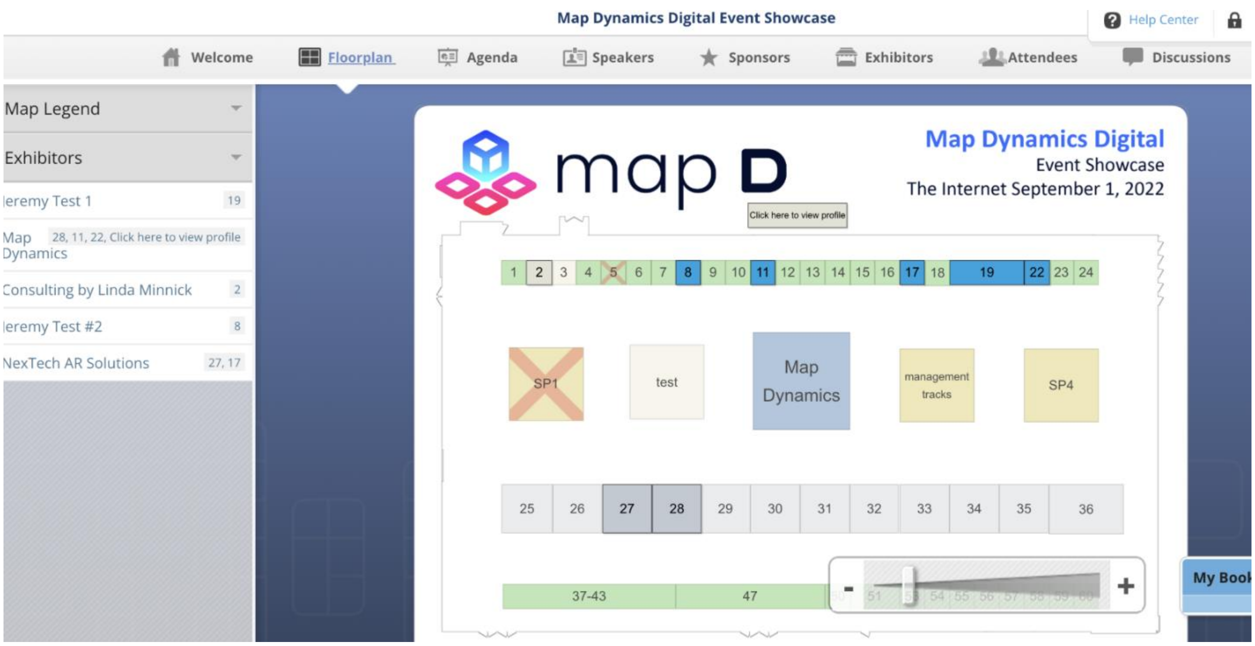


Map D

Map D is a self-serve virtual events platform that allows organizers to create, host, and manage live events for over 100,000 attendees both online and in our branded native event application. The platform supports live video, chat, networking, and analytics, reporting for associations, conferences, trade shows, webinars, summits, forums, workshops, and hybrid events.


Home
Floorplan
Sponsors
Marketplace
Map Legend
Exhibitors
EXIT
SECTION K
SECTION I
Exhibitors
A-Z
Z-A
By Category
A Spice Above
We sell gourmet all natural food products. We have...
a Wink & a Nod
Gift & Accessory Boutique featuring versatile bags, premium drinkware, unique...
Ab Astris Winery
Ab Astris is a family-owned, boutique winery in Stonewall, Texas,...
AKT Plano West
AKT is a dance based cardio fitness and wellness brand,...
Alaska Fur Gallery
Shop the best luxury outerwear in the country at Alaska...
MacBook
Administrative Tools
My Shows
Dashboard
Show Setup & Settings
Mobile App
Embed & API
Speakers & Schedule
Registration & Orders


Floorplan
MapDynamics
Map Dynamics' Annual Trade Show
Athens Expo Center
Athens, Georgia
September 14-16, 2018
Loading Dock
Refreshments
Lounge
Restrooms
Stage
Exit
Entrance
Show Office
Programming Rooms
Stairs



Other E-commerce Platforms

NexTech's business strategy has been to create new products, marketplaces and platforms organically or through acquisition. As NexTech developed and built its AR solutions it also targeted and acquired other various e-commerce platforms. NexTech also owns the following platforms and marketplaces:

1. *vacuumcleanermarket.com:* A vacuum cleaner retailer focused on high-end residential vacuums, supplies, and parts through their retail location and online sales channels.

2. *infinitepetlife.com*: A health food supplement for animals through online sales channels.

3. *trulyfesupplements.com:* A health food supplement for humans through online sales channels.

4. *nextlevelninjas.com :* A platform that provides services to help vendors using e-commerce platforms such as: Amazon, Walmart, Shopify, Ebay, Etsy to increase sales volumes in-order to achieve better organic search rank. Next Level Ninja gives vendors a platform to manage campaigns to achieve goals.

NexTech has operationalized these platforms with its technology solutions. NexTech offers an opportunity across the consumer journey starting with 3D AR advertisements, leading customers to e-commerce platforms with AR products, while "walking" into a visiting a virtual store and having the brand ambassador with episodic content in the customer's home.

Principal Markets & Customers

NexTech's e-commerce business is a diversified portfolio of consumer products offering household small appliances, human health supplements, and pet health products through the above listed e-commerce platforms. Consumers can also purchase these products through online marketplaces such as Amazon, Walmart and eBay.

NexTech's technology solutions can be utilized across a vast number of market segments and verticals. The initial primary markets targeted are retail, consumer brands, education and entertainment across North America, Europe, Middle East and the Asia-Pacific and Japan regions. As the Company's technology has been adopted, NexTech has several enduring use cases that have pointed to further market segments including virtual and hybrid events, consumer packaged goods, education and training, telemedicine, professional speakers & authors, political candidates, faith groups, medical, health & wellness.

Distribution Methods

NexTech's e-commerce business fulfils sales through its California warehouse and retail location, while marketplace sales are fulfilled by the distribution channels of the respective marketplace.

The majority of NexTech's technology sales originate from the Company's direct sales channel. NexTech's direct sales force is located globally and focuses on North America, Europe, Middle East and the Asia-Pacific and Japan regions. The Company's sales personnel are equally focused on the management of existing accounts and sales to new customers.

The Company's technology sales representatives tasked with new customer acquisition have expertise in the vertical markets specific to the target customers and their region. In addition to the Company's direct sales channel, NexTech has employees and contractors, referred to as "industry principals", who are specialized experts and thought leaders in the markets which the Company serves. These individuals provide NexTech's current and target customers with expert perspectives on process innovation and leading technology trends within their industries, which can increase our prospects' confidence.

NexTech continues to develop our partner ecosystem to further scale business and expand the Company's technology solutions into new and existing target markets. NexTech's ideal partners are trusted advisors in the industry.

Products and Services

In certain situations, NexTech provides professional technology services to customers. These can include designing, building Virtual Events and publishing AR content for our customers. Professional services work closely with customer support services, which take over after the solution has been delivered to a customer and is in use.

Specialized Skill and Knowledge

The Company employs individuals with a wide range of professional and technical skills, and expertise in the course of pursuing and executing its business strategy. In addition, the Company has access to various specialized consultants to assist in areas where full time employees are not required. These professional skills include, but are not limited to, AR development, mobile app development, web services development, environmental/social, financial and business skills, which are widely available in the industry.

Drawing on significant experience in the technology business, NexTech believes management has a demonstrated track record of bringing together all of the key components required for a technology company, such as strong technical skills, expertise in planning and financial controls, ability to execute on business development opportunities, capital markets expertise, and significant entrepreneurial experience which provides the foundation for NexTech to effectively identify, evaluate and execute on value added initiatives.

Competitive Conditions

The Company's e-commerce business leverages its AR technology such as Genie in a Bottle and AR Models to increase customer engagement for its products.

NexTech's technology business plan leverages an early, first mover advantage in the AR market to target various market segments, including training and development, branding and marketing and advertising. NexTech is competitively positioned to use this early success to enter adjacent markets with a proven track record of success.

While the Company does not believe that any specific competitor offers the distinct value proposition and integrated capabilities that NexTech offers, the market that makes up the AR and Virtual Events industry is rapidly evolving and highly competitive. NexTech notably competes with digital experience agencies, 3D asset creators and libraries and video conferencing providers.

NexTech has identified the following entities as the key competitors in the AR industry. All information below is estimated and based on NexTech's knowledge, information and belief unless otherwise stated.

- Snap Inc. (NYSE: SNAP) is an American camera and social media company using AR filters and "lenses" within social media.
- WiMi Hologram Cloud Inc. (NASDAQ: WIMI) is a Chinese builder and developer of holographic content with an extensive portfolio including 4,654 AR holographic contents
- Matterport (NASDAQ: MTTR) sells 3D cameras and virtual tour software platform help you digitize your building, automatically create 3D tours, 4K print quality photos for real-estate.
- Hopin is a privately held UK developer of a live online events platform designed to create captivating online events. The company's modular approach gives the ability to create event experiences through a variety of segments that are convenient for any number of people, enabling attendees to learn, interact, and connect with people from anywhere in the world.

NexTech has a technology stack for the publishing and distribution of AR across all verticals which is currently being utilized in e-commerce, Virtual Events, learning and training, digital advertising and entertainment. The Company is also unaware of a company that offers technology to anyone with a smartphone to capture and create 3D objects with photo-realistic, volumetric 3D AR at scale for mass adoption.

Intangible Assets and Goodwill

NexTech has acquired the following intangible assets as its business has grown. Intangible assets are recognized and measured at cost. Intangible assets with finite useful lives are amortized using the straight-line method over the useful life of the asset. The Company conducts an annual assessment of the residual balances, useful lives and amortization methods being used for intangible assets and any changes arising from the assessment are applied by the Company prospectively. The following table presents the Company's assessment of the useful lives of intangible assets:

Website	10 years
Customer relationships	5 – 10 years
Supplier relationships	5 – 10 years
Brand (Trademarks)	2 – 4 years
Technology	2 – 3 years

Goodwill represents the excess of the value of the consideration transferred over the fair value of the net identifiable tangible and intangible assets and liabilities acquired. Goodwill is allocated to the cash generating unit to which it relates.

Intellectual Property

NexTech's intellectual property rights are important to its business. In accordance with industry practice, the Company protects its proprietary products, technology and its competitive advantage through a combination of contractual provisions and trade secrets, patents, copyright and trademark laws in Canada, and the United States and other jurisdictions in which we conduct our business where applicable. NexTech also has confidentiality agreements, assignment agreements and license agreements with employees and third parties, which limit access to and use of our intellectual property.

In the early stage of the Company's business and development, the Company acquired and entered into licensing agreements that gave NexTech access to underlying patents and patent pending technology as well as the App Portfolio. See "*General Development of the Business - History*" above. These agreements include the licensing agreement with ARHT Media Inc; the assignment and purchase of the licenses and App Portfolio from Future Farm Technologies Inc. and AR E1 LLC; and the edCetra licensing agreement. As the Company continued to develop its stack of technology and formulate innovative solutions, NexTech determined that its internally developed technology provided a broader omni-channel experience and as a result NexTech focused its efforts away from those legacy agreements, acquired licenses, and the acquired App Portfolio. NexTech continues to invest in our research and development and build on our intellectual property.

The Company is currently in the process of applying for five patents with respect to its Threedy.ai and HoloX products as well as certain ancillary technology, as follows:

Patents	**Description**	**Date Provisional Patent Filed(1)**	**Status of Non-Provisional Patent Filing(1)**	**Jurisdiction**
N/A	**CREATING 3D MODELS FROM 2D PHOTOS AND APPLICATIONS** - *covers core AI algorithms for creating 3D models automatically from 2D photos and is the core of Threedy tech*	N/A	Non-provisional Utility patent to be filed by March 2022	United States
N/A	**EFFICIENT CREATION OF 3D MODEL AND APPLICATION** - *covers the virtual assembly line concept that helps scale 3D content creation from 2D photos*	N/A	Non-provisional Utility patent to be filed by March 2022	United States

N/A	**MATERIAL ESTIMATION FOR 3D MODELING AND APPLICATION** - *covers the AI/ML techniques for creating 3D textures and materials automatically from 2D reference photos*	N/A	Non-provisional Utility patent to be filed by March 2022	United States
N/A	**AUTOMATICALLY EXTRACTING TILEABLE UNITS FROM IMAGES** - *describes a method for compressing large textures with regular patterns to significantly reduce the size of the texture files*	N/A	Non-provisional Utility patent to be filed by March 2022	United States
N/A	**METHODS & SYSTEMS FOR CREATING OPTIMIZED 3D MESHES FROM CAD DRAWINGS** - *describes the technology and process we have built to covert 3D CAD files and other solid designs into optimized 3D meshes suitable for real-time visualization on the Web and AR*	N/A	Non-provisional Utility patent to be filed by March 2022	United States
Utility Patent Application	**AUTOMATIC BACKGROUND REMOVAL FOR HUMAN TELEPRESENCE** - *covers the technologies built into our HoloX app to create holograms without requiring a green screen*	January 2022	To be finalized for filing	United States

(1) There are two different types of utility patent applications in the United States: (i) provisional applications; and (ii) non-provisional applications. The provisional application is a patent application filed with the U.S. Patent and Trademark Office ("**USPTO**") which involves less formal documentation and is not subject to examination by the USPTO. The provisional application has a one year term and is not legally enforceable. In order for a provisional application date to be effective, a non-provisional patent application must be prepared and filed within one year of the provisional application. The non-provisional patent application is a more detailed filing and subject to examination by the USPTO. A patent granted on the basis of the non-provisional application is legally enforceable in the United States. The filing of a provisional application is not a pre-requisite to the filing of a non-provisional application.

These filings are expected to be completed by the second quarter of 2022 at an additional cost of approximately $80,000

In addition to the existing technology stack, the Corporation also has the following material products in development:

Name of Product	Description	Anticipated Commercialization Date
CAD to Poly	Converts computer aided design (CAD) files into Polygon files for 3D, AR and Metaverse use	Q2 2022
Anchorit	App for spatial mapping and import 3D assets	Q2 2022
HoloX – Self Serve	Create your own no green screen 3D holograms through the app store	Q2 2022

The above-noted products in development are currently being developed in-house, and accordingly, the Corproation is not anticipated to incur material additional costs related to these products in the near term.

NexTech's software includes software components licensed from third parties including open source software. The Company believes that it follows industry best practices for using open source software. NexTech also believes that replacements for third party licensed software are available either on an open source basis or on commercially reasonable terms.

Cycles

Based on the Company's history and information available to date, NexTech has not been able to identify any seasonality of cycles within our renewable software licenses services, however our virtual events business is subject to traditional seasonality of when trade show, conference, and conventions happen in the year. The length of our technology sales cycle depends on the size and complexity of our customers. The e-commerce business is subject to traditional seasonality of consumer purchases subject by all retailers.

Economic Dependence

NexTech's revenues are well diversified, with no concentration in any one particular customer. For the year ended December 31, 2021, no individual customer accounted for greater than 10% of revenue.

Employees

As at December 31, 2021, NexTech had 172 employees and consultants. None of Nextech's employees are represented by a collective bargaining agreement and we have never experienced a stoppage. We consider our relations with our employees and consultants to be good and view our employees as an important competitive advantage. Historically, we have been successful in retaining our key employees including members of our management team. Our management team has an in-depth knowledge of our markets and industry in general.

Facilities

NexTech is based out of Vancouver and Toronto Canada and also has offices and a retail location in the United States. NexTech does not own any real property. NexTech's current facilities are adequate to meet ongoing needs and if NexTech requires additional space, it will seek to obtain additional facilities on commercially reasonable terms at such time.

RISK FACTORS

An investment in NexTech Shares involves significant risks. Investors should carefully consider the risks described below and the other information elsewhere in this AIF, including Management Discussion and Analysis and our annual consolidated financial statements and related notes. NexTech operates in rapidly changing economic and technological environments that present numerous risks, many of which are driven by factors that NexTech cannot control or predict. The risks and uncertainties described below are not the only ones NexTech faces. Additional risks and uncertainties not presently known to NexTech or that NexTech currently considers immaterial may also impair our business and operations and cause the trading price of NexTech Shares to decline. If any of the following risks or other risks occur, our business, prospects, financial condition, results of operations and cash flows could be materially adversely impacted. In that event, the trading price of NexTech Shares could decline and investors could lose all or part of their investment in NexTech Shares. There is no assurance that risk management steps taken will avoid future loss due to the occurrence of the below described or other unforeseen risks. See "Forward-Looking Information" at the beginning of this Annual Information Form for additional risks.

General

The principal risks and uncertainties are summarized below. These do not necessarily comprise all of those that are potentially faced by NexTech and its operations.

Risks Relating to Our Business

The COVID-19 Pandemic is affecting our business, operating results and financial condition and this adverse affects could be material.

On March 11, 2020, COVID-19 was characterized as a pandemic by the World Health Organization. The spread of COVID-19 has significantly impacted the global economy. We are closely monitoring the potential effects and impact on our operations and financial performance; however, the extent of impact is difficult to fully predict at this time due to the rapid evolution of this uncertain situation. We are conducting business with substantial modifications to employee travel, employee work locations and virtualization or cancellation of all sales and marketing events, along with substantially modified interactions with customers and suppliers, among other modifications. We will continue to actively monitor the impact of the COVID-19 pandemic on all aspects of our business, including customer purchasing decisions, and may take further actions that alter our business operations as may be required by governments, or that we determine are in the best interest of our employees, customers, partners, suppliers, and shareholders. It is uncertain and difficult to predict what the potential effects any such alterations or modifications may have on our business including the effects on our customers and prospects, or our financial results and our ability to successfully execute our business strategies and initiatives.

The impact of the COVID-19 pandemic on our operational and financial performance will depend on certain developments, including the duration and spread of the virus, the impact on our customers and our sales cycle, the impact on business development and marketing activities, potential delays in customer deployment projects and activities, and the impact on our vendors and partners, all of which are uncertain and cannot be predicted. The extent to which the COVID-19 pandemic may impact our financial position or results of operations is uncertain. Due to our service offerings to enhance remote working and commerce we have not experienced a significant decline in revenue, but any impact, if at all, may not be fully reflected in our results of operations until future periods.

If we are unable to attract new customers or sell additional products to our existing customers, our revenue growth and profitability will be adversely affected.

To increase our revenue and achieve and maintain profitability, we must regularly add new customers or sell additional solutions to our existing customers, which we plan to do. Numerous factors, however, may impede our ability to add new customers and sell additional solutions to our existing customers, including our inability to convert companies that have been referred to us by our existing network into paying customers, failure to attract and effectively train new sales and marketing personnel, failure to retain and motivate our current sales and marketing personnel, failure to develop relationships with partners or resellers and/or failure to ensure the effectiveness of our marketing programs. In addition, if prospective customers do not perceive our solutions to be of sufficiently high value and quality, we will not be able to attract the number and types of new customers that we are seeking.

We encounter long sales cycles, particularly with our larger customers, which could have an adverse effect on the amount, timing and predictability of our revenue.

The length of our sales cycles also varies depending on the type of customer to which we are selling, the product being sold and customer requirements. We may incur substantial sales and marketing expenses and expend significant management effort during this time, regardless of whether we make a sale. Many of the risks relating to sales processes are beyond our control, including:

- our customers’ budgetary and scheduling constraints;
- the timing of our customers’ budget cycles and approval processes; and
- general economic conditions, including as a result of pandemics such as COVID-19.

Our results from operations may vary and depending on the product when we can recognize revenue.

Downturns or upturns in new sales will not be immediately reflected in operating results and may be difficult to discern.

A significant majority of our costs are expensed as incurred, while revenues are recognized over the life of the customer agreement. As a result, increased growth in the number of our customers could result in our recognition of more costs than revenues in the earlier periods of the terms of our agreements. Subscription products also makes it difficult for us to rapidly increase our revenues through additional sales in any period, as revenues from these customers must be recognized over the applicable subscription term.

Our quarterly results of operations may fluctuate. As a result, we may fail to meet or exceed the expectations of investors or securities analysts which could cause our share price to decline.

Our quarterly revenue and results of operations may fluctuate as a result of a variety of factors, many of which are outside of our control. If our quarterly revenue or results of operations fall below the expectations of investors or securities analysts, the price of our Common Shares could decline substantially. Fluctuations in our results of operations may be due to a number of factors, including, but not limited to, those listed below:

- demand for and market acceptance of our products;
- the mix of products, and solutions sold during a period;
- our ability to retain and increase sales to customers and attract new customers;
- the timing of product deployment which determines when we can recognize the associated revenue;
- the strength of the economy;
- competition, including entry into the industry by new competitors and new offerings by existing
- competitors;
- the amount and timing of expenditures related to expanding our operations, research and development or introducing new solutions; and
- changes in the payment terms for our solutions.

In addition, in certain circumstances, the Company is creating and delivering novel and unique experiences for its customers while utilizing a coding structure format that can be reused by the Company for future customers. Based on these factors, the margins for the Company's products may fluctuate from time to time, depending on the customer and the mix of products and services being sold.

Due to the foregoing factors, and the other risks discussed in this Annual Information Form, you should not rely on quarter-to-quarter comparisons of our results of operations as an indication of our future performance.

Our ability to retain customers and attract new customers could be adversely affected by an actual or perceived breach of security relating to customer information.

Our operations involve the storage and transmission of potentially confidential information of many of our customers and security breaches could expose us to a risk of loss of this information, litigation, indemnity obligations and other liability. If our security measures are breached as a result of third party action, employee error, malfeasance or otherwise, and, as a result, someone obtains unauthorized access to our customers' data, including personally identifiable information regarding users, damage to our reputation is likely, our business may suffer and we could incur significant liability.

We've implemented technical, organizational and physical security measures, including employee training, back-up systems, monitoring and testing and maintenance of protective systems and contingency plans, to protect and to prevent unauthorized access to confidential information of our customers and to reduce the likelihood of disruptions to our systems. Because techniques used to obtain unauthorized access or to sabotage systems change frequently, we may be unable to prevent these techniques or implement adequate preventive measures in time prior to an actual attack.

Despite these measures, all our information systems, including back-up systems and any third party service provider systems that we employ, are vulnerable to damage, interruption, disability or failure due to a variety of reasons, including physical theft, electronic theft, fire, power loss, computer and telecommunication failures or other catastrophic events, as well as from internal and external security breaches, denial of service attacks, viruses, worms and other known or unknown disruptive events. We or our third party service providers may be unable to anticipate, timely identify or appropriately respond to one or more of the rapidly evolving and increasingly sophisticated means by which computer hackers, cyber terrorists and others may attempt to breach our security measures or those of our third party service providers' information systems.

We have incurred operating losses in the past and may incur operating losses in the future.

We were incorporated in 2018. We are therefore subject to many of the risks common to early-stage enterprises, including under-capitalization, cash shortages, limitations with respect to personnel, financial, and other resources and lack of significant revenues. There is no assurance that we will be successful in achieving a return on shareholders' investment and likelihood of success must be considered in light of the early stage of operations.

If we are unable to develop new products and services, sell our solutions into new markets or further penetrate our existing markets, our revenue will not grow as expected.

The software industry is subject to rapid technological change. Our ability to attract new customers and increase revenue from existing customers will depend in large part on our ability to enhance and improve our solutions, to introduce new features and services in a timely manner, to sell into new markets and to further penetrate our existing markets. The success of any enhancement or new feature or service depends on several factors, including the timely completion, introduction and market acceptance of the enhancement or new feature or service. Any new feature or service we develop or acquire may not be introduced in a timely or cost-effective manner and may not achieve the broad market acceptance necessary to generate significant revenue. Any new markets into which we attempt to sell our solutions, including new vertical markets and new countries or regions, may not be receptive. If we are unable to successfully develop or acquire new features, products or services, enhance our existing product or services to meet customer requirements, sell products and services into new markets or sell our product and services to additional customers in our existing markets, our revenue will not grow as expected. Moreover, we are frequently required to enhance and update our product and services as a result of changing standards and technological developments, which makes it difficult to recover the cost of development and forces us to continually qualify new features with our customers.

Our inability to assess and adapt to rapid technological developments could impair our ability to remain competitive.

The industry in which operate is evolving at a rapid pace. Our ability to attract new customers and increase revenue from customers will depend in significant part on our ability to anticipate industry changes and to continue to enhance offer solutions or introduce or acquire new solutions on a timely basis to keep pace with technological developments. The success of new solution depends on several factors, including the timely completion and market acceptance of the enhancement or new solution. Any new solution we develop or acquire might not be introduced in a timely or cost-effective manner and might not achieve the broad market acceptance necessary to generate significant revenue.

Downturns in general economic and market conditions and reductions in spending may reduce demand for our solutions, which could negatively affect our revenue, results of operations and cash flows.

Recent events in the financial markets have demonstrated that businesses and industries throughout the world are very tightly connected to each other. Thus, financial developments seemingly unrelated to us or to our industry may materially adversely affect us over the course of time. Volatility in the market price of the Common Shares due to seemingly unrelated financial developments could hurt our ability to raise capital for the financing of acquisitions or other reasons. Any of these events, or any other events caused by turmoil in world financial markets, may have a material adverse effect on our business, operating results, and financial conditions.

Our ability to continue to sell our products through sales channels and marketplaces such as Amazon, Walmart, and eBay may not meet our expectations.

Our e-commerce business relies on customer traffic visiting our e-commerce platforms and marketplaces such Amazon, Walmart and eBay, however, depending on how customers behave in such channels and marketplaces, we may choose to remove products from sale on these channels and marketplaces thus potentially reducing revenue from e-commerce sales.

We are subject to fluctuations in currency exchange rates.

We report our financial results in Canadian dollars. However, as we anticipate our international business will grow, the percentage of our revenue received in foreign currencies will likely increase. Accordingly, we are subject to, and may increasingly be subject to, currency fluctuations that may, from time to time, affect our financial position and performance. Further, a significant amount of our expenses are paid in U.S. dollars. As a result, we are exposed to currency risk on these transactions. Any fluctuation in the exchange rate of these currencies may negatively impact our business, financial condition and operating results.

The markets in which we participate may become competitive, and our failure to compete successfully would make it difficult for us to add and retain customers and would reduce or impede the growth of our business.

The AR industry is still awaiting mass adoption and as acceptance increases more competitors may emerge and offer solutions that may impede on our continued growth.

If we fail to retain our key employees, our business would be harmed and we might not be able to implement our business plan successfully.

Given the complex nature of the technology on which our business is based and the speed with which such technology advances, our future success is dependent, in large part, upon our ability to attract and retain highly qualified managerial, technical and sales personnel. Competition for talented personnel is intense, and we cannot be certain that we can retain our managerial, technical and sales personnel or that we can attract, assimilate or retain such personnel in the future. Our inability to attract and retain such personnel could have an adverse effect on our business, results of operations and financial condition.

Our general compensation program includes stock options, which are important tools in attracting and retaining employees in our industry. If our stock price performs poorly, it may adversely affect our ability to retain or attract employees. We continually evaluate our compensation practices and consider changes from time to time, such as reducing the number of employees granted equity awards or the number of equity awards granted per employee and granting alternative forms of stock-based compensation, which may have an impact on our ability to retain employees and the amount of stock-based compensation expense that we record. Any changes in our compensation practices or those of our competitors could affect our ability to retain and motivate existing personnel and recruit new personnel.

Our growth is dependent upon the continued development of our direct sales force.

We believe that our future growth will depend on the continued development of our direct sales force and their ability to obtain new customers, particularly large enterprise customers, and to manage our existing customer base. Our ability to achieve significant growth in revenue in the future will depend, in large part, on our success in recruiting, training and retaining a sufficient number of direct sales personnel. New sales personnel require significant training. If we are unable to hire and develop sufficient numbers of productive direct sales personnel, sales of our software and services will suffer and our growth will be impeded.

If we experience significant fluctuations in our rate of anticipated growth and fail to balance our expenses with our revenue forecasts, our results could be harmed.

We operate in a fast-growing environment and need to react to where we anticipate significant potential demand for our products to seize revenue opportunities. Such anticipation may require us to incur expenses in advance of revenue opportunities resulting in lower than anticipated net income over any period of time.

Interruptions or delays in the services provided by third party data centers and/or internet service providers could impair the delivery of our solutions and our business could suffer.

In the current business environment of integrated technologies, we are dependant and/or rely heavily on third party services providers for critical functions such as data centres and internet services. Any delays or down-times from these providers can significantly impact our operations and ability to complete our deliverables to customers, which may adversely affect revenue.

The use of open-source software in our products may expose us to additional risks and harm our intellectual property.

Our software makes use of and incorporates open source software components. These components are developed by third parties that we do not have control over. We have no assurances that those components do not infringe on the intellectual property rights of others. We could be exposed to infringement claims and liability regarding the use of those open source software components, and we may be forced to replace those components with internally developed software or software obtained from another supplier, which may increase our expenses.

We may not receive significant revenue as a result of our current research and development efforts.

As we invest our time, money and efforts into emerging technologies such as AR and its application in the real world, there is no guarantee that we will receive significant revenue returns for such investment.

Current and future accounting pronouncements and other financial reporting standards might negatively impact our financial results.

We regularly monitor our compliance with financial reporting standards and review new pronouncements and drafts that are relevant to us. Any new standards, changes to existing standards, and changes in their interpretation, may require us to change our accounting policies. This could lead to changes revenue recognition among other aspects and could have an adverse effect on our business, financial position and profit.

Management

We are dependent upon the personal efforts and commitment of its management, which is responsible for the development of future business. To the extent that management's services would be unavailable for any reason, a disruption to the operations of NexTech could result, and other persons would be required to manage and operate NexTech. We are dependent on a relatively small number of key officers, consultants and employees, the loss of any of whom could have an adverse effect on our business. Failure to retain key individuals or to attract or retain additional key individuals with necessary skills could have a materially adverse impact upon NexTech's success.

Future Sales of Common Shares by Existing Shareholders

Sales of a large number of Common Shares in the public markets, or the potential for such sales, could decrease the trading price of the Common Shares and could impair the Company's ability to raise capital through future sales of Common Shares. The Company has previously issued Common Shares at an effective price per share which is lower than the market price at which the Common Shares may trade in the future. Accordingly, a significant number of shareholders of the Company have an investment profit in the Common Shares that they may seek to liquidate.

Key Executives

The Company is dependent on the services of key executives, including the directors of the Company and a small number of highly skilled and experienced executives and personnel. Due to the relatively small size of the Company, the loss of these persons or the Company's inability to attract and retain additional highly skilled employees may adversely affect its business and future operations.

The success of the Company is currently largely dependent on the performance of its directors and officers. The loss of the services of any of these persons could have a materially adverse effect on the Company's business and prospects. There is no assurance the Company can maintain the services of its directors, officers or other qualified personnel required to operate its business. As the Company's business activity grows, the Company will require additional key financial, administrative and technical personnel as well as additional operations staff. There can be no assurance that these efforts will be successful in attracting, training and retaining qualified personnel as competition for persons with these skill sets increase. If the Company is not successful in attracting, training and retaining qualified personnel, the efficiency of its operations could be impaired, which could have an adverse impact on the Company's operations and financial condition.

Market Risks for Securities

The market price of Common Shares may be subject to wide fluctuations in response to many factors, including variations in the operating results of the Company, divergence in financial results from analysts' expectations, changes in earnings estimates by stock market analysts, changes in the business prospects for the Company, general economic conditions, legislative changes and other events and factors outside of the Company’s control.

Securities of small-cap companies have experienced substantial volatility in the past, often based on factors unrelated to the financial performance or prospects of the companies involved. These factors include macroeconomic developments in North America and globally and market perceptions of the attractiveness of particular industries. The price of the Common Shares is also likely to be significantly affected by short-term changes in the software and AR industries and the Company’s financial condition or results of operations. Other factors unrelated to the Corporation’s performance that may have an effect on the price of the Common Shares include the following: the extent of analytical coverage available to investors concerning the Company’s business may be limited if investment banks with research capabilities do not follow the Company’s securities; lessening in trading volume and general market interest in the Company’s securities may affect an investor’s ability to trade significant numbers of Common Shares; the size of Company’s public float may limit the ability of some institutions to invest in the Company’s securities; and a substantial decline in the price of the Common Shares that persists for a significant period of time could cause the Company’s securities, if listed on an exchange, to be delisted from such exchange, further reducing market liquidity.

As a result of any of these factors, the market price of the Common Shares at any given point in time may not accurately reflect the Company’s long-term value. Securities class action litigation often has been brought against companies following periods of volatility in the market price of their securities. The Company may in the future be the target of similar litigation or other litigation concerning operational, employment, title, environmental or other matters of which the Company is not presently aware. Securities litigation could result in substantial costs and damages and divert management’s attention and resources.

Dilution

The Company may effect financings involving the issuance of securities and/or grant stock options or approve other convertible securities pursuant to which additional Common Shares may be issued in the future. The completion of such financings and exericse of such stock options or other convertible securities will result in dilution to the Company’s shareholders.

Additional financing

In order to execute the anticipated growth strategy, we will require some additional equity and/or debt financing to support on-going operations, to undertake capital expenditures, and/or to undertake acquisitions or other business combination transactions. There can be no assurance that additional financing will be available to us when needed or on terms which are acceptable. Our inability to raise financing to support on-going operations or to fund capital expenditures or acquisitions could limit our growth and may have a material adverse effect upon future profitability. We may require additional financing to fund its operations to the point where it is generating positive cash flows.

Management of Growth

NexTech’s management anticipates rapid growth and plans to capitalize on this growth. Future operating results will depend on management's ability to manage this anticipated growth, hire and retain qualified employees, properly generate revenues and control expenses. A decline in the growth rate of revenues without a corresponding reduction in the growth rate of expenses could have a material adverse effect on NexTech's business, results of operations, cash flows and financial condition.

Litigation

The Company may from time to time become, party to litigation in or outside of the ordinary course of business which could adversely affect its business. Should any litigation in which the Company is, or becomes, involved be determined against the Company, such a decision could adversely affect the Company's ability to continue operating and the market price for the Common Shares and could use significant resources. Even if the Company is involved in litigation and wins, litigation can redirect significant Company resources. Litigation may also create a negative perception of the Company's brand.

Competition

There is potential that NexTech will face intense competition from other companies, some of which can be expected to have longer operating histories and more financial resources and manufacturing and marketing experience than NexTech. Increased competition by larger and better financed competitors could materially and adversely affect the business, financial condition, and results of operations of NexTech.

Because of the early stage of the industry in which NexTech operates, NexTech expects to face additional competition from new entrants. NexTech expects that competition will become more intense, as current and future competitors begin to offer an increasing number of diversified products. To remain competitive, NexTech will require a continued high level of investment in research and development, marketing, sales, and client support. Upon completion of the listing, NexTech may not have sufficient resources to maintain research and development, marketing, sales, and client support efforts on a competitive basis which could materially and adversely affect the business, financial condition, and results of operations of NexTech.

Unfavourable Publicity or Consumer Perception

The Company believes its industry can be highly dependent upon consumer perception. Consumer perception of the Company and its technology can be significantly influenced by research or findings, regulatory investigations, litigation, media attention and other publicity. There can be no assurance that future research, findings, regulatory proceedings, litigation, media attention or other research findings or publicity will be favourable to the Company or any of its technology, or consistent with earlier publicity. Future research reports, findings, regulatory proceedings, litigation, media attention or other publicity that are perceived as less favourable than, or that question, earlier research reports, findings or publicity could have a material adverse effect on the demand for the Company's products and the business, results of operations, financial condition and cash flows of the Company.

The Company's dependence upon consumer perceptions means that adverse research reports, findings, regulatory proceedings, litigation, media attention or other publicity, whether or not accurate or with merit, could have a material adverse effect on the Company, the demand for products, and the business, results of operations, financial condition and cash flows of the Company.

Risks Related to Acquiring Companies

The Company may also acquire other companies in the future and there are risks inherent in any such acquisitions. Specifically, there could be unknown or undisclosed risks or liabilities of such companies for which the Company is not sufficiently indemnified. Any such unknown or undisclosed risks or liabilities could materially and adversely affect the Company's financial performance and results of operations. The Company could encounter additional transaction and integration related costs or other factors such as the failure to realize all of the benefits from such acquisitions. All of these factors could cause dilution to the Company's earnings per share or decrease or delay the anticipated accretive effect of the acquisition and cause a decrease in the market price of the Company's securities. The Company may not be able to successfully integrate and combine the operations, personnel and technology infrastructure of any such acquired company with its existing operations. If integration is not managed successfully by the Company's management, the Company may experience interruptions in its business activities, deterioration in its employee and customer relationships, increased costs of integration and harm to its reputation, all of which could have a material adverse effect on the Company's business, financial condition and results of operations. The Company may experience difficulties in combining corporate cultures, maintaining employee morale and retaining key employees. The integration of any such acquired companies may also impose substantial demands on the management. There is no assurance that these acquisitions will be successfully integrated in a timely manner.

Effectiveness and Efficiency of Advertising and Promotional Expenditures

The future growth and profitability of NexTech will depend on the effectiveness and efficiency of advertising and promotional expenditures, including the ability of NexTech to (i) create greater awareness of its technology and services; (ii) determine the appropriate creative message and media mix for future advertising expenditures; and (iii) effectively manage advertising and promotional costs in order to maintain acceptable operating margins. There can be no assurance that advertising and promotional expenditures will result in revenues in the future or will generate awareness of NexTech's technologies or services. In addition, no assurance can be given that NexTech will be able to manage its advertising and promotional expenditures on a cost-effective basis.

Potential Inability to Protect Technology

NexTech's success is heavily dependent upon technology. There can be no assurance that the steps taken by NexTech to protect its technology will be adequate to prevent misappropriation or independent third-party development of NexTech's technology. It is likely the other companies can duplicate a platform similar to that of NexTech.

Potential Intellectual Property Claims

Companies in the Internet, technology and media industries own large numbers of patents, copyrights, trademarks and trade secrets and frequently enter into litigation based on allegations of infringement or other violations of intellectual property rights. NexTech may be subject to intellectual property rights claims in the future and its technologies may not be able to withstand any third-party claims or rights against their use. Any intellectual property claims, with or without merit, could be time consuming, expensive to litigate or settle and could divert management resources and attention. An adverse determination also could prevent NexTech from offering its products and services to others and may require that it procure substitute products or services for these members. With respect to any intellectual property rights claim, NexTech may have to pay damages or stop using technology found to be in violation of a third party's rights. NexTech may have to seek a license for the technology, which may not be available on reasonable terms and may significantly increase its operating expenses. The technology also may not be available for license to NexTech at all. As a result, NexTech may also be required to develop alternative non-infringing technology, which could require significant effort and expense. If NexTech cannot license or develop technology for the infringing aspects of its business, it may be forced to limit its product and service offerings and may be unable to compete effectively. Any of these results could harm NexTech's brand and prevent NexTech from generating sufficient revenue or achieving profitability.

Uninsured or Uninsurable Risk

NexTech may become subject to liability for risks against which are uninsurable or against which NexTech may opt out of insuring due to the high cost of insurance premiums or other factors. The payment of any such liabilities would reduce the funds available for usual business activities. Payment of liabilities for which insurance is not carried may have a material adverse effect on NexTech's financial position and operations.

Conflicts of Interest

Certain directors and officers of NexTech also serve as directors and/or officers of other technology based companies. Consequently, there is the possibility for such directors and/or officers to be in a position of conflict. Any decision made by any of such directors and officers involving NexTech will be made in accordance with their duties and obligations to deal failure and in good faith with a view to the best interests of NexTech and its shareholders. Each of the directors is required to declare and refrain from voting on any matter in which such directors may have a conflict of interest in accordance with applicable corporate and securities laws in Canada and United States. See also "Conflicts of Interest".

Dividend Policy

NexTech does not presently intend to pay cash dividends in the foreseeable future, as any earnings are expected to be retained for use in developing and expanding its business. However, the actual amount of dividends received from NexTech will remain subject to the discretion of the Board of Directors.

Risk of Investment

An investment in NexTech Shares, as well as NexTech's prospects, is speculative due to the risky nature of its business and the present stage of its development. Investors may lose their entire investment. Investors should carefully consider the risk factors described in this AIF and under the heading "*Risk Factors*" in this AIF. The risks described in this AIF are not the only ones facing NexTech. Additional risks not currently known to NexTech, or that NexTech currently deems immaterial, may also impair NexTech's operations. There is no assurance that risk management steps taken will avoid future loss due to the occurrence of the risks described below or other unforeseen risks. If any of the risks described in this AIF actually occur, NexTech's business, financial condition and operating results could be adversely affected. Investors should carefully consider the risks in this AIF and the other information elsewhere in this AIF and consult with their professional advisors to assess any investment in NexTech.

Share Price Volatility Risk

NexTech Shares are listed on the CSE, NEO and quoted on the OTCQB and FSE. External factors outside of NexTech's control such as announcements of quarterly variations in operating results, revenues and costs, and sentiments toward technology sector stocks may have a significant impact on the market price of the NexTech Shares. Global stock markets, including the CSE and NEO, have, from time-to-time, experienced extreme price and volume fluctuations that have often been unrelated to the operations of particular companies. The same applies to companies in the technology sector. There can be no assurance that an active or liquid market will develop or be sustained for the NexTech Shares.

No Guarantee of a Positive Return in an Investment

There is no guarantee that an investment in the NexTech Shares will earn any positive return in the short term or long term. An investment in the NexTech Shares involves a high degree of risk and should be undertaken only by investors whose financial resources are sufficient to enable them to assume such risks and who have no need for immediate liquidity in their investment. An investment in the NexTech Shares is appropriate only for investors who have the capacity to absorb a loss of some or all of their investment.

Risk Factors Relating to Software

Personnel Matters

The project manager of a software development project is the leader responsible for development of the particular project in accordance with timelines and performance parameters set by management and customers from time to time. In addition, improper software design can undermine the success of a project. Furthermore, many customers are not technical in terms of software terminology and may not understand the developer's point of view, thereby leading to potential miscommunication between developers and the Company's customers. Accordingly, inexperienced or improper staffing of a project can jeopardize the completion of a project, which could have a material adverse impact on the Company as a result of increased costs and potentially lower revenues due to customer attrition.

Cost and Timing Matters

Budgets, initialization, completion target dates and overall timing of software development projects are set on a case-by-case basis by management based on customer needs and overall corporate objectives. Cost estimation of a project is particularly crucial in terms of project success and failure. The failure to properly establish appropriate budgets and realistic timelines, or the failure to provide adequate hardware and software resources for a particular project, can lead to project failure, which could have a material adverse effect on NexTech as a result of customer dissatisfaction, negative impacts on branding and increased costs associated with potential delays. Furthermore, market demand may become obsolete while a project is still in progress, thereby rendering timely completion of projects particularly important to the Company.

Risk Factors Relating to eCommerce

Our net sales and profits depend on the level of consumer spending which is sensitive to general economic conditions and other factors. An economic recession or a decline in consumer spending could have a *material adverse effect on our business and results of operations.*

The success of our business depends on consumer spending. There are a number of factors that influence consumer spending, including actual and perceived economic conditions, disposable consumer income, interest rates, consumer credit availability, and unemployment. A decline in actual or perceived economic conditions or other factors could negatively impact the level of consumer spending.

Competitive pricing pressures with respect to shipping our products to our customers may harm our business and results of operations.

Online and omnichannel retailers are increasing their focus on delivery services, with customers increasingly seeking faster, guaranteed delivery times and low-price or free shipping. To remain competitive, we may have to offer discounted, free or other more competitive shipping options to our customers, which can lead to increased shipping and handling expense.

We rely on third-party service providers, such as FedEx, to deliver products purchased through our direct channel to our customers and our business could be negatively impacted by disruptions in the operations of these third-party service providers.

Relying on third-party service providers puts us at risk from disruptions in their operations, such as employee strikes, inclement weather and their inability to meet our shipping demands. If we are forced to use other delivery service providers, our costs could increase and we may be unable to meet shipment deadlines. In addition, if our products are not delivered to our customers on time, our customers may cancel their orders or we may lose business from these customers in the future.

If our key suppliers or service providers were unable or unwilling to provide the products and services we require, our business could be adversely affected.

Our products are sourced through third-party purchasing agents and a variety of domestic and international suppliers. If these suppliers are unable or unwilling to provide the products or services that we require or materially increase their costs, our ability to offer and deliver our products on a timely and profitable basis could be impaired.

We rely on third parties to provide us with services in connection with certain aspects of our business, and any failure by these third parties to perform their obligations could have an adverse effect on our business and results of operations.

We have entered into agreements with third parties for logistics services, information technology systems (including hosting our website), software development and support, select marketing services, distribution and packaging and employee benefits. Services provided by any of our third-party suppliers could be interrupted as a result of many factors, such as acts of nature or contract disputes. Any failure by a third party to provide us with services for which we have contracted on a timely basis or within service level expectations and performance standards could result in a disruption of our business and have an adverse effect on our business and results of operations.

DIVIDENDS AND DISTRIBUTIONS

The Company has paid no dividends since its inception. At the present time, the Company intends to retain any earnings for corporate purposes. The payment of dividends in the future will depend on the earnings and financial condition of the Company and on such other facts as the Board of Directors may consider appropriate.

CAPITAL STRUCTURE

The authorized share capital of the Company consists of an unlimited number of Common Shares without par value. As at December 31, 2021, there were 90,880,791 Common Shares issued and outstanding. As at the date of this AIF there are 99,634,597 Common Shares issued and outstanding. Each Common Share carries the right to one vote.

The holders of the Common Shares are entitled to notice of, to attend, and to vote at all meetings of the Company's shareholders. The Common Shares are entitled to receive dividends if, as and when declared by the directors, and rank par- passu with one another in any distribution of property or assets upon the liquidation, winding-up or other dissolution of the Company.

The Common Shares carry no pre-emptive rights, conversion or exchange rights, retraction, sinking fund or purchase fund provisions. There are no provisions requiring the holders of the Common Shares to contribute additional capital and no restrictions on the issuance of additional securities by the Company. There are no restrictions on the repurchase or redemption of Common Shares by the Company except as any such repurchase or redemption would render the Company insolvent pursuant to the BCBCA.

As at December 31, 2021, the Company had 3,924,900 stock options to purchase Common Shares outstanding. The Company currently has 4,521,500 stock options to purchase Common Share outstanding as at the date of this AIF as follows:

Number Issued	Exercise Price	Expiry Date
100,000	$0.78	April 17, 2022
39,000	$0.72	May 9, 2022
60,000	$0.65	June 14, 2022
125,000	$0.75	August 19, 2022
75,000	$0.84	October 10, 2022
530,000	$1.34	April 9, 2023
745,000	$2.20	June 18, 2023
60,000	$8.35	July 13, 2023
50,000	$6.65	July 28, 2023
50,000	$5.88	August 25, 2023
280,000	$5.59	September 30, 2023
50,000	$5.76	October 2, 2023
23,000	$6.51	December 11, 2023
30,000	$5.80	January 13, 2024
2,000	$5.00	January 26, 2024

2,000	$6.60	February 3, 2024
625,000	$2.59	May 20, 2024
284,000	$2.56	June 1, 2024
37,000	$2.92	July 1, 2024
27,500	$1.98	August 2, 2024
30,000	$2.14	September 2, 2024
100,000	$1.91	October 19, 2024
30,000	$1.92	November 1, 2024
252,000	$1.53	December 1, 2024
25,000	$1.28	January 4, 2025
875,000	$1.70	January 11, 2025
15,000	$1.24	March 1, 2025

As at December 31, 2021, the Company had 4,411,265 outstanding share purchase warrants to purchase Common Shares of the Company. The Company currently has 4,748,100 warrants to purchase Common Share outstanding as at the date of this AIF as follows:

Number Issued	Exercise Price	Expiry Date
150,000	$3.00	June 17, 2022(2)
142,450	$6.50	August 20, 2022
954,900	$8.00	August 20, 2022(3)
1,500,750	$6.00	April 8, 2023(4)
7,000	$0.54	April 8, 2023
1,515,152	$1.92	November 3, 2023
235,424	$0.54	November 3, 2023
242,424	$2.06	November 3, 2024

<u>Notes</u>:

(1) Subject to subject to accelerated expiry if over a period of 10 consecutive trading days between the date of issuance and the expiry of the warrants, the daily volume weighted average trading price of the Common Shares on the CSE is C$0.90 or more on each of those 10 consecutive days, the Company may, at any time after such an occurrence, give written notice (via news release) to the holders of the warrants that the warrants will expire on the 30th day following the giving of notice unless exercised by the holders prior to such date.

(2) Subject to subject to accelerated expiry if over a period of 10 consecutive trading days between the date of issuance and the expiry of the warrants, the daily volume weighted average trading price of the Common Shares on the CSE is C$3.75 or more on each of those 10 consecutive days, the Company may, at any time after such an occurrence, give written notice (via news release) to the holders of the warrants that the warrants will expire on the 30th day following the giving of notice unless exercised by the holders prior to such date.

(3) Subject to subject to accelerated expiry if over a period of 15 consecutive trading days between the date of issuance and the expiry of the warrants, the daily volume weighted average trading price of the Common Shares on the CSE (or such other stock exchange where the majority of the trading volume occurs) is C$11.00 or more on each of those 15 consecutive days, the Company may, at any time after such an occurrence, give written notice (via news release) to the holders of the warrants that the warrants will expire on the 30th day following the giving of notice unless exercised by the holders prior to such date.

(4) Subject to subject to accelerated expiry if over a period of 15 consecutive trading days between the date of issuance and the expiry of the warrants, the daily volume weighted average trading price of the Common Shares on the NEO Exchange (or such other stock exchange where the majority of the trading volume occurs) is C$10.00 or more on each of those 15 consecutive days, the Company may, at any time after such an occurrence, give

written notice (via news release) to the holders of the warrants that the warrants will expire on the 30th day following the giving of notice unless exercised by the holders prior to such date.

MARKET FOR SECURITIES

Trading Price and Volume

At as December 31, 2021 the Common Shares trade on the CSE under the symbol "NTAR". The following table shows the high, low and closing prices and total trading volume of the Common Shares on the CSE on a monthly basis during the twelve months ended December 31, 2021.

Month	High	Low	Volume
December 2021	$1.55	$1.20	815,963
November 2021	$2.18	$1.41	1,764,947
October 2021	$1.95	$1.76	558,251
September 2021	$2.20	$1.88	474,486
August 2021	$2.60	$1.80	1,304,169
July 2021	$2.90	$1.91	761,423
June 2021	$3.65	$2.45	907,310
May 2021	$3.15	$1.84	939,968
April 2021	$4.35	$2.22	1,503,767
March 2021	$5.49	$4.05	1,221,142
February 2021	$6.90	$4.88	2,675,066
January 2021	$6.94	$4.71	1,138,458

Prior Sales

During the twelve months ended December 31, 2021, the Company issued the following securities which are not listed or quoted on a marketplace:

Date of Issue	Type of Securities	Number of Securities	Issue or Exercise or Conversion Price per Security
January 5, 2021(1)	Stock options	200,000	$6.85
January 13, 2021 (2)	Stock options	45,000	$5.80
January 26, 2021 (3)	Stock options	5,000	$5.00
January 27, 2021 (4)	Stock options	15,000	$5.35
February 3, 2021 (5)	Stock options	27,000	$6.60
April 8, 2021 (6)	Warrants	1,500,750	$6.00
May 20, 2021 (7)	Stock options	935,000	$2.59
June 1, 2021 (8)	Stock options	385,000	$2.56

Date of Issue	Type of Securities	Number of Securities	Issue or Exercise or Conversion Price per Security
July 1, 2021 (9)	Stock options	72,500	$2.92
August 2, 2021 (10)	Stock options	87,500	$1.98
September 2, 2021 (11)	Stock options	60,000	$2.14
October 19, 2021 (12)	Stock options	130,000	$1.91
November 1, 2021 (13)	Stock options	30,000	$1.92
November 3, 2021 (14)	Warrants	1,515,152	$1.92
November 3, 2021 (15)	Broker Warrants	242,424	$2.06
December 1, 2021 (16)	Stock options	252,000	$1.53

Notes:

(1) These stock options expire on January 5, 2024.
(2) These stock options expire on January 13, 2024.
(3) These stock options expire on January 26, 2024.
(4) These stock options expire on January 27, 2024.
(5) These stock options expire on February 3, 2024.
(6) These warrants expire on April 8, 2023, subject to acceleration.
(7) These stock options expire on May 20, 2024.
(8) These stock options expire on June 1, 2024.
(9) These stock options expire on July 1, 2024.
(10) These stock options expire on August 2, 2024.
(11) These stock options expire on September 2, 2024.
(12) These stock options expire on October 19, 2024.
(13) These stock options expire on November 1, 2024.
(14) These warrants expire on November 3, 2024, subject to acceleration.
(15) These broker warrants expire on November 3, 2024, subject to acceleration.
(16) These stock options expire on December 1, 2024.

ESCROWED SECURITIES AND SECURITIES SUBJECT TO CONTRACTUAL RESTRICTIONS ON TRANSFER

The following table summarizes details of the Company's securities of each class held in escrow or that are subject to a contractual restriction on transfer as of December 31, 2021 and as at the date of this AIF:

Date	Designation of Class	Number of Securities held in escrow or that are subject to contractual restriction on transfer	Percentage of Class
As at the date of this AIF	Common Shares	Nil	Nil
December 31, 2021	Common Shares	Nil	Nil

DIRECTORS AND OFFICERS

Name, Occupation and Security Holding

The following table sets out the names of the current directors and executive officers of the Company as at the date of this AIF, provinces or states and countries of residence, positions with the Company, principal occupations within the five preceding years, periods during which each director has served as a director and the number of Common Shares and percentage of the issued Common Shares beneficially owned, directly or indirectly, or subject to control or direction by that person.

The term of each of the current directors of the Company will expire at the next annual general meeting unless his/her office is earlier vacated in accordance with the articles of the Company or otherwise in accordance with applicable law.

Name, Position and Province/State of Residence	Principal Occupation for the Past Five Years [(2)]	Director Since[(4)(5)(6)]	Number and Percentage of Common Shares Beneficially Owned or Controlled [(1)(2)]
Evan Gappelberg Florida, USA *CEO and Director*	CEO of the Company Managing director at Atlas Advisors, LLC, an independent investment advisory and money management firm that offers small-cap companies consulting services.	January 12, 2018	10,322,803 (10.36%)
Paul Duffy Ontario, Canada *President and Director*	President of the Company Chief Architect & UX Officer of ARHT Media Inc., a technology company.	February 8, 2018	3,687,978 (3.7%)
Belinda Tyldesley British Columbia, Canada *Corporate Secretary & Director*	President of Closing Bell Services, a consulting company providing corporate secretarial services.	March 26, 2018	85,217 (<1%)

Name, Position and Province/State of Residence	Principal Occupation for the Past Five Years [(2)]	Director Since[(4)(5)(6)]	Number and Percentage of Common Shares Beneficially Owned or Controlled [(1)(2)]
Ori Inbar[(3)] New York, USA *Independent Director*	Founder of AugmentedReality.org, a membership platform to advance AR initiatives. Co-founder and former CEO of Ogmento, a gaming company. Managing Director at Super Ventures, an investment fund.	July 28, 2020	Nil
David Cramb[(3)] Alberta, Canada *Independent Director*	Professor of Chemistry, Ryerson University.	October 2, 2020	Nil
Jeff Dawley [(3)] Ontario, Canada *Independent Director*	President and Co-Founder of Cybersecurity Compliance Corp., a cybersecurity company. Former Principal and CFO of BridgePoint Financial Group, a litigation finance group of companies.	November 15, 2021	Nil
Andrew Chan Ontario, Canada *Chief Financial Officer*	CFO of the Company VP Finance at Real Matters, a publicly traded financial services technology company. Head of Financial Reporting at goeasy, a publicly traded alternative lender.	N/A	52,714 (<1%)
Eugen Winschel Texas, USA *Chief Operating Officer*	COO of the Company Vice-President at SAP Labs Canada, research and development company.	N/A	114,000 (<1%)

Notes:

(1) The above information was derived from insider and beneficial ownership reports available at www.sedi.com.

(2) The information as to principal occupation, business or employment and Common Shares beneficially owned or controlled have been provided by the respective directors and officers individually. As at the date of this AIF, as a group the directors and executive officers beneficially own or control a total of 14,262,712 Common Shares, or 14.3% of the Common Shares of the Company. The percentages of Common Shares owned is based on 99,634,597 Common Shares issued and outstanding as at the date of this AIF.

(3) Member of the audit committee of the Company.

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

No director or executive officer of the Company, as at the date of this AIF, or has been, within 10 years before the date of this AIF, a director, chief executive officer or chief financial officer of any company that:

(a) was subject to a cease trade or similar order to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days, that was issued while the director or executive officer was acting in the capacity as a director, chief executive officer or chief financial officer of such company; or

(b) was subject to a cease trade or similar order to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days, that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer but which resulted from an event that occurred while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer of such company.

No director or executive officer of the Company, or to the knowledge of the Company, any shareholder holding a sufficient number of securities to affect materially the control of the Company:

(a) is, as at the date of this AIF, or has been within 10 years before the date of this AIF, a director or executive officer of any company (including the Company) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets;

(b) has, within the 10 years before the date of this AIF, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of such person;

(c) has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or

(d) has been subject to any penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

Conflicts of Interest

The Company's directors and officers may serve as directors or officers of other companies or have significant shareholdings in other companies and, to the extent that such other companies may participate in ventures in which the Company may participate, the directors or officers of the Company may have a conflict of interest in negotiating and concluding terms respecting the extent of such participation. In the event that such a conflict of interest arises at a meeting of the Company's directors, a director who has such a conflict will disclose his conflict and abstain from voting for or against the approval of such matte. In accordance with applicable corporate law, the directors of the Company are required to act honestly, in good faith and in the best interests of the Company.

The directors and officers of the Company are aware of the existence of laws governing the accountability of directors and officers for corporate opportunity and requiring disclosures by the directors and officers of conflicts of interest and the Company will rely upon such laws in respect of any directors' and officers' conflicts of interest or in respect of any breaches of duty by any of its directors and officers. All such conflicts will be disclosed by such directors or officers in accordance with the BCBCA and will govern themselves in respect thereof to the best of their ability in accordance with the obligations imposed upon them by law.

To the best of the Company's knowledge, and other than as disclosed above and elsewhere in this AIF, there are no known existing or potential conflicts of interest among the Company, its subsidiaries, directors and officers or other members of management of the Company or its subsidiaries as a result of their outside business interests.

Disclosure Committee Information

The Company has established a Disclosure Committee to assist the Company's officers and directors in fulfilling the Company's responsibilities regarding the identification and disclosure of material information about the Company and the accuracy, completeness and timeliness of the Company's financial reports. The Disclosure Committee is also responsible for maintaining control mechanisms to ensure information required to be disclosed pursuant to the securities regulators and stock exchanges is processes, summarized and reported accurately and on a timely basis. The Company is in the process of hiring a compliance officer after the departure of one of its previous vice-presidents who was performing such a function. The compliance officer will be responsible for ensuring disclosure by the Company complies with applicable laws and stock exchange requirements, on a similar basis as set forth in the Disclosure Committee charter. It is the intention of the Company that the compliance officer, once engaged and following an introductory period, will perform most of the functions of the Disclosure Committee, and will report to the Disclosure Committee where needed.

Disclosure Committee Charter

A copy of the charter of the Audit Committee is attached to this AIF as Schedule "B"**.**

Composition of the Disclosure Committee

The Company's current Disclosure Committee consists of Paul Duffy and Belinda Tyldesley.

Paul Duffy – Mr. Duffy is the current President and Chairman of the Board of Directors of the Company.

Belinda Tyldesley – Mrs. Tyldesley is the President of Closing Bell Services, a consulting company that provides corporate secretarial services. Mrs. Tyldesley has extensive experience with regulatory compliance, legal assistance and secretarial services. Mrs. Tyldesley holds an Associate Diploma in Business Legal Practice from Holmesglen College in Melbourne, Australia. As a result of her extensive regulatory experience, Mrs. Tyldesley is able to read and understand financial statements and provide guidance on regulatory filing matters.

Audit Committee Information

Pursuant to the provisions of the BCBCA and NI 52-110 – *Audit Committees* ("**NI 52-110**") of the Canadian Securities Administrators, the Company is required to have an Audit Committee and to disclose in its AIF certain information concerning the constitution of its Audit Committee and its relationship with the Company's independent auditor. The general function of the Audit Committee is to review the overall audit plan and the Company's system of internal controls, to review the results of the external audit, and to resolve any potential dispute with the Company's auditor.

Audit Committee Charter

A copy of the charter of the Audit Committee is attached to this AIF as Schedule "A"**.**

Composition of the Audit Committee

The Company's current Audit Committee consists of Ori Inbar, David Cramb, and Jeff Dawley.

NI 52-110 provides that a member of an audit committee is "independent" if the member has no direct or indirect material relationship with the Company, that could, in the view of the Company's board of directors, reasonably interfere with the exercise of the member's independent judgment. Mr. Inbar and Mr. Cramb are the only current Audit Committee members who are "independent" within the meaning of NI 52-110.

NI 52-110 provides that an individual is "financially literate" if he or she has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements. All of the members of the Audit Committee are "financially literate" as that term is defined. The following sets out the Audit Committee members' education and experience that is relevant to the performance of his responsibilities as an audit committee member.

Relevant Education and Experience

Ori Inbar – Mr. Inbar is a world-leading expert in the Augmented Reality industry and has devoted the past 15 years to fostering the AR ecosystem as an entrepreneur, event & community organizer, and investor. He is the Founder of Super Ventures (a fund dedicated to early stage AR companies) and of AWE - the top industry conference and community for AR and VR since 2010. In 2009, Ori was the Co-founder and CEO of Ogmento (now Flyby Media - acquired by Apple). Prior to that he lead the development and marketing of multiple enterprise internet products at several startups and at SAP. Ori double majored in Computer Science and Cinema at Tel Aviv University (BA) and completed the Business leadership program at INSEAD. As a result of this experience, Mr. Inbar is able to read and understand financial statements reflecting accounting principles and issues generally comparable to those of the Company.

David Cramb –- Dr. Cramb obtained his BSc and PhD degrees from the University of British Columbia. He began his first faculty position at the University of Calgary in 1997 and rose through the ranks becoming a full Professor in 2005. He has published over 100 manuscripts and has been awarded over 4 million in research funds. He is formerly the Head of the Chemistry Department at the University of Calgary, where he also sat on the university's Board of Governors. He was also a member of the Board of Directors for the Sled Island music festival. He became Dean of Science at Ryerson University in the Fall of 2018 and continues his research in nanomedicine and in STEM pedagogy for postsecondary learning. As a result of this education and experience, Mr. Cramb has a broad understanding of management and financial principles which enable him to read and understand financial statements.

Jeff Dawley - Mr. Dawley is the co-founder of Cybersecurity Compliance Corp, which through its Cybersecurity Pulse solution, provides board members and non-IT executives with a complete view of their cybersecurity environment, while equipping IT professionals with a framework-based assessment and roadmap for future improvements. In addition, Jeff has over 25 years of financial services, mining, information processing, manufacturing and professional services experience. His career has seen him operate as a CFO for 10 years with both publicly listed and private companies, as well as 5 years as a CTO/CIO, responsible for all aspects of information management and technology. He holds a Chartered Professional Accountant designation from Ontario, Canada, a Certified Public Accountant and Certified Information Technology Professional designation from Illinois, USA and a Chartered Global Management Accountant designation, recognized in the UK and USA.

Reliance on Certain Exemptions

Since the effective date of NI 52-110, the Company has not relied on the exemptions contained in sections 2.4, 3.2, 3.3(2), 3.4, 3.5, 3.6, 3.8 or Part 8 of NI 52-110.

Audit Committee Oversight

Since the commencement of the Company's most recently completed financial year, the Audit Committee of the Company has not made any recommendations to nominate or compensate an external auditor that were not adopted by the board of directors.

Pre-Approval Policies and Procedures

The Audit Committee has not adopted any specific policies and procedures for the engagement of non-audit services.

External Auditor Service Fees

The aggregate fees billed to the Company for the last two (2) fiscal years noted below by the auditors of the Company are as follows:

Financial Year Ending	Audit Fees[(1)]	Audit Related Fees[(2)]	Tax Fees[(3)]	All Other Fees[(4)]
December 31, 2021 (Marcum)[(5)]	$298,834	N/A	N/A	N/A
December 31, 2020 (Marcum)[(6)]	$211,797	N/A	N/A	N/A
December 31, 2021 (DMCL)[(5)]	$62,214	$12,442	N/A	N/A
December 31, 2020 (DMCL)	$171,500	31,900	N/A	N/A

Notes:

(1) "**Audit fees**" include aggregate fees billed by the Company's external auditor in each of the last two financial years noted above for audit fees.

(2) "**Audit related fees**" include the aggregate fees billed in each of the last two financial years noted above for assurance and related services by the Company's external auditor that are reasonably related to the performance of the audit or review of the Company's financial statements and are not reported under "Audit fees" above. The services provided include employee benefit audits, due diligence assistance, accounting consultations on proposed transactions, internal control reviews and audit or attest services not required by legislation or regulation.

(3) "**Tax fees**" include the aggregate fees billed in each of the last two financial years noted above for professional services rendered by the Company's external auditor for tax compliance, tax advice and tax planning. The services provided include tax planning and tax advice includes assistance with tax audits and appeals, tax advice related to mergers and acquisitions, and requests for rulings or technical advice from tax authorities.

(4) "**All other fees**" include the aggregate fees billed in each of the last two financial years noted above for products and services provided by the Company's external auditor, other than "Audit fees", "Audit related fees" and "Tax fees" above.

(5) The Company changed its auditors from DMCL LLP to Marcum LLP, in September 2022 resulting in audit fees and audit related fees incurred by both firms for the same fiscal year.

(6) The Company paid Marcum LLP to re-audit its fiscal 2020 financial statements in order to have a two year fiscal 2021 audit opinion from Marcum LLP to pursue a US exchange uplisting.

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

The Company is not aware of any legal proceedings or regulatory actions to which the Company is or was a party, or to which the Company's property is or was subject, during the year ended December 31, 2021, nor is the Company aware that any such proceedings or actions are currently contemplated.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Except as disclosed in this AIF, no director, officer or holder of 10% or more Common Shares, nor any associate or affiliate of any such person, had any interest in any transaction which has materially affected or would materially affect the Company or any of its subsidiaries, within the two most recently completed financial years or during the current financial year.

On July 19, 2019, the Company issued $657,000 worth of the 2019 Debentures and 1,095,000 Debenture Warrants to Evan Gappelberg, the CEO of the Company. The 2019 Debentures had an interest at a rate of 9% per annum (non-compounded) and a maturity date of July 19, 2022. The Company had the option to re-pay the amount owing under the 2019 Debentures in cash and/or NexTech Shares based on a deemed price of $0.60 per share. The Company could also, at any time, prepay all portion of the principal amount owing under the 2019 Debentures subject to a 15% prepayment penalty, payable in cash. Each Debenture Warrant entitled the holder to acquire one NexTech Share at an exercise price of $0.70 per share for a period of two years from issuance, subject to acceleration in accordance with the terms of the certificate representing the Debenture Warrants. On May 5, 2020, the Company extinguished the 2019 Debentures by issuing 1,236,444 NexTech Shares in full satisfaction of the remaining principal balance of $739,125 and accrued interest of $2,741. The extinguishment was subject to a 15% cash prepayment penalty of $158,384. Of this aggregate amount, $492,750 of principal and $1,828 of accrued interest was owed to Mr.Gappelberg as a holder of 2019 Debentures, which amounts were fully satisfied by the issuance to Mr. Gappelberg of 824,296 NexTech Shares. In addition, $105,589 of the aggregate cash pre-payment penalty paid by the Company in connection with the extinguishing of the 2019 Debentures was paid to Mr. Gappelberg.

On January 15, 2019, the Company completed the acquisition of 100% of the membership interests of AR Ecomm from Evan Gappleberg, the CEO of the Company, and another vendor. In connection with the acquisition, (i) Mr. Gappelberg received 1,000,000 Common Shares at a deemed price of $0.81 per share as partial consideration for the acquisition; and (ii) Mr. Gappleberg transferred 225,000 Common Shares to other persons in a private transaction.

Certain directors and/or officers of the Company have subscribed for Common Shares pursuant to the private placement financings of the Company. In addition, certain directors and/or officers of the Company have been granted stock options under the Company's stock option plan.

TRANSFER AGENT AND REGISTRAR

The Company's registrar and transfer agent for the Common Shares is Computershare Trust Company of Canada at its principal offices at 510 Burrard Street, 3rd Floor, Vancouver, British Columbia, V6C 3B9.

MATERIAL CONTRACTS

There were no material contracts entered into by the Company, other than in the ordinary course of business, within the year ended December 31, 2021, or before the beginning of such period which are still in effect.

INTEREST OF EXPERTS

Names of Experts

Dale Matheson Carr-Hilton Labonte LLP ("**DMCL**") audited the financial statements of the Company for the fiscal years ended December 31, 2020. DMCL is independent within the meaning of the Rules of Professional Conduct of the Chartered Professional Accountants of British Columbia.

Marcum LLP ("**Marcum**") audited the financial statements of the Company for the fiscal years ended December 31, 2021 and 2020. Marcum is independent within the meaning of the Rules of Professional Conduct of the Chartered Professional Accountants of British Columbia.

Interests of Experts

To the knowledge of the Company based on information provided by the experts, none of the experts named above, at the time of preparing the applicable report, valuation, statement or opinion, held or has received or will receive any registered or beneficial interests, direct or indirect, in any securities or other property of the Company or of one of the Company's associates or affiliates in connection with the preparation or certification of any report, valuation, statement or opinion prepared by such person.

ADDITIONAL INFORMATION

Additional information relating to the Company may be found on SEDAR at www.sedar.com. Information including directors' and officers' remuneration and indebtedness, principal holders of the Company's securities and securities authorized for issuance under equity compensation plans, is contained in the Company's management information circular dated August 5, 2021, available on SEDAR at www.sedar.com.

Additional financial information is provided in the Company's audited consolidated financial statements and MD&A for the fiscal year ended December 31, 2021. These documents may be obtained upon request from the Company's head office and are also available on SEDAR at www.sedar.com.

SCHEDULE A

AUDIT COMMITTEE CHARTER

Charter of the Audit Committee of NexTech AR Solutions Corp. (the "Company")

Mandate

The primary function of the audit committee ("**Committee**") is to assist the board of directors in fulfilling its financial oversight responsibilities by reviewing the following: (a) the financial reports and other financial information provided by the Company to regulatory authorities and shareholders; (b) the Company's systems of internal controls regarding finance and accounting and the Company's auditing, accounting; and (c) financial reporting processes. Consistent with this function, the Committee will encourage continuous improvement of, and should foster adherence to, the Company's policies, procedures and practices at all levels. The Committee's primary duties and responsibilities are to (i) serve as an independent and objective party to monitor the Company's financial reporting and internal control system and review the Company's financial statements; (ii) review and appraise the performance of the Company's external auditors; (iii) provide an open avenue of communication among the Company's auditors, financial and senior management and the board of directors; and (iv) to ensure the highest standards of business conduct and ethics.

Composition

The Committee shall be comprised of three directors as determined by the board of directors, the majority of whom shall be free from any relationship that, in the opinion of the board of directors, would interfere with the exercise of his or her independent judgment as a member of the Committee.

At least one member of the Committee shall have accounting or related financial management expertise. All members of the Committee that are not financially literate will work towards becoming financially literate to obtain a working familiarity with basic finance and accounting practices. For the purposes of the Company's Charter, the definition of "financially literate" is the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can presumably be expected to be raised by the Company's financial statements.

The members of the Committee shall be elected by the board of directors at its first meeting following the annual shareholders' meeting. Unless a chair is elected by the full board of directors, the members of the Committee may designate a chair by a majority vote of the full Committee membership.

Meetings

The Committee shall meet at least twice annually, or more frequently as circumstances dictate. As part of its job to foster open communication, the Committee will meet at least annually with the Chief Financial Officer and the external auditors in separate sessions.

Responsibilities and Duties

To fulfill its responsibilities and duties, the Committee shall:

Documents/Reports Review

(a) Review and update this Charter annually.

(b) Review the Company's financial statements, MD&A, any annual and interim earnings statements and related press releases before the Company publicly discloses this information and any reports or other financial information (including quarterly financial statements), which are submitted to any governmental body, or to the public, including any certification, report, opinion or review rendered by the external auditors.

External Auditors

(a) Review annually the performance of the external auditors who shall be ultimately accountable to the board of directors and the Committee as representatives of the shareholders of the Company.

(b) Obtain annually a formal written statement of external auditors setting forth all relationships between the external auditors and the Company.

(c) Review and discuss with the external auditors any disclosed relationships or services that may impact the objectivity and independence of the external auditors.

(d) Take or recommend that the full board of directors take appropriate action to oversee the independence of the external auditors.

(e) Recommend to the board of directors the selection and, where applicable, the replacement of the external auditors nominated annually for shareholder approval.

(f) At each meeting, consult with the external auditors, without the presence of management, about the quality of the Company's accounting principles, internal controls and the completeness and accuracy of the Company's financial statements.

(g) Review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the present and former external auditors of the Company.

(h) Review with management and the external auditors the audit plan for the year-end financial statements and intended template for such statements.

(i) Review and pre-approve all audit and audit-related services and the fees and other compensation related thereto, and any non-audit services, provided by the Company's external auditors. The pre-approval requirement is waived with respect to the provision of non-audit services if:

  i. the aggregate amount of all such non-audit services provided to the Company constitutes not more than 5% of the total amount of revenues paid by the Company to its external auditors during the fiscal year in which the non-audit services are provided;

  ii. such services were not recognized by the Company at the time of the engagement to be non-audit services; and

  iii. such services are promptly brought to the attention of the Committee by the Company and approved prior to the completion of the audit by the Committee or by one or more members of the Committee who are members of the board of directors to whom authority to grant such approvals has been delegated by the Committee.

Provided the pre-approval of the non-audit services is presented to the Committee's first scheduled meeting following such approval such authority may be delegated by the Committee to one or more independent members of the Committee.

Financial Reporting Processes

(a) In consultation with the external auditors, review with management the integrity of the Company's financial reporting process, both internal and external.

(b) Consider the external auditor's judgments about the quality and appropriateness of the Company's accounting principles as applied in its financial reporting.

(c) Consider and approve, if appropriate, changes to the Company's auditing and accounting principles and practices as suggested by the external auditors and management.

(d) Review significant judgments made by management in the preparation of the financial statements and the view of the external auditors as to appropriateness of such judgments.

(e) Following completion of the annual audit, review separately with management and the external auditors any significant difficulties encountered during the course of the audit, including any restrictions on the scope of work or access to required information.

(f) Review any significant disagreement among management and the external auditors in connection with the preparation of the financial statements.

(g) Review with the external auditors and management the extent to which changes and improvements in financial or accounting practices have been implemented.

(h) Review certification process for certificates required under Multilateral Instrument 52-109.

(i) Establish a procedure for the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.

Internal Controls and Procedures

Pursuant to the requirements of NI 52-109, the Committee will in connection with each certification required pursuant to such instrument:

(a) Review the Company's design of disclosure control and procedures and internal controls over financial reporting internal control over financial reporting;

(b) Review with management the results of their evaluation of internal control over financial reporting;

(c) Review with management the scope and plans for addressing deficiencies in internal controls and procedures; and

(d) Advise the Board of any material weaknesses in internal controls and procedures and the steps being taken to remediate such weaknesses.

<u>Other</u>

(a) Review any related party transactions.

(b) Review reports from persons regarding any questionable accounting, internal accounting controls or auditing matters (“**Concerns**”) relating to the Company such that:

i. an individual may confidentially and anonymously submit their Concerns to the Chairman of the Committee in writing, by telephone, or by e-mail;

ii. the Committee reviews as soon as possible all Concerns and addresses same as they deem necessary; and

iii. the Committee retains all records relating to any Concerns reported by an individual for a period the Committee judges to be appropriate.

All of the foregoing in a manner that the individual submitting such Concerns shall have no fear of adverse consequences.

SCHEDULE B

DISCLOSURE COMMITTEE CHARTER

NEXTECH AR SOLUTIONS CORP.
(the "Corporation")

Disclosure Policy

All financial disclosures made by the Corporation to its security holders or the investment community should (i) be accurate, complete and timely, (ii) fairly present, in all material respects, the Corporation's financial condition, results of operations and cash flows, and (iii) meet any other legal, regulatory or stock exchange requirements.

Committee Purpose

The Corporation's Disclosure Committee (the "**Committee**") shall assist the Corporation's officers and directors (collectively, the "**Senior Officers**") fulfilling the Corporation's and their responsibilities regarding (i) the identification and disclosure of material information about the Corporation and (ii) the accuracy, completeness and timeliness of the Corporation's financial reports.

Responsibilities

Subject to the supervision and oversight of Senior Officers, the Committee shall be responsible for the following tasks:

- Review and, as necessary, help revise the Corporation's controls and other procedures ("**Disclosure Controls and Procedures**") to ensure that (i) information required by the Corporation to be disclosed to the securities regulators and stock exchanges (the "**Regulators**"), and other written information that the Corporation will disclose to the public is recorded, processed, summarized and reported accurately and on a timely basis, and (ii) such information is accumulated and communicated to management, including the Senior Officers, as appropriate to allow timely decisions regarding required disclosure.

- Assist in documenting, and monitoring the integrity and evaluating the effectiveness of, the Disclosure Controls and Procedures.

- Review (i) continuous disclosure reports made with Regulators (the "**Reports**"), (ii) press releases containing financial information, earnings guidance, forward-looking statements, information about material transactions, or other information material to the Corporation's security holders, (iii) correspondence broadly disseminated to shareholders, and (iv) other relevant communications or presentations (collectively, the "**Disclosure Statements**").

- Discuss information relative to the Committee's responsibilities and proceedings, including (i) the preparation of the Disclosure Statements and (ii) the evaluation of the effectiveness of the Disclosure Controls and Procedures.

- Review the Disclosure Statements for compliance with the Corporation's continuous disclosure obligations under Canadian securities laws.

- Ensure Disclosure Statements are accurate, factual, and balanced, with appropriate disclosure for forward looking information.

- Ensure all market and industry information has been properly sourced and referenced to the extent such information is included in the Disclosure Statements; and

- Coordinate the review of Disclosure Statements by legal counsel where requested by the Disclosure Committee.

Other Responsibilities

The Committee shall have such other responsibilities, consistent with the Committee's purpose, as any Senior Officer may assign to it from time to time.

Disclosure Control Considerations

The Committee shall base the review and revision of the Disclosure Controls and Procedures on the following factors:

- *Control Environment:* The directives of the Board and Audit Committee; the integrity and ethical values of the Corporation's officers and employees, including the “tone at the top”; the Corporation's Code of Business Conduct and Ethics; and the philosophy and operating style of management, including how employees are organized and how authority is delegated.

- *Risk Assessment:* The identification and analysis of relevant risks to achieving the goal of accurate and timely disclosure, forming a basis for determining how the risks should be managed.

- *Control Activities*: The procedures to ensure that necessary actions are taken to address and handle risks to achievement of objectives.

- *Information and Communication*: The accumulation, delivery and communication of financial information throughout (i.e., up, down and across) the organization.

- *Monitoring*: The assessment of the quality of the financial reporting systems over time through ongoing monitoring and separate evaluations, including through regular management supervision and reporting of deficiencies upstream.

Organization

The members of the Committee will be comprised of the Corporation's officers and directors.

The Senior Officers at their option may, at any time and from time to time, assume any or all of the responsibilities of the Disclosure Committee identified in this Charter, including, for example, approving Disclosure Statements when time does not permit the full Committee to meet or act.

Chair

The Corporate Secretary of the Corporation shall act as the Chair of the Committee (unless and until another member of the Committee shall be so appointed by any Senior Officer).

Meetings and Procedures

The Committee shall meet or act as frequently and as formally or informally as circumstances dictate to (i) ensure the accuracy, completeness and timeliness of the Disclosure Statements and (ii) evaluate the Disclosure Controls and Procedures and determine whether any changes to the Disclosure Controls and Procedures are necessary or advisable in connection with the preparation of the Reports or other Disclosure Statements, taking into account developments since the most recent evaluation, including material changes in the Corporation's organization and business lines and any material change in economic or industry conditions.

The Committee shall adopt, whether formally or informally, such procedures as it deems necessary to facilitate the fulfillment of its responsibilities.

Lead Time

The Senior Officers will provide the Disclosure Committee with ample and sufficient lead time and notice of all Disclosure Statements (being no less than 48 hours in the case of a news release) in order for the Disclosure Committee to review such Disclosure Statements and fulfill their responsibilities herein.

Full Access

The Committee shall have full access to all of Corporation's books, records, assets, facilities and personnel, including the internal auditors, in connection with fulfilling its responsibilities.

Charter Review

The Committee shall review and assess this Charter annually, and recommend any proposed changes to the Senior Officers for approval.

Interpretation

Any questions of interpretation regarding this Charter, or the Committee's responsibilities or procedures, shall be determined initially by the Chair and, to the extent necessary, ultimately by the Senior Officers.