



NEXOPTIC

## **NexOptic Enters Agreements with Significant Shareholder**

**- Voting Support with Restrictions to Disposing of Shares**

**- Assignment of Incentive Rights to NexOptic**

**- Indemnity and Settlement Agreements**

Vancouver, Canada – May 25, 2020 – NexOptic Technology Corp. (“NexOptic” or the “Company”) (TSX VENTURE: NXO) (OTCQB: NXOPF) (FSE: E3O1), an innovator in optics and Artificial Intelligence (AI), is pleased to announce that it has entered into three separate agreements with significant shareholder 3DB, Inc. (“3DB”), a private Alberta company.

The agreements include a voting support agreement (the “Support Agreement”), a custodial and rights agreement, (the “Rights Agreement”), and a release, indemnity and settlement agreement, (“the Settlement Agreements”), all effective as of May 15, 2020.

The Support Agreement sets forth certain restrictions on the manner and volume of the Company’s shares that 3DB may dispose during the term of the Support Agreement, being the lesser of 25,000 shares or 10% of the aggregate trading volume on the TSX Venture Exchange on the prior trading day and, in the case of a “block trade,” may not complete such sales as would result in the acquiror, together with all joint actors thereof, holding more than 2.0% of the issued and outstanding common shares or at a price less than the discounted market price (as such term is defined in the TSX Venture Exchange Corporate Finance Manual).

Further, 3DB and each of John and Darcy Daugela have agreed to vote with all recommendations of the Company with certain non-obligatory exceptions. The Support Agreement is for a period of three years and may be terminated by 3DB earlier in certain events including the issuance of a cease trade order for a period of more than 60 trading days in any 12-month period, the Company’s common shares cease to be listed on a recognized stock exchange in Canada or a default in the settlement agreements described below. A copy of the Support Agreement will be filed on NexOptic’s SEDAR profile at [www.sedar.com](http://www.sedar.com).

The Rights Agreement is entered into with NexOptic’s transfer agent, Computershare Trust Company of Canada (“Computershare”), as custodial agent whereby 3DB has deposited 8.0 million shares of the Company held by Computershare and has agreed that the Company may issue “incentive rights” (the “Rights”) to acquire such shares to such persons as the Company designates at an exercise price equal to the greater of \$0.25 per share or average closing price of the Company’s shares for the five days preceding the issuance of the incentive right. The Rights Agreement has an overall seven-year term (the “Term”). The overall number of Rights the Company may issue is unlimited, provided that the aggregate number of Right issued and outstanding or exercised during the Term may not exceed the 8.0 million shares so deposited. Any shares remaining deposited with Computershare at the end of the Term will be returned to 3DB. 3DB will retain voting rights and all dividends associated with the deposited shares and is permitted to tender such shares in a business combination. The Rights will be non-transferable

and will expire on the earlier of the expiry date fixed by the Company at the time of issuance, the end of the Term or within a specified time of the recipient of the Rights ceasing to be an “eligible person” as defined in the Rights Agreement. A copy of the Rights Agreement will be filed on the Company’s SEDAR profile at [www.sedar.com](http://www.sedar.com).

Finally, the release, indemnity and settlement agreements (the “Settlement Agreements” and together with the Rights Agreement and the Support Agreement, the “Agreements”) with each of John and Darcy Daugela in respect of the employment agreements entered into by the Daugelas with the Company dated December 1, 2017. The Settlement Agreements provide for mutual releases and indemnities between the parties in consideration of the payment of severance to the Daugela’s monthly over a 36-month period. The payments are to be offset, subject to adjustment for proceeds of sales of Company’s securities as held by 3DB.

As 3DB is a control person of the Company, the Agreements and the transactions contemplated thereby constitutes a "related party transaction" as such term is defined under Multilateral Instrument 61-101 - Protection of Minority Security Holders in Special Transactions ("MI 61-101"). The Company is relying on exemptions from the formal valuation and minority approval requirements under MI 61-101. The Company relied on Section 5.5(a) of MI 61-101 for an exemption from the formal valuation requirement and Section 5.7(1)(a) of MI 61-101 for an exemption from the minority shareholder approval requirement of MI 61-101 as the fair market value of the consideration in the Agreements represented less than 25% of the Company’s market capitalization.

As of the time of the execution of the Agreements, 3DB held 40,265,798 common shares, representing 29.2% of the issued and outstanding shares of the Company and a further 2,747,899 warrants, which together with the common shares held representing 30.6% of the Company’s shares on a partially diluted basis assuming the exercise of the warrants held by 3DB only. The Agreements do not immediately impact the holdings of 3DB.

### **About NexOptic Technology Corp.**

NexOptic Technology Corp. (TSXV:NXO, OTCQB:NXOPF, FWB:E3O1) is an innovative imaging start-up. It’s All Light Intelligent Imaging Solutions (“ALIIS™”), is being optimized into the Qualcomm® Platform Solutions Ecosystem for select Qualcomm® Snapdragon™ mobile platforms. NexOptic is also engaged in the development of its revolutionary sports-optic device DoubleTake as well as mobile lens solutions. Learn more at [www.nexoptic.com](http://www.nexoptic.com).

### **Media and Investor Enquiries**

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### **Forward-Looking Statements**

This press release contains forward-looking information and forward-looking statements within the meaning of applicable securities laws, including, but not limited to, statements with respect to expectations concerning the impact of the agreements with 3DB. The reader is cautioned that forward- looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions, and other factors which are difficult to predict and

that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. Forward-looking statements are based on the then current expectations, beliefs, assumptions, estimates and forecasts about the business and the industry and markets in which the Company operates and are qualified in their entirety by the inherent risks and uncertainties surrounding future expectations, including, among others: risks associated with the public markets and the volatility and value of the Company's common shares, risks associated with the Company's ability to raise financing; and other risks inherent with technology and product development and the business of the Company. Such forward-looking statements should therefore be construed considering such factors. Other than in accordance with its legal or regulatory obligations, the Company is not under any obligation and it expressly disclaims any intention or obligation to update or revise any forward-looking statements, whether because of new information, future events or otherwise.

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this news release.