



**nextech AR**  
solutions

## **Nextech AR Solutions Corp. Reports Strong Fourth Quarter 2020 Results**

VANCOUVER, B.C., Canada – April 15<sup>th</sup>, 2021 – Nextech AR Solutions Corp. (“NexTech” or the “Company”) (OTCQB: NEXCF) (NEO: NTAR) (CSE: NTAR) (FSE: N29) announces its financial and operating results for the fourth quarter and year ended December 31, 2020. This press release contains forward-looking statements. Please refer to our cautionary language on forward-looking statements and the other matters set forth at the end of this press release and the beginning of the Management’s Discussion and Analysis (the “MD&A”) for the year ended December 31, 2020. NexTech’s audited financial statements for the year ended December 31, 2020 and notes thereto (the “financial statements”), and the MD&A are available on our website at [www.nextechar.com](http://www.nextechar.com) and are filed on SEDAR at [www.sedar.com](http://www.sedar.com). All figures are prepared in accordance with International Financial Reporting Standards (IFRS) unless otherwise indicated.

### **Financial & Operational highlights:**

Fourth quarter 2020 performance included the following financial achievements:

- Revenue for the twelve months ended December 31, 2020 was \$17.7 million an increase of 342% compared to the seven months year ended December 31, 2019.
- Gross profit for the twelve months ended December 31, 2020 was \$9.9 million an increase of 320% compared to seven months year ended December 31, 2019.
- Working capital as at December 31, 2020 was \$13.6 million.

NexTech AR Solutions Corp.  
Consolidated Statements of Financial Position  
(Expressed in Canadian dollars)

| As at                                             | December 31, 2020 | December 31, 2019 | May 31, 2019 |
|---------------------------------------------------|-------------------|-------------------|--------------|
|                                                   | \$                | \$                | \$           |
| <b>Assets</b>                                     |                   |                   |              |
| <b>Current assets</b>                             |                   |                   |              |
| Cash                                              | 10,684,952        | 2,849,344         | 329,678      |
| Digital Assets                                    | 2,546,035         | -                 | -            |
| Receivables                                       | 1,312,548         | 403,651           | 421,274      |
| Contract asset                                    | 244,478           | -                 | -            |
| Prepaid expenses                                  | 1,354,369         | 200,650           | 178,715      |
| Inventory                                         | 3,211,675         | 1,353,584         | 579,857      |
|                                                   | 19,354,057        | 4,807,229         | 1,509,524    |
| <b>Non-current assets</b>                         |                   |                   |              |
| Equipment                                         | 300,558           | 146,555           | 149,879      |
| Right-of-use asset                                | 1,034,724         | -                 | -            |
| Intangible assets                                 | 3,500,041         | 1,420,552         | 3,860,710    |
| Goodwill                                          | 4,886,513         | 2,262,527         | 2,327,350    |
| <b>Total assets</b>                               | 29,075,893        | 8,636,863         | 7,847,463    |
| <b>Liabilities and Shareholders' Equity</b>       |                   |                   |              |
| <b>Current liabilities</b>                        |                   |                   |              |
| Accounts payable and accrued liabilities          | 2,527,437         | 1,243,528         | 747,479      |
| Other payables                                    | -                 | 230,174           | 772,078      |
| Deferred revenue                                  | 383,022           | -                 | -            |
| Lease liability                                   | 150,662           | -                 | -            |
| Contingent consideration                          | 2,717,859         | -                 | -            |
|                                                   | 5,778,980         | 1,473,702         | 1,519,557    |
| <b>Non-current liabilities</b>                    |                   |                   |              |
| Lease liability                                   | 877,978           | -                 | -            |
| Deferred tax liability                            | -                 | 96,956            | 193,435      |
| <b>Total liabilities</b>                          | 6,656,958         | 1,570,658         | 1,712,992    |
| <b>Shareholders' Equity</b>                       |                   |                   |              |
| Share capital                                     | 41,968,520        | 15,210,041        | 10,551,142   |
| Convertible debentures                            | -                 | 1,025,595         | -            |
| Reserves                                          | 6,757,098         | 1,407,330         | 1,076,944    |
| Deficit                                           | (26,306,683)      | (10,576,761)      | (5,493,615)  |
|                                                   | 22,418,935        | 7,066,205         | 6,134,471    |
| <b>Total liabilities and shareholders' equity</b> | 29,075,893        | 8,636,863         | 7,847,463    |

NexTech AR Solutions Corp.  
Consolidated Statements of Comprehensive Loss  
(Expressed in Canadian dollars)

|                                                        | Year ended<br>December 31, 2020 | Seven months ended<br>December 31, 2019 | Year ended<br>May 31, 2019 |
|--------------------------------------------------------|---------------------------------|-----------------------------------------|----------------------------|
|                                                        | \$                              | \$                                      | \$                         |
| <b>Revenue</b>                                         | 17,685,652                      | 4,003,660                               | 2,002,365                  |
| <b>Cost of sales</b>                                   | (7,834,668)                     | (1,655,756)                             | (1,025,778)                |
| <b>Gross profit</b>                                    | 9,850,984                       | 2,347,904                               | 976,587                    |
| <b>Operating expenses:</b>                             |                                 |                                         |                            |
| Sales and marketing                                    | 9,609,441                       | 2,608,329                               | 1,660,135                  |
| General and administrative                             | 5,840,760                       | 1,550,418                               | 2,125,447                  |
| Stock-based compensation                               | 5,665,051                       | 391,148                                 | 750,882                    |
| Research and development                               | 3,591,653                       | 721,451                                 | 865,279                    |
| Amortization                                           | 672,116                         | 190,018                                 | 124,339                    |
| Depreciation                                           | 82,983                          | 21,720                                  | 27,944                     |
|                                                        | 25,462,004                      | 5,483,084                               | 5,554,026                  |
| <b>Other income (expense)</b>                          |                                 |                                         |                            |
| Impairment                                             | 69,423                          | 2,207,750                               | 194,444                    |
| Foreign exchange expense (gain)                        | 10,095                          | 43,489                                  | (109,414)                  |
| Financing expense                                      | -                               | 7,194                                   | 21,051                     |
|                                                        | 79,518                          | 2,258,433                               | 106,081                    |
| <b>Loss before income taxes</b>                        | (15,690,538)                    | (5,393,613)                             | (4,683,520)                |
| Deferred income tax recovery                           | 96,956                          | 96,479                                  | 15,971                     |
| <b>Net loss</b>                                        | (15,593,582)                    | (5,297,134)                             | (4,667,549)                |
| <b>Other comprehensive loss</b>                        |                                 |                                         |                            |
| Exchange differences on translating foreign operations | (252,612)                       | (146,447)                               | 7,687                      |
| <b>Total comprehensive loss</b>                        | (15,846,194)                    | (5,443,581)                             | (4,659,862)                |
| <b>Loss per common share</b>                           |                                 |                                         |                            |
| Basic and diluted loss per common share                | (0.23)                          | (0.10)                                  | (0.11)                     |
| Weighted average number of common shares outstanding   | 68,657,254                      | 58,290,845                              | 44,433,139                 |

Nextech AR Solutions Corp.  
Consolidated Statements of Cash Flows  
(Expressed in Canadian dollars)

|                                                     | Year ended<br>December 31, 2020 | Seven months ended<br>December 31, 2019 | Year ended<br>May 31, 2019 |
|-----------------------------------------------------|---------------------------------|-----------------------------------------|----------------------------|
|                                                     | \$                              | \$                                      | \$                         |
| <b>Cashflows from operating activities</b>          |                                 |                                         |                            |
| Net loss                                            | (15,593,582)                    | (5,297,134)                             | (4,667,549)                |
| <b>Items not affecting cash</b>                     |                                 |                                         |                            |
| Amortization of intangible assets                   | 672,116                         | 190,108                                 | 124,339                    |
| Accretion expense                                   | -                               | 7,194                                   | 21,051                     |
| Right of use asset                                  | 68,982                          | -                                       | -                          |
| Deferred income tax recovery                        | (96,956)                        | (96,479)                                | (15,197)                   |
| Depreciation of property and equipment              | 82,983                          | 21,720                                  | 27,944                     |
| Shares issued to settle related party liability     | 38,239                          | -                                       | -                          |
| Stock-based compensation                            | 5,665,051                       | 391,148                                 | 750,882                    |
| Share-based payments                                | 1,202,694                       | -                                       | -                          |
| Share issued for services                           | 35,074                          | 62,999                                  | 80,000                     |
| Impairment of intangible asset                      | 85,664                          | 2,207,750                               | 194,444                    |
| <b>Changes in non-cash working capital balances</b> |                                 |                                         |                            |
| Receivables                                         | (893,109)                       | 17,623                                  | (341,108)                  |
| Prepaid expenses                                    | (1,152,606)                     | (22,768)                                | (115,408)                  |
| Inventory                                           | (1,858,091)                     | (773,727)                               | (71,789)                   |
| Accounts payable and accrued liabilities            | 1,034,116                       | 496,912                                 | 461,505                    |
| Other payables                                      | (229,984)                       | -                                       | -                          |
| Deferred revenue                                    | 383,022                         | -                                       | -                          |
| <b>Net cash used in operating activities</b>        | <b>(10,556,387)</b>             | <b>(2,794,654)</b>                      | <b>(3,550,886)</b>         |
| <b>Cashflows from investing activities</b>          |                                 |                                         |                            |
| Purchase of Bitcoin                                 | (2,546,035)                     | -                                       | -                          |
| Contract assets                                     | (244,478)                       | -                                       | -                          |
| Cash acquired on a business combination             | -                               | -                                       | 128,670                    |
| Cash paid for acquisition of Map Dynamics           | (777,900)                       | -                                       | -                          |
| Cash paid for Infinite Pet Life                     | -                               | (434,005)                               | (1,760,294)                |
| Cash paid for HootView                              | -                               | -                                       | (85,664)                   |
| Purchase of intangible assets                       | (937,396)                       | -                                       | -                          |
| Purchase of equipment                               | (18,639)                        | (18,639)                                | (127,124)                  |
| <b>Net cash used in investing activities</b>        | <b>(4,524,448)</b>              | <b>(452,644)</b>                        | <b>(1,844,412)</b>         |
| <b>Cashflows from financing activities</b>          |                                 |                                         |                            |
| Proceeds from exercise of options and warrants      | 7,763,538                       | 267,400                                 | -                          |
| Payment of lease obligations                        | (75,065)                        | -                                       | -                          |
| Net proceeds from short term prospectus             | 12,124,116                      | -                                       | -                          |
| Net proceeds from private placement                 | 3,009,048                       | 4,601,638                               | 3,080,750                  |
| Capital contribution                                | -                               | -                                       | 106,338                    |
| Convertible debentures                              | -                               | 985,500                                 | -                          |
| <b>Net cash provided by financing activities</b>    | <b>22,821,637</b>               | <b>5,854,538</b>                        | <b>3,187,088</b>           |
| Change in cash                                      | 7,740,801                       | 2,607,239                               | (2,208,210)                |
| Cash, beginning                                     | 2,849,344                       | 329,678                                 | 2,523,717                  |
| Effects of foreign exchange on cash                 | 94,807                          | (87,573)                                | 14,171                     |
| <b>Cash, ending</b>                                 | <b>10,684,952</b>               | <b>2,849,344</b>                        | <b>329,678</b>             |
| <b>Supplemental cash flow information</b>           |                                 |                                         |                            |
| Taxes paid                                          | 306                             | -                                       | 306                        |
| Interest Paid                                       | 8,237                           | -                                       | 8,237                      |
| Interest received                                   | 13,446                          | -                                       | 13,446                     |

## **About NexTech AR**

*NexTech develops and operates augmented reality (“AR”) platforms that transports three-dimensional (“3D”) product visualizations, human holograms and 360° portals to its audiences altering e-commerce, digital advertising, hybrid virtual events (events held in a digital format blended with in-person attendance) and learning and training experiences.*

*NexTech focuses on developing AR solutions however most of the Company’s revenues are derived from three e-Commerce platforms: vacuumcleanermarket.com (“VCM”), infinitepetlife.com (“IPL”) and Trulyfesupplements.com (“TruLyfe”). VCM and product sales of residential vacuums, supplies and parts, and small home appliances sold on Amazon.*

To learn more, please follow us on [Twitter](#), [YouTube](#), [Instagram](#), [LinkedIn](#), and [Facebook](#), or visit our [website](#).

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## **Non-IFRS Financial Measures**

*Total Bookings is not defined by and does not have a standardized meaning under International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board. This non-IFRS financial performance measure is defined below. Non-IFRS financial measures are used by management to assess the financial and operational performance of the Company. The Company believes that this non-IFRS financial measure, in addition to conventional measures prepared in accordance with IFRS, enables investors to evaluate the Company’s operating results, underlying performance and prospects in a similar manner to the Company’s management. As there are no standardized methods of calculating these non-IFRS measures, the Company’s approaches may differ from those used by others, and accordingly, the use of these measures may not be directly comparable. Accordingly, this non-IFRS measure is intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS.*

*“Total Bookings” is the total dollar value of all services/goods included in contracts with our customers. ‘Value’ is the total revenue (recognizable or not) associated with each transaction, as opposed to the amount invoiced in the period.*

*Please refer to the Company’s most recent management discussion and analysis for further information on non-IFRS measures.*

## **Forward-looking Statements**

*This press release may contain forward-looking information within the meaning of applicable securities laws, which reflects the Company’s current expectations regarding future events, including with respect to the Company’s financial outlook. In some cases, but not necessarily in all cases, forward-looking statements can be identified by the use of forward looking terminology such as “plans”, “targets”, “expects” or “does not expect”, “is expected”, “an opportunity exists”, “is positioned”, “estimates”, “intends”, “assumes”, “anticipates” or “does not anticipate” or “believes”, or variations of such words and phrases or state that certain actions, events or results “may”, “could”, “would”, “might”, “will” or “will be taken”, “occur” or*

*"be achieved". In addition, any statements that refer to expectations, projections or other characterizations of future events or circumstances contain forward-looking statements. Forward-looking statements are not historical facts, nor guarantees or assurances of future performance but instead represent management's current beliefs, expectations, estimates and projections regarding future events and operating performance. Specifically, NexTech's forecast on Total Bookings is considered forward-looking information. The foregoing demonstrates NexTech's objectives, which are not forecasts or estimates of its financial position but are based on the implementation of its strategic goals, growth prospects and growth initiatives. Management's assessments of, and outlook for, Total Bookings set out herein are generally based on the following assumptions: (a) NexTech's results of operations will continue as expected, (b) the Company will continue effectively execute against its key strategic growth priorities, (c) the Company will continue to retain and grow its existing customer base and market share, (d) the Company will be able to take advantage of future prospects and opportunities, and continue to realize on synergies, (e) there will be no changes in legislative or regulatory matters that negatively impact NexTech's business, (f) current tax laws will remain in effect and will not be materially changed, (g) economic conditions will remain relatively stable throughout the period, and (h) the industries NexTech operates in will continue to grow consistent with past experience. The Company considers these assumptions to be reasonable in the circumstances, given the time period for such projections and targets. The achievement of target revenue set out above is subject to significant risks including: (a) that the Company will be unable to effectively execute against its key strategic growth priorities and (b) the Company will be unable to continue to retain and grow its existing customer base and market share. These estimates have been prepared by and are the responsibility of management.*

*Forward-looking information is based on a number of assumptions and is subject to a number of risks and uncertainties, many of which are beyond the Company's control, which could cause actual results and events to differ materially from those that are disclosed in or implied by such forward-looking information. Such risks and uncertainties include, but are not limited to, the factors discussed under "Risk Factors" in the final short form prospectus of the Company dated August 12, 2020. NexTech does not undertake any obligation to update such forward-looking information, whether as a result of new information, future events or otherwise, except as expressly required by applicable law.*

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

*Certain information contained herein may constitute "forward-looking information" under Canadian securities legislation. Generally, forward-looking information can be identified using forward-looking terminology such as, "will be", "looking forward" or variations of such words and phrases or statements that certain actions, events, or results "will" occur. Forward-looking statements regarding the Company increasing investors awareness are based on the Company's estimates and are subject to known and unknown risks, uncertainties and other factors that may cause the actual results, levels of activity, performance, or achievements of NexTech to be materially different from those expressed or implied by such forward-looking statements or forward-looking information, including capital expenditures and other costs. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements and forward-looking information. NexTech will not update any forward-looking statements or forward-looking information that are incorporated by reference herein, except as required by applicable securities laws.*