



Nextech AR Solutions Corp. Reports Q1 Results Showing Record Growth in Key 3D Model and AR Business

- *62% increase in sequential quarterly ARR (Annual Recurring Rev) growth from Q4 2021-Q1 2022*
- *In 2022 first 6 weeks of Q2 3D-AR model business has already surpassed entire Q1 in ARR contract revenue*
- *Average dollar amount of 3D AR model deals increased 100% from Q4 to \$10,000 on avg.*

TORONTO, ON Canada – May 16, 2022 – [Nextech AR Solutions Corp.](#) (“Nextech” or the “Company”) (OTCQB: NEXCF) (CSE: NTAR) (FSE: N29) reports its financial and operating results for the first quarter 2022 ending March 31st, 2022.

Subsequently, Nextech will host a conference call to discuss the results today, May 16, 2022 at 5:00 P.M. Eastern Time. Please join Evan Gappelberg, Chief Executive Officer and Andrew Chan, Chief Financial Officer to discuss these financial and operating results.

2022 Q1 Financial Highlights:

- 62% increase in sequential quarterly Annual Recurring Revenue growth
- Q1 Annual Recurring or Repeat Revenue now at record \$1,346,000
- Year over year \$2.7 million reduction in operating expenses for Q1
- \$1.1 million reduction in sequential operating expenses for Q1 2022 vs. Q4 2021
- Average size of our 3D AR model deals increased 100% from Q4 2021 to year to date 2022 to a \$10K deal size on average
- Two new 3D models deals signed in six figures year to date 2022

Q2 Outlook:

- Ended Q1 2022 with 12-month ARR contracts or annual repeat customers totalling \$1,346,000. Q2 to date this has grown to \$1,575,000.
- For the first 6 weeks of Q2 our 3D AR model business has already surpassed our entire Q1 in contract values signed
- The company is seeing a strong uptick in new interest in 3D modeling for ecommerce with larger contracts and an acceleration of closed deals which we expect to continue in Q2 2022.



NexTech AR Solutions Corp.

Condensed Consolidated Interim Statements of Financial Position
(Expressed in Canadian dollars)
(Unaudited)

As at		March 31, 2022	December 31, 2021
Assets			
Current assets			
Cash & Cash Equivalents	\$	10,781,775	\$ 7,237,296
Receivables (Note 4)		1,019,014	1,081,164
Contract Asset (Note 13)		124,982	386,202
Prepaid expenses (Note 5)		894,805	749,474
Inventory (Note 6)		2,527,193	3,389,098
		15,347,769	12,843,234
Non-current assets			
Equipment (Note 7)		376,473	377,242
Right-of-use asset (Note 8)		1,002,598	1,079,319
Intangible assets (Note 9)		5,575,700	6,419,934
Goodwill (Note 9)		8,670,827	8,790,529
Total assets	\$	30,973,367	\$ 29,510,258
Liabilities and Shareholders' Equity			
Current liabilities			
Accounts payable and accrued liabilities (Note 10)	\$	1,910,159	\$ 2,759,017
Deferred revenue (Note 13)		622,898	609,001
Lease liability (Note 8)		290,357	290,357
		2,823,414	3,658,375
Non-current liabilities			
Lease liability (Note 8)		706,654	786,755
Deferred income tax liability		590,391	712,215
Loan payable		86,756	90,896
Total liabilities		4,207,215	5,248,241
Shareholders' Equity			
Share capital (Note 11)		80,202,550	70,570,760
Reserves		11,272,102	10,671,525
Accumulated other comprehensive income		1,953,782	1,978,469
Deficit		(66,662,282)	(58,958,737)
		26,766,152	24,262,017
Total liabilities and shareholders' equity	\$	30,973,367	\$ 29,510,258



NexTech AR Solutions Corp.

Condensed Consolidated Interim Statements of Comprehensive Loss

(Expressed in Canadian dollars)

(Unaudited)

	Three months ended		Three months ended	
	March 31, 2022		March 31, 2021	
Revenue (Note 13)	\$	3,484,337	\$	7,726,703
Cost of sales (Note 14)		(2,000,937)		(4,412,278)
Gross profit		1,483,400		3,314,425
Operating expenses:				
Sales and marketing (Note 14)		2,616,948		4,640,087
General and administrative (Note 14)		3,820,600		3,747,723
Research and development (Note 14)		1,027,194		1,793,479
		7,464,742		10,181,289
Other expense (income)				
Stock-based compensation (Note 11)		578,805		2,402,628
Amortization (Note 9)		728,378		380,220
Right of Use Amortization (Note 8)		63,082		-
Gain on short-term investments		-		(219,321)
Depreciation (Note 7)		37,117		27,950
Foreign exchange gain		446,626		(274,564)
		1,854,008		2,316,913
Loss before income taxes		(7,835,350)		(9,183,777)
Current income tax expense		(7,128)		-
Deferred income tax recovery		138,933		-
Net loss	\$	(7,703,545)	\$	(9,183,777)
Other comprehensive income (loss)				
Exchange differences on translating foreign operations		(24,687)		(52,401)
Total comprehensive loss	\$	(7,728,232)	\$	(9,236,178)
Loss per common share				
Basic and diluted loss per common share		(0.08)		(0.12)
Weighted average number of common shares outstanding		97,550,931		77,489,618



NexTech AR Solutions Corp.

Condensed Consolidated Interim Statements of Cash Flows
(Expressed in Canadian dollars)
(Unaudited)

	Three months ended March 31, 2022	Three months ended March 31, 2021
Cashflows from operating activities		
Net loss	\$ (7,703,545)	\$ (9,183,777)
Items not affecting cash		
Amortization of intangible assets	728,378	380,220
Deferred income tax recovery	(138,933)	-
Amortization of right to use asset	63,082	34,311
Depreciation of property and equipment	37,117	27,950
Gain on digital assets	-	(219,321)
Shares for services	717,066	22,156
Stock-based compensation	578,805	2,402,628
Shares issued to settle related party liability	-	1,299,845
Shares issued for exercise of options	-	6,300
Changes in non-cash working capital balances		
Receivables	62,150	(783,405)
Contract Asset	261,220	(115,582)
Prepaid expenses	(145,331)	(390,207)
Inventory	861,905	(1,462,220)
Accounts payable and accrued liabilities	(848,858)	1,448,960
Deferred revenue	13,897	810,047
Net cash used in operating activities	\$ (5,513,047)	\$ (5,722,095)
Cashflows from investing activities		
Purchase of equipment	(46,553)	(50,414)
Purchase of digital assets	-	2,765,356
Interest on lease liability	(6,712)	-
Net cash used in investing activities	\$ (53,265)	\$ 2,714,942
Cashflows from financing activities		
Proceeds from exercise of options and warrants	-	486,464
Proceeds from private placement, net of issuance costs	8,936,496	-
Payment of lease obligations	(73,398)	(44,567)
Net cash provided by financing activities	\$ 8,863,098	\$ 441,897
Change in cash during the period	3,296,786	(2,565,256)
Cash, beginning of period	7,237,296	10,684,952
Effects of foreign exchange on cash	247,693	(219,680)
Cash, end of period	\$ 10,781,775	\$ 7,900,016
Supplemental cash flow information		
Taxes paid	-	-
Interest Paid	9,550	1,261
Interest received	11,830	9,298

Conference Call Details:

Please join Evan Gappelberg, Chief Executive Officer and Andrew Chan, Chief Financial Officer to discuss these financial and operating results, followed by a question and answer period.



Date: Monday, May 16, 2022

Time: 05:00 PM (GMT-04:00) Eastern Time (US and Canada)

Toll Free Dial-In Number: (888) 330-2024

International Dial-In Number: (646) 960-0187

Conference ID: 7778367

Webcast Link: [click here to attend](#)

For those unable to join the live event, a recording of the presentation will be posted on the company's [investor relations website](#).

To learn more, please follow us on [Twitter](#), [YouTube](#), [Instagram](#), [LinkedIn](#), and [Facebook](#), or visit our website: <https://www.Nextechar.com>.

On behalf of the Board of Nextech AR Solutions Corp.

Evan Gappelberg
CEO and Director

For further information, please contact:

Investor Relations Contact

Lindsay Betts
investor.relations@Nextechar.com
866-ARITIZE (274-8493) Ext 7201

About Nextech AR

Nextech AR Solutions is the engine accelerating the growth of the Metaverse. Using breakthrough AI, Nextech AR is able to quickly, easily and affordably ARitize (transform) vast quantities and varieties of existing assets at scale making products, people and places ready for interactive 3D use, giving creators at every level all the essential tools they need to build out their digital AR vision in the Metaverse. Our platform agnostic tools allow brands, educators, students, manufacturers, creators, and technologists to create immersive, interactive and the most photo-realistic 3D assets and digital environments, compose AR experiences, and publish them omnichannel. With a full suite of end-to-end AR solutions in 3D Commerce, Education, Events, and Industrial Manufacturing, Nextech AR is in a unique position to meet the needs of the world's biggest brands and all Metaverse contributors.

Nextech funds the development of its AR and Metaverse growth initiatives through its e-Commerce platforms, which currently generate most of its revenue. Nextech's e-commerce platforms include: 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. These e-commerce platforms serve as an



incubator for developing and testing Nextech's leading edge AR, AI and machine learning applications for powering next-generation e-commerce technology.

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.

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.