



## **Nextech3D.ai Reports Unaudited Fiscal Year 2022 and Fourth Quarter 2022 Financial Results**

- *3D modelling revenue increased +266% vs 2021*
- *2022 technology service gross profit margin expands by 82% jumping from 51% in 2022 compared to 28% in 2021*

**TORONTO, ON Canada** – April 20, 2023 – Nextech3D.ai (formally “Nextech AR Solutions Corp” or the “Company”) (OTCQX: NEXCF) (CSE: NTAR) (FSE: EP2), a generative AI-powered 3D model supplier for Amazon, P&G, Kohl's, and other major e-commerce retailers reports its unaudited financial and operating results for its fourth quarter and fiscal year ended December 31, 2022.

Please join Evan Gappelberg, Chief Executive Officer and Andrew Chan, Chief Financial Officer today after the close today April 20, 2023 at 5:00 P.M where [Nextech will host a conference call](#) to discuss these financial results.

### **Evan Gappelberg - CEO Commentary:**

"In 2022, our company placed significant emphasis on addressing the growing global demand for our 3D modelling and AR solutions designed for the ecommerce sector in web3.0. As we progress into 2023, we are seeing continued evidence of this trend, with our business remaining strong and experiencing growth. As previously announced in Q3 of 2022, Amazon became our customer, making them our largest enterprise customer for 3D model delivery in ecommerce. As Amazon is widely regarded as a leader in ecommerce, their decision to transition from 2D to 3D models serves as a strong indicator of the direction the industry is heading towards. We believe this highlights the staying power of 3D models, which will continue to drive the multi-decade, \$5 trillion dollar ecommerce megatrend moving forward." He continued, "In the coming decade, 3D models will be a prerequisite for competing



in various industries such as e-commerce, medicine, education, and events. At Nextech, we specialize in creating superior, cost-effective, and timely 3D models. We make them better, faster and cheaper than any other company I know of, and this positions us to be the leaders of this rapidly growing, trillion-dollar megatrend. While it was quite a challenge to get here, we are here now, and we are confident that we are optimally positioned to benefit from the rapid growth in demand for 3D models. From our vantage point we see nothing but blue sky opportunities."

### **Unaudited 2022 Q4 and 2022 Fiscal Year Financial Highlights**

- Total fiscal revenue of \$11.5 million (including legacy ecommerce business)
- Technology services revenue of \$3.2 million
- Legacy ecommerce business revenue of \$8.3 million
- 3D modelling revenue increased +266% compared to 2021 contributing \$1.5 million in 2022
- 2022 technology service gross profit margin expands by 82% jumping from 51% in 2022 compared to 28% in 2021 on \$3.2 million revenue
- Technology business contributed \$1 million in Q4 revenue up 14% sequentially compared to Q3



## NexTech AR Solutions Corp.

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

As at	December 31, 2022	December 31, 2021
<b>Assets</b>		
<b>Current assets</b>		
Cash & cash equivalents (Note 3)	\$ 3,777,117	\$ 7,237,296
Receivables (Note 4)	744,331	1,081,164
Deferred asset (Note 6)	256,818	-
Contract asset (Note 14)	332,197	386,202
Prepaid expenses (Note 5)	310,906	749,474
Inventory	45,289	3,389,098
Non-current assets held for sale (Note 16)	501,188	-
	5,967,846	12,843,234
<b>Non-current assets</b>		
Equipment (Note 7)	278,463	377,242
Right-of-use asset (Note 8)	829,278	1,079,319
Intangible assets (Note 9)	3,307,399	6,419,934
Goodwill (Note 9)	6,755,892	8,790,529
<b>Total assets</b>	<b>\$ 17,138,878</b>	<b>\$ 29,510,258</b>
<b>Liabilities and Shareholders' Equity</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities (Note 11)	\$ 2,641,918	\$ 2,759,017
Deferred revenue (Note 14)	437,746	609,001
Lease liability (Note 8)	222,250	290,357
Liabilities associated with assets held for sale (Note 16)	92,532	-
	3,394,446	3,658,375
<b>Non-current liabilities</b>		
Lease liability (Note 8)	582,586	786,755
Deferred income tax liability	(47,113)	712,215
Loan payable	-	90,896
<b>Total liabilities</b>	<b>3,929,919</b>	<b>5,248,241</b>
<b>Shareholders' Equity</b>		
Share capital (Note 12)	83,271,706	70,570,760
Reserves	12,754,708	12,649,994
Shareholder's equity attributable to Nextech shareholders	(84,991,503)	(58,958,737)
Non-controlling interest	2,174,048	-
	13,208,959	24,262,017
<b>Total liabilities and shareholders' equity</b>	<b>\$ 17,138,878</b>	<b>\$ 29,510,258</b>



**NexTech AR Solutions Corp.**

Unaudited Consolidated Statements of Comprehensive Loss  
(Expressed in Canadian dollars)

	Year ended	
	December 31, 2022	December 31, 2021
<b>Revenue (Note 14)</b>	\$ 3,224,791	\$ 6,689,849
<b>Cost of sales (Note 15)</b>	(1,593,076)	(4,821,321)
<b>Gross profit</b>	1,631,715	1,868,528
<b>Operating expenses:</b>		
Sales and marketing (Note 15)	5,013,367	10,437,523
General and administrative (Note 15)	13,377,575	9,683,311
Research and development (Note 15)	3,892,208	6,609,471
	22,283,150	26,730,305
<b>Other expense (income)</b>		
Stock-based compensation (Note 12)	1,715,690	5,030,449
Amortization (Note 10)	2,680,258	2,050,147
Right of use amortization (Note 9)	76,905	44,861
Gain on liability	(381,019)	(219,321)
Gain on contingent consideration	-	(1,573,308)
Depreciation (Note 8)	95,152	114,733
Impairment of intangible assets (Note 10)	3,178,426	-
Foreign exchange gain	(1,422,668)	(267,725)
	5,942,744	5,179,836
<b>Loss before income taxes</b>	(26,594,179)	(30,041,613)
Current income tax expense	(36,079)	(28,512)
Deferred income tax recovery	673,301	205,898
<b>Net loss from operations</b>	\$ (25,956,957)	\$ (29,864,227)
<b>Income (loss) from discontinued operations (Note 17)</b>	\$ (1,341,111)	\$ (2,787,826)
<b>Other comprehensive loss</b>		
Exchange differences on translating foreign operations, continuing operations	(121,940)	183,137
Exchange differences on translating foreign operations, discontinued operations (Note 17)	(310,905)	43,715
<b>Total comprehensive loss</b>	\$ (27,730,913)	\$ (32,425,201)
<b>Non-controlling interests</b>	(438,201)	-
<b>Total comprehensive loss attributable to Nextech shareholders</b>	\$ (27,292,712)	\$ (32,425,201)
<b>Income (loss) per common share</b>		
Basic and diluted loss per common share, continuing operations	(0.26)	(0.35)
Basic and diluted loss per common share, discontinued operations	(0.02)	(0.03)
Weighted average number of common shares outstanding		
Basic and diluted	100,201,691	83,888,487

**Conference Call Details:**

**Title:** Nextech3D.ai Fiscal Year 2022 and Q4 2022 Financial Results

**Call Date:** Thursday, April 20, 2023

**Time:** 5:00 PM (GMT-04:00) Eastern Time (US and Canada)

**Participant Toll-Free Dial-In Number:** +1 (888) 330-2024

**Participant Toll Dial-In Number:** +1 (646) 960-0187



**Earnings Call ID:** 7778367

**Webcast Attendee URL:** <https://events.q4inc.com/attendee/612528713>

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

### **About Nextech3D.ai**

Nextech3D.ai (formally “Nextech AR Solutions Corp” or the “Company”) (OTCQX: NEXCF) (CSE: NTAR) (FSE: EP2) is a Company that provides AI-powered 3D modeling solutions focusing on the e-commerce industry. Its breakthrough generative AI technology enables the creation of high-quality 3D models quickly and efficiently. Nextech3D.ai's suite of products, including patented AI-based technology for 3D model creation and 2D to 3D conversion, has positioned it as a leader in the industry. The company is already a preferred 3D model supplier for Amazon, representing a massive growth opportunity. With the increasing popularity of e-commerce globally, Nextech3D.ai's services are becoming more valuable, providing an excellent runway for ongoing growth. For investors looking to participate in the commercialization of AI technology, Nextech3D.ai presents a unique investment opportunity.

The Company also develops or acquires what it believes are disruptive technologies and once commercialized, spins them out as stand-alone public Companies issuing a stock dividend to shareholders while retaining a significant ownership stake in the public spin-out.

On October 26, 2022 Nextech3D.ai spun out its spatial computing platform, “[ARway](#)” as a stand alone public Company. Nextech3D.ai retained a control ownership in ARway.ai with 13 million shares, or a 50% stake, and distributed 4 million shares to Nextech3D.ai Shareholders. ARway.ai is currently listed on the Canadian Securities Exchange (CSE:ARWY), in USA on the (OTC: ARWYF) and Internationally on the Frankfurt Stock Exchange (FSE: E65). ARway.ai is disrupting the augmented reality wayfinding market with a no-code, no beacon spatial computing platform enabled by visual marker tracking.



On December 14, 2022 Nextech announced its second spinout of [Toggle3D](#), an AI-powered 3D design studio to compete with Adobe. Toggle3D is expected to be public in the first half of 2023.

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

**For further information, please contact:**

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**Forward-looking Statements**

*The CSE 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 by the use of forward-looking terminology such as, “will be” or variations of such words and phrases or statements that certain actions, events or results “will” occur. Forward-looking statements regarding the completion of the transaction are subject to known and unknown risks, uncertainties and other factors. There can be no assurance that such statements will prove to be accurate, as 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.*



**nextech AR**  
solutions