



Nextech3D.ai Year-End Letter to Shareholders: Positioned for Growth, Profitability, and Innovation in 2025

TORONTO, ON, Canada – December 20th 2024 - Nextech3D.AI (OTCQX: NEXCF) (CSE: NTAR) (FSE: EP2), a frontrunner in generative AI-powered 3D modeling technology for major e-commerce issues letter to shareholders.

Dear Shareholders,

As we reflect on 2024, we are pleased to share that Nextech3D.ai successfully produced and delivered approximately 25,000 3D models and millions of AR experiences. These milestones demonstrate the growing demand for our solutions and underscore the scalability of our platform.

Recap of 2024 YTD Financials:

In the first quarter of 2024, the company reported revenue of \$1,024,000, with a gross profit margin of 51% or \$526,212, representing a 70% improvement over 2023.

[Nextech Q1](#)

In the second quarter of 2024, Nextech3D.ai reported revenue of \$1,108,000, with a record gross profit margin of 74% or \$820,000, marking a 45% increase over the first quarter of 2024.

[Yahoo Finance Q-2](#)

In the third quarter of 2024, the company achieved revenue of \$756,476, reflecting a gross profit margin of 71% or \$537,503.



[Yahoo Finance](#)

9 Months - As of September 30, 2024, Nextech3D.ai reported year-to-date (YTD) revenue of \$2.9 million, with a gross profit of \$1.88 million.

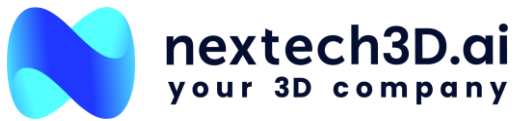
[Yahoo Finance](#)

Please note that these figures are unaudited and subject to change upon the release of the company's fully audited annual report.

Throughout 2024, we focused on advancing automation within our production process by building and deploying new AI tools. This strategic initiative is already showing promise in reducing costs and improving efficiency, setting the stage for enhanced profitability in the years ahead. In tandem, we took decisive steps to streamline our operations, including reducing headcount, to position Nextech3D.ai for long-term sustainability. These efforts are part of our broader goal to achieve cash flow positivity in 2025.

One of our most exciting advancements this year has been our investment in AI Photography, branded as "FOTOgpt." Designed as an API plugin, FOTOgpt is now integrated into Toggle Studio, expanding its functionality and reach. The potential of AI-powered photography is immense, and we are currently in discussions with multiple enterprise platforms about integrating FOTOgpt into their ecosystems. These collaborations have the potential to significantly expand our market presence and amplify the impact of our technology. We look forward to sharing more updates, including an investor demo of these integrations, in January 2025.

In addition, we have been making progress on our mapping software, which encompasses both indoor spatial mapping and indoor event solutions. While our work on spatial mapping is currently on hold due to the capital-intensive nature of this complex technology, we plan to revisit it once we generate sufficient resources for reinvestment. Meanwhile, our



indoor event solutions business continues to gain momentum. By adding additional salespeople and enhancing features, we expect this area to experience significant growth in 2025.

To make the platform more robust, we are currently migrating it to AWS, a major initiative that is on track for completion in Q1 2025. This transition will enhance the scalability, reliability, and overall performance of the platform, positioning it for long-term success. Furthermore, we are integrating new AI features into the platform, opening exciting growth opportunities for 2025 and beyond. We view this business as an evergreen asset, and its potential continues to inspire confidence in our future.

We also continue to utilize our shares-for-services program to manage our expenses, which have decreased dramatically in 2024. These reductions will be fully reflected in our Q1 2025 results as we continued to pay off liabilities in 2024. Currently, we do not have any plans to raise additional capital. With our 2025 growth plan, significantly reduced expenses, and increased reliance on AI, we do not anticipate the need to raise capital for general corporate purposes. However, as we are engaged in ongoing acquisition discussions, we would entertain raising additional capital should the right opportunity arise.

Summary of 2024 Performance and 2025 Outlook

As we close 2024 and look ahead to 2025, Nextech3D.ai continues to grow its 3D modeling business, both within and beyond the Amazon ecosystem. While the Seller Central segment progressed slower than anticipated in 2024, leading to a decline in Amazon corporate 3D modeling revenue, our SME business showed strong growth. This shift highlights the importance of diversification, which has positioned us for significant growth and profitability in our SME 3D business in 2025 and beyond.

We are well-positioned to achieve profitability in our 3D modeling business in 2025, driven by enhanced AI automation and operational efficiency. Alongside this, we are building strategic new AI technologies that have the



potential to further accelerate both growth and profitability in the coming year.

Our portfolio companies, **Toggle3D.ai** and **ARway3D.ai**, are each strategically placed for expansion and success in 2025. With their innovative solutions and evolving capabilities, these businesses are poised to contribute meaningfully to Nextech3D.ai's overall growth trajectory.

As we look toward 2025, our focus remains on leveraging AI automation, strengthening our SME business, and expanding into new opportunities powered by AI-driven innovation. We thank our shareholders for their continued trust and support as we build a brighter future together.

Sincerely,
Evan Gappelberg
CEO
Nextech3D.ai

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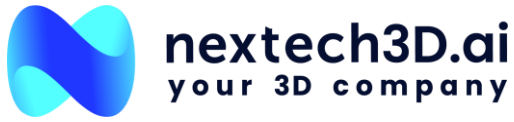
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About Nextech3D.ai

Nextech3D.ai or the "Company," (OTCQX: NEXCF) (CSE: NTAR) (FSE: 1SS), is a versatile augmented reality and AI technology company that utilizes its proprietary artificial intelligence (AI) to craft immersive 3D experiences at scale for E-COMMERCE. The Company's primary focus lies in creating high-quality 3D WebAR photorealistic models for Amazon and various other online retailers with patented 2D-3D technology. Nextech3D.ai has adopted a unique approach to creating shareholder value beyond its operating business of creating 3D models.



The Company also develops or acquires disruptive AI-technologies, which are subsequently spun out to shareholders as standalone public companies. This spin-out strategy allows Nextech3D.ai to issue stock dividends to its shareholders while maintaining significant ownership in the public spin-out, without dilution to the parent company Nextech3D.ai.

Notably, Nextech3D.ai successfully spun out "ARway," (OTCQB: ARWYF | CSE: ARWY | FSE:E65) its spatial computing platform, as a standalone public company on October 26, 2022. The Company retains a 49% stake with 13 million shares in ARway Corp. while distributing 4 million shares to Nextech shareholders.

Similarly, Nextech3D.ai accomplished its second spin-out launching Toggle3D.ai, (OTCQB: TGGLF | CSE: TGGL | FSE: Q0C) an AI-powered 3D design studio aimed at competing with Adobe. The Company retains a 44% stake with 13 million shares in Toggle3D.ai Corp.

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.