



# Nextech3D.ai Reports Fiscal Year 2023 and Fourth Quarter 2023 Audited Financial Results

*2023 Annual revenue growth of + 56%*

*2023 Annual revenue of \$5 million*

**TORONTO, ON, Canada – April 29, 2024** - [Nextech3D.AI](https://www.nextech3d.ai) (OTCQX: NEXCF) (CSE: NTAR) (FSE: EP2), a patented 2D-3D Generative AI-Powered 3D model supplier (Patent #11,948,248) for Amazon, Miele, P&G, Kohls, Wesfarmers Group "Bunnings" and other major e-commerce retailers reports its Fiscal Year 2023 and Fourth Quarter 2023 Financial Results the year ended December 31, 2023.

Please join Evan Gappelberg, Chief Executive Officer and Andrew Chan, Chief Financial Officer today after the close where Nextech3D.ai will host a conference call to discuss these financial results.

After markets close on **Monday, April 29, 2024**, the company will release its audited full-year and fourth quarter 2023 financial results.

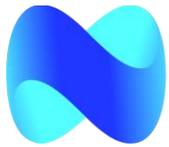
## **Evan Gappelberg - CEO Commentary:**

### **Preliminary Annual 2023 Financial Highlights**

- 2023 Annual revenue growth of + 56%
- 2023 Annual revenue of \$5 million compared to \$3.2 million in 2022
- 70,000 3D models created to date

### **2024 Outlook:**

- New demand for 3D models expected to gain momentum throughout the year driven by large enterprise customers



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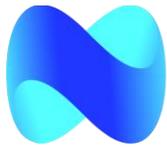
- 2023-Cost cutting measures and pivot to India to reduce the company's burn in 2024 by as much as 75%
- Q1 2024 Gross Profit margins estimated to be 50-55%
- Q2 2024 Gross margin estimated to be 80%
- Q2 Improved margins puts India 3D modeling business as a stand alone business unit projected to go cash flow positive
- New 3D photography and AI driven product launches expected to drive additional revenue and growth in 2024
- Multiple patents already issued in 2024 with additional patent issuances expected
- **Company is Launching Several Enhanced AI 3D Productivity Tools in Q2, Q3 2024**



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## NexTech3D.AI Corporation Statement of Financial Position December 31, 2023

	31-Dec-23	31-Dec-22
<b>ASSETS</b>		
<b>Current</b>		
Cash & cash equivalents	907,847	3,777,117
Receivables	357,398	744,331
Contract asset	51,320	589,015
Finance lease receivable on sublease CP	199,933	-
Prepaid expenses	294,471	310,906
Inventory	-	45,289
Non current assets held for sale	-	501,188
Total current assets	<u>1,810,969</u>	<u>5,967,846</u>
<b>Non-current</b>		
Equipment	325,633	278,463
Deferred consideration	206,850	-
Right of use asset	-	829,278
Finance lease receivable on sublease	642,983	-
Intangible assets	-	3,313,741
Goodwill	-	6,746,378
Total assets	<u>2,986,435</u>	<u>17,135,706</u>
<b>LIABILITIES</b>		
<b>Current</b>		
Accounts payable and accrued liabilities	3,531,460	2,641,918
Deferred revenue	342,192	437,746
Lease liability	143,722	222,250
Liabilities associated with assets held for sale	-	92,532
Total current liabilities	<u>4,017,374</u>	<u>3,394,446</u>
<b>Non-current</b>		
Lease liability - non current	469,624	582,586
Deferred tax liabilities	-	29,974
Total liabilities	<u>4,486,998</u>	<u>4,007,006</u>
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Total liabilities	<u>4,486,998</u>	<u>4,007,006</u>
<b>Shareholders' Equity</b>		
Share capital	91,909,495	83,271,707
Reserves	14,166,972	12,754,706
Accumulated Other Comprehensive Income	678,143	827,101
Shareholder's equity attributable to Nextech shareholders	<u>(112,211,223)</u>	<u>(85,898,862)</u>
Total common shareholders' equity	<u>(5,456,613)</u>	<u>10,954,652</u>
Non controlling interest	3,956,050	2,174,048
Total equity	<u>(1,500,563)</u>	<u>13,128,700</u>
Total liabilities and shareholders' equity	<u>2,986,435</u>	<u>17,135,706</u>



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## NexTech3D.AI Corporation

### Statement of Loss and Comprehensive Loss

#### December 31, 2023

	QTD		YTD	
	31-Dec-23	31-Dec-22	31-Dec-23	31-Dec-22
Revenue	\$ 1,150,398	\$ 1,254,408	\$ 5,033,202	\$ 3,224,791
Cost of sales	(908,129)	(642,843)	(3,586,162)	(1,593,076)
<b>Gross profit</b>	<b>242,269</b>	<b>611,565</b>	<b>1,447,040</b>	<b>1,631,715</b>
<b>Operating expenses:</b>				
Sales and marketing	669,623	934,116	4,546,502	5,013,367
General and administrative	1,986,031	4,301,592	9,362,610	13,377,575
Research and development	428,966	827,334	3,249,799	3,892,208
Stock based compensation	(1,784,746)	(52,702)	1,775,695	1,715,690
Amortization	509,872	579,491	2,105,689	2,655,652
Right of use amortization	-	(127,571)	55,728	76,905
Depreciation	23,367	11,748	87,824	122,930
<b>Operating profit (loss)</b>	<b>(1,590,844)</b>	<b>(5,862,443)</b>	<b>(19,736,807)</b>	<b>(25,222,612)</b>
<b>Other income (expense):</b>				
Gain on sublease recognition	-	-	120,626	-
Loss on asset disposal	-	-	(85,679)	-
Gain on liability	-	290,275	-	381,019
Impairment of intangible assets and goodwill	(7,575,263)	(476,113)	(7,575,263)	(476,113)
Foreign exchange gain (loss)	29,149	414,006	(14,393)	1,345,593
<b>Profit (Loss) before income taxes</b>	<b>(9,136,958)</b>	<b>(5,634,275)</b>	<b>(27,291,516)</b>	<b>(23,972,113)</b>
Current income tax expense	18,039	(13,553)	-	(34,937)
Deferred income tax recovery	29,974	284,586	29,974	672,148
<b>Net income (loss) from continuing operations</b>	<b>(9,088,945)</b>	<b>(5,363,242)</b>	<b>(27,261,542)</b>	<b>(23,334,902)</b>
Income (loss) from discontinued operations	(117)	(914,223)	(452,814)	(4,043,424)
<b>Net loss</b>	<b>(9,089,062)</b>	<b>(6,277,465)</b>	<b>(27,714,356)</b>	<b>(27,378,326)</b>
<b>Other comprehensive income (loss)</b>				
Exchange differences on translating foreign operations, continuing operations	(205,262)	(244,529)	(148,958)	(432,845)
<b>Comprehensive income (loss)</b>	<b>(9,294,324)</b>	<b>(6,521,994)</b>	<b>(27,863,314)</b>	<b>(27,811,171)</b>
<b>Net loss from C/O attributed to:</b>				
Parent	(9,876,124)	(4,925,041)	(25,109,547)	(22,896,701)
Non controlling interest - PL	787,179	(438,201)	(2,151,995)	(438,201)
<b>Net loss from D/O attributed to:</b>				
Parent	(117)	(914,223)	(452,814)	(4,043,424)
Non controlling interest - PL	-	-	-	-
<b>Comprehensive loss attributed to:</b>				
Parent	(10,081,503)	(6,083,793)	(25,711,319)	(27,372,970)
Non controlling interest	787,179	(438,201)	(2,151,995)	(438,201)
<b>Loss per share from C/O - basic and diluted</b>	<b>(0.08)</b>	<b>(0.05)</b>	<b>(0.22)</b>	<b>(0.24)</b>
<b>Loss per share from D/O - basic and diluted</b>	<b>(0.00)</b>	<b>(0.01)</b>	<b>(0.00)</b>	<b>(0.04)</b>
<b>Weighted average number of common shares outstanding</b>				
Basic and diluted	122,889,800	102,707,041	114,085,494	100,201,691



# NexTech3D.AI Corporation

## Statement of Cash Flow

### December 31, 2023

	YTD	
	31-Dec-23	31-Dec-22
<b>Operating activities:</b>		
Net loss	(27,714,356)	(27,378,326)
<b>Adjustment for:</b>		
Interest income from sublease	(39,903)	-
Interest expense from lease	30,217	28,668
Stock based compensation	1,775,695	1,715,690
Amortization of intangible assets	2,105,689	2,655,652
Amortization of ROU	55,728	261,101
Depreciation of property and equipment	87,824	143,567
Gain on sublease recognition	(120,626)	-
Loss on asset disposal	85,679	-
Gain on short-term investment	-	(381,019)
Impairment of intangible assets & goodwill	7,759,360	3,178,426
Expenses paid by shares	648,891	1,917,837
Loss on PET disposal	173,534	-
Income tax expense (recovery)	-	-
<b>Changes in non-cash working capital balances</b>		
Receivables	386,933	269,873
Contract asset	537,695	(202,813)
Prepaid expenses	16,435	408,743
Inventory	45,289	2,954,342
Accounts payable and accrued liabilities	917,814	(24,574)
Deferred revenue	(95,554)	(171,255)
Deferred tax liability	-	(673,290)
<b>Total operating cash flow</b>	<b>(13,343,656)</b>	<b>(15,297,378)</b>
<b>Cashflows from investing activities</b>		
Purchase of equipment	(227,250)	(101,784)
Payments received from sublease	66,554	-
<b>Net cash provided by (used in) investing activities, continuing operations</b>	<b>(160,696)</b>	<b>(101,784)</b>
<b>Cashflows from financing activities</b>		
NTAR - Net proceeds from private placements	5,726,654	8,890,349
NTAR - Proceeds from Employee Pay Program	2,269,704	2,496,628
Proceeds from securities issuances to NCI	2,813,107	1,657,354
Repayment of loan	-	(90,896)
Payments of lease liability	(203,762)	(388,804)
<b>Net cash provided by (used in) financing activities, continuing operations</b>	<b>10,605,703</b>	<b>12,564,631</b>
Effects of foreign exchange on cash	29,379	(616,272)
Change in cash during the period	(2,898,649)	(2,834,531)
Cash, beginning of period	3,777,117	7,237,296
<b>Cash, end of period, continuing operations</b>	<b>907,847</b>	<b>3,786,493</b>
<b>Cash, end of period, continuing operations</b>	<b>907,847</b>	<b>3,777,117</b>
<b>Cash, end of period, discontinuing operations</b>	<b>-</b>	<b>9,376</b>
Taxes paid	-	27,005
Interest paid	30,217	30,910
Cash interest received	121,122	108,390

### Conference Call Details:

**Title:** Nextech3D.ai Full Year 2023 and Q4 2023 Financial Results

**Call Date:** Monday, April 29, 2024

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

### Participant Details:

**North America Toll-Free:** (888) 330-2024

**North America Toll:** (646) 960-0187

**International Toll:** +1(646) 960-0187

**Conference ID:** 7778367

**Webcast Attendee URL:** <https://events.q4inc.com/attendee/810085104>



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

## Recent News

- [Nextech3D.ai Joins GlassDollar Network, Expanding Corporate Reach](#)
- [Nextech3D.ai Reports 2023 Earnings Growth & Q4 Insights](#)
- [Nextech3D.ai Selects AWS as its Primary Cloud Provider to Drive Innovation in the 3D Modeling For Ecommerce Industry With Cutting Edge AI](#)
- [Nextech3D.ai Receives Notice From USPTO To Be Granted Patent for CAD 3D Model Part Assembly & Segmentation](#)

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**For further information, please contact:**

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### **Nextech3D.ai**

Evan Gappelberg

CEO and Director

866-ARITIZE (274-8493)

### **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.*