

August 28, 2023

Price (as of close
on August 25, 2023)

\$0.24

Rating
Buy-Venture

12- Month Target Price
\$0.90

Staff

818-222-6234

research@singularresearch.com

Company Description

Nextech3D.ai (NEXCF) 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. Nextech3D.ai is based in Toronto, Canada.

Nextech3D.ai (NEXCF) Q2:23 Delivers Sequential Growth; Maintain Buy-Venture.

3D model revenue increased almost 500%, as Nextech continues strong 2023 performance. We maintain our **Buy-Venture** rating and \$0.90 target price.

52-Week Range	\$0.26 – \$0.96	Total Debt	\$0.00 million
Shares Outstanding	109.77 million	Debt/Equity	NM
Insider/Institutional	13.7%/86.3%	ROE (LTM)	NM
Public Float	95.9 million	Book Value/Share	\$0.07
Market Capitalization	\$29.1 million	Daily Volume (90-day)	177,169

FYE DEC	FY 2022	FY 2023E		FY 2024E	
EPS* (\$)	ACTUAL	CURRENT	PREVIOUS	CURRENT	PREVIOUS
Q1 Mar	\$(0.06)A	\$(0.06)A	\$(0.06)A	\$(0.04)E	\$(0.04)E
Q2 Jun	\$(0.05)A	\$(0.06)A	\$(0.04)E	\$(0.03)E	\$(0.03)E
Q3 Sep	\$(0.04)A	\$(0.04)E	\$(0.05)E	\$(0.02)E	\$(0.01)E
Q4 Dec	\$(0.05)A	\$(0.05)E	\$(0.04)E	\$0.00E	\$0.01E
Year*	\$(0.26)A	\$(0.19)E	\$(0.18)E	\$(0.09)E	\$(0.06)E
P/E Ratio	NM	NM		NM	
Change	NM	NM		NM	

FYE DEC	FY 2022	FY 2023E		FY 2023E	
Revenue (\$ mil.)	ACTUAL	CURRENT	PREVIOUS	CURRENT	PREVIOUS
Q1 Mar	\$3.48A	\$1.30A	\$1.30A	\$3.90E	\$3.90E
Q2 Jun	\$3.23A	\$1.41A	\$1.55E	\$4.92E	\$5.44E
Q3 Sep	\$3.01A	\$1.84E	\$3.22E	\$7.37E	\$12.89E
Q4 Dec	\$1.05A	\$2.55E	\$3.40E	\$12.76E	\$17.02E
Year*	\$3.22A	\$7.10E	\$9.48E	\$28.95E	\$39.25E
Change	NA	120.2%		307.7%	

* Non-GAAP revenue and EPS. Numbers may not add up due to rounding.

Q2:23 Results

- The Q2:23 revenues showed strong momentum. Now the main reporting segment of the Company, Renewable software licenses revenues grew 171.3% YOY to \$1.40 million, as 3D model revenue increased over 460%. Even so, the reported revenues about 10% below our expectations. Meanwhile, the orders from Amazon remain strong, including a recent \$2.2 million order that will significantly benefit Q3:23.
- Gross margin of 39% was also below our expectation of 50%. Although the Company has been benefiting from increased adoption of Artificial Intelligence (AI) in delivering 3D models, which improved its gross margins in Q1:23, we believe a higher proportion of more complex 3D models drove gross margins down sequentially. Nevertheless, going forward, management expects to rapidly expand its gross margins to 50% and above.
- We reiterate our Buy-Venture rating and a \$0.90 price target. Based on a 2.38x EV/Revenue multiple, and a total addressable market analysis approach, we value Nextech at \$0.90 per share, which represents a 275% appreciation potential to the stock's current price.

PRIMARY RISKS

- Though AR is gaining momentum, its usage is still with the early adopters, which represent only a small proportion of the total eCommerce accessible market.
- The disappearance of pandemic-related tailwinds has adversely affected eCommerce companies' top-line momentum and compressed their valuations.

Please refer to the end of this report to obtain important disclosure information.

Q2:23 Financial Performance

The Q2:23 revenues showed strong momentum. Now the main reporting segment of the Company, Renewable software licenses revenues grew 171.3% YOY to \$1.40 million, as 3D model revenue increased over 460%. Even so, the reported revenues about 10% below our expectations. Meanwhile, the orders from Amazon remain strong, including a recent \$2.2 million order that will significantly benefit Q3:23.

Gross margin of 39% was also below our expectation of 50%. Although the Company has been benefiting from increased adoption of Artificial Intelligence (AI) in delivering 3D models, which improved its gross margins in Q1:23, we believe a higher proportion of more complex 3D models drove gross margins down sequentially. Nevertheless, going forward, management expects to rapidly expand its gross margins to 50% and above.

Total operating expenses were largely in line with our expectations but were substantially lower than 2021 as the benefits of the legacy business divestment materialized. In 2023 and beyond, we expect the Company to benefit significantly from the sales and marketing expense reduction, primarily as a function of the legacy business divestment.

The Company was able to reduce its cash burn. While Cost of Sales was higher this quarter, NEXCF meaningfully reduced its Sales & Marketing expense. Since most of its revenues are driven from Amazon, we believe that the Company will enjoy increasing leverage on its Selling & Marketing expenditure. General and Administrative costs remained largely in-line and Research and Development costs were also low. Consequently, operating margin, though still negative, was an improvement over Q1:23.

The Company restarted its warrant issuances program to strengthen its cash position. Over the next 12 months, NEXCF will issue an aggregate of 6,661,388 share purchase warrants to its service providers in connection with their employment and/or consulting arrangements with the Company. Each warrant will be exercisable to acquire one common share of the Company at an exercise price of CAD\$0.55 for a period of one year. We believe this program is an ingenious way for the Company to indirectly raise capital, while managing its cash burn. As such, the Company ended Q2:23 with a cash balance of \$3.81 million, slightly better than Q1:23, and this warrant issuance program will help while NEXCF improves its profitability to fund its top-line growth.

VALUATION

We value Nextech using a revenue multiple analysis method. All of Nextech's direct competitors in the AR space are private companies. Therefore, for the sake of valuation we have assembled a group of public companies that are either involved in AR or have exposure to Metaverse technology. Most of these companies utilize AR/metaverse technology to serve Internet Retail end markets, but some also serve Conferencing and Electronic Gaming industries. Based on the peer 2024 EV/Revenue multiple of 2.38x we value Nextech at \$0.74 per share.

Exhibit 1: NEXCF Peer Group Multiples and Price Targets

Company Name	Ticker	Last Price	Market Cap (\$MM)	EV/Revenues
TRxADE Health Inc	MEDS.O	6.91	9.34	1.05
Roblox Corp	RBLX.K	26.62	16,628.12	4.83
Wayfair Inc	W	65.31	8,116.68	0.67
ContextLogic Inc	WISH.O	4.97	119.15	0.41
Mercari Inc	4385.T	21.25	3,549.66	2.75
Chegg Inc	CHGG.K	9.74	1,158.98	1.64
DoorDash Inc	DASH.K	77.84	30,126.61	3.58
Snap Inc	SNAP.K	9.25	15,189.48	3.37
Chewy Inc	CHWY.K	26.69	11,720.06	1.04
Zoom Video Communications	ZM.O	65.83	20,015.83	4.45
Average			10,663.39	2.38
Nextech Ar Solutions Corp	NTAR.CD	0.26	29.11	0.67

Source: Singular Research and Thomson Reuters

As an alternative valuation methodology, we attempted to value Nextech using a total addressable market analysis (TAM). According to Markets & Markets Research Pvt Ltd,¹ the Augmented Reality Market was valued at U.S.\$23 billion in 2021 and is expected to reach U.S.\$88 billion by 2026, witnessing a CAGR of 31%. We project Nextech to be just 0.1% of this market in 2024. However, we project Nextech to grow much faster than the market from 2023 onwards. If we assume the Company attains a modest 0.4% share of the TAM in 2026, its revenues will amount to \$278 million. Discounting this figure back to 2024 (2 years), with a 15% WACC, we project that the present value of Nextech's potential 2026 revenue to be \$210 million. Discounting this value at 10% to reflect Nextech's challenging odds of realizing this level of revenues provides a projected value for the Company of \$174 million. Dividing this figure by our projected outstanding shares at the end of FY:26 yields a per share value today of \$1.08 per share. We believe using FY:26 projected year-end shares outstanding is a conservative valuation approach that accounts for the expected growth in outstanding shares.

Exhibit 2: Valuation Using Discounted TAM Analysis (in millions)

2026 TAM (millions)	\$ 88,400
NexTech's Market Share	0.31%
NexTech's 2026 Revenue	\$ 278
PV @ 12% Discount Rate	\$ 210
Projected Value of NexTech at 10% Discount to 3 year PV	\$ 174
Projected Shares in 2026 (millions)	172
NexTech's Equity Value/Share	\$ 1.08

Source: Singular Research

The combination of \$0.86 at 50% and \$1.37 at 50% results in a weighted average price target of \$0.90, which represents an upside potential of 275%.

¹ "Augmented Reality Market worth \$88.4 billion by 2026." *MarketsandMarkets*, 12 October 2022, www.marketsandmarkets.com.

IMPORTANT DISCLOSURES

The following disclosures relate to relationships between Singular Research and Millennium Asset Management, LLC (“Millennium”) and companies covered by Singular Research and referred to in research reports.

This report has been prepared by Singular Research, a wholly owned subsidiary of Millennium which is an investment advisor registered in the State of California. Singular Research receives fees from Millennium for the right to use and distribute research reports prepared by Singular Research.

Millennium does and seeks to do business with companies covered in Singular Research’s research reports. Millennium may receive fees from issuers that are the subject of research reports prepared by Singular Research for investor and public relations and other marketing-related services provided to such issuers by Millennium. As a result, investors should be aware that Singular Research and Millennium may have a conflict of interest that could affect the objectivity of this report. Investors should consider this report as only a single factor in making their investment decision.

General Disclosures

This research report is for our clients’ informational purposes only. This research is based on current public information that we consider reliable, but we do not represent it is accurate or complete, and it should not be relied on as such. Any opinion expressed in this report is subject to change without notice and may differ or be contrary to opinions expressed by other professionals or business areas of Singular Research or Millennium. We are under no responsibility to update our research.

The views expressed in this research report accurately reflect the responsible analyst’s personal views about the subject securities or issuers. No part of the analyst’s compensation was, is, or will be, directly or indirectly, related to the specific recommendations or views expressed by that analyst in the research report.

Millennium and its affiliates, officers, directors, and employees, excluding analysts, will from time to time have long or short positions in, and buy or sell, the securities or derivatives thereof of covered companies referred to in our research reports. Our affiliates, officers, and directors won’t execute on any new recommendation or recommendation change until 48 hours after the dissemination of the report.

This research is not an offer to sell or the solicitation of an offer to buy any security in any jurisdiction where such an offer or solicitation would be illegal. It does not constitute a personal recommendation or take into account the particular investment objectives, financial situations, or needs of individual clients. Clients should consider whether any advice or recommendation in this research is suitable for their particular circumstances and, if appropriate, seek professional advice, including tax advice. The price and value of the investments referred to in this research and the income from them may fluctuate. Past performance is not a guide to future performance, future returns are not guaranteed, and a loss of original capital may occur. Certain transactions, including those involving futures, options, and other derivatives, give rise to substantial risk and are not suitable for all investors.

Rating Definitions

BUY, 30% or greater increase in the next 12 months.

BUY- Long-Term, near-term EPS horizon is challenging, attractive long-term appreciation potential.

SELL, 30% or more declines in the next 12 months.

© Copyright 2023 Singular Research

No part of this material may be copied, photocopied, or duplicated in any form by any means or redistributed without the prior written consent of Singular Research.

Technical Analysis



Nextech3D.ai
Quarterly Results & Estimates
\$ in Millions

	2021 Actual	2022 Actual				2023 Estimated					2024 Estimated					
	Fiscal 2021A	1QA Mar-22	2QA Jun-22	3QA Sep-22	4QA Dec-22	Fiscal 2022A	1QA Mar-23	2QA Jun-23	3QE Sep-23	4QE Dec-23	Fiscal 2023E	1QE Mar-22	2QE Jun-22	3QE Sep-22	4QE Dec-22	Fiscal 2024E
Total Revenues	\$ 25.93	\$ 3.48	\$ 3.23	\$ 3.01	\$ 1.05	\$ 3.22	\$ 1.30	\$ 1.41	\$ 1.84	\$ 2.55	\$ 7.10	\$ 3.90	\$ 4.92	\$ 7.37	\$ 12.76	\$ 28.95
Revenue Growth		-54.9%	-46.9%	-47.5%	-83.5%	104.4%	183.2%	171.3%	100.0%	200.0%	120.2%	200.0%	250.0%	300.0%	400.0%	307.7%
Cost of Sales	\$ 16.10	\$ 2.00	\$ 1.55	\$ 1.67	\$ 0.64	\$ 1.59	\$ 0.77	\$ 0.88	\$ 0.74	\$ 0.89	\$ 3.27	\$ 1.56	\$ 1.72	\$ 2.58	\$ 3.83	\$ 9.69
Gross Profit	\$ 9.84	\$ 1.48	\$ 1.69	\$ 1.34	\$ 0.41	\$ 1.63	\$ 0.53	\$ 0.53	\$ 1.10	\$ 1.66	\$ 3.83	\$ 2.34	\$ 3.20	\$ 4.79	\$ 8.93	\$ 19.26
Gross margin	37.9%	42.6%	52.2%	44.6%	38.9%	50.6%	41.0%	37.7%	60.0%	65.0%	53.9%	60.0%	65.0%	65.0%	70.0%	66.5%
Sales and marketing	\$ 16.82	\$ 2.62	\$ 1.83	\$ 1.70	\$ 0.93	\$ 5.01	\$ 1.65	\$ 1.36	\$ 1.10	\$ 1.28	\$ 5.39	\$ 2.34	\$ 2.21	\$ 2.43	\$ 3.19	\$ 10.18
General and administrative	\$ 13.88	\$ 3.82	\$ 4.50	\$ 2.59	\$ 4.30	\$ 13.38	\$ 2.59	\$ 2.67	\$ 4.00	\$ 4.50	\$ 13.77	\$ 3.10	\$ 3.30	\$ 4.10	\$ 4.80	\$ 15.30
Research and development	\$ 6.61	\$ 1.03	\$ 0.88	\$ 1.16	\$ 0.83	\$ 3.89	\$ 0.88	\$ 0.88	\$ 0.88	\$ 0.88	\$ 3.51	\$ 1.10	\$ 1.10	\$ 1.10	\$ 1.10	\$ 4.40
Total operating expenses	\$ 53.40	\$ 9.47	\$ 8.76	\$ 7.12	\$ 6.71	\$ 23.88	\$ 5.89	\$ 5.79	\$ 6.72	\$ 7.55	\$ 25.94	\$ 8.10	\$ 8.33	\$ 10.21	\$ 12.92	\$ 39.57
Operating Profit	\$ (27.47)	\$ (5.98)	\$ (5.52)	\$ (4.11)	\$ (5.65)	\$ (20.65)	\$ (4.59)	\$ (4.38)	\$ (4.88)	\$ (4.99)	\$ (18.84)	\$ (4.20)	\$ (3.42)	\$ (2.84)	\$ (0.16)	\$ (10.62)
Operating margin	-105.9%	-171.7%	-170.7%	-136.4%	-536.9%	-640.4%	-352.6%	-311.8%	-264.8%	-195.7%	-265.3%	-107.6%	-69.5%	-38.6%	-1.2%	-36.7%
Depreciation & Amortization	\$ 2.05	\$ 0.77	\$ 0.79	\$ 0.63	\$ 0.61	\$ 5.39	\$ 0.62	\$ 0.52	\$ 0.52	\$ 0.52	\$ 2.16	\$ 0.52	\$ 0.52	\$ 0.52	\$ 0.52	\$ 2.06
EBITDA	\$ (25.42)	\$ (5.22)	\$ (4.73)	\$ (3.47)	\$ (5.04)	\$ (15.26)	\$ (3.97)	\$ (3.86)	\$ (4.36)	\$ (4.48)	\$ (16.68)	\$ (3.68)	\$ (2.90)	\$ (2.33)	\$ 0.36	\$ (8.55)
EBITDA margin	-98.0%	-149.7%	-146.4%	-115.3%	-478.8%	-473.3%	-305.3%	-275.1%	-236.8%	-175.5%	-234.9%	-94.4%	-59.0%	-31.6%	2.8%	-29.5%
Other adjustments	\$ 5.36	\$ 1.85	\$ 3.59	\$ 0.37	\$ (0.81)	\$ 6.02	\$ 1.46	\$ 1.79			\$ 3.25					\$ -
Adjusted income before income taxes	\$ (32.83)	\$ (7.84)	\$ (9.11)	\$ (4.47)	\$ (4.84)	\$ (26.67)	\$ (6.66)	\$ (6.69)	\$ (4.88)	\$ (4.99)	\$ (22.09)	\$ (4.20)	\$ (3.42)	\$ (2.84)	\$ (0.16)	\$ (10.62)
Income Taxes	\$ (0.18)	\$ (0.13)	\$ (0.11)	\$ (0.12)	\$ -	\$ (0.64)	\$ (0.10)	\$ (0.09)	\$ -	\$ -	\$ (0.19)	\$ -	\$ -	\$ -	\$ -	\$ -
Net Income From Continuing Operations	\$ (32.65)	\$ (7.70)	\$ (8.99)	\$ (4.35)	\$ (4.84)	\$ (26.04)	\$ (6.56)	\$ (6.60)	\$ (4.88)	\$ (4.99)	\$ (21.90)	\$ (4.20)	\$ (3.42)	\$ (2.84)	\$ (0.16)	\$ (10.62)
Exchange diff./ translating foreign operations	\$ (0.23)	\$ 0.02	\$ (0.01)	\$ 0.22	\$ -		\$ (0.60)	\$ (0.45)	\$ -	\$ -	\$ (1.06)	\$ -	\$ -	\$ -	\$ -	\$ -
Total Comprehensive Net Income	\$ (32.43)	\$ (7.73)	\$ (8.99)	\$ (4.58)	\$ (4.84)	\$ (26.04)	\$ (5.96)	\$ (6.14)	\$ (4.88)	\$ (4.99)	\$ (20.85)	\$ (4.20)	\$ (3.42)	\$ (2.84)	\$ (0.16)	\$ (10.62)
Shares for Basic EPS	83.888	97.551	99.725	98.641	100.202	100.202	106.926	109.767	108.573	110.291	110.291	119.757	122.939	121.602	123.526	123.526
		25.9%	22.7%	14.5%	19.4%	19.4%	9.6%	10.1%	10.1%	10.1%	10.1%	12.0%	12.0%	12.0%	12.0%	12.0%
Shares for Diluted EPS	83.888	97.551	99.725	98.641	100.202	100.202	106.926	109.767	108.573	110.291	110.291	119.757	122.939	121.602	123.526	123.526
EPS Basic	\$ (0.39)	\$ (0.08)	\$ (0.09)	\$ (0.05)	\$ (0.05)	\$ (0.26)	\$ (0.06)	\$ (0.06)	\$ (0.04)	\$ (0.05)	\$ (0.19)	\$ (0.04)	\$ (0.03)	\$ (0.02)	\$ (0.00)	\$ (0.09)
EPS Diluted	\$ (0.39)	\$ (0.08)	\$ (0.09)	\$ (0.05)	\$ (0.05)	\$ (0.26)	\$ (0.06)	\$ (0.06)	\$ (0.04)	\$ (0.05)	\$ (0.19)	\$ (0.04)	\$ (0.03)	\$ (0.02)	\$ (0.00)	\$ (0.09)
Pro-forma EPS	\$ (0.33)	\$ (0.06)	\$ (0.05)	\$ (0.04)	\$ (0.06)	\$ (0.20)	\$ (0.04)	\$ (0.04)	\$ (0.04)	\$ (0.05)	\$ (0.17)	\$ (0.04)	\$ (0.03)	\$ (0.02)	\$ (0.00)	\$ (0.09)

Nextech3D.ai
Balance Sheet
\$ in Millions

	2022 Actual	2023 Estimated					2024 Estimated				
	Fiscal 2022A	1QA Mar-23	2QA Jun-23	3QE Sep-23	4QE Dec-23	Fiscal 2023E	1QE Mar-23	2QE Jun-23	3QE Sep-23	4QE Dec-23	Fiscal 2024E
Cash & Equivalents	\$ 3.78	\$ 3.50	\$ 3.81	\$ 1.29	\$ 12.70	\$ 12.70	\$ 9.22	\$ 8.27	\$ 3.15	\$ 8.22	\$ 8.22
Trade Accounts Receivable	\$ 0.74	\$ 0.94	\$ 0.10	\$ 0.10	\$ 0.45	\$ 0.45	\$ 0.71	\$ 0.09	\$ 0.38	\$ 2.26	\$ 2.26
Deferred asset	\$ 0.26	\$ 0.27	\$ 0.21	\$ 0.21	\$ 0.21	\$ 0.21	\$ 0.21	\$ 0.21	\$ 0.21	\$ 0.21	\$ 0.21
Contract asset	\$ 0.83	\$ 0.25	\$ 0.20	\$ 0.20	\$ 0.20	\$ 0.20	\$ 0.20	\$ 0.20	\$ 0.20	\$ 0.20	\$ 0.20
Prepaid expenses	\$ 0.31	\$ 0.39	\$ 0.38	\$ 0.38	\$ 0.38	\$ 0.38	\$ 0.38	\$ 0.38	\$ 0.38	\$ 0.38	\$ 0.38
Inventories	\$ 0.05	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Current Assets	\$ 5.97	\$ 5.36	\$ 4.70	\$ 2.18	\$ 13.94	\$ 13.94	\$ 10.71	\$ 9.15	\$ 4.31	\$ 11.26	\$ 11.26
Equipment	\$ 0.28	\$ 0.20	\$ 0.19	\$ 0.19	\$ 0.18	\$ 0.18	\$ 0.17	\$ 0.16	\$ 0.15	\$ 0.15	\$ 0.15
Deferred consideration	\$ -	\$ 0.21	\$ 0.39								
Right-Of-Use Assets	\$ 0.83	\$ 0.78	\$ 0.91	\$ 0.91	\$ 0.91	\$ 0.91	\$ 0.91	\$ 0.91	\$ 0.91	\$ 0.91	\$ 0.91
Intangibles	\$ 3.31	\$ 2.82	\$ 2.13	\$ 1.63	\$ 1.13	\$ 1.13	\$ 1.13	\$ 1.13	\$ 1.13	\$ 1.13	\$ 1.13
Goodwill	\$ 6.75	\$ 6.62	\$ 6.43	\$ 6.43	\$ 6.43	\$ 6.43	\$ 5.93	\$ 5.43	\$ 5.43	\$ 4.93	\$ 4.93
TOTAL ASSETS	\$ 17.14	\$ 15.98	\$ 14.76	\$ 11.34	\$ 22.59	\$ 22.59	\$ 18.86	\$ 16.79	\$ 11.95	\$ 18.38	\$ 18.38
Accounts payable and accrued liabilities	\$ 2.64	\$ 2.75	\$ 3.90	\$ 0.35	\$ 1.60	\$ 1.60	\$ 2.06	\$ 3.41	\$ 1.41	\$ 8.01	\$ 8.01
Lease Liability	\$ 0.31	\$ 0.16	\$ 0.18	\$ 0.18	\$ 0.18	\$ 0.18	\$ 0.18	\$ 0.18	\$ 0.18	\$ 0.18	\$ 0.18
Deferred Revenue	\$ 0.44	\$ 0.54	\$ 0.28	\$ 0.28	\$ 0.28	\$ 0.28	\$ 0.28	\$ 0.28	\$ 0.28	\$ 0.28	\$ 0.28
Total Current Liabilities	\$ 3.39	\$ 3.45	\$ 4.36	\$ 0.81	\$ 2.06	\$ 2.06	\$ 2.52	\$ 3.87	\$ 1.87	\$ 8.46	\$ 8.46
Lease Liability	\$ 0.58	\$ 0.59	\$ 0.51	\$ 0.51	\$ 0.51	\$ 0.51	\$ 0.51	\$ 0.51	\$ 0.51	\$ 0.51	\$ 0.51
Deferred Tax Liability	\$ 0.03	\$ (0.07)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Long Term Debt	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL LIABILITIES	\$ 4.01	\$ 3.97	\$ 4.87	\$ 1.32	\$ 2.57	\$ 2.57	\$ 3.03	\$ 4.38	\$ 2.38	\$ 8.98	\$ 8.98
Share capital	\$ 83.27	\$ 86.93	\$ 87.68	\$ 92.68	\$ 107.68	\$ 107.68	\$ 107.68	\$ 107.68	\$ 107.68	\$ 107.68	\$ 107.68
Reserves	\$ 12.75	\$ 14.38	\$ 16.24	\$ 16.24	\$ 16.24	\$ 16.24	\$ 16.24	\$ 16.24	\$ 16.24	\$ 16.24	\$ 16.24
Accumulated other comprehensive income	\$ 0.83	\$ 0.73	\$ 1.18	\$ 1.18	\$ 1.18	\$ 1.18	\$ 1.18	\$ 1.18	\$ 1.18	\$ 1.18	\$ 1.18
Retained Earnings	\$ (85.90)	\$ (91.76)	\$ (97.87)	\$ (102.74)	\$ (107.74)	\$ (107.74)	\$ (111.94)	\$ (115.36)	\$ (118.20)	\$ (118.36)	\$ (118.36)
TOTAL EQUITY	\$ 10.95	\$ 10.28	\$ 7.23	\$ 7.36	\$ 17.36	\$ 17.36	\$ 13.16	\$ 9.75	\$ 6.90	\$ 6.75	\$ 6.75
Non-controlling interest	\$ 2.17	\$ 1.73	\$ 2.66	\$ 2.66	\$ 2.66	\$ 2.66	\$ 2.66	\$ 2.66	\$ 2.66	\$ 2.66	\$ 2.66
TOTAL LIABILITIES & EQUITY	\$ 17.14	\$ 15.98	\$ 14.76	\$ 11.34	\$ 22.59	\$ 22.59	\$ 18.86	\$ 16.79	\$ 11.95	\$ 18.38	\$ 18.38

Nextech3D.ai
Cash Flow Statement
\$ in Millions

	2022 Actual	2023 Estimated					2024 Estimated				
	Fiscal	1QA	2QA	3QE	4QE	Fiscal	1QE	2QE	3QE	4QE	Fiscal
	2022A	Mar-23	Jun-23	Sep-23	Dec-23	2023E	Mar-23	Jun-23	Sep-23	Dec-23	2024E
Net Income	\$ (26.04)	\$ (6.56)	\$ (6.60)	\$ (4.88)	\$ (4.99)	\$ (23.03)	\$ (4.20)	\$ (3.42)	\$ (2.84)	\$ (0.16)	\$ (10.62)
Discontinued operations	\$ (1.34)					\$ -					\$ -
Amortization	\$ 2.66	\$ 0.53	\$ 0.50	\$ 0.50	\$ 0.50	\$ 2.03	\$ 0.50	\$ 0.50	\$ 0.50	\$ 0.50	\$ 2.00
Impairment of intangible assets and goodwill	\$ 3.18	\$ 0.18				\$ 0.18					\$ -
Employee pay program	\$ -	\$ 0.06	\$ (0.08)			\$ (0.03)					\$ -
Deferred income tax recovery	\$ -		\$ (0.10)			\$ (0.10)					\$ -
Amortization of right to use asset	\$ 0.26	\$ 0.06	\$ (0.00)			\$ 0.06					\$ -
Depreciation	\$ 0.14	\$ 0.03	\$ 0.02	\$ 0.02	\$ 0.02	\$ 0.08	\$ 0.02	\$ 0.02	\$ 0.02	\$ 0.02	\$ 0.06
Other	\$ -	\$ (0.12)	\$ 0.05			\$ (0.07)					\$ -
Gain on digital assets/short term investments	\$ (0.38)		\$ (0.12)			\$ (0.12)					\$ -
Gain on contingent consideration	\$ -					\$ -					\$ -
Shares for services	\$ 1.29					\$ -					\$ -
Stock-based compensation	\$ 2.34	\$ 1.17	\$ 1.08	\$ -	\$ -	\$ 2.26	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts Receivables	\$ 0.27	\$ (0.13)	\$ 0.84	\$ 0.01	\$ (0.36)	\$ 0.36	\$ (0.25)	\$ 0.61	\$ (0.29)	\$ (1.87)	\$ (1.80)
Deferred asset	\$ (0.26)	\$ (0.01)	\$ 0.06			\$ 0.05					\$ -
Contract asset	\$ 0.05	\$ 0.08	\$ 0.05			\$ 0.13					\$ -
Prepaid expenses	\$ 0.41	\$ (0.05)	\$ 0.02			\$ (0.04)					\$ -
Inventories	\$ 2.95	\$ 0.43		\$ -	\$ -	\$ 0.43	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts payable and accrued liabilities	\$ (0.02)	\$ 0.02	\$ (1.15)	\$ (3.55)	\$ 1.25	\$ (3.43)	\$ 0.46	\$ 1.35	\$ (2.00)	\$ 6.59	\$ 6.40
Deferred tax liability	\$ (0.67)	\$ (0.10)				\$ (0.10)					\$ -
Deferred revenue	\$ (0.17)	\$ 0.10	\$ (0.26)	\$ -	\$ -	\$ (0.16)	\$ -	\$ -	\$ -	\$ -	\$ -
Operating Activities - Net Cash Flow	\$ (15.33)	\$ (4.32)	\$ (5.70)	\$ (7.50)	\$ (3.59)	\$ (21.10)	\$ (3.48)	\$ (0.94)	\$ (5.12)	\$ 5.08	\$ (4.45)
Purchase of equipment	\$ (0.10)	\$ (0.03)	\$ (0.01)	\$ (0.01)	\$ (0.01)	\$ (0.05)	\$ (0.01)	\$ (0.01)	\$ (0.01)	\$ (0.01)	\$ (0.03)
Proceeds from sale of digital assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest on lease liability	\$ (0.03)	\$ (0.01)	\$ (0.01)	\$ -	\$ -	\$ (0.01)	\$ -	\$ -	\$ -	\$ -	\$ -
Investing Activities - Net Cash Flow	\$ (0.13)	\$ (0.04)	\$ (0.01)	\$ (0.01)	\$ (0.01)	\$ (0.07)	\$ (0.01)	\$ (0.01)	\$ (0.01)	\$ (0.01)	\$ (0.03)
Proceeds from exercise of options and warrants	\$ -			\$ 5.00	\$ 15.00	\$ 20.00	\$ -	\$ -	\$ -	\$ -	\$ -
Proceeds from private placement, net of issuance costs	\$ 8.89	\$ 2.65	\$ (0.01)		\$ -	\$ 2.65	\$ -	\$ -	\$ -	\$ -	\$ -
Proceeds from public offering, net of issuance costs	\$ -					\$ -					\$ -
Proceeds from Employee Pay Program	\$ 2.50	\$ 1.58	\$ 0.70			\$ 2.28					\$ -
Payment of loans	\$ (0.09)					\$ -					\$ -
Payment of contingent consideration, Issuances to non contr	\$ -	\$ 0.09	\$ 2.28			\$ 2.36					\$ -
Payment of lease obligations, Others	\$ 1.33	\$ (0.13)	\$ 2.32	\$ -	\$ -	\$ 2.19	\$ -	\$ -	\$ -	\$ -	\$ -
Financing Activities - Net Cash Flow	\$ 12.62	\$ 4.19	\$ 5.29	\$ 5.00	\$ 15.00	\$ 29.48	\$ -	\$ -	\$ -	\$ -	\$ -
Cash and Equivalents - Change	\$ (3.45)	\$ (0.28)	\$ 0.31	\$ (2.51)	\$ 11.41	\$ 8.92	\$ (3.48)	\$ (0.95)	\$ (5.13)	\$ 5.07	\$ (4.48)
Exchange Rate Effect	\$ (0.62)	\$ (0.12)	\$ 0.73	\$ -	\$ -	\$ 0.61	\$ -	\$ -	\$ -	\$ -	\$ -
Cash Beginning	\$ 7.24	\$ 3.78	\$ 3.49	\$ 3.80	\$ 1.29	\$ 3.78	\$ 12.70	\$ 9.22	\$ 8.27	\$ 3.15	\$ 12.70
Cash End	\$ 3.78	\$ 3.49	\$ 3.80	\$ 1.29	\$ 12.70	\$ 12.70	\$ 9.22	\$ 8.27	\$ 3.15	\$ 8.22	\$ 8.22