



**nextech AR**  
s o l u t i o n s

**NEXTECH3D.AI CORPORATION**

**Management's Discussion and Analysis**

**For the 15 months period ended March 31, 2025 and 12 months period ended December 31, 2023**

(Expressed in Canadian dollars)

**NexTech3D.AI Corporation**  
**Management's Discussion & Analysis**

For the 15 months period ended March 31, 2025 and 12 months period ended December 31, 2023  
(Expressed in Canadian dollars, except where noted)

---

This Management's Discussion and Analysis ("MD&A") of NexTech3D.AI Corporation (formerly NexTech AR Solutions Corp.) ("NexTech" or the "Company") and its subsidiaries provides analysis of the Company's financial results for the 15 months period ended March 31, 2025 and 12 months period ended December 31, 2023 and should be read in conjunction with the Company's audited consolidated financial statements for the 15 months period ended March 31, 2025 and 12 months period ended December 31, 2023 (the "Financial Statements"), which are prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board and interpretations of the International Financial Reporting Interpretations Committee. The information contained herein is not a substitute for detailed investigation or analysis on any particular issue. The information provided in this document is not intended to be a comprehensive review of all matters and developments concerning the Company. Additional information regarding the Company is available on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca). This MD&A has been prepared effective as of July 29, 2025 (the "MD&A Date"). This discussion covers the 3 months and the 15 months periods ended March 31, 2025 and 3 months and 12 months periods ended December 31, 2023 and the subsequent period up to the MD&A Date.

In this MD&A, unless the context otherwise dictates, a reference to "us", "we", "our", or similar terms refers to the Company. All monetary amounts in the MD&A are expressed in Canadian dollars, the presentation currency of the Company, except number of shares, or as otherwise indicated. The functional currency of the Company and its subsidiaries is disclosed in the notes to the Financial Statements. References to "\$" are to Canadian dollars, references to "US\$" or "USD" are to United States dollars. Throughout this MD&A, the first, second, third, fourth and fifth quarters of the Company's fiscal years are referred to as "Q1", "Q2", "Q3", "Q4" and "Q5", respectively. The 15 months periods ended March 31, 2025 and 12 months period ended December 31, 2023 are referred to as "Fiscal 2025" and "Fiscal 2023", respectively.

Management is responsible for the preparation and integrity of the Company's Financial Statements, including the maintenance of appropriate information systems, procedures, and internal controls. Management is responsible for ensuring that information disclosed externally, including the information contained within the Company's Financial Statements and MD&A, is complete and reliable.

This MD&A includes trademarks, such as "NexTech", and "ARitize", which are protected under applicable intellectual property laws and are the property of NexTech. Solely for convenience, our trademarks and trade names referred to in this MD&A may appear without the ® or ™ symbol, but such references are not intended to indicate, in any way, that we will not assert, to the fullest extent under applicable law, our rights to these trademarks and trade names. All other trademarks used in this MD&A are the property of their respective owners.

---

**CAUTIONARY NOTE REGARDING FORWARD-LOOKING INFORMATION**

---

This MD&A contains forward-looking statements that relate to our current expectations and views of future events. In some cases, these forward-looking statements can be identified by words or phrases such as "may", "will", "expect", "anticipate", "aim", "estimate", "intend", "plan", "seek", "believe", "potential", "continue", "is/ are likely to" or the negative of these terms, or other similar expressions intended to identify forward-looking statements. Forward-looking statements are intended to assist readers in understanding management's expectations as of the date of this MD&A and may not be suitable for other purposes. We have based these forward-looking statements on our current expectations and projections about future events and financial trends that we believe may affect our financial condition, results of operations, business strategy and financial needs. These forward-looking statements include, among other things, statements relating to:

- the economy generally;
- market participants' interest in NexTech's services and products, both in respect of its current offerings and its proposed roll-out of future products and services;
- fluctuations in foreign currency exchange rates;
- business prospects and opportunities;
- anticipated and unanticipated costs;
- management's outlook regarding future trends;
- uncertainty regarding the market and economic impacts of COVID-19;
- our expectations regarding our revenue, expenses and operations;
- our anticipated cash needs and our needs for additional financing;
- our plans for and timing of expansion of our solutions and services;
- our future growth plans including the entry into adjacent markets;
- the acceptance by our customers and the marketplace of new technologies and solutions;
- our ability to attract new customers and develop and maintain existing customers;
- our ability to attract and retain personnel;
- our future growth and its dependence on continued development of our direct sales force; and

## **NexTech3D.AI Corporation**

### **Management's Discussion & Analysis**

For the 15 months period ended March 31, 2025 and 12 months period ended December 31, 2023  
(Expressed in Canadian dollars, except where noted)

---

- their ability to obtain new customers;
- our expectations with respect to advancement in our technologies;
- our competitive position and our expectations regarding competition;
- regulatory developments and the regulatory environments in which we operate;
- anticipated trends and challenges in our business and the markets in which we operate;
- an increased demand for 3D volumetric objects, content and experiences;
- the anticipated benefits of our product offerings and services; and
- the retention of earnings for corporate purposes and the payment of future dividends.

Forward-looking statements are based on certain assumptions and analysis made by us in light of our experience and perception of historical trends, current conditions and expected future developments and other factors we believe are appropriate. Expected future developments include growth in our target market, an increase in our revenue based on trends in customer behaviour, increasing sales and marketing expenses, research and development expenses and general and administrative expenses based on our business plans. Although we believe that the assumptions underlying the forward-looking statements are reasonable, they may prove to be incorrect.

Whether actual results, performance or achievements will conform to our expectations and predictions is subject to a number of known and unknown risks and uncertainties, including those set forth below under the heading "Risks and Uncertainties". These risks and uncertainties could cause our actual results, performance, achievements, and experience to differ materially from the future expectations expressed or implied by the forward-looking statements. In light of these risks and uncertainties, readers should not place undue reliance on forward-looking statements.

The forward-looking statements made in this MD&A relate only to events or information as of the date on which the statements are made in this MD&A and are expressly qualified in their entirety by this cautionary statement. Except as required by law, we do not assume any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, after the date on which the statements are made or to reflect the occurrence of unanticipated events.

Readers should read this MD&A with the understanding that our actual future results may be materially different from what we expect.

All of the forward-looking statements in this MD&A are qualified by these cautionary statements and other cautionary statements or factors contained herein, and there can be no assurance that the actual results or developments will be realized or, even if substantially realized, that they will have the expected consequences to, or effects on, NexTech.

## **BUSINESS OVERVIEW**

---

NexTech is a metaverse company that provides augmented reality ("AR") experience technologies, wayfinding technologies, and 3D model services. The Company was incorporated in the province of British Columbia, Canada on January 12, 2018. The Company's registered and head office is located at PO Box 64039 RPO Royal Bank Plaza, Toronto, Ontario, M5J 2T6. The Company's shares are traded on the Canadian Securities Exchange (the "CSE") under the trading symbol "NTAR", on the Frankfurt Stock Exchange under the trading symbol "EP2", and in the United States of America on the OTCQX under the trading symbol "NEXCF". On September 28, 2023, the Company changed its name from NexTech AR Solutions Corp. to NexTech3D.AI Corporation.

The Company provides a broad array of AR solutions. These AR solutions can be used across many verticals and are currently being utilized in ecommerce, virtual events, higher education learning, corporate training, digital advertising and entertainment. NexTech's AR solutions are able to scale the production of 3D models by using artificial intelligence ("AI") algorithms and computer vision technology. The resulting product and service offerings enable customers to deliver scalable, photo-realistic, volumetric 3D AR for widespread adoption. Most of the Company's technology is web-based, but the Company offers several AR applications on iOS and Android, including ARitize360, ARitize, and HoloX. These applications enable 3D visualization across all platforms, catering to a wide range of AR use cases and serving as a comprehensive AR solution.

On June 16, 2022, the Company announced the winding down of its eCommerce businesses to focus on AR solutions. On October 26, 2022, the Company completed the spinout of ARWay Corporation ("ARWay") which began trading on the CSE under the symbol "ARWY". ARWay provides geolocation 3D mapping platform, a SaaS business, for the metaverse. On June 13, 2023, the Company successfully spun out Toggle3D.ai Inc. ("Toggle"), an AI powered 3D design studio, which began trading on the CSE under the symbol "TGGL".

## **NexTech3D.AI Corporation**

### **Management's Discussion & Analysis**

For the 15 months period ended March 31, 2025 and 12 months period ended December 31, 2023  
(Expressed in Canadian dollars, except where noted)

---

#### **1. Product offerings**

##### **ARWay.ai (controlling interest and consolidated entity) (CSE: ARWY) (OTC:ARWYF)**

This is an all-in-one metaverse creation studio allowing users to spatially map their location and populate it with interactive 3D objects, navigations, wayfinding, audio and more. ARway.ai is available through a software developer kit ("SDK"), a smartphone application available on iOS and android for authoring, sharing and viewing location-persistent AR experiences and AR navigation, and a creator portal for creating, managing and tracking performance of 3D maps and AR wayfinding experiences. It is a self-serve solution with no-code.

##### **Nextech3D.ai Corporation (CSE: NTAR) (OTC: NEXCF)**

###### **ARitize 3D**

ARitize 3D is a web-based AR solution for ecommerce that is a component of the NexTech AR platform and is an end-to-end AR platform with content creation, hosting and viewing of AR/3D assets all in one. ARitize 3D for ecommerce tools give users the ability to embed a 3D model in a product page on an ecommerce website. This embedded experience, once rendered in a shopper's browser, will provide a 3D model experience that a shopper can easily manipulate and explore. It works across all mobile and desktop devices on the web. Available tools within the platform include the following:

###### **a) ARitize CAD**

ARitize CAD enables the conversion of computer aided design ("CAD") files into 3D/AR models at scale. CAD is a function of product engineering. Industrial designers, working for product manufacturers, use CAD software (e.g., AutoCAD, SolidWorks, etc.) to design many of the products in the modern world. Using ARitize CAD, those files can be converted to 3D/AR models with the creation of photo realistic, fully textured 3D models from raw CAD models and reference images. This technology creates optimized 3D meshes that are suitable for 3D and AR applications.

###### **b) ARitize Decorator**

ARitize Decorator enables customers to virtually preview home furnishing and décor in a desired location, using just a simple 2D photo of a room. The solution uses NexTech's AI to analyze a room layout automatically and then parses out room surfaces, reconstructs the scene, and allows 3D objects to be seamlessly placed inside a 2D photo, as if they were part of the room.

###### **Map Dynamics**

Map Dynamics is a self-serve virtual events platform that allows organizers to create, host, and manage live events for over 100,000 attendees both online and in our branded native event application. The platform supports live video, chat, networking, analytics, reporting, interactive mapping and event app with AR indoor wayfinding for associations, conferences, trade shows, webinars, summits, forums, workshops, and hybrid events.

All of the products above within NexTech's technology stack are fully developed and at the commercial production stage. Management envisions that revenue generated from these product offerings has the potential to surpass the revenue currently generated by the Company's ecommerce platforms in the future. The Company's strategy for advancing its AR business involves bolstering sales and marketing efforts, expanding its product portfolio, and leveraging existing and future customer relationships to promote a wider range of products and services. Additionally, the Company plans to explore revenue opportunities through the licensing of select software products, which will be supported by enhanced marketing initiatives. Management believes that these objectives will be further strengthened by the overall growth of the AR industry, driven by increasing consumer familiarity with these products and services.

##### **Toggle3D.ai Inc (controlling interest and consolidated entity) (CSE: TGGL) (OTC: TGGLF)**

Toggle3D.ai Inc. is a groundbreaking SaaS solution that utilizes generative AI to convert CAD files, apply stunning 4K texturing, and enable seamless publishing of superior 4K 3D models, serving various industries within the \$160 billion computer-generated imagery ("CGI") market. With its AR-based rapid prototyping web application, Toggle3D empowers designers, artists, marketers, and ecommerce owners to effortlessly convert, texture, customize, and publish high-quality 3D models and experiences, regardless of technical or 3D design expertise.

**NexTech3D.AI Corporation****Management's Discussion & Analysis**

For the 15 months period ended March 31, 2025 and 12 months period ended December 31, 2023

(Expressed in Canadian dollars, except where noted)

**1. Application for patents and licenses**

The Company is in the process of applying for patents for its Threedy.ai and HoloX products, as well as the following:

Patent	Description	Date Provisional Patent Filed <sup>(1)</sup>	Status of Non-Provisional Patent Filing <sup>(1)</sup>	Jurisdiction
CREATING 3D MODELS FROM 2D PHOTOS AND APPLICATIONS	Covers core AI algorithms for creating 3D models automatically from 2D photos and is the core of Threedy technology.	N/A	Patent issued	United States
THREEDIMENSIONAL (3D) MODEL GENERATION FROM COMPUTERAIDED DESIGN (CAD) DATA	Covers core artificial intelligence algorithms for creating 3D models automatically from 2D photos.	N/A	Patent issued	United States
EFFICIENT CREATION OF 3D MODEL AND APPLICATION	Covers the virtual assembly line concept that helps scale 3D content creation from 2D photos.	N/A	Patent issued	United States
MATERIAL ESTIMATION FOR 3D MODELING AND APPLICATION	Covers the AI/ML techniques for creating 3D textures and materials automatically from 2D reference photos.	N/A	Patent issued	United States
AUTOMATICALLY EXTRACTING TILEABLE UNITS FROM IMAGES	Describes a method for compressing large textures with regular patterns to significantly reduce the size of the texture files.	N/A	Patent issued	United States

(1) There are two different types of utility patent applications in the United States: (i) provisional applications; and (ii) non-provisional applications. The provisional application is a patent application filed with the U.S. Patent and Trademark Office ("USPTO") which involves less formal documentation and is not subject to examination by the USPTO. The provisional application has a one-year term and is not legally enforceable. In order for a provisional application date to be effective, a non-provisional patent application must be prepared and filed within one year of the provisional application. The non-provisional patent application is a more detailed filing and subject to examination by the USPTO. A patent granted based on the non-provisional application is legally enforceable in the United States. The filing of a provisional application is not a pre-requisite to the filing of a non-provisional application.

**HIGHLIGHT OF SIGNIFICANT EVENTS**

During the 15 months period ended March 31, 2025 and up to the date of this MD&A the Company:

- On January 4, 2024, the Company launched an AI powered search engine to speed-up and scale-up operations for the 3D modeling process.
- On February 13, 2024, the Company signed a significant \$1.8 million 3D modeling contract with a major enterprise client.
- On March 5, 2024, the Company established a new business unit targeting jewelry industry.
- On May 21, 2024, the Company sold its Map Dynamics business to ARWay. The transaction involved an exchange 4 million shares in ARWay, with a fair value of \$1,040,000. This increased the ownership percentage of the Company in ARWay from 46% to 48%. For consolidation purposes, this transaction has been eliminated.
- On May 28, 2024, the Company announces the closing map dynamics sale to arway.ai to focus on patented high-margin generative ai-powered 3D modeling technology.
- On June 21, 2024, the Company sees ecommerce industry shift accelerating to 3D models as major ecommerce platforms discontinue 360 spin experiences in favor of 3D-AI and augmented reality (AR) technologies.
- On July 02, 2024, the Company expands into specialty retail ecommerce with the largest independent crossbow dealer in the USA, wyvern creations.
- On July 15, 2024, the Company hires ecommerce sales executive Madison Wynsma as head of its artificial intelligence powered 3D model platform.
- On July 16, 2024, the Company selected as amazon 3D model external content provider (ECP).
- On July 22, 2024, the Company's 3D assets now fully compatible with google merchant center and manufacturer center.
- On July 30, 2024, the Company reports preliminary 70% gross profit margin in q2, 2024 revenue of \$1.2 million.
- On August 16, 2024, the Company announces proposed placement.
- On August 27, 2024, the Company launches key new features for its generative AI powered 2D-3D model platform.
- On August 29, 2024, the Company reports Q2 2024 revenue of \$1,108,000 with record gross profit margin of 74% or \$820,000 a 45%increase over Q1, 2024.

## **NexTech3D.AI Corporation**

### **Management's Discussion & Analysis**

For the 15 months period ended March 31, 2025 and 12 months period ended December 31, 2023

(Expressed in Canadian dollars, except where noted)

---

- On September 04, 2024, the Company secures three new patents for AI-powered 3D model generation algorithms.
- On September 06, 2024, the Company announces repricing of proposed placement.
- On September 11, 2024, the Company signs LOI to acquire designhubz expanding its 3D & AR portfolio with try-on technology for wearables.
- On September 25, 2024, the Company announces closing of first tranche of private placement for \$475,000.
- On October 11, 2024, the Company launches AI powered lifestyle image generator supporting major ecommerce platforms.
- On October 31, 2024, the Company attends high point fall market 'the largest furniture market globally' to showcase its 3D modeling and ai photography.
- On November 08, 2024, the Company tunes in for a livestream with CEO Evan Gappelberg on wednesday november 13th, 12pm EST.
- On November 21, 2024, the Company spin-out rebrands as fotogpt.ai to usher in a new era of ai-powered photography.
- On November 30, 2024, the Company reports YTD Revenue of \$2.9 Million and and Gross Profit of \$1.88 Million, Q3 2024 Revenue of \$756,476 with Gross Profit Margin of 71% or \$537,503.
- On December 10, 2024, the Company recognized as Amazon 3D Content Provider as It Has Completed Amazon's External Content Training Program and Awarded a Certificate of Completion.
- On December 20, 2024, the Company's Period-End Letter to Shareholders: Positioned for Growth, Profitability, and Innovation in 2025.
- On January 11, 2025, the Company issues Stock Options.
- On January 16, 2025, the Company invites Shareholders to A Proactive CEO Livestream Demo of New AI Technology for Ecommerce & Events and Live Q&A on January 22nd 12pm EST
- On January 17, 2025, the Company announces CEO Evan Gappelberg acquires 21,046,338 Shares of Company Stock.
- On January 21, 2025, the Company announces First New Customer Win For its AI Powered Photography Studio.
- On February 07, 2025, CEO Evan Gappelberg acquires 21,046,338 Shares of Nextech3D.ai Corp.
- On February 11, 2025, the Company announces Closing of Share Issuance to CEO Evan Gappelberg.
- On February 11, 2025, the Company announces Change of Fiscal Year End from December 31 to March 31.
- On February 11, 2025, the Company launches First-Ever Social Media Marketing Initiative As New AI 3D Products Emerge.

### **SIGNIFICANT FACTORS AFFECTING RESULTS OF OPERATIONS**

---

The Company's results of operations are influenced by a variety of factors, including:

#### **Revenue**

The Company primarily generates revenue from the sale of arway services, thready services and toggle3D services.

#### Arway services

The ARway Creator Portal is your hub for crafting and managing immersive AR experiences. It offers a suite of tools for floorplan configuration, AR navigation creation, and detailed analytics, all accessible through a web-based interface.

#### Threedy services

Threedy.ai provides an AI platform that converts 2D product images into 3D models for e-commerce, enabling seamless AR visualizations with minimal human effort. Nextech AR's "3D Rooms," launched in October 2021, allows customers to virtually place home furnishings in their spaces using 2D photos. These innovations enhance the online shopping experience with scalable, user-friendly augmented reality solutions.

#### Toggle services

Toggle3D.ai Inc. is a pioneering SaaS platform leveraging generative AI to transform the \$160 billion computer-generated imagery (CGI) market by simplifying 3D model creation. Their innovative technology converts CAD files into high-quality, 4K textured 3D models and facilitates their seamless publishing. Through an Augmented Reality-based web application, Toggle3D empowers users, including designers, marketers, and eCommerce owners, to easily customize and publish these models, regardless of their technical 3D design expertise. By offering an affordable and scalable solution for converting large CAD files into lightweight 3D models, Toggle3D aims to revolutionize the manufacturing and design industry, positioning itself as a leading platform in the space.

**NexTech3D.AI Corporation****Management's Discussion & Analysis**

For the 15 months period ended March 31, 2025 and 12 months period ended December 31, 2023

(Expressed in Canadian dollars, except where noted)

**Cost of sales**

Cost of sales for thready services, arway services and toggle services include wages and salaries associated with the customer service and delivery teams, and other direct costs in relation to delivering virtual events to customers and delivering 3D models to customers.

**Selling and marketing expenses**

Selling and marketing expenses consist primarily of advertising, personnel and related costs for the sales, marketing, and select members of the management teams, including salaries and benefits, contract acquisition costs including commissions earned by sales personnel and partner referral fees, partner programs support and training, investor relations and promotional marketing costs.

The Company plans to continue investment in sales and marketing by expanding both domestic and international selling as well as marketing activities, building brand awareness, and sponsoring additional marketing events. The Company expects that in the future, selling and marketing expenses will increase once more sustainable market opportunities are identified.

**Research and development expenses**

Research and development ("R&D") expenses consist primarily of personnel and related costs for the teams responsible for the ongoing research, development, and product management of the technology solutions as well as platform and maintenance costs.

Management anticipates that spending on R&D will be lower in absolute dollars as much of the Company's products are in the commercialization stage and further investments in the near future are only focused on enhancements of existing products.

**General and administrative expenses**

General and administrative expenses consist primarily of personnel and related costs associated with administrative functions of the business including finance, human resources, operations, management, and internal information system support. It includes shipping and warehouse costs, office and general costs, compliance, legal, accounting, and other professional fees as well as miscellaneous repairs and maintenance. The Company anticipates a continued decrease in future general and administrative expenses in absolute dollars due to workforce scaling for the upcoming year and the absence of certain acquisition and professional fees.

**Foreign exchange**

The Company's presentation and functional currency is the Canadian dollar. The functional currency of the Company's subsidiaries is the Canadian dollar, except for the subsidiaries which are incorporated in the United States and India, which functional currency is the US dollar. While most of the revenue is denominated in USD, a large portion of expenses is incurred in Canadian dollars due to the head office and a substantial part of the workforce being based in Canada.

**SELECTED ANNUAL INFORMATION**

	15 months period ended March 31, 2025	12 months period ended December 31, 2023	12 months period ended December 31, 2022
	\$	\$	\$
Revenue	3,489,507	5,033,202	3,224,791
Net loss from continuing operations attributed to shareholders of the Company	(12,043,593)	(25,109,547)	(22,896,701)
Loss per share from continuing operations (basic and diluted)	(0.08)	(0.22)	(0.24)
Net loss attributed to shareholders of the Company	(12,043,593)	(25,562,361)	(26,940,125)
Loss attributable to owners of the parent - per share (basic and diluted)	(0.08)	(0.22)	(0.27)
Total assets	1,005,097	2,986,435	17,135,706
Non-current liabilities	338,688	469,624	612,560

Revenue of 15 months period ended March 31, 2025 decreased by 31% compared to 12 months period ended December 31,

**NexTech3D.AI Corporation****Management's Discussion & Analysis**

For the 15 months period ended March 31, 2025 and 12 months period ended December 31, 2023

(Expressed in Canadian dollars, except where noted)

---

2023.

Arway services

The ARway Creator Portal is your hub for crafting and managing immersive AR experiences. It offers a suite of tools for floorplan configuration, AR navigation creation, and detailed analytics, all accessible through a web-based interface.

Threedy services

Threedy.ai provides an AI platform that converts 2D product images into 3D models for e-commerce, enabling seamless AR visualizations with minimal human effort. Nextech AR's "3D Rooms," launched in October 2021, allows customers to virtually place home furnishings in their spaces using 2D photos. These innovations enhance the online shopping experience with scalable, user-friendly augmented reality solutions.

Toggle services

Toggle3D.ai Inc. is a pioneering SaaS platform leveraging generative AI to transform the \$160 billion computer-generated imagery (CGI) market by simplifying 3D model creation. Their innovative technology converts CAD files into high-quality, 4K textured 3D models and facilitates their seamless publishing. Through an Augmented Reality-based web application, Toggle3D empowers users, including designers, marketers, and eCommerce owners, to easily customize and publish these models, regardless of their technical 3D design expertise. By offering an affordable and scalable solution for converting large CAD files into lightweight 3D models, Toggle3D aims to revolutionize the manufacturing and design industry, positioning itself as a leading platform in the space.



**NexTech3D.AI Corporation****Management's Discussion & Analysis**

For the 15 months period ended March 31, 2025 and 12 months period ended December 31, 2023

(Expressed in Canadian dollars, except where noted)

**RESULTS OF OPERATIONS**

A summary of the Company's results of operations is as follows:

	3 months period ended March 31, 2025	3 months period ended December 31, 2023	15 months period ended March 31, 2025	12 months period ended December 31, 2023
	\$	\$	\$	\$
Revenue	305,691	1,150,398	3,489,507	5,033,202
Cost of sales	(69,644)	(908,129)	(1,248,056)	(3,586,162)
Gross profit	236,047	242,269	2,241,451	1,447,040
Operating expenses	(7,547,872)	(1,833,113)	(16,096,638)	(21,183,847)
Other income (expenses)	65,369	(7,546,114)	(368,631)	(7,554,709)
Loss before income taxes from continuing operations	(7,246,456)	(9,136,958)	(14,223,818)	(27,291,516)
Income tax recovery (expense)	-	48,013	-	29,974
Net loss from continuing operations	(7,246,456)	(9,088,945)	(14,223,818)	(27,261,542)
Net loss from discontinued operations	-	(117)	-	(452,814)
<b>Total net profit/(loss)</b>	<b>(7,246,456)</b>	<b>(9,089,062)</b>	<b>(14,223,818)</b>	<b>(27,714,356)</b>

**Revenue**

	3 months period ended March 31, 2025	3 months period ended December 31, 2023	15 months period ended March 31, 2025	12 months period ended December 31, 2023
	\$	\$	\$	\$
MapD	251,260	248,198	1,366,098	1,035,680
Threedy	25,575	838,795	1,999,301	3,613,378
Arway	3,797	23,657	59,854	65,180
Toggle	121	437	847	1,114
Others	24,938	39,311	63,407	317,850
	305,691	1,150,398	3,489,507	5,033,202

Revenue for 3 months and 15 months period ended March 31, 2025 decreased by 73% and 31%, respectively, compared to the 3 months and 12 months period ended December 31, 2023.

**MapD Sales**

In 2023, the company introduced a new segment called Map D, which has made a significant contribution to our operations. The sales of this segment during the 15 months period ended March 31, 2025 increased by 32%, compared to the 12 months period ended December 31, 2023.

**Threedy**

Threedy services revenue is generated from AI-powered platform that streamlines the creation of 3D models for e-commerce. For the 3 months period ended March 31, 2025, threedy services decreased to \$25,575 as compared to the prior year comparable period \$838,795. In 15 months period ended March 31, 2025, threedy services decreased to \$1,999,301 as compared to \$3,613,378 in the 12 months period ended December 31, 2023 primarily due to management's shift in focus.

**Arway**

For 3 months period ended March 31, 2025, arway services reduced to \$3,797 compared to \$23,657 in the prior year comparable period. For 15 months period ended March 31, 2025, arway services decreased to \$59,854 compared to \$65,180 in the 12 months period ended December 31, 2023. This represents a decrease of 84% and 8%, respectively, which is primarily due to the new cost structure and operating out of India which lowered our license fees compared to the prior comparable period.

**NexTech3D.AI Corporation****Management's Discussion & Analysis**

For the 15 months period ended March 31, 2025 and 12 months period ended December 31, 2023

(Expressed in Canadian dollars, except where noted)

---

Toggle

For 3 months period ended March 31, 2025, toggle services reduced to \$121 compared to \$437 in the prior year comparable period. For 15 months period ended March 31, 2025, toggle services decreased to \$847 compared to \$1,114 in 3 months and 12 months period ended December 31, 2023. This represents a decrease of 72% and 24%, respectively, which is primarily due to the new cost structure and operating out of India which lowered our license fees compared to the prior comparable period.

Other revenue

For the 15 months period ended March 31, 2025, other revenue is comprised of interest income of \$1,411 earned from the GICs (12 months period ended December 31, 2023 - \$103,382) and interest income of \$58,019 earned from the sublease (12 months period ended December 31, 2023 - \$39,903).

**NexTech3D.AI Corporation****Management's Discussion & Analysis**

For the 15 months period ended March 31, 2025 and 12 months period ended December 31, 2023

(Expressed in Canadian dollars, except where noted)

**Cost of sales and gross margin**

	3 months period ended March 31, 2025	3 months period ended December 31, 2023	15 months period ended March 31, 2025	12 months period ended December 31, 2023
	\$	\$	\$	\$
Cost of sales	(69,644)	(908,129)	(1,248,056)	(3,586,162)
Gross profit	236,047	242,269	2,241,451	1,447,040
Gross margin	77%	21%	64%	29%

For 3 months period ended March 31, 2025, gross profit decreased to \$236,047 (77%) compared to \$242,269 (21%) in the prior year comparable period. For 15 months period ended March 31, 2025, gross profit increased to \$2,241,451 compared to \$1,447,040 in the 12 months period ended December 31, 2023. The decrease in cost of sales from the prior year comparable period is due to the expansion of the Company's 3D model production capacity and scaling up operations in India, which represents a more cost-effective business model.

**Sales and marketing expenses**

	3 months period ended March 31, 2025	3 months period ended December 31, 2023	15 months period ended March 31, 2025	12 months period ended December 31, 2023
	\$	\$	\$	\$
Sales and marketing	255,476	669,623	2,025,444	4,546,502
As a percentage of revenue	84%	58%	58%	90%

For the 3 months period ended March 31, 2025, sales and marketing expenses decreased to \$255,476 compared to \$669,623 in the prior year comparable period. For the 15 months period ended March 31, 2025, sales and marketing expenses decreased to \$2,025,444 compared to \$4,546,502 in the 12 months period ended December 31, 2023. During the current period, the Company did not have any significant sales and marketing efforts related to AR 3D products, which resulted in a lower level of spending, mainly from lower advertising, salaries and investor relations expenditures. Sales and marketing expenses of 15 months period ended March 31, 2025 decreased 58% compared to 12 months period ending December 31, 2024. Included in this expense is sales and marketing expenditure (for 15 months ended) of \$503,954 from the partially owned subsidiaries, Arway and Toggle. The Company continues to monitor sales and marketing spending in relation to the demand for current product offerings and the related revenue potential.

**General and administrative expenses**

	3 months period ended March 31, 2025	3 months period ended December 31, 2023	15 months period ended March 31, 2025	12 months period ended December 31, 2023
	\$	\$	\$	\$
General and administrative	869,243	1,986,031	5,891,991	9,362,610
As a percentage of revenue	284%	173%	169%	186%

For the 3 months period ended March 31, 2025, general and administrative expenses decreased to \$869,243 compared to \$1,986,031 in the prior year comparable period. For 15 months period ended March 31, 2025, general and administrative expense decreased to \$5,891,991 compared to \$9,362,610 in the 12 months period ended December 31, 2023. The decrease during the current 15 months ended is attributed to management's effort in reducing the corporate expenses including salaries and wages, professional fees, and office general expenses. Included in general and administrative expenses for the 15 months period ended March 31, 2025 was \$1,408,966 from the partially owned subsidiaries, ARWay and Toggle. General and administrative expenses comprise of legal, accounting, professional fees, compliance, and headcount from administrative functions of the business including finance, human resources, operations, management, and internal information system support. The Company continues to monitor these expenses closely and continually monitors for reductions in certain expenditures where needed to fit the revenue streams.

**NexTech3D.AI Corporation****Management's Discussion & Analysis**

For the 15 months period ended March 31, 2025 and 12 months period ended December 31, 2023

(Expressed in Canadian dollars, except where noted)

**Research and development expenses**

	3 months period ended March 31, 2025	3 months period ended December 31, 2023	15 months period ended March 31, 2025	12 months period ended December 31, 2023
	\$	\$	\$	\$
Research and development	238,775	428,966	1,778,052	3,249,799
As a percentage of revenue	78%	37%	51%	65%

For 3 months period ended March 31, 2025, research and development expenses decreased to \$238,775 compared to \$428,966 in the prior year comparable period. For 15 months period ended March 31, 2025, research and development expenses decreased to \$1,778,052 compared to \$3,249,799 in the 12 months period ended December 31, 2023. The overall decrease compared to the prior period is related to the removal of resources associated with the virtual events platform business exit, which exceeded the increasing resources as we invest in AI. In addition, this quarter internal resources were shifted to our India operations resulting in overall less cost. The Company maintained development focus on 3D AR products, primarily utilizing internal labor resources. All the products in the Company's technology stack are now in the commercialization stage, actively generating revenue. Research and development expenses are dedicated to enhancing and maintaining existing products while integrating them into a unified suite. The Company anticipates future expenses in this category will mainly involve internal labor and are not expected to significantly exceed the current level of spending. As projects conclude or near completion, management will assess resource allocation for the next project in the product roadmaps.

**Net loss from continuing operations**

For 3 months period ended March 31, 2025, the Company reported a net loss from continuing operations of \$7,246,456 compared to a net loss of \$9,088,945 in the prior period comparable period. For 15 months period ended March 31, 2025, the Company reported a net loss from continuing operations of \$14,223,818 compared to \$27,261,542 in the 12 months period ended December 31, 2023. The net loss decrease is mainly driven by the cost measures taken by the company.

**KEY FINANCIAL POSITION ITEMS**

A summary of the Company's selected financial position items is as follows:

	March 31, 2025	December 31, 2023
	\$	\$
Working capital (deficiency)	(3,599,148)	(2,206,405)
Total assets	1,005,097	2,986,435
Total non-current liabilities	338,688	469,624
Total liabilities	4,428,091	4,486,998
Receivables	182,467	357,398
Contract asset	-	51,320
Deferred revenue	498,171	342,192

**Working capital (deficiency)**

As at March 31, 2025, the Company had a working capital deficiency of \$3,599,148, compared to a working capital of \$2,206,405 as at December 31, 2023. The decrease in working capital was primarily a result of reduced cash and cash equivalents, an increase in accounts payable. The higher cash and cash equivalents balance as at December 31, 2023, was largely due to a significant financing round in the previous year, which substantially bolstered cash reserves. During the current 15 month period, a greater portion of cash was spent on the cost of sales. The increase in accounts payable is primarily attributed to the rising amount designated to be settled using cash.

**NexTech3D.AI Corporation****Management's Discussion & Analysis**

For the 15 months period ended March 31, 2025 and 12 months period ended December 31, 2023

(Expressed in Canadian dollars, except where noted)

---

**Receivables**

A summary of the Company's receivables is as follows:

	<b>March 31, 2025</b>	<b>December 31, 2023</b>
	<b>\$</b>	<b>\$</b>
GST receivable	<b>27,930</b>	66,118
Trade receivables	<b>154,537</b>	291,280
	<b>182,467</b>	357,398

Receivables as at March 31, 2025, was \$182,467, representing a decrease of 49% compared to December 31, 2023. This decline is primarily attributed to trade receivables.

**Contract asset**

Contract asset represents unbilled customer revenue for services provided as well as unbilled costs incurred on behalf of customers. Contract asset as at March 31, 2025, was \$nil, decreasing 100% compared to \$ 51,320 as at December 31, 2023. This decrease was due to the Company transitioning from a service-based model to a SaaS model, wherein revenue is recognized more evenly over the subscription period.

**Deferred revenue**

Billings in excess of time value incurred on work in progress in accordance with customer contracts, for which future services will be provided, are recognized as deferred revenue. As of March 31, 2025, deferred revenue was \$498,171 representing an increase of 46%, compared to \$342,192 as at December 31, 2023. This increase was mainly due to an increase in upfront payments as compared to last 12 month period end.

**NexTech3D.AI Corporation****Management's Discussion & Analysis**

For the 15 months period ended March 31, 2025 and 12 months period ended December 31, 2023

(Expressed in Canadian dollars, except where noted)

**QUARTERLY FINANCIAL INFORMATION <sup>(1)</sup>**

	3 months period ended March 31, 2025	3 months period ended December 31, 2024	3 months period ended September 30, 2024	3 months period ended June 30, 2024
	\$	\$	\$	\$
Total revenue, including revenue from discontinued operations	305,691	293,707	756,476	1,108,941
Net loss from continuing operations attributed to shareholders of the Company	(6,861,587)	(704,134)	(1,072,473)	(2,041,290)
Net loss attributed to shareholders of the Company	(6,861,587)	(704,134)	(1,072,473)	(2,041,290)
Loss per share from continuing operations, basic and diluted	(0.04)	(0.01)	(0.01)	(0.01)
Loss per share, basic and diluted	(0.04)	(0.01)	(0.01)	(0.01)

	3 months period ended March 31, 2024	3 months period ended December 31, 2023	3 months period ended September 30, 2023	3 months period ended June 30, 2023
	\$	\$	\$	\$
Total revenue, including revenue from discontinued operations	1,024,692	1,150,398	1,176,607	1,405,003
Net loss from continuing operations attributed to shareholders of the Company	(1,364,109)	(9,876,124)	(3,609,011)	(6,139,058)
Net loss attributed to shareholders of the Company	(1,364,109)	(9,876,241)	(3,717,462)	(6,104,228)
Loss per share from continuing operations, basic and diluted	(0.01)	(0.08)	(0.03)	(0.06)
Loss per share, basic and diluted	(0.01)	(0.08)	(0.03)	(0.06)

(1) As a result of the reclassifications and change in presentation of certain items within the consolidated statements of loss and comprehensive loss in 3 months period ended December 31, 2023, figures for quarters preceding 3 months period ended December 31, 2023 in this section have been revised for comparability.

**LIQUIDITY AND CAPITAL RESOURCES**

As at March 31, 2025, the Company had cash and cash equivalents of \$16,311 (December 31, 2023 - \$ 907,847) and working capital deficit of \$3,599,148 (December 31, 2023 - working capital of \$2,206,405).

The Company has some contractual obligations including accounts payable and accrued liabilities and lease payments for the warehouse. A summary of the Company's contractual obligations as at March 31, 2025 is as follows:

	< 1 year	1-3 years	3-5 years	Total
	\$	\$	\$	\$
Accounts payable and accrued liabilities	3,440,815	-	-	3,440,815
Lease liability	206,467	486,880	-	693,347
	3,647,282	486,880	-	4,134,162

The Company's financial success is dependent on the adoption and sales performance of its AR products as well as the effectiveness of cost management practices. Management continually monitors and manages these factors, alongside market dynamics and competitive pressures, to uphold a sound liquidity profile.

To finance the Company's AR development projects and to cover operating expenses, the Company has raised money through equity issuances, receivables factoring, and the employee pay program which provides funds for paying salaries and wages. The Company is actively monitoring liquidity and capital resources as well as taking necessary steps to manage its working capital and to fulfill its contractual obligations, including implementing cost-saving measures, improving its collections process, and evaluating additional financing options. Historically, the Company has been successful in raising capital. However, there is no assurance that the Company will continue to be able to obtain adequate financing in the future or that such financing will be on terms advantageous to the Company.

**NexTech3D.AI Corporation****Management's Discussion & Analysis**

For the 15 months period ended March 31, 2025 and 12 months period ended December 31, 2023  
(Expressed in Canadian dollars, except where noted)

A summary of the Company's cash inflows and outflows by activity is as follows:

	15 months period ended March 31, 2025	12 months period ended December 31, 2023
	\$	\$
Cash used in operating activities	(4,992,178)	(13,343,656)
Cash generated from investing activities	322,847	(160,696)
Cash provided by financing activities	3,917,638	10,605,703
Net change in cash	(751,693)	(2,898,649)
Effects of foreign exchange rates on cash and cash equivalents	(156,154)	29,379
Cash and cash equivalents, beginning of period	907,847	3,777,117
Cash and cash equivalents, end of period	16,311	907,847
Cash and cash equivalents, end of 12 months period, continuing operations	16,311	907,847
Cash and cash equivalents, end of 12 months period, discontinued operations	-	-

Cash used in operating activities was \$5,564,703 in 15 months period ended March 31, 2025, compared to \$13,343,656 in the prior year 12 months period ended December 31, 2023. The decrease in cash outflow was mainly due to less cash used on payments for general and administrative as well as sales and marketing expenses.

Cash provided by investing activities was \$322,847 compared to cash used \$160,696 in 12 months period ended December 31, 2023. The cash inflow during the current 15-month period was due to payments received from sublease and the proceeds from deferred consideration, partially offset by the purchase of equipment in the current period.

Cash provided by financing activities was \$4,490,728 in 15 months period ended March 31, 2025, compared to \$10,605,703 in the 12 months period ended December 31, 2023. The decrease in cash inflow was mainly due to net proceeds from private placements in the prior 12 months period ending December 31, 2023.

**CAPITAL MANAGEMENT**

The Company's definition of capital includes equity, comprising share capital, reserves, accumulated other comprehensive income, deficit and non-controlling interest. The Company's objective when managing capital is to maintain its ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders. As of March 31, 2025, the Company had shareholders' deficiency of \$ 3,422,994 (December 31, 2023 - shareholders' equity of \$ 1,500,563).

The Board of Directors does not establish quantitative return on capital criteria for management but rather relies on the expertise of the Company's management and consultants to sustain future development of the business. The Company obtains funding primarily through equity issuance. Management reviews its capital management approach on an ongoing basis and believes that this approach is reasonable given the relative size of the Company. There were no changes to the Company's approach to capital management during the 15 month period ended March 31, 2025.

As at March 31, 2025, the Company was not subject to any externally imposed capital requirements.

**FINANCIAL INSTRUMENTS AND RISK MANAGEMENT**

As at March 31, 2025, the Company's financial assets and liabilities include cash and cash equivalents, receivables, accounts payable and accrued liabilities. These instruments were classified as amortized cost.

The carrying values of cash and cash equivalents, receivables and accounts payable and accrued liabilities approximate their fair values because of their short-term nature.

The Company is exposed to certain financial risks through its financial instruments. The risk exposures and the impact on the Company's financial instruments are summarized below.

**NexTech3D.AI Corporation****Management's Discussion & Analysis**

For the 15 months period ended March 31, 2025 and 12 months period ended December 31, 2023

(Expressed in Canadian dollars, except where noted)

---

**Credit Risk**

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to fulfill its contractual obligations. The Company is exposed to credit risk through its cash and cash equivalents, trade receivables, deferred consideration and contract asset. The Company mitigates credit risk related to cash by placing cash with sound financial institutions. For sales contracts and trade receivables, the Company trades with recognized creditworthy third parties and regularly reviews the collectability of its accounts receivable. The deferred consideration is subject to credit risk, reliant on PET's future profitability and the purchaser's financial stability, with potential impacts on the timing and amount of cash flows received. The Company assesses this risk by monitoring the financial performance of PET and evaluating the purchaser's ability to meet its payment obligations.

**Liquidity Risk**

Liquidity risk is the risk that the Company will not have sufficient cash resources to meet its financial obligations as they come due. The Company's main source of cash resources is through equity financing. The Company's financial obligations are limited to its current liabilities which have contractual maturities of less than one year and lease liabilities that have a fixed schedule of payment.

As at March 31, 2025, the Company had cash and cash equivalents of \$16,311 (December 31, 2023 - \$907,847) and working capital deficit of \$ 3,599,148 (December 31, 2023 - working capital of \$2,206,405).

**Currency Risk**

The Company is exposed to the financial risk related to the fluctuation of foreign exchange rates. The Company operates in Canada and a portion of the Company's expenses are incurred in USD. A significant change in the currency exchange rates between the Canadian dollar relative to the USD could affect the Company's results of operations, financial position or cash flows. The Company has not hedged its exposure to currency fluctuations. As at March 31, 2025, the Company is exposed to currency risk through cash and cash equivalents, receivables, deferred consideration and accounts payable denominated in USD. A 10% change in exchange rate could increase or decrease the Company's net loss by \$105,262.

**Interest Rate Risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. Management believes that interest rate risk is low as there is no financial asset or liability that has a variable interest rate, and the majority of the Company's investments are made in highly liquid instruments.

---

**OUTSTANDING SHARE DATA**

A summary of the Company's outstanding securities is as follows:

	March 31, 2025	MD&A date
	#	#
Common shares	191,842,589	210,729,055
Options	4,023,000	10,803,000
Warrants	31,278,988	26,529,846

---

**OFF-BALANCE SHEET ARRANGEMENTS**

As at March 31, 2025 and the date of this MD&A, the Company has no off-balance sheet arrangements.



**NexTech3D.AI Corporation****Management's Discussion & Analysis**

For the 15 months period ended March 31, 2025 and 12 months period ended December 31, 2023

(Expressed in Canadian dollars, except where noted)

**PROPOSED TRANSACTIONS**

As at March 31, 2025 and the date of this MD&A, the Company has no proposed transactions.

**RELATED PARTY TRANSACTIONS**

The Company entered into a number of transactions with key management personnel that have the authority and responsibility for the planning, directing and controlling of the activities of the Company. The Company considers the executive officers and directors as the key management of the Company.

A summary of the transactions with key management personnel is as follows:

	3 months period ended March 31, 2025	3 months period ended December 31, 2023	15 months period ended March 31, 2025	12 months period ended December 31, 2023
	\$	\$	\$	\$
Compliance fees included in general and administrative	5,836	11,002	40,253	37,152
Management fees included in general and administrative	497,778	351,426	1,113,362	1,063,197
Salaries of the Chief Financial Officer included in general and administrative	32,500	25,500	194,167	213,000
Share-based compensation	6,370,220	459,736	6,464,043	1,905,337
	<b>6,906,334</b>	<b>847,664</b>	<b>7,811,825</b>	<b>3,218,686</b>

The Company's policy is to engage in all transactions with related parties on an arm's length basis in accordance with prevailing market terms and conditions. The Company has entered into employment agreements with related parties, and these related parties may participate in the Company's share-based compensation plan.

At times, the executive management team, consisting of the President, the Chief Executive Officer ("CEO"), the Chief Financial Officer and other senior officers, may enter into shares-for-services agreements, allowing for the election of up to 100% of their compensation to be received in shares.

The Company has an agreement with the Chief Executive Officer ("CEO") in which the Company compensates the CEO for management services monthly, combining cash and share issuance over a five-year term until April 1, 2027. As at March 31, 2025, accounts payable and accrued liabilities included \$163,829.34 owed to the CEO (December 31, 2023 - \$939,532). The amounts are non-secured, non-interest bearing, payable on demand and represent the value of shares to be issued to the CEO.

**USE OF PROCEEDS FROM PRIVATE PLACEMENT FINANCING**

Below is the summary of all private placement financing closed during 15 months period ended March 31, 2025 and 12 months period ended December 31, 2023.

September 2024 Financing

On September 25, 2024, the Company closed a private placement in which the Company issued 4,750,000 units for gross proceeds of \$ 190,000. Each unit consists of one common share and one common share purchase warrant. Each warrant is exercisable into one common share at an exercise price of \$0.15 until September 25, 2026. Applying the residual method, fair value of \$ 308,750 was allocated to share capital and \$166,250 was allocated to reserves.

In connection with the private placement in September 2024, the Company paid cash transaction fees of \$5,600 and issued 56,000 warrants to certain brokers. The warrants issued to the brokers are exercisable at \$0.15 until September 25, 2026.

Use of funds	Actual Spent	Remaining	Total
Working capital and general corporate purposes	\$190,000	\$nil	\$190,000

**NexTech3D.AI Corporation****Management's Discussion & Analysis**

For the 15 months period ended March 31, 2025 and 12 months period ended December 31, 2023  
(Expressed in Canadian dollars, except where noted)

**November 2023 Financing**

In November 2023, the Company closed a private placement in which the Company issued 9,157,722 units for gross proceeds of \$1,098,927. Each unit consists of one common share and one common share purchase warrant. Each warrant is exercisable into one common share at an exercise price of \$0.17 for 36 months after the issuance date. In connection with the private placement in November 2023, the Company paid cash transaction fees of \$40,521 and issued 337,680 warrants to certain brokers. The warrants issued to the brokers are exercisable at \$0.12 for 36 months after the issuance date.

<b>Use of funds</b>	<b>Actual Spent</b>	<b>Remaining</b>	<b>Total</b>
Working capital and general corporate purposes	\$598,927	\$500,000	\$1,098,927

**July 2023 Financing**

On July 25, 2023, the Company closed a private placement in which the Company issued 5,812,390 units for gross proceeds of \$2,441,203. Each unit consists of one common share and one common share purchase warrant. Each warrant is exercisable into one common share at an exercise price of \$0.52 until July 25, 2026. In connection to the private placement, the Company paid cash transaction fees of \$308,526. In addition, the Company issued to certain brokers 178,571 units, each of which consists of one common share and one warrant, as well as 467,133 warrants. The warrants issued to the brokers have the same terms as the warrants issued for cash in this private placement.

<b>Use of funds</b>	<b>Actual Spent</b>	<b>Remaining</b>	<b>Total</b>
Working capital and general corporate purposes	\$2,132,677	\$nil	\$2,132,677

**January 2023 Financing**

On January 31, 2023, the Company raised \$3,000,000 in total gross proceeds (\$2,696,009 net of issuance costs) and issued 3,614,457 common shares and warrants to purchase up to an aggregate of 3,614,457 common shares at a purchase price of \$0.83 per common share and associated warrant. Each warrant entitles the holder to purchase one common share at an exercise price of \$1.03 for a period of four years following the issuance date.

<b>Use of funds</b>	<b>Actual Spent</b>	<b>Remaining</b>	<b>Total</b>
Working capital, general corporate purposes and pursuing other strategic opportunities	\$2,696,009	\$nil	\$2,696,009

**SIGNIFICANT ACCOUNTING JUDGEMENT AND SOURCES OF ESTIMATION UNCERTAINTY**

The Company's significant accounting judgements and sources of estimation uncertainty are fully described in the notes of the Financial Statements.

**NEW ACCOUNTING STANDARDS AND INTERPRETATIONS**

The Company adopted the following amendments to accounting standards, which are effective for annual periods beginning on or after January 1, 2024:

**Disclosure of accounting policies - amendments to IAS 1 and IFRS Practice Statement 2**

The amendments to IAS 1 *Presentation of financial statements* and IFRS Practice Statement 2 *Making materiality judgements* provide guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures. The amendments have had an impact on the Company's disclosures of accounting policies, but not on the measurement, recognition, or presentation of any items in the Company's Financial Statements.

**NexTech3D.AI Corporation****Management's Discussion & Analysis**

For the 15 months period ended March 31, 2025 and 12 months period ended December 31, 2023  
(Expressed in Canadian dollars, except where noted)

---

**Definition of accounting estimates - amendments to IAS 8**

The amendments to IAS 8 *Accounting policies, changes in accounting estimates and errors* clarify the distinction between changes in accounting estimates, changes in accounting policies and the correction of errors. They clarify how entities use measurement techniques and inputs to develop accounting estimates. The amendments had no impact on the Company's Financial Statements.

The Company has reviewed new and revised accounting pronouncements that have been issued but are not yet effective. The Company has not early adopted any of these standards as they are not applicable to the Financial Statements.

**UPDATE ON PRESS RELEASES**

---

For the 15 months period ended March 31, 2025, and to the date of this report, the Company has signed over 562 contracts with a dollar value of over \$3,472,315. The disclosed contracts/purchase orders ranged in value from \$281 to \$1,689,731, excluding those contracts where no immediate value to the Company was determinable. To the extent these figures were originally expressed or recorded in United States dollars, the Company has converted such figures into Canadian dollars using an exchange rate of US\$1.00 = \$1.40, aggregated the totals and rounded the results. The aggregate value of the contracts/purchase orders is material to the Company. Everything as at year end 31 March 2025, has been billed by the company, and no orders were cancelled.

**INTERNAL CONTROLS OVER FINANCIAL REPORTING**

---

There have been no changes during the 15 month period ended March 31, 2025 in the Company's internal controls over financial reporting that have materially affected, or are reasonably likely to materially affect, the Company's internal controls over financial reporting.

## **RISKS AND UNCERTAINTIES**

---

We are exposed to risks and uncertainties in our business, including the risk factors set forth below:

- If we are unable to attract new customers or sell additional products to our existing customers, our revenue growth and profitability will be adversely affected.
- We encounter long sales cycles for technology services, particularly with our larger customers, which could have an adverse effect on the amount, timing and predictability of our revenue.
- Downturns or upturns in new sales will not be immediately reflected in operating results and may be difficult to discern.
- Our quarterly results of operations may fluctuate. As a result, we may fail to meet or exceed the expectations of investors or securities analysts which could cause our share price to decline.
- Our ability to retain customers and attract new customers could be adversely affected by an actual or perceived breach of security relating to customer information.
- We have incurred operating losses in the past and may incur operating losses in the future.
- If we are unable to develop new products and services, sell our solutions into new markets or further penetrate our existing markets, our revenue will not grow as expected.
- Our inability to assess and adapt to rapid technological developments could impair our ability to remain competitive.
- Downturns in general economic and market conditions and reductions in spending may reduce demand for our solutions, which could negatively affect our revenue, results of operations and cash flows.
- We are subject to fluctuations in currency exchange rates.
- The markets in which we participate may become competitive, and our failure to compete successfully would make it difficult for us to add and retain customers and would reduce or impede the growth of our business.
- If we fail to retain our key employees, our business would be harmed, and we might not be able to implement our business plan successfully.
- Our growth is dependent upon the continued development of our direct sales force.
- If we experience significant fluctuations in our rate of anticipated growth and fail to balance our expenses with our revenue forecasts, our results could be harmed.
- Interruptions or delays in the services provided by third party data centers and/or internet service providers could impair the delivery of our solutions and our business could suffer.
- The use of open-source software in our products may expose us to additional risks and harm our intellectual property.
- We may not receive significant revenue as a result of our current research and development efforts.
- Current and future accounting pronouncements and other financial reporting standards might negatively impact our financial results.
- The Company's directors and officers may serve as directors or officers of other companies or have significant shareholdings in other companies may have a conflict of interest.
- Our strategy includes pursuing acquisitions and our potential inability to successfully integrate newly acquired companies or businesses may adversely affect our financial results.
- The market price for our common shares may be volatile.
- We may issue additional common shares in the future which may dilute our shareholders' investments.
- We may face challenges to our intellectual property rights, which could have a material adverse impact on the Company.
- Uncertainties associated with the economic and market impact related to COVID-19.
- We may need to raise additional funds to pursue our growth strategy or continue our operations, and we may be unable to raise capital when needed or on acceptable terms.

These risks are described in further detail in the section entitled "Risk Factors" in our most recently filed Annual Information Form. Although the forward-looking statements contained in this MD&A are based upon assumptions management believes to be reasonable, these risks, uncertainties, assumptions, and other factors could cause our actual results, performance, achievements and experience to differ materially from our expectations, future results, performances or achievements expressed or implied by the forward-looking statements. In light of these risks, uncertainties and assumptions, readers should not place undue reliance on forward-looking statements.

Additional risks and uncertainties not presently known to us or that we currently consider immaterial may impair our business and operations and cause the price of our shares to decline. If any of the noted risks occur, our business may be harmed, and our financial condition and results of operations may suffer significantly.