Nextech3D.AI Corporation (NEXCF)
Rating: Buy

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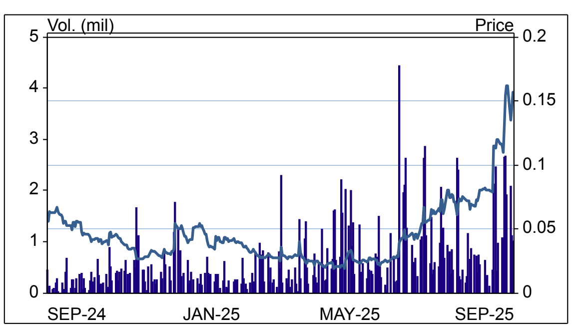
Improving Financial Results and Complementary Product Deployment Warrant Investor Attention; Reit. Buy, $0.25 PT

Stock Data	9/24/2025
Price	$0.16
Exchange	OTC
Price Target	$0.25
52-Week High	$0.80
52-Week Low	$0.02
Enterprise Value (M)	$33
Market Cap (M)	$33
Shares Outstanding (M)	210.7
3 Month Avg Volume	1,106,912
Balance Sheet Metrics	
Cash (M)	$0.1
Total Debt (M)	$0.0
Total Cash/Share	$0.00

EPS ($) Adjusted			
Full Year - Dec	2025A	2026E	2027E
1Q	--	(0.01)A	--
2Q	--	(0.01)	--
3Q	--	(0.01)	--
4Q	--	(0.01)	--
FY	(0.10)	(0.02)	(0.03)
Revenue (C$M)			
Full Year - Dec	2025A	2026E	2027E
1Q	--	0.3A	--
2Q	--	0.4	--
3Q	--	0.8	--
4Q	--	1.1	--
FY	3.5	2.6	4.7
EBITDA ($) Adjusted			
Full Year - Dec	2025A	2026E	2027E
1Q	--	(0.5)A	--
2Q	--	(1.4)	--
3Q	--	(1.3)	--
4Q	--	(1.4)	--
FY	(8.9)	(4.5)	(4.4)

Due to change in fiscal year end, 2025 results include 15-months of financials.



Shares responding favorably to recent results and more positive news flow. Shares of NEXCF have increased 419.5% year to date versus just a 9.2% increase in the Russell 2000. Appreciation, in our view, is being driven by a combination of recent operating results as well as positive announcements, including the launch of the company's event ticketing platform in 2H25. In late August, Nextech3D.AI Corporation announced F1Q26 results, including revenue of $328.0K, above our $315.0K estimate. Importantly, revenue has now increased sequentially for two consecutive quarters, suggesting investors have already seen trough revenue levels. Gross margin of 90.1%, was above our 77.9% estimate and represents the highest gross margin levels recorded in the company's history. While revenue has been slower to materialize, recent 3D modeling contract announcements and renewals should position the business for improving revenue growth in the new fiscal year. In addition, we believe revenue contribution from the recently announced event ticketing business, which we discuss below, could be a material contributor to revenue beginning in FY26. We expect to get greater color on the ticketing opportunity as the roll-out begins later this year. Increasing revenue and a more defined pathway to profitability could begin to attract new capital, potentially alleviating a material headwind. We continue to see value in the company's 3D modeling technology, especially in an environment where adoption of AI is likely to increase. We remain Buy-rated with a $0.25 price target on NEXCF shares.

Two-track blockchain ticketing technology a potentially meaningful revenue opportunity. The company recently announced the launch of its event ticketing software solution, with blockchain ticketing coming in calendar 4Q25. The event ticketing market is estimated to be $85.0B in 2025 and growing to $100.0B by 2030 representing a significant opportunity to drive scaleable transaction based revenue. The company intends to operate in both primary ticket sales and the secondary resale market, offering a secure blockchain solution. The key differentiator to peers is all-in pricing, anti-bot identity, and programmable resale-and pairing with the company's Map D navigation. The company's Map D platform already supports more than 500 events annually, with approximately 125 events involving ticket sales, suggesting an immediate pipeline opportunity. The company anticipates rolling out phase one in calendar 4Q25 with phase two following in early 2026.

Modest adjustments to estimates, price target unchanged. We are making a series of minor adjustments to our model. We are now modeling FY26 revenue of C$2.6M with revenue moving sequentially higher over the next three quarters. Gross margin should also continue to move higher, 78.3% in FY26 versus 64.2% in FY25. However, strong first quarter margin, above 90.0% suggests potential upside to our current margin outlook. Contributing to this margin expansion is the use of AI in the 3D-modeling process. As a result, we believe the adj. EBITDA loss should improve to C$4.5M. For FY27, we are modeling revenue of C$4.7M and an adj. EBITDA loss of C$4.4M. However, we recognize that a single 3D modeling contract win or accelerated scaling of the ticketing product has the potential to shift these estimates materially. Our price target remains unchanged at $0.25.

For definitions and the distribution of analyst ratings, analyst certifications, and other disclosures, please refer to pages 4 - 5 of this report.

Valuation and Risks. We are valuing NEXCF shares at $0.25, reflecting approximately 8.0x EV/revenue multiple on our current FY26 revenue estimate of C$4.7M. Our $0.25 price target represents approximately 65.0% upside from recent trading levels. A targeted 8.0x EV/revenue multiple represents a modest premium to other small capitalization technology peers operating within the augmented reality, virtual reality, and metaverse space. However, it represents a meaningful discount to larger AI peers. As the company begins to demonstrate its ability to drive meaningful revenue growth, improve gross margin expansion, and demonstrate a pathway to profitability, we believe new investors should be attracted to NEXCF shares. Risks. (1) Dilution risk; (2) high levels of industry competition; (3) technology risk; (4) partnership risk given partnership agreements; (5) foreign operation risks; and (6) liquidity risk.

NexTech3D.ai. Model - NEXCF
H.C. Wainwright & Co., LLC
(Canadian dollar $000s); December Year-End

Fiscal Year	2019	2020	2021	2022	2023			2025						2026			2027
in $ 000's	2019E	2020A	2021A	2022A	2023A	1Q25A	2Q25A	3Q25A	4Q25A	5Q25A	2025A	1Q26A	1Q26E	2Q26E	3Q26E	2026E	2027E
Revenue																	
Gross revenue	4,004	17,686	25,935	3,225	5,033	1,025	1,109	756	294	306	3,490	328	444	751	1,101	2,624	4,672
Cost of revenue	1,656	7,835	16,096	1,593	3,586	498	288	219	172	70	1,248	32	108	172	257	569	975
Gross profit	2,348	9,851	9,839	1,632	1,447	526	820	538	121	236	2,241	296	336	579	844	2,054	3,697
Gross margin	*58.6%*	*55.7%*	*37.9%*	*50.6%*	*28.7%*	*51.4%*	*74.0%*	*71.1%*	*41.3%*	*77.2%*	*64.2%*	*90.1%*	*75.7%*	*77.1%*	*76.7%*	*78.3%*	*79.1%*
Operating expenses:																	
Sales and marketing	2,608	9,609	16,815	5,013	4,547	583	392	557	238	255	2,025	146	372	574	586	1,679	2,028
General and administrative	1,762	5,841	13,881	13,378	9,363	1,387	1,589	960	1,087	869	5,892	428	1,033	988	1,084	3,533	4,127
Share-based compensation												60					
Research and development	721	3,592	6,612	3,892	3,250	738	345	267	189	977	2,516	172	356	275	552	1,355	1,902
Total costs and expenses	5,092	19,042	37,308	22,283	17,159	2,708	2,326	1,783	1,515	2,101	10,433	807	1,761	1,837	2,223	6,567	8,058
Operating income	(2,744)	(9,191)	(27,470)	(20,651)	(15,712)	(2,182)	(1,506)	(1,246)	(1,393)	(1,865)	(8,192)	(511)	(1,425)	(1,258)	(1,379)	(4,513)	(4,361)
Adj. EBITDA	**(2,744)**	**(9,191)**	**(27,470)**	**(20,651)**	**(15,712)**	**(2,182)**	**(1,506)**	**(1,246)**	**(1,393)**	**(1,865)**	**(8,192)**	**(511)**	**(1,425)**	**(1,258)**	**(1,379)**	**(4,513)**	**(4,361)**
Adj. EBITDA margin	***-116.9%***	***-93.3%***	***-105.9%***	***-640.4%***	***-312.2%***	***-212.9%***	***-135.8%***	***-164.7%***	***-474.4%***	***-610.2%***	***-234.8%***	***-155.8%***	***-320.9%***	***-167.7%***	***-125.2%***	***-172.0%***	***-93.3%***
Other expense (income)																	
Stock based compensation	391	5,665	5,030	1,716	1,776	449	146	(299)	(70)	6,315	6,542	0	125	125	125	375	500
Amortization	190	672	2,050	2,656	2,106	0	0	0	0	0	0	0	0	0	0	0	0
Gain on settlement						0	0	0	0	(231)	(231)	0	0	0	0	0	0
Right of use amortization	0	0	206	77	56	0	0	0	0		0	0	0	0	0	0	0
Gain on digital assets	0	0	(219)	(381)	0	0	0	0	(100)	100	0	0	0	0	0	0	0
Impairment	69	69	0	3,178	7,590	0	0	0	0	0	0	0	0	0	0	0	0
Gain on sublease recognition					(121)	0	0		0	0	0	0	0	0	0	0	0
Loss on asset disposal					86	0	0	314	34	(426)	(77)	0	0	0	0	0	0
Loss on contingent consideration	0	0	(1,573)	0	0	0	0	0	0	(69)	(69)	0	0	0	0	0	0
Depreciation	22	83	133	123	88	25	35	35	(5)	0	90	0	0	0	0	0	0
Other income									(8)	(182)	(190)	0	0	0	0	0	0
Foreign exchange gain (loss)	10	10	(268)	(1,346)	0	0	32	18	44	(126)	(32)	13	0	0	0	13	0
Total other income	682	6,500	5,360	6,023	11,580	474	213	68	(105)	5,382	6,033	13	125	125	125	388	500
Income (loss) before income taxes	(3,426)	(15,691)	(32,829)	(26,674)	(27,292)	(2,655)	(1,719)	(1,314)	(1,289)	(7,247)	(14,224)	(524)	(1,550)	(1,383)	(1,504)	(4,901)	(4,861)
Income tax provision	0	97	177	(36)	30	0	0	0	0	0	0	0	0	0	0	0	0
Deferred income tax recovery				673	(0)	(12)	0	0	0	1	0	(12)	0			(12)	
Net Income	(3,426)	(15,594)	(32,652)	(26,037)	(27,262)	(2,667.6)	(1,719.0)	(1,314.1)	(1,288.8)	(7,247.1)	(14,224)	(536.4)	(1,549.8)	(1,383.4)	(1,503.7)	(4,913)	(4,861)
Net Income Margin %																	
Income from discontinued operations				(1,341)	(453)												
Other comprehensive income:																	
Exchange difference on translating foreign operations	0	(253)	227	(433)	(149)	(16)	(9)	2	(31)	(59)	(113)	(16)	(9)	(9)	(9)	(44)	(44)
Comprehensive income (loss)	(3,426)	(15,846)	(32,425)	(27,811)	(27,863)	(2,684)	(1,728)	(1,312)	(1,320)	(7,306)	(14,337)	(552)	(1,559)	(1,393)	(1,513)	(4,957)	(4,904)
Basic Earnings Per Share	**($0.06)**	**($0.23)**	**($0.39)**	**($0.26)**	**($0.24)**	**($0.01)**	**($0.01)**	**($0.01)**	**($0.01)**	**($0.04)**	**($0.10)**	**($0.01)**	**($0.01)**	**($0.01)**	**($0.01)**	**($0.02)**	**($0.02)**
Diluted Earnings Per Share	**($0.06)**	**($0.23)**	**($0.39)**	**($0.26)**	**($0.24)**	**($0.01)**	**($0.01)**	**($0.01)**	**($0.01)**	**($0.04)**	**($0.10)**	**($0.01)**	**($0.01)**	**($0.01)**	**($0.01)**	**($0.02)**	**($0.02)**
Average Shares Outstanding (Basic)	58,291	68,657	83,888	100,202	114,085	128,824	139,985	136,091	132,681	202,018	147,920	199,533	204,043	214,245	235,669	213,373	249,935
Average Shares Outstanding (Diluted)	58,291	68,657	83,888	100,202	114,085	128,824	139,985	136,091	132,681	202,018	147,920	199,533	204,043	214,245	235,669	213,373	249,935
Operating Metrics																	
Revenue Growth	n/a	319.6%	-0.1%	-83.4%	-11.3%	-1.4%	54.8%	276.7%	-49.6%	-55.1%	54.9%	-43.8%	-59.0%	7.6%	596.3%	-8.4%	80.0%
Price	$0.16	$0.16	$0.16	$0.16	$0.16	$0.16	$0.16	$0.16	$0.16	$0.16	$0.16	$0.16	$0.16	$0.16	$0.16	$0.16	$0.16
Market Capitalization (CAD$000s)	$9,327	$12,089	$14,343	$16,782	$19,707	$20,612	$22,398	$21,774	$21,229	$32,323	$21,229	$31,925	$32,647	$34,279	$37,707	$37,707	$43,988
Enterprise Value (CAD$000s)	$6,477	$1,404	$7,196	$13,005	$18,799	$20,508	$22,215	$21,672	$21,153	$32,247	$21,153	$31,822	$32,464	$34,177	$36,955	$36,955	$43,379
Price-to-Earnings	n/a	-0.7x	-0.4x	-0.6x	-0.7x	-0.9x	-1.1x	-1.6x	-3.8x	-2.4x	-3.8x	-3.8x	-4.3x	-4.7x	-5.3x	-5.3x	-6.8x
EV to EBITDA	-2.4x	-0.1x	-0.3x	-0.6x	-1.2x	-1.5x	-2.1x	-2.7x	-3.3x	-5.4x	-3.3x	-6.8x	-7.1x	-7.4x	-8.1x	-8.1x	-9.9x
Shareholders Equity	7,066	22,419	24,262	10,955	-5,457	-5,834	-6,682	-7,310	-7,499	-7,499	-7,499	-6,425	-6,682	-7,310	-7,869	-7,869	-7,679
Net Debt	(2,849)	(10,685)	(7,146)	(3,777)	(908)	(103)	(182)	(102)	(76)	(76)	(76)	(103)	(182)	(102)	(752)	(752)	(609)

Change to March fiscal year end in 2025
Source: Factset as of September 24, 2025 and H.C. Wainwright & Co. estimates.

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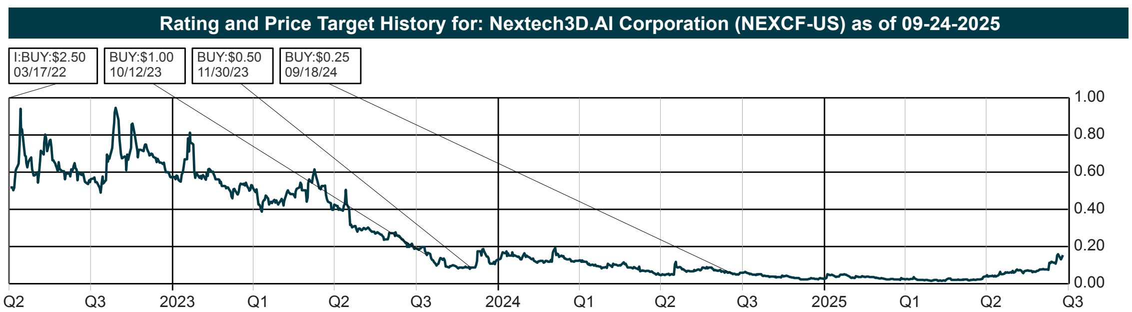

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Distribution of Ratings Table as of September 24, 2025				
			IB Service/Past 12 Months	
Ratings	Count	Percent	Count	Percent
Buy	562	83.38%	114	20.28%
Neutral	76	11.28%	12	15.79%
Sell	2	0.30%	0	0.00%
Under Review	34	5.04%	9	26.47%

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