

# Nextech AR Solutions 2022: 3D AR Models

NEO: NTAR OTC: NEXCF

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This communication may contain statements, other than statements of current or historical fact, that constitute "forward-looking statements". In some cases, you can identify forward-looking statements by terminology such as "anticipate," "believe," "expect," "intend," "estimate," "project," "forecast," "plan," "predict," "seek," "goal," "will," "may," "likely," "should," "could," and similar expressions or expressions of the negative of these terms. This presentation contains forward-looking statements that are based on our management's current estimates, beliefs and assumptions which are based on management's perception of historic trends, current conditions and expected future developments, as well as other factors management believes are appropriate in the circumstances. Although we believe that the plans, intentions, expectations, assumptions and strategies reflected in these forward-looking statements are reasonable, these statements relate to future events or our future financial performance, and involve known and unknown risks, uncertainties and other factors that may cause our actual results to be materially different from any future results expressed or implied by these forward-looking statements. Although the forward-looking statements contained in this presentation are based upon what we believe are reasonable assumptions, investors are cautioned against placing undue reliance on these statements since actual results may vary from the forward-looking statements. Forward-looking statements involve known and unknown risks, uncertainties and other factors, which are, in some cases, beyond our control and which could materially affect our results. These risks are described in further detail our Management's Discussion and Analysis for the year ended December 31, 2020 and are discussed more fully in Nextech's filings with the British Columbia Securities Commission ("BCSC") and found on Sedar.com.

Total Bookings and Backlog are not defined by and does not have a standardized meaning under International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board. This non-IFRS financial performance measure is defined below. Non-IFRS financial measures are used by management to assess the financial and operational performance of the Company. The Company believes that this non-IFRS financial measure, in addition to conventional measures prepared in accordance with IFRS, enables investors to evaluate the Company's operating results, underlying performance and prospects in a similar manner to the Company's management. As there are no standardized methods of calculating these non-IFRS measures, the Company's approaches may differ from those used by others, and accordingly, the use of these measures may not be directly comparable. Accordingly, this non-IFRS measure is intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS.

Total Bookings: the total dollar value of technology services and license services included in contracts with our customers. 'Value' is the total revenue (recognizable or not) associated with each transaction, as opposed to the amount invoiced or recognized as revenue in the period. This information provides the user with information on the performance of our sales efforts in the period, as there is a timing difference between when we close a deal and when it is ultimately 'earned' as defined in IFRS for revenue due to the term of our contracts and delivery timelines.

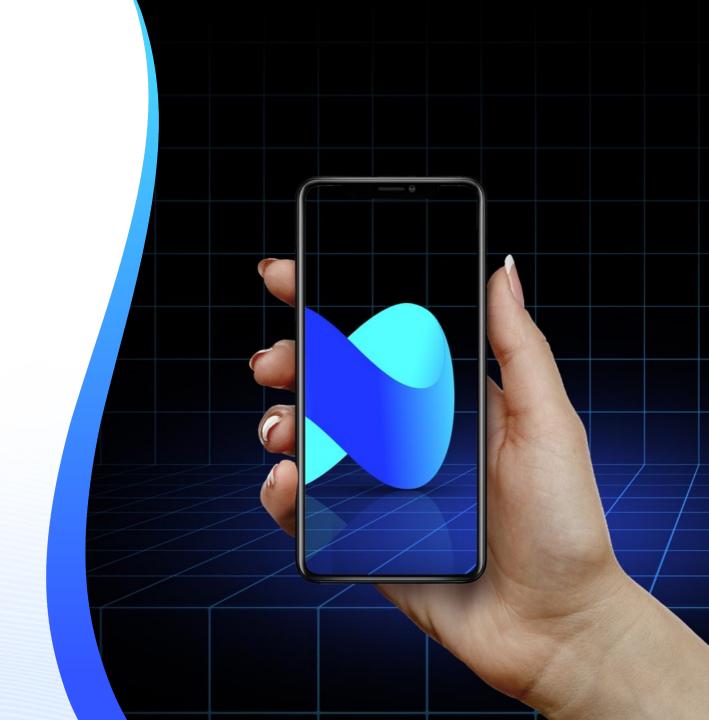
Backlog: the estimated unearned portion of technology services and license services in customer contracts that are in process and have not been completed as at the specified date. This includes billed and unbilled amounts within each contract. Since our revenue is recognized as earned, this will translate to total bookings to date less earned revenue recognized on the financial statements. This information provides the user with an estimate of the work expected to be completed and earned in the future at a given point and is used by management to allocate resources to our revenue delivery team.

Total Bookings and Backlog should not be considered a substitute for or in isolation from measures prepared in accordance with IFRS. These non-IFRS measures should be read in conjunction with our annual audited consolidated financial statements for the year ended December 31, 2020. Readers should not place undue reliance on non-IFRS measures and should instead view them in conjunction with the most comparable IFRS financial measures. See the reconciliations to these IFRS measures in the "Reconciliation of Non-IFRS Measures" section of the recent MD&A dated April 15, 2021, found on Sedar.com.

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# Nextech's 3D AR Model Factory





# 3D modeling is a technique in computer graphics for producing a three-dimensional (3D) representation of any object







#### Nextech's Company Mission



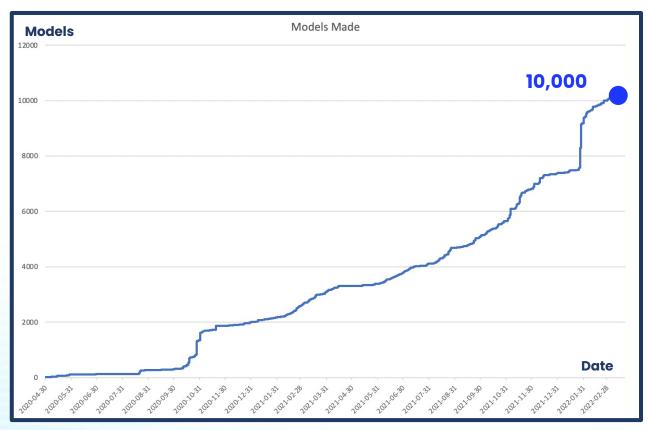
To build the first vertically integrated Al-powered 3D model factory for the Metaverse

# Explosive Increase of 3D Model Creation & Views as Demand Rises



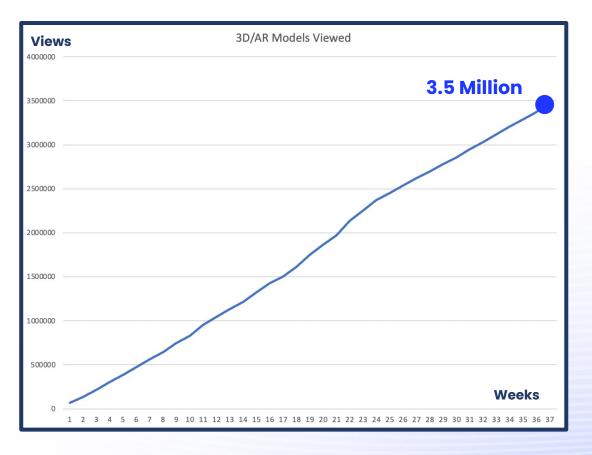
#### **3D Model Creation**

Nextech AR has created **over 10,000 3D models**, with **70%** of those models created in Q4 2021 - Q1 2022 alone



#### **3D AR Models Views**

In the past 9 months, Nextech AR's 3D models have **3.5M VIEWS**, with approx 1M views in 2022 alone



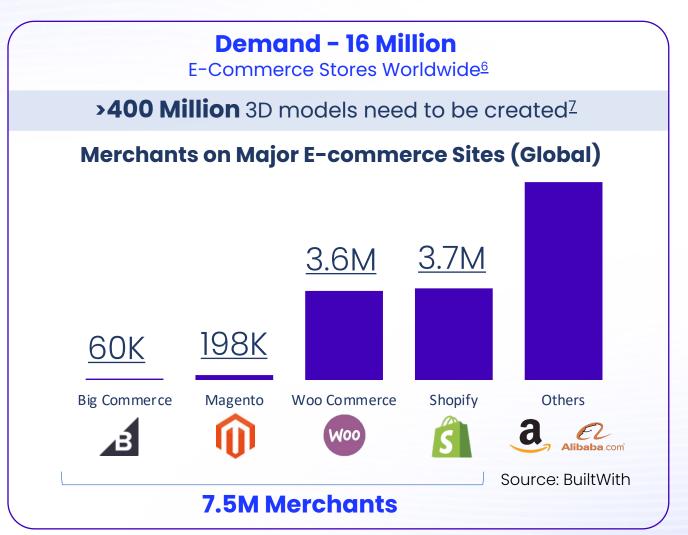
2020-04-30 2022-02-28

#### 3D Asset Creation Needs To Scale



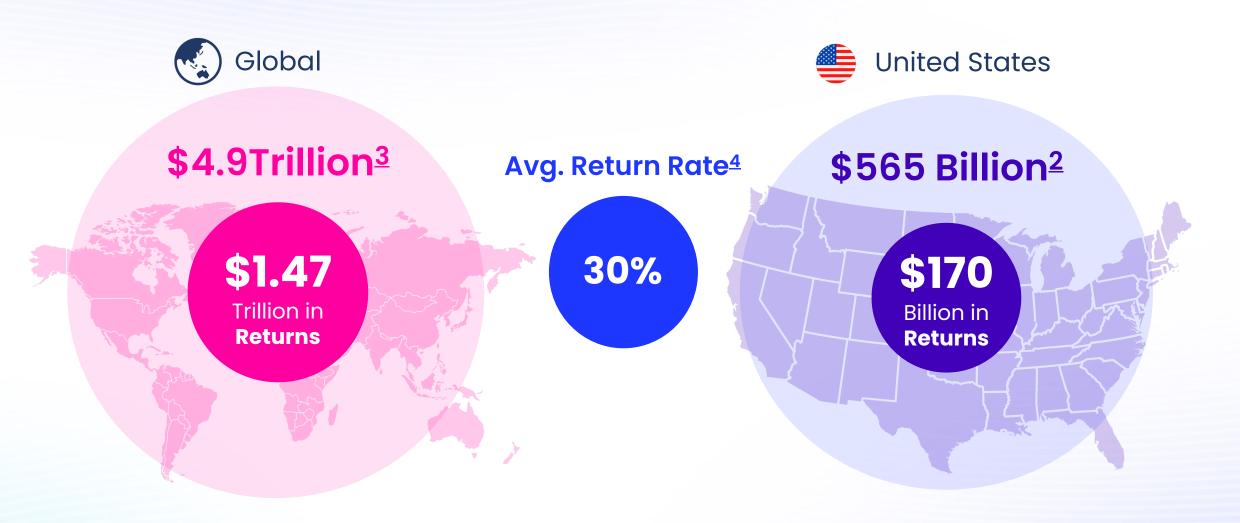
# Major Challenges in 3D Model Creation

- Time consuming
  1-2 weeks/model
- Requires technical talent
- Inconsistent quality
- \$\frac{\text{High costs}}{\text{>\$100-200/3D model}}\$
- ✓ Unscalable



## E-Comm Returns Cost \$1.47 T Annually





<sup>&</sup>lt;sup>2</sup> https://nrf.com/research/customer-returns-retail-industry

<sup>3</sup> https://www.emarketer.com/worldwide-ecommerce-will-approach-5-trillion-this-year

<sup>&</sup>lt;sup>4</sup> https://www.cbre.us/cbre-forecasts-online-returns-to-hit-record-\$70-5b-this-holiday-season

<sup>&</sup>lt;sup>5</sup> https://arinsider.co/2020/06/29/does-ar-really-reduce-ecommerce-returns/

#### ✓ Product-Market Fit Achieved in ECommerce

#### Why Products in 3D+ AR?



higher conversion rates
when consumers interact
with products with AR
experiences(1)



of **consumers prefer** retailers with AR experiences (2)



reduction in product returns with use of 3D and AR on the web (3)

## Big Tech is Driving 3D Adoption





# Indexing 3D models for higher search ranking

>5,000 - 3D Models indexed by Nextech

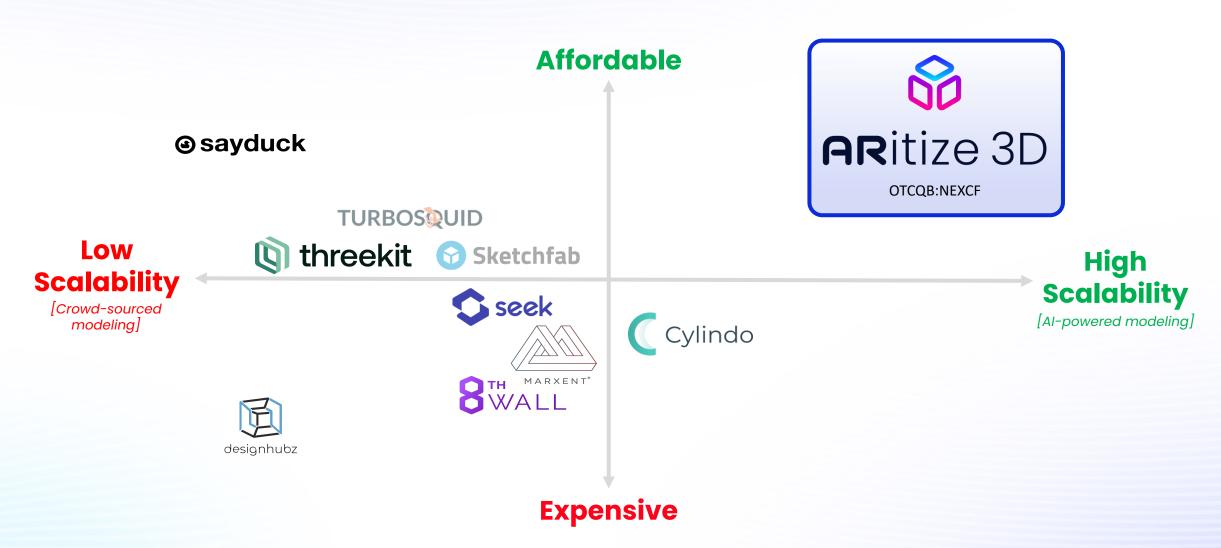


"With 3D models, your Shopify store will rank higher on Google and your models may even show up on the first page of search results."

- Shopify<sup>12</sup>

# Nextech AR: Market Disruptor on Price & Scale





## The Nextech Double Advantage



**3D + AR for RETAILERS** 



2D to 3D



**3D + AR for MANUFACTURERS** 



CAD to 3D

#### **The Nextech Double Advantage**

Pricing, Quality, Scalability for **BOTH retail & manufacturing** is unmatched

✓ Product Hotspots ✓ Animations ✓ 360 Exploded Views ✓ Color Configurator
✓ 3D Swirl Ads ✓ 3D Carousel ✓ Virtual Staging ✓ Room Decorator

# ARitize 3D Al Powered 3D Model Creation At Scale For Ecommerce







- √ 2D Images to 3D Models
- √ Available in Shopify
- √ Highest quality models
- √ Scalable
- √ Competitive pricing



## TRY IT YOURSELF: 2D to 3D Examples

Use Your Smartphone Camera To Scan The QR Codes





**Accessories** 



Art (NFT) Beeple \$69M





**Furniture** 





**Bikes** 





**Sports Equip** 





# ARitize CAD Al Powered 3D Model Creation At Scale For Manufacturers











# **AR**itize CAD

- √ CAD files to 3D Models
- √ Solution for Manufacturers
- √ Eliminate product photography
- √ Highest quality models
- √ Scalable
- √ Competitive pricing

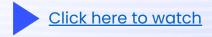


#### Try it Yourself!

Scan the QR Code using your smartphone camera



2021 Ford Mustang Mach-E



## TRY IT YOURSELF: CAD to 3D Examples

Use Your Smartphone Camera To Scan The QR Codes



FORD Mustang Mach-E





FORD Escape Hybrid





Jacuzzi





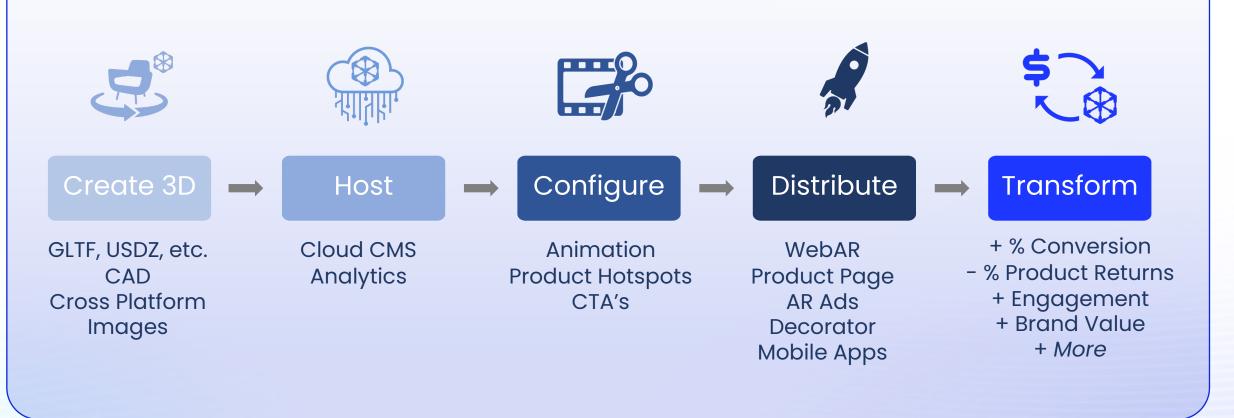
Boat







## Packaged into a SaaS solution built for scale for Ecommerce



## Enhancements to 3D/AR Content



Create 3D → Host → Configure → Distribute → Transform

## **Product Hotspots**





## Enhancements to 3D/AR Content



Create 3D

 $\Longrightarrow$ 

Host

 $\Longrightarrow$ 

Configure

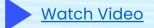
Dis

Distribute

Transform

**Animations** 





## Enhancements to 3D/AR Content



Create 3D

 $\Longrightarrow$ 

Host

 $\Rightarrow$ 

Configure

Dis

Distribute

Transforr

360 + Exploded Views







Create 3D → Host → Configure → Distribute → Transform

# Configurator





Create 3D

Host

Configure

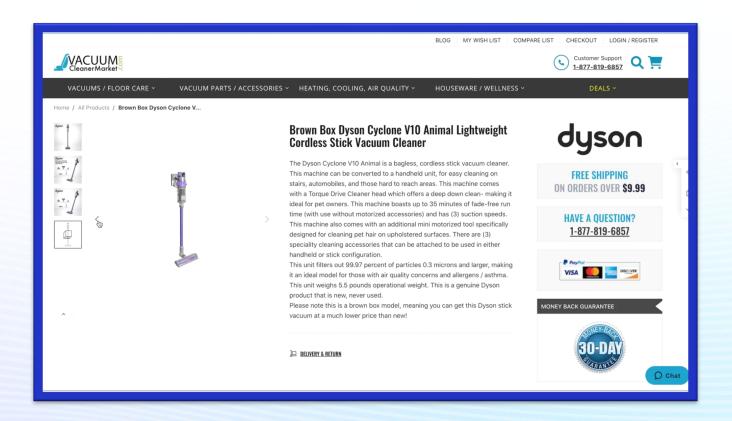
 $\Rightarrow$ 

Distribute

Transform

# 3D Carousel Reduces Product

Reduces Product
Photography costs by
90%!







Create 3D

Host

Configure

 $\Longrightarrow$ 

Distribute

Transform

B2B-Virtual
Staging + Product
Photography







Create 3D

Hosi

Configure



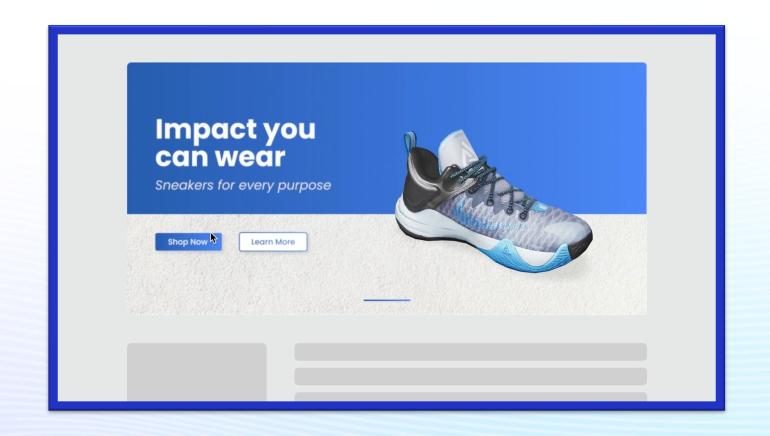
Distribute

Transform



# **AR**itize Swirl

- √ Highter CTR
- **✓ Lower** Returns
- ✓ Engaging, animated 3D AR display ads
- √ Scalable with ARitize 3D





## ARitize Swirl Examples - Interactive!

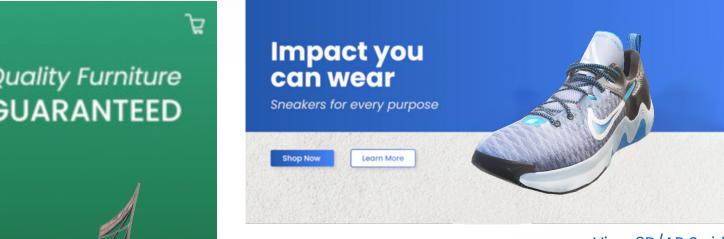




View 3D/AR Swirl



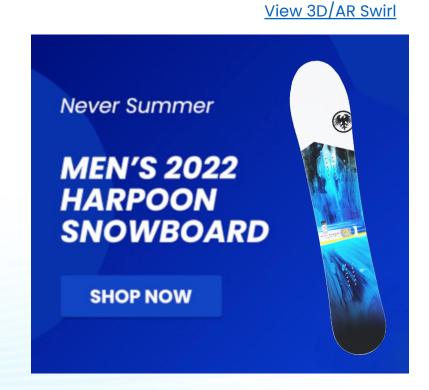
View 3D/AR Swirl



View 3D/AR Swirl









Create 3D

Host

Configure

Distribute

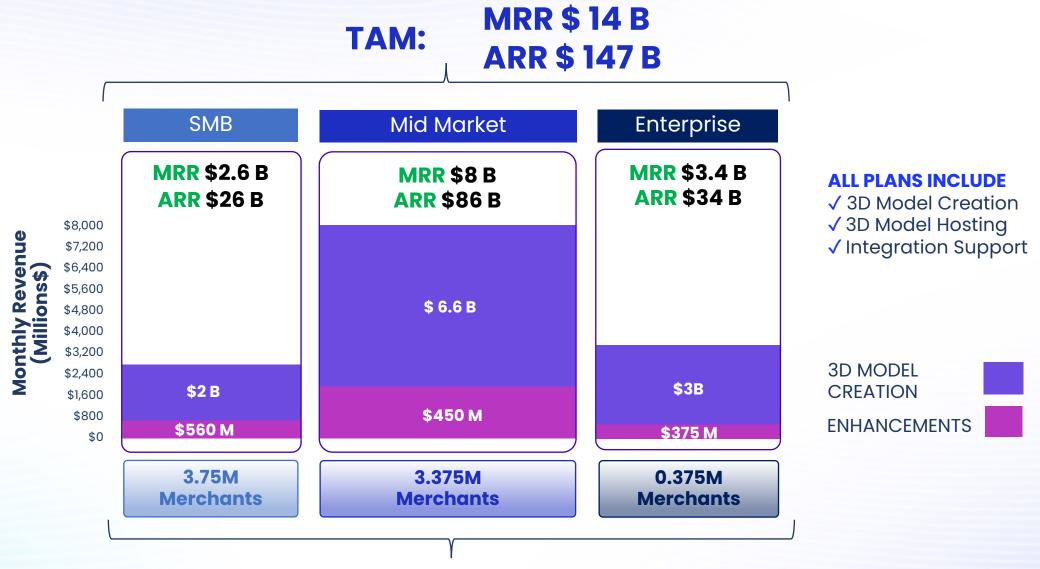
Transform







#### ARitize 3D Total Addressable Market



7.5M Merchants with 400 M Product SKUs

#### Clients & Target Market



#### **Brands We Work With**











































































#### **Target Market**





Artography





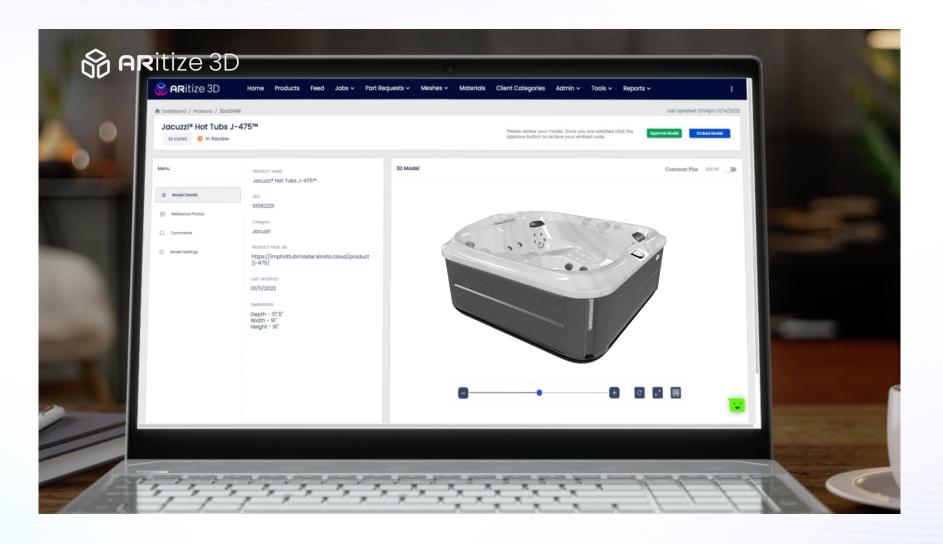






# The 3D AR MODEL Journey One 3D AR MODEL = Endless Uses

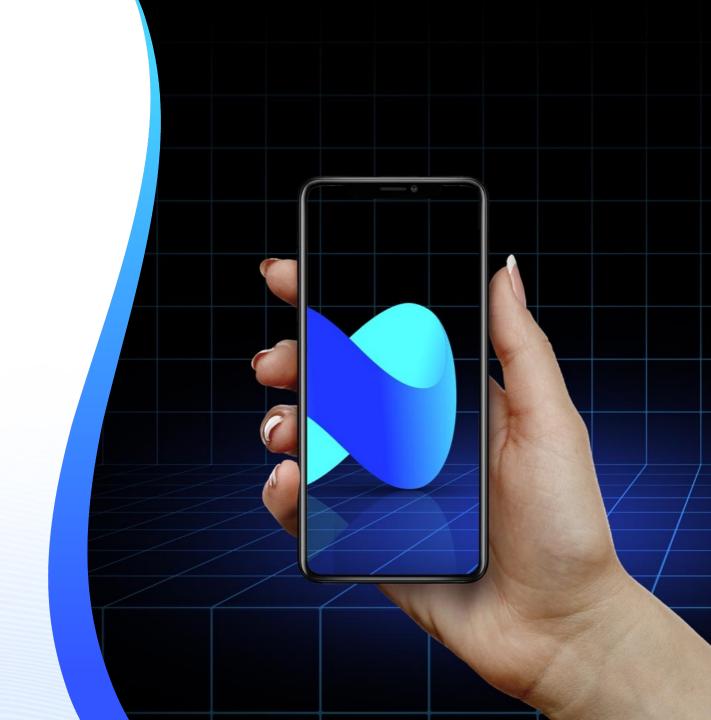






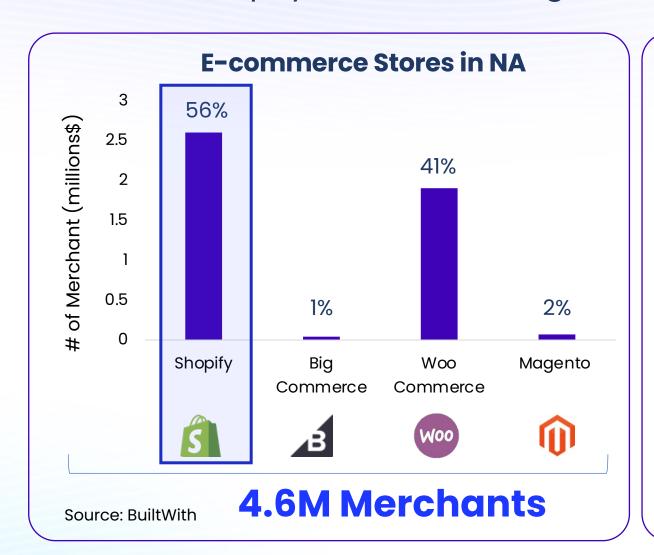


SaaS Third Party Integration



## Q1 2022 - Shopify & Nextech Integration







"The Future of E-commerce is 3D"

Shopify<sup>8</sup>

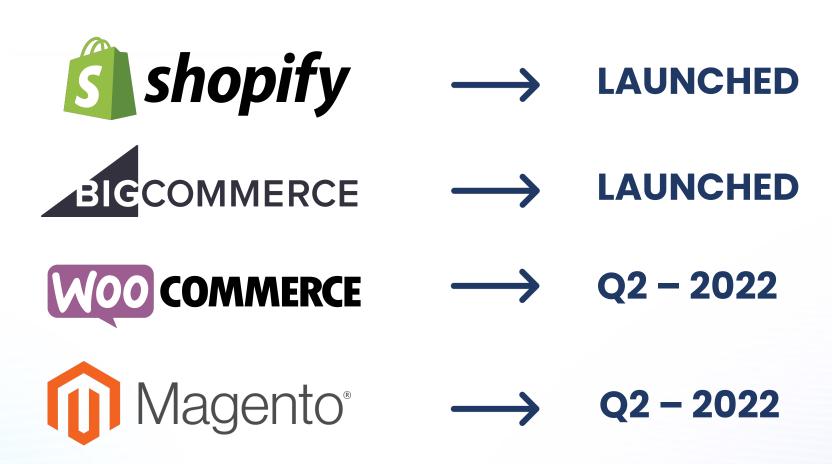
Q12022

Nextech has **integrated** directly with **Shopify** through a self-service app available to all merchants

<sup>8</sup> https://www.shopify.ca/blog/3d-model-products
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## Third Party Integration Timeline

Integration with third party ecommerce platforms gets Nextech's 3D + AR Model creation solution in front of millions of merchants globally



#### Nextech's Total Addressable Market













# Thank you

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