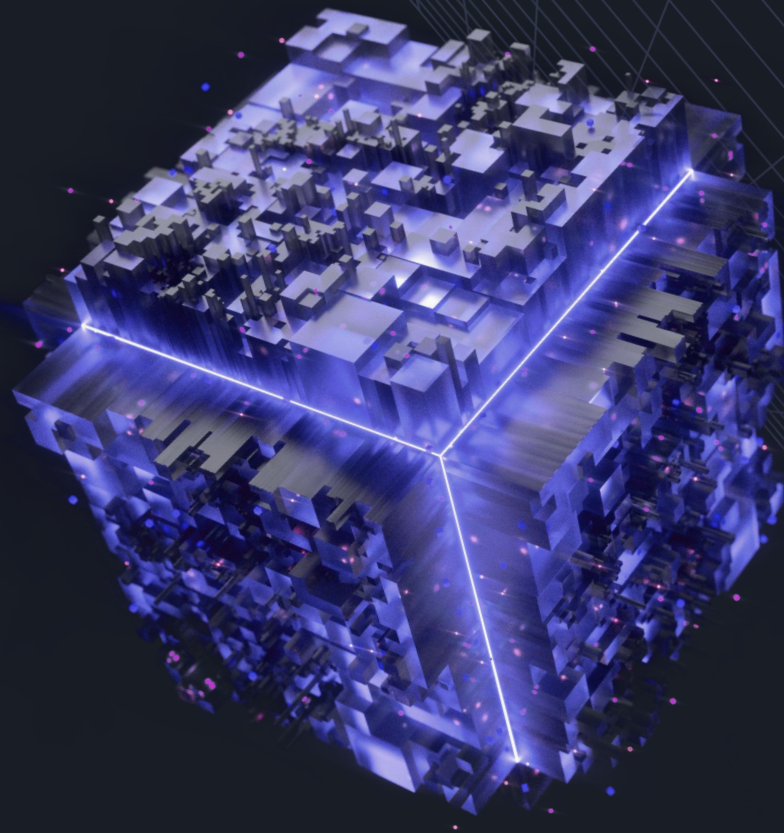# NEXTECH
AR SOLUTIONS

Spatial Computing

The Future Is Here Now

"Augmented Reality (AR) and Artificial Intelligence (AI) have merged, transforming our world into a 3D spatial computing wonderland"
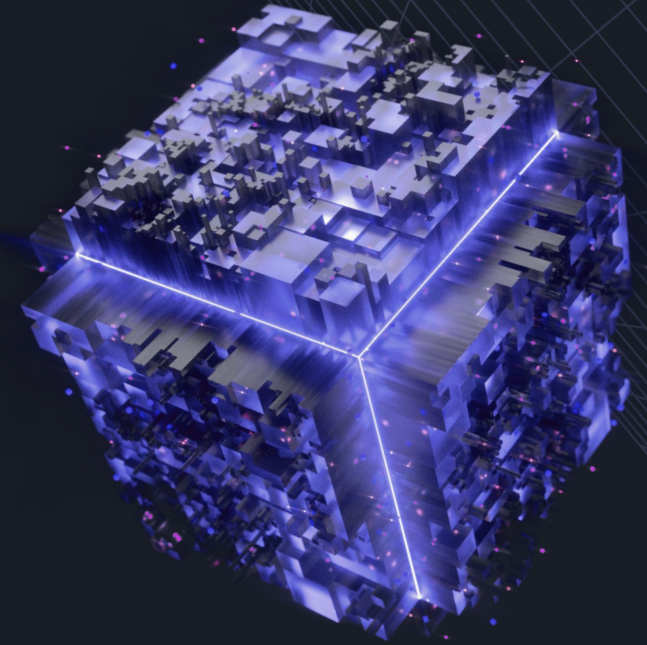
- Evan Gappelberg/CEO Founder

CSE:NTAR | OTC:NEXCF

Forward-Looking Statements

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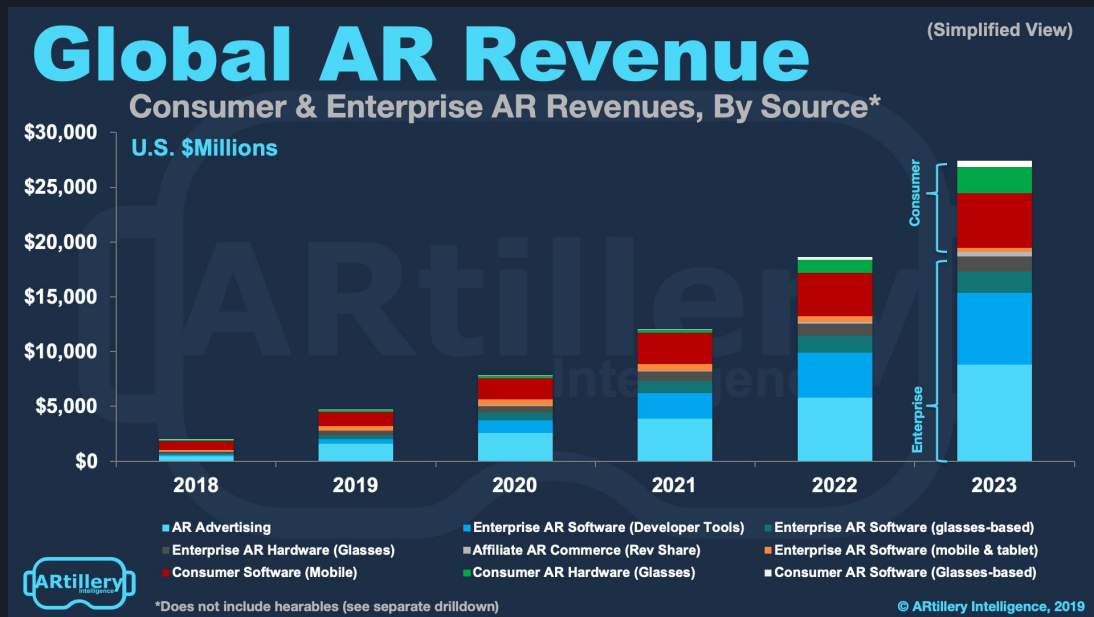
AR Disruption: +86% CAGR

AR revenues projected to grow from $1.96 billion (2018) to $27.4 billion (2023).

Consumer Adoption for AR is Growing Quickly

Global AR Revenue
Consumer & Enterprise AR Revenues, By Source*
(Simplified View)

- In 2019, ~75% of consumers expect retailers to offer AR

- By 2020, ~75% of retailers are expected to offer AR

- 90% of consumer purchases still take place in-store

- AR disrupts the shopping experience offering a tangible shopping experience wherever you are!

- eCommerce businesses improve by:
  - Lowering returns
  - Increasing conversions
  - Creating an exciting, immersive shop-at-home experience

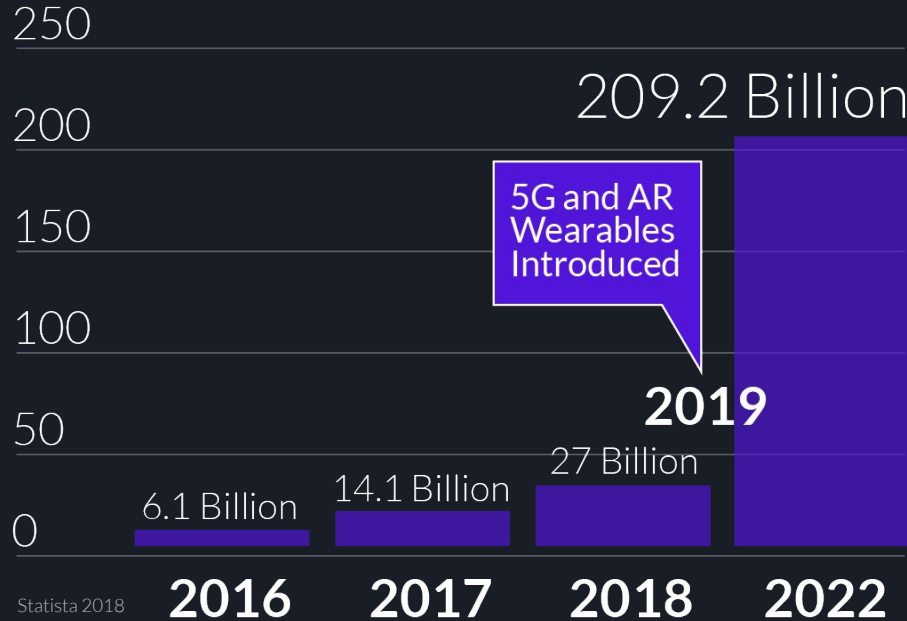**NexTech AR is a First Mover in the Augmented Reality (AR) Transformation**

First Public "Pure-Play"

AR Industry is Growing at 86% CAGR[1]

Recurring and Growing Revenue Streams

Blue Chip Partners
- Shopify
- Walther Arms
- Budweiser
- LivePerson

Expert Management Team and Advisory Board

Tight Capital Structure"

NEXTECH
AR SOLUTIONS

Major Catalysts for AR & VR Adoption Already in Place

Worldwide Mixed Reality Market Size

Market Size in Billions of U.S. dollars

250

200 — 209.2 Billion

150 — 5G and AR Wearables Introduced

100

50 — 2019
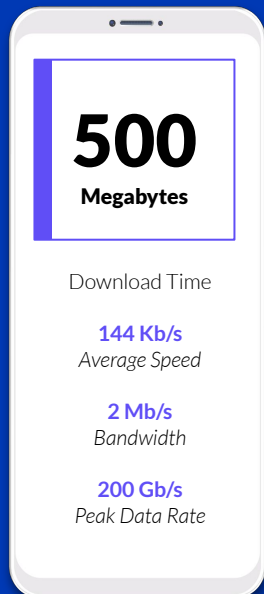
0 — 27 Billion

6.1 Billion   14.1 Billion
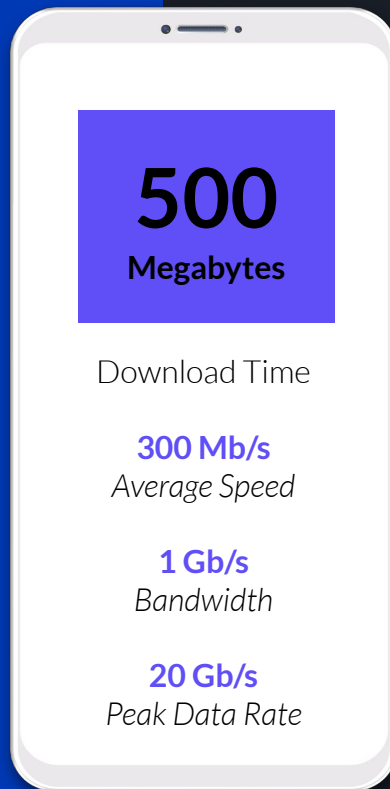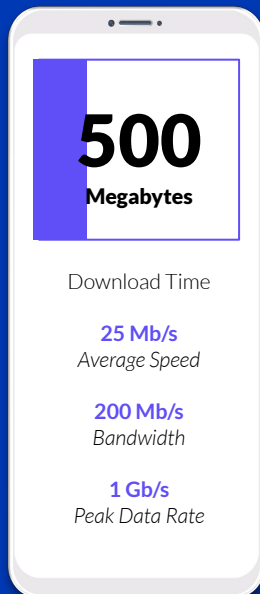
Statista 2018

2016   2017   2018   2022

- We are in the midst of the 4th Industrial Revolution, and technology is evolving faster than ever. This revolution is being led by AR, AI, IoT, Edge computing and the 5G network, all of which are converging and becoming increasingly ubiquitous for training, e-commerce, advertising, and entertainment. This convergence is stimulating a rapid market adoption environment similar to the internet in the 1990's driving the creation of billion-dollar industries almost overnight, a market NexTech is uniquely positioned to capitalize on." 5G installation - already underway in many countries will result in rapid AR expansion

  - AR-capable consumer wearable devices already on the market. Big firms such as Google, Microsoft, Apple, Samsung, Snap are competing for the first widely-adopted consumer eye glasses

5G Global Installation 2019-2024

3G

500
Megabytes

Download Time

144 Kb/s
Average Speed

2 Mb/s
Bandwidth

200 Gb/s
Peak Data Rate

4G

500
Megabytes

Download Time

25 Mb/s
Average Speed

200 Mb/s
Bandwidth

1 Gb/s
Peak Data Rate

500
Megabytes

Download Time

300 Mb/s
Average Speed

1 Gb/s
Bandwidth

20 Gb/s
Peak Data Rate

5G

- 5G Wireless Means:

- Extremely low latency:

- Increased average speeds (+1,100%)

- Peak download speed increase (+1,900%)

- Increased bandwidth, increased adoption

The AR Wearables Revolution Begins

Snap Makes Big Bets on AR Snap is already well on its way with <u>130 million</u> daily AR users

Microsoft's HoloLens leads with a $480 million contract to supply the military branch with as many as 100,000 **HoloLens**

Magic Leap has raised a total of <u>$2.6B</u> in funding over <u>7 rounds</u>. Magic Leap has $180M in estimated revenues annually, and a valuation over $5B

Bose Ventures 50 Million in AR

Apple is expected to ignite the industry with it's AR glasses launch in 2021

Augmented Reality Industry Participants

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AR SOLUTIONS

Company	Market Cap (C$MM)(1)	Augmented Reality Operations
Microsoft	$1,415,313.1	HoloLens 2 augmented reality headset will go on sale for US $3,500 in September 2019 and US $480 MM contract entered into with us army to supply prototype for use in combat missions and training.
Apple	$1,275,695.0	AR software-development tool, ARkit 3 launch june 3 2019 with enhanced motion capture capabilities and AR features for programmers
amazon	$1,205,113.9	Announced Prime Video AR app which will be available for the Oculus Quest, Oculus and Samsung Gear VR device.
Google	$1,112,103.4	Google Glass, AR Headset used by companies in manufacturing, logistics and healthcare industries and AR walking directions for Google Maps Live View
Shopify	$58,510.1	AR capabilities and software enhanced to e-commerce platform allowing real-life visualization
Snap Inc.	$28971.1	Next generation AR Lenses launched in Q2 2019, used by over 200 million Snapchat users in the first 2 weeks of launch.
VUZIX	$94.6	Supplier of Smart Glasses and AR products for consumer and enterprise markets
WiMi Hologram	Private	Private Chinese company offering AR holographic products that are utilized for advertising and entertainment, in the process of going public on the NASDAQ

NexTech AR Solutions is the only AR pure play!

What We Do.

To start, we turn 2D into 3D
Boring into Engaging and
Lookers into Buyers.

Click : Sell More Stuff Video

CaptureAR eliminates the need to invest in expensive
production pipelines or purchase costly 3D scanning equipment.

Leadership: In AR Product Offerings and Growth

Four **AR** Verticals

3D/AR AD NETWORK

RETAIL

EDUCATION

ENTERTAINMENT

Industry's FIRST
Self-Serve AR platform

ARitize   Artificial Intelligence   Analytics

Compatible with **ALL Devices**

Mobile   Tablet   Desktop   Glasses

NEXTECH
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AR SaaS

eCommerce Businesses

ARitize

The NexTech AR Platform

Omni-Channel solution for AR

AR hosting services generates recurring monthly Subscription Revenue
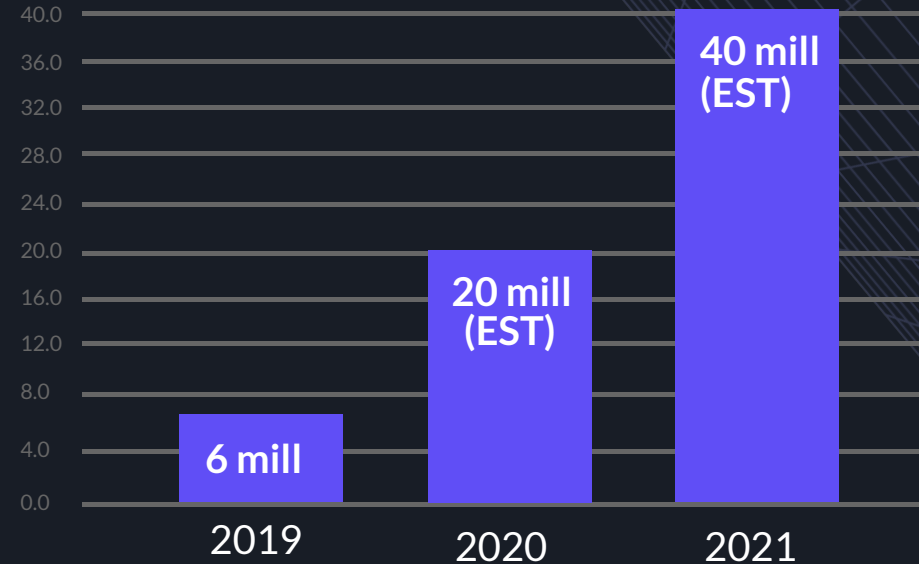
Two Wholly-owned subsidiaries are Enhanced With AR Capabilities

Highly Skilled management team increases operational efficiencies in each company Post-Acquisition

AR and AI results – act as direct Test Market for offerings to drive revenues

Strong Recurring Revenue

- December over $760,000 in revenue and gross profit of $453,000 4th quarter $2,580,000 and $1,340,000 respectively, Rev + 4390% Gross +2232% year over year.
- Company is targeting $20mill in revenue for calendar year 2020
- Gross margin expansion from 58% to 70% in 2020 with more software revenues added to the mix

6 mill — 2019

20 mill (EST) — 2020

40 mill (EST) — 2021

Chart y-axis: 0.0, 4.0, 8.0, 12.0, 16.0, 20.0, 24.0, 28.0, 32.0, 36.0, 40.0

AR eComm
Case Studies

Customer Demo: Live Person

Her friend recommends checking out the
Tamara Mellon Instagram page for new shoes.

What Makes AR Chat So Compelling?

- No Special AR App Required
- Billions of smartphones, tablets, and computers ready now for Web AR Chat
- NexTech and LivePerson put AR natively inside two of the most ubiquitous applications today
  - Web browsers
  - Chat apps
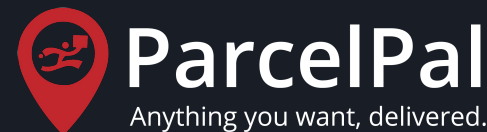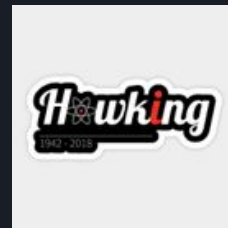- Touching the customer at every point in their journey to purchase
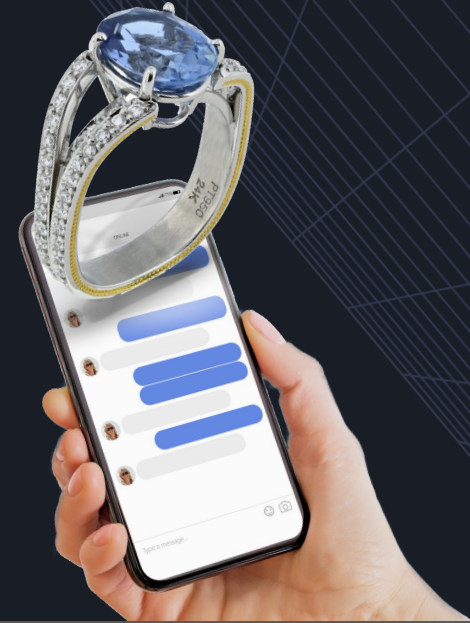
Retailers now have a direct path to the "sentiment" of consumer like never before
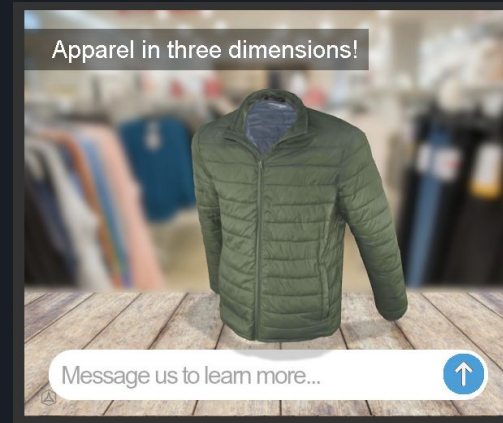
Customer Demo: Mr. Steak

NexTech AR Solutions Clients

3D / AR Ads Are Here

3D Ads encourage interactivity

Using 3D objects in advertising asks users to play with ads instead of passively scroll past them. "Thumbing" through a 3D model of a branded product experience could deepen brand awareness and increase loyalty with that customer--because the user is literally experiencing the brand by choice. Seeing a 360° view of a physical product is far more effective than even a series of well lit images.

# 3D Ads perform better than other types

NEXTECH
AR SOLUTIONS

3D or AR Ad Performance Will Disrupt Entire $725 Billion Industry

Mobile performance is accelerated by gyros and sensors allowing ads to literally **come to life** when they are visible. Self-animated 3D objects **demand attention/encourage interactivity.**
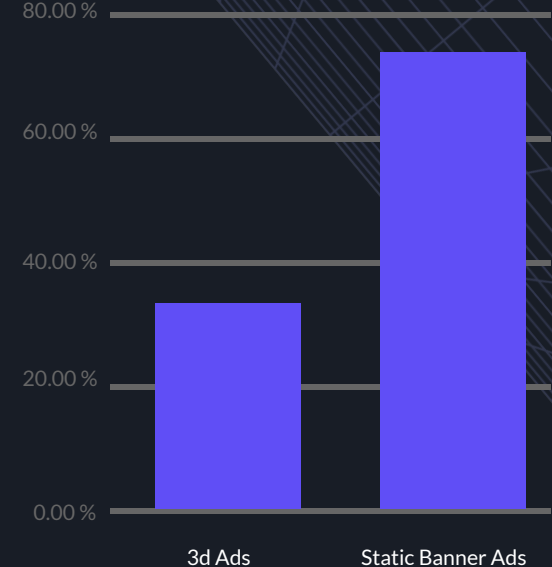
People want to **stop and play!**

+663 % CONVERSIONS

Return on AD Spend
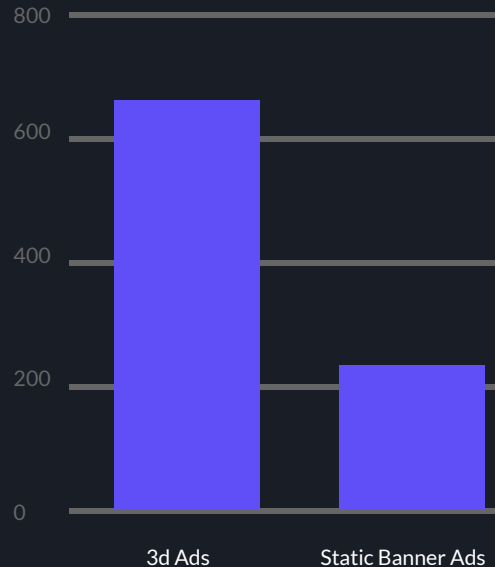
Bounce Rate (%)

3D ads prove to **deliver a better Return on Ad Spend (+150%)** over traditional banner ads, as well as better in-site traffic by decreasing the bounce rate. Split-testing Sketchfab brand 3d ads versus traditional static ads bears out just how dramatically ROAS can improve.

20

AR Ads Are a Force-Multiplier

Drown Out Distractions

Virtually forcing a user to engage with the ad, your product, and your messaging against their own environment

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Our Capture AR technology enables scaling of 3D object capture

A simple App that lets you capture photo quality 3D objects from a phone

Capture

Configure

Save Configuration

Publish Anywhere
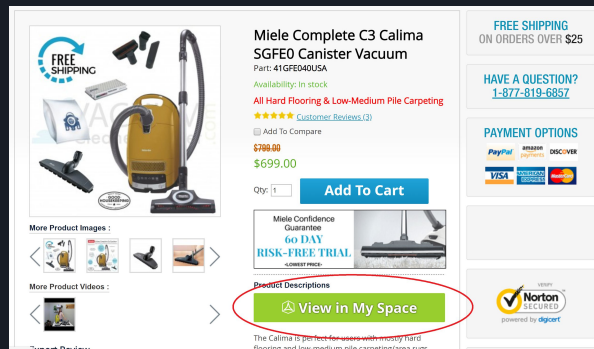

Cross Pattern Sweater
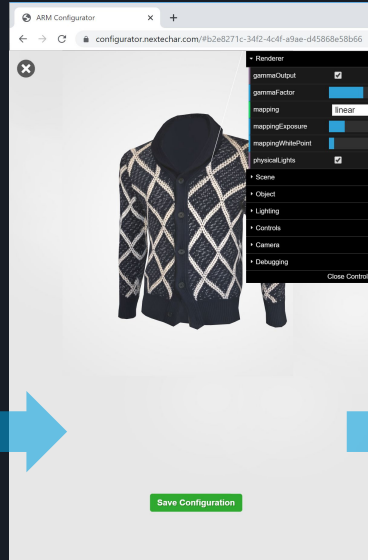
KEY BENEFITS

Saves time: 3D model creation in minutes, not days

Saves money: No need to buy expensive software or equipment

Easy to use: Capture AR can be used by anyone, no special skills required
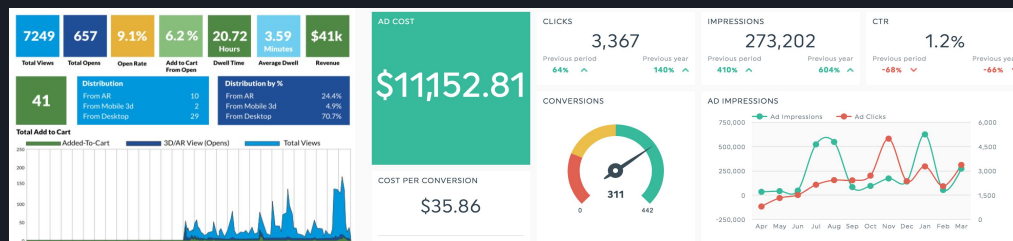
1 model | 1 platform | *n* opportunities

Web AR

Ad Units

Analytics

SAMPLE: Ad Revenue Model

Sample Revenue Model

Forecast	Q1 2020		Q2 2020		Q3 2020		Q4 2020		Fiscal 2020		Fiscal 2021	
Total Aritize embedded SKUs	2,686		16,537		62,816		156,107		156,107		339,518	
REVENUE & DISCOUNTS												
CaptureAR Revenue	$	13,946	$	82,244	$	320,651	$	780,940	$	1,197,781	$	2,453,264
ARitize Hosting Revenue	$	160,739	$	990,544	$	4,749,285	$	14,244,537	$	20,145,104	$	134,488,114
CPC (Ad) Revenue - 3D AR	$	-	$	955,406	$	4,580,812	$	13,739,238	$	19,275,456	$	129,717,396
Gross Revenue	$	174,685	$	2,028,193	$	9,650,749	$	28,764,714	$	40,618,341	$	266,658,774
Partner Commission	$	17,469	$	202,819	$	965,075	$	2,876,471	$	4,061,834	$	26,665,877

Launch Pro Forma - **Click Here**

Tab 2 has variables to adjust the calculation

Ad Server

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AR SOLUTIONS

WEATHER
UNDERGROUND

Wunderground.com

Idea 1: Conversational Ads

10x Click Rate
3D/AR Conversational Ads

3.8% Higher Conversion
Conversational Commerce

2-3x Higher AOV
Increase Return on Ad Spend

The first browser based, message enabled conversational 3D-AR shopping experience. Transform products and Display ads into 3D into immersive experiences with high conversion rates.

Idea 2: Interactive AR/3D Menu

Physical and Digital Menus via Messaging

Customer sees and uses "Skip The Line" poster with QR Code
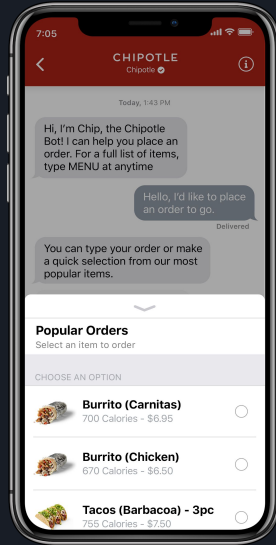
Customer then enters messaging to view options and menus
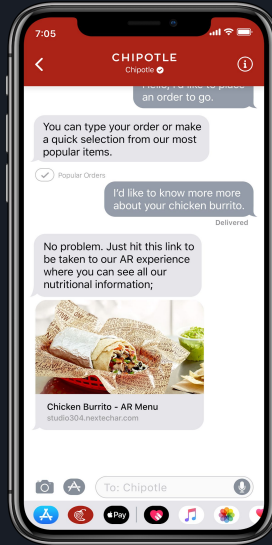
Customer wants to order, but requires more information

Customer goes to the 3D/AR experience, where they can see the product and any information
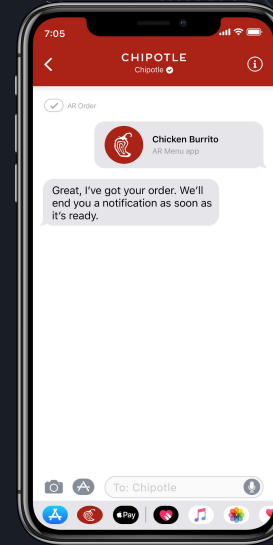
Order is made, received and confirmed

Push notification goes out, alerting customer that order is ready.

Idea 3: Social AR Campaign

NEXTECH
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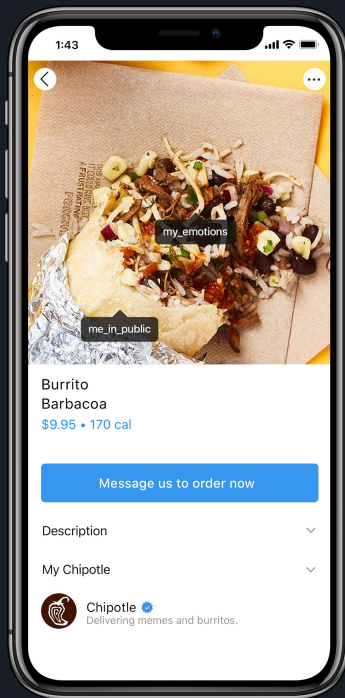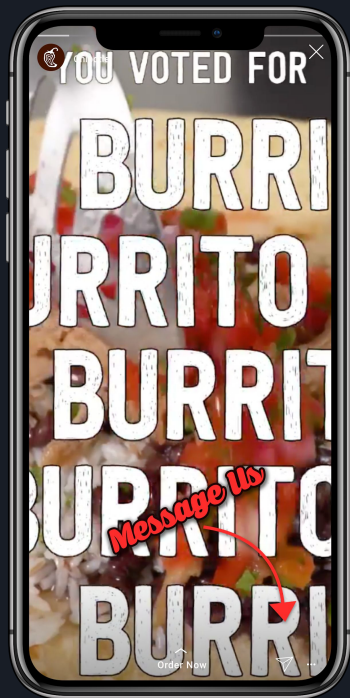
Create Social Buzz

Place an order via Instagram messaging to unlock an AR experience… take a pic with your sports hero and post to social

Idea 5: Educational

Learn about good real food
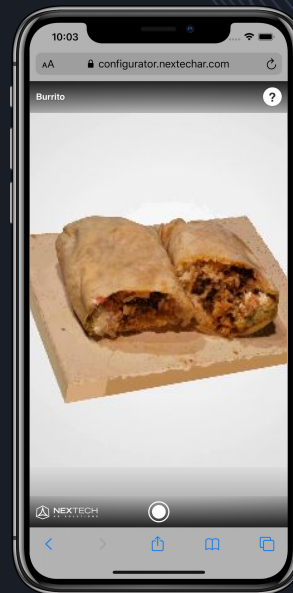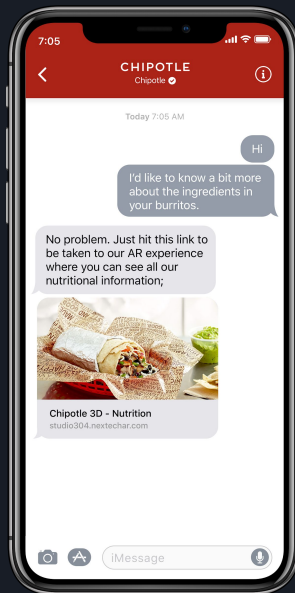
Learn more conversationally or scan a code on menu items / print materials to view AR/3D images of ingredients.

Find out where ingredients came from (e.g. dairy farm, corn farmers, etc.), as well as nutritional and allergy information

Ad Server - Ad network
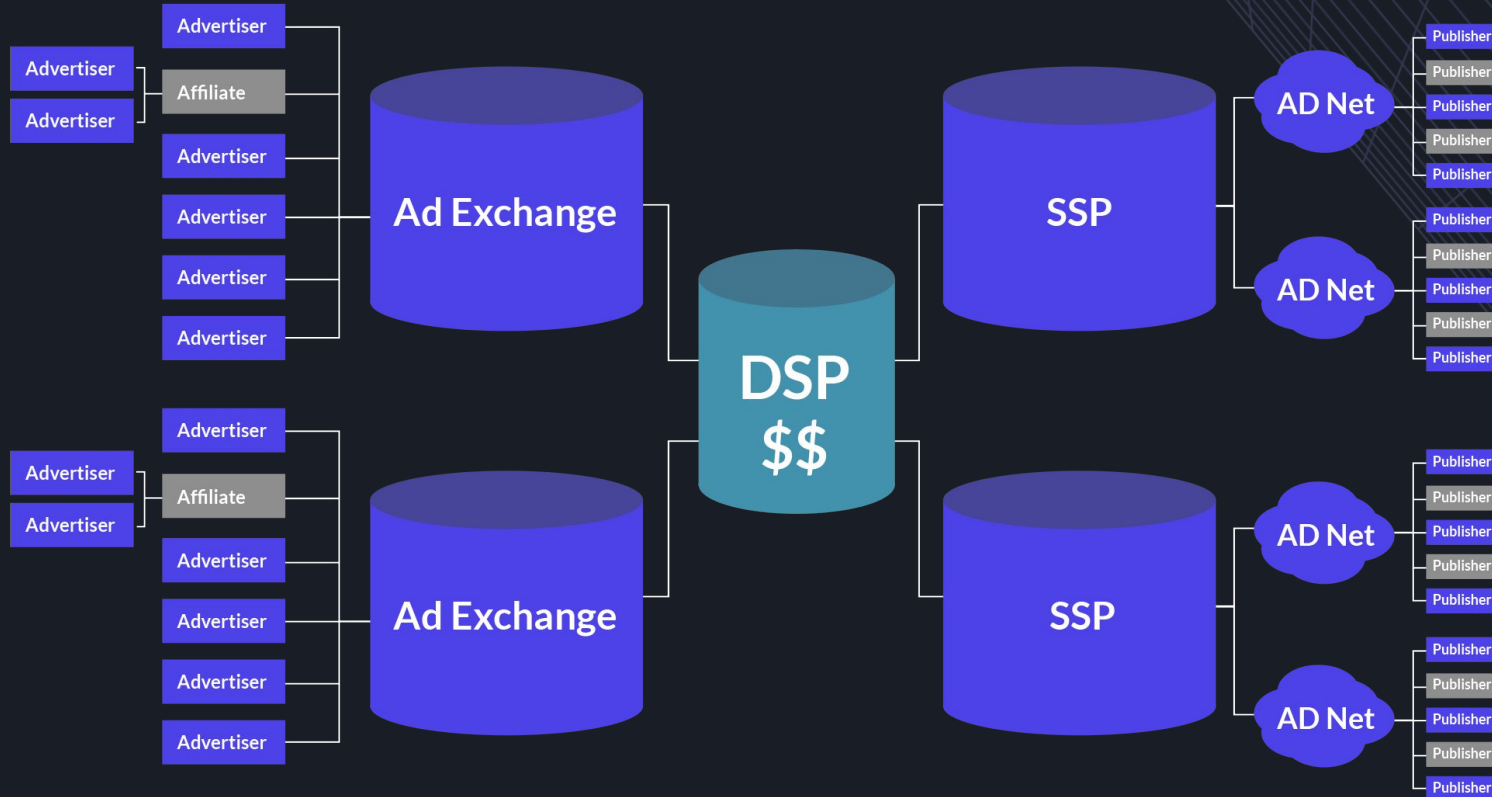
Ad Server - NexTech Ad network

Advertiser
Advertiser
Advertiser
Affiliate
Advertiser
Advertiser
Advertiser
Advertiser

Ad Exchange

Advertiser
Advertiser
Advertiser
Affiliate
Advertiser
Advertiser
Advertiser
Advertiser

Ad Exchange

DSP $$

SSP

SSP

AD Net
AD Net
AD Net
AD Net

Publisher
Publisher
Publisher
Publisher
Publisher
Publisher
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Publisher

Upcoming Catalysts

NEXTECH AR SOLUTIONS

Q1 2020

Q2 2020

- New Aritize website launch
- New CaptureAR App launch
- Launch: Industry First 3D/AR Platform
- Expect to close NEW agreements with top Fortune 500 accounts

- AAR Revenue begins scaling
- New AR Studio business accelerates
- Expand on our portfolio of patents
- Major NEW AR capabilities
- Major Client wins
- Apple launches AR glasses, accelerating investment in AR

Why own NexTech AR Solutions?

- Only Pure Play AR Investment
- First to market with a 3D/AR ad network
- First Mover Advantage in fast growing AR market growing at +86% CAGR(1)
- Revenue growing EST. 2019 $6mill EST. 2020 $15-$20 million
- Well-capitalized –no financing expected in 2020
- Tight Capital Structure with friendly long-term investors
- Working with leading Investment Dealers
- Expert Management and Board: 33% insider ownership
- Experienced team of entrepreneurs

Management

Evan Gappelberg, CEO/Founder

Expertise in creating, funding and running hyper-growth startups both public and private. He took TTWO public $3mill NKT Cap now $14 billion. Extensive experience both as a hands-on operating executive and as a public market's professional. His last exit was 20X which happened in 18 months.

Paul Duffy, President

Creator of the HumaGram and inventor of the patent for Holographic Telepresence over the Internet (TOIP), Mr. Duffy is a serial entrepreneur with over 25 years of experience in successfully starting, expanding, diversifying and selling global technology companies.

Kashif Malik , CFO

Formerly worked at Deloitte After leaving Deloitte, Kashif went to work for Merck & Co Inc (NYSE:MRK) in Bermuda, leading the transition of their operations to different international locations. Kashif then joined Real Matters Inc (TSX:REAL) (OTCMKTS:RLLMF) in Toronto, where he was involved in three major financings to fund four acquisitions and completed an IPO on the exchange with a valuation in excess of $1 billion.

Scott Jenkins, CTO

Advisory Board

Ori Inbar

Sold his company to Apple which became the basis for Apple's Arkit. world's leading expert in augmented reality. Founder of AugmentedReality.org, a non-profit organization on a mission to advance augmented reality in order to advance humanity.

Mike Boland

Founder & Chief Analyst of ARtillery Intelligence, where he covers the AR and VR industry, as well as the lead analyst of Street Fight and the SF President of the VR/AR Association.

Barry Sandrew

Ph.D. Visual effects pioneer and serial entrepreneur who invented digital colorization of black and white movies, as well as a process for converting 2D feature films to 3D. Worked on over 100 Hollwood feature films, Avatar, Titanic, Transformers etc.

Scott Starr

Retail sales pioneer at PTC, Salesforce.com and now at LivePerson, Inc. as AVP Retail. He is recognized in the retail industry as driving transformational change and customer success in enterprise retail markets.

Capital Structure

Market Data (as of 01-14-20)	
Shares Outstanding	60,232,337
Options	5,554,000
Warrants	4,117,353
52 week (high-low)	$3.17 - $0.24
Market Capitalization	$108 million
Insider Ownership	30+%
Cash	$2.5 million

APPENDIX

Data and Analytic Results

Block Scientific

Seeing over 50% engagement with 3D objects. Thats creating more time on page and a consistently better UX for site visitors

161	86	53.4%
Total Button Views	Total Button Views	Percentage Click -Through

Just Vertical

Seeing a much higher conversion of 'add to cart' when users are in the 3D/ AR view. Generally speaking, people move to 'add to cart' 2% overall. However, people who engage with AR/ 3D are moving to 'add to cart' at about 6%

774	107	13.8%
Total Button Views	Total Button Views	Percentage Click -Through
18	7	
Total Add-To-Cart	Add-To-Cart From AR	

Vacuum Cleaner Market

Seeing a much higher conversion of 'add to cart' when users are in the 3D/ AR view. In this case people who engage with AR/3D are moving to 'add to cart' at about 12%. That accounts for 100% of people who moved onto the stage of 'add to cart' from the entire group of visitors.

232	33	14.2%
Total Button Views	Total Button Views	Percentage Click -Through
4	4	
Total Add-To-Cart	Add-To-Cart From AR	

Data and Analytic Results

Zoltan David
Jewelry
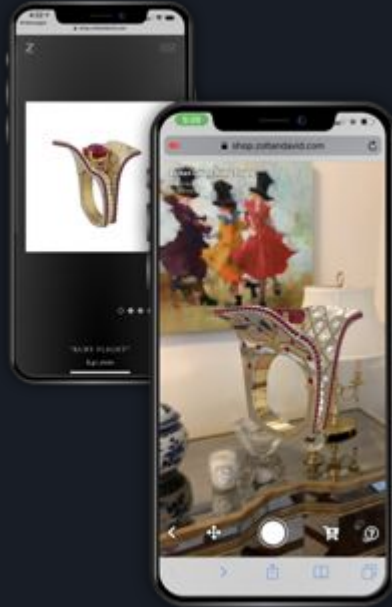
TouchStone
Home Products

Just Vertical
Products

Mr Steak
Products

Click to ARitize

Click to ARitize

Click to ARitize

Click to ARitize

Augmented Reality Early Adopters

Company	Symbol	EV	AR Products
Microsoft	MSFT:NASDAQ	$1 T	Hardware (HoloLens)
Apple	APPL:NASDAQ	$988 B	Hardware (glasses - *coming*)
Amazon	AMZN:NASDAQ	$977 B	Software
Google	GOOGL:NASDAQ	$757 B	Hardware and software (Glasses and Maps, among others)
Shopify	SHOP:NYSE	$36 B	Software
Snap Inc.	SNAP:NYSE	$22 B	Software/Hardware
Vuzix	VUZI:NASDAQ	$100 M	Hardware (Blade)
WiMi Hologram*	NASDAQ *	$50 M	Software - AR only
Ikea	(Private)		Software and retail
NEXTECH AR SOLUTIONS	NTAR:CSE	$41 M	Software – ARitize!

Apple's Commitment to AR

Tim Cook, Apple CEO believes:

- "Simply put, we believe augmented reality is going to change the way we use technology forever, We're already seeing things that will transform the way you work, play, connect and learn."

- The first step in making it a mainstream kind of experience is to put it in the operating system. We're building it into iOS 11, opening it to developers -- and unleashing the creativity of millions of people. Even we can't predict what's going to come out. I regard it as a big idea like the smartphone. The smartphone is for everyone, we don't have to think the iPhone is about a certain demographic, or country or vertical market: it's for everyone. I think AR is that big, it's huge.

- Apple Analyst, Ming-Chi Kuo believes glasses should debut mid-2020

- The glasses will become an accessory – much like the Apple watch, using the Apple iPhone to relay the signal to the glasses

Khronos Group Consortium

NexTech AR joined Khronos Group a consortium of leading companies, at the end of April 2019. The exploratory group is creating advanced 3D standards!

Khronos cited a study by Gartner that predicts massive growth for AR/VR shopping in the next few years as high-speed 5G technology expands worldwide. Gartner predicts that by 2020, more than 100 million consumers will shop using AR technology. About fifty percent of retailers plan to deploy AR/VR 3D technology by next year, according to the report. With 5G's higher speeds consumers will be able to experience real-time renderings creating truly immersive experiences. Once 5G technology is available NexTech is planning to launch a holographic fully volumetric 3D-AR human assistant which can be programmed to be used for eCommerce or for education.

Thank You

Connect with us to get started

Evan Gappelberg, Founder & CEO

evan@nextechar.com

NexTech AR Solutions

The Studio District, Suite 304

349 Carlaw Avenue, Toronto
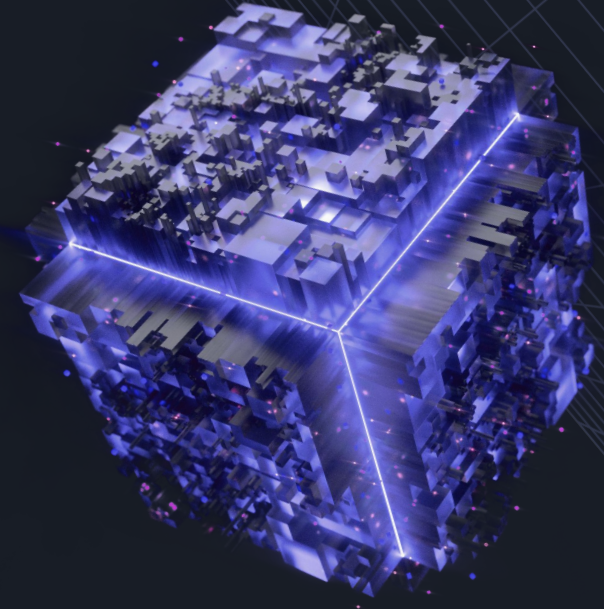
Ontario, Canada M4M 2T1

866-ARITIZE

info@nextechar.com

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AR SOLUTIONS

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CSE:NTAR | OTC:NEXCF