



Xtract One Releases Third Quarter Fiscal 2023 Financial Results

June 8, 2023

TORONTO, ON – June 8, 2023 (GLOBE NEWSWIRE) — Xtract One Technologies Inc. (TSX: XTRA) (OTCQX: XTRAF) (FRANKFURT: 0PL) (“Xtract One” or the “Company”) a leading technology-driven threat detection and security solution that prioritizes the patron access experience by leveraging AI, is pleased to announce its third quarter results for the three and nine month periods ended April 30, 2023. All information is in Canadian dollars unless otherwise indicated.

The following press release should be read in conjunction with the Company’s Unaudited Condensed Consolidated Interim Financial Statements, prepared in accordance with International Financial Reporting Standards (“IFRS”) and the Company’s Management’s Discussion and Analysis for the periods ended April 30, 2023 and 2022, which can be found under the Company’s profile on SEDAR at www.sedar.com.

“I am pleased to share with investors that we are experiencing a record year for sales activity. The bookings generated by the Platform operating segment was a 792% increase compared to the same period last year,” stated Peter Evans, Chief Executive Officer of Xtract One. “In the last three months alone, we have more than doubled the total contract value of signed agreements in the current year, and I am pleased with the pace at which our SmartGateway solution is gaining traction in the marketplace. The demand for our products is significant and we are only scratching the surface of the total addressable market. As we execute on our business strategy, we continue to balance scaling the business efficiently while focusing on keeping customers highly satisfied.”

Company highlights for the fiscal quarter ended April 30, 2023

The following is a summary of the key business highlights for the fiscal quarter ended April 30, 2023:

- Total contract value (“TCV”) of new bookings¹ was \$9.8 million as of April 30, 2023 which is an increase of 792% compared to the same balance as of April 30, 2022. Almost \$5.6 million of TCV was signed during the three months ended April 30, 2023, representing a record quarter for the Company;
- Platform contractual backlog was \$3.1 million as of April 30, 2023, as compared with \$1.2 million as of April 30, 2022, representing an increase of 160%. The Platform backlog as of April 30, 2023, excludes an additional \$7.9 million in signed agreements that are pending installation¹ representing an increase of \$6.3 million over last year and an increase of \$4.9 million from the previous quarter;
- Accelerated topline growth for our Platform operating segment with approximately \$0.8 million in revenue for the three months ended April 30, 2023, representing an 841% increase over the same period in 2022 as we begin to see traction in our subscription revenue;
- Completed a strategic investment of \$13.4 million from Madison Square Garden Sports Corp. to fund continued innovation and support accelerated growth in revenue;
- Entered into a commercial agreement with Sphere Entertainment Co. (formerly Madison Square Garden Entertainment Corp.), which allows Sphere Entertainment Co. and its affiliate Madison Square Garden Entertainment Corp. (“MSG Entertainment”) (formerly MSGE Spinco, Inc.) to deploy SmartGateway solutions across the Sphere in Las Vegas, which is expected to open in September 2023, and MSG Entertainment’s portfolio of iconic venues, including New York’s Madison Square Garden, The Theater at Madison Square Garden, Radio City Music Hall, and Beacon Theatre; and The Chicago Theatre;
- Secured a contract with Oak View Group and the City of Memphis to protect all entrances at Simmons Bank Liberty Stadium in Memphis, Tennessee. This 58,000-seat stadium is the home of the USFL’s Memphis Showboats and the University of Memphis Tigers football team;
- Secured a contract with the City of Bangor and Oak View Group to deploy SmartGateway at Cross Insurance Arena to secure all entrances for concerts, conferences, and other live events at the venue;
- Announced a partnership with Sentara Health to provide weapons detection services at all hospitals in Virginia and North Carolina following a successful deployment of SmartGateway entry screening technology at two of Sentara Health’s hospitals; and
- Subsequent to the period, secured a contract with the City of Phoenix to increase security and ensure public safety at the City’s Court Building which houses the courtrooms for the Phoenix Municipal Court.

Q3 2023 Financial Highlights

- Consolidated revenue was \$0.9 million and \$2.3 million for the three and nine month periods ended April 30, 2023 as compared to \$0.9 million and \$2.8 million for the same periods in 2022.
- Revenue from the Platform operating segment was \$0.8 million and \$2.0 million for the three and nine month periods ended April 30, 2023 as compared to \$0.1 million and \$0.5 million for the same periods in fiscal 2022, representing an increase of 841% and 285% respectively.
- Revenue for the Xtract operating segment was \$0.1 million and \$0.4 million for the three and nine month periods ended April 30, 2023 as compared to \$0.9 million and \$2.3 million for the same period in 2022 as the Company focuses its efforts on the growing Platform business.
- Loss and comprehensive loss was \$3.8 million for the three month period ended April 30, 2023 compared to \$4.4 million for the same period last year. The decrease in net loss for the three month period pertains to an overall reduction in expenses as well as an increase revenue from the Platform operating segment. Loss and comprehensive loss was \$13.0 million for the nine month period ended April 30, 2023, compared \$8.6 million for the same period in 2022. The increase in net loss for the nine month period pertains primarily to the \$3.3 million in non-dilutive funding received in the prior fiscal year and a decrease in revenue from the Xtract operating segment as the Company focuses on growing the Platform business.

Conference Call Details

Xtract One will host a conference call to discuss its annual results on Thursday, June 8, 2023, at 5:30 pm EST. Peter Evans, Xtract One CEO and Director, and Karen Hersh, CFO and Corporate Secretary, will provide an overview of the financial results along with management's outlook for the business, followed by a question-and-answer period.

Investors may register for the live conference call by clicking this [link](#). Participants should dial in at least 10 minutes prior to the start of the call. A recording of the call will be available on the Company's website after the conference call concludes.

About Xtract One Technologies

[Xtract One Technologies](#) is a leading technology-driven threat detection and security solution leveraging AI to provide seamless and secure patron access control experiences. The Company makes unobtrusive threat detection systems that enable venue building operators to prioritize and deliver improved patron experiences while providing unprecedented safety. Xtract One's innovative multi-sensor Gateway product enables companies to covertly screen for weapons at points of entry without disrupting the flow of traffic. Its AI-based Xtract Vision allows venue and building operators to identify weapons and other threats inside and outside of facilities, and Xtract One Insights provides valuable intelligence for optimizing operations. For more information, visit www.xtractone.com or connect on [Facebook](#), [Twitter](#), and [LinkedIn](#).

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¹ Supplementary Financial Measures:

The Company utilizes specific supplementary financial measures in this earnings release to allow for a better evaluation of the operating performance of the Company's business and facilitates meaningful comparison of results in the current period with those in prior periods and future periods. Supplementary financial measures do not have any standardized meaning prescribed under IFRS and therefore may not be comparable to measures presented by other companies. Supplementary financial measures presented in this earnings release include 'Agreements pending installation' and 'Total contract value' of new bookings. Agreements pending installation reflect total value of signed contracts awarded to the Company that has not been installed at the customer site. 'Total contract value of new bookings' is comprised of all new contracts signed and awarded to the Company, regardless of the performance obligations outstanding as at the end of the reporting period. Total contract value is the aggregate value of sales commitments from customers as at the end of the reporting period without consideration of the Company's

completion of the associated performance obligations outlined in each contract.

CAUTIONARY DISCLAIMER STATEMENT:

This earnings release contains forward-looking statements within the meaning of applicable securities laws relating to system sales, product development, licensing, commercialization and regulatory compliance issues and other statements that are not historical facts. Forward-looking statements are often identified by terms such as “will”, “may”, “should”, “anticipates”, “expects”, “believes”, and similar expressions or the negative of these words or other comparable terminology. All statements other than statements of historical fact included in this release are forward-looking statements that involve risks and uncertainties. There can be no assurance that such statements will prove to be accurate and actual results and future events could differ materially from those anticipated in such statements. Important factors that could cause actual results to differ materially from the Company’s expectations include but are not limited to: results of operational activities, completion of contracts; the Company’s limited profitability; dependence on management; the Company’s need for additional financing and the effects of financial market conditions and other factors on the availability of capital; competition, including that of better funded competitors; the impact of the Russia-Ukraine conflict on the global economy; the continued impact of the COVID-19 pandemic; the need to build alliances and partnerships, including with customers and suppliers; and other risks detailed from time to time in the filings made by the Company with securities regulations. The reader is cautioned that assumptions used in the preparation of any forward-looking information may prove to be incorrect. Events or circumstances may cause actual results to differ materially from those predicted, as a result of numerous known and unknown risks, uncertainties, and other factors, many of which are beyond the control of the Company. The reader is cautioned not to place undue reliance on any forward-looking information. Such information, although considered reasonable by management at the time of preparation, may prove to be incorrect and actual results may differ materially from those anticipated. Forward-looking statements contained in this news release are expressly qualified by this cautionary statement. The forward-looking statements contained in this news release are made as of the date of this news release and the Company will update or revise publicly any of the included forward-looking statements only as expressly required by applicable law.

No securities exchange or commission has reviewed or accepts responsibility for the adequacy or accuracy of this release.