



Xtract One Announces Annual Fiscal 2024 Results

October 24, 2024

Record Performance as Full Year Revenue Surpasses \$16 Million

TORONTO, Oct. 24, 2024 (GLOBE NEWSWIRE) -- Xtract One Technologies Inc. (TSX: XTRA) (OTCQX: XTRAF) (FRA: OPL) ("Xtract One" or the "Company") a leading technology-driven threat detection and security solution that prioritizes the patron access experience by leveraging artificial intelligence (AI), today announced its annual results for the year ended July 31, 2024. All information is in Canadian dollars unless otherwise indicated.

"What a year it's been! With record results across the board, we continue to make progress towards profitability through operational execution and higher top line growth," stated Peter Evans, Chief Executive Officer of Xtract One. "Revenue for the year was \$16.4 million – quadruple that of last year – while our combined backlog rose to \$26.8 million, reflecting strong demand across all vertical markets. We're positioning the Company for continued expansion going forward as we are seeing growing interest from all types of customers – stadiums and arenas to schools, business centers, and factories – putting us on track for even greater performance in fiscal 2025."

"To add further momentum to this success, the recent introduction of Xtract One Gateway will significantly expand our addressable market, and win rate in those markets, by improving the Company's competitive positioning. Xtract One Gateway will allow high-traffic facilities like schools, convention centers, and commercial properties to quickly screen patrons who may have laptops, tablets or other large metallic objects while still accurately detecting weapons. As the only product on the market with these capabilities, it's clearly transformational for us and the industry."

Fiscal 2024 Annual Highlights

- Record revenue of \$16.4 million for the year ended July 31, 2024 versus \$4.1 million in the prior fiscal year
- Gross profit margin of 63% for the year ended July 31, 2024 versus 60% in the prior fiscal year
- Total contract value of new bookings¹ was \$29.8 million for the year ended July 31, 2024 as compared to \$15.0 million during the prior fiscal year
- Platform contractual backlog was \$13.8 million at the end of fiscal 2024 as compared to \$4.1 million at the end of fiscal 2023. This excludes an additional \$13.0 million of agreements pending installation¹ at the end of fiscal 2024 versus \$10.4 million at the end of fiscal 2023
- Loss and comprehensive loss was \$11.1 million for the year ended July 31, 2024 as compared to \$16.3 million for the prior year
- Subsequent to July 31, 2024, the Company launched Xtract One Gateway, with advanced bi-directional configurable screening and proprietary sensors, for precise weapons detection at locations where users carry a medium volume of personal items such as laptops

Fourth Quarter Highlights

- Record quarterly revenue of \$5.6 million for the three months ended July 31, 2024 versus \$1.8 million in the prior year period
- Gross profit margin of 65% for the fourth quarter versus 70% in the prior year period
- Total contract value of new bookings¹ was \$5.6 million for the three months ended July 31, 2024 as compared to \$5.2 million for the prior year period
- Loss and comprehensive loss was \$2.4 million for the three months ended July 31, 2024 as compared to \$3.3 million for the same period in fiscal 2023

This press release should be read in conjunction with the Company's Annual Consolidated Financial Statements, prepared in accordance with International Financial Reporting Standards ("IFRS") and the Company's Management's Discussion and Analysis for the years ended July 31, 2024 and 2023, which can be found under the Company's profile on SEDAR+ at www.sedarplus.ca.

Conference Call Details

Xtract One will host a conference call to discuss its results on October 25, 2024 at 10:00 am ET. Peter Evans, 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.

The webcast and presentation will be accessible on the Company's website. The [webcast can be accessed here](#) and the telephone number for the conference call is 844-481-3016 (412-317-1881 for international callers).

About Xtract One Technologies

[Xtract One Technologies](#) is a leading technology-driven provider of threat detection and security solutions leveraging AI to deliver seamless and secure experiences. The Company makes unobtrusive weapons and threat detection systems that enable facility operators to prioritize and deliver improved “Walk-right-In” experiences while providing unprecedented safety. Xtract One’s innovative portfolio of AI-powered Gateway solutions excels at allowing facilities to discreetly screen and identify weapons and other threats at points of entry and exit without disrupting the flow of traffic. With solutions built to serve the unique market needs for schools, hospitals, arenas, stadiums, manufacturing, distribution, and other customers, Xtract One is recognized as a market leader delivering the highest security in combination with the best individual experience. For more information, visit www.xtractone.com or connect on [Facebook](#), [X](#), and [LinkedIn](#).

For further information, please contact:

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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 reflects 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 of 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.

Forward Looking Statements

This news release contains forward-looking statements within the meaning of applicable securities laws 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 the risks detailed from time to time in the continuous disclosure 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.

Consolidated Statements of Loss and Comprehensive Loss for the Years Ended July 31, 2024 and 2023

The following table is extracted from the Company’s consolidated financial statements and presented in Canadian dollars to demonstrate the Statements of Loss and Comprehensive loss for the years ended July 31, 2024 and 2023:

	2024	2023
Revenue		
Platform revenue	\$ 15,969,996	\$ 3,596,999
Xtract revenue	388,011	514,245
Total revenue	\$ 16,358,007	\$ 4,111,244
Cost of revenue		
Platform cost of revenue	\$ 5,858,611	\$ 1,383,623
Xtract cost of revenue	241,377	242,724
Total cost of revenue	\$ 6,099,988	\$ 1,626,347

Gross profit	\$	10,258,019	\$	2,484,897
Operating expenses				
Selling and marketing	\$	5,593,432	\$	4,566,130
General and administration		7,479,609		6,813,847
Research and development		8,265,043		7,078,280
Loss on inventory write-down		175,042		346,374
Loss on retirement of assets		95,066		181,107
Total operating expenses	\$	21,608,192	\$	18,985,738
Loss from operations		(11,350,173)		(16,500,841)
Other income (loss)				
Unrealized gain on investments		-		58,333
Realized loss on investment		-		(55,082)
Interest and other income		285,318		161,117
Loss and comprehensive loss for the year	\$	(11,064,855)	\$	(16,336,473)
Weighted average number of shares		203,820,258		176,664,492
Basic and diluted loss per share	\$	(0.05)	\$	(0.09)

Consolidated Statements of Financial Position as at July 31, 2024 and 2023

The following table is extracted from the Company's consolidated financial statements and presented in Canadian dollars to demonstrate the Company's financial position as at July 31, 2024 and July 31, 2023:

		July 31, 2024		July 31, 2023
Assets				
Current assets				
Cash and cash equivalents	\$	8,628,521	\$	8,327,449
Receivables		3,862,199		847,429
Prepaid expenses and deposits		949,012		1,026,668
Current portion of deferred cost of revenue		371,309		-
Inventory		3,688,246		1,602,971
		17,499,287		11,804,517
Property and equipment		2,135,956		2,063,817
Intangible assets		4,465,755		4,843,700
Non-current portion of deferred cost of revenue		496,868		-
Right of use assets		344,304		286,796
Total assets	\$	24,942,170	\$	18,998,830
Liabilities				
Current liabilities				
Accounts payable and accrued liabilities	\$	3,991,292	\$	2,519,350
Current portion of deferred revenue		3,443,524		968,509
Current portion of lease liability		190,400		232,483
		7,625,216		3,720,342
Non-Current liabilities				
Non-current portion of deferred revenue		3,155,579		411,232

Non-current portion of lease liability	190,526	124,358
	\$ 10,971,321	\$ 4,255,932
Shareholders' equity		
Share capital	\$ 144,372,452	\$ 135,823,337
Contributed surplus	16,163,950	14,420,259
Accumulated deficit	(146,565,553)	(135,500,698)
	\$ 13,970,849	\$ 14,742,898
Total liabilities and shareholders' equity	\$ 24,942,170	\$ 18,998,830

Consolidated Statements of Cash Flows for the Years Ended July 31, 2024 and 2023

The following table is extracted from the Company's consolidated financial statements and presented in Canadian dollars to demonstrate the Company's cash flows for the years ended July 31, 2024 and 2023:

	2024	2023
Cash flow used in operating activities		
Loss and comprehensive loss for the year	\$ (11,064,855)	\$ (16,336,473)
Adjustment for:		
Share-based compensation	1,036,744	950,536
Depreciation	1,303,571	923,764
Amortization	805,900	805,900
Finance cost	22,420	42,237
Loss on inventory	175,042	346,374
Loss on retirement of assets	95,066	181,107
Other income	-	(20,000)
Realized loss on investments	-	55,082
Unrealized gain on investments	-	(58,333)
	(7,626,112)	(13,109,806)
Changes in non-cash working capital		
Receivables	(3,014,770)	1,047,727
Prepaid expenses and deposits	77,656	(358,018)
Inventory	(4,522,739)	(2,198,583)
Deferred cost of revenue	250,853	-
Accounts payable and accrued liabilities	1,471,942	(99,732)
Deferred revenue	5,219,362	1,183,090
Cash used in operating activities	(8,143,808)	(13,535,322)
Cash flow used in investing activities		
Acquisition of intangible assets	(427,955)	-
Acquisition of right of use asset	(1,800)	-
Purchase of property and equipment	-	(32,539)
Disposal of investment - Gemina Labs	-	397,001
Cash (used in) received from investing activities	(429,755)	364,462
Cash flow from financing activities		
Proceeds on issue of share capital, net of share issue costs	9,256,062	15,583,660
Lease payments	(381,427)	(362,672)
Cash received from financing activities	8,874,635	15,220,988

Net increase in cash for the year	\$	301,072	\$	2,050,128
Cash beginning of the year		8,327,449		6,277,321
Cash end of the year	\$	8,628,521	\$	8,327,449



Source: Xtract One Technologies Inc.