



## Xtract One Announces First Quarter Fiscal 2025 Results

December 5, 2024

### Active Business Development Pipeline Points to Strong Year Ahead

TORONTO, Dec. 05, 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 AI, today announced fiscal first quarter results for the three months ended October 31, 2024. All information is in Canadian dollars unless otherwise indicated.

#### First Quarter Highlights

- Quarterly revenue of \$3.6 million for the three months ended October 31, 2024 versus \$3.1 million in the prior-year period.
- Gross margin of 64% for the first quarter of fiscal 2025 versus 67% in the prior year period.
- Total contract value of new bookings<sup>1</sup> was \$4.2 million for the three months ending October 31, 2024 as compared to \$9.6 million for the same period last year. The total contract value of new bookings in the prior-year period also included \$5 million from a large global entertainment organization.
- Contractual backlog was \$14.0 million at the end of the first quarter as compared to \$9.5 million in the prior-year period, excluding an additional \$12.9 million of agreements pending installation<sup>1</sup> versus approximately \$10.6 million at the end of the first quarter of fiscal 2024.

"As expected, first quarter revenue, while up year-over-year, was a little lighter in new bookings than recent periods reflecting order timing, as we focused on bringing Xtract One Gateway to market and actively engaged in business development initiatives to build our pipeline for the remainder of fiscal 2025," stated Peter Evans, Chief Executive Officer of Xtract One. "We continue to win customers outside of our core sports and live entertainment markets, welcoming new clients in the Education, Healthcare, and Manufacturing sectors, which made up 67% of the total contract value of new bookings this quarter. Demand remains strong as evidenced by our growing sales pipeline, and we've been pleased with the initial response of our newly announced Xtract One Gateway, particularly in high-traffic facilities like schools, convention centers, and commercial properties where we offer a highly differentiated solution. We expect to see revenue accelerate as the year progresses and continue to make progress on our path to profitability."

#### Financial Results for the Three Month Period Ended October 31, 2024

Consolidated revenue was \$3.6 million for the three months ended October 31, 2024 as compared to \$3.1 million for the same period last year, reflecting new business contract wins and a greater number of installations. Gross profit was \$2.3 million, or a margin of 64%, in the fiscal 2025 first quarter versus \$2.1 million, or 67% of sales, in the prior-year period.

Comprehensive loss was \$2.7 million for the three month period ended October 31, 2024 as compared to \$2.7 million for the same period in fiscal 2024. This reflects higher revenue and gross profit, largely offset by an increase in operating expenses.

This 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 three month periods ended October 31, 2024 and 2023, which can be found on the Company's website and under the Company's profile on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).

#### Conference Call Details

Xtract One will host a conference call to discuss its results tomorrow, December 6, 2024 at 10:00 am EST. Peter Evans, Xtract One CEO and Director, and Karen Hersh, CFO and Corporate Secretary, will provide an overview of the interim 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 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 facility building operators to prioritize and deliver "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](http://www.xtractone.com) or connect on [Facebook](#), [Twitter](#), and [LinkedIn](#).

**For further information, please contact:**

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### **<sup>1</sup> 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.

### **CAUTIONARY DISCLAIMER STATEMENT:**

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.

### **Unaudited Interim Statements of Loss and Comprehensive Loss for the Three Months Ended October 31, 2024 and 2023**

The following table is extracted from the Company's unaudited condensed consolidated interim financial statements and presented in Canadian dollars to demonstrate the Statements of Loss and Comprehensive loss for the three months ended October 31, 2024 and 2023:

	Three months ended October 31,	
	2024	2023
<b>Revenue</b>	\$ 3,627,837	\$ 3,116,353
<b>Cost of revenue</b>	1,313,430	1,031,942
<b>Gross profit</b>	\$ 2,314,407	\$ 2,084,411
<b>Operating expenses</b>		
Selling and marketing	\$ 1,663,159	\$ 1,507,657
General and administration	1,864,192	1,647,816
Research and development	1,799,611	1,726,191
<b>Total operating expenses</b>	\$ 5,326,962	\$ 4,881,664

<b>Loss before the undernoted</b>	(3,012,555)	(2,797,253)
<b>Other income</b>		
Interest and other income	74,919	96,040
<b>Net loss for the period</b>	\$ (2,937,636)	\$ (2,701,213)
<b>Other comprehensive income for the period</b>		
Currency translation differences for foreign operations	282,819	-
<b>Comprehensive loss for the period</b>	\$ (2,654,817)	\$ (2,701,213)
<b>Weighted average number of shares</b>	218,397,852	198,354,825
<b>Basic and diluted loss per share</b>	\$ (0.01)	\$ (0.01)

#### Unaudited Interim Statements of Financial Position as at October 31, 2024 and July 31, 2024

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

	October 31, 2024	July 31, 2024
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents	\$ 6,119,805	\$ 8,628,521
Receivables	3,693,439	3,862,199
Prepaid expenses and deposits	957,697	949,012
Current portion of deferred cost of revenue	371,299	371,309
Inventory	3,985,644	3,688,246
	15,127,884	17,499,287
<b>Property and equipment</b>	2,154,875	2,135,956
<b>Intangible assets</b>	4,890,908	4,465,755
<b>Non-current portion of deferred cost of revenue</b>	405,027	496,868
<b>Right of use assets</b>	1,117,504	344,304
<b>Total assets</b>	\$ 23,696,198	\$ 24,942,170
<b>Liabilities</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities	\$ 3,868,761	\$ 3,991,292
Current portion of deferred revenue	3,987,315	3,443,524
Current portion of lease liability	171,312	190,400
	8,027,388	7,625,216
<b>Non-Current liabilities</b>		
Non-current portion of deferred revenue	2,903,270	3,155,579
Non-current portion of lease liability	1,021,537	190,526
	\$ 11,952,195	\$ 10,971,321
<b>Shareholders' equity</b>		
Share capital	\$ 144,379,881	\$ 144,372,452
Contributed surplus	16,584,492	16,163,950
Accumulated deficit	(149,503,189)	(146,565,553)
Accumulated other comprehensive income	282,819	-
	\$ 11,744,003	\$ 13,970,849
<b>Total liabilities and shareholders' equity</b>	\$ 23,696,198	\$ 24,942,170

## Unaudited Interim Statements of Cash Flows for the Three Months Ended October 31, 2024 and 2023

The following table is extracted from the Company's unaudited condensed consolidated interim financial statements and presented in Canadian dollars to demonstrate the Company's cash flows for the three month periods ended October 31, 2024 and 2023:

	Three months ended October 31,	
	2024	2023
<b>Cash flow used in operating activities</b>		
Loss for the period	\$ (2,937,636)	\$ (2,701,213)
Adjustment for:		
Share-based compensation	423,225	276,416
Depreciation	347,318	286,845
Amortization	207,808	201,475
Finance cost	10,663	6,547
	(1,948,622)	(1,929,930)
Changes in non-cash working capital		
Receivables	196,478	(774,373)
Prepaid expenses and deposits	(6,457)	498,348
Inventory	(416,490)	(680,192)
Deferred cost of revenue	91,851	13,752
Accounts payable and accrued liabilities	(130,246)	(90,958)
Deferred revenue	258,663	(32,146)
	(1,954,823)	(2,995,499)
<b>Cash flow used in investing activities</b>		
Internally developed intangible assets	(445,912)	-
Acquisition of right of use asset	(5,028)	-
	(450,940)	-
<b>Cash flow used in financing activities</b>		
Proceeds on issue of share capital	4,745	53,587
Lease payments	(78,920)	(95,356)
	(74,175)	(41,769)
Effect of exchange rate changes on cash and cash equivalents	(28,778)	-
Net decrease in cash for the period	\$ (2,508,716)	\$ (3,037,268)
<b>Cash beginning of the period</b>	8,628,521	8,327,449
<b>Cash end of the period</b>	\$ 6,119,805	\$ 5,290,181



Source: Xtract One Technologies Inc.