



Xtract One Announces Fiscal 2026 Second Quarter Results

March 4, 2026

Revenue up 70% Year-Over-Year; Positive Outlook Remains Intact; Production Accelerates

TORONTO, March 04, 2026 (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 its fiscal second quarter results for the three months ended January 31, 2026. All information is in Canadian dollars unless otherwise indicated.

Recent Highlights

- Revenue of \$5.8 million for the three months ended January 31, 2026 versus \$3.4 million in the prior-year period.
- Gross margin of 54% for the fiscal 2026 second quarter versus 70% in the prior year period.
- Operating expenses of \$5.4 million for the three months ended January 31, 2026 versus \$4.8 million in the prior-year period.
- Total contract value of new bookings¹ was \$8.7 million for the three months ended January 31, 2026 as compared to \$13.5 million for the same period last year.
- Contractual backlog was \$13.9 million at the end of the second quarter of fiscal 2026 as compared to \$16.7 million in the prior-year period, excluding an additional \$34.9 million of agreements pending installation versus approximately \$20.5 million at the end of the second quarter of fiscal 2025.
- Comprehensive loss was \$2.4 million for the three month period ended January 31, 2026 as compared to \$2.1 million for the same period in fiscal 2025.
- During the quarter, the Company successfully closed a public offering and raised aggregate gross proceeds of \$11.5 million, including the full exercise of an over-allotment option. Each unit purchased consisted of one common share of the Company and one-half of a common share purchase warrant, exercisable into common shares until November 10, 2028, at an exercise price of \$0.95.
- The Company ended the quarter with cash and equivalents of \$15.7 million, to be used for general corporate purposes – including growth acceleration – in the quarters to come.
- Subsequent to the quarter, the Company announced its selection by the British Museum, a globally renowned cultural institution, to secure all venue entrances with its SmartGateway solution. The appointment follows extensive on-site testing and evaluation to ensure compliance with rigorous protection standards while preserving high-throughput visitor flow.

"With second quarter revenue in 2026 up 70% over the prior year quarter, we remain on track for a strong year of performance – including solid top line growth during the second half of fiscal 2026," stated Peter Evans, Chief Executive Officer of Xtract One. "Our balance sheet is in great shape to support enhanced business development activities and, given our impressive order backlog, the Company is poised for higher operating results across the board as we execute a strategic plan focused on winning new contracts and deployment of our backlog, on the path to profitability. Demand for our unique weapon detection solutions continues to grow just as our manufacturing partner, as expected, takes the necessary steps to accelerate production and increase commercial deployments. Thus far, we've delivered nearly \$5 million worth of Xtract One Gateway systems and have another \$15 million to be installed. Given this track record – and a heightened activity level as we start the second half of fiscal 2026 – we are in excellent position to achieve improved performance and higher returns for our shareholders going forward."

Financial Results for the Three Month Period Ended January 31, 2026

Consolidated revenue was \$5.8 million for the three months ended January 31, 2026 as compared to \$3.4 million for the same period last year, reflecting higher deployments of the Company's weapon detection solutions. Gross profit was \$3.1 million, or a gross profit margin of 54%, for the three months ended January 31, 2026 versus \$2.4 million, or a gross profit margin of 70%, in the prior-year period, owing to the initial production and deployment costs of Xtract One Gateway.

Comprehensive loss was \$2.4 million for the three month period ended January 31, 2026 as compared to \$2.1 million for the same period in fiscal 2025, reflecting higher selling, marketing, and general and administrative expenses, along with foreign currency translation adjustments.

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 and six month periods ended January 31, 2026 and 2025, which can be found on the Company's website and 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 tomorrow, March 5, 2026 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 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 weapons and threat detection systems that are designed to assist facility operators in prioritizing- and delivering improved "Walk-right-In" experiences while enhancing 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](#).

About Threat Detection and Security Solutions

Xtract One solutions, when properly configured, deployed, and utilized, are designed to help enhance safety and reduce threats. Given the wide range of potential threats in today's world, no threat detection system is 100% effective. Xtract One solutions should be utilized as one element in a multilayered approach to physical security.

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.

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 and Six Months Ended January 31, 2026 and 2025

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 and six month periods ended January 31, 2026 and 2025:

	Three months ended January 31,		Six months ended January 31,	
	2026	2025	2026	2025
Revenue	\$ 5,796,295	\$ 3,412,189	\$ 10,392,246	\$ 7,040,026
Cost of revenue	2,667,181	1,008,420	4,592,901	2,321,850
Gross profit	\$ 3,129,114	\$ 2,403,769	\$ 5,799,345	\$ 4,718,176
Operating expenses				
Selling and marketing	\$ 1,803,362	\$ 1,224,575	\$ 3,747,575	\$ 2,887,734
General and administration	1,993,777	1,648,688	3,981,383	3,512,880
Research and development	1,636,854	1,640,018	3,325,968	3,439,629
Loss on inventory write-down	562	281,429	84,141	281,429
Loss on retirement of assets	-	21,675	-	21,675
Total operating expenses	\$ 5,434,555	\$ 4,816,385	\$ 11,139,067	\$ 10,143,347
Loss from operations	(2,305,441)	(2,412,616)	(5,339,722)	(5,425,171)
Interest and other income	43,937	66,671	80,602	141,590
Net loss for the period	\$ (2,261,504)	\$ (2,345,945)	\$ (5,259,120)	\$ (5,283,581)
Other comprehensive income (loss) for the period				
Currency translation differences for foreign operations	(120,204)	263,300	(78,103)	546,119
Comprehensive loss for the period	\$ (2,381,708)	\$ (2,082,645)	\$ (5,337,223)	\$ (4,737,462)
Weighted average number of shares	257,968,232	218,423,567	249,297,742	218,410,655
Basic and diluted loss per share	\$ (0.01)	\$ (0.01)	\$ (0.02)	\$ (0.02)

Unaudited Interim Statements of Financial Position as of January 31, 2026 and July 31, 2025

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 of January 31, 2026 and July 31, 2025:

	January 31, 2026	July 31, 2025
Assets		
Current assets		
Cash and cash equivalents	\$ 15,721,093	\$ 8,220,089
Receivables	2,639,155	1,600,176
Prepaid expenses and deposits	2,505,042	2,328,455
Current portion of deferred cost of revenue	432,386	434,284
Inventory	3,938,823	2,829,437
	25,236,499	15,412,441
Property and equipment	1,848,656	2,351,765
Intangible assets	4,000,294	4,527,260
Non-current portion of deferred cost of revenue	21,737	167,850
Right of use assets	816,423	953,513

Total assets	\$	31,923,609	\$	23,412,829
Liabilities				
Current liabilities				
Accounts payable and accrued liabilities	\$	2,659,618	\$	3,027,553
Current portion of deferred revenue		7,004,214		6,142,469
Current portion of lease liability		243,004		252,104
		9,906,836		9,422,126
Non-Current liabilities				
Non-current portion of deferred revenue		2,125,704		2,426,834
Non-current portion of lease liability		736,151		878,294
	\$	12,768,691	\$	12,727,254
Shareholders' equity				
Share capital	\$	162,846,069	\$	150,239,300
Contributed surplus		19,735,103		18,535,306
Accumulated deficit		(163,701,769)		(158,442,649)
Accumulated other comprehensive income		275,515		353,618
	\$	19,154,918		10,685,575
Total liabilities and shareholders' equity	\$	31,923,609	\$	23,412,829

Unaudited Interim Statements of Cash Flows for the Six Months Ended January 31, 2026 and 2025

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 six month periods ended January 31, 2026 and 2025:

	Six months ended January 31,	
	2026	2025
Cash flow used in operating activities		
Loss for the period	\$ (5,259,120)	\$ (5,283,581)
Adjustment for:		
Share-based compensation	701,332	634,640
Depreciation	728,340	725,154
Amortization	479,063	422,454
Finance cost	20,582	22,916
Loss on retirement of assets	-	21,675
Loss on inventory	84,141	281,429
	(3,245,662)	(3,175,313)
Changes in non-cash working capital		
Receivables	(1,148,388)	3,009,688
Prepaid expenses and deposits	(220,054)	(352,624)
Inventory	(1,396,156)	(1,329,105)
Deferred cost of revenue	146,163	183,702
Accounts payable and accrued liabilities	(339,666)	(2,134,232)
Deferred revenue	822,624	1,597,727
Cash used in operating activities	(5,381,139)	(2,200,157)
Cash flow used in investing activities		
Purchase of property, plant and equipment	-	(129,180)
Internally developed intangible assets	-	(710,154)
Acquisition of right of use asset	-	(5,028)

Cash used in investing activities	-	(844,362)
Cash flow generated from financing activities		
Proceeds on issue of share capital	13,105,234	16,970
Lease payments	(171,825)	(162,129)
Cash generated from (used in) financing activities	12,933,409	(145,159)
Effect of exchange rate changes on cash and cash equivalents	(51,266)	(10,397)
Net increase (decrease) in cash and cash equivalents for the period	\$ 7,501,004	\$ (3,200,075)
Cash and cash equivalents beginning of the period	8,220,089	8,628,521
Cash and cash equivalents end of the period	\$ 15,721,093	\$ 5,428,446



Source: Xtract One Technologies Inc.