



## Xtract One Announces Marketed Public Offering of Units and Concurrent Investment by Strategic Partner

April 17, 2024

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**TORONTO, ON – April 17, 2024** — Xtract One Technologies Inc. (TSX: XTRA) (OTCQX: XTRAF) (FRA: 0PL) (**Xtract One**” or the “**Company**”) is pleased to announce that it has entered into an engagement letter with Eight Capital (the “**Agent**”) pursuant to which the Agent has agreed to conduct a public offering of units (the “**Units**”) on a “commercially reasonable best-efforts” marketed basis (the “**Offering**”). Each Unit shall consist of one common share in the capital of the Company (each, a “**Share**”) and one common share purchase warrant (each, a “**Warrant**”). The number of Units to be sold and amount of proceeds to be raised under the Offering will be determined in the context of the market. There can be no assurance as to whether or when the Offering may be completed, or as to the actual size or terms of the Offering.

The Company has granted the Agent an option (the “**Over-Allotment Option**”) to increase the size of the Offering by up to 15%, exercisable in whole or in part at any time, at the sole discretion of the Agent, to acquire either (i) additional Units, (ii) additional Shares or (iii) additional Warrants, or a combination thereof, for a period of 30 days from and including the Closing Date (as defined herein).

The Units will be offered by way of a prospectus supplement (the “**Prospectus Supplement**”) to the Company’s short form base shelf prospectus dated February 6, 2024 (the “**Shelf Prospectus**”), which Prospectus Supplement will be filed with the securities commissions and other similar regulatory authorities in each of the provinces and territories of Canada, except Québec. The Offering is expected to close on or about April 24, 2024 (the “**Closing Date**”) and is subject to certain conditions including, but not limited to, the receipt of all necessary regulatory and stock exchange approvals, including the approval of the Toronto Stock Exchange (the “**TSX**”) and the applicable securities regulatory authorities.

Fees, in cash or securities of the Company or a combination thereof, may be payable to the Agent in accordance with the policies of the TSX.

In addition to and concurrent with the Offering, the Company intends to complete a private placement offering (the “**Concurrent Private Placement**”) of Units to MSG Sports Ventures, LLC (“**MSG Sports**”), a wholly-owned subsidiary of Madison Square Garden Sports Corp. (NYSE: MSGS), in order to permit MSG Sports to maintain its *pro rata* interest in the outstanding securities of the Company. The number of Units to be sold and amount of proceeds to be raised under the Concurrent Private Placement will be based on the size of the Offering and whether, or the extent to which, the Over-Allotment Option is exercised by the Agent. No finder’s fees or commissions will be paid in connection with the Concurrent Private Placement.

Closing of the Concurrent Private Placement is expected to occur concurrently with the closing of the Offering and is subject to certain conditions including, but not limited to, the concurrent completion of the Offering and the receipt of all necessary regulatory approvals, including the approval of the TSX. Closing of the Offering is not conditional on the closing of the Concurrent Private Placement.

The Concurrent Private Placement with MSG Sports will constitute a “related party transaction” within the meaning of Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* (“**MI 61-101**”). The Company is relying on the exemptions from the valuation and minority shareholder approval requirements of MI 61-101 contained in sections 5.5(a) and 5.7(1)(a) of MI 61-101, as the fair market value of the participation in the Concurrent Private Placement by MSG Sports will not exceed 25% of the market capitalization of the Company in accordance with MI 61-101.

Xtract One intends to use the proceeds of the Offering and the Concurrent Private Placement for working capital and general corporate purposes.

Prospective investors should read the Shelf Prospectus, the Prospectus Supplement, once filed, and the documents incorporated by reference therein before making an investment decision. Copies of the Shelf Prospectus and the Prospectus Supplement, following filing thereof, are, or will be, as applicable, available on the Company’s SEDAR+ profile at [www.sedarplus.ca](http://www.sedarplus.ca).

**No securities regulatory authority has either approved or disapproved of the contents of this press release. This press release shall not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the securities, in any jurisdiction in which such offer, solicitation or sale would be unlawful. The securities being offered have not been, nor will they be, registered under the United States Securities Act of 1933, as amended (the “1933 Act”) and may not be offered or sold in the United States or to, or for the account or benefit of, U.S. persons absent**

**registration or an applicable exemption from the registration requirements of the 1933 Act, and applicable state securities laws.**

### **About Xtract One**

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 Gateway product enables companies to covertly screen for weapons at points of entry without disrupting the flow of traffic. Its AI-based software allows venue and building operators to identify weapons and other threats inside and outside of facilities and receive valuable intelligence for optimizing operations. For more information, visit [www.xtractone.com](http://www.xtractone.com) or connect on Facebook, Twitter, and LinkedIn.

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### **FORWARD LOOKING STATEMENTS**

*This news release contains forward-looking statements within the meaning of applicable securities laws. All statements that are not historical facts, including, without limitation, statements regarding the anticipated Closing Date, intended use of proceeds from the Offering and Concurrent Private Placement, future estimates, plans, programs, forecasts, projections, objectives, assumptions, expectations or beliefs of future performance, are "forward-looking statements". Forward-looking statements can be identified by the use of words such as "plans", "expects" or "does not expect", "is expected", "estimates", "intends", "anticipates" or "does not anticipate", "believes", or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved. Such forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results, events or developments to be materially different from any future results, events or developments expressed or implied by such forward looking statements. Such risks and uncertainties include, among others, the Company's limited operating history and lack of historical profits; risks related to the Company's business and financial position; fluctuations in the market price of the Company's common shares; that the Company may not be able to accurately predict its rate of growth and profitability; the failure of the Company and/or the Agent to satisfy closing conditions to the Offering; whether the Over-Allotment Option will be exercised; whether the Concurrent Private Placement will be completed; the failure of the Company to satisfy certain TSX listing requirements; the failure of the Company to use any of the proceeds received from the Offering or the Concurrent Private Placement in a manner consistent with current expectations; reliance on management; the Company's requirements for additional financing, and the effect of capital market conditions and other factors on capital availability; competition, including from more established or better financed competitors; and the need to secure and maintain corporate alliances and partnerships, including with research and development institutions, clients and suppliers. These factors should be considered carefully, and readers are cautioned not to place undue reliance on such forward-looking statements. Although the Company has attempted to identify important risk factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other risk factors that cause actions, events or results to differ from those anticipated, estimated or intended. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in forward-looking statements. The Company has no intention to update any forward-looking statement, even if new information becomes available as a result of future events, new information or for any other reason, except as required by law.*