



Xtract One Releases Second Quarter Fiscal 2023 Results

March 9, 2023

TORONTO, ON – March 9, 2023 (GLOBE NEWSWIRE) — Xtract One Technologies Inc., formerly Patriot One Technologies Inc., (TSX: XTRA) (OTCQX: XTRAF) (FRANKFURT: 0PL) (“Xtract One” or the “Company”) a leading technology-driven threat detection and patron screening solutions company, is pleased to announce its second quarter results for the three and six month periods ended January 31, 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 our Management’s Discussion and Analysis for the periods ended January 31, 2023 and 2022, which can be found under the Company’s profile on SEDAR at www.sedar.com.

“We continue to see accelerating growth in the business on multiple fronts and I am pleased to share our second quarter results with investors for fiscal 2023. The Platform segment continues to be our main driver of growth with an 80% increase in deployments compared to last quarter,” stated Peter Evans, Chief Executive Officer of Xtract One. “Throughout the year, our focus has been on expanding our presence in the marketplace and scaling the business to meet strong demand. We are also very excited to continue our collaboration with our newest strategic partner, and recent investor, Madison Square Garden Sports Corp. With their support and the recently announced \$13.4 million investment, along with the current trajectory we are heading, we are well capitalized to execute on our business strategy.”

Company Highlights for the three months ended January 31, 2023

The following is a summary of the key business highlights for the three months ended January 31, 2023:

- Accelerated topline growth for our Platform business unit with approximately \$0.7 million in revenue for the three months ended January 31, 2023, representing a 212% over the same period in 2022 and a 69% increase over the previous quarter;
- Contractual backlog rose to \$3.9 million, with an additional \$3.0 million pending installation that will be recognized as revenues in future periods;
- Secured a contract with Oak View Group to protect all entrances at Total Mortgage Arena in Bridgeport, Connecticut, which is the home of the New York Islanders’ AHL team, the Bridgeport Islanders;
- Secured a contract with Oak View Group to protect all entrances at Acrisure Arena in Palm Desert, California. This \$300 million world-class venue is the future home of the Seattle Kraken’s AHL team, the Coachella Valley Firebirds;
- Signed a contract with Lakewood School District in Lakewood, New Jersey to help ensure weapons are not brought into schools throughout the Lakewood Township district;
- Signed a contract to secure entrances at Hyundai Transys in West Point, Georgia to protect workers and staff from weapons entering the manufacturing plant;
- The Company completed its corporate rebranding including changing the Company’s name to Xtract One Technologies;
- Expanded deployment with Tachi Palace Casino Resorts in Lemoore, California to protect their 300,000 square feet expansion which encompasses a casino, hotel, resort, entertainment center, and more; and
- Received two gold awards from American Security Today’s ASTORS 2022 Homeland Security Awards in the categories of “Best Pedestrian Entrance Control” and “Best Metal/Weapons Detection”.

Company Highlights subsequent to the fiscal quarter ended January 31, 2023

The following is a summary of the key business highlights subsequent to the fiscal quarter ended January 31, 2023:

- Completed an investment of \$8.4 million from Madison Square Garden Sports Corp. (“MSG Sports”), with a subsequent investment of \$5 million being conditional on the approval of the Company’s shareholders and all applicable regulatory approvals; and
- Entered into a commercial agreement with Madison Square Garden Entertainment Corp. (“MSG Entertainment”) which allows MSG Entertainment to deploy our SmartGateway solutions across 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, The Chicago Theatre, and MSG Sphere in Las Vegas, which is expected to open in September 2023.

Fiscal 2023 Second Quarter Financial Highlights

- Total revenue was \$0.8 million and \$1.5 million for the three and six month periods ended January 31, 2023 as compared to \$1.2 million and \$1.9 million for the same periods in 2022.
- Platform revenue was \$0.7 million and \$1.1 million for the three and six month periods ended January 31, 2023 as compared to \$0.2 million and \$0.4 million for the same periods in fiscal 2022, representing an increase of 212% and 173% respectively.
- Platform backlog of \$3.4 million as of January 31, 2023, as compared with \$1.2 million as of January 31, 2022, representing an increase of \$2.1 million or 172%. The Platform backlog as of January 31, 2023, excludes an additional \$3.0 million in signed agreements that are pending installation.
- Loss and comprehensive loss was \$4.3 million and \$9.2 million for the three and six months ended January 31, 2023, compared to \$3.1 million and \$4.2 million for the same periods in 2022. The increase in net loss pertains primarily to \$3.3 million in non-dilutive funding received in the prior fiscal year, a decrease in revenue from the Xtract operating segment, as well as increases in certain non-cash expenses.
- Basic and diluted loss per share was \$0.03 and \$0.06 for the three and six month periods ended January 31, 2023, compared to \$0.02 and \$0.03 for the same periods ended in 2022.

Conference Call Details

Xtract One will host a conference call to discuss its annual results on Thursday, March 9, 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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This news 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.