



Xtract One Announces Third Quarter Fiscal 2025 Results

June 5, 2025

Total Backlog Remains at Record Levels; Company Well Positioned for Growth

TORONTO, June 05, 2025 (GLOBE NEWSWIRE) -- Xtract One Technologies Inc. (TSX: XTRA) (OTCQX: XTRAF) (FRA: 0PL) ("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 third quarter results for the three months ended April 30, 2025. All information is in Canadian dollars unless otherwise indicated.

Third Quarter Highlights

- Quarterly revenue of \$3.5 million for the three months ended April 30, 2025 versus \$4.7 million in the prior-year period.
- Gross margin of 57% for the third quarter of fiscal 2025 versus 58% in the prior-year period.
- Total contract value of new bookings¹ was \$4.6 million for the three months ending April 30, 2025 as compared to \$9.5 million for the same period last year.
- Contractual backlog was \$15.4 million at the end of the third quarter as compared to \$13.8 million in the prior-year period, excluding an additional \$21.1 million of agreements pending installation¹ versus approximately \$12.8 million at the end of the third quarter of fiscal 2024.
- Subsequent to the quarter, the Company announced that its new innovative security platform, Xtract One Gateway, has been certified in Canada and the U.S and is on track to start shipping in July, with a current aggregate order value of approximately \$6.7 million across five different customers. The Company has completed numerous demonstrations and trials across the education, healthcare and manufacturing and distribution markets.

"While revenue was lower than anticipated for the quarter due to some delayed deployments, we remain on track for a solid year of performance and continue to have a growing backlog that strengthens our outlook for the future," stated Peter Evans, Chief Executive Officer of Xtract One. "As recently announced, our Xtract One Gateway will start shipping this July, and we already have \$6.7 million of orders in hand. While increasing our expectations for the quarters to come, recent investments in inventory and product rollout reduced our cash level during the period, which was expected. At the same time, we've announced several exciting developments including new wins with the Colorado Rockies and an international entertainment giant which, along with other awards, position us well for the year ahead. We remain upbeat about the fourth quarter and look to end fiscal 2025 on a high note."

Financial Results for the Three Month Period Ended April 30, 2025

Consolidated revenue was \$3.5 million for the three months ended April 30, 2025 as compared to \$4.7 million for the same period last year, reflecting timing of order deployments. Gross profit was \$2.0 million, or a gross profit margin of 57%, in the fiscal 2025 third quarter versus \$2.7 million, or a gross profit margin of 58%, in the prior-year period.

Comprehensive loss was \$3.3 million for the three month period ended April 30, 2025 as compared to \$2.7 million for the same period in fiscal 2024, reflecting a reduced gross profit offset by lower overall operating costs.

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 nine month periods ended April 30, 2025 and 2024, 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, June 6, 2025 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 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](#), [Twitter](#), 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 and Nine Months Ended April 30, 2025 and 2024

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 nine months ended April 30, 2025 and 2024:

	Three months ended April 30,		Nine months ended April 30,	
	2025	2024	2025	2024
Revenue	\$ 3,466,433	\$ 4,683,639	\$ 10,506,459	\$ 10,720,050

Cost of revenue	1,489,181	1,977,223	3,811,031	4,145,551
Gross profit	\$ 1,977,252	\$ 2,706,416	\$ 6,695,428	\$ 6,574,499
Operating expenses				
Selling and marketing	\$ 1,563,446	\$ 1,259,445	\$ 4,451,180	\$ 4,066,829
General and administration	1,854,764	1,936,552	5,367,644	5,277,387
Research and development	1,638,988	2,182,756	5,078,617	5,967,553
Loss on inventory write-down	26,868	4,167	308,297	111,180
Loss on retirement of assets	2,029	40,538	23,704	40,538
Total operating expenses	\$ 5,086,095	\$ 5,423,458	\$ 15,229,442	\$ 15,463,487
Loss before the undernoted	(3,108,843)	(2,717,042)	(8,534,014)	(8,888,988)
Other income				
Interest and other income	28,606	44,704	170,196	197,287
Net loss for the period	\$ (3,080,237)	\$ (2,672,338)	\$ (8,363,818)	\$ (8,691,701)
Other comprehensive income (loss) for the period				
Currency translation differences for foreign operations	(197,348)	-	348,771	-
Comprehensive loss for the period	\$ (3,277,585)	\$ (2,672,338)	\$ (8,015,047)	\$ (8,691,701)
Weighted average number of shares	218,426,987	200,110,734	218,415,199	198,924,490
Basic and diluted loss per share	\$ (0.02)	\$ (0.01)	\$ (0.04)	\$ (0.04)

Unaudited Interim Statements of Financial Position as of April 30, 2025 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 of April 30, 2025 and July 31, 2024:

	April 30, 2025	July 31, 2024
Assets		
Current assets		
Cash and cash equivalents (Note 15)	\$ 1,921,103	\$ 8,628,521
Receivables (Note 4)	1,301,903	3,862,199
Prepaid expenses and deposits	2,423,043	949,012
Current portion of deferred cost of revenue (Note 6)	397,649	371,309
Inventory (Note 5)	3,463,467	3,688,246
	9,507,165	17,499,287
Property and equipment (Note 7)	2,326,031	2,135,956
Intangible assets (Note 8)	4,730,705	4,465,755
Non-current portion of deferred cost of revenue (Note 6)	280,467	496,868
Right of use assets (Note 9)	928,941	344,304
Total assets	\$ 17,773,309	\$ 24,942,170
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	\$ 1,771,976	\$ 3,991,292
Current portion of deferred revenue (Note 10)	5,247,967	3,443,524
Current portion of lease liability (Note 9)	156,797	190,400

	7,176,740	7,625,216
Non-Current liabilities		
Non-current portion of deferred revenue (Note 10)	2,841,068	3,155,579
Non-current portion of lease liability (Note 9)	923,972	190,526
	\$ 10,941,780	\$ 10,971,321
Shareholders' equity		
Share capital (Note 13)	\$ 144,398,090	\$ 144,372,452
Contributed surplus	17,014,039	16,163,950
Accumulated deficit	(154,929,371)	(146,565,553)
Accumulated other comprehensive income	348,771	-
	\$ 6,831,529	\$ 13,970,849
Total liabilities and shareholders' equity	\$ 17,773,309	\$ 24,942,170

Unaudited Interim Statements of Cash Flows for the Nine Months Ended April 30, 2025 and 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 cash flows for the nine month periods ended April 30, 2025 and 2024:

	Nine months ended April 30,	
	2025	2024
Cash flow used in operating activities		
Loss for the period	\$ (8,363,818)	\$ (8,691,701)
Adjustment for:		
Share-based compensation (Notes 13, 14)	858,758	668,555
Depreciation (Notes 7, 9, 12)	1,084,022	938,567
Amortization (Notes 8, 12)	637,279	604,425
Finance cost (Notes 9)	34,020	17,839
Loss on retirement of assets	23,704	40,538
Loss on inventory (Note 5)	308,297	111,180
	(5,417,738)	(6,310,597)
Changes in non-cash working capital		
Receivables	2,610,436	(3,266,008)
Prepaid expenses and deposits	(1,469,555)	334,746
Inventory	(793,081)	(3,664,444)
Deferred cost of revenue (Note 6)	190,061	172,754
Accounts payable and accrued liabilities	(2,232,051)	942,696
Deferred revenue	1,540,851	5,357,879
Cash used in operating activities	(5,571,077)	(6,432,974)
Cash flow used in investing activities		
Purchase of property, plant and equipment (Note 7)	(185,045)	-
Internally developed intangible assets (Note 8)	(729,730)	-
Proceeds from disposal of property, plant and equipment	1,000	-
Acquisition of right of use asset (Note 9)	(5,028)	-
Cash used in investing activities	(918,803)	-
Cash flow used in financing activities		
Proceeds on issue of share capital	16,970	8,131,985
Lease payments (Note 9)	(214,358)	(286,066)

Cash (used) received in financing activities	(197,388)	7,845,919
Effect of exchange rate changes on cash and cash equivalents	(20,150)	-
Net (decrease) increase in cash and cash equivalents for the period	\$ (6,707,418)	\$ 1,412,945
Cash and cash equivalents beginning of the period	8,628,521	8,327,449
Cash and cash equivalents end of the period	\$ 1,921,103	\$ 9,740,394



Source: Xtract One Technologies Inc.