



Xtract One Announces Fiscal 2026 Fourth Quarter and Full Year Results

October 21, 2026

- **Record annual revenue of \$28.8 million, up 108% year over year**
- **Net loss improved by \$4.9 million, or 41% year over year**
- **Adjusted EBITDA¹ improved by \$5.1 million or 59% year over year**
- **Cash balance of \$17.3 million, with positive cash flow from operations in the fourth quarter**
- **Contractual backlog up 66% to \$25.6 million year over year**

TORONTO, Oct. 21, 2026 (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 its fiscal fourth quarter and annual results for the three months and year ended July 31, 2026. All information is in Canadian dollars unless otherwise indicated.

"Fiscal 2026 was the year Xtract One proved it could scale," said Peter Evans, Chief Executive Officer of Xtract One. "Revenue more than doubled to \$28.8 million and we completed the first full year of Xtract One Gateway commercial deployments across schools, hospitals, workplaces and manufacturing sites. We did it while holding operating expense growth to 13%, which improved Adjusted EBITDA¹ by \$5.1 million and allowed us to generate cash from operations in the fourth quarter. The second half of the year was very close to breakeven on Adjusted EBITDA¹ given a record breaking second half of the year with \$18.5 million in revenue compared to \$6.8 million in the prior year.

With our contractual backlog growing by 66%, we enter fiscal 2027 with a growing recurring revenue base, a balance sheet that funds our plan and two proven, complementary products backed by the installation capacity and customer references to turn an expanding pipeline, including Fortune 100 organizations, into continued momentum."

Fiscal 2026 Financial Highlights

All comparisons below are to the year ended July 31, 2025, unless otherwise noted.

- Revenue of \$28.8 million as compared to \$13.9 million, an increase of 108%, driven by a record number of deployments of SmartGateway and the first full year of commercial deployment of Xtract One Gateway.
- Gross margin of 58% as compared to 66%, reflecting the higher initial production and installation costs of Xtract One Gateway in its first year of production and its larger share of installations.
- Total contract value of new bookings¹ of \$32.2 million as compared to \$38.5 million, which included a record \$16.5 million in the fourth quarter of fiscal 2025.
- Contractual backlog of \$25.6 million as compared to \$15.5 million, an increase of 66%, of which \$10.5 million is expected to be recognized as revenue within the next twelve months. This excludes an additional \$18.4 million of agreements pending installation¹ as compared to \$34.0 million, with the decrease reflecting the higher number of installations completed during the year.
- Operating expenses of \$24.0 million as compared to \$21.1 million, an increase of 13% against revenue growth of 108%, primarily reflecting higher selling and marketing expenses.
- Comprehensive loss of \$6.8 million as compared to \$11.5 million.
- Adjusted EBITDA¹ of negative \$3.5 million as compared to negative \$8.6 million, an improvement of \$5.1 million or 59%.
- Cash used in operating activities of \$3.5 million as compared to \$6.5 million.
- The Company ended the year with cash and cash equivalents of \$17.3 million as compared to \$8.2 million, and no debt.

Fourth Quarter Financial Highlights

All comparisons below are to the three months ended July 31, 2025, unless otherwise noted.

- Revenue of \$8.2 million as compared to \$3.3 million, an increase of 144%, driven by deployments of Xtract One Gateway and continued growth in revenue from the contractual backlog.
- Gross margin of 57% as compared to 71% in the prior-year period, reflecting a higher proportion of Xtract One Gateway installations driving higher production and installation costs in the quarter.
- Total contract value of new bookings¹ of \$6.0 million as compared to \$16.5 million, a record quarter in fiscal 2025 that included the first set of orders for the new Xtract One Gateway.
- Operating expenses of \$6.3 million as compared to \$5.9 million, an increase of 6%.
- Comprehensive loss of \$1.1 million as compared to \$3.5 million, an improvement of 67%.
- Adjusted EBITDA¹ of negative \$0.7 million as compared to negative \$2.7 million, an improvement of \$2.0 million.
- Cash generated from operating activities of \$1.9 million as compared to cash used of \$1.0 million.

This press release should be read in conjunction with the Company's Audited Consolidated Financial Statements, prepared in accordance with International Financial Reporting Standards ("IFRS") and the Company's Management's Discussion and Analysis for the years ended July 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, October 22, 2026 at 10:00 am ET. 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 non-IFRS and 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. These 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', '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. Adjusted EBITDA is a non-IFRS financial measure and is net loss for the period, excluding interest and other income, and adding back depreciation, amortization, finance costs and share-based compensation.

The following table provides a reconciliation from net loss for the reporting periods to Adjusted EBITDA (in \$000s):

	Quarter Ended		Year Ended	
	Jul 31, 2026	Jul 31, 2025	Jul 31, 2026	Jul 31, 2025
Net loss for the period	\$ (1,485)	\$ (3,513)	\$ (6,989)	\$ (11,877)
Adjusted for:				
Interest and other income	\$ (130)	\$ (10)	\$ (281)	\$ (180)
Depreciation	483	408	1,585	1,492
Amortization	241	209	957	846
Finance costs	9	11	38	45
Share based compensation	220	192	1,177	1,051
Adjusted EBITDA	\$ (662)	\$ (2,703)	\$ (3,513)	\$ (8,623)

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.

Consolidated Statements of Loss and Comprehensive Loss for the Years Ended July 31, 2026 and 2025

The following table is extracted from the Company's audited consolidated financial statements and presented in Canadian dollars to demonstrate the Statements of Loss and Comprehensive Loss for the years ended July 31, 2026 and 2025:

	2026	2025
Revenue	\$ 28,819,669	\$ 13,853,553
Cost of revenue	12,123,750	4,774,300
Gross profit	\$ 16,695,919	\$ 9,079,253
Operating expenses		
Selling and marketing	\$ 8,160,518	\$ 6,208,637
General and administration	8,567,096	7,610,758
Research and development	7,019,179	6,971,625
Loss on inventory write-down	208,596	321,003
Loss on retirement of assets	10,478	24,199

Total operating expenses	\$	23,965,867	\$	21,136,222
Loss from operations		(7,269,948)		(12,056,969)
Interest and other income		281,137		179,873
Net loss for the year	\$	(6,988,811)	\$	(11,877,096)
Other comprehensive income for the year				
Currency translation differences for foreign operations		236,737		353,618
Comprehensive loss for the year	\$	(6,752,074)	\$	(11,523,478)
Weighted average number of shares		254,595,678		220,864,106
Basic and diluted loss per share	\$	(0.03)	\$	(0.05)

Consolidated Statements of Financial Position as at July 31, 2026 and 2025

		July 31, 2026		July 31, 2025
Assets				
Current assets				
Cash and cash equivalents	\$	17,288,920	\$	8,220,089
Receivables		4,359,671		1,600,176
Prepaid expenses and deposits		2,799,605		2,328,455
Current portion of deferred cost of revenue		354,059		434,284
Inventory		4,308,652		2,829,437
		29,110,907		15,412,441
Property and equipment		3,004,996		2,351,765
Intangible assets		3,598,135		4,527,260
Non-current portion of deferred cost of revenue		335,913		167,850
Right of use assets		679,336		953,513
Total assets	\$	36,729,287	\$	23,412,829
Liabilities				
Current liabilities				
Accounts payable and accrued liabilities	\$	4,466,816	\$	3,027,553
Current portion of deferred revenue		7,366,017		6,142,469
Current portion of lease liability		285,383		252,104
		12,118,216		9,422,126
Non-current liabilities				
Non-current portion of deferred revenue		5,792,627		2,426,834
Non-current portion of lease liability		592,731		878,294
	\$	18,503,574	\$	12,727,254
Shareholders' equity				
Share capital	\$	163,067,680	\$	150,239,300
Contributed surplus		19,999,138		18,535,306
Accumulated deficit		(165,431,460)		(158,442,649)
Accumulated other comprehensive income		590,355		353,618

	\$	18,225,713		10,685,575
Total liabilities and shareholders' equity	\$	36,729,287	\$	23,412,829

The following table is extracted from the Company's audited consolidated financial statements and presented in Canadian dollars to demonstrate the Company's financial position as at July 31, 2026 and 2025:

Consolidated Statements of Cash Flows for the Years Ended July 31, 2026 and 2025

The following table is extracted from the Company's audited consolidated financial statements and presented in Canadian dollars to demonstrate the Company's cash flows for the years ended July 31, 2026 and 2025:

	2026	2025
Cash flow used in operating activities		
Loss for the year	\$ (6,988,811)	\$ (11,877,096)
Adjustment for:		
Share-based compensation	1,176,728	1,050,518
Depreciation	1,584,625	1,492,479
Amortization	956,987	846,175
Finance cost	38,353	45,181
Loss on inventory	208,596	321,003
Loss on retirement of assets	10,478	24,199
	(3,013,044)	(8,097,541)
Changes in non-cash working capital		
Receivables	(2,684,911)	2,313,323
Prepaid expenses and deposits	(465,365)	(1,374,687)
Inventory	(3,255,706)	(674,107)
Deferred cost of revenue	(87,651)	265,837
Accounts payable and accrued liabilities	1,432,348	(977,276)
Deferred revenue	4,539,829	2,003,964
Cash used in operating activities	(3,534,500)	(6,540,487)
Cash flow used in investing activities		
Purchase of property, plant and equipment	(392,679)	(185,725)
Internally developed intangible assets	-	(729,730)
Acquisition of right of use asset	-	(4,518)
Proceeds from disposal of property, plant and equipment	-	163,259
Cash used in investing activities	(392,679)	(756,714)
Cash flow generated from financing activities		
Proceeds on issue of share capital	13,115,484	7,187,687
Lease payments	(290,637)	(285,350)
Cash generated from financing activities	12,824,847	6,902,337
Effect of exchange rate changes on cash and cash equivalents	171,163	(13,568)
Net increase (decrease) in cash and cash equivalents for the year	\$ 9,068,831	\$ (408,432)
Cash and cash equivalents beginning of the year	8,220,089	8,628,521
Cash and cash equivalents end of the year	\$ 17,288,920	\$ 8,220,089

Source: Xtract One Technologies Inc.



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