Form 51-102F3
Material Change Report

ITEM 1 NAME AND ADDRESS OF ISSUER

Xtract One Technologies Inc. (the **"Company"**)
400 - 257 Adelaide Street W.
Toronto, ON M5H 1X9

ITEM 2 DATE OF MATERIAL CHANGE

February 10, 2023

ITEM 3 NEWS RELEASE

News release dated February 13, 2023 was issued and distributed through the facilities of Globewire and filed on SEDAR on February 13, 2023.

ITEM 4 SUMMARY OF MATERIAL CHANGE

On February 13, 2023, the Company announced that Madison Square Garden Sports Corp. (NYSE: MSGS), through its wholly-owned subsidiary MSG Sports Ventures, LLC, will invest up to C$13.4 million (US$10 million) in the Company. The initial investment of C$8.4 million (US$6.3 million) is effective immediately, with the subsequent investment of C$5 million (US$3.7 million) being conditional on the approval of the Company's shareholders and all applicable regulatory approvals (together the "Investment"). The Investment is comprised of the sale of up to 31,925,595 units (each a "**Unit**") at a price of C$0.42 per Unit. Each Unit will be comprised of one common share of the Company (a "**Common Share**") and one Common Share purchase warrant (each a "**Warrant**") exercisable at a price of C$0.60 for a period of five years following the date of its issuance. The initial tranche of the Investment comprised the issuance of 20,000,000 Units for aggregate gross proceeds of C$8,400,000. The proposed second tranche of the Investment will be comprised of the issuance of 11,925,595 Units for aggregate gross proceeds of C$5,008,749.90. All securities issued under the Investment will be subject to Canadian resale restrictions of four months and one day, in addition to applicable US resale restrictions. No commission or fee is or will be paid in connection with the Investment.

ITEM 5.1 FULL DESCRIPTION OF MATERIAL CHANGE

See the Company's news release dated February 13, 2023 attached as Schedule "A" hereto.

ITEM 5.2 DISCLOSURE FOR RESTRUCTURING TRANSACTIONS.

Not applicable.

ITEM 6 RELIANCE ON SUBSECTION 7.1(2) OR (3) OF NATIONAL INSTRUMENT 51-102

Not applicable.

ITEM 7 OMITTED INFORMATION

No information has been omitted on the basis that it is confidential information.

ITEM 8 EXECUTIVE OFFICER

Contact: Peter Evans – CEO and Director
Telephone: (888) 728-1832

ITEM 9 DATE OF REPORT

DATED at Toronto, Ontario, this 13th day of February, 2023.

Schedule "A"

formerly Patriot One Technologies Inc.

Press Inquiries:
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Xtract One Technologies Announces Strategic Investment

Toronto, ON – February 13, 2023 – Xtract One Technologies Inc. (TSX: XTRA)(OTCQX: XTRAF)(FRA:0PL) ("Xtract One"), and Madison Square Garden Sports Corp. (NYSE: MSGS) ("MSG Sports") today announced that MSG Sports will invest up to C$13.4 million (US$10 million) in Xtract One, a leading security technology company that prioritizes the patron access experience by leveraging AI. The initial investment of C$8.4 million (US$6.3 million) is effective immediately, with the subsequent investment of C$5 million (US$3.7 million) being conditional on the approval of Xtract One's shareholders and all applicable regulatory approvals (together the "Investment"). The Investment is comprised of the sale of up to 31,925,595 units (each a "Unit") at a price of C$0.42 per Unit. Each Unit will be comprised of one common share of Xtract One (a "Common Share") and one Common Share purchase warrant (each a "Warrant") exercisable at a price of C$0.60 for a period of five years following the date of its issuance. The initial tranche of the Investment comprised the issuance of 20,000,000 Units for aggregate gross proceeds of C$8,400,000. The proposed second tranche of the Investment will be comprised of the issuance of 11,925,595 Units for aggregate gross proceeds of C$5,008,749.90. All securities issued under the Investment will be subject to Canadian resale restrictions of four months and one day, in addition to applicable US resale restrictions. No commission or fee is or will be paid in connection with the Investment.

The Units issued pursuant to the Investment have not been registered under the United States Securities Act of 1933, as amended, and may not be offered or sold within the United States in the absence of U.S. registration or an applicable exemption from the U.S. registration requirements.

The initial and proposed subsequent equity Investment will enable Xtract One to further innovate its advanced security solution and accelerate its growth into new market segments.

Xtract One is transforming perimeter screening and security, replacing obsolete walk-through metal detectors with a fast, frictionless entry experience, while simultaneously providing a security solution that delivers exceptional experiences and safer environments.

"We are thrilled to announce this investment and partnership with MSG Sports. We continue to see impressive growth in market interest and customer adoption of our security technology solutions," said Peter Evans, CEO of Xtract One. "I believe this relationship will create unique opportunities and benefit multiple industries."

Xtract One will hold a special meeting of shareholders to obtain disinterested shareholder approval of the second tranche of the Investment, currently scheduled for April 11, 2023.

About MSG Sports' Investment

The investment by MSG Sports took place through its wholly-owned subsidiary MSG Sports Ventures, LLC ("MSGSV"), which is located at 2 Penn Plaza, New York, New York 10121.

Prior to its investment, MSGSV did not hold any securities of Xtract One. As a result of its investment for total gross proceeds of C$8.4 million, MSGSV holds 20,000,000 Common Shares and 20,000,000 Warrants, representing approximately 10.92% of the issued and outstanding Common Shares on a non-diluted basis and 19.69% on a partially diluted basis. Should its investment increase to C$13.4 million, MSGSV would hold an aggregate of 31,925,595 Common Shares and 31,925,595 Warrants, representing approximately 16.36% of the issued and outstanding Common Shares on a non-diluted basis, and 28.12% of the issued and outstanding Common Shares on a partially diluted basis, based on the current issued and outstanding Common Shares.

In connection with its investment, MSGSV entered into an investor rights agreement with Xtract One (the "Investor Rights Agreement") pursuant to the terms of which MSGSV has been granted the right to appoint an observer to the board of directors of Xtract One. Under the Investor Rights Agreement, subject to certain limitations set forth therein, MSGSV is also entitled to: (a) certain "demand" registration rights that will allow MSGSV to request that Xtract One (i) qualify for resale under Canadian securities laws and/or (ii) register for resale under the United States Securities Act of 1933, as amended, any Common Shares acquired by MSGSV as a result of its investment or upon exercise of the Warrants (collectively, the "Registrable Securities"); and (b) certain "piggyback" registration rights that will allow MSGSV to include the Registrable Securities in any public offering of equity securities initiated by Xtract One or another shareholder having registration rights.

MSGSV acquired ownership of the Common Shares and Warrants for investment purposes and may, from time to time, acquire additional securities of Xtract One, dispose of some or all of the securities of Xtract One that it holds or continue to hold the Common Shares and Warrants. For additional information, please contact Ari Danes at (212) 465-6072.

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 Multi-Sensor 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 or connect on Facebook, Twitter, and LinkedIn.

For further information, please contact:

Xtract One Inquiries
info@xtractone.com
http://www.xtractone.com/

Investor Relations
xtract1@rbmilestone.com

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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 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”, or “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 obtention of shareholder approval in order to permit the subsequent US$3.7 million investment by MSG Sports; risks related to the Company’s business and financial position; fluctuations in the market price of the Common Shares; that the Company may not be able to accurately predict its rate of growth and profitability; risks related to the COVID-19 pandemic and its impact on the Company, economic conditions, and global markets; the failure of the Company to use any of the proceeds received from the Offering 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 obligation 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.