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Xtract One Technologies Announces Shareholders Approval and Closing of Final Tranche of C\$13.4M Investment by Madison Square Garden Sports

Toronto, ON – April 12, 2023 – Xtract One Technologies Inc. (TSX: XTRA)(OTCQX: XTRAF)(FRA:OPL) (“Xtract One” or the “Company”) today announced that, at the extraordinary meeting of shareholders held on April 11, 2023 (the “Meeting”), Xtract One’s shareholders approved the sale and issuance of 11,925,595 units (the “Units”) at a price of C\$0.42 per Unit to MSG Sports Ventures, LLC (“MSGSV”), an indirect wholly-owned subsidiary of Madison Square Garden Sports Corp. (“MSG Sports”), which sale constitutes the second tranche (the “Second Tranche”) of MSG Sports’ overall investment of C\$13.4 million (US\$10 million) in Xtract One (the “Investment”) as set out in the Company’s news release dated February 13, 2023. The Company is also pleased to announce that the Second Tranche was closed earlier today for gross proceeds of C\$5,008,749.90.

Each Unit is comprised of one common share of Xtract One (a “Common Share”) and one purchase warrant (a “Warrant”), each Warrant being exercisable to acquire an additional Common Share at a price of C\$0.60 until April 12, 2028.

All securities issued under the Investment are subject to Canadian resale restrictions of four months and one day, in addition to applicable US resale restrictions. No commission or fee was 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.

At the meeting, an aggregate of 24,597,664 Common Shares, or 15.074% of the 163,181,722 issued and outstanding Common Shares eligible to be voted on the matter as at the record date (which excludes the Common Shares held by MSGSV and its affiliates), were voted in person or by proxy. 24,130,196 Common Shares (98.1% of Common Shares voted) were voted in favour of approving the issuance of Units under the Second Tranche, with 467,468 Common Shares (1.9% of Common Shares voted) voted against.

The equity Investment enables 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.

“I am pleased that our investors overwhelmingly supported this investment and partnership with MSG Sports. In addition to providing the necessary capital to enable us to further innovate our security solutions, MSG Sports continues to be an outstanding partner for us in terms of their immense influence and brand in the sports industry,” said Peter Evans, CEO of Xtract One. “I believe more than ever that this relationship will create unique opportunities and advancement for our company.”

About MSG Sports’ Investment

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

The Investment, following completion of the Second Tranche, totals C\$13,408,749.90. Prior to the completion of the Second Tranche, MSGSV held an aggregate of 20,000,000 Common Shares and 20,000,000 Warrants, representing approximately 10.92% of the outstanding Common Shares on a non-diluted basis and 19.69% on a partially diluted basis. As a result of the completion of the Second Tranche, MSGSV now holds 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 initial 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](#) 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:

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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 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 lingering effects of 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 Investment 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.