

Xtract One Announces Fiscal 2025 Fourth Quarter and Full Year Results

Total Backlog Climbs to Nearly \$50 Million; Company Expects Revenue Acceleration in Fiscal 2026

TORONTO, ON – October 23, 2025 – Xtract One Technologies Inc. (TSX: XTRA) (OTCQX: XTRAF) (FRA: OPL) (“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 annual results for the year ended July 31, 2025. All information is in Canadian dollars unless otherwise indicated.

“As we close out fiscal 2025, there are many things to celebrate despite revenue falling short of expectations, largely due to the timing of product deployment and increased manufacturing requirements related to the launch of our new Xtract One Gateway,” stated Peter Evans, Chief Executive Officer of Xtract One. “We ended the year with a record backlog owing to several complex, larger deals, including pending installations¹, of nearly \$50 million, bolstering the outlook for 2026 and beyond. Demand for Xtract One Gateway continues to accelerate as customers experience firsthand how effectively the Gateway improves safety while streamlining facility entry, which is evidenced by total bookings from nine customers worth \$13.1 million for the year ended July 31, 2025. This confirms the desire for technology-driven solutions designed to address everyday issues, and we are working hard to increase production and fulfill demand. We have successfully begun commercial deployment of Xtract One Gateway just subsequent to year end, and feedback from these first customers is extremely positive. Overall, the future for our Company looks bright, and we are on track for fiscal 2026 to be our best year ever.”

Fiscal 2025 Financial Highlights

- Annual revenue of \$13.9 million for the twelve months ended July 31, 2025 versus \$16.4 million in the prior-year period.
- Gross margin of 66% for fiscal 2025 versus 63% in fiscal 2024.
- Operating expenses of \$21.1 million for fiscal 2025 versus \$21.6 million in the prior-year period.
- Total contract value of new bookings¹ reached \$38.0 million for the year ended July 31, 2025, up 28% from \$29.8 million in 2024.
- Contractual backlog was \$15.5 million at the end of the fiscal 2025 as compared to \$13.8 million in the prior-year period, excluding an additional \$34.2 million of agreements pending installation¹ versus approximately \$13.0 million at the end of fiscal 2024.
- Comprehensive loss was \$11.5 million for the year ended July 31, 2025 as compared to \$11.1 million in the prior year, reflecting lower gross profit, slightly offset by a decrease in overall operating costs.
- During the year, the Company signed contracts with nine new customers worth over \$13.1 million for its Xtract One Gateway, serving a variety of markets including education, healthcare, and manufacturing/commercial enterprises.

Fourth Quarter Financial Highlights

- Quarterly revenue of \$3.3 million for the three months ended July 31, 2025, versus \$5.6 million in the prior-year period.

- Gross margin of 71% for the fourth quarter of fiscal 2025 versus 65% in the prior-year period.
- Operating expenses of \$5.9 million for fourth quarter of fiscal 2025 versus \$6.1 million in the prior-year period.
- Total contract value of new bookings¹ was \$16.1 million for the three months ending July 31, 2025 – a new record – as compared to \$5.6 million for the same period last year.
- Comprehensive loss was \$3.5 million for the three months ended July 31, 2025 as compared to \$2.4 million for the same period in fiscal 2024, reflecting lower gross profit, slightly offset by a decrease in overall operating costs.

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, 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, October 24, 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 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 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.

Consolidated Statements of Loss and Comprehensive Loss for the Years Ended July 31, 2025 and 2024

The following table is extracted from the Company's consolidated financial statements and presented in Canadian dollars to demonstrate the Statements of Loss and Comprehensive loss for the years ended July 31, 2025 and 2024:

	2025	2024
Revenue	\$ 13,853,553	\$ 16,358,007
Cost of revenue	4,774,300	6,099,988
Gross profit	\$ 9,079,253	\$ 10,258,019
Operating expenses		
Selling and marketing	\$ 6,208,637	\$ 5,593,432
General and administration	7,610,758	7,479,609
Research and development	6,971,625	8,265,043
Loss on inventory write-down	321,003	175,042
Loss on retirement of assets	24,199	95,066
Total operating expenses	\$ 21,136,222	\$ 21,608,192
Loss from operations	\$ (12,056,969)	\$ (11,350,173)
Interest and other income	179,873	285,318
Net loss for the year	\$ (11,877,096)	\$ (11,064,855)
Other comprehensive income for the year		
Currency translation differences from foreign operations	353,618	-
Comprehensive loss for the year	\$ (11,523,478)	\$ (11,064,855)
Weighted average number of shares	220,864,106	203,820,258
Basic and diluted loss per share	\$ (0.05)	\$ (0.05)

Consolidated Statements of Financial Position as at July 31, 2025 and 2024

The following table is extracted from the Company's consolidated financial statements and presented in Canadian dollars to demonstrate the Company's financial position as of July 31, 2025 and July 31, 2024:

	July 31, 2025	July 31, 2024
Assets		
Current assets		
Cash and cash equivalents	\$ 8,220,089	\$ 8,628,521
Receivables	1,600,176	3,862,199
Prepaid expenses and deposits	2,328,455	949,012
Current portion of deferred cost of revenue	434,284	371,309
Inventory	2,829,437	3,688,246
	15,412,441	17,499,287
Property and equipment	2,351,765	2,135,956
Intangible assets	4,527,260	4,465,755
Non-current portion of deferred cost of revenue	167,850	496,868
Right of use assets	953,513	344,304
Total assets	\$ 23,412,829	\$ 24,942,170
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	\$ 3,027,553	\$ 3,991,292
Current portion of deferred revenue	6,142,469	3,443,524
Current portion of lease liability	252,104	190,400
	9,422,126	7,625,216
Non-Current liabilities		
Non-current portion of deferred revenue	2,426,834	3,155,579
Non-current portion of lease liability	878,294	190,526
	\$ 12,727,254	\$ 10,971,321
Shareholders' equity		
Share capital	\$ 150,239,300	\$ 144,372,452
Contributed surplus	18,535,306	16,163,950
Accumulated deficit	(158,442,649)	(146,565,553)
Accumulated other comprehensive income	353,618	-
	\$ 10,685,575	\$ 13,970,849
Total liabilities and shareholders' equity	\$ 23,412,829	\$ 24,942,170

Consolidated Statements of Cash Flows for the Years Ended July 31, 2025 and 2024

The following table is extracted from the Company's consolidated financial statements and presented in Canadian dollars to demonstrate the Company's cash flows for the years ended July 31, 2025 and 2024:

	2025	2024
Cash flow used in operating activities		
Loss for the year	\$ (11,877,096)	\$ (11,064,855)
Adjustment for:		
Share-based compensation	1,050,518	1,036,744
Depreciation	1,492,479	1,303,571
Amortization	846,175	805,900
Finance cost	45,181	22,420
Loss on retirement of assets	24,199	95,066
Loss on inventory	321,003	175,042
	(8,097,541)	(7,626,112)
Changes in non-cash working capital		
Receivables	2,313,323	(3,014,770)
Prepaid expenses and deposits	(1,374,687)	77,656
Inventory	(674,107)	(4,522,739)
Deferred cost of revenue	265,837	250,853
Accounts payable and accrued liabilities	(977,276)	1,471,942
Deferred revenue	2,003,964	5,219,362
Cash used in operating activities	(6,540,487)	(8,143,808)
Cash flow used in investing activities		
Purchase of property, plant and equipment	(185,725)	-
Internally developed intangible assets	(729,730)	(427,955)
Proceeds from disposal of property, plant and equipment	163,259	-
Acquisition of right of use asset, net of right of use liabilities	(4,518)	(1,800)
Cash used in investing activities	(756,714)	(429,755)
Cash flow generated in financing activities		
Net proceeds on issue of share capital	7,187,687	9,256,062
Lease payments	(285,350)	(381,427)
Cash received from financing activities	6,902,337	8,874,635
Effect of exchange rate changes on cash and cash equivalents	(13,568)	-
Net (decrease) increase in cash and cash equivalents for the year	\$ (408,432)	\$ 301,072
Cash and cash equivalents beginning of the year	8,628,521	8,327,449
Cash and cash equivalents end of the year	\$ 8,220,089	\$ 8,628,521