

# Investor Presentation

November 2022

TSX: XTRA || OTCQX: XTRAF



xtract **one**



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# XTRACT ONE IS DISRUPTING THE PHYSICAL SECURITY MARKET

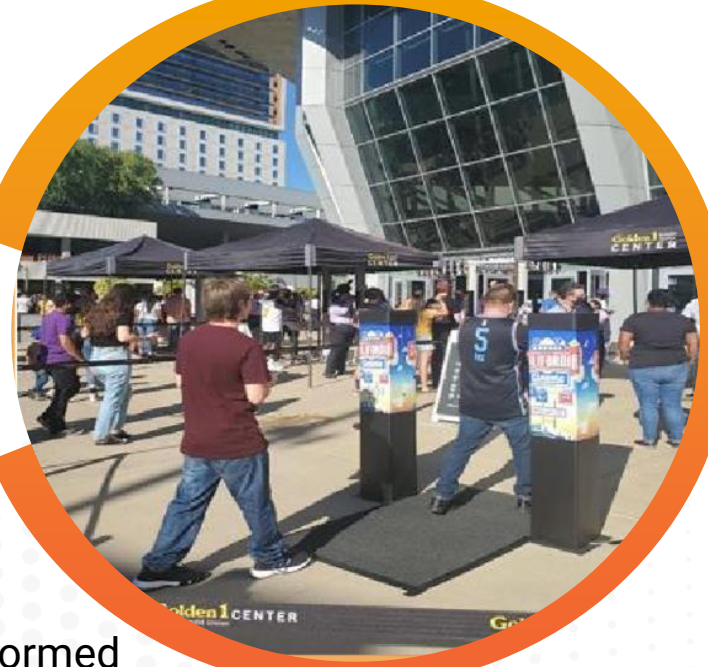
Xtract One delivers a digitally-driven patron screening solution that radically enhances the patrons experience while significantly lowering security risks and costs

# Creating The Next Generation Patron Experience

On Any Given  
Sunday...



...Digitally Transformed



# Why Investors Choose Xtract One

Digital disruption of an existing market with high barriers to entry

Only provider on track to be approved for use in \$4.6B target market

Independently verified and proven technology

AI platform sets stage for entry into \$135B market

Predictable recurring revenue

Compelling customer ROI

# Legacy Technology Creates Poor Patron Experience

## Accelerating Modern Security Threats

- Increasing gun violence
- Weapons proliferation
- Social unrest
- School safety
- Compliance mandates
- Staffing challenges
- Safe City initiatives

## Traditional Solutions Create Friction

- Lengthy wait times
- Poor experience
- Personal infringement
- Labor intensive
- High touch/contact
- Inefficient/costly
- Reactive security



Increasing Demand For  
Patron Screening

Poor Patron  
Experience



# Xtract One's Target Markets

## Initial Focus

Stadiums, Theaters & Event Spaces



- High barriers to entry
- Tight product / market alignment

Casinos



- High gun concerns
- Strong inbound pipeline
- State legislation

Hotels



Manufacturing



Distribution



Hospitals



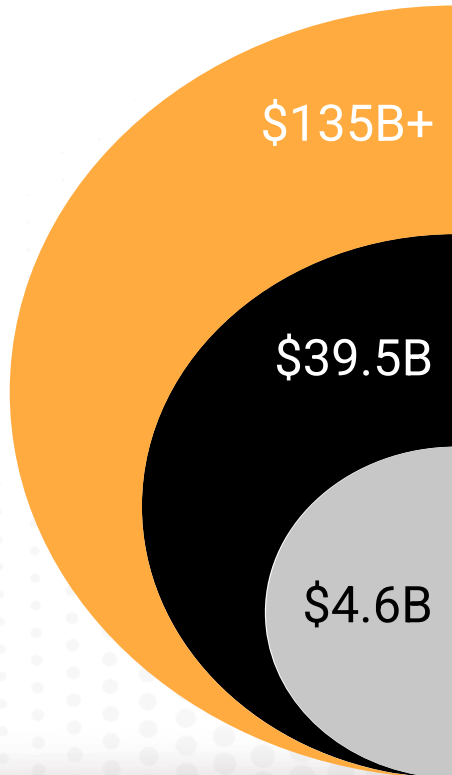
Commercial & Retail Buildings



Schools



# Total Addressable Market



## Enhanced Product Offering and Global Expansion

- Expanded solutions offering
- Global expansion
- Strategic partner channels

## Expanded Market Verticals

- Schools, Commercial Property, Distribution, Manufacturing, Retail, and Hotels in North America
- Solution expansion, addressing a broader set of customer needs
- Integrated solutions with technology partners

## Initial Target Market

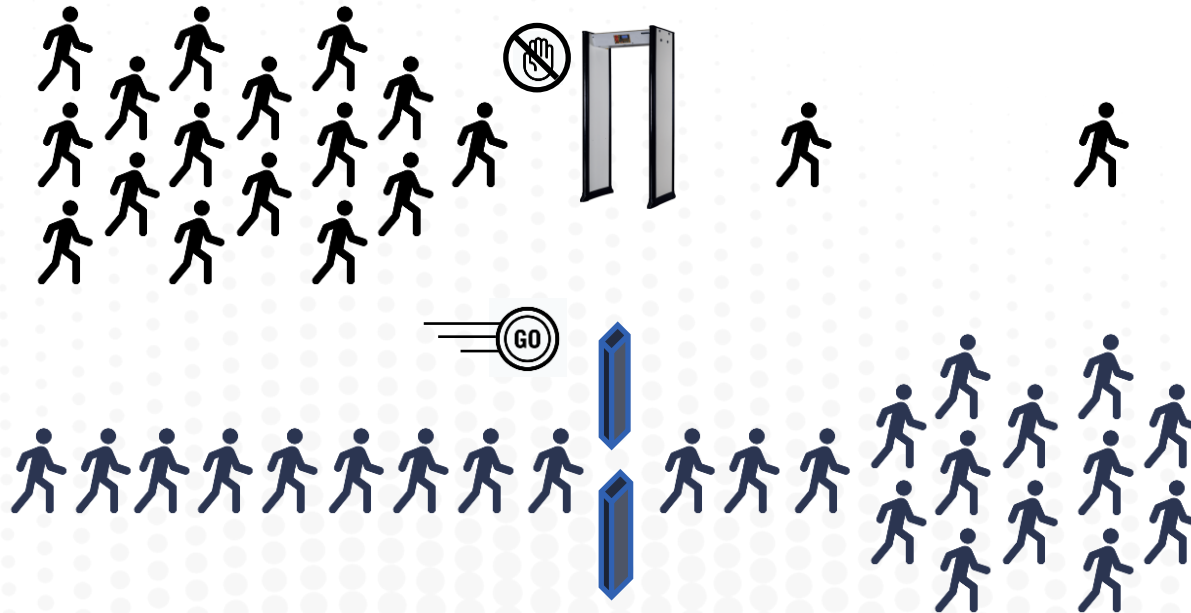
- Stadiums, Casinos, Theaters in North America
- Focus on patron screening, security and improved customer experience
- Target venues seeking a fully integrated subscription solution

Sources: Gartner, IDC, Management Estimates



# Compelling Customer ROI

Technology that can detect the difference between metal and weapons



## Traditional Approach

- X Frustration
- X Delays
- X High security costs



- ✓ Fast
- ✓ Frictionless
- ✓ Lower staff costs

# Enhanced Security & Customer Economics

## 7X

Increase in Patron  
Throughput

### FACTS:

- From 500 per hour to 2,400 per hour
- From 130% patron contact to <10%

### IMPACT:

- Fast, frictionless entry
- "Walk right in" experience
- Personal privacy protected
- Faster entry = more F&B sales

## Up to 80%

OPEX Efficiencies

- 70% Reduced staffing requirement
- Highly scalable digital security model

- Flexible / reduced staffing and operations
- Eliminate escalating labor cost /shortages
- Digital insights for optimized operations, patron traffic, merchandising

## Advanced Digital Security

- Integrated digital vs siloed labor model
- Correlated digital insights well in advance of the event

- Preemptive vs reactive security
- Higher security / lower business risk
- Prevent events before they reach the venue

# Why Customers Choose Xtract One



## Enhanced Security

- Proven highest performing security detection
- High quality AI and advanced business analytics
- Pre-emptive - from first touch to venue operations



## Customer-Centric Business Model

- Flexible SaaS subscription model
- Recognized industry expertise for venue security and patron experience
- Lead through technological innovation



## Superior Patron Experience

- Aligned to necessary venue operations requirements
- Platform Integration for a broad set of future screening reqs
- Maximum operational benefits (traffic flow, costs, staffing)

# Validation in the Real World

**March 2021**

4 Pilots

7 Contracts

\$0.8M Backlog

\$8M Pipeline



**October 2022**

**80+ Pilots**

**39 Contracts**

**\$6.6M Backlog\***

**\$74M Pipeline**

*\*\$4.0M of the current backlog is pending installation and/or successful trial*

# Third Party Verification - NCS4\*

## **Trial:**

- Validates Xtract One's solution in a live stadium environment with 17,000 patrons
- Executed to meet and exceed NHL, NBA, NFL, MLB, live entertainment arenas security specifications

## **Why is this important?**

- Demonstrated Xtract One's performance relative to industry and professional sports leagues' mandatory security standards
- Provides path for league approvals as first (and only) solution for professional sports stadiums throughout North America
- Sets de facto standard for other leagues, NCAA, global leagues

## **Next Steps:**

- "The Floodgates will open for pent-up demand" - League CSO
- Pending contracts signed and begin deployment

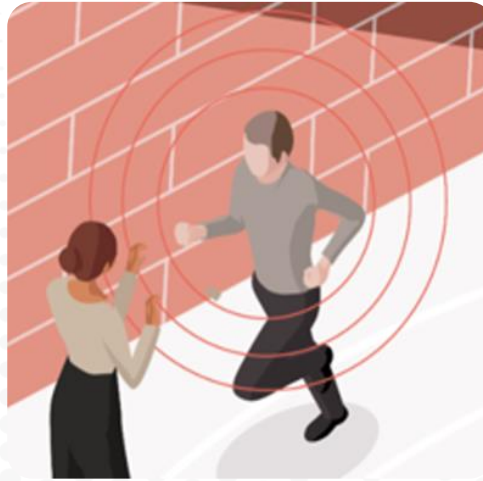


# Integrated Solution



Xtract Gateway

**“Fast frictionless entry”**



Xtract Vision

**“Preemptive insights”**



Xtract One Insights

**“Integrated intelligence”**

# Integration of Patron Screening And Experience

To – Integrated Patron Experience, Patron Screening, and Facility Optimization

From -  
Weapons  
Detection

## Engage



“100 Miles”

- Social Media Scanning
- Threat Intelligence
- Reservation Fraud
- Threat / Crime Detection

## Approach



“100 Feet”

- Crowd Intelligence
- Crowd Routing
- ✓ **Weapons Detection**
- ✓ **Threat / Crime Detection**
- ✓ **Perimeter Security**

## Entry/Exit



“1 Foot”

- ✓ **Weapons Detection**
- Entry Routing
- Automated Ticket Scanning
- Health / Vaccine Verification
- RFID Scanning
- Contraband
- VIP identification

## Inside



“Inside”

- ✓ **Crowd behaviors**
- ✓ **Crowd intelligence and management**
- Marketing / Retail Optimization
- Experience Optimization
- Staff and operations planning
- Data intelligence and insights



# Expanding Revenue Stream



## Patron Gateway

- Initial hardware and software,
- Recurring maintenance / support
- SaaS Delivery



## AI Platform

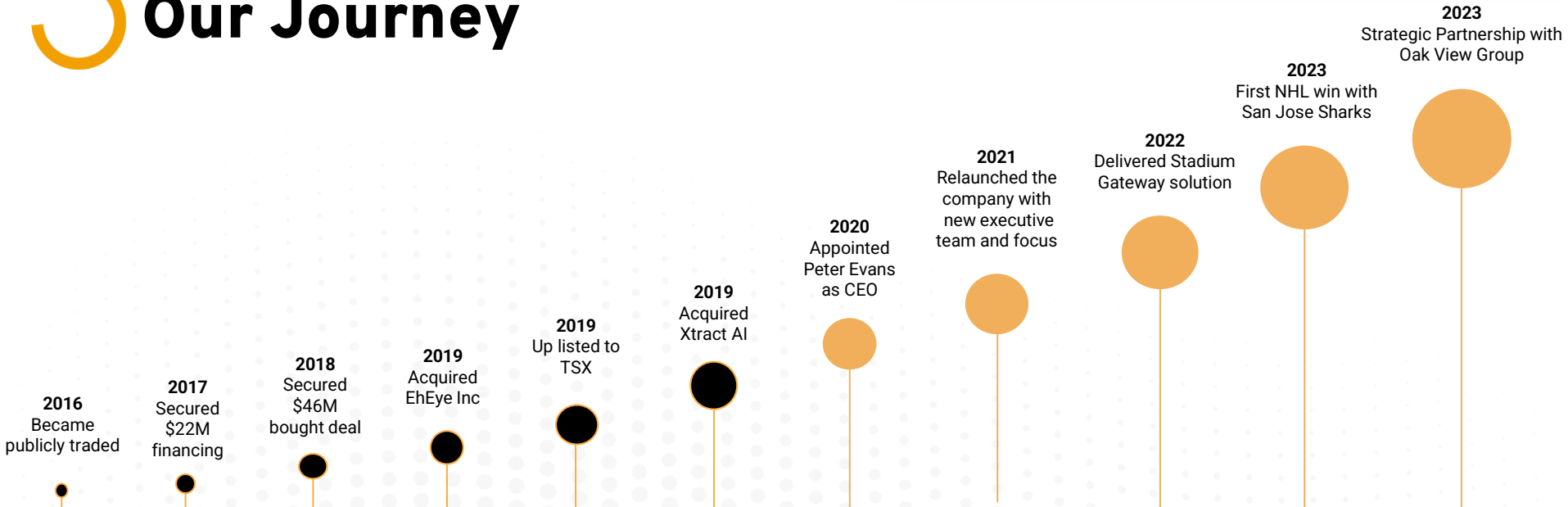
- Initial software
- Professional services

## Future Annuity Revenue

## End-to-End Patron Experience

- Initial hardware and software
- Recurring maintenance / support
- Advanced AI analytics
- Integrated platform & solutions
- Professional services

# Our Journey



# Milestones

## H1 FY2022

- ✓ Completed NSC4 operational exercise validating capabilities per pro-league requirements
- ✓ Completed multiple successful deployments and trials in target segments
- ✓ Won additional contracts building up sales backlog to be \$3.7M with additional \$2.1M signed contracts pending pilots
- ✓ Issued \$50 million base shelf prospectus and raised \$6.9 million of gross proceeds from public offering

## H2 FY2022

- ✓ As of July 31, 235% year-over-year total revenue growth; over 580% revenue growth for Platform operating segment
- ✓ Almost 840% increase in value of total contracts signed for the Platform operating segment
- ✓ Released SmartGateway; designed specifically for sports and live entertainment venues
- ✓ First deployment of an entire arena with Moody Centre in Austin, Texas
- ✓ Expansion to \$35B market segment starting with two major auto manufacturers

## H1 FY2023

- ✓ First contract win to protect the entirety of the SAP Centre, home of the San Jose Sharks
- ✓ Strategic partnership with Oak View Group to enhance the customer experience and increase safety and security across their portfolio of 400+ owned or managed locations
- ✓ Successful deployments at minor league professional arenas including Tech CU Arena and Angel of the Winds Arena

**Financial Year-End: July 31<sup>st</sup>**



# Capital Structure

## TSX & OTCQX

Current Price	C\$0.59 TSX / US\$0.44 OTCQX
Market Capitalization	C\$96.3M TSX / US\$71.8M OTCQX
Shares Outstanding	163.2M
Stock Options \$0.82 Weighted Average Exercise Price	9.7M
Warrants \$0.74 Weighted Average Exercise Price	12.2M
Fully Diluted Shares Outstanding	185.1M
Working Capital As of October 31, 2022	\$2.3M

Capital structure and related figures are as of November 30, 2022

# Leadership Team

Experts in specialized technologies, cyber security, artificial intelligence and machine learning technologies, subscription revenue business models and security sector business development



**PETER EVANS**  
CEO & Director

Peter brings over 25 years of experience with venture capital, private equity, and public enterprise companies in the technology, telecom, SaaS, and cyber-security industries. As a 4-time high-tech CEO, Peter has demonstrated repeated success in driving revenue growth and accelerated profitability, by delivering innovative solutions to target markets, and triggered multiple profitable liquidity events.



**KAREN HERSH**  
CFO & Corporate Secretary

Karen has extensive experience working with high growth technology companies across a broad spectrum of finance activities including strategic planning, financial reporting, and mergers and acquisitions. Formerly the CFO for a global private equity company focused on cybersecurity technologies.



**Grant Evans**  
VP Sales

Grant brings over 10 years of sales and account management experience. He's worked in a variety of technology and security related organizations for most of his career and has always focused on providing customers with the solution that best fits their needs.



**ROBERT LEX**  
SVP Operations

Robert has 25 years' experience in global manufacturing operations and supply chain management. He has led successful operational excellence restructurings built around a set of core principles starting with a customer-centric approach and has developed scalable efficient processes.



**NATHANIEL COUTURE**  
VP Engineering

Nat has over 16 years of experience in the private tech sector with a foundation of technical skills and leadership experience in innovative and socially forward start-ups. He's held a variety of technical roles from CTO to tester and typically plays a critical link between engineering and business.



**Louise Johnson**  
VP Marketing

Louise has built up her expertise in marketing, brand awareness, and customer engagement over her 15+ years as a sales and marketing professional. She has played critical roles in the successful execution of customer acquisition campaigns for innovative technologies and products.

# Board of Directors



**PETER VAN DER GRACHT**  
*Chairman*

A serial technology entrepreneur who has successfully launched, financed, operated and sold five technology companies; including: Nexus, Imedia, Teraspan, Fatport and Wavemakers.



**BILL MAGINAS**  
*Director*

The former President of Johnson Controls Canada brings a great deal of industry expertise to the Board. Bill offers a broad range of expertise include business process improvement, change management, growth, and strategy.



**VICTORIA CALVERT**  
*Director*

Professor Emeritus of Entrepreneurship and International Business at the Bissett School of Business at Mount Royal University with over 30 years in international business operations and consulting.



**JOHN GILLIES**  
*Director*

Over 33 years of federal government experience within national and international security and intelligence environment. Worked with Canadian Security Intelligence Service (CSIS) and RCMP.



**LEA M RAY**  
*Director*

A certified director (ICD.D) of the Institute of Corporate Directors and is a Chartered Professional Accountant. She has served on a number of publicly-listed (TSX) entities.

# Investment Highlights

Significant & growing  
addressable market

High barriers to entry

Digital disruption

Tested & proven  
technology

Competitive  
advantage

Compelling growth &  
momentum

Multiple revenue  
streams

SaaS business

Compelling ROI for  
customers





# THANK YOU