

# Investor Presentation

March 2024

TSX: XTRA || OTCQX: XTRAF || FRA: OPL



xtract one



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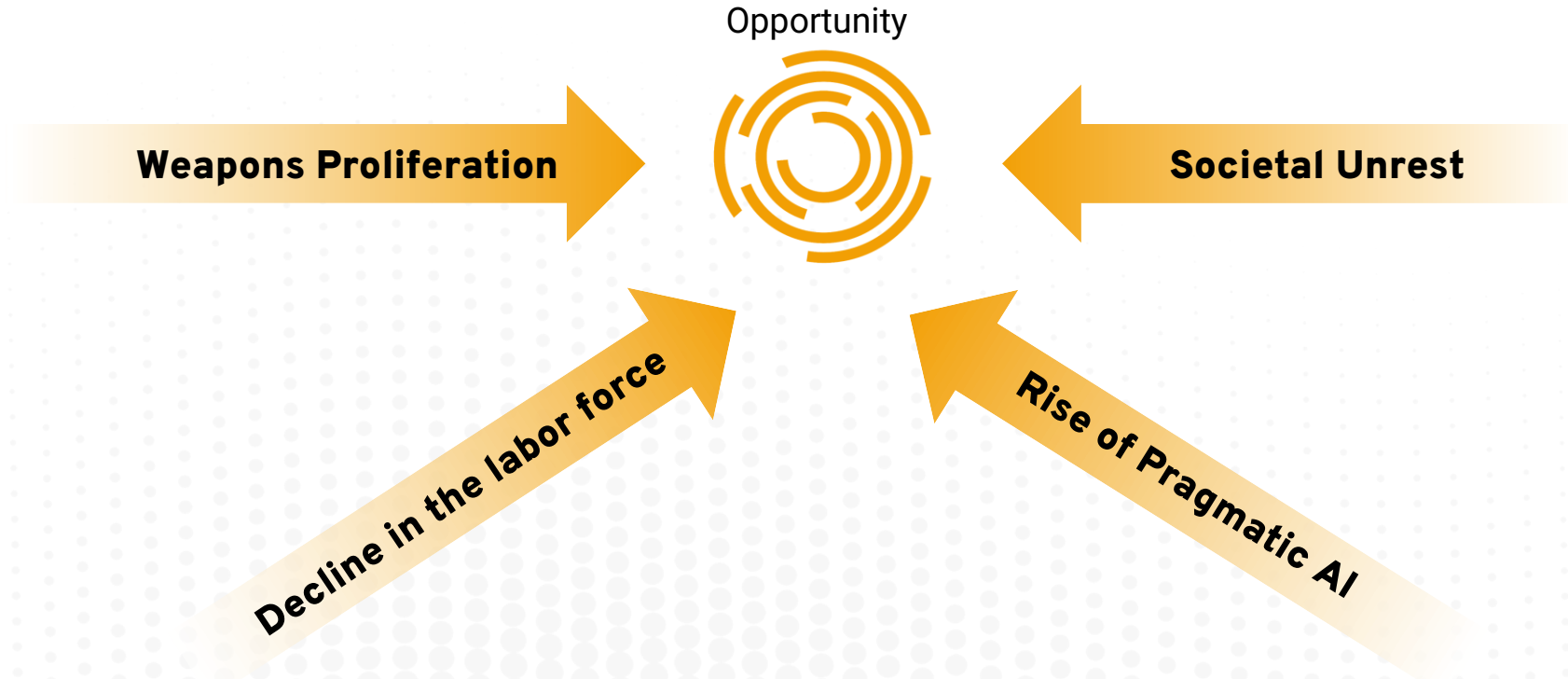
[www.xtractone.com](http://www.xtractone.com)



# XTRACT ONE IS DISRUPTING THE PHYSICAL SECURITY MARKET

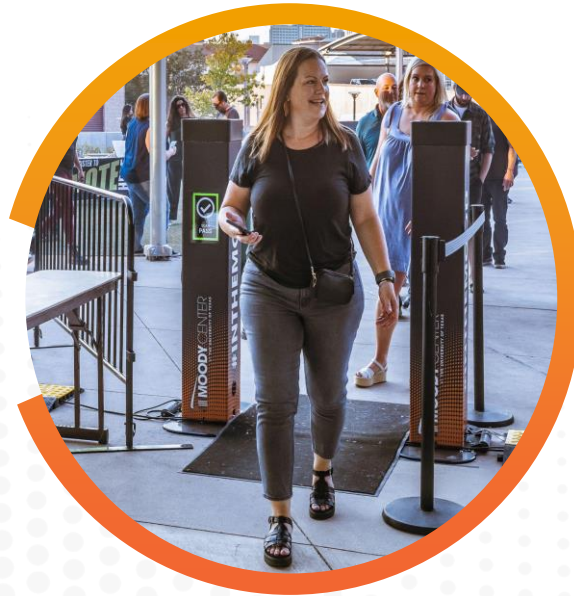
Xtract One delivers a digitally-driven patron screening solution that radically enhances the patrons experience while significantly lowering security risks and costs

# Xtract One - An Interesting Investment Fulcrum Point



# Creating The Next Generation Patron Experience

**From Obsolete  
walk-through  
metal detectors**



**...to transformed  
perimeter  
screening and  
security**

# Why Investors Choose Xtract One

Digital disruption of an existing market with high barriers to entry

Aggressive market “pull” for a solution for weapon threats

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

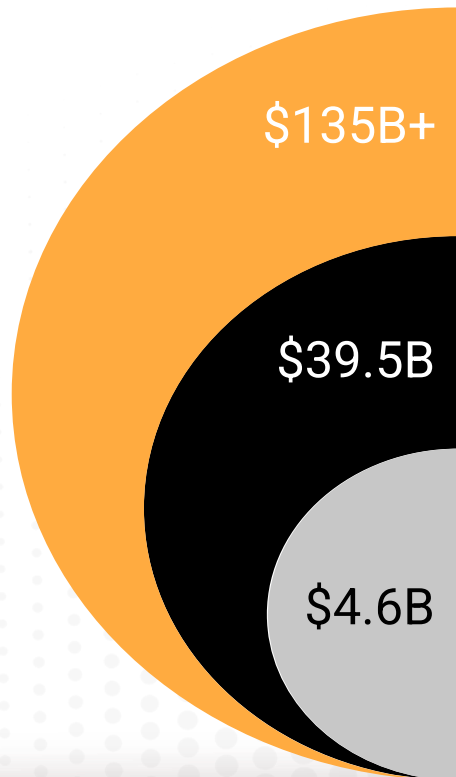


Schools





# 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

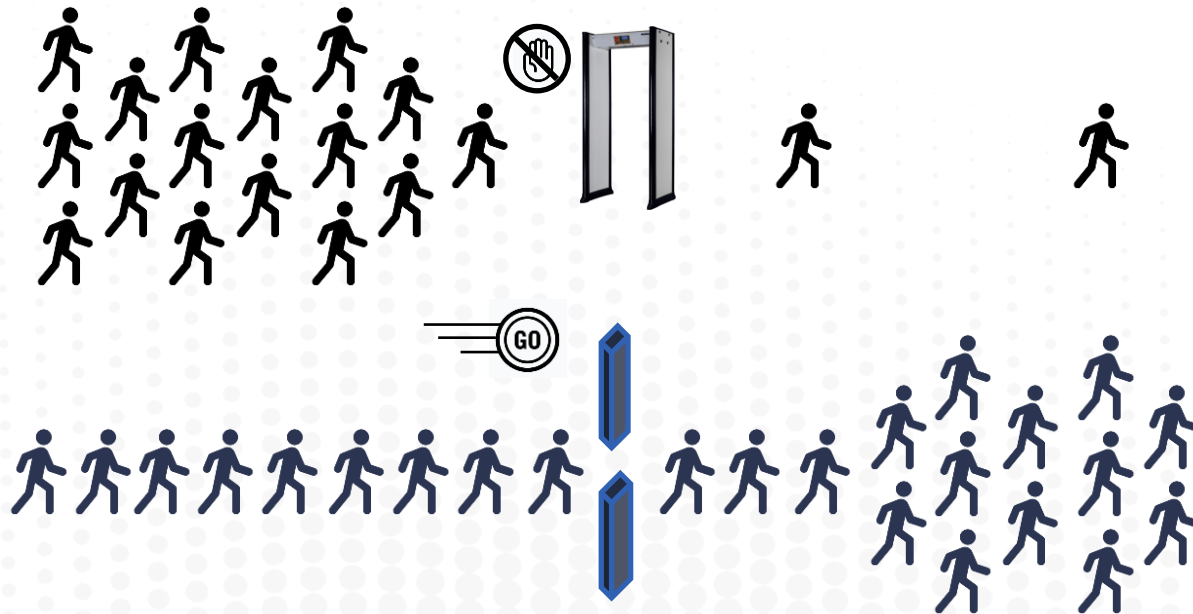
## Initial Target Market

- 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

## FACTS:

## IMPACT:

Up to

**7X**

Increase in Patron  
Throughput

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

- 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

- **Independent verification** – technology detects the **broadest set of firearms and knives vs. competitors**
- High quality AI and advanced business analytics



## Customer-Centric Business Model

- **Software-driven innovation to continuously improve functionality and address customer requested features**
- Flexible SaaS subscription model
- Recognized industry expertise for venue security and patron experience



## Superior Patron Experience

- **Positioned for the future of patron experience** – from first glance to inside-the-venue operations
- Proactive platform integration to address future screening requirements

# Validation in the Real World

## January 2023

41 Contracts

\$6.9M Backlog

\$78M Platform Pipeline

1 Strategic Partnership



## January 2024

72 Contracts

\$22.3M Backlog\*

\$86M Platform Pipeline

3 Strategic Partnerships

\*\$10.0M of the current backlog is pending installation and/or successful trial

# Third Party Verification



- Obtained certifications to 4 National Standards created by the US Department of Justice
- Professional sports build their security requirements based on these standards
- Certified for NIJ-STD-0601-01, NIJ-STD-0601-02, NILECJ-STD-0601.00 Level 2, as well as the Federal Aviation Administration Operational Test Piece



- Documents Xtract One's solution performance in a live stadium environment with 17,000 patrons
- Executed to meet and exceed NHL, NBA, NFL, MLB, live entertainment arenas security specifications
- Provides objective observation and operational considerations for venue operators

# Strategic Partnerships

Oak View Group owns and provides management services to over 350 venues internationally



Madison Square Garden Sports and Sphere Entertainment own some of the most well-known sports and entertainment brands in North America



The American Association of Professional Baseball is premier MLB Professional Partner League comprised of 12 teams





# Integrated Solution



Xtract Gateway

**“Fast frictionless entry”**



Xtract Vision

**“Preemptive insights”**



Xtract One Insights

**“Integrated intelligence”**



# Integration of Patron Screening And Experience

AI-enabled platform leads to continued and evolving capabilities, unlocking full roadmap of services

## 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”

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

#### 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
- ✓ Data intelligence and insights
- Marketing / Retail Optimization
- Experience Optimization
- Staff and operations planning

✓ Denotes Current Offering

# Expanding Revenue Stream



## Xtract One Gateways

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



## AI Platform

- Xtract One Vision
- Xtract One View
- 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

**2016**  
Became  
publicly traded

**2019**  
Up listed to  
TSX

**2019**  
Acquired  
Xtract AI

**2020**  
Appointed  
Peter Evans  
as CEO

**2021**  
Relaunched the  
company with  
new executive  
team and focus

**2022**  
Delivered  
SmartGateway

**2023**  
First NHL win with  
San Jose Sharks

**2023**  
Strategic  
Partnership with  
Oak View Group

**2023**  
Strategic  
Investment from  
MSG Sports

**2023**  
International  
expansion starts  
with US\$5.1  
contract



# Milestones

## FY2023

- ✓ 365% and 344% growth in revenue and total contract value, respectively, for the Platform operating segment
- ✓ \$13.4 million investment from MSG Sports
- ✓ Strategic partnership with Oak View Group to enhance the customer experience and security across their portfolio of 350+ locations
- ✓ Continued expansion into new markets with Sentara Healthcare, Lakewood School Board, and the U.S. Department of Veteran Affairs

## H1 FY2024

- ✓ Record revenue of \$6 million for the first 6 months of the year; up 313% year-over-year
- ✓ Announced largest customer win totaling US\$5.1M with a global live entertainment company
- ✓ Completed deployments for marquee venues such as Sphere, Madison Square Garden and Radio City Music Hall
- ✓ Announced strategic partnership with the American Association of Professional Baseball as the exclusive preferred supplier to improve venue security and guest experience

## FY2024 Targets

- ❑ Obtain DHS Safety Act Designation as an approved technology
- ❑ Secure contracts with 5 professional sports teams
- ❑ Continue expansion into other market segments in North America including Education, Healthcare, Manufacturing, and Distribution
- ❑ Selective expansion into international markets via strategic customers and partners in response to global demand

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



# Capital Structure

## TSX & OTCQX

|   |                                  |
|---|----------------------------------|
| Current Price   | C\$0.72 TSX / US\$0.53 OTCQX     |
| Market Capitalization                                   | C\$143.2M TSX / US\$105.4M OTCQX |
| Shares Outstanding                                      | 198.8M                           |
| Stock Options<br>\$0.68 Weighted Average Exercise Price | 11.3M                            |
| Warrants<br>\$0.63 Weighted Average Exercise Price      | 41.2M                            |
| Fully Diluted Shares Outstanding                        | 251.3M                           |
| Working Capital<br>As of January 31, 2024               | \$1.9M                           |

Capital structure and related figures are as of February 29, 2024

# 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.



**JOSHUA DOUGLAS**  
SVP Product and Engineering

Joshua is a recognized expert in the fields of behavioral analytics, cybersecurity and physical security. With a successful career working as a product management and engineering leader, Joshua has helped companies of all sizes bring products to market with increased customer satisfaction.



**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.



**Chris Feusner**  
VP Sales

Chris is a 20-year security industry veteran that understands how to develop and deploy an effective go-to-market strategies across multiple industries. Chris also has extensive experience developing and overseeing sales expansion through channel partners.



**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, lmedia, 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.



**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.



**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.



**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.

# 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