



Condensed Consolidated Interim Financial Statements

For three and six months ended January 31, 2024 and 2023

(Expressed in Canadian Dollars)

(Unaudited)



Xtract One Technologies Inc.

Condensed Consolidated Interim Statements of Financial Position
(Expressed in Canadian Dollars)
(Unaudited)

	January 31, 2024	July 31, 2023
Assets		
Current assets		
Cash and cash equivalents (Note 15)	\$ 4,192,460	\$ 8,327,449
Receivables (Note 4)	2,151,527	847,429
Prepaid expenses and deposits	626,186	1,026,668
Current portion of deferred cost of revenue (Note 3)	308,474	-
Inventory (Note 5)	1,767,167	1,602,971
	9,045,814	11,804,517
Property and equipment (Note 6)	2,319,476	2,063,817
Intangible assets (Note 7)	4,440,750	4,843,700
Non-current portion of deferred cost of revenue (Note 3)	479,926	-
Right of use assets (Note 8)	212,119	286,796
Total assets	\$ 16,498,085	\$ 18,998,830
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	\$ 2,423,277	\$ 2,519,350
Deferred revenue (Note 9)	4,558,185	1,379,741
Current portion of lease liability (Note 8)	199,652	232,483
	7,181,114	4,131,574
Non-current portion of lease liability (Note 8)	63,420	124,358
	\$ 7,244,534	\$ 4,255,932
Shareholders' equity		
Share capital (Note 12)	\$ 135,954,748	\$ 135,823,337
Contributed surplus	14,818,864	14,420,259
Accumulated deficit	(141,520,061)	(135,500,698)
	\$ 9,253,551	\$ 14,742,898
Total liabilities and shareholders' equity	\$ 16,498,085	\$ 18,998,830
Reporting entity (Note 1)		
Basis of preparation (Note 2)		
Subsequent events (Note 17)		

The accompanying notes form an integral part of these condensed consolidated interim financial statements.

Approved on behalf of the Board:

"Peter Evans"

Director, Chief Executive Officer

"Peter van der Gracht"

Director, Chairman of the Board



Xtract One Technologies Inc.

Condensed Consolidated Interim Statements of Loss and Comprehensive Loss
(Expressed in Canadian Dollars)
(Unaudited)

	Three months ended January 31,		Six months ended January 31,	
	2024	2023	2024	2023
Revenue (Note 9)				
Platform revenue	\$ 2,750,418	\$ 721,334	\$ 5,746,624	\$ 1,147,872
Xtract revenue	169,640	93,590	289,787	313,858
Total revenue	\$ 2,920,058	\$ 814,924	\$ 6,036,411	\$ 1,461,730
Cost of revenue (Note 10)				
Platform cost of revenue	\$ 1,081,337	\$ 385,866	\$ 2,059,899	\$ 579,050
Xtract cost of revenue	55,049	53,711	108,429	168,202
Total cost of revenue	\$ 1,136,386	\$ 439,577	\$ 2,168,328	\$ 747,252
Gross profit	\$ 1,783,672	\$ 375,347	\$ 3,868,083	\$ 714,478
Operating expenses (Notes 11, 13)				
Selling and marketing	\$ 1,299,727	\$ 961,095	\$ 2,807,384	\$ 2,451,454
General and administration	1,693,019	1,810,887	3,340,835	3,388,105
Research and development	2,058,606	1,696,094	3,784,797	3,831,869
Loss on inventory write-down (Note 5)	107,013	314,103	107,013	314,103
Loss on retirement of assets (Note 6)	-	81,274	-	81,274
Total operating expenses	\$ 5,158,365	\$ 4,863,453	\$ 10,040,029	\$ 10,066,805
Loss from operations	(3,374,693)	(4,488,106)	(6,171,946)	(9,352,327)
Other income				
Unrealized gain on investments	-	182,292	-	116,667
Interest and other income	56,543	34,444	152,583	46,106
Loss and comprehensive loss for the period	\$ (3,318,150)	\$ (4,271,370)	\$ (6,019,363)	\$ (9,189,554)
Weighted average number of shares	198,495,594	163,181,255	198,463,158	163,180,233
Basic and diluted loss per share	\$ (0.02)	\$ (0.03)	\$ (0.03)	\$ (0.06)

The accompanying notes form an integral part of these condensed consolidated interim financial statements.



Xtract One Technologies Inc.

Condensed Consolidated Interim Statements of Changes in Shareholders' Equity
(Expressed in Canadian Dollars)
(Unaudited)

	Share Capital		Contributed surplus	Accumulated deficit	Total
	Number of shares	Amount			
Balance - July 31, 2023	198,248,575	\$ 135,823,337	\$ 14,420,259	\$ (135,500,698)	\$ 14,742,898
Shares issued on the exercise of stock options (Notes 12, 14)	182,500	131,411	(46,562)	-	84,849
Share-based compensation (Notes 11, 12)	-	-	445,167	-	445,167
Loss for the period	-	-	-	(6,019,363)	(6,019,363)
Balance - January 31, 2024	198,431,075	\$ 135,954,748	\$ 14,818,864	\$ (141,520,061)	\$ 9,253,551
Balance - July 31, 2022	163,179,222	\$ 119,796,584	\$ 13,912,816	\$ (119,164,225)	\$ 14,545,175
Shares issued on the exercise of stock options (Notes 12, 14)	2,500	1,487	(537)	-	950
Share-based compensation (Notes 11, 12)	-	-	529,942	-	529,942
Loss for the period	-	-	-	(9,189,554)	(9,189,554)
Balance - January 31, 2023	163,181,722	\$ 119,798,071	\$ 14,442,221	\$ (128,353,779)	\$ 5,886,513

The accompanying notes form an integral part of these condensed consolidated interim financial statements.



Xtract One Technologies Inc.

Condensed Consolidated Interim Statements of Cash Flows
(Expressed in Canadian Dollars)
(Unaudited)

	Six months ended January 31,	
	2024	2023
Cash flow used in operating activities		
Loss and comprehensive loss for the period	\$ (6,019,363)	\$ (9,189,554)
Adjustment for:		
Share-based compensation (Note 11, 12)	445,167	529,942
Depreciation (Notes 6, 8, 11)	608,308	414,539
Amortization (Notes 7, 11)	402,950	402,950
Finance cost (Note 8)	12,212	24,413
Loss on inventory (Note 5)	107,013	314,103
Loss on retirement of assets (Note 6)	-	81,274
Other income (Note 14)	-	(20,000)
Unrealized gain on investments	-	(116,667)
	(4,443,713)	(7,559,000)
Changes in non-cash working capital		
Receivables	(1,304,098)	1,250,527
Prepaid expenses and deposits	400,482	140,322
Inventory	(1,838,646)	(818,202)
Deferred cost of revenue (Note 3)	74,264	-
Accounts payable and accrued liabilities	(96,073)	1,697,862
Deferred revenue	3,178,444	205,832
Cash used in operating activities	(4,029,340)	(5,082,659)
Cash flow used in investing activities		
Purchase of property and equipment (Note 6)	-	(32,539)
Cash used in investing activities	-	(32,539)
Cash flow from financing activities		
Proceeds on issue of share capital	84,849	950
Lease payments (Note 8)	(190,498)	(186,384)
Cash used in financing activities	(105,649)	(185,434)
Net decrease in cash for the period	\$ (4,134,989)	\$ (5,300,632)
Cash beginning of the period	8,327,449	6,277,321
Cash end of the period	\$ 4,192,460	\$ 976,689

Supplemental cash flow information (Note 14)

The accompanying notes form an integral part of the condensed consolidated interim financial statements.



Xtract One Technologies Inc.

Notes to the Condensed Consolidated Interim Financial Statements

Three and six months ended January 31, 2024, and 2023

(Expressed in Canadian Dollars)

(Unaudited)

1. Reporting entity

Xtract One Technologies Inc. (the "Company") was incorporated under the Business Corporation Act of British Columbia. Its common shares are listed under the trading symbol "XTRA" on the Toronto Stock Exchange in Canada, "XTRAF" on the OTCQX in the United States, and "OPL" on the Frankfurt Stock Exchange in Germany. The Company's wholly owned subsidiaries include Xtract One Detection Ltd. ("Xtract Detection"), Patriot One (UK) Limited ("Patriot UK"), Xtract One (US) Technologies Inc. ("Xtract US"), EhEye Inc. ("EhEye") and Xtract Technologies Inc. ("Xtract"). The principal business of the Company is the development and commercialization of an integrated, layered, AI-powered threat detection gateway solution, referred to as the "Platform", to enhance public health and safety.

The Company's head office is located at 400-257 Adelaide Street West, Toronto, Ontario, Canada, M5H 1X9, and its registered and records office is located at Bentall 5, 2501 - 550 Burrard Street, Vancouver, British Columbia, Canada, V6C 2B5.

2. Basis of preparation

(a) Statement of compliance

These condensed consolidated interim financial statements, including the comparative period, have been prepared in accordance with the International Accounting Standard ("IAS 34"), Interim Financial Reporting, as issued by the International Accounting Standards Board ("IASB"). Accordingly, certain disclosures normally included in annual financial statements prepared in accordance with IFRS Accounting Standards as issued by the IASB have been omitted or condensed, and therefore, these condensed consolidated interim financial statements should be read in conjunction with the Company's annual consolidated financial statements as at July 31, 2023. These condensed consolidated interim financial statements were approved for issuance by the Board of Directors on March 7, 2024.

(b) Principles of consolidation

These condensed consolidated interim financial statements include the accounts of the Company and its wholly owned subsidiaries, Xtract Detection, Patriot UK, Xtract US, EhEye, and Xtract. Subsidiaries are entities controlled by the Company. Control exists when the Company has the power to govern the financial and operating policies of an entity directly or indirectly so as to obtain benefits from its activities. In assessing control, potential voting rights that are currently exercisable or convertible are taken into account in the assessment of whether control exists. Subsidiaries are consolidated from the date on which control is transferred to the Company and deconsolidated from the date on which control ceases.

All significant intercompany balances and transactions have been eliminated on consolidation.



Xtract One Technologies Inc.

Notes to the Condensed Consolidated Interim Financial Statements

Three and six months ended January 31, 2024, and 2023

(Expressed in Canadian Dollars)

(Unaudited)

(c) Functional and presentation currency

The functional currency of the Company and its subsidiaries is the Canadian dollar, and these condensed consolidated interim financial statements are presented in Canadian dollars.

(d) Comparative figures

As at August 1, 2023, the Company changed its accounting for the presentation of its consolidated statements of loss and comprehensive loss from 'by nature' to 'by function'. The Company made this change in presentation to provide more relevant financial information to facilitate peer benchmarking. The Company has amended the prior year's presentation to conform to the current year's presentation.

As a result, hardware expenses, along with other direct costs attributable to the production of goods were reclassified to cost of revenue to appropriately reflect the function of the expense and facilitate the gross profit calculation. The Company considers items such as customer support, freight, installation, depreciation, and sales commissions directly attributable to the cost of revenue.

Personnel fees, professional fees, share-based compensation, depreciation, and amortization costs were reclassified amongst the cost of revenue, general and administrative, selling and marketing, and research and development expenses as required to appropriately reflect the function of these expenses. Further disclosure of the breakdown of the nature of expenses can be found in Note 11.

Comparative amounts for the three and six months ended January 31, 2023, in the consolidated interim statements of loss and comprehensive loss, have been reclassified for consistency. Since these amounts are within operating activities in the consolidated interim statements of loss and comprehensive loss, this reclassification did not have any effect on the consolidated statements of financial position or the consolidated statements of cash flows.

A summary of the reclassification of the prior year comparative figures is as follows:

	Three months ended January 31, 2023			Six months ended January 31, 2023		
	Balance		Balance	Balance		Balance
	by nature	Reclassification	by function	by nature	Reclassification	by function
Cost of revenue	\$ -	\$ 439,577	\$ 439,577	\$ -	\$ 747,252	\$ 747,252
Sales and marketing	472,194	488,901	961,095	1,261,341	1,190,113	2,451,454
General and administration	407,013	1,403,874	1,810,887	800,922	2,587,183	3,388,105
Research and development	1,451,128	244,966	1,696,094	3,451,825	380,044	3,831,869
Personnel costs	1,240,362	(1,240,362)	-	2,812,226	(2,812,226)	-
Professional fees	331,301	(331,301)	-	423,741	(423,741)	-
Hardware	263,057	(263,057)	-	413,335	(413,335)	-
Amortization	201,475	(201,475)	-	402,950	(402,950)	-
Depreciation	161,652	(161,652)	-	322,398	(322,398)	-
Share-based compensation	379,471	(379,471)	-	529,942	(529,942)	-
	\$ 4,907,653	-	\$ 4,907,653	\$ 10,418,680	-	\$ 10,418,680



Xtract One Technologies Inc.

Notes to the Condensed Consolidated Interim Financial Statements
Three and six months ended January 31, 2024, and 2023
(Expressed in Canadian Dollars)
(Unaudited)

3. Material accounting policies

The accounting policies, estimates, and judgments used in the preparation of these condensed consolidated interim financial statements should be read in conjunction with the annual consolidated financial statements and notes thereto for the year ended July 31, 2023, as these condensed consolidated interim financial statements follow the same accounting policies and methods of application, with the exception of the policies implemented during the period ended January 31, 2024.

(a) Material accounting policies implemented during the six month period ended January 31, 2024

Deferred cost of revenue

During the six month period ended January 31, 2024, the Company incurred costs for the hardware and software delivered to a customer in advance of recognizing revenue. These costs are recorded as deferred costs of revenue and are carried forward until the related revenues are recognized, at which time they are expensed. Deferred cost of revenue is recorded at the lower of cost and net realizable value. For the six month period ended January 31, 2024, the Company recognized \$862,644 (Notes 5, 6) (July 31, 2023 - \$nil) in deferred cost of revenue, and expensed \$74,264 (January 31, 2023 - \$nil) of these costs as a component of cost of revenue.

(b) Material accounting judgments, estimates, and assumptions

The preparation of these condensed consolidated interim financial statements in conformity with IFRS requires management to make judgments, estimates, and assumptions that affect the reported amount of assets, liabilities, and contingent liabilities at the date of the condensed consolidated interim financial statements and reported amounts of revenues and expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates.

Material areas requiring the use of management estimates and judgments include:

Share-based compensation

The fair value of stock options granted is measured using the Black-Scholes option pricing model. Measurement inputs include the share price on the measurement date, the exercise price of the option, expected volatility, expected life of the options, expected dividends, and risk-free interest rate. These estimates will impact the valuation of share-based compensation.

Deferred income tax assets and liabilities

The measurement of deferred income tax provision is subject to the uncertainty associated with the timing of future events and changes in legislation, tax rates, and interpretations by tax authorities.



Xtract One Technologies Inc.

Notes to the Condensed Consolidated Interim Financial Statements

Three and six months ended January 31, 2024, and 2023

(Expressed in Canadian Dollars)

(Unaudited)

The estimation of taxes includes evaluating the recoverability of deferred tax assets based on an assessment of the Company's ability to utilize the underlying future tax deductions against future taxable income before the expiry of those deductions. Management assesses whether it is probable that some or all of the deferred income tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income, which in turn is dependent upon the successful operations of the Company. To the extent that management's assessment of the Company's ability to utilize future tax deductions changes, the Company would be required to recognize more or fewer deferred tax assets, and deferred tax provisions or recoveries could be affected.

Treatment of development costs

Costs to develop products are capitalized to the extent that the criteria for recognition as intangible assets in IAS 38 *Intangible Assets* are met. Those criteria require that the product is technically, and economically feasible, which management assesses based on the attributes of the development project, perceived user needs, industry trends, and expected future economic conditions. Management considers these factors in aggregate and applies significant judgment to determine whether the product is feasible.

Estimated useful lives, depreciation, and amortization of property and equipment and intangible assets

Depreciation and amortization of property, equipment, and intangible assets are dependent upon estimates of useful lives, which are determined through the exercise of judgment. The assessment of any impairment of these assets is dependent upon estimates of recoverable amounts that take into account factors such as economic and market conditions and the useful lives of the assets.

Right of use lease assets and liabilities

The right-of-use assets and liabilities are measured at the present value of future lease payments discounted using the rate implicit in the lease or incremental borrowing rate for the Company estimated based on comparable companies' borrowing rates if the rate implicit in the lease is not readily determined. These assumptions will impact the valuation of right-of-use assets and liabilities and finance costs.

Revenue recognition

Revenue arising from the sale of or subscription to use the Platform is recognized as the Company fulfills its performance obligations. There are significant estimates made in determining and measuring performance obligations that could impact the timing of revenue recognition.

Xtract contract revenue is recognized in proportion to the stage of completion of each contract. Significant assumptions are used to determine the stage of completion and changes in these assumptions could impact the revenue recognized during the period.



Xtract One Technologies Inc.

Notes to the Condensed Consolidated Interim Financial Statements
Three and six months ended January 31, 2024, and 2023
(Expressed in Canadian Dollars)
(Unaudited)

Going concern

The preparation of the Company's condensed consolidated interim financial statements requires management to identify whether the Company and its subsidiaries will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the ordinary course of operations. A different basis of measurement may be appropriate if the Company is not expected to continue operations for the foreseeable future. To assess this, the Company must identify events and conditions that may indicate significant doubt about the Company's ability to continue as a going concern. The Company considers whether its plans that are intended to mitigate those relevant conditions or events will alleviate the potential significant doubt.

The ability of the Company to continue as a going concern is dependent on either a single or a combination of events occurring - obtaining additional financing through the issuance of debt or equity, and/or generating profit through its operations. There is a risk that additional financing will not be available on a timely basis or terms acceptable to the Company or that profitable operations will not be achieved. These matters result in material uncertainties which may cast significant doubt on whether the Company will continue as a going concern.

The Company manages its liquidity risk to meet its contractual obligations by ensuring there is appropriate cash on hand and obtaining other opportunities for financing. The Company identifies when funds are required through the planning and budgeting process to support the Company's normal operations. The Company's ability to continue as a going concern involves significant judgments and estimates while determining forecasted cash flows and is dependent on the Company's ability to obtain financing.

These condensed consolidated interim financial statements do not reflect adjustments that would be necessary if the going concern assumption were not appropriate. If the going concern basis was not appropriate for these condensed consolidated interim financial statements, then adjustments would be necessary for the carrying value of assets and liabilities, the reported revenues and expenses, and the statement of financial position classification used.

(c) New accounting standards issued but not yet in effect

Classification of liabilities as current or non-current (Amendments to IAS 1)

The IASB has published the Classification of Liabilities as Current or Non-Current (Amendments to IAS 1) which clarified the guidance on whether a liability should be classified as either current or non-current.

The amendments:

- i. Clarify that the classification of liabilities as current or non-current should be based on whether rights to defer exist at the end of the reporting period;
- ii. Clarify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability; and



Xtract One Technologies Inc.

Notes to the Condensed Consolidated Interim Financial Statements

Three and six months ended January 31, 2024, and 2023

(Expressed in Canadian Dollars)

(Unaudited)

- iii. Make clear that settlement includes transfers to the counterparty of cash, equity instruments, other assets, or services that result in the extinguishment of the liability.

This amendment is effective for annual periods beginning on or after January 1, 2024. Earlier application is permitted. The Company does not expect the adoption of this new amendment to have a significant impact on the consolidated financial statements and its respective disclosures.

4. Receivables

Receivables are comprised of the following:

	January 31, 2024	July 31, 2023
Trade receivables	\$ 1,513,207	\$ 512,926
Taxes receivable	638,320	334,503
	\$ 2,151,527	\$ 847,429

As of January 31, 2024, the Company had made a provision of \$52,306 for uncollectible accounts (July 31, 2023 - \$nil).

5. Inventory

The Company's inventory consists of hardware components and finished goods that will be used in the Platform product offerings and is summarized below:

	January 31, 2024	July 31, 2023
Components and work-in-progress	\$ 753,027	\$ 720,430
Finished goods	1,014,140	882,541
	\$ 1,767,167	\$ 1,602,971

During the six months ended January 31, 2024, the Company recorded total inventory sold of \$787,412 (2023 - \$321,194) under the cost of revenue. The Company has reclassified inventory in the amount of \$1,204,252 (January 31, 2023 - \$578,395) to subscription and demo assets, \$27,473 (January 31, 2023 - \$nil) to office equipment and \$367,619 (January 31, 2023 - \$nil) to deferred cost of revenue. As of January 31, 2024, the Company had outstanding purchase obligations of \$4,351,002 (July 31, 2023 - \$921,351) related to future finished goods for the Platform product offerings that will be drawn down within the next year. During the six months ended January 31, 2024, the Company recognized a loss of \$107,013 (2023 - \$314,103) related to obsolete inventory.



Xtract One Technologies Inc.

Notes to the Condensed Consolidated Interim Financial Statements

Three and six months ended January 31, 2024, and 2023

(Expressed in Canadian Dollars)

(Unaudited)

6. Property and equipment

Details of the Company's property and equipment as at January 31, 2024, and July 31, 2023, are as follows:

	Office equipment	Computer hardware	Furniture & fixtures	Subscription & demo assets	Leasehold improvements	Total
Cost						
Balance at July 31, 2022	\$ 1,701,290	\$ 534,589	\$ 398,624	\$ 351,145	\$ 211,639	\$ 3,197,287
Additions	-	-	-	-	32,539	32,539
Reclassification	61,643	-	-	1,293,629	-	1,355,272
Retirement of assets	(150,445)	(43,797)	(243,858)	(80,458)	-	(518,558)
Balance at July 31, 2023	\$ 1,612,488	\$ 490,792	\$ 154,766	\$ 1,564,316	\$ 244,178	\$ 4,066,540
Reclassification	27,473	-	-	597,024	-	624,497
Balance at January 31, 2024	\$ 1,639,961	\$ 490,792	\$ 154,766	\$ 2,161,340	\$ 244,178	\$ 4,691,037
Accumulated depreciation						
Balance at July 31, 2022	\$ 952,035	\$ 406,393	\$ 234,651	\$ 39,782	\$ 86,585	\$ 1,719,446
Depreciation	190,126	67,795	30,947	280,374	51,486	620,728
Disposals	(102,465)	(42,599)	(165,086)	(27,301)	-	(337,451)
Balance at July 31, 2023	\$ 1,039,696	\$ 431,589	\$ 100,512	\$ 292,855	\$ 138,071	\$ 2,002,723
Depreciation	72,181	14,931	5,971	329,609	26,422	449,114
Reclassification	-	-	-	(80,276)	-	(80,276)
Balance at January 31, 2024	\$ 1,111,877	\$ 446,520	\$ 106,483	\$ 542,188	\$ 164,493	\$ 2,371,561
Carrying amount as at July 31, 2023	\$ 572,792	\$ 59,203	\$ 54,254	\$ 1,271,461	\$ 106,107	\$ 2,063,817
Carrying amount as at January 31, 2024	\$ 528,084	\$ 44,272	\$ 48,283	\$ 1,619,152	\$ 79,685	\$ 2,319,476

During the six-month period ended January 31, 2024, the Company recorded depreciation of subscription assets in the amount of \$302,812 (2023 - \$80,521) under the cost of revenue. During the period, the Company reclassified \$495,045 of subscription assets (July 31, 2023 - \$nil) from property and equipment to deferred cost of revenue (Note 3). During the six months ended January 31, 2024, the Company made no disposals of property and equipment (2023 - \$81,274).



Xtract One Technologies Inc.

Notes to the Condensed Consolidated Interim Financial Statements

Three and six months ended January 31, 2024, and 2023

(Expressed in Canadian Dollars)

(Unaudited)

7. Intangible assets

The carrying values of intangible assets as at January 31, 2024, and July 31, 2023, are as follows:

	Quasar licensed distribution rights	EhEye intellectual property	Internally developed intellectual property	Total
Cost				
Balance at July 31, 2023 and January 31, 2024	\$ 6,574,000	\$ 1,250,000	\$ 235,000	\$ 8,059,000
Accumulated amortization				
Balance at July 31, 2023	\$ 2,658,425	\$ 468,750	\$ 88,125	\$ 3,215,300
Amortization	328,700	62,500	11,750	402,950
Balance at January 31, 2024	\$ 2,987,125	\$ 531,250	\$ 99,875	\$ 3,618,250
Carrying amount as at July 31, 2023	\$ 3,915,575	\$ 781,250	\$ 146,875	\$ 4,843,700
Carrying amount as at January 31, 2024	\$ 3,586,875	\$ 718,750	\$ 135,125	\$ 4,440,750

Quasar - Licensed distribution rights

In June 2019, the Company entered into a licensing agreement with Quasar Federal Systems, Inc. ("Quasar") receiving a perpetual, worldwide, exclusive, fully paid-up, transferable and irrevocable license (with a right of sublicense) to use Quasar's intellectual property in exchange for an aggregate cash consideration of \$6,574,000 (US\$5,000,000). The Quasar license includes access to patented sensor technology and patent-pending magnetic detection and security screening technology. The Company also has the right to engage Quasar's development team to assist with future modifications to the technology, as well as manufacturing and implementation engineering. The license was recognized as an intangible asset and is amortized over its estimated useful life of ten years. The remaining useful life of the Quasar license is approximately six years.

EhEye - Intellectual property

In connection with the acquisition of EhEye during the year ended July 31, 2019, the Company determined the fair value of the intellectual property acquired in connection with the acquisition of EhEye to be \$1,250,000. As at November 1, 2019, the Company determined that this technology was ready for commercial use and began amortizing the acquired intellectual property over the technology's estimated useful life of ten years. The remaining useful life of this intangible asset is approximately six years.

Internally developed intellectual property

In fiscal 2019 and 2020, the Company determined that \$235,000 of directly attributable development expenditures met the criteria for capitalization. As at November 1, 2019, the Company determined that this technology was ready for commercial use and began amortizing the capitalized



Xtract One Technologies Inc.

Notes to the Condensed Consolidated Interim Financial Statements

Three and six months ended January 31, 2024, and 2023

(Expressed in Canadian Dollars)

(Unaudited)

development costs over the technology's estimated useful life of ten years. The remaining useful life of this intangible asset is approximately six years.

8. Right of use assets and lease liabilities

The Company has recorded the right of use assets and lease liabilities in its statements of financial position related to three properties for which the Company has entered into office lease agreements with an initial term of one year or more. These leases have been classified as a single class of right of use assets under office leases. During the six months ended January 31, 2024, the Company remeasured its right of use asset and liability for two of its properties due to lease term extensions.

The carrying amounts of the Company's right of use assets, liabilities, and the movements for the six months ended January 31, 2024, and the year ended July 31, 2023, are as follows:

	Right of use assets	Right of use liabilities
As at July 31, 2022	\$ 589,832	\$ 677,276
Depreciation	(303,036)	-
Finance costs	-	42,237
Lease payments	-	(362,672)
As at July 31, 2023	\$ 286,796	\$ 356,841
Depreciation	(159,194)	-
Finance costs	-	12,212
Remeasurement	84,517	84,517
Lease payments	-	(190,498)
As at January 31, 2024	\$ 212,119	\$ 263,072

The following table summarizes the Company's future lease commitments:

Fiscal year	Amount
2024	129,810
2025	60,548
Effects of discounting	(11,803)
Remeasurement of lease	84,517
Right of use liabilities	\$ 263,072
Current portion of right of use liabilities	(199,652)
Non-current portion of right of use liabilities	\$ 63,420

During the six months ended January 31, 2024, there were no short term or low value leases recorded (2023 - \$nil).



Xtract One Technologies Inc.

Notes to the Condensed Consolidated Interim Financial Statements

Three and six months ended January 31, 2024, and 2023

(Expressed in Canadian Dollars)

(Unaudited)

9. Revenue

Revenue recognized during the six months ended January 31, 2024, relates to Platform and Xtract revenue.

The Company recognized \$5,746,624 (2023 - \$1,147,872) in revenue related to the sale of and subscription to use the Platform during the six months ended January 31, 2024. As at January 31, 2024, accounts receivable for Platform revenue was \$1,283,037 (July 31, 2023 - \$360,059) and deferred revenue was \$4,558,185 (July 31, 2023 - \$1,379,741).

The Company recognized \$289,787 (2023 - \$313,858) in revenue from Xtract during the six months ended January 31, 2024. As at January 31, 2024, accounts receivable for work completed on contracts was \$230,170 (July 31, 2023 - \$152,867), and there was no deferred revenue recorded (July 31, 2023 - \$nil).

The Company has a backlog of contracted sales that have not yet been recognized as revenue but will be recognized in future periods as performance obligations are met. It is estimated that these commitments will be recognized as revenue under the following timelines:

			Total backlog January 31,	
			2024	2023
	Less than one year	Greater than one year		
Platform revenue	\$ 4,979,370	\$ 7,218,511	\$ 12,197,881	\$ 3,350,151
Xtract revenue	95,965	-	95,965	594,259
Total backlog*	\$ 5,075,335	\$ 7,218,511	\$ 12,293,846	\$ 3,944,410

* Backlog figures exclude contracted sales that are pending installation.

10. Cost of revenue

The breakdown of expenses incurred as part of the cost of revenue is as follows:

	Six months ended January 31,	
	2024	2023
Product	\$ 1,370,472	\$ 371,810
Installation	215,221	41,007
Shipping	113,375	38,464
Depreciation	302,812	80,521
Salaries and commissions	166,448	215,450
	\$ 2,168,328	\$ 747,252



Xtract One Technologies Inc.

Notes to the Condensed Consolidated Interim Financial Statements

Three and six months ended January 31, 2024, and 2023

(Expressed in Canadian Dollars)

(Unaudited)

11. Operating expenses

The Company's operating expenses are comprised of the following:

	Six months ended January 31, 2024			
	General and Administration	Research and Development	Sales and Marketing	Total
Personnel costs	\$ 1,703,251	\$ 2,253,345	\$ 1,755,146	\$ 5,711,742
Professional fees	312,925	37,602	-	350,527
Facilities	99,005	46,695	-	145,700
Tradeshows and advertising	-	-	918,060	918,060
Development supplies	-	774,629	-	774,629
Insurance	98,514	-	-	98,514
Share-based compensation (Note 12)	246,121	146,036	53,010	445,167
Depreciation (Note 6, 8)	292,114	-	13,376	305,490
Amortization (Note 7)	-	402,950	-	402,950
Other	588,905	123,540	67,792	780,237
	\$ 3,340,835	\$ 3,784,797	\$ 2,807,384	\$ 9,933,016

	Six months ended January 31, 2023			
	General and Administration	Research and Development	Sales and Marketing	Total
Personnel costs	1,752,562	\$ 2,431,048	\$ 1,454,927	\$ 5,638,537
Professional fees	386,718	27,548	-	414,266
Facilities	104,929	34,068	-	138,997
Tradeshows and advertising	-	-	814,308	814,308
Development supplies	-	651,853	-	651,853
Insurance	119,879	-	-	119,879
Share-based compensation (Note 12)	335,273	122,863	71,805	529,941
Depreciation (Note 6, 8)	322,396	-	11,622	334,018
Amortization (Note 7)	-	402,950	-	402,950
Other	366,348	161,539	98,792	626,679
	\$ 3,388,105	\$ 3,831,869	\$ 2,451,454	\$ 9,671,428

12. Share capital

Authorized capital

The authorized share capital of the Company consists of an unlimited number of common shares with no par value.



Xtract One Technologies Inc.

Notes to the Condensed Consolidated Interim Financial Statements

Three and six months ended January 31, 2024, and 2023

(Expressed in Canadian Dollars)

(Unaudited)

Share capital

The issued and outstanding share capital is as follows:

	Six months ended January 31, 2024		Year ended July 31, 2023	
	Number of shares	Amount	Number of shares	Amount
Balance beginning of period	198,248,575	\$ 135,823,337	163,179,222	\$ 119,796,584
Shares issued on the exercise of warrants	-	-	2,630,700	2,236,095
Shares issued on financing, net of share issue costs	-	-	31,925,595	13,308,750
Shares issued on the exercise of stock options	182,500	131,411	513,058	481,908
Balance end of period	198,431,075	\$ 135,954,748	198,248,575	\$ 135,823,337

Warrants

Warrant activity for the six months ended January 31, 2024, and the year ended July 31, 2023, is as follows:

	Six months ended January 31, 2024		Year ended July 31, 2023	
	Number of warrants	Weighted average exercise price	Number of warrants	Weighted average exercise price
Balance beginning of period	41,548,456	0.63	12,253,561	0.74
Warrants issued on financing	-	-	31,925,595	0.60
Warrants exercised	-	-	(2,630,700)	0.60
Balance end of period	41,548,456	\$ 0.63	41,548,456	\$ 0.63

As at January 31, 2024, outstanding warrants are as follows:

Number of warrants outstanding	Weighted average exercise price	Expiry date	Weighted average life remaining (months)
781,711	\$ 0.60	March 17, 2024	1.2
8,841,150	\$ 0.75	March 17, 2025	13.1
20,000,000	\$ 0.60	February 10, 2028	48.1
11,925,595	\$ 0.60	April 12, 2028	50.1
41,548,456	\$ 0.63		40.4



Xtract One Technologies Inc.

Notes to the Condensed Consolidated Interim Financial Statements

Three and six months ended January 31, 2024, and 2023

(Expressed in Canadian Dollars)

(Unaudited)

Incentive Awards

The Company offers an omnibus equity incentive plan (the "Omnibus Plan") that provides for the granting of incentive awards of up to 10% of its issued and outstanding common shares to directors, officers, employees, and consultants. Incentive awards may consist of options, restricted share units, deferred share units, performance share units, and other share-based awards. The exercise price of each option is equal to the quoted market price of the Company's common shares on the five-day volume weighted average price immediately preceding the date of grant with a maximum term of five years. Vesting terms, if any, are set at the discretion of the Board. During the six months ended January 31, 2024, and the year ended July 31, 2023, other than stock options as discussed herein, no other incentive awards were issued or outstanding under the Omnibus Plan.

The stock option activity for the six months ended January 31, 2024, and the year ended July 31, 2023, is as follows:

	Six months ended January 31, 2024		Year ended July 31, 2023	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Balance beginning of period	9,680,386	\$ 0.75	9,758,579	\$ 0.91
Granted	2,128,750	0.68	3,542,636	0.57
Exercised	(182,500)	0.46	(513,058)	0.59
Forfeited / Expired	(827,500)	1.54	(3,107,771)	1.05
Balance end of period	10,799,136	\$ 0.68	9,680,386	\$ 0.75

During the six months ended January 31, 2024, the Company recognized share-based compensation related to stock options of \$445,167 (2023 - \$529,942).

The fair value of options granted during the period was determined using the Black-Scholes option pricing model with the following weighted average assumptions:

	Six months ended January 31,	
	2024	2023
Expected life	3.4 years	3.8 years
Expected market volatility of shares	70.0%	79.0%
Share price	\$ 0.65	\$ 0.43
Expected dividend rate	0%	0%
Exercise price	\$ 0.68	\$ 0.43
Risk-free interest rate	4.26%	3.03%
Weighted average fair value per option granted	\$ 0.312	\$ 0.243



Xtract One Technologies Inc.

Notes to the Condensed Consolidated Interim Financial Statements

Three and six months ended January 31, 2024, and 2023

(Expressed in Canadian Dollars)

(Unaudited)

Details of the outstanding stock options as at January 31, 2024, are as follows:

Number of stock options outstanding	Weighted average exercise price	Expiry date	Weighted average life remaining (months)	Number of stock options exercisable	Weighted average exercise price
355,000	\$ 1.81	July 3, 2024	5.1	355,000	\$ 1.81
30,000	\$ 1.83	July 25, 2024	5.8	30,000	\$ 1.83
70,000	\$ 1.81	September 6, 2024	7.2	70,000	\$ 1.81
150,000	\$ 1.21	December 23, 2024	10.8	150,000	\$ 1.21
75,000	\$ 1.37	January 21, 2025	11.7	75,000	\$ 1.37
30,000	\$ 0.69	May 11, 2025	15.4	30,000	\$ 0.69
250,000	\$ 0.97	August 10, 2025	18.3	250,000	\$ 0.97
18,750	\$ 0.69	September 15, 2025	19.5	18,750	\$ 0.69
80,000	\$ 0.56	October 29, 2025	21.0	80,000	\$ 0.56
720,000	\$ 0.57	November 11, 2025	21.4	720,000	\$ 0.57
60,000	\$ 0.49	March 22, 2026	25.7	60,000	\$ 0.49
823,750	\$ 0.52	June 15, 2026	28.5	603,750	\$ 0.52
145,000	\$ 0.43	October 25, 2026	32.8	108,750	\$ 0.43
135,000	\$ 0.44	December 8, 2026	34.3	135,000	\$ 0.44
1,407,500	\$ 0.73	February 16, 2027	36.5	715,625	\$ 0.73
100,000	\$ 0.54	April 1, 2027	38.0	50,000	\$ 0.54
150,000	\$ 0.54	April 4, 2027	38.1	75,000	\$ 0.54
25,000	\$ 0.56	April 6, 2027	38.2	12,500	\$ 0.56
700,000	\$ 0.57	April 13, 2027	38.4	350,000	\$ 0.57
125,000	\$ 0.46	June 14, 2027	40.5	125,000	\$ 0.46
125,000	\$ 0.42	July 11, 2027	41.4	125,000	\$ 0.42
808,750	\$ 0.38	October 3, 2027	44.1	385,625	\$ 0.38
1,000,000	\$ 0.50	January 13, 2028	47.4	1,000,000	\$ 0.50
448,348	\$ 0.69	March 17, 2028	49.6	448,348	\$ 0.69
250,000	\$ 0.75	April 24, 2028	50.8	62,500	\$ 0.75
86,644	\$ 0.95	June 16, 2028	52.5	21,661	\$ 0.95
400,000	\$ 0.90	July 1, 2028	53.0	100,000	\$ 0.90
101,644	\$ 0.91	July 10, 2028	53.3	25,411	\$ 0.91
2,128,750	\$ 0.68	October 3, 2028	56.1	532,188	\$ 0.68
10,799,136	\$ 0.68		39.8	6,715,108	\$ 0.70

Loss per share

Stock options and warrants are not included in the determination of fully diluted loss per share for the six months ended January 31, 2024, and 2023, as these instruments are anti-dilutive.

13. Related party transactions

Key management personnel include persons having the authority and responsibility for planning, directing, and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of executive and non-executive members of the Board of Directors and corporate officers. Key management compensation earned by officers and directors of the Company during the six months ended January 31, 2024, was \$614,822 (2023 - \$624,555). In



Xtract One Technologies Inc.

Notes to the Condensed Consolidated Interim Financial Statements
Three and six months ended January 31, 2024, and 2023
(Expressed in Canadian Dollars)
(Unaudited)

addition, share-based compensation expense relating to key management for the six months ended January 31, 2024, was \$185,276 (2023 - \$108,246).

As at January 31, 2024, there was \$9,975 (July 31, 2023 - \$202,718) in accounts payable and accrued liabilities due to officers and directors of the Company or to companies controlled by directors and officers of the Company. There were no other related party transactions during the six months ended January 31, 2024.

14. Supplemental cash flow information

Non-cash financing and investing activities during the six months ended January 31, 2024, conducted by the Company are as follows:

Transfer of inventory to property and equipment (Note 5)	\$	1,121,694
Transfer of property and equipment to deferred cost of revenue (Notes 5, 6)	\$	862,664
Transfer of contributed surplus on the exercise of stock options	\$	46,462

Non-cash financing and investing activities during the six months ended January 31, 2023, conducted by the Company are as follows:

Transfer of inventory to property and equipment (Note 5)	\$	578,395
Transfer of contributed surplus on the exercise of stock options	\$	537
Canada Emergency Business Account loan forgiveness	\$	20,000

No cash was paid toward income taxes during the six months ended January 31, 2024, and 2023. The Company paid interest expense embedded in its lease payments of \$12,212 during the six months ended January 31, 2024 (2023 - \$24,413).

15. Financial instruments and risk management

As at January 31, 2024, the Company's financial instruments comprise cash and cash equivalents, receivables, accounts payable, and accrued liabilities. The carrying values of receivables, accounts payable, and accrued liabilities approximate fair value due to the short-term nature of the instruments. The Company's cash and cash equivalents are carried at fair value. Fair values of financial instruments are classified in a fair value hierarchy based on the inputs used to determine fair values. The levels of the fair value hierarchy are as follows:

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 – Inputs that are not based on observable market data (unobservable inputs).



Xtract One Technologies Inc.

Notes to the Condensed Consolidated Interim Financial Statements

Three and six months ended January 31, 2024, and 2023

(Expressed in Canadian Dollars)

(Unaudited)

The Company has segregated all financial assets that are measured at fair value into the most appropriate level within the fair value hierarchy based on the inputs used to determine the fair value at the measurement date.

	As at January 31, 2024				Total
	Level 1	Level 2	Level 3		
Cash	\$ 1,149,265	\$ -	\$ -	\$	1,149,265
Cash equivalents	3,043,195	-	-	\$	3,043,195
Balance end of period	\$ 4,192,460	\$ -	\$ -	\$	4,192,460

	As at July 31, 2023				Total
	Level 1	Level 2	Level 3		
Cash	\$ 1,604,613	\$ -	\$ -	\$	1,604,613
Cash equivalents	6,722,836	-	-	\$	6,722,836
Balance end of year	\$ 8,327,449	\$ -	\$ -	\$	8,327,449

Risks to the Company's financial instruments and their potential impact on the Company's financial instruments are summarized below:

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages its liquidity risk in order to meet its contractual obligations by ensuring there is appropriate cash on hand and obtaining other opportunities for financing. As at January 31, 2024, the Company had current assets of \$9,045,814 (July 31, 2023 - \$11,804,517) to settle current liabilities of \$7,181,114 (July 31, 2023 - \$4,131,574). Most of the Company's financial liabilities have contractual maturities of 30 days or less and are subject to normal trade terms.

Credit risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to its cash and cash equivalents and receivables. The Company limits exposure to credit risk by maintaining its cash with large financial institutions. The Company does not have cash that is invested in asset-backed commercial paper. The Company's receivables primarily consist of trade receivables that the Company continues to collect, and refundable sales tax from the Canada Revenue Agency, which are not subject to significant credit risk. The Company's maximum exposure to credit risk is limited to the carrying amount of cash and cash equivalents and receivables.

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates and foreign exchange rates.



Xtract One Technologies Inc.

Notes to the Condensed Consolidated Interim Financial Statements

Three and six months ended January 31, 2024, and 2023

(Expressed in Canadian Dollars)

(Unaudited)

Interest rate risk

Interest rate risk arises from changes in market rates of interest that could adversely affect the Company. The Company currently has no interest-bearing financial instruments other than cash and cash equivalents, and consequentially its exposure to interest rate risk is insignificant.

Foreign currency risk

Foreign currency risk is the risk that is related to the fluctuation of foreign exchange rates. The Company's financial assets and liabilities that are denominated in foreign currencies are impacted by changes in the exchange rate between the Canadian dollar and the U.S. dollar. This primarily includes cash and cash equivalents, trade and other receivables, and trade and other payables. During the six month period ended January 31, 2024, the Company generated a portion of revenue in U.S. dollars, along with corresponding expenses in U.S. dollars, which acted as a natural foreign exchange hedge. Management continues to evaluate its foreign currency risk as the business grows internationally.

Price risk

Price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. The Company did not hold material equity investments during the quarter, and therefore, exposure to price risk is insignificant.

16. Segmented information

Operating segments

The Company currently has two distinct operating segments, Platform and Xtract. The Platform segment develops and commercializes an AI-powered threat detection gateway solution. Xtract develops innovative AI solutions for customers.

The accounting policies of the operating segments are the same as those described in the summary of material accounting policies (Note 3). The Company currently has no intersegment sales. Xtract labor costs incurred in the development of Platform technologies are allocated to the Platform operating segment at cost.

Segmented reporting information is presented for both Company's distinct operating segments. The following tables summarize the operations and current financial position of each segment for the six months ended January 31, 2024 and 2023:



Xtract One Technologies Inc.

Notes to the Condensed Consolidated Interim Financial Statements

Three and six months ended January 31, 2024, and 2023

(Expressed in Canadian Dollars)

(Unaudited)

	For the six months ended January 31, 2024		
	Platform	Xtract	Total
Revenue	\$ 5,746,624	\$ 289,787	\$ 6,036,411
Cost of revenue	2,059,899	108,429	\$ 2,168,328
Gross profit	\$ 3,686,725	\$ 181,358	\$ 3,868,083
Expenses			
Sales and marketing	2,806,492	892	2,807,384
General and administration	3,211,582	129,253	3,340,835
Research and development	3,543,011	241,786	3,784,797
Loss on inventory write-down	107,013	-	107,013
	9,668,098	371,931	10,040,029
Loss from operations	(5,981,373)	(190,573)	(6,171,946)
Interest and other income	151,499	1,084	152,583
Loss and comprehensive loss for the period	\$ (5,829,874)	\$ (189,489)	\$ (6,019,363)
Non-current asset additions	\$ -	\$ -	\$ -
Finance cost ⁽¹⁾	\$ 8,174	\$ 4,038	\$ 12,212
As at January 31, 2024			
Current assets	\$ 8,766,851	\$ 278,963	\$ 9,045,814
Current liabilities	\$ 5,977,583	\$ 1,203,531	\$ 7,181,114

- (1) Finance costs relate to an embedded interest in lease commitments (Note 8) and are included in general and administrative expenses.



Xtract One Technologies Inc.

Notes to the Condensed Consolidated Interim Financial Statements

Three and six months ended January 31, 2024, and 2023

(Expressed in Canadian Dollars)

(Unaudited)

	For the six months ended January 31, 2023		
	Platform	Xtract	Total
Revenue	\$ 1,147,872	\$ 313,858	\$ 1,461,730
Cost of revenue	579,050	168,202	747,252
Gross profit	\$ 568,822	\$ 145,656	\$ 714,478
Expenses			
Sales and marketing	2,437,510	13,944	2,451,454
General and administration	3,096,838	291,267	3,388,105
Research and development	3,590,347	241,522	3,831,869
Loss on inventory write-down	314,103	-	314,103
Loss on retirement of assets	81,274	-	81,274
	9,520,072	546,733	10,066,805
Loss from operations	(8,951,250)	(401,077)	(9,352,327)
Unrealized gain on investment	116,667	-	116,667
Interest and other income	22,077	24,029	46,106
Loss and comprehensive loss for the period	\$ (8,812,506)	\$ (377,048)	\$ (9,189,554)
Non-current asset additions	\$ -	\$ 32,539	\$ 32,539
Finance cost ⁽¹⁾	\$ 12,108	\$ 12,305	\$ 24,413
As at January 31, 2023			
Current assets	\$ 2,873,947	\$ 307,437	\$ 3,181,384
Current liabilities	\$ 3,828,535	\$ 1,223,283	\$ 5,051,818

(1) Finance costs relate to an embedded interest in lease commitments (Note 8) and are included in general and administrative expenses.



Xtract One Technologies Inc.

Notes to the Condensed Consolidated Interim Financial Statements

Three and six months ended January 31, 2024, and 2023

(Expressed in Canadian Dollars)

(Unaudited)

Geographic Breakdown

The Platform segment currently conducts its operations globally. The Xtract segment operates within Canada.

Geographic location	For six months ended January 31, 2024			As at January 31, 2024		
	Revenue			Non-current assets		
	Platform	Xtract	Total	Platform	Xtract	Total
Canada	\$ 54,103	\$ 289,787	\$ 343,890	\$ 1,572,227	\$ 193,808	\$ 1,766,035
Japan	1,518,723	-	1,518,723	479,926	-	479,926
United States	4,173,798	-	4,173,798	5,206,310	-	5,206,310
Total	\$ 5,746,624	\$ 289,787	\$ 6,036,411	\$ 7,258,463	\$ 193,808	\$ 7,452,271

Geographic location	For six months ended January 31, 2023			As at July 31, 2023		
	Revenue			Non-current assets		
	Platform	Xtract	Total	Platform	Xtract	Total
Canada	\$ -	\$ 313,858	\$ 313,858	\$ 1,680,377	\$ 257,400	\$ 1,937,777
Japan	-	-	-	467,897	-	467,897
United States	1,147,872	-	1,147,872	4,788,639	-	4,788,639
Total	\$ 1,147,872	\$ 313,858	\$ 1,461,730	\$ 6,936,913	\$ 257,400	\$ 7,194,313

Revenue from four customers represented 60% of the Company's total revenue under the Platform operating segment for the six months ended January 31, 2024 (2023 - two customers represented 50% of total Platform revenue).

17. Subsequent events

The following transactions occurred subsequent to the reporting period:

- On February 7, 2024, the Company granted 555,068 stock options to its directors, with a vesting period spanning three years.
- On February 8, 2024, 219,654 broker warrants were exercised and converted into common shares, for gross proceeds of \$131,792.
- On February 21, 2024, an additional 153,758 broker warrants were exercised and converted into common shares, for gross proceeds of \$92,255.
- On February 26, 2024, 17,500 stock options were exercised and converted into common shares for gross proceeds of \$8,900.