

Press Release



extractX Ltd. Announces 2021 Year End Financial Results for Subsidiary extractX Incorporated

Niagara, ON, October 18, 2021 – extractX Ltd. (“**extractX**” or the “**Company**”), today announced financial results for its subsidiary extractX Incorporated (“**EXI**”) as at and for the year ended June 30, 2021. All figures are in Canadian dollars unless otherwise noted.

"At this early stage in the Company, we are very excited to be successfully advancing our strategy to deploy mobile extraction labs on a global scale, and are on a near-term path to profitability," said Albert Iannantuono, CEO of extractX. "Our mobile labs, built to EU-GMP standards, are the right solution for our extraction partners as they provide a turn-key extraction solution that is scalable and low risk, providing speed-to-market for our partner's products."

2021 Operational Highlights

During the year ended June 30, 2021 and following the successful operation and proof-of-concept of the prototype mobile lab (v1.0), the Company accelerated its sales and marketing efforts on a global scale. Targeted sales and marketing programs include digital media, discussion papers, webcasts, social media, and industry advertising that reach audiences globally.

As a result of these focused sales and marketing activities, during the year ended June 30, 2021, the Company entered into two commercial contracts for the provision of extractX's next generation mobile extraction labs (v2.0).

- The first contract is for the provision and operation of a mobile extraction lab to a client partner in Franklin, Kentucky. The lab was successfully shipped in March 2021, and the extractX installation team completed the installation and commissioning of the lab within 4 weeks. The lab was operational shortly thereafter, and successfully processing biomass to distillate. During the initial phase of this three year contract the mobile lab generated \$241,323 of revenue for the year ended June 30, 2021. Through the process, the extractX team identified and implemented additional productivity upgrades and operational changes as part of the Company's continuous improvement program.
- The second contract is for the provision of a mobile lab to a client partner in Chiang Mai, Thailand for a three year contract to process CBD from hemp. In mid-July 2021 the mobile lab was shipped from the manufacturing facility in Winnipeg and arrived in Chiang Mai on September 18, 2021. Using the Company's Installation & Commissioning Guide, as well as support from the extractX team, the team in Thailand were able to get the lab operational within the expected timeframe.

With the Company's mobile lab v2.0 deployed and operational in two locations, the Company is now developing mobile lab v3.0, which is expected to provide a substantial increase in biomass throughput over the previous v1.0 and v2.0 mobile labs. This increase in throughput is expected to be accomplished using the same footprint as the v2.0 lab.

The Company is also currently designing an approved v2.0 lab to meet EU GMP regulations and standards, which will enable extractX to provide pharmaceutical-grade mobile labs for the pharmaceutical sector. This will be the production model and standard as the Company moves forward. These initiatives were supported in part through a 50% cost sharing grant under the Agricultural Clean Technology Program of the Canadian Government.

The Company's sales and marketing programs continue to generate qualified leads from around the globe and management is in various stages of discussion and contract negotiations with several parties.

2021 Financial Highlights

Selected audited financial highlights for the years ended June 30, 2021, June 30, 2020, and June 30, 2019 (unaudited) include the following:

<i>(in \$CDN)</i>	Years Ended		
	Jun 30, 2021	Jun 30, 2020	Jun 30, 2019
	\$	\$	\$
Contract revenue	241,323	1,409,237	-
Extraction wages and supplies	218,643	405,431	-
Gross profit	22,680	1,003,806	-
Expenses			
Corporate and operations salaries	590,528	408,567	-
Operating and administrative	1,210,334	829,892	215,585
Amortization of capital assets, net of credits	295,924	274,866	-
	2,096,786	1,513,325	215,585
Net loss before other income and expenses	(2,074,106)	(509,519)	(215,585)
Other income and expenses	409,019	55,118	1,423
Write-off of mobile extraction lab	(532,086)	-	-
Net income (loss) before other income and expenses per share	(0.09)	(0.02)	(0.01)
Net income (loss)	(2,197,173)	(454,401)	(214,162)
Net income (loss) per share	(0.09)	(0.02)	(0.01)
Total assets			
Cash	1,077,898	721,095	855,784
Other current assets	1,513,659	559,079	759,419
Capital and other assets	4,344,512	3,936,328	2,108,522
	6,936,069	5,216,502	3,723,725
Total long-term liabilities			
Deposits on contracts	923,881	-	653,800
Other current liabilities	658,933	1,016,233	585,038
Deferred contributions	987,176	514,077	786,294
Long term debt	33,285	40,000	20,000
	2,603,275	1,570,310	2,045,132
Shareholders' Equity	4,332,794	3,646,192	1,678,593
% of equity in total assets	62.47	69.90	45.08

Financial Statements

The consolidated financial statements of the Company as at and for the year ended June 30, 2021 and accompanying management's discussion and analysis have been filed with the securities regulators and are available on SEDAR at www.sedar.com under the Company's issuer profile.

No stock exchanges have reviewed or accepted responsibility for the adequacy or accuracy of the content of this press release.

About extractX Ltd.

extractX designs, builds, and operates industrial scale self-contained mobile extraction laboratories equipped with the most effective and reliable equipment, allowing for efficient 24/7 operation, and unlimited scalability to meet the demand of any size operation. Built to GPP/GMP/EU GMP standards, extractX purpose builds mobile extraction laboratories to service biomass cultivators and producers wherever and whenever the service is needed, onsite and on demand anywhere in the world.

Forward-Looking Statements

Certain statements contained herein constitute forward-looking statements within the meaning of section 27A of the Securities Act of 1933 and 21E of the Exchange Act of 1934. Such statements include, without limitation, statements regarding business and financing, business trends and future operating revenues and expenses. Statements regarding the aforementioned are based on several assumptions and are not to be considered fact. Although extractX Ltd. believes that the statements are reasonable, it can give no assurances that such expectation will prove to be correct. Investors are cautioned that any forward-looking statements made by extractX Ltd. contain no guarantee of future performance and that actual results may differ materially from those set forth in the forward-looking statements. For additional information see the reports filed by the company in its securities filings with applicable securities regulators (currently available at www.sedar.com).

Unless otherwise required by applicable securities laws, extractX Ltd. disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

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