



NEWS RELEASE
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VOTI DETECTION REPORTS RECORD REVENUES FOR FISCAL 2018

Benefits from Major Customer Wins and Significant Improvement in Gross Margins
Expansion of Global Customer Base Positions Company for Strong Growth

- Record revenue of \$23 million representing a growth rate of 25%
- Significant and sustainable expansion in gross margins* to 32% in F2018 vs. 23% achieved in F2017
- Improvement of \$0.8 million in adjusted EBITDA*
- Increase in global footprint with 592 units deployed in F2018
- Major first time customer wins including Amazon, Madison Square Garden, Turkish Airlines and Canadian Border Services Agency (CBSA)
- Key strategic initiatives put in place positioning the company for growth on both a product and geographic basis
- Successful completion of going public transaction in November with listing on the TSX Venture Exchange
- Based on the current pipeline, the Company anticipates revenue growth of 25% in fiscal 2019

MONTREAL, QC – February 13, 2019 - VOTI Detection Inc. ("VOTI" or "the Company") (TSXV: VOTI), a leading-edge Canadian technology company that develops latest-generation X-ray security systems based on 3D Perspective™ technology, today announced the financial results of its wholly-owned operating subsidiary, VOTI Inc., for its fiscal year ended October 31, 2018.

"Fiscal year 2018 was a transformational year for VOTI", commented Rory Olson, President and CEO of VOTI Detection, "Despite being impacted by a budgetary delay in Indonesia that impacted expected F2018 orders and shifted them into our current fiscal year, we still delivered record revenues and a very significant improvement in Adjusted EBITDA, as we benefited from the expansion of our customer base and widened our geographies. VOTI technology continues to prove itself in installations on a worldwide basis. Our 3D perspective technology is a proven game changer and with our strong commitment to service, sets us apart from the competition. Our goal from the start has been to disrupt the X-ray security screening market. The new markets and geographies that we successfully penetrated in F2018 are a clear indication that we are succeeding. In addition, we are on track with our certification program initiatives opening doors to additional markets for our products."

“The positive momentum has continued into our current fiscal year,” added Rory Olson, “Our sales pipeline is strong and is trending higher vs. last year. With the recent announcement of our breakthrough order with Carnival Cruise Line, our entry into the Indian market, one of the largest markets for security products in the world, and our recent opening of our newest office in Malaysia, our global footprint continues to expand. Based on our current pipeline, we are anticipating 25% growth in revenues in F2019 versus F2018, as we benefit from the many exciting strategic initiatives that we have put in place. Critical to all of this is the success of our going public transaction in November, which will allow us to execute on our strategy going forward.”

Financial Highlights

(Audited except for non-IFRS financial measures, all amounts are in Canadian dollars)

	F2018	F2017	Change
Revenue	23,006,852	18,462,971	4,543,881 25%
Gross profit	7,364,046	4,250,472	3,113,574
Gross margin %*	32%	23%	9 pts
Net loss	(3,687,524)	(2,463,680)	(1,223,844)
Adjusted net loss*	(1,423,085)	(1,519,549)	96,464
Adjusted EBITDA*	(649,021)	(1,489,804)	840,873
Cash used in operating activities	(4,930,394)	(2,866,851)	(2,063,543)

Revenue

Revenue for F2018 totaled \$23.0 million, representing an increase of 25% over the \$18.5 million in revenue posted in F2017. The increase was attributable to a combination of orders from new customers, repeat orders from existing customers, a positive change in product mix and an increase in service revenues booked in 2018. The Company added 592 units to its global footprint of units deployed in F2018. The positive change in revenue is the result of the product mix in 2018 which included larger units with both higher selling prices and higher gross margins.

F2018 shipments were made to a broad range of customers over a wide geographic base and included Amazon fulfillment centers across North America, the US Air Force, Madison Square Garden, Turkish Airlines, United Nations High Commission for Refugees (UNHCR), Canadian Border Services Agency (CBSA), Indonesia Prison System, Indonesia Police, and Bureau of Narcotics of Indonesia.

Gross Profit *

Gross profit for F2018 improved to \$7,364,046, or 32% of revenue, compared to \$4,250,472 or 23% in F2017. The gross profit percentage increased by 9% when compared to F2017. The dramatic increase in gross margin is the result of a combination of cost saving initiatives, economies of scale resulting from improved volumes, the implementation of programs designed to improve the company's operational efficiencies and the sale of larger units with higher margins.

Adjusted EBITDA*

Adjusted EBITDA for F2018 improved to (\$649,021), compared to (\$1,489,804) in F2017. The improvement of \$840,783 is primarily related to the improved gross profit, offset by increased general and administrative, selling and distribution, and financial expenses incurred to support the Company's growth.

Net Loss

Net loss for F2018 increased to \$3,687,524, compared to a net loss of \$2,463,680 in F2017. The increase of \$1,223,844 is primarily related to the increase of non-cash share-based payments expense in 2018. In addition, the Company increased its field service team in Fiscal 2018 in anticipation of 2019 accelerated installations.

Going Public Transaction

On November 13, 2018, VOTI announced the completion of its previously announced qualifying transaction with Steamsand Capital Corp. under the policies of the TSX Venture Exchange, which took the form of a three-cornered amalgamation involving VOTI Inc., Steamsand and 10971260 Canada Inc., a wholly-owned subsidiary of Steamsand. VOTI Detection's common shares were subsequently listed and posted for trading on the TSXV under the symbol "VOTI" on November 19, 2018.

A full version of VOTI Inc.'s Fiscal 2018 Management's Discussion and Analysis (MD&A) and audited Financial Statements for the year-ended October 31, 2018 are available on www.sedar.com.

***Non-IFRS Financial Measures**

Certain financial and non-financial measures included in this news release do not have a standardized meaning under IFRS and therefore may not be comparable to similar measures presented by other companies. The Company includes these measures because it believes they provide to certain investors a meaningful way of assessing financial performance. For a more complete description of these measures and a reconciliation of VOTI's non-IFRS financial measures to financial results, please see VOTI's Management Discussion and Analysis for the year ended October 31, 2018.

VOTI's definition of the non-IFRS terms are as follows:

Gross margin % is defined as Gross profit divide by Revenue.

Adjusted EBITDA is defined as net income or loss before net finance expenses, depreciation and amortization expense and income tax expense, share-based compensation expenses and items that Management believes do not necessarily arise as part of the Company's normal day-to-day operations and could distort the analysis of trends in business performance.

Adjusted net loss is defined as net loss adjusted for share-based compensation and items Management believes do not necessarily arise as part of the Company's normal day-to-day operations and could distort the analysis of trends in business performance.

About VOTI Detection

VOTI Detection, headquartered in Montreal, Quebec, and recently listed on the TSX Venture Exchange, is a leading-edge Canadian technology company that develops latest-generation X-ray security systems based on 3D Perspective™ technology. VOTI's technology produces remarkably sharp and more revealing X-ray images that are competitively superior while delivering enhanced threat detection capabilities and an improved user experience. Since its inception, VOTI has installed scanners in more than 50 countries and has consulted heavily with government agencies and security specialists worldwide to develop feature-rich and easy-to-use scanners that meet the sophisticated needs of modern security screening operations.

www.votidetection.com

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Notice regarding forward-looking statements:

This release includes forward-looking information within the meaning of Canadian securities laws regarding VOTI Detection and its business. Often, but not always, forward-looking information can be identified by the use of words such as “plans”, “is expected”, “expects”, “scheduled”, “intends”, “contemplates”, “anticipates”, “believes”, “proposes” or variations (including negative variations) of such words and phrases, or state that certain actions, events or results “may”, “could”, “would”, “might” or “will” be taken, occur or be achieved. Such statements are based on the current expectations of the management of VOTI Detection, and are based on assumptions and subject to risks and uncertainties. Although the management of VOTI Detection believes that the assumptions underlying these statements are reasonable, they may prove to be incorrect. The forward-looking events and circumstances discussed in this release may not occur by certain specified dates or at all and could differ materially as a result of known and unknown risk factors and uncertainties affecting the company, including risks regarding the threat detection technology industry, failure to obtain regulatory approvals, economic factors, management’s ability to manage and to operate the business of VOTI Detection, the equity markets generally and risks associated with growth and competition. Although VOTI Detection has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results to differ from those anticipated, estimated or intended. Accordingly, readers should not place undue reliance on any forward-looking statements or information. No forward-looking statement can be guaranteed. Except as required by applicable securities laws, forward-looking statements speak only as of the date on which they are made and VOTI Detection does not undertake any obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events, or otherwise.

Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.