



NEWS RELEASE
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VOTI DETECTION REPORTS FIRST QUARTER RESULTS

Strategic Initiatives & Technological Innovation Lead To Positive Adjusted EBITDA In the Quarter

- First quarter revenue of \$6.3 million vs. \$6.0 million posted in fiscal 2020 in line with guidance provided
- Gross margins rebound to pre-pandemic levels of 37%
- Positive adjusted EBITDA in the quarter result of success of company's strategic and restructuring initiatives put in place in fiscal 2020
- Company delivered 167 security scanning system units to a wide range of global clients across a diversified base of sectors, including the rebound of the sports & entertainment vertical
- First time sales to three customers of VotiINSIGHTS, VOTI's proprietary fleet management software platform
- Company benefitting from commercialization of its next generation MATRIX Series X-Ray scanners resulting in higher margins
- Significantly improved cash position
- Maintaining forecast of return to pre-pandemic annual sales level and gross margins resulting in expected positive Adjusted EBITDA for fiscal 2021 (barring any further unforeseen negative impact or escalation of COVID-19)

MONTREAL, QC – March 31, 2021 - 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 record results for its first quarter ended January 31, 2021.

"I am very proud of the Company's performance in this first quarter of our new fiscal year," commented Rory Olson, President and CEO of VOTI Detection. "It's a true testament to the hard work and dedication of our team that we were able to emerge from the tremendous challenges that we faced throughout fiscal 2020 caused by the pandemic, to report such a solid first quarter. Our revenue of \$6.3 million surpassed the pre-pandemic revenue reported in our fiscal 2020 first quarter of \$6.0 million and is in line with the guidance we provided in February. In addition, we posted positive Adjusted EBITDA in the quarter as well. We believe that the initiatives that we have taken, particularly on the cost cutting front, along with the solid

foundation that has been laid, our backlog and our leading technology, places us in a position to significantly grow our operations on a global basis over the coming years.”

Added Olson, “We are maintaining our forecast for this current fiscal year, of a return to pre-pandemic levels both in sales and gross margins, resulting in expected positive Adjusted EBITDA for the full year FY21 (barring any further unforeseen negative impact or escalation of COVID-19). In addition, we are forecasting positive cash flow from operations for the full year. This forecast illustrates the success of our restructuring initiatives taken throughout FY20 as well as the benefits of our technological innovations put in motion when we became a public company two years ago. We have had great success in penetrating the new market verticals that we identified over the past few years and most importantly, we still see significant growth opportunities moving forward.”

For a discussion of risks related to the Covid-19 pandemic, please see VOTI’s MD&A filed today under VOTI’s profile at www.sedar.com

Financial Highlights

(Unaudited, all amounts are in Canadian dollars)

First Quarter Ended January 31	2021	2020	Change
Revenue	6,324,215	6,042,016	282,199
Gross profit	2,364,836	1,905,199	459,627
Gross margin* (%)	37%	32%	5%
Net (loss) income	(1,130,531)	(2,224,603)	1,094,072
Adjusted net (loss) income*	(867,194)	(1,502,024)	634,830
Adjusted EBITDA*	503,375	(1,079,153)	1,582,528
Cash from (used in) operating activities	2,203,019	(3,213,654)	5,416,673

Revenue

Revenue for the three-month period ended January 31, 2021 totaled \$6,324,215 compared to \$6,042,016 for the same period in Fiscal 2020, an increase of \$282,199 or 5%. The increase is primarily attributed to the greater number of units sold and the first time sales of VotiINSIGHTS in the quarter, as well as the change in product mix being sold. The Company sold 167 security scanning units compared to 148 during the same period in Fiscal 2020. In addition, during the quarter, the Company began commercializing its next generation of X-ray scanners. The MATRIX series represents the convergence between technological improvements, cost savings and a push towards a SaaS model for high margin, repeat business.

Gross Profit

Gross profit in the first quarter increased to \$2,364,836, or 37% of revenue, compared to

\$1,905,199 or 32% for the same period in Fiscal 2020. The 5% increase in gross margin compared to the same period in Fiscal 2020 is primarily the result of the Company's first time sales of its VotiINSIGHTS analytics dashboard to three customers, the benefits of cost reduction initiatives, the increase in after sale services and revenue from extended warranty, partially offset by certain scanner sales with lower margins.

Net Loss

Net loss decreased to \$1,130,531 compared to \$2,224,603 for the same period of Fiscal 2020. The decrease in net loss of \$1,094,072 is primarily related to the increase in revenue and gross margin, reduction of operating costs, funding received from the Canadian Federal government COVID-19 Canada Employee Wage Subsidy (CEWS) stimulus program, and the decrease in non-cash share-based payments and change in fair value of warrants expenses, partially offset by the increase in net financial expenses and the increase in depreciation and amortization expenses.

Adjusted EBITDA*

Adjusted EBITDA increased to \$503,375 compared to (\$1,079,153) for the same period of Fiscal 2020. The increase of \$1,582,528 is primarily related to the increase in gross profit, the decrease in operating costs, and funding received from the CEWS stimulus program.

Cash Flows

Net cash from operating activities during the three-month period ended January 31, 2021 increased by \$5,416,673 when compared to Fiscal 2020. The increase in net cash from operations is primarily due to the improvement of the Company's cash-based operating results for the three-month period ended January 31, 2021, and the positive impact from the change in the Company's non-cash working capital.

Fiscal 2021 First Quarter Results Conference Call:

When: April 1st, 2021 at 9:00 a.m. ET.

Dial in number: (+1) 888 390 0546, (+1) 416 764 8688 or (+1) 514 225 6995

Conference call replay available until Tuesday, April 8th, 2021.

Recording Playback Number: (+1) 888 390 0541

Playback passcode: 769959#

To access the webcast, click on this link:

https://produceredition.webcasts.com/starthere.jsp?ei=1446117&tp_key=e949a60e4b

The conference ID is 70769959.

A full version of VOTI Detection Inc.'s Fiscal 2021 First Quarter Management's Discussion and Analysis (MD&A) and Interim condensed consolidated financial statements for the quarter-ended January 31, 2021 are available on www.sedar.com.

***Non-IFRS Financial Measures**

Certain financial and non-financial measures included in this news release, including Adjusted EBITDA, Gross margin percent and Adjusted net loss, 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 first quarter ended January 31, 2021.

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

Gross margin percent is defined as Gross profit divided 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 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 contains “forward-looking information” and “forward-looking statements” (collectively, “forward-looking statements”) which the meaning of applicable securities laws. Forward-looking statements may relate to VOTI’s financial outlook and anticipated events or results and may include information regarding VOTI’s financial position, business strategy, growth strategies, addressable markets, budgets, operations, financial results, taxes, plans and objectives. Particularly, information regarding VOTI’s expectations of future results, performance, achievements, prospects or opportunities or the markets in which it operates and the impact thereon of the ongoing COVID-19 pandemic declared by the World Health Organization on March 11, 2020 (“COVID-19”), as well as statements relating to expectations regarding industry trends, growth rates, expectations regarding revenue and the revenue generation potential, business plans and strategies, VOTI’s competitive position in its industry, VOTI’s expectations relating to its rollout of its next generation MATRIX Series line of X-Ray scanners and the results associated therewith and its projections and forecasts relating to its expectations that it will return to or exceed pre-pandemic sales and gross margins constitute forward-looking statements.

In some cases, when used in this release, the words “may”, “would”, “could”, “will”, “intend”, “plan”, “anticipate”, “does not anticipate”, “believe”, “seek”, “propose”, “estimate”, “project”, “expect”, “does not expect”, “forecasts”, “projection”, “prospects”, “outlook”, “targets”, or similar expressions, variations of such terms or the negative of such terms are intended to identify forward- looking statements. Such forward-looking statements reflect VOTI’s then current views with respect to future events based on certain material facts, assumptions, opinions and estimates in light of management’s experience and perception of historical trends, current conditions and expected future developments, as well as other factors VOTI currently believes are appropriate and reasonable in the circumstances and as of the date such forward-looking statements are made. Despite a careful process to prepare and review the forward-looking statements, there can be no assurance that the underlying opinions, estimates and assumptions will prove to be correct. The forward- looking statements are based on certain key expectations and assumptions made by VOTI, including expectations and assumptions concerning availability of capital resources and ability to finance, business performance, market conditions, and customer demand. Although VOTI believes that the expectations and assumptions on which such forward-looking statements are based are reasonable, undue reliance should not be placed on the forward-looking statements since no assurance can be given that they will prove to be correct.

Forward-looking statements are necessarily based on a number of opinions, estimates and assumptions that VOTI considered appropriate and reasonable as of the date such statements are made, are subject to certain known and unknown risks and uncertainties that may cause the

actual results or events to differ materially from anticipated in such forward-looking statements, including without limitation risks regarding the threat detection technology industry, failure to obtain regulatory approvals, or changes in regulatory environment, economic factors, management's ability to manage and to operate the business of VOTI, the equity markets generally and risks associated with growth and competition, in addition to other risks identified in VOTI's most recently filed management's discussion and analysis and in other publicly filed documents under VOTI's profile at www.sedar.com as well as other unknown risks.

Many factors could cause VOTI's actual results, performance or achievements to vary from those described in this release, including without limitation those listed above, as well as the assumptions upon which they are based proving incorrect. These factors should not be construed as exhaustive. Should one or more of these risks or uncertainties materialize, or should assumptions underlying forward-looking statements prove incorrect, actual results may vary materially from those described in this MD&A as intended, planned, anticipated, believed, sought, proposed, estimated or expected, and such forward-looking statements should not be unduly relied upon. VOTI does not intend, and does not assume any obligation, to update these forward-looking statements except as required by law. The forward-looking statements contained in this release are expressly qualified by these cautionary statements. Forward-looking statements contained in this release about prospective results of operations, financial position or cash flows are based on assumptions about future events, including economic conditions and proposed courses of action, based on management's assessment of the relevant information currently available. Readers are cautioned that outlook information contained in this release should not be used for the purposes other than for which it is disclosed herein or therein, as the case may be. In addition, the current situation and future developments with respect to COVID-19 could cause certain of the assumptions and information set forth herein or the fact that on which such assumptions are based to differ materially from previous expectations including in respect of demand for VOTI's products, supply chain and availability of materials, mobility and shipping of materials and or products, access to debt and equity capital and other factors.

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.