



NEWS RELEASE
For Immediate Distribution

VOTI DETECTION REPORTS SECOND QUARTER RESULTS

Strategic Initiatives Lead To Significant Improvement in Results Through First Half of Fiscal 2021

- Second quarter revenue of \$5.9 million vs. \$4.3 million, an increase of 38% posted in fiscal 2020 as company continues to benefit from rebound in sales
- Improved results continue to reflect success of company's strategic and restructuring initiatives put in place in fiscal 2020
- Company delivered 178 security scanning system units to a wide range of global clients across a diversified base of sectors
- Important inroads continue to be made within the sports and entertainment as well as the state and local government verticals
- 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 from supply chain and logistics or escalation of COVID-19)

MONTREAL, QC – June 29, 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 second quarter ended April 30, 2021.

"Our second quarter positions us to meet our targets for the full fiscal year." commented Rory Olson, President and CEO of VOTI Detection. "We are seeing important positive indicators including a backlog for product, service and extended warranties due to the reopening of the economy and pent up demand for our X-Ray scanners. In addition, sales to sporting arenas in North America and to state and local governments in the US, two very important verticals for us, have been very strong. In fact, in the second quarter, we saw the widest distribution of transactions in the history of our company. We see this as a positive indicator for growth going forward. With our 3D Perspective technology, we believe that we are offering the market the product that it is looking for. On a cautionary note, we still believe that we will have to navigate certain headwinds over the coming months related to currency exchange rates and worldwide supply chain and logistics challenges resulting from the reopening of the global economy. We are following these factors closely and putting in place mitigation strategies to ensure that we maintain our momentum."

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)

Period Ended April 30	Q2 2021	Q2 2020	Change	YTD 2021	YTD 2020	Change
Revenue	5,878,960	4,263,857	1,615,103	12,203,175	10,305,873	1,897,302
Gross profit	1,830,289	1,366,259	464,030	4,195,125	3,271,458	923,667
Gross margin %*	31%	32%	(1%)	34%	32%	2%
Net loss	(2,885,173)	(349,520)	(2,535,653)	(4,015,704)	(2,574,123)	(1,441,581)
Adjusted net income (loss)*	(2,014,072)	(1,284,612)	(729,460)	(2,881,266)	(2,786,636)	(94,630)
Adjusted EBITDA*	(711,752)	(941,413)	229,661	(208,377)	(2,020,566)	1,812,189
Cash (used in) from operating activities	(728,021)	(372,351)	(355,670)	1,474,998	(3,586,005)	5,061,003

Revenue

Revenue for the three-month period ended April 30, 2021 totaled \$5,878,960 compared to \$4,263,857 for the same period in Fiscal 2020, an increase of \$1,615,103 or 38%. The increase is primarily attributed to the greater number of units sold, as well as the increase in the average selling price per scanner resulting from the change in product mix sold, partially offset by the decrease in the US dollar foreign exchange rate.

Revenue for the six-month period ended April 30, 2021 totaled \$12,203,175 compared to \$10,305,873 for the same period in Fiscal 2020, an increase of \$1,897,302 or 18%. The increase is primarily attributed to the greater number of units sold during the period, an increase in the average price per scanner resulting from the change in product mix sold, the sale of VotiINSIGHTS, and an increase in service, partially offset by the decrease in the US dollar foreign exchange rate.

178 security scanning units were sold in the second quarter compared to 147 units during the same period in Fiscal 2020 bringing the total number of units sold for the six month period to 345 compared to 295 during the same period in Fiscal 2020.

Gross Profit

Gross profit increased to \$1,830,289 compared to \$1,366,259 for the same period in Fiscal 2020. Notwithstanding, the gross margin decreased to 31% compared to 32% for the same period in Fiscal 2020. The 1% decrease in gross margin is primarily the result of the change in product mix sold, partially offset by the benefits of cost reduction initiatives.

Gross profit increased to \$4,195,125 or 34% of revenue, compared to \$3,271,458 or 32% for the same period in Fiscal 2020. The 2% 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 fleet management and analytics dashboard, the benefits of cost reduction initiatives, and the increase

in after sale services and revenue from extended warranty, partially offset by certain scanner sales with low margins.

Net Loss

Net loss in the second quarter increased to \$2,885,173 compared to \$349,520 for the same period of Fiscal 2020. The increase in net loss of \$2,535,653 is primarily related to the increase in the non-cash change in fair value of warrants and embedded derivatives expenses, share-based payments expenses, accretion expense, foreign exchange loss, and net operating costs, partially offset by the increase in gross profit.

Net loss for the six months increased to \$4,015,704 compared to \$2,574,123 for the same period of Fiscal 2020. The increase in net loss of \$1,441,581 is primarily related to the increase in financial expenses and change in fair value of warrants and embedded derivatives expenses, partially offset by the increase in revenue and gross profit, funding received from the CEWS stimulus program, and the decrease in operating expenses.

Adjusted EBITDA*

Adjusted EBITDA for the second quarter was (\$711,752) compared to (\$941,413) for the same period of Fiscal 2020. The improvement of \$229,661 is primarily related to the increase in gross profit, partially offset by an increase in net operating expenses.

Adjusted EBITDA for the six months was (\$208,377) compared to (\$2,020,566) for the same period of Fiscal 2020. The improvement of \$1,812,189 is primarily related to the increase in gross profit and funding received from the CEWS stimulus program, and a decrease in operating expenses.

Cash Flows

Net cash from operating activities during the six-month period ended April 30, 2021 increased by \$5,061,003 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 six-month period ended April 30, 2021, and the positive impact from the change in the Company's non-cash working capital.

Fiscal 2021 Second Quarter Results Conference Call:

When: June 30th, 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 Wednesday, July 7th, 2021.

Recording Playback Number: (+1) 888 390 0541

Playback passcode: 145474#

To access the webcast, click on this link:

https://produceredition.webcasts.com/starthere.jsp?ei=1476409&tp_key=ea63628424

The conference ID is 6614547.

A full version of VOTI Detection Inc.'s Fiscal 2021 Second Quarter Management's Discussion and Analysis (MD&A) and Interim condensed consolidated financial statements for the quarter-ended April 30, 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.