



NEXT-GENERATION TACTICAL SYSTEMS

JANUARY 2023 | INVESTOR PRESENTATION



NASDAQ & TSX-V: KWE

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MISSION & MANAGEMENT

KWESST develops and commercializes proprietary next-generation technologies that deliver a tactical advantage for military, security forces, and personal defense.

Three Niche Segments in a World Market. One company focused where it counts.

NON-LETHAL

Products for personal defense, public safety, & realistic training.



DIGITIZATION

Real-time situational awareness for ground forces and responders.



COUNTER-THREAT

Protection against lasers, electronic detection and hostile drones.



KWESST HAS A TECHNOLOGY ADVANTAGE, DEEP EXPERIENCE, AND STRONG ENGAGEMENT WITH CUSTOMERS AND INDUSTRY PARTNERS

**Jeff MacLeod***Founder, President, CEO & Board Member*

Jeff is a former Canadian RCEME officer and served as System Engineer for three major Army Crown Projects before moving to the private sector. For almost twenty years he was General Manager of Diemaco/Colt Canada. He is an expert in the Small Arms and Soldier Systems field as well as all aspects of manufacturing. He formed KWESST in 2017 to pursue opportunities in the networking and digitization of legacy and future weapons systems.

**David E. Luxton***Executive Chairman*

David is a recognized entrepreneur in the defense and security industry. He was an infantry officer and senior official with the Canadian and British governments before leading the global build-out of successive companies, including Simunition, world leader in simulated munitions for close quarters combat training. He led the build-out of Allen-Vanguard, which became a world leader in Counter-IED solutions, and he remained Chairman until Oct 2021. He is former Chairman and CEO of United Tactical Systems, a world leader in non-lethal munitions.



Steve Archambault
CFO

Mr. Archambault began his career as a CPA, CA, with Ernst & Young LLP, followed by senior finance positions at AXIS Capital, a global insurer and reinsurer, and more recently had CFO roles with small-cap public Canadian companies listed on the TSX Venture Exchange and Canadian Securities Exchange in media broadcasting technology and health and wellness industries.



Rick Bowes
VP of Operations

Prior to his various senior roles with defense contractors such as General Dynamics Canada, DRS Technologies Canada (now Leonardo DRS), ATCO Frontec and ADGA Group Inc., Rick had a distinguished career as a senior officer in the Canadian Army, retiring in 2003 as a Lieutenant Colonel. He is a graduate of Royal Military College of Canada and served in various operational and staff roles in the Canadian military and on secondment to the British Army.

NON-LETHAL

KWESST develops and commercializes proprietary *non-lethal* products for personal defense, public safety, and close quarters combat simulation.



NON-LETHAL

PARA OPS™

Non-lethal products for personal defense, public safety and close quarters combat simulation.

The global non-lethal weapons market was approximately USD\$7.4 billion in 2020 and is projected to reach USD\$12.5 billion in 2028 (a 7.4% compound annual growth rate) (1)

A next-generation replacement for most legacy systems on the market today

A patent-pending (# 17/669,420), non-lethal low-energy cartridge-based system that fires from a dedicated device that can resemble a **TV remote control**, a **flashlight** or a **replica firearm** depending on the mission.

Devices shoot only PARA OPS cartridges in three variants:

- (1) solid polymer slug for practice or pain compliance;
- (2) inert colored powder for force-on-force training, or
- (3) a safe incapacitating pepper powder for operational use.

(1) According to Allied Market Research: Non-Lethal Market, May 2021



Preview launched at SHOT Show 2022, Jan 18-21, Las Vegas

PARA OPS™

A replacement for dated legacy systems on the market today that are either **high-energy and can be lethal** or are air-gun based and often unreliable.

Legacy systems have major flaws

High-Energy Cartridge Systems = Fatalities



Air Guns = High Maintenance and Unreliability



PARA OPS™

How it works and compares to high-energy cartridge systems and air guns

Low Energy Cartridge Case

- Low energy actuator disc in rear
- No gunpowder or compressed gas
- Specifically configured interior mates with projectile to generate self-stabilizing spin for accuracy and distance
- Simple manufacturing
- Calibrated actuator well below the “lethal” threshold

Projectiles

- Injection molded polymer
- Pre-loaded into cartridge casings
- Three payload variants
 1. Solid slug for practice or pain compliance
 2. Inert colored powder for practice or realistic close quarters combat simulation
 3. Incapacitating irritant pepper powder for operational use



Single shot firing platform



Firing devices have simple internal mechanisms, few components, and are chambered to accept and fire only PARA OPS cartridges.

PARA OPS™

Commercialization model – outsourced production and sales

In house

Product development and first demonstration samples.

Initial short-run production plan

Launchers

- Single shot underway now. Multi shot expected Apr - June 2023.

Cartridges

- Initial production now underway for single shot. Multi shot expected Apr – June 2023.

Full-volume production plan

To be outsourced to U.S. manufacturing partners.

Sales and order fulfillment plan

Law enforcement

- Direct to major agencies, local law enforcement distributors for small agencies.

Gun owners (72 million own almost 393 million guns).

<https://www.cnn.com/2022/06/02/us/gun-ownership-numbers-us-cec/>

- E-commerce firearms sites and distributors.



SAVE THE DATE
JANUARY 17 - 20, 2023
The Venetian Expo | Caesars Forum, Las Vegas

PARA OPS™

Commercialization model – sales and order fulfillment plan

Law Enforcement and Security Market

Sales plan

- Direct to law enforcement and security firms commencing.
- Firearms dealers and specialized e-Commerce sites commencing.

Order fulfillment plan

- Order processing, warehousing, pick and pack, shipping to be outsourced.

Product availability plan

- Single shot: Jan – March 2023.
- Five shot (law enforcement and security version): Apr - June 2023.





PARA OPS™

Commercialization model – sales and order fulfillment plan

Personal Defense Market



Sales plan

- e-Commerce stores.
- Distributors

Order fulfillment plan

- Order processing, warehousing, pick and pack, shipping to be outsourced.

Product availability plan

- Single shot: Apr - June 2023.
- Five shot (consumer version): Apr - June 2023.



PARA OPS™

Brand Ambassador strategy

- Brandon Tatum is a quality example of one of our best brand ambassadors.
- Brandon specializes in public relations, social media outreach and trade.



Brandon Tatum – KWESST Advisor & Advocate

"PARA OPS is a potential game changer for law enforcement, and it adds to a family's ability to diversify home and personal defense.

As a former police officer, I understand the value of having a reliable non-lethal cartridge-based firing platform as an option on patrol, which also gives great flexibility during tactical developments.

I also recognize that there is a significant population in America that is looking for a tool that can keep them safe without having to resort to deadly force.

PARA OPS is a great solution for these objectives, and I am 100 percent behind this innovative strategy to make our world a safer and more responsible place."

- Brandon Tatum

"EVERYBODY GOES HOME ALIVE"™



ARWEN™

Non-lethal product line

- Complementary acquisition, completed December 2021.
- Iconic brand with established yet underexploited customer base of law enforcement in North America and overseas.
- Used primarily for riot control and by police tactical teams during high-risk arrests against potentially *armed* violent persons vs. PARA OPS against *unarmed* aggressive persons.
 - Used e.g. in Feb 2022 trucker protest, Ottawa, Canada.

Expected synergies

- Market synergies – immediate access to law enforcement market for PARA OPS.
- Technology synergies – PARA OPS can provide low-energy cartridge for ARWEN launchers.
- Cost synergies – combined facilities and engineering.

DIGITIZATION

KWESST develops and commercializes proprietary next-generation real-time situational awareness technologies for military and public safety agencies.

Real-time situational awareness for military and public safety agencies



A NATO priority to close “the digital divide” and modernize the soldier on the ground with a networked common operating picture to reduce combat casualties and enable greater operational readiness.

Public safety agencies have an equivalent requirement for improved incident management and responder safety.

A high-growth/high-value business segment for KWESST leveraging its deep domain knowledge, proprietary sensor-software integration, algorithms and electronic circuitry.

- KWESST demonstrated its ability to extend this networked capability to soldiers’ weapons systems like mortars in a \$1 million contract for the **U.S. Marine Corps**.
- **General Dynamics Mission Systems–Canada** subsequently engaged KWESST’s digitization *Center of Excellence* to help develop a showcase next-generation digitized soldier system for the Canadian Army, demonstrated at CANSEC 2022.
- Awarded contract July 2022 to digitize national Ground Search And Rescue (GSAR) capabilities for **Public Safety Canada**.



GENERAL DYNAMICS
Mission Systems–Canada



Plan is to embed KWESST strategically in the emerging military and Homeland Security digital eco-system.

Globally, the public safety and security market was USD\$435 billion in 2021 and is expected to reach USD\$868 billion by 2028, growing at a CAGR of 10.4%, according to Fortune Business Insights.

COUNTER-THREAT

KWESST develops and commercializes proprietary next-generation Counter-Threat technologies that deliver a tactical advantage in Electromagnetic Spectrum Operations, or “EMSO”.

Electronic counter-measures – leveraging KWESST’s proprietary sensor-software integration

According to Fortune Business Insights: Electronic Warfare, June 2021, the global electronic warfare market size is projected to reach USD\$33.5 billion by 2028, a 5.24% CAGR from 2021.

Phantom™ is a compact portable multi-function device that includes the ability to emulate the electronic communications of any NATO country in order to spoof adversaries as to the location of NATO forces.

- A patented version of much larger vehicle-mounted Electronic Warfare systems. Its small size means it can be deployed at the tactical level by ground personnel or by drones or mounted on light tactical vehicles.
- In November 2021 **General Dynamics Land Systems (GDLS)** selected Phantom™ for a U.S. military vehicle program proposal.
- Incorporated into invitation-only U.S. Department of Defense multi-agency trials in August, 2022.



Phantom™
portable unit



Phantom™
handheld unit

Battlefield Laser Detection System is a unique, proprietary system that detects and can locate lasers and alert ground personnel with KWESST’s networked Digitization applications.

- Three variants: individual personnel-worn, squad version, and vehicle mounted for mobile operations.



Individual



Squad



Vehicle

Ghostnet™ is a confidential developmental technology to provide a “soft” kinetic kill capability against hostile drones without collateral damage. Designed for integration into third-party electronic Counter Unmanned Vehicle Systems (CUAS). Partner discussions expected.

CLASSIFIED

CAPITALIZATION TABLE

Common Shares Outstanding	4,063,406
Options (WAEP US \$37.55)	99,930
Warrants (WAEP US \$24.25)	335,428
Warrants (US \$5.00)	3,226,392
Restricted stock, share appreciation rights, and performance stock units	42,022
Fully Diluted Shares Outstanding	7,767,178

Shares listed on Nasdaq
and TSX Venture
Exchange, symbol KWE

Warrants listed on Nasdaq,
symbol KWESW

Thank You

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