



NEXT-GENERATION TECHNOLOGIES FOR MILITARY AND PUBLIC SAFETY MISSIONS

18 APRIL 2024

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IN BRIEF

Our mission

We're committed to building long-term sustainable value by commercializing proprietary technologies aligned with the modernization of NATO and partner nations and public safety agencies around the world to advance **safety, survivability** and **effectiveness**.

Defense Focus

- Pursuing strategic contracts with military end users and prime defense contractors that increase competence in the command and control and situational awareness software used by the U.S. military and its allies.
 - Plus, strategic purpose-driven hardware solutions built to integrate with those software systems.
 - Commercial Off The Shelf ("COTS"), ITAR-free technology.

Public Safety Focus

- Applying the same technology with similar capabilities to the global public safety market
 - Products that are used by law enforcement and public safety agencies for situational awareness.

Technology Synergies

- Core digitization technologies
 - with cross-over application from the military market to the public safety market

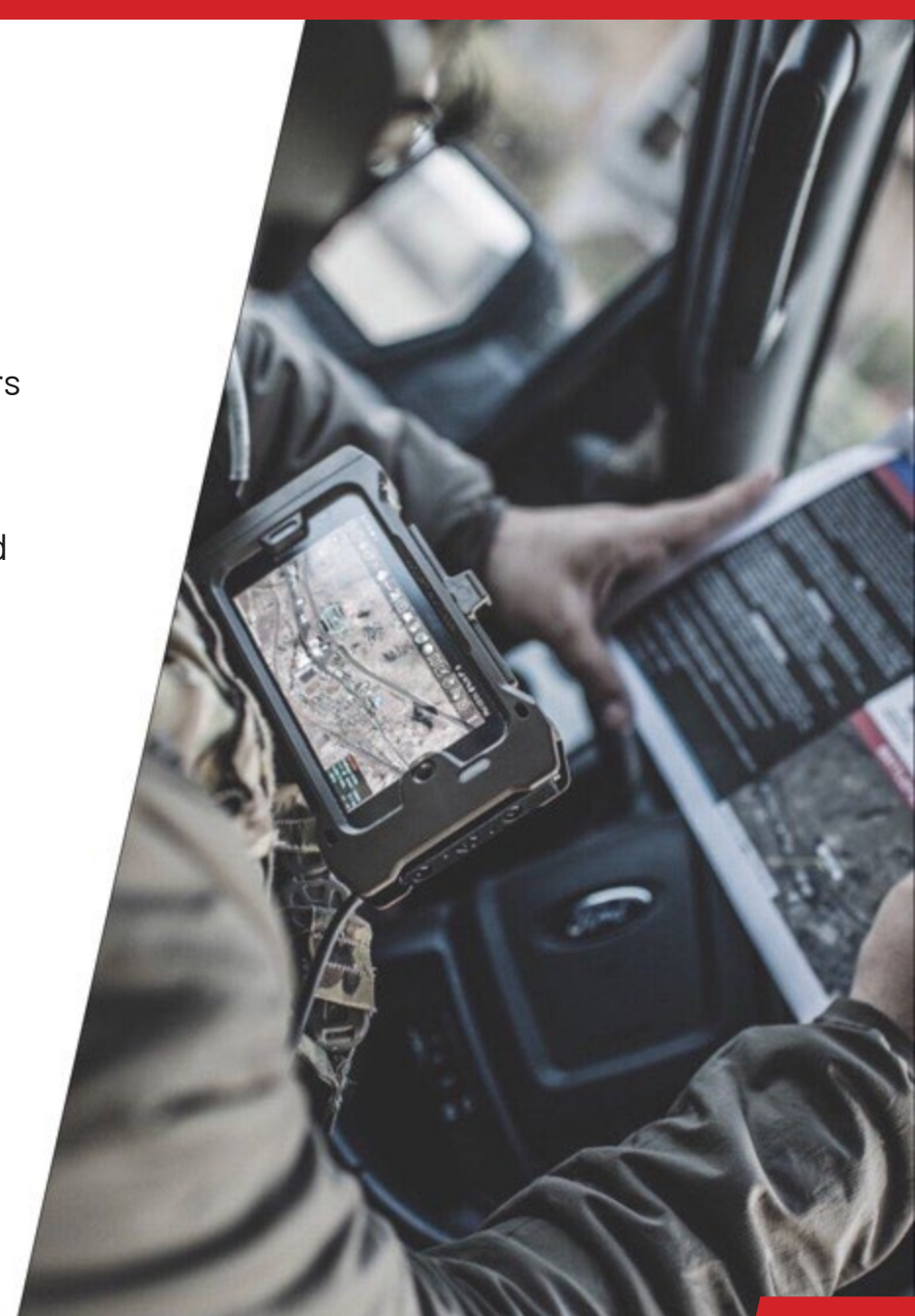
INTRODUCTION

Leadership

We are a team of accomplished industry executives with a track record of previous notable private and public company ventures that commercialized niche, high-value defense technologies that went on to succeed in their respective niche markets.—We've been there and done it before with strategies that work, including a nose for winning technologies, strong partnerships with prime defense contractors, an outsourced manufacturing model for agility and strong operating leverage, and a focus on potential recurring revenue streams.

Ahead

We're on our way, with technologies that have attracted strategic industry partners and with first pathfinding sales in North America and overseas. We're in an enduring industry at a time of heightened geopolitical tensions.



LEADERSHIP

David E. Luxton

Executive Chairman

David Luxton 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 establishing Simunition (simunition.com), which became the world leader in simulated munitions for close quarters combat training. He also led the build-out of Allen-Vanguard (allenvanguard.com) and remained Chairman until Oct 2021. He is former Chairman and CEO of United Tactical Systems, world leader in non-lethal munitions (pepperball.com).

Harry Webster

Chief Operating Officer

Harry Webster is an experienced aerospace and defence leader. He most recently served as Director of Programs at DRS, overseeing all engineering development and manufacturing programs. With over 20 years of experience in roles spanning engineering development to executive leadership, Harry's career has been built on leading organizations to achieve great business outcomes in the execution of complex engineering projects for platforms such as Canadarm3 at MDA and the Canadian CH-148 Maritime Helicopter Program at General Dynamics Mission Systems. Harry holds advanced degrees in Business Administration and Engineering, and licenses as Professional Engineer and Project Management Professional.

General (Retired) Rick Hillier

Board Member and Former Canadian Chief of Defence Staff

As the former Canadian Chief of the Defence Staff, General Hillier held Canada's highest-ranking position in the Canadian Forces from February 4, 2005, to July 1, 2008. Among his many military career highlights, he oversaw Canada's mission in Afghanistan and was a strong and effective advocate for modernized equipment in support of the mission. General Hillier previously served as international advisor to KWESST and on December 6, 2023, he joined KWESST's Board of Directors and chairs the Company's Strategic Planning Committee.

Sean Homuth

President and Chief Executive Officer

Sean Homuth is a senior financial executive with more than 20 years of experience working with both Canadian and U.S. public companies across a broad range of industries. He has experience with a variety of financing (equity, debt, royalty) and M&A transactions. Since 2008, he has spent the majority of his time in various senior executive roles with emerging companies. Mr. Homuth is a Chartered Professional Accountant (CPA, CA Ontario) and a Certified Public Accountant (Illinois).

Kris Denis

Chief Financial Officer and Chief Compliance Officer

Kris Denis brings more than 20 years of finance experience across a range of industries including manufacturing, aviation, mining, technology and defense, including 10 years with Canadian public companies. Most of his career has been in senior finance roles with early-stage growth companies, which entailed several large equity financings in the mining industry. As the son of a veteran, military life has been a strong influence in his upbringing. Kris is a Chartered Professional Accountant (CPA, CA Ontario).

Dave Ibbetson

Strategic Advisor, Former GM, General Dynamics Mission System-Canada

Mr. Ibbetson, with more than 30 years in the Aerospace and Defence Industry, spent 25 years with General Dynamics where he served in progressively senior executive roles delivering major Canadian programs such as Land C4ISR, CH-148 Cyclone and CP-140 Aurora Integrated Mission System and exporting products and systems into the US, Europe, South America and The Middle East. During his tenure with GD Mission Systems Dave spent 8 years leading GDMS international portfolio of businesses with operations in Canada, the UK, Italy, Turkey and the Middle East.

LEVERAGING OUR CORE TECHNOLOGIES AND CAPABILITIES

MILITARY MARKET

PUBLIC SAFETY MARKET

PRODUCTS

ATAK-enabled KWESST products

OEM products



Fire control



Laser detection



Electronic war



Drones & other assets

TAK-enabled KWESST products

OEM products



SaaS situational awareness offering as a service



Observation & sniper scopes

SERVICES

Multi-year software development contracts with defense partners, for a base of recurring revenue

- Contract 1: Canadian Department of Defense task-based contract, up to CAD \$27M over 5 years, plus option years
- Pending Contract 2: Up to CAD \$48M over 6 years, plus option years

TAK-enablement projects for law enforcement and emergency management and response agencies

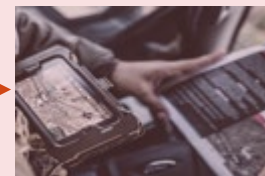
- Ground Search And Rescue (“GSAR”) contract for Public Safety Canada
- TAK training for police forces, relief organizations

DIGITIZATION

ATAK enablement for **real-time shared situational awareness** for soldiers and military assets



COMMON A/TAK DIGITIZATION TECHNOLOGY



TAK enablement for **real-time shared situational awareness** for law enforcement and emergency response agencies

Foundational: Android Team Awareness Kit (“ATAK” for military users, “TAK” for law enforcement and emergency response)

NON-LETHAL MUNITIONS PRODUCTS – ARWEN™

ARWEN 37mm Acquisition and Potential Break-Out Strategy with 40mm

- Acquired December 2021.
- Long-established product line with 40-year heritage.
- Used for public order and high-risk arrests by tactical teams.
- Media coverage of safe conclusion to incidents, including trucker protests, Ottawa, Canada, 2022.



New // Introduction of 40mm Arwen Cartridges

- ARWEN 37 cartridge reputed for reliability and performance of its non-lethal cartridges vs. third-party 40mm systems.
- New ARWEN 40mm, designed for ubiquitous third-party firing platforms, achieves same performance advantages as ARWEN 37mm and can disruptively target the mainstream global market for non-lethal 40mm cartridges.
- Introduced to market at SHOT Show, Las Vegas, January 2024, first sales orders now being received from law enforcement agencies.

New
ARWEN 40mm
non-lethal cartridge



AND, A NEW, NON-LETHAL MUNITIONS SYSTEM – **PARA OPS™**

Application to All Non-lethal Missions



Public order operations, prison cell extractions, subjugation of suspects, dangerous animal control, high-risk arrests, personal and home defense

Breakthrough Patented Technology & Deep Domain Expertise

A next-generation replacement for most “less-lethal” systems on the market today

- A truly 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.
- Firing platforms fire **only** PARA OPS cartridges.
- Unique cartridge/projectile design generates spin to stabilize a soft polymer projectile for accuracy over distance.
- Projectile payloads can be solid slug or inert powder (for practice and training), and pepper powder or pepper gel for operational use.
- Full market roll-out planned through 2024.



Low energy cartridge and soft projectile

Firing platforms



Razor-razor blade model, book-and-ship business, for public safety agencies, military and gun owners.

PARA OPS

**PATENTED LOW ENERGY
CARTRIDGE SYSTEM**

REVENUE MODEL

Defense Group

- Digitization Services
- Digital Fire Control systems
- Laser Detection
- Electronic Warfare

Public Safety Group

- Surveillance Products (T-SAS)
- Situational Awareness SaaS (KWESST Lightning)
- Non-Lethal Firing platforms (ARWEN, PARA OPS)
- Non-Lethal Ammunition (ARWEN, PARA OPS)

Professional fees, strategic multi-year programs

Programmatic product sales and maintenance fees

Product sales and software fees

Product sales and software fees

Product sales and support fees

Recurring SaaS user fees

Product sales and support fees

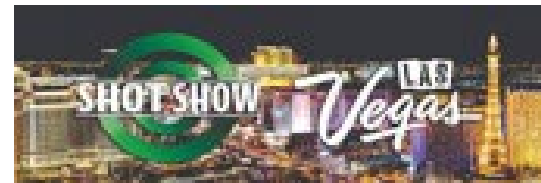
Recurring ammunition sales

MANUFACTURING AND MARKET DEVELOPMENT

Outsourced Manufacturing for Operating Leverage



Go-to-Market Strategy that Leverages Third-party OEM's, Distributors and Events



Patents and Trademarks

Patents

26 issued or pending internationally, covering:

- Phantom (digital electronic decoy)
- TASCOS IFM (digital fire control system)
- Battlefield Laser Detection System
- Low Energy Cartridge (PARA OPS)

Trademarks

Trademarks issued or pending internationally, include:

- KWESST (word and design mark)
- KWESST Lightning
- Phantom
- PARA OPS (word and design mark)
- ARWEN (word and design mark)

CAP TABLE AND BALANCE SHEET

As at December 31, 2023, as filed on SEDAR+ and EDGAR unless otherwise noted

Shares issued		6,049,204
Dilutive securities		7,105,197
April 2024 US Public Offering		
Shares issued	735,000	
Warrants	803,500	
		<u>1,538,500</u>
Fully diluted shares at April 18, 2024		14,260,479
Cash as at December 31, 2023*		\$ 2,474,132
Market Capitalization (April 12, 2024, close on TSX C\$1.07)		\$ 7,259,098
Market Capitalization (April 12, 2024, close on NASDAQ US \$0.69)	USD\$	4,681,101

* Does not include gross proceeds or expenses from the April 2024 US Public Offering

VALIDATION AND CATALYSTS

Defense

- Development of foundational digitization capabilities.
- Collaboration agreements with global defense contractors on military digitization programs.
- GDLS teaming agreement on Phantom electronic deception system, and delivery of demonstration unit.
- \$1M contract for US Marine Corps digital fire control system on 81mm mortar.
- Development of Battlefield Laser Detection System and first prototype delivery to NATO nation customer.
- CAD\$136M contract win with Thales and Akkodis joint venture, May 2023, plus additional option years, KWESST portion up to CAD\$27M over initial 5 years.
- Completion of pending Contract 2 referred to in slide 7 and commencement of work, expected April 2024.

Public safety

- Ground Search And Rescue (GSAR) contract win for national public safety agency.
- G7 capital city win for Tactical Surveillance And Sniper system (T-SAS).
- Development of KWESST *Lightning*TM real-time shared situational awareness for critical incidents.
- Development and initial production of patented PARA OPS low energy cartridge system.
- Acquisition and expansion of ARWEN and development of 40mm cartridge for third-party launchers globally.

OUTLOOK

Defense

- Ramp-up of awarded CAD\$136M DSEF joint venture contract with Thales and Akkodis under 5-year DND contract (underway)
 - KWESST portion up to CAD\$27M over 5 years, plus additional option years
- Major opportunity pending for second, larger multi-year military contract with NATO nation
 - Expected to commence April 2024, up to CAD\$48M over initial 6 years, plus option years
- Together, visibility on up to CAD\$75M under task-based programs over the next 5 – 6 years
 - Plus option years

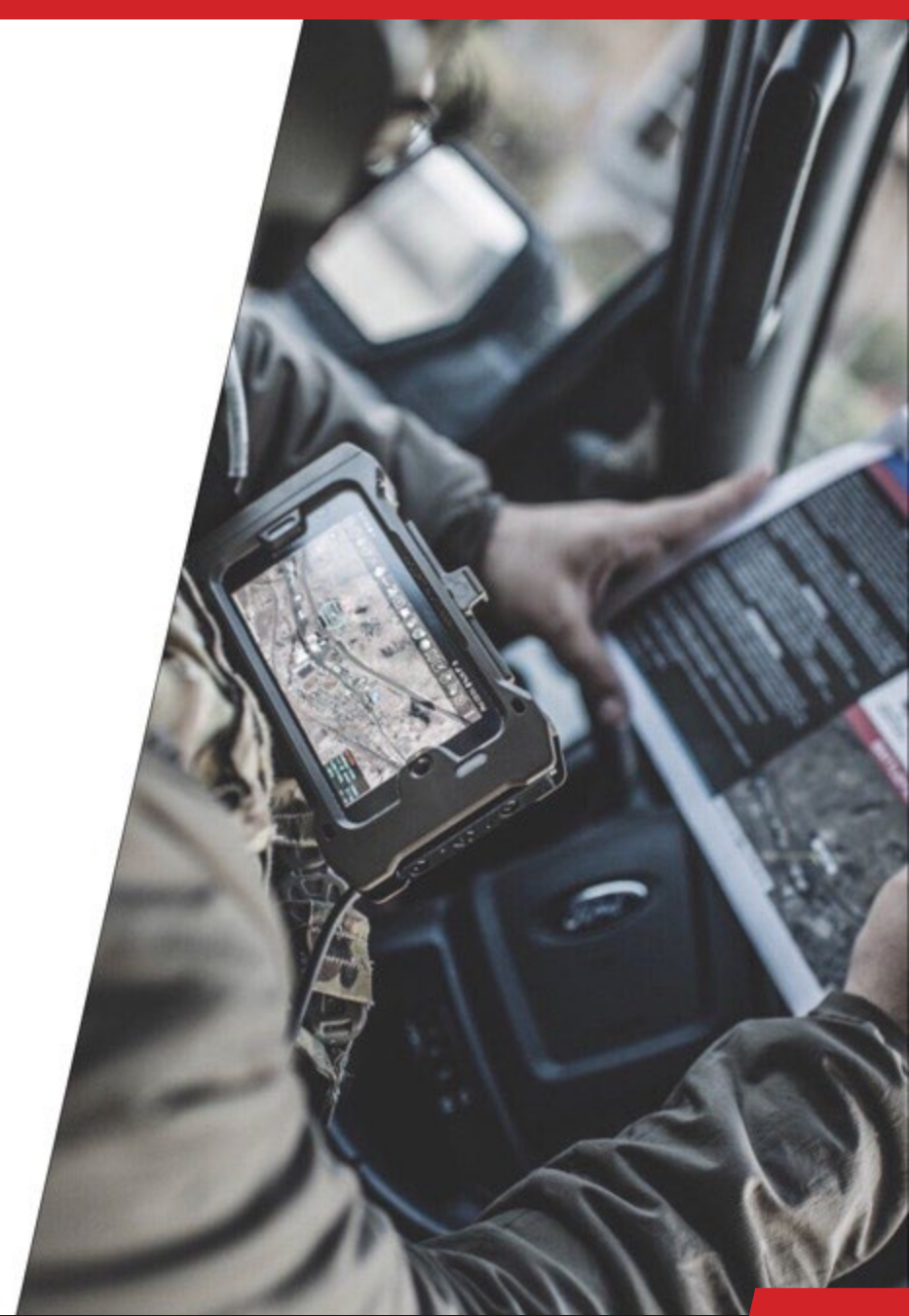
Public safety

- Completion of Ground Search And Rescue (GSAR) contract for national public safety agency
 - Plus additional internally developed mission modules to catalyze KWESST Lightning™ real-time shared situational awareness app for critical incidents, with recurring SaaS revenue model.
- Expansion of ARWEN book-and-ship business
 - Driven by scale-up, U.S. based production and new 40mm cartridge
- Ramp-up of PARA OPS to full production
 - With first law enforcement sales and distribution agreements in progress

KEY ATTRIBUTES

- Stable long-term **high-growth global industry**.
- Seasoned management with a **proven track record of success**.
- Strong go-to-market **industry partnerships with prime defense contractors**.
- Extensive **IP portfolio**
- Scalable outsourced manufacturing model for **operating leverage**.
- Product and customer base **diversified** geographically
- Pursuing -and winning- base contracts with **multi-year revenue visibility**.
- Focused on sources of **recurring revenue**.

Building an enduring high-value global business over time.





THANK YOU

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Executive Officer
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Executive Chairman
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APPENDICES



DEFENSE GROUP



Applications of KWESST's core digitization technology and capabilities

DIGITAL SITUATIONAL AWARENESS

Real Time Data Sharing At The Tactical Level

- **Connecting soldiers on the ground** through ATAK, the U.S. government system of choice, now being adopted by other NATO countries.
 - Facilitates instant sharing of data and visual information among soldiers on the ground, in their vehicles and with all military assets.
 - KWESST is a recognized expert in ATAK (for military) and TAK (for civilian agencies) integration with ground forces, sensor systems, weapons platforms and drones.
- **Selected by GDMS-Canada** to develop and showcase next-generation integrated soldier/vehicle system.
- **Strategic \$136M five-year contract** awarded May 2023 by Canadian Department of National Defence (DND) to KWESST-THALES-AKKODIS joint venture to develop and support next-generation software for tactical systems. Up to 20% of contract value each year to KWESST for 5 years plus option years.



GENERAL DYNAMICS
Mission Systems-Canada



DIGITIZED FIRE CONTROL SYSTEMS

Digitized Firing Platforms – The Future Of NATO Forces

- **CAD \$1M contract for U.S. Marine Corps** to showcase KWESST application of its digitization and ATAK integration module at right on 81mm mortar for dramatically faster deployment, targeting and accuracy.
 - Transforms legacy weapons into modern precision fire systems.

A snap-on device (right) applicable to many legacy and new firing platforms – a massive installed base across NATO countries, all with plans to migrate to digital fire control systems (“**Joint Fires**” programs).



DIGITIZED LASER DETECTION

THE PROBLEM // laser threats on the modern battlefield

Adversaries use laser range finders and laser designators to target high-value assets of friendly forces, and have also weaponized lasers against ground personnel.



KWESST SOLUTION // advanced patent-pending modular technology

Active adaptation of our technology to a modular format that can be soldier-worn or mounted on military assets.



First NATO country order received for a vehicle-mounted prototype system for Special Forces.



IN DEVELOPMENT: DIGITIZED EMSO

Electro Magnetic Spectrum Operations (EMSO)

Addressing NATO and partner country requirements for a compact “tactical” multi-function electronic warfare device that can be deployed in a battlefield by soldiers or drones.

Modular, multi-function all-in-one device for:

- **Spoofing** – deceiving the enemy with false troop communications, operations and “patterns of life”

Uses advanced AI algorithms to emulate “patterns of life” to spoof enemy

- **Analysing** signals for enemy activity and signals intelligence
- **Jamming** enemy communications
- **Training** electronic warfare operators

Integrates into battlefield management software and tools including ATAK.



KWESST “Phantom”

Version 1.0 portable electronic **decoy** and Electronic Warfare (EW) **trainer**.



Version 2.0 multi-function EMSO device.

Backpackable and modular for **scanning, jamming, spoofing or EW training** at the tactical level.

PUBLIC SAFETY GROUP



Applications of KWESST's digitization technology to the public safety market.

Plus, a new non-lethal munitions system

PUBLIC SAFETY – DIGITIZATION

Leveraging KWESST's Core Military Technology into the Public Safety Market



New // Commercialization planned for later in 2024

KWESST Lightning –Designed to provide responders to any type of critical incident with instant on-boarding to the mission and TAK-enabled real-time situational awareness Software as a Service (SaaS).

- Networked situational awareness in real time means faster, more effective response for a safe conclusion to the incident.
- Designed to scale readily for any number of users without capital investment.
- For law enforcement, fire, EMS or NGO humanitarian missions and disaster relief.
- Expected to be market-ready for paying customers following pilot programs in 2024.



Digitization for Ground Search And Rescue (GSAR) operations

KWESST and its teaming partner, Counter-Crisis Technology, were awarded a \$1M initial contract by Public Safety Canada to develop a digitized TAK-enabled Ground Search And Rescue (GSAR) application for police and volunteer GSAR organizations.

- When completed in 2025 this will be a breakthrough in digitized mission coordination for law enforcement and volunteer ground search and rescue operations.



Digitization of public surveillance operations for shared awareness

KWESST has developed the TAK-enabled Sniper and Surveillance (T-SAS) System for shared real-time awareness during critical incidents in the public safety market.

- We believe this could open markets for similar offerings.

PUBLIC SAFETY – NEW NON-LETHAL MUNITIONS SYSTEM – **PARA OPS™**

Aims to solve the problem of dated legacy systems on the market today that are either **high-energy** and **potentially lethal** or are **air-gun based** and can be **unreliable**.



High energy cartridge systems



Air guns

PUBLIC SAFETY – NON-LETHAL MUNITIONS SYSTEM – PARA OPS™

Current Program Status of PARA OPS

- Development of first-generation products completed.
- Outsourced low-rate production of cartridges underway at NY facility.
- Outsourced low-rate production of Solo and 5 Shot Pro underway at NC facility.
- Demonstrations and evaluations underway with law enforcement agencies.
- Full production and sales ramp up planned in 2024.
- Working with key suppliers to establish long-term strategic supplier agreements in order to minimize delivery lead-time and maximize profit margins.

Generation 1 Products



Cartridge casing and projectile



Solo



5 shot Pro

- Development underway with firearms industry partner to fabricate dedicated PARA OPS shotgun, plus replacement barrel and/or choke to retrofit large existing installed base of law enforcement shotguns already repurposed and dedicated to non-lethal use.
- Development underway to begin limited production of a PARA OPS shot shell in 2024 for standard 12-gauge shotguns to leverage the installed base of law enforcement shotguns and millions of civilian shotguns for personal defense and animal control.

New – Shot Shell



Shotgun



12 gauge
PARA OPS
shot shell



Replacement barrel