

KWESST Micro Systems Retains Hybrid Financial for IR, Applies for Listing On OTCQB

Ottawa, Ontario--(Newsfile Corp. - November 25, 2020) - KWESST Micro Systems Inc. (TSXV: KWE) ("KWESST" or "the Company") is pleased to announce that it has, subject to all required regulatory approvals, including the approval of the TSX Venture Exchange (the "Exchange"), retained Hybrid Financial Ltd. ("Hybrid") to provide marketing, market awareness and corporate broker services, pursuant to an agreement entered into between the Corporation and Hybrid dated as of November 24, 2020 (the "Hybrid Agreement")

Hybrid Financial is a sale and distribution company working on behalf of clients in the financial services industry. Hybrid's unique approach helps effectively and efficiently build brands and launch products on behalf of small, medium, and large clients. Offices in Toronto and Montréal allow Hybrid to comprehensively cover both United States and Canadian markets. Pursuant to the Hybrid Agreement, Hybrid has been retained by the Company for an initial period of six months. Upon expiration of the initial term, the Agreement shall be automatically renewed on a three-month basis (subject to termination by the Company by written notice). Hybrid will be responsible for assisting KWESST in all aspects of marketing campaigns for the Company in Canada and the US. Hybrid will be paid a fee in the amount of \$22,500 per month. Steve Marshall will be the responsible person at Hybrid.

In conjunction, KWESST also announces it has applied for its common shares to be trading on the OTCQB® Venture Market ("OTCQB"), a US trading platform operated by the OTC Markets Group in New York. The Company will provide further information once its common shares commence trading. The Company believes that trading on the OTCQB will provide additional liquidity and increase its visibility within the U.S. capital markets. KWESST will continue to trade on the TSX Venture Exchange under its symbol "KWE". KWESST also expects to shortly apply for eligibility to The Depository Trust Company ("DTC"). DTC eligibility should widen the Company's exposure and scope of opportunity in the US market.

KWESST also announces the issuance of 24,214 common shares at a price of \$0.70 per share to AGORA Internet Relations Corp. ("AGORA"), for services rendered in the amount of \$16,950 pursuant to the agreement with AGORA announced September 17, 2020. The Company further announces that it has entered into debt settlement agreements with arms length parties in order to settle outstanding unpaid debts totalling \$47,000. Subject to the receipt of approval from TSX Venture, the Company has agreed to issue 67,143 common shares at price of \$0.70 per share to settle these debts. All securities issued or issuable shall be subject to a hold period of four months plus one day. KWESST also has granted 50,000 options to an officer of the Company to purchase shares of KWESST at \$0.70 per share on or before November 20, 2025.

About KWESST

KWESST develops and commercializes high-value ultra-miniaturized technology applications that make a critical difference to the safety and operational effectiveness of personnel in the defence and security industries. The company's current portfolio of unique proprietary offerings include: its signature TASCSTM (Tactical and Situational Control System) for real-time awareness and targeting information from any source (including drones) streamed directly to users' smart devices and weapons; the autonomous Grey Ghost™ soldier-portable micro drone missile system that defends against small hostile drones including swarms using high-speed kinetic impact; a Ground Laser Defence system to counter the emerging threat of weaponized lasers against personnel; and, the Phantom™ electronic battlefield decoy system to mask the electromagnetic signature of friendly forces with decoy signatures at false locations to deceive and confuse adversaries. All systems can operate stand-alone or integrate seamlessly with OEM products and battlefield management systems including Frontline, Edge, Killswitch and ATAK (Android Tactical Assault Kit) among others. KWESST also has developmental "smart

ordnance" projects including its "Shot Counter" system, which records the number and type of rounds fired, for optimized firearms maintenance and performance. The Company is headquartered in Ottawa, Canada, with representative offices in Washington, DC, London, UK and Abu Dhabi, UAE. KWESST trades on the TSX Venture Exchange under the symbol KWE.

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For more information please visit <https://kwesst.com/>

Cautionary Note Regarding Forward-Looking Statements

This news release includes certain "forward-looking statements" under applicable Canadian securities legislation. Forward-looking statements include, but are not limited to, statements with respect to the timing for the commencement of trading and the plans and operations of KWESST after giving effect to the Qualifying Transaction. Forward-looking statements are necessarily based upon a number of estimates and assumptions that, while considered reasonable, are subject to known and unknown risks, uncertainties and other factors which may cause the actual results and future events to differ materially from those expressed or implied by such forward-looking statements. Such factors include, but are not limited to: general business, economic, competitive, political and social uncertainties. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. KWESST disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

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



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