

KWESST to Begin Trading on OTCQB (R) Venture Market

Company establishes U.S. subsidiary and operating facility in Stafford, VA

Ottawa, Ontario--(Newsfile Corp. - February 3, 2021) - KWESST Micro Systems Inc. (TSXV: KWE) ("KWESST" or "the Company") today announced that its common shares have been approved for listing on the OTCQB® Venture Market ("OTCQB®"), a US trading platform that is operated by the OTC Markets Group in New York. Effective tomorrow February 4, the Company will commence trading on the OTCQB® under the symbol KWEMF.

The Company's common shares will continue to trade on the TSX Venture Exchange under the symbol KWE. Investors can find real-time quote and other information on the Company at <https://www.otcmarkets.com/stock/KWEMF/overview>. In addition, the Company is pleased to announce that it has received DTC eligibility by The Depository Trust Company ("DTC") for electronic settlement and transfer of its common shares in the United States.

KWESST Executive Chairman, David Luxton, commented that, "We have a strong concentration of business with military customers in the U.S., so it makes sense to be listed there. As well, there is obviously a much larger potential investor base in the U.S. with an appetite for exposure to our kind of business. We expect this will expand our shareholder base and the liquidity of the stock to the benefit of all shareholders."

The Company added that in conjunction with its U.S. listing it has established a wholly-owned U.S. subsidiary and operating facility in Stafford, VA where KWESST systems can be assembled and showcased for U.S. customers.

The OTCQB® is the premier marketplace for entrepreneurial and development stage US and international companies that are committed to providing a high-quality trading and information experience for their US investors. To be eligible, companies must be current in their financial reporting, pass a minimum bid price test, and undergo an annual company verification and management certification process. The OTCQB® quality standards provide a strong baseline of transparency, as well as the technology and regulation to improve the information and trading experience for investors. The ability to have the Company's shares electronically transferred between brokerages in the US through DTC is significantly more convenient and reduces the costs incurred in trading shares. When shares are able to trade electronically, existing investors benefit from greater liquidity and execution speeds, while opening the door to new investors that may have been previously restricted from the Company's shares.

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 GreyGhost™ 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.

To view the source version of this press release, please visit <https://www.newsfilecorp.com/release/73571>