

# KWESST Expands LEC Team with New Hire

Ottawa, Ontario--(Newsfile Corp. - July 22, 2021) - KWESST Micro Systems Inc. (TSXV: KWE) (OTCQB: KWEMF) ("KWESST" or "the Company") following the successful live demo of its non-lethal Low Energy Cartridge ("LEC") system in British Columbia on July 9th, 2021, KWESST has hired Blaine Groves to lead the ongoing productization effort of the LEC system starting in early September. Blaine brings a wealth of knowledge and expertise in the manufacturing of firing platforms. Over the last 17 years he has held senior positions at Colt Canada including most recently R&D Manager and Product Support Engineering. Colt Canada is the Canadian division of the American firearms manufacturer. Blaine was granted 100,000 incentive stock options and 50,000 Performance Stock Units.

In accordance with the Company's Long-Term Incentive Plan, on July 2, 2021, KWESST granted to the Executive Chairman 100,000 incentive stock options and 150,000 Restricted Stock Units ("RSUs") and to the C.E.O. 100,000 incentive stock options and 210,000 RSUs. The exercise price of the stock option is \$1.25 per share. These options will expire on July 2, 2026 and will vest quarterly over the next two years. The RSUs will vest over one year. As previously announced, as part of the closing of the acquisition LEC on April 29, 2021, the Company issued 500,000 to DEFSEC Corp. KWESST wishes to note that the warrant issued to DEFSEC as part of the acquisition will mature on April 29, 2026.

## About the non-lethal market and the Low Energy Cartridge System

The market for non-lethal products is a recurring multi-billion-dollar opportunity. Customers continue to seek better solutions as many legacy systems can be lethal, and frequently are unreliable. Thousands of fatalities have been recorded from existing cartridge-based systems, including conducted energy devices such as Taser. Other legacy products that are "less" lethal typically fire from air guns, which are inherently unreliable as they are affected by ambient temperature and involve high-maintenance including as a result of air seals and "O" rings drying out and bursting, causing catastrophic failures. Air-based systems also entail a long logistics tail of compressors, air tanks and spare parts.

The LEC systems solves these problems with the proven reliability of a cartridge-based system in a low-cost firing platform that fires only LEC cartridges. The firing platforms are offered in various patterns that replicate the look of a real firearm, or avoid the appearance of a firearm altogether, at the user's choice. The proprietary LEC cartridge automatically stabilizes the projectile for accuracy and distance, with an energetic actuator that controls velocity and muzzle energy well below lethal levels, and with no need for gunpowder or conventional propellant. The system's soft frangible projectiles come with various payloads, including coloured marking agent, inert powder or a safe but powerful irritant powder that temporarily incapacitates subjects.

## About KWESST

KWESST develops and commercializes breakthrough next-generation tactical systems that meet the requirements of security forces and personal defense for overmatch capability against adversaries. The company's current portfolio of unique proprietary offerings include: its signature TASCST<sup>™</sup> (Tactical Awareness 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<sup>™</sup> 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<sup>™</sup> 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 all versions of the ATAK Tactical Awareness. 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, and a unique non-lethal Low Energy Cartridge (LEC)

system with application across all segments of the non-lethal market. 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 and on the U.S. OTCQB under the symbol KWEMF.

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### **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.

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