

KWESST Announces Listing of Warrants

Ottawa, Ontario--(Newsfile Corp. - August 26, 2021) - KWESST Micro Systems Inc. (TSXV: KWE) (OTCQB: KWEMF) ("KWESST" or the "Company") is pleased to announce that the TSX Venture Exchange (the "TSXV") has conditionally accepted the listing (the "Supplemental Listing") of 3,536,057 common share purchase warrants of the Company (the "Warrants") issued in connection with its over-subscribed brokered private placement of 3,536,057 units, which closed on April 29, 2021 (the "Offering"). The TSXV has advised that the Warrants will be listed for trading on the TSXV under the symbol KWE.WT effective at market open on August 31, 2021.

The Offering consisted of 3,536,057 units (the "Units") issued at a price of \$1.25 per Unit. Each Unit was comprised of one common share of KWESST (the "Shares") and one Warrant. Each Warrant entitles its holder to purchase one Share of the Company at a price of \$1.75 for a period of twenty-four months ending April 29, 2023. If at any time after August 30, 2021, the trading price of the Shares on the TSXV is equal to or exceeds \$3.00 for a period of 10 consecutive trading days, as evidenced by the price at the close of market, the Company shall be entitled to notify the holders of Warrants of its intention to force the exercise of the Warrants. Upon receipt of such notice, the holders of Warrants shall have 30 days to exercise the Warrants, failing which the Warrants will automatically expire, provided that the Company issues a press release announcing its decision to exercise its acceleration right within the prescribed timeframe.

The Warrants are governed by a warrant indenture dated April 29, 2021, which has been amended by a warrant indenture amendment between the Company and TSX Trust Company on August 25, 2021.

The Supplemental Listing remains subject to final acceptance of the TSXV.

The securities described herein have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act"), or any state securities laws, and accordingly, may not be offered or sold within the United States except in compliance with the registration requirements of the U.S. Securities Act and applicable state securities requirements or pursuant to exemptions therefrom. This press release does not constitute an offer to sell or a solicitation to buy any securities in any jurisdiction.

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 unique non-lethal Low Energy Cartridge (LEC) system with application across all segments of the non-lethal market, including law enforcement and personal defence. KWESST is also involved in the digitization of tactical forces for shared situational awareness and targeting with its signature TASCSTTM (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. Other KWESST products include counter-measures against threats such as drones, lasers and electronic detection. These include the autonomous GreyGhostTM 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 PhantomTM electronic battlefield decoy system to mask the electromagnetic signature of friendly forces with decoy signatures at false locations to deceive and confuse adversaries. These systems can operate stand-alone or integrate seamlessly with OEM products and battlefield management systems. 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.

Contact: Jason Frame, Investor Relations: frame@kwesst.com

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 for the purpose of providing information about management's current expectations and plans relating to the future. 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.

NOT FOR DISTRIBUTION TO U.S. NEWSWIRE SERVICES OR FOR RELEASE, PUBLICATION, DISTRIBUTION OR DISSEMINATION DIRECTLY, OR INDIRECTLY, IN WHOLE OR IN PART, IN OR INTO THE UNITED STATES



To view the source version of this press release, please visit <https://www.newsfilecorp.com/release/94574>