

KWESST Provides Update on Recent Developments

- *Phantom selected by U.S. military for key technology demonstration*
- *Additional teaming agreements in progress with top global defense contractors*
- *Potential acquisition and teaming deals in progress to accelerate LEC ramp-up*
- *KWESST has submitted initial application to list on NASDAQ*
- *Audited statements for fiscal 2021 ended 30 September 2021 filed on SEDAR*
- *Live demonstration of LowEnergy Cartridge (LEC) system November 15, 2021*
- *KWESST presented at U.S. investor conference November 20, 2021*

Ottawa, Ontario--(Newsfile Corp. - November 23, 2021) - KWESST Micro Systems Inc. (TSXV: KWE) (OTCQB: KWEMF) ("KWESST" or "the Company"), a publicly-traded company listed on the TSX Venture Exchange (symbol: KWE) and the OTCQB[®] Markets (symbol: KWEMF) today announced the filing of audited consolidated financial statements and MD&A for the fiscal year ended September 30, 2021 and provided details of recent developments expected to accelerate corporate growth.

These are available under the Company's profile on SEDAR (www.sedar.com).

"We believe these recent developments will accelerate and expand our market entry on a number of fronts," said Jeff MacLeod, KWESST Founder, President and CEO, who reported as follows on the Company's various product areas.

Phantom selected by U.S. military for key technology demonstration

KWESST has received notification from a U.S. military organization that its Phantom[™] electronic deception system has been evaluated and selected for demonstration to address operational requirements. This comes on the heels of selection of the Phantom[™] system by General Dynamics Land Systems ("GDLS") for electronic deception on board vehicles under a major new program for one of its key military customers, as announced by the Company on November 12, 2021. The demonstration will be conducted in December 2021 at KWESST's U.S. Test and Evaluation facility.

Additional contractual agreements in progress with top global defense contractors

KWESST also stated today that it continues to progress negotiations with other global defense contractors for other Company products and services, including work to integrate the operational equipment and applications of defense contractors into the U.S. ATAK battlefield management software system, something KWESST has already done for its own offerings such as its TASCs Indirect Fire System (IFM) for mortars under a key U.S. military contract.

NASDAQ initial application to list

KWESST is also pleased to announce that, in connection with an updated capital markets strategy, it has submitted an initial application to list on The Nasdaq Stock Market ("NASDAQ"). The Company believes that, if successful, a NASDAQ listing can broaden investor awareness and the market for KWESST's shares, with a view to supporting shareholder value. The Company believes that, if successful, a NASDAQ listing will support institutional and retail investor participation in its securities and provide support to U.S. based M&A efforts.

"We are very excited about the prospect of listing on NASDAQ", said Chairman David Luxton. "A listing on NASDAQ would allow the Company to expand its shareholder base, enhance shareholder value and accelerate the Company's M&A initiatives in pursuing strategic opportunities in the U.S."

The listing of the Company's common shares on NASDAQ remains subject to the review and approval of the listing application and the satisfaction of all applicable listing and regulatory requirements, as well as including approval of a registration statement to be filed by the Company with the U.S. Securities and Exchange Commission. The Company's plan is to continue to maintain the listing of its Shares on the TSX Venture Exchange under the symbol "KWE."

Live demonstration of Low Energy Cartridge (LEC) system

On November 15, 2021, KWESST conducted a live fire demonstration of initial LEC products for investors near Toronto, Ontario, including an opportunity for investors to test fire the devices. Video footage of the demonstration along with an accompanying slide presentation will be posted on the Company's web site following the U.S. Thanksgiving holiday and will be available by Monday, November 29, 2021.

The Company added that in conjunction with its LEC products, to be launched at the 2022 SHOT Show in Las Vegas, January 18-21, it is in strategic discussions with industry partners to integrate and expand the LEC product range for accelerated revenue ramp-up and market expansion. KWESST is also evaluating possible acquisitions in the non-lethal industry.

KWESST presentation at U.S. investor conference in Florida

As part of the Company's goal to expand its investor base in the U.S., KWESST Executive Chairman, David Luxton, and Steve Archambault, CFO, presented to a select group of institutions and brokers at the Capital Event Management investor conference on November 20, 2021. A copy of the presentation is posted at the Company's web site.

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 TASCSTM (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 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. 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.

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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 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.

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