

KWESST Delivers Phantom(TM) Electronic Decoy to General Dynamics Land Systems - Canada for U.S. Marine Corps Advanced Reconnaissance Vehicle Military Program

Ottawa, Ontario--(Newsfile Corp. - December 14, 2022) - KWESST Micro Systems Inc. (NASDAQ: KWE) (NASDAQ: KWESW) (TSXV: KWE) (the "Company" or "KWESST") today announced that it has delivered the first Phantom™ system to General Dynamics Land Systems ("GDLS-C") as part of GDLS-C's bid for several hundred next-generation reconnaissance vehicles for the U.S. Marine Corps (the "USMC").

Today's announcement is further to the Company's press release of November 12, 2021 stating that GDLS-C has selected KWESST's Phantom™ electronic battlefield decoy as part of its ongoing efforts to develop a next-generation multi-domain mobile reconnaissance capability in connection with its bid to the USMC. As stated then, KWESST's engineering team is working in close collaboration with GDLS-C to support readying a prototype for trials by the USMC in the first part of 2023.

The Phantom™ capability is designed to meet evolving Electro-Magnetic Spectrum Operations ("EMSO") tactics, techniques, and procedures to be employed by reconnaissance operators in a contested Radio Frequency ("RF") environment, a feature of the modern battlefield as seen in conflict zones like Ukraine and elsewhere. If GDLS wins the contract with its United States military customer, KWESST has estimated the potential value for this contract to KWESST could be more than US \$40 million, depending on the number of Phantom units per military vehicle and final pricing based on volume. The United States military customer is expected to announce the winner of the tender for 400-500 next generation military vehicles in calendar 2023.

"The USMC is at the forefront of thinking as it re-aligns to an operating environment in which EMSO capability is critical to operational superiority against peer and near-peer adversaries," said Rick Bowes, Vice-President, Digitization and Counter-Threat Systems at KWESST. As stated at the time of the November 12th, 2021 announcement, "A capability like Phantom™ is a force multiplier: it is a programmable RF generator that can mimic the electronic communications of NATO forces, thus fooling adversaries as to their location. As well, it can detect and display the RF signatures of both adversaries and friendly forces, thereby enabling reconnaissance operators to plan EMSO operations for maximum effect."



Figure 1

To view an enhanced version of this graphic, please visit:

https://images.newsfilecorp.com/files/7366/147967_46357bf4f44fba9e_002full.jpg

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

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About KWESST

Forward-Looking Information and Statements

This press release contains "forward-looking statements" and "forward-looking information" within the meaning of applicable Canadian and United States securities laws (together, "forward-looking statements"). All statements, other than statements of historical fact, contained in this press release are forward-looking statements. Forward-looking statements may include, but are not limited to: the outcome of GDLS-C's bid, the efficacy of KWESST's Phantom™ electronic battlefield decoy and KWESST's business, production and products. Often, but not always, forward-looking statements can be identified by the use of words such as "plans", "is expected", "expects", "scheduled", "intends", "contemplates", "anticipates", "believes", "proposes" or variations (including negative and grammatical variations) of such words and phrases, or state that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved. There is no assurance that KWESST will be awarded a contract under the GDLS - C's bid or if it is, what the value of such contract will be to KWESST. Such statements are based on the current expectations of KWESST's management and are based on assumptions and subject to risks and uncertainties. Although KWESST's management believes that the assumptions underlying such statements are reasonable, they may prove to be incorrect. The forward-looking events and circumstances discussed in this press release may not occur by certain specified dates or at all and could differ materially as a result of known and unknown risk factors and uncertainties affecting KWESST, including risks relating to: general economic and stock market conditions; adverse industry events; loss of markets; future legislative and regulatory developments in Canada, the United States and elsewhere; the ability of KWESST to implement its business strategies; risks and uncertainties detailed from time to time in KWESST's filings with the Canadian Securities Administrators and the United States Securities and Exchange Commission; and many other factors beyond the control of KWESST.

Although KWESST has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results to differ from those anticipated, estimated or intended. No forward-looking statement can be guaranteed. Except as required by applicable securities laws, forward-looking statements speak only as of the date on which they are made and KWESST undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

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