

KWESST

10:33 26 Oct 2020

KWESST Micro Systems extends option to acquire a proprietary non-lethal munitions technology system known as the Low Energy Cartridge

KWESST Micro Systems Inc. (CVE:KWE) said it has extended its option to acquire a proprietary non-lethal munitions technology system referred to as the Low Energy Cartridge (LEC) until December 15, 2020.

The owner of the LEC technology is DEFSEC Corporation, an Ottawa-based based private company owned by David Luxton, KWESST executive chairman. KWESST entered into a letter of intent with DEFSEC on June 6, 2020, to acquire the LEC technology, and is currently conducting due diligence on the technology and its market potential.

READ: KWESST Micro Systems says its affiliation with SAMSUNG Electronics America elevated to "USA Partner" status

The LEC is a proprietary non-lethal cartridge-based ordnance system with wide application in the rapidly growing market of soldier and law enforcement training, maintenance of public order, and personal defence.

"The market has long required a safer, lower-cost reliable alternative to existing solutions," said Jeff MacLeod, KWESST founder and CEO in a statement.

"We see the LEC as a strong fit with KWESST's other smart ordnance technologies, like our Shot Counter system. Together, the LEC and Shot Counter have the potential to anchor the build-out of a significant business unit specialized in smart ordnance systems, with a vast global market."

The contemplated transaction would benefit from the deep combined experience of MacLeod and Luxton in the specialty ordnance business. MacLeod is a highly knowledgeable defence industry executive with over 20 years' experience in the field of small arms and advanced soldier systems. Prior to establishing KWESST, he was the General Manager of Colt Canada, the primary supplier of small arms to the Canadian military.

Luxton was the founder in 1990 of Simunition Inc., a business that develops and sells simulated munitions for realistic close-quarters combat training for military and law enforcement around the world. He sold the business to a large military contractor and from 2015-2018 was the executive chairman of United Tactical Systems LLC, a US company that develops and sells products for the global less-lethal market.

The acquisition of the LEC technology by KWESST remains subject to the approval of the TSX Venture Exchange.

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

Price: 1.82

Market Cap: \$75.32 m

1 Year Share Price Graph



September 2019 December 2019 February 2020

Share Information

Code: KWE

Listing: TSX-V

52 week High Low
2.5 0.65

Sector: Tech

Website: kwesst.com

Company Synopsis:

KWESST is a proud leader in advancing the modern networked capability of soldiers and responders, including the networked Soldier Systems mission of NATO and its allies, with niche applications that make a critical difference to safety and effectiveness.

action@proactiveinvestors.com

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.

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.

Contact the author at jon.hopkins@proactiveinvestors.com

Proactive Investors facilitate the largest global investor network across 4 continents in 4 languages. With a team of analysts, journalists & professional investors Proactive produce independent coverage on 1000's of companies across every sector for private investors, private client brokers, fund managers and international investor communities.

Contact us +44 (0)207 989 0813 action@proactiveinvestors.com

No investment advice

The Company is a publisher. You understand and agree that no content published on the Site constitutes a recommendation that any particular security, portfolio of securities, transaction, or investment strategy is suitable or advisable for any specific person. You understand that the Content on the Site is provided for information purposes only, and none of the information contained on the Site constitutes an offer, solicitation or recommendation to buy or sell a security. You understand that the Company receives either monetary or securities compensation for our services. We stand to benefit from any volume which any Content on the Site may generate.

You further understand that none of the information providers or their affiliates will advise you personally concerning the nature, potential, advisability, value, suitability or profitability of any particular security, portfolio of securities, transaction, investment, investment strategy, or other matter.

You understand that the Site may contain opinions from time to time with regard to securities mentioned in other products, including Company-related products, and that those opinions may be different from those obtained by using another product related to the Company. You understand and agree that contributors may write about securities in which they or their firms have a position, and that they may trade such securities for their own account. In cases where the position is held at the time of publication and such position is known to the Company, appropriate disclosure is made. However, you understand and agree that at the time of any transaction that you make, one or more contributors may have a position in the securities written about. You understand that price and other data is supplied by sources believed to be reliable, that the calculations herein are made using such data, and that neither such data nor such calculations are guaranteed by these sources, the Company, the information providers or any other person or entity, and may not be complete or accurate.

From time to time, reference may be made in our marketing materials to prior articles and opinions we have published. These references may be selective, may reference only a portion of an article or recommendation, and are likely not to be current. As markets change continuously, previously published information and data may not be current and should not be relied upon.

The Site does not, and is not intended to, provide investment, tax, accounting, legal or insurance advice, and is not and should not be construed as providing any of the foregoing. You should consult an attorney or other relevant professional regarding your specific legal, tax, investment or other needs as tailored to your specific situation.

In exchange for publishing services rendered by the Company on behalf of KWESST named herein, including the promotion by the Company of KWESST in any Content on the Site, the Company receives from said issuer annual aggregate cash compensation in the amount up to Twenty Five Thousand dollars (\$25,000).