



# Liberty Defense

TSXV:SCAN | OTCQB:LDDFF | Frankfurt:LD2A

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## NEXT GENERATION SECURITY DETECTION

Protecting communities and preserving peace of mind  
through next generation security detection solutions

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# INCIDENTS AND NEW THREATS AT ALL TIME HIGH



**Ghost gun use in U.S. crimes has risen more than 1,000% since 2017, federal report says**



**2024 saw record number of school shootings**



**UnitedHealthcare CEO shooting reveals dangers of 'ghost guns'**



**There have been more mass shootings than days in 2023, database shows**

**© CBS NEWS**

**TSA found a record number of guns at airport security checkpoints in 2023. Almost all of them were loaded.**

**silive.com**

**Alleged inner workings of ghost gun business on Staten Island revealed; Four men detained by feds**

**WSJ**

**Criminal Gangs Exploit Security Gaps to Infiltrate Airports**

**future tense**

**3D-Printed Guns Are Getting More Capable and Accessible**



**DHS Announces \$210 Million of Additional Funds to Protect Faith-Based Institutions and Nonprofit Organizations Against Targeted Attacks**

# THE THREATS OF TODAY AND TOMORROW



An urgent need exists to advance weapon detection security to protect against emerging risks

## CURRENT CLIMATE

- The **security screening market** is valued at US \$11.72B in 2024 and is projected to reach US \$25.70B by 2034.
- Terrorism and geopolitical tensions among several countries are on the rise
- There have been more than 420 mass shootings in the US so far this year.

## EMERGING RISKS

### 3-D printed weapons

Advancements in 3D printing technology have given terrorists the ability to print functioning weapons including guns and knives from plastics & nonmetal composites.

- These weapons are undetectable by conventional metal detectors.



## FUTURE NEEDS

### Evolving detection

To protect ourselves and our communities, security technology needs to advance to match and surpass the development of weapons technology.

It needs to be fast, adaptable, and noninvasive..

Enter Liberty Defense . . .

# OUR SOLUTIONS



## Introducing our proprietary, non-invasive weapons detection technology

- **Developing flagship HEXWAVE™** people scanner and shoe screener uses AI to distinguish between harmless objects and potential threats
- **Disruptive AI technology** under exclusive license provides touchless, non-intrusive scanning within seconds.
- **Proprietary design** fueled by Millimeter Wave, is mobile offering flexibility in uses, ideal for airport security, and commercial applications.



<sup>3</sup> North America Physical Security Market Report; Markets and Markets; 2021

\*Compound annual growth rate (CAGR)

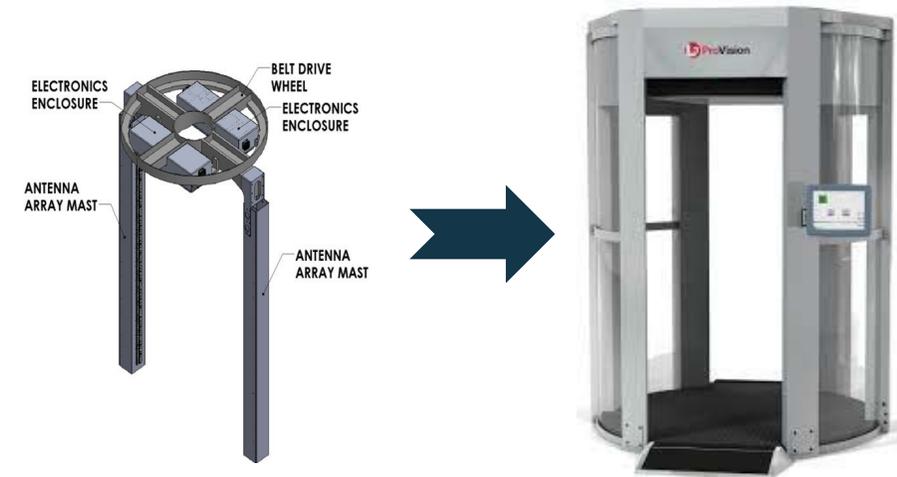
# TSA UPGRADE KIT TECHNOLOGY



Our TSA Upgrade kit was developed as a solution to aging HD-AIT systems currently in use in airports throughout North America and around the globe.

Our HD-AIT Upgrade kits provide:

- ✓ Improved imaging capability to detect new and emerging threats
- ✓ Inexpensive replacement alternatives



## KEY FEATURES

### ➤ Open Architecture Platform

- TSA identified “best in class” partners for optimal performance
- Meets new detection standards issued by Homeland Security



# HEXWAVE TECHNOLOGY

FCC Equipment Certification Approval  
for indoor/outdoor use



=

Antenna Array  
& Transceiver

+

3D Radar Image  
Reconstruction

+

Automatic  
Threat  
Detection  
AI & Deep  
Learning

+

Smart IoT  
Functionality

Captures  
real-time data

Convert captured data  
into 3D radar images

Interprets the data and  
3D radar images with AI

Provides connectivity to  
existing security systems

## EMIT



Low power signal  
is transmitted to reflect  
off the individual

## CAPTURE



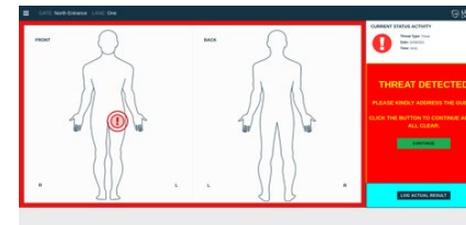
Each standalone unit  
captures **reflected signals**

## RICH DATA



~400,000 datapoints  
create a **3D image**

## INTERPRET



**Artificial intelligence**  
models interpret rich data and  
provide go/no-go decisions

## ACTION



**Smart IoT functionality** allows  
notification & interaction with  
existing infrastructure

# MARKET VALIDATION



A multibillion-dollar opportunity exists in the North America Physical Security Market

## SECURITY SCREENING MARKET

US\$11.7B

Expected Base Year Value 2024

US\$25.7B

Anticipated Forecast Value 2034

## MARKET GROWTH PROJECTIONS

CAGR  
8.2%

The security screening market is valued at \$11.72B in 2024 and is projected to reach US\$25.7B by 2034. The demand for security screening is likely to exhibit a CAGR of 8.2% during the forecast period.

## KEY MARKET DRIVERS

- Continuous innovation in security screening technologies, including AI and machine learning
- Increasing awareness of health and safety, particularly in response to global pandemics
- Escalating threats of corporate espionage and insider risks push
- The rise in criminal activities and illicit trade necessitates comprehensive security screening measures to safeguard against potential threats
- Growing concerns about the protection of critical infrastructure, such as power plants and government facilities
- Growing adherence to stringent government regulations and international security standards

## DEMAND DRIVERS

### 2024 TSA Employee Screening Mandate

The TSA has issued a mandate requiring screening of 100% of airport employees to be put in place by April 2026.

## MARKET OPPORTUNITIES

- **Aviation** – Employee screening with TSA mandate
- **Correctional Facilities/Prisons** – Screening for non-metallics including weapons, drugs, money, cigarettes, contraband
- **Distribution Centers** – Theft Prevention
- **Critical Infrastructure**
- **Government Facilities** – Screening for all threats, phones, recording devices
- **Hospitals** – all threats
- **Schools** – guns/knives
- **Sports & Entertainment Venues** – all threats

# AVIATION WORKER SCREENING

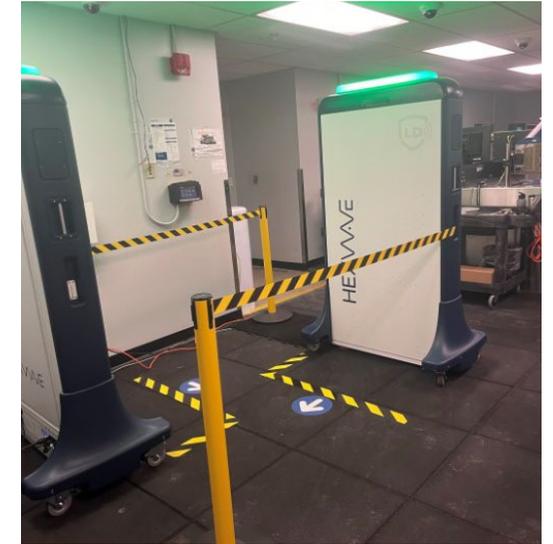
Insider threat poses a real risk with the potential for employees to exploit secure access and insider knowledge to smuggle contraband and weapons.

- TSA mandates call for planning and rapid adoption of next generation, open architecture technology
- HEXWAVE's portability allows for use at multiple entrances to push the security perimeter out
- HEXWAVE satisfies the security requirements with its easily deployed explosive detection capability

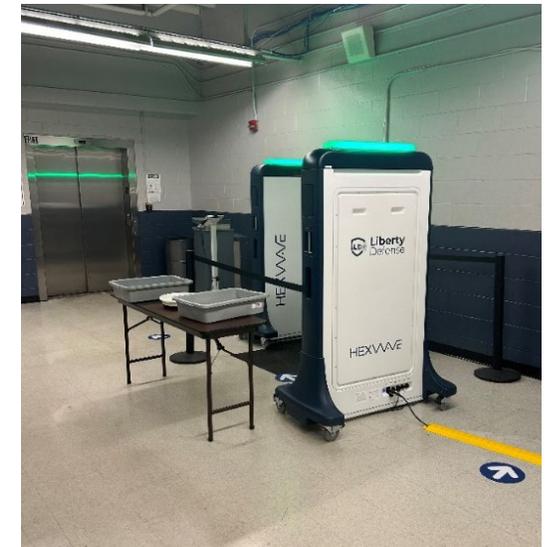
## MARKET OUTLOOK

Airport Category	# of Airports	Average Operating Time (Hours/Week)	Average # of Screening Systems/Airport	Total Minimum # of Screening Systems
X	27	160	7.7	208
I	57	75-90	3.8	217
II	89	36-50	1	89
				<b>514</b>

**\$50M OPPORTUNITY**



Manchester Airport



Rochester Airport

# COMPETITIVE LANDSCAPE



HEXWAVE System's features provide the most versatile detection solution on the market

Comparables	Liberty HEXWAVE	Traditional Metal Detectors	Airport MMW Systems	Evolv	Xtract Smart Gateway
Metallic Threats	✓	✓	✓	✓	✓
Non-Metallic Threats	✓	✗	✓	✗	✗
Throughput (people/hr)	700/hr	300/hr	150/hr	Up to 4,000/hr	500-2,400/hr
Cost	\$\$	\$	\$\$\$	\$\$	\$\$
Solid Explosives	✓	⚡	✓	⚡	✗
Outdoor Use	✓	⚡	✗	✓	✓
ATD Algorithms (AI)	✓	✗	✓	✓	✓
3D Imaging for ATD	✓	✗	✓	✗	✗

- ✓ Feature
  - ⚡ Limited
  - ✗ Non-Feature
- MMW – Millimeter-Wave  
ATD -- Automatic Threat Detection

# HEXWAVE ADVANTAGE

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## KEY DIFFERENTIATORS

**Touchless, seamless, high throughput flow (700+ ppl/hr)**

**Metallic and non-metallic threats detected** including liquid, powder, and plastic explosives, 3D printed ghost guns, etc.

**No required divestment** of benign items like cell phones, keys, wallets, jackets, steel toe boots, or other clothing

**Real-time automatic go/no-go decision** for operator indicating type and location of threat

Maintains **personal privacy** and no images are seen or stored

**Portable, flexible, cost-effective** deployment. Can be used indoors/outdoors (covered), attended/unattended, inside/outside of the checkpoint

**Millimeter wave** technology is proven safe and effective for people screening

**Video-rate 3D imaging powered by AI** delivers enhanced threat detection

**Switchable AI algorithms** for operational flexibility and threat levels

Software updates provide **future proofing** to incorporate emerging threats and new requirements

**Integrates Smart IoT** functionality for connectivity to existing security systems (VMS, access control)

# BUSINESS UPDATE



## Customer Adoption – Growing Interest – Societal Need

### HEXWAVE

#### Customer Deliveries

- |   |   |
|---|---|
| <input checked="" type="checkbox"/> Fairbanks International Airport   | <input checked="" type="checkbox"/> TSA                             |
| <input checked="" type="checkbox"/> Los Alamos National Labs          | <input checked="" type="checkbox"/> Elkhart County Courthouse, IN   |
| <input checked="" type="checkbox"/> Greater Toronto Airport Authority | <input checked="" type="checkbox"/> Netherlands                     |
| <input checked="" type="checkbox"/> Manchester Airport                | <input checked="" type="checkbox"/> Nevada Courthouse               |
| <input checked="" type="checkbox"/> Rochester Airport                 | <input checked="" type="checkbox"/> Chile Juvenile Court (1)        |
| <input checked="" type="checkbox"/> Mactan Cebu Airport, Philippines  | <input checked="" type="checkbox"/> MIT LL Program for Mass Transit |

**Recent contract:** Palm Springs International Airport

#### Milestones

- ✓ Safety Act Certification in process
- ✓ Completed Safe Skies Testing at Boston Logan Airport
- ✓ Completed 3-day trial at Charlotte International Airport for Employee Screening

### HD-AIT

#### TSA Award - \$460K

- HD-AIT units targeted to ship in 2025 and will grow substantially from 2026 to 2027.
- HD-AIT Upgrade Kit recently granted a formal waiver authorization approval from the FCC, an important step towards commercialization



Transportation Security Administration



# TRACTION



## TSA Upgrade Kit Development

- ✓ Three Contract awards for **\$5.75M USD**
  - Liberty Defense is the only company to receive an award
  - TSA committed to Liberty with follow-on awards
- ✓ Market Opportunity
  - TSA plans to upgrade **1,042** body scanners installed at US airports
  - Over **\$100M** over the life of the upgrades

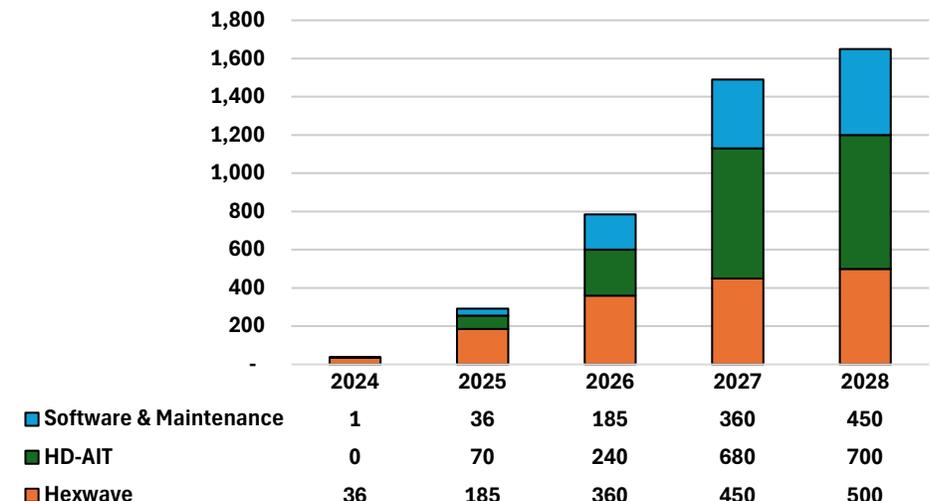
## HEXWAVE

- US employee screening at airports is underway
- Corrections momentum
- National Laboratories investing in advance screening technology
- Heightened awareness of 3-D printed gun threat driving demand at corporate and government facilities
- Replacement of metal detectors at TSA Pre-Check

## UNIT SALES

- Quarter over quarter growth in 2024. Revenue greater than \$3M. Numerous quotes are still in process to add to the backlog.
- 2025 Revenue projected \$14M
- 2026 Revenue projected \$50M+
- Margin improvements in 2025 with volume purchase of HEXWAVE and Sales of HD-AIT upgrade kits
- Line of site to profitability by Q4 2025

Unit Sold by Product & Fiscal Year



# INDUSTRY PARTNERSHIPS



TSA is investing in Liberty Defense for enhanced detection performance



Transportation  
Security  
Administration

**US\$6M**  
Grants to date

Liberty Defense has partnered with security industry leaders including Viken Detection, Rapiscan, Isotec Security, and Grasp Innovations Netherlands

**VIKEN**  
DETECTION

**Rapiscan**  
systems  
An OSI Systems Company

 **ISOTEC**



MIT and Pacific Northwest National Labs chose Liberty to commercialize the technology

 **MIT  
LINCOLN  
LABORATORY**

  
**Pacific Northwest**  
NATIONAL LABORATORY

# CUSTOMER INTERFACE VERTICALS



Customer demand is growing in a variety of sectors

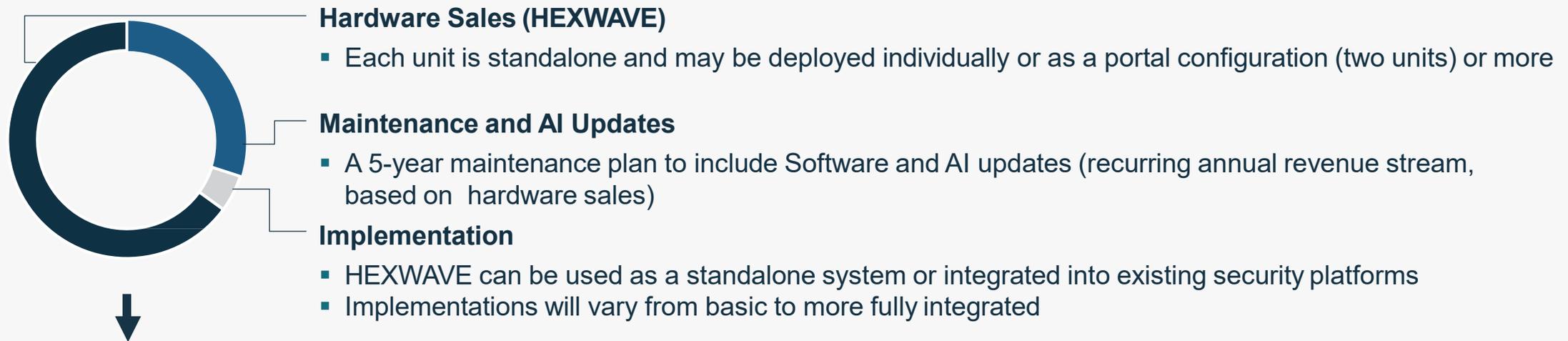


# LIBERTY DEFENSE BUSINESS MODEL



- Liberty aims to improve the customer experience and safeguard clients, customers, employees, students, and property
- Customers have the potential to capture additional revenues through either increased throughput or in-venue sales

## REVENUE STREAMS



### MARGINS

- High product gross margins after 2024
- Volume, technology curve, and value engineering will further enhance margins

### MARKET

- Initial focus will be on US and Canada but there is an international need
- Key partners in place combined with direct sales
- Amsource Capital engaged to facilitate large and small ticket leasing and financing of HEXWAVE

# CAPITALIZATION STRUCTURE



OTCQB:LDDFF; TSXV: SCAN; FWB:LD2A	
Market Cap @ US\$1.46	US\$68.9 M
Shares Outstanding	48,759,122
Warrants Outstanding	6,793,685
Options	3,318,250
RSU's	535,325

Date Closed	Transaction Type	Gross Proceeds		Issuance Price	
		CAD\$M	US\$M	CAD\$M	US\$M
02/28/2024	Private Placement	\$1.3	\$1.0	\$0.15	\$0.11
10/05/2023	Private Placement	\$3.5	\$2.59	\$0.20	\$0.15
05/01/2023	Private Placement	\$2.1	\$1.55	\$0.20	\$0.15
10/27/2022	Private Placement	\$5.3	\$3.92	\$0.27	\$0.20
03/22/2022	Private Placement	\$8.6	\$6.36	\$0.33	\$0.24
06/17/2021	Private Placement	\$7.1	\$5.25	\$0.50	\$0.37
03/12/2021	RTO with DrawDown Detection	\$6.9	\$5.11	\$0.40	\$0.30

52-week Price Chart (LDDFF)



# MANAGEMENT & DEVELOPMENT TEAM



Leaders in the security industry, product development, technology and manufacturing

## TEAM

- Led by a **seasoned leadership team** in **security & product development, management, and corporate finance**
- Supported by Board of Directors and advisors who provide **unparalleled market access**



**BILL FRAIN**  
CEO

Former SVP of L3 (LHX-NYSE)



**BRYAN CUNNINGHAM**  
President

Lawyer, security expert, former CIA officer, and tech executive



**JEFFREY GORDON**  
VP Engineering

Engineering leader with 35+ years experience in product development



**OMAR GARCIA**  
CFO

Public Company Finance Executive with 15+ years experience



**JAY ADELAAR**  
SVP Capital Markets

Marketing and Capital Markets Executive with 15 years experience

## OUR EXPERIENCE



## BOARD OF DIRECTORS



**JASON BURINESCU**  
Executive Chairman

Senior operating executive and Managing Partner of Vision Equity Partner Solutions



**BILL FRAIN**  
CEO/ Director

Former SVP of L3 (LHX-NYSE)



**LINDA JACKSTA**  
Independent Director

Customs & Border Protection Executive with 35 years experience



**ARJUN GREWAL**  
Independent Director

President One9 and 19-year Veteran of the Canadian Armed Forces.



# Together we can build a safer future

## CONTACT US

Tel: 604-809-2500

General: [info@libertydefense.com](mailto:info@libertydefense.com)

Investor Relations: [investors@libertydefense.com](mailto:investors@libertydefense.com)

TSXV: SCAN | OTCQB: LDDFF | FWB:LD2A

187 Ballardvale St, Suite 110

Wilmington, MA, 01887

[www.LibertyDefense.com](http://www.LibertyDefense.com)



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