



Liberty Defense

TSXV:SCAN | OTCQB:LDDFF | Frankfurt:LD2A

October 2024

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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



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



Criminal Gangs Exploit Security Gaps to Infiltrate Airports

B B C Mass shootings on the rise

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



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



FBI gun seizure orders from people who fail background checks hit historic rates



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

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.



³ North America Physical Security Market Report; Markets and Markets; 2021

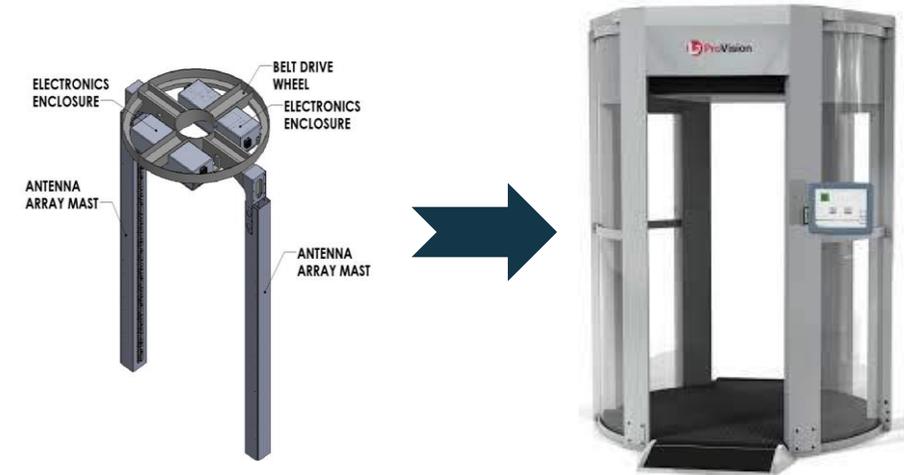
*Compound annual growth rate (CAGR)

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



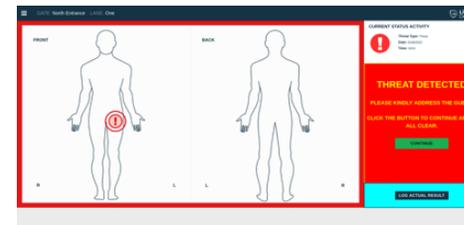
Each standalone unit captures **reflected signals**

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



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 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

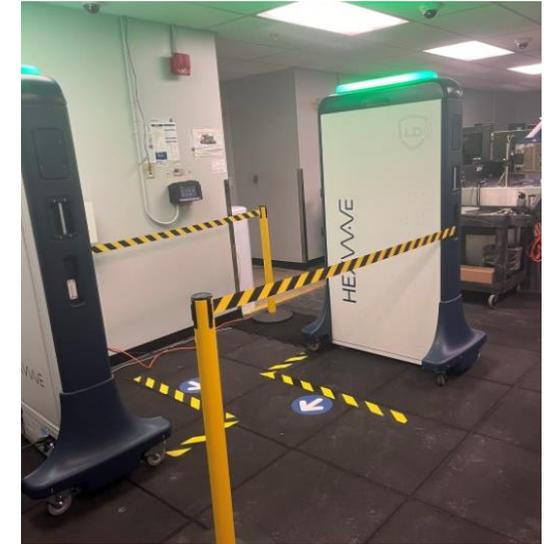
Insider threat poses a real risk with the potential for employees to exploit secure access and insider knowledge to smuggle contraband and weapons.

- 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

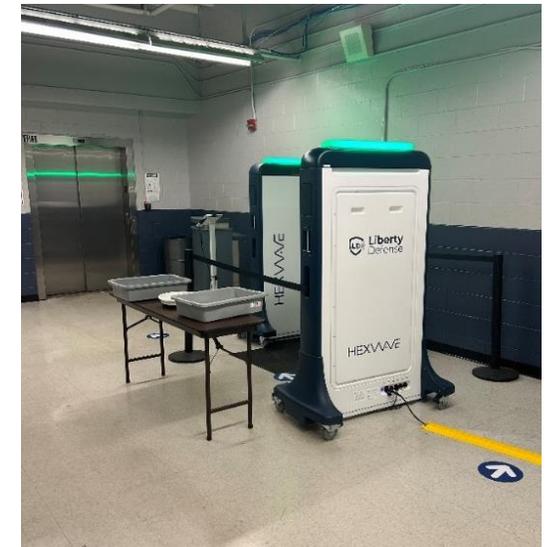
MARKET OUTLOOK

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
				514

\$50M OPPORTUNITY



Manchester Airport



Rochester Airport

HEXWAVE ADVANTAGE



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)

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

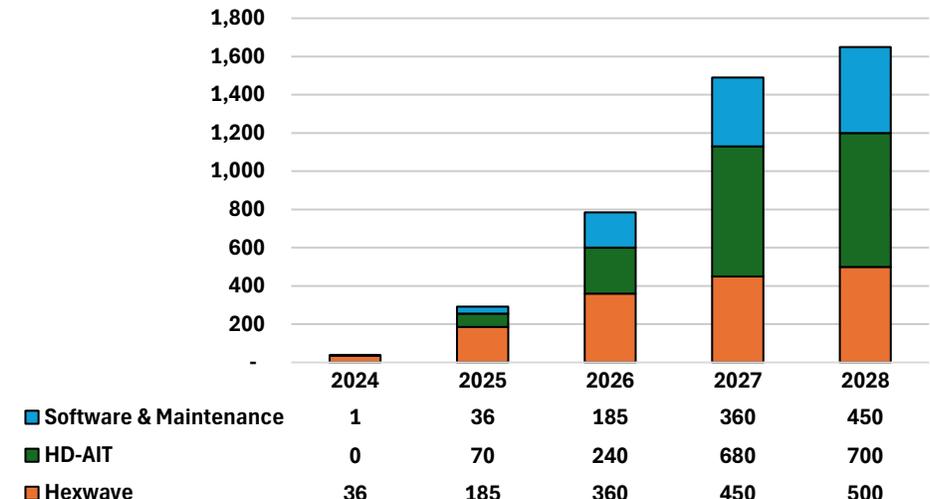
HEXWAVE

- US employee screening at airports is underway
- Corrections momentum
- National Laboratories investing in advance screening technology
- Israeli Prime Ministers Office Demo
- Replacement of metal detectors at TSA Pre-Check

UNIT SALES

- Quarter over quarter growth in 2024. Target revenue approximately \$5M. Numerous quotes are still in process to add to the 2024 backlog.
- 2025 Revenue projected \$26M
- 2026 Revenue projected \$57M
- 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 and Grasp-Innovations Netherlands

VIKEN
DETECTION

Rapiscan
systems

An OSI Systems Company



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



CUSTOMER INTERFACE VERTICALS



Customer demand is growing in a variety of sectors



Crate&Barrel

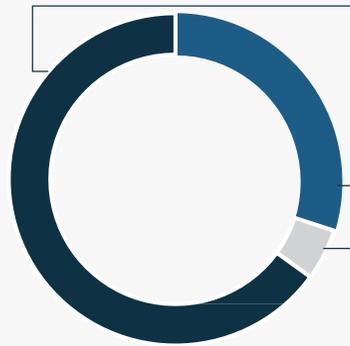


LIBERTY DEFENSE BUSINESS MODEL



- 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



Hardware Sales (HEXWAVE)

- Each unit is standalone and may be deployed individually or as a portal configuration (two units) or more

Maintenance and AI Updates

- A 5-year maintenance plan to include Software and AI updates (recurring annual revenue stream, based on hardware sales)

Implementation

- HEXWAVE can be used as a standalone system or integrated into existing security platforms
- Implementations will vary from basic to more fully integrated



MARGINS

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

MARKET

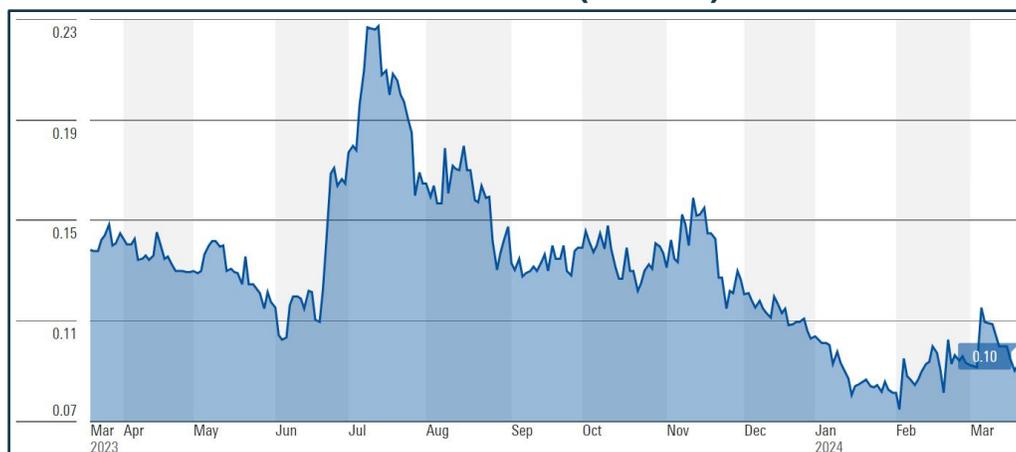
- Initial focus will be on US and Canada but there is an international need
- Key partners in place combined with direct sales
- Amsource Capital engaged to facilitate large and small ticket leasing and financing of HEXWAVE

CAPITALIZATION STRUCTURE



OTCQB:LDDFF; TSXV: SCAN; FWB:LD2A	
Market Cap @ US\$0.08	US\$13.3 M
Shares Outstanding	166,833,412
Warrants Outstanding	60,267,401
Options	6,225,000
RSU's	6,118,250

52-week Price Chart (LDDFF)



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

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)



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



DARYL REBECK
Executive Chairman

Capital Markets Executive with 20+ years experience



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.

CAPITAL REQUIREMENTS



The company is raising \$3.5M USD private placement

- ▶ **Pricing:** \$.10 CAD
TSXV: SCAN | OTCQB: LDDFF | FWB:LD2A
- ▶ **Warrants** \$.20 1:1

USE OF FUNDS

- Working capital
- Manufacturing
- Enhanced production cycle time
- Continued marketing and business development
- Research & Development
- Continuous improvement

Liberty Defense Technologies, Inc

- ✓ Right Company at the Right Time
- ✓ Safety and Security for All
- ✓ Threats are more Prevalent and Advancing
- ✓ LD is making it Safer
- ✓ Well Conceived, Well led Team





Together we can build a safer future

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