

Liberty Defense

TSXV:**SCAN** | OTCQB:**LDDFF** | Frankfurt:**LD2A**

Q4 2022

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NEXT GENERATION SECURITY DETECTION

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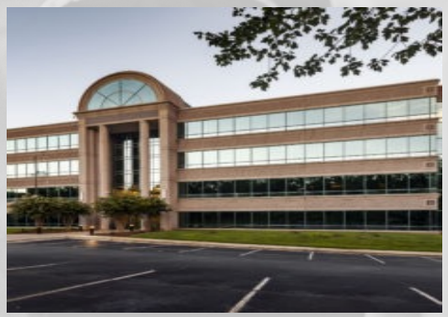
MISSION

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

Boston office / HQ - Engineering



Atlanta office / Engineering



NEED



- **In 2021, there were 38 million gun background checks**[1] in the US and **mass shootings** have **increased over 66%** since 2019[2]
- Physical security market in 2021[3] **US$37B** CAGR 5.2%*

SOLUTIONS

Disruptive technology under **exclusive license** providing touchless security detection. Developing flagship HEXWAVE™ people scanner and shoe screener technology for airport security, as well as commercial applications. Awarded grant from TSA and DHS for tech advancement.

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**

[1] https://www.fbi.gov/file-repository/nics_firearm_checks_-_month_year.pdf/view | [2] https://www.gunviolencearchive.org/reports/ past-tolls | [3] North America Physical Security Market Report; |Markets and Markets; 2021. | *Compound annual growth rate (CAGR)

INCIDENTS AND NEW THREATS AT ALL TIME HIGH

The Washington Post

There have been over 250 mass shootings so far in 2022

future tense

3D-Printed Guns Are Getting More Capable and Accessible

Bloomberg

Active Shooter Incidents in US Soared 50% Last Year, FBI Says

- FBI in report found incidents nearly doubled from 2017 to 2020
- School shooting in Texas Tuesday killed 14 students, a teacher

The New York Times

Church Shooting in Alabama Leaves Two Dead and One Wounded

AP

10 dead in Buffalo supermarket attack police call hate crime

abc NEWS

TSA has confiscated record number of guns at airports in 2021

THE THREATS OF TODAY AND TOMORROW

TRUTH: Bad actors are always looking for new ways to exploit security vulnerabilities.

YOUR LAST LINE OF DEFENSE:

Next generation security technology needs to find today's threats AND tomorrow's.



Enter Liberty Defense . . .

RECENT COMPANY DEVELOPMENTS

WELL-POSITIONED IN THE INDUSTRY (Commercial and Aviation Applications)

Transportation Security Administration

"Liberty Defense will be working closely with the TSA to provide overall screening effectiveness…but also improving the throughput for a practical and effective process."

Liberty Receives Contract Award from TSA for Improved Threat Detection Using HEXWAVE

"The GTAA places passenger and staff safety as one of our highest priorities, and this means taking a proactive philosophy to stay ahead of emerging threats to minimize those threats and maximize the positive experience of the facility for passengers, employees, and property."

Liberty Defense Signs Canada's Largest Airport to Test AI Security Detection System

MIT LINCOLN LABORATORY

"Today's aviation security requires improved detection capability to meet evolving threats"…Liberty to develop and integrate retrofit kits for improved airport security passenger screening with next-generation, advanced imaging technology.

Liberty Defense Announces Contract Award from Battelle for Advanced Aviation Checkpoint Screening

Pacific Northwest NATIONAL LABORATORY

"The security of our campus is, of course, a top priority," … "We are excited to have the opportunity to be the first campus to test this new technology.."

Liberty Defense Signs University of Wisconsin to Test HEXWAVE

NBC BOSTON | FOX NEWS channel | BOSTINNO | AXIOS

February 2022 Liberty Granted an FCC Order for it's HEXWAVE Security Detection System

HEXWAVE TECHNOLOGY

Contactless screening for enhanced threat detection. Without divesting keys, wallet, cell phone, or jacket.





Detection of non-metallic and metallic threats like 3D printed guns and liquid, plastic, or powder explosives – that today's metal detectors miss.

Currently in BETA testing

HEXWAVE



= **Antenna Array & Transceiver** + **3D Radar Image Generation** + **Automatic Threat Detection** AI & Deep Learning + **Smart IoT Functionality**

CAPTURES REAL-TIME DATA → CONVERTS 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



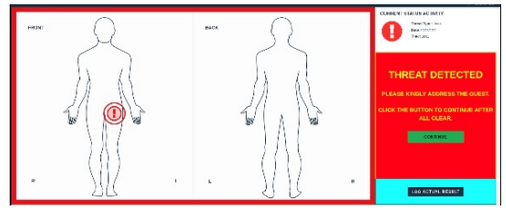
Each standalone unit captures **reflected signals**

RICH DATA



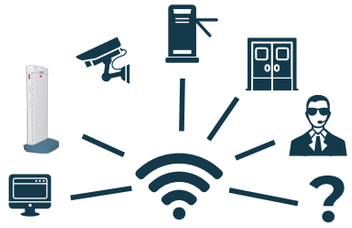
~400,000 datapoints create a **3D image**

INTERPRET



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

ACTION



Smart IoT functionality allows notification & interaction with existing infrastructure

HEXWAVE ADVANTAGE: ACTIVE 3D CONCEALED WEAPON DETECTION TECHNOLOGY

System features that will provide the most versatile detection solution

	Liberty HEXWAVE	Traditional Metal Detectors	Evolv	Airport MMW Systems	ThruVision Terahertz	Patriot PatScan
Metallic Threats	✓	✓	✓	✓	✓	✓
Non-Metallic Threats	✓	X	X	✓	✓	X
Solid Explosives	✓	–	–	✓	✓	X
Outdoor Use	✓	–	✓	X	✓	–
High Throughput	✓	X	✓	X	✓	X
3D Imaging for ATD	✓	X	X	✓	X	X
ATD Algorithms (AI)	✓	X	✓	✓	X	✓
Cost	$$	$	$$$	$$$$	$$$	$$

Key Differentiators (HEXWAVE)

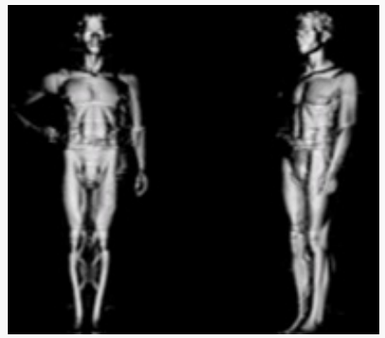
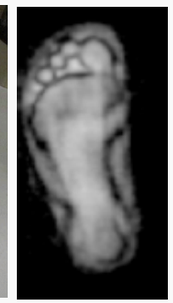
- Detect Broader Spectrum of Threats (Metallic and Nonmetallic)
- Indoor and Outdoor Application
- High Throughput (video-rate imaging and real-time Automatic Threat Detection)
- No divestment of keys, wallets, or cell phones is required
- No Privacy Concerns
- Mobile, scalable & smart IoT functionality to match security operations

✓ Feature
– Limited
X Non-Feature

MMW – Millimeter-Wave
ATD -- Automatic Threat Detection

AVIATION INITIATIVES

Liberty is advancing airport screening and solving the shoe removal problem. In addition to the HEXWAVE solution, Liberty has exclusive licenses for two solutions developed by PNNL and funded by Department of Homeland Security

HEXWAVE	HD-AIT	Shoe Screener
	 	 

▪ Opportunity ($100M US):
  ▪ Airport Perimeter
  ▪ Replace metal detectors
▪ Recent $500K TSA Award
  ▪ R&D focused
  ▪ Aviation threats … algorithms
▪ Status:
  ▪ Kicked off on January 1st
  ▪ 18-month program
	▪ Opportunity ($200M US):
	▪ Upgrade TSA install base of 1,000+ units
	▪ Next Gen at Checkpoint (arms down, enhanced imaging detection)
	▪ Exclusively licensed from PNNL
	▪ Status: Technology Transfer complete from PNNL
		▪ Opportunity ($150M US):
		  ▪ Stand-Alone or integrated into the HD-AIT
		  ▪ HD-AIT commonality
		  ▪ Next Gen at Checkpoint
		  ▪ Exclusively licensed from PNNL
		▪ Status: Technology Transfer complete from PNNL

PNNL – Pacific Northwest National Laboratory; HD AIT – High Definition Advanced Imaging Technology

MARKET VALIDATION

Liberty Defense's agreements include beta testing with:

Attractive Opportunities in the North America Physical Security Market



US is estimated to hold the highest market share in the North America physical security market in 2021 and Canada is projected to grow at the highest CAGR during the forecast period.

37.4 B USD **2021**

48.2 B USD **2026**

CAGR 5.2%

The North America Physical Security market is expected to be worth USD 48.2 billion by 2026, growing at a CAGR of 5.2% during the forecast period.

The market growth can be attributed to digital transformation enabled by video security systems, integration of technologies such as AI, ML, analytics in physical security, and Convergence of multiple Physical Security systems

Rising instances of terrorist activities and physical attacks, increasing use of IP-based cameras for video surveillance, and increasing adoption of cloud based physical security are driving the North America physical security market growth.

The post-COVID-19 North America physical safety market is estimated to grow from USD 37.4 billion in 2021 and reach US 48.2 billion by 2026.

Among verticals, the retail segment has great expected to grow at the highest CAGR during the forecast period.

Source: North America Physical Security Market Report; Markets and Markets; 2021

Multiple BETA sites across market verticals include:

MARYLAND STADIUM AUTHORITY (MSA)

Established by the Maryland legislature in 1986 with the mission to build, manage, and maintain quality facilities to keep professional baseball in the city of Baltimore

GREATER TORONTO AIRPORTS AUTHORITY (GTAA)

Operates and maintains Canada's largest airport, Toronto Pearson, under a ground lease agreement with the Government of Canada

HINDU TEMPLE

A global Hindu religious and social organization with 3,300 temples around the world with a number of temples located throughout North America

UNIVERSITY OF WISCONSIN POLICE DEPARTMENT (UW)

The first public university established in Wisconsin and remains the oldest and largest public university in the state

BETA Testing underway August 2022

CAPITALIZATION STRUCTURE

Exchanges: TSXV:**SCAN**; OTCQB:**LDDFF**; FWB:**LD2A**

- **Shares Outstanding:** 95,065,820
- **Warrants Outstanding:** 35,887,294
- **Options:** 5,404,597 (1,638,972 vested)
- **Treasury:** C$3.6M

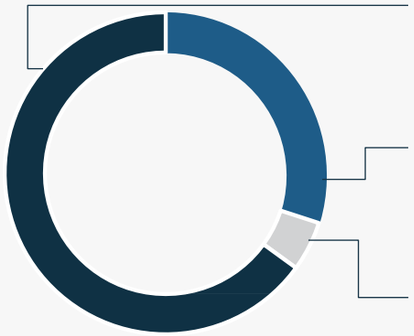
As of June 30, 2022

Date Closed	Transaction Type	Gross Proceeds (CAD$M)	Issuance Price (CAD$/share)
03/22/2022	Private Placement	$8.6	$0.33
06/17/2021	Private Placement	$7.1	$0.50
03/12/2021	RTO with DrawDown Detection	$6.9	$0.40

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 2022
- 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
- Will look to use channel partners where appropriate and direct sales
- Capital services engaged to facilitate large and small ticket leasing and financing of HEXWAVE

MANAGEMENT & DEVELOPMENT TEAM



BILL FRAIN

CEO

Former SVP of L3 (LHX-NYSE)



MIKE LANZARO

President/CTO

Former VP of Engineering at L3 (LHX-NYSE)



OMAR GARCIA

CFO

Public Company Finance Executive with 15+ years experience



JEFFREY GORDON

VP Engineering

Engineering leader with 35+ years experience in product development



JAY ADELAAR

SVP Capital Markets

Marketing and Capital Markets Executive with 15 years 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.

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

OUR ADVISORS

Experience and Leadership

VIRGINIA BUCKINGHAM
Airport Executive, Innovative Leader

CHARLES H. RAMSEY
Commissioner – Major city police departments

RICK STANLEY
Law Enforcement – Former police chief

JOHN FRAIN
Law Enforcement – FBI; Security, NFL

VICTOR MONTAGLIANI
Management – FIFA football

CRAIG J. CALLENS
Royal Canadian Mounted Police (RCMP)

JOHN MAY
Management – Live Nation Canada

HUBERT RICHARD
Management – Ad agency sales for sports and events

CRAIG PETERS
Management – CBRE Real Estate

MIT SHAH
Hospitality Industry
Part-owner, NBA; Investments

AL GRASSO
Advisory – The MITRE Corporation

JOHN HILLER
Real Estate/Operations

LIBERTY DEFENSE – WHY INVEST?

$37B Market : Threat detection requirements in the physical security market are growing substantially

Next-gen security

HEXWAVE ticks all the boxes for threat detection. Contactless, seamless, high throughput detection of metallic and nonmetallic threats. No credible solution exists that satisfies people convenience and security.

Well-funded

Well-funded treasury for commercialization.

Established expertise

Experienced executive and advisors with proven track record in security, management, and corporate finance. Management and engineers formerly with multibillion dollar security industry companies.

Clear pathway

$30M invested to date to de-risk the technology and prove-out market applications.

Compelling value proposition of **experienced management.** Coupled with growing demand for **disruptive contactless technology** to yield high potential for profitability. **Multi-technology security product portfolio**.



Liberty Defense

RELENTLESS SECURITY OPTIMIZATION

For further information, contact:
Tel: 604.809.2500
Email: info@libertydefense.com

Visit our website: LibertyDefense.com

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