



Liberty Defense

TSXV:SCAN | OTCQB:LDDFF | Frankfurt:LD2A

Q3 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 2019²
- Physical security market in 2021³

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

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

“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

“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



BOSTINNO



HEXWAVE TECHNOLOGY



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

Alerts for metallic & non-metallic threats			No alerts	
Handguns				
 Full-size	 Compact	 Sub-compact	 3D printed	
Rifles / Shotguns		IEDs	Flares	
				
				
				
				

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



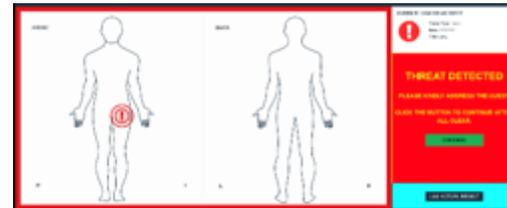
Each standalone unit captures reflected signals

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	✓	✗	✗	✓	✓	✗
Solid Explosives	✓	⚡	⚡	✓	✓	✗
Outdoor Use	✓	⚡	✓	✗	✓	⚡
High Throughput	✓	✗	✓	✗	✓	✗
3D Imaging for ATD	✓	✗	✗	✓	✗	✗
ATD Algorithms (AI)	✓	✗	✓	✓	✗	✓
Cost	\$\$	\$	\$\$\$	\$\$\$\$	\$\$\$	\$\$

Key Differentiators (HEXWAVE)

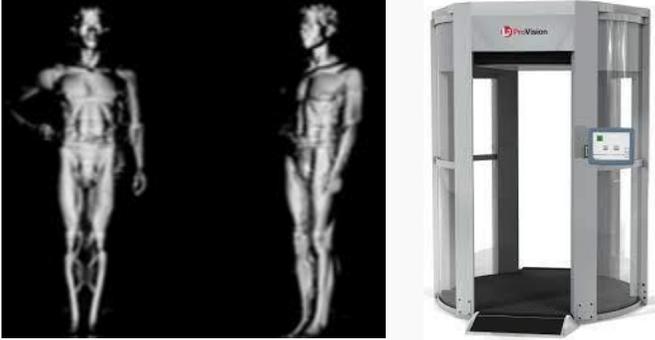
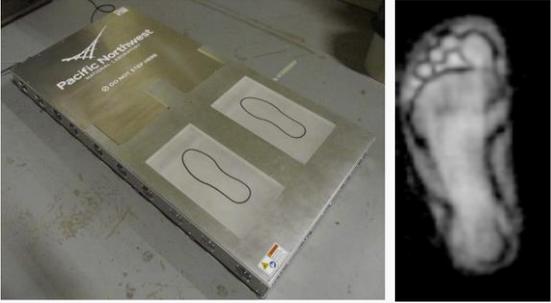
- Detect Broader Spectrum of Threats (Metallic and Nonmetallic)
- Indoor and Outdoor Application
- High Throughput (video-rate imaging and real-time Automatic Threat Detection)
- No divestment of keys, wallets, or cell phones is required
- No Privacy Concerns
- Mobile, scalable & smart IoT functionality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

- ✓ Feature
- ⚡ Limited
- ✗ Non-Feature

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
 <ul style="list-style-type: none"> ▪ Opportunity (\$100M US): <ul style="list-style-type: none"> ▪ Airport Perimeter ▪ Replace metal detectors ▪ Recent \$500K TSA Award <ul style="list-style-type: none"> ▪ R&D focused ▪ Aviation threats ... algorithms ▪ Status: <ul style="list-style-type: none"> ▪ Kicked off on January 1st ▪ 18-month program 	 <ul style="list-style-type: none"> ▪ 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 	 <ul style="list-style-type: none"> ▪ Opportunity (\$150M US): <ul style="list-style-type: none"> ▪ 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

MARKET VALIDATION

Liberty Defense's agreements include beta testing with:



Attractive Opportunities in the North America Physical Security Market



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.

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.



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

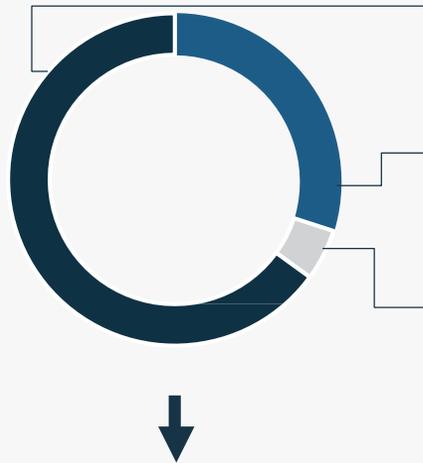
BETA Testing underway August 2022

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

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 (USD\$M)	Issuance Price (CAD\$/share)
03/22/2022	Private Placement	\$6.6	\$0.33
06/17/2021	Private Placement	\$5.8	\$0.50
03/12/2021	RTO with DrawDown Detection	\$5.5	\$0.40
03/20/2019	Go-Public with Private Placement	\$7.1	\$0.80

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

REVOLUTIONARY SECURITY DETECTION

For further information, contact:

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Visit our website: LibertyDefense.com

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