

# **Providing contactless screening and threat detection systems, Liberty Defense is checking all the right boxes in a \$37B market**

As the Russia-Ukraine conflict rages on, it is worthwhile taking a closer look at companies in Western countries that offer protection from terrorist and other threats. Russia has already said it will retaliate to sanctions, and we all assume it is only cyber-attacks, but in-person attacks or major terrorist events such as 9/11 are always a threat. Then there are all the hate crimes and random shootings. The public has a right to be protected, especially in busy locations such as airports, stadiums, bus & train stations, and shopping centers.

The Weapons Detection Systems market is forecast to grow from US\$5.3 billion in 2020 to US\$7.5 billion by 2025, at a CAGR of 8.2%. It is estimated that US\$1.5 billion was spent on urban security in North America in 2020.

Liberty Defense Holdings Ltd. (TSXV: SCAN | OTCQB: LDDFF | Frankfurt: LD2A) ("Liberty") works in the area of weapons detection. Liberty focuses on next generation security detection using automatic threat detection technology.

## **Liberty's two products – HEXWAVE™ and AVIATION**

HEXWAVE™ is a real-time people scanner and shoe screener technology for airport security, as well as other commercial applications. What makes it 'next generation' is that it can detect weapons of all types (including non-metallic weapons) without alerting for everyday items such as keys, wallet, cell

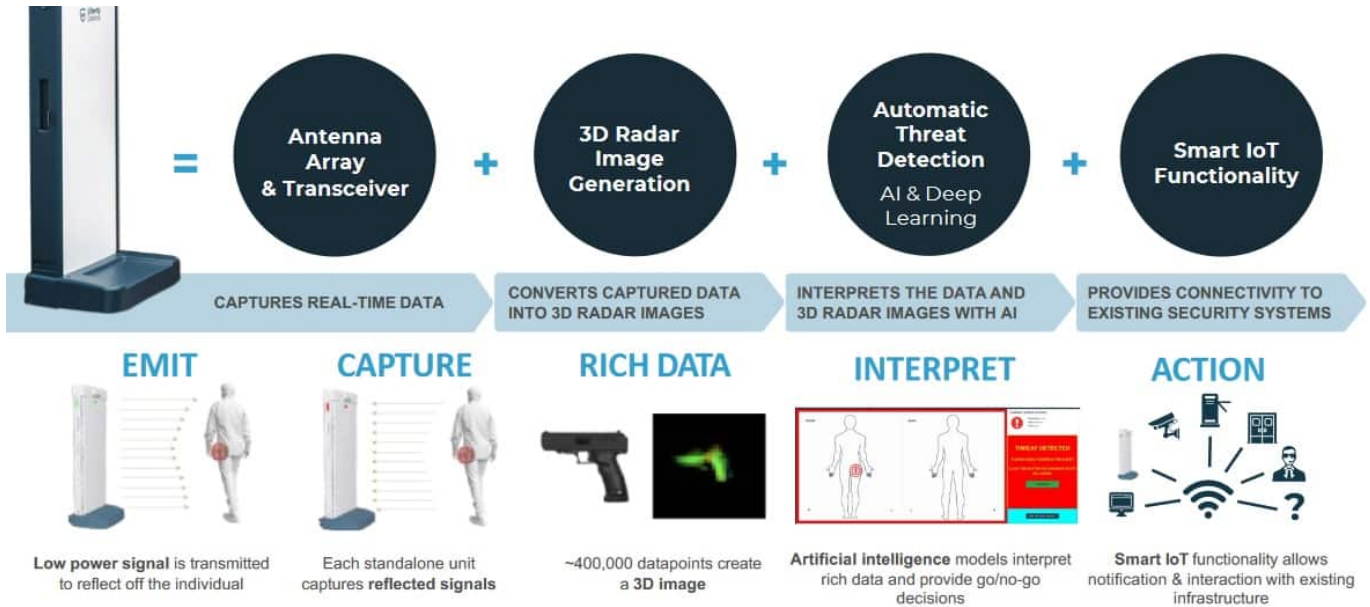
phone, and jacket. This is because it works by using 3D imaging and Artificial Intelligence.

HEXWAVE™ also uses Smart IoT functionality for connectivity to existing security systems (VMS, access control) and enables over the air updates. It is able to be used both indoors and outdoors. In terms of Government approvals and certification HEXWAVE™ is progressing well as you can read here.

**Hexwave Technology works much better than old fashioned metal detectors**

Contactless screening and threat detection of all weapon types. Without divesting keys, wallet, cell phone, and jacket.

Alerts for metallic & non-metallic threats			No alerts
Handguns			
Rifles / Shotguns			
IEDs			
Flares			
No alerts items:			



Source: Liberty Defense Holdings company presentation

HEXWAVE™ has been awarded a grant from the U.S. TSA and DHS

for tech advancement and is undergoing six beta testing trials; including with the Maryland Stadium Authority, Greater Toronto Airports Authority, Hindu temple, Port Tampa Bay, Virginia Division of Capitol Police, and the University of Wisconsin Police Department.

Following on from the above it was recently announced on February 22, 2022, that Liberty has signed an agreement with The Greater Toronto Airports Authority to trial HEXWAVE™ at Toronto Pearson International Airport during the third quarter of 2022. The Airport will be the first airport in the world to test HEXWAVE™.

AVIATION is Liberty's other key product, for which Liberty owns the license. It is focused on airport security and involves the following two technologies combined:

- High Definition Advanced Imaging Technology (HD-AIT) millimeter-wave **body scanner** for upgrades or new deployments in airports
- Award winning **footwear screener** based on proven millimeter-wave technology

Airport passengers will no longer need to remove their shoes or any clothing. AVIATION can be used to upgrade the existing worldwide installed base or for new system deployments.

### **Liberty's business model**

The Liberty business model works by achieving one-off revenue from the HEXWAVE™ hardware sale, plus a recurring revenue from the initial 5-year maintenance plan to include software and AI updates. Liberty states that it expects to generate high product gross margins after 2022. Their initial focus will be on the USA and Canada, but there is an international need, so global expansion could follow. Liberty will look to use channel partners where appropriate and also use direct sales. Amsource Capital Ltd. has been engaged to facilitate large and small ticket leasing and financing of HEXWAVE™.

# Liberty Defense Holdings investment highlights

## LIBERTY DEFENSE – WHY INVEST?



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



Source: Liberty Defense Holdings company presentation

### Closing remarks

The need for Automatic Weapons Detection Systems is really a no-brainer these days, especially at airports, stadiums, bus & train stations, and shopping centers. The potential demand for Liberty's next generation security products (HEXWAVE™ and AVIATION) is enormous, both in North America and globally.

Liberty Defense Holdings trades on a market cap of C\$26 million and achieved a recently announced aC\$7.5 million equity raise. If Liberty can successfully move into the next stages of production and commercialization of sales, then we should be hearing a lot more about them in 2022 and 2023.