

NFORCED

eNewsletter from Patriot One Technologies Inc.

GLOBAL PAID TRIALS BEGIN Q4, 2018

As referenced in the Q4, 2018 CEO Letter on December 20, 2018, Patriot One, at the request of its security integrators embraced a “paid trial” model for the roll-out of the PATSCAN threat detection solutions. This paid trial effort will enable Patriot One to scale efficiently and cost-effectively through its reseller network, while meeting the Company’s obligation to reach Phase 4 of its Lab-to-Market strategy.

Paid trials will ultimately transition into commercial deployment allowing for product roll-out over the next 2 quarters.

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Patriot One’s Phil Lancaster tours University of North Dakota with Chief Eric Plummer

CEO CORNER

Our wrap up of 2018 was an exciting one. Not only did we raise another \$46M CAD and begin paid trial programs with key reseller partners but we also achieved a number of successes in several other areas of our business. These include a product acquisition, a University deployment, innovation program alliances with Fortune 100 companies, and a key defense contractor partnership. Below are some of the details of our efforts these past 3 months.

OCTOBER 2018:

Patriot One launched a PATSCAN showcase within Cisco Systems’ Toronto-based Innovation Center, after being invited to join the Cisco Systems Innovation Program.

NOVEMBER 2018:

In November, Patriot One finalized the acquisition of EhEye, in an effort to deliver on its strategic vision of creating

a layered, multi-sensor approach to threat detection. EhEye’s video analytics and object recognition technology was quickly re-branded as PATSCAN VRS and is part of the paid trial deployment with key reseller partners.

DECEMBER 2018:

Post the June 2018 announcement regarding a Threat Detection Development Center at the University Of North Dakota, the University accelerated its effort in Q4 by investing \$100,000 USD for trial deployments in four separate facilities across its main campus in Grand Forks, ND.

In addition, Patriot One announced it had pre-qualified for up to \$1 million (CAD) from the Canadian government’s Build in Canada Innovation Program (BCIP) for testing by the Department of National Defence. Furthermore, the Company launched another PATSCAN showcase, this time within IBM’s

Montreal-based Innovation Center.

Q1, 2019:

During this quarter we will be rolling out paid trials of the PATSCAN CMR and PATSCAN VRS with key reseller clients around the globe. In addition, we will be evaluating additional threat detection solutions to add to our PATSCAN family suite of products and our vision for a layered multi-sensor approach to covert threat detection. We will notify the marketplace as we progress on these new product evaluations.

As you can see, it’s been a great quarter for Patriot One, and we are looking forward to an exciting New Year in our mission to build safer communities and deliver shareholder value. Thank you for your support and continued confidence.

Warm regards,
Martin Cronin, CEO



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During this time, the Patriot One team will finalize policies, procedures, terms and PATSCAN installation training with its key resellers.

Furthermore, these paid trials will help Patriot One achieve three (3) Business Goals, including (1) revenues as planned commencing Q4 2018, (2) successful deployments of PATSCAN products with key security system integrators and their clients during Q4 2018, and (3) advanced live tests and trials of PATSCAN solutions with a broad end-user base, targeting transition from paid trials to commercial deployments.

Please note that no other company has ever mass-deployed these types of integrated threat detection technologies before. Therefore,

advancement into full-scale mass production is, by necessity, constrained until completion and review of the technical trial results.

Looking forward, Patriot One will be delivering on paid trial commitments with its key reseller clients during Q1, while also participating in key industry events to introduce its PATSCAN family of multi-sensor threat detection solutions to the marketplace.

Every member of our team is very active in driving our business forward, each one shows their excitement daily as they introduce threat detection solutions with a goal to end senseless acts of violence on our global citizens. Our staff stands ready to deliver a successful 2019. 🇺🇸

PRODUCT UPDATES

PATSCAN CMR UPDATE

by Dr. Paul Rice, PhD., SVP Radar & Machine Learning

The PATSCAN CMR engineering team continues to make significant progress on the development of the system, with a focus on scalability around general system deployment. The team is developing IP around system architectures, to allow for more general deployments that will meet the requirements of client identified use-cases.

Over the next quarter, the CMR engineering team will focus on rolling out multiple paid trials in the US, including Miami and North Dakota. In addition, the team will be working on the system to make it more robust with respect to varying environments while reducing cycle time for deployment and calibration from paid trial experiences. Furthermore, the team will continue to enhance the machine learning code base for improved threat characterization.

PATSCAN VRS UPDATE

by Dr. James Stewart, Ph.D., SVP Video Analytics

The EhEye team has been fully integrated into the Patriot One family and the video recognition solution has been rebranded as PATSCAN™ VRS. With the technical and computing resources now available, the VRS team has begun accelerating product development to TR Level 9 (TRL9). During Q4, 2018, the team was able to successfully roll-out the PATSCAN VRS system live across North America in several paid trial locations in Miami and North Dakota. In addition, Q4 saw the launch of PATSCAN VRS in both IBM's Montreal Innovation Center and Cisco's Toronto Innovation Center.

Over the next quarter the VRS team will be dialing in on video recognition accuracy by using high-end processing power (provided by Cisco) utilizing the operational data streams from paid pilot locations. The VRS platform infrastructure will continue to improve with a focus on deployment processes and scalability.

Here's to an exciting 2019 for the PATSCAN CMR and PATSCAN VRS teams and their respective threat detection solutions!

Q4, 2018 MEDIA COVERAGE

Business Insider Italy - Questo piccolo dispositivo rivela armi e bombe nascoste meglio dei metal detector per prevenire attentati

Betakit – Patriot One Acquires Threat Recognition Software EhEye

Intersec: Journal of International Security - The Future of Public Security

Defence Online - The evolving threat: How to defend against the new face of terror

Defence Contracts Online - The evolving threat: How to defend against the new face of terror

MOD Defence Contracts Bulletin - The evolving threat: How to defend against the new face of terror:



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INVESTOR UPDATE

In Mid-November 2018, Patriot One closed a CAD\$46M bought deal financing. The offering was conducted by a syndicate of underwriters led by Canaccord Genuity Corp., acting as lead underwriter and sole bookrunner on behalf of a syndicate of underwriters including GMP Securities LP.

The Company's stock hit an all-time high of \$3.01 with a low of \$1.54 for the past quarter. The Company's treasury now sits at approximately ~\$75M.

As referenced November 21, 2018, "the net proceeds of the Offering will be used for funding strategic initiatives, accelerate the deployment of technology and for general working capital purposes."

After closing the financing, the Company announced the acquisition of EhEye Threat Recognition Software, which has been renamed under the PATSCAN brand as the PATSCAN VRS video threat recognition and detection solution. PATSCAN VRS is now in paid trials with several key reseller partners, as well as with the University of North Dakota.

PUBLIC POLICY EFFORTS



Patriot One's Communications and Business Development teams continue their ongoing efforts in Washington DC. In October and November, both teams met with key decision makers regarding PATSCAN product roll-out and paid trial program planning. In October, the Business Development teams met with members of the US Secret Service, Pentagon and ACLU. In November, the Communications team met with members of Congress and the Department of Homeland Security.

2019 SALES & MARKETING EVENT



March 5-6: SCTX Counter Terrorism Conference - London, UK



March 3-6: World Game Protection Conference – Las Vegas, NV



April 9-11: ISC West – Las Vegas, NV



May 29-30: CADSI CANSEC 2019 - Ottawa, ON



June 25-28: IACLEA 2019 Annual Conference - Vancouver, BC