



# INVESTOR DECK

| AXON ENTERPRISE |

November 2022

# Safe-harbor statement

Forward-looking statements in this letter include, without limitation, statements regarding: proposed products and services and related development efforts and activities; expectations about the market for our current and future products and services; strategies and trends relating to subscription plan programs and revenues; strategies and trends, including the benefits of, research and development investments; the timing and realization of future contracted revenue; the fulfillment of bookings; expectations about customer behavior; statements concerning projections, predictions, expectations, estimates or forecasts as to our business, financial and operational results and future economic performance, including our outlook for 2022 fourth quarter and full year revenue, stock-based compensation expense, adjusted EBITDA, adjusted free cash flow, and capital expenditures; statements of management's strategies, goals and objectives and other similar expressions; as well as the ultimate resolution of financial statement items requiring critical accounting estimates, including those set forth in our Form 10-K for the year ended December 31, 2021. Such statements give our current expectations or forecasts of future events; they do not relate strictly to historical or current facts. Words such as "may," "will," "should," "could," "would," "predict," "potential," "continue," "expect," "anticipate," "future," "intend," "plan," "believe," "estimate," and similar expressions, as well as statements in future tense, identify forward-looking statements. However, not all forward-looking statements contain these identifying words.

We cannot guarantee that any forward-looking statement will be realized, although we believe we have been prudent in our plans and assumptions. Achievement of future results is subject to risks, uncertainties and potentially inaccurate assumptions. The following important factors could cause actual results to differ materially from those in the forward-looking statements: the potential global impacts of the COVID-19 pandemic; our exposure to cancellations of government contracts due to appropriation clauses, exercise of a cancellation clause, or non-exercise of contractually optional periods; our ability to design, introduce and sell new products or features; our ability to defend against litigation and protect our intellectual property, and the resulting costs of this activity; our ability to manage our supply chain and avoid production delays, shortages, and impacts to expected gross margins; the impact of stock-based compensation expense, impairment expense, and income tax expense on our financial results; customer purchase behavior, including adoption of our software as a service delivery model; negative media publicity regarding our products; the impact of product mix on projected gross margins; defects in our products; changes in the costs of product components and labor; loss of customer data, a breach of security, or an extended outage, including by our third party cloud-based storage providers; exposure to international operational risks; delayed cash collections and possible credit losses due to our subscription model; changes in government regulations in the U.S. and in foreign markets, especially related to the classification of our products by the United States Bureau of Alcohol, Tobacco, Firearms and Explosives; our ability to integrate acquired businesses; our ability to attract and retain key personnel; and counter-party risks relating to cash balances held in excess of FDIC insurance limits. Many events beyond our control may determine whether results we anticipate will be achieved. Should known or unknown risks or uncertainties materialize, or should underlying assumptions prove inaccurate, actual results could differ materially from past results and those anticipated, estimated or projected. You should bear this in mind as you consider forward-looking statements. The Annual Report on Form 10-K that we filed with the Securities and Exchange Commission ("SEC") on February 25, 2022 lists various important factors that could cause actual results to differ materially from expected and historical results. These factors are intended as cautionary statements for investors within the meaning of Section 21E of the Exchange Act and Section 27A of the Securities Act. Readers can find them under the heading "Risk Factors" in the Report on Form 10-K, and investors should refer to them. You should understand that it is not possible to predict or identify all such factors. Consequently, you should not consider any such list to be a complete set of all potential risks or uncertainties.

Except as required by law, we undertake no obligation to publicly update forward-looking statements, whether as a result of new information, future events or otherwise. You are advised, however, to consult any further disclosures we make on related subjects in our Form 10-Q, 8-K and 10-K reports to the SEC. Our filings with the SEC may be accessed at the SEC's web site at [www.sec.gov](http://www.sec.gov).

PROTECT LIFE

CAPTURE TRUTH

ACCELERATE JUSTICE



# Set TASERs to stun.

Axon is building the future envisioned by Star Trek creator Gene Roddenberry, where technology helps elevate humanity. TASER devices were directly inspired by Captain Kirk's Phaser.





# Axon's mission is to protect life



1. OBSOLETE THE BULLET



~274,000 LIVES SAVED FROM DEATH OR SERIOUS INJURY<sup>1</sup>



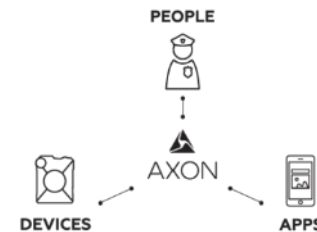
2. REDUCE SOCIAL CONFLICT



COMPLAINTS DOWN 88%<sup>2</sup> USE OF FORCE DOWN 58%<sup>2</sup>



3. ENABLE A FAIR & EFFECTIVE JUSTICE SYSTEM



GUILTY PLEAS UP 20%<sup>3</sup>  
OFFICER COURT TIME REDUCED BY 70%<sup>4</sup>

# ESG is a core competency

2021 // AXON REPORT  
ESG/CSR

SECTION 1/03  
THE BIG PICTURE

## 1/03 COMMON QUESTION: HOW SAFE ARE TASER DEVICES?

Axon is relentlessly working toward our mission of making the bullet obsolete. A critical component of that journey is advancing the technology of our TASER devices.

TASER devices protect life. They are the most studied less-lethal use-of-force option available to officers today, with more than 800 published studies evaluating safety and effectiveness.

The conclusions of these studies are clear: public safety agencies and communities benefit from the adoption of TASER devices. They de-escalate intense situations and reduce the rate of injuries to civilians and officers—and as a result, agencies often save taxpayer money and see a drop in workers' compensation claims after implementing a TASER device program.

For over a decade, Axon has sought to understand why TASER device probe deployments may have been ineffective in some instances. We have taken that data to build our most effective device yet, the **TASER 7** device.

The TASER 7 achieves better connection at close distances, where most deployments occur, and is making clothing barriers a problem of the past.

Agencies that purchase a TASER 7 program can also get access to innovative **VR training** that builds officer empathy and enhanced in-person training with new live scenarios.

**246,000+** LIVES SAVED from potential death or serious bodily injury  
SOURCE

**4,500,000+** USES IN THE FIELD by officers around the world  
SOURCE

**100%** RESULTED IN NO SERIOUS INJURY in 504 field cases of TASER use\*

**SERIOUS INJURY RATE**

Device	Injury Rate
FIREARM	100%
BATON STRIKE	80%
PUNCH	78%
KICK	51%
TASER	<1%

\*Additional sources for injury rates in reference section on page 11

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2021 // AXON REPORT  
ESG/CSR

SECTION 2/01  
EMPLOYEE ENGAGEMENT & HUMAN CAPITAL

## 2/01 DIVERSITY & INCLUSION

Axon is committed to fostering an environment where employees feel a sense of community and can engage with one another on a variety of commonalities. We have committed to prioritize diversity, equity and inclusion, and, as such, created a strategic **JEDI Plan** to be part of our regular business decisions, processes, products, and actions.

JEDI stands for Justice, Equity, Diversity & Inclusion. In 2021, we are focusing our efforts to the foundational pieces of JEDI that will allow us to establish a baseline to measure against year over year and build a foundation to support future scale and innovation. We will continue to assess our progress, test new ideas, and have difficult conversations about complex issues.

One way we see the JEDI strategy at work is through the creation of affinity groups, such as:

**WOMEN AT AXON**

**MISSION**  
Increase employee engagement by providing opportunities for its members to join forces through networking, development opportunities and community service activities, which strengthens our brand and supports Axon's strategic initiatives.

**AXON ALLIES**

**MISSION**  
Help build awareness, provide guidance, mentorship and support for the LGBTQ+ community. Axon Allies provides professional development opportunities, networking, and social events.

**AXON VETERANS**

**MISSION**  
Provides support and inclusion for military, military spouses/domestic partners, veterans, veteran spouses/veteran domestic partners, and military/veteran advocates across the organization.

**MOSAIC**

**MISSION**  
Fosters community and connection among Axon's black and brown employees to help Axon achieve a more culturally diverse and inclusive environment.

Axon focuses on ensuring equal opportunity and diversity in the workplace. We are proud to see the following results and will continue to drive progress:

- There has been a **16% year-over-year increase in women at the director level and above**. In December 2019, Axon had approximately 15% women in director-level positions and above. One year later, Axon had approximately 18% women at director level and above. **33% of Axon's full-time salaried employees identify as women**
- There has been a **26% year-over-year increase in people of color at the director level and above**. In December 2019, Axon had approximately 15% people of color in director-level positions and above. One year later, Axon had approximately 19% people of color at director level and above. **35% of Axon's full-time salaried employees identify as non-white**

Axon is an equal opportunity employer and value diversity at our company. We do not discriminate on the basis of race, religion, color, natural origin, gender, sexual orientation, age, marital status, veteran status, or disability status.

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2021 // AXON REPORT  
ESG/CSR

SECTION 1/01  
THE BIG PICTURE

## 1/01 SUPPORTING THE U.N.'S SUSTAINABLE DEVELOPMENT GOALS

We see **100% of our revenues** as generated by products and solutions that support the United Nations Sustainable Development Goals, particularly goals 5, 9, 11 and 16. These goals seek to achieve gender equality, build resilient infrastructure and foster innovation, promote safe living conditions in urban areas, reduce violence and death rates, promote the rule of law to ensure equal access to justice, and develop effective, accountable and transparent institutions.

Following the social unrest of 2020, Axon became one of the first companies to announce a public **action plan**, including a commitment to help public safety agencies in their work to address systemic inequity, racism, and injustice. As part of this commitment, Axon added a new strategic goal to our mission — **to build for racial equity, diversity, and inclusion**.

In October 2020, we unveiled our first eight product features developed in direct support of this goal, which we built through a company-wide initiative led by our product teams. The features focus on transparency, truth and officer development, and aim to reduce violence and social conflict. Importantly, they increase officer accountability with multiple features such as automatically prioritizing body camera videos selected for random audits (based on events such as unholstering a TASER device or spoken keywords from the AI-powered transcription of the audio), a use of force dashboard, virtual reality training to assist in handling high-stakes situations like peer intervention, and replay coaching to revisit body camera footage and promote ongoing learning and development.

### PROGRESS ON U.N. SUSTAINABLE DEVELOPMENT GOALS

1. NO POVERTY	2. ZERO HUNGER	3. GOOD HEALTH AND WELL-BEING	4. QUALITY EDUCATION	5. GENDER EQUALITY	6. CLEAN WATER AND SANITATION
7. AFFORDABLE AND CLEAN ENERGY	8. DECENT WORK AND ECONOMIC GROWTH	9. INDUSTRY, INNOVATION AND INFRASTRUCTURE	10. REDUCED INEQUALITIES	11. SUSTAINABLE CITIES AND COMMUNITIES	12. RESPONSIBLE CONSUMPTION AND PRODUCTION
13. CLIMATE ACTION	14. LIFE BELOW WATER	15. LIFE ON LAND	16. PEACE, JUSTICE AND STRONG INSTITUTIONS	17. PARTNERSHIPS FOR THE GOALS	SUSTAINABLE DEVELOPMENT GOALS

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2021 // AXON REPORT  
ESG/CSR

Axon is proud to have formed the industry's first and most predominant AI ethics board, which helps to establish best practices to protect privacy and ensure safeguards to avoid bias and other potential risks associated with AI. Axon was the first major technology player to implement a policy to restrict the use of facial recognition in our body cameras, until biased accuracy and privacy risks have been addressed. This policy leadership was a direct result of the work of our AI ethics board and has now been followed by many technology providers. We discuss this board in greater detail later in this report.

**When body cameras are deployed:**

- Citizen complaints fall 88%**<sup>1</sup>
- Use of force falls 58%**
- Officer court time is reduced by 70%**

SOURCES: (1) The Effect of Police Body-Worn Cameras on Use of Force and Citizens' Complaints Against the Police: A Randomized Controlled Trial (2019); (2) Queensland Police Domestic Violence Case Study (2017)

Our products also help emergency responders of all kinds — from fire and EMS, to dispatchers at public safety answering points (911 call centers in the US) — be more effective, more efficient and create safer communities.

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# Axon leadership has generated a powerful financial profile

**880K+**

TASER devices in place today globally

**80%**

2021 revenue from recurring bundles

**~120%**

Net dollar retention

**\$403mm**

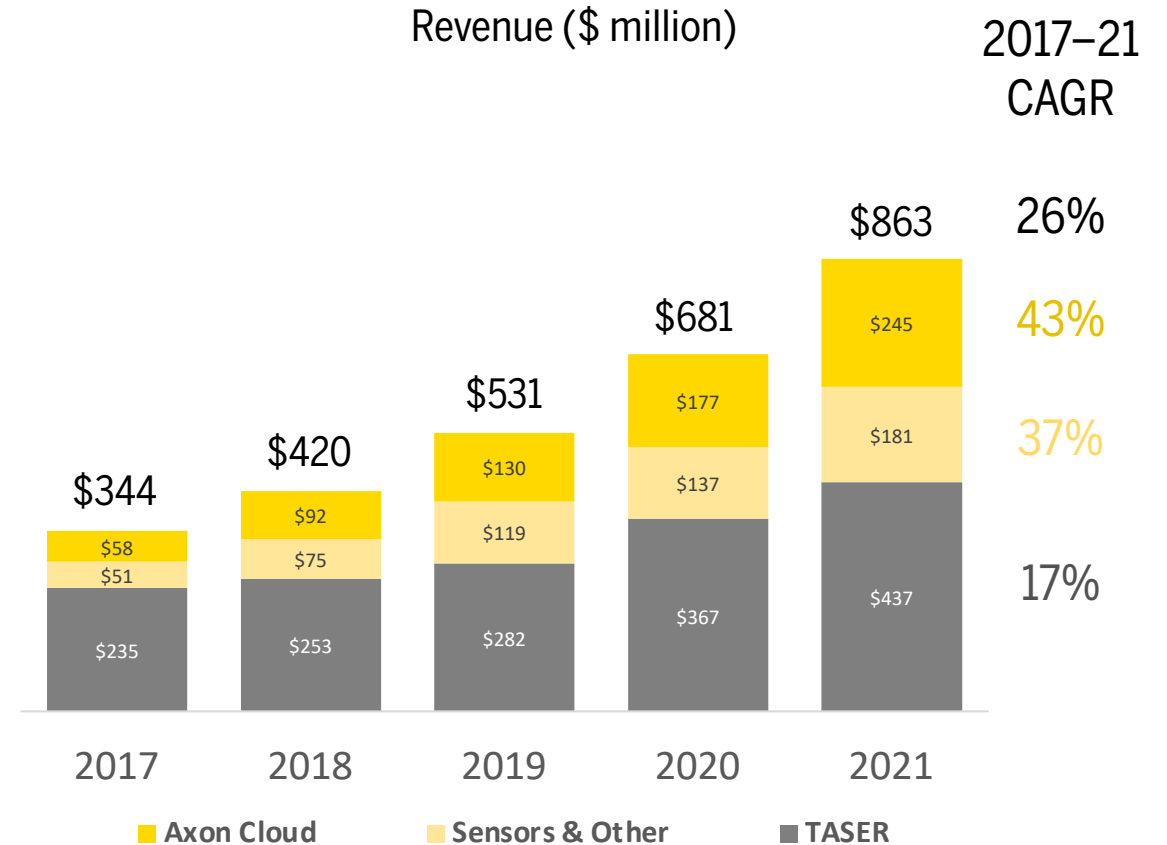
Annual recurring software revenue

**75%**

2021 cloud gross margin

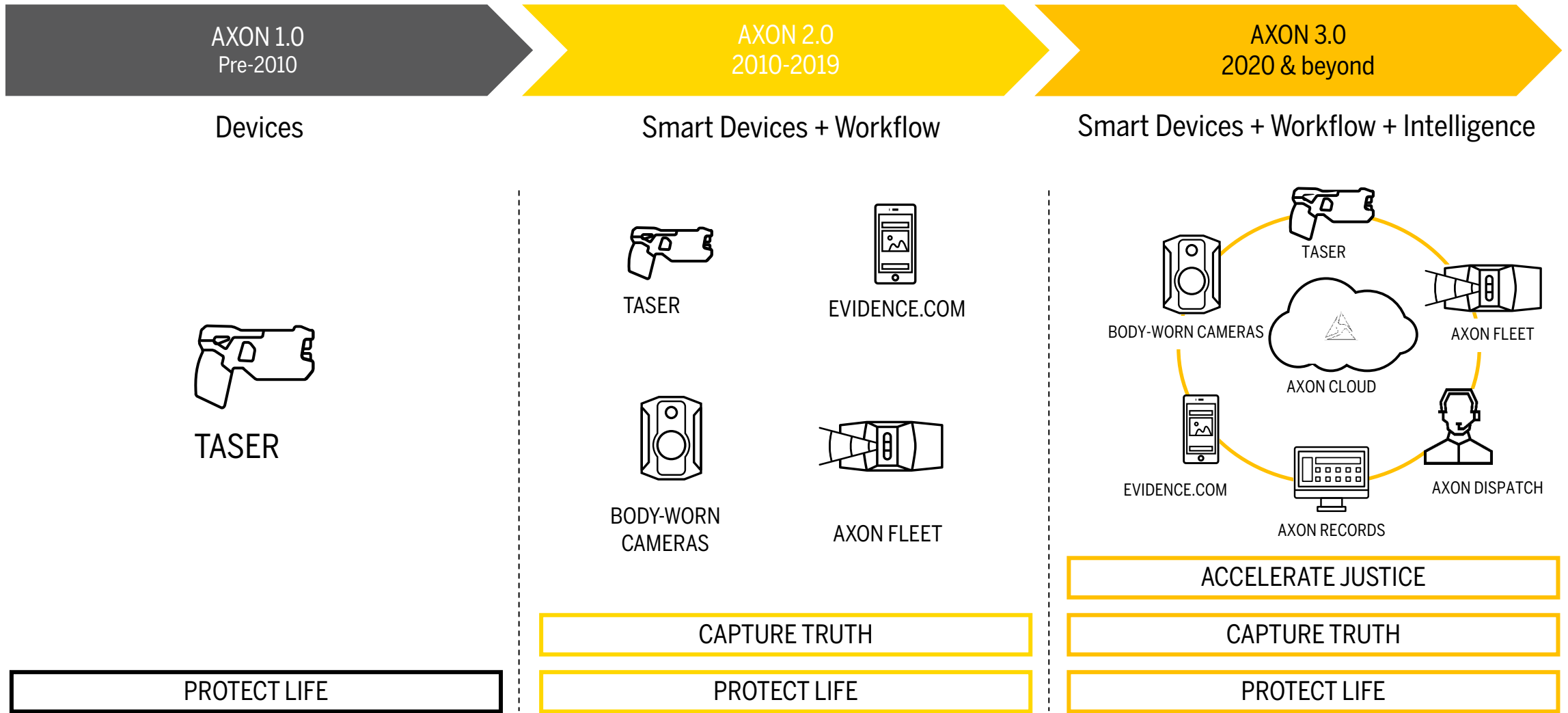
**21%**

2021 Adjusted EBITDA margin



Note: TASER devices in place today globally represents total number of units sold in the last 5 years and excludes Consumer devices. Annual recurring revenue is as of Axon's latest quarterly report. Refer to quarterly shareholder letters, filed on form 8-K, for Non-GAAP reconciliations

# Evolving public safety ecosystem

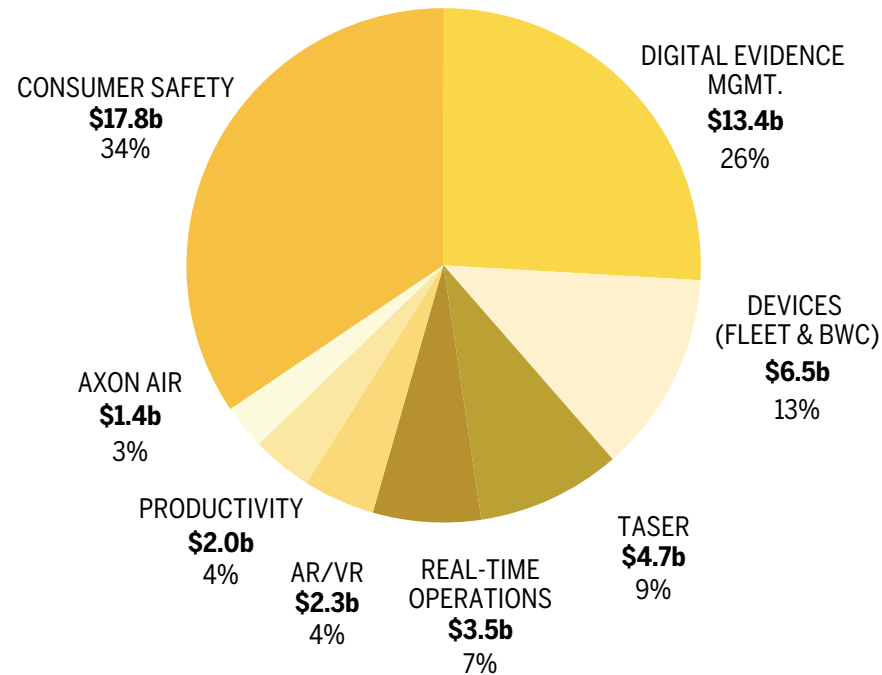




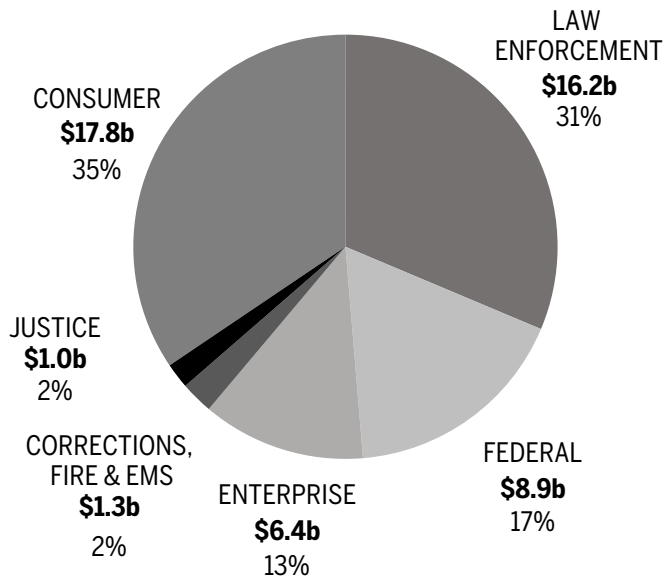
# Large & growing TAM through value-added new products and markets

## \$52B TAM

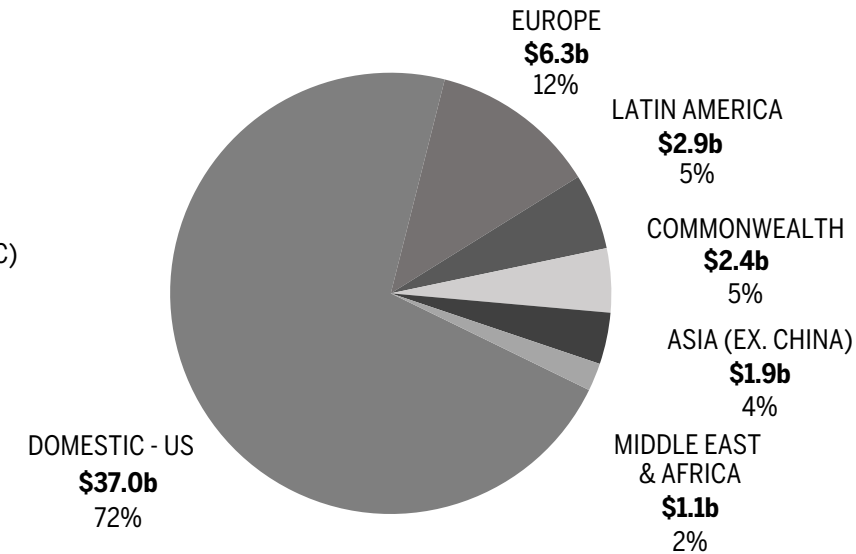
Total TAM by product



Total TAM by Market



Total TAM by Region



Our TAM methodology estimates annual potential spending on Axon products by considering total possible users in regions and markets we are selling into, based on publicly available user data by job category from U.S. Bureau of Labor Statistics and other public sources, or Axon intends to sell into in the near term, as well as current annual subscription pricing for existing products and estimated annual pricing for future products, based on an analysis of market-supported pricing. Note that with Axon's integrated bundles, under ASC 606, product (hardware) revenue is recognized upon shipment to the customer and service (software) revenue is recognized over time as a time-based obligation to the customer. The TAM, as presented, shows potential annual subscription spending, which will equal revenue recognized over the life of a multi-year contract, but spending and revenue do not always match up in the same year due to the timing difference between subscription-based payments and revenue recognition.

# TAM Penetration by Product Category and Region

User markets included in scope: State & Local LE Federal Corrections Fire & EMS Justice Enterprise

	US	Commonwealth	Europe	Latin America	Asia	Middle East & Africa
TASER	21% 	14% 	<5% 	<1% 	<1% 	<1% 
Body Cameras	12% 	23% 	<3% 	<1% 	<1% 	<1% 
Fleet	<5% 	<1% 	0% 	0% 	0% 	0% 
Axon Cloud SaaS	<2% 	<2% 	<1% 	<1% 	<1% 	<1% 

Our TAM penetration methodology factors in Axon's internal estimates for unit sales to date and software revenue to date, as well as potential users based on publicly available data. Commonwealth includes UK, Canada, Australia and New Zealand. Europe excludes UK. Asia excludes China and Russia. TASER, body camera and Axon Fleet percentages represent user penetration, while Axon Cloud SaaS represents dollar penetration. Consumer TASER not included within TASER TAM penetration. Consumer TASER penetration is less than 1% in the US. Axon Cloud SaaS includes Digital Evidence Management, Productivity and Real-Time Operations. Axon Air & AR/VR are not shown given estimated TAM penetrations of about 0%.

# Growth drivers: Cloud-connected products and services

Axon products are generally cloud-connected and sold via mutually reinforcing integrated bundles. Our key revenue drivers belong to three broad categories:

## TASER

TASER devices

Virtual reality & training

De-escalation tools



## Software

Digital evidence management

Productivity

Real-time operations

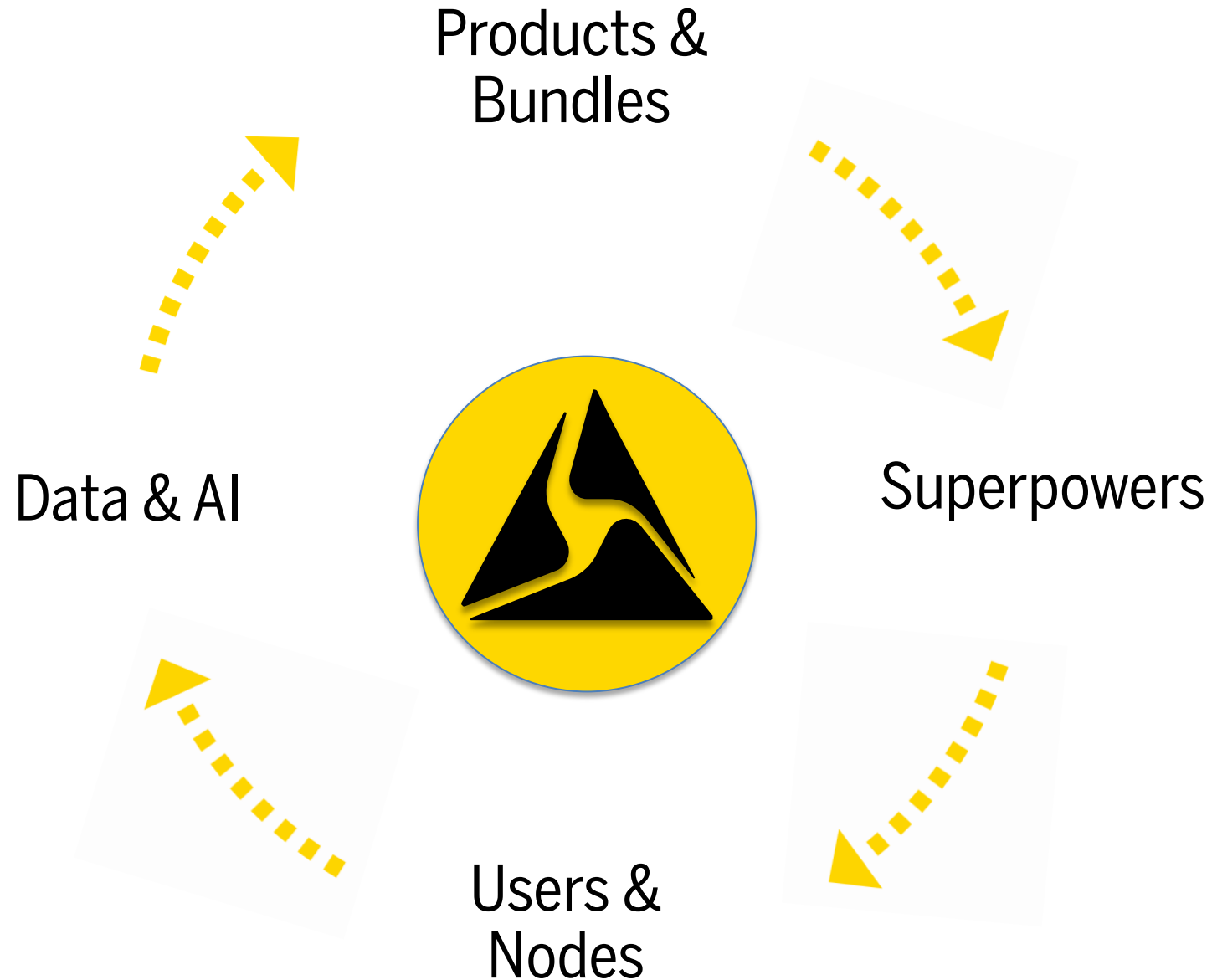
## Sensors

Body cameras

Fleet in-car cameras

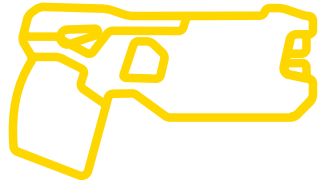
Axon Air drones

**Axon flywheel:**  
Build products and bundles that give our customers superpowers to ensure everyone gets home safe. This creates more users (aka people) and nodes (aka devices) on the Axon network that then creates more data that we can unlock more value from with machine learning and AI. We use that to create even more great products and bundles.



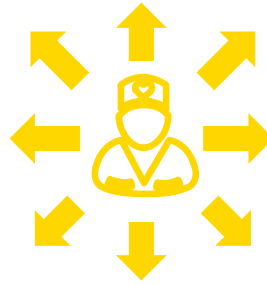


## Growth driver: TASER & de-escalation has become eminent



### **TASER product leadership**

Numerous agencies adopted cloud-connected TASER 7



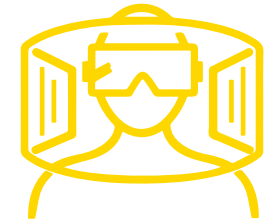
### **Expansion beyond public safety**

Recent wins include U.S. DoJ, DHS and Corrections



### **Expansion into new geographies**

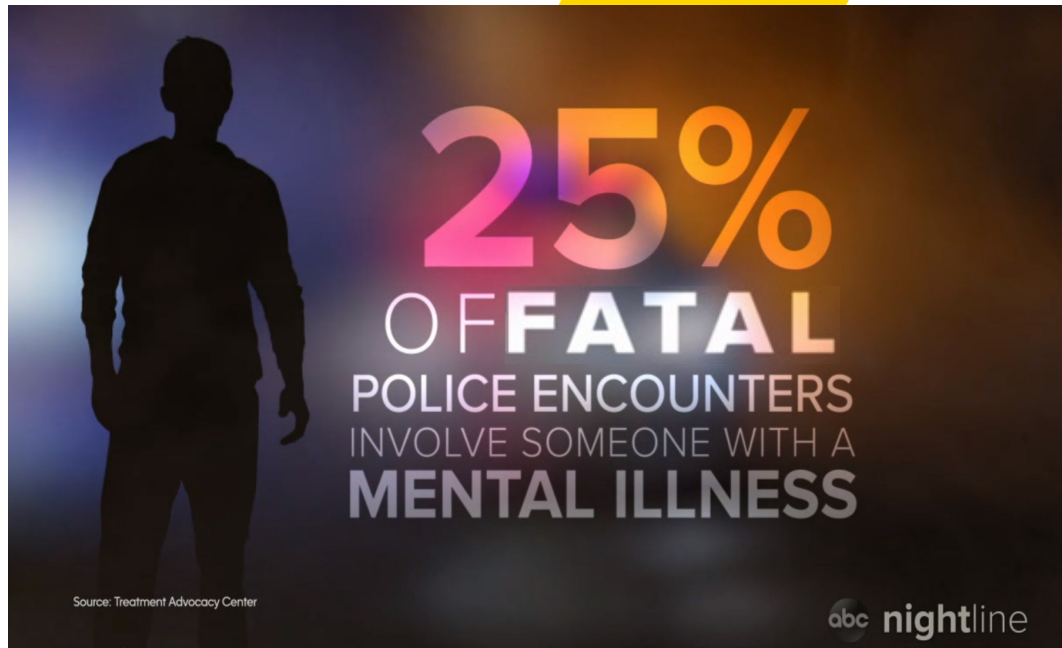
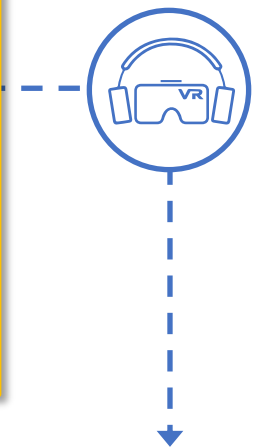
EU, EMEA, South America, etc.



### **AR / VR**

AR / VR empathy training delivered via Axon Cloud

# Growth driver: VR training helps with unbiased and empathetic public safety



# Growth driver: Cameras = transparency and trust



SIGNAL  
SIDEARM



APPS



FLEX



FLEET



BODY

Axon Body 3  
with LTE-live streaming and GPS  
began shipping Sep. 2019

Body camera programs address a **transparency** and **accountability** problem.  
They create a giant **data management** and **storage** problem.  
Axon's camera + software solution solves all.



# Growth driver: Helping agencies manage digital evidence

**Boulder Police Dept.** @boulderpolice · Mar 8  
The prevalence of social media information & the amount of tips we have received is unlike any other previous investigation in years and will take time to sort through and piece together 3/4

**Boulder Police Dept.** @boulderpolice · Mar 8  
Suspect photos & arrest information will be shared when it is available. We have not yet made any arrests, but plan to release suspect photos later today. We encourage community members to continue sharing tips at [tinyurl.com/UniversityHill...](http://tinyurl.com/UniversityHill...)

4/4 #Boulder

 **Hill Disturbance**  
Disturbances on the Hill on 03/06/21 10th and Pennsylvania  
[bouldercpd.evidence.com](http://bouldercpd.evidence.com)



Understand the major digital evidence challenges Axon solves for agencies:  
<https://vimeo.com/427422866>



# Growth driver: Productivity solutions to unlock efficiencies in public safety

## Legacy

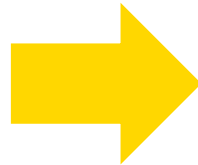


Fragmented point solutions

Bloated and expensive

Complex and stale UI

Slow, manual and reactive



Cloud-based integrated software platform

Efficient and cost effective

Simple and consumer-grade UI

AI-driven proactive public safety

# Growth driver: Real-time operations transforms communications beyond radios

The image displays a software interface for public safety operations. At the top, a navigation bar includes tabs for EVIDENCE, **AWARE**, CASES, INVENTORY, REPORTS, ADMIN, and HELP. The main area features a map of a residential neighborhood with several officer icons and heatmaps. A sidebar on the left lists officer profiles, each with a 'LIVE STREAM' button. Callout boxes provide additional context: 'Integrated public safety suite for optimal visibility and control' points to the navigation bar; 'Synchronized video recording for all officers on-site' points to a 'RECORDING (143)' button; 'Real-time view of officer presence and devices' points to the officer icons on the map; 'GPS enabled heatmaps' points to a red heatmap on the map; and 'LTE live streaming for real-time situational awareness' points to a 'LIVE STREAM' button in the sidebar.

Recording (143)

VIEW ALL OFFICERS (302)

Integrated public safety suite for optimal visibility and control

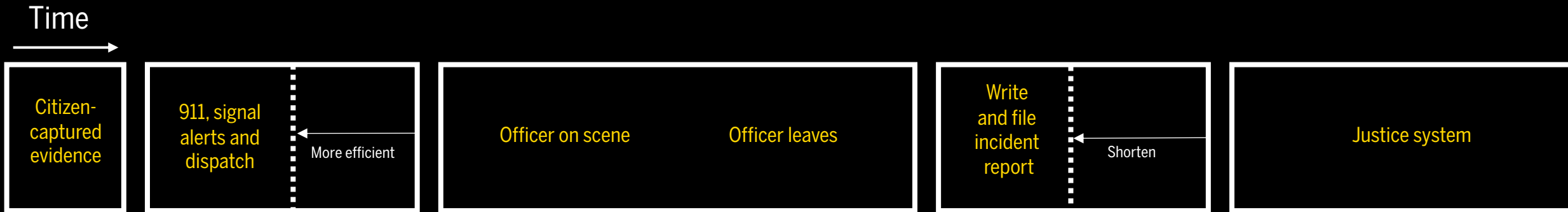
Synchronized video recording for all officers on-site

Real-time view of officer presence and devices

GPS enabled heatmaps

LTE live streaming for real-time situational awareness

# The role of Axon's strategic growth areas during a public safety incident



Axon software makes it easy to capture digital evidence, including CCTV video and citizen mobile evidence



Axon's dispatch solution enables officers to arrive knowing critical information



A TASER device may or may not be deployed when responding to an incident. If deployed, all use of force data is logged in Evidence.com, and real-time alerts are sent back to dispatch and command



Axon body cameras and Fleet cameras capture video evidence, which is safely stored in Evidence.com. Live-streaming provides real-time situational awareness back to dispatch and command



Axon Records incorporates video into the incident log and uses AI to save officers' time. All use of force is tracked using Axon Standards software.



Incident data and post-arrest interview video are used and viewed by prosecutors, defense attorneys, media, the community and the public

## Video: How Axon products work together to empower public safety



<https://vimeo.com/333871354>



# FINANCIAL OVERVIEW

## Powerful long-term growth engine

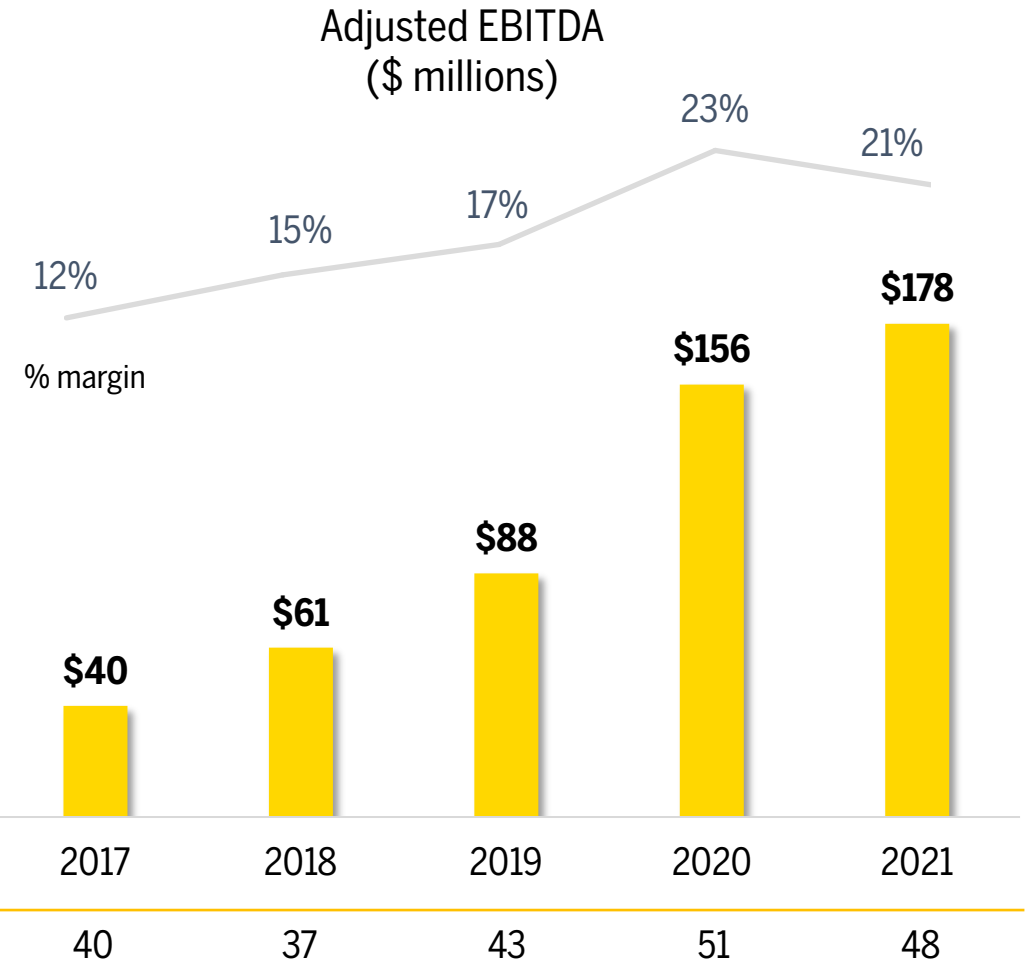
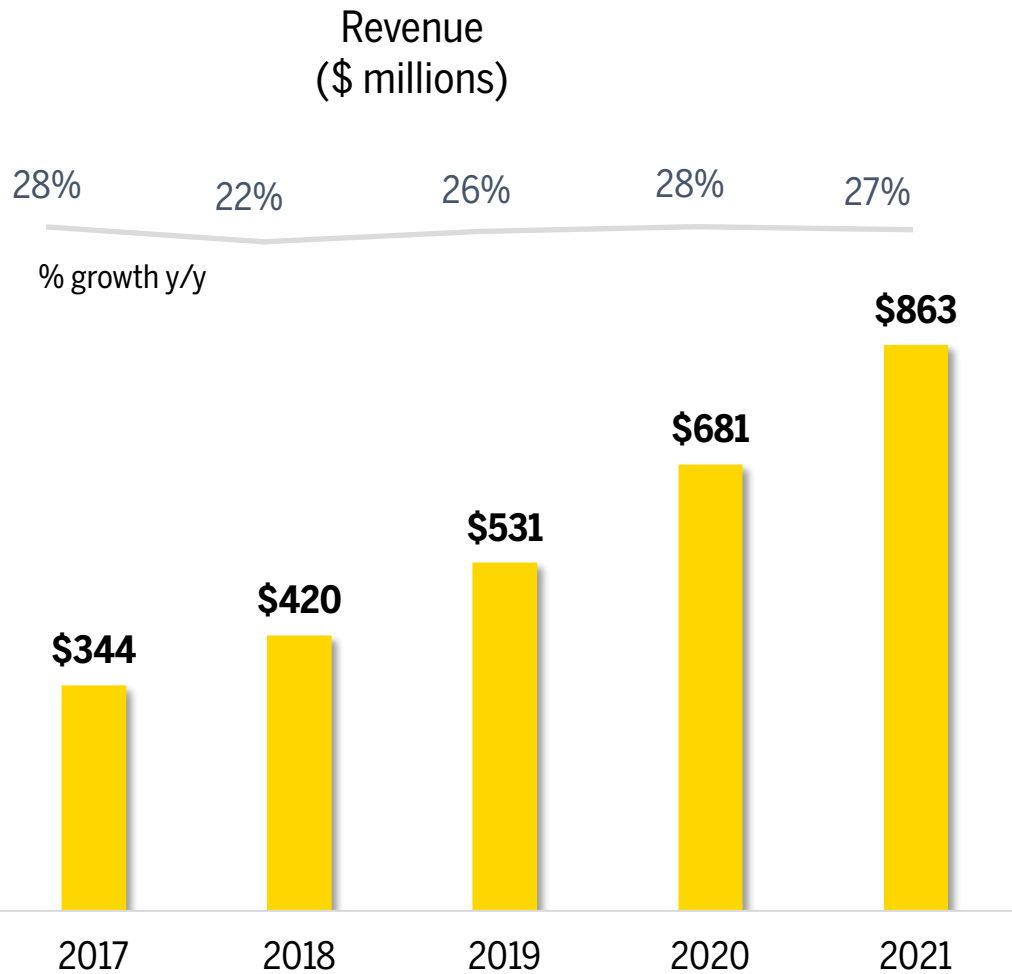
- 1 Strong growth and profitability at scale, early innings of global expansion
- 2 High visibility with significant revenue from recurring bundles
- 3 Strategic R&D driving to 70%+ target gross margins and robust operating leverage
- 4 Strong cash generation and abundant operating flexibility

# Guidance

	<b>New</b>	<b>Previous</b>
	<i>As reported Nov. 8, 2022</i>	<i>As reported Aug. 9, 2022</i>
Full year revenue (2022)	\$1.15 billion to \$1.16 billion	\$1.07 billion to \$1.12 billion
Full year Adjusted EBITDA	\$215 million to \$220 million	Approximately \$200 million
Adjusted Free Cash Flow	Above the midpoint of \$125 million to \$145 million	\$125 million to \$145 million
Capital Expenditures	\$70 million to \$80 million	\$80 million to \$90 million

*The following forward-looking statements reflect Axon's expectations as of our most recent quarterly update, and are subject to risks and uncertainties.*

# Strong growth with scaling profitability



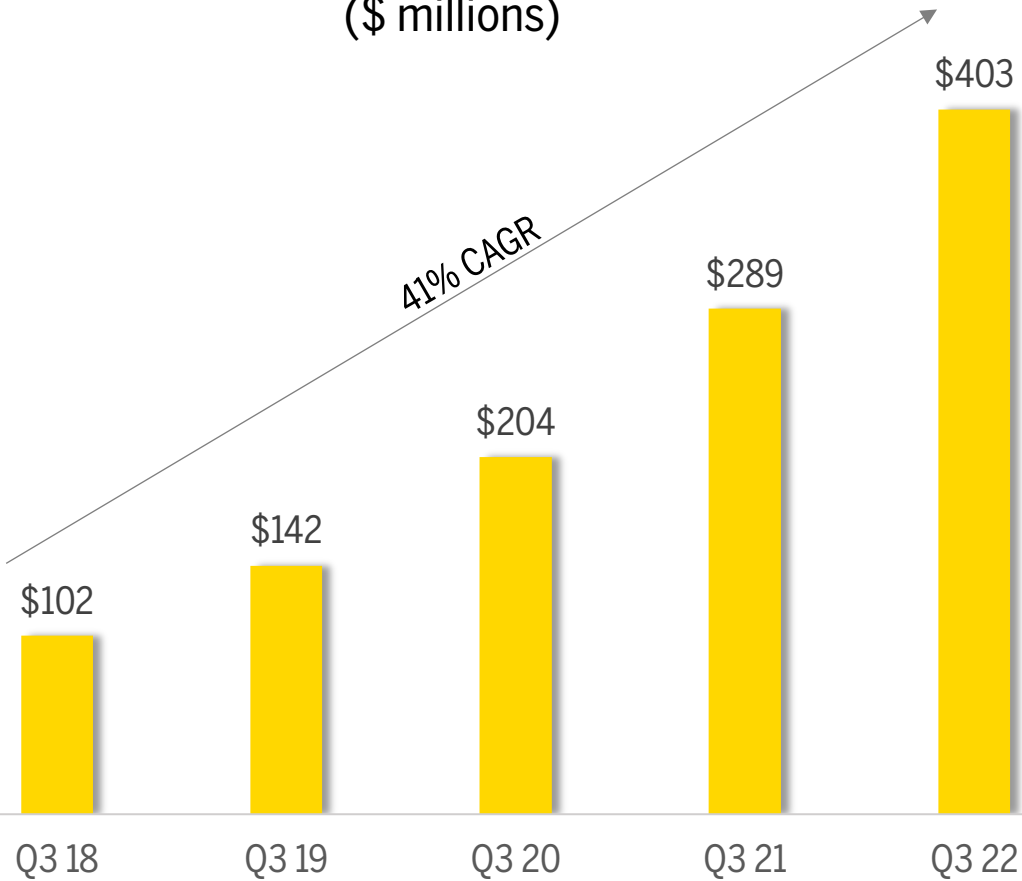
Note: Refer to shareholder letters, filed on SEC form 8-k, for non-GAAP reconciliations

<sup>1</sup> Rule of 40 defined as revenue growth plus adjusted EBITDA margin



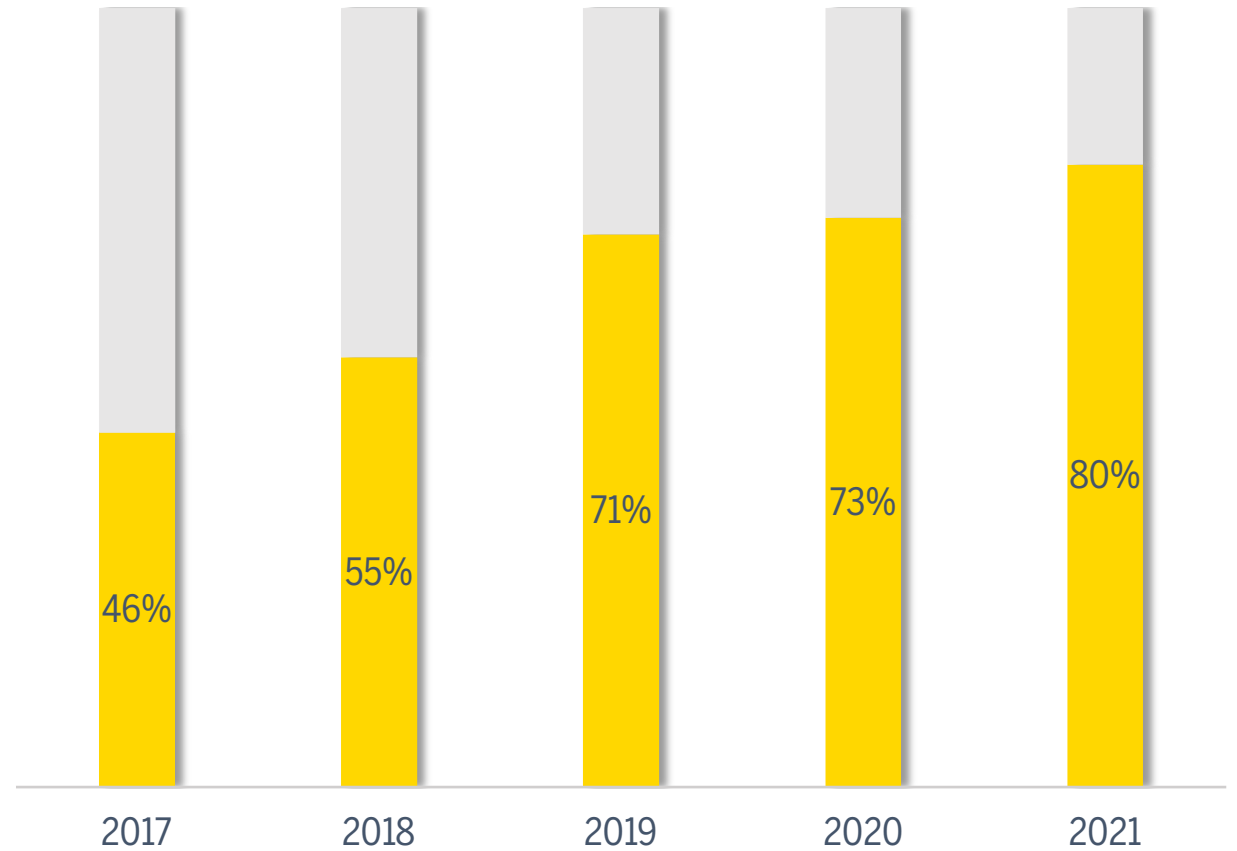
# High visibility with significant revenue from recurring bundles

### SaaS Annual Recurring Revenue (\$ millions)



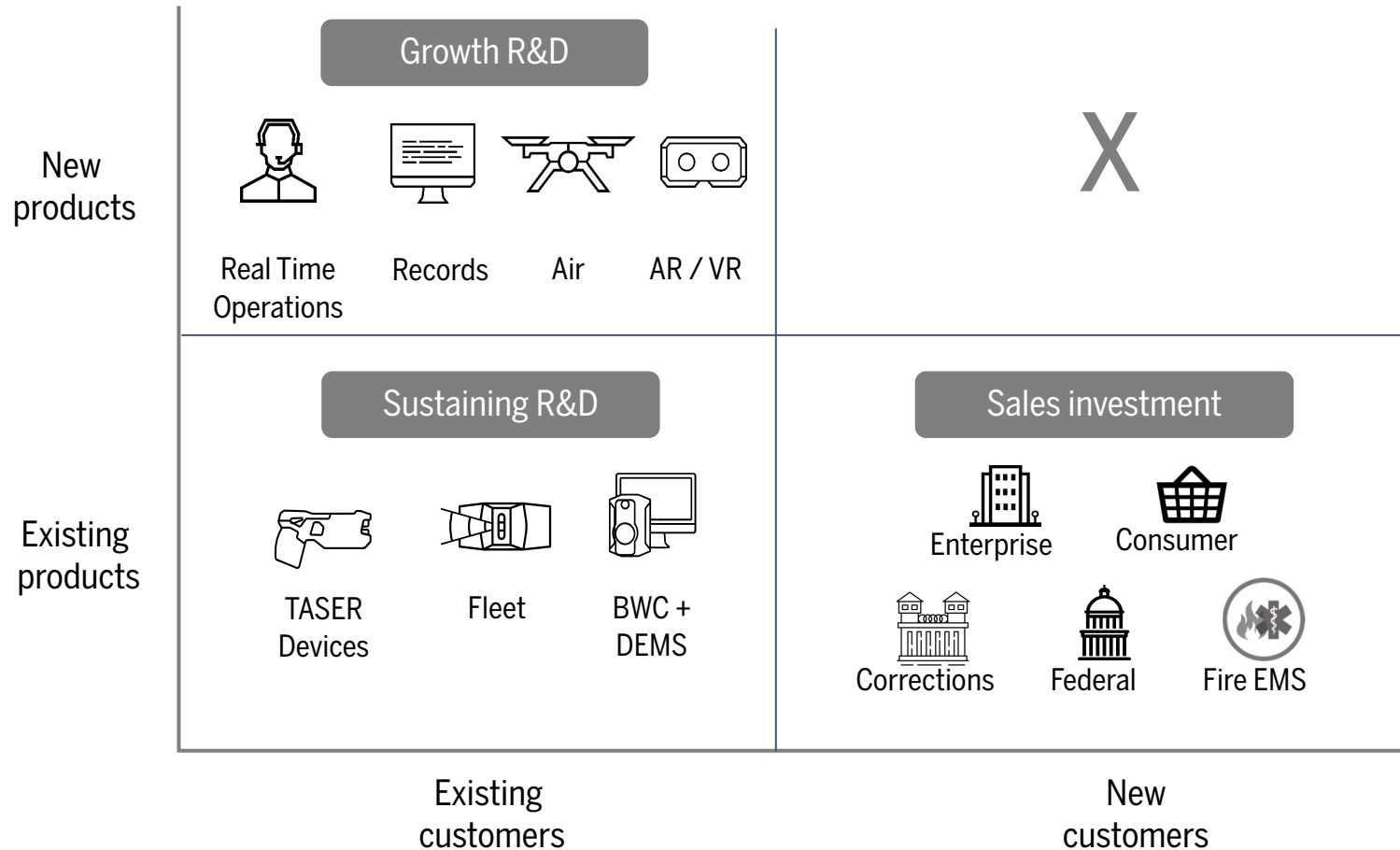
### % Total Revenue Tied to Subscription Bundles

(Non-subscription revenue tied to consumer, new & emerging markets)



Note: Annual recurring revenue includes recurring license, integration, warranty and storage revenue.

# Strategic R&D driving to 70%+ target gross margins and robust operating leverage



## Commitment to drive leverage

### TASER

2021 Gross margin → Long-term target model  
 66% → 70%

### Software & Sensors

2021 Gross margin → Long-term target model  
 60% → 70%

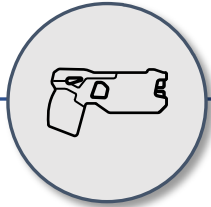
### Axon consolidated

2021 Adj EBITDA margin → Long-term target model  
 21% → 30%

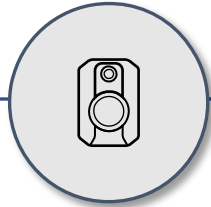
Note: Long-term targets exclude share-based compensation  
 Refer to appendix for Non-GAAP reconciliations  
 AR / VR – augmented reality / virtual reality  
 BWC – body worn cameras  
 DEMS – digital evidence management system

# Axon's path

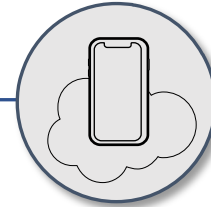
BY 2030, WE BELIEVE



TASER will obsolete  
the bullet



AI will eliminate  
paperwork



Cloud & IoT will  
transform  
communications



Axon will reimagine  
public safety

## Key Considerations

- Powerful platform revolutionizing public safety and creating societal value
- High-growth subscription revenue model with track record of significant operating leverage
- Addressing a \$52 billion market opportunity and millions of users globally
- Holistic software / AI-based solution for public safety, from incident to judicial process
- Management team with a proven track record of executing, unlocking new markets



# APPENDIX



# Strong, Engaged Independent Board of Directors



**MICHAEL GARNREITER**  
Chairman of the Board



**JULIE ANNE CULLIVAN**  
Director



**HADI PARTOVI**  
Director



**CAITLIN KALINOWSKI**  
Director



**ADRIANE BROWN**  
Director



**DR. MATTHEW R. MCBRADY**  
Director



**MARK W. KROLL, PH.D.**  
Director



Note: Independent directors

# Axon's Ethics & Equity Advisory Council



Rev. **KELVIN**  
**SAULS**

New Ministries in the California-Pacific  
Conference of the United Methodist Church  
Columnist



**MICHELLE**  
**VILCHEZ**

Peninsula Conflict Resolution  
Center



**JEFF**  
**TAYLOR**

Lobbyist & Legislation Writer



**GILES**  
**HERDALE**

UK Independent Digital Ethics Panel  
Program Director for Digital Intelligence  
and Investigation at the National Police  
Chiefs' Council



**BERTHA**  
**PURNELL**

Mothers on a Mission 28  
Crime Survivors for Safety & Justice  
Gun Violence Task Force  
Funeral Home Task Force



**DEVON**  
**SIMMONS**

Incarceration Nations Network



**BRODERICK**  
**TURNER**

The Flea-Market Lab  
Professor at Virginia Tech



**TONYA**  
**STROZIER**

Tucson Alliance of Black School  
Educators  
Mayor's Racial Equity & Justice  
Advisory Council



**LOUIS**  
**FRYE**

Movement Thru Hoops  
Team First



**DESMOND**  
**PATTON**

SAFELab  
Social Intervention Group  
Professor & Associate Dean at  
Columbia University



**WILNEIDA**  
**NEGRON**

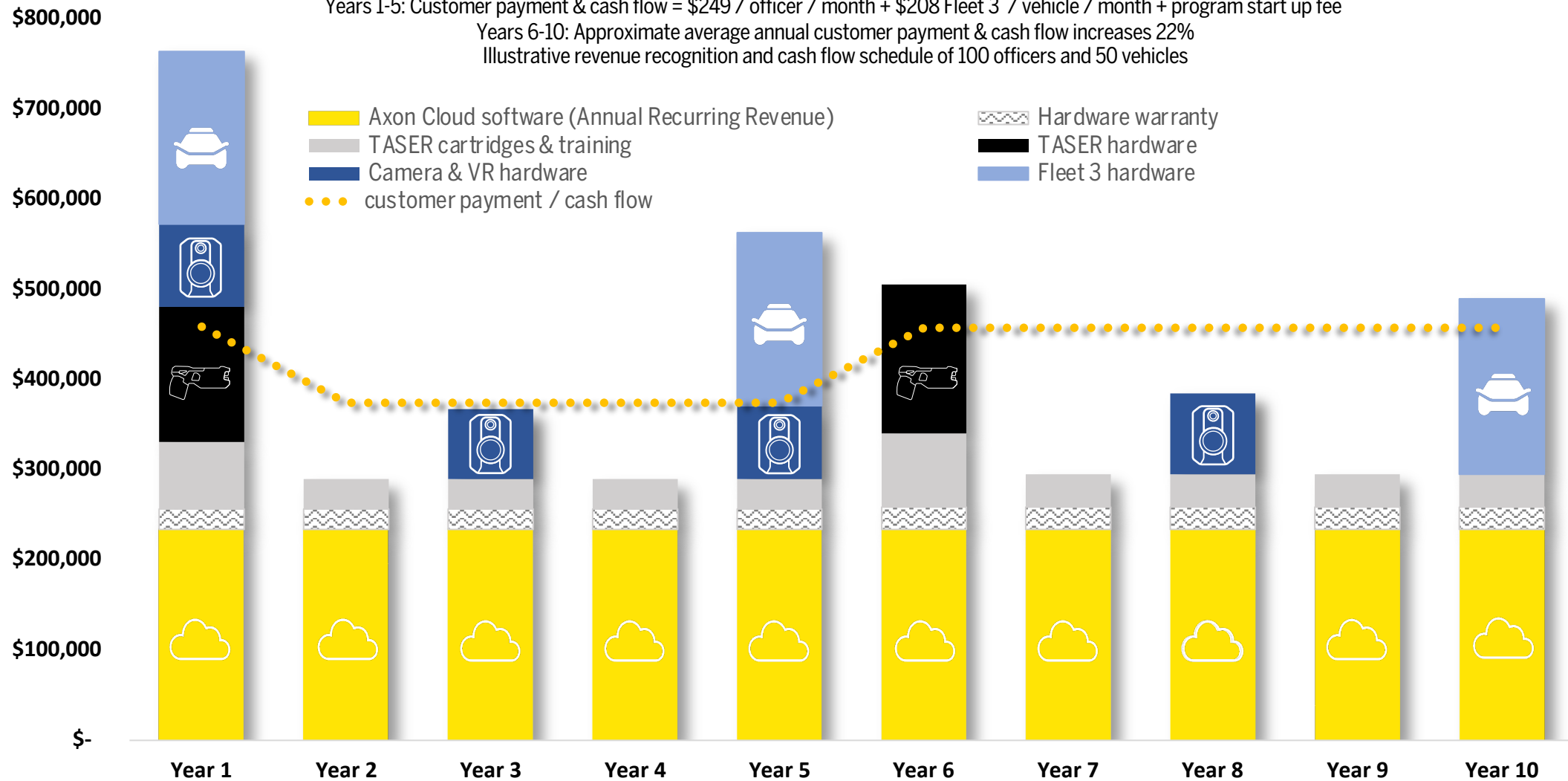
Ford Foundation  
Mozilla  
Professor John Jay College of Criminal Justice

	TASER WEAPON BUNDLES							CAMERA + DEMS BUNDLES							WEAPON + CAMERA + SOFTWARE BUNDLES				
	Taser 60 Basic (X2)	Taser 60 Unlimited (X2)	Taser 7 CQ Budget	Taser 7 CQ Dock	Taser 7 Basic	Taser 7 Cert	Taser 7 Cert + VR	Unlimited Body Camera	Basic License	Pro License	Pro + License	Fleet 2 Unlimited	Fleet 3 Basic	Fleet 3 Basic + TAP	Fleet 3 Advanced	OSP Standard	OSP 7	OSP 7+	OSP 7+ Premium
Monthly Price	\$35	\$48	\$39	\$49	\$42	\$60	\$78	\$89	\$15	\$39	\$79	\$129	\$129	\$169	\$208	\$109	\$159	\$209	\$249
Additional Required Purchase	Cartridges	n/a	n/a	n/a	Cartridges	n/a	n/a	Upfront Camera HW	n/a	n/a		n/a	n/a	n/a	n/a	Upfront HW + Cartridges	Upfront Camera HW	Upfront Camera HW	Upfront Camera HW
Legacy Weapon (X26P or X2)	✓	✓														✓			
Taser 7 CQ			✓	✓															
Taser 7					✓	✓	✓										✓	✓	✓
Unlimited Duty Cartridges		✓				✓	✓										✓	✓	✓
Limited Duty Cartridges			✓	✓															
Training Cartridges			✓	✓		✓	✓										✓	✓	✓
Rechargeable Batteries + Dock				✓	✓	✓	✓									✓	✓	✓	✓
Weapon E.com License				✓	✓	✓	✓										✓	✓	✓
VR Training + HTC Vive Headset							✓												✓
Basic E.Com License									✓										
Professional E.com License								✓		✓	✓					✓	✓	✓	✓
Unlimited Storage								✓				✓	✓	✓	✓	✓	✓	✓	✓
Camera HW upgrade every 2.5 years								✓								✓	✓	✓	✓
Year 5 Camera Upgrade												✓		✓	✓				
3rd Party Storage								✓			✓					✓	✓	✓	✓
Respond for Devices																✓	✓	✓	✓
Respond for Devices+															✓		✓	✓	✓
Axon Signal Sidearm																✓	✓	✓	✓
Axon Signal Vehicle												✓	✓	✓	✓				
Axon Performance										✓								✓	✓
Channel Services																		✓	✓
Auto-Tagging										✓								✓	✓
Axon Redaction Assistant										✓								✓	✓
Third Party Video Support										✓								✓	✓
ALPR															✓				
Axon Citizen for Communities										✓								✓	✓
Axon Records																		✓	✓
Records Lite										✓						✓	✓	✓	✓
Axon Auto-Transcribe																		✓	✓

Right-sized & custom bundles for any agency

# Officer Safety Plan 7+ Premium Integrated bundle with Fleet 3

Years 1-5: Customer payment & cash flow = \$249 / officer / month + \$208 Fleet 3 / vehicle / month + program start up fee  
 Years 6-10: Approximate average annual customer payment & cash flow increases 22%  
 Illustrative revenue recognition and cash flow schedule of 100 officers and 50 vehicles



TASER hardware revenue recurs every 5 years. Camera and VR hardware revenue recurs approximately every 2.5 years. Fleet hardware revenue recurs non-annually. >90% of cash flows are reoccurring. Chart assumes a 10-year integrated bundled contract with built-in price uplift in years six through 10.

# Non-GAAP reconciliation

	Nine months ended		Twelve months ended		
	30-Sep-2022	30-Sep-2021	31-Dec-2021	31-Dec-2020	31-Dec-2019
EBITDA and Adjusted EBITDA					
Net income (loss)	\$ 117,964	\$ (46,510)	\$ (60,018)	\$ (1,724)	\$ 882
Depreciation and amortization	18,171	13,420	18,694	12,475	11,361
Interest expense	14	27	28	55	46
Investment interest income	(168)	(1,158)	(1,511)	(4,086)	(7,040)
Provision for (benefit from) income taxes	43,824	(57,651)	(81,357)	(4,567)	1,188
EBITDA	\$ 179,805	\$ (91,872)	\$ (124,164)	\$ 2,153	\$ 6,437
Adjustments					
Stock-based compensation expense	\$ 74,454	\$ 262,221	\$ 303,331	\$ 133,572	\$ 78,495
Realized and unrealized gains on strategic investments and marketable securities, net <sup>(1)</sup>	(92,498)	(34,195)	(23,035)	(2,055)	–
Transaction costs related to strategic investments and acquisitions	2,304	888	2,068	1,032	–
Loss on disposal and abandonment of intangible assets	68	130	146	320	67
Loss on disposal and impairment of property, equipment and other assets, net	1,964	74	92	1,722	2,542
Costs related to FTC litigation	295	622	741	19,064	240
Payroll taxes related to XSPP vesting and CEO Award option exercises	–	9,738	18,933	–	–
Adjusted EBITDA	\$ 166,392	\$ 147,606	\$ 178,112	\$ 155,808	\$ 87,781
Adjusted EBITDA margin	19.5%	22.9%	20.6%	22.9%	16.5%

(1) Includes unrealized losses of \$38.0 million and unrealized gains of \$130.5 million for the nine months ended September 30, 2022. Includes an unrealized loss of \$6.7 million, unrealized gains of \$28.6 million and realized gain of \$12.3 million for the nine months ended September 30, 2021.