



Operating Metrics (Unaudited)

	2017			2016			2015		
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
Axon & Evidence.com Bookings (millions)	\$ 81.9	\$ 60.1	\$ 72.5	\$ 57.5	\$ 72.0	\$ 52.1	\$ 44.7	\$ 36.9	\$ 30.6
<i>Sequential % Change</i>	36%	-17%	26%	-20%	38%	17%	21%	21%	34%
Annual Service Revenue (millions) ⁽¹⁾	\$ 54.7	\$ 46.2	\$ 40.2	\$ 32.0	\$ 21.1	\$ 18.1	\$ 16.7	\$ 12.0	\$ 9.8
Future Contracted Revenue (millions) ⁽²⁾	\$ 446.4	\$ 390.0	\$ 350.8	\$ 302.0	\$ 262.8	\$ 202.3	\$ 159.0	\$ 122.4	\$ 94.9
<i>Sequential % Change</i>	14%	11%	16%	15%	30%	27%	30%	29%	33%
Multiple Year Contract % ⁽³⁾	97%	94%	88%	89%	95%	95%	92%	91%	88%
LTV/CAC	5.5x	4.3x	6.0x	4.9x	6.2x	5.1x	4.3x	4.6x	4.5x
Weapons Op Inc %	33%	35%	36%	38%	33%	34%	37%	35%	39%
Evidence.com new seats booked	20,600	16,400	21,400	15,600	20,200	15,800	13,200	9,300	9,500
Evidence.com cumulative seats booked	169,000	148,400	132,000	110,600	95,000	74,800	59,000	45,800	36,400

⁽¹⁾ Monthly recurring license, integration, warranty and storage revenue annualized.

⁽²⁾ Cumulative bookings for the Software and Sensors segment minus cumulative recognized revenue related solely to Software and Sensors segment

⁽³⁾ For orders booked with Evidence.com seats, the % that signed multiple year contracts



SG&A Expenses by Segment (Unaudited)

	Three Months Ended June 30,		Dollar Change	Percent Change		
	2017	2016				
TASER Weapons segment:						
Salaries, benefits and bonus	\$ 6,993	22.0%	\$ 5,150	21.1%	\$ 1,843	35.8%
Stock-based compensation	1,432	4.5	863	3.5	569	65.9
Professional, consulting and lobbying	2,408	7.6	2,932	12.0	(524)	(17.9)
Sales and marketing	2,254	7.1	2,102	8.6	152	7.2
Travel and meals	1,245	3.9	964	4.0	281	29.1
Other	3,160	9.9	2,673	11.0	487	18.2
Total TASER Weapons segment	<u>17,492</u>	<u>55.0</u>	<u>14,684</u>	<u>60.2</u>	<u>2,808</u>	<u>19.1</u>
Software and Sensors segment:						
Salaries, benefits and bonus	6,790	21.3	4,177	17.1	2,613	62.6
Stock-based compensation	723	2.3	596	2.4	127	21.3
Professional, consulting and lobbying	2,511	7.9	1,929	7.9	582	30.2
Sales and marketing	2,196	6.9	1,418	5.8	778	54.9
Travel and meals	1,443	4.5	1,104	4.5	339	30.7
Other	669	2.1	471	1.9	198	42.0
Total Software and Sensors segment	<u>14,332</u>	<u>45.0</u>	<u>9,695</u>	<u>39.8</u>	<u>4,637</u>	<u>47.8</u>
Total sales, general and administrative expenses	<u>\$ 31,824</u>	<u>100.0%</u>	<u>\$ 24,379</u>	<u>100.0%</u>	<u>\$ 7,445</u>	<u>30.5</u>



R&D Expenses by Segment (Unaudited)

	Three Months Ended June 30,				Dollar Change	Percent Change			
	2017		2016						
TASER Weapons segment:									
Salaries, benefits and bonus	\$	742	5.7%	\$	419	6.2%	\$	323	77.1%
Stock-based compensation		129	1.0		142	2.1		(13)	(9.2)
Professional and consulting		324	2.5		156	2.3		168	107.7
Travel and meals		152	1.2		155	2.3		(3)	(1.9)
Other		516	4.0		373	5.6		143	38.3
Total TASER Weapons segment		<u>1,863</u>	<u>14.3</u>		<u>1,245</u>	<u>18.6</u>		<u>618</u>	<u>49.6</u>
Software and Sensors segment:									
Salaries, benefits and bonus		6,286	48.4		3,432	51.1		2,854	83.2
Stock-based compensation		1,537	11.8		635	9.5		902	142.0
Professional and consulting		1,105	8.5		625	9.3		480	76.8
Travel and meals		271	2.1		146	2.2		125	85.6
Other		1,927	14.8		627	9.3		1,300	207.3
Total Software and Sensors segment:		<u>11,126</u>	<u>85.7</u>		<u>5,465</u>	<u>81.4</u>		<u>5,661</u>	<u>103.6</u>
Total research and development expenses	\$	<u>12,989</u>	<u>100.0%</u>	\$	<u>6,710</u>	<u>100.0%</u>	\$	<u>6,279</u>	<u>93.6</u>