

## TASER International, Inc.

## OPERATING METRICS (UNAUDITED)

|  | 2016     | 2015     |          |         |         | 2014    |
|--|----------|----------|----------|---------|---------|---------|
|  | Q1       | Q4       | Q3       | Q2      | Q1      | Q4      |
| Axon & Evidence.com Bookings (millions)  | \$ 52.1  | \$ 44.7  | \$ 36.9  | \$ 30.6 | \$ 22.9 | \$ 24.6 |
| <i>Sequential % Change</i>               | 17%      | 21%      | 21%      | 34%     | -7%     |         |
| Annual Service Revenue (millions) (1)    | \$ 18.1  | \$ 16.7  | \$ 12.0  | \$ 9.8  | \$ 7.8  |         |
| Future Contracted Revenue (millions) (2) | \$ 202.3 | \$ 159.0 | \$ 122.4 | \$ 94.9 | \$ 71.1 | \$ 53.6 |
| <i>Sequential % Change</i>               | 27%      | 30%      | 29%      | 33%     | 33%     |         |
| Multiple Year Contract % (3)             | 95%      | 92%      | 91%      | 88%     | 90%     | 90%     |
| LTV/CAC                                  | 5.1      | 4.3      | 4.6      | 4.5     | 3.5     | 3.9     |
| Weapons Op Inc %                         | 33.5%    | 37.4%    | 35.4%    | 38.6%   | 40.6%   | 36.6%   |
| Evidence.com new seats booked            | 15,800   | 13,200   | 9,300    |         |         |         |
| Evidence.com cumulative seats booked     | 74,800   | 59,000   | 45,800   |         |         |         |

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

(2) Cumulative bookings for Axon and Evidence.com minus cumulative recognized revenue related solely to Axon and Evidence.com

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

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**SG&A Expenses by Segment (UNAUDITED)**

|  | Three Months Ended March 31, |         |           |         | Dollar Change | Percent Change |
|--|------------------------------|---------|-----------|---------|---------------|----------------|
|  | 2016                         |         | 2015      |         |               |                |
| TASER Weapons segment:                           |                              |         |           |         |               |                |
| Salaries, benefits and bonus                     | \$ 5,719                     | 23.0 %  | \$ 3,895  | 26.7 %  | \$ 1,824      | 46.8 %         |
| Stock-based compensation                         | 758                          | 3.1 %   | 652       | 4.5 %   | 106           | 16.3 %         |
| Legal, professional and accounting               | 1,639                        | 6.6 %   | 1,427     | 9.8 %   | 212           | 14.9 %         |
| Sales and marketing                              | 2,668                        | 10.7 %  | 1,234     | 8.5 %   | 1,434         | 116.2 %        |
| Consulting and lobbying services                 | 1,232                        | 5.0 %   | 682       | 4.7 %   | 550           | 80.6 %         |
| Travel and meals                                 | 945                          | 3.8 %   | 752       | 5.2 %   | 193           | 25.7 %         |
| Other  | 2,311                        | 9.3 %   | 2,063     | 14.2 %  | 248           | 12.0 %         |
| TASER Weapons segment                            | 15,272                       | 61.5 %  | 10,705    | 73.5 %  | 4,567         | 42.7 %         |
| Axon segment:                                    |                              |         |           |         |               |                |
| Salaries, benefits and bonus                     | 3,955                        | 15.9 %  | \$ 1,468  | 10.1 %  | 2,487         | 169.4 %        |
| Stock-based compensation                         | 632                          | 2.5 %   | 281       | 1.9 %   | 351           | 124.9 %        |
| Legal, professional and accounting               | 34                           | 0.1 %   | 38        | 0.3 %   | (4)           | (10.5)%        |
| Sales and marketing                              | 2,139                        | 8.6 %   | 971       | 6.7 %   | 1,168         | 120.3 %        |
| Consulting and lobbying services                 | 991                          | 4.0 %   | 488       | 3.4 %   | 503           | 103.1 %        |
| Travel and meals                                 | 1,074                        | 4.3 %   | 520       | 3.6 %   | 554           | 106.5 %        |
| Other  | 736                          | 3.0 %   | 94        | 0.6 %   | 642           | 683.0 %        |
| Axon segment                                     | 9,561                        | 38.5 %  | 3,860     | 26.5 %  | 5,701         | 147.7 %        |
| Total sales, general and administrative expenses | 24,833                       | 100.0 % | \$ 14,565 | 100.0 % | \$ 10,268     | 70.5 %         |

**R&D Expenses by Segment (UNAUDITED)**

|   | Three Months Ended March 31, |         |          |         | Dollar Change | Percent Change |
|---|------------------------------|---------|----------|---------|---------------|----------------|
|   | 2016                         |         | 2015     |         |               |                |
| TASER Weapons segment:                  |                              |         |          |         |               |                |
| Salaries, benefits and bonus            | \$ 293                       | 4.2 %   | \$ 561   | 12.3 %  | \$ (268)      | (47.8)%        |
| Stock-based compensation                | 143                          | 2.1 %   | 55       | 1.2 %   | 88            | 160.0 %        |
| Legal, professional and accounting      | 84                           | 1.2 %   | 94       | 2.1 %   | (10)          | (10.6)%        |
| Sales and marketing                     | —                            | —%      | 9        | 0.2 %   | (9)           | (100.0)%       |
| Consulting and lobbying services        | 236                          | 3.4 %   | 126      | 2.8 %   | 110           | 87.3 %         |
| Travel and meals                        | 37                           | 0.5 %   | 40       | 0.9 %   | (3)           | (7.5)%         |
| Other                                   | 327                          | 4.7 %   | 305      | 6.7 %   | 22            | 7.2 %          |
| TASER Weapons segment                   | 1,120                        | 16.2 %  | 1,190    | 26.1 %  | (70)          | (5.9)%         |
| Axon segment:                           |                              |         |          |         |               |                |
| Salaries, benefits and bonus            | 3,631                        | 52.4 %  | \$ 2,019 | 44.3 %  | 1,612         | 79.8 %         |
| Stock-based compensation                | 587                          | 8.5 %   | 485      | 10.6 %  | 102           | 21.0 %         |
| Legal, professional and accounting      | 12                           | 0.2 %   | 151      | 3.3 %   | (139)         | (92.1)%        |
| Sales and marketing                     | 424                          | 6.1 %   | 21       | 0.5 %   | 403           | 1,919.0 %      |
| Consulting and lobbying services        | 383                          | 5.5 %   | 358      | 7.9 %   | 25            | 7.0 %          |
| Travel and meals                        | 154                          | 2.2 %   | 99       | 2.2 %   | 55            | 55.6 %         |
| Other                                   | 616                          | 8.9 %   | 235      | 5.2 %   | 381           | 162.1 %        |
| Axon segment                            | 5,807                        | 83.8 %  | 3,368    | 73.9 %  | 2,439         | 72.4 %         |
| Total research and development expenses | \$ 6,927                     | 100.0 % | \$ 4,558 | 100.0 % | \$ 2,369      | 52.0 %         |