



## Operating Metrics (Unaudited)

	2017		2016			2015				
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	
Axon & Evidence.com Bookings (millions)	\$60.1	\$72.5	\$57.5	\$72.0	\$52.1	\$44.7	\$36.9	\$30.6	\$22.9	
<i>Sequential % Change</i>	<i>-17%</i>	<i>26%</i>	<i>-20%</i>	<i>38%</i>	<i>17%</i>	<i>21%</i>	<i>21%</i>	<i>34%</i>	<i>-7%</i>	
Annual Service Revenue (millions) <sup>(1)</sup>	\$46.2	\$40.2	\$32.0	\$21.1	\$18.1	\$16.7	\$12.0	\$9.8	\$7.8	
Future Contracted Revenue (millions) <sup>(2)</sup>	\$390.0	\$350.8	\$302.0	\$262.8	\$202.3	\$159.0	\$122.4	\$94.9	\$71.1	
<i>Sequential % Change</i>	<i>11%</i>	<i>16%</i>	<i>15%</i>	<i>30%</i>	<i>27%</i>	<i>30%</i>	<i>29%</i>	<i>33%</i>	<i>33%</i>	
Multiple Year Contract % <sup>(3)</sup>	94%	88%	89%	95%	95%	92%	91%	88%	90%	
LTV/CAC	4.3x	6.0x	4.9x	6.2x	5.1x	4.3x	4.6x	4.5x	3.5x	
Weapons Op Inc %	35.1%	36.1%	38.0%	33.2%	33.5%	37.4%	35.4%	38.7%	40.1%	
Evidence.com new seats booked	16,400	21,400	15,600	20,200	15,800	13,200	9,300	9,500	7,400	
Evidence.com cumulative seats booked	148,400	132,000	110,600	95,000	74,800	59,000	45,800	36,400	27,000	

<sup>(1)</sup> Monthly recurring license, integration, warranty and storage revenue annualized.

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

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



## SG&A Expenses by Segment (Unaudited)

	Three Months Ended March 31,				Dollar Change	Percent Change
	2017		2016			
<b>TASER Weapons segment:</b>						
Salaries, benefits and bonus	\$ 8,074	26.2%	\$ 5,719	23.0%	\$ 2,355	41.2%
Stock-based compensation	1,480	4.8	758	3.1	722	95.3
Professional, consulting and lobbying	1,852	6.0	2,958	11.9	(1,106)	(37.4)
Sales and marketing	1,255	4.1	2,668	10.7	(1,413)	(53.0)
Travel and meals	1,318	4.3	945	3.8	373	39.5
Other	3,237	10.5	2,224	9.0	1,013	45.5
<b>TASER Weapons segment</b>	<u>17,216</u>	<u>55.8</u>	<u>15,272</u>	<u>61.5</u>	<u>1,944</u>	<u>12.7</u>
<b>Software and Sensors segment:</b>						
Salaries, benefits and bonus	6,002	19.5	3,955	15.9	2,047	51.8
Stock-based compensation	548	1.8	632	2.5	(84)	(13.3)
Professional, consulting and lobbying	2,712	8.8	1,034	4.2	1,678	162.3
Sales and marketing	2,158	7.0	2,139	8.6	19	0.9
Travel and meals	1,354	4.4	1,074	4.3	280	26.1
Other	867	2.8	727	2.9	140	19.3
<b>Software and Sensors segment</b>	<u>13,641</u>	<u>44.2</u>	<u>9,561</u>	<u>38.5</u>	<u>4,080</u>	<u>42.7</u>
<b>Total sales, general and administrative expenses</b>	<u>\$ 30,857</u>	<u>100.0%</u>	<u>\$ 24,833</u>	<u>100.0%</u>	<u>\$ 6,024</u>	<u>24.3</u>



## R&D Expenses by Segment (Unaudited)

	Three Months Ended March 31,			Three Months Ended March 31,		Dollar Change	Percent Change	
	2017			2016				
<b>TASER Weapons segment:</b>								
Salaries, benefits and bonus	\$	1,107	8.9%	\$	293	4.2%	\$ 814	277.8%
Stock-based compensation		128	1.0		143	2.1	(15)	(10.5)
Professional and consulting		325	2.6		354	5.1	(29)	(8.2)
Travel and meals		103	0.8		37	0.5	66	178.4
Other		549	4.4		293	4.2	256	87.4
<b>TASER Weapons segment</b>		<u>2,212</u>	<u>17.7</u>		<u>1,120</u>	<u>16.2</u>	<u>1,092</u>	<u>97.5</u>
<b>Software and Sensors segment:</b>								
Salaries, benefits and bonus		6,049	48.5	\$	3,631	52.4	2,418	66.6
Stock-based compensation		1,212	9.7		587	8.5	625	106.5
Professional and consulting		1,247	10.0		432	6.2	815	188.7
Travel and meals		199	1.6		154	2.2	45	29.2
Other		1,544	12.4		1,003	14.5	541	53.9
<b>Software and Sensors segment:</b>		<u>10,251</u>	<u>82.3</u>		<u>5,807</u>	<u>83.8</u>	<u>4,444</u>	<u>76.5</u>
<b>Total research and development expenses</b>	\$	<u>12,463</u>	<u>100.0%</u>	\$	<u>6,927</u>	<u>100.0%</u>	\$ <u>5,536</u>	<u>79.9</u>