

INVESTOR PRESENTATION

| AXON ENTERPRISE |

December 2019

Safe-harbor statement

Statements made during today's presentation will include forward-looking statements, including statements regarding our expectations, beliefs, intentions or strategies regarding the future, including statements around projected spending. We intend that such forward-looking statements be subject to the safe-harbor provided by the Private Securities Litigation Reform Act of 1995. The forward-looking information is based upon current information and expectations regarding Axon Enterprise, Inc. These estimates and statements speak only as of the date on which they are made, are not guarantees of future performance, and involve certain risks, uncertainties and assumptions that are difficult to predict. All forward-looking statements that are made on today's call are subject to risks and uncertainties that could cause our actual results to differ materially. These risks are discussed in greater detail in our Annual Reports on Form 10-K and Quarterly Reports on Form 10-Q under the caption "Risk Factors." You may find these filings, as well as our other SEC filings, on our website at www.axon.com or at www.sec.gov.



THE AXON GROWTH STORY

#PROTECTLIFE

AXON IS SOLVING REALLY BIG PROBLEMS

On-officer body cameras & TASER connected-devices . . .
. . . backed by SaaS: Evidence.com

OUR MISSION



1. OBSOLETE THE BULLET



~**200,000** LIVES SAVED FROM DEATH OR SERIOUS INJURY¹



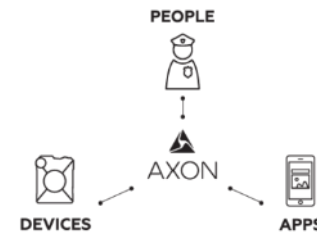
2. REDUCE SOCIAL CONFLICT



COMPLAINTS **DOWN 88%**²
USE OF FORCE **DOWN 42%**²



3. ENABLE A FAIR & EFFECTIVE JUSTICE SYSTEM



GUILTY PLEAS **UP 20%**³
OFFICER COURT TIME REDUCED **BY 70%**⁴

Axon at a glance

600K+

TASER weapons in place
today globally

100+

patents

47 of 69

largest US metros use
Axon camera solution

\$142mm+

annual recurring software revenue

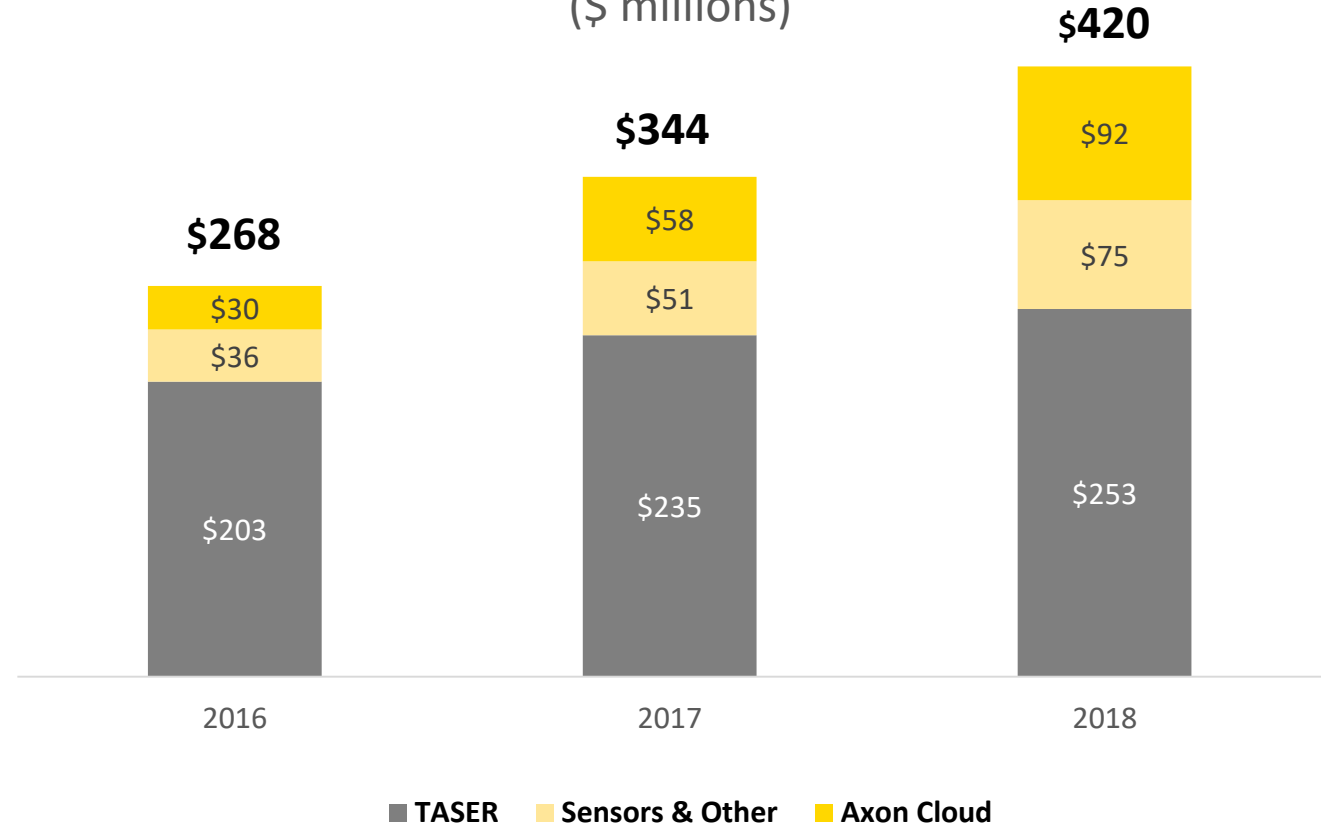
429K

Evidence.com licenses
booked

15%

2018 Adjusted EBITDA margin

Revenue
(\$ millions)



FOUR STRATEGIC GROWTH AREAS

supported by

TWO KEY DIFFERENTIATORS

Differentiator #1: TASER success drives customer access

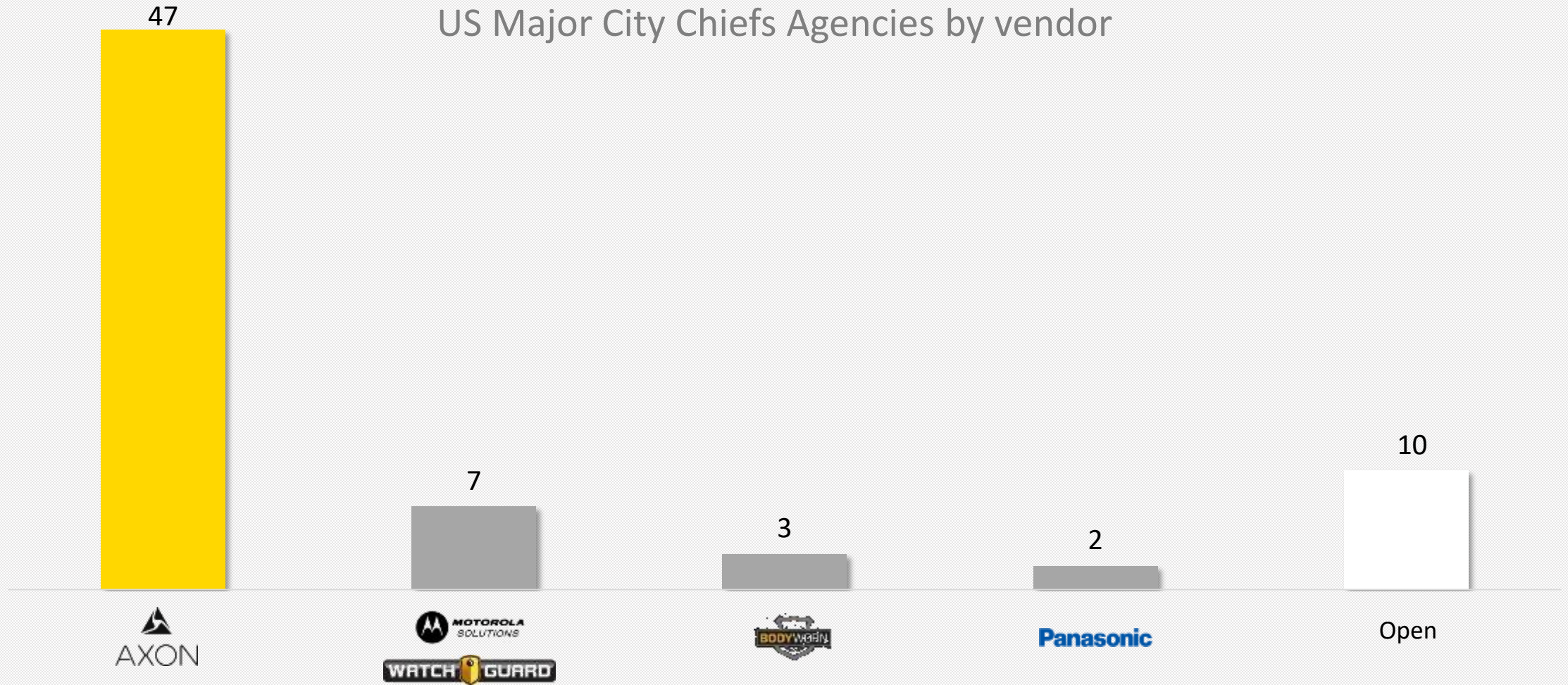
- Axon has direct relationships with most US agencies
- 17,000 out of 18,000 US police agencies procure TASER devices
 - The top 1,200 agencies house ~65% of sworn officers
- Patrol officers have a connection to Axon's product and brand
 - The TASER device revolutionized policing
 - About ~660,000 officers are on patrol
 - We estimate ~70% of US patrol officers carry a TASER device

Differentiator #2: Axon leads in body cameras and data

- Axon leveraged its deep agency relationships and TASER's strength to establish the market lead in body cameras & software
- We invested in software early on and developed a highly scalable solution
- Axon hosts petabytes of public safety video data in our secure cloud
 - Customers authorize Axon to use their data to train AI models
 - US: Strong foothold established
 - Building large international footholds
 - The London Metropolitan Police Service: One of the largest municipal police forces in the world, joined the Axon network in 2015
 - Swedish Police Authority: First European nationalized police force joined the Axon network in 2019

Axon's body camera solution is simply the best


US Major City Chiefs Agencies by vendor





The information contained in this slide is representative of MCC agencies only and does not represent the much broader market of cameras for surveillance, vehicles, interview rooms, and personal use, nor the market represented by other public safety agencies.

Serving the top tier (Major City Chiefs)

New York City, New York	Baltimore, Maryland	Oklahoma City, Oklahoma
Chicago, Illinois	Charlotte-Mecklenburg, North Carolina	Cincinnati, Ohio
Los Angeles County, California	Atlanta, Georgia	El Paso, Texas
Los Angeles, California	Indianapolis, Indiana	Tucson, Arizona
Philadelphia, Pennsylvania	Cleveland, Ohio	Buffalo, New York
Houston, Texas	Fairfax County, Virginia	Tampa, Florida
Washington D.C.	Prince George's Co, Maryland	Portland, Oregon
Detroit, Michigan	Fort Worth, Texas	Minneapolis, Minnesota
Las Vegas, Nevada	Kansas City, Missouri	DeKalb County, Georgia
Dallas, Texas	Denver, Colorado	Long Beach, California
Baltimore County, Maryland	Jacksonville, Florida	Albuquerque, New Mexico
Phoenix, Arizona	Nashville, Tennessee	Mesa, Arizona
Nassau County, New York	San Jose, California	Fresno, California
Miami-Dade, Florida	St. Louis, Missouri	Virginia Beach, Virginia
Suffolk County, New York	New Orleans, Louisiana	Omaha, Nebraska
Memphis, Tennessee	Tulsa, Oklahoma	Orlando, Florida
San Francisco, California	Newark, New Jersey	Raleigh, North Carolina
Milwaukee, Wisconsin	Louisville, Kentucky	Wichita, Kansas
Honolulu, Hawaii	Seattle, Washington	Sacramento, California
San Antonio, Texas	Montgomery County, Maryland	Aurora, Colorado
Boston, Massachusetts	Miami, Florida	Arlington, Texas
Columbus, Ohio	Austin, Texas	Oakland, California
San Diego, California	Pittsburgh, Pennsylvania	Salt Lake City, Utah

 Axon network

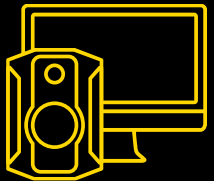
 Competitor

 No cameras

Four strategic growth drivers



TASER



Sensors and digital evidence management



Records management systems



Computer-aided dispatch software (mid-2020)

The role of Axon's four strategic growth areas during a police incident



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



Axon's dispatch solution will enable an officer to arrive on scene knowing the most relevant and 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.



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



Axon Records incorporates video into the incident log and will use AI to save officers time. Began shipping September 2019.



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



Axon participates today



Axon solutions emerging

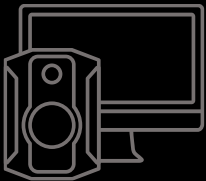
Axon Products Video

<https://vimeo.com/333871354>

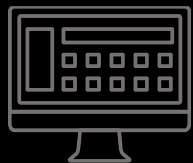
Four strategic growth drivers



TASER



Sensors and digital evidence management



Records management systems (2H 2019)



Computer-aided dispatch software (mid-2020)

Strategic growth area #1: TASER's competitive moat



TECHNOLOGY

- Over 100 patents



MEDICAL RESEARCH ON SAFETY

- 800 published, peer-reviewed scientific and medical studies demonstrating the safety and efficacy of TASER CEWs



BODY OF CASE LAW

- Tested by multiple judges, multiple jury trials, multiple municipalities
- Successful in over 99% of cases filed



CUSTOMER RELATIONSHIPS

- Strong presence at police agencies
- New upstarts inherently distrusted

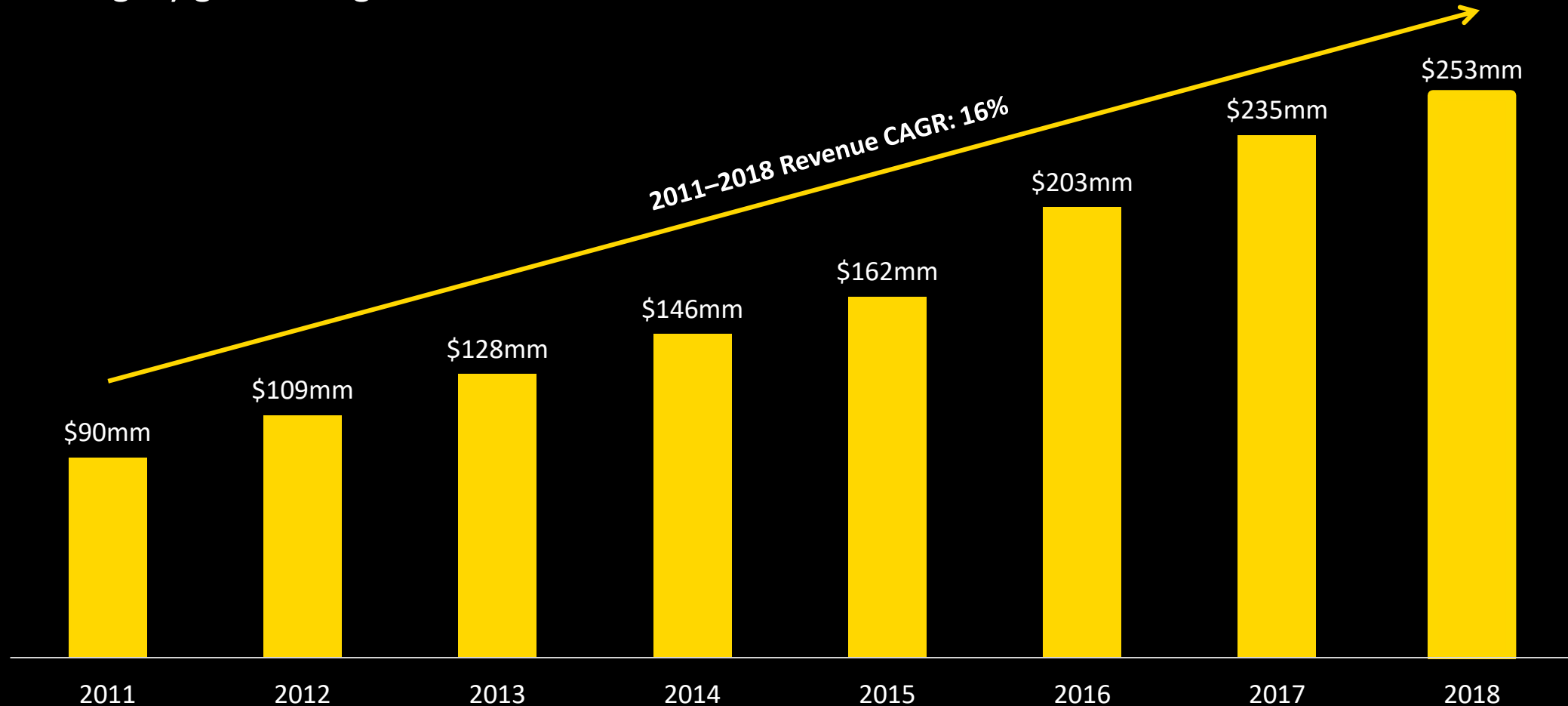


INTEGRATED OFFERING

- Bundled pricing
- Officer Safety Plan

Strategic growth area #1: TASER's powerful results

- ~70% Legacy gross margins





**ALL NEW
TASER 7 STARTED SHIPPING
DECEMBER 2018**



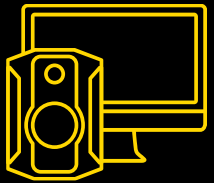
TASER 7 VIDEO

<https://vimeo.com/289980293>

Four strategic growth drivers



TASER



Sensors and digital evidence management



Records management systems (2H 2019)



Computer-aided dispatch software (mid-2020)

Strategic growth area #2: Sensors & DEMS



**SIGNAL
SIDEARM**



APPS



FLEX

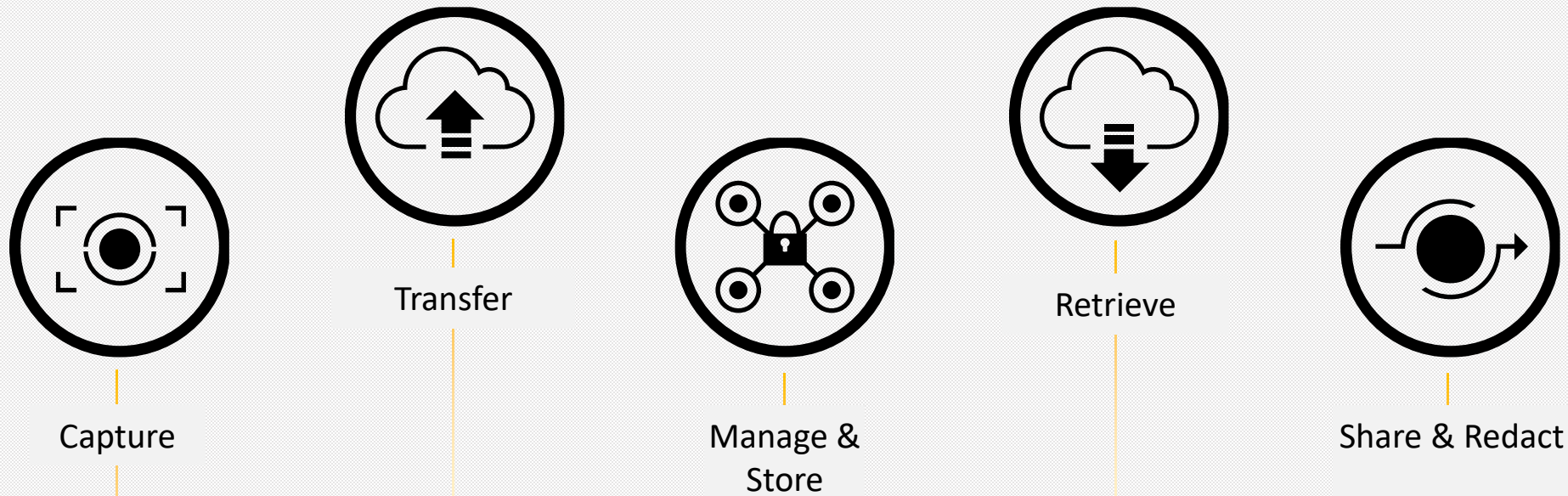


FLEET



BODY

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



At the end of a shift, the patrol officer **docks the camera** at the precinct and walks away. An Internet-connected dock uploads all of the **data** to Axon's **secure cloud storage** and recharges the battery. When the camera blinks green, it is ready to go back out on patrol. The Axon solution **scales** well, **saves time** and makes video **simple to manage**.



Axon Evidence makes body camera programs **feasible, affordable, and therefore, possible.**

“I no longer ... need an additional attorney to help with the workload increase. This tool has completely changed my staffing recommendations, and consequently, will **save our city a significant amount of money. I am very impressed with the product.”**

Tami A. Perdue

Chief Prosecutor for the City of Kent

speaking specifically about Axon Redaction Assistant, an AI-powered redaction tool

Axon rarely loses a major city. When we do, here is why...

An agency adamantly believes in on-prem data hosting

- Such agencies reject all cloud-based solutions

The customer prioritizes price above all else



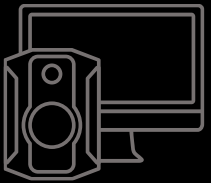
All new
Axon Body 3
with LTE-live streaming

Began shipping September 2019

Four strategic growth drivers



TASER



Sensors and digital evidence management



Records management systems



Computer-aided dispatch software (mid-2020)

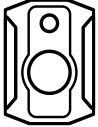



WHAT WE SEE IN RECORDS DEPARTMENTS

“ The left side is for the paper records we still use.
The right side is for the paper we print out as a
backup to our system ”

-RECORDS DEPARTMENT LEADER



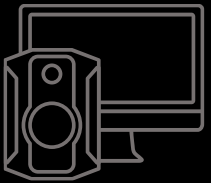
Axon Records: Executing on a proven strategy

	Identify market adjacencies	Build integrated solutions	Land and expand
 Body-worn cameras	Announced in 2008	First shipments 2009	47 major American cities & growing overseas presence
 Axon Fleet	Announced in 2015	First shipments 2017	Vying for market leadership
 Axon Records	Announced in 2016	First shipments 2019	

Four strategic growth drivers



TASER



Sensors and digital evidence management



Records management systems (2H 2019)



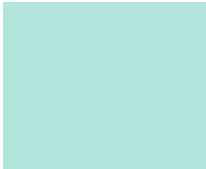
Computer-aided dispatch software (mid-2020)

Short term value proposition: More efficient officers

Today, products are sold and marketed disparately.



TASER



DEVICES



EVIDENCE

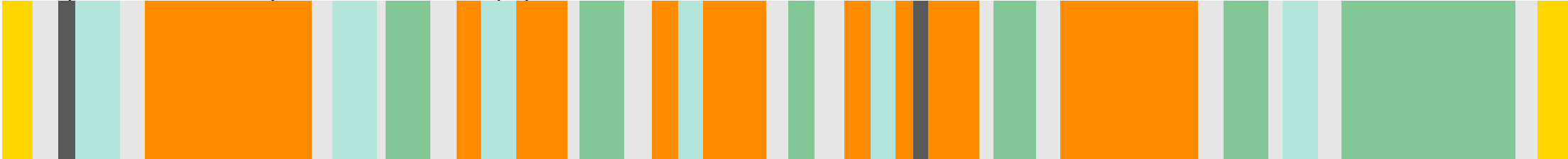


RMS



DISPATCH

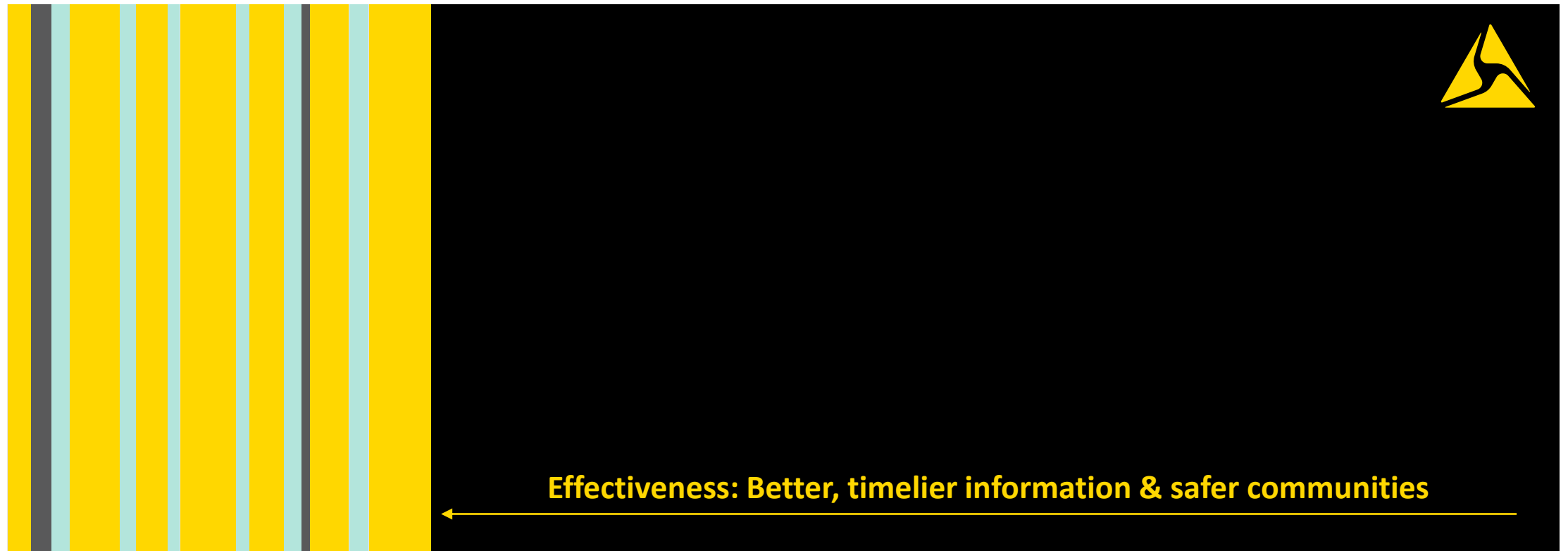
But a patrol officer's daily workflow uses many systems.



Axon will connect systems and automate data entry.



Long term value proposition: More effective police work



TASER



DEVICES



AXON

The one Axon revolution: Seamless connectivity

FINANCIAL STRATEGY

Pillars of Axon financial strategy

1

Shift to **recurring cash flows**

2

Invest in products & features that **expand our TAM**

3

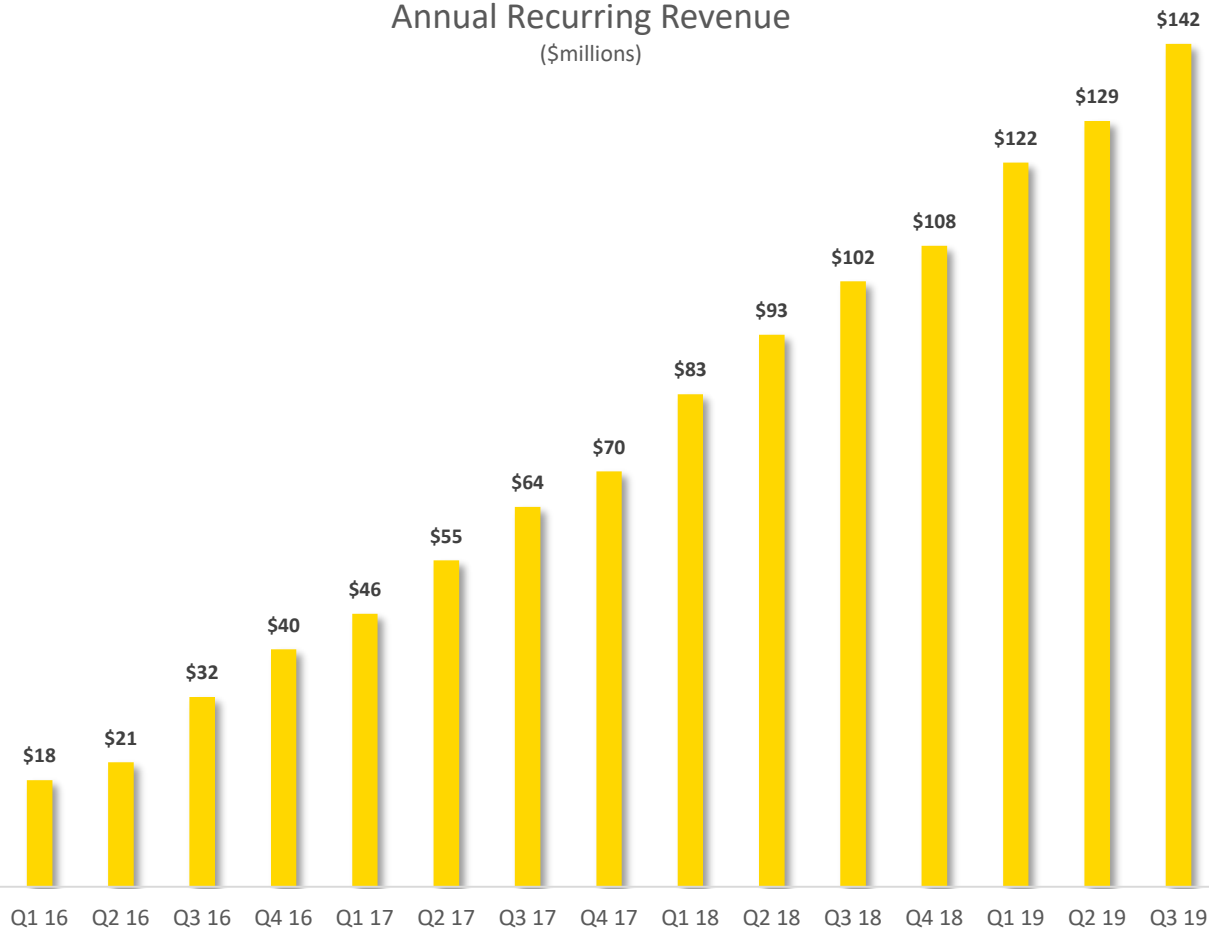
Drive profitability through disciplined execution

01

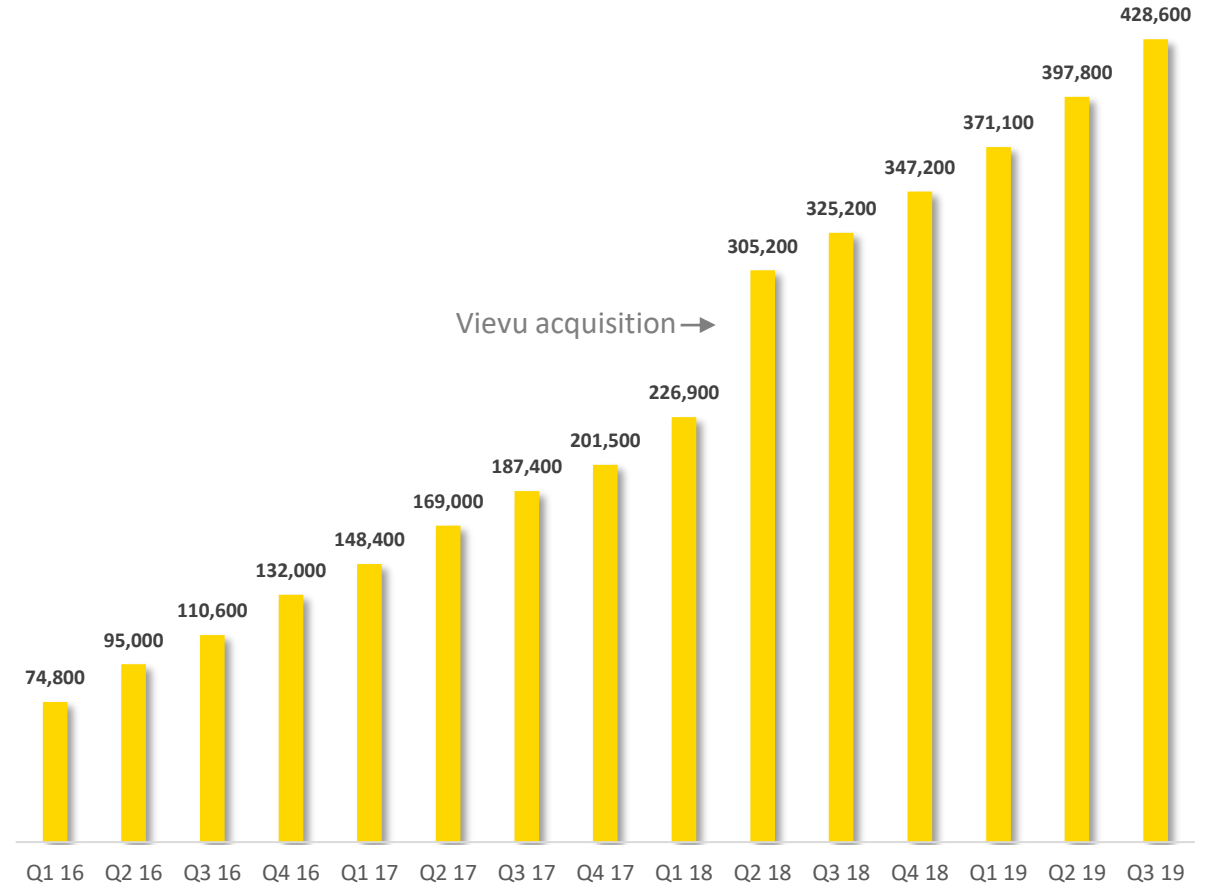
SHIFT TO RECURRING CASH FLOWS

SaaS metrics: Tracking Axon Cloud adoption

Annual Recurring Revenue
(\$millions)



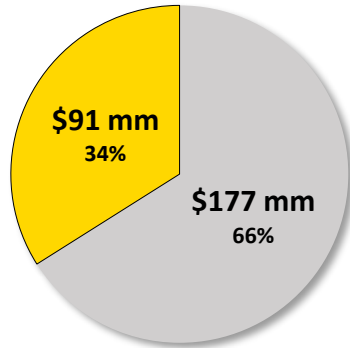
Axon Cloud Users Booked



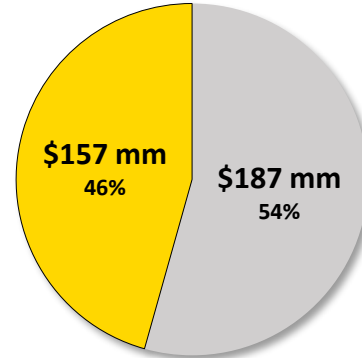
Includes recurring license, integration, warranty and storage revenue

Growing % of revenue is tied to bundled, recurring contracts

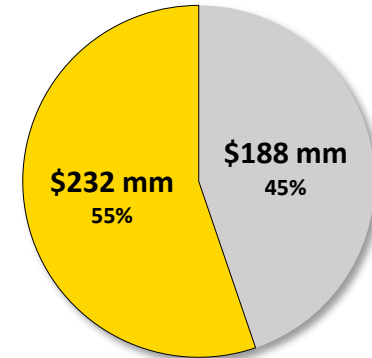
FY'16
Total Revenue - \$268 mm
34% from recurring contracts



FY'17
Total Revenue - \$344 mm
46% from recurring contracts



FY'18
Total Revenue - \$420 mm
55% from recurring contracts



TASER
Software & Sensors
Total (TASER + S&S)

	2016	2017	2018
TASER	17% (\$35 mm)	23% (\$54 mm)	29% (\$73 mm)
Software & Sensors	86% (\$56 mm)	94% (\$103 mm)	95% (\$159 mm)
Total (TASER + S&S)	34% (\$91 mm)	46% (\$157 mm)	55% (\$232 mm)

The percent of revenue tied to bundled, recurring contracts is disclosed in Axon's 10-K filings as revenue tied to multiple performance obligations. Note that the percentage of revenue that is tied to recurring contracts is not the same as the percentage of revenue that is *annually recurring*, given that our multi-year contract bundles recognize hardware revenues on shipment, as dictated by GAAP. Body-camera hardware revenue recurs every ~2.5 years and TASER hardware revenue recurs every ~5 years.

02

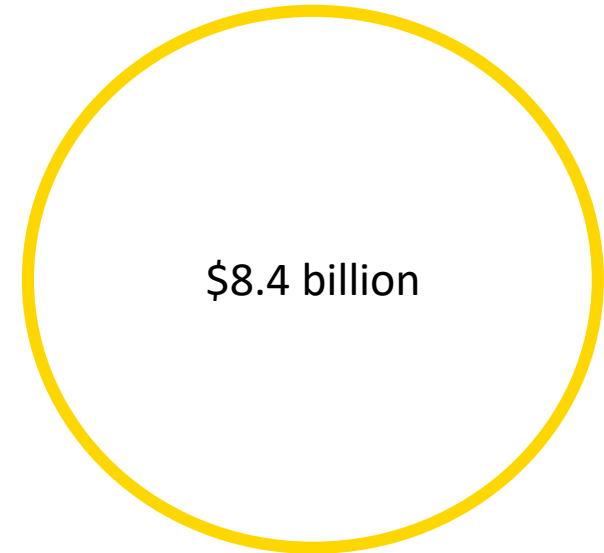
EXPAND OUR TAM

Driving the TAM through value-added features

TASER TAM build-up	\$/mo	Users	Annual TAM
Domestic Weapons, Cartridges & Services	\$60	662	\$477
Int'l Weapons, Cartridges & Services	\$60	1,824	\$1,313
			<u>\$1,790</u>

Axon Cloud TAM build-up	\$/mo	Users	Annual TAM
Axon Records & Axon Dispatch	\$100	2,103	\$2,524
Advanced Intelligence & Analytic Add-Ons	\$100	1,076	\$1,291
Domestic Body Camera Software	\$63	1,076	\$813
Int'l Body Camera Software	\$63	1,000	\$756
Axon Fleet (domestic only)	\$77	400	\$370
			<u>\$5,754</u>

Sensors TAM build-up	\$/mo	Users	Annual TAM
Domestic Officer Worn Sensors	\$30	662	\$238
Int'l Officer Worn Sensors	\$30	1,000	\$360
Axon Fleet (domestic only)	\$52	400	\$250
			<u>\$848</u>



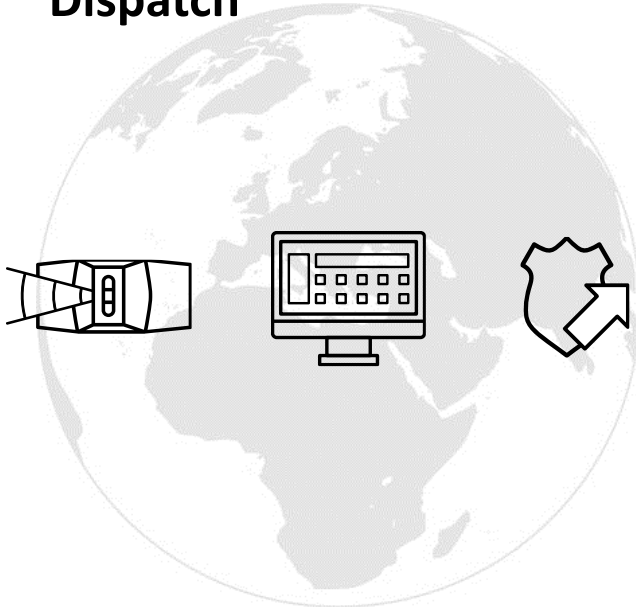
Potential users in thousands (000's) and Annual TAM in millions (\$mm).

Sources: U.S. Department of Justice (2017), Department of Homeland Security (2017), Bureau of Justice Statistics (2003, 2015, 2016), Bureau of Labor Statistics (2016, 2017), Federal Jobs (2015), National Fire Protection Association (2017), Australian Institute of Criminology (2006), New Zealand Police Association (2016), Statistics Canada (2018), Eurostat (2015), Company estimates.

Note: TAM Weapons, Fleet, Body Camera Software and Sensors market size based on 2018 pricing; Analytics includes add-ons that are soon to be available, including Redaction Assistant, Axon Performance, Axon Auto Tagging, and Axon Aware+ (LTE), and items under development, including transcription and automated report writing. Overall RMS and CAD market size is an estimate based on disruption of existing RMS/CAD pricing contracts and management estimates.

What grows the TAM?

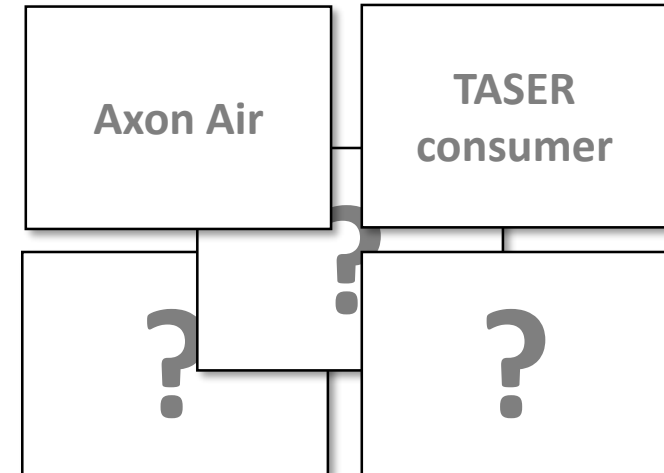
Expand into international markets with Axon Fleet, Axon Records and Axon Dispatch



Capture adjacent markets: Military & Federal, Prisons & Corrections, Fire & EMS, Commercial Enterprise



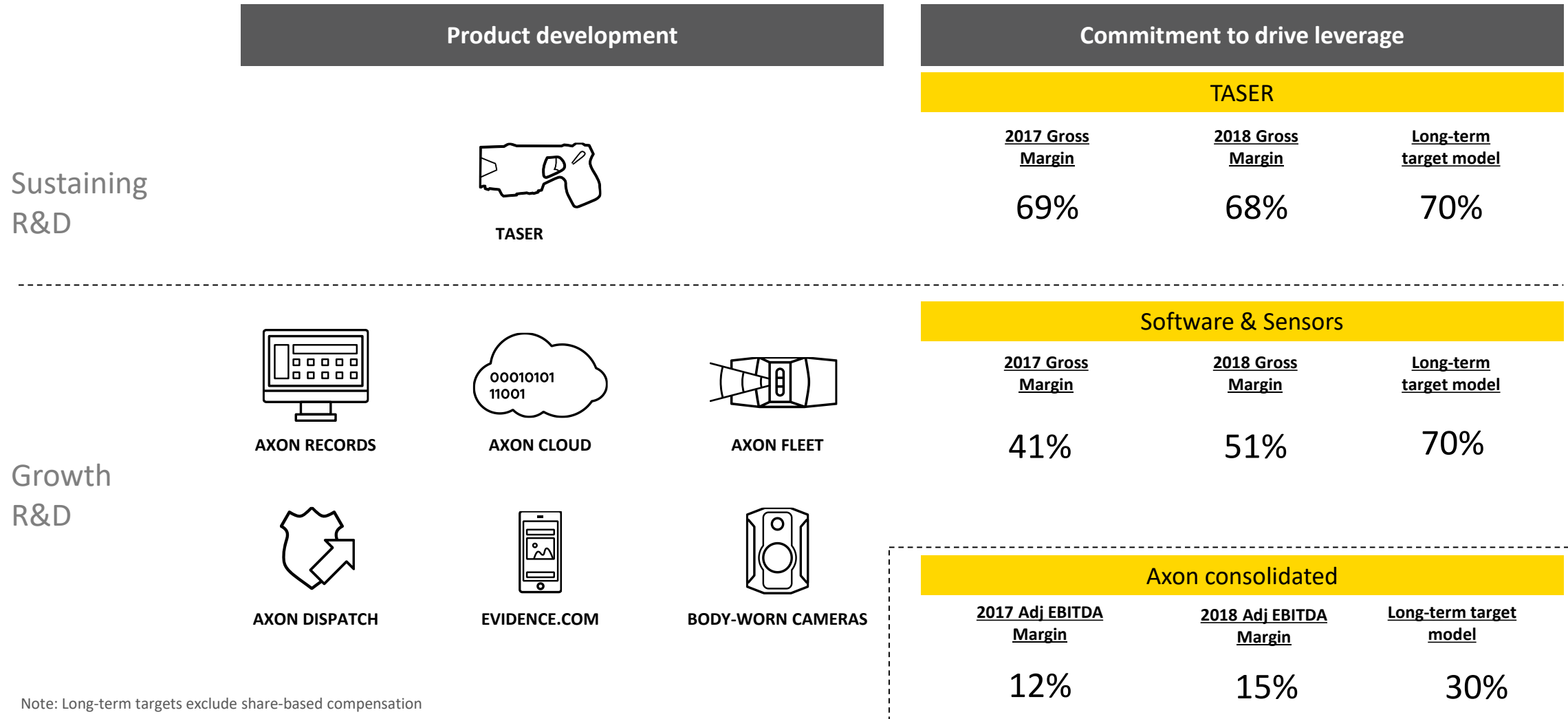
Delta team innovation: Tiny teams focused on taking an idea from 0 to 1



03

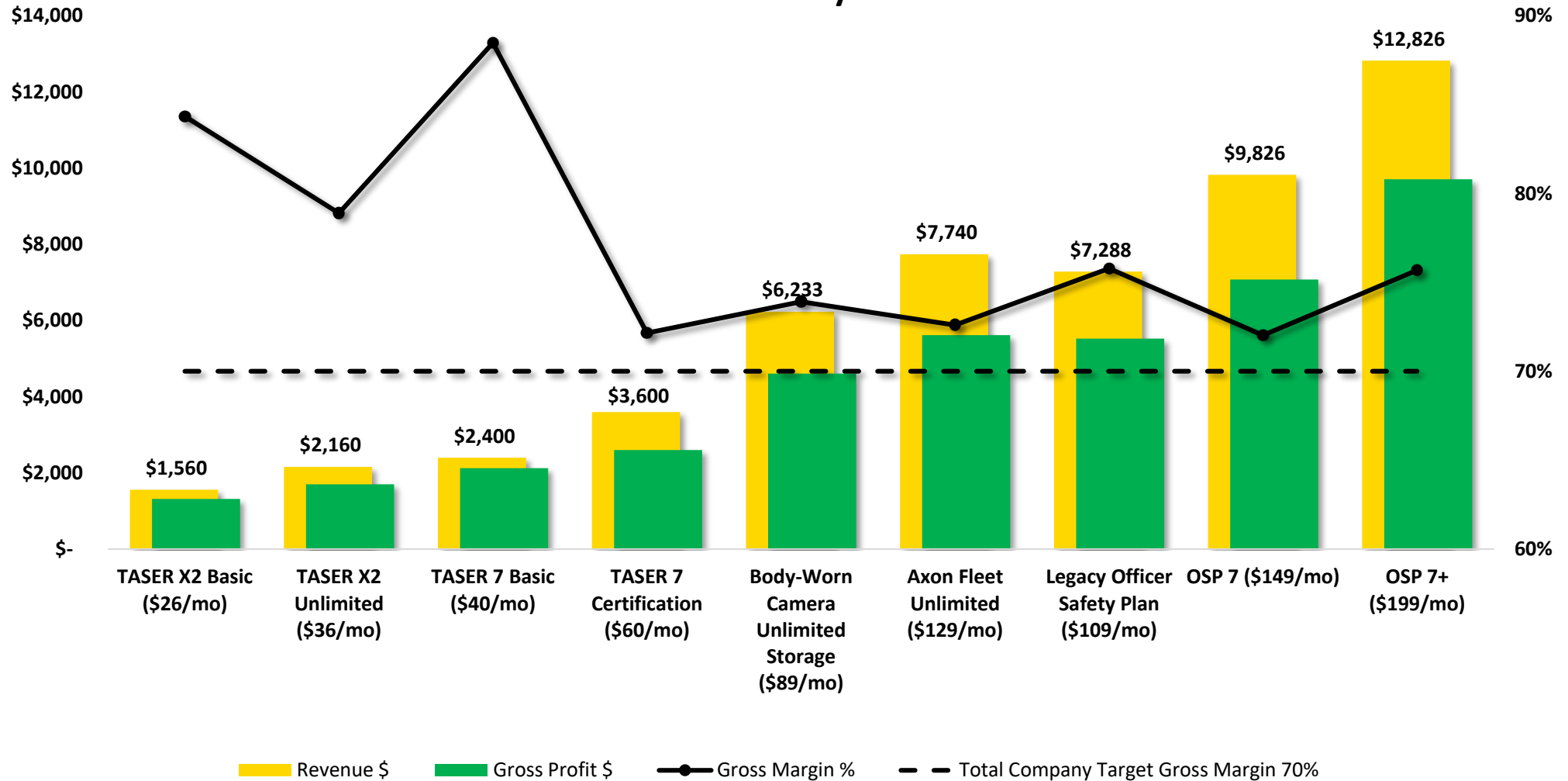
DRIVE PROFITABILITY

Compelling long-term target model



Note: Long-term targets exclude share-based compensation

Projected revenue & gross margin by bundle Per officer over the five-year contract life



Axon bundle monthly pricing assumes five years, or 60 months, per contract. Revenue shown includes any initial hardware purchase required, which may not be included in the monthly fee. Bundle gross margins exclude unallocated manufacturing overhead. Future hardware upgrades assume a 15% increase in bill of materials cost over current generation hardware. Actual total company gross margins may be lower than target due to sales discounts, trade-in credits, lower margin professional services revenue, third-party hardware sold as a pass-through, unallocated manufacturing overhead, customer purchases of lower-tier offerings that are not pictured, and costs related to hardware returns.

2019 full year outlook

For the full year ending December 31, 2019, we expect¹ to achieve:

	2019
Revenue	\$500 million - \$510 million
Adjusted EBITDA	\$80 million - \$85 million
Normalized ² tax rate	20% - 25%

¹ Reflects guidance given in Axon's most recent quarterly earnings report

² Tax rate can fluctuate depending on geography of income, change in stock price and the effect of discrete items

Axon (AAXN) key takeaways

- Strong customer relationships & market dominance
- Ramping SaaS model & growing user base with network effects
- Financial discipline & commitment to driving operating leverage
- Seasoned team; top industry talent focused on public safety

A pair of glasses with a bokeh background. The glasses are positioned diagonally across the frame, with the left lens in the foreground and the right lens in the background. The background is a dark, out-of-focus field of light spots in shades of blue and purple, creating a bokeh effect. The word "APPENDIX" is centered over the glasses in a large, white, sans-serif font.

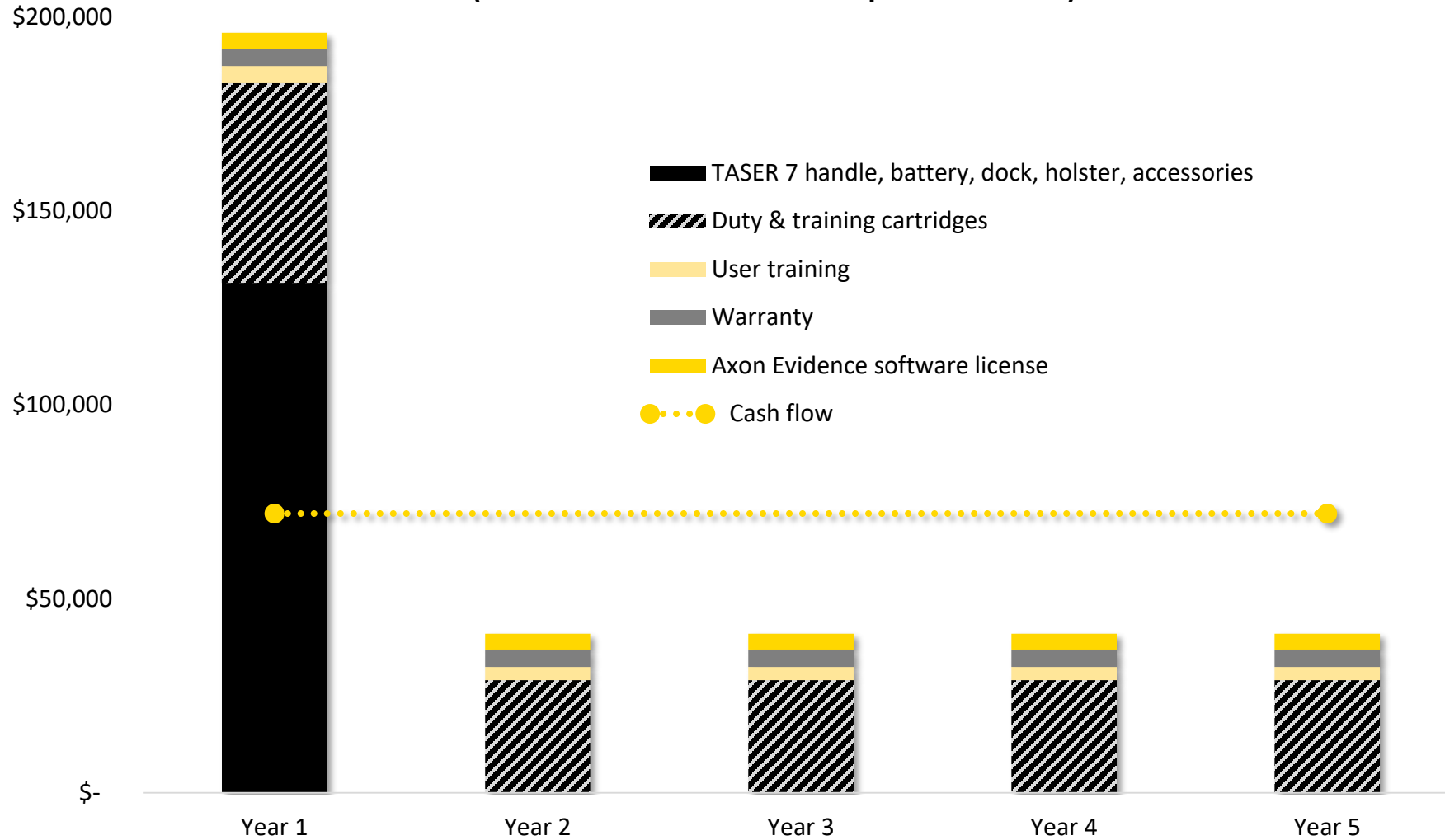
APPENDIX

	TASER WEAPON BUNDLES				CAMERA + EVIDENCE.COM BUNDLES		WEAPON + CAMERA + SOFTWARE BUNDLES		
	TASER X2 Basic	TASER X2 Unlimited	TASER 7 Basic	TASER 7 Certification	Body-Worn Camera Unlimited	Axon Fleet Unlimited	Legacy Officer Safety Plan	Officer Safety Plan 7	Officer Safety Plan 7+
Monthly Price	\$26	\$36	\$40	\$60	\$89	\$129	\$109	\$149	\$199
Additional Required Purchase	Cartridges	n/a	Cartridges	n/a	Upfront Camera Hardware	n/a	Upfront Camera Hardware	Upfront Camera Hardware	Upfront Camera Hardware
Legacy Weapon	✓	✓					✓		
Unlimited Duty Cartridges		✓		✓				✓	✓
TASER 7 and Dock			✓	✓				✓	✓
Weapon Evidence.com License			✓	✓				✓	✓
Weapons Training				✓				✓	✓
Training Cartridges				✓				✓	✓
Professional Evidence.com License					✓	✓	✓	✓	✓
Unlimited Storage					✓	✓	✓	✓	✓
Camera Hardware Upgrade every 2.5 years					✓		✓	✓	✓
1 Axon Fleet Camera Upgrade						✓			
Axon Aware (LTE Light)								✓	✓
Axon Aware+ (LTE Live Streaming)									✓
Axon Performance									✓
Auto Tagging									✓
Redaction Assistant									✓
Citizen for Communities									✓
Signal Sidearm									✓
Axon Records								✓	✓

What's in each bundle we offer?

TASER 7 Certification Plan

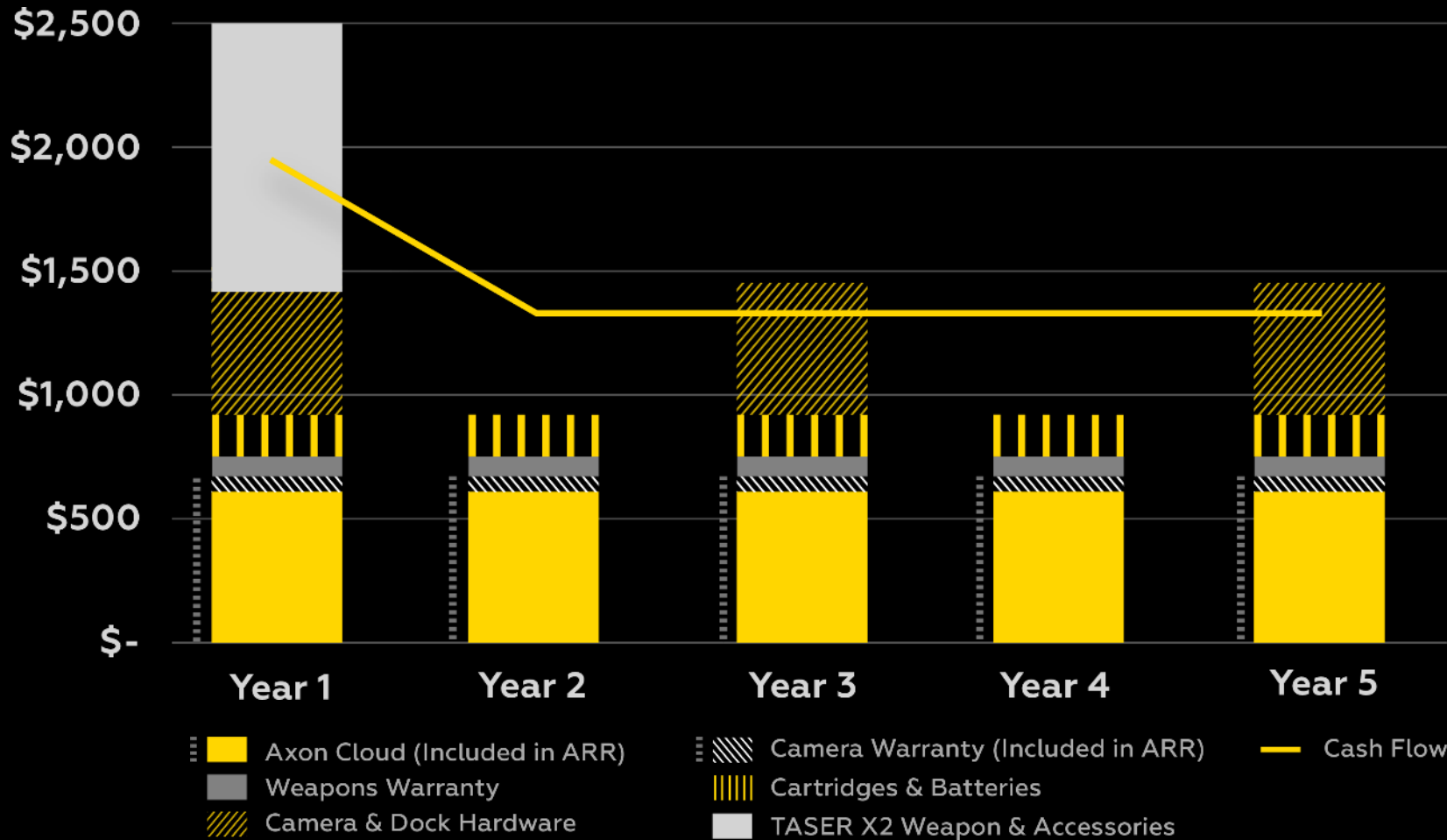
(Illustrative revenue allocation per 100 officers)



The TASER 7 Certification Plan MSRP is \$60 per user per month. Revenue allocation is approximately 45% at initial delivery, and 55% over the remaining five years. Year 1 allocation includes the initial delivery amount plus the remaining monthly revenue allocation for software, warranty and cartridges. Revenue allocation may be subject to change based on market pricing. Illustration excludes discounts, including weapon trade-in credits.

Officer Safety Plan

Revenue Recognition & Cash Flow Per Officer
(Illustrative)



Bundling disrupts how the industry buys & prices RMS

Officer Safety Plan*	Legacy	OSP 7 Promo	OSP 7 Full	OSP 7+ Promo	OSP 7+ Full
Monthly per officer	\$109	\$149	\$179	\$199	\$229
Annual recurring cash flow	\$1,308	\$1,788	\$2,148	\$2,388	\$2,748

Illustrative revenue allocation

TASER	\$32	\$54	\$66	\$53	\$60
TASER X2, X26P Unlimited duty cartridges		TASER 7 Unlimited duty cartridges Annual training TASER 7 Dock CEW Evidence.com integration		TASER 7 Unlimited duty cartridges Annual training TASER 7 Dock CEW Evidence.com integration	
Sensors + Other	\$26	\$28	\$33	\$29	\$34
Axon Body 2, Axon Flex 2 upgrades Axon Dock upgrades		Axon Body 3 upgrades Axon Dock upgrades		Axon Body 3 upgrades Axon Dock upgrades Signal Sidearm	
Axon Cloud	\$51	\$67	\$80	\$117	\$135
Evidence.com license Unlimited device storage Video management tools		Evidence.com license Unlimited device storage Video management tools Axon Aware (LTE light) Axon Records		Evidence.com license Unlimited device storage Video management tools Axon Aware+ (LTE live streaming) Axon Records Axon Auto Tagging Axon Performance Axon Redaction Assistant Axon Citizen for Communities	

**Pricing represents listed bundled pricing. Axon contracts may include discounts to list prices. Elements listed as included in the OSP tiers are not comprehensive. Other elements in OSP bundling, for example, include extended hardware warranty. The initial camera hardware and initial docks related to Axon Body 2 and Axon Body 3 are a one-time separate purchase and not captured in the monthly recurring fee. Revenue allocation per element may differ materially per customer, depending on the scale of the contract, bundled options included and other customizations. Promo pricing in effect until Jan. 1, 2020.*

Exponential Stock Performance Plan (XSPP)

Total alignment among senior leadership, investors, and employees in achieving market cap* and performance targets

MARKET CAP (\$B)

Tranche 1	\$2.5
Tranche 2	\$3.5
Tranche 3	\$4.5
Tranche 4	\$5.5
Tranche 5	\$6.5
Tranche 6	\$7.5
Tranche 7	\$8.5
Tranche 8	\$9.5
Tranche 9	\$10.5
Tranche 10	\$11.5
Tranche 11	\$12.5
Tranche 12	\$13.5



REVENUE (\$M)

\$710
\$860
\$1,010
\$1,210
\$1,410
\$1,610
\$1,810
\$2,010

EBITDA (\$M)

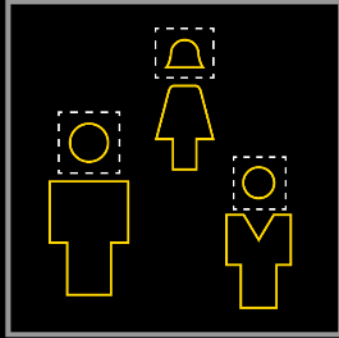
\$125
\$155
\$175
\$190
\$200
\$210
\$220
\$230

*Plan features a 3% annual share dilution threshold, based on investor feedback and input

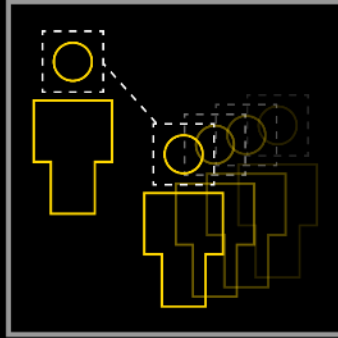
AI ethics is a priority at Axon: Explainer

ALGORITHMS

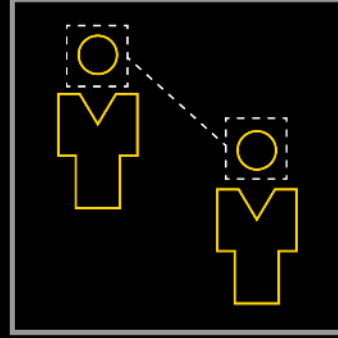
FACE DETECTION



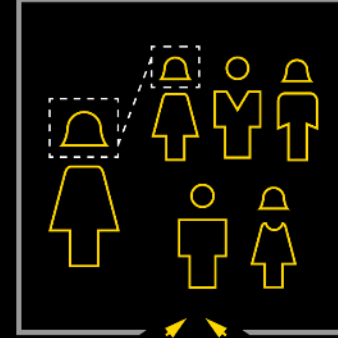
FACE TRACKING



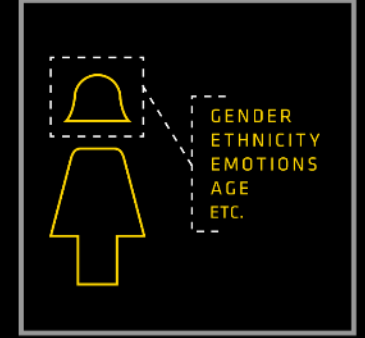
FACE RE-IDENTIFICATION



FACE MATCHING



FACE ATTRIBUTES



DATA

DATABASE OF FACES

RETENTION & SURVEILLANCE