THE AXON STORY

Our story began in September of 1993 when TASER International was founded by CEO Rick Smith with his brother Tom Smith. They consulted with Jack Cover, former NASA scientist and inventor of the original TASER® conducted electrical weapons of the 1970s. Rick Smith was inspired to found the company after losing two high school football teammates who were shot and killed in a road rage incident. This experience led him to seek new technologies that would enable people to protect themselves without deploying lethal force in hopes of creating a bullet-less world.

On April 5, 2017, TASER International re-branded to Axon. Based on TASER International’s evolution as a business over the last 24 years, as well as the continuously evolving needs of law enforcement, it’s clear that the police agency of the 21st century demands a holistic, integrated approach to police technology. Axon represents the entire network of devices, applications, and people that is revolutionizing public safety around the world. Our mission is to protect life. Our technologies give law enforcement the confidence, focus, and time they need to keep their communities safe. Our connected body cameras and evidence-management cloud allow police officers to work effectively and transparently, and our TASER conducted electrical weapons protect life without taking it.

Every Axon product, from conducted electrical weapons to body-worn cameras and the digital evidence management system (Evidence.com), integrates seamlessly with one another,
complementing the systems and processes law enforcement already use. That connectedness does not stop at the company's products. With the features built into Axon's solutions, law enforcement can connect with partners, from county officials to neighboring agencies to prosecutors working a case. Axon believes that better and more accessible information can help agencies save valuable time and resources, and most importantly, reduce crime.

AXON'S MISSION

The priorities and challenges of law enforcement have been at the core of Axon's mission. We're committed to developing the latest technologies to make the world a safer place. Our mission is simple: Protect Life.

OUR PROFILE

Our Axon team is based around the globe, with our headquarters and manufacturing in Scottsdale, Arizona. Our software engineering office is in Seattle, WA and our AI Research Team is based out of New York City, NY. Global office locations include Amsterdam, the UK, Vietnam and Finland. Our company is the market leader in conducted electrical weapons, body-worn video and digital evidence management solutions.

OUR TECHNOLOGY PLATFORM

The Axon network includes more than 226,900 software seats booked on the Axon network around the world and is changing the future of public safety.

Axon protects life by connecting devices, apps and people onto one centralized network. Our technologies impact every aspect of an officer's day-to-day experience:

- **In the field** - Our Smart Weapons offer a less-lethal alternative to firearms and have helped save about 200,000 lives; our body-worn and in-car cameras collect video evidence to capture the truth of an incident; and our mobile applications enable simple evidence collection.

- **At the station** - Our secure, cloud-based digital evidence management solution allows officers and command staff to manage, review, share and process digital evidence using forensic, redaction, transcription and other tools.

- **In the courtroom** - Our solutions for prosecutors make collaborating across jurisdictions and agencies easy so that cases can be resolved quickly.
INVESTOR INFORMATION

In the first quarter of 2018 net sales were $101.2 million in the quarter, an increase of 28% over the first quarter of 2017. TASER Smart Weapons segment revenue increased to $63.5 million, a 10% increase in the first quarter of 2018 compared to the prior year first third quarter. Software & Sensors segment revenue grew to $37.7 million in Q1 2018, a 75% year-over-year increase.

As of the end of the first quarter of 2018, 43 of the 69 major city law enforcement agencies have purchased Axon body-worn cameras and/or its digital evidence management solution: Albuquerque, Atlanta, Aurora, Austin, Baltimore, Baltimore County, Charlotte-Mecklenburg, Chicago, Cincinnati, Cleveland, Dallas, Denver, Fort Worth, Fresno, Las Vegas, Los Angeles, Louisville, Memphis, Mesa, Miami, Miami-Dade, Milwaukee, Minneapolis, Montgomery County, New Orleans, New York, Oakland, Omaha, Philadelphia, Phoenix, Pittsburgh, Sacramento, Salt Lake City, San Antonio, San Diego, San Francisco, San Jose, Seattle, Tampa, Tucson, Virginia Beach, Washington DC, and Wichita.

Evidence.com's user count continued to grow, extending the Company's market leadership. During the three months ended March 31, 2018, the Company booked approximately 25,400 seats on its digital evidence management platform, Evidence.com, net of renewals. Since inception, the Company has booked cumulative Evidence.com licenses of approximately 226,900.

More than 35 petabytes of digital files have been uploaded to Evidence.com. Twenty-four petabytes are currently active.
COMPANY TIMELINE

1993
TASER incorporated in the state of Arizona as AIR TASER, Inc., founded by brothers Rick and Tom Smith

1998
AIR TASER, Inc. becomes TASER International, Inc.
TASER conducts its first TASER® certified instructor trainings in Canada in Ottawa and Montreal

1999
First customer purchased - Racine Correctional Facility, Amarillo, Chandler and Mesa police departments, as well as DeKalb, Mecklenburg and Clackamas county sheriffs departments become the first law enforcement agencies to deploy ADVANCED TASER M26 CEWs

2000
TASER files IPO and is traded on Nasdaq under TASR with an opening price is $6.10 (2000)

2003
TASER X26 CEW begins shipping

2004
TASERS approved for use in the UK UK Home Secretary David Blunket agrees that firearms officers in forces nationwide can now use TASER M26 CEWs

2005
TASER celebrates the ribbon cutting of its new headquarters and manufacturing facility in Scottsdale, Arizona

2006
First TASER CAM ships

2007
The New Oxford American Dictionary lists “tase/taze” as one of the words of the year for 2007, popularized by the widespread use of the phrase “Don’t tase me, bro!”

2009
TASER announces TASER 3.0, later renamed Evidence.com
TASER launches its first body camera, the Axon Pro camera
TASER unveils TASER X3 triple shot
Sebastian County (AR) prosecuting attorney uses the first officer involved shooting (OIS) captured by an Axon body camera that clears Fort Smith Police Department Cpl. Brandon Davis from any criminal charges in an OIS that occurred on Nov 11

2010
TASER completes first significant deployment of Evidence.com to manage data from the national deployment of X26 and TASER CAM devices for the New Zealand National Police
TASER announces its first domestic sale of the Evidence.com cloud platform by Aberdeen Police Department, SD
TASER expands to Europe - opened a subsidiary office called TASER International Europe SE to support the expanding European market

2011
TASER introduces and begins shipping TASER X2 dual shot CEW

2012
TASER announces first point-of-view camera, Axon Flex camera
100,000 estimated lives saved from potential death or serious injury using a TASER CEW

2013
TASER announces the TASER X26P to replace the X26 CEW
TASER opens its first Pacific Northwest office in Washington State
Axon Body debuts with Winston-Salem Police Department
Evidence Mobile is released, later named Axon Capture
TASER transitions to technology company with acquisition of Familiar, Inc.

201
TASER unveils Evidence.com External Sharing, a new technology built specifically so digital evidence can be securely and instantaneously shared
TASER opens international office in Amsterdam
Axon Signal technology is revealed

2015
TASER announces MediaSolv acquisition
Evidence.com for Prosecutors launches
Axon announces Axon Signal
Axon announces Axon Interview
Axon announces Axon Body 2
Axon announces Axon Fleet, disrupting the current in-car video market
TASER and Microsoft Azure announce partnership to deliver cloud platform for LE
TASER announces its largest camera order to date - that London Met will deploy 22,000 Axon cameras

2016
The first Axon Accelerate user conference is held: the leading technology conference for public safety officials
TASER and Evidence.com officially become ISO 27001 certified
Axon Flex 2 body camera debuts

2017
TASER announces two acquisitions: Dextro, Inc. the first computer-vision and deep learning system to make the visual contents in video searchable in real time, and from Fossil Group, Inc. the computer vision team that was part of Fossil Group's acquisition of Misfit, Inc. The acquisitions form the core of a new artificial intelligence team called Axon AI.
TASER announces the debut of Signal Sidearm that once a firearm is drawn from a holster, a sensor is triggered and alerts all Axon cameras within a 15 to 30-foot range to begin recording
TASER changes corporate identity to Axon Enterprise (Nasdaq: AAXN)
Axon offers free body-worn cameras, software and training support to all law enforcement agencies across the United States for one-year trial period.
Axon launches Axon Citizen, a public evidence submission tool

2018
Axon hires team of world-renowned camera imaging engineers led by Juha Alakarhu to operate out of new Axon R&D site in Tampere, Finland
Axon CEO and founder Rick Smith announces that he is relinquishing his salary for the next ten years
Axon launches the first-of-its-kind Artificial Intelligence Ethics Board
Axon announces the acquisition of Vievu, the public safety camera provider and a subsidiary of The Safariland Group
BODY CAMERAS AND DIGITAL EVIDENCE MANAGEMENT FAST FACTS

THE EMERGENCE OF BODY CAMERAS

The importance of capturing an officer’s point of view in the field and at a crime scene was highlighted early on in 1989. That year, the US Supreme Court ruled in the landmark case *Graham v. Connor* that the “reasonableness” of a particular use of force must be judged from the perspective of a reasonable officer on the scene. Yet, at the time of the case, technology did not exist to digitally document evidence of encounters between police officers and the public.

Many years later, the technology started to develop for body-worn cameras. Starting in 2006, TASER added a TASER CAM recorder as an accessory for TASER CEWs to record incidents. While the TASER CAM recorder was successful, the company realized that all public interactions not just TASER incidents would be beneficial to have video evidence. In 2009, the company launched its first body camera, the Axon Pro.

Three years later, police officers started to communicate the need for these devices and the company vastly improved the Axon Pro with the Axon Flex point of view camera. A 2012 study found that 86.4 percent of officers believed cameras reduced false claims and litigation, and 77 percent believed that body-worn cameras were more effective than in-car systems.

In 2013, the first and seminal study on body-worn cameras was conducted by Cambridge University on California’s Rialto Police Department. The results of the year-long controlled and randomized trial were significant, seeing an 88 percent drop in complaints against police and a 60 percent reduction in the use of force by police.
Later that year, US District Court Judge Shira Scheindlin – known for her expertise on evidence issues – ordered a year-long pilot program of body-worn police cameras in New York City for one police precinct per borough where the most traffic stops occur. When issuing her directive, Scheindlin cited the Rialto, Calif., pilot program and its positive results on use-of-force incidents and public complaints.

With such an increase in conversation around the benefits and importance of body cameras, that same year saw a rapid adoption of the technology. According to the Bureau of Justice Statistics, about one-third (32 percent) of local police departments used body-worn cameras in 2013.

The next year, in 2014, interest in body cameras exploded following the Michael Brown case in Ferguson, Missouri. The fatal shooting of the 18-year-old brought global attention to the public scrutiny of policing practices as well as rising concerns over police officer safety. Shortly after the legal proceedings, Michael’s mother released a statement pleading for peace and urging people to join her campaign to get police around the nation to wear body cameras, further incentivizing the adoption of such devices.

**BODY CAMERAS TODAY – SENTIMENT, USAGE, RESULTS**

Given the current climate, public support for police body cameras is at its highest. A 2016 Cato/YouGov national survey found that 92 percent of Americans support requiring police officers to wear body cameras that record video of their interactions, and 55 percent would be willing to pay higher taxes to outfit their local police department with these devices. Of the 68 major city law enforcement agencies, 38 now utilize body-worn cameras on the Axon network.

The results of wearing body cameras are just as positive and have been proven to decrease police use of force, the number of DUI cases, court overtime, external and false complaints, and response to resistance. Body cameras also increase cost savings for agencies, enhance public trust and create safer communities at a lower cost. For example:

- In more than one-third of DUI cases with video, prosecutors secured a guilty plea before scheduled court appearances and officers were not required to appear in court.
- In the first year the Fort Collins Police Services downtown unit adopted body-worn cameras, they saw a 100 percent reduction in use-of-force complaints and a 24 percent reduction in court cases.
- Additionally, body-worn cameras effectively reduced response-to-resistance incidents by 53.4 percent and serious external complaints by 65.4 percent during a randomized experiment conducted by the Orlando Police Department.

During the last few years, the Department of Justice has also increased its support to further assist law enforcement in the implementation of body-worn camera programs by providing additional funding to agencies.
Looking forward, state legislators are working to quickly refine the legal framework surrounding body-worn cameras to both enhance transparency and help safeguard the privacy of people captured on camera, including children, witnesses and bystanders.

**MANAGING THE DATA FROM BODY CAMERAS**

With the higher adoption of body cameras (i.e., more than 35 petabytes of digital files have been uploaded to Evidence.com), law enforcement agencies are faced with the challenge of managing and appropriately utilizing data captured from the technology.

Due to this expansion in sources of digital evidence, storage alone isn’t enough to keep track of body-worn camera footage, photos, audio recordings and other data held on agency servers and systems.

To ensure that evidence is properly managed and stored, and accessible to key stakeholders in a timely and secure manner, it’s important that an agency's digital evidence is housed under one roof.

Digital evidence management systems, such as Axon’s Evidence.com, provide agencies with this solution, allowing law enforcement to upload and store data, manage it simply with search and retrieval features, and collaborate and share effortlessly with prosecutors by using powerful and secure share features.

The benefits of sharing body camera data with prosecutors have been clear. For example, in 70 percent of DUI cases with video, attorneys identified the footage as an important factor in the resolution of the case. Additionally, the Fort Collins police department reported a 24 percent reduction in court cases in the first year of adopting body-worn cameras.

Although the digital evidence revolution is having a profound impact on communities and agencies alike, cloud technology will continue to advance, so it’s key that agencies take advantage of simple, comprehensive and secure management systems like Evidence.com. By incorporating AI and machine learning tools into our products, Axon is working to automate tedious and time-consuming data collection tasks, freeing them to focus their full attention on the human interactions with the community.

**HOW AXON IS MAKING A DIFFERENCE**

Axon is dedicated to making a difference through its advanced devices and digital evidence management system. Below you’ll find information on the usage, benefits and product features of Axon’s technology.

**Usage of the Axon network**

The Axon network includes more than 226,900 licensed users domestically plus thousands from around the world and is changing the future of public safety.
Law enforcement agencies that use Evidence.com have collectively uploaded more than 35 petabytes of data with more than 24 petabytes currently active.

Thirty-eight members of the Major City Chiefs Association, representing the largest cities in the US, have deployed the Axon cameras and Evidence management solutions.

The largest purchase of body cameras in the world is 22,000 Axon Body 2 cameras by the London Metropolitan Police Service in London, UK and the largest purchase in the U.S. is the Los Angeles Police Department with 7,545 Axon cameras.

Benefits

Axon's growing platform connects cloud, mobile and wearable technologies to give law enforcement agencies a true end-to-end solution. Products on the platform include wearable and in-car camera technologies, TASER CEWs, Signal technology, Records Management Systems, AI capabilities and the digital evidence management system Evidence.com. Some benefits of being connected to the Axon network include:

- A reduction in the number of false complaints
- Decreased use of force
- Improved behavior of suspects and the quality of evidence gathered
- Enhanced public trust and creates safer communities at a lower cost
- Decreased litigation and increased cost savings for each agency
- Number of expedited pleas and associated cost savings as a result of Axon camera usage
- Technology infrastructure savings as a result of Evidence.com
- Allows agencies to securely store and track any type of digital evidence including videos, photos, reports and download logs from TASER Smart Weapon devices
- Turns geospatial multi-media evidence, such as GPS tagged video, into visual dashboards
- Includes tactical maps with full click-through to underlying video data

Product Features

Axon Body 2

- Pre-event buffer of up to two minutes
- HD video
- 64 GB of storage
• Wi-Fi capability
• 12-hour battery life
• Record time of up to 70 hours
• Low-light capability

Axon Flex 2

• Wider field of view
• Enhanced mounts
• Pre-event buffer of up to two minutes
• HD video
• 64 GB of storage
• Wi-Fi capability
• 12-hour battery life
• Record time of up to 70 hours
• Low-light capability
Axon Fleet In-Car Video System

- Car-to-cloud connection
- LTE Immediate access
- Simultaneous Playback
- Signal technology integration
- Record time of up to 70 hours
- Withstands humidity with 80% non-condensing

Axon Interview

- Redundant Storage
- 24/7 buffering option
- Pre and post-event recording
- Motion-based trigger
- Tamper-proof technology with chain of custody reporting

**Axon Citizen**

- Individual invitations
- Community portals
- Secure audit trails
- Triage tools
- Integrated with [Evidence.com](http://Evidence.com)
Axon Signal Sidearm

- Alerts nearby Axon cameras to begin recording when firearm is drawn
- Sensor easily added to most existing holsters
- System alerts Axon cameras within range of 30 feet to begin recording
- Audit trails show each time the sensor triggers a recording
- Replaceable battery lasts one year and alerts user via Evidence.com when it's running low
Evidence.com

- Secure chain of custody for uploading, storing and transferring all digital evidence
- Immediate visibility of digital evidence from critical incidents in the field
- Seamless integration with an agency’s existing devices and data systems
- Guaranteed cost ROI by lowering maintenance costs and execution risks
- Strengthened trust between the agency and the community

Axon Commander

- On-premise digital evidence management system
- Allows agencies to transfer and store evidence locally
- Tag files as needed
- Redact footage
- Share cases with public safety stakeholders
Axon Capture

- Allows officers to capture digital evidence right from the field
- Eliminates need to carry multiple devices for photo, video and audio recording
- Add tags, titles, or GPS coordinates to any recording before uploading to Evidence.com
• Back-up shot
• Cross-connect
• Weather Resistance
• Warning arc

TASER X26P

• Compact size
• Charge metering
• Weather resistance
• Self-diagnostics

CASE STUDIES

Queensland Police Service: Fighting Domestic Violence with Body-Worn Cameras
This study looked at the effects of body-worn cameras being worn by officers responding to the scene of domestic and family violence incidents. The study found:

- A 22% projected increase in reported results
- A 60-70% decrease in police summary hearings
- More than 21,000 evidence files relating to DVF were uploaded to Evidence.com

**The Benefits of Body-Worn Cameras: New Findings from a Randomized Controlled Trial at the Las Vegas Metropolitan Police Department**

The year-long study looked at 416 officers, 218 of whom donned Axon body cameras, to see the effects on use-of-force complaints against officers. The study found:

- A 37% reduction in use-of-force complaints against officers wearing body-worn cameras
- An 8% increase in citations issued by officers wearing body-worn cameras
- A 6% increase in arrests made by officers wearing body-worn cameras

**Rialto PD/Cambridge University Axon Flex Case Study**

Cambridge University did a study on the Rialto Police Department to see the effects on use-of-force when officers wore Axon Flex cameras. The study found:

- A drop in use-of-force incidents by 59%
- A reduction in complaints of 87.5%

**AXON LEADERSHIP**

**Leadership Team**

Our team is made up of leaders with broad business and technology experience. You will find them working in the same open work spaces as everyone else, always ready for new ideas.

Rick Smith, Founder & CEO
Luke Larson, President
Jawad Ahsan, Chief Financial Officer
Doug Klint, General Counsel
Joshua Isner, Chief Revenue Officer
Darren Steele, SVP of Marketing
Todd Basche, Executive Vice President, Axon Devices
Gretchen Mastellon, SVP People Operations
Josh Goldman, SVP of Global Operations
Jenner Holden, Chief Information Security Officer
Jay Reitz, SVP of Software Engineering

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