AXON

INVESTOR PRESENTATION



NOVEMBER —— 2026

SAFE-HARBOR STATEMENT

Forward-looking statements in this presentation include, without limitation, statements regarding: proposed products and services and related development efforts and activities; expectations about the market for our current and future products and services, including statements related to our user base and customer profiles; strategies and trends relating to subscription plan programs and revenues; our expectations about the future implementation of new strategies related to artificial intelligence; the timing and realization of future contracted revenue; the fulfillment of bookings; the timing of product shipment and delivery; strategies and trends, including the amounts and benefits of R&D investments; the sufficiency of our liquidity and financial resources; expectations about customer behavior; statements concerning projections, predictions, expectations, estimates or forecasts as to our business, financial and operational results and future economic performance, including our outlook for revenue, margin, Adjusted EBITDA, Adjusted EBITDA margin, free cash flow, average annual free cash flow conversion on Adjusted EBITDA, annual dilution from stock-based compensation, and capital expenditures; statements of management's strategies, goals and objectives and other similar expressions; as well as the ultimate resolution of financial statement items requiring critical accounting estimates, including those set forth in our Annual Report on Form 10-K for the year ended December 31, 2025 and our Quarterly Report on Form 10-Q for the quarter ended September 30, 2026. Such statements give our current expectations or forecasts of future events; they do not relate strictly to historical or current facts. Words such as "may," "will," "should," "could," "would," "predict," "potential," "continue," "expect," "anticipate," "future," "intend," "plan," "believe," "estimate," and similar expressions, as well as statements in future tense, identify forward-looking statements. However, not all forward-looking statements contain these identifying words. We cannot guarantee that any forward-looking statement will be realized, although we believe we have been prudent in our plans and assumptions. Achievement of future results is subject to risks, uncertainties and potentially inaccurate assumptions. The following important factors could cause actual results to differ materially from those in the forward-looking statements: our exposure to cancellations of government contracts due to non-appropriation clauses, exercise of a cancellation clause or non-exercise of contractually optional periods; the ability of law enforcement agencies to obtain funding, including based on tax revenues; our ability to design, introduce and sell new products, services or features; our ability to defend against litigation and protect our intellectual property, and the resulting costs of this activity; our ability to win bids through the open bidding process for governmental agencies; our ability to manage our supply chain and avoid production delays, shortages and impacts to expected gross margins; the impacts of inflation, macroeconomic conditions and global events; the impact of catastrophic events or public health emergencies; the impact of stock-based compensation expense, impairment expense and income tax expense on our financial results; customer purchase behavior, including adoption of our software as a service delivery model; negative media publicity or sentiment regarding our products; the impact of various factors on projected gross margins; defects in, or misuse of, our products; changes in the costs of product components and labor; loss of customer data, a breach of security or an extended outage, including by our third-party cloud-based storage providers; exposure to international operational risks; delayed cash collections and possible credit losses due to our subscription model; changes in government regulations in the United States and in foreign markets, especially related to the classification of our products by the United States Bureau of Alcohol, Tobacco, Firearms and Explosives; our ability to integrate acquired businesses; the impact of declines in the fair values or impairment of our investments, including our strategic investments; our ability to realize the benefits of our strategic investments; our ability to attract and retain key personnel; litigation or inquiries and related time and costs; and counterparty risks relating to cash balances held in excess of federally insured limits. Many events beyond our control may determine whether results we anticipate will be achieved. Should known or unknown risks or uncertainties materialize, or should underlying assumptions prove inaccurate, actual results could differ materially from past results and those anticipated, estimated or projected. You should bear this in mind as you consider forward-looking statements. These factors are intended as cautionary statements for investors within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended, and Section 27A of the Securities Act of 1933, as amended. Readers can find them under the heading "Risk Factors" in our Annual and Quarterly Reports, and investors should refer to them. You should understand that it is not possible to predict or identify all such factors. Consequently, you should not consider any such list to be a complete set of all potential risks or uncertainties. Except as required by law, we undertake no obligation to publicly update forward-looking statements, whether as a result of new information, future events or otherwise. You are advised, however, to consult any further disclosures we make on related subjects in our Form 8-K, 10-Q and 10-K reports to the SEC. Our filings with the SEC may be accessed at the SEC's website at www.sec.gov.

AXON

OVERVIEW

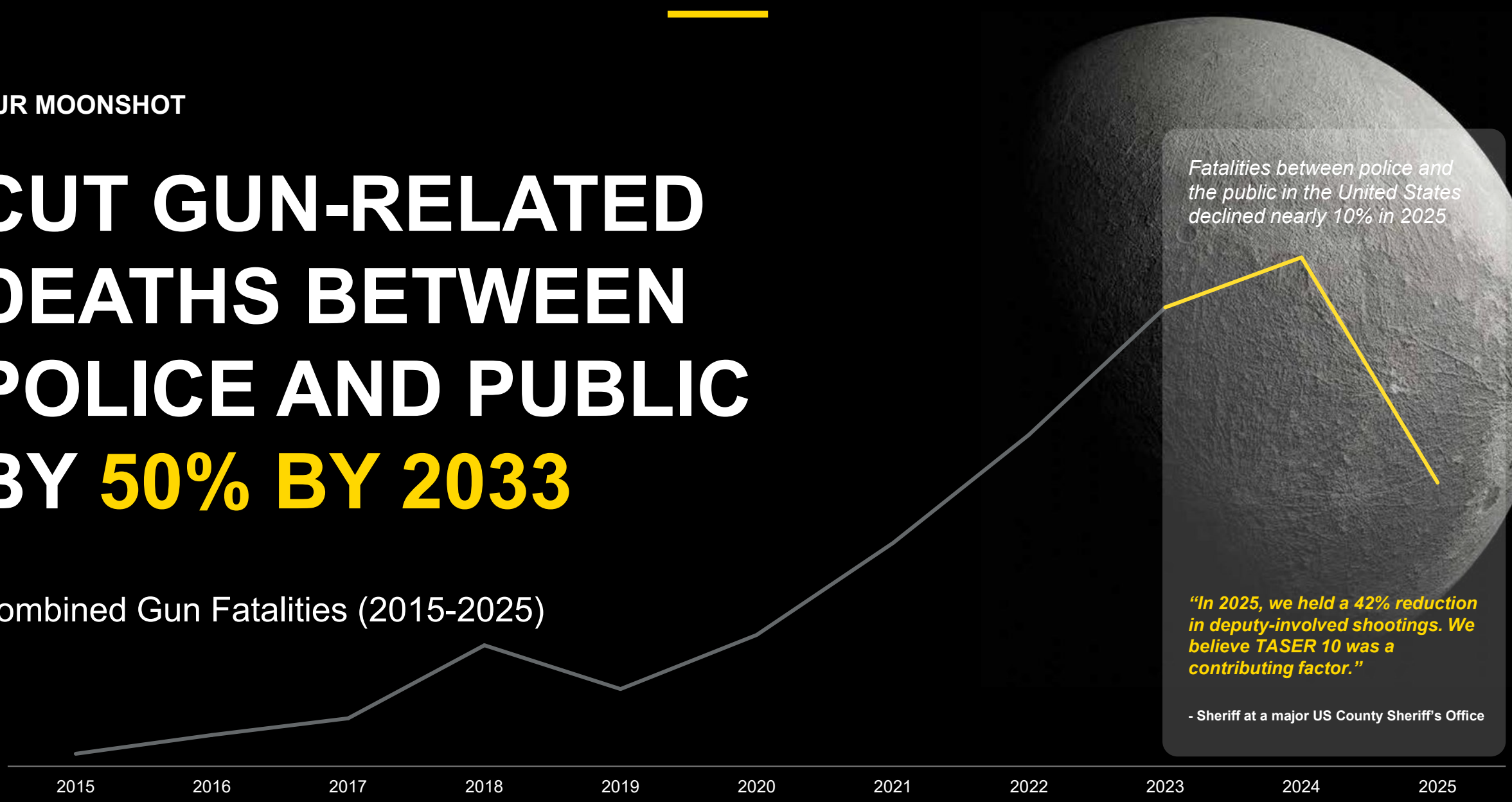




OUR MOONSHOT

CUT GUN-RELATED DEATHS BETWEEN POLICE AND PUBLIC BY 50% BY 2033

Combined Gun Fatalities (2015-2025)



Fatalities between police and the public in the United States declined nearly 10% in 2025

"In 2025, we held a 42% reduction in deputy-involved shootings. We believe TASER 10 was a contributing factor."

- Sheriff at a major US County Sheriff's Office

OUR MISSION IS TO PROTECT LIFE

Axon is building the operating system for public safety.



- **Technology platform** revolutionizing public safety
- **Mission-driven** to protect life, capture truth and accelerate justice
- **Market leader** in cloud-powered integrated hardware and software for public safety
- **Attractive financial profile** with high revenue growth, attractive gross margins and significant profitability

$159B

total addressable market

BY THE NUMBERS

1M+

software users

1M+

TASER devices sold

Total Addressable Market was prepared in February 2025 and is recalculated biennially.

WE SERVE AND PROTECT OUR CUSTOMERS EVERY DAY

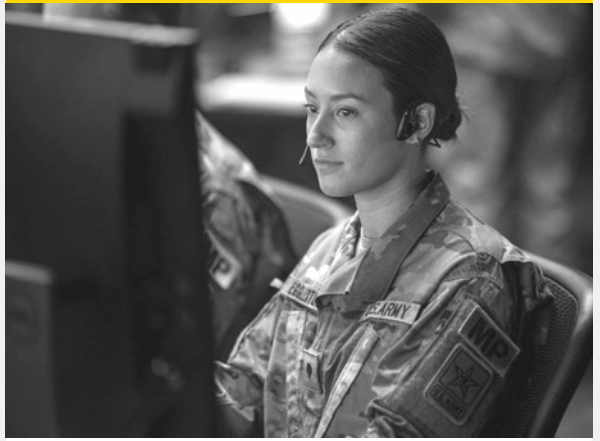
U.S. STATE & LOCAL



Trusted by over 17,000 state and local public safety agencies

Supporting U.S. public safety across law enforcement, corrections, justice and fire & EMS

U.S. FEDERAL



FedRAMP High cloud services
Leading counter-drone provider

Growing applications across U.S. federal civilian and Department of Defense

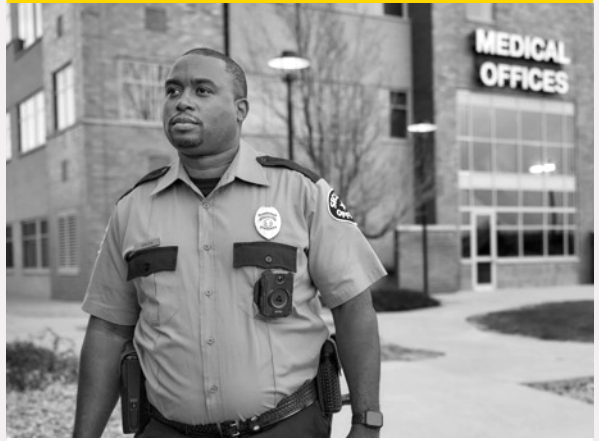
INTERNATIONAL



Deployed in more than 85 international countries

Large international police forces and enterprises globally investing in new technologies

ENTERPRISE



Workplace safety is a top priority for retail, healthcare, logistics and other frontline workers

Public and private safety efforts and capabilities have converged

RESULTS AND OPPORTUNITIES

Our mission drives our results and opportunities.



$2.8B
2025 annual revenue

$1.8B
annual recurring revenue*

$159B
total addressable market

25.5%
2025 annual Adjusted EBITDA margin*

126%
net revenue retention*

$15.8B
future contracted bookings*

*Refer to the appendix for the necessary non-GAAP reconciliation and statistical definitions.

AXON

OUR ECOSYSTEM





AXON TODAY

Axon products are everywhere…
AND COMING TO MORE PLACES.



- ☑ **1 live TASER 10 cartridge fired nearly every 30 seconds in the US**
- ☑ **400K+ VR training sessions**
- ☑ **Over 60 million hours of recordings from Axon Body 3 and Axon Body 4**
- ☑ **1 million monthly Fusus livestreams**
- ☑ **300K+ community cameras connected**
- ☑ **200K monthly Axon Assistant messages**



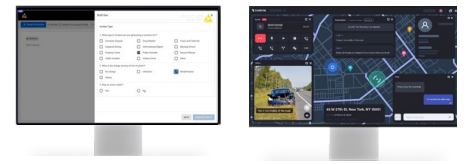
PROTECT LIFE





CAPTURE TRUTH

ACCELERATE JUSTICE



*Metrics as of December 31, 2025.

THE AXON ECOSYSTEM

A HUMAN-CENTERED PLATFORM. A MISSION TO **PROTECT LIFE.**

SENSE

See and detect in real time.



FIXED CAMERAS
Automatic license plate reader



DRONES
Aerial awareness and response



BODY CAMERAS
First-person perspective



IN-CAR CAMERAS
Real-time alerts and awareness



EMERGENCY CALL CENTER
Calls, location, text and data



REAL TIME CRIME CENTERS
Connect all sensors under one single pane of glass

PROTECT LIFE

RESOLVE

Learn, improve and deliver closure.

RESPOND

Coordinate the right response.



TASER DEVICES
Less-lethal tools to de-escalate



DRONES (DFR)
Respond and assess before the team is on scene



COUNTER-DRONE
Detect, track and mitigate



TACTICAL DRONE
Indoor response in the most critical situations.



TRAINING
Preparation for any situation



COMMUNICATIONS
Secure voice, video and real-time data

THE AXON PLATFORM FOUNDATION

AXON RECORDS
Data and insights

AI ERA
AI-powered experiences

AXON FUSUS
Real-time operations

AXON JUSTICE
Justice workflows

AXON EVIDENCE
Secure data foundation

AXON 911
Cloud-native call handling

EMERGENCY RESPONSE ACCELERATED

Incident

911 call received, initiates AI-assisted workflow to gather critical information



Real-time crime center (RTCC) pulls location and available camera feeds into view

Remotely operated drone dispatched to scene





Drone arrives and streams live data to RTCC Operator

Vehicle intelligence fleet in-car cameras provide additional live data streams



Officer is deployed with body-worn camera activated with AI Assistant



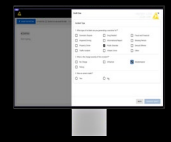
Officer is equipped with TASER to de-escalate situation





Video evidence automatically uploads to Evidence.com

Reports are generated and uploaded to records and justice workflows.





SENSE

RESPOND

RESOLVE

INFRASTRUCTURE PROTECTION MODERNIZED



Drone threat detected through Dedrone Tracker AI

Location of aircraft, flight path, and origin point of operator identified

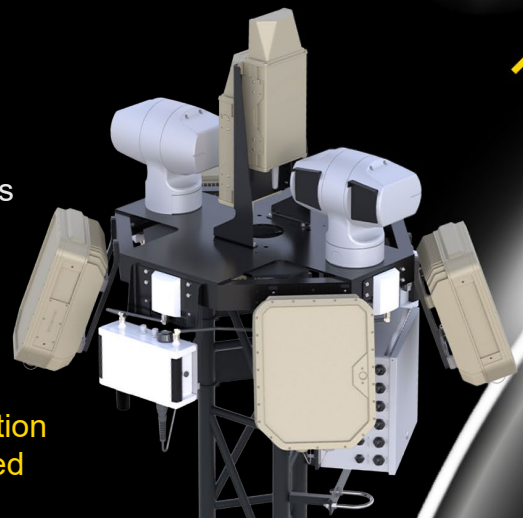
Stadium security arrives at pilot location, law enforcement support on the way



Dedrone Defender aims directly at the drone, delivering precise interference

Disruption is ended

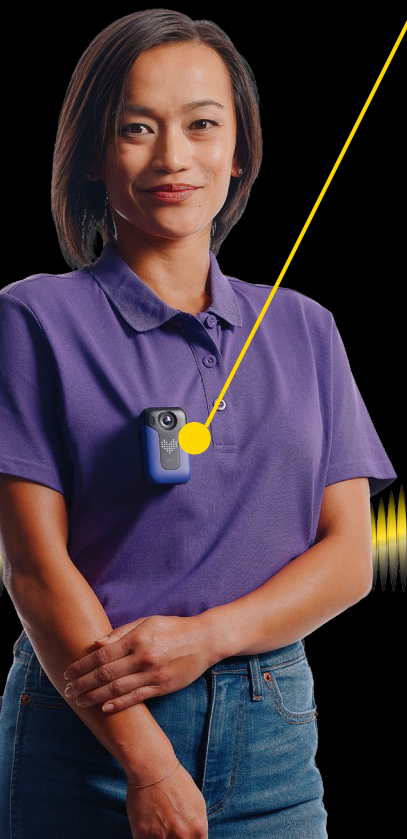
0:00 1:00 2:00 3:00





AND COMMUNITIES COORDINATED

Body-worn camera + AI Assistant helps associate communicate and document





Retail associates regularly train to ensure effective and safe response in event of an incident

Incident occurs in retail store, associate calls for help



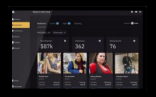
Enterprise security team receives alert and investigates



Details are summarized and emergency is reported



Law enforcement dispatches to help



Post-incident report connects the occurrence to a series of crime



Details investigated, justice is served

Pre-incident | 0:00 | 1:00 | 2:00 | Post-incident

AXON PRODUCTS DELIVER RESULTS FOR OUR CUSTOMERS

What customers are saying:



"Decrease time spent redacting evidence by **75% with Redaction Assistant.**"

Rowlett Police Department

"Decrease time spent writing incident reports by **67% through Draft One.**"

Fort Collins Police Department

"Fleet 3 ALPR covers equivalent to **five officers in the field.**"

Fairfax County Police Department

"Over **400+** unauthorized drone detections with **Dedrone.**"

Tulsa State Fair

"TASER 10 was a no-brainer."

Scottsdale Police Department

"Increase the recovery of a stolen vehicle by **32 minutes with Fusus.**"

Cobb County Police Department

AXON

MARKET OPPORTUNITY





MULTI-FACETED GROWTH DRIVERS

UPGRADE PRODUCTS



Axon relentlessly innovates and improves existing products. Public safety adoption is typically gradual and durable over many years.

CUSTOMERS UPGRADE TO LATEST PRODUCTS OVER TIME

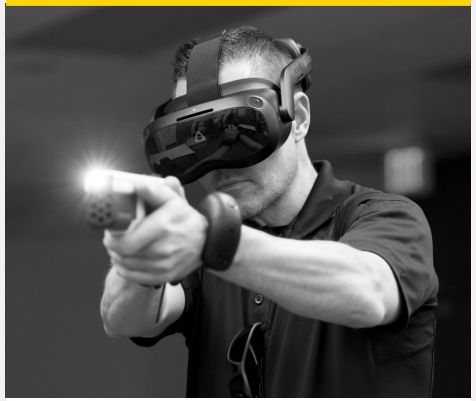
CREATE NEW CATEGORIES



Axon's ecosystem provides a seamlessly integrated experience for customers exploring emerging product categories such as AI, drones and robotic security.

INNOVATION DRIVES NET NEW PRODUCT INTRODUCTIONS

MODERNIZE ANTIQUATED TECHNOLOGIES



Legacy technology solutions are implemented for decades and see little investment. This provides Axon with the opportunity to grow with existing customers without incremental funding.

OPTIMIZED PRODUCTS HELP PRIOTIZE EXISTING RESOURCES

SOLVE UNIVERSAL PROBLEMS



Safety challenges span beyond law enforcement into corrections, fire, EMS and enterprise use cases. Axon products deliver results and drive clear ROI.

SAFETY NEEDS EXPAND BEYOND LAW ENFORCEMENT

EXPAND GLOBALLY



Our products have universal global applications, allowing us to expand our reach and connect with customers across the world.

WITH A MASSIVE GLOBAL USER BASE

MASSIVE MARKET OPPORTUNITY

BY END CUSTOMER ($B)

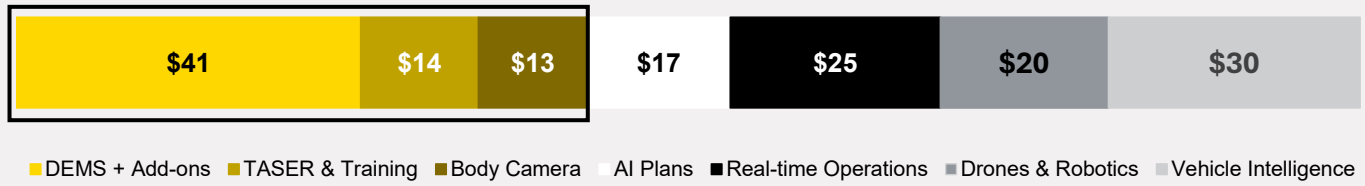
Law enforcement use cases across our end customers account for approximately 50% of our Total Addressable Market (TAM). Within U.S. State & Local, our law enforcement opportunity is approximately $15 billion.



U.S. State & Local Law Enforcement TAM is under 15% penetrated*

BY PRODUCT AREA ($B)

Digital evidence management (DEMS), associated software add-ons, TASER, training and body camera products are primarily sold on a per-user basis in various subscription plans, including Officer Safety Plan (OSP). Along with the AI Era Plan, these user solutions account for approximately 50% of our TAM.



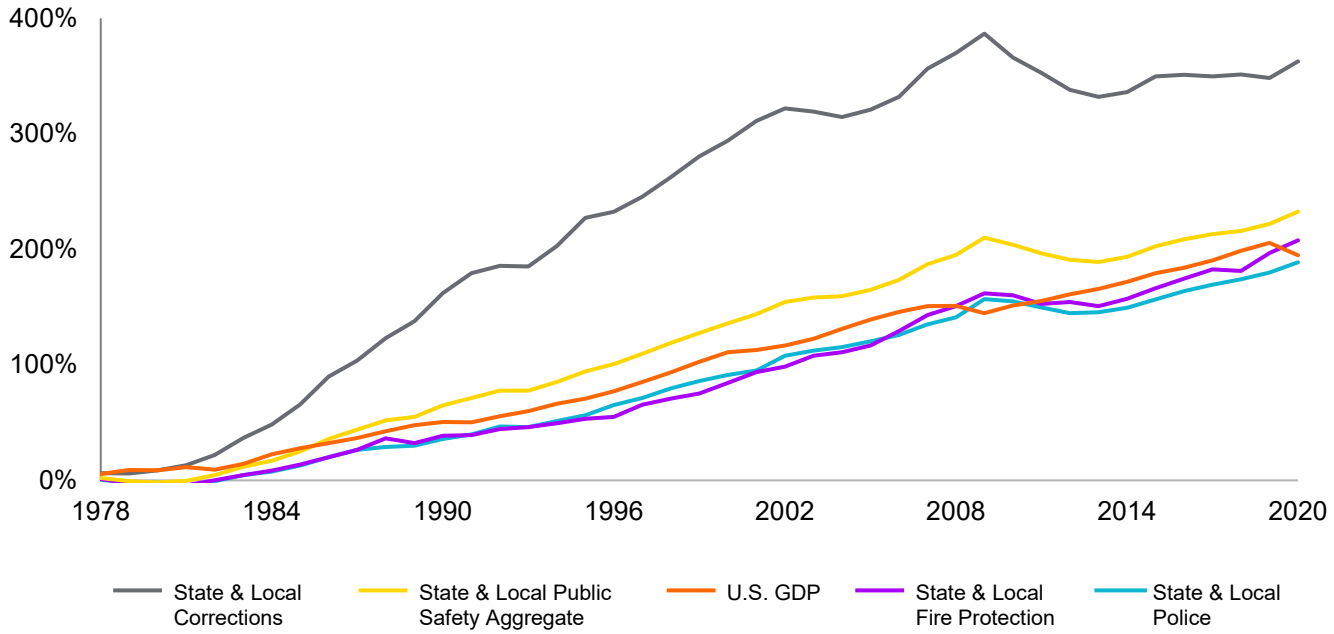
Total Addressable Market was prepared in February 2025 and is recalculated biennially.

$159B
Total Addressable Market

*U.S. State & Local law enforcement accounted for approximately 75% of company revenue in 2025 vs. TAM of $15 billion.
Note: Our TAM estimates are based on publicly available data on user counts, our assessment of in-scope users of our products based on current applications and sales channels, using the latest data published by national governments, surveys, studies and proprietary information. Note that under ASC 606, product revenue is recognized upon shipment to the customer and service revenue is recognized over time as a time-based obligation to the customer. The TAM reflects potential annual subscription spending — revenue recognized over the life of a multi-year contract — even though spending and revenue may not align in the same year due to timing differences. Due to rounding, the sum of the individual vectors may not equal our total TAM estimate of $159 billion

HEALTHY STATE & LOCAL BUDGET TAILWINDS

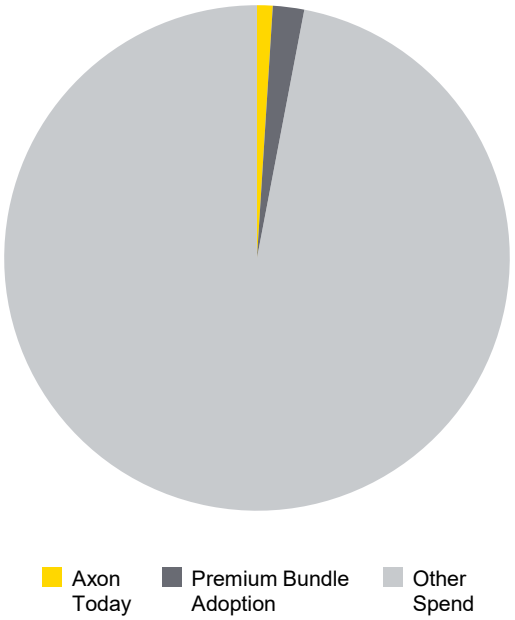
U.S. PUBLIC SAFETY SPEND IS RESILIENT & GROWING



Durable State & Local budget growth over the last 40+ years

OPPORTUNITY FOR EFFICIENCY WITH TECHNOLOGY SPEND

Not dependent on budget growth



Axon captures less than 1% of the average customer budget with the potential to reach 3% with premium product adoption

GROWING PRIORITY IN EMERGING CUSTOMER VERTICALS

INTERNATIONAL LAW ENFORCEMENT



8 in 10

police officers in the United Kingdom stated body-worn cameras make officers feel safer, make their jobs easier and improve trust in the public.

U.S. FEDERAL



DHS

Enterprise-wide IDIQ allowing body-worn cameras and software licenses.

ENTERPRISE



60%

of CEOs have increased their budgets in support of technology software and solutions to prevent theft and crime.

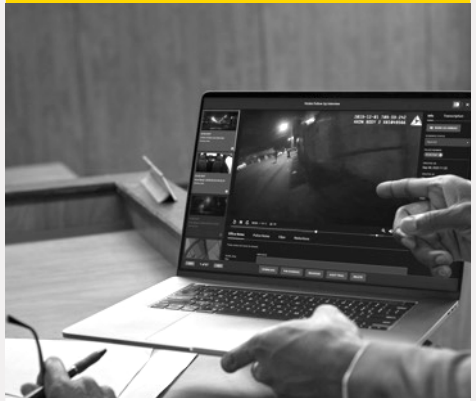
CORRECTIONS



70%

reduction in excessive force upon implementing body-worn cameras and TASER devices in correctional facilities.

JUSTICE

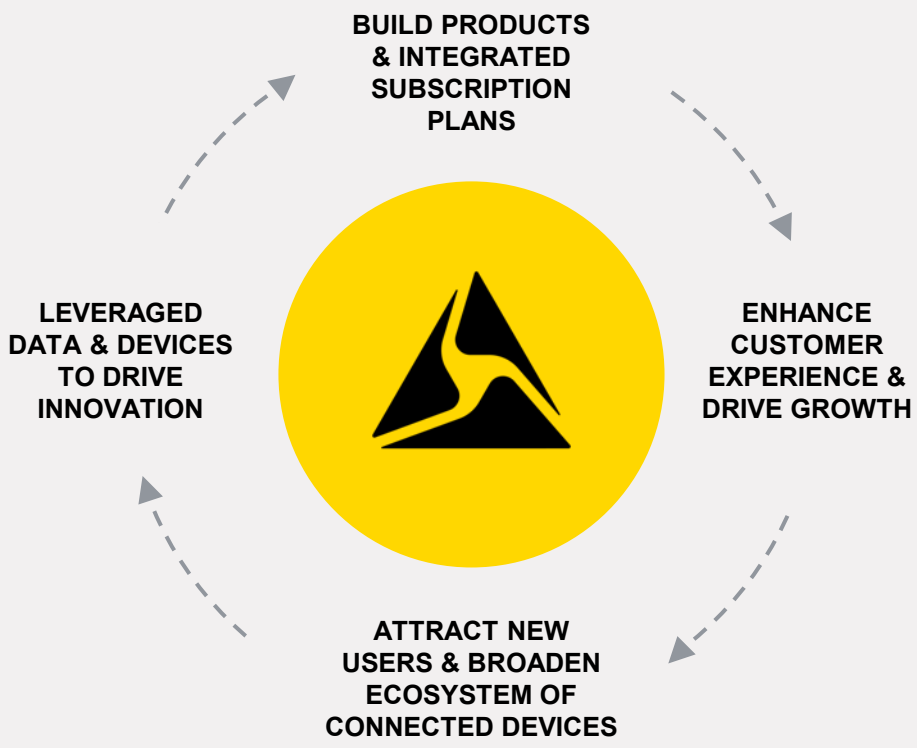


$3M

savings across the state of Tennessee upon implementing Axon Justice to help with evidence management and discovery compared to legacy methods.

PRODUCT LED FLYWHEEL OF GROWTH

Subscription offerings grow as Axon releases new products:



OSP 1.0 (2017)	OSP 10 PREMIUM	OSP 10 PREMIUM WITH AI ERA PLAN
$99	$370	$569
Package includes …	Everything in OSP 1.0 plus …	Everything in OSP 10 + Premium plus …
TASER	VR training	Transcription
Body camera	Respond	Draft One
Digital evidence management	Performance	Axon Assistant
	Auto-tagging	Live translation
	Redaction	Policy chat
	Citizen	Brief One
	Records	Form One
	Standards	Smart detection
	My90	Smart Capture
	Fusus	Prepared 911 assist
	Dedrone	and more…
	Outpost	

126% net revenue retention*

60+ net promoter score

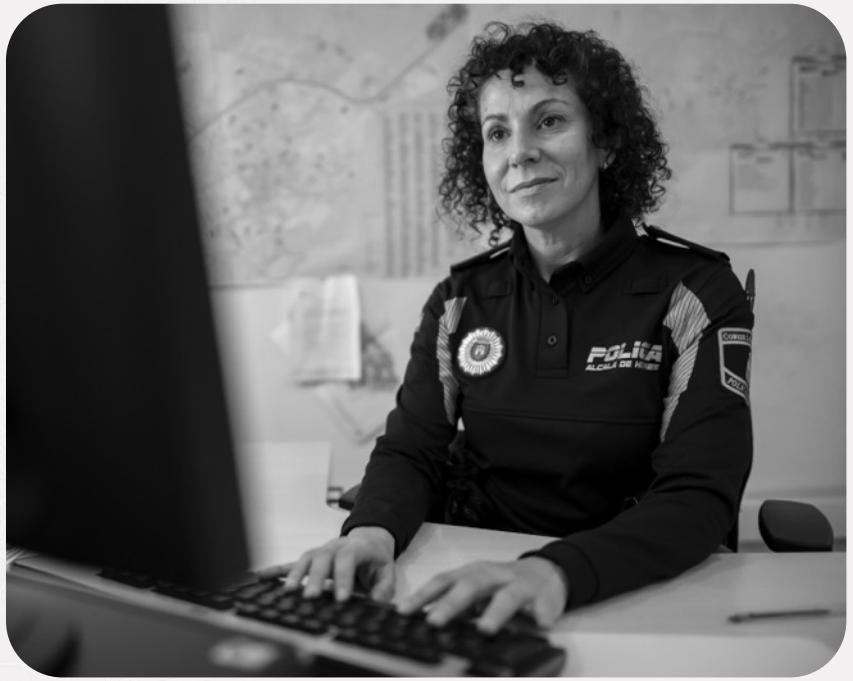
95%+ of revenue tied to customers on subscription plans

*Refer to the appendix for statistical definitions.

AXON

FINANCIALS





HIGH VISIBILITY REVENUE MODEL

Subscription plans support high-visibility with annual recurring software revenue and regular hardware upgrades.

HARDWARE

Revenue recognized on delivery following scheduled shipment cycles

TASER 10, Cartridges, Virtual Reality Headsets, Axon Body 4, Axon Air Hardware, DedroneBeyond Radar

SOFTWARE & SERVICES

Ratable SaaS revenue recognition

Evidence Management, Records Management, Real-Time Operations, Axon Performance, Redaction Assistant, Community Request, Auto-Tagging, VR Training

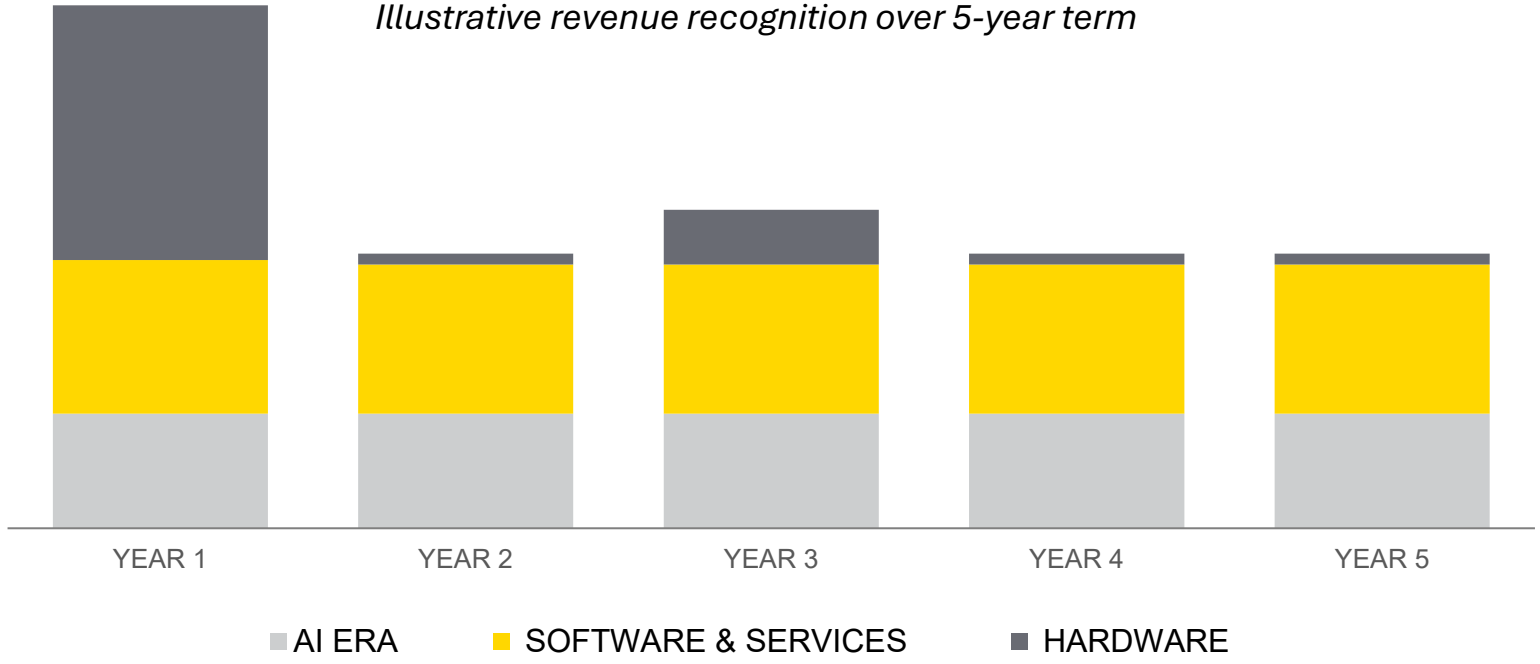
AI ERA PLAN

Optional add-on SaaS offering with OSP to take advantage of the latest advances in AI

Transcription, Draft One, Live translation, CAD Q&A, Policy chat, plus additional over life of contract

OFFICER SAFETY PLAN 10 PREMIUM WITH AI ERA PLAN

Illustrative revenue recognition over 5-year term



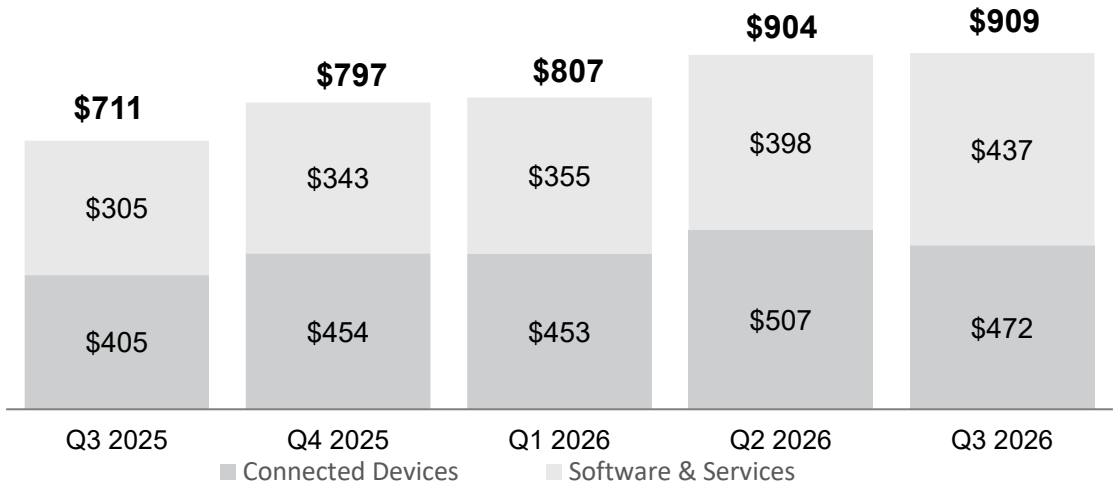
75%+ software revenue over 5-year term

95%+ of revenue tied to customers on subscription plans

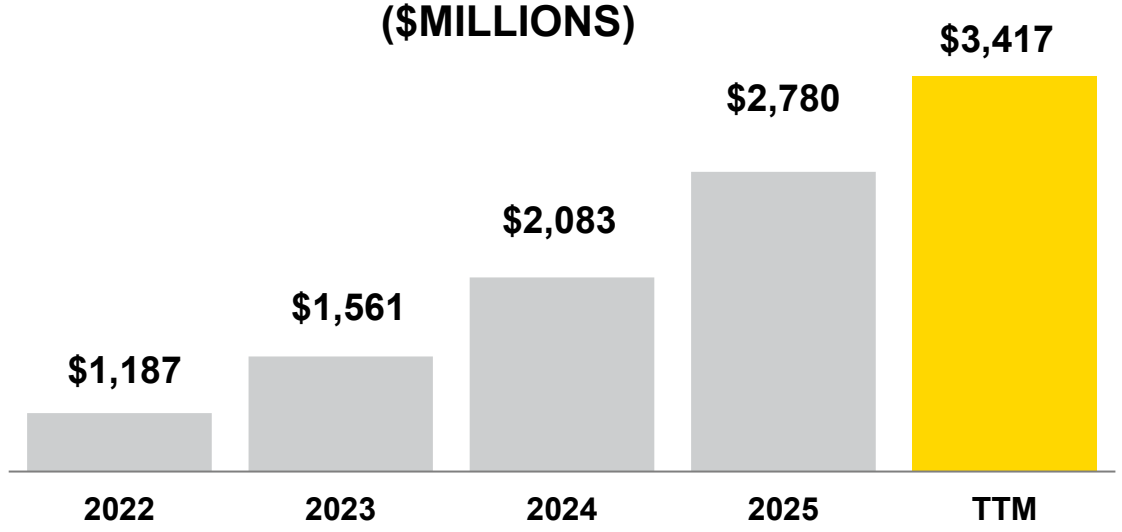
Illustrative example is based on 750 officer agency and is based on 5-year pricing. Price increase over 5 years includes a 4% annual inflation adjustment. TASER hardware revenue recurs every 5 years. Camera and VR hardware revenue occurs approximately every 2.5 years. Note that under ASC 606, product revenue is recognized upon shipment to the customer and service revenue is recognized over time as a time-based obligation to the customer. Example does not reflect any specific customer or contract and actual results for a specific customer could differ significantly.

STRONG, CONSISTENT GROWTH WITH ATTRACTIVE GROSS MARGIN PROFILE

SEGMENT QUARTERLY REVENUE ($MILLIONS)



ANNUAL REVENUE ($MILLIONS)



Q3 2026

	Connected Devices	Software & Services	Total
Gross Margin	43.0%	71.4%	56.7%
Adjusted Gross Margin*	44.6%	75.0%	59.2%

28% YoY REVENUE GROWTH

FY2025

	Connected Devices	Software & Services	Total
Gross Margin	48.7%	74.0%	59.7%
Adjusted Gross Margin*	51.2%	77.5%	62.6%

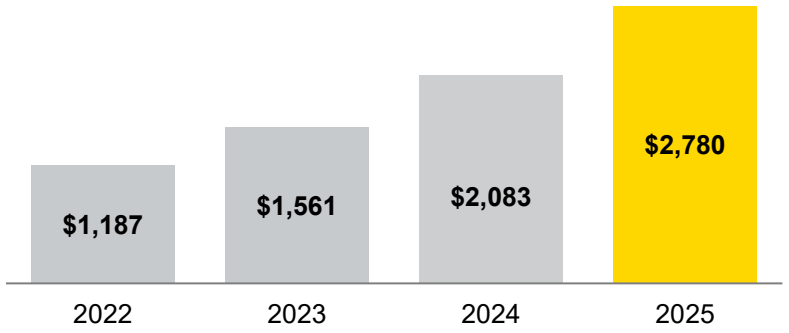
33% ’22–’25 REVENUE CAGR

*Refer to the Appendix for the necessary non-GAAP reconciliation.

DURABLE GROWTH ACROSS HARDWARE & SOFTWARE

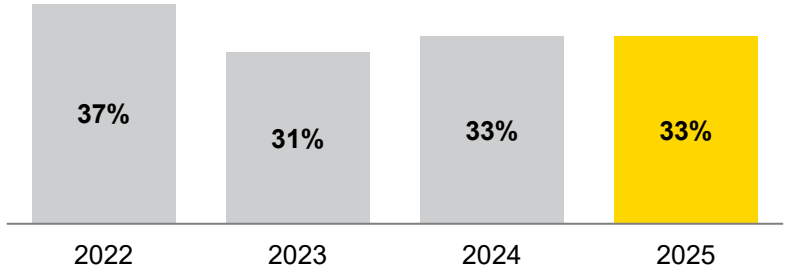
Total Annual Revenue ($M)

$2.8B
in 2025



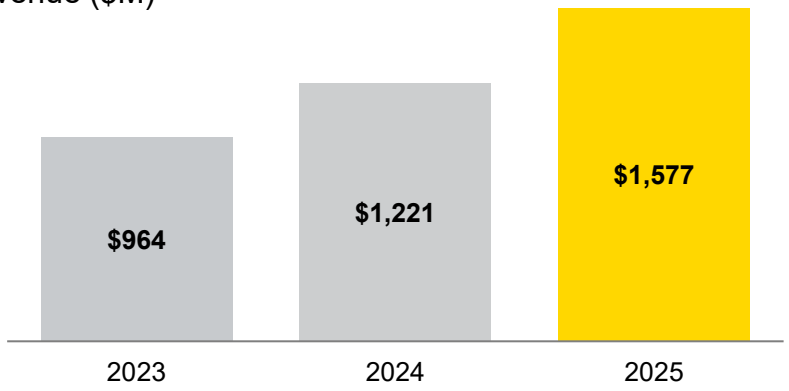
Annual Revenue Growth (%)

33%
in 2025



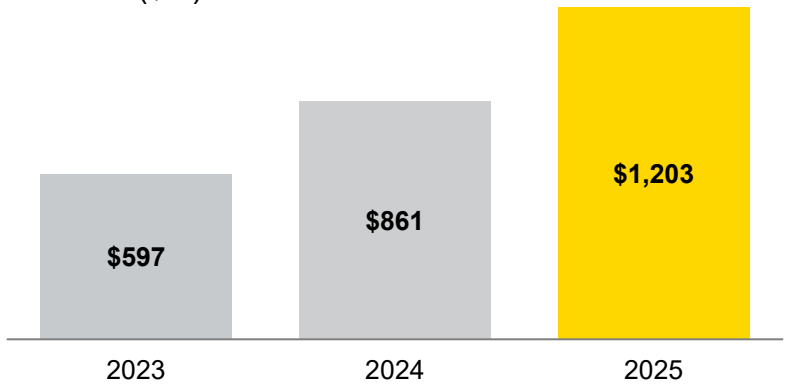
Connected Devices Revenue ($M)

$1.6B
in 2025



Software & Services Revenue ($M)

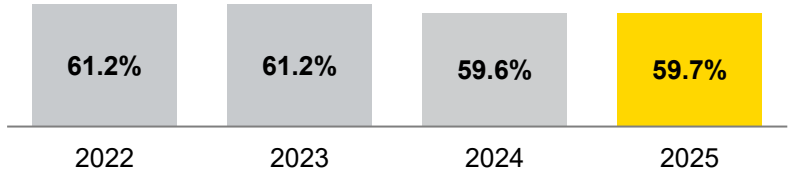
$1.2B
in 2025



STRONG MARGIN PROFILE

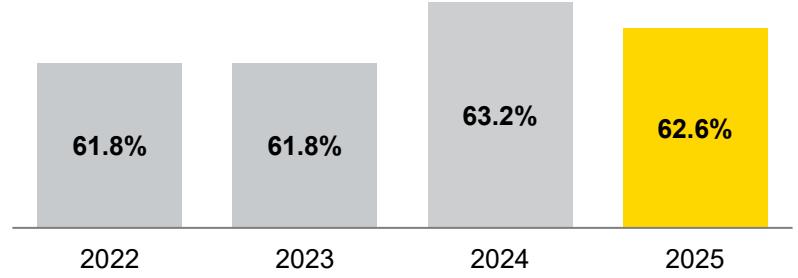
GAAP
Gross Margin

59.7%
in 2025



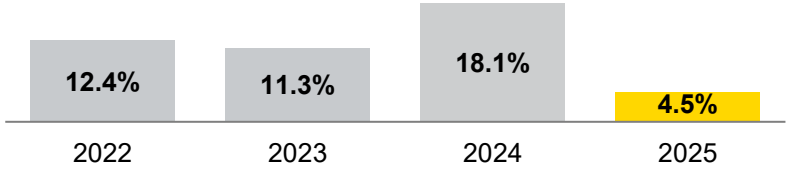
Adjusted
Gross Margin*

62.6%
in 2025



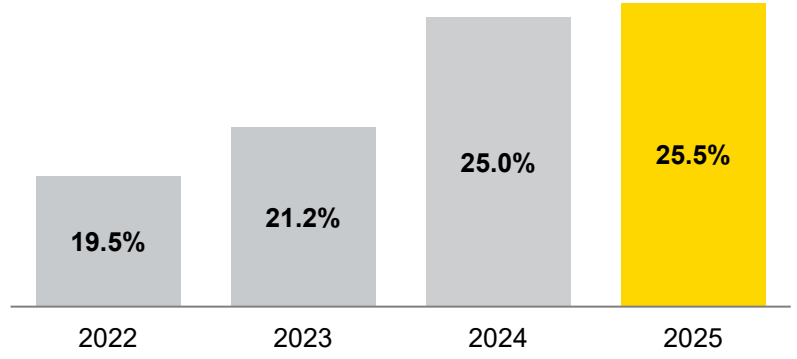
GAAP Net Income
Margin

4.5%
in 2025



Adjusted EBITDA
Margin*

25.5%
in 2025

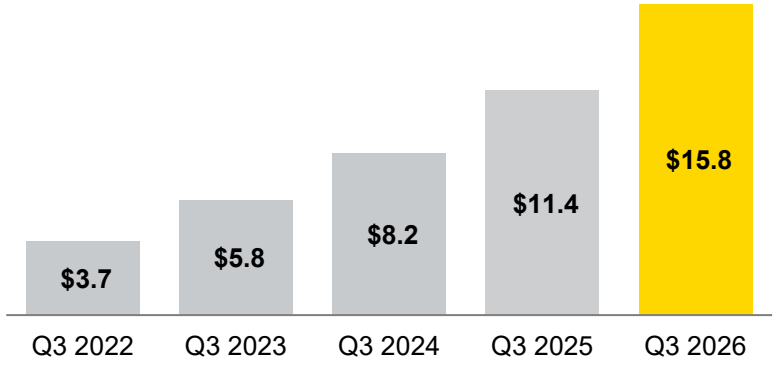


*Refer to the Appendix for the necessary non-GAAP reconciliation.

FORWARD-LOOKING INDICATORS

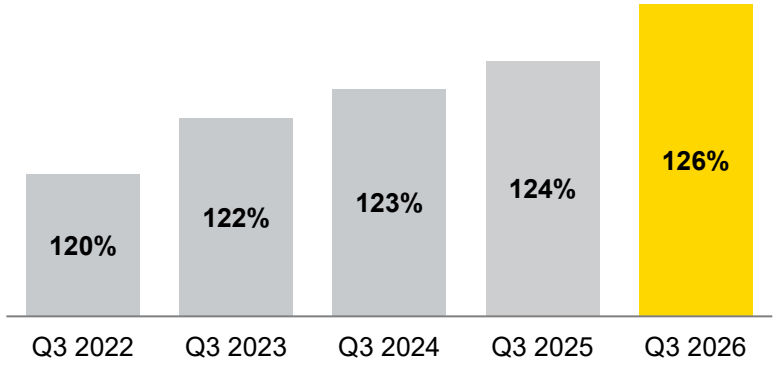
Future contracted bookings ($B)*

$15.8
as of Q3 2026



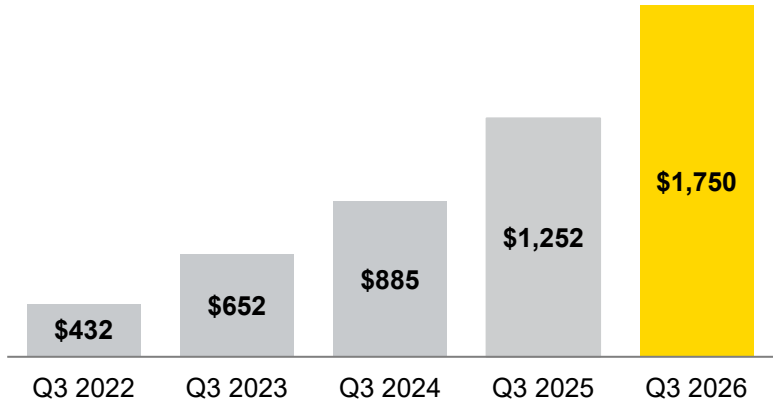
Net revenue retention*

126%
as of Q3 2026



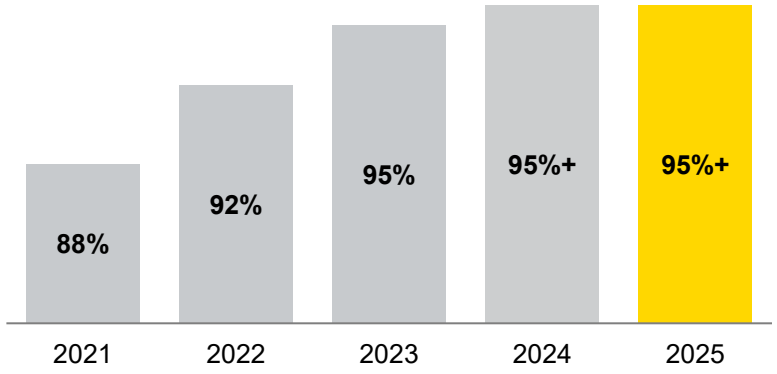
Annual recurring revenue* ($M)

$1.8B
as of Q3 2026



Revenue from customers on subscription plans

95%+
as of 2025



*Refer to the Appendix for the necessary statistical definitions.

GUIDANCE 2026

Q4 2026	Guidance
Revenue	$990 million - $1.01 billion
Adjusted EBITDA*	$245 million - $250 million

ON TRACK

30%+ 5 YEAR REVENUE CAGR

600+bps 5 YEAR MARGIN EXPANSION

FY 2026	Prior Guidance *(August 5, 2026)*	Guidance *(November 5, 2026)*
Revenue	32% to 34% annual growth	$3.61 billion - $3.63 billion
Adjusted EBITDA*	Approximately 25.5% margin	$924 million - $929 million (~25.6% margin)
Capital Expenditures	$160 million to $190 million	$130 million to $150 million
Free Cash Flow*	Approximately $450 million	$350 million - $400 million

The following forward-looking statements reflect Axon's expectations as of our most recent quarterly update and are subject to risks and uncertainties.
*Refer to "Statement Regarding Use of Non-GAAP Financial Measures" in the Appendix for definitions and information regarding the use of forward-looking non-GAAP measures.

2028 TARGET MODEL

$6B

2028 annual revenue

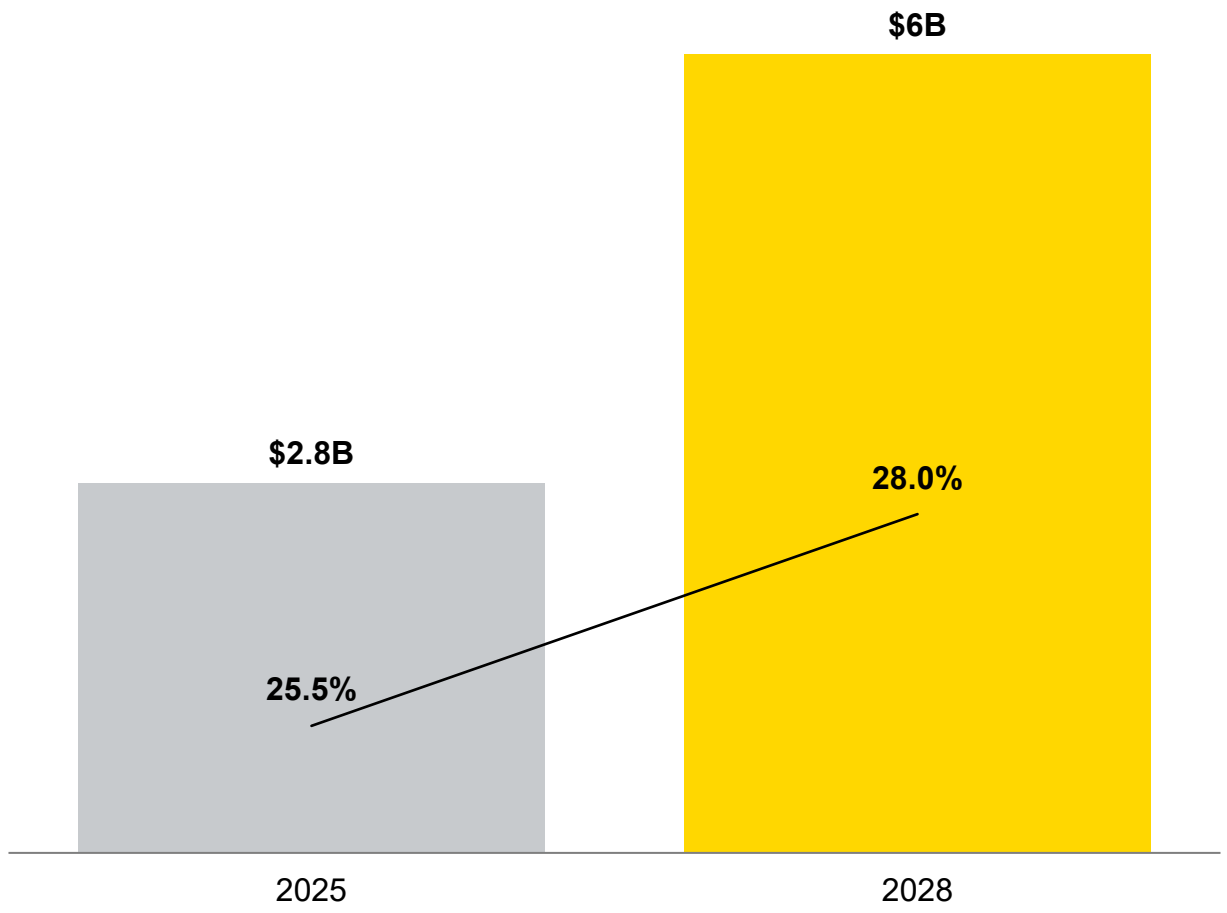
28%

Adjusted EBITDA margin*

ADDITIONAL 2028 TARGETS	
Average annual free cash flow conversion*:	**Annual dilution from stock-based compensation:**
60% Adjusted EBITDA*	less than 2.5%

*Refer to "Statement Regarding Use of Non-GAAP Financial Measures" in the Appendix for definitions and information regarding the use of forward-looking non-GAAP measures.

3-YEAR TARGET REVENUE & MARGIN



AXON

APPENDIX





STATISTICAL DEFINITIONS

Annual recurring revenue:
Annual recurring revenue is a performance indicator that management believes provides more visibility into the growth of our revenue generated by our highest margin, recurring services. Annual recurring revenue should be viewed independently of revenue and deferred revenue because it is an operating measure and is not intended to be combined with or to replace GAAP revenue or deferred revenue, as they can be impacted by contract start and end dates and renewal rates. Annual recurring revenue is not intended to be a replacement or forecast of revenue or deferred revenue. We calculate annual recurring revenue as monthly recurring license, integration, warranty and storage revenue, annualized.

Net revenue retention:
Dollar-based net revenue retention is an important metric to measure our ability to retain and expand our relationships with existing customers. We calculate it as the software, camera and TASER warranty subscription and support revenue from a base set of agency customers from which we generated Axon Cloud subscription and warranty revenue in the last month of a quarter divided by the software and camera warranty subscription and support revenue from the year-ago month of that same customer base. This calculation includes high-margin warranty revenue but purposely excludes the lower-margin hardware subscription component of the customer contracts, as it is meant to be a SaaS metric that we use to monitor the health of the recurring revenue business we are building. This calculation also excludes the implied monthly revenue contribution of customers that were added since the year-ago quarter, and therefore excludes the benefit of new customer acquisition. The metric includes customers, if any, that terminated during the annual period, and therefore, this metric is inclusive of customer churn. This metric is downwardly adjusted to account for the effect of phased deployments—meaning that, for the year-ago period, we consider the total contractually obligated implied monthly revenue amount, rather than monthly revenue amounts that might have been in actuality smaller on a GAAP basis due to the customer not having yet fully deployed their Axon solution. For more information relative to our revenue recognition policies, please reference our filings with the Securities and Exchange Commission (SEC).

Future contracted bookings:
This operational metric tracks our total unfulfilled contracted bookings, including remaining performance obligations, in addition to contracts with certain termination or other clauses that exclude them from remaining performance obligations. Total future contracted bookings for products and services represent total orders that the Company has received and not yet performed. Such cumulative gross bookings include amounts associated with third-party agent arrangements, where we may only recognize the net portion expected to be paid on behalf of our customers as revenue. The amounts associated with third-party agent arrangements not recognized will be eliminated from future contracted bookings upon fulfillment. This operational metric is subject to change based on future events, including terminations for convenience, the execution of optional periods or other contract modifications or cancellations. This operational metric may be unique to the Company, as it may be different from similarly titled operational metrics used by other companies. As such, the presentation of this operational metric may not enhance the comparability of the Company's results to the results of other companies.

Bookings:
This operational metric represents total product and service orders the Company received during the period, including customer contracts with certain termination or cancellation clauses, optional periods or other clauses, as well as customer orders associated with third-party agent arrangements. To facilitate comparison across end markets with varying contract durations, the Company also presents five-year bookings, which reduces the value of contracts with durations longer than five years to only include the value of the first five years in the contract. A contract with a duration of five years or shorter is included at its full contract value and not adjusted. The Company provides this metric as growth in newer end markets, including international and enterprise, increases the mix of contracts with shorter durations than those often signed in state and local public safety. Management believes five-year bookings provides a comparable view of underlying demand across end markets and periods.

STATEMENT REGARDING USE OF NON-GAAP FINANCIAL MEASURES

To supplement the Company's financial results presented in accordance with GAAP, we present the non-GAAP financial measures of EBITDA, Adjusted EBITDA, Adjusted EBITDA margin, adjusted gross margin, non-GAAP net income, non-GAAP net income margin, non-GAAP diluted earnings per share, free cash flow and adjusted free cash flow. The Company's management uses these non-GAAP financial measures in evaluating the Company's performance in comparison to prior periods. We believe that both management and investors benefit from referring to these non-GAAP financial measures in assessing the Company's performance, and when planning and forecasting our future periods. A reconciliation of GAAP to the non-GAAP financial measures is presented below. We do not provide reconciliations of forward-looking non-GAAP measures, such as Adjusted EBITDA, Adjusted EBITDA margin, free cash flow, average annual free cash flow conversion on Adjusted EBITDA, or annual dilution on stock-based compensation, to their respective most directly comparable GAAP measures because we cannot forecast, without unreasonable efforts, underlying factors which are uncertain and could have material effects on those GAAP measures.

Beginning in the quarterly period ended March 31, 2026, we updated Adjusted EBITDA to exclude all components of other income (loss), net, including foreign currency exchange gains and losses, net and fees related to our Credit Agreement, as these items are not considered representative of our core operating results. Comparable prior periods were not recast because the impact was de minimis.

Beginning in the quarterly period ended March 31, 2026, we updated non-GAAP Net Income and non-GAAP Diluted Earnings per Share to exclude amortization of acquired intangible assets, as the portion of the purchase price assigned to the intangible assets and the corresponding amortization period can differ from one acquisition to another, and we do not consider this activity to be representative of our core ongoing operations. Comparable prior periods were recast, including the related income tax effects.

Beginning in the quarterly period ended June 30, 2026, we updated Adjusted EBITDA and Adjusted Gross Margin to exclude jurisdiction-specific compensation-related taxes directly associated with Employee XSP vesting events, expanding our historical adjustment for payroll taxes to include such activities. Comparable prior periods were not recast because the impact was de minimis.

Caution on Use of Non-GAAP Measures

Although these non-GAAP financial measures are not consistent with GAAP, management believes investors will benefit by referring to these non-GAAP financial measures when assessing the Company's operating results, as well as when forecasting and analyzing future periods. However, management recognizes that:

- these non-GAAP financial measures are limited in their usefulness and should be considered only as a supplement to the Company's GAAP financial measures;
- these non-GAAP financial measures should not be considered in isolation from, or as a substitute for, the Company's GAAP financial measures;
- these non-GAAP financial measures should not be considered to be superior to the Company's GAAP financial measures; and
- these non-GAAP financial measures were not prepared in accordance with GAAP or under a comprehensive set of rules or principles proposed by a third party.
- Further, these non-GAAP financial measures may be unique to the Company, as they may be different from similarly titled non-GAAP financial measures used by other companies. As such, this presentation of non-GAAP financial measures may not enhance the comparability of the Company's results to the results of other companies.

Non-GAAP Measures

- EBITDA (most comparable GAAP measure: Net income) – Earnings before interest expense, investment interest income, income taxes, depreciation and amortization.
- Adjusted EBITDA (most comparable GAAP measure: Net income) – Earnings before interest expense; investment interest income; income taxes; depreciation; amortization; all components of other income (loss), net, which is primarily comprised of fair value adjustments and income or losses related to strategic investments and marketable securities, debt inducement expense associated with the early repurchase of a portion of our 2027 Notes, foreign currency exchange gains and losses, net, and fees incurred related to our Credit Agreement; noncash stock-based compensation expense; transaction and integration costs related to strategic investments and acquisitions, including the change in fair value of contingent consideration arrangements and certain compensation costs directly related to employee integration activities; non-recurring severance costs, including employee cash payments, equity, and related benefits; costs (or subsequent recoveries of prior costs) related to certain legal or regulatory matters we consider outside of our core operating activities; mark-to-market adjustments on our non-qualified deferred compensation liabilities; compensation taxes related to Employee XSP vesting; losses incurred as a result of the disposal, abandonment, and impairment of property, equipment, and intangible assets; and inventory step-up amortization related to acquisitions.
- Adjusted EBITDA margin (most comparable GAAP measure: Net income margin) – Adjusted EBITDA as a percentage of net sales.
- Adjusted gross margin (most comparable GAAP measure: Gross margin) – Gross margin before noncash stock-based compensation expense; compensation taxes related to Employee XSP vesting; amortization of acquired intangible assets; non-recurring severance costs, including employee cash payments, equity, and related benefits; and inventory step-up amortization related to acquisitions.
- Non-GAAP net income (most comparable GAAP measure: Net income) –Net income excluding fair value adjustments and income or losses related to strategic investments and marketable securities; the costs of noncash stock-based compensation expense; amortization of acquired intangible assets; transaction and integration costs related to strategic investments and acquisitions, including the change in fair value of contingent consideration arrangements; compensation taxes related to Employee XSP vesting; costs (or subsequent recoveries of prior costs) related to certain legal or regulatory matters we consider outside of our core operating activities; non-recurring severance costs, including employee cash payments, equity, and related benefits; debt inducement expense associated with the early repurchase of a portion of our 2027 Notes; and inventory step-up amortization related to acquisitions. The Company tax-effects non-GAAP adjustments using the blended statutory federal and state tax rates for each period presented.
- Non-GAAP net income margin (most comparable GAAP measure: Net income margin) - Non-GAAP net income as a percentage of sales.
- Non-GAAP diluted earnings per share (most comparable GAAP measure: Earnings per share) – Measure of the Company's non-GAAP net income divided by the weighted average number of diluted common shares outstanding during the period presented.
- Free cash flow (most comparable GAAP measure: Cash flow from operating activities) – Cash flows provided by operating activities minus purchases of property and equipment.
- Adjusted free cash flow (most comparable GAAP measure: Cash flow from operating activities) – Free cash flow, excluding the net impact of investments in our new Scottsdale, Arizona campus and bond premium amortization.
    - We believe that free cash flow and adjusted free cash flow excluding the impact of bond premium amortization and net campus investment are non-GAAP measures that are useful to investors and management to evaluate the Company’s ability to generate cash. These non-GAAP measures can also be used to evaluate the Company’s ability to generate cash flow from operations and the impact that this cash flow has on the Company’s liquidity.
- Adjusted free cash flow conversion (most comparable GAAP measure: Cash flow from operating activities / net income) – Adjusted free cash flow divided by Adjusted EBITDA)

NON-GAAP RECONCILIATION: ADJUSTED GROSS MARGIN

	THREE MONTHS ENDED		TWELVE MONTHS ENDED			
$ IN THOUSANDS	**30-SEP-2026**	**30-SEP-2025**	**31-DEC-2025**	**31-DEC-2024**	**31-DEC-2023**	**31-DEC-2022**
Net sales	**$908,554**	**$710,641**	**$2,779,536**	**$2,082,526**	**$1,560,699**	**$1,187,143**
Cost of sales	(393,576)	(283,293)	(1,121,411)	(841,146)	(605,246)	(461,030)
Gross margin	**$514,978**	**$427,348**	**$1,658,125**	**$1,241,380**	**$955,453**	**$726,113**
Stock-based compensation expense	12,960	12,703	53,217	60,089	6,595	4,607
Amortization of acquired intangible assets	10,302	5,399	23,063	13,369	3,144	2,663
Compensation taxes related to Employee XSP vesting	—	—	2,074	—	—	—
Severance costs	—	—	2,007	—	—	—
Inventory step-up amortization	—	—	607	609	—	—
Adjusted gross margin	**$538,240**	**$445,450**	**$1,739,093**	**$1,315,447**	**$965,192**	**$733,383**
Gross margin %	*56.7%*	*60.1%*	*59.7%*	*59.6%*	*61.2%*	*61.2%*
Adjusted gross margin %	*59.2%*	*62.7%*	*62.6%*	*63.2%*	*61.8%*	*61.8%*

NON-GAAP RECONCILIATION: ADJUSTED EBITDA

	THREE MONTHS ENDED		TWELVE MONTHS ENDED			
$ IN THOUSANDS	**30-SEP-2026**	**30-SEP-2025**	**31-DEC-2025**	**31-DEC-2024**	**31-DEC-2023**	**31-DEC-2022**
Net income (loss)	**$57,006**	**$(2,186)**	**$124,656**	**$377,034**	**$175,783**	**$146,930**
Depreciation and amortization	32,357	21,310	86,789	56,815	32,638	24,381
Interest expense	28,337	28,912	94,238	7,098	6,995	488
Investment interest income	(5,657)	(23,941)	(75,431)	(43,693)	(49,107)	(4,782)
Provision for (benefit from) income taxes	21,914	17,889	(105,682)	4,470	(18,722)	49,308
EBITDA	**$133,957**	**$41,984**	**$124,570**	**$401,724**	**$147,587**	**$216,325**
Other (income) loss, net	(59,520)	(22,893)	(101,101)	(283,217)	41,785	(98,943)
Stock-based compensation expense	151,312	146,152	610,151	382,604	131,358	106,176
Transaction and integration costs related to strategic investments and acquisitions	7,242	4,774	15,588	15,249	4,501	2,368
Compensation taxes related to Employee XSP vesting	185	—	14,768	2,645	9,011	—
Litigation and regulatory costs	2,380	5,490	9,579	1,761	241	545
Severance costs	—	—	31,816	—	—	—
Non-qualified deferred compensation liability adjustments	—	1,073	3,118	—	—	—
Loss on disposal, abandonment, and impairment of property, equipment and intangible assets, net	104	430	1,059	—	317	5,562
Inventory step-up amortization	—	—	607	609	—	—
Loss recoveries	—	—	—	—	(3,404)	—
Adjusted EBITDA	**$235,660**	**$177,010**	**$710,155**	**$521,375**	**$331,396**	**$232,033**
Adjusted EBITDA margin	*25.9%*	*24.9 %*	*25.5%*	*25.0%*	*21.2%*	*19.5%*

NON-GAAP RECONCILIATION: NON-GAAP NET INCOME

	THREE MONTHS ENDED		TWELVE MONTHS ENDED			
$ IN THOUSANDS	**30-SEP-2026**	**30-SEP-2025**	**31-DEC-2025**	**31-DEC-2024**	**31-DEC-2023**	**31-DEC-2022**
Net income (loss)	**$57,006**	**$(2,186)**	**$124,656**	**$377,034**	**$175,783**	**$146,930**
(Income) or losses from investments and marketable securities, net	(59,741)	(22,893)	(139,969)	(283,217)	41,785	(98,943)
Stock-based compensation expense	151,312	146,152	610,151	382,604	131,358	106,176
Amortization of acquired intangible assets	13,444	6,935	29,819	17,368	4,539	4,022
Transaction and integration costs related to strategic investments and acquisitions	7,242	4,774	15,588	15,249	4,501	2,368
Compensation taxes related to Employee XSP vesting	185	—	14,768	2,645	9,011	—
Litigation and regulatory costs	2,380	5,490	9,579	1,761	241	545
Severance costs	—	—	31,816	—	—	—
Debt inducement expense	—	—	38,868	—	—	—
Loss on disposal, abandonment, and impairment of property, equipment and intangible assets, net	—	—	—	—	317	5,562
Inventory step-up amortization	—	—	607	609	—	—
Loss recoveries	—	—	—	—	(3,404)	—
Income tax effects	(28,290)	(35,526)	(149,467)	(34,845)	(47,087)	(4,944)
Non-GAAP net income	**$143,538**	**$102,746**	**$586,416**	**$479,208**	**$317,044**	**$161,716**
Non-GAAP net income margin	*15.8 %*	*14.5%*	*21.1%*	*23.0%*	*20.3%*	*13.6%*
Weighted average number of diluted common equivalent shares outstanding	83,673	83,045	82,370	78,558	75,456	72,534
Non-GAAP EPS	$1.72	$1.24	$7.12	$6.10	$4.20	$2.23

NON-GAAP RECONCILIATION: ADJUSTED FREE CASH FLOW CONVERSION

	THREE MONTHS ENDED		TWELVE MONTHS ENDED			
$ IN THOUSANDS	**30-SEP-2026**	**30-SEP-2025**	**31-DEC-2025**	**31-DEC-2024**	**31-DEC-2023**	**31-DEC-2022**
Net cash (used in) provided by operating activities	**$19,687**	**$60,014**	**$211,339**	**$408,312**	**$189,263**	**$235,361**
Purchases of property and equipment	(38,588)	(26,635)	(136,258)	(78,785)	(59,635)	(55,802)
Purchases of intangible assets	—	—	—	—	(635)	(307)
Free cash flow, a non-GAAP measure	**$(18,901)**	**$33,379**	**$75,081**	**$329,527**	**$128,993**	**$179,252**
Bond premium amortization	68	2,902	8,738	12,186	16,449	1,463
Net campus investment	889	355	1,820	2,591	2,669	15,899
Adjusted free cash flow, a non-GAAP measure	**$(17,944)**	**$36,636**	**$85,639**	**$344,304**	**$148,111**	**$196,614**
Adjusted EBITDA	$235,660	$177,010	$710,155	$521,375	$331,396	$232,033
Adjusted free cash flow conversion	**(7.6%)**	**20.7%**	**12.1%**	**66.0%**	**44.7%**	**84.7%**

AXON

THANK YOU

