



To our shareholders:

Let me begin by offering perspective on the conventional narrative that 2020 was a terrible year. Challenging times bring out the best in humanity — these are the times that inspire us to rise up, to overcome, to stretch, to create our finest hours.

If we choose to focus on the negative, there was plenty to see in 2020. But if we look harder, we see so many signs of hope and progress. We see that 2020 showed us all what we are made of.

Supercharged by a global plague, nations sprung into the kind of arms race we should want to see: competing ferociously to cure a pandemic. The result was an amazing feat for humanity: In early 2020, our worlds began to lock down due to Covid. By December, the first Covid vaccinations were being placed in arms, thanks to vaccines developed ten times faster than ever before.

Humanity also supercharged into space in 2020. SpaceX, whose ultimate mission is to make life multiplanetary, helped NASA to return human spaceflight capabilities to the United States for the first time since the space shuttle program ended in 2011. And since my last letter, NASA's fifth Mars rover, Perseverance, began to persevere on the Red Planet.

Back on Earth, many of us adapted to new realities. We virtualized ourselves and learned to Zoom around the world for business, and parents got to see our kids for dinner every night. My customer engagement jumped more than 10-fold as police chiefs opened up to video conferencing, and our leadership team enjoyed seeing our analyst community face-to-face in our new quarterly Zoom conferences.

I don't mean to minimize the pain we all experienced, and in many cases, are still experiencing. I understand and shared it. My mother passed away days before Christmas after contracting Covid. But, even in that sorrow came progress as we came together to heal fractured relationships within our family. I would not have chosen for 2020 to turn out as it did, but we don't get to choose what the world throws at us. We can choose how we respond.

At Axon we are continuing to look forward. At a recent executive planning session, we asked ourselves where we want to be at the end of the decade. Here's the answer: Our vision is to be globally synonymous with our mission of Protecting Life by building the world's largest and most trusted network of safety devices and services.

The urgency resulting from the intense social strife of 2020 is accelerating the world's readiness to move beyond bullets, to a world where killing each other is no longer something we accept as some immutable facet of human society. It has supercharged our energy as we redouble our efforts to deliver TASER devices that will outperform a traditional sidearm before this decade is out. Our customers are embracing this goal. They have told us the bar will be very high, and I am confident our team will deliver.

Axon is delivering incredible value to our customers and the communities they serve. In 2020, we secured our first Dispatch customer, established a solid foothold in the Federal market, launched our Respond platform and grew our international revenue by more than 70%. We are proud to have delivered a record \$681 million in 2020 revenue, representing 28% growth, \$1.1 billion in contract bookings, and \$221 million in annual recurring revenue. We wrapped up the year with an exceptional fourth quarter, highlighted by revenue growth of 32%, strong profitability and robust global demand for our TASER devices.

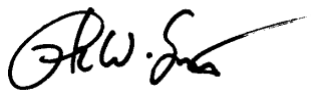
We didn't just deliver on our operational goals, we significantly outperformed them. I am humbled by our team's ability to deliver exceptional results amid turmoil and adversity. We exited 2020 better positioned than we've ever been from an operational, strategic and financial perspective.

I would like to conclude by telling you what I'm hearing from customers today: They see us as a key partner to transforming public safety. We hear stories daily about customers using our products to save lives and protect communities. Our Net Promoter Scores are hitting new highs, and customers are actively and enthusiastically supporting our mission to make the bullet obsolete - so that officers will not have to make the most terrible of decisions.

We know that we're welcoming a lot of new shareholders onto our growth journey. Thank you for joining us and taking an interest.

Sincerely,

Rick Smith

A handwritten signature in black ink, appearing to read "R.W. Smith", with a long, sweeping horizontal line extending to the right.