



# Investor Presentation

December 2022



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# Cautionary Note Regarding Forward-Looking Statements

This presentation contains "forward-looking statements" within the meaning of the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995, including but not limited to statements regarding the company's business plans, international expansion, expectations regarding future sales and expenses, our ability to capitalize on market opportunities, the ability to achieve near and long-term growth and profitability estimates, anticipated timing and volume of customer contract renewals, and revenue and GAAP profitability. Words such as "expect," "anticipate," "should," "believe," "target," "project," "goals," "estimate," "potential," "predict," "may," "will," "could," "intend," variations of these terms or the negative of these terms and similar expressions are intended to identify these forward-looking statements. Forward-looking statements are subject to a number of risks and uncertainties, many of which involve factors or circumstances that are beyond the company's control. The company's actual results could differ materially from those stated or implied in forward-looking statements due to a number of factors, including but not limited to: the company's ability to successfully negotiate and execute contracts with new and existing customers in a timely manner, if at all, the company's ability to address the business and other impacts and uncertainties associated with the COVID-19 pandemic, maintain and increase sales; the availability of funding for the company's customers to purchase the company's solutions; the complexity, expense and time associated with contracting with government entities; the company's ability to maintain and expand coverage of existing public safety customer accounts and further penetrate the public safety market; the company's ability to sell its solutions into international and other new markets; the lengthy sales cycle for the company's solutions; changes in federal funding available to support local law enforcement; the company's ability to deploy and deliver its solutions; and the company's ability to maintain and enhance its brand, as well as other risk factors included in the company's most recent annual report on quarterly report on Form 10-Q and other SEC filings. These forward-looking statements are made as of the date of this presentation and are based on current expectations, estimates, forecasts and projections as well as the beliefs and assumptions of management. Except as required by law, the company undertakes no duty or obligation to update any forward-looking statements contained in this presentation as a result of new information, future events or changes in its expectations.

# Investment Highlights



*Leading integrated SaaS platform for precision policing and data solutions*

*Proprietary, widely adopted gunshot detection technology*

*Loyal customer base with minimum churn and down-sell*

*Massive and underpenetrated opportunity with multiple growth levers*

*Consistent growth with strong and improving margins*

*Seasoned operators with a track record of exceptional performance*

# By the Numbers

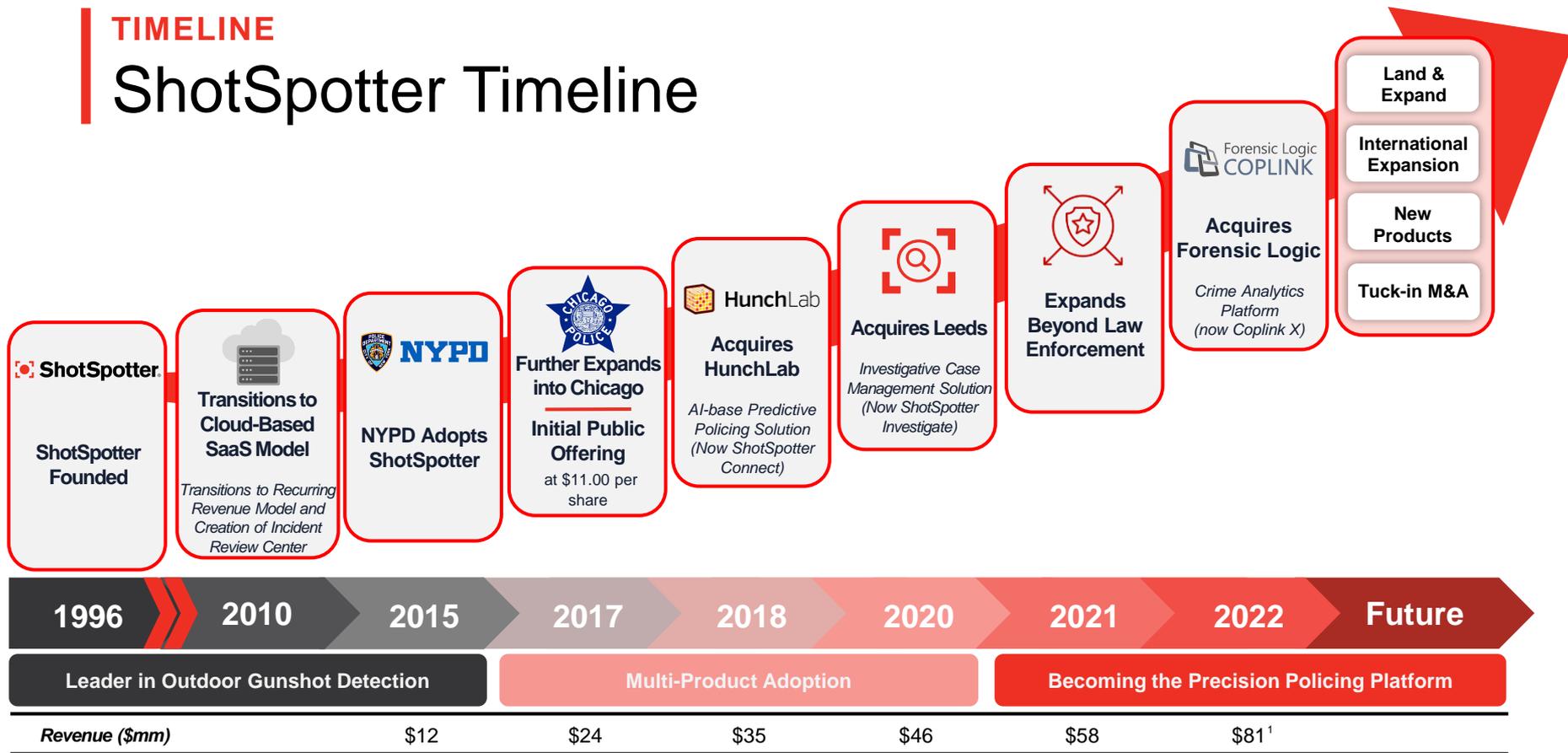
<b>\$2.5bn+</b> Core TAM	<b>\$81mm</b> 2022E Revenue <sup>1</sup>	<b>~23%</b> 2021A-2025E Revenue CAGR <sup>2</sup>	<b>20%</b> 2022E Adj. EBITDA Margin <sup>1</sup>
<b>125%</b> Net Revenue Retention Rate <sup>3</sup>	<b>99%</b> Gross Retention Rate <sup>4</sup>	<b>\$0.37</b> Of S&M Spend to Generate \$1 of ACV <sup>5</sup>	<b>56</b> NPS Score
<b>&gt;230</b> Paying Customers	<b>~1,000mi<sup>2</sup></b> Coverage Area <sup>6</sup>	<b>1.3bn</b> Data Records (CopLink X)	<b>41</b> Patents

Note: Except as otherwise noted, data is as of September 30, 2022

<sup>1</sup> At midpoint of management guidance; <sup>2</sup> Includes the acquisition impact from Forensic Logic; <sup>3</sup> As of December 31, 2021; Based on revenue; Calculated as dividing the (a) total revenues for such year from those customers who were customers during the corresponding prior year by (b) the total revenues from all customers in the corresponding prior year; <sup>4</sup> Excludes downsell; <sup>5</sup> Reflects S&M expense per \$1 of new Annualized Contract Value as of December 31, 2021. Calculated as total S&M expense during the year / the first 12 months of contract value for contracts entered into during the same year; <sup>6</sup> Includes all product lines

# TIMELINE

# ShotSpotter Timeline



1996

2010

2015

2017

2018

2020

2021

2022

Future

Leader in Outdoor Gunshot Detection

Multi-Product Adoption

Becoming the Precision Policing Platform

Revenue (\$mm)

\$12

\$24

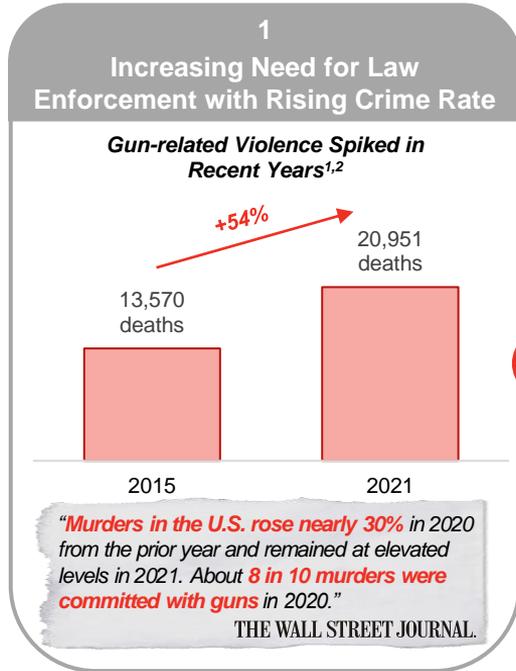
\$35

\$46

\$58

\$81<sup>1</sup>

# The Public Safety Gap

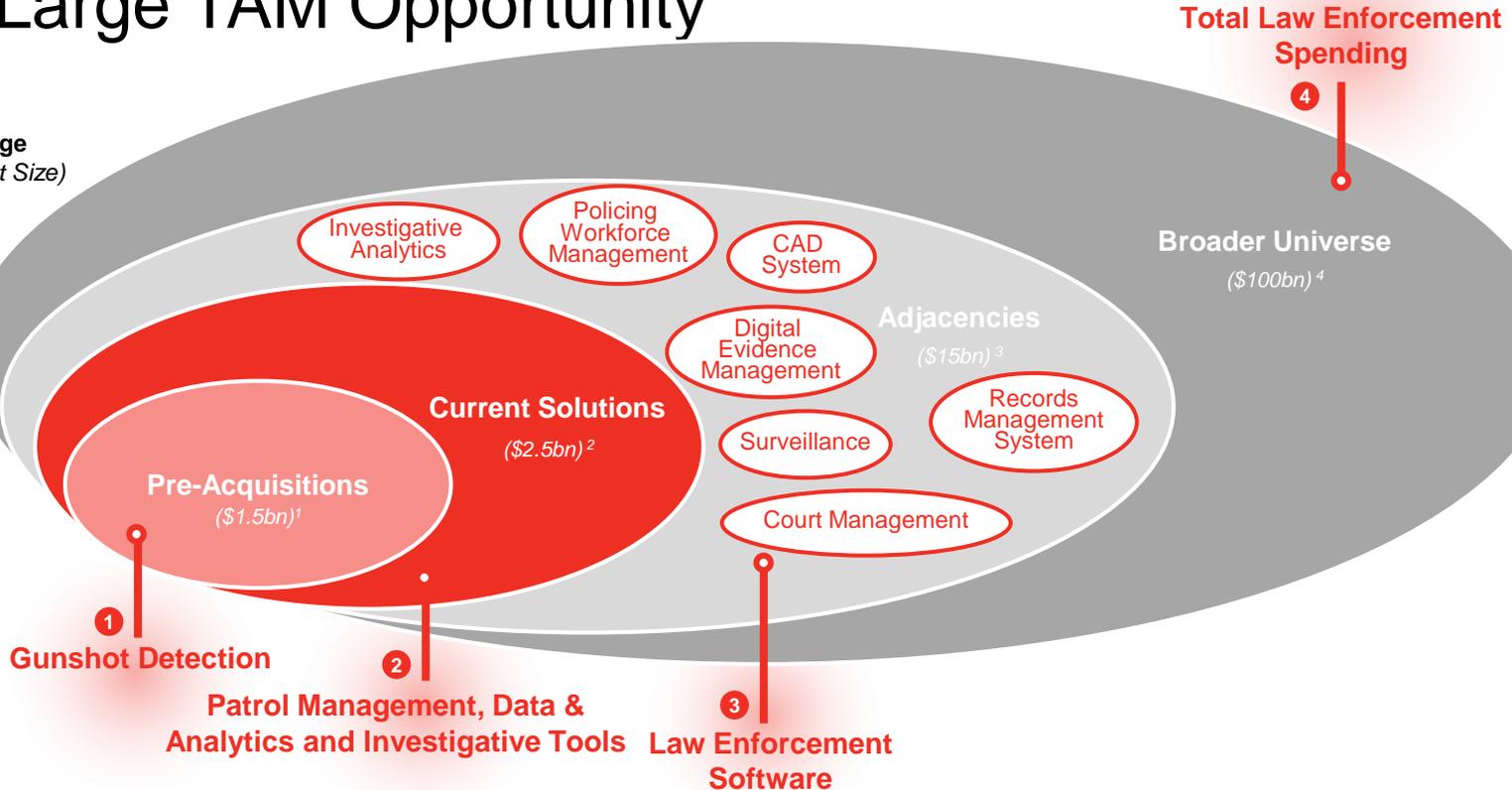


**Structural Tailwinds Creating a Need for Technology in Order to Do More with Less**

## MARKET OVERVIEW

# Large TAM Opportunity

Stage  
(Market Size)



# The ShotSpotter Platform

## Respond

### Proven Gunshot Detection

- Increases police response speed to gun crime scenes
- Improves evidence recovery
- Saves lives

%ARR 2022E:      %ARR 2025E:

76%

71%

## Connect

### Community-First Patrol Mgmt.

- Proactive patrol management
- Controls / limits over-policing
- Mitigates implicit bias

%ARR 2022E:      %ARR 2025E:

1%

2%

## Investigate

### Case Investigative Tools

- Collaboration tools
- Links analysis connect people, place and property
- Identifies cases needing attention

%ARR 2022E:      %ARR 2025E:

13%

16%

## Coplink X

### Law Enforcement Platform

- Industry's leading search engine for law enforcement
- 1.3bn+ law enforcement records
- Accelerates investigations

%ARR 2022E:      %ARR 2025E:

10%

12%

*Cities / Local Law Enforcement*

*Federal, State, and Local Law Enforcement*

## Precision Policing Platform

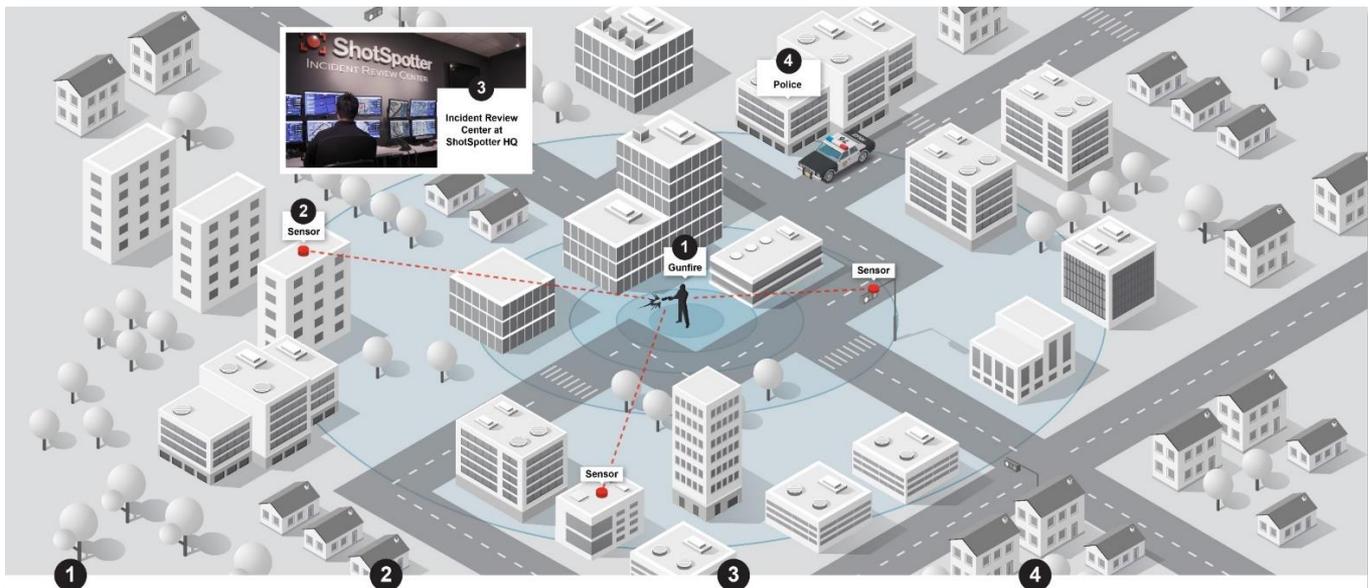


# Introducing – ShotSpotter Respond



## RESPOND

# Proprietary Gunshot Detection Technology



1

### Gun is fired

When a gun is fired, the sound of a muzzle blast radiates outward.

2

### Gunshot is Detected and Located

Acoustic sensors are triggered by the impulsive sound. The sound is classified as a gunshot using artificial intelligence and triangulation determines the precise location.

3

### Gunshot is Reviewed

The data is relayed to the ShotSpotter Incident Review Center where analysts quickly audit the data and publish confirmed gunshots to police.

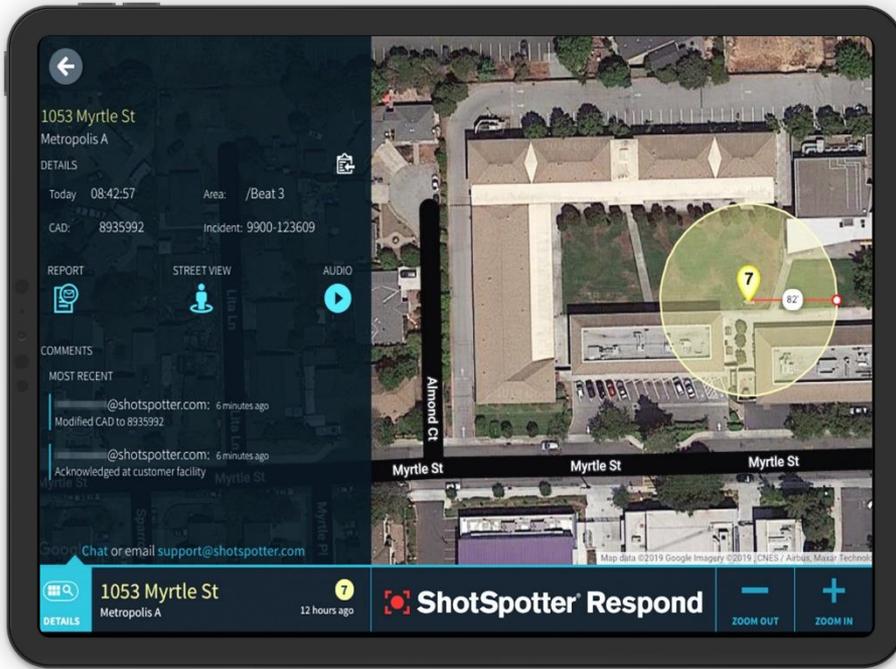
4

### Police Respond

Alerts are sent to dispatch centers and patrol officers' smartphones and MDTs for immediate response. The entire process takes less than 60 seconds.

**RESPOND**

# Rapid, Precise, Intelligent



## IMPACT

# How ShotSpotter Respond Helped Address the Safety Gap



**55%**

**Fewer homicides  
(2011-2019)<sup>1</sup>**

Omaha, NE



**33%**

**Reduction in gun  
violence injuries<sup>3</sup>**

Greenville, NC



**36%**

**Reduction in YoY  
homicides<sup>2</sup>**

Pittsburgh, PA



**33%**

**Decrease in gunshot  
incidents in 2020<sup>4</sup>**

Fort Meyers, FL

<sup>1</sup> Omaha PD statistics from NE district where ShotSpotter is deployed (2011-2019)

<sup>2</sup> Pittsburgh.org City Crime Rates Drop Again. -January 30, 2020

<sup>3</sup> Greenville Police credit "Shot Spotter" for lower crime stats in NBC WITN January 23, 2020

<sup>4</sup> ShotSpotter found to reduce gun violence in 2020. Fox 4 February 26, 2021

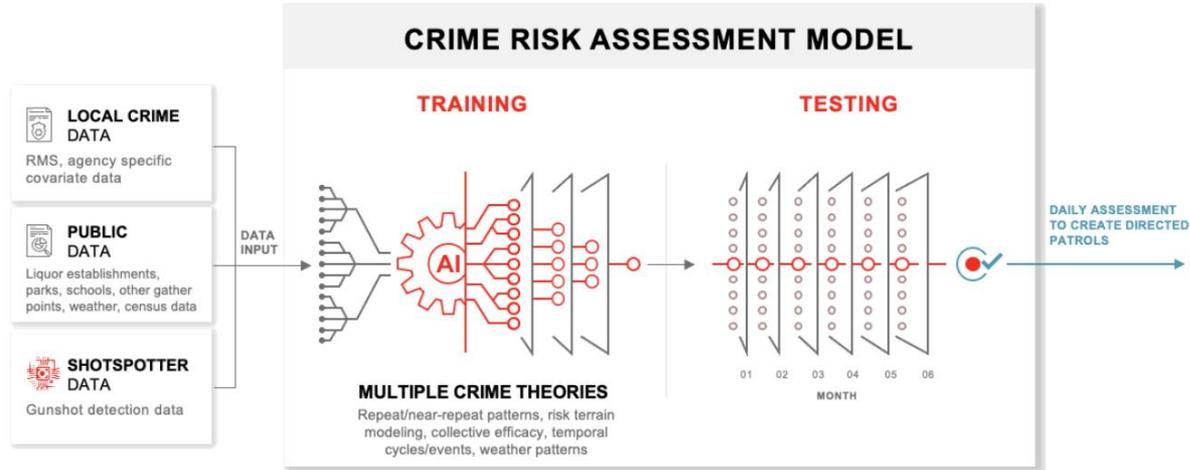


# Introducing – ShotSpotter Connect



## CONNECT

# Data-Driven Patrol Planning



### 1 Data Input

Connect collects and analyzes a mix of crime data and objective non-crime data to enable the most accurate risk assessments and minimize the potential for bias

### 2 Model Training

The data goes into the transparent crime-risk assessment model which uses AI to analyze enormous amounts of data and determine correlation of inputs to crime

### 3 Testing

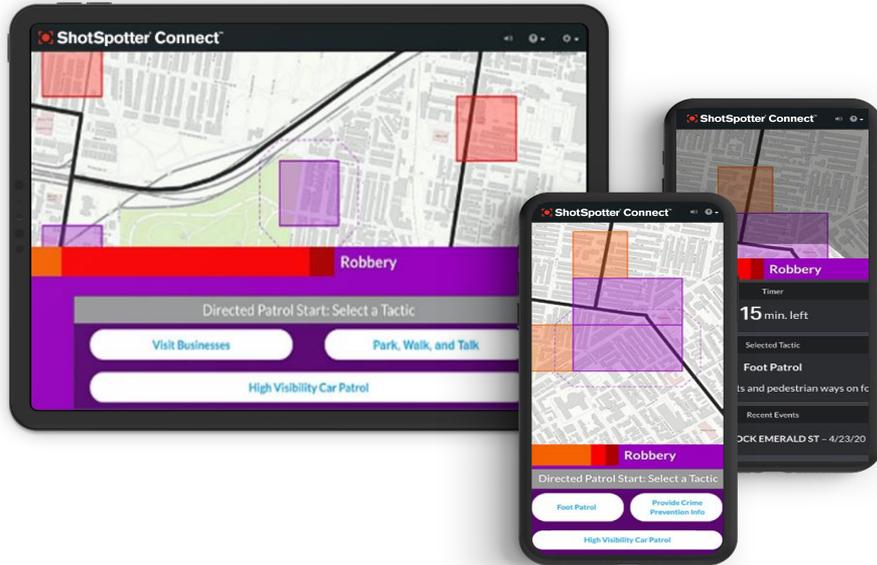
The model is tested to assess crime risk for the last 6 months and compare to crime that actually happened

### 4 Rollout

Once the system reaches its threshold accuracy, it is ready to provide directed patrols

## CONNECT

# Intelligent, Equitable, Effective



“

*I think the value of having Connect at our agency is really that it **allows us to meet the expectations of modern-day policing**. And it's a way for us to demonstrate commitment to today's policing standards of being **data-driven and evidence-based** and accountable to the community.*

*- Principal Crime Analyst, Tier 2 Police Department*

”

“

*Connect has helped our community by putting officers in the areas that are most needed. We have **staffing challenges** like a lot of agencies do right now and Connect makes us more efficient. **We know where to put the officers at, at what time.***

*- Deputy Chief, Tier 3 Police Department*

”



# Introducing – ShotSpotter Investigate

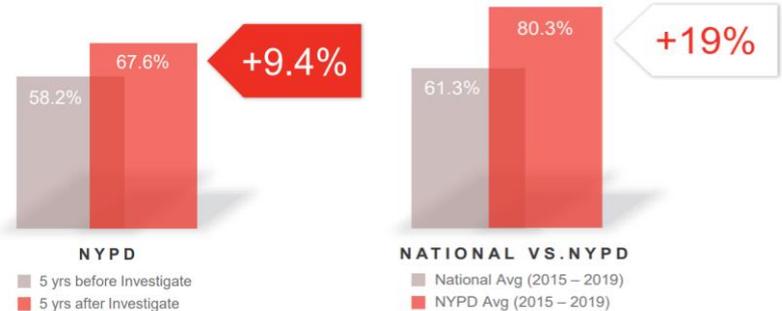


# INVESTIGATE

# Complete Investigate Case Management Software



## Impact on Homicide Case Clearance Rate





# Introducing – ShotSpotter Coplink X





## COMPETITIVE LANDSCAPE

# Strong Competitive Advantages



*ShotSpotter uniquely positioned to capitalize on attractive TAM*

## HIGHLIGHTS

### NET PROMOTER SCORE

**56** World Class Level<sup>1</sup>

### TRUSTED RELATIONSHIPS WITH THE MOST DEMANDING LAW ENFORCEMENT AGENCIES

**140+** Law Enforcement Agencies

### EXPERIENCE CURVE

**20** Year experience in deploying and managing sensors

**1<sup>st</sup>** Early mover status in other categories

### STRONG IP

**41** Patents<sup>1</sup>

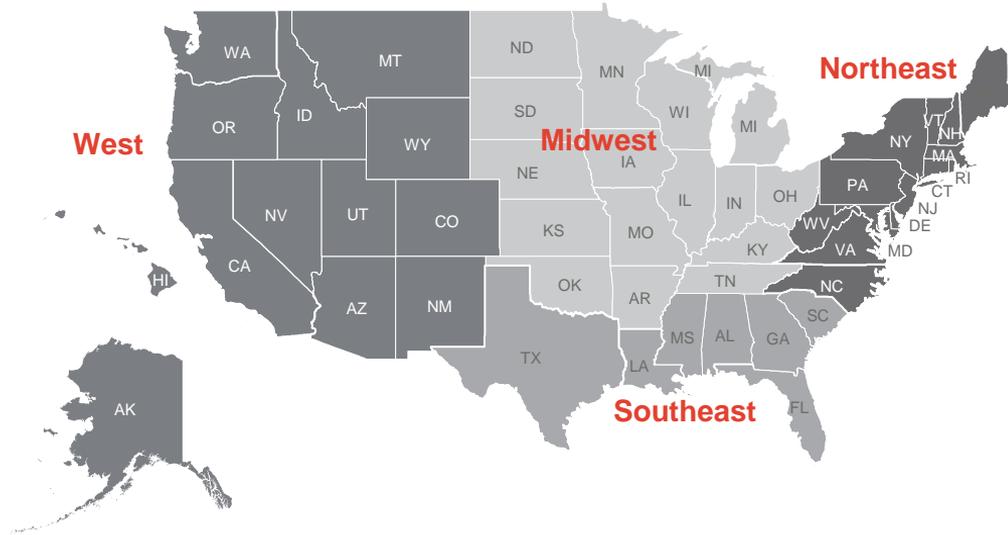


Go-to-Market



# Highly efficient GTM organization

## ShotSpotter regional sale model



## Commentary

- Respond domestic sales team organized by regional sales model
- Prospects are easily identifiable based on gun violence statistics which drives efficient new logo growth with low sales headcount
- Sales team incentivized to win new logos and expand with existing customers via more square miles

## CUSTOMER

# Customer Overview

### Key Stats

**140+**  
Law Enforcement Agencies

**10 of the Top 25**  
Largest Cities in the US

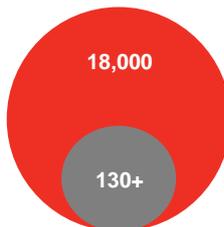
**99% / 125%**  
Gross<sup>1</sup> / Net Revenue  
Retention<sup>2</sup>

**56**  
NPS Score<sup>3</sup>

### Customer Penetration

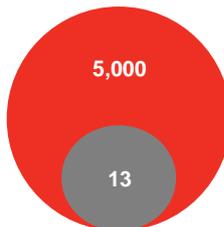
All Domestic Law  
Enforcement  
Agencies

<1%  
Penetration



University  
Campuses

<1%  
Penetration



### Selected Customers



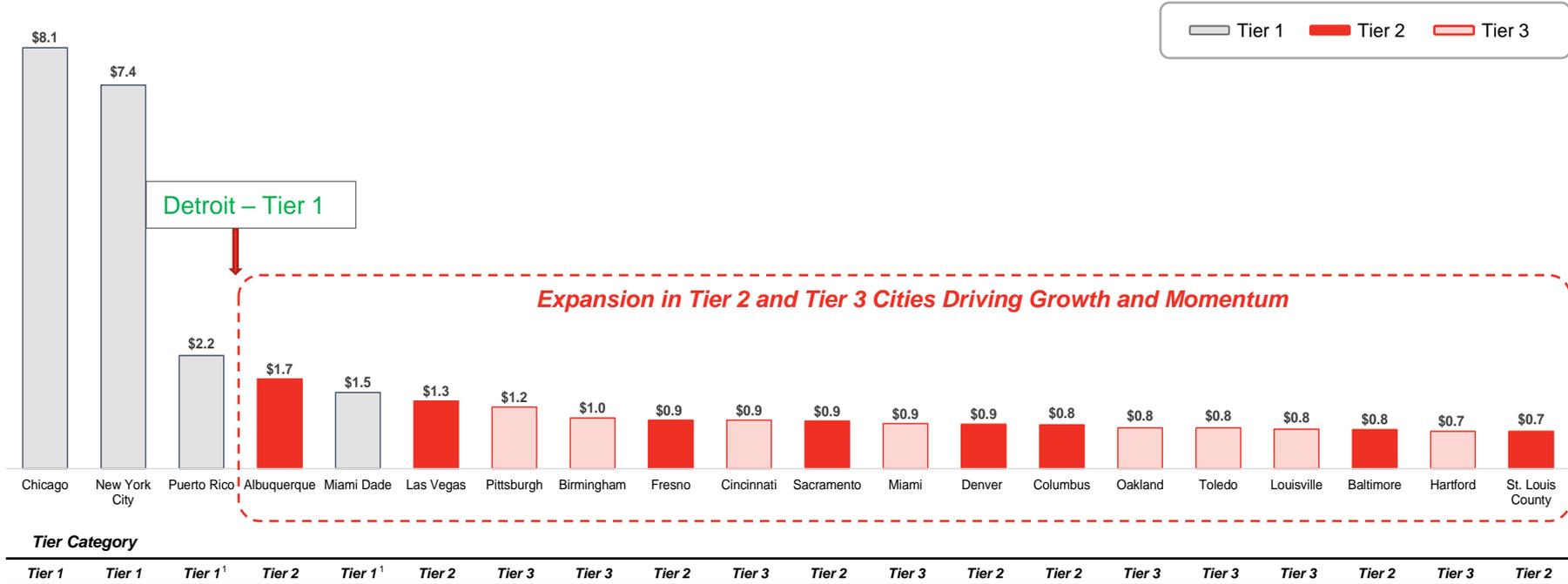
<sup>1</sup> As of December 31, 2021; Excludes downsell

<sup>2</sup> As of December 31; Based on revenue; Calculated as dividing the (a) total revenues for such year from those customers who were customers during the corresponding prior year by (b) the total revenues from all customers in the corresponding prior year; gross <sup>2</sup> Data per FBI published statistics and includes local, state and federal agencies

<sup>3</sup> As of September 30, 2022

# CUSTOMER

## Top 20 Domestic Customers By Respond ARR



## CUSTOMER

# Selected Case Studies



**Las Vegas, NV**  
(Tier 2)



- Materially increased awareness of gunfire incidents and improved police crime solving
- Led to a **26% reduction in violent crime** in a persistent hotspot and **86% faster response** to reported gunfire events than from 9-1-1 calls



CITY OF OAKLAND

**Oakland, CA**  
(Tier 3)



- Greatly improved police and emergency medical response to shooting victims
- Alerted the Oakland Police Department to 6,053 unique gunshot incidents in 2020, **91% of which were not called in by the community**



**Cincinnati, OH**  
(Tier 3)



- Significantly increased citizen confidence in Cincinnati Police Department<sup>1</sup> and improved police response time
- **95% of respondents agreed or strongly agreed** that ShotSpotter is an effective way to reduce crime<sup>1</sup>



**Albuquerque, NM**  
(Tier 2)



- Partnered with the Albuquerque Police Department to improve public safety and currently live in 25+ square miles
- Helped provide gunshot detection services to the annual International Balloon Festival **which attracts close to 900,000 guests over 78 acres**

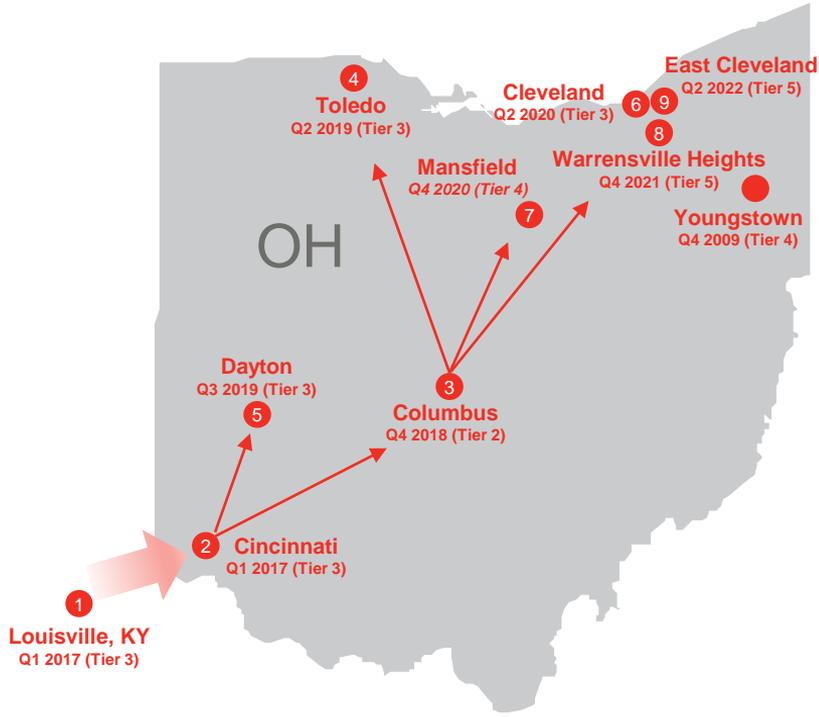


# Growth Strategy



## CUSTOMER

# Case Study: NPS Led Expansion

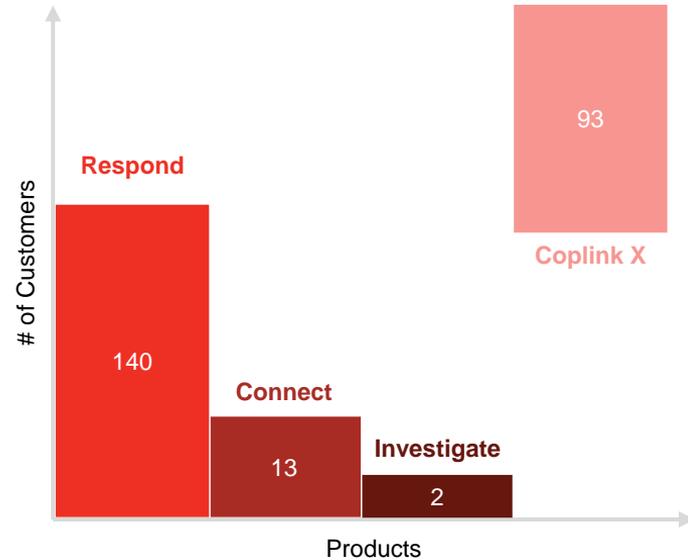


# Cross-sell products to current installed base

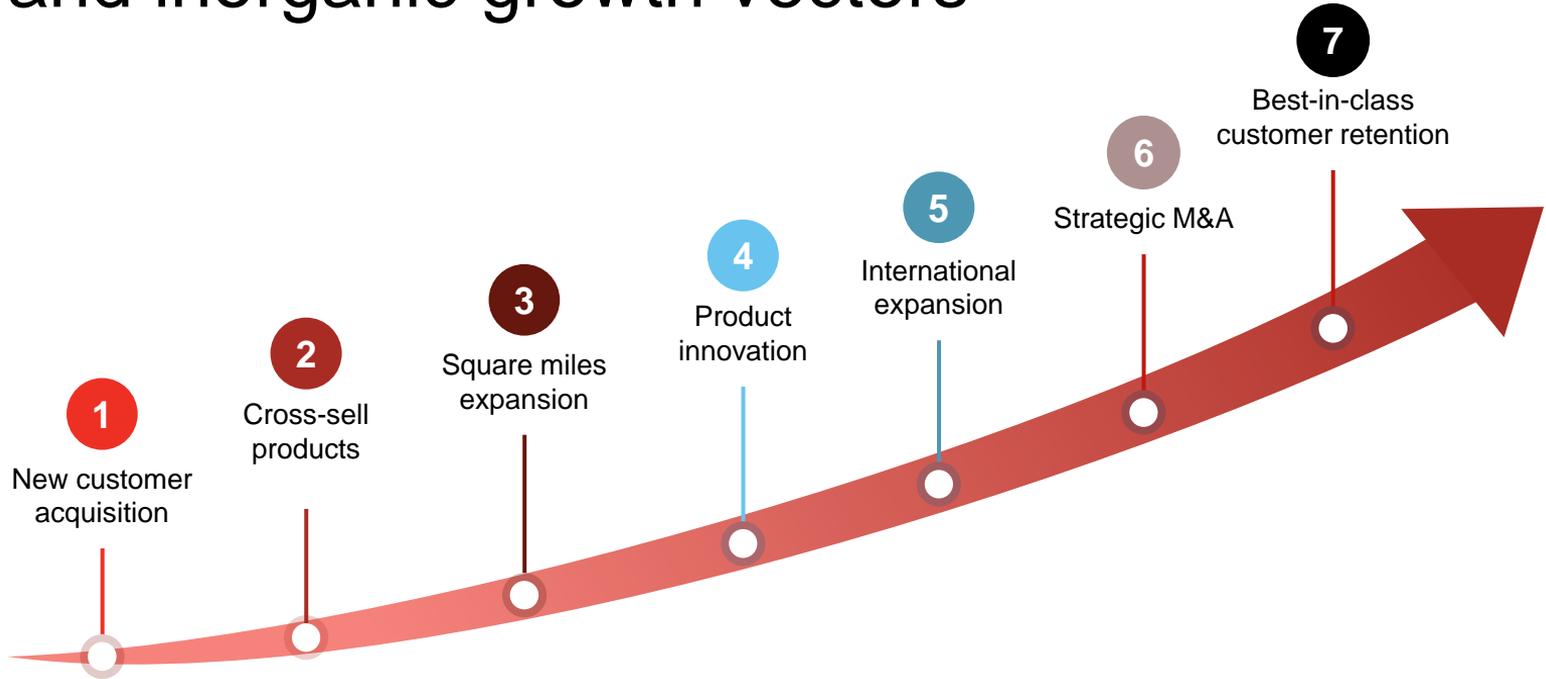
Buyer personas by product

	 Respond	 Connect	 Investigate	 Coplink X
Domestic Police	✓	✓	✓	✓
International Police	✓	✓	✓	✓
Security	✓	✗	✓	✓
Private (Commercial)	✓	✓	✗	✗
Federal/State Agencies	✗	✗	✓	✓
RMS Market Inclusion	✗	✗	✓	✗
Department of Corrections	✗	✗	✓	✓

Significant cross-selling opportunities<sup>1</sup>



# Uniquely positioned to capture several organic and inorganic growth vectors

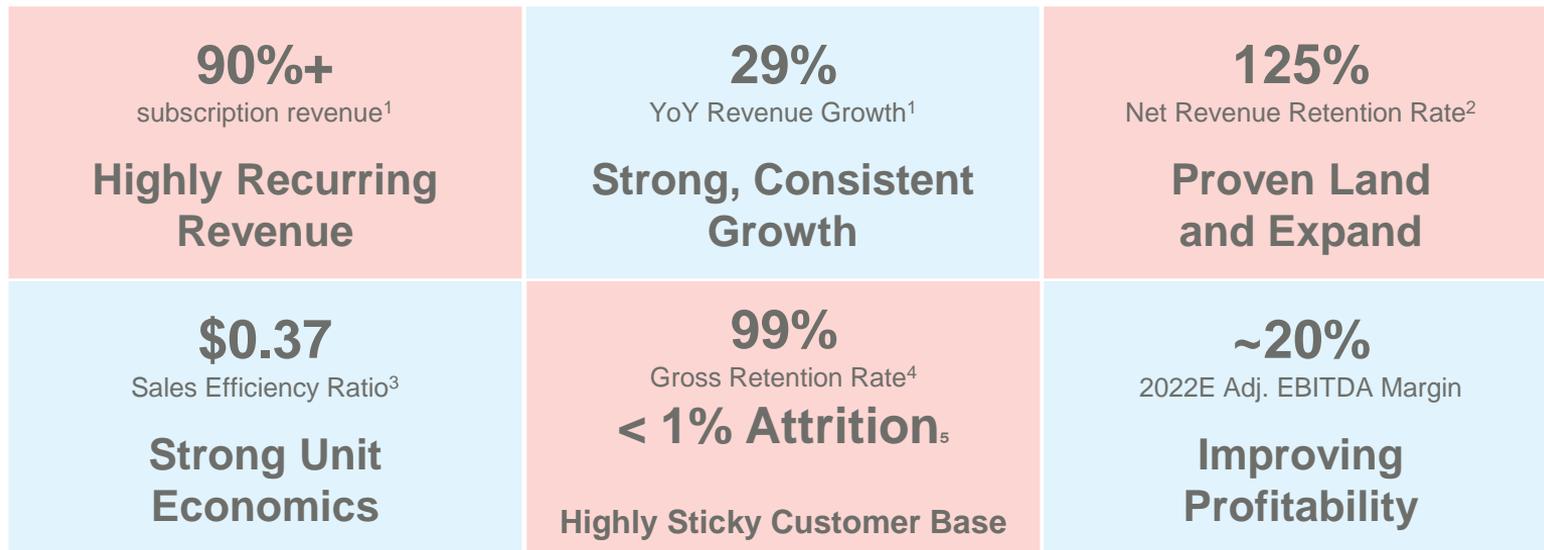




# Financials



# Financial highlights



Source: Company filings

<sup>1</sup> As of September 30, 2022; not LTM metrics; <sup>2</sup> Revenue based retention rates as of December 31, 2021; Net revenue retention rate is calculated as dividing the (a) total revenues for such year from those customers who were customers during the corresponding prior year by (b) the total revenues from all customers in the corresponding prior year; <sup>3</sup> As of December 31, 2021; Reflects Sales and Marketing expense per \$1.00 of new Annualized Contract Value. Calculated as total S&M expense during each year divided by the first 12 months of contract value for contacts entered into during the same year; <sup>4</sup> Gross retention excludes downsell <sup>5</sup> 2020 through 2022

# Strong square miles expansion

Out of **133 total Respond** customers...

**57**

Customers have expanded at least once

**28**

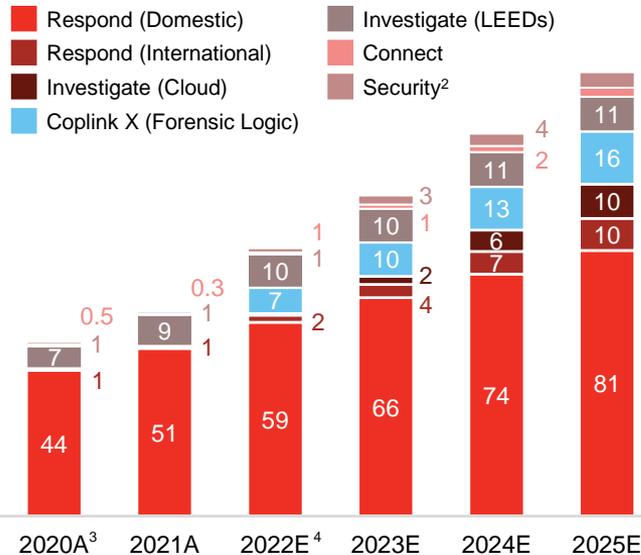
Customers have expanded multiples times

**44%**

Of the 93 sq. miles booked in 2022YTD were expansions

# Multi-pronged strategy to drive growth across all products

ARR by product (\$mm)



Projection methodology

2020A-2025E ARR CAGR	
Respond (Domestic)	13%
Respond (International)	69%
Investigate (Cloud)	175% <sup>1</sup>
Investigate (LEEDs)	9%
Connect	43%
Coplink X (Forensic Logic)	27% <sup>1</sup>
Security	44%

- Respond (Domestic): sales pipeline driven focus on both land and expand
- Respond (international): sales pipeline driven focus on land in new countries mostly and expand in South Africa
- Investigate (Cloud): sales capacity driven
- Investigate (LEEDs) – flat recurring revenue from NYPD
- Connect: sales capacity driven
- Coplink X (Forensic Logic) : sales capacity driven
- Security: sales pipeline driven

Source: Management projections as of September 2022

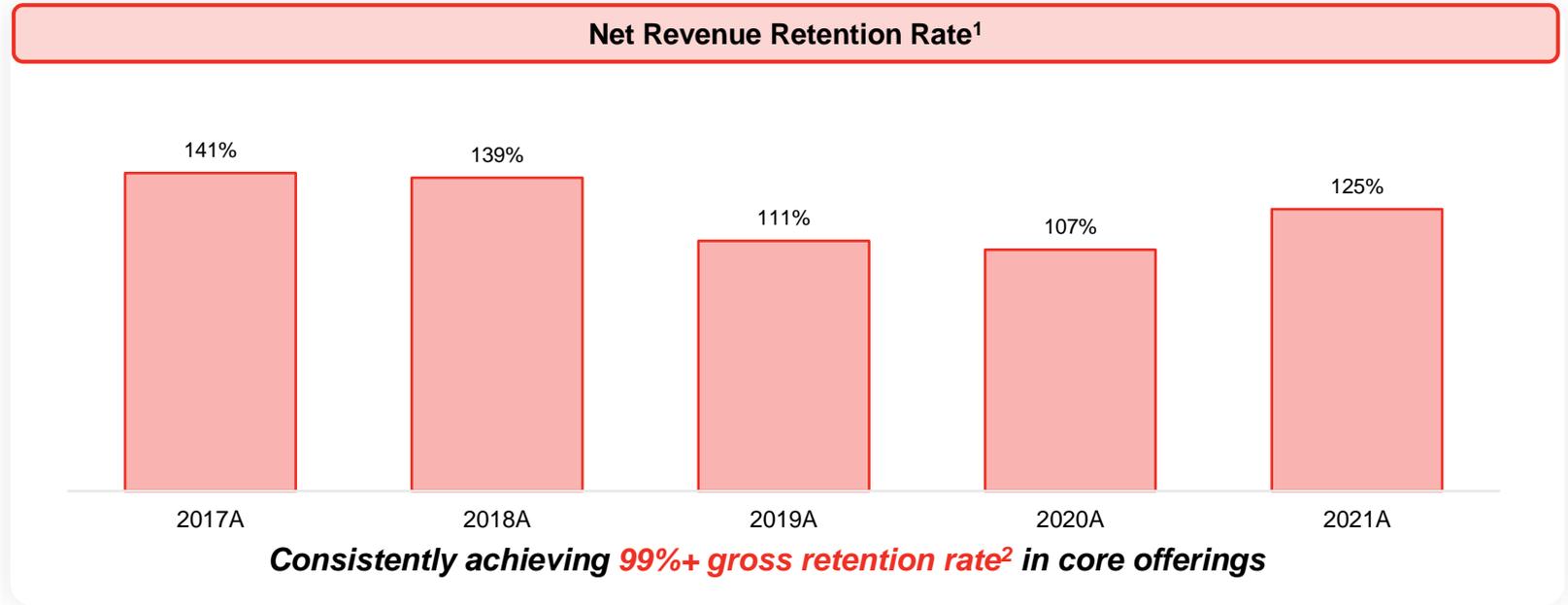
<sup>1</sup> Represents CAGR from 2022E to 2025E

<sup>2</sup> Security represents commercial customers of Respond

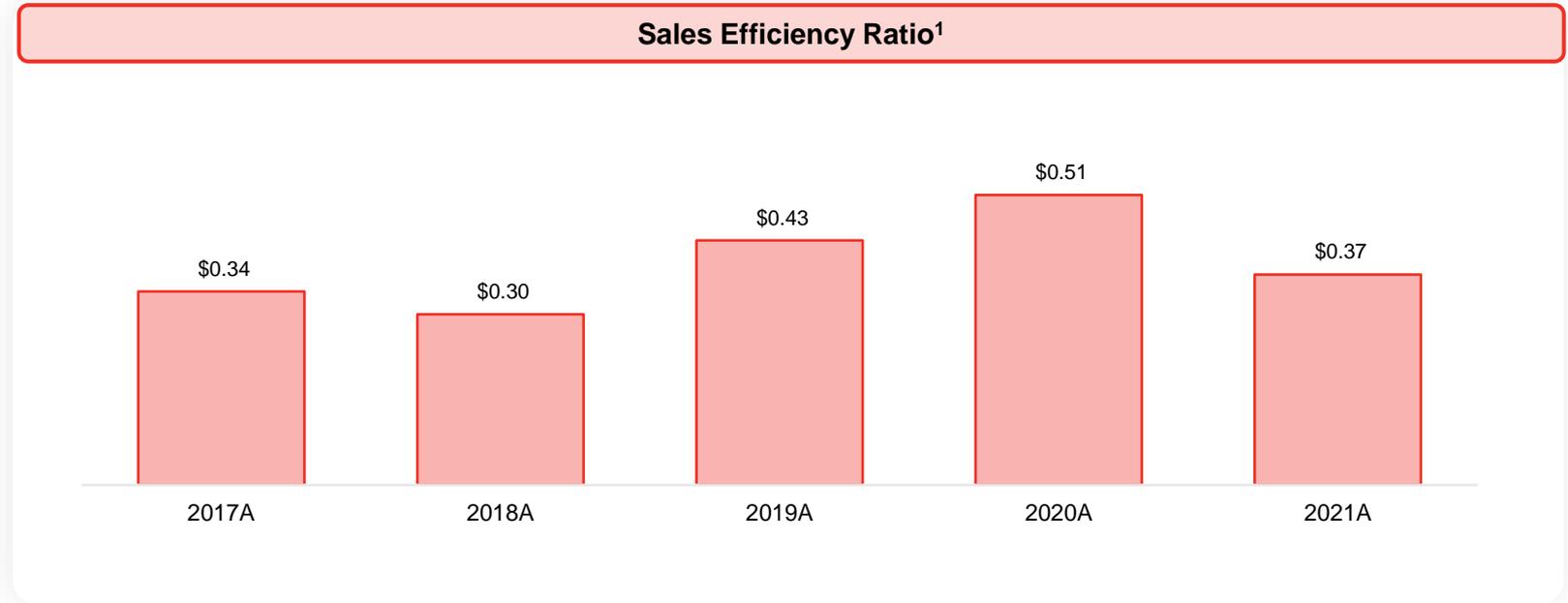
<sup>3</sup> Acquired Leeds in November 2020, which contributed \$6.7mm ARR in FYE 2020

<sup>4</sup> Acquired Forensic Logic (Coplink X) in January 2022, which is expected to contribute \$7.0mm ARR in FYE 2022

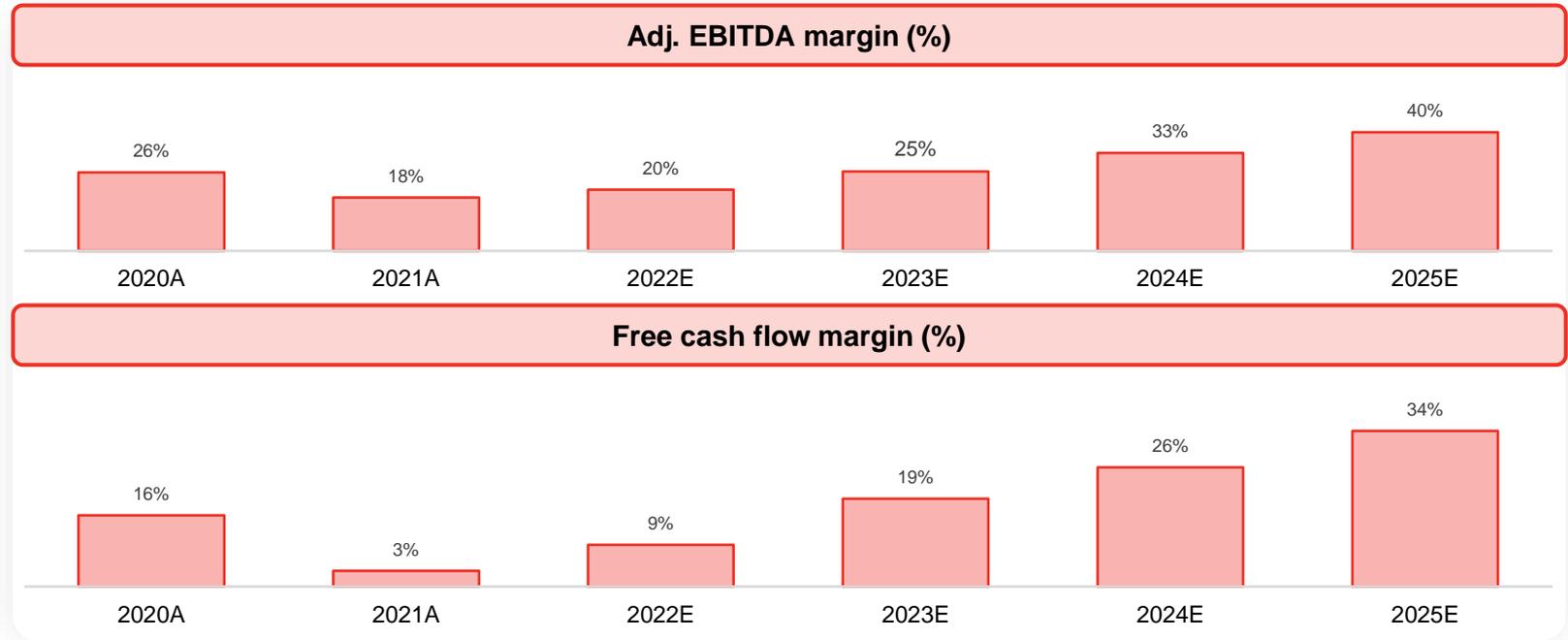
# Best-in-class customer retention



# Attractive unit economics drive long term profitability



# Significant operating leverage to improve near term profitability





Thank you