



**WRAP**

**INVESTOR  
UPDATE**

**NOVEMBER 2022**



This presentation contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the "Securities Act"), and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), including statements, without limitation, regarding our expectations, beliefs, intentions or strategies regarding the future. We intend that such forward-looking statements be subject to the safe-harbor provided by the Private Securities Litigation Reform Act of 1995. The forward-looking information is based upon current information and expectations regarding Wrap Technologies, Inc. These estimates and statements speak only as of the date on which they are made, are not guarantees of future performance, and involve certain risks, uncertainties and assumptions that are difficult to predict. Such forward-looking statements relate to: expected revenue and earnings growth; product capabilities and benefits; estimations regarding the demand for our product and size of target markets; planned product introduction and sales to the law enforcement market, both domestically and internationally; expansion to other markets; new product introductions; product safety; our corporate strategy and our business model, as well as other risk factors included in the Company's most recent annual report on Form 10-K, quarterly report on Form 10-Q and other SEC filings. We caution that these statements are qualified by important factors that could cause actual results to differ materially from those reflected by the forward-looking statements herein.

**WRAP**

THE MISSION IS SIMPLE

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**SAVE LIVES**





### Rising conflict is leading to an increased need for immediate de-escalation



#### Mental Health Crisis

In 2019, nearly a billion people – including 14% of the world’s adolescents – were living with a mental disorder.<sup>1</sup>

**1 in 10**

Police encounters involve mentally ill<sup>4</sup>



#### Social Conflict

Since 2017 there have been over 230 significant antigovernment protest worldwide in more than 100 countries.<sup>2</sup>



#### Litigation & Settlements

More than \$3.2 billion has been spent to settle claims of police misconduct involving 40,000 payments at 25 of the nation’s largest police and sheriff’s departments in the last decade.<sup>3</sup>

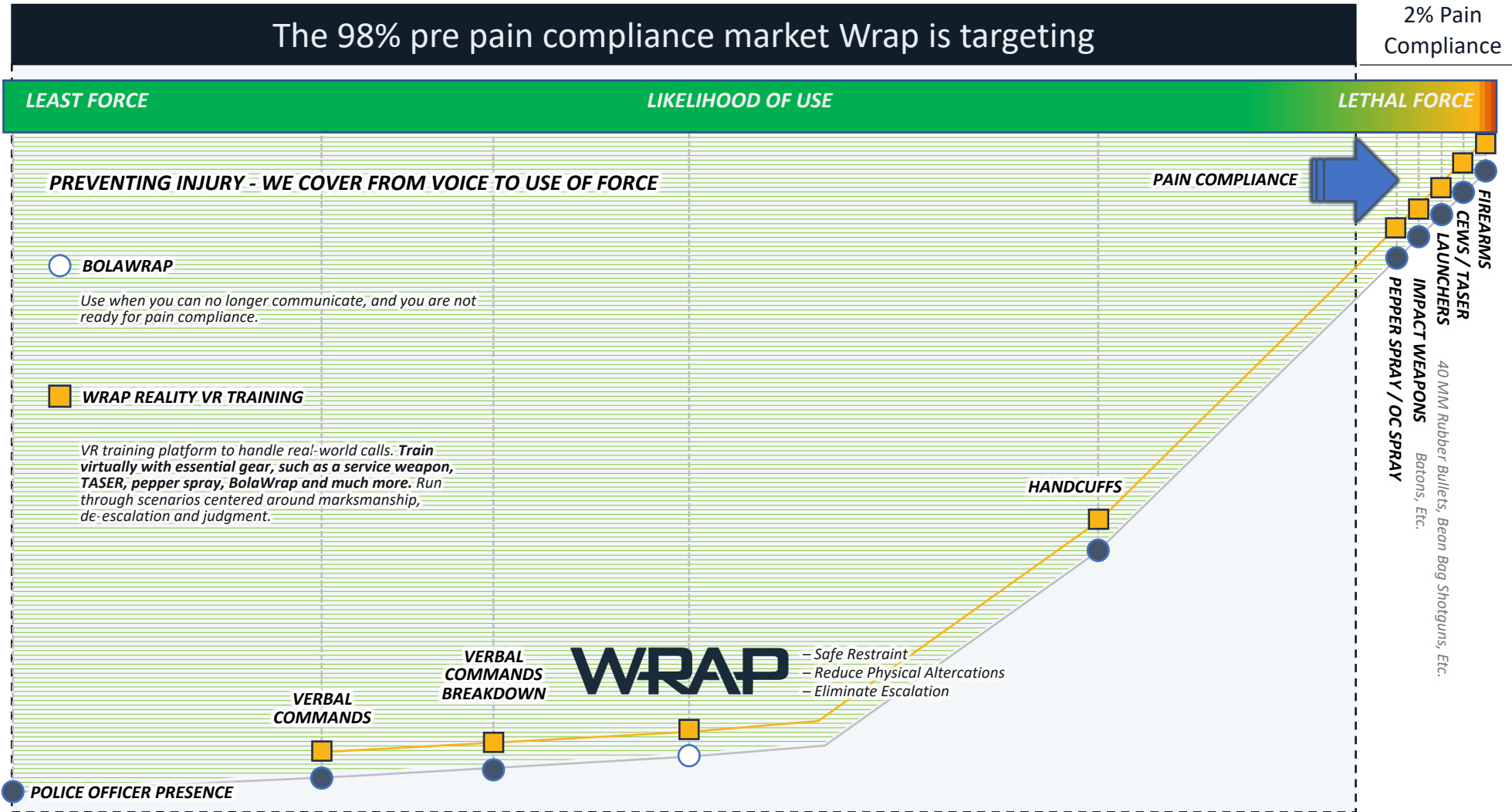
<sup>1</sup> <https://www.who.int/news/item/17-06-2022-who-highlights-urgent-need-to-transform-mental-health-and-mental-health-care>

<sup>2</sup> <https://carnegieendowment.org/publications/interactive/protest-tracker>

<sup>3</sup> <https://www.washingtonpost.com/investigations/interactive/2022/police-misconduct-repeated-settlements/>

<sup>4</sup> The Role of Mental Illness in Fatal Law Enforcement Encounters; Treatment Advocacy Center: Office of Research & Public Affairs





LAUNCHERS: Byrna Technologies (BYRN), Pepper Ball (Private) CEWS / TASER: Axon Enterprises (AXON) FIREARMS: Glock (Private), Smith & Wesson (SWB), Beretta (Private), Heckler & Koch (MLHK: Paris Stock Exchange), Sig Sauer (Private)  
 \* Garner, J. H., & Maxwell, C. D. (2001). Understanding the use of force by and against the police in six jurisdictions in the United States, 1996-1997. ICPSR Data Holdings, 55-60. <https://doi.org/10.3886/icpsr03172>

At WRAP, we save lives and reduce the risk of injury by equipping the public safety industry with innovative tools and training that enable police and private security to take individuals into custody without having to use force.

### BOLA WRAP 150®



#### DEVICE

Customizable colors and accessories for personalized departments



#### CASSETTE

Serialized, one-time use



#### ACCESSORIES

Holsters, belt clips, etc.

### WRAP REALITY™



**Cutting-edge virtual reality training technology for law enforcement and security personnel**

BOLA WRAP 150:

# **BOLAWRAP<sup>®</sup> SAVES LIVES**



### DEVICE

Customizable colors and accessories for personalized departments



### CASSETTE

Serialized, one-time use

### ACCESSORIES

Holsters, belt clips, etc.



## BolaWrap<sup>®</sup> 150

- Compliance Without Pain
- De-escalate Encounters
- Helps Keep Officers & Subjects Safe
- Reduces Litigation
- Contributes to Restoring Trust Between Community & Law Enforcement

**14**

U.S. patents granted

**6**

Foreign patents granted

**Multiple**

U.S and foreign patents allowed and pending

**3**

Trademarks filed in U.S. and targeted foreign countries

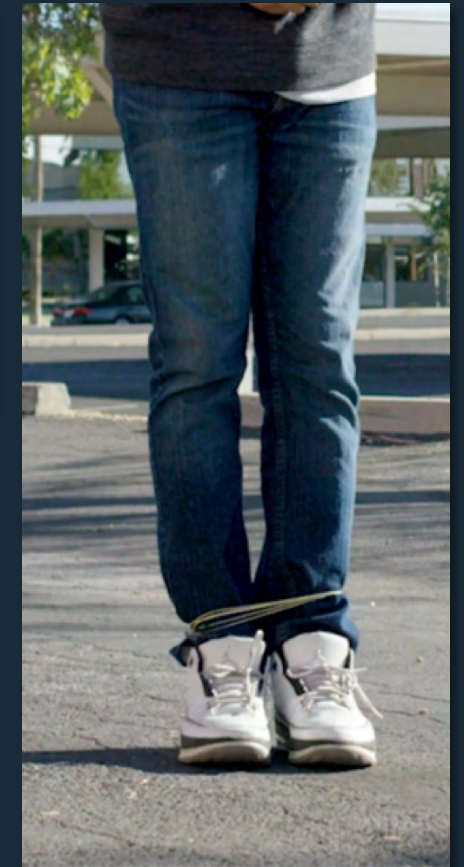
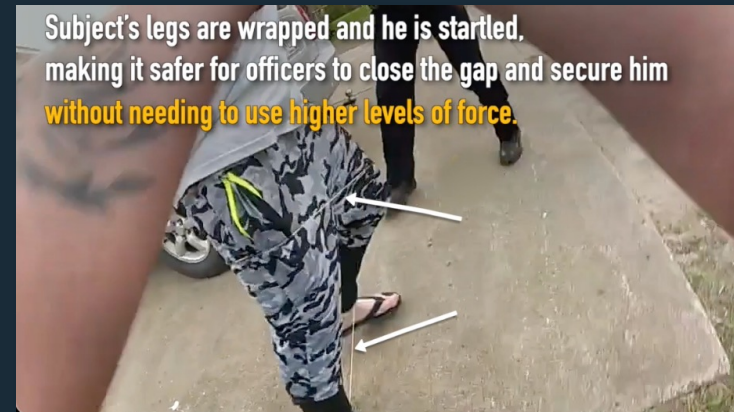
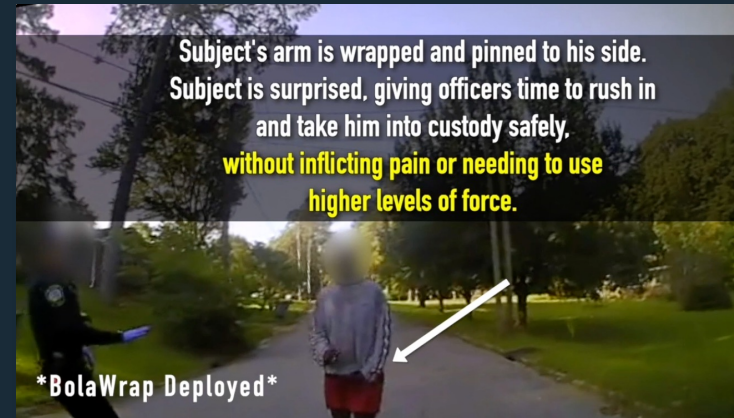
**55**

Countries covered by foreign patents filed



### A SUCCESSFUL OUTCOME IS WHEN:

BolaWrap® aids in a suspect being taken into custody, without the escalation of force and without significant injury to the suspect or officers.







**825+**  
Police agencies in the US  
and 58 countries currently  
have BolaWrap® devices.

WRAP REALITY:  
**IMMERSIVE  
TRAINING SAVE  
LIVES**



### Cutting-edge virtual reality training technology for law enforcement and security personnel



#### FULL IMMERSION

Virtual reality brings the “stress” of the real world into the training space (minimum 10’ x 10’; maximum 30’ x 30’)

#### QUALITY CONTENT

Each module is designed by police training experts

#### WIDE SPECTRUM OF SKILL SETS

Use of force, de-escalation, conflict resolution, and process and procedure

#### LARGE LIBRARY OF TRAINING MODULES

More than 36 modules representing a variety of relevant scenarios law enforcement officers face on a regular basis

#### 360 THREAT VECTORS

Danger comes from all directions (e.g., above, and below)

#### INNOVATION

WRAP Reality has early access to cutting edge technology from some of America’s largest, and most prominent technology companies

#### EASE OF TRANSPORT

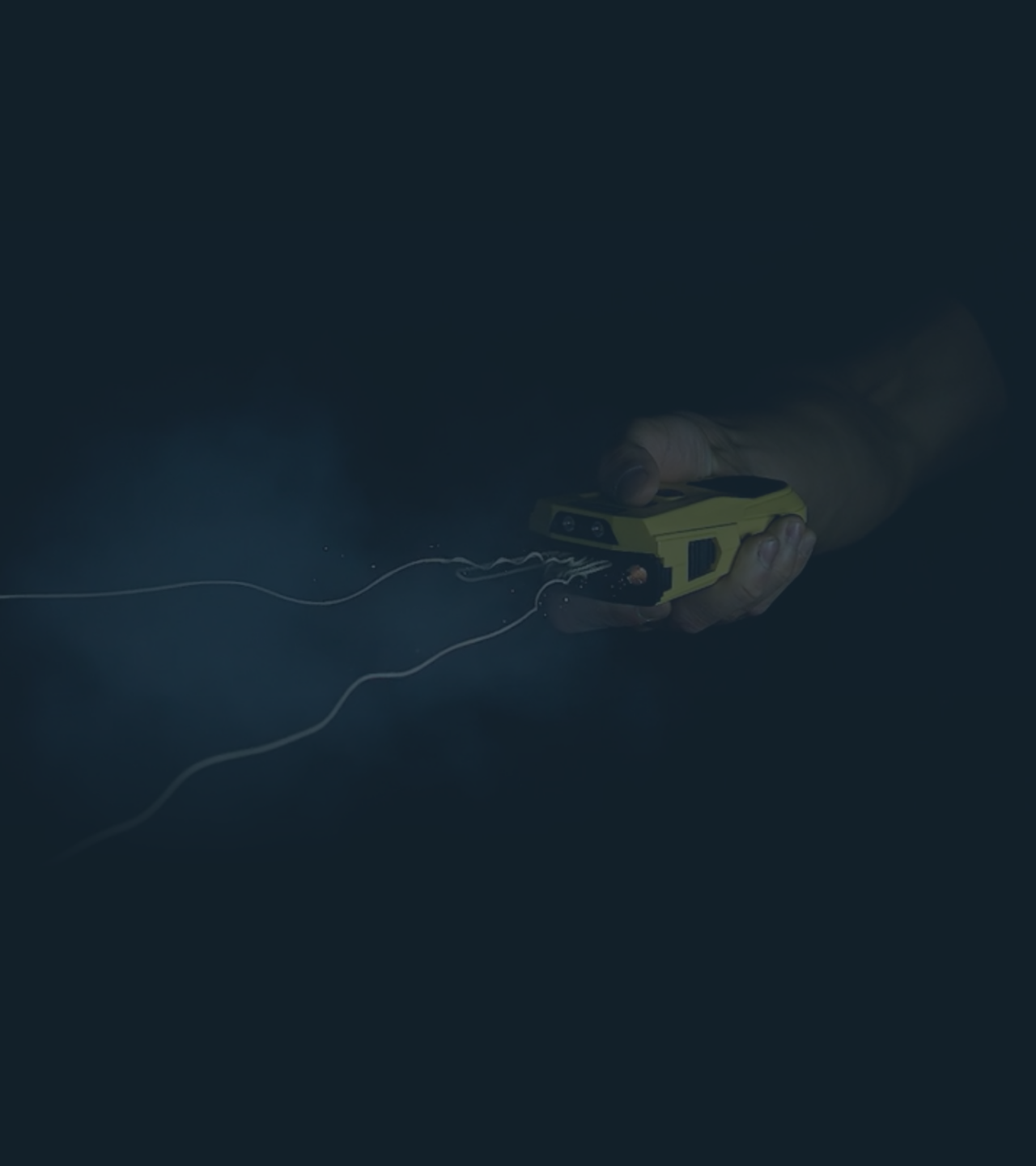
Entire system can fit inside of two 3’ x 2’ x 2’ Pelican cases

#### EASE OF USE

Basic operation can be learned in under an hour

#### EASE OF INSTALLATION

On-site installation and train-the-trainer sessions



SIGNIFICANT  
**MARKET  
OUTLOOK**

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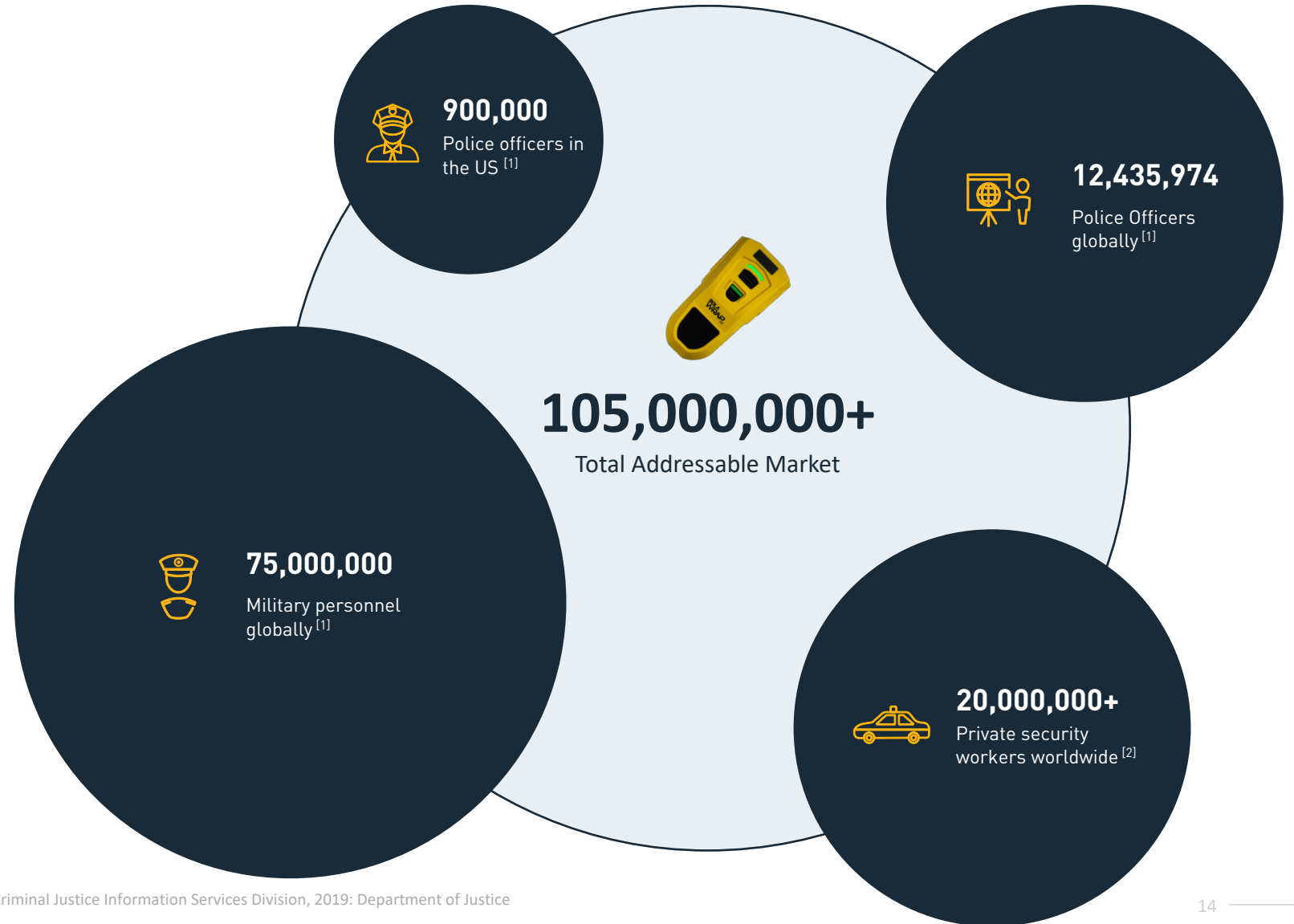
### NON-LETHAL DEVICE MARKET

**\$16.1B**

2027

**\$9.0B**

2021

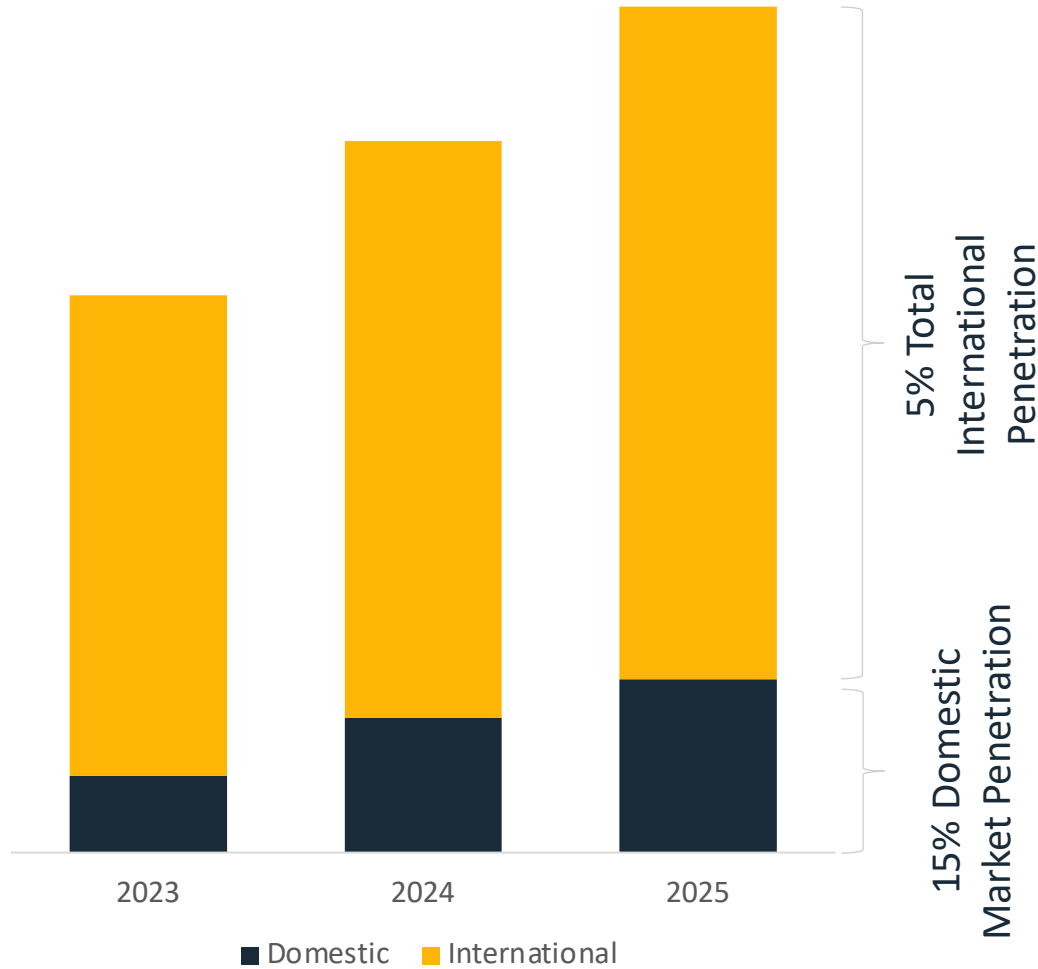


[1] 2018: FBI's Criminal Justice Information Services Division, 2019: Department of Justice

[2] <https://forbes.com/sites/niallmccarthy/2017/08/31/private-security-outnumbers-the-police-in-most-countries-worldwideinfographic>



Potential full market opportunity for BolaWrap®



**BolaWrap 150® 3-Year Market Opportunity**

5% Current Deployed Agencies

<1% Currently Deployed Officers



15% Penetration

5% Penetration

Device Revenue  
Annual Cassette Revenue

**+\$175M**  
**+\$ 15M**

**+\$750M**  
**+\$ 60M**



CORPORATE STRATEGY

# SOLID GO FORWARD STRATEGY

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NASDAQ: WRAP

[wrap.com](https://www.wrap.com)



**TJ KENNEDY**  
CHIEF EXECUTIVE OFFICER

**29**

YEARS OF EXPERIENCE



**KEVIN MULLINS**  
PRESIDENT

**31**

YEARS OF EXPERIENCE



**CHRIS DEALMEIDA**  
CHIEF FINANCIAL OFFICER

**26**

YEARS OF EXPERIENCE



**GLENN HICKMAN**  
CHIEF OPERATING OFFICER

**12**

YEARS OF EXPERIENCE



- Execute on comprehensive roadmap focused on sustainable growing revenue, driving strong margins, and supporting long run profitability
- Implement enhanced sales approach for long-term value creation
- Use improved pricing to expand domestically, internationally, and within current departments driving improved margins
- Continue implementing customer success function to maintain customer retention and drive customer expansion and patrol-wide deployment
- Build on recently added inside sales function
- Create additional distributor and partner relationships





- Achieving Repeatable and Predictable Sales
- Expanding the Sales Function
- Building Stronger Relationships with Key Distribution Partners
- Focusing on Increasing Sales Successes & Lead Generation
  - Dedicated Inside Sales Function
  - Improved Quota and Commission Structures
  - Better Pipeline Management
  - Sales Discipline
  - Better Sales Funnel Communication



### DISTRIBUTION NETWORK



#### International

International Distributor Network

**49**

International Distributors

**58**

Countries currently with BolaWrap products

**58**

Countries covered by Distributors

#### United States

US Distributor Network

**13**

Distributors

**50**

States covered by Distributors

**120+**

Distributor personnel selling BolaWrap products to US law enforcement customers

**825+**

Police agencies currently testing or carrying BolaWrap in the field

**4300+**

All time certified officer instructors

### United States - decisions made by each department's Chief



**Large Departments  
Federal Agencies** →

Internal Sales Team  
Trained by WRAP Training  
Academy

More Decision Makers  
Longer Sales Cycle  
Larger Orders

**Small Departments** →

Distributor Network Trained  
By WRAP Training Academy

Fewer Decision Makers  
Shorter Sales Cycle  
Smaller Orders

### International - decisions made on national level by individual entities



**Large Departments  
Federal Agencies** →

Distributor Network Trained  
By WRAP Training Academy

Less Decision Makers  
Low Visibility  
Sales Cycle  
Significant Orders





### Strategic Update Deployed

- Strategic Roadmap deployed
- Redesigned go-to-market sales approach
- Connected with all major distributors across the Globe to realign sales process and introduce new management team



### Continued to Deploy Products

- Trained law enforcement agencies up 39% YOY
- Certified Officer Instructors up 36% YOY
- More than 1300 agencies trained



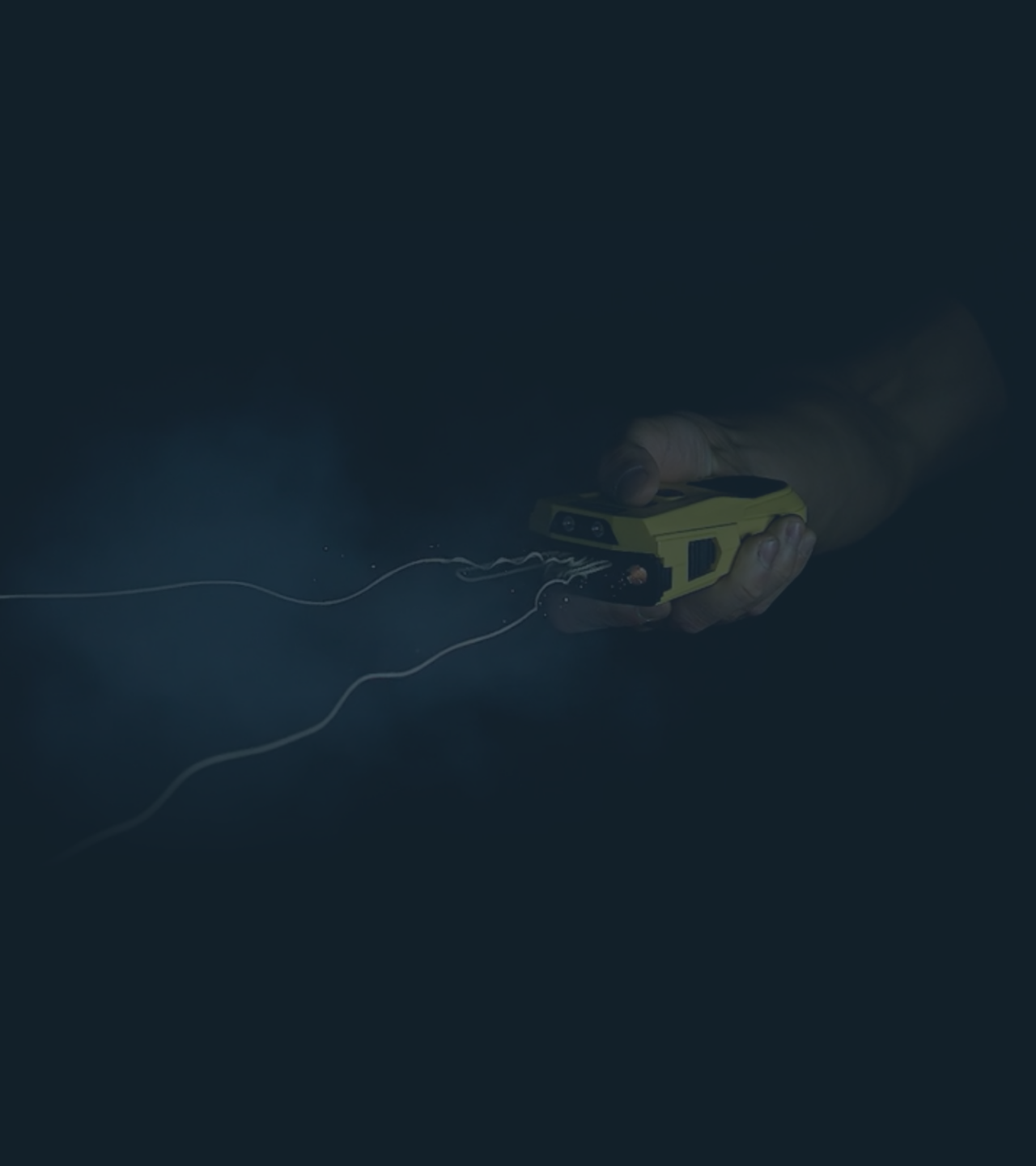
### Cost Savings Implemented

- Operating Expense down 21% YOY due to cost controls
- Further operating expense reductions made to reduce cash burn
- Reduced workforce to critical components



### 2022 Year of Transition

- Achieved 54% gross margin in Q3 2022
- Achieving Repeatable and Predictable Sales
- Expanding the Customer Success and Sales Functions
- Committed to the BolaWrap 150® for the next 5-10 years



**STRONG**

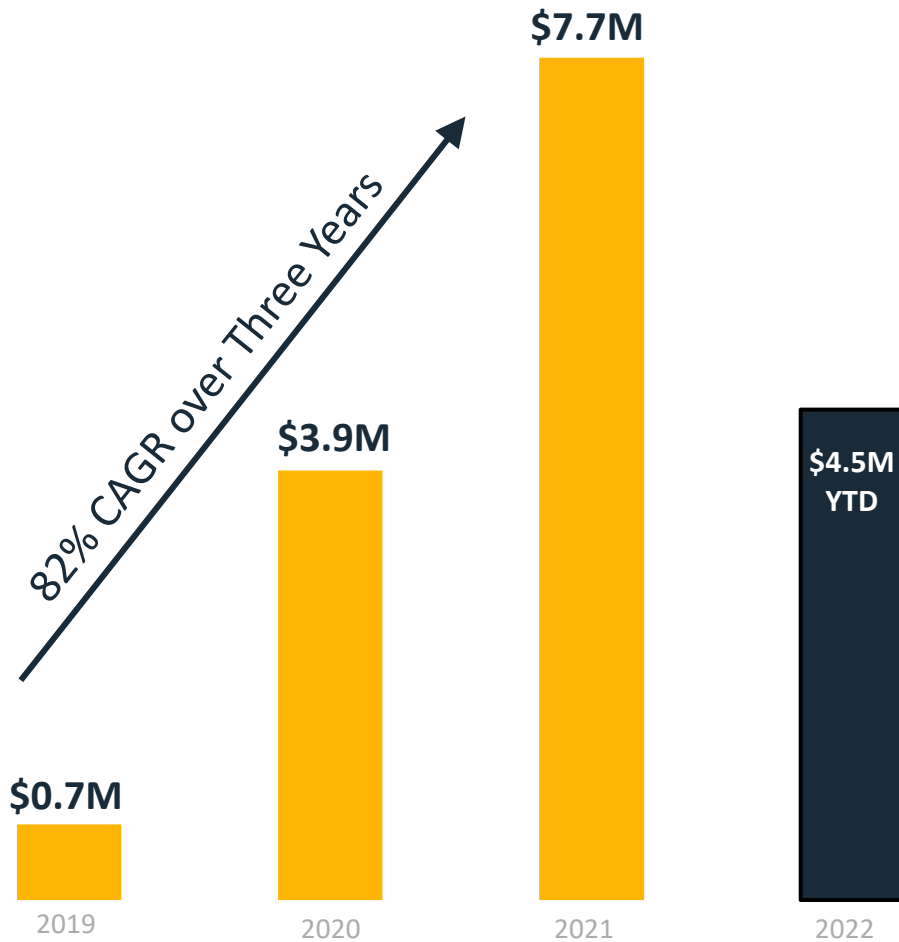
# **FINANCIAL OUTLOOK**

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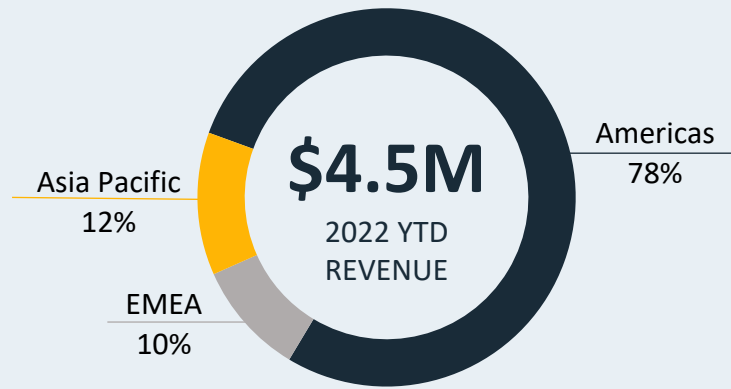
**NASDAQ: WRAP**

[wrap.com](https://www.wrap.com)

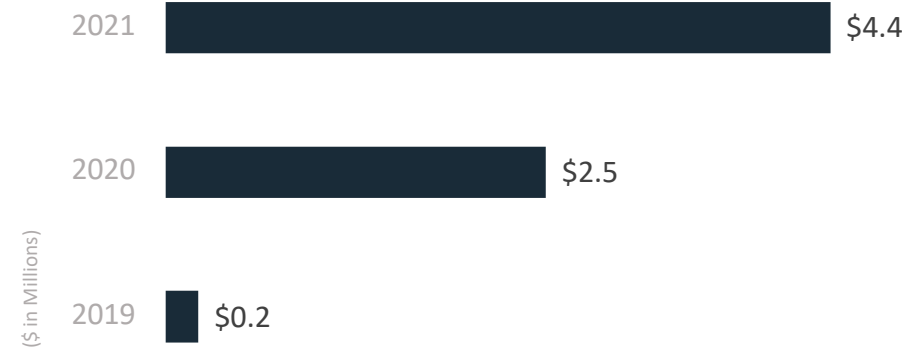
Annual Revenue Continues Strong Growth



2022 YTD Revenue Breakdown



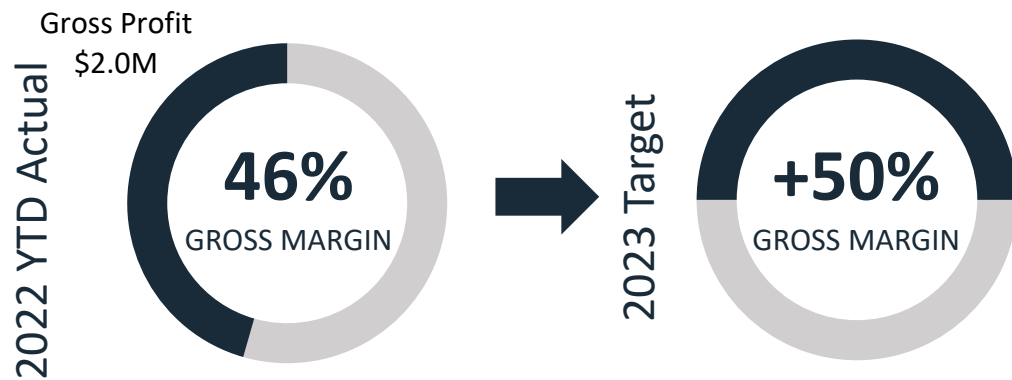
International Revenue Growth



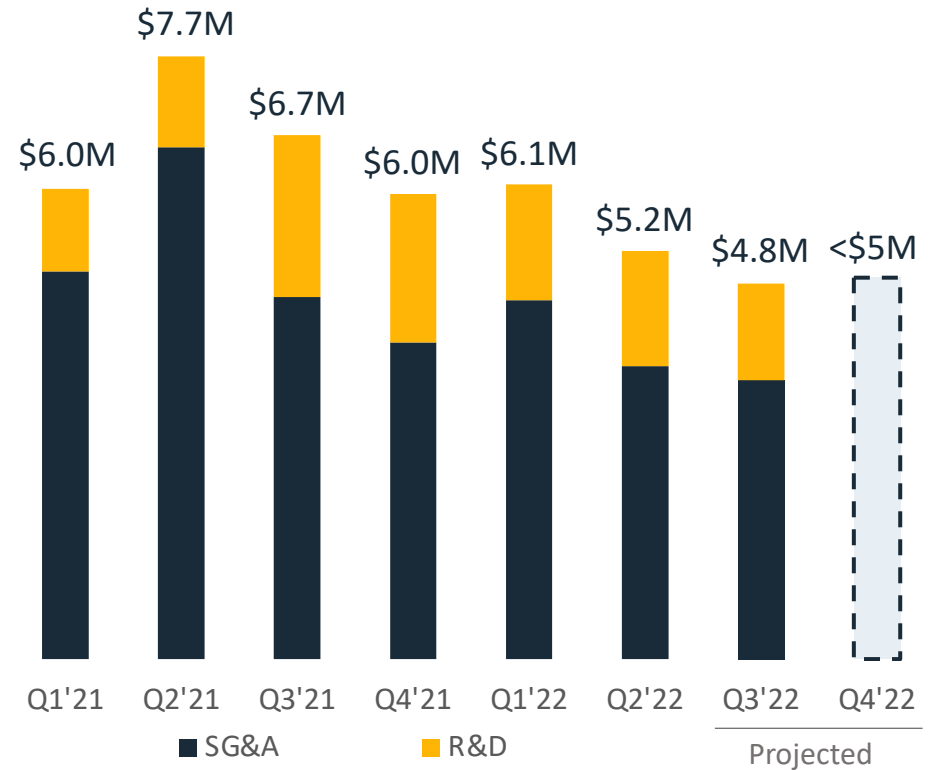


As a company, we are focused on improving sales while reducing and eliminating non-critical mission SG&A and R&D costs. In 2022, we have already reduced our OPEX costs by over \$5M on an annualized basis.

**IMPROVING FUTURE GROSS PROFIT**



**FOCUSED ON REDUCING OPEX COST**



(\$ in millions)	09/30/22	12/31/21
<b>Assets</b>		
Current Assets		
Cash & ST Investments	\$ 23.7	\$ 34.9
Other Current Assets	<u>5.8</u>	<u>6.3</u>
Total Current Assets	\$ 29.5	\$ 41.2
Other Assets	<u>3.0</u>	<u>3.0</u>
Total Assets	<u>\$ 32.5</u>	<u>\$ 44.2</u>
<b>Liabilities and Stockholder's Equity</b>		
Liabilities		
Current Liabilities	\$ 2.1	\$ 2.9
Long-Term Liabilities	<u>0.4</u>	<u>0.1</u>
Total Liabilities	\$ 2.5	\$ 3.0
Stockholder's Equity	<u>30.0</u>	<u>41.2</u>
Total Liabilities and Stockholder's Equity	<u>\$ 32.5</u>	<u>\$ 44.2</u>

## CORPORATE HIGHLIGHTS



**41.13 million**

Shares Outstanding  
(09/30/2022)



**\$23.7 million**

Cash & Short-term  
investments  
(09/30/2022)



**\$30.0 million**

Stockholders' Equity  
(09/30/2022)



**\$27.3 million**

Working Capital  
(09/30/2022)



**13.9 million**

Insider Ownership  
(09/30/2022)



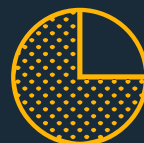
**\$58 million**

Market Cap.  
(as of 11/08/2022)



QUARTER SALES ABOVE  
\$5M IN 2023

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QUARTER OPEX BELOW  
\$5M IN 2023

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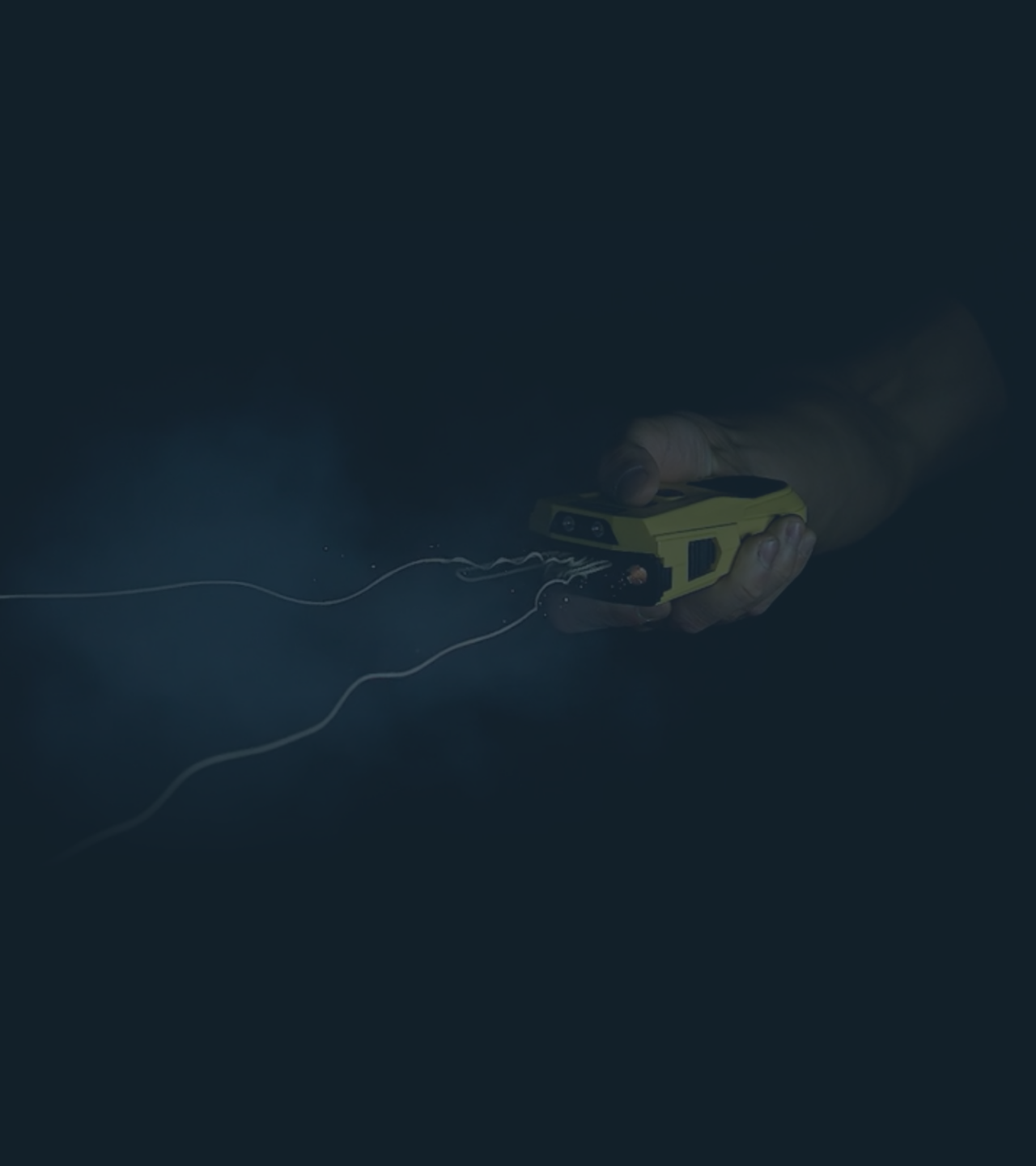
ADJUSTED QUARTER  
EBITDA BREAKEVEN IN 2023

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QUARTER  
PROFITABILITY IN 2024

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# SUMMARY

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- We are executing on our strategic roadmap.
- We have improved Gross Margin through manufacturing, improved pricing, and sales process.
- We have reduced Operating Expenses significantly and expect our cash burn to continue to improve.
- We have improved our go to market approach to drive repeatability and scalability.
- We are in a transition year but expect to drive continued success to break even by the end of 2023.
- We have a path to be cash flow positive by the end of 2024.



## **Wrap Technologies, Inc.**

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## **Wrap Investor Relations**

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