

Knightscope, Inc.

Q1 about inline. We believe strong growth over the next year and AI assets to drive stock much higher. Lowering P/T to \$26.

COMPANY UPDATE

Rating: BUY

Ticker: KSCP

Price: \$6.02

Target: \$26
(from \$30)

Q1 about inline: Knightscope recently (on May 14) reported its fiscal Q1 2025 (ending March) results. Revenue was \$2.9 million (+29% y-o-y), compared to our estimates of \$2.2 million and consensus of \$2.6 million. EPS was \$(1.28), compared to our estimates of \$(0.84) and consensus of \$(1.68). There was no Q1 guidance.

No guidance: The company has not provided forward guidance.

Adjusting estimates: We are maintaining our 2025 revenue estimates of \$11 million, but adjusting it for EPS to \$(3.49) from \$(2.74).

Focused on security technologies: The company is a leading provider of Autonomous Security Robots ("ASRs") and blue light emergency communication devices consisting of emergency blue light towers, blue light emergency phone ("E-Phone") towers, fully integrated, solar-powered cellular emergency phone towers, and emergency call box systems ("Call Box").

Targeting crime: ASRs conduct real-time on-site data collection and analysis in both indoor and outdoor spaces delivering alerts to security professionals to access the data for investigative purposes. Knightscope's technologies and products are designed to supplement the work of law enforcement and security professionals and are known to be effective in reducing crime.

Market opportunities: In the U.S., there are over 8,000 private security firms and 19,000 law enforcement agencies – a fragmented marketplace relying primarily on human beings for monitoring and patrol activities. Due to recent large rise in crime and labor and shortages issues for public safety officers, the company believes that the market for its technologies will continue to grow.

Revenue growth potential strong long term: We believe revenues should increase significantly in 2026/27. We have modeled high revenue growth in 2026 and thereafter to scale up significantly which should drive improved margins and profitability. We expect the company to be profitable in 2027.

Leader in AI: The company is a pioneer in the use of AI (artificial intelligence) for its ASRs. The K3 and K5 ASRs are designed to patrol autonomously (using AI), either randomly or on a scheduled pattern. The ASRs are well developed AI machines with over 2.5+ million hours of operating service logged. The company is currently developing the all-new K7 Autonomous Security Robot.

Acquisition synergies: In October 2022, the company acquired CASE Emergency Systems for \$6.7 million. CASE is a leader in blue light emergency phones and wireless emergency communications technology, providing Knightscope with a strategic entry into a nationwide market.

Positive high risks versus high rewards: Overall, concerns outweighed by growth prospects and valuation. Knightscope's main ASRs and communication products still has long commercialization challenges ahead, but we believe the ~billion dollars market potential presents high rewards for the risks.

Balance sheet: In Q1, the company's had \$13 million in cash and \$5 million in debt. We believe it has enough cash into 2026.

Valuation attractive: We are maintaining our BUY rating, but lowering our 12-month price target to \$26 from \$30, based on a NPV analysis, representing significant upside from the current share price. We believe this valuation appropriately balances out the company's high risks with its high growth prospects and large upside opportunities.

Company Description

Knightscope, based in Mountain View, CA, is a security technology company whose autonomous security robots and blue light emergency communications systems help protect the places people live, work, study and visit.

Stock Data

Exchange:	NasdaqCM
52-week Range:	2.45 – 28.57
Shares Outstanding (million):	7
Market cap (\$million):	\$42
EV (\$million):	\$34
Debt (\$million):	\$5
Cash (\$million):	\$13
Avg. Daily Trading Vol. (\$million):	\$3
Float (million shares):	7
Short Interest (million shares):	0.7
Dividend, annual (yield):	\$0 (NA%)

Revenues (US\$ million)

	2025E (Cur.)	2025E (Old)	2026E (Cur.)	2026E (Old)
Q1 Mar	2.9A	2.2E	2.5E	2.9E
Q2 Jun	2.5E	2.3E	2.6E	3.4E
Q3 Sep	2.5E	2.9E	3.1E	
Q4 Dec	3.0E	3.6E	5.8E	4.6E
Total	11.0E		14.0E	
EV/Revs	3.1x		2.4x	

Earnings per Share (pro forma)

	2025E (Cur.)	2025E (Old)	2026E (Cur.)	2026E (Old)
Q1 Mar	(1.28)A	(0.84)E	(0.69)E	(0.61)E
Q2 Jun	(0.82)E	(0.71)E	(0.68)E	(0.69)E
Q3 Sep	(0.75)E	(0.62)E	(0.66)E	(0.58)E
Q4 Dec	0.74)E	0.57)E	0.68)E	0.62)E
Total	(3.49)E	(2.74)E	(2.72)E	(2.50)E
P/E	N/A		N/A	

Important Disclosures

Ascendant Capital Markets LLC seeks to do business with companies covered by its research team. Consequently, investors should be aware that the firm may have a conflict of interest that could affect the objectivity of this report. Investors should consider this report as only a single factor in making an investment decision.

For analyst certification and other important disclosures, refer to the Disclosure Section, located at the end of this report, beginning on page 12.

OVERVIEW

- Knightscope recently (on May 14) reported its fiscal Q1 2025 (ending March) results.
- Revenue was \$2.9 million (+29% y-o-y), compared to our estimates of \$2.2 million and consensus of \$2.6 million.
- EPS was \$(1.28), compared to our estimates of \$(0.84) and consensus of \$(1.68).
- There was no Q1 guidance.
- The company did not provide specific forward guidance.
- We are maintaining our 2025 revenue estimates of \$11 million, but adjusting it for EPS to \$(3.49) from \$(2.74).
- We are maintaining our 2026 revenue estimates of \$14 million, but adjusting it for EPS to \$(2.72) from \$(2.50).

ADDITIONAL DETAILS

- Gross profit for the quarter was \$(0.7) million, compared with our estimate of \$0 million.
- Gross margin for the quarter was -23%, versus our expectation of 0% and -64% last year.
- Operating expenses were \$6.2 million, versus our expectation of \$5.7 million.
- Operating loss was \$6.8 million, versus our expectation of a loss of \$5.7 million.
- Net loss was \$6.9 million, versus our expectation of a loss of \$5.9 million.
- Backlog was \$2.5 million, up from \$1.7 million in Q4.

In April 2025, the company signed a lease for its new 33,355-square-foot corporate headquarters at 305 North Mathilda Avenue in Sunnyvale, California. Timed to mark the Company's 12th anniversary since its founding in 2013, this expansion signifies a bold step forward in Knightscope's mission to make America the safest country in the world. Strategically located in the heart of Silicon Valley, the new location more than doubles the company's previous space, enabling accelerated growth across engineering, manufacturing, and client support.

The company's balance sheet had \$13 million in cash and \$5 million in debt, compared with \$11 million in cash and \$5 million in debt at the end of December. In Q1, the company raised ~\$9 million selling stock.

Exhibit 1: Knightscope Corporate Overview



We are on a long-term mission to make the
United States of America the safest country
in the world.

LONG KNIGHTSCOPE. SHORT THE CRIMINALS.



Overview

Knightscope is an advanced security technology company based in Silicon Valley that builds fully autonomous security robots that deter, detect and report. Our groundbreaking technology has proven to help in fighting crime, providing security and public safety professionals unprecedented situational awareness. Knightscope's cost-effective security robots help secure the places you live, work, study and visit. Our long-term ambition is to make the United States of America the safest country in the world. #LongKnightscopeShortTheCriminals



Source: Company reports.


Exhibit 2: Knightscope's Products - Autonomous Security Robots (ASRs) and Blue Light Emergency Communication Devices



Source: Company reports.


Exhibit 3: Knightscope's Investment Summary

At a Glance




Knightscope, Inc. (NASDAQ: KSCP) is a **public safety innovator** headquartered in Silicon Valley on a long-term mission to make America the safest country in the world.


- We design, engineer, manufacture, deploy and monitor cutting-edge autonomous **machines and software** applications utilized by businesses and governments nationwide
- Our advanced technology is used to deter, detect and report criminal activity to better **protect** the places people live, work, study and visit – targeting an estimated **\$230 billion TAM**
- First mover advantage with **3+ million hours of autonomous operations** across the country
- Achieved **Authority to Operate ("ATO")** with U.S. Federal Government poised for long-term sustainable and profitable growth
- Next generation new products under development include the **K7 Autonomous Security Robot** and the **K1 Super Tower** to be launched in 2026




Founded
2013




Employees
70




Headquarters
Mountain View, CA




Machines in Network
~10,000



Market Capitalization
\$53.1M (as of Dec 31, 2024)



Estimated Cash
\$11M (end 2024 estimate)



Estimated Revenue
\$11M (end 2024 estimate)

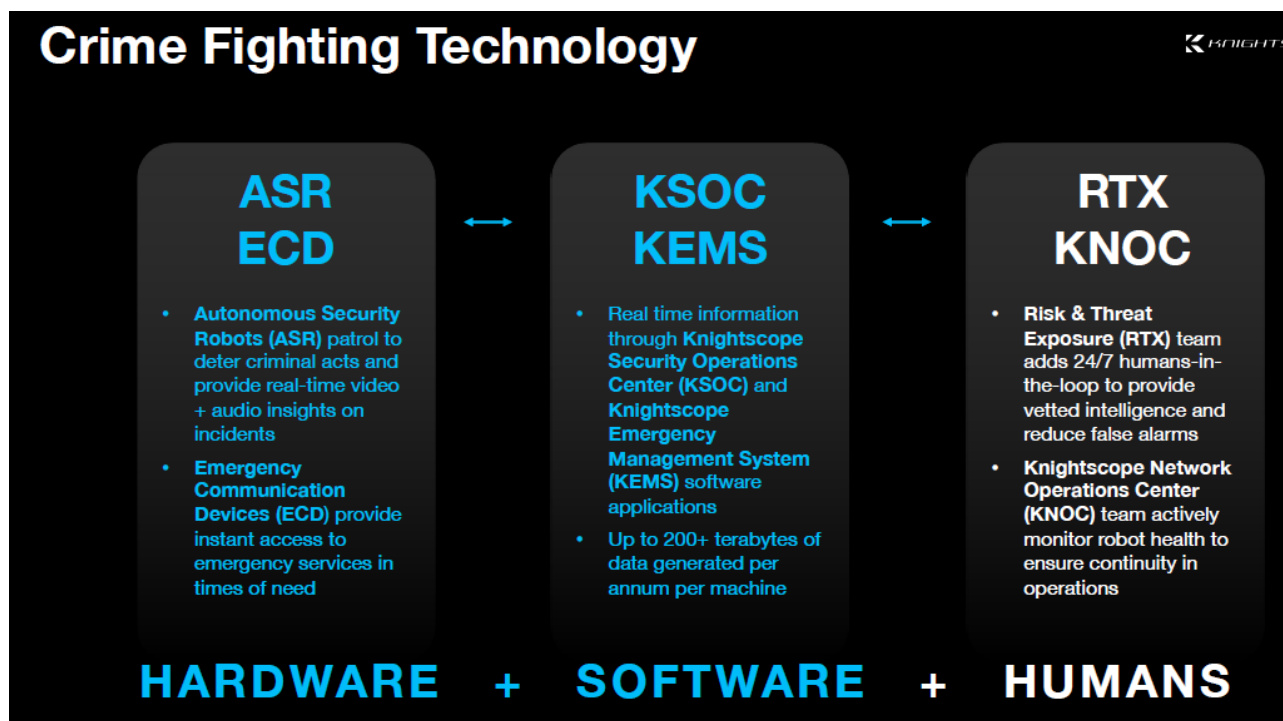
Source: Company reports.

Exhibit 4: Knightscope Market Opportunities

\$40B+ Recurring Revenue Opportunity (USA)						
Selected Vertical	Total Number of Guards and Officers	Estimated % Augmentation with Robots		Potential Annual Recurring Revenue (estimate)		
		Near-Term	Long-Term	Per Robot	Near-Term Opportunity	Long-Term Opportunity
Corporate Campuses	12,000	2%	20%	\$70,000 *	\$17M	\$168M
Healthcare	193,550				\$271M	\$2,710M
Casinos	59,160				\$83M	\$828M
Commercial Real Estate	260,400				\$365M	\$3,646M
Manufacturing & Logistics	270,869				\$379M	\$3,792M
Law Enforcement	1,000,000			\$150,000 **	\$3B	\$30B
Total	~ 1.8 million	~ 36,000 robots	~ 360,000 robots		~ \$4.1 billion	~ \$41 billion

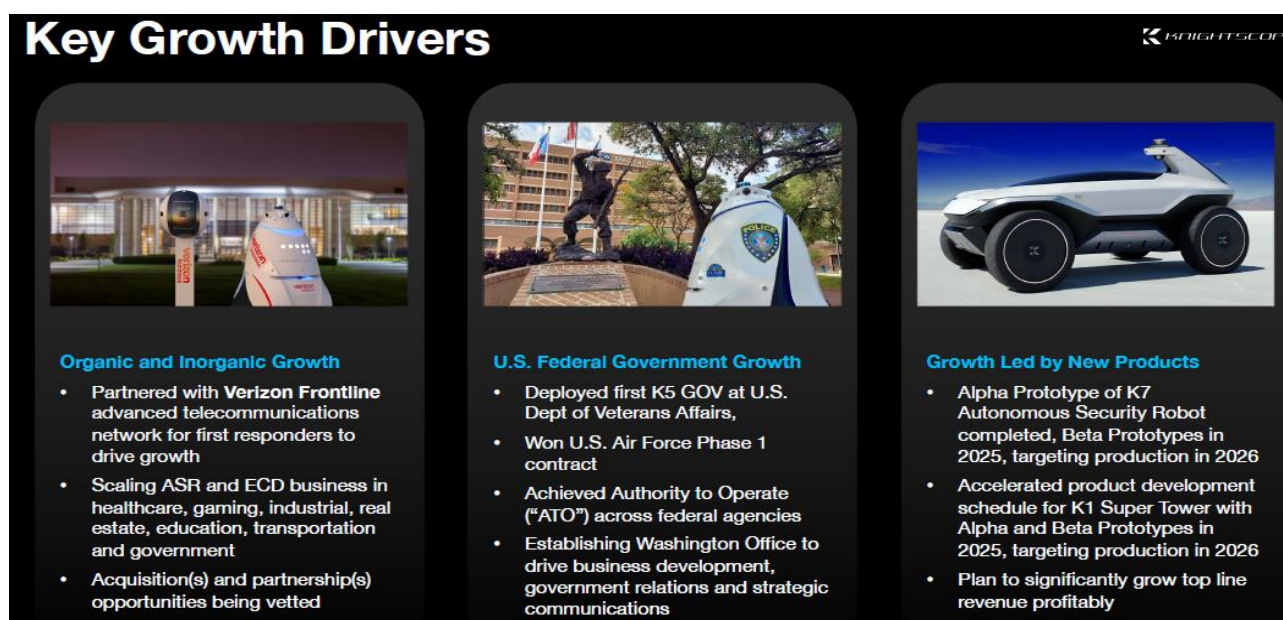
Source: Company reports.

Exhibit 5: Knightscope Products Solution



Source: Company reports.

Exhibit 6: Key Growth Drivers



Source: Company reports.

Exhibit 7: Q1 2025 and Recent Highlights (as of May 14, 2025)

Knightscope Reports First Quarter 2025 Financial Results

Wed, 14 May 2025 09:00:00 -0400 | Business Wire

Delivers 29% Revenue Growth Year Over Year and Significant Improvement in Gross Margin

Company to Participate in Ladenburg Thalmann Innovation EXPO25

Knightscope, Inc. (NASDAQ:KSCP), a leader in developing autonomous security robots and artificial intelligence technologies, today announced financial and operating results for the first quarter ended March 31, 2025.

First Quarter 2025 Financial Highlights

- Total net revenue of \$2.9 million, up 29% compared to \$2.3 million in Q1 2024
- Gross margin loss improved to (23%), a notable improvement from (64%) in Q1 2024
- Net loss decreased to \$6.9 million, a 19% improvement in Q1 2024
- Cash and cash equivalents increased to \$12.7 million, up from \$11.1 million as of December 31, 2024
- Total stockholders' equity rose to \$18.2 million, compared to \$15.8 million as of December 31, 2024

Operational & Strategic Highlights

- **Continued Strong Demand** – as of May 7, 2025, the Company had a total backlog of at \$2.5 million, comprised of \$1.9 million related to ECD orders and \$0.6 million related to ASR orders,
- **Diverse Growth Drivers** – ECD revenue outpaced prior year by 37%, led by expansion of strategic, long-term partnerships from new and existing customers,
- **Cost Discipline** – general and administrative expenses declined 24% year over year, driven by lower investor relations and legal fees,
- **Enhanced Liquidity** – raised \$7.4 million through an at-the-market (ATM) equity offering and \$1.4 million from a registered direct offering in Q1 2025.
- **New Headquarters** – secured a new 33,000 sq ft facility in Sunnyvale, California, to support long-term growth and operational scaling.

Source: Company reports.

Exhibit 8: Knightscope, Inc. Stock Price (since IPO January 2022)



*Reflects a 1:50 reverse stock split in September 2024.

Source: <https://bigcharts.marketwatch.com/>

Exhibit 9: Consensus Expectations (as of May 14, 2025)

	Revenue			EPS	
	2025E	2026E		2025E	2026E
Q1 Mar	\$2.6E		Q1 Mar	\$(1.68)E	
Q2 Jun	\$3.2E		Q2 Jun	\$(1.60)E	
Q3 Sep			Q3 Sep		
Q4 Dec			Q4 Dec		
Total	\$13.5E	\$19.1E	Total	\$(6.61)E	\$(5.39)E

*Quarterly estimates may not add to annual estimates due to variations in contributing estimates and rounding.

Source: Company report, LSEG, and Ascendant Capital Markets estimates

FINANCIAL MODEL

Knightscope, Inc.

Income Statement (\$ mils)	Mar-23	Jun-23	Sep-23	Dec-23	2023	Mar-24	Jun-24	Sep-24	Dec-24	2024	Mar-25	Jun-25	Sep-25	Dec-25	2025	Mar-26	Jun-26	Sep-26	Dec-26	2026
Fiscal Year End: December 31	Q1A	Q2A	Q3A	Q4A	FY-A	Q1A	Q2A	Q3A	Q4A	FY-A	Q1A	Q2E	Q3E	Q4E	FY-E	Q1E	Q2E	Q3E	Q4E	FY-E
Total Revenue	2.9	3.6	3.3	3.0	12.8	2.3	3.2	2.5	2.8	10.8	2.9	2.5	2.5	3.0	11.0	2.5	2.6	3.1	5.8	14.0
Cost of Revenues	3.1	3.6	3.3	4.9	14.8	3.7	3.8	3.2	3.8	14.5	3.6	2.5	2.5	2.9	11.5	2.4	2.5	2.7	4.7	12.3
Gross Profit	(0.2)	0.0	0.0	(1.9)	(2.0)	(1.4)	(0.6)	(0.7)	(1.0)	(3.7)	(0.7)	0.0	0.0	0.1	(0.5)	0.1	0.2	0.4	1.1	1.7
Research & development	1.4	1.5	1.9	1.6	6.4	1.6	1.6	1.8	2.1	7.1	2.1	1.6	1.0	0.8	5.6	1.0	1.1	1.2	1.5	4.8
Sales and marketing	1.1	1.2	1.4	1.5	5.2	1.5	1.5	1.0	1.1	5.1	1.3	1.5	1.6	1.5	5.9	0.8	0.8	1.2	1.7	4.6
General & administrative	3.6	3.3	3.2	2.4	12.6	3.6	2.7	4.2	2.7	13.3	2.8	2.5	2.5	3.0	10.8	3.3	3.2	2.8	2.9	12.1
Restructuring and other	0.1	0.0			0.1	0.1	0.3	0.0	0.1	0.5					0.0					0.0
Total operating expenses	6.3	6.0	6.5	5.5	24.3	6.8	6.2	7.0	5.9	26.0	6.2	5.6	5.2	5.4	22.3	5.0	5.1	5.2	6.1	21.4
Operating income (loss)	(6.5)	(5.9)	(6.5)	(7.3)	(26.3)	(8.3)	(6.8)	(7.7)	(6.9)	(29.7)	(6.8)	(5.6)	(5.2)	(5.2)	(22.9)	(4.9)	(4.9)	(4.8)	(5.0)	(19.7)
Interest income (expense)	(0.5)	0.0	(0.0)	(0.1)	(0.6)	(0.1)	(0.2)	(0.1)	(0.0)	(0.4)	(0.1)	(0.2)	(0.2)	(0.2)	(0.7)	(0.2)	(0.2)	(0.2)	(0.2)	(0.8)
Other income (expense)	4.6	1.1	(1.9)	0.9	4.7	0.8	0.7	(3.0)	(0.0)	(1.6)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Income before income taxes	(2.4)	(4.8)	(8.3)	(6.5)	(22.1)	(7.6)	(6.3)	(10.9)	(7.0)	(31.7)	(6.9)	(5.8)	(5.4)	(5.4)	(23.6)	(5.1)	(5.1)	(5.0)	(5.2)	(20.5)
Income taxes					0.0					0.0					0.0					0.0
Net income (loss)	(2.4)	(4.8)	(8.3)	(6.5)	(22.1)	(7.6)	(6.3)	(10.9)	(7.0)	(31.7)	(6.9)	(5.8)	(5.4)	(5.4)	(23.6)	(5.1)	(5.1)	(5.0)	(5.2)	(20.5)
Nonrecurring/noncash adjustments					0.0					0.0					0.0					0.0
Net income (pro forma)	(2.4)	(4.8)	(8.3)	(6.5)	(22.1)	(7.6)	(6.3)	(10.9)	(7.0)	(31.7)	(6.9)	(5.8)	(5.4)	(5.4)	(23.6)	(5.1)	(5.1)	(5.0)	(5.2)	(20.5)
EBITDA	(5.2)	(4.5)	(4.9)	(6.0)	(20.7)	(7.2)	(5.5)	(6.4)	(5.7)	(24.8)	(5.7)	(5.0)	(4.6)	(4.6)	(19.9)	(4.3)	(4.3)	(4.2)	(4.4)	(17.2)
Shares, Basic	0.9	1.1	1.6	1.7	1.3	1.9	2.3	3.0	4.3	2.9	5.4	7.1	7.2	7.3	6.8	7.4	7.5	7.6	7.7	7.6
Shares, Diluted	0.9	1.1	1.6	1.7	1.3	1.9	2.3	3.0	4.3	2.9	5.4	7.1	7.2	7.3	6.8	7.4	7.5	7.6	7.7	7.6
EPS Basic (pro forma)	(\$2.86)	(\$4.19)	(\$5.36)	(\$3.80)	(\$16.77)	(\$3.94)	(\$2.68)	(\$3.58)	(\$1.62)	(\$10.97)	(\$1.28)	(\$0.82)	(\$0.75)	(\$0.74)	(\$3.49)	(\$0.69)	(\$0.68)	(\$0.66)	(\$0.68)	(\$2.72)
EPS Diluted (pro forma)	(\$2.86)	(\$4.19)	(\$5.36)	(\$3.80)	(\$16.77)	(\$3.94)	(\$2.68)	(\$3.58)	(\$1.62)	(\$10.97)	(\$1.28)	(\$0.82)	(\$0.75)	(\$0.74)	(\$3.49)	(\$0.69)	(\$0.68)	(\$0.66)	(\$0.68)	(\$2.72)
Margins																				
Gross margin	-7%	0%	2%	-62%	-16%	-64%	-17%	-28%	-35%	-34%	-23%	0%	0%	4%	-5%	5%	6%	12%	19%	12%
Research & development	48%	42%	57%	52%	50%	70%	51%	70%	74%	65%	73%	65%	40%	26%	51%	40%	40%	40%	26%	34%
Sales and marketing	39%	33%	42%	49%	40%	67%	48%	39%	39%	48%	44%	60%	65%	50%	54%	31%	31%	40%	30%	33%
General & administrative	126%	92%	97%	81%	98%	162%	85%	167%	94%	123%	95%	100%	100%	100%	99%	130%	120%	90%	50%	86%
Operating margin	-225%	-167%	-195%	-244%	-205%	-367%	-211%	-305%	-245%	-275%	-234%	-225%	-205%	-172%	-208%	-196%	-185%	-158%	-87%	-141%
Tax rate, GAAP	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Net margin	-84%	-135%	-251%	-217%	-173%	-337%	-196%	-430%	-248%	-294%	-236%	-233%	-213%	-178%	-214%	-204%	-193%	-165%	-91%	-147%
Y/Y % change																				
Total Revenue	207%	242%	156%	28%	127%	-22%	-10%	-24%	-7%	-16%	29%	-22%	0%	8%	2%	-14%	6%	21%	90%	27%
Gross margin	-61%	-101%	-106%	58%	-39%	578%	-6300%	-1500%	-47%	83%	-54%	-100%	-100%	-113%	-85%	-118%	#DIV/0!	#DIV/0!	744%	-419%
Research & development	-83%	6%	28%	-18%	-25%	-75%	4%	8%	18%	11%	-70%	-24%	-38%	-22%	-21%	-82%	5%	16%	23%	-14%
Sales and marketing	-68%	-21%	-27%	-8%	-39%	34%	29%	-28%	-25%	-1%	-15%	-2%	65%	39%	16%	-39%	-45%	-26%	14%	-23%
General & administrative	-69%	-10%	-1%	-25%	8%	-71%	-25%	55%	-37%	5%	-79%	-9%	1%	20%	-18%	-70%	-3%	-13%	5%	11%
Operating income (loss)	-21%	-18%	-17%	-16%	-18%	27%	14%	19%	-6%	13%	-18%	-17%	-33%	-24%	-23%	-28%	-13%	-7%	-4%	-14%
Net income (loss)	-75%	-653%	59%	-44%	-14%	211%	31%	31%	7%	43%	-9%	-7%	-50%	-22%	-26%	-26%	-12%	-7%	-4%	-13%
EPS Diluted (pro forma)	-81%	-580%	-24%	-75%	-53%	38%	-36%	-33%	-57%	-35%	-68%	-69%	-79%	-54%	-68%	-46%	-17%	-11%	-9%	-22%

Source: Company reports and Ascendant Capital Markets estimates.

*Reflects a 1-for-50 Reverse Stock Split in September 2024

Knightscope, Inc.

Balance Sheet (\$ mils)	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25	Mar-26	Jun-26	Sep-26	Dec-26
Fiscal Year End: December 31	Q1A	Q2A	Q3A	Q4A	Q1A	Q2A	Q3A	Q4A	Q1A	Q2E	Q3E	Q4E	Q1E	Q2E	Q3E	Q4E
Assets																
Cash and cash equivalents	2.4	5.8	4.6	2.3	2.5	2.6	5.2	11.1	12.7	6.8	1.8	0.8	(4.0)	(8.6)	(13.3)	(19.2)
Short term investments										0.0	0.0	0.0	0.0	0.0	0.0	0.0
Accounts receivable, net	1.9	2.0	2.1	2.1	3.1	3.5	2.4	1.7	2.0	1.4	1.4	1.7	1.4	1.5	1.7	3.2
Inventory	2.7	2.7	3.2	2.3	2.9	3.2	2.9	1.8	1.6	2.3	2.3	2.7	2.3	2.4	2.8	5.2
Deferred income taxes										0.0	0.0	0.0	0.0	0.0	0.0	0.0
Prepaid expenses and other	1.5	1.4	1.3	1.5	1.5	1.4	1.1	0.4	0.8	0.7	0.9	1.1	1.3	1.3	1.5	2.9
Total current assets	8.4	12.0	11.2	8.2	9.9	10.7	11.5	15.1	17.1	11.1	6.4	6.3	0.9	(3.4)	(7.3)	(7.9)
Autonomous Security Robots, net	5.8	6.8	7.8	8.8	8.5	8.5	8.8	8.8	8.7	8.7	8.7	8.7	8.7	8.7	8.7	8.7
Property and equipment, net	1.0	1.0	0.9	0.9	0.8	0.8	0.7	0.7	0.6	0.4	0.2	0.1	(0.1)	(0.2)	(0.3)	(0.5)
Leases	1.8	1.7	1.5	1.5	1.3	1.1	0.6	0.4	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3
Intangibles, net	3.3	3.7	3.6	3.5	3.4	3.3	3.2	3.2	3.1	3.1	3.1	3.1	3.1	3.1	3.1	3.1
Deferred income tax										0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Total assets	20.4	25.2	25.0	23.0	24.0	24.6	24.9	28.2	29.8	23.7	18.8	18.6	13.0	8.5	4.5	3.8
Liabilities and stockholders' equity																
Accounts payable	1.7	1.5	1.7	1.9	1.5	2.6	2.6	2.8	2.3	1.9	2.0	2.4	1.9	2.0	2.3	4.3
Accrued expenses	1.8	2.4	1.6	1.1	1.2	1.9	1.7	0.7	2.3	1.9	1.9	2.3	1.9	2.0	2.3	4.3
Deferred revenue	2.4	2.4	1.9	1.7	1.7	2.3	2.5	1.9	1.3	1.3	1.3	1.3	1.3	1.3	1.3	1.3
Deferred income tax										0.0	0.0	0.0	0.0	0.0	0.0	0.0
Warrant liabilities										0.0	0.0	0.0	0.0	0.0	0.0	0.0
Leases	0.8	0.7	0.7	0.7	0.8	0.8	0.6	0.4	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3
Other	1.4	1.7	1.6	1.5	1.4	1.3	1.4	1.1		0.0	0.0	4.0	4.0	4.0	4.0	4.0
Short term debt	0.9	0.5	0.3				2.8	1.4	1.4	1.4	1.4	1.4	1.4	1.4	1.4	1.4
Total current liabilities	9.0	9.3	7.7	6.9	6.5	8.9	11.5	8.3	7.5	6.8	6.8	11.6	10.7	10.9	11.6	15.7
Deferred income taxes										0.0	0.0	0.0	0.0	0.0	0.0	0.0
Warrant liabilities	6.5	5.3	6.8	6.2	5.5	0.0				0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other long term liabilities	0.3	0.3	0.7	0.3	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2
Leases	1.1	1.0	0.8	0.7	0.5	0.3				0.0	0.0	0.0	0.0	0.0	0.0	0.0
Deferred revenue										0.0	0.0	0.0	0.0	0.0	0.0	0.0
Long term debt	4.1			1.2	3.9	3.9	3.9	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0
Total other liabilities	12.1	6.6	8.2	8.5	10.1	4.5	4.1	4.1	4.1	4.1	4.1	4.1	4.1	4.1	4.1	4.1
Preferred stock	34.7	34.5	34.3	34.2	34.0					0.0	0.0	0.0	0.0	0.0	0.0	0.0
Common stock	0.0	0.1	0.1	0.1	0.1	0.1	0.0	0.0	0.0	0.4	0.9	1.3	1.7	2.2	2.6	3.0
Additional paid-in capital	106.3	121.2	129.7	134.7	142.3	186.4	195.5	209.0	218.2	218.2	218.2	218.2	218.2	218.2	218.2	218.2
Retained earnings	(141.8)	(146.6)	(154.9)	(161.5)	(169.1)	(175.3)	(186.2)	(193.2)	(200.1)	(205.9)	(211.3)	(216.7)	(221.9)	(227.0)	(232.0)	(237.3)
Other										0.0	0.0	0.0	0.0	0.0	0.0	0.0
Accumulated other comprehensive income										0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total stockholders' equity	(0.7)	9.2	9.1	7.6	7.4	11.2	9.3	15.8	18.2	12.8	7.8	2.8	(1.9)	(6.6)	(11.2)	(16.0)
Total stockholders' equity and liabil	20.4	25.2	25.0	23.0	24.0	24.6	24.9	28.2	29.8	23.7	18.8	18.6	13.0	8.5	4.5	3.8

Balance Sheet Drivers

	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25	Mar-26	Jun-26	Sep-26	Dec-26
	Q1A	Q2A	Q3A	Q4A	Q1A	Q2A	Q3A	Q4A	Q1A	Q2E	Q3E	Q4E	Q1E	Q2E	Q3E	Q4E
Prepaid as % of total rev	51%	39%	40%	50%	65%	42%	43%	16%	27%	27%	35%	35%	50%	50%	50%	50%
Inventory as % of total rev	93%	75%	95%	77%	128%	101%	114%	64%	55%	90%	90%	90%	90%	90%	90%	90%
A/P as % of total rev	58%	43%	52%	62%	67%	82%	101%	100%	77%	77%	77%	77%	75%	75%	75%	75%
Accrued exp related as % of total rev	64%	68%	47%	38%	55%	59%	69%	26%	78%	75%	75%	75%	75%	75%	75%	75%
Activity Ratios																
A/R Days Sales Outstanding	58	52	57	62	124	99	84	55	62	50	50	50	50	50	50	50
Book & Cash Value (per share)																
Book Value per Share (diluted)	-\$0.83	\$8.05	\$5.88	\$4.40	\$3.83	\$4.78	\$3.04	\$3.67	\$3.36	\$1.80	\$1.08	\$0.38	-\$0.26	-\$0.87	-\$1.47	-\$2.08
Cash per Share (diluted)	\$2.78	\$5.10	\$2.97	\$1.33	\$1.29	\$1.12	\$1.71	\$2.59	\$2.34	\$0.96	\$0.25	\$0.11	-\$0.54	-\$1.15	-\$1.74	-\$2.49
Net cash per Share (diluted)	-\$3.04	\$4.63	\$2.79	\$0.60	-\$0.73	-\$0.55	-\$0.50	\$1.35	\$1.35	\$0.21	-\$0.49	-\$0.62	-\$1.26	-\$1.86	-\$2.45	-\$3.19

Source: Company reports and Ascendant Capital Markets estimates

Knightscope, Inc.

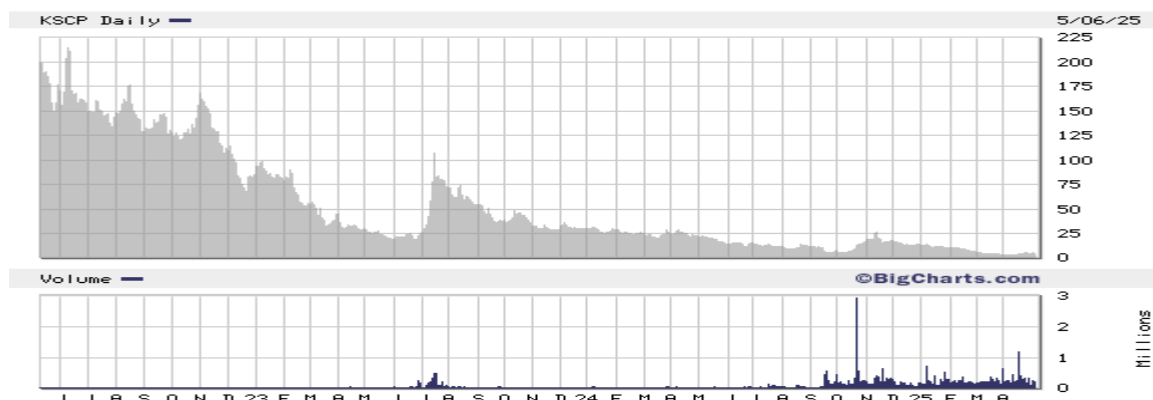
Cash Flow Statement (\$ mils)	Mar-23	Jun-23	Sep-23	Dec-23	2023	Mar-24	Jun-24	Sep-24	Dec-24	2024	Mar-25	Jun-25	Sep-25	Dec-25	2025	Mar-26	Jun-26	Sep-26	Dec-26	2026
Fiscal Year End: December 31	Q1A	Q2A	Q3A	Q4A	FY-A	Q1A	Q2A	Q3A	Q4A	FY-A	Q1A	Q2E	Q3E	Q4E	FY-E	Q1E	Q2E	Q3E	Q4E	FY-E
Cash flow from operating activities																				
Net income	(2.4)	(4.8)	(8.3)	(6.5)	(22.1)	(7.6)	(6.3)	(10.9)	(7.0)	(31.7)	(6.9)	(5.8)	(5.4)	(5.4)	(23.6)	(5.1)	(5.1)	(5.0)	(5.2)	(20.5)
Depreciation	0.6	0.6	0.6	0.6	2.4	0.6	0.7	0.6	0.7	2.6	0.7	0.2	0.2	0.2	1.3	0.2	0.2	0.2	0.2	0.8
Amortization					0.0					0.0					0.0					0.0
Non-cash lease expense					0.0					0.0					0.0					0.0
Debt related amortization expense				0.5	0.5	0.0	0.0	0.0	0.0	0.1	0.0				0.0					0.0
Stock comp	0.6	0.9	0.9	0.7	3.1	0.3	0.3	0.7	0.4	1.7	0.4	0.4	0.4	0.4	1.7	0.4	0.4	0.4	0.4	1.7
Deferred income taxes					0.0					0.0		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Change in fair value of warrant l	(4.7)	(1.2)	1.8	(0.9)	(4.9)	(0.8)	(0.7)	3.0		1.5					0.0					0.0
Accrued interest	0.5	(0.1)		(0.4)	0.0	0.1	0.1	0.1	(0.3)	(0.0)	0.1				0.1					0.0
Writedowns and impairments					0.0	0.8	0.3		0.1	1.2					0.0					0.0
Other gains/losses				0.0	0.0	0.0		(0.0)	0.0	0.0					0.0					0.0
Other					0.0					0.0					0.0					0.0
Changes in operating assets and liabilities:																				
Accounts receivable	(0.5)	(0.2)	(0.1)	0.0	(0.7)	(1.0)	(0.4)	1.2	0.6	0.4	(0.3)	0.6	(0.0)	(0.3)	0.0	0.3	(0.1)	(0.2)	(1.5)	(1.5)
Inventory	(0.1)	0.0	(0.5)	0.8	0.2	(0.6)	(0.4)	0.3	1.1	0.5	0.2	(0.6)	(0.0)	(0.5)	(0.9)	0.5	(0.1)	(0.4)	(2.5)	(2.5)
Prepaid expenses & other curre	(0.2)	(0.1)	(0.0)	(0.2)	(0.5)	0.1	0.1	0.3	0.6	1.1	0.1	0.1	(0.2)	(0.2)	(0.1)	(0.2)	(0.1)	(0.2)	(1.4)	(1.8)
Income tax					0.0					0.0					0.0					0.0
Other assets	0.0			(0.0)	(0.0)		(0.0)	0.0	0.0	0.0		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Accounts payable	(0.8)	(0.2)	0.2	0.1	(0.6)	(0.4)	1.1	(0.1)	0.3	1.0	(0.6)	(0.3)	0.0	0.4	(8.5)	(0.5)	0.1	0.3	2.0	2.0
Accrued expenses	(0.6)	0.6	(0.9)	(0.4)	(1.3)	0.0	0.5	(0.2)	(0.7)	(0.4)	0.4	(0.4)	0.0	0.4	0.4	(0.4)	0.1	0.3	2.0	2.1
Deferred revenue	0.7	(0.5)	(0.6)	(0.1)	(0.5)	(0.1)	0.6	0.2	(0.6)	0.1	(0.5)				(0.5)					0.0
Other liabilities	0.4	0.1	(0.2)	(0.1)	0.3	(0.1)	(0.1)	0.1	(0.4)	(0.5)	(0.0)	0.0	0.0	0.0	(0.0)	0.0	0.0	0.0	0.0	0.0
Net cash (used in) provided by	(6.5)	(4.7)	(6.9)	(6.0)	(24.2)	(8.6)	(4.0)	(4.7)	(5.1)	(22.5)	(6.4)	(5.8)	(5.0)	(4.9)	(22.1)	(4.8)	(4.5)	(4.6)	(5.9)	(19.8)
Cash flow from investing activities																				
Purchases of property and equip	(0.4)	(0.0)	0.0	(0.0)	(0.5)		(0.0)	(0.0)	(0.0)	(0.0)		(0.0)	0.0	(0.0)	(0.1)	(0.0)	(0.1)	(0.0)	(0.1)	(0.3)
Purchases of short-term investments					0.0					0.0					0.0					0.0
Acquisitions					0.0					0.0					0.0					0.0
Other	(0.3)	(1.4)	(1.4)	(1.5)	(4.7)	(0.9)	(0.9)	(0.7)	(0.7)	(3.1)	(0.4)				(0.4)					0.0
Net cash used in investing activ	(0.8)	(1.4)	(1.4)	(1.5)	(5.1)	(0.9)	(0.9)	(0.7)	(0.7)	(3.2)	(0.4)	(0.0)	0.0	(0.0)	(0.5)	(0.0)	(0.1)	(0.0)	(0.1)	(0.3)
Cash flow from financing activities																				
Issuance of debt				1.2	1.2	2.6		(0.2)	0.2	2.6		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Repayment of debt			(0.3)	(0.3)	(0.6)				(1.6)	(1.6)	(0.6)				(0.6)					0.0
Issuance of stock	4.7	9.5	7.4	4.3	25.9	7.1	5.0	8.3	13.1	33.5	8.8	0.0	0.0	0.0	8.8	0.0	0.0	0.0	0.0	0.0
Proceeds from stock option exe	0.2	0.0			0.3		0.0			0.0					0.0					0.0
Other	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)		(0.0)	(0.1)	0.0	(0.1)				4.0	4.0					0.0
Dividends and distributions					0.0					0.0					0.0					0.0
Cash provided by (used in) fina	4.9	9.6	7.1	5.2	26.8	9.7	5.0	8.0	11.7	34.5	8.3	0.0	0.0	4.0	12.3	0.0	0.0	0.0	0.0	0.0
Effect of exchange rate on cash					0.0					0.0					0.0					0.0
Net increase (decrease) in cash	(2.3)	3.5	(1.2)	(2.3)	(2.4)	0.2	0.1	2.6	5.9	8.8	1.4	(5.9)	(5.0)	(1.0)	(10.4)	(4.8)	(4.6)	(4.6)	(5.9)	(20.0)
Beginning cash and equivalents	4.8	2.5	5.9	4.7	4.8	2.4	2.6	2.7	5.3	2.4	11.2	12.7	6.8	1.8	11.2	0.8	(4.0)	(8.6)	(13.3)	0.8
Ending cash and equivalents	2.5	5.9	4.7	2.4	2.4	2.6	2.7	5.3	11.2	11.2	12.7	6.8	1.8	0.8	0.8	(4.0)	(8.6)	(13.3)	(19.2)	(19.2)

Source: Company reports and Ascendant Capital Markets estimates

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Knightscope, Inc.



**Reflects a 1:50 reverse stock split in September 2024.*

Source: <https://bigcharts.marketwatch.com/>

	Report Date		Price
Report	Date	Rating	Target
1	6/22/2023	Buy	175.00
2	9/17/2023	Buy	187.50
3	12/28/2023	Buy	200.00
4	4/30/2024	Buy	212.50
5	5/31/2024	Buy	187.50
6	2/15/2025	Buy	32.00
7	4/26/2025	Buy	30.00

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SELL: We expect the stock to have a negative total return of more than 15% within a 12-month period.

Total return is defined as price appreciation plus dividend yield.

Ascendant Capital Markets, LLC Distribution of Investment Ratings (as of April 11, 2025)

Rating	Count	Percent	Investment Banking Services Past 12 months	
			Count	Percent
Buy	52	98%	21	40%
Hold	0	0%	0	0%
Sell	1	2%	0	0%
Total	53	100%	21	40%

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