



COMPANY UPDATE

Rating: **BUY**

Ticker: KSCP

Price: \$5.00

Target: \$30
from (\$32)

Knightscope, Inc.

Q4 about inline. We believe strong growth over the next year and AI assets to drive stock much higher. Lowering P/T to \$30.

Q4 about inline: Knightscope recently (on March 31) reported its fiscal Q4 2024 (ending December) results. Revenue was \$2.8 million (-7% y-o-y), compared to our estimates of \$2.4 million and consensus of \$2.5 million. EPS was \$(1.62), compared to our estimates of \$(1.82) and consensus of \$(1.94). There was no Q4 guidance.

No guidance: The company has not provided forward guidance.

Adjusting estimates: We are adjusting our 2025 estimates for revenue to \$11 million, from \$12 million, and for EPS to \$(2.74) from \$(3.96).

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. In December, the company just launched the 5th Generation K5 ("K5v5") ASR.

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 Q4, the company's had \$11 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 \$30 from \$32, 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.

United States
Technology

April 26, 2025

Edward Woo, CFA
(561) 327-9435
ewoo@ascendant.com

Stock Data

Exchange:	NasdaqCM
52-week Range:	2.45 – 28.57
Shares Outstanding (million):	7
Market cap (\$million):	\$35
EV (\$million):	\$29
Debt (\$million):	\$5
Cash (\$million):	\$11
Avg. Daily Trading Vol. (\$million):	\$3
Float (million shares):	7
Short Interest (million shares):	0.7
Dividend, annual (yield):	\$0 (NA%)

Revenues (US\$ million)

	<u>2025E</u> (Cur.)	<u>2025E</u> (Old)	<u>2026E</u> (Cur.)	<u>2026E</u> (Old)
Q1 Mar	2.2E	2.4E	2.9E	
Q2 Jun	2.3E	2.6E	3.4E	
Q3 Sep	2.9E	3.0E	3.1E	
Q4 Dec	3.6E	4.0E	4.6E	
Total	11.0E	12.0E	14.0E	
EV/Revs	2.6x		2.1x	

Earnings per Share (pro forma)

	<u>2025E</u> (Cur.)	<u>2025E</u> (Old)	<u>2026E</u> (Cur.)	<u>2026E</u> (Old)
Q1 Mar	(0.84)E	(1.29)E	(0.61)E	
Q2 Jun	(0.71)E	(1.07)E	(0.69)E	
Q3 Sep	(0.62)E	(0.83)E	(0.58)E	
Q4 Dec	(0.57)E	(0.79)E	(0.62)E	
Total	(2.74)E	(3.96)E	(2.50)E	
P/E	N/A		N/A	

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

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 March 31) reported its fiscal Q4 2024 (ending December) results.
- Revenue was \$2.8 million (-7% y-o-y), compared to our estimates of \$2.4 million and consensus of \$2.5 million.
- EPS was \$(1.62), compared to our estimates of \$(1.82) and consensus of \$(1.94).
- There was no Q4 guidance.
- The company did not provide specific forward guidance.
- We are adjusting our 2025 estimates for revenue to \$11 million, from \$12 million, and for EPS to \$(2.74) from \$(3.96).
- We are initiating our 2026 estimates for revenue of \$14 million, and for EPS of \$(2.50).

ADDITIONAL DETAILS

- Gross profit for the quarter was \$(1.0) million, compared with our estimate of \$(0.2) million.
- Gross margin for the quarter was -35%, versus our expectation of -10% and -62% last year.
- Operating expenses were \$5.9 million, versus our expectation of \$6.6 million.
- Operating loss was \$6.9 million, versus our expectation of a loss of \$6.8 million.
- Net loss was \$7.0 million, versus our expectation of a loss of \$7.1 million.
- Backlog was \$1.7 million, down from \$2.9 million in Q3.

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 \$11 million in cash and \$5 million in debt, compared with \$5 million in cash and \$7 million in debt at the end of September.

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)

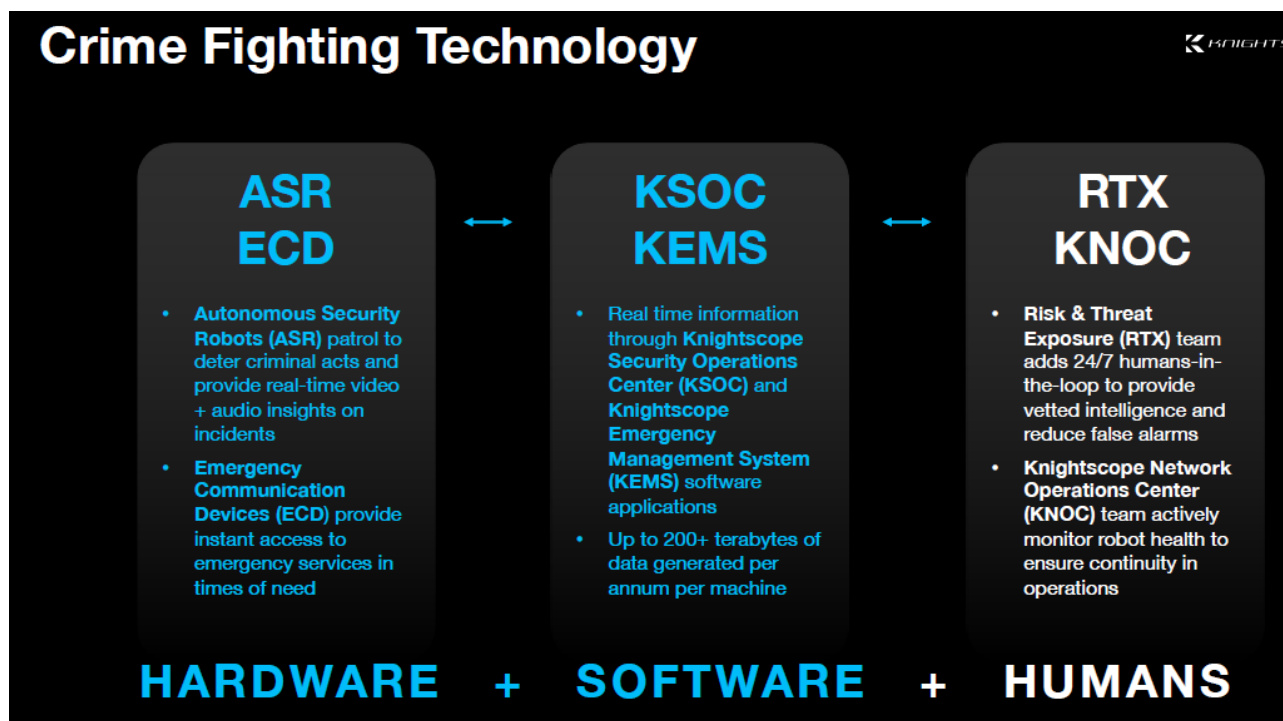
Source: Company reports.

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

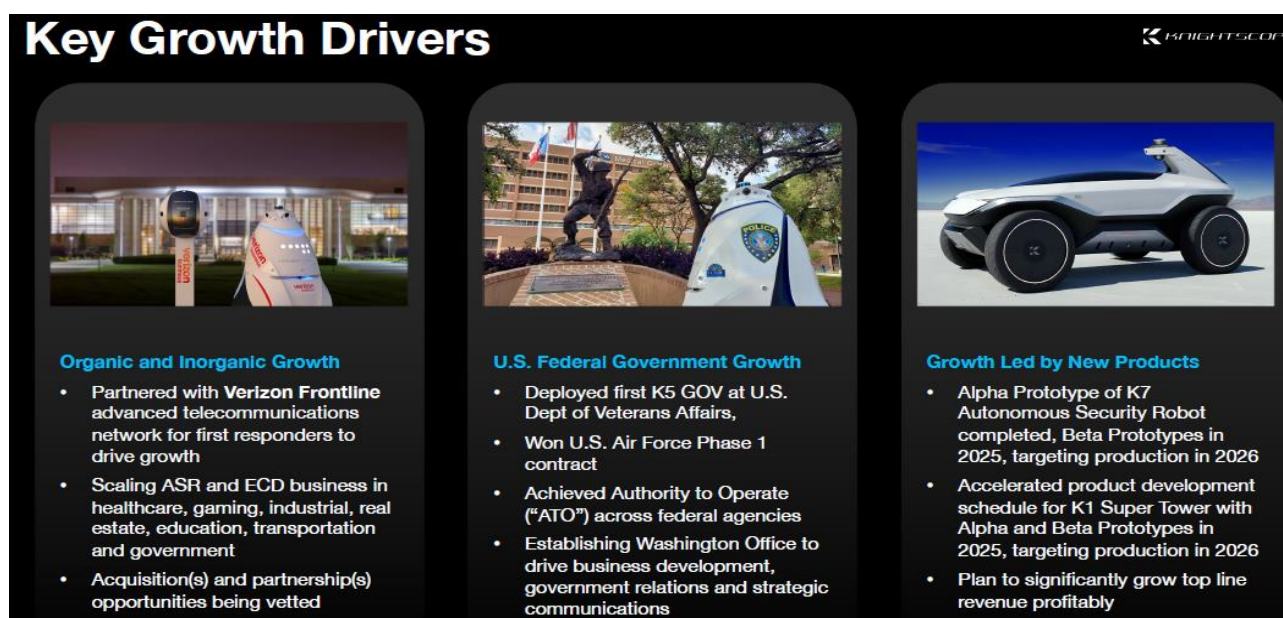
Source: Company reports.

Exhibit 5: Knightscope Products Solution



Source: Company reports.

Exhibit 6: Key Growth Drivers



Source: Company reports.

Exhibit 7: Q4 2024 and Recent Highlights (as of March 31, 2025)

Mon, 31 Mar 2025 16:35:00 -0400 | Business Wire

Content Section

Transformation Year Drives Key Milestones, Federal Wins, and Strengthened Financial Position

Knightscope, Inc. (NASDAQ: [KSCP](#)), a leading developer of autonomous security robots and AI-powered technologies, today announced financial results for the fiscal year ended December 31, 2024. The Company also outlined operational milestones that strengthen its position for long-term, scalable growth across both commercial and federal sectors.

Fiscal Year 2024 Financial Highlights

- **Revenue:** \$10.8 million vs. \$12.8 million in 2023, impacted by ECD product line restructuring and facility consolidation.
- **Service Revenue:** Up 4% YoY to \$7.5 million, driven by improved ASR uptime and expanded ECD maintenance contracts.
- **Gross Loss:** Increased to \$(3.7) million from \$(2.0) million, primarily due to third-party service costs and inventory write-downs.
- **Operating Loss:** \$(29.7) million vs. \$(26.3) million in 2023, reflecting deliberate investments in R&D, compliance, and elimination of executive positions.
- **Net Loss:** \$(31.7) million or \$(10.97) per share vs. \$(22.1) million or \$(16.77) per share in 2023; non-cash warrant liability adjustments were a key driver.
- **Cash Balance:** Strengthened to \$11.1 million, supported by \$34.5 million in capital raised during the year.

Strategic and Operational Highlights

Federal Expansion

- Achieved FedRAMP Authority to Operate, unlocking direct federal sales.
- Launched first K5 GOV unit with the U.S. Department of Veterans Affairs.
- Awarded a Phase 1 SBIR contract with the U.S. Air Force.

Backlog Efficiency

- Current backlog: \$1.8 million as of March 27, 2025 (ASRs: \$0.5M; ECDs: \$1.3M), improved from \$5.2 million in the prior 10-K.

Product Innovation

- Continued development of K7 Multi-Terrain ASR and K1 Super Tower, both targeting 2026 commercial availability.

Leadership Overhaul

- Appointed new CFO and independent board members.
- Reduced executive headcount ~40% to enhance agility and operational focus.

Client-Focused Execution

- Replaced legacy K5 ASRs at no cost to clients, reinforcing product quality and trust.

Market Outlook

Knightscope continues to scale its Machine-as-a-Service (MaaS) subscription model, driving predictable recurring revenue and long-term client engagement. The Company is actively expanding its federal pipeline with early traction at the VA and USAF, and is pursuing multiple additional agency opportunities through its new Washington Office.

With nearly 10,000 Machines-in-Network deployed nationwide, Knightscope is well positioned to address rising labor costs, public safety concerns, and increased demand for automated physical security solutions.

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 March 31, 2025)

	Revenue			EPS	
	2024E	2025E		2024E	2025E
Q1 Mar	\$2.3A	\$2.6E	Q1 Mar	\$(3.94)A	\$(1.68)E
Q2 Jun	\$3.2A		Q2 Jun	\$(2.68)A	
Q3 Sep	\$2.5A		Q3 Sep	\$(3.58)A	
Q4 Dec	\$2.5E		Q4 Dec	\$(1.94)E	
Total	\$10.5E	\$12.6E	Total	\$(11.62)E	\$(6.09)E

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

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

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	Q1E	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	2.2	2.3	2.9	3.6	11.0	2.9	3.4	3.1	4.6	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	2.2	2.3	2.6	3.2	10.2	2.5	3.1	2.7	3.9	12.1
Gross Profit	(0.2)	0.0	0.0	(1.9)	(2.0)	(1.4)	(0.6)	(0.7)	(1.0)	(3.7)	0.0	0.1	0.3	0.4	0.8	0.4	0.4	0.4	0.7	1.8
Research & development	1.4	1.5	1.9	1.6	6.4	1.6	1.6	1.8	2.1	7.1	1.8	1.5	1.1	0.9	5.4	1.2	1.4	1.2	1.2	5.0
Sales and marketing	1.1	1.2	1.4	1.5	5.2	1.5	1.5	1.0	1.1	5.1	1.8	1.4	1.4	1.3	5.9	0.9	1.1	1.2	1.4	4.6
General & administrative	3.6	3.3	3.2	2.4	12.6	3.6	2.7	4.2	2.7	13.3	2.2	2.0	2.0	2.2	8.4	2.6	2.9	2.1	2.7	10.4
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	5.7	4.9	4.6	4.4	19.6	4.7	5.4	4.6	5.3	19.9
Operating income (loss)	(6.5)	(5.9)	(6.5)	(7.3)	(26.3)	(8.3)	(6.8)	(7.7)	(6.9)	(29.7)	(5.7)	(4.9)	(4.3)	(3.9)	(18.8)	(4.3)	(5.0)	(4.2)	(4.6)	(18.1)
Interest income (expense)	(0.5)	0.0	(0.0)	(0.1)	(0.6)	(0.1)	(0.2)	(0.1)	(0.0)	(0.4)	(0.2)	(0.2)	(0.2)	(0.2)	(0.8)	(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)	(5.9)	(5.1)	(4.5)	(4.1)	(19.6)	(4.5)	(5.2)	(4.4)	(4.8)	(18.9)
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)	(5.9)	(5.1)	(4.5)	(4.1)	(19.6)	(4.5)	(5.2)	(4.4)	(4.8)	(18.9)
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)	(5.9)	(5.1)	(4.5)	(4.1)	(19.6)	(4.5)	(5.2)	(4.4)	(4.8)	(18.9)
EBITDA	(5.2)	(4.5)	(4.9)	(6.0)	(20.7)	(7.2)	(5.5)	(6.4)	(5.7)	(24.8)	(5.1)	(4.3)	(3.7)	(3.3)	(16.4)	(3.7)	(4.4)	(3.6)	(4.0)	(15.8)
Shares, Basic	0.9	1.1	1.6	1.7	1.3	1.9	2.3	3.0	4.3	2.9	7.0	7.1	7.2	7.3	7.2	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	7.0	7.1	7.2	7.3	7.2	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)	(\$0.84)	(\$0.71)	(\$0.62)	(\$0.57)	(\$2.74)	(\$0.61)	(\$0.69)	(\$0.58)	(\$0.62)	(\$2.50)
EPS Diluted (pro forma)	(\$2.86)	(\$4.19)	(\$5.36)	(\$3.80)	(\$16.77)	(\$3.94)	(\$2.68)	(\$3.58)	(\$1.62)	(\$10.97)	(\$0.84)	(\$0.71)	(\$0.62)	(\$0.57)	(\$2.74)	(\$0.61)	(\$0.69)	(\$0.58)	(\$0.62)	(\$2.50)
Margins																				
Gross margin	-7%	0%	2%	-62%	-16%	-64%	-17%	-28%	-35%	-34%	0%	3%	10%	12%	7%	12%	11%	12%	16%	13%
Research & development	48%	42%	57%	52%	50%	70%	51%	70%	74%	65%	80%	65%	40%	26%	49%	40%	40%	40%	26%	35%
Sales and marketing	39%	33%	42%	49%	40%	67%	48%	39%	39%	48%	80%	60%	50%	35%	53%	31%	31%	40%	30%	33%
General & administrative	126%	92%	97%	81%	98%	162%	85%	167%	94%	123%	100%	85%	70%	60%	76%	90%	85%	70%	60%	75%
Operating margin	-225%	-167%	-195%	-244%	-205%	-367%	-211%	-305%	-245%	-275%	-260%	-207%	-150%	-109%	-171%	-149%	-145%	-138%	-100%	-129%
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%	-269%	-216%	-156%	-114%	-178%	-155%	-150%	-145%	-104%	-135%
Y/Y % change																				
Total Revenue	207%	242%	156%	28%	127%	-22%	-10%	-24%	-7%	-16%	-3%	-27%	13%	28%	2%	32%	47%	7%	27%	27%
Gross margin	-61%	-101%	-106%	58%	-39%	578%	-6300%	-1500%	-47%	83%	-100%	-111%	-143%	-144%	-122%	#DIV/0!	550%	20%	67%	131%
Research & development	-83%	6%	28%	-18%	-25%	-75%	4%	8%	18%	11%	-75%	-13%	-25%	-18%	-24%	-78%	19%	-11%	-3%	-8%
Sales and marketing	-68%	-21%	-27%	-8%	-39%	34%	29%	-28%	-25%	-1%	16%	-8%	43%	15%	14%	-49%	-24%	-14%	9%	-22%
General & administrative	-69%	-10%	-1%	-25%	8%	-71%	-25%	55%	-37%	5%	-83%	-9%	0%	8%	-37%	-69%	13%	-27%	28%	25%
Operating income (loss)	-21%	-18%	-17%	-16%	-18%	27%	14%	19%	-6%	13%	-31%	-28%	-45%	-43%	-37%	-25%	2%	-1%	17%	-4%
Net income (loss)	-75%	-653%	59%	-44%	-14%	211%	31%	31%	7%	43%	-22%	-19%	-59%	-41%	-38%	-24%	2%	-1%	16%	-3%
EPS Diluted (pro forma)	-81%	-580%	-24%	-75%	-53%	38%	-36%	-33%	-57%	-35%	-79%	-73%	-83%	-65%	-75%	-28%	-3%	-6%	10%	-9%

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	Q1E	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	7.3	2.7	(1.0)	(4.8)	(9.0)	(14.0)	(17.7)	(22.7)
Short term investments									0.0	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	1.2	1.3	1.6	2.0	1.6	1.9	1.7	2.5
Inventory	2.7	2.7	3.2	2.3	2.9	3.2	2.9	1.8	2.0	2.1	2.6	3.2	2.6	3.1	2.8	4.1
Deferred income taxes									0.0	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	1.1	1.2	1.0	1.3	1.4	1.7	1.5	2.3
Total current assets	8.4	12.0	11.2	8.2	9.9	10.7	11.5	15.1	11.6	7.3	4.2	1.7	(3.3)	(7.3)	(11.7)	(13.8)
Autonomous Security Robots, net	5.8	6.8	7.8	8.8	8.5	8.5	8.8	8.8	8.8	8.8	8.8	8.8	8.8	8.8	8.8	8.8
Property and equipment, net	1.0	1.0	0.9	0.9	0.8	0.8	0.7	0.7	0.5	0.3	0.2	0.0	(0.1)	(0.2)	(0.4)	(0.4)
Leases	1.8	1.7	1.5	1.5	1.3	1.1	0.6	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4
Intangibles, net	3.3	3.7	3.6	3.5	3.4	3.3	3.2	3.2	3.2	3.2	3.2	3.2	3.2	3.2	3.2	3.2
Deferred income tax									0.0	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	24.5	20.1	16.8	14.1	8.9	5.0	0.4	(1.8)
Liabilities and stockholders' equity																
Accounts payable	1.7	1.5	1.7	1.9	1.5	2.6	2.6	2.8	1.6	1.8	2.1	2.7	2.2	2.6	2.3	3.4
Accrued expenses	1.8	2.4	1.6	1.1	1.2	1.9	1.7	0.7	1.6	1.8	2.1	2.7	2.2	2.6	2.3	3.4
Deferred revenue	2.4	2.4	1.9	1.7	1.7	2.3	2.5	1.9	1.9	1.9	1.9	1.9	1.9	1.9	1.9	1.9
Deferred income tax									0.0	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	0.0
Leases	0.8	0.7	0.7	0.7	0.8	0.8	0.6	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4
Other	1.4	1.7	1.6	1.5	1.4	1.3	1.4	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1
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	8.0	8.2	9.0	10.1	9.1	9.9	9.3	11.6
Deferred income taxes									0.0	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	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	0.0
Deferred revenue									0.0	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	0.0
Common stock	0.0	0.1	0.1	0.1	0.1	0.1	0.0	0.0	0.4	0.8	1.2	1.5	1.9	2.3	2.7	3.1
Additional paid-in capital	106.3	121.2	129.7	134.7	142.3	186.4	195.5	209.0	209.0	209.0	209.0	209.0	209.0	209.0	209.0	209.0
Retained earnings	(141.8)	(146.6)	(154.9)	(161.5)	(169.1)	(175.3)	(186.2)	(193.2)	(199.1)	(204.2)	(208.6)	(212.8)	(217.3)	(222.4)	(226.9)	(231.7)
Other									0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Accumulated other comprehensive income									2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Total stockholders' equity	(0.7)	9.2	9.1	7.6	7.4	11.2	9.3	15.8	12.4	7.7	3.6	(0.1)	(4.3)	(9.1)	(13.1)	(17.5)
Total stockholders' equity and liabli	20.4	25.2	25.0	23.0	24.0	24.6	24.9	28.2	24.5	20.1	16.8	14.1	8.9	5.0	0.4	(1.8)

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	Q1E	Q2E	Q3E	Q4E	Q1E	Q2E	Q3E	Q4E
Prepaid as % of total rev	51%	39%	40%	50%	65%	42%	43%	16%	50%	50%	35%	35%	50%	50%	50%	50%
Inventory as % of total rev	93%	75%	95%	77%	128%	101%	114%	64%	90%	90%	90%	90%	90%	90%	90%	90%
A/P as % of total rev	58%	43%	52%	62%	67%	82%	101%	100%	75%	75%	75%	75%	75%	75%	75%	75%
Accrued exp related as % of total rev	64%	68%	47%	38%	55%	59%	69%	26%	75%	75%	75%	75%	75%	75%	75%	75%
Activity Ratios																
A/R Days Sales Outstanding	58	52	57	62	124	99	84	55	50	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	\$1.77	\$1.08	\$0.50	-\$0.02	-\$0.57	-\$1.21	-\$1.72	-\$2.27
Cash per Share (diluted)	\$2.78	\$5.10	\$2.97	\$1.33	\$1.29	\$1.12	\$1.71	\$2.59	\$1.04	\$0.38	-\$0.14	-\$0.66	-\$1.21	-\$1.87	-\$2.33	-\$2.95
Net cash per Share (diluted)	-\$3.04	\$4.63	\$2.79	\$0.60	-\$0.73	-\$0.55	-\$0.50	\$1.35	\$0.29	-\$0.37	-\$0.88	-\$1.39	-\$1.93	-\$2.57	-\$3.03	-\$3.64

Source: Company reports and Ascendant Capital Markets estimates

Knightscope, Inc.

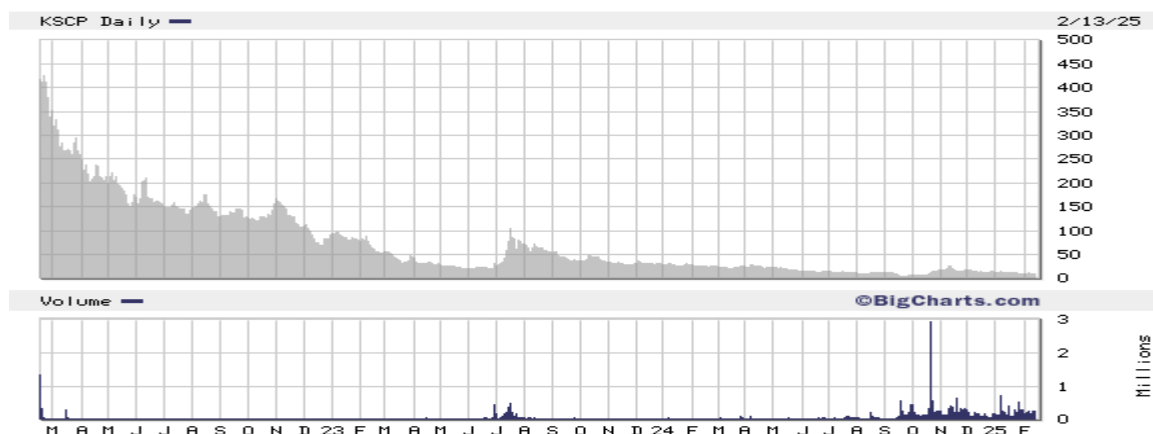
Cash Flow Statement (\$ mils)	Mar-23	Jun-23	Sep-23	Dec-23	2023	Mar-24	Jun-24	Sep-24	Dec-24	2024	Mar-25	Jun-25	Sep-25	Dec-25	2025	Mar-26	Jun-26	Sep-26	Dec-26	2026
Fiscal Year End: December 31	Q1A	Q2A	Q3A	Q4A	FY-A	Q1A	Q2A	Q3A	Q4A	FY-A	Q1E	Q2E	Q3E	Q4E	FY-E	Q1E	Q2E	Q3E	Q4E	FY-E
Cash flow from operating activities																				
Net income	(2.4)	(4.8)	(8.3)	(6.5)	(22.1)	(7.6)	(6.3)	(10.9)	(7.0)	(31.7)	(5.9)	(5.1)	(4.5)	(4.1)	(19.6)	(4.5)	(5.2)	(4.4)	(4.8)	(18.9)
Depreciation	0.6	0.6	0.6	0.6	2.4	0.6	0.7	0.6	0.7	2.6	0.2	0.2	0.2	0.2	0.8	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
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	1.5	0.4	0.4	0.4	0.4	1.5
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	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	0.0	0.0	0.0	0.0
Accrued interest	0.5	(0.1)		(0.4)	0.0	0.1	0.1	0.1	(0.3)	(0.0)					0.0					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	0.5	(0.1)	(0.3)	(0.4)	(0.3)	0.4	(0.3)	0.2	(0.8)	(0.5)
Inventory	(0.1)	0.0	(0.5)	0.8	0.2	(0.6)	(0.4)	0.3	1.1	0.5	(0.2)	(0.1)	(0.5)	(0.7)	(1.5)	0.6	(0.5)	0.3	(1.4)	(0.9)
Prepaid expenses & other curre	(0.2)	(0.1)	(0.0)	(0.2)	(0.5)	0.1	0.1	0.3	0.6	1.1	(0.6)	(0.1)	0.2	(0.3)	(0.8)	(0.2)	(0.3)	0.2	(0.8)	(1.0)
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	0.0
Accounts payable	(0.8)	(0.2)	0.2	0.1	(0.6)	(0.4)	1.1	(0.1)	0.3	1.0	(1.2)	0.1	0.4	0.6	(0.1)	(0.5)	0.4	(0.3)	1.1	0.7
Accrued expenses	(0.6)	0.6	(0.9)	(0.4)	(1.3)	0.0	0.5	(0.2)	(0.7)	(0.4)	0.9	0.1	0.4	0.6	2.0	(0.5)	0.4	(0.3)	1.1	0.7
Deferred revenue	0.7	(0.5)	(0.6)	(0.1)	(0.5)	(0.1)	0.6	0.2	(0.6)	0.1					0.0					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)	(5.9)	(4.5)	(3.7)	(3.8)	(17.9)	(4.1)	(4.9)	(3.7)	(4.9)	(17.5)
Cash flow from investing activities																				
Purchases of property and equi	(0.4)	(0.0)	0.0	(0.0)	(0.5)		(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.1)	(0.0)	(0.1)	(0.0)	(0.1)	(0.4)
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)					0.0					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)	(0.0)	(0.0)	(0.0)	(0.0)	(0.1)	(0.0)	(0.1)	(0.0)	(0.1)	(0.4)
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	0.0
Repayment of debt			(0.3)	(0.3)	(0.6)				(1.6)	(1.6)					0.0					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	0.0	0.0	0.0	0.0	0.0	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)	2.0				2.0					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	2.0	0.0	0.0	0.0	2.0	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	(3.9)	(4.6)	(3.7)	(3.8)	(16.0)	(4.2)	(5.0)	(3.7)	(5.0)	(17.9)
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	7.3	2.7	(1.0)	11.2	(4.8)	(9.0)	(14.0)	(17.7)	(4.8)
Ending cash and equivalents	2.5	5.9	4.7	2.4	2.4	2.6	2.7	5.3	11.2	11.2	7.3	2.7	(1.0)	(4.8)	(4.8)	(9.0)	(14.0)	(17.7)	(22.7)	(22.7)

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	

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BUY: We expect the stock to provide a total return of 15% or more within a 12-month period.

HOLD: We expect the stock to provide a total return of negative 15% to positive 15% within a 12-month period.

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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