



# Knightscope, Inc.

*Q1 weak due to reorg. We believe strong growth over the next year and AI assets to drive stock much higher. Lowering P/T to \$3.75.*

## COMPANY UPDATE

Rating: **BUY**

Ticker: KSCP

Price: \$0.29

Target: \$3.75 from (\$4.25)

**Q1 weak:** Knightscope recently (on May 16) reported its fiscal Q1 2024 (ending March) results. Revenue was \$2.3 million (-22% y-o-y), compared to our estimates of \$3.3 million. EPS was \$(0.08), compared to our estimates of \$(0.06). There was no Q1 guidance or consensus estimates.

**Weak Q1:** The company's had weak revenue declines (-22% y-o-y) due to disruptions as it reorganized and consolidated its manufacturing operations and field offices. This reorg should drive better efficiencies and profitability.

**No guidance:** The company did not provide forward guidance. The company did qualitatively expect to reach profitability by Q4 2024.

**Lowering 2024 estimates:** We are lowering our 2024 estimates for revenue to \$12 million, from \$16 million, and for EPS to \$(0.22) from \$(0.19).

**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 2025. We have modeled high revenue growth in 2025 (+42%) and thereafter to scale up significantly which should drive improved margins and profitability. We expect the company to be profitable in 2026.

**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.

**Valuation attractive:** We are maintaining our BUY rating, but lowering our 12-month price target to \$3.75 from \$4.25, 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

May 31, 2024

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### Stock Data

Exchange:	NasdaqGM
52-week Range:	0.22 – 2.24
Shares Outstanding (million):	108
Market cap (\$million):	\$31
EV (\$million):	\$32
Debt (\$million):	\$4
Cash (\$million):	\$3
Avg. Daily Trading Vol. (\$million):	\$1
Float (million shares):	87
Short Interest (million shares):	6
Dividend, annual (yield):	\$0 (NA%)

### Revenues (US\$ million)

	<u>2024E</u> (Cur.)	<u>2024E</u> (Old)	<u>2025E</u> (Cur.)	<u>2025E</u> (Old)
Q1 Mar	2.3A	3.3E	3.1E	3.9E
Q2 Jun	2.0E	3.8E	3.6E	4.4E
Q3 Sep	2.7E	3.9E	4.3E	4.6E
Q4 Dec	<u>5.0E</u>	<u>4.9E</u>	<u>6.0E</u>	<u>6.2E</u>
Total	<b>12.0E</b>	<b>15.9E</b>	<b>17.0E</b>	<b>19.1E</b>
EV/Revs	2.7x		1.9x	

### Earnings per Share (pro forma)

	<u>2024E</u> (Cur.)	<u>2024E</u> (Old)	<u>2025E</u> (Cur.)	<u>2025E</u> (Old)
Q1 Mar	(0.08)A	(0.06)E	(0.04)E	(0.06)E
Q2 Jun	(0.05)E		(0.04)E	(0.06)E
Q3 Sep	(0.05)E		(0.05)E	
Q4 Dec	<u>(0.04)E</u>	<u>(0.03)E</u>	<u>(0.04)E</u>	
Total	<b>(0.22)E</b>	<b>(0.19)E</b>	<b>(0.18)E</b>	<b>(0.21)E</b>
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 16.**

**OVERVIEW**

- Knightscope recently (on May 16) reported its fiscal Q1 2024 (ending March) results.
- Revenue was \$2.3 million (-22% y-o-y), compared to our estimates of \$3.3 million.
- EPS was \$(0.08), compared to our estimates of \$(0.06).
- There was no Q1 guidance or consensus estimates.
- The company did not provide specific forward guidance.
- The company maintained its qualitative guidance "stretch target" is to reach profitability by Q4 2024.
- We are lowering our 2024 estimates for revenue to \$12 million, from \$16 million, and for EPS to \$(0.22) from \$(0.19).
- We are adjusting our 2025 estimates for revenue to \$17 million, from \$19 million, and for EPS to \$(0.18) from \$(0.21).

**ADDITIONAL DETAILS**

- Gross profit for the quarter was \$(1.4) million, compared with our estimate of \$0.1 million.
- Gross margin for the quarter was -64%, versus our expectation of +4% and -7% last year.
- Operating expenses were \$6.8 million, versus our expectation of \$5.2 million.
- Operating loss was \$8.3 million, versus our expectation of a loss of \$5.1 million.
- Net loss was \$7.6 million, versus our expectation of a loss of \$5.1 million.
- Backlog was \$4.3 million, up from \$3.4 million in Q4.

In December 2023, the company appointed Apoorv Dwivedi as its new Chief Financial Officer replacing Mallorie Burak, who left to pursue other opportunities. Mr. Dwivedi is an experienced financial executive who most recently served as the Chief Financial Officer of Nxu, Inc.

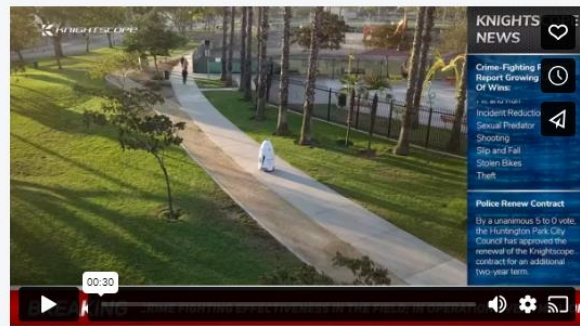
The company's balance sheet had \$3 million in cash and \$4 million in debt, compared with \$2 million in cash and \$1 million in debt at the end of December.

Exhibit 1: Knightscope Corporate Overview



**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.

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



Source: Company reports.

### Exhibit 3: Knightscope's Investment Summary

# Summary

- 
**Recurring Revenue**  
 Machine-as-a-Service (MaaS) business model drives recurring revenues at scale with hardware, software and technical support for the recurring societal problem of crime
- 
**Autonomous Operation**  
 Only company operating fully autonomously 24/7/365 across an entire country without human intervention both outdoors and indoors – with real clients and 2+ million hours of field experience
- 
**Massive and Growing Market**  
 \$500+ billion spent annually on security across the globe, across private and public sectors, and is an industry ripe for disruption by automation [Source: BofA Merrill Lynch Global Research]
- 
**Proven Effective**  
 Company has secured numerous crime-fighting wins and holds contracts across the United States in numerous verticals in both the private and public sectors
- 
**Technology Growth**  
 Unique combination of autonomous self-driving technology, robotics, artificial intelligence and electric vehicles is now scaling across the country generating millions of dollars revenue

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
<b>Total</b>	<b>~ 1.8 million</b>	<b>~ 36,000 robots</b>	<b>~ 360,000 robots</b>		<b>~ \$4.1 billion</b>	<b>~ \$41 billion</b>

Source: Company reports.

Exhibit 5: Knightscope Products Solution

# Knightscope Solution (Software + Hardware + Humans)

- Serve all domestic public safety organizations with an amalgamated set of hardware, software and monitoring solutions
- Positively impact restricted budgets with affordable products and subscription services
- Augment expensive guard details with advanced technologies that deter, detect, observe and report 24/7/365
- Expand emergency communication end-points to provide a lifeline to those in need
- Create an open feedback loop with end users to continually advance and future-proof technological development

Autonomous Security Robots and Emergency Communication Systems



Source: Company reports.

Exhibit 6: KSOC (Knightscope Security Operations Center)

# KSOC (Knightscope Security Operations Center)

- KSOC is a user interface accessible 24/7/365 remotely from anywhere with an internet connection
- ASRs feed data to the KSOC, providing guards and officers unprecedented situational awareness by giving them additional eyes, ears and a voice on the ground at multiple locations simultaneously
- The combined KSOC + ASR solution is a force multiplier that gives officers and guards an opportunity to make safer, smarter and faster decisions



**Recording & Streaming**

- Live 360-degree HD video
- Recorded HD-video storage
- Downloadable files for evidence

**People Detection**

- Detections during off hours
- Alerts for restricted places
- Direct communication capable

**Facial Recognition**

- Key person / VIP alerts
- User generated watchlists
- Workplace violence prevention

**Thermal**

- Fire detection
- Heat blooms from recently driven vehicles
- People concealed in darkness

**Automatic License Plate Recognition**

- Vehicle location assistance
- Approved / denied plates
- Parking monitoring

Source: Company reports.

Exhibit 7: Sample Customer Experience

# Automation Disruption Underway

**PG&E (NYSE: PCG)**

Major Power Utility  
Doubles Knightscope  
Order to Ten Robots



**ABM (NYSE: ABM)**

Deploys Knightscope  
Autonomous Robot in  
Major Parking Facility









# Long Term Technology Strategy

<b>AUTONOMY</b>	<ul style="list-style-type: none"> <li>Autonomously navigate both outdoors and indoors in dynamic or static environments providing a physical deterrence 24/7/365 at low and high speeds</li> </ul>
<b>SEE</b>	<ul style="list-style-type: none"> <li>Computer Vision and Video Analytics (people, faces, vehicles, plates, gait, weapons)</li> </ul>
<b>FEEL</b>	<ul style="list-style-type: none"> <li>Thermal Imaging and Emotion Detection (fire, crowds, forensics)</li> </ul>
<b>HEAR</b>	<ul style="list-style-type: none"> <li>Acoustic Event Detection and Machine Listening (gunshot, vehicle crash, yelling, glass breaking)</li> </ul>
<b>SMELL</b>	<ul style="list-style-type: none"> <li>WMD Threat Detection (Devices, Pathogens, Chemical, Biological, Radiological and Nuclear)</li> </ul>
<b>SPEAK</b>	<ul style="list-style-type: none"> <li>Automated Pre-Recorded Broadcasts, Live Public Address, Text-to-Speech, Concierge</li> </ul>

Source: Company report.

**Exhibit 8: Business Model and Unit Economics Target**

# MaaS Business Model

Recurring revenue MaaS (Machine-as-a-Service) business model for the recurring societal problem of crime and terrorism

Annual automatic renewal subscriptions at an effective price of approximately \$0.75 to \$9 per hour with an all-inclusive service

- Deployment** - needs assessment, virtual demo, site assessment, site survey, shipping, logistics, setup, configuration and training
- Technology** - Autonomous Security Robot (ASR), Knightscope Security Operations Center (KSOC) user interface, charging systems, data transfer and data storage
- Service** - all maintenance, service, parts, repairs plus 24/7 U.S. based technical support
- Knightscope+** - optional 24/7 remote security monitoring by former military and law enforcement professionals
- Upgrades** - unlimited software, firmware and at times hardware upgrades improve the technology over time based on real world operating experience

**1. Needs Assessment**  
Define a measurable pain point or problem to be solved; consider budget, funding source and signing authority; and identify all affected parties

**2. Initial Site Assessment**  
Determine feasibility of deployment locations for each machine

**3. Virtual Demo**  
Demonstrate to all stakeholders how Knightscope's technologies will fulfill the need; kick off client-required cybersecurity risk assessment, if needed

**4. Proposal**  
Issue a proposal addressing each specific deployment location for client review and approval; clearly communicate disaster preparedness and machine cosmetic damage procedures

**5. Accept Proposal**  
Client accepts the proposal and signs the corresponding Order Form

**6. Order Execution**  
The Order Form is countersigned and approved to be scheduled for site survey.

**7. Site Survey**  
Knightscope performs a formal site survey with the client to solidify expectations and confirm suitability of terrain and data transmission

**8. Pre-Deployment**  
New client meets with Client Experience team to ensure deployment readiness including site preparations, branding/graphics, internal communication protocols, public relations/social media plan, logistics, timing, etc.

**9. Deployment Setup**  
Knightscope deployment specialists arrive onsite to map the patrol area, setup the docking station, and test functionality

**10. KSOC Setup**  
The client's deployment information is loaded into the user interface (KSOC) and prepped for 'Go Live' date

**11. Training**  
Knightscope trains the appropriate staff on machine operations and KSOC usage

**12. Go Live**  
Release date for fully autonomous operation and client utilization

# Unit Economics Target

*Illustrative Example of Unit Economics*  
A notional representation based on operating experience thus far and the Company's internal targets

- High annual recurring revenue per unit economics (e.g., luxury automotive) with margins like a SaaS (Software-as-a-Service) business
- While still providing clients a very attractive price point at an effective rate of \$0.75 to \$9 per hour
- For example, a single ASR can generate ~ \$255,000 of revenue over a 5-year period and is either paid up front by the client or financed by a funding partner
- Cash outflows for building of the machine and deployment activities are incurred in year one only
- Support includes maintenance, service labor, parts, shipping, telecommunications and cloud services
- Total cash outflows over the period is ~(\$84,530) yielding a margin of \$170,470 or 67% as an example

	Year 1	Year 2	Year 3	Year 4	Year 5
Recurring Revenue Contract	\$51,000	\$51,000	\$51,000	\$51,000	\$51,000
Machine Build	(\$52,280)	\$0	\$0	\$0	\$0
Service	(\$6,450)	(\$6,450)	(\$6,450)	(\$6,450)	(\$6,450)
Net Cash Flow	(\$7,730)	\$44,550	\$44,550	\$44,550	\$44,550

Source: Company report.



Exhibit 9: Long Term Growth Strategy

# Long Term Growth Strategy

**WHY NOW?**

- Public safety is at top of mind for the Nation
- Autonomy, robotics, artificial intelligence and electric vehicles are disruptive technologies
- Technology has been proven to be effective with over 2 million hours in field operation

**MACRO**

- Long-term we are targeting to put 1 million machines-in-network to assist the 1 million law enforcement professionals and 1 million security guards with a recurring revenue business model for a recurring societal problem
- Analogous to building a defense contractor but instead of focusing on the DoD, the Company is focused on the U.S. DHS, U.S. DOJ and the 19,000+ law enforcement agencies and 8,000+ private security firms

**SHORT TERM**

- **Verticals** – focus on commercial real estate, hospitals, hotels, residential, manufacturing, logistics, casinos, corporate campuses, and transportation
- **Marketing** - continue the Robot Roadshow as a highly unique selling tool to place our advanced technology at the doorstep of prospective clients

**LONG TERM**

- **FedRAMP** – continue to work towards a targeted ATO (“Authority to Operate”) with the U.S. Federal Government during 2023
- **Technology** – building a wide-ranging portfolio of form factors that can see, feel, hear and smell and operate across environments both outdoors and indoors at low and high speeds – and do 100x more than a human could ever do
- **Everywhere** – criminals and terrorists can be anywhere and therefore in order to meet our mission Knightscope needs to be everywhere



# Robot Roadshow

- Kicked off a nationwide tour to allow prospective clients to experience Knightscope’s technologies up close
- A first in North America use of a transportable Pod containing a showcase of robots, capabilities and a telepresence sales team
- Effective tool in the sales process to drive closing contracts with key decision makers physically involvement and interaction with the technologies



Source: Company report.

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## Exhibit 10: Recent 2024 Customer Announcements

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May '2024

### Knightscope Lands 9 New Contracts/Renewals and Introduces Risk Analysts

Schedules First Quarter 2024 Town Hall for May 16 MOUNTAIN VIEW, Calif. --(BUSINESS WIRE)--May 15, 2024-- Knightscope, Inc. [Nasdaq: KSCP] ("Knightscope" or the "Company"), an innovator in robotics and artificial intelligence ("AI") technologies focused on public safety, today announces 7 new

08

May '2024

### OMNIA Partners and Knightscope Team Up to Serve Public Sector

Technology Innovator Extends Client Reach through Cooperative Contract MOUNTAIN VIEW, Calif. --(BUSINESS WIRE)--May 8, 2024-- Knightscope, Inc. [Nasdaq: KSCP] ("Knightscope" or the "Company"), an innovator in robotics and artificial intelligence ("AI") technologies focused on public safety, and

02

May '2024

### Knightscope Deploys K5 GOV with U.S. Department of Veterans Affairs

Public Safety Innovator Achieves Major Milestone with Entrance to Federal Sector MOUNTAIN VIEW, Calif. --(BUSINESS WIRE)--May 2, 2024-- Knightscope, Inc. [Nasdaq: KSCP] ("Knightscope" or the "Company"), an innovator in robotics and artificial intelligence ("AI") technologies focused on public

30

Apr '2024

### Knightscope Deploys 37 Emergency Communication Devices at Rio Hondo College

Technology Innovator Builds on Growth Plan MOUNTAIN VIEW, Calif. --(BUSINESS WIRE)--Apr. 30, 2024-- Knightscope, Inc. [Nasdaq: KSCP] ("Knightscope" or the "Company"), an innovator in robotics and artificial intelligence ("AI") technologies focused on public safety, today announces the deployment of

25

Apr '2024

### Knightscope to Present to Members of Congress at Hart Senate Office Building

Company Contributes to U.S. Global Competitive Plan with Buy America/Buy American Act Compliance MOUNTAIN VIEW, Calif. --(BUSINESS WIRE)--Apr. 25, 2024-- Knightscope, Inc. [Nasdaq: KSCP] ("Knightscope" or the "Company"), an innovator in robotics and artificial intelligence ("AI") technologies

23

Apr '2024

### Knightscope Delivers On 9 New Deployments and Signs 2 New Contracts

Technology Innovator Delivering on Continued Growth Plan MOUNTAIN VIEW, Calif. --(BUSINESS WIRE)--Apr. 23, 2024-- Knightscope, Inc. [Nasdaq: KSCP] ("Knightscope" or the "Company"), an innovator in robotics and artificial intelligence ("AI") technologies focused on public safety, today announces new

04

Apr '2024

### Knightscope Wins 18 Contracts Valued Over \$1 Million

Technology Innovator Delivers on Continued Growth Robot Roadshow Landing in Multiple Locations Throughout April 2024 MOUNTAIN VIEW, Calif. --(BUSINESS WIRE)--Apr. 4, 2024-- Knightscope, Inc. [Nasdaq: KSCP] ("Knightscope" or the "Company"), an innovator in robotics and artificial intelligence ("AI")

Source: Company report.

**Exhibit 11: Outlook (as of April 2, 2024)**

**OUTLOOK**

**Revenue**

Our company has generated over \$30 million in lifetime revenue and has begun to show consistent double-digit growth over the last 3 years as the technology scaled up from a large-scale proof of concept to production. We believe our recurring revenue business model for the recurring societal problem of crime and terrorism will continue to grow. Robots will be everywhere.

**Volume**

Our machines-in-network across the country combining both our ASR and K1B business is planned to exceed 10,000 during 2024. Additionally, we are working to significantly improve our manufacturing throughput this year and will maintain our focus on "Made in the USA".

**Cash**

We seek to improve our cash position in 2024 through a variety of actions including delivering on our multi million-dollar backlog of new orders, closing on our first ever bond offering, utilizing our ATM facility as needed and improving operational efficiency.

**Profitability**

Our stretch target is to achieve profitability for the 4<sup>th</sup> quarter 2024 by improving our revenue strategy, reducing our variable costs including labor efficiencies and bill-of-material costs as well as further leveraging outsourcing of maintenance and service operations. We are reducing our fixed costs with a streamlined management team and a reduction in our facility footprint nationwide from 13 to 1 over time.

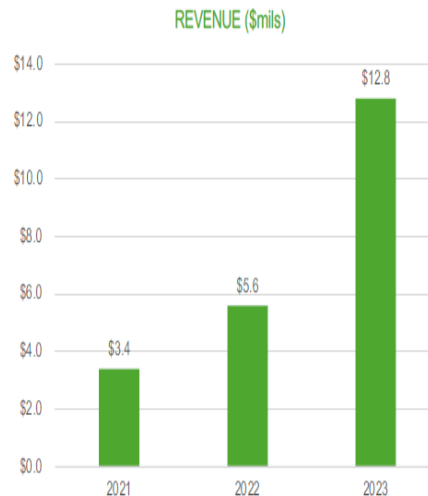
**Technology**

We seek to ramp up production of both the all-new K1 Hemisphere and the 5<sup>th</sup> generation K5 while continuing development on our all-new K7 ASR and kicking off development on our AI-driven Mission Control software application.

Our mission is to make the United States of America the safest country in the world. To achieve the mission, we must have Full Spectrum Dominance over criminals and terrorists. The strategy will drive a required wide portfolio from the K1 through the K15 that are autonomous and can "see, feel, hear, smell, speak – and cooperate". As criminals and terrorists can be anywhere, to achieve the mission, Knightscope must be everywhere.

**Growth**

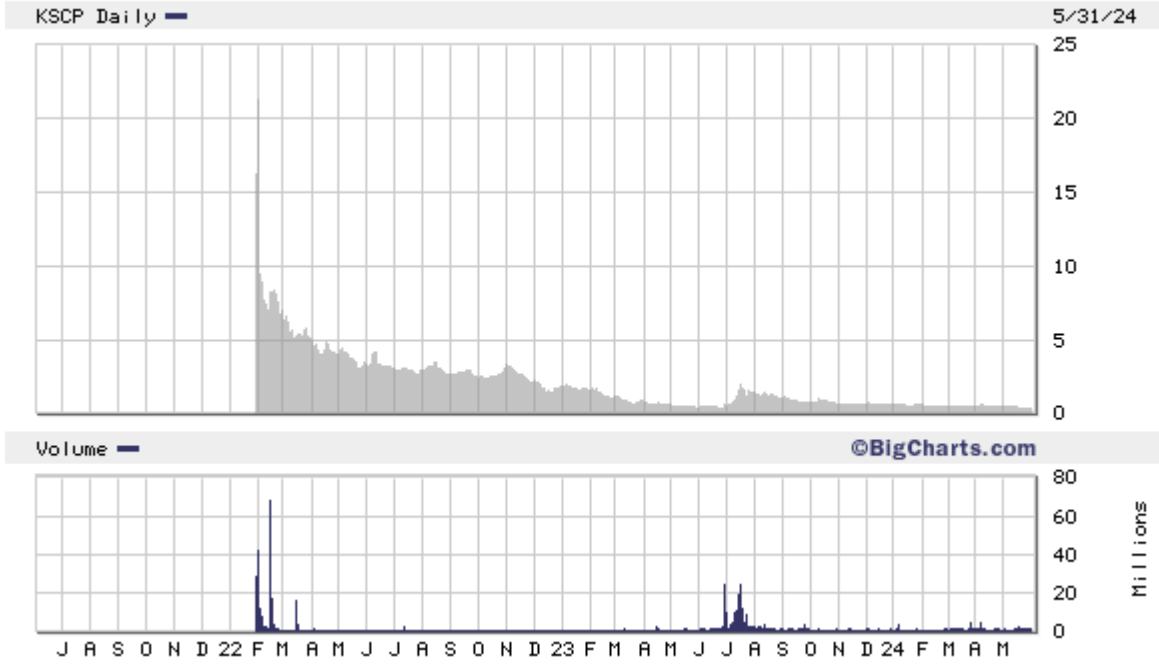
Knightscope seeks to grow both organically as well as through acquisition. Where viable we are also seeking strategic and technical partnerships to drive a comprehensive and integrated portfolio of technological offerings to our clients in the private sector as well as local, state, and federal governments in the USA.



Architecture	Future Technology
CENTRAL INTELLIGENCE	Mission Control User Interface
	KNOC Internal Tool
	KMACS Internal Tool
SKYSCRAPER	K1 Laser
	K1 Mindset / K1 Orb
	K1 Hemisphere / Globe
	K1 Super Tower / Heavy Duty
	K3 Indoor
MOONRAKER	K5 Outdoor
	K7 Multi-Terrain
ZZ	K8 Humanoid
	K9 Dog
ORCA	K10 Patrol
	K15 Tactical

Source: Company report.

Exhibit 12: Knightscope, Inc. Stock Price (since IPO January 27, 2022)



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

## FINANCIAL MODEL

### Knightscope, Inc.

Income Statement (\$ mils)	Mar-22	Jun-22	Sep-22	Dec-22	2022	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
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
<b>Total Revenue</b>	<b>0.9</b>	<b>1.0</b>	<b>1.3</b>	<b>2.3</b>	<b>5.6</b>	<b>2.9</b>	<b>3.6</b>	<b>3.3</b>	<b>3.0</b>	<b>12.8</b>	<b>2.3</b>	<b>2.0</b>	<b>2.7</b>	<b>5.0</b>	<b>12.0</b>	<b>3.1</b>	<b>3.6</b>	<b>4.3</b>	<b>6.0</b>	<b>17.0</b>
<u>Cost of Revenues</u>	<u>1.5</u>	<u>1.7</u>	<u>2.2</u>	<u>3.5</u>	<u>9.0</u>	<u>3.1</u>	<u>3.6</u>	<u>3.3</u>	<u>4.9</u>	<u>14.8</u>	<u>3.7</u>	<u>2.0</u>	<u>2.7</u>	<u>4.5</u>	<u>12.9</u>	<u>2.6</u>	<u>2.9</u>	<u>3.4</u>	<u>4.2</u>	<u>13.1</u>
Gross Profit	(0.5)	(0.7)	(0.9)	(1.2)	(3.3)	(0.2)	0.0	0.0	(1.9)	(2.0)	(1.4)	0.0	0.0	0.5	(0.9)	0.5	0.7	0.9	1.7	3.9
Research & development	1.8	2.1	2.1	2.5	8.4	1.4	1.5	1.9	1.6	6.4	1.6	1.2	1.3	1.8	5.9	1.3	1.4	1.7	1.6	6.0
Sales and marketing	3.5	1.5	1.9	1.6	8.5	1.1	1.2	1.4	1.5	5.2	1.5	1.1	1.2	1.0	4.8	1.0	1.1	1.3	1.2	4.6
General & administrative	2.3	3.0	2.9	3.5	11.7	3.6	3.3	3.2	2.4	12.6	3.6	2.8	2.7	2.3	11.4	2.8	3.0	3.0	3.6	12.5
<u>Restructuring and other</u>					<u>0.0</u>	<u>0.1</u>	<u>0.0</u>			<u>0.1</u>	<u>0.1</u>				<u>0.1</u>					<u>0.0</u>
Total operating expenses	7.7	6.5	6.9	7.6	28.6	6.3	6.0	6.5	5.5	24.3	6.8	5.1	5.3	5.0	22.3	5.1	5.6	6.1	6.3	23.1
<b>Operating income (loss)</b>	<b>(8.2)</b>	<b>(7.2)</b>	<b>(7.8)</b>	<b>(8.8)</b>	<b>(32.0)</b>	<b>(6.5)</b>	<b>(5.9)</b>	<b>(6.5)</b>	<b>(7.3)</b>	<b>(26.3)</b>	<b>(8.3)</b>	<b>(5.1)</b>	<b>(5.3)</b>	<b>(4.5)</b>	<b>(23.2)</b>	<b>(4.5)</b>	<b>(4.9)</b>	<b>(5.1)</b>	<b>(4.6)</b>	<b>(19.1)</b>
Interest income (expense)	(8.9)	0.0		(0.3)	(9.2)	(0.5)	0.0	(0.0)	(0.1)	(0.6)	(0.1)	(0.1)	(0.2)	(0.2)	(0.5)	(0.2)	(0.2)	(0.2)	(0.2)	(0.6)
<u>Other income (expense)</u>	<u>7.5</u>	<u>8.1</u>	<u>2.5</u>	<u>(2.6)</u>	<u>15.6</u>	<u>4.6</u>	<u>1.1</u>	<u>(1.9)</u>	<u>0.9</u>	<u>4.7</u>	<u>0.8</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.8</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
Income before income taxes	(9.6)	0.9	(5.2)	(11.7)	(25.6)	(2.4)	(4.8)	(8.3)	(6.5)	(22.1)	(7.6)	(5.3)	(5.4)	(4.7)	(23.0)	(4.7)	(5.0)	(5.3)	(4.8)	(19.7)
Income taxes					<u>0.0</u>					<u>0.0</u>		<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
Net income (loss)	(9.6)	0.9	(5.2)	(11.7)	(25.6)	(2.4)	(4.8)	(8.3)	(6.5)	(22.1)	(7.6)	(5.3)	(5.4)	(4.7)	(23.0)	(4.7)	(5.0)	(5.3)	(4.8)	(19.7)
Nonrecurring/noncash adjustments					<u>0.0</u>					<u>0.0</u>					<u>0.0</u>					<u>0.0</u>
<b>Net income (pro forma)</b>	<b>(9.6)</b>	<b>0.9</b>	<b>(5.2)</b>	<b>(11.7)</b>	<b>(25.6)</b>	<b>(2.4)</b>	<b>(4.8)</b>	<b>(8.3)</b>	<b>(6.5)</b>	<b>(22.1)</b>	<b>(7.6)</b>	<b>(5.3)</b>	<b>(5.4)</b>	<b>(4.7)</b>	<b>(23.0)</b>	<b>(4.7)</b>	<b>(5.0)</b>	<b>(5.3)</b>	<b>(4.8)</b>	<b>(19.7)</b>
EBITDA	(7.1)	(6.2)	(6.1)	(7.0)	(26.5)	(5.2)	(4.5)	(4.9)	(6.0)	(20.7)	(7.2)	(4.6)	(4.7)	(4.0)	(20.5)	(4.0)	(4.3)	(4.6)	(4.1)	(17.0)
Shares, Basic	31.7	35.7	36.9	38.0	35.6	42.7	57.2	77.7	86.0	65.9	96.4	108.0	109.0	110.0	105.8	111.0	112.0	113.0	114.0	112.5
Shares, Diluted	31.7	49.7	36.9	38.0	35.6	42.7	57.2	77.7	86.0	65.9	96.4	108.0	109.0	110.0	105.8	111.0	112.0	113.0	114.0	112.5
EPS Basic (pro forma)	(\$0.30)	\$0.02	(\$0.14)	(\$0.31)	(\$0.72)	(\$0.06)	(\$0.08)	(\$0.11)	(\$0.08)	(\$0.34)	(\$0.08)	(\$0.05)	(\$0.05)	(\$0.04)	(\$0.22)	(\$0.04)	(\$0.04)	(\$0.05)	(\$0.04)	(\$0.18)
EPS Diluted (pro forma)	(\$0.30)	\$0.02	(\$0.14)	(\$0.31)	(\$0.72)	(\$0.06)	(\$0.08)	(\$0.11)	(\$0.08)	(\$0.34)	(\$0.08)	(\$0.05)	(\$0.05)	(\$0.04)	(\$0.22)	(\$0.04)	(\$0.04)	(\$0.05)	(\$0.04)	(\$0.18)
<b>Margins</b>																				
Gross margin	-58%	-66%	-69%	-50%	-59%	-7%	0%	2%	-62%	-16%	-64%	0%	0%	10%	-8%	17%	20%	22%	29%	23%
Research & development	195%	199%	160%	105%	150%	48%	42%	57%	52%	50%	70%	60%	50%	35%	49%	40%	40%	40%	26%	35%
Sales and marketing	370%	145%	147%	68%	151%	39%	33%	42%	49%	40%	67%	55%	45%	20%	40%	31%	31%	31%	20%	27%
General & administrative	246%	284%	224%	150%	208%	126%	92%	97%	81%	98%	162%	140%	100%	45%	95%	90%	85%	70%	60%	73%
Operating margin	-869%	-694%	-600%	-373%	-568%	-225%	-167%	-195%	-244%	-205%	-367%	-255%	-195%	-90%	-193%	-144%	-136%	-119%	-77%	-112%
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	-1017%	83%	-404%	-497%	-455%	-84%	-135%	-251%	-217%	-173%	-337%	-262%	-201%	-93%	-191%	-148%	-140%	-123%	-80%	-116%
<b>YY % change</b>																				
Total Revenue	9%	14%	65%	178%	65%	207%	242%	156%	28%	127%	-22%	-44%	-19%	67%	-6%	40%	78%	60%	18%	42%
Gross margin	73%	63%	71%	49%	61%	-61%	-101%	-106%	58%	-39%	578%	-100%	-100%	-127%	-54%	-138%	#DIV/0!	#DIV/0!	243%	-517%
Research & development	-67%	13%	0%	19%	51%	-83%	6%	28%	-18%	-25%	-75%	-23%	12%	31%	-7%	-79%	14%	20%	-10%	1%
Sales and marketing	14%	-58%	174%	-66%	-29%	-68%	-21%	-27%	-8%	-39%	34%	-7%	-13%	-31%	-7%	-35%	0%	10%	18%	-4%
General & administrative	-52%	27%	-2%	21%	140%	-69%	-10%	-1%	-25%	8%	-71%	-23%	-4%	-16%	-9%	-75%	8%	-1%	19%	9%
Operating income (loss)	62%	9%	95%	-1%	30%	-21%	-18%	-17%	-16%	-18%	27%	-14%	-19%	-38%	-12%	-45%	-5%	-2%	1%	-18%
Net income (loss)	67%	-105%	3%	-28%	-42%	-75%	-653%	59%	-44%	-14%	211%	10%	-35%	-28%	4%	-39%	-5%	-2%	1%	-14%
EPS Diluted (pro forma)	-46%	-101%	-72%	-77%	-83%	-81%	-580%	-24%	-75%	-53%	38%	-42%	-54%	-44%	-35%	-47%	-8%	-5%	-2%	-19%

Source: Company reports and Ascendant Capital Markets estimates.

**Knightscope, Inc.**

Balance Sheet (\$ mils)	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25
Fiscal Year End: December 31	Q1A	Q2A	Q3A	Q4A	Q1A	Q2A	Q3A	Q4A	Q1A	Q2E	Q3E	Q4E	Q1E	Q2E	Q3E	Q4E
<b>Assets</b>																
Cash and cash equivalents	21.1	15.6	11.1	4.8	2.4	5.8	4.6	2.3	2.5	3.3	(1.8)	(7.5)	(9.6)	(15.2)	(20.3)	(26.2)
Short term investments										0.0	0.0	0.0	0.0	0.0	0.0	0.0
Accounts receivable, net	2.0	1.6	0.3	1.4	1.9	2.0	2.1	2.1	3.1	1.1	1.5	2.8	1.7	2.0	2.4	3.3
Inventory				2.6	2.7	2.7	3.2	2.3	2.9	1.8	2.4	4.5	2.8	3.2	3.9	5.4
Deferred income taxes										0.0	0.0	0.0	0.0	0.0	0.0	0.0
Prepaid expenses and other	1.3	1.3	2.0	1.3	1.5	1.4	1.3	1.5	1.5	1.3	1.7	3.3	1.6	1.8	2.2	3.0
<b>Total current assets</b>	<b>24.3</b>	<b>18.5</b>	<b>13.3</b>	<b>10.1</b>	<b>8.4</b>	<b>12.0</b>	<b>11.2</b>	<b>8.2</b>	<b>9.9</b>	<b>7.5</b>	<b>3.9</b>	<b>3.1</b>	<b>(3.5)</b>	<b>(8.2)</b>	<b>(11.9)</b>	<b>(14.5)</b>
Autonomous Security Robots, net	3.4	4.0	4.6	5.9	5.8	6.8	7.8	8.8	8.5	8.5	8.5	8.5	8.5	8.5	8.5	8.5
Property and equipment, net	0.1	0.2	0.2	0.6	1.0	1.0	0.9	0.9	0.8	0.6	0.4	0.2	(0.0)	0.7	0.5	1.2
Leases	0.9	0.8	0.6	2.0	1.8	1.7	1.5	1.5	1.3	1.3	1.3	1.3	1.3	1.3	1.3	1.3
Intangibles, net				3.4	3.3	3.7	3.6	3.5	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4
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
<b>Total assets</b>	<b>28.9</b>	<b>23.5</b>	<b>18.8</b>	<b>22.1</b>	<b>20.4</b>	<b>25.2</b>	<b>25.0</b>	<b>23.0</b>	<b>24.0</b>	<b>21.4</b>	<b>17.6</b>	<b>16.5</b>	<b>9.8</b>	<b>5.8</b>	<b>1.9</b>	<b>(0.0)</b>
<b>Liabilities and stockholders' equity</b>																
Accounts payable	1.1	1.2	1.7	2.5	1.7	1.5	1.7	1.9	1.5	1.3	1.8	3.4	2.4	2.7	3.2	4.5
Accrued expenses	0.5	0.6	1.2	2.4	1.8	2.4	1.6	1.1	1.2	1.5	2.0	3.8	2.4	2.7	3.2	4.5
Deferred revenue	1.3	1.5	1.4	1.7	2.4	2.4	1.9	1.7	1.7	1.7	1.7	1.7	1.7	1.7	1.7	1.7
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	0.7	0.7	0.7	0.7	0.8	0.7	0.7	0.7	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8
Other	1.1	1.2	0.6	1.1	1.4	1.7	1.6	1.5	1.4	1.4	1.7	1.7	1.7	1.7	1.7	1.7
Short term debt				2.1	0.9	0.5	0.3			0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Total current liabilities</b>	<b>4.6</b>	<b>5.3</b>	<b>5.4</b>	<b>10.5</b>	<b>9.0</b>	<b>9.3</b>	<b>7.7</b>	<b>6.9</b>	<b>6.5</b>	<b>6.6</b>	<b>7.9</b>	<b>11.2</b>	<b>8.8</b>	<b>9.5</b>	<b>10.6</b>	<b>13.1</b>
Deferred income taxes										0.0	0.0	0.0	0.0	0.0	0.0	0.0
Warrant liabilities	22.7	14.5	12.0	11.2	6.5	5.3	6.8	6.2	5.5	5.5	5.5	5.5	5.5	5.5	5.5	5.5
Other long term liabilities				0.4	0.3	0.3	0.7	0.3	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2
Leases	0.3	0.1		1.3	1.1	1.0	0.8	0.7	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5
Deferred revenue										0.0	0.0	0.0	0.0	0.0	0.0	0.0
Long term debt				6.6	4.1			1.2	3.9	4.0	4.0	4.0	4.0	4.0	4.0	4.0
<b>Total other liabilities</b>	<b>23.0</b>	<b>14.7</b>	<b>12.0</b>	<b>19.4</b>	<b>12.1</b>	<b>6.6</b>	<b>8.2</b>	<b>8.5</b>	<b>10.1</b>	<b>10.2</b>	<b>10.2</b>	<b>10.2</b>	<b>10.2</b>	<b>10.2</b>	<b>10.2</b>	<b>10.2</b>
Preferred stock	40.0	36.6	36.1	35.8	34.7	34.5	34.3	34.2	34.0	34.0	34.0	34.0	34.0	34.0	34.0	34.0
Common stock	0.0	0.0	0.0	0.0	0.0	0.1	0.1	0.1	0.1	0.4	0.8	1.1	1.4	1.8	2.1	2.4
Additional paid-in capital	84.6	89.3	92.9	95.7	106.3	121.2	129.7	134.7	142.3	142.3	142.3	142.3	142.3	142.3	142.3	142.3
Retained earnings	(123.3)	(122.4)	(127.7)	(139.3)	(141.8)	(146.6)	(154.9)	(161.5)	(169.1)	(174.3)	(179.7)	(184.4)	(189.1)	(194.1)	(199.4)	(204.1)
Other										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
<b>Total stockholders' equity</b>	<b>1.3</b>	<b>3.5</b>	<b>1.4</b>	<b>(7.8)</b>	<b>(0.7)</b>	<b>9.2</b>	<b>9.1</b>	<b>7.6</b>	<b>7.4</b>	<b>4.5</b>	<b>(0.6)</b>	<b>(4.9)</b>	<b>(9.3)</b>	<b>(13.9)</b>	<b>(18.9)</b>	<b>(23.3)</b>
<b>Total stockholders' equity and liabilities</b>	<b>28.9</b>	<b>23.5</b>	<b>18.8</b>	<b>22.1</b>	<b>20.4</b>	<b>25.2</b>	<b>25.0</b>	<b>23.0</b>	<b>24.0</b>	<b>21.4</b>	<b>17.6</b>	<b>16.5</b>	<b>9.8</b>	<b>5.8</b>	<b>1.9</b>	<b>(0.0)</b>

**Balance Sheet Drivers**

	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25
	Q1A	Q2A	Q3A	Q4A	Q1A	Q2A	Q3A	Q4A	Q1A	Q2E	Q3E	Q4E	Q1E	Q2E	Q3E	Q4E
Prepaid as % of total rev	133%	120%	151%	57%	51%	39%	40%	50%	65%	65%	65%	65%	50%	50%	50%	50%
Inventory as % of total rev	0%	0%	0%	109%	93%	75%	95%	77%	128%	90%	90%	90%	90%	90%	90%	90%
A/P as % of total rev	114%	119%	131%	105%	58%	43%	52%	62%	67%	67%	67%	67%	75%	75%	75%	75%
Accrued exp related as % of total rev	48%	56%	89%	102%	64%	68%	47%	38%	55%	75%	75%	75%	75%	75%	75%	75%
<b>Activity Ratios</b>																
A/R Days Sales Outstanding	188	141	22	52	58	52	57	62	124	50	50	50	50	50	50	50
<b>Book &amp; Cash Value (per share)</b>																
Book Value per Share (diluted)	\$0.04	\$0.07	\$0.04	-\$0.21	-\$0.02	\$0.16	\$0.12	\$0.09	\$0.08	\$0.04	-\$0.01	-\$0.04	-\$0.08	-\$0.12	-\$0.17	-\$0.20
Cash per Share (diluted)	\$0.67	\$0.31	\$0.30	\$0.13	\$0.06	\$0.10	\$0.06	\$0.03	\$0.03	\$0.03	-\$0.02	-\$0.07	-\$0.09	-\$0.14	-\$0.18	-\$0.23
Net cash per Share (diluted)	\$0.67	\$0.31	\$0.30	-\$0.10	-\$0.06	\$0.09	\$0.06	\$0.01	-\$0.01	-\$0.01	-\$0.05	-\$0.10	-\$0.12	-\$0.17	-\$0.22	-\$0.26

Source: Company reports and Ascendant Capital Markets estimates

**Knightscope, Inc.**

Cash Flow Statement (\$ mils)	Mar-22	Jun-22	Sep-22	Dec-22	2022	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
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
<b>Cash flow from operating activities</b>																				
Net income	(9.6)	0.9	(5.2)	(11.7)	(25.6)	(2.4)	(4.8)	(8.3)	(6.5)	(22.1)	(7.6)	(5.3)	(5.4)	(4.7)	(23.0)	(4.7)	(5.0)	(5.3)	(4.8)	(19.7)
Depreciation	0.4	0.3	0.5	0.6	1.7	0.6	0.6	0.6	0.6	2.4	0.6	0.2	0.2	0.2	1.2	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 expen	8.9			0.3	9.2				0.5	0.5	0.0				0.0					0.0
Stock comp	0.7	0.7	1.2	1.2	3.8	0.6	0.9	0.9	0.7	3.1	0.3	0.3	0.3	0.3	1.3	0.3	0.3	0.3	0.3	1.3
Deferred income taxes					0.0					0.0					0.0	0.0	0.0	0.0	0.0	0.0
Change in fair value of warrant I	(7.5)	(8.1)	(2.5)	2.0	(16.2)	(4.7)	(1.2)	1.8	(0.9)	(4.9)	(0.8)				(0.8)					0.0
Accrued interest	0.0			0.0	0.0	0.5	(0.1)		(0.4)	0.0	0.1				0.1					0.0
Writedowns and impairments					0.0					0.0	0.8				0.8					0.0
Other gains/losses					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	(0.8)	0.3	1.3	(0.7)	0.2	(0.5)	(0.2)	(0.1)	0.0	(0.7)	(1.0)	2.0	(0.4)	(1.3)	(0.7)	1.1	(0.2)	(0.4)	(0.9)	(0.5)
Inventory				(0.0)	(0.0)	(0.1)	0.0	(0.5)	0.8	0.2	(0.6)	1.1	(0.6)	(2.1)	(2.2)	1.7	(0.4)	(0.7)	(1.5)	(0.8)
Prepaid expenses & other curre	0.1	(0.1)	(0.1)	0.4	0.4	(0.2)	(0.1)	(0.0)	(0.2)	(0.5)	0.1	0.2	(0.4)	(1.5)	(1.7)	1.7	(0.2)	(0.4)	(0.8)	0.3
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
Accounts payable	(0.4)	0.2	0.5	0.8	0.9	(0.8)	(0.2)	0.2	0.1	(0.6)	(0.4)	(0.2)	0.5	1.6	1.5	(1.0)	0.3	0.5	1.2	1.1
Accrued expenses	(0.7)	0.1	0.6	1.2	1.2	(0.6)	0.6	(0.9)	(0.4)	(1.3)	0.0	0.3	0.5	1.8	2.6	(1.4)	0.3	0.5	1.2	0.7
Deferred revenue	0.4	0.2	(0.2)	0.1	0.6	0.7	(0.5)	(0.6)	(0.1)	(0.5)	(0.1)				(0.1)					0.0
Other liabilities	0.2	0.1	(0.7)	0.2	(0.2)	0.4	0.1	(0.2)	(0.1)	0.3	(0.1)	0.0	0.0	0.0	(0.1)	0.0	0.0	0.0	0.0	0.0
<b>Net cash (used in) provided by</b>	<b>(8.4)</b>	<b>(5.3)</b>	<b>(4.8)</b>	<b>(5.6)</b>	<b>(24.1)</b>	<b>(6.5)</b>	<b>(4.7)</b>	<b>(6.9)</b>	<b>(6.0)</b>	<b>(24.2)</b>	<b>(8.6)</b>	<b>(1.4)</b>	<b>(5.3)</b>	<b>(5.8)</b>	<b>(21.1)</b>	<b>(2.1)</b>	<b>(4.7)</b>	<b>(5.1)</b>	<b>(5.0)</b>	<b>(16.9)</b>
<b>Cash flow from investing activities</b>																				
Purchases of property and equi	(0.0)	(0.0)		(0.0)	(0.1)	(0.4)	(0.0)	0.0	(0.0)	(0.5)	(0.9)	0.0	(0.0)	(0.0)	(0.9)	(0.0)	(0.9)	(0.0)	(0.9)	(1.8)
Purchases of short-term investments					0.0					0.0					0.0					0.0
Acquisitions				(5.4)	(5.4)					0.0					0.0					0.0
Other	(0.8)	(0.9)	(1.1)	(1.6)	(4.4)	(0.3)	(1.4)	(1.4)	(1.5)	(4.7)					0.0					0.0
<b>Net cash used in investing activ</b>	<b>(0.8)</b>	<b>(0.9)</b>	<b>(1.1)</b>	<b>(7.1)</b>	<b>(9.9)</b>	<b>(0.8)</b>	<b>(1.4)</b>	<b>(1.4)</b>	<b>(1.5)</b>	<b>(5.1)</b>	<b>(0.9)</b>	<b>0.0</b>	<b>(0.0)</b>	<b>(0.0)</b>	<b>(0.9)</b>	<b>(0.0)</b>	<b>(0.9)</b>	<b>(0.0)</b>	<b>(0.9)</b>	<b>(1.8)</b>
<b>Cash flow from financing activities</b>																				
Issuance of debt				3.2	3.2				1.2	1.2	2.6	0.1	0.0	0.0	2.7	0.0	0.0	0.0	0.0	0.0
Repayment of debt					0.0			(0.3)	(0.3)	(0.6)					0.0					0.0
Issuance of stock	19.5	0.5	1.0	1.5	22.5	4.7	9.5	7.4	4.3	25.9	7.1	0.0	0.0	0.0	7.1	0.0	0.0	0.0	0.0	0.0
Proceeds from stock option exe	0.1	0.1	0.3	1.8	2.4	0.2	0.0			0.3					0.0					0.0
Other	(0.1)		(0.0)	(0.0)	(0.1)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)		2.0	0.3		2.3					0.0
Dividends and distributions					0.0					0.0					0.0					0.0
<b>Cash provided by (used in) fina</b>	<b>19.5</b>	<b>0.7</b>	<b>1.3</b>	<b>6.5</b>	<b>28.0</b>	<b>4.9</b>	<b>9.6</b>	<b>7.1</b>	<b>5.2</b>	<b>26.8</b>	<b>9.7</b>	<b>2.1</b>	<b>0.3</b>	<b>0.0</b>	<b>12.1</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
Effect of exchange rate on cash					0.0					0.0					0.0					0.0
<b>Net increase (decrease) in cash</b>	<b>10.3</b>	<b>(5.6)</b>	<b>(4.6)</b>	<b>(6.2)</b>	<b>(6.0)</b>	<b>(2.3)</b>	<b>3.5</b>	<b>(1.2)</b>	<b>(2.3)</b>	<b>(2.4)</b>	<b>0.2</b>	<b>0.7</b>	<b>(5.0)</b>	<b>(5.8)</b>	<b>(9.9)</b>	<b>(2.1)</b>	<b>(5.6)</b>	<b>(5.1)</b>	<b>(5.9)</b>	<b>(18.7)</b>
<b>Beginning cash and equivalents</b>	<b>10.8</b>	<b>21.2</b>	<b>15.6</b>	<b>11.1</b>	<b>10.8</b>	<b>4.8</b>	<b>2.5</b>	<b>5.9</b>	<b>4.7</b>	<b>4.8</b>	<b>2.4</b>	<b>2.6</b>	<b>3.3</b>	<b>(1.8)</b>	<b>2.4</b>	<b>(7.5)</b>	<b>(9.6)</b>	<b>(15.2)</b>	<b>(20.3)</b>	<b>(7.5)</b>
<b>Ending cash and equivalents</b>	<b>21.2</b>	<b>15.6</b>	<b>11.1</b>	<b>4.9</b>	<b>4.8</b>	<b>2.5</b>	<b>5.9</b>	<b>4.7</b>	<b>2.4</b>	<b>2.4</b>	<b>2.6</b>	<b>3.3</b>	<b>(1.8)</b>	<b>(7.5)</b>	<b>(7.5)</b>	<b>(9.6)</b>	<b>(15.2)</b>	<b>(20.3)</b>	<b>(26.2)</b>	<b>(26.2)</b>

Source: Company reports and Ascendant Capital Markets estimates

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			Count	Percent
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