

March 16, 2020



# SHOTSPOTTER RESPONDS TO COVID-19 CHALLENGE

## Company Initiates Resiliency Plan to Maintain Gunshot Detection Services With a Remote and Distributed Incident Review Center

*Full Year 2020 Revenue Guidance Reduced to a Range of \$46 million to \$48 million.*

NEWARK, Calif., March 16, 2020 (GLOBE NEWSWIRE) -- [ShotSpotter, Inc.](#) (NASDAQ: SSTI), the leader in acoustic gunshot detection and precision policing solutions that help law enforcement officials and security personnel prevent and reduce gun violence, today shared details of the program it has put in place to respond to the COVID-19 outbreak. The company is taking steps to protect the health and safety of its employees and customers while maintaining its existing level of gunshot detection services.

Effective March 16, 2020, ShotSpotter will follow social distancing recommendations to do its part to help reduce transmission of the COVID-19 virus. The company has temporarily closed its headquarters and required all employees to work from home. The company has acquired and implemented infrastructure, equipment and processes to enable its gunshot detection services to continue uninterrupted. ShotSpotter's Incident Review Center (IRC), which provides an additional step of human review of incidents, has successfully transitioned to a distributed model and will remain at full staffing. There is no anticipated impact on the response time or quality of its alerting services. Management believes it will be able to maintain its 90% SLA commitment to its customers around the globe.

In addition to closing headquarters through March 31, 2020, the company has also put in place a mandatory and complete travel ban for the same period. The travel ban effectively suspends all project management and installation activities, which will impact the number of new go-live miles deployed in March and early Q2. In addition to these travel restrictions, scheduled deployments are also being delayed at the request of customers, who are dealing with their own response to COVID-19. Similar circumstances are also resulting in a slowdown in engagements with prospective customers.

"Our top priority is the safety of our employees, customers, and other key stakeholders. We have taken the necessary steps to protect them and their loved ones and we are doing our part to help slow the spread of the COVID-19 virus," said Ralph Clark, CEO of ShotSpotter. "Our team has worked very hard to prepare us for this contingency, and we believe we have the technical infrastructure and organizational resiliency that will allow us to operate without degrading our service and responsiveness to customers.

"We hope the travel ban will only have a short-term impact on the deployment of new miles. I expect and believe that we will quickly regain momentum once our project teams are permitted to travel though we are not expecting normal travel conditions until at least May. This is a quickly evolving situation and we will alter our response as necessary. However,

our robust balance sheet, the recurring nature of our revenues and the strength of our operations gives us confidence that we can minimize the long-term impact of COVID-19 while prioritizing the safety of our employees, customers, and other key stakeholders," concluded Mr. Clark.

## **Financial Outlook**

ShotSpotter is reducing its full-year revenue outlook to reflect the expected impact of COVID-19 and the company's travel ban on sales and the company's ability to deploy and activate new miles under contract. For the full year 2020, the company now expects revenues of \$46 million to \$48 million compared to its previous guidance of \$48 million to \$50 million. There is no change to the company's expectation of GAAP profitability for the full year 2020. The company will be monitoring the impact of the COVID-19 crisis and will provide an update at a later date on its gross and net margins for the full year 2020. Actual results could differ materially depending on market conditions and the factors set forth under "Forward-Looking Statements" below.

## **Forward-Looking Statements**

This press release contains "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995, including but not limited to statements regarding the company's ability to maintain SLA commitment to customers, the duration of the company's temporary headquarters closure or its impact on the response time or quality of its alerting services, the duration of the company's travel ban or its impact on sales or the deployment of new go-live miles, the company's ability to regain deployment momentum after the travel ban is lifted, the company's revenue and profitability guidance for 2020. Words such as "expect," "anticipate," "should," "believe," "target," "project," "goals," "estimate," "potential," "predict," "may," "will," "could," "intend," variations of these terms or the negative of these terms and similar expressions are intended to identify these forward-looking statements. Forward-looking statements are subject to a number of risks and uncertainties, many of which involve factors or circumstances that are beyond the company's control. The company's actual results could differ materially from those stated or implied in forward-looking statements due to a number of factors, including but not limited to: the duration and extent of the COVID-19 crisis; the company's ability to successfully negotiate and execute contracts with new and existing customers; the company's ability to maintain and increase sales; the availability of funding for the company's customers to purchase the company's solutions; the complexity, expense and time associated with contracting with government entities; the company's ability to maintain and expand coverage of existing public safety customer accounts and further penetrate the public safety market; the company's ability to sell its solutions into international and other new markets; the lengthy sales cycle for the company's solutions; changes in federal funding available to support local law enforcement; and the company's ability to deploy and deliver its solutions; as well as other risk factors included in the company's most recent annual report on Form 10-K and other SEC filings. These forward-looking statements are made as of the date of this press release and are based on current expectations, estimates, forecasts and projections as well as the beliefs and assumptions of management. Except as required by law, the company undertakes no duty or obligation to update any forward-looking statements contained in this release as a result of new information, future events or changes in its expectations.

## **About ShotSpotter, Inc.**

ShotSpotter (NASDAQ: SSTI) provides acoustic gunshot detection and precision-policing solutions to help law enforcement officials and security personnel prevent and reduce gun violence and make cities, campuses and facilities safer. The company's flagship product, ShotSpotter® Flex™, is the leading gunshot detection, location and forensic system trusted by over 100 cities. ShotSpotter® Missions™ uses artificial intelligence-driven analysis to help strategically plan patrol missions and tactics for maximum crime deterrence. ShotSpotter has been designated a [Great Place to Work](#)® Company.

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