UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K/A

(Amendment No. 1)

CURRENT REPORT
Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): October 14, 2022

Knightscope, Inc.

(Exact name of registrant as specified in its charter)

Delaware	001-41248	46-2482575
(State or other jurisdiction of incorporation)	*(Commission File Number)*	*(IRS Employer Identification No.)*

1070 Terra Bella Avenue
Mountain View, California 94043
(Address, including zip code, of principal executive offices)

Registrant's telephone number, including area code: (650) 924-1025

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class registered	Trading symbol(s)	Name of each exchange on which registered
Class A Common Stock, par value $0.001 per share	KSCP	Nasdaq Global Market

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company ☒

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Explanatory Note

On October 20, 2022, Knightscope, Inc. (the "Company") filed a Current Report on Form 8-K (the "Initial Form 8-K") to report the completion of its acquisition (the "Acquisition") of Case Emergency Systems, a California corporation (the "Seller"), pursuant to an Asset Purchase Agreement (the "APA") between the Company and the Seller.

Upon completion of the Acquisition, the Company purchased and assumed from the Seller substantially all the assets and certain specified liabilities of the Seller's emergency call box and communications business, subject to the terms and conditions set forth in the APA.

The Company is filing this Amendment No. 1 to the Initial Form 8-K to include the historical financial statements of the Seller and pro forma condensed combined financial information required to be filed under Item 9.01 of Form 8-K. The disclosure included in the Initial Form 8-K otherwise remains unchanged.

Item 9.01. Financial Statements and Exhibits.

(a) Financial Statements of Businesses Acquired.

The audited financial statements of the Seller as of and for the year ended December 31, 2021 are attached as Exhibit 99.1 to this Current Report on Form 8-K/A and are incorporated by reference herein. The unaudited interim financial statements of the Seller as of and for the six months ended June 30, 2022 are attached as Exhibit 99.2 to this Current Report on Form 8-K/A and are incorporated by reference herein.

(b) Pro Forma Financial Information.

The unaudited pro forma condensed combined financial statements, giving effect to the Acquisition, which includes the (i) unaudited pro forma condensed combined balance sheet as of June 30, 2022 and (ii) unaudited pro forma condensed combined statements of operations for the six months ended June 30, 2022 and for the year ended December 31, 2021, are attached as Exhibit 99.3 to this Current Report Form 8-K/A and are incorporated by reference herein.

(d) Exhibits.

Exhibit No.	Description
23.1	Consent of Cashuk, Wiseman, Goldberg, Birnbaum and Salem, LLP.
99.1	Audited financial statements of Case Emergency Systems as of and for the year ended December 31, 2021.
99.2	Unaudited interim financial statements of Case Emergency Systems as of and for the six months ended June 30, 2022.
99.3	Unaudited pro forma condensed combined financial statements of Knightscope, Inc. as of and for the six months ended June 30, 2022 and for the year ended December 31, 2022.
104	Cover Page Interactive Data File (embedded within the Inline XBRL document).

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

KNIGHTSCOPE, INC.

Date: December 28, 2022

By: /s/ Mallorie Burak
Name: Mallorie Burak
Title: Chief Financial Officer

Exhibit 23.1

CONSENT OF INDEPENDENT ACCOUNTANTS

We hereby consent to the incorporation by reference in the Registration Statements on Form S-8 (Nos. 333-264454 and 333-266891) and Registration Statements on Form S-1 (Nos. 333-264259 and 333-268315) of Knightscope, Inc., of our report dated September 22, 2022 relating to the financial statements of Case Emergency Systems, which is incorporated by reference in this Current Report on Form 8-K/A.

/s/ Cashuk, Wiseman, Goldberg, Birnbaum and Salem, LLP
San Diego, California
December 28, 2022

Exhibit 99.1

CASE EMERGENCY SYSTEMS

FINANCIAL STATEMENTS

DECEMBER 31, 2021

(AUDITED)

CASE EMERGENCY SYSTEMS
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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors and Stockholder of
CASE Emergency Systems
Irvine, California

Opinion

We have audited the accompanying financial statements of CASE Emergency Systems (a California corporation), which comprise the balance sheet as of December 31, 2021, and the related statements of income, stockholder's equity, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of CASE Emergency Systems as of December 31, 2021, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of CASE Emergency Systems and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about CASE Emergency Systems's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of CASE Emergency Systerns's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about CASE Emergency Systems's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

CASHUK, WISEMAN, GOLDBERG, BIRNBAUM AND SALEM, LLP

San Diego, California
September 22, 2022

CASE EMERGENCY SYSTEMS
BALANCE SHEET
December 31, 2021

ASSETS

CURRENT ASSETS		
Cash and Cash Equivalents (Note A)	$	1,621,350
Accounts Receivable (Note A)		442,959
Inventory (Note A)		2,749,464
Prepaid Expenses		67,326
TOTAL CURRENT ASSETS		4,881,099
PROPERTY AND EQUIPMENT		
Property and Equipment, net of accumulated depreciation of $390,253 in 2021 (Notes A & C)		273,430
OTHER ASSETS		
Security Deposit		23,312
Goodwill (Note A)		412,463
TOTAL OTHER ASSETS		435,775
TOTAL ASSETS	**$**	**5,590,304**

The accompanying notes are an integral part of these financial statements.

CASE EMERGENCY SYSTEMS
BALANCE SHEET
December 31, 2021

LIABILITIES AND STOCKHOLDER'S EQUITY

CURRENT LIABILITIES		
Accounts Payable and Accrued Expenses	$	879,694
Deferred Income (Note A)		73,148
Current Portion of Long-Term Debt (Note F)		231,267
Current Portion of Capital Leases (Note F)		128,174
TOTAL CURRENT LIABILITIES		1,312,283
LONG-TERM LIABILITIES		
Long-Term Debt, net of current portion (Note F)		4,041,154
Capital Leases, net of current portion (Note F)		142,325
TOTAL LONG-TERM LIABILITIES		4,183,479
TOTAL LIABILITIES		5,495,762
STOCKHOLDER'S EQUITY		
Common Stock - 1,000 Shares Authorized,		
1,000 Issued and Outstanding		1,000
Additional Paid in Capital		390,446
Retained Earnings (Accumulated Deficits)		(296,904)
TOTAL STOCKHOLDER'S EQUITY		94,542
TOTAL LIABILITIES AND STOCKHOLDER'S EQUITY	**$**	**5,590,304**

The accompanying notes are an integral part of these financial statements.

CASE EMERGENCY SYSTEMS
STATEMENT OF INCOME
Year Ended December 31, 2021

REVENUES		
Sales (Note A)	$	5,433,155
COST OF SALES		3,141,693
GROSS PROFIT		2,291,462
EXPENSES		
Automobile Expenses		20,203
Bank and Credit Card Fees		11,913
Depreciation and Amortization		142,160
Dues and Subscriptions		19,330
General and Administrative		127,096
Insurance		115,113
Interest		135,494
Salaries and Payroll Taxes		1,033,192
Professional Fees		220,001
Rent (Note E)		213,742
R&D Related Expenses		257,166
Sales Deparhuent		612,267
Telephone		40,854
Travel		10,597
Utilities		17,255
TOTAL EXPENSES		2,976,383
LOSS FROM OPERATIONS		(684,921)
OTHER INCOME		
Employee Retention Credit (ERC Tax Credits)		117,822
Grants under CARES Act		9,000
PPP Loan Forgiveness (Note A)		542,700
Gain (Loss) on Sale of Property & Equipment		44,550
TOTAL OTHER INCOME		714,072
INCOME BEFORE TAXES		29,151
Income Tax Expense (Note B)		800
NET INCOME (LOSS)	$	28,351

The accompanying notes are an integral part of these financial statements.

CASE EMERGENCY SYSTEMS
STATEMENT OF STOCKHOLDER'S EQUITY
Year Ended December 31, 2021

	Common Stock		Additional Paid In Capital	Retained Earnings (Accumulated Deficit)	Total
	Shares	Amount			
Beginning Balance, January 1, 2021	1,000	$ 1,000	$ 390,446	$ 267,052	$ 658,498
Contributions	-	-	-	-	-
Distributions	-	-	-	(592,307)	(592,307)
Net Income (Loss)	-	-	-	28,351	28,351
Ending Balance, December 31, 2021	**1,000**	**$ 1,000**	**$ 390,446**	**$ (296,904)**	**$ 94,542**

The accompanying notes are an integral part of these financial statements.

CASE EMERGENCY SYSTEMS
STATEMENT OF CASH FLOWS
Year Ended December 31, 2021

CASH FLOWS FROM OPERATING ACTIVITIES		
Net Income (Loss)	$	28,351
Gain on Sale of Property & Equipment		(44,550)
Adjustments to Reconcile Net Income to Net Cash		
Provided(Used) by Operating Activities:		
Depreciation		142,160
Cash Provided(Used) by Changes in		
Operating Assets and Liabilities:		
Accounts Receivable		612,303
Inventory		(823,465)
Prepaid Expense		4,165
Short-Term Loan Receivable		(100,000)
Accounts Payable and Accrued Expenses		155,556
Line of Credit		(2,288,737)
Deferred Income		(2,421)
Security Deposits		(619)
CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES		(2,317,257)
INVESTING ACTIVITIES		
Disposal of Fixed Assets		217,130
Purchases of Property & Equipment		(138,852)
CASH PROVIDED BY (USED FOR) INVESTING ACTIVITIES		78,278
CASH FLOW FROM FINANCING ACTIVITIES		
Net Proceeds from Long-Term-Debt & Capital Leases		3,808,114
Stockholder Distributions		(592,307)
CASH PROVIDED BY (USED FOR) FINANCING ACTIVITIES		3,215,807
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		976,828
Cash and Cash Equivalents at Beginning of Year		644,522
CASH AND CASH EQUIVALENTS AT END OF YEAR	$	1,621,350
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Interest Expense	$	135,494
Income Taxes Paid		1,600

The accompanying notes are an integral part of these financial statements.

NOTE A-SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

1. CASE Emergency Systems (the Company) was incorporated under the laws of the State of California on April 25, 2008. The Company changed its name from CASE Systems, Inc. to CASE Emergency Systems in September 2018. The Company has adopted a December 31 year end for reporting requirements.

   The Company installs and maintains call boxes in multiple states. Its client base mainly includes counties and cities throughout United States, government agencies and colleges/universities.

2. Revenue and Cost Recognition-Fees from maintenance services revenue are recognized in the period the service is performed and the Company has determined that term of the contracts has been fulfilled. Installation or upgrades revenue are recognized upon completion of the project/contracts. In certain cased, deferred revenue is recognized to account for unfinished contracts.

   Costs of sales include all direct materials and labor costs and those indirect costs related to contract performance, such as indirect labor, supplies, tool, repairs and other expenses. General and administrative expenses are recognized as incurred. Changes in job performance, conditions and estimated profitability may result in revision to costs and income and recognized in the period in which the revisions are determined.

   Gain Contingency Paycheck Protection Loan Forgiveness-The Company received loan proceeds of $542,700 under the Paycheck Protection Program (PPP). The Company has elected to recognize a gain contingency on the forgiveness of its PPP Loan under FASB ASC Topic 450 "*Contingencies*". The Company expects to meet the PPP eligibility criteria and concluded that the PPP loan represents, in substance, a grant that is expected to be forgiven. The Company has determined that all the contingencies related to the receipt of the assistance have been met and the gain is realized or realizable.

3. Use of Estimates-The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from the estimates.

4. Cash & Cash Equivalents for purposes of the statement of cash flows, include cash on hand, cash in checking and savings accounts with banks. All short-term debt securities with a maturity of three months or less are considered cash equivalents.

5. Concentration of Cash and Credit Risk-The Company maintains deposits in financial institutions that at times exceed the insured amount of $250,000 provided by the U.S. Federal Deposit Insurance Corporation (FDIC). At December 31, 2021, the Company had no uninsured cash balances.

NOTE A-SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-CON'T:

6. Accounts Receivable represents billed amounts uncollected prior to December 31, 2021 which are reported at the amount management expects to collect from outstanding balances. Difference between the amount due and the amount management expects to collect are reported in the results of operations of the year in which those differences are determined, with an offsetting entry to a valuation allowance for accounts receivable. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable. The Company recorded $2,501 in allowance for doubtful account this year.

7. Property and Equipment are stated at cost. The straight-line method of depreciation is followed for financial reporting purposes. Depreciation is provided in amounts sufficient to relate the cost of assets to operations over their estimated service lives or the lives of the respective leases, whichever is shorter. Maintenance and repairs are charged to expense. Major renewals and improvements are capitalized. Gains and losses on dispositions are credited or charged to earnings as incurred. Depreciation is provided at rates based on the following estimated useful lives:

Furniture and Equipment	5-7 years
Vehicles	5 years

For federal income tax purposes, depreciation is computed using the accelerated cost recovery systems and the modified accelerated cost recovery system.

Goodwill of $- represents cost of purchased goodwill related to the acquisition of business in 2008. Periodically, the Company reviews the carrying values of its intangible assets. Management believes that there has been no impairment of intangible assets as reflected in these financial statements.

8. Leases that meet the criteria for capitalization are classified as capital leases (Note G). Leases that do not meet such criteria are classified as operating leases and related rentals are charged to expense as incurred (Note E).

9. Inventory is mainly consists of parts and material, stored in various warehouse/storage facilities. Inventory is stated at the lower cost or market. Cost is determined by the average cost. Market is determined based on net realizable value. Appropriate consideration is given to obsolescence, excessive levels, deterioration and other factors in evaluating net realizable value. Inventory totaled $2,749,464 as of December 31, 2021.

10. Fair Value of Financial Instruments-Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") Topic 820, "*Fair Value Measurements and Disclosures*", defines fair value as the price that would be received upon sale of an asset or paid upon transfer of a liability in an orderly transaction between market participants at the measurement date and in the principal or most advantageous market for that asset or liability. The fair value should be calculated based on assumptions that market participants would use in pricing the asset or liability, not on assumptions specific to the entity.

NOTE A-SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-CON'T:

Cash and Cash equivalents, Accounts Receivable, Inventory, Accrued Liabilities and Other Payables—The carrying amounts reported in the balance sheets for these items are a reasonable estimate of fair value.

Loan Payable and Long-term Debt-The fair value of loan payable is estimated based on the present value of cash flows required under the loan and debt, using a discounting rate based on interest rates for similar debt instruments. The carrying amount approximated fair value.

NOTE B-INCOME TAXES:

CASE Emergency Systems has elected to be taxed under the provisions of Subchapter S of the Internal Revenue Code. Under those provisions, the Company does not pay federal corporate income taxes on its taxable income. Instead, the stockholders are liable for individual federal income taxes on their respective shares of the Company's taxable income in their individual income tax returns. The State of California imposes a tax of 1 ½% of taxable income or $800, whichever is greater.

Provisions for state income tax are as follows:

	2021
California	$ 800

The Company is required to file tax returns in New York and Texas. No provision for income taxes is accounted for New York and Texas for this calendar year.

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires the Company to report information regarding its exposure to various tax position taken by the Company. The Company has determined whether any tax positions have met the recognition threshold and has measured the Company's exposure to those tax positions. Management believes that the Company has adequately addressed all relevant tax positions and that there are no unrecorded tax liabilities. Federal and state taxing authorities generally have the right to examine and audit the previous three years of tax returns filed. Any interest or penalties assessed to the Company are recorded in operating expenses. No interest or penalties from federal or state taxing authorities were recorded in the accompanying financial statements.

NOTE C-PROPERTY AND EQUIPMENT:

At December 31, 2021, the company had the following property and equipment:

Furniture and Equipment	$	21,662
Vehicles		642,021
Total Property and Equipment		663,683
Accumulated Depreciation		(390,253)
Net Property and Equipment	$	273,430

NOTE D-RETIREMENT PLAN:

The Company sponsors a deferred profit-sharing plan under Section 401(k) of the Internal Revenue Service, covering substantially all employees of the Company. Under the plan, participants may elect to contribute portions of their annual compensation, not to exceed legal limitation. The Company may make discretionary contributions at an amount set by management each year. The company did not contribute to the plan for the year ended December 31, 2021.

NOTE E-COMMITMENTS AND CONTINGENCIES/RELATED PARTY TRANSACTIONS:

Office Lease

The Company entered into an operating lease for its corporate office with a related entity owned by the Company's stockholder. The lease expires in January 2026. The Company incurred $177,000 in rent expense under this lease agreement. The Company also lease various other offices and warehouses under non-cancellable operating leases that expire in 2022 to 2025. The future minimum lease payments are as follows:

Year ending December 31		
2022	$	436,454
2023		306,932
2024		239,998
2025		60,000
2026		12,500
Total	$	1,195,032

NOTE F-LONG-TERM DEBT:

Long-Term Debt as of December 31, 2021 consisted of the following:

Unsecured term loan to Calprivate Bank, matures in March 2041, with Interest rate of 3.75%. Monthly payment of $26,323.	$2,238,271
Unsecured SBA Loan, matures in October 2051, with Interest rate of 3.75%. Monthly payment of $9,878.	2,034,149
Total Debt	4.272,420
Less: Current Portion	231,267
Total Long-Term Debt	$4,041,153

Maturities of long-term debt are as follows:

2022	$ 231,267
2023	248,798
2024	271,309
2025	295,981
Thereafter	3,225,064
Total	$4,272,420

NOTE G-CAPITAL LEASE OBLIGATIONS:

The Company acquired vehicles under the provisions of a capital lease. Long-term capital lease obligations as of December 31, 2021 consisted of:

Note payables to Ford Motor Credit, with interest rates ranging from 0.90% to 4.34%, maturing in various dates from 2022 to 2025, with total monthly payment of $7,291.	$ 270,499
Less: Current Portion	128,174
Total Long-Term Debt	$ 142,325

NOTE G-CAPITAL LEASE OBLIGATIONS-CON'T:

Maturities of long-term debt are as follows:

2022	$128,174
2023	68,936
2024	51,947
2025	21,442
Total	$270,499

NOTE H-FAIR VALUE MEASUREMENTS:

FASB ASC Topic 820 specifies a hierarchy of valuation techniques based upon whether the inputs to those valuation techniques reflect assumptions other market participants would use based upon market data obtained from independent sources (observable inputs). In accordance with FASB ASC Topic 820, the following summarizes the fair value hierarchy:

Level 1 Inputs—Unadjusted quoted market prices for identical assets and liabilities in an active market that the Company has the ability to access.

Level 2 Inputs—Inputs other than the quoted prices in active markets that are observable either directly or indirectly.

Level 3 Inputs—Inputs based on prices or valuation techniques that are both unobservable and significant to the overall fair value measurements.

FASB ASC Topic 820 requires the use of observable market data, when available, in making fair value measurements. When inputs used to measure fair value fall within different levels of the hierarchy, the level within which the fair value measurement is categorized is based on the lowest level input that is significant to the fair value measurements. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs. As of December 31, 2021, there were no assets and liabilities measured at fair value.

NOTE I-SIGNIFICANT EVENTS:

The Company is in a negotiation process for the sale of its assets to a third-party buyer. Terms and agreement of the sale are still being negotiated at the date of this reports.

NOTE J-GOING CONCERN:

As shown in the accompanying financial statements, the company incurred loss from operation of $684,921 for the calendar year ended December 31, 2021. In response to the net loss and current financial position, management has implemented certain expense reduction and revenue enhancement plans. The Company is also in the process of receiving Employee Retention Credits (ERC Tax Credits), that will help with its operations.

As of the date of these financial statements, the Company believes that there are no uncertainties about the Company's ability to continue as a going concern

NOTE K-SUBSEQUENT EVENT:

In preparing these financial statements, the Company has evaluated events and transactions for potential recognition or disclosure through September 22, 2022, the date the financial statements were available to be issued. Except for the potential sale of its assets (as noted in Note I above), there were no other subsequent events requiring adjustments to and disclosures in the financial statements as of and for the year ended December 31, 2021.

Exhibit 99.2

CASE EMERGENCY SYSTEMS
BALANCE SHEET
June 30, 2022

ASSETS

CURRENT ASSETS		
Cash and Cash Equivalents (Note A)	$	758,022
Accounts Receivable (Note A)		1,303,128
Inventory (Note A)		2,317,984
Prepaid Expenses		23,560
TOTAL CURRENT ASSETS		4,402,694
PROPERTY AND EQUIPMENT		
Property and Equipment, net of accumulated depreciation of $446,602 (Notes A & C)		516,371
OTHER ASSETS		
Security Deposits		24,513
Goodwill (Note A)		412,463
TOTAL OTHER ASSETS		436,976
TOTAL ASSETS	**$**	**5,356,041**

The accompanying notes are an integral part of these financial statements.

CASE EMERGENCY SYSTEMS
BALANCE SHEET
June 30, 2022

LIABILITIES AND STOCKHOLDER'S EQUITY

CURRENT LIABILITIES		
Accounts Payable and Accrued Expenses	$	604,465
Deferred Income (Note A)		72,049
Current Portion of Long-Term Debt (Note D)		98,555
Current Portion of Capital Leases (Note E)		240,031
TOTAL CURRENT LIABILITIES		1,015,100
LONG-TERM LIABILITIES		
Long-Term Debt, net of current portion (Note D)		4,083,114
Capital Leases, net of current portion (Note E)		259,719
TOTAL LONG-TERM LIABILITIES		4,342,833
TOTAL LIABILITIES		5,357,933
STOCKHOLDER'S EQUITY		
Common Stock - 1,000 Shares Authorized,		
1,000 Issued and Outstanding		1,000
Additional Paid in Capital		390,446
Retained Earnings		(393,338)
TOTAL STOCKHOLDER'S EQUITY		(1,892)
TOTAL LIABILITIES AND STOCKHOLDER'S EQUITY	**$**	**5,356,041**

The accompanying notes are an integral part of these financial statements.

CASE EMERGENCY SYSTEMS
STATEMENT OF INCOME
Six Months Ended June 30, 2022

REVENUES		
Sales (Note A)	$	5,002,925
COST OF SALES		3,233,864
GROSS PROFIT		1,769,061
EXPENSES		
Automobile Expenses		75,546
Bank and Credit Card Fees		4,155
Depreciation and Amortization		56,349
Dues and Subscriptions		10,874
General and Administrative		42,545
Insurance		18,786
Interest		67,022
Salaries and Payroll Taxes		564,774
Professional Fees		190,900
Rent		96,796
R&D Related Expenses		129,468
Sales Department		328,073
Telephone		12,934
Travel		8,253
Utilities		8,581
TOTAL EXPENSES		1,615,056
INCOME FROM OPERATIONS		154,005
OTHER INCOME		
Employee Retention Credit (ERC Tax Credits)		7,973
Gain (Loss) on Sale of Property & Equipment		30,014
TOTAL OTHER INCOME		37,987
INCOME BEFORE TAXES		191,992
Income Tax Expense (Note B)		800
NET INCOME	$	191,192

The accompanying notes are an integral part of these financial statements.

CASE EMERGENCY SYSTEMS
STATEMENT OF STOCKHOLDER'S EQUITY
Six Months Ended June 30, 2022

	Common Stock		Additional Paid In Capital	Retained Earnings (Accumulated Deficit)	Total
	Shares	Amount			
Beginning Balance, January 1, 2022	1,000	$ 1,000	$ 390,446	$ (296,904)	$ 94,542
Contributions	-	-	-	-	-
Distributions	-	-	-	(287,626)	(287,626)
Net Income	-	-	-	191,192	191,192
Ending Balance, June 30, 2022	**1,000**	**$ 1,000**	**$ 390,446**	**$ (393,338)**	**$ (1,892)**

The accompanying notes are an integral part of these financial statements.

CASE EMERGENCY SYSTEMS
STATEMENT OF CASH FLOWS
Six Months Ended June 30, 2022

CASH FLOWS FROM OPERATING ACTIVITIES		
Net Income	$	191,192
Gain on Sale of Property & Equipment		(30,014)
Adjustments to Reconcile Net Income to Net Cash		
Provided(Used) by Operating Activities:		
Depreciation		56,349
Cash Provided(Used) by Changes in		
Operating Assets and Liabilities:		
Accounts Receivable		(860,169)
Inventory		431,480
Prepaid Expense		43,766
Accounts Payable and Accrued Expenses		(267,502)
Deferred Income		(1,100)
Security Deposits		(1,201)
CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES		(437,199)
INVESTING ACTIVITIES		
Disposal of Fixed Assets		30,014
Purchases of Property & Equipment		(7,000)
CASH PROVIDED BY (USED FOR) INVESTING ACTIVITIES		23,014
CASH FLOW FROM FINANCING ACTIVITIES		
Payments of Long-Term-Debt		(90,752)
Payments of Capital Leases		(70,765)
Stockholder Distributions		(287,626)
CASH PROVIDED BY (USED FOR) FINANCING ACTIVITIES		(449,143)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		(863,328)
Cash and Cash Equivalents at Beginning of Year		1,621,350
CASH AND CASH EQUIVALENTS AT END OF YEAR	$	758,022
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Interest Expense	$	67,022
Income Taxes Paid		800

The accompanying notes are an integral part of these financial statements.

NOTE A-SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

1. CASE Emergency Systems (the Company) was incorporated under the laws of the State of California on April 25, 2008. The Company changed its name from CASE Systems, Inc. to CASE Emergency Systems in September 2018. The Company has adopted a December 31 year end for reporting requirements.

   The Company installs and maintains call boxes in multiple states. Its client base mainly includes counties and cities throughout United States, government agencies and colleges/universities.

2. Revenue and Cost Recognition-Fees from maintenance services revenue are recognized in the period the service is performed and the Company has determined that term of the contracts has been fulfilled. Installation or upgrades revenue are recognized upon completion of the project/contracts. In certain cased, deferred revenue is recognized to account for unfinished contracts.

   Costs of sales include all direct materials and labor costs and those indirect costs related to contract performance, such as indirect labor, supplies, tool, repairs and other expenses. General and administrative expenses are recognized as incurred. Changes in job performance, conditions and estimated profitability may result in revision to costs and income and recognized in the period in which the revisions are determined.

3. Use of Estimates-The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from the estimates.

4. Cash & Cash Equivalents-Amounts include cash on hand, cash in checking and savings accounts with banks. All short-term debt securities with a maturity of three months or less are considered cash equivalents.

5. Concentration of Cash and Credit Risk-The Company maintains deposits in financial institutions that at times exceed the insured amount of $250,000 provided by the U.S. Federal Deposit Insurance Corporation (FDIC). At June 30, 2022, the Company had no uninsured cash balances.

6. Accounts Receivable-Balances represent billed amounts uncollected prior to June 30, 2022 which are reported at the amount management expects to collect from outstanding balances. Difference between the amount due and the amount management expects to collect are reported in the results of operations of the year in which those differences are determined, with an offsetting entry to a valuation allowance for accounts receivable. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable. The Company recorded $2,501 in allowance for doubtful accounts as of June 30, 2022.

7. Property and Equipment-Amounts are stated at cost. The straight-line method of depreciation is followed for financial reporting purposes. Depreciation is provided in amounts sufficient to relate the cost of assets to operations over their estimated service lives or the lives of the respective leases, whichever is shorter. Maintenance and repairs are charged to expense. Major renewals and improvements are capitalized. Gains and losses on dispositions are credited or charged to earnings as incurred. Depreciation is provided at rates based on the following estimated useful lives:

Furniture and Equipment	5-7 years
Vehicles	5 years

For federal income tax purposes, depreciation is computed using the accelerated cost recovery systems and the modified accelerated cost recovery system.

Goodwill of $412,463 represents cost of purchased goodwill related to the acquisition of a business in 2008. Periodically, the Company reviews the carrying values of its intangible assets. Management believes that there has been no impairment of intangible assets as reflected in these financial statements.

8. Leases-The Company's truck fleet are leased through a third party rental program, and meet the criteria for capitalization classified as capital leases. Leases that do not meet such criteria are classified as operating leases and related rentals are charged to expense as incurred.

9. Inventory-Parts inventory mainly consists of parts and material, stored in various warehouse/storage facilities. Inventory is stated at the lower cost or market. Cost is determined by the average cost. Market is determined based on net realizable value. Appropriate consideration is given to obsolescence, excessive levels, deterioration and other factors in evaluating net realizable value. Inventory totaled $2,701,946 as of June 30, 2022.

10. Fair Value of Financial Instruments-Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") Topic 820, "*Fair Value Measurements and Disclosures*", defines fair value as the price that would be received upon sale of an asset or paid upon transfer of a liability in an orderly transaction between market participants at the measurement date and in the principal or most advantageous market for that asset or liability. The fair value should be calculated based on assumptions that market participants would use in pricing the asset or liability, not on assumptions specific to the entity.

11. Cash and Cash equivalents, Accounts Receivable, Inventory, Accounts Payable & Accrued Liabilities—The carrying amounts reported on the balance sheet for these items are a reasonable estimate of fair value.

12. Long-term Debt-The fair value of debt is estimated based on the present value of cash flows required under the debt arrangement, using a discounting rate based on interest rates for similar debt instruments. The carrying amount approximated fair value as of June 30, 2022.

NOTE B-INCOME TAXES:

The Company has elected to be taxed under the provisions of Subchapter S of the Internal Revenue Code. Under those provisions, the Company does not pay federal corporate income taxes on its taxable income. Instead, the stockholders are liable for individual federal income taxes on their respective shares of the Company's taxable income in their individual income tax returns. The State of California imposes a tax of 1 ½% of taxable income or $800, whichever is greater.

Provisions for state income tax are as follows:

	2022
California	$ 800

The Company is required to file tax returns in New York and Texas.

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires the Company to report information regarding its exposure to various tax position taken by the Company. The Company has determined whether any tax positions have met the recognition threshold and has measured the Company's exposure to those tax positions. Management believes that the Company has adequately addressed all relevant tax positions and that there are no unrecorded tax liabilities. Federal and state taxing authorities generally have the right to examine and audit the previous three years of tax returns filed. Any interest or penalties assessed to the Company are recorded in operating expenses. No interest or penalties from federal or state taxing authorities were recorded in the accompanying financial statements.

NOTE C-PROPERTY AND EQUIPMENT:

At June 30, 2022, the company had the following property and equipment:

Furniture and Equipment	$ 21,662
Vehicles	941,311
Total Property and Equipment	962,973
Accumulated Depreciation	(446,602)
Net Property and Equipment	$ 516,371

NOTE D-LONG-TERM DEBT:

Long-Term Debt as of June 30, 2022 consisted of the following:

Unsecured term loan to Calprivate Bank, matures in March 2041, with Interest rate of 3.75%. Monthly payment of $26,323.	$2,147,519
Unsecured SBA Loan, matures in October 2051, with Interest rate of 3.75%. Monthly payment of $9,878.	2,034,150
Total Debt	4,181,669
Less: Current Portion	98,555
Total Long-Term Debt	$4,083,114

NOTE E-CAPITAL LEASE OBLIGATIONS:

The Company acquired vehicles under the provisions of a capital lease. Long-term capital lease obligations as of June 30, 2022 consisted of:

Capital Leases for Ford Motor Credit, with interest rates ranging from 0.90% to 4.34%, maturing in various dates from 2022 to 2025.	$ 499,750
Less: Current Portion	240,031
Total Long-Term Capital Leases	$ 259,719

NOTE F-FAIR VALUE MEASUREMENTS:

FASB ASC Topic 820 specifies a hierarchy of valuation techniques based upon whether the inputs to those valuation techniques reflect assumptions other market participants would use based upon market data obtained from independent sources (observable inputs). In accordance with FASB ASC Topic 820, the following summarizes the fair value hierarchy:

Level 1 Inputs—Unadjusted quoted market prices for identical assets and liabilities in an active market that the Company has the ability to access.

Level 2 Inputs—Inputs other than the quoted prices in active markets that are observable either directly or indirectly.

Level 3 Inputs—Inputs based on prices or valuation techniques that are both unobservable and significant to the overall fair value measurements.

FASB ASC Topic 820 requires the use of observable market data, when available, in making fair value measurements. When inputs used to measure fair value fall within different levels of the hierarchy, the level within which the fair value measurement is categorized is based on the lowest level input that is significant to the fair value measurements. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs. As of June 30, 2022, there were no assets and liabilities measured at fair value.

NOTE G-SUBSEQUENT EVENT:

CASE has entered into an agreement with a third party buyer Knightscope, Inc. on October 14, 2022 pursuant to an Asset Purchase Agreement to sell specified assets from its emergency call box and communications business for approximately $6.4 million, subject to finalization of working capital balances.

Exhibit 99.3

UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL STATEMENTS

On October 14, 2022 (the "Closing Date"), Knightscope, Inc. (the "Company") completed its acquisition of Case Emergency Systems, a California corporation ("CASE"), pursuant to an Asset Purchase Agreement (the "APA") between the Company and CASE. Upon completion of the Acquisition (as defined below), the Company purchased and assumed from CASE substantially all the assets and certain specified liabilities of CASE's emergency call box and communications business for approximately $6.4 million, subject to the terms and conditions set forth in the APA (the "Acquisition").

The following unaudited pro forma condensed combined financial statements are based on the Company's historical financial statements and CASE's historical financial statements as adjusted to give effect to the Acquisition. The unaudited pro forma condensed combined balance sheet as of June 30, 2022 gives effect to the Acquisition as if it had occurred on June 30, 2022. The unaudited pro forma condensed combined statements of operations for the six months ended June 30, 2022 and the year ended December 31, 2021 give effect to the Acquisition as if it had occurred on January 1, 2021.

The unaudited pro forma condensed combined financial statements, including the notes thereto, are derived from, and should be read in conjunction with, (i) the Company's audited financial statements and related notes thereto that are included in the Company's Annual Report on Form 10-K for the year ended December 31, 2021, filed with the Securities and Exchange Commission (the "SEC") on March 31, 2022; (ii) the unaudited financial statements and related notes thereto that are included in the Company's Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2022, filed with the SEC on August 15, 2022; (iii) the audited financial statements of CASE as of and for the year ended December 31, 2021, which are attached as Exhibit 99.1 to this Current Report on Form 8-K/A; and (iv) the unaudited interim condensed financial statements of CASE as of and for the six months ended June 30, 2022, which are attached as Exhibit 99.2 to this Current Report on Form 8-K/A.

The unaudited pro forma condensed combined financial statements reflect adjustments to CASE's historical consolidated financial statements to exclude the impact of assets not acquired or liabilities not assumed by the Company and to conform CASE's accounting policies to those of the Company. The transaction accounting adjustments for the Acquisition consist of those necessary to account for the Acquisition, including the preliminary purchase price allocation. The Company funded the Acquisition with (i) $5.0 million in proceeds from the issuance of senior secured convertible notes issued in an aggregate principal amount of $6.075 million (the "Convertible Notes"), (ii) $0.6 million of debt in the form of a Seller's Note (as defined below), and (iii) existing cash, with debt issuance costs of $0.3 million related to the Convertible Notes, shown in a separate column as "other transaction accounting adjustments."

The unaudited pro forma condensed combined financial statements reflect preliminary estimates of the fair values of assets acquired and liabilities assumed, pending the completion of valuation procedures, and are based on the application of the Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 805, "Business Combinations." The allocation of the purchase price to the fair value of assets acquired and liabilities assumed is based upon management's estimates and assumptions using currently available information. These fair value estimates may be revised during the measurement period to reflect the final valuation based on updated information and revised assumptions. The final valuation of intangible assets could differ materially from the preliminary valuation used in the transaction accounting adjustments. The purchase price allocation and the resulting effect on the Company's financial position and results of operations may be subject to change as the Company monitors and interprets the impact that new information may have on the fair value of assets acquired and liabilities assumed.

The unaudited pro forma condensed combined financial statements have been prepared by management in accordance with Regulation S-X Article 11, "Pro Forma Financial Information," as amended by the final rule, "Amendments to Financial Disclosures About Acquired and Disposed Businesses," as adopted by the SEC on May 21, 2020 ("Article 11"). The Company is providing the unaudited pro forma condensed combined financial statements for illustrative purposes only and such pro forma information does not necessarily reflect what the combined financial condition or results of operations of the Company would have been had the Acquisition and the related financing occurred on the dates indicated. The companies may have performed differently had they been combined during the periods presented. Specifically, the unaudited pro forma condensed combined financial statements do not give effect to any cost savings, operating synergies, or revenue enhancements expected to result from the Acquisition or the costs to achieve these cost savings, operating synergies and revenue enhancements. You should not rely on the unaudited pro forma condensed combined financial statements as being indicative of the historical results that would have been achieved had the companies actually been combined during the periods presented. Further, the unaudited pro forma condensed combined financial statements do not purport to project the future financial position or operating results of the combined company. The unaudited pro forma condensed combined financial statements should be read in conjunction with the accompanying notes to the unaudited pro forma condensed combined financial statements. The combined company's actual financial condition and results of operations may differ significantly from the pro forma amounts reflected herein due to a variety of factors.

KNIGHTSCOPE, INC.
UNAUDITED PRO FORMA CONDENSED COMBINED BALANCE SHEET
AS OF June 30, 2022
(in thousands)

	Knightscope Historical	CASE Historical	Transaction Accounting Adjustments (Note 3)	Other Transaction Accounting Adjustments (Note 3)	Pro Forma Combined
ASSETS					
Cash and cash equivalents	$ 15,639	$ 758	$ (1,234)(a)	$ 793(k)	$ 15,198
			(758)(b)		
Account receivable (net of allowance for doubtful accounts of $147)	1,637	1,302	(1,302)(b)	—	2,189
			552(c)		
Prepaid expenses and other current assets	1,255	24	(24)(b)	—	1,255
Inventory	—	2,319	210(d)	—	2,529
Total current assets	18,531	4,403	(2,556)	793	21,171
Autonomous security robots, net	3,959	—	—	—	3,959
Property, equipment and software, net	172	516	—	—	688
Operating lease right-of-use-assets	777	—	787(e)	—	1,564
Intangible assets	—	—	2,020(f)	—	2,020
Goodwill	—	412	(412)(g)	—	1,687
			1,687(g)		
Other assets	78	25	—	—	103
Total assets	$ 23,517	$ 5,356	$ 1,526	$ 793	$ 31,192
LIABILITIES, PREFERRED STOCK AND STOCKHOLDERS' EQUITY (DEFICIT)					
Current liabilities:					
Accounts payable	$ 1,237	$ 300	$ (300)(b)	$ —	$ 1,237
Accrued expenses	585	290	(290)(b)	283(k)	1,777
			638(h)		
			271(i)		
Deferred revenue	1,544	72	143(c)	—	1,759
Operating lease liabilities	696	—	262(e)	—	958
Other current liabilities	1,237	254	——	—	1,491
Short term debt		99	546(h)	(99)(k)	546
Total current liabilities	5,299	1,015	1,270	184	7,768
Long-term liabilities:					
Preferred stock warrant liabilities	14,549	—	—	—	14,549
Operating lease liabilities	125	—	539(e)	—	664
Debt obligations	—	4,083	—	(4,083)(k)	—
Convertible notes	—	—	—	3,182(k)	3,182
Warrant liability	—	—	—	1,818(k)	1,818
Other long-term liabilities	—	260	—	—	260
Total liabilities	19,973	5,358	1,809	1,101	28,241
Commitments and contingencies					
Preferred stock	36,620	—	—	—	36,620
Stockholders' equity (deficit):					
Class A common stock	26	1	(1)(j)	—	26
Class B common stock	10	—	—	—	10
Additional paid-in capital	89,314	390	(390)(j)	—	89,314
Accumulated deficit	(122,426)	(393)	393(j)	(308)(k)	(123,019)
			(271)(i)		
			(14)(e)		
Total stockholders' equity (deficit)	(33,076)	(2)	(283)	(308)	(33,669)
Total liabilities, preferred stock and stockholders' equity (deficit)	$ 23,517	$ 5,356	$ 1,526	$ 793	$ 31,192

See accompanying notes to the unaudited pro forma condensed combined financial statements.

KNIGHTSCOPE, INC.
UNAUDITED PRO FORMA CONDENSED COMBINED STATEMENT OF OPERATIONS
SIX MONTHS ENDED June 30, 2022
(in thousands, except share and per share data)

	Knightscope Historical	CASE Historical	Transaction Accounting Adjustments (Note 3)	Other Transaction Accounting Adjustments (Note 3)	Pro Forma Combined
Revenue, net	$ 1,985	$ 5,011	—	—	$ 6,996
Cost of revenue, net	3,225	3,234	97(f)	—	6,556
Gross profit (loss)	(1,240)	1,777	(97)	—	440
Operating expenses:					
Research and development	3,913	129	154(m)	—	4,196
Sales and marketing	4,998	328	51(f)	—	5,377
General and administrative	5,286	1,035	(154)(m)	—	6,167
Total operating expenses	14,197	1,492	51	—	15,740
Income (loss) from operations	(15,437)	285	(148)	—	(15,300)
Other income (expense):					
Change in fair value of warrant liabilities	15,647	—	—	—	15,647
Interest expense, net	(8,910)	(67)	—	(601)(l)	(9,578)
Other income (expense), net	(29)	(26)	—	—	(55)
Total other income (expense)	6,708	(93)	—	(601)	6,014
Net income (loss) before income tax expense	(8,729)	192	(148)	(601)	(9,286)
Income tax expense	—	—	—	—	—
Net income (loss)	(8,729)	192	(148)	(601)	(9,286)
Preferred stock dividends	—	—	—	—	—
Net income (loss) attributable to common stockholders	$ (8,729)	$ 192	$ (148)	$ (601)	$ (9,286)
Basic and diluted net loss per common share	$ (0.26)	$ —	$ —	$ —	$ (0.28)
Weighted average shares used to compute basic and diluted net loss per share	33,727,858	—	—	—	33,727,858

See accompanying notes to the unaudited pro forma condensed combined financial statements.

KNIGHTSCOPE, INC.
UNAUDITED PRO FORMA CONDENSED COMBINED STATEMENT OF OPERATIONS
YEAR ENDED DECEMBER 31, 2021
(in thousands, except share and per share data)

	Knightscope Historical	CASE Historical	Transaction Accounting Adjustments (Note 3)		Other Transaction Accounting Adjustments (Note 3)		Pro Forma Combined
Revenue, net	$ 3,407	$ 5,433	—		—		$ 8,840
Cost of revenue, net	5,464	3,142	210	(d)	—		9,010
			194	(f)			
Gross profit (loss)	(2,057)	2,291	(404)		—		(170)
Operating expenses:							
Research and development	5,601	257	269	(m)	—		6,127
Sales and marketing	12,017	612	333	(f)	—		12,962
General and administrative	4,880	1,972	(269)	(m)	—		7,161
			578	(i)			
Total operating expenses	22,498	2,841	911		—		26,250
Income (loss) from operations	(24,555)	(550)	(1,315)		—		(26,420)
Other income (expense):							
Change in fair value of warrant liabilities	(15,718)	—	—		—		(15,718)
Interest expense, net	(4,333)	(135)	—		(1,925)	(1)	(6,393)
Other income (expense), net	763	714	—		—		1,477
Total other income (expense)	(19,288)	579	—		(1,925)		(20,634)
Net income (loss) before income tax expense	(43,843)	29	(1,315)		(1,925)		(47,054)
Income tax expense	—	1	—		—		1
Net income (loss)	(43,843)	28	(1,315)		(1,925)		(47,055)
Preferred stock dividends	(608)	—	—		—		(608)
Net income (loss) attributable to common stockholders	$ (44,451)	$ 28	$ (1,315)		$ (1,925)		$ (47,663)
Basic and diluted net income (loss) per common share	$ (4.18)	$ —	$ —		$ —		$ (4.48)
Weighted average shares used to compute basic and diluted net income (loss) per share	10,631,774	—	—		—		10,631,774

See accompanying notes to the unaudited pro forma condensed combined financial statements.

NOTES TO THE UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL STATEMENTS

Note 1. Basis of Presentation

The unaudited pro forma condensed combined financial information has been derived from the Company's Annual Report on Form 10-K for the year ended December 31, 2021, filed with the SEC on March 31, 2022, the Company's Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2022, filed with the SEC on August 15, 2022, CASE's audited financial statements and the related notes thereto for the year ended December 31, 2021, and CASE's unaudited interim condensed financial statements and the related notes thereto for the six months ended June 30, 2022. Certain CASE historical amounts have been adjusted to exclude the impact of assets not acquired or liabilities not assumed by the Company and to conform CASE's accounting policies to those of the Company. See *Note 3. Unaudited Pro Forma Adjustments to the Condensed Combined Financial Statements* for additional information. The Company has summarized CASE's operating expenses to conform with its classified presentation on its statement of operations for all periods presented. The unaudited pro forma condensed combined balance sheet is presented as if the Acquisition had occurred on June 30, 2022. The unaudited pro forma condensed combined statements of operations are presented as if the Acquisition had occurred on January 1, 2021.

Note 2. Purchase Price Allocation

Estimated consideration of approximately $6.4 million is based on (i) $6.16 million in cash less (ii) $0.672 million attributable to the Indemnification Holdback Amount (as defined below) and (iii) a $0.07 million estimated working capital adjustment for a total cash consideration transferred of $5.42 million. Total estimated consideration transferred also includes (i) an additional working capital adjustment of ($0.2 million) and (ii) the fair value of the Seller's Note of $0.546 million. The following table summarizes the components of the estimated consideration:

Consideration Transferred:		
Cash	$	5,421,050
Working Capital Adjustment		(194,897)
Indemnification Liability		638,000
Seller's Note		546,000
Total Consideration Transferred	$	6,410,153

The Company has determined it is the accounting acquirer in the Acquisition, which will be accounted for under the acquisition method of accounting for business combinations in accordance with ASC 805. The allocation of the purchase price to the fair value of assets acquired and liabilities assumed is based upon management's estimates and assumptions using currently available information. The purchase price allocation and the resulting effect on the Company's financial position and results of operations may be subject to change as the Company monitors and interprets the impact that new information may have on the fair value of assets acquired and liabilities assumed.

The Company has performed a preliminary valuation analysis of the fair market value of CASE's assets to be acquired and liabilities to be assumed. Using the total consideration for the Acquisition, the Company has estimated the allocations to such assets and liabilities. This preliminary purchase price allocation has been used to prepare the transaction accounting adjustments in the unaudited pro forma condensed combined balance sheet and statements of operations. The final purchase price allocation will be determined when the Company has completed the detailed valuations and necessary calculations as described in more detail in the explanatory notes below. The final allocation is expected to be completed when the Company files its Annual Report on Form 10-K for the year ending December 31, 2022 with the SEC and could differ materially from the preliminary allocation used in the transaction accounting adjustments. The final allocation may include, among other things, (1) changes in fair values of assets acquired; (2) changes in allocations to intangible assets, such as trade names, technology and customer relationships, as well as goodwill; and (3) other changes to assets and liabilities. The Company expects to finalize the purchase price allocation as soon as practicable.

The following table presents the preliminary purchase price allocation among the assets acquired and liabilities assumed:

Fair value of assets acquired:		
Accounts receivables, net of allowances	$	362,000
Inventories		2,529,000
Fixed assets		516,000
Operating lease right of use assets		801,448
Other assets		24,975
Trade name		230,000
Customer relationships		820,000
Developed technology		970,000
Goodwill		1,687,044
Other current liabilities		(229,115)
Operating lease liability – current		(262,291)
Operating lease liability – non current		(539,157)
Other liabilities		(499,751)
Acquired assets and liabilities assumed	$	6,410,153

Note 3. Unaudited Pro Forma Adjustments to the Condensed Combined Financial Statements

Adjustments included in the columns labeled “Transaction Accounting Adjustments” and “Other Transaction Accounting Adjustments” in the pro forma condensed combined financial statements are as follows:

(a) Represents the payment of the preliminary purchase price to acquire CASE.

(b) Reflects adjustments to record the assets acquired and liabilities assumed in the transaction at their current values as detailed in Note 2. Purchase Price Allocation.

(c) The adjustment to CASE’s accounts receivable and deferred revenue is to align with the applicable assets acquired under the target working capital threshold as part of the Acquisition. This amount is subject to change pending finalization of the target working capital amounts.

(d) The adjustment steps up the pro forma balance sheet for CASE's finished goods and work-in process inventory to a fair value of approximately $2.9 million. The calculation of fair value is preliminary and subject to change. The fair value was determined based on the estimated selling price of the inventory on the date of the Acquisition, less the remaining manufacturing and selling costs and a normal profit margin on those manufacturing and selling efforts. The pro forma statement of operations for the year ended December 31, 2021 is also adjusted to increase cost of revenue, net by the same amount as the inventory that is expected to be sold within one year of the Closing Date.

(e) FASB ASC 842, "Leases" allows for different adoption dates for certain companies. As a result, the Company adopted ASC 842 on January 1, 2019, whereas CASE had not yet adopted ASC 842 as of June 30, 2022. This transaction accounting adjustment reflects the adoption of ASC 842 to conform CASE's accounting policy to that of the Company. These adjustments reflect the recognition of lease liabilities and right-of-use assets for CASE's operating and finance leases in accordance with ASC 842, with the offsetting impact to stockholders' equity (deficit). The impact of the application of ASC 842 for CASE's operating and finance leases on the unaudited pro forma condensed combined statements of operations was not material.

(f) Reflects the adjustment of historical intangible assets acquired by the Company to their respective estimated fair values as of the applicable date. As part of the preliminary valuation analysis, the Company identified intangible assets, including technology, trade name and customer relationships. The fair value of the identifiable intangible assets is determined primarily using the "income approach," which requires a forecast of all of the expected future cash flows. The following table summarizes the estimated fair values of CASE's identifiable intangible assets and their estimated useful lives and uses a straight-line method of amortization:

	Estimated Fair Value	**Estimated Useful Life in Years**	**Year Ended December 31, 2021 Amortization Expense**	**Six Months Ended June 30, 2022 Amortization Expense**
Trade name	$ 230,000	1	230,000	-
Customer relationships	820,000	8	102,500	51,250
Developed technology	970,000	5	194,000	97,000
Totals	$ 2,020,000		$ 526,500	$ 148,250

These preliminary estimates of fair value could differ from final amounts the Company will calculate after completing a detailed valuation analysis, and the difference could have a material effect on the accompanying unaudited pro forma condensed combined financial statements.

(g) Reflects an adjustment to remove CASE's historical goodwill of $0.4 million and record goodwill resulting from the Acquisition of $1.1 million.

(h) The adjustment records the Indemnification Holdback liability and the Seller's Note at fair value entered into by the Company as part of the Acquisition. The "Indemnification Holdback" refers to the fair value of $0.6 million that was held back from the purchase price paid at the closing of the Acquisition and retained by the Company as security (but not the sole source of recovery) for the performance of the indemnification and other covenants, obligations and agreements of CASE arising under the APA, any other transaction agreement or otherwise. Any portion of the Indemnification Holdback amount not used to satisfy indemnification claims will be released to CASE on the 12-month anniversary of the Closing Date. The "Seller's Note" means the unsecured, non-negotiable promissory note that (a) bears simple interest at the applicable federal rate per annum, (b) matures on the 6-month anniversary of the Closing Date, with principal and accrued interest to be paid on the maturity date, and (c) is be subordinated to all senior indebtedness of the Company to the extent required by the holders thereof. The unaudited pro forma condensed combined statements of operations for the year ended December 31, 2021 and the six months ended June 30, 2022 was adjusted to record the interest expense on the Seller's Note.

(i) Represents the accrual of nonrecurring transaction costs subsequent to June 30, 2022. These costs are reflected as an adjustment to accrued liabilities on the pro forma condensed combined balance sheet, with the offset to accumulated deficit. This amount is also included as an adjustment to general and administrative expense in the pro forma condensed combined statement of operations for the year ended December 31, 2021. These costs will not affect the Company's statement of operations beyond 12 months after the Closing Date.

(j) Reflects the elimination of CASE's historical equity balances in accordance with the acquisition method of accounting.

(k) Reflects adjustments to record the Company's borrowings of $6.1 million to finance the Acquisition and associated debt issuance costs of $0.3 million, which were expensed as incurred based on the Company's fair value option election for the underlying instruments, and reflected for pro forma purposes in accumulated deficit. CASE's outstanding debt for $4.2 million is also extinguished upon consummation of the Acquisition. The following table illustrates these adjustments on the unaudited pro forma condensed combined balance sheet, as follows:

	Cash and cash equivalents	Accrued expenses	Debt	Convertible notes	Warrant liability	Accumulated deficit
Extinguishment of CASE's existing debt	$ (4,181,669)		(4,181,669)			
Issuance of new Convertible Notes	5,000,000			3,182,364	1,817,636	
Debt issuance costs	(25,000)	282,837				(307,837)
Other transaction accounting adjustments	$ 793,331	282,837	(4,181,669)	3,182,364	1,817,636	(307,837)

The Convertible Notes were issued in an aggregate principal amount of $6.075 million at an initial conversion price of $5.00 per share of the Company's Class A common stock, par value $0.001 per share (the "Common Stock"), subject to adjustment upon the occurrence of specified events described in the Convertible Notes, together with warrants to purchase up to 1,138,446 shares of Common Stock with an initial exercise price of $3.25 per share of Common Stock, exercisable immediately and expiring five years from the date of issuance, for $5.0 million of gross proceeds. The Convertible Notes are the senior secured obligations of the Company and were issued with an original issue discount of approximately 17.65%. The Convertible Notes bear no interest until an event of default has occurred, upon which interest will accrue at 12.5% per annum. The Convertible Notes mature on September 15, 2024 unless earlier converted (upon the satisfaction of certain conditions) (the "Maturity Date "), and are collateralized by a first priority security interest in substantially all of the Company's assets.

Principal payments under the Convertible Notes are payable in equal monthly installments beginning on April 5, 2023 and ending on the Maturity Date, and are payable, at the Company's election, in cash or shares of Common Stock. The Company may, subject to certain conditions, redeem all, or any portion not less than $1.0 million (or such lesser amount then outstanding thereunder), of the Conversion Amount (as defined in the Convertible Notes) then remaining under the Convertible Notes on the applicable redemption date upon the terms and conditions set forth in the Convertible Notes. Furthermore, the Convertible Notes provide that the holders thereof are entitled to, among other things, effectuate an Alternate Conversion (as defined in the Notes), defer or accelerate certain installment payments, participate in certain future offerings of the Company's securities, in each case, subject to various limitations and conditions and at the prices set forth in the Convertible Notes, as applicable. The Convertible Notes contain certain conversion limitations, providing that no conversion may be made if, after giving effect to the conversion, the holder, together with any of its affiliates, would own in excess of 4.99% of the Company's outstanding shares of Common Stock.

The Company elected the fair value option to account for the Convertible Notes at fair value. The warrants are required to be liability-classified and accounted for at fair value. The preliminary estimates of fair value could differ from final amounts the Company will calculate after completing a detailed valuation analysis, and the difference could have a material effect on the accompanying unaudited pro forma condensed combined financial statements.

(l) Represents the net increase to interest expense resulting from interest expense incurred on each of the Convertible Notes and the Seller's Note that were issued to finance the Acquisition, in part, and the extinguishment of CASE's existing debt, as follows:

	Year Ended December 30, 2021 Interest Expense	Six Months Ended June 30, 2022 Interest Expense
Elimination of interest expense for outstanding CASE's debt	(135,494)	(67,022)
Interest expense on new Convertible Notes	2,021,359	655,301
Interest expense on new Seller's Note	39,131	12,565
Other transaction accounting adjustments to interest expense	$ 1,924,996	$ 600,844

For the variable interest rate borrowings under the Seller's Note, current interest rates reasonably close to the date of this Current Report on Form 8-K/A was filed of 4.5% were utilized. The adjustment to record interest expense on the new Seller's Note assumes the Seller's Note was obtained on January 1, 2021 and was outstanding for the entire year ended December 31, 2021 and the six months ended June 30, 2022.

(m) Certain reclassifications have been made to the historical presentation of CASE to conform to the financial statement presentation of the Company. Specifically, the Company recognizes compensation costs for related wages and benefits within its research and development expenses presented in its statement of operations, while CASE recognizes these costs in its general and administrative expenses presented in its statement of operations. Therefore, this adjustment conforms the presentation of these expenses to the Company's presentation.