

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

FORM 8-K

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

Date of Report (Date of earliest event reported): January 5, 2023



Knightscope, Inc.

(Exact name of registrant as specified in its charter)

Delaware
*(State or other jurisdiction
of incorporation)*

001-41248
*(Commission
File Number)*

46-2482575
*(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.

Item 2.05. Costs Associated with Exit or Disposal Activities.

On January 6, 2023, following the completion of its previously announced acquisition of CASE Emergency Systems in October 2022, Knightscope, Inc. (the “Company”) announced a cost-reduction plan (the “Plan”) intended to reduce operating costs, improve operating margins, streamline its operations and right-size its combined workforce and continue advancing the Company’s ongoing commitment to profitable growth. The Plan includes a reduction of the Company’s current workforce by approximately 20%.

The Company estimates that it will incur approximately \$613,400 in cash and non-cash charges in connection with the Plan, of which approximately \$594,600 is expected to be incurred in the first quarter of 2023. These charges relate primarily to severance payments, employee benefits, and share-based compensation. Of the aggregate amount of charges that the Company estimates it will incur in connection with the Plan, the Company expects that approximately \$168,500 will be cash expenditures in 2023.

The actions associated with the employee restructuring under the Plan are expected to be substantially complete by the end of the first quarter of 2023, subject to local law and consultation requirements.

The estimates of the charges and expenditures that the Company expects to incur in connection with the Plan, and the timing thereof, are subject to a number of assumptions, including local law requirements in various jurisdictions, and actual amounts may differ materially from estimates.

In addition, the Company may incur other charges or cash expenditures not currently contemplated due to unanticipated events that may occur, including in connection with the implementation of the Plan.

Item 5.02. Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.***Board Compensation Waiver***

On January 5, 2023, the board of directors (the “Board”) of the Company voluntarily elected to waive payment of all of the directors’ cash retainer fees for the fourth quarter of 2022.

Change in Titles and Responsibilities for Mallorie Burak

On January 5, 2023, the Board appointed Mallorie Burak, the Company’s current Chief Financial Officer, as the Company’s President, effective immediately. Ms. Burak will continue to serve as the Company’s Chief Financial Officer as well as the Company’s principal financial officer and principal accounting officer for SEC reporting purposes. William Santana Li, the Company’s Chief Executive Officer, will continue to serve as the Company’s principal executive officer for SEC reporting purposes.

Ms. Burak, age 52, has served as the Company’s Chief Financial Officer since October 2020. Ms. Burak is an experienced financial executive, bringing 30 years of expertise across a broad spectrum of industries ranging from early-stage start-ups to multi-national, public corporations. Prior to joining the Company, she served as Chief Financial Officer at ThinFilm Electronics ASA, an innovative solid-state lithium battery start-up, from 2019 to 2020 and Alta Devices, Inc., a GaAs thin-film solar technology start-up, from 2016 to 2019. Prior to Alta Devices Ms. Burak served as Chief Financial Officer at FriendFinder Networks, Rainmaker Systems, FoodLink, and Southwall Technologies. Ms. Burak has significant experience working with a variety of financing sources, both public and private, as well as significant experience leading and managing merger and acquisition related activities. Ms. Burak holds a BSBA and MBA from San Jose State University

There were no immediate changes to Ms. Burak’s compensation in connection with her additional titles, including her cash bonus target, incentive awards and employee benefits. Additional details regarding Ms. Burak’s compensation are described in the Company’s definitive proxy statement for its 2022 annual meeting of stockholders, filed with the Securities and Exchange Commission on May 2, 2022.

There are no family relationships between Ms. Burak and any of the Company's directors or executive officers. Ms. Burak is not party to any related party transaction required to be reported pursuant to Item 404(a) of Regulation S-K.

Item 7.01. Regulation FD.

On January 9, 2023, the Company issued a press release announcing the Plan. A copy of the press release is furnished as Exhibit 99.1 to this Current Report on Form 8-K.

The information in this Item 7.01 of this Current Report on Form 8-K, including Exhibit 99.1, is furnished and shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, nor shall it be deemed incorporated by reference in any filing made by the Company under the Securities Act of 1933, as amended, whether made before or after the date hereof, regardless of any general incorporation language in such filing.

Forward-Looking Statements

This Current Report on Form 8-K may contain "forward-looking statements" about the Company's future expectations, plans, outlook, projections and prospects. Such forward-looking statements can be identified by the use of words such as "should," "may," "intends," "anticipates," "believes," "estimates," "projects," "forecasts," "expects," "plans," "proposes" and similar expressions. Forward-looking statements contained in this Current Report on Form 8-K include, but are not limited to, statements about the Company's path to profitability, the expected benefits of and timing of completion of the Plan and the expected costs and charges of the Plan. Although the Company believes that the expectations reflected in these forward-looking statements are based on reasonable assumptions, there are a number of risks and uncertainties that could cause actual results to differ materially from such forward-looking statements. These risks and uncertainties include, among other things, the risk that the restructuring costs and charges may be greater than anticipated; the risk that the Company's restructuring efforts may adversely affect the Company's internal programs and the Company's ability to recruit and retain skilled and motivated personnel, and may be distracting to employees and management; the risk that the Company's restructuring efforts may negatively impact the Company's business operations and reputation with or ability to serve customers; the risk that the Company's restructuring efforts may not generate their intended benefits to the extent or as quickly as anticipated. Readers are urged to carefully review and consider any cautionary statements and other disclosures, including the statements made under the heading "Risk Factors" in the Company's Annual Report on Form 10-K for the year ended December 31, 2021. Forward-looking statements speak only as of the date of the document in which they are contained, and the Company does not undertake any duty to update any forward-looking statements, except as may be required by law.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

Exhibit No.	Description
<u>99.1</u>	<u>Press Release, dated January 9, 2023.</u>
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: January 9, 2023

By: /s/ Mallorie Burak

Name: Mallorie Burak

Title: President and Chief Financial Officer



Knightscope News Release – DRAFT NOT FOR RELEASE
January 9, 2023 5:00AM PT

Knightscope Announces Its Plan for Post-CASE Acquisition Path to Profitability

Public Safety Innovator Reduces Costs as It Scales Up Operations

MOUNTAIN VIEW, Calif., Jan. 9, 2023 -- Knightscope, Inc. (Nasdaq: KSCP) (“Knightscope” or the “Company”), a leading developer of autonomous security robots and emergency systems, today announces its planned path to profitability. Last month, the Company committed to working to achieve profitability within 24 months, and today’s announcement marks the implementation of initial actions defined in its plan to achieve this important milestone.

The Company recently filed its unaudited pro forma condensed combined financial statements as of and for the six months ended June 30, 2022 and for the year ended December 31, 2021 as an exhibit to its Current Report on Form 8-K, filed with the Securities and Exchange Commission (the “SEC”) on December 28, 2022, which gave effect to the acquisition of CASE Emergency Systems (“CASE”). Consistent with the Company’s previously announced post-CASE acquisition target range of \$12 million to \$14 million annualized revenue run rate, had the acquisition been consummated on January 1, 2021, the Company’s pro forma combined revenue would have been \$6.996 million for the six months ended June 30, 2022, comparing favorably to full-year revenue of \$3.407 million reported by the Company for the year ended December 31, 2021. Knightscope continues to work to accelerate its top-line revenue growth through new sales contracts, expansion with existing clients, contract renewals, and increased engagement through its reseller program. Additionally, the Company is progressing well in delivering on its multimillion dollar backlog of new orders as many supply chain issues have subsided.

After acquiring CASE on October 14, 2022, Knightscope has turned to streamlining its operations and rightsizing its combined workforce with a reduction of approximately 20%. Planned actions during the first quarter of 2023 include corporate headcount reductions and restructuring of its service operations through new service partnerships that are designed to improve the ongoing support of its clients. For more information, please see the Current Report on Form 8-K that the Company will file with the SEC. Additionally, the Company expects to achieve improved margins through significantly faster assembly times, improved service operations, restructuring its facilities footprint, and new approaches to reducing its telecommunications costs.

About Knightscope

Knightscope is an advanced security technology company based in Silicon Valley that builds fully autonomous security robots that deter, detect and report. Knightscope’s long-term ambition is to make the United States of America the safest country in the world. Learn more about the Company at www.knightscope.com. Follow Knightscope on [Facebook](#), [Twitter](#), [LinkedIn](#) and [Instagram](#).

Forward-Looking Statements

This press release may contain “forward-looking statements” about Knightscope’s future expectations, plans, outlook, projections and prospects. Such forward-looking statements can be identified by the use of words such as “should,” “may,” “intends,” “anticipates,” “believes,” “estimates,” “projects,” “forecasts,” “expects,” “plans,” “proposes” and similar expressions. Forward-looking statements contained in this press release include, but are not limited to, statements about the Company’s path to profitability, the Company’s targeted annualized revenue run rate, the Company’s plans for top-line growth, the Company’s ability to deliver on its backlog of new orders, the benefits of the Company’s planned streamlining of its operations and rightsizing of its combined workforce and the Company’s ability to achieve improved margins. Although Knightscope believes that the expectations reflected in these forward-looking statements are based on reasonable assumptions, there are a number of risks and uncertainties that could cause actual results to differ materially from such forward-looking statements. These risks and uncertainties include, among other things, the risk that the restructuring costs and charges may be greater than anticipated; the risk that the Company’s restructuring efforts may adversely affect the Company’s internal programs and the Company’s ability to recruit and retain skilled and motivated personnel, and may be distracting to employees and management; the risk that the Company’s restructuring efforts may negatively impact the Company’s business operations and reputation with or ability to serve customers; the risk that the Company’s restructuring efforts may not generate their intended benefits to the extent or as quickly as anticipated. Readers are urged to carefully review and consider any cautionary statements and other disclosures, including the statements made under the heading “Risk Factors” in Knightscope’s Annual Report on Form 10-K for the year ended December 31, 2021. Forward-looking statements speak only as of the date of the document in which they are contained, and Knightscope does not undertake any duty to update any forward-looking statements, except as may be required by law.



Unaudited Pro Forma Condensed Combined Financial Information

The unaudited pro forma condensed combined financial information included in this press release 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 Accounting Standards Codification 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 information included in this press release is derived from the unaudited pro forma condensed combined financial statements that were 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. 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 of CASE occurred on the date 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 of CASE 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 information included in this press release that was derived from 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 information included in this press release derived from 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 information included in this press release is derived from the unaudited pro forma condensed combined financial statements and they should be read in conjunction with the accompanying notes to the unaudited pro forma condensed combined financial statements included in the Company's Current Report on Form 8-K, filed with the SEC on December 28, 2022. 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.

For more information, please see the Company's Current Report on Form 8-K, filed with the SEC on December 28, 2022.

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