

PRIVATE PLACEMENT MEMORANDUM

KNIGHTSCOPE, INC.

Up to 6,250,000 Shares of Series S Preferred Stock (“Shares”)

Maximum Offering Amount: \$50,000,000

Purchase Price: \$8.00 per Share

(With a minimum subscription amount of \$1,000 per investor)

Knightscope, Inc., a Delaware corporation (the “Company”, “we”, “our”, or “us”), is conducting an offering (the “Offering”) of up to 6,250,000 shares of its Series S Preferred Stock, par value \$0.001 per share (“Share”). Each Share is initially convertible into one share of the Company’s Class A Common Stock, par value \$0.001 per share (“Class A Common Stock”), at a ratio of one to one, subject to adjustment as specified in the Company’s certificate of incorporation (the shares of Class A Common Stock into which the Shares are convertible, the “Conversion Shares,” and, the Shares and Conversion Shares, collectively, the “Securities”).

The Company is offering the Shares for a maximum aggregate purchase price of \$50,000,000 (the “Maximum Offering Amount”) at a purchase price of \$8.00 per Share. The minimum subscription amount is \$1,000, or 125 Shares, per investor, unless we and the Placement Agent allow a lesser amount. Fractional shares will not be issued, and the share number actually issued will be rounded down to the nearest whole share that is fully paid. The Offering is expected to terminate by October 10, 2019, and the Company and the Placement Agent have the option to mutually extend the offering date until no later than December 31, 2019.

The Shares are being offered without registration under the Securities Act of 1933, as amended (the “Securities Act”), solely to persons who qualify as accredited investors, as that term is defined in Rule 501(a) of Regulation D under the Securities Act, in reliance upon the exemption from registration provided by Section 4(a)(2) of the Securities Act and Rule 506(c) of Regulation D under the Securities Act. We reserve the right to accept or reject, in whole or in part, any subscription for Shares.

This Offering is being conducted by Maxim Group LLC (the “Placement Agent”) on a “commercially reasonable efforts” basis. The Placement Agent has not independently verified any of the information, including the financial information, contained herein, and makes no representation or warranty as to the accuracy or completeness of this Memorandum and shall have no liability for any representations (express or implied) contained in, or for any omissions from, this Memorandum or for any other written or oral communications transmitted to the recipient in the course of its evaluation.

Any estimates, forecasts or other forward-looking statements contained in this Memorandum have been prepared by the Company in good faith on a basis it believes is reasonable. However, such estimates, forecasts and other forward-looking statements involve significant elements of subjective judgment and analysis and no representation can be made as to their attainability. No representation or warranty (express or implied) is made or is to be relied upon as a promise or representation as to the future performance of the Company. In a commercially reasonable efforts offering, there is no assurance that all or any part of the Shares will be sold.

The following is a summary of the expected proceeds per Share to the Company in this Offering:

	Price to Investors	Commissions ⁽¹⁾	Proceeds to Company ⁽²⁾
Price Per Share	\$8.00	\$0.52	\$7.48

⁽¹⁾ The Placement Agent will receive a placement fee equal to 6.5% of the aggregate gross proceeds raised in the Offering. The Company has agreed to indemnify the Placement Agent, its affiliates and other related persons against certain liabilities, including liabilities under the federal securities laws. See “**Plan of Distribution – Placement Agent.**”

⁽²⁾ Before deducting estimated expenses of the Offering (other than the fees of the Placement Agent) to be paid by the Company for filing, legal, accounting, printing, escrow and other costs and expenses, estimated to be approximately 1% of the total proceeds.

Prepared by us for confidential distribution exclusively to accredited investors by:



**Member FINRA/SIPC
405 Lexington Avenue
New York, NY 10174**

The Shares offered hereby are highly speculative, illiquid and involve a high degree of risk and immediate dilution, and should be purchased only by persons who can afford the loss of their entire investment. See “Risk Factors” for a description of certain risk factors that should be considered by prospective subscribers. Prospective investors are urged to consult their own tax advisors with respect to the U.S. federal income and other tax consequences of purchasing, holding and disposing of the Shares offered hereby.

The date of this Private Placement Memorandum is April 4, 2019.

IMPORTANT NOTICES

Prospective subscribers are urged to read the following important notices carefully prior to investing.

You are urged to read this Memorandum carefully. This Memorandum is not all-inclusive and does not contain all the information that you may desire to have when making an investment decision in regard to Knightscope, Inc. You must conduct and rely on your own evaluation of us, including the merits and risks involved in making a decision to buy our stock. We will make available to you, prior to the sale of Shares described in this Memorandum, the opportunity to ask questions of, and receive answers from, our management concerning Knightscope, Inc. and the terms and conditions of this offering and to request any additional information. We may require you to sign a confidentiality agreement if you wish to receive additional information. You may direct any questions, inquiries, and requests for information to the Company's Chief Executive Officer at invest@knightscope.com, and mail inquiries should be sent to Knightscope, Inc., 1070 Terra Bella Avenue, Mountain View, CA 94043, Attn: Chief Executive Officer. You and your representatives, if any, will be asked to acknowledge in the Stock Purchase Agreement that you were given the opportunity to obtain additional information and that you did so to your satisfaction or elected to waive the opportunity.

This Memorandum contains what the Company considers to be fair summaries of certain provisions of the documents that will govern the Offering. Nevertheless, the summaries do not purport to be complete and are qualified in their entirety by reference to the texts of the complete documents. No representations or warranties of any kind are intended, nor should any be inferred, with respect to the economic advisability of this investment or with respect to any returns that may or may not accrue to an investment. We, and our directors, officers and employees, do not in any way represent, guarantee or warrant an economic gain or profit with regard to our business or any investment or that favorable income tax consequences will flow therefrom.

We are offering to sell, and seeking offers to buy, the Shares only in jurisdictions where such offers and sales are permitted. We have not authorized anyone to provide you with any information other than the information contained in this Memorandum or the Stock Purchase Agreement. The information contained in this Memorandum is accurate only as of its date, regardless of the time of its delivery or of any sale or delivery of the Shares. Neither the delivery of this Memorandum nor any sale nor delivery of the Shares shall, under any circumstances, imply that there has been no change in our affairs since the date of this Memorandum. No articles, press releases, advertisements, social media or website information are or should be deemed to constitute a part of this Memorandum, and none should be relied upon in any manner whatsoever by any potential investor.

Unless otherwise indicated, data contained in this Memorandum concerning the markets relevant to our operations are based on information from various public sources. Although we believe that these data are generally reliable, such information is inherently imprecise, and our estimates and expectations based on these data involve a number of assumptions and limitations. As a result, you are cautioned not to give undue weight to such data, estimates or expectations.

Restricted Securities

We have not registered the Shares offered hereby with the U.S. Securities and Exchange Commission ("SEC"). We are offering the Shares under exemptions from the registration requirements of the Securities Act and applicable state laws. The Shares will be "restricted securities" for purposes of federal securities laws, and each investor who purchases our Shares must do so for the investor's own account and investment and be able to hold them, if necessary, for an indefinite period of time.

Neither the SEC nor any state securities regulators have approved or disapproved of the Offering or determined if this Memorandum is truthful or complete. It is illegal for any person to tell you otherwise.

Exhibits and Information Available upon Request

This Memorandum is supplemented by the Company's periodic reports filed with the SEC and available on the EDGAR website, which provides additional information about the Company, and the Stock Purchase Agreement attached as Exhibit B. The Company may make certain additional information available to investors upon request, including its Certificate of Incorporation or Bylaws.

PROSPECTIVE INVESTORS SHOULD NOT CONSTRUE THE CONTENTS OF THIS MEMORANDUM TO CONTAIN LEGAL, ACCOUNTING, BUSINESS, TAX OR OTHER EXPERT ADVICE. EACH PROSPECTIVE INVESTOR SHOULD CONSULT ITS OWN ATTORNEY, BUSINESS ADVISOR AND/OR TAX ADVISOR AS TO THE LEGAL, BUSINESS, TAX AND RELATED RAMIFICATIONS OF THIS INVESTMENT. IN MAKING AN INVESTMENT DECISION, YOU MUST RELY ON YOUR OWN EXAMINATION OF THE COMPANY AND THE TERMS AND CONDITIONS OF THIS OFFERING INCLUDING THE MERITS AND RISKS INVOLVED IN MAKING SUCH A DECISION.

THE SECURITIES OFFERED UNDER THIS MEMORANDUM ARE SUBJECT TO RESTRICTIONS ON TRANSFERABILITY AND RESALE AND MAY NOT BE TRANSFERRED OR RESOLD EXCEPT AS PERMITTED UNDER THE SECURITIES ACT AND ANY APPLICABLE STATE SECURITIES LAWS, UNLESS SUBSEQUENTLY REGISTERED UNDER THE SECURITIES ACT AND ANY APPLICABLE STATE SECURITIES LAWS OR DISPOSED OF PURSUANT TO AN EXEMPTION FROM THESE REGISTRATION REQUIREMENTS. THIS OFFERING IS BEING MADE IN RELIANCE ON AN EXEMPTION FROM REGISTRATION UNDER SECTION 4(a)(2) AND RULE 506(C) OF REGULATION D PROMULGATED UNDER THE SECURITIES ACT. INVESTORS SHOULD BE AWARE THAT THEY MAY BE REQUIRED TO BEAR THE FINANCIAL RISKS OF THIS INVESTMENT FOR AN INDEFINITE PERIOD OF TIME.

THE COMPANY IS DEPENDENT ON ADDITIONAL FUNDRAISING IN ORDER TO SUSTAIN ITS ONGOING OPERATIONS. THERE CAN BE NO ASSURANCE THAT THE COMPANY WILL BE SUCCESSFUL IN ACQUIRING ADDITIONAL FUNDING AT LEVELS SUFFICIENT TO FUND ITS FUTURE OPERATIONS BEYOND THE CURRENT CASH RUNWAY. IF THE COMPANY IS UNABLE TO RAISE ADDITIONAL CAPITAL IN SUFFICIENT AMOUNTS OR ON TERMS ACCEPTABLE TO IT, WHETHER IN THIS OFFERING OR THROUGH OTHER MEANS, THE COMPANY MAY HAVE TO SIGNIFICANTLY REDUCE ITS OPERATIONS OR DELAY, SCALE BACK OR DISCONTINUE THE DEVELOPMENT OF ONE OR MORE OF ITS PLATFORMS, SEEK ALTERNATIVE FINANCING ARRANGEMENTS, DECLARE BANKRUPTCY OR TERMINATE ITS OPERATIONS ENTIRELY.

THIS MEMORANDUM DOES NOT CONSTITUTE AN OFFER TO SELL TO, OR A SOLICITATION OF AN OFFER TO BUY FROM, ANYONE IN ANY STATE, COUNTRY OR OTHER JURISDICTION IN WHICH SUCH AN OFFER OR SOLICITATION OF THE SECURITIES OFFERED IS NOT AUTHORIZED. NONE OF THE SECURITIES HAVE BEEN

REGISTERED WITH OR APPROVED BY THE COMMISSION OR ANY STATE SECURITIES COMMISSION, NOR HAS ANY COMMISSION OR STATE AUTHORITY PASSED ON THE ACCURACY OR ADEQUACY OF THIS MEMORANDUM. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE. NO ACTION HAS BEEN TAKEN BY THE COMPANY THAT WOULD, OR IS INTENDED TO, PERMIT A PUBLIC OFFER OF THE SECURITIES IN ANY COUNTRY OR JURISDICTION. ACCORDINGLY, THE SECURITIES MAY NOT BE OFFERED OR SOLD, DIRECTLY OR INDIRECTLY, AND NEITHER THIS MEMORANDUM NOR ANY OTHER INFORMATION MEMORANDUM, PROSPECTUS, FORM OF APPLICATION, ADVERTISEMENT OR OTHER DOCUMENT OR INFORMATION MAY BE DISTRIBUTED OR PUBLISHED IN ANY COUNTRY OR JURISDICTION EXCEPT UNDER CIRCUMSTANCES THAT WILL RESULT IN COMPLIANCE WITH ANY APPLICABLE LAWS AND REGULATIONS.

THIS MEMORANDUM DOES NOT PURPORT TO BE ALL-INCLUSIVE OR CONTAIN ALL INFORMATION THAT PROSPECTIVE INVESTORS MAY DESIRE IN INVESTIGATING THE COMPANY. PRIOR TO MAKING AN INVESTMENT DECISION REGARDING THE SECURITIES, EACH PROSPECTIVE INVESTOR SHOULD CONSULT ITS OWN COUNSEL, ACCOUNTANTS AND OTHER ADVISORS AND CAREFULLY REVIEW AND CONSIDER THIS ENTIRE MEMORANDUM. DURING THE COURSE OF THE OFFERING AND PRIOR TO SALE, EACH PROSPECTIVE INVESTOR AND ITS REPRESENTATIVE(S), IF ANY, ARE INVITED TO ASK QUESTIONS OF AND OBTAIN ADDITIONAL INFORMATION FROM THE COMPANY CONCERNING THE TERMS AND CONDITIONS OF THE OFFERING, THE COMPANY AND ITS AFFILIATES, AND ANY OTHER RELEVANT MATTERS, INCLUDING, BUT NOT LIMITED TO, ADDITIONAL INFORMATION TO VERIFY THE ACCURACY OF THE INFORMATION SET FORTH IN THIS MEMORANDUM. THE COMPANY WILL PROVIDE SUCH INFORMATION TO THE EXTENT IT POSSESSES IT OR CAN ACQUIRE IT WITHOUT UNREASONABLE EFFORT OR EXPENSE.

THIS OFFERING IS MADE SUBJECT TO WITHDRAWAL, CANCELLATION OR MODIFICATION BY THE COMPANY WITHOUT NOTICE. THE COMPANY RESERVES THE RIGHT, IN ITS SOLE DISCRETION, TO REJECT ANY SUBSCRIPTION AS A WHOLE OR IN PART. THE COMPANY SHALL HAVE NO LIABILITY WHATSOEVER TO ANY OFFEREE AND/OR INVESTOR IN THE EVENT ANY OF THE FOREGOING SHALL OCCUR.

BY ACCEPTING DELIVERY OF ANY OFFERING MATERIALS, INCLUDING, BUT NOT LIMITED TO, THIS MEMORANDUM, THE OFFEREE AGREES (I) TO KEEP CONFIDENTIAL THE CONTENTS THEREOF AND NOT TO DISCLOSE THE SAME TO ANY THIRD PARTY OR OTHERWISE USE THE SAME FOR ANY PURPOSE OTHER THAN EVALUATION BY SUCH OFFEREE OF A POTENTIAL PRIVATE INVESTMENT IN THE COMPANY, AND (II) TO RETURN THE SAME TO THE COMPANY IF (A) THE OFFEREE DOES NOT SUBSCRIBE TO PURCHASE ANY SECURITIES, (B) THE OFFEREE'S SUBSCRIPTION IS NOT ACCEPTED, OR (C) THE OFFERING IS TERMINATED OR WITHDRAWN.

THE SALE OF THE SECURITIES THAT ARE THE SUBJECT OF THIS MEMORANDUM HAS NOT BEEN QUALIFIED WITH THE COMMISSIONER OF BUSINESS OVERSIGHT OF THE STATE OF CALIFORNIA AND THE ISSUANCE OF SUCH SECURITIES OR THE

PAYMENT OR RECEIPT OF ANY PART OF THE CONSIDERATION FOR SUCH SECURITIES PRIOR TO SUCH QUALIFICATION IS UNLAWFUL, UNLESS THE SALE OF SECURITIES IS EXEMPT FROM QUALIFICATION BY SECTION 25100, 25102 OR 25105 OF THE CALIFORNIA CORPORATIONS CODE. THE RIGHTS OF ALL PROSPECTIVE INVESTORS ARE EXPRESSLY CONDITIONED UPON SUCH QUALIFICATION BEING OBTAINED, UNLESS THE SALE IS SO EXEMPT.

THE SECURITIES OFFERED HEREBY ARE SPECULATIVE, INVOLVE A HIGH DEGREE OF RISK AND SHOULD NOT BE PURCHASED BY ANYONE WHO CANNOT AFFORD THE LOSS OF THEIR ENTIRE INVESTMENT. THE PRICE OF THE SECURITIES OFFERED HEREBY HAS BEEN DETERMINED BY THE COMPANY AND DOES NOT NECESSARILY BEAR ANY RELATIONSHIP TO THE ASSETS, BOOK VALUE OR PAST OR POTENTIAL FUTURE PERFORMANCE OF THE COMPANY, FINANCIAL CONDITION OR ANY OTHER RECOGNIZED CRITERIA OF VALUE.

NASAA UNIFORM LEGEND

IN MAKING AN INVESTMENT DECISION INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE COMPANY AND THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. THESE SECURITIES HAVE NOT BEEN RECOMMENDED BY ANY FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE. THESE SECURITIES ARE SUBJECT TO RESTRICTIONS ON TRANSFERABILITY AND RESALE AND MAY NOT BE TRANSFERRED OR RESOLD EXCEPT AS PERMITTED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, AND THE APPLICABLE STATE SECURITIES LAWS, PURSUANT TO REGISTRATION OR EXEMPTION THEREFROM. INVESTORS SHOULD BE AWARE THAT THEY WILL BE REQUIRED TO BEAR THE FINANCIAL RISKS OF THIS INVESTMENT FOR AN INDEFINITE PERIOD OF TIME AND PURSUANT TO REGISTRATION OR EXEMPTION THEREFROM. INVESTORS SHOULD BE ABLE TO WITHSTAND A TOTAL LOSS OF THEIR INVESTMENT.

NOTICE TO FOREIGN INVESTORS

IF YOU LIVE OUTSIDE THE UNITED STATES, IT IS YOUR RESPONSIBILITY TO FULLY OBSERVE THE LAWS OF ANY RELEVANT TERRITORY OR JURISDICTION OUTSIDE THE UNITED STATES IN CONNECTION WITH ANY PURCHASE, INCLUDING OBTAINING REQUIRED GOVERNMENTAL OR OTHER CONSENTS OR OBSERVING ANY OTHER REQUIRED LEGAL OR OTHER FORMALITIES.

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EXECUTIVE SUMMARY

Offering Details

Maximum Offering Amount: \$50,000,000

Offering Price: \$8.00 per share

Minimum Investment Amount per Investor: \$1,000

Offering End Date: October 10, 2019, subject to extension until December 31, 2019

Offering Type: 506(c)

Share Class: Series S Preferred Stock (the “Shares”)

Business Plan Summary

Knightscope, Inc. (“Knightscope”, “Company” or “us”) is a technology company located in Silicon Valley that develops, builds and deploys advanced physical security technology utilizing autonomous robots, analytics and a user interface for patrolling both indoor and outdoor environments. Knightscope was founded in Mountain View, California in April 2013. The initial proof of concept for Knightscope’s products and services occurred in May 2015 and the Company received the first paid order in June 2015. Since then, the Company continued to develop its revolutionary products: the Knightscope K5 Autonomous Data Machine (“ADM”), K3 ADM and K1 ADM. To date, the Company has been financed primarily through equity investments from both strategic and other private investors. The first version of the Company’s flagship K5 ADM was completed in December 2013 and the first version of the K3 ADM was completed in June 2016. The Company began producing the first K1 ADM units during the first quarter of 2018.

The Knightscope solution to reduce crime combines the physical presence of our proprietary ADMs with real-time onsite data collection and analysis and a human-machine interface. Two of our ADMs — the outdoor “K5” and the indoor “K3”— autonomously patrol client sites without the need for remote control to provide a visible, force multiplying, physical security presence to help protect assets, monitor changes in the environment and deter crime. They gather real-time data using a large array of sensors. The data is accessible through the Knightscope Security Operations Center (“KSOC”), an intuitive, browser-based interface that enables security professionals to review events generated from “really smart mobile eyes and ears” to do their jobs more effectively. The Company has also built a custom set of tools that enables it to manage and monitor the network of ADMs operating in the field nationwide, which it refers to as the Knightscope Network Operations Center (“KNOC”). These tools allow the Company to monitor the health of the ADMs down to the millisecond, with dozens of alerts related to critical indicators and statistics, including charging, software, navigation and temperatures.

Knightscope operates on a machine-as-a-service business model. We enter into contracts with durations of 1 to 3 years that generate annual revenues in amounts approximately between \$54,000 and \$96,000 per ADM.

Knightscope’s primary goal is to meet client demands for additional orders of technology and ensure consistent performance in the field, with a focus on scaling our business nationwide to meet incoming orders.

The Company files periodic reports with the SEC under Regulation A of the Securities Act of 1933, which are available on the EDGAR website and which provide additional information about the Company, including its financial statements. These filings may be found by following this link: <https://www.sec.gov/cgi-bin/browse-edgar?company=knightscope&owner=exclude&action=getcompany>.

Use of Proceeds

The following is an estimate of the sources and uses of funds resulting from the sale of the Shares.

Source of Funds	Amount	Assumptions	Recipient
Series S Preferred Stock	\$50,000,000	Proceeds raised	Knightscope, Inc.
	\$50,000,000		
Uses of Funds	Amount	Assumptions	Recipient
Selling Commissions	\$3,250,000	6.5% of total proceeds	Selling Group Members
Legal & Administrative Fees	\$500,000	1.0% of total proceeds	Third Party Providers
Growth Capital	\$46,250,000	Total proceeds less commissions, fees, and expenses	Knightscope, Inc.
	\$50,000,000		

RISK FACTORS

The following are some of the material risk factors to which your investment in the Shares as well as the business of Knightscope, Inc. (“Knightscope”, “Company”, “we” or “us”) are subject. The Company is still subject to all the same risks that all companies in its business, and all companies in the economy, are exposed to. These include risks relating to economic downturns, political and economic events and technological developments (such as hacking and the ability to prevent hacking). Additionally, early-stage technology companies like Knightscope are inherently more risky than more developed companies. You should consider general risks as well as specific risks noted below when deciding whether to invest.

Selected Risks Related to the Offering

The Company is dependent on the proceeds of this Offering and we may need to seek additional funds if the full offering amount is not raised.

We are dependent on the proceeds of this Offering to maintain our operations and support our business growth. If the Maximum Offering Amount is not raised, we may require additional funds to maintain our operations and respond to business challenges and opportunities, including the need to develop new products or enhance our existing products, enhance our operating infrastructure or acquire complementary businesses and technologies. Accordingly, we may need to engage in subsequent equity or debt financings to secure additional funds. If we raise additional funds through further issuances of equity or convertible debt securities, our existing stockholders could suffer significant dilution, and any new equity securities we issue could have rights, preferences and privileges superior to those of holders of our existing capital stock. Any debt financing secured by us in the future could involve restrictive covenants relating to our capital raising activities and other financial and operational matters, which may make it more difficult for us to obtain additional capital and to pursue business opportunities. Such financing could also require us

to pledge assets as security for borrowings. If we were to leverage our business by incurring significant debt, we may be required to devote a substantial portion of our cash flow to service that indebtedness. This could require us to modify our business plan, for example, by delaying the expansion of our business. If we are unable to obtain adequate financing or financing on terms satisfactory to us, when we require it, our ability to continue to support our business growth and to respond to business challenges could be significantly limited.

The Shares are not registered with the SEC or any state securities commission, and there is no public market for the Shares.

We have not registered, and may never register, the Shares with the SEC. Currently, no public trading market exists for the Shares and one may never exist. The Shares may not be resold unless we register the Shares with the SEC or an exemption from registration requirements is available for the proposed sale. The Shares will be restricted securities under United States federal and applicable state securities laws and, as such, may not be transferred, sold or otherwise disposed of except in compliance with federal registration and applicable state qualification requirements or unless an exemption from such registration and qualification requirements is available. In addition, investors must comply with any contractual restrictions on transferability applicable to the Shares. The lack of any public market for the Shares limits investors' ability to sell their shares and investors should be prepared to hold such shares indefinitely. We can provide no assurance that there will ever be a public market for the Shares or that investors will ever be able to dispose of their shares at a price they find attractive, or at all.

The offering price for the Shares has been determined by the Company rather than any of the investors.

The offering price of the Shares was determined by the Company. The price of the Shares and the terms of the Shares do not necessarily bear any relationship to established valuation criteria such as earnings, book value or assets. Rather, the price of the Shares was derived based upon various factors including prevailing market conditions, our future prospects and our capital structure. This price does not necessarily accurately reflect the actual value of the Shares or the price that may be realized upon disposition of the Shares.

An investment in the Shares is not a diversified investment.

The Shares do not provide a diversified investment portfolio to investors. Investors will not have exposure to any other classes of securities or to any other asset classes through their investments in the Shares.

Investors may not realize a return on their investment and could lose their entire investment.

Investing in the Shares is highly speculative and involves a high degree of risk. There can be no assurance that investors will realize any return on their investment. Investors should not invest in the Shares unless they are prepared to lose all or part of their investment.

The Company is not providing prospective investors with separate legal, accounting or business advice or representation.

Neither the Company nor any of its affiliates will provide investors with any advice regarding their investments in the Shares. Investors are solely responsible for deciding whether an investment in the Shares meets their investment goals and is generally an appropriate investment for them. In addition, investors are solely responsible for understanding the terms and restrictions of the Shares. Because the

Shares constitute a complex investment product, they are only appropriate for highly sophisticated investors. Investors are also advised to seek the counsel of their own investment advisers in this regard. The Company makes no recommendation as to whether prospective investors should invest in the Shares. The Company encourages prospective investors to consult their legal counsel, accountant and/or financial and tax adviser before making any investment decision.

The holders of the Shares may be further diluted by, or your liquidation preference may become junior to, subsequent offerings of the Company's capital stock.

If you purchase the Shares in this Offering, you may be further diluted by subsequent offerings of the capital stock or convertible debt of the Company, or by the recapitalizations by the Company of its existing or future stock or debt. Subsequent offerings or recapitalizations may be conducted at a price lower than the price at which the Shares are offered, and the liquidation preferences and rights offered to the holders of such other securities may be significantly better than those offered to the Shares. The liquidation preference of such offerings may also be senior to that of the Shares. The effect of such subsequent offerings or recapitalizations of the capital stock or debt of the Company would be to dilute the relative value of the Shares. In addition, further dilution will occur upon exercise of outstanding options and warrants and the exercise of options and warrants granted by us in the future.

Subsequent offerings or recapitalizations of the Company's capital stock below the offering price or on terms better than the Shares may adversely affect the market price of the Company's capital stock and may make it difficult for the Company to continue to sell Shares or other equity or debt securities.

If the Company makes one or more subsequent offerings or recapitalizations of its capital stock or debt at a price below the Offering Price or on terms otherwise better than those awarded to the Shares, it could potentially create a benchmark price below the Offering Price and could proportionately reduce the relative attractiveness of the Shares to investors, or could otherwise adversely impact the ability of the company to sell the Shares or other equity or debt securities. This may in turn impact on the rights of the securities and could adversely affect the market price of the Company's capital stock, and may make it difficult for the Company to continue to sell Shares or other equity or debt securities.

The Company may apply the proceeds of this Offering to uses for which you may disagree.

We will have broad discretion as to how to spend the proceeds from this Offering and may spend these proceeds in ways in which you may not agree. We currently intend to use the proceeds of this offering to fund further expansion and for other working capital and general corporate purposes. While we expect to use the proceeds of this Offering as described in this memorandum, we may use our remaining cash for other purposes. There can be no assurance that any investment of the proceeds will yield a favorable return, or any return at all.

There is no current market for any of our shares of stock.

There is no formal marketplace for the resale of the Series S Preferred Stock, and the Company currently has no plans to list any of its shares on any over-the-counter, or similar, exchange. Investors should assume that they may not be able to liquidate their investment for some time or be able to pledge their shares as collateral.

Selected Risks Related to the Business

We are an early stage company and have not yet generated any profits or significant revenues.

Knightscope was formed in 2013 and made its first pilot sales in 2015. Accordingly, the Company has a limited history upon which to evaluate its performance and future prospects. Our current and proposed operations are subject to all the business risks associated with new enterprises. These include likely fluctuations in operating results as the Company makes significant investments in research, development and product opportunities, and reacts to developments in its market, including purchasing patterns of customers, and the entry of competitors into the market. We will only be able to pay dividends on any shares once our board of directors determines that we are financially able to do so. Knightscope has incurred a net loss and generated limited revenues since inception. We cannot assure you that we will be profitable in the next several years or generate sufficient revenues to pay dividends to the holders of the shares or meet our debt servicing and payment obligations.

We may not be able to continue to operate the business if we are not successful in securing additional fundraising.

We are dependent on additional fundraising in order to sustain its ongoing operations. As of February 28, 2019, the Company had cash on hand of approximately \$3.4 million. The Company has projected operating losses and negative cash flows of approximately \$1 million per month for the next several months. Without additional fundraising, typically and historically conducted on a rolling close basis, the Company will not be solvent after May 2019. There can be no assurance that the Company will be successful in raising funds in this Offering, or acquiring additional funding at levels sufficient to fund its future operations beyond the current cash runway. If the Company is unable to raise additional capital in sufficient amounts or on terms acceptable to it, the Company may have to significantly reduce its operations or delay, scale back or discontinue the development of one or more of its platforms, seek alternative financing arrangements, declare bankruptcy or terminate its operations entirely.

The Company relies on rolling closes of equity infusions for its financings which may pose a risk to having sufficient capital on hand at any point in time.

The Company relies on rolling closes of equity financings to maintain adequate working capital. If we are unable to raise enough money in this Offering and in subsequent closes of equity financings, we will have insufficient working capital to pay the costs needed for us to continue operations.

The Company has a history of losses and expects to experience future losses. In order to continue operations despite these losses, the Company has financed itself through debt and equity offerings, as well as through the sale and lease back of the majority of its ADMs.

We have incurred net losses since our inception, and we expect to continue to incur net losses in the future. To date, we have funded our operations from the sale of equity and debt securities, by means of credit facilities as well as by the sale and lease back of the majority of our ADMs. The sale and lease back of the majority of our ADMs was a one-time arrangement pursuant to which we were able to obtain cash up front in exchange for the sale of a large portion of our machines, and we are not able to continue to use this method of financing in the future, since the majority of our machines have already been sold. We expect to continue to increase operating expenses as we implement our business strategy, which include development, sales and marketing, and general and administrative expenses and, as a result, we expect to incur additional losses and continued negative cash flow from operations for the foreseeable future. We will need to generate significant revenues to achieve profitability. There can be no assurance

that we will ever generate sufficient revenues to achieve profitability. If we do achieve profitability in some future period, we cannot assure you that we can sustain profitability on a quarterly or annual basis in the future. In addition, we may not achieve profitability before we have expended the proceeds to be raised in this Offering. If our revenues grow more slowly than we anticipate or if our operating expenses exceed our expectations or cannot be adjusted accordingly, our business, operating results and financial condition will be materially and adversely affected.

The Company has a limited operating history by which performance can be gauged.

Any evaluation of our business and our prospects must be considered in light of our limited operating history and the risks and uncertainties encountered by companies in our stage of development. Further, our industry is characterized by rapid technological change, changing customer needs, evolving industry standards and frequent introduction of new products and services. We have encountered and will continue to encounter risks and difficulties frequently experienced by growing companies in rapidly changing industries. If we do not address these risks successfully, our operating results will be harmed.

The Company is subject to potential fluctuations in operating results.

Our sales cycles can be long and unpredictable, and our sales efforts require considerable time and expense. As a result, our sales are difficult to predict and may vary substantially from quarter to quarter, which may cause our operating results to fluctuate significantly. We spend substantial amount of time, effort and money in our sales efforts without any assurance that our efforts will produce any revenue and the timing of our revenue is difficult to predict. Our sales efforts involve educating our customers about the use and benefit of our new products, including their technical capabilities and potential cost savings to the customers. Customers typically undertake a significant evaluation process that has in the past resulted in a lengthy sales cycle. In addition, product purchases are frequently subject to budget constraints, regulatory and administrative approvals, and other delays. If sales expected from a specific customer for a particular quarter are not realized in that quarter or at all, our business, operating results and financial condition could be materially and adversely affected.

The Company's future operating results are difficult to predict and may be affected by a number of factors, many of which are outside of the Company's control.

The market for advanced physical security technology is relatively new and unproven and is subject to a number of risks and uncertainties. The industry is characterized by rapid change, new and complex technology and intense competition. Our ability to gain market share depends upon our ability to satisfy customer demands, enhance existing products and services and develop and introduce new products and services. Our ability to gain market share also depends on a number of factors beyond our control, including the perceived value associated with our products and services, the public's perception of the use of robots to perform tasks traditionally reserved for humans, and our customers' acceptance that security services can be performed more efficiently and cost-effectively through the use of our products and ancillary services. If any of these factors turns against us, our future operating results could be materially and adversely affected.

Unanticipated obstacles may hinder the execution of the Company's business plan.

Because of the number and range of the assumptions underlying our projections and forward-looking statements, many of which are subject to significant uncertainties and contingencies that are beyond our reasonable control, some of the assumptions inevitably will not materialize and unanticipated obstacles may occur subsequent to the date of this Offering, including:

- Our failure to maintain and grow the client base;
- Our clients may suffer downturns, financial instability or be subject to mergers or acquisitions;
- Our failure to develop and introduce new products;
- Adverse changes affecting our suppliers and other third-party service providers;
- Adverse litigation judgments, settlements, or other litigation-related costs; and
- Adverse changes in business or macroeconomic conditions including regulatory changes.

The occurrence of any of these unanticipated obstacles will hinder the execution of our business plan and adversely affect our operating results.

We have a limited number of deployments, and limited market acceptance of our products could harm our business.

The market for advanced physical security technology is relatively new and unproven and is subject to a number of risks and uncertainties. The numbers, types and locations of ADMs in service vary depending on the duration of each customer contract, customer demand and similar factors. As a result, the numbers, types and locations of ADMs in service that are currently deployed may not be representative of customer contracts and customer demand in the future. In order to grow our business and extend our market position, we will need to place into service more of the recently-introduced K1 ADMs, expand our service offerings, including by developing the K7 ADM, and expand our presence nationwide. Our ability to expand the market for our products depends on a number of factors, including the cost, performance and perceived value associated with our products and services. Furthermore, the public's perception of the use of robots to perform tasks traditionally reserved for humans may negatively affect demand for our products and services. Ultimately, our success will depend largely on our customers' acceptance that security services can be performed more efficiently and cost effectively through the use of our ADMs and ancillary services.

We cannot assure you that we will effectively manage our growth.

Knightscope's employee headcount and the scope and complexity of our business have increased significantly since we were first formed, and Knightscope expects to continue hiring additional employees. The growth and expansion of our business and products create significant challenges for our management, operational, and financial resources, including managing multiple relationships and interactions with users, distributors, vendors, and other third parties. As the Company continues to grow, our information technology systems, internal management processes, internal controls and procedures and production processes may not be adequate to support our operations. To ensure success, we must continue to improve our operational, financial, and management processes and systems and to effectively expand, train, and manage our employee base. As we continue to grow, and implement more complex organizational and management structures, we may find it increasingly difficult to maintain the benefits of our corporate culture, including our current team's efficiency and expertise, which could negatively affect our business performance.

Our costs may grow more quickly than our revenues, harming our business and profitability.

Providing Knightscope's products is costly because of our research and development expenses, production costs, operating costs and need for employees with specialized skills. We expect our expenses

to continue to increase in the future as we expand our product offerings beyond the K1, K3 and K5, expand production capabilities and hire additional employees. Historically, Knightscope's costs have increased each year due to these factors and the Company expects to continue to incur increasing costs, in particular for working capital to purchase inventory, marketing and product deployments as well as costs of customer support in the field. Our expenses may be greater than we anticipate, which would have a negative impact on our financial position, assets and ability to invest further in the growth and expansion of the business. In addition, expansion across the country will require increased marketing, sales, promotion and other operating expenses. Further, as additional competitors enter our market, we expect an increased pressure on production costs and margins.

We expect to raise additional capital through equity and/or debt offerings and to provide our employees with equity incentives. Therefore, your ownership interest in the Company is likely to continue to be diluted.

In order to fund future growth and development, the Company will likely need to raise additional funds in the future by offering shares of its preferred stock and/or other classes of equity or debt that convert into shares of preferred or common stock, any of which offerings would dilute the ownership percentage of investors in this offering. Furthermore, if the Company raises debt, the holders of the debt would have priority over holders of common and preferred stock and the Company may accept terms that restrict its ability to incur more debt.

All of our assets, possibly including our intellectual property, may be pledged as collateral to a lender.

From time to time, the Company may utilize a variety of forms of debt and credit facilities that may contain covenants that limit our ability to engage in specified types of transactions. These covenants limit our ability to, among other things:

- incur certain additional indebtedness;
- pay dividends on, repurchase or make distributions in respect our capital stock;
- make certain investments;
- sell or dispose of certain assets;
- grant liens; and
- consolidate, merge, sell or otherwise dispose of all or substantially all of our assets.

A breach of any of these covenants could result in a default under the credit facility and permit the lender to cease making loans to us. Upon the occurrence of an event of default under the loan agreement, the lender could elect to declare all amounts outstanding thereunder to be immediately due and payable. We may pledge a significant portion of our assets, inclusive of our intellectual property, as collateral under to support a new loan agreement. If the lender accelerates the repayment of borrowings, we may not have sufficient assets to repay them and we could experience a material adverse effect on our financial condition and results of operations.

The loss of one or more of Knightscope's key personnel, or Knightscope's failure to attract and retain other highly qualified personnel in the future, could harm our business.

Knightscope currently depends on the continued services and performance of key members of its management team, in particular, its founders, William Santana Li and Stacy Dean Stephens. If we cannot call upon them or other key management personnel for any reason, our operations and development could be harmed. The Company has not yet developed a succession plan. Furthermore, as the Company grows, it will be required to hire and attract additional qualified professionals such as accounting, legal, finance, production, service and engineering experts. The Company may not be able to locate or attract qualified individuals for such positions, which will affect the Company's ability to grow and expand its business.

If we are unable to protect our intellectual property, the value of our brand and other intangible assets may be diminished and our business may be adversely affected.

Knightscope relies and expects to continue to rely on a combination of confidentiality agreements with its employees, consultants, and third parties with whom it has relationships, as well as trademark, copyright, patent, trade secret, and domain name protection laws, to protect its proprietary rights. The Company has filed in the United States various applications for protection of certain aspects of its intellectual property, and currently holds four patents. However, third parties may knowingly or unknowingly infringe our proprietary rights, third parties may challenge proprietary rights held by Knightscope, and pending and future trademark and patent applications may not be approved. In addition, effective intellectual property protection may not be available in every country in which we intend to operate in the future. In any or all of these cases, we may be required to expend significant time and expense in order to prevent infringement or to enforce our rights. Although we have taken measures to protect our proprietary rights, there can be no assurance that others will not offer products or concepts that are substantially similar to those of Knightscope and compete with our business. If the protection of our proprietary rights is inadequate to prevent unauthorized use or appropriation by third parties, the value of our brand and other intangible assets may be diminished and competitors may be able to more effectively mimic our service and methods of operations. Any of these events could have an adverse effect on our business and financial results.

Our financial results will fluctuate in the future, which makes them difficult to predict.

Knightscope's financial results have fluctuated in the past and will fluctuate in the future. Additionally, we have a limited operating history with the current scale of our business, which makes it difficult to forecast future results. As a result, you should not rely upon the Company's past financial results as indicators of future performance. You should take into account the risks and uncertainties frequently encountered by rapidly growing companies in evolving markets. Our financial results in any given quarter can be influenced by numerous factors, many of which we are unable to predict or are outside of our control, including:

- Knightscope's ability to maintain and grow its client base;
- Our clients may suffer downturns, financial instability or be subject to mergers or acquisitions;
- The development and introduction of new products by Knightscope or its competitors;
- Increases in marketing, sales, service and other operating expenses that we may incur to grow and expand our operations and to remain competitive;
- Knightscope's ability to maintain gross margins and operating margins;
- Changes affecting our suppliers and other third-party service providers;
- Adverse litigation judgments, settlements, or other litigation-related costs; and

- Changes in business or macroeconomic conditions including regulatory changes.

We may face additional competition.

We are aware of a number of other companies that are developing physical security technology in the United States and abroad that may potentially compete with our technology and services. These or new competitors may have more resources than us or may be better capitalized, which may give them a significant advantage, for example, in offering better pricing than the Company, surviving an economic downturn or in reaching profitability. We cannot assure you that we will be able to compete successfully against existing or emerging competitors. Additionally, existing private security firms may also compete on price by lowering their operating costs, developing new business models or providing other incentives.

Our ability to operate and collect digital information on behalf of our clients is dependent on the privacy laws of jurisdictions in which our ADMs operate, as well as the corporate policies of our clients, which may limit our ability to fully deploy our technologies in various markets.

Our ADMs collect, store and may analyze certain types of personal or identifying information regarding individuals that interact with the ADMs. While we maintain stringent data security procedures, the regulatory framework for privacy and security issues is rapidly evolving worldwide and is likely to remain uncertain for the foreseeable future. Federal and state government bodies and agencies have in the past adopted, and may in the future adopt, laws and regulations affecting data privacy, which in turn affect the breadth and type of features that we can offer to our clients. In addition, our clients have separate internal policies, procedures and controls regarding privacy and data security with which we may be required to comply. Because the interpretation and application of many privacy and data protection laws are uncertain, it is possible that these laws may be interpreted or applied in a manner that is inconsistent with our current data management practices or the features of our products. If so, in addition to the possibility of fines, lawsuits and other claims and penalties, we could be required to fundamentally change our business activities and practices or modify our products, which could have an adverse effect on our business. Additionally, we may become a target of information-focused or data collection attacks and any inability to adequately address privacy and security concerns, even if unfounded, or comply with applicable privacy and data security laws, regulations, and policies, could result in additional cost and liability to us, damage our reputation, inhibit sales, and adversely affect our business. Furthermore, the costs of compliance with, and other burdens imposed by, the laws, regulations, and policies that are applicable to the businesses of our clients may limit the use and adoption of, and reduce the overall demand for, our products. Privacy and data security concerns, whether valid or not valid, may inhibit market adoption of our products, particularly in certain industries and foreign countries. If we are not able to adjust to changing laws, regulations, our business may be harmed.

We have limited experience in operating our ADMs in a variety of environments and increased interactions may lead to collisions, possible liability and negative publicity.

Our ADMs operate autonomously in environments, such as shopping malls, parking lots and stadiums, that are surrounded by various moving and stationary physical obstacles and by humans and vehicles. Such environments are prone to collisions, unintended interactions and various other incidents, regardless of our technology. Therefore, there is a possibility that our ADMs may be involved in a collision with any number of such obstacles. Our ADMs contain a number of advanced sensors that are designed to

effectively prevent any such incidents and are intended to stop any motion at the detection of intervening objects. Nonetheless, real-life environments, especially those in crowded areas, are unpredictable and situations may arise in which the ADMs may not perform as intended. Recent highly publicized incidents of autonomous vehicle and human interactions have focused consumer attention on the safety of such systems. We continuously test the ADMs in a number of unpredictable environments and continue to improve each model's obstacle-sensing and crash-prevention technology. Furthermore, the maximum speed of the ADMs typically does not exceed 3 mph, which is not different from normal human walking pace and is unlikely to lead to any significant damage. However, there can be no assurance that a collision, with property or with humans, will not occur, which could damage the ADM, or lead to personal injury or property damage and may subject us to lawsuits. Moreover, any such incident, even without damage, may lead to adverse publicity for us. Such lawsuits or adverse publicity would negatively affect our brand and harm our business, prospects, financial condition and operating results.

Our failure to implement and maintain effective internal control over financial reporting could have resulted or may in the future result in material misstatements in our financial statements, which has and could in the future require us to restate financial statements, cause investors to lose confidence in our reported financial information and could have an adverse effect on our ability to fundraise.

As we previously reported on our SEC filings, the Company restated its financial statements for prior periods because certain accounting principles were incorrectly applied by outsourced service providers. In connection with the errors detected in applying certain accounting principles, Company management determined that a material weakness existed in internal control over financial reporting. A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting such that there is a reasonable possibility that a material misstatement of our annual or interim financial statements will not be prevented or detected and corrected on a timely basis. The material weakness identified was an insufficient complement of resources with an appropriate level of accounting knowledge, experience and training commensurate with our structure and financial reporting requirements. We initiated various remediation efforts to address these items. Additional material weaknesses in our internal control over financial reporting may be identified in the future. Any failure to maintain existing or implement required new or improved controls, or any difficulties we encounter in their implementation, could result in additional material weaknesses, cause us to fail to meet our periodic reporting obligations or result in material misstatements in our financial statements. The existence of a material weakness could result in errors in our financial statements that could result in a restatement of financial statements, and cause us to fail to meet our reporting obligations. If we are unable to effectively remediate material weaknesses in a timely manner, investors could lose confidence in the accuracy and completeness of our financial reports, which could have an adverse effect on our ability to sell our securities and to conduct future fundraising.

We realized a gross and net loss for each period since our inception to date, and there can be no assurances that the Company will become profitable in the future.

We have incurred a gross loss and net loss in all periods since our inception, and while we are taking steps to achieve a gross profit and profitability, we expect that we will continue to report gross losses and net losses for the foreseeable future. We are evaluating and taking a number of near-term actions to achieve a gross profit and work towards profitability, and expect that as the Company matures, we will

obtain expertise, economies of scale and efficiency that should increase revenue and reduce costs over the medium to long-term. However, there can be no assurances that these actions will prove to be effective. If we fail to increase our revenue and/or manage our expenses, we may not achieve or sustain profitability in the future.

The private security industry is undergoing structural changes in technology and services.

The private security industry is undergoing structural changes, consolidation, changing customer needs, evolving industry standards and introduction of new products and services. We have encountered and will continue to encounter risks and difficulties frequently experienced by growing companies in such industries. If we do not address these risks successfully, our business will be harmed. Our ability to gain market share depends upon our ability to satisfy customer requirements, enhance existing products and develop and introduce new products. Further, we expect the intensity of competition to increase in the future. Increased competitiveness may result in reductions in the prices of our products and services, lower-than-expected gross margins or loss of market share, any of which would harm our business.

The Company is controlled by its officers and other stockholders.

The Company's officers and sole director, in particular, William Santana Li and Stacy Dean Stephens, currently hold a significant portion of the Company's voting securities, and at the conclusion of this offering will continue to hold a significant portion of the Company's voting rights. Current stockholders of Class B Common Stock or holders of stock convertible into Class B Common Stock of the Company are entitled to ten votes for each such share held at a regular meeting of stockholders, subject to the provisions of the Delaware General Corporate Law and the relevant provisions of the Company's amended and restated certificate of incorporation. Current stockholders of Class A Common Stock or holders of stock convertible into Class A Common Stock of the Company are entitled to one vote for each such share held at a regular meeting of stockholders, subject to the provisions of the Delaware General Corporate Law and the relevant provisions of the Company's amended and restated certificate of incorporation. The Series S Preferred Stock will also have no series-based votes or protections. Therefore, investors in this offering will not have the ability to control the board of directors and will not have significant ability to control any specific vote of stockholders.

SERIES S PREFERRED STOCK TERM SHEET

This Series S Preferred Stock Term Sheet represents only the current thinking of the parties with respect to certain of the major issues relating to the proposed private offering and does not constitute a legally binding agreement. This Series S Preferred Stock Term Sheet does not constitute an offer to sell or a solicitation of an offer to buy securities in any state where the offer or sale is not permitted.

Offering Terms

SECURITY:	Series S Preferred Stock (“ Series S ”).
VALUATION:	Approximately \$300,000,000 pre-money.
AGGREGATE PROCEEDS:	Up to \$50,000,000.
PRICE PER SHARE:	\$8.00 per share with a minimum \$1,000 investment per investor. Fractional shares will not be issued, and the share number actually issued will be rounded down to the nearest whole share that is fully paid.
OFFERING END DATE:	Final closing on or before October 10, 2019, unless extended by the Company and the Placement Agent to a date not later than December 31, 2019.
PRO FORMA CAPITALIZATION:	A pro forma capitalization table of the Company is attached hereto as <u>Exhibit A</u> , which assumes that there have been no changes to the offering or the Company’s capital structure as of April 1, 2019 other than the addition of 6,250,000 shares of Series S.

Series S Terms

DIVIDENDS:	Noncumulative dividends before any dividend on any existing shares of the Company’s Preferred Stock or Common Stock at 6% of the Series S original purchase price, if and when declared by the Board of Directors.
LIQUIDATION PREFERENCE:	In the event of any Liquidation Event, holders of Series S receive purchase price before any payment to holders of any other series of Preferred Stock or Common Stock. Remaining assets paid (i) first to holders of Series m Preferred Stock (“ Series m ”), Series m-1 Preferred Stock (“ Series m-1 ”), Series m-2 Preferred Stock (“ Series m-2 ”), and Series B Preferred Stock (“ Series B ”), (ii) second to the holders of Series A Preferred Stock (“ Series A ”), (iii) third to the

holders of Series m-3 Preferred Stock (“**Series m-3**”), all in amounts equal to their respective purchase prices. Subsequently, the remaining assets are paid to holders of Common Stock. “**Liquidation Event**” is defined as the liquidation, dissolution or winding up of the Company; or the Company’s merger, sale of voting control, sale of substantially all assets or other transactions (other than equity financings) where the pre-transaction stockholders own less than a majority of the outstanding shares after the transaction.

CONVERSION: Series S has right to convert at any time into Class A Common Stock. Initial conversion rate of 1:1. Proportional adjustment for stock splits and stock dividends.

VOTING: All Preferred Stock votes on an as-converted to Common Stock basis. Class A Common Stock has one (1) vote per share, and Class B Common Stock has ten (10) votes per share.

AUTOMATIC CONVERSION: Series S automatically converts into Class A Common if holders of a majority of outstanding shares of Preferred Stock consent.

All shares of Preferred Stock automatically convert to Common Stock upon the closing of a firmly underwritten public offering.

ANTI-DILUTION Price-based, broad-based weighted average anti-dilution protection.

* * * * *

Exhibit A

Post-Offering Capitalization Table

Knightscope, Inc. Summary Capitalization Table -- Series S Preferred Stock Offering

	PRE-MONEY*						POST-MONEY**					
	* Current capitalization as of April 1, 2019						** Assumes the pre-money capitalization remains the same, plus an additional \$50M of Series S Preferred Stock is issued					
	Shares Authorized	Shares Issued and Outstanding	Fully Diluted Shares	Fully Diluted Ownership	Voting Power	% of Total Voting Power	Shares Authorized	Shares Issued and Outstanding	Fully Diluted Shares	Fully Diluted Ownership	Voting Power	% of Total Voting Power
Common Stock classes												
Common Stock												
Common Class A Stock	94,000,000			0.0000%		0.0000%	94,000,000			0.0000%		0.0000%
Common Class B Stock	30,000,000	10,179,000	10,179,000	23.3598%	101,790,000	38.9229%	30,000,000	10,179,000	10,179,000	23.3598%	101,790,000	38.0144%
Total Common Stock issued and outstanding			10,179,000	23.3598%	101,790,000	38.9229%			10,179,000	23.3598%	101,790,000	38.0144%
Preferred Stock classes												
Series S Preferred Stock	9,375,000	434,673	434,673	0.9975%	434,673	0.1662%	9,375,000	6,684,673	6,684,673	15.3406%	6,684,673	2.4965%
Series A Preferred Stock	8,936,015	8,936,015	8,936,015	20.5072%	89,360,150	34.1699%	8,936,015	8,936,015	8,936,015	20.5072%	89,360,150	33.3724%
Series B Preferred Stock	4,707,501	4,653,583	4,653,583	10.6795%	46,535,830	17.7946%	4,707,501	4,653,583	4,653,583	10.6795%	46,535,830	17.3792%
Series m Preferred Stock	6,666,666	5,339,215	5,339,215	12.2530%	5,339,215	2.0416%	6,666,666	5,339,215	5,339,215	12.2530%	5,339,215	1.9940%
Series m-1 Preferred Stock	333,334			0.0000%		0.0000%	333,334			0.0000%		0.0000%
Series m-2 Preferred Stock	1,660,756	1,660,756	1,660,756	3.8113%	16,607,560	6.3505%	1,660,756	1,660,756	1,660,756	3.8113%	16,607,560	6.2022%
Series m-3 Preferred Stock	3,490,658	1,449,543	1,449,543	3.3266%	1,449,543	0.5543%	3,490,658	1,449,543	1,449,543	3.3266%	1,449,543	0.5413%
Total Preferred Stock issued and outstanding			22,473,785	51.5750%	159,726,971	61.0771%			28,723,785	65.9181%	165,976,971	61.9856%
Common Class B Stock Warrants												
CBW Warrants			121,913	0.2798%		0.0000%			121,913	0.2798%		0.0000%
Total Common Class B Stock Warrants issued and outstanding			121,913	0.2798%		0.0000%			121,913	0.2798%		0.0000%
Series B Preferred Stock Warrants												
PBW Warrants			53,918	0.1237%		0.0000%			53,918	0.1237%		0.0000%
Total Series B Preferred Stock Warrants issued and outstanding			53,918	0.1237%		0.0000%			53,918	0.1237%		0.0000%
Series m-1 Preferred Stock Warrants												
Pm1W Warrants			266,961	0.6126%		0.0000%			266,961	0.6126%		0.0000%
Total Series m-1 Preferred Stock Warrants issued and outstanding			266,961	0.6126%		0.0000%			266,961	0.6126%		0.0000%
Series m-3 Preferred Stock Warrants												
Pm3W Warrants			1,449,543	3.3266%		0.0000%			1,449,543	3.3266%		0.0000%
Total Series m-3 Preferred Stock Warrants issued and outstanding			1,449,543	3.3266%		0.0000%			1,449,543	3.3266%		0.0000%
2014 Equity Incentive Plan												
Options and RSUs issued and outstanding	3,000,000		2,223,800	5.1034%		0.0000%	3,000,000		2,223,800	5.1034%		0.0000%
2016 Equity Incentive Plan												
Options and RSUs issued and outstanding	6,148,814		1,824,644	4.1874%		0.0000%	6,148,814		1,824,644	4.1874%		0.0000%
Shares available for issuance under the plan			4,981,370	11.4317%		0.0000%			4,981,370	11.4317%		0.0000%
Totals			43,574,934	100.0000%	261,516,971	100.0000%			49,824,934	114.3431%	267,766,971	100.0000%

PLAN OF DISTRIBUTION

The Offering

Purchasers of Shares will be required to deliver to Maxim Group LLC (“Placement Agent,” “Maxim”), among other items, a duly executed copy of the Stock Purchase Agreement accompanying this Memorandum as Exhibit B, and a completed copy of the Investor Questionnaire attached to this Memorandum as Exhibit C. Potential investors can deliver these documents and provide other information through the secure investor portal established by the Placement Agent at www.m-vest.com, or by e-mailing them, sending them via fax, or mailing them to the Placement Agent at the address for the Placement Agent included below. See “**Subscription Procedure**”. No subscription will be accepted by Knightscope, Inc. (“Knightscope,” the “Company,” “we” or “us”) or the Placement Agent unless and until the investor’s status as an “accredited investor” has been verified to the satisfaction of the Placement Agent. We or the Placement Agent may make or cause to be made such further inquiry and obtain such additional information as we deem appropriate with regard to the suitability of prospective investors. The Company or the Placement Agent may reject purchase offers in whole or in part, if not satisfied as to suitability.

We reserve the right to accept or reject any subscription offer in whole or in part and to allocate to any potential purchaser an amount of the securities less than the amount requested by such potential purchaser, for any or no reason and without notice. All funds from subscribers will be deposited in an escrow account with Collegiate Peaks Bank as escrow agent (the “Escrow Agent”). We expect to conduct a closing as soon as subscriptions for a minimum offering amount determined by the Company have been accepted and all conditions to such closing have been satisfied, at which time those funds will be released from escrow. We will conduct additional closings on an interim basis thereafter.

All funds from subscribers will be deposited in an escrow account with the Escrow Agent, until such time as the Minimum Offering Amount has been received from subscribers, at which time those funds will be released from escrow assuming all conditions to such closing have been satisfied. Unless, as of or prior to the Expiration Date (as defined below) of this Offering, the Minimum Offering Amount has been received from subscribers and all conditions to closing have been satisfied, all funds will be promptly returned to subscribers without interest or deduction and this Offering will terminate. This Offering will end on the earlier of (i) our acceptance of subscriptions for the Maximum Offering Amount (as the same may be increased pursuant to the mutual agreement of us and the Placement Agent), and (ii) October 10, 2019, unless terminated by us at an earlier time (the “Expiration Date”). This Offering may be extended to December 31, 2019 upon the approval of us and the Placement Agent. We reserve the right to withdraw or cancel this Offering at any time, for any or no reason and without notice.

The price and terms of the Shares have been determined by us and the Placement Agent and do not necessarily bear any relationship to the value of our assets, net worth, revenues or other established criteria of value, and should not be considered indicative of the actual value of the Shares or us.

Investor Suitability Requirements

General

Investment in the Shares involves significant risks and is suitable only for persons of adequate financial means who have no need for liquidity with respect to their investment and who can bear the economic risk of a complete loss of their investment. See “**Risk Factors**”.

The eligibility standards discussed below represent minimum suitability standards for prospective investors. The satisfaction of such standards by a prospective investor does not necessarily mean that the Shares are a suitable investment for such prospective investor. Prospective investors are encouraged to consult their personal financial advisors to determine whether an investment in the Shares is appropriate for them.

We will require each investor to make representations set forth in the Stock Purchase Agreement, which include representation, among other things, that: (i) by reason of the investor's business or financial experience, or that of the investor's professional advisor, the investor is capable of evaluating the merits and risks of an investment in the Shares and of protecting such investor's own interests in connection with this Offering; (ii) the investor is an "accredited investor" as such term is defined in Rule 501(a) of Regulation D promulgated under the Securities Act; (iii) the investor is acquiring the Shares for the investor's own account, for investment only and not with a view to the resale or distribution thereof; (iv) the investor is aware that neither the Shares nor the securities into which the Shares may be converted have been registered under the Securities Act or any state or foreign securities laws, that the transfer of the Shares is restricted under the Securities Act and may be restricted under applicable state or foreign securities laws (and any equity securities into which the Securities may convert); and (v) the investor is aware of the absence of a market for the Securities and the securities into which the Shares may be converted.

Eligibility

Each investor must represent that it qualifies as an "accredited investor" as such term is defined in Rule 501(a) of Regulation D under the Securities Act, and must demonstrate the basis for such qualification. To be an accredited investor, an investor must fall within any of the following categories at the time of the sale of any Shares to that investor:

- A bank as defined in Section 3(a)(2) of the Securities Act, or a savings and loan association or other institution as defined in Section 3(a)(5)(A) of the Securities Act, whether acting in its individual or fiduciary capacity, a broker or dealer registered pursuant to Section 15 of the Exchange Act; an insurance company as defined in Section 2(13) of the Securities Act; an investment company registered under the Investment Company Act of 1940 or a business development company as defined in Section 2(a)(48) of that Act; a Small Business Investment Company licensed by the U.S. Small Business Administration under Section 301(c) or (d) of the Small Business Investment Act of 1958; a plan established and maintained by a state, its political subdivisions, or any agency or instrumentality of a state or its political subdivisions, for the benefit of its employees, if such plan has total assets in excess of \$5,000,000; an employee benefit plan within the meaning of the Employee Retirement Income Security Act of 1974 if the investment decision is made by a plan fiduciary, as defined in Section 3(21) of that Act, which is either a bank, savings and loan association, insurance company, or registered investment adviser, or if the employee benefit plan has total assets in excess of \$5,000,000 or, if a self-directed plan, with investment decisions made solely by persons that are accredited investors;
- A private business development company as defined in Section 202(a)(22) of the Investment Advisers Act of 1940;
- An organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended; a corporation; a Massachusetts or similar business trust; or a partnership; in each case, not formed for the specific purpose of acquiring the Shares and with total assets in excess of \$5,000,000;

- A director or executive officer of the Company;
- A natural person whose individual net worth, or joint net worth with that person's spouse, at the time of such person's purchase of the Shares exceeds \$1,000,000. PLEASE NOTE: in calculating net worth, you include all of your assets (other than your primary residence), whether liquid or illiquid, such as cash, stock, securities, personal property and real estate based on the fair market value of such property MINUS all debts and liabilities (other than a mortgage or other debt secured by your primary residence unless such borrowing occurred in the 60 days preceding the date of purchase of the securities and was not in connection with the acquisition of the primary residence). In the event any incremental mortgage or other indebtedness secured by your primary residence occurs in the 60 days preceding the date of the purchase of the securities, the additional mortgage or other indebtedness secured by your primary residence must be treated as a liability and deducted from your net worth even though the value of our primary residence will not be included as an asset. Further, the amount of any mortgage or other indebtedness secured by your primary residence that exceeds the fair market value of the residence should also be deducted from your net worth);
- A natural person who had an individual income in excess of \$200,000 in each of the two most recent years or joint income with that person's spouse in excess of \$300,000 in each of those years and has a reasonable expectation of reaching the same income level in the current year;
- A trust, with total assets in excess of \$5,000,000, not formed for the specific purpose of acquiring the Shares, whose purchase is directed by a sophisticated person as described in Rule 506(b)(2)(ii) of Regulation D; and
- An entity in which all of the equity owners are accredited investors.

Notwithstanding these minimum suitability standards, each prospective investor's status as an "accredited investor" must be independently verified by the Placement Agent. Prospective investors must complete an Investor Questionnaire, as stated below in "**Subscription Procedure**", and return it to the Placement Agent by e-mail or fax, by mailing it to the address included in this Memorandum, or by uploading it through the secure investor portal established by the Placement Agent at www.m-vest.com. Once this is done, the Placement Agent will forward to the prospective investor a letter to be completed and signed by a third-party familiar with the prospective investor's annual income or net worth, such as an attorney, accountant, broker-dealer, or registered investment advisor, certifying that the prospective investor qualifies as an accredited investor. Alternatively, prospective investors may submit with their Investor Questionnaires documentation that will allow the Placement Agent to make this certification independently. Examples of the required documentation include IRS Forms W-2 or 1099, bank or brokerage statements, certificates of deposit, or tax assessments. The supporting documentation can also be submitted by e-mail, fax, or mailed to the Placement Agent at the address for it included in this Memorandum, or it may be uploaded to the secure investor portal established by the Placement Agent at www.m-vest.com.

Placement Agent

We have engaged Maxim Group LLC, a FINRA member broker-dealer, as a placement agent to place the Shares on a "reasonable best efforts" basis, pursuant to the terms and conditions of an agreement entered into between us and them (the "Placement Agency Agreement"). The Placement Agent may engage sub-agents or other selected broker-dealers to assist in this Offering. The Placement Agency Agreement provides that:

- At each closing, the Placement Agent will receive a cash fee equal to 6.5% of the gross proceeds received by us at such closing.
- We are required to indemnify the Placement Agent against certain liabilities, including liabilities arising under the Securities Act, in connection with this Offering.

SUBSCRIPTION PROCEDURE

Persons desiring to purchase the Shares offered hereby should follow the instructions below:

A. Complete the following items in the Stock Purchase Agreement:

1. Provide the information regarding the Purchaser requested on each signature page. The Stock Purchase Agreement must be executed by an individual authorized to bind the Purchaser.
2. Provide the information requested by the Investor Questionnaire attached as Exhibit C to this Memorandum.
3. Provide an executed Accredited Investor Certification Letter attached as Exhibit D to this Memorandum.
4. Investors may participate in this offer by accessing the Placement Agent's webportal: www.m-vest.com/knightscope or by returning the signed Stock Purchase Agreement together with the completed Investor Questionnaire and Accredited Investor Certification Letter to:

Maxim Group LLC
405 Lexington Avenue
New York, NY 10174
Attention: Ritesh Veera
Email: rveera@maximgrp.com
Facsimile: (212) 895-3783

B. Wire funds for the purchase of the Shares to the Escrow Agent. Instructions regarding the transfer of funds for the purchase of Shares are set in the Stock Purchase Agreement and reprinted below:

Beneficiary Bank Name BANK OF NEW YORK MELLON
SWIFT Address IRVTUS3N
ABA Number 021000018
Beneficiary Bank Address 1 WALL STREET, NEW YORK, NY 10286
Beneficiary Account Name WESTERN UNION BUSINESS SOLUTIONS
Beneficiary Account Number 8901309192
Reference Collegiate Peaks Bank/Knightscope, Inc. Escrow Account
#2200002293486

Each investor's funds representing the purchase price of the Shares will be deposited into an escrow account until a closing is conducted. Execution and delivery of the Stock Purchase Agreement constitutes an irrevocable subscription for that number of Shares set forth on the signature page thereto. Receipt by us of

funds wired, or deposit and collection by us of any check tendered herewith, will not constitute acceptance of the Stock Purchase Agreement by us. The Shares subscribed for will not be deemed to be issued to, or owned by, the investor until we have executed the Stock Purchase Agreement. All funds tendered by investors will be held in escrow pending our acceptance or rejection of the Stock Purchase Agreement. Executed Stock Purchase Agreements will either be accepted by us, in whole or in part, in our sole discretion, or rejected by us as promptly as practicable. If a Stock Purchase Agreement is accepted only in part, investor agrees to purchase such smaller number of Shares as we determine to sell to investor. If the Stock Purchase Agreement is rejected by us for any reason, including the termination of the Offering, the Stock Purchase Agreement and all funds tendered therewith will be promptly returned to investor, without interest or deduction of any kind. Upon acceptance by us of an investor's Stock Purchase Agreement, in whole or in part, there shall be delivered to such investor one or more stock certificates, each registered in the name of the investor.

We will utilize the investor questionnaire completed by each investor as part of our own procedures to confirm the accuracy of the stock certificate delivered to each investor.

RESTRICTIONS ON TRANSFER OF SHARES

We have not registered the sale of the Securities offered hereby under federal or state securities laws but are instead relying on exemptions from the registration requirements these laws. As a result, you may not resell any Securities you purchase hereunder unless the resale of such Securities is registered under federal or state securities laws or is exempt from the registration requirements thereof. We may require an opinion of counsel acceptable to us that an exemption is available for the sale or transfer of the Securities. You may wish to obtain independent legal advice regarding the effect of these restrictions on transferability and the applicability of Rule 144 promulgated under the Securities Act and other rules of the SEC. In addition, the Securities are subject to a lock-up during the period from the filing of a registration statement of the Company filed under the Securities Act of 1933, as amended, or any similar successor federal statute and the rules and regulations thereunder, all as the same shall be in effect from time to time (the "**Securities Act**"), that includes securities to be sold on behalf of the Company to the public in an underwritten public offering under the Securities Act.

Following each closing date, if any, there shall be delivered to each investor one or more electronic stock certificates registered in the name of the investor representing the number of Shares purchased under the Stock Purchase Agreement to the email address provided by the investor to the Placement Agent. Stock certificates evidencing the Shares or Conversion Shares will contain a legend in substantially the following form:

THE SHARES OFFERED HEREBY HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OR THE SECURITIES LAWS OF ANY STATE AND ARE BEING OFFERED AND SOLD IN RELIANCE ON EXEMPTIONS FROM THE REGISTRATION REQUIREMENTS OF SAID ACT AND SUCH LAWS. THE SHARES ARE SUBJECT TO RESTRICTIONS ON TRANSFERABILITY AND RESALE AND MAY NOT BE TRANSFERRED OR RESOLD EXCEPT AS PERMITTED UNDER SAID ACT AND SUCH LAWS PURSUANT TO REGISTRATION OR EXEMPTION THEREFROM. THE SHARES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE U.S. SECURITIES AND EXCHANGE COMMISSION, ANY STATE SECURITIES COMMISSION, OR ANY OTHER REGULATORY AUTHORITY, NOR HAVE ANY OF THE FOREGOING AUTHORITIES PASSED UPON OR ENDORSED THE MERITS OF THIS OFFERING OR THE ACCURACY OR ADEQUACY OF THE INFORMATION PROVIDED. ANY REPRESENTATION TO THE CONTRARY IS UNLAWFUL.

THE SHARES REPRESENTED HEREBY ARE SUBJECT TO RESTRICTIONS ON TRANSFERABILITY AND RESALE, INCLUDING A LOCK-UP PERIOD IN THE EVENT OF A PUBLIC OFFERING, AS SET FORTH IN THE PURCHASE AGREEMENT PURSUANT TO WHICH THESE SHARES WERE ISSUED, A COPY OF WHICH MAY BE OBTAINED AT THE PRINCIPAL OFFICE OF THE COMPANY.

INVEST IN THE FUTURE OF SECURITY

SELF-DRIVING TECHNOLOGY + ROBOTICS + ARTIFICIAL INTELLIGENCE



 **KNIGHTSCOPE**

AUTONOMOUS SECURITY
SERIES S PREFERRED STOCK
\$8.00 PER SHARE

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DISCLAIMER This presentation does not constitute an offer to sell or the solicitation of any offer to buy interests in Knightscope, Inc. (“Knightscope”, “Company”), which may only be made at the time a qualified subscriber receives the Offering Documents describing the offering. In the case of any inconsistency between the descriptions or terms in this presentation and the Offering Documents, the Offering Documents shall control. An investment in Knightscope involves significant risks, including the loss of the entire investment. Restrictions apply to transfers and withdrawals of shares in the offering. Purchased securities are not currently tradeable. Expect to hold your investment until the company lists on a national exchange or is acquired. Before deciding to invest in the offering, prospective investors should read the Offering Documents and pay particular attention to the risk factors contained in the Offering Documents. Prospective investors should make their own investigation and evaluation of the information contained in this presentation. Each prospective investor should consult their own attorney, business adviser and tax adviser as to legal, business, tax and related matters concerning the information contained herein. Certain information contained in this presentation constitutes “forward-looking statements,” which can be identified by the use of forward-looking terminology such as “may,” “will,” “should,” “expect,” “anticipate,” “target,” “project,” “estimate,” “intend,” “continue” or “believe,” or the negatives thereof or other variations thereon or comparable terminology. Due to various risks and uncertainties, actual events or results may differ materially from those reflected or contemplated in such forward-looking statements. Certain information contained in this presentation is based on or derived from information provided by independent third-party sources. The Company cannot guarantee the accuracy of such information, and has not independently verified the assumptions on which such information is based. Additionally, certain estimates and projections of financial performance are based on reasonable and appropriate assumptions for projections of such kind and with respect to Knightscope, as well as an analysis of data available to the Company, which projections the Company believes to be reasonably accurate. The information set forth herein has not been reviewed, approved or disapproved, nor has the accuracy or adequacy of the information set forth herein been passed upon, by the Securities and Exchange Commission or any state securities administrator. The information presented in this presentation is as of March 2019 unless indicated otherwise. This presentation is being provided on a confidential basis. Accordingly, this presentation may not be reproduced in whole or in part and may not be delivered to any person without the prior written consent of Knightscope. Past performance is not indicative of future results.



IN OUR COUNTRY

CRIME has a \$1+ Trillion Negative Economic Impact

VIOLENT CRIME Occurs Every 24.6 Seconds

PROPERTY CRIME Occurs Every 4.1 Seconds



Source: "The Aggregate Burden of Crime" by D.A. Anderson and the Federal Bureau of Investigation

IMPOSSIBLE MATH

NEARLY 2 MILLION

Law Enforcement and Security Professionals

...are attempting to secure...

328+ MILLION

Americans Across 50 States



KNIGHTSCOPE

When a Major Tragedy
Occurs in Our Country
Who is Held...

ACCOUNTABLE?

New Tools and Capabilities
Are Needed

Bar
Home
Office
Airport
Church
Concert
Daycare
Hospital
Nightclub
Newsroom
Restaurant
Pre-school
Synagogue
Yoga Studio
High School
Military Base
Bowling Alley
Street Corner
Movie Theater
Political Event
Middle School
College Campus
Elementary School
Video Game Tournament



KNIGHTSCOPE

We are on a mission to make the
United States of America



the safest country in the world

THE TECHNOLOGY

Disruptive Self-Driving Robotic Platform **Provides Physical Deterrence**

Machine Learning Driven Detection Algorithm **Provides Actionable Intelligence**

Fully Autonomous Motion and Recharging **Provides 24/7/365 Uptime**



K5 OUTDOORS

Optimized for **outdoor** usage at corporate campuses, manufacturing / logistics facilities, and parking lots

360 degree **license plate recognition** including parking enforcement capability

Signal detection for rogue routers, hackers and trespassers



Speed: Up to 3 mph
Terrain: Outdoors
Height: 62.5"
Width: 33.5"
Length: 36"
Weight: 398 lbs

K3 INDOORS

Optimized for **indoor** usage
in hospitals, malls, offices
and warehouses

360 degree HD live
streaming and recorded
video

Two-way **audio** and
broadcast capability as
added deterrent

Speed: Up to 3 mph
Terrain: Indoors
Height: 51"
Width: 24"
Length: 33"
Weight: 340 lbs



K1 STATIONARY

Optimized for **ingress/egress** points at casinos, airports, reception, and retail

Automation of visitor entry through use of **Custom Concierge** feature allowing for human-to-machine dialogue

Eye-level video in both outdoor or indoor environments providing a valuable vantage point versus CCTV

Speed: Stationary
Terrain: Indoors/Outdoors
Height: 69"
Width: 28.8"
Length: 11.2"
Weight: 150 lbs



K7 MULTI-TERRAIN

UNDER DEVELOPMENT

Targeted towards **large** enterprises, utilities and government usage

Optimal for large perimeters and more **difficult terrain**

Four-wheel platform provides for **sideways** motion in constrained environments

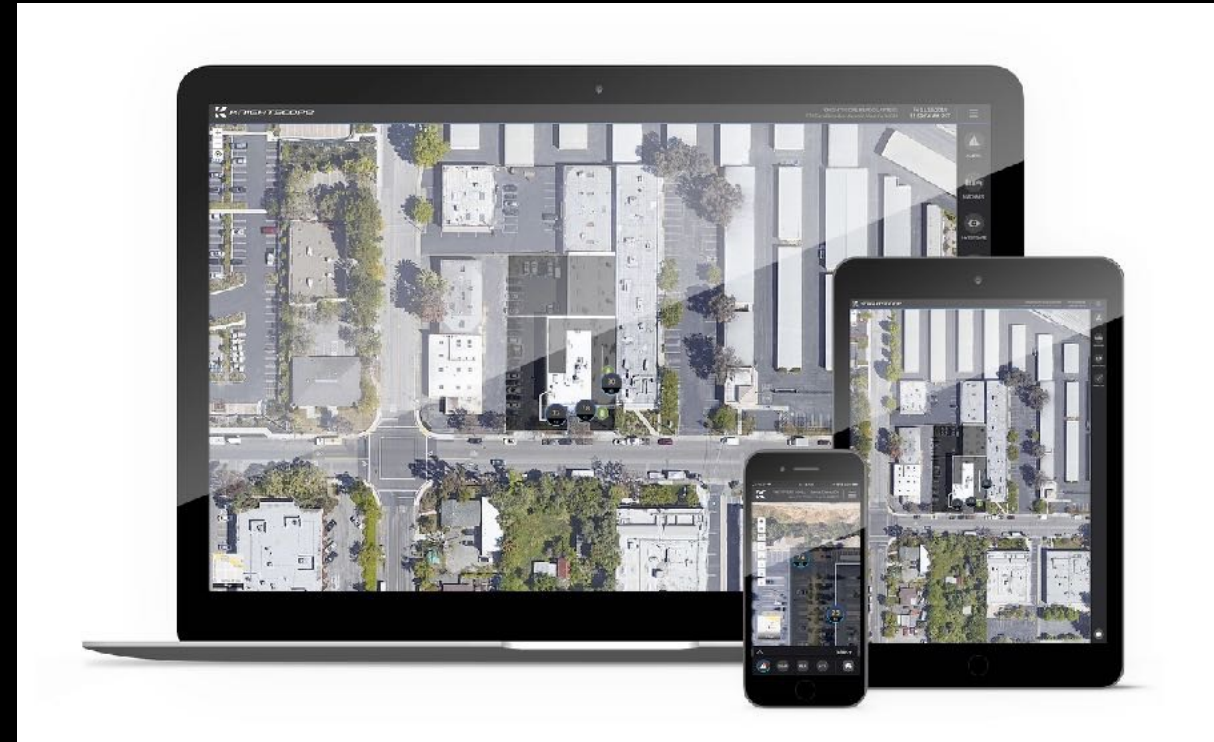
*Speed: To Be Announced
Terrain: Multi-Terrain
Height: 57.5"
Width: 63.9"
Length: 116"
Weight: 770 lbs*

KSOC INTERFACE

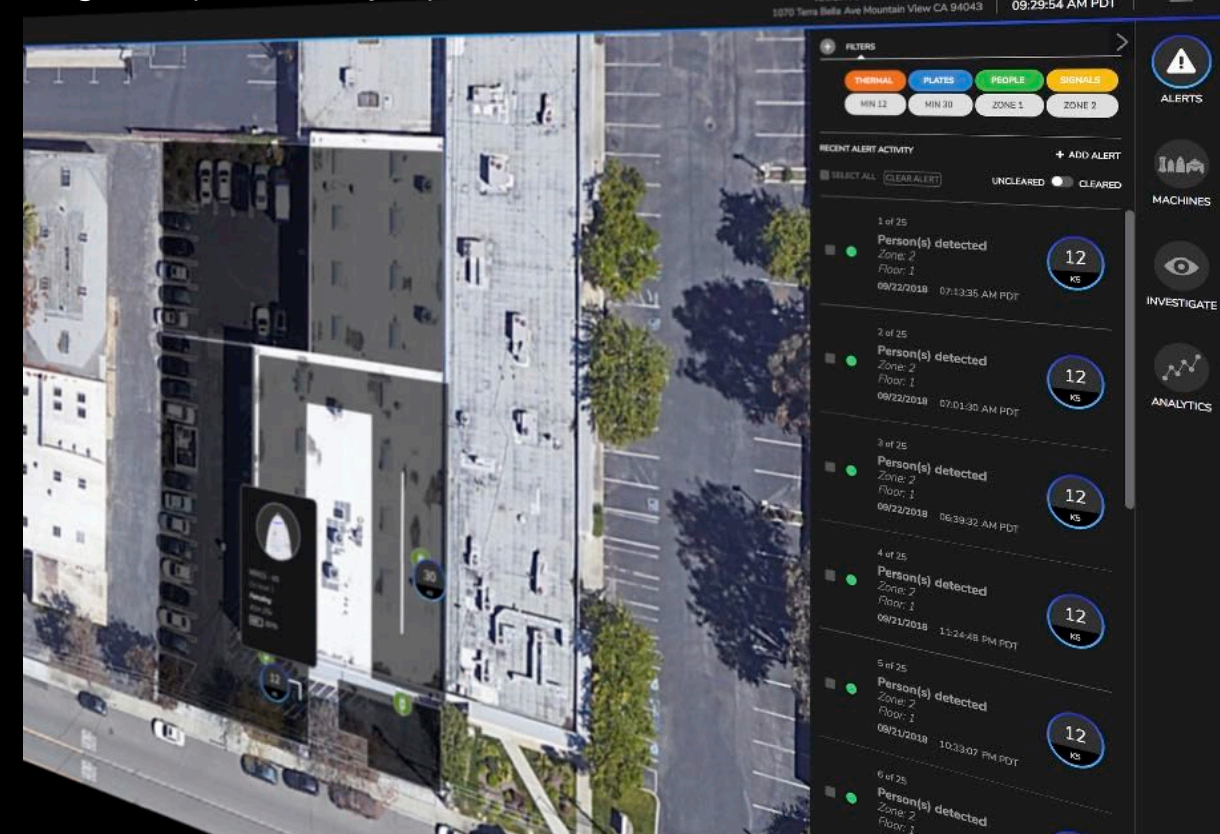
Browser-based user interface helps process the **90+ terabytes** each machine generates annually

Conduct **live monitoring** as well as forensics and investigations

Patrol scheduler allows user to deploy machine resources where needed



Knightscope Security Operations Center



KNIGHTSCOPE

CAPABILITIES



People
Detection



Facial
Recognition



Automatic License
Plate Recognition



Thermal Anomaly
Detection



Automatic Signal
Detection



360 Degree HD
Video Streaming



Concierge



Two-Way
Intercom



Pre-Recorded
Broadcast Messages



Force Multiplying
Physical Deterrence



Patrol
Scheduler



Investigate



Analytics



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These figures represent management estimates and are meant for illustrative purposes. They do not represent guarantees of future results, levels of activity, performance, or achievements.

COMPARISON

	Human Manned Guarding	Autonomous Security Robot
Average Hourly Rate	\$15 - \$35 per hour	\$6 - \$12 per hour
Security Guard Turnover Rate	Up to 100% to 400%	0%
Hours Available per Week	40	168
Easy to Recruit	No	Yes
Always Trained and on Time	No	Yes
Always on Best Behavior	No	Yes
Follows Orders Consistently	No	Yes
Advanced Detection Capabilities	No	Yes
Improves Capabilities Over Time	No	Yes



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BUSINESS MODEL

MaaS

Machine-as-a-Service (MaaS)

- Contracts Can Generate \$60K to \$96K per annum ^[1]
- Manufacturing Costs of Machine Recovered in Year One ^[2]
- Targeting up to \$250K Estimated Profit per Machine Over Life of 5 Years ^[3]

[1] Assumes K5 machine under contract for 5 years at \$96K per annum

[2] Assumes typical \$60K bill-of-material cost

[3] Assumes \$34,000 per annum support/maintenance/service costs; assumes long-term durability target of 5 years versus current depreciation period of 3 - 4 years



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TIME TO DISRUPT

\$500 Billion Fragmented Global Market ^[1]

80%+ of the U.S. market consists of 8,000+ security firms ^[2]

Employee Retention is Terrible

Up to 400% employee turnover rates ^[3]

Client Retention is Awful

Management's experience with clients has indicated a brutal commodity market with lack of focus on customer service

Lack of Technology

Sleepy industry adverse to automation and technology



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^[1] Source: BofA Merrill Lynch Global Research

^[2] Robert H. Perry & Associates Industry White Paper

^[3] First Security Associates

NATIONWIDE SCALE



36+ clients



60+ machines under contract



45+ locations



15 states



700,000+ hours



300,000+ miles

Billions have been invested in self-driving technology recently pursuing autonomous capabilities...**and only Knightscope has been able to commercialize at scale across the nation operating fully autonomous 24/7/365**

Source: The Brookings Institution and C.B. Insights



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DEPLOYMENTS

Alexandria - major REIT

BlackRock - major asset manager

Citizens Bank - major bank

City of Hayward - 1st municipal security robot contract

Cox - communications/auto conglomerate

Dignity Health - healthcare provider

Faurecia - top automotive supplier

Sacramento Kings - NBA basketball team

Samsung - multinational conglomerate

Westfield - major mall operator

XPO - major logistics services provider



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These figures represent management estimates and are meant for illustrative purposes. They do not represent guarantees of future results, levels of activity, performance, or achievements.

REAL SOCIAL IMPACT

- ✓ Helped law enforcement issue an **arrest warrant** for a sexual predator
- ✓ Helped a security guard **catch a thief** in a retail establishment
- ✓ Helped stop a **fraudulent insurance** claim
- ✓ Helped catch an **armed robbery** suspect
- ✓ Helped reduce **vehicle break-ins**
- ✓ Helped catch a **corporate vandal**
- ✓ Helped reduce **trespassers**



KNIGHTSCOPE

CASE STUDY

XPO Logistics

- NYSE: XPO issues press release (April 3, 2018)
- Implements Robot Security Program
- C3-XPO both **eliminated** on-site security incidents and realized \$125K of **cost savings** in first 6 months
- Client reviewing corporate-wide usage
- **Awarded** contract for additional machines
- XPO Logistics invests more than \$450M in technology annually



These figures represent management estimates and are meant for illustrative purposes. They do not represent guarantees of future results, levels of activity, performance, or achievements. Moreover, this is an example of XPO Logistics' experience and may not be representative of the experience of other clients and does not guarantee of future performance or success.

TARGET MARKETS

Our Initial Client Experiences Are In...

TYPE	Estimated Number of Locations
Major Stadiums	241
Corporate Campuses	1,000+
Casinos	460
Hospitals	6,210
Warehouses	17,353
Airports	19,655
Shopping Centers	47,000
Homeowner Associations	351,000

And We Look Forward to Adding New Markets...

TYPE	Estimated Number of Locations
Power Plants	8,652
Auto Dealerships	16,708
Lodging	53,432
Schools	139,126
U.S. Military Facilities	420
Farms and Ranches	2,200,000



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PATENTS

Four Patents Granted Thus Far

Autonomous Data Machines and Systems

- U.S. Patent No. 9,329,597
- U.S. Patent No. 9,910,436

KSOC data analysis and display features

- U.S. Patent No. 9,792,434

KSOC autonomous parking monitoring

- U.S. Patent No. 9,773,413

Company continues to generate valuable IP in autonomous technology, artificial intelligence and predictive analytics

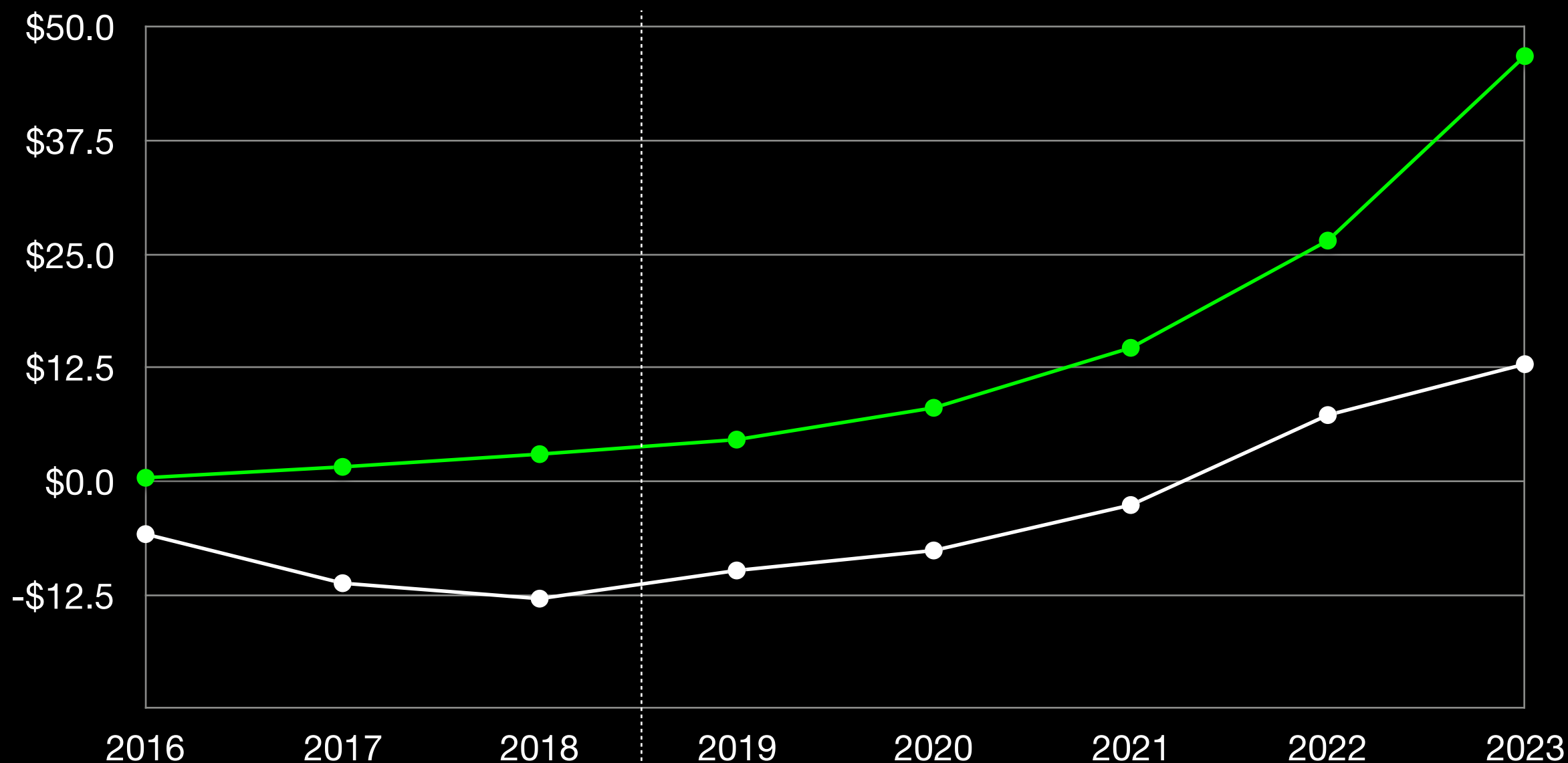


KNIGHTSCOPE



● Revenue (\$mils)
● EBITDA (\$mils)

PROJECTIONS



Revenue (\$mils)	\$0.4	\$1.6	\$3.0	\$4.6	\$8.1	\$14.7	\$26.5	\$46.8
EBITDA (\$mils)	(\$5.8)	(\$11.2)	(\$12.9)	(\$9.8)	(\$7.6)	(\$2.6)	\$7.3	\$12.9
Annual Revenue Growth (YoY)	-	300%	88%	53%	76%	81%	80%	77%
Machines-in-Network	14	36	50	94	160	232	331	520



KNIGHTSCOPE

These figures represent management estimates and are meant for illustrative purposes. They do not represent guarantees of future results, levels of activity, performance, or achievements.

WHY KNIGHTSCOPE?

1

Disruptive new technology addressing a very large and inefficient market with a recurring revenue business model devised for a recurring societal need which Knightscope has begun to address

2

Billions have been invested in self-driving technology - and only Knightscope has been able to commercialize at **scale** nationwide fully autonomous 24/7/365

3

Scaling up of Knightscope is in the security interests of the **United States of America** and 6,000+ investors have backed the effort to date



KNIGHTSCOPE

SEASONED CEO

Bill is an American entrepreneur with over 25 years of experience and has a broad and deep range of expertise gained from several global assignments in the automotive sector and a number of startups. During his career at **Ford Motor Company**, Bill held over 12 business and technical positions, focused on 4 continents, cutting across each functional area.



These positions ranged from component, systems, and vehicle engineering with Visteon, Mazda, and Lincoln; to business & product strategy on the US youth market, India, and the emerging markets in Asia-Pacific and South America; as well as the financial turnaround of Ford of Europe. In addition, he was on the AMAZON team, which established an all-new modular plant in Brazil. Subsequently, he served as Director of Mergers & Acquisitions.

After internally securing \$250 million, Bill founded and served as COO of **GreenLeaf** LLC, a Ford subsidiary that became the world's 2nd largest automotive recycler. Under his leadership, GreenLeaf grew to a 600-employee operation with \$150 million in sales - now part of \$8 billion LKQ Corporation.

After successfully establishing GreenLeaf, Bill was recruited by SOFTBANK Venture Capital to establish Model E Corporation as its President and CEO, a new car company where the "Subscribe and Drive" philosophy was first pioneered in California. He subsequently co-founded Build-To-Order Inc. (BTO) as its President and CEO, a new car company based on the direct distribution of build-to-order products. Bill also founded Carbon Motors, and as its Chairman and CEO, focused it on developing the world's first purpose-built law enforcement patrol vehicle. He built an advisory board comprised of senior officials that had worked directly for 3 different U.S. Presidents.

Bill earned a BSEE from **Carnegie Mellon University** and an MBA from the University of Detroit Mercy. He speaks Spanish and conversant in Portuguese.



KNIGHTSCOPE

TEAM EXPERIENCE



STACY DEAN STEPHENS, EVP and Chief Client Officer

- Former Dallas-area law enforcement officer and seasoned entrepreneur
- Government Technology magazine's Top 25 Doers, Dreamers & Drivers for commitment to advancing law enforcement technology



MERCEDES SORIA, EVP and Chief Intelligence Officer

- Winner of GHC 17 Leadership ABIE Award for Women in Technology and Silicon Valley Business Journal's 2017 Woman of Influence Award
- Former Deloitte software engineering leader with 15+ years of experience in enterprise, artificial intelligence and machine learning



AARON J LEHNHARDT, EVP and Chief Design Officer

- 20+ years in two- and three-dimensional product and industrial design
- Digital design expert including modeling and Virtual Reality (VR)
- Former Ford Motor Company senior designer and Alias 3D instructor at College for Creative Studies



MARINA HARDOF, EVP and Chief Financial Officer

- 15+ years of finance experience at public and private companies
- Former CFO of Cloudmark, Inc, a messaging security firm, various financial roles at Unwired Planet, Inc.
- Nine years at Ernst & Young and Deloitte; Licensed CPA in California



KNIGHTSCOPE

PRE-IPO FINANCING

FUNDING TO DATE

\$40M+ in Financing Since Inception

Pre-IPO FINANCING

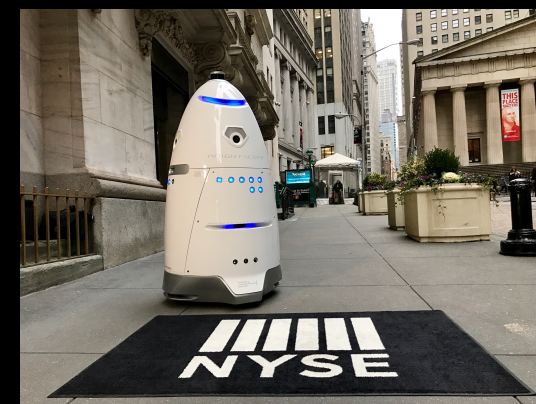
Up to \$50M Growth Capital

Focused on Achieving Profitability

Private Financing Prior to Public Offering



KNIGHTSCOPE



These figures represent management estimates and are meant for illustrative purposes. They do not represent guarantees of future results, levels of activity, performance, or achievements.



William Santana Li

Chairman and CEO

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[@WSantanaLi](https://www.instagram.com/WSantanaLi)

JOIN US AND BE A
FORCE FOR GOOD

Knightscope, Inc.

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KNIGHTSCOPE, INC.

SERIES S PREFERRED STOCK PURCHASE AGREEMENT

This Series S Preferred Stock Purchase Agreement (this “**Agreement**”) is dated as of _____, and is between Knightscope, Inc., a Delaware corporation (the “**Company**”), and [REDACTED] (“**Purchaser**”).

RECITALS

WHEREAS, the Company is conducting a private offering (the “**Offering**”) consisting of up to an aggregate of \$50,000,000 shares of Series S Preferred Stock (the “**Shares**”) par value \$0.001 per share (“**Common Stock**”), at a purchase price (the “**Purchase Price**”) of \$8.00 per Share;

WHEREAS, the Company has engaged Maxim Group LLC as placement agent for the Offering (the “**Placement Agent**”) to offer and sell, on a “best-efforts” basis, a maximum of \$50,000,000 of Shares (the “**Maximum Offering Amount**”);

WHEREAS, the Company and the Purchaser are executing and delivering this Agreement in reliance upon the exemption from registration afforded by Section 4(a)(2) of the Securities Act of 1933, as amended (the “**Securities Act**”), and Rule 506(c) of Regulation D (“**Regulation D**”) as promulgated by the United States Securities and Exchange Commission (the “**SEC**”) under the Securities Act;

WHEREAS the Purchaser’s subscription for Shares will be made in accordance with and subject to the terms and conditions of this Agreement and the Company’s Private Placement Memorandum dated April [REDACTED], 2019, together with all amendments thereof and supplements and exhibits thereto, including the documents incorporated by reference therein, and as any of the foregoing may be amended from time to time (the “**Memorandum**”); and

NOW, THEREFORE, in consideration of the premises and the mutual representations and covenants hereinafter set forth, the parties hereto do hereby agree as follows:

SECTION 1.

AUTHORIZATION, SALE AND ISSUANCE

1.1 Purchase; Sale and Issuance of Shares. Subject to the terms and conditions of this Agreement, the Purchaser agrees to purchase, and the Company agrees to sell and issue to Purchaser, the Shares indicated on such Purchaser’s signature page hereto, at a cash purchase price of \$8.00 per share and an aggregate cash purchase price as set forth on the signature page hereto (the “**Subscription Amount**”).

1.2 Authorization. The Company has authorized: (a) the sale and issuance of the Shares, having the rights, privileges, preferences and restrictions set forth in the amended and restated Certificate of Incorporation of the Company (the “**Restated Certificate**”); and (b) the reservation of shares of Class A Common Stock for issuance upon conversion of the Shares (the “**Conversion Shares**” and, together with the Shares, the “**Securities**”).

1.3 Regulation A Offering. On November 11, 2016 (the “**Reference Date**”), the Company filed a Form 1-A and a related Regulation A Offering Circular with the Securities and Exchange Commission (the “**SEC**”) in conjunction with the Company’s issuance of Series m Preferred Stock under Regulation A, which

is an exemption from registration in the Securities Act for certain public offerings of securities. The Company concluded all sales of stock pursuant to the Regulation A offering in the fourth quarter of 2017. As part of the Company's ongoing compliance with Regulation A of the Securities Act, the Company submits periodic filings to the SEC which can be accessed publicly on EDGAR.

SECTION 2. CLOSING DATES, PURCHASE PROCEDURE AND DELIVERY

2.1 The Shares will be offered for sale until the earliest of: (a) the date upon which subscriptions for the Maximum Offering Amount offered hereunder have been accepted by the Company, (ii) the date the Offering is terminated by the Company and (iii) October 10, 2019, subject to the right of the Company and the Placement Agent to extend the Offering until December 31, 2019 without prior notice to the investors in the Offering (the **"Termination Date"**). The Placement Agent is acting in such capacity with respect to the Offering on a "commercially reasonable best efforts" basis.

2.2 The Company may, in its discretion at any time prior to the Termination Date, hold an initial closing (**"Initial Closing"**) and, at any time and from time to time after the Initial Closing, may hold subsequent closings (each such closing, including the Initial Closing, a **"Closing,"** and the final such Closing, the **"Final Closing"**), in each case, with respect to any Securities for which subscriptions have been accepted prior to such date. The Company, in its discretion, may reject a Closing and in the event that the Closing is rejected, the funds will be returned to the Purchasers without interest and no shares will be issued by the Company. In the event that (i) the Closing contemplated by this Agreement does not occur prior to the Termination Date or (ii) this Agreement or the Subscription Amount owed with respect to the Shares purchased by the Purchaser pursuant hereto is received after the Final Closing, all amounts paid by the Purchaser shall be returned to the Purchaser, without interest or deduction. The Purchaser may revoke its subscription and obtain a return of the Subscription Amount paid to the Escrow Account at any time before the date of the Closing contemplated by this Agreement by providing written notice to the Placement Agent, the Company and the Escrow Agent as provided in Section 7.2 below. Upon receipt of a revocation notice from the Purchaser prior to the date of the Closing contemplated by this Agreement, all amounts paid by the Purchaser shall be returned to the Purchaser, without interest or deduction. The Purchaser may not revoke this subscription or obtain a return of the Subscription Amount paid to the Escrow Agent on or after the date of the Closing contemplated by this Agreement.

2.3 The minimum purchase that may be made by any prospective investor shall be \$1,000. Subscriptions for investment below the minimum investment may be accepted at the discretion of the Placement Agent and the Company. Fractional Shares will not be issued, and the share number actually issued will be rounded down to the nearest whole Share that is fully paid. The Company and the Placement Agent reserve the right to reject any subscription made hereby, in whole or in part, in their sole discretion.

2.4 Prior to the applicable Closing for the Shares purchased pursuant hereto, funds representing the Subscription Amount for such Shares shall be deposited in the Escrow Account.

2.5 Deliveries,

(a) On or prior to any Closing Date, the Company shall deliver or cause to be delivered to each Purchaser participating in the applicable Closing the following:

(i) this Agreement duly executed by the Company.

(b) On or prior to any Closing Date, each Purchaser participating in the applicable Closing shall deliver or cause to be delivered to the Company the following:

- (i) this Agreement duly executed by such Purchaser;
- (ii) an Accredited Investor Questionnaire (in the form provided by the Placement Agent to the Purchaser), duly executed by the Purchaser;
- (iii) an Accredited Investor Certification Letter (in the form provided by the Placement Agent to the Purchaser), duly executed by the Purchaser; and
- (iv) such Purchaser's Subscription Amount by wire transfer or certified check to the Escrow Agent.

2.6 The Company's agreement with each investor in the Offering, including the Purchaser, is a separate agreement and the sale of the Purchaser to each investor in the Offering, including the Purchaser, is a separate sale.

SECTION 3. REPRESENTATIONS AND WARRANTIES OF THE COMPANY

The Company represents and warrants to Purchaser that the following representations and warranties are true and complete in all material respects as of the date of the Closing, except as otherwise indicated below, set forth on the Schedule of Exceptions attached hereto as **Exhibit A** (the "**Schedule of Exceptions**"), or disclosed in the filings of the Company made publicly with the SEC required to be filed by it as a result of the Company's issuance of Series m Preferred Stock under Regulation A of the Securities Act (the "**SEC Filings**"). For purposes of this Agreement, an individual shall be deemed to have "knowledge" of a particular fact or other matter if such individual is actually aware of such fact.

3.1 Organization, Good Standing and Qualification. The Company is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware. The Company has the requisite corporate power and authority to own and operate its properties and assets, to carry on its business as presently conducted, to execute and deliver this Agreement, to issue and sell the Shares and the Conversion Shares and to perform its obligations pursuant to this Agreement and the Restated Certificate. The Company is presently qualified to do business as a foreign corporation in each jurisdiction in which the nature of the business conducted or property owned by it makes such qualification necessary, except where the failure to be so qualified or in good standing, as the case may be, would not have a material adverse effect on (i) the legal and valid issuance of the Securities, (ii) the enforceability of this Agreement against the Company or the Company's ability to perform, its obligations hereunder, or (iii) the results of operations, assets, business and financial condition of the Company and its subsidiaries, taken as a whole (any of (i), (ii) or (iii), a "**Material Adverse Effect**").

3.2 Capitalization.

(a) Immediately prior to the Closing, the authorized capital stock of the Company will consist of 159,169,930 shares, consisting of 94,000,000 shares of Class A Common Stock, \$0.001 par value per share, 30,000,000 shares of Class B Common Stock, \$0.001 par value per share, and 35,169,930 shares of Preferred Stock, \$0.001 par value per share. The first series of Preferred Stock is designated "Series A

Preferred Stock” and consists of 8,936,015 shares. The second Series of Preferred Stock is designated “Series B Preferred Stock” and consists of 4,707,501 shares. The third Series of Preferred Stock is designated “Series m Preferred Stock” and consists of 6,666,666 shares. The fourth series of Preferred Stock is designated “Series m-1 Preferred Stock” and consists of 333,334 shares. The fifth Series of Preferred Stock is designated “Series m-2 Preferred Stock” and consists of 1,660,756 shares. The sixth series of Preferred Stock is designated “Series m-3 Preferred Stock” and consists of 3,490,658 shares. The seventh series of Preferred Stock is designated “Series S Preferred Stock” and consists of 9,375,000 shares. The Common Stock and the Preferred Stock have the rights, preferences, privileges and restrictions set forth in the Restated Certificate.

(b) All issued and outstanding shares of the Company’s Common Stock (i) have been duly authorized and validly issued and are fully paid and nonassessable, and (ii) were issued in compliance with all applicable state and federal laws concerning the issuance of securities. Except as set forth on the Schedule of Exceptions or the shares reserved for issuance or issued under the Company’s equity incentive plans, as of the date hereof: (i) there are no outstanding securities of the Company or any of its subsidiaries which contain any preemptive rights or redemption rights; (ii) no holder of securities of the Company or any subsidiary is entitled to preemptive or similar rights arising out of any agreement or understanding with the Company or any subsidiary by virtue of the Offering; (iii) there are no contracts, commitments, understandings or arrangements by which the Company or any of its subsidiaries is or may become bound to redeem a security of the Company or any of its subsidiaries; (iv) neither the Company nor any subsidiary has any outstanding stock appreciation rights, “phantom stock” plans or any similar plan or agreement; and (v) there are no outstanding warrants, agreements, convertible securities or other rights to subscribe for or to purchase or acquire, any shares of capital stock of the Company or any subsidiary. Other than restrictions imposed by applicable law or as set forth in this Agreement, there are no restrictions upon the voting or transfer of any of the Shares pursuant to the Restated Certificate, Company bylaws or any material agreement or other instrument to which the Company is a party or by which the Company is bound.

(c) The Shares, when issued and delivered and paid for in compliance with the provisions of this Agreement, will be validly issued, fully paid and nonassessable. The Conversion Shares have been duly and validly reserved and, when issued in compliance with the provisions of this Agreement, the Restated Certificate and applicable law, will be validly issued, fully paid and nonassessable. The Shares and the Conversion Shares will be free of any liens or encumbrances, other than any liens or encumbrances created by or imposed upon the Purchasers; *provided, however*, that the Shares and the Conversion Shares are subject to restrictions on transfer under U.S. state and/or federal securities laws and as set forth herein. The Company has reserved a sufficient number of shares of Class A Common Stock for issuance upon the conversion of the Shares. The issuance and sale of the Shares, as contemplated hereby, will not obligate the Company to issue shares of preferred stock, common stock or other securities to any other person (other than other investors in the Offering) and will not result in the adjustment of the exercise, conversion, exchange or reset price of any outstanding Company security. The Company does not have outstanding stockholder purchase rights or “poison pill” or (any arrangement granting substantially similar rights) in effect giving any person the right to purchase any equity interest in the Company upon the occurrence of the transactions contemplated hereby.

3.3 Authorization. All corporate action on the part of the Company and its directors, officers and stockholders necessary for the authorization, execution and delivery of this Agreement by the Company, the authorization, sale, issuance and delivery of the Shares and the Conversion Shares, and the performance of all of the Company’s obligations under this Agreement has been taken or will be taken before the Closing. This Agreement, when executed and delivered by the Company, shall constitute the valid and binding obligation of the Company, enforceable in accordance with its terms, except (i) as limited by laws of general application

relating to bankruptcy, insolvency and the relief of debtors, and (ii) as limited by rules of law governing specific performance, injunctive relief or other equitable remedies and by general principles of equity. No consent, approval, authorization or other order of any governmental authority or any other person is required to be obtained by the Company in connection with the authorization, execution, delivery and performance of this Agreement or in connection with the authorization, issue and sale of the Shares and, upon issuance, the Conversion Shares, except such post-sale filings as may be required to be made with the SEC, FINRA, and with any state or foreign blue sky or securities regulatory authority, all of which shall be made when required.

3.4 SEC Filings; Financial Statements. Complete copies of the Company's financial statements consisting of the balance sheets of the Company as of December 31, 2017 and June 30, 2018 and the related statements of operations, stockholders' equity and cash flows for the annual and semiannual periods then ended have been made available to the Purchaser and appear in the SEC Filings through EDGAR. The Financial Statements have been prepared in accordance with generally accepted accounting principles applied on a consistent basis during the periods involved, except as may be otherwise specified in such financial statements or the footnotes thereto, and fairly present in all material respects the financial position of the Company as of and for the dates thereof and the results of operations and cash flows for the periods then ended, subject, in the case of unaudited statements, to normal, immaterial, year-end audit adjustments. The Company's financial statements as of December 31, 2017 have been audited by Ernst & Young LLP, an independent accounting firm within the rules and regulations adopted by the SEC. The Company has filed all SEC Filings required to be filed by it under the Securities Act and the Exchange Act since the Reference Date on a timely basis, or timely filed a valid extension of such time of filing and has filed such SEC Reports prior to the expiration of any such extension. As of their respective dates, all SEC Reports filed on or after the Reference Date complied in all material respects with the requirements of the Securities Act and the Exchange Act and the rules and regulations of the SEC promulgated thereunder, and none of the SEC Reports, when filed, contained any untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading.

3.5 Intellectual Property Ownership.

(i) The Company owns or possesses, or can obtain on commercially reasonable terms, sufficient material legal rights to the patents, trademarks, service marks, trade names, copyrights, trade secrets, and other similar proprietary rights (collectively, the **"Intellectual Property Rights"**) necessary for its business as presently conducted, except as would not be reasonably be expected to cause a Material Adverse Effect. Other than as set forth in the Memorandum, (a) there are no material outstanding options, licenses or agreements of any kind relating to Intellectual Property Rights owned or purported to be owned by the Company (**"Company Intellectual Property Rights"**), and (b) nor is the Company bound by or a party to any material options, licenses or agreements of any kind with respect to the Intellectual Property Rights of any other person or entity other than, in each case, such licenses or agreements arising from the purchase of "off the shelf" or standard products or otherwise entered in the ordinary course of business consistent with past practice. Since the Reference Date, the Company has not received any written communications alleging that the Company has violated or, by conducting its business as presently conducted, would violate any Intellectual Property Rights of any other person or entity. The Company and its Subsidiaries have taken reasonable measures to protect the secrecy, confidentiality and value of all of their Intellectual Property Rights, except where failure to do so would not, individually or in the aggregate, have a Material Adverse Effect.

3.6 Compliance with Other Instruments. The Company is not in violation of any material term of its Restated Certificate or bylaws, each as amended to date, or, to the Company's knowledge, in any material respect of any term or provision of any material mortgage, indebtedness, indenture, contract, agreement, instrument, judgment, order or decree to which it is party or by which it is bound which would have a Material Adverse Effect. To the Company's knowledge, the Company is not in violation of any federal or state statute, rule or regulation applicable to the Company the violation of which would have a Material Adverse Effect. The execution and delivery of this Agreement by the Company, the performance by the Company of its obligations pursuant to this Agreement, and the issuance of the Shares, and the Conversion Shares, will not result in any material violation of, or materially conflict with, or constitute a material default under, the Company's Restated Certificate or bylaws, each as amended to date, or any of its agreements, nor, to the Company's knowledge, result in the creation of any material mortgage, pledge, lien, encumbrance or charge upon any of the properties or assets of the Company.

3.7 Regulatory Permits: Licenses. The Company possesses all certificates, authorizations, licenses and permits issued by the appropriate federal, state, local or foreign regulatory authorities necessary to conduct and operate their respective businesses in the manner described in the SEC Filings and the Memorandum ("**Material Permits**"), except where the failure to possess such Material Permits would not have a Material Adverse Effect, and the Company has not received, nor reasonably expects to receive any notice of any action, arbitration, claim, hearing, litigation or suit (whether civil, criminal, administrative, judicial or investigative, whether formal or informal, whether public or private) commenced, brought, conducted or heard before any federal, state, local or foreign government or any court of competent jurisdiction, administrative or regulatory body, agency, bureau, or commission in any domestic or foreign jurisdiction, any appropriate division of any of the foregoing or any arbitrator, or other legal action (each, a "**Proceeding**") relating to the revocation or modification of any Material Permit.

3.8 Litigation. To the Company's knowledge, there are no actions, suits, proceedings or investigations pending against the Company or its properties (nor has the Company received written notice of any threat thereof) before any court or governmental agency that questions the validity of the Agreements or the right of the Company to enter into them, or the right of the Company to perform its obligations contemplated thereby, or that, either individually or in the aggregate, if determined adversely to the Company, would or could reasonably be expected to have a Material Adverse Effect or result in any change in the current equity ownership of the Company. The Company is not a party or subject to the provisions of any order, writ, injunction, judgment or decree of any court or government agency or instrumentality, none of the Company or, to its knowledge, any director or officer thereof is the subject of any action involving a claim of violation of or liability under federal or state securities laws or a claim of breach of fiduciary duty, and there is no pending or, to the Company's knowledge, contemplated investigation by the SEC involving the Company or any current director or officer of the Company.

3.9 Title to Properties and Assets; Liens, Etc. The Company has good and marketable title to its properties and assets and good title to its leasehold estates which are, to the Company's knowledge, valid and enforceable, with all maintenance or other required fees having been paid.

3.10 Obligations to Related Parties. Except as set forth in Schedule of Exceptions, there are no obligations of the Company to officers, directors, stockholders, or employees of the Company other than (a) for payment of salary or other compensation for services rendered, (b) reimbursement for reasonable expenses incurred on behalf of the Company and (c) for other standard employee benefits made generally available to all employees (including stock option agreements under the Company's equity plans). Except as set forth in the Schedule of Exceptions, none of the officers or directors of the Company and, to the Company's

knowledge, none of the employees of the Company, is presently a party to any transaction with the Company or any subsidiary (other than as holders of Company securities and for services as employees, officers and directors) required to be disclosed under applicable SEC rules and regulations.

3.11 Material Changes. Since June 30, 2018, and except as set forth in the Schedule of Exceptions, (i) there has been no event, occurrence or development that has had a Material Adverse Effect, (ii) the Company has not incurred any material liabilities (contingent or otherwise) other than (A) trade payables, accrued expenses and other liabilities incurred in the ordinary course of business consistent with past practice and (B) liabilities not required to be reflected in the Company's financial statements pursuant to generally accepted accounting principles or required to be disclosed in filings made with the SEC, (iii) the Company has not altered its method of accounting or the identity of its auditors, (iv) the Company has not declared or made any dividend or distribution of cash or other property to its stockholders or purchased, redeemed or made any agreements to purchase or redeem any shares of its capital stock, and (v) the Company has not issued any equity securities to any officer, director or affiliate, except pursuant to existing Company stock compensation plans.

3.12 Taxes. Since the Reference Date (i) the Company and each of its subsidiaries has filed all U.S. federal, state, local and foreign tax returns which are required to be filed by each of them and all such returns are true and correct in all material respects, except for such failures to file which would not have a Material Adverse Effect, (ii) the Company and each of its subsidiaries has paid all taxes required to be paid pursuant to such returns or pursuant to any assessments received by any of them, and have withheld any amounts which any of them are obligated to withhold from amounts owing to any employee, creditor or third party and (iii) the Company and each of its subsidiaries has properly accrued all taxes required to be accrued and/or paid pursuant to applicable law, except where the failure to accrue would not have a Material Adverse Effect. To the knowledge of the Company, the tax returns of the Company and its subsidiaries are not currently being audited by any state, local or federal authorities. Neither the Company nor any of its subsidiaries has waived any statute of limitations with respect to taxes or agreed to any extension of time with respect to any tax assessment or deficiency.

3.13 Registration Rights. No person has any right to cause the Company to effect the registration under the Securities Act of any securities of the Company.

3.14 No "Bad Actor" Disqualification. The Company has exercised reasonable care, in accordance with SEC rules and guidance, to determine whether any Covered Person (as defined below) is subject to any of the "bad actor" disqualifications described in Rule 506(d)(1)(i) through (viii) under the Securities Act ("**Disqualification Events**"). To the Company's knowledge, no Covered Person is subject to a Disqualification Event, except for a Disqualification Event covered by Rule 506(d)(2) or (d)(3) under the Securities Act. The Company has complied, to the extent applicable, with any disclosure obligations under Rule 506(e) under the Securities Act. "**Covered Persons**" are those persons specified in Rule 506(d)(1) under the Securities Act, including the Company; any predecessor or affiliate of the Company; any director, executive officer, other officer participating in the offering, general partner or managing member of the Company; any beneficial owner of 20% or more of the Company's outstanding voting equity securities, calculated on the basis of voting power; any promoter (as defined in Rule 405 under the Securities Act) connected with the Company in any capacity at the time of the sale of the Shares; and any person that has been or will be paid (directly or indirectly) remuneration for solicitation of purchasers in connection with the sale of the Shares (a "**Solicitor**"), any general partner or managing member of any Solicitor, and any director, executive officer or other officer participating in the offering of any Solicitor or general partner or managing member of any Solicitor. Other than the Placement Agent, the Company is not aware of any person (other

than any Covered Person) that has been or will be paid (directly or indirectly) remuneration for solicitation of purchasers in connection with the sale of any Shares in this Offering.

3.15 Proceeds. The proceeds from the sale of Shares to the Purchasers will be used by the Company solely for working capital and general corporate purposes.

3.16 Brokers. Except for the Placement Agent, the Company has not employed or engaged any broker or finder in connection with the transactions contemplated by this Agreement in this Offering and no fee or other compensation is or will be due and owing on behalf of the Company to any broker, finder, underwriter, placement agent or similar person in connection with the transactions contemplated by this Agreement in this Offering.

SECTION 4. REPRESENTATIONS AND WARRANTIES OF THE PURCHASER

By executing this Agreement, Purchaser (and, if Purchaser is purchasing the Shares in a fiduciary capacity, the person or persons for whom Purchaser is so purchasing) represents and warrants, which representations and warranties are true and complete in all material respects as of the date of the Closing:

4.1 No Registration. The Purchaser understands that the Shares and the Conversion Shares, have not been, and will not be, registered under the Securities Act by reason of reliance on an exemption specified in Regulation D of the Securities Act, the availability of which depends upon, among other things, the bona fide nature of the investment intent and the accuracy of the Purchaser's representations as expressed herein or otherwise made pursuant hereto. Purchaser further understands that the Shares have not been registered under applicable state securities laws and are being offered and sold pursuant to the exemptions specified in said laws and, unless they are registered, may not be re-offered for sale or resold except in a transaction or as a security exempt under those laws.

4.2 Investment Intent. The Purchaser is acquiring the Shares, and the Conversion Shares, for investment for its own account, not as a nominee or agent, and not with the view to, or for immediate resale in connection with, any distribution thereof, and that the Purchaser has no present intention of selling, granting any participation in, or otherwise distributing the same. The Purchaser, if an entity, further represents that it was not formed for the purpose of purchasing the Securities. The Purchaser further represents that it does not have any contract, undertaking, agreement or arrangement with any person or entity to sell, transfer or grant participation to such person or entity or to any third person or entity with respect to any of the Shares or the Conversion Shares.

4.3 Accredited Investor Status. At the time such Purchaser was offered the Shares, the Purchaser was, and as of the date hereof is, and on the date on which it converts any Shares, it will be, an "accredited investor" as defined in Rule 501(a) promulgated under the Securities Act. The Purchaser hereby represents and warrants to the Company that the Purchaser's responses to the Accredited Investor Questionnaire substantially in the form attached as Exhibit [] to this Agreement (the "Purchaser Questionnaire") and the Purchaser's responses to the Accredited Investor Certification Letter substantially in the form attached as Exhibit [] to this Agreement are true, correct and complete in all respects.

4.4 Speculative Nature of Investment. The Purchaser understands and acknowledges that the Company has a limited financial and operating history and that an investment in the Company is highly speculative and involves substantial risks and has taken full cognizance of and understands all of the risk factors relating to the purchase of Shares. The Purchaser can bear the economic risk of the Purchaser's investment, including but not limited to each of the other risks set forth in or incorporated by reference into the "Risk Factors" section of the Memorandum, which are incorporated herein by reference, and is able, without impairing the Purchaser's financial condition, to hold the Shares and the Conversion Shares for an indefinite period of time and to suffer a complete loss of the Purchaser's investment.

4.5 Company Information. Purchaser understands that the Company is subject to all the risks that apply to early-stage companies, whether or not those risks are explicitly set out in the SEC Filings. The Purchaser has had an opportunity to ask questions of, and receive answers from, the officers of the Company concerning the Company's business, management and financial affairs, and regarding the terms and conditions of this investment, which questions were answered to its satisfaction. The Purchaser believes that it has received all the information the Purchaser considers necessary or appropriate for deciding whether to purchase the Shares and the Conversion Shares. Purchaser acknowledges that except as set forth herein, in the Memorandum and in the SEC Filings, no representations or warranties have been made to Purchaser, or to Purchaser's advisors or representative, by the Company or others with respect to the business or prospects of the Company or its financial condition. The Purchaser disclaims reliance on any statements made or information provided by any person or entity in the course of Purchaser's consideration of an investment in the Securities other than this Agreement, the Memorandum, the SEC Filings and the results of the Purchaser's own independent investigation.

4.6 No Public Market. The Purchaser understands and acknowledges that no public market now exists for any of the securities issued by the Company and that the Company has no obligation to list the Shares on any market or take any steps (including registration under the Securities Act or the Securities Exchange Act of 1934, as amended) with respect to facilitating trading or resale of the Shares.

4.7 Authorization.

(a) The Purchaser has all requisite power and authority to execute and deliver this Agreement, to purchase the Shares hereunder and to carry out and perform its obligations under the terms of this Agreement. All action on the part of the Purchaser necessary for the authorization, execution, delivery and performance of this Agreement, and the performance of all of the Purchaser's obligations under this Agreement, has been taken or will be taken before the Closing.

(b) This Agreement, when executed and delivered by the Purchaser, will constitute the valid and legally binding obligation of the Purchaser, enforceable in accordance with its terms except: (i) as limited by applicable bankruptcy, insolvency, reorganization, moratorium and other laws of general application affecting enforcement of creditors' rights generally, and (ii) as limited by laws relating to the availability of specific performance, injunctive relief or other equitable remedies or by general principles of equity.

(c) No consent, approval, authorization, order, filing, registration or qualification of or with any court, governmental authority or third person is required to be obtained by the Purchaser in connection with the execution and delivery of this Agreement by the Purchaser or the performance of the Purchaser's obligations hereunder.

4.8 No Brokerage Fees. There are no claims for brokerage commission, finders' fees or similar compensation in connection with the transactions contemplated by this Agreement or related documents based on any arrangement or agreement binding upon Purchaser. The Purchaser will indemnify and hold the Company harmless against any liability, loss or expense (including, without limitation, reasonable attorneys' fees and out-of-pocket expenses) arising in connection with any such claim.

4.9 Tax Advisors. The Purchaser has reviewed with its own tax advisors the U.S. federal, state, local and foreign tax consequences of this investment and the transactions contemplated by this Agreement. With respect to such matters, the Purchaser relies solely on such advisors and not on any statements or representations of the Company or any of its agents, written or oral. The Purchaser understands that it (and not the Company) shall be responsible for its own tax liability that may arise as a result of this investment or the transactions contemplated by this Agreement.

4.10 Shareholder Information. Within five days after receipt of a request from the Company, the Purchaser hereby agrees to provide such information with respect to its status as a stockholder (or potential stockholder) and to execute and deliver such documents as may reasonably be necessary to comply with any and all laws and regulations to which the Company is or may become subject. **Purchaser further agrees that in the event it transfers any Shares or Conversion Shares, it will require the transferee of such Shares or Conversion Shares to agree to provide such information to the Company as a condition of such transfer.**

4.11 Legends. Purchaser understands that the Shares, and any securities issued in respect of or exchange for the Shares, including the Conversion Shares, may bear any one or more legends with respect to restrictions on distribution, transfer, resale, assignment or subdivision of the Shares imposed by the Restated Certificate and applicable federal and state securities laws, including the following legend:

THE SHARES OFFERED HEREBY HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OR THE SECURITIES LAWS OF ANY STATE AND ARE BEING OFFERED AND SOLD IN RELIANCE ON EXEMPTIONS FROM THE REGISTRATION REQUIREMENTS OF SAID ACT AND SUCH LAWS. THE SHARES ARE SUBJECT TO RESTRICTIONS ON TRANSFERABILITY AND RESALE AND MAY NOT BE TRANSFERRED OR RESOLD EXCEPT AS PERMITTED UNDER SAID ACT AND SUCH LAWS PURSUANT TO REGISTRATION OR EXEMPTION THEREFROM. THE SHARES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE U.S. SECURITIES AND EXCHANGE COMMISSION, ANY STATE SECURITIES COMMISSION, OR ANY OTHER REGULATORY AUTHORITY, NOR HAVE ANY OF THE FOREGOING AUTHORITIES PASSED UPON OR ENDORSED THE MERITS OF THIS OFFERING OR THE ACCURACY OR ADEQUACY OF THE INFORMATION PROVIDED. ANY REPRESENTATION TO THE CONTRARY IS UNLAWFUL.

THE SHARES REPRESENTED HEREBY ARE SUBJECT TO RESTRICTIONS ON TRANSFERABILITY AND RESALE, INCLUDING A LOCK-UP PERIOD IN THE EVENT OF A PUBLIC OFFERING, AS SET FORTH IN THE PURCHASE AGREEMENT PURSUANT TO WHICH THESE SHARES WERE ISSUED, A COPY OF WHICH MAY BE OBTAINED AT THE PRINCIPAL OFFICE OF THE COMPANY.

4.12 Representations by Non-United States persons. If Purchaser is not a United States person (as defined by Section 7701(a)(30) of the Internal Revenue Code of 1986, as amended), Purchaser hereby

represents that it has satisfied itself as to the full observance of the laws of its jurisdiction in connection with any invitation to purchase the Shares and the Conversion Shares or any use of this Agreement, including (i) the legal requirements within the Purchaser's jurisdiction for the purchase of the Shares and the Conversion Shares, (ii) any foreign exchange restrictions applicable to such purchase, (iii) any governmental or other consents that may need to be obtained and (iv) the income tax and other tax consequences, if any, that may be relevant to the purchase, holding, redemption, sale or transfer of such securities. The Purchaser's purchase and payment for, and the Purchaser's continued beneficial ownership of, the Shares and the Conversion Shares will not violate any applicable securities or other laws of the Purchaser's jurisdiction.

4.13 The Purchaser hereby acknowledges that the Offering has not been reviewed by the SEC or any state regulatory authority and that the Offering is intended to be exempt from the registration requirements of Section 5 of the Securities Act pursuant to the exemption therefrom provided by Section 4(a)(2) of the Securities Act and Rule 506 of Regulation D promulgated thereunder. The Purchaser understands that the Securities (including any Underlying Shares issuable upon the conversion and/or exercise of the Securities) have not been and will not be registered under the Securities Act or under any state securities or "blue sky" laws and agrees not to sell, pledge, assign or otherwise transfer or dispose of the Securities and any Underlying Shares unless and until they are registered under the Securities Act and under any applicable state securities or "blue sky" laws or pursuant to an available exemption therefrom. The Purchaser understands and hereby acknowledges that the Company is under no obligation to register the Securities under the Securities Act or any state securities or "blue sky" laws or to assist the Purchaser in obtaining an exemption from any such registration requirements.

4.14 The Purchaser hereby represents that the address of the Purchaser set forth on the signature page hereto is the Purchaser's principal residence if the Purchaser is an individual or its principal business address if the Purchaser is an entity.

4.15 If the Purchaser is a corporation, partnership, limited liability company, trust, employee benefit plan, individual retirement account, Keogh Plan, or other tax-exempt entity, it is authorized and qualified to invest in the Company and the person signing this Agreement on behalf of such entity has been duly authorized by such entity to do so.

4.16 The Purchaser acknowledges that if the Purchaser is a Registered Representative of a Financial Industry Regulatory Authority ("**FINRA**") member firm, the Purchaser must give such firm the notice required by the FINRA's Rules of Fair Practice, receipt of which must be acknowledged by such firm in the Purchaser's Purchaser Questionnaire.

4.17 To effectuate the terms and provisions of this Agreement, the Purchaser hereby appoints the Placement Agent as its attorney-in-fact (and the Placement Agent hereby accepts such appointment) for the purpose of carrying out the provisions of the Escrow Agreement by and between the Company, the Placement Agent and the Escrow Agent (the "**Escrow Agreement**") including, without limitation, taking any action on behalf of, or at the instruction of, the Purchaser and executing any release notices required under the Escrow Agreement and taking any action and executing any instrument that the Placement Agent may deem necessary or advisable (and lawful) to accomplish the purposes hereof or thereof. All acts done under the foregoing authorization are hereby ratified and approved and neither the Placement Agent nor any designee nor agent thereof shall be liable for any acts of commission or omission, for any error of judgment, for any mistake of fact or law except for acts of gross negligence or willful misconduct. This power of attorney, being coupled with an interest, is irrevocable while the Escrow Agreement remains in effect.

4.18 The Purchaser agrees not to issue any public statement with respect to the Offering, Purchaser's investment or proposed investment in the Company or the terms of this Agreement or any other agreement or covenant between them and the Company without the Company's prior written consent, except such disclosures as may be required under applicable law.

4.19 The Purchaser understands, acknowledges and agrees with the Company that this subscription may be rejected, in whole or in part, by the Company, in the sole and absolute discretion of the Company, at any time before the applicable Closing (as defined below) notwithstanding prior receipt by the Purchaser of notice of acceptance by the Company of the Purchaser's subscription.

4.20 If the Purchaser is an entity, upon request of the Company, the Purchaser will provide true, complete and current copies of all relevant documents creating the Purchaser, authorizing its investment in the Company and/or evidencing the due authority of the signatory to this Agreement.

SECTION 5.

CONDITIONS TO CLOSING

5.1 The Purchaser's obligation to purchase the Shares at each Closing at which such purchase is to be consummated is subject to the fulfillment on or prior to such Closing of the following conditions, which conditions may be waived at the option of the Purchaser to the extent permitted by law:

(a) Representations and Warranties; Covenants. The representations and warranties made by the Company in Section 3 shall be true and correct (without giving effect to any "Material Adverse Effect," "material," "materially" or similar materiality qualifications therein) in all material respects as of the date hereof and as of the applicable Closing Date, except for those representations and warranties which expressly relate to an earlier date, in which case such representations and warranties shall have been true and correct in all material respects as of such earlier date (without giving effect to any "Material Adverse Effect", "material", "materially" or other similar materiality qualification therein). All covenants, agreements and conditions contained in this Agreement to be performed by the Company on or prior to the date of such Closing shall have been performed or complied with in all material respects.

(b) No Legal Order Pending. There shall not then be in effect any legal or other order enjoining or restraining the transactions contemplated by this Agreement.

(c) No Law Prohibiting or Restricting Such Sale. There shall not be in effect any law, rule or regulation prohibiting or restricting such sale or requiring any consent or approval of any person, which shall not have been obtained, to issue the Securities (except as otherwise provided in this Agreement).

(d) Notice of Disqualification Events. The Company will notify the Purchasers and the Placement Agent in writing, prior to the applicable Closing Date, of (i) any Disqualification Event relating to any Covered Person and (ii) any event that would, with the passage of time, reasonably be expected to become a Disqualification Event relating to any Covered Person, in each case of which it is aware.

SECTION 6. COVENANTS

6.1 Indemnity. The representations, warranties and covenants made by the Purchaser herein shall survive the relevant Closing. The Purchaser agrees to hold the Company and its directors, officers, employees, controlling persons and agents (including the Company's legal counsel and the Placement Agent and its managers, members, officers, directors, employees, counsel, controlling persons and agents) and their respective heirs, representatives, successors and assigns harmless from and to indemnify them against all liabilities, costs and expenses incurred by them as a result of (i) any misrepresentation made by the Purchaser contained in this Agreement or breach of any warranty by the Purchaser contained in this Agreement or in any exhibits attached hereto; (ii) any untrue statement of a material fact made by the Purchaser contained herein; or (iii) after any applicable notice and/or cure periods, any breach or default in performance by the Purchaser of any covenant or undertaking to be performed by the Purchaser hereunder, or pursuant to any other agreement relating to the Offering that is entered into by the Company and Purchaser relating hereto. Notwithstanding the foregoing, in no event shall the liability of the Purchaser hereunder be greater than the Subscription Amount paid for the Shares by the Purchaser as set forth on the signature page hereto.

6.2 Market Standoff. Purchaser shall not sell or otherwise transfer, make any short sale of, grant any option for the purchase of, or enter into any hedging or similar transaction with the same economic effect as a sale, of any Common Stock (or other securities) of the Company held by such Purchaser (other than those included in the registration) during the period from the filing of a registration statement of the Company filed under the Securities Act of 1933, as amended, or any similar successor federal statute and the rules and regulations thereunder, all as the same shall be in effect from time to time (the "**Securities Act**"), that includes securities to be sold on behalf of the Company to the public in an underwritten public offering under the Securities Act through the end of the 180-day period following the effective date of the registration statement (or such other period as may be requested by the Company or an underwriter to accommodate regulatory restrictions on (i) the publication or other distribution of research reports and (ii) analyst recommendations and opinions, including, but not limited to, the restrictions contained in NASD Rule 2711(f)(4) or NYSE Rule 472(f)(4), or any successor provisions or amendments thereto). The obligations described in this section shall not apply to a registration relating solely to employee benefit plans on Form S-1 or Form S-8 or similar forms that may be promulgated in the future, or a registration relating solely to a transaction on Form S-4 or similar forms that may be promulgated in the future. The Company may impose stop-transfer instructions and may stamp each such certificate with the second legend set forth in Section 4.11 with respect to the shares of Common Stock (or other securities) subject to the foregoing restriction until the end of such one hundred eighty (180) day (or other) period. Purchaser agrees to execute a market standoff agreement with said underwriters in customary form consistent with the provisions of this section.

6.3 Listing of Securities. The Company agrees, (i) if the Company applies to have the Class A Common Stock traded on any public offering registered under the Securities Act, for so long as the Board of Directors determines that it remains advisable and in the Company's best interest, it will include in such application the Conversion Shares, and will take such other action as is necessary or desirable to cause the Conversion Shares to be listed on such other trading market as promptly as possible, (ii) it will comply in all material respects with the Company's reporting, filing and other obligations under the Amended Certificate, Company bylaws or rules of the principal trading market of the Class A Common Stock and (iii) for so long as the Board of Directors determines that it remains advisable and in the Company's best interest, the Company will take all commercially reasonable action necessary to continue the listing and trading of its Class A Common Stock on a trading market.

6.4 Reservation of Shares. The Company shall at all times while the Shares are outstanding maintain a reserve from its duly authorized shares of Class A Common Stock of a number of shares of Class A Common Stock sufficient to allow for the issuance of the Conversion Shares.

6.5 Replacement of Certificates. If any physical certificate or instrument evidencing any Securities is mutilated, lost, stolen or destroyed, the Company shall issue or cause to be issued in exchange and substitution for and upon cancellation thereof, or in lieu of and substitution therefor, a new certificate or instrument, but only upon receipt of evidence reasonably satisfactory to the Company of such loss, theft or destruction and customary and reasonable indemnity, if requested. The applicants for a new certificate or instrument under such circumstances shall also pay any reasonable third-party costs associated with the issuance of such replacement securities. If a replacement certificate or instrument evidencing any securities is requested due to a mutilation thereof, the Company may require delivery of such mutilated certificate or instrument as a condition precedent to any issuance of a replacement.

6.6 Form D; Blue Sky Filings. The Company agrees to timely file a Form D with respect to the Securities as required under Regulation D. The Company shall take such action as the Company shall reasonably determine is necessary in order to obtain an exemption for, or to qualify the Securities for, sale to the Purchaser at the Closing under applicable securities or “blue sky” laws of the states of the United States, and shall provide evidence of such actions promptly upon request of any Purchaser.

6.7 Equal Treatment of Purchasers. No consideration (including any modification of this Agreement) shall be offered or paid to any person to amend or consent to a waiver or modification of any provision of this Agreement unless the same consideration is also offered to all of the investors in the Offering, including the Purchaser.

SECTION 7. MISCELLANEOUS

7.1 Amendment. Except as expressly provided herein, neither this Agreement nor any term hereof may be amended, waived, discharged or terminated other than by a written instrument referencing this Agreement and signed by the Company and the Purchaser.

7.2 Notices. All notices and other communications required or permitted hereunder shall be in writing and shall be mailed by registered or certified mail, postage prepaid, sent by facsimile or electronic mail or otherwise delivered by hand, messenger or courier service addressed:

(a) if to the Purchaser, to the Purchaser’s address or electronic mail address as provided to the Company on the signature page hereto or to such other address as may be specified by written notice from time to time by the Purchaser;

(b) if to the Company, to the attention of the Chief Executive Officer of the Company at 1070 Terra Bella Avenue, Mountain View, CA 94043, or at such other current address as the Company shall have furnished to the Purchasers;

(c) if to the Placement Agent, to Maxim Group LLC at 405 Lexington Avenue, New York, NY 10174, to such other address as may be specified by written notice from time to time by the Placement Agent; and

(d) if to the Escrow Agent, to it at:

Corporate Stock Transfer
3200 Cherry Creek Drive, South
Suite 430
Denver, CO 80209
Attn: Carylyn Ball, President
Email: cbell@corporatestock.com

With a copy to (which shall not constitute notice):

Collegiate Peaks Bank
885 S. Colorado Blvd
Denver, CO 80246
Attn: Hope Spencer
Email: hope.spencergcollegiatepeaksbank.com

Each such notice or other communication shall for all purposes of this Agreement be treated as effective or having been given (i) if delivered by hand, messenger or courier service, when delivered (or if sent via a nationally-recognized overnight courier service, freight prepaid, specifying next-business-day delivery, one business day after deposit with the courier), or (ii) if sent via mail, at the earlier of its receipt or five days after the same has been deposited in a regularly-maintained receptacle for the deposit of the United States mail, addressed and mailed as aforesaid, or (iii) if sent via electronic mail, when directed to the relevant electronic mail address, if sent during normal business hours of the recipient, or if not sent during normal business hours of the recipient, then on the recipient's next business day.

Subject to the limitations set forth in Delaware General Corporation Law §232(e), Purchaser consents to the delivery of any notice to stockholders given by the Company under the Delaware General Corporation Law or the Company's certificate of incorporation or bylaws by (i) electronic mail to the electronic mail address set forth on the Purchaser's profile on the Platform (or to any other electronic mail address for the Purchaser or other security holder in the Company's records), (ii) posting on an electronic network together with separate notice to the Purchaser or other security holder of such specific posting or (iii) any other form of electronic transmission (as defined in the Delaware General Corporation Law) directed to the Purchaser or other security holder. This consent may be revoked by a Purchaser or other security holder by written notice to the Company and may be deemed revoked in the circumstances specified in Delaware General Corporation Law §232.

7.3 Finder's Fees. Each party represents that it neither is nor will be obligated for any finder's fee or commission in connection with this transaction except as described in the Memorandum. Each Purchaser agrees to indemnify and to hold harmless the Company from any liability for any commission or compensation in the nature of a finder's or broker's fee arising out of this transaction (and the costs and expenses of defending against such liability or asserted liability) for which each Purchaser or any of its officers, employees or representatives is responsible. The Company agrees to indemnify and hold harmless each Purchaser from any liability for any commission or compensation in the nature of a finder's or broker's fee arising out of this transaction (and the costs and expenses of defending against such liability or asserted liability) for which the Company or any of its officers, employees or representatives is responsible.

7.4 Governing Law. This Agreement shall be governed in all respects by the internal laws of the State of Delaware as applied to agreements entered into among Delaware residents to be performed entirely within Delaware, without regard to principles of conflicts of law.

7.5 Expenses. The Company and the Purchaser shall each pay their own expenses in connection with the transactions contemplated by this Agreement.

7.6 Survival. The representations, warranties, covenants and agreements made in this Agreement shall survive any investigation made by any party hereto and the closing of the transactions contemplated hereby for one year from the date of the Closing.

7.7 Successors and Assigns. This Agreement, and any and all rights, duties and obligations hereunder, shall not be assigned, transferred, delegated or sublicensed by any Purchaser without the prior written consent of the Company. Any attempt by Purchaser without such permission to assign, transfer, delegate or sublicense any rights, duties or obligations that arise under this Agreement shall be void. Subject to the foregoing and except as otherwise provided herein, the provisions of this Agreement shall inure to the benefit of, and be binding upon, the successors, assigns, heirs, executors and administrators of the parties hereto.

7.8 Entire Agreement. This Agreement supersedes all prior discussions and agreements between the parties with respect to the subjects hereof and constitutes the full and entire understanding and agreement between the parties with regard to the subjects hereof and thereof. The Placement Agent shall be deemed a third party beneficiary of the representations and warranties and covenants made by the Company and the Purchaser in this Agreement. No party shall be liable or bound to any other party in any manner with regard to the subjects hereof or thereof by any warranties, representations or covenants except as specifically set forth herein or therein.

7.9 Delays or Omissions. Except as expressly provided herein, no delay or omission to exercise any right, power or remedy accruing to any party to this Agreement upon any breach or default of any other party under this Agreement shall impair any such right, power or remedy of such non-defaulting party, nor shall it be construed to be a waiver of any such breach or default, or an acquiescence therein, or in any similar breach or default thereafter occurring, nor shall any waiver of any single breach or default be deemed a waiver of any other breach or default theretofore or thereafter occurring. Any waiver, permit, consent or approval of any kind or character on the part of any party of any breach or default under this Agreement, or any waiver on the part of any party of any provisions or conditions of this Agreement, must be in writing and shall be effective only to the extent specifically set forth in such writing. All remedies, either under this Agreement or by law or otherwise afforded to any party to this Agreement, shall be cumulative and not alternative.

7.10 Severability. If any provision of this Agreement becomes or is declared by a court of competent jurisdiction to be illegal, unenforceable or void, portions of such provision, or such provision in its entirety, to the extent necessary, shall be severed from this Agreement, and such court will replace such illegal, void or unenforceable provision of this Agreement with a valid and enforceable provision that will achieve, to the extent possible, the same economic, business and other purposes of the illegal, void or unenforceable provision. The balance of this Agreement shall be enforceable in accordance with its terms.

7.11 Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be enforceable against the parties actually executing such counterparts, and all of which together shall constitute one instrument.

7.12 Electronic Execution and Delivery. A facsimile, telecopy or other electronic reproduction of this Agreement may be executed by one or more parties hereto and delivered by such party by facsimile, e-mail, or any similar electronic transmission device pursuant to which the signature of or on behalf of such party can be seen. Such execution and delivery shall be considered valid, binding and effective for all purposes. At the request of any party hereto, all parties hereto agree to execute and deliver an original of this Agreement as well as any facsimile, telecopy or other reproduction hereof.

7.13 Further Assurances. Each party hereto agrees to execute and deliver, by the proper exercise of its corporate, limited liability company, partnership or other powers, all such other and additional instruments and documents and do all such other acts and things as may be necessary to more fully effectuate this Agreement.

7.14 Waiver of Class Action Claims. THE PARTIES AGREE THAT THEY MAY BRING CLAIMS AGAINST THE OTHER ONLY IN THEIR RESPECTIVE INDIVIDUAL CAPACITIES, AND NOT AS A PLAINTIFF OR CLASS MEMBER IN ANY PURPORTED CLASS, REPRESENTATIVE, OR COLLECTIVE ACTION.

7.15 Arbitration. PURCHASER AGREES THAT ANY AND ALL CONTROVERSIES, CLAIMS, OR DISPUTES WITH ANYONE (INCLUDING COMPANY AND ANY EMPLOYEE, OFFICER, DIRECTOR, SHAREHOLDER OR BENEFIT PLAN OF THE COMPANY IN THEIR CAPACITY AS SUCH OR OTHERWISE), ARISING OUT OF, RELATING TO, OR RESULTING FROM ANY BREACH OF THIS AGREEMENT, SHALL BE SUBJECT TO BINDING ARBITRATION UNDER THE ARBITRATION PROVISIONS SET FORTH IN CALIFORNIA CODE OF CIVIL PROCEDURE SECTIONS 1280 THROUGH 1294.2 (THE "ACT") AND PURSUANT TO CALIFORNIA LAW. THE FEDERAL ARBITRATION ACT SHALL CONTINUE TO APPLY WITH FULL FORCE AND EFFECT NOTWITHSTANDING THE APPLICATION OF PROCEDURAL RULES SET FORTH IN THE ACT. PURCHASER FURTHER UNDERSTANDS THAT THIS AGREEMENT TO ARBITRATE ALSO APPLIES TO ANY DISPUTES THAT THE COMPANY MAY HAVE WITH PURCHASER.

7.16 Procedure. PURCHASER AGREES THAT ANY ARBITRATION WILL BE ADMINISTERED BY AMERICAN ARBITRATION ASSOCIATION ("AAA") PURSUANT TO ITS COMMERCIAL ARBITRATION RULES & PROCEDURES (THE "AAA RULES"). THE ARBITRATION PROCEEDING SHALL BE CONDUCTED BEFORE A SOLE NEUTRAL ARBITRATOR AND EACH PARTY SHALL BE RESPONSIBLE FOR ITS OWN COSTS AND EXPENSES OF SUCH ARBITRATION. PURCHASER AGREES THAT THE ARBITRATOR SHALL HAVE THE POWER TO DECIDE ANY MOTIONS BROUGHT BY ANY PARTY TO THE ARBITRATION, INCLUDING MOTIONS FOR SUMMARY JUDGMENT AND/OR ADJUDICATION AND MOTIONS TO DISMISS AND DEMURRERS, APPLYING THE STANDARDS SET FORTH UNDER THE CALIFORNIA CODE OF CIVIL PROCEDURE. PURCHASER AGREES THAT THE ARBITRATOR SHALL ISSUE A WRITTEN DECISION ON THE MERITS. PURCHASER ALSO AGREES THAT THE ARBITRATOR SHALL HAVE THE POWER TO AWARD ANY REMEDIES AVAILABLE UNDER APPLICABLE LAW, AND THAT THE ARBITRATOR SHALL AWARD ATTORNEYS' FEES AND COSTS TO THE PREVAILING PARTY WHERE PROVIDED BY APPLICABLE LAW. PURCHASER AGREES THAT THE DECREE OR AWARD RENDERED BY THE ARBITRATOR MAY BE ENTERED AS A FINAL

AND BINDING JUDGMENT IN ANY COURT HAVING JURISDICTION THEREOF. PURCHASER AGREES THAT THE ARBITRATOR SHALL ADMINISTER AND CONDUCT ANY ARBITRATION IN ACCORDANCE WITH CALIFORNIA LAW, INCLUDING THE CALIFORNIA CODE OF CIVIL PROCEDURE AND THE CALIFORNIA EVIDENCE CODE, AND THAT THE ARBITRATOR SHALL APPLY SUBSTANTIVE AND PROCEDURAL CALIFORNIA LAW TO ANY DISPUTE OR CLAIM, WITHOUT REFERENCE TO RULES OF CONFLICT OF LAW. TO THE EXTENT THAT THE AAA RULES CONFLICT WITH CALIFORNIA LAW, CALIFORNIA LAW SHALL TAKE PRECEDENCE. PURCHASER FURTHER AGREES THAT ANY ARBITRATION UNDER THIS AGREEMENT SHALL BE CONDUCTED IN SANTA CLARA COUNTY, CALIFORNIA. THE PARTIES SHALL REQUEST THAT THE ARBITRATOR CONDUCT THE ARBITRATION PROCEEDING IN AN EXPEDITED FASHION IN ORDER TO COMPLETE THE PROCEEDING AND RENDER A WRITTEN DECISION WITHIN 180 DAYS OF THE DATE UPON WHICH THE ARBITRATOR WAS APPOINTED UNDER THE AAA RULES. THE PARTIES SHALL USE THEIR BEST EFFORTS TO COOPERATE WITH THE ARBITRATORS TO COMPLETE THE PROCEEDING AND RENDER A DECISION WITHIN SUCH 180 DAY PERIOD.

7.17 Remedy. EXCEPT AS PROVIDED BY THE ACT AND THIS AGREEMENT, ARBITRATION SHALL BE THE SOLE, EXCLUSIVE, AND FINAL REMEDY FOR ANY DISPUTE BETWEEN PURCHASER AND THE COMPANY. ACCORDINGLY, EXCEPT AS PROVIDED FOR BY THE ACT AND THIS AGREEMENT, NEITHER PURCHASER NOR THE COMPANY WILL BE PERMITTED TO PURSUE COURT ACTION REGARDING CLAIMS THAT ARE SUBJECT TO ARBITRATION.

7.18 Obligation of Company. The Company agrees to use its reasonable efforts to enforce the terms of this Agreement, to inform the Purchaser of any breach hereof (to the extent the Company has knowledge thereof) and to assist the Purchaser in the exercise of its rights and the performance of its obligations hereunder.

(Signature Pages Follow)

The parties are signing this Agreement as of the date first stated in the introductory clause.

KNIGHTSCOPE, INC.
a Delaware corporation

By: _____
William Santana Li
Chief Executive Officer

PURCHASER SIGNATURE PAGE TO

KNIGHTSCOPE, INC. SERIES S PREFERRED STOCK PURCHASE AGREEMENT

The undersigned, desiring to: (i) enter into the Series S Preferred Stock Purchase Agreement, dated as of _____, 201__ (the “**Purchase Agreement**”), between the undersigned, KNIGHTSCOPE, INC., a Delaware corporation (the “**Company**”), and the other parties thereto, in or substantially in the form furnished to the undersigned and purchase the shares of Series S Preferred Stock (the “**Shares**”) of the Company as set forth below, hereby agrees to purchase such Shares from the Company and further agrees to join the Purchase Agreement as a party thereto, with all the rights and privileges appertaining thereto, and to be bound in all respects by the terms and conditions thereof. The undersigned specifically acknowledges having read the representations section in the Purchase Agreement entitled “Representations and Warranties of the Purchasers,” and hereby represents that the statements contained therein are complete and accurate with respect to the undersigned as a Purchaser.

The undersigned Purchaser hereby elects to purchase _____ Shares (\$ _____) under the Purchase Agreement.

PURCHASER (individual)

Signature

Print Name

Signature (if Joint Tenants or Tenants in Common)

Address of Principal Residence:

Social Security Number(s):

Telephone Number: _____

Email: _____

PURCHASER (entity)

Name of Entity

Signature

Print Name: _____

Title: _____

Address of Executive Offices:

IRS Tax Identification Number:

Telephone Number: _____

Email: _____

Note: The Company will issue electronic stock certificates for the Shares in the name of the Purchaser to the email address provided above.

EXHIBIT A

KNIGHTSCOPE, INC.

SCHEDULE OF EXCEPTIONS

This Schedule of Exceptions is made and given pursuant to Section 3 of the Series S Preferred Stock Purchase Agreement dated as of [_____] (the “**Agreement**”), between Knightscope, Inc. (the “**Company**”) and [_____]. All capitalized terms used but not defined herein shall have the meanings as defined in the Agreement, unless otherwise provided. The section numbers below correspond to the section numbers of the representations and warranties in the Agreement; provided, however, that any information disclosed herein under any section number shall be deemed to be disclosed and incorporated into any other section number under the Agreement where such disclosure would be appropriate.

Nothing in this Schedule of Exceptions is intended to broaden the scope of any representation or warranty contained in the Agreement or to create any covenant. Inclusion of any item in this Schedule of Exceptions (1) does not represent a determination that such item is material or establish a standard of materiality, (2) does not represent a determination that such item did not arise in the ordinary course of business, (3) does not represent a determination that the transactions contemplated by the Agreement require the consent of third parties, and (4) shall not constitute, or be deemed to be, an admission to any third party concerning such item. This Schedule of Exceptions includes brief descriptions or summaries of certain agreements and instruments, copies of which are available upon reasonable request. Such descriptions do not purport to be comprehensive, and are qualified in their entirety by reference to the text of the documents described. In addition to the matters disclosed herein, the matters disclosed in the filings of the Company made publicly with the SEC are deemed incorporated by reference herein.