

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

FORM 8-K

**CURRENT REPORT
PURSUANT TO SECTION 13 or 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934**

Date of Report (Date of earliest event reported): February 1, 2024

Koss Corporation

(Exact name of registrant as specified in its charter)

Delaware
(State or other Jurisdiction of Incorporation)

0-3295
(Commission File Number)

39-1168275
(IRS Employer Identification No.)

4129 North Port Washington Avenue, Milwaukee, Wisconsin 53212
(Address of principal executive offices) (Zip code)

(414) 964-5000
(Registrant's telephone number, including area code)

Not Applicable
(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

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

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, \$0.005 par value per share	KOSS	Nasdaq Capital Market

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

Emerging growth company

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

Item 2.02 Results of Operations and Financial Condition.

On February 1, 2024, Koss Corporation issued a press release (the “Press Release”) announcing its financial results for the quarter ended December 31, 2023. A copy of the Press Release is being furnished as Exhibit 99.1 to this Form 8-K and is incorporated herein by reference.

The information in this Item 2.02 Results of Operations and Financial Condition, including Exhibit 99.1 attached hereto, is being furnished pursuant to Item 2.02 of Form 8-K. In accordance with General Instruction B.2 of Form 8-K, the information in this Item 2.02 and Exhibit 99.1 shall not be deemed to be “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

<u>Number</u>	<u>Description</u>
Exhibit 99.1	Press release of Koss Corporation dated February 1, 2024
Exhibit 104	Cover Page Interactive Data File (embedded within the XBRL document)

SIGNATURES

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

February 1, 2024

KOSS CORPORATION

By: /s/ Michael J. Koss
Michael J. Koss
Chairman and Chief Executive Officer

FOR IMMEDIATE RELEASE
February 1, 2024

CONTACT: Michael J. Koss
Chairman & CEO
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Koss Corporation Releases Second Quarter Results

Milwaukee, Wisconsin: Koss Corporation (NASDAQ: KOSS) (the “Company”), the U.S. based high-fidelity headphone company, has reported its results for the second quarter ended December 31, 2023.

Sales for the three months ended December 31, 2023 were \$3,360,124 compared to \$3,281,333 for the same period in the prior year, an increase of \$78,791, or 2.4%. The net loss for the second quarter ended December 31, 2023 was \$269,153 compared to a net loss of \$1,146,190 for the same three-month period in the prior year. Basic and diluted loss per common share for the quarter was \$0.03 compared to basic and diluted loss per common share of \$0.12 for the comparable three-month period one year ago.

For the six months ended December 31, 2023, net sales of \$6,734,062 showed a slight increase of 1.3% versus sales of \$6,645,462 for the six months ended December 31, 2022. The six-month net loss was \$526,762 compared to net income of \$8,803,352 for the same period last year. Basic and diluted net loss per common share was \$0.06 for the six months ended December 31, 2023. This compared to basic and diluted income per common share of \$0.96 and \$0.90, respectively, for the same six-month period in the prior year.

“Custom headphone orders from a customer in each of our education and OEM markets, coupled with an increase in sales to e-tailers as well as one of our largest domestic distributors, drove the favorability year over year for the first six months of fiscal year 2024,” Michael J. Koss, Chairman and CEO, said today. “Unfortunately, a decline in direct-to-consumer (DTC) sales, behind a slowdown in consumer spending as pandemic savings dwindle and student loan repayments resume, nullified much of the increase. A decline in sales to two of our largest European distributors, due mainly to timing of orders, also offset the domestic market year over year increase.”

“The favorable mix of customer sales resulting from the higher margin custom orders and a lesser volume of lower margin export sales could not offset the decline in gross margins due to a reduction in higher margin DTC sales combined with the adverse impact from the continued sell-through of the Company’s inventory brought in from suppliers at higher freight rates,” Koss continued. “Ongoing cost reductions in fixed manufacturing expenses do, however, continue to provide a positive impact on gross margins. While freight rates remained competitive through the six months ended December 31, 2023, a combination of excess available capacity and expected lower demand due to declining consumer confidence could result in overcapacity in the transportation market. As such, the Company is anticipating an increase in transportation costs in the coming quarter.”

About Koss Corporation

Koss Corporation markets a complete line of high-fidelity headphones, wireless Bluetooth® speakers, computer headsets, telecommunications headsets, active noise canceling headphones, and wireless headphones.

Forward-Looking Statements

This press release contains forward-looking statements. These statements relate to future events or our future financial performance. In some cases, you can identify forward-looking statements by terminology such as “aims,” “anticipates,” “believes,” “estimates,” “expects,” “intends,” “plans,” “thinks,” “may,” “will,” “shall,” “should,” “could,” “would,” “forecasts,” “predicts,” “potential,” “continue,” or the negative of such terms and other comparable terminology. These statements are based on currently available operating, financial and competitive information and are subject to various risks and uncertainties. Actual events or results may differ materially. In evaluating forward-looking statements, you should specifically consider various factors that may cause actual results to vary from those contained in the forward-looking statements, such as general economic conditions, inflationary cost environment, supply chain disruption, the impacts of the COVID-19 pandemic, geopolitical instability and war, consumer demand for the Company's and its customers' products, competitive and technological developments, foreign currency fluctuations, and costs of operations. Shareholders, potential investors and other readers are urged to consider these factors carefully in evaluating the forward-looking statements and are cautioned not to place undue reliance on such forward-looking statements. The forward-looking statements made herein are only made as of the date of this press release and the Company undertakes no obligation to publicly update such forward-looking statements to reflect subsequent events or circumstances or new information. In addition, such uncertainties and other operational matters are discussed further in the Company's quarterly and annual filings with the Securities and Exchange Commission.

KOSS CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)

	Three Months Ended December 31		Six Months Ended December 31	
	2023	2022	2023	2022
Net sales	\$ 3,360,124	\$ 3,281,333	\$ 6,734,062	\$ 6,645,462
Cost of goods sold	2,251,684	2,145,769	4,557,932	4,314,074
Gross profit	<u>1,108,440</u>	<u>1,135,564</u>	<u>2,176,130</u>	<u>2,331,388</u>
Selling, general and administrative expenses	<u>1,584,523</u>	<u>2,482,688</u>	<u>3,120,802</u>	<u>26,157,905</u>
(Loss) from operations	(476,083)	(1,347,124)	(944,672)	(23,826,517)
Other income	—	—	—	33,000,000
Interest income	<u>208,809</u>	<u>97,832</u>	<u>421,668</u>	<u>124,888</u>
(Loss) income before income tax provision (benefit)	(267,274)	(1,249,292)	(523,004)	9,298,371
Income tax provision (benefit)	<u>1,879</u>	<u>(103,102)</u>	<u>3,758</u>	<u>494,839</u>
Net (loss) income	<u>\$ (269,153)</u>	<u>\$ (1,146,190)</u>	<u>\$ (526,762)</u>	<u>\$ 8,803,532</u>
(Loss) income per common share:				
Basic	<u>\$ (0.03)</u>	<u>\$ (0.12)</u>	<u>\$ (0.06)</u>	<u>\$ 0.96</u>
Diluted	<u>\$ (0.03)</u>	<u>\$ (0.12)</u>	<u>\$ (0.06)</u>	<u>\$ 0.90</u>
Weighted-average number of shares:				
Basic	<u>9,241,208</u>	<u>9,186,208</u>	<u>9,238,002</u>	<u>9,171,746</u>
Diluted	<u>9,241,208</u>	<u>9,186,208</u>	<u>9,238,002</u>	<u>9,817,398</u>