

**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): May 5, 2022

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 May 5, 2022, Koss Corporation issued a press release (the “Press Release”) announcing its financial results for the quarter ended March 31, 2022. 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

Number **Description**

Exhibit 99.1 [Press release of Koss Corporation dated May 5, 2022](#)

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.

May 5, 2022

KOSS CORPORATION

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

FOR IMMEDIATE RELEASE
May 5, 2022

CONTACT: Michael J. Koss
Chairman & CEO
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Koss Third Quarter Net Income Nearly Doubles on 16% Sales Increase

Milwaukee, Wisconsin: Koss Corporation (NASDAQ: KOSS) (the “Company”), the U.S. based high-fidelity headphone company, has reported its results for the third quarter ended March 31, 2022.

Sales for the third fiscal quarter were \$4,634,552, which is a 16.2% increase from sales of \$3,987,452 for the same three-month period one year ago. The three-month net income was \$403,204, compared to a net loss of \$474,168 for the third fiscal quarter in the prior year. Diluted income per common share for the quarter was \$0.04 compared to a diluted loss per common share of \$0.06 for the three-month period one year ago.

Sales for the nine months ended March 31, 2022 decreased 5% from \$14,125,537 in the same period in the prior year to \$13,415,506 in the current year. The nine-month net income was \$882,814 compared to net income of \$161,651 for the same period in the prior year. Diluted income per common share was \$0.09 for the nine months ended March 31, 2022 compared to income per common share of \$0.02 for the same nine-month period one year ago.

"The year over year decline in sales was a result of lower sales to certain domestic distributors and the complete withdrawal of a non-branded model from a single US mass retailer. Direct-to Consumer (DTC) sales continue to grow following a shift in the business away from ‘brick and mortar’ retail stores to more consumer direct, online selling," Michael J. Koss, Chairman and CEO, said today. "While sales to European distributors have exceeded the first three quarters of the prior year, the export gains were offset by a contraction in sales to distributors in Asia."

"Gross margin improvement for the three and nine months ended March 31, 2022 can be attributed to last year's shift away from traditional mass retail stores which has resulted in a more favorable mix of product within growing market classes", Koss continued. "Inconsistent worldwide response to the persistence of COVID-19 and the war in Eastern Europe continued to cause disruptions in the supply chain and exacerbate the negative impact the current administration's policy has had on energy costs." These political factors are offsetting some of the company's gross margin favorability. While the increased energy costs are expected to linger and inflate our material costs, the company has continued to make an investment in its finished goods inventory and utilized a freight forwarding partner to secure some improvement in the quarter's freight rates."

About Koss Corporation

Koss Corporation markets a complete line of high-fidelity headphones, wireless Bluetooth® speakers, computer headsets, telecommunications headsets, active noise canceling headphones, wireless headphones, and compact disc recordings of American Symphony Orchestras on the Koss Classics® label.

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 "anticipates," "believes," "estimates," "expects," "intends," "plans," "may," "will," "should," "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, 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 March 31		Nine Months Ended March 31	
	2022	2021	2022	2021
Net sales	\$ 4,634,552	\$ 3,987,452	\$ 13,415,506	\$ 14,125,537
Cost of goods sold	2,671,336	2,569,900	8,320,759	9,453,860
Gross profit	<u>1,963,216</u>	<u>1,417,552</u>	<u>5,094,747</u>	<u>4,671,677</u>
Selling, general and administrative expenses	<u>1,566,430</u>	<u>2,271,615</u>	<u>4,576,521</u>	<u>5,393,211</u>
Income (loss) from operations	396,786	(854,063)	518,226	(721,534)
Other income	6,415	378,805	362,389	885,505
Interest income	<u>3,578</u>	<u>1,139</u>	<u>7,837</u>	<u>1,748</u>
Income (loss) before income tax provision	406,779	(474,119)	888,452	165,719
Income tax provision	<u>3,575</u>	<u>49</u>	<u>5,638</u>	<u>4,068</u>
Net income (loss)	<u>\$ 403,204</u>	<u>\$ (474,168)</u>	<u>\$ 882,814</u>	<u>\$ 161,651</u>
Income (loss) per common share:				
Basic	<u>\$ 0.04</u>	<u>\$ (0.06)</u>	<u>\$ 0.10</u>	<u>\$ 0.02</u>
Diluted	<u>\$ 0.04</u>	<u>\$ (0.06)</u>	<u>\$ 0.09</u>	<u>\$ 0.02</u>
Weighted-average number of shares:				
Basic	<u>9,147,795</u>	<u>8,100,730</u>	<u>9,044,532</u>	<u>7,633,722</u>
Diluted	<u>9,888,083</u>	<u>8,100,730</u>	<u>10,024,473</u>	<u>9,188,002</u>