

**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): November 4, 2020

ShotSpotter, Inc.

(Exact name of Registrant as Specified in Its Charter)

Delaware
(State or Other Jurisdiction
of Incorporation)

001-38107

(Commission File Number)

47-0949915
(IRS Employer
Identification No.)

7979 Gateway Blvd., Suite 210
Newark, California
(Address of Principal Executive Offices)

94560
(Zip Code)

Registrant's Telephone Number, Including Area Code: (510) 794-3100

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 (see General Instructions A.2. below):

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

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

| Title of each class | Trading Symbol(s) | Name of each exchange on which registered |
|---|-------------------|---|
| Common stock, par value \$0.005 per share | SSTI | The Nasdaq Capital Market |

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

Emerging growth company

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

Item 1.01 Entry into a Material Definitive Agreement.

Purchase Agreement

On November 4, 2020, ShotSpotter, Inc. (“ShotSpotter”) entered into a Membership Interest Purchase Agreement (the “Purchase Agreement”) with LEEDS, LLC, a New Jersey limited liability company (“LEEDS”), and Jorge Abrantes and Daniel Leston (the “Sellers”). Pursuant to the terms of the Purchase Agreement, ShotSpotter will acquire LEEDS through the purchase of all of its outstanding membership interests.

Upon consummation of the transactions contemplated by the Purchase Agreement (the “Closing”), ShotSpotter will purchase from the Sellers, and the Sellers will assign, sell, transfer and deliver to ShotSpotter, all outstanding membership interests of LEEDS for aggregate consideration of approximately \$22,000,000, subject to customary adjustments, consisting of (i) \$15,000,000 in cash, (ii) \$2,000,000 in shares of Common Stock of ShotSpotter, par value \$0.005 per share (“ShotSpotter Common Stock”), and (iii) up to \$5,000,000 in cash that is subject to the achievement of certain revenue milestones by LEEDS in fiscal year 2021 and fiscal year 2022. The number of shares of Common Stock to be issued will be determined by dividing \$2,000,000 by the average closing price of a share of ShotSpotter Common Stock over the ten-trading day period ending three business days prior to the date of the Purchase Agreement.

The Purchase Agreement contains customary representations, warranties and covenants by ShotSpotter, LEEDS and the Sellers. A portion of the aggregate consideration will be held in escrow to secure certain indemnification obligations of the Sellers. The Closing is subject to customary closing conditions, including (i) the absence of any law, order or injunction prohibiting the Closing, (ii) the accuracy of the other party’s representations and warranties (subject to customary materiality qualifiers), (iii) each party having performed in all material respects all of its obligations under the Purchase Agreement and (iv) no occurrence of a Company Material Adverse Effect (as defined in the Purchase Agreement) since the execution of the Purchase Agreement.

The Purchase Agreement may be terminated by either ShotSpotter or the Sellers under certain circumstances, including if the Closing has not occurred by December 31, 2020.

ShotSpotter intends to issue the shares of ShotSpotter Common Stock described herein in reliance upon the exemptions from registration afforded by Rule 144A under the Securities Act of 1933, as amended.

The foregoing summary of the Purchase Agreement and the transactions contemplated thereby does not purport to be complete and is subject to, and qualified in its entirety by, the full text of the Purchase Agreement, which will be filed as an exhibit to Purchaser’s annual report on Form 10-K for the period ended December 31, 2020.

Forward-Looking Statements

This Current Report on Form 8-K may be deemed to contain forward-looking statements, which are subject to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995, including the expected completion of the transactions contemplated by the Purchase Agreement and the time frame in which this will occur. Statements regarding future events are based on the parties’ current expectations and are necessarily subject to associated risks related to, among other things, that conditions to the Closing may not be satisfied, the potential impact on the business of ShotSpotter and LEEDS due to the announcement of the acquisition, the occurrence of any event, change or other circumstances that could give rise to the termination of the Purchase Agreement, and general economic conditions. Therefore, actual results may differ materially and adversely from those expressed in any forward-looking statements. For information regarding other related risks, see the “Risk Factors” section of ShotSpotter’s most recent annual reports on Form 10-K and quarterly reports on Form 10-Q. The forward-looking statements included herein are made only as of the date hereof, and ShotSpotter undertakes no obligation to revise or update any forward-looking statements for any reason.

Item 7.01 Regulation FD Disclosure.

On November 9, 2020, ShotSpotter issued a press release announcing the Purchase Agreement. A copy of the press release is furnished as Exhibit 99.1 to this Current Report on Form 8-K.

This information, including the Exhibit 99.1 referenced herein, is “furnished” and shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that section. It may only be incorporated by reference in another filing under the Securities Exchange Act of 1934, as amended, or the Securities Act of 1933, as amended, only if and to the extent such subsequent filing specifically references the information herein as being incorporated by reference in such filing.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

| Exhibit No. | Description |
|-------------|---|
| 99.1 | Press Release, dated November 9, 2020 |
| 104 | Cover Page Interactive Data File (embedded within the Inline XBRL document) |

SIGNATURES

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

ShotSpotter, Inc.

Date: November 9, 2020

By: _____
/s/ Ralph A. Clark
Ralph A. Clark
President and Chief Executive Officer

SHOTSPOTTER SIGNS DEFINITIVE AGREEMENT TO ACQUIRE LEEDS, MAKER OF CRIMECENTER™ INVESTIGATIVE SOFTWARE
Investigative Software Expands Company's Total Addressable Market and Completes End-to-End Platform to Prevent, Respond to and Investigate Crime

NEWARK, Calif., November 9, 2020 -- ShotSpotter, Inc. (Nasdaq: SSTI), the leader in solutions that help law enforcement officials identify, locate and deter gun violence, today announced it has signed a definitive agreement to acquire Leeds, LLC, doing business as CrimeCenter Software. The acquisition will expand ShotSpotter's suite of law enforcement solutions with the CrimeCenter line of investigative case management software. Leeds' primary business is supplying a major metropolitan police department on the East Coast with CrimeCenter and a variety of IT-related professional services. Leeds has more than 30 employees and is based in Newark, New Jersey.

Under the terms of the agreement, ShotSpotter will pay approximately \$22 million in cash and stock, which includes a potential earnout of up to \$5 million. The deal is expected to close in November and is subject to customary closing conditions. Upon closing, Leeds will become a wholly owned subsidiary of ShotSpotter.

With the addition of CrimeCenter to its product lineup of patrol management and gunshot detection solutions, ShotSpotter will offer the only complete precision policing platform to enable intelligence-driven prevention, response to, and investigation of crime for local, state and federal agencies. The newly expanded ShotSpotter platform is expected to increase the company's total addressable market for law enforcement software in just the U.S. by more than 45 percent.

"CrimeCenter is a perfect fit with our strategy to offer an integrated set of precision policing solutions to help drive down crime," said Ralph A. Clark, CEO and President of ShotSpotter. "Case management is a proven category, as every agency is required to document and investigate crimes and identify and arrest suspects. The CrimeCenter solution does it in a new and better way. We see it opening up new business opportunities beyond municipal law enforcement, including state and federal agencies."

CrimeCenter is a SaaS product that helps automate investigative work and improve case clearance rates – addressing an inefficiency problem for many agencies that have had to rely on multiple disparate systems to work cases. Using CrimeCenter, investigators benefit from a single digital case folder that includes all elements related to a case. Analytical and collaboration tools help investigators connect the dots and share information faster while reporting helps package cases for command staff and prosecutors.

"We developed CrimeCenter to meet the highest standards for investigations for all types of crime. It's been battle-tested by law enforcement using it over the last five years," said Dan

Leston, Managing Partner of Leeds, LLC. "Joining the ShotSpotter team is a thrill for us as we expect it will lead to much broader use of this innovative tool to help close more cases and reduce crime."

As part of the growing ShotSpotter suite of solutions, the company expects CrimeCenter to benefit from ShotSpotter's strong customer relationships, sales and marketing resources, and product integration opportunities. ShotSpotter solutions are used by more than 100 cities across the U.S. as of September 30, 2020.

About Leeds / CrimeCenter Software

Leeds, LLC, dba as CrimeCenter Software, is a leading provider of cloud-based investigative software for law enforcement agencies. Built by law enforcement experts, the platform helps agencies modernize every phase of an investigation and accelerate case work with easy-to-use software tools. CrimeCenter is proven to work at scale with thousands of users across multiple crime units. Enhanced analytical and collaboration tools help detectives connect the dots and share information quickly while reporting tools give insight to supervisors on the status of each case. The company is headquartered in Newark, New Jersey.

About ShotSpotter, Inc.

ShotSpotter (NASDAQ: SSTI) provides acoustic gunshot detection and precision-policing solutions to help law enforcement officials and security personnel prevent and reduce gun violence and make communities, campuses and facilities safer. The company's flagship product, ShotSpotter® Flex™, is the leading gunshot detection, location and forensic system trusted by over 100 cities. ShotSpotter® Connect™ (previously known as ShotSpotter Missions) uses artificial intelligence-driven analysis to dynamically direct patrol resources to areas of greatest risk and helps to improve officer accountability and deter crime. ShotSpotter has been designated a Great Place to Work® Company.

Forward-Looking Statement

This press release contains "forward looking statements" within the meaning of the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995, including the expected completion of ShotSpotter's anticipated acquisition of Leeds, LLC, the time frame in which this will occur, the degree to which the acquisition will open up new business opportunities for ShotSpotter, the degree to which CrimeCenter will expand ShotSpotter's total addressable market, and the degree to which CrimeCenter will benefit from ShotSpotter's customer relationships, sales and marketing resources and product integration opportunities. Statements regarding future events are based on the parties' current expectations and are necessarily subject to associated risks related to, among other things: that conditions to the acquisition closing may not be satisfied; the potential impact on the businesses of ShotSpotter and Leeds due to the announcement of the acquisition; the occurrence of any event, change or other circumstances that could give rise to the termination of the acquisition agreement; ShotSpotter's ability to integrate Leeds' employees and operations; ShotSpotter's ability to successfully negotiate and execute contracts with new and existing customers in a timely manner, if at all; ShotSpotter's ability to address the business and other impacts and

uncertainties associated with the COVID-19 pandemic and maintain and increase sales; the availability of funding for ShotSpotter's customers to purchase the company's solutions; the complexity, expense and time associated with contracting with government entities; ShotSpotter's ability to maintain and expand coverage of existing public safety customer accounts and further penetrate the public safety market; the lengthy sales cycle for ShotSpotter's solutions; changes in federal funding available to support local law enforcement; ShotSpotter's ability to deploy and deliver its solutions; ShotSpotter's ability to maintain and enhance its brand; as well as other risk factors included in ShotSpotter's most recent annual report on Form 10-K and quarterly report on Form 10-Q and other SEC filings. These forward-looking statements are made as of the date of this press release and are based on current expectations, estimates, forecasts and projections as well as the beliefs and assumptions of management. Except as required by law, the company undertakes no duty or obligation to update any forward-looking statements contained in this release as a result of new information, future events or changes in its expectations.

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