

**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) **July 27, 2022**

Latch, Inc.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of incorporation)

001-39688

(Commission File Number)

85-3087759

(IRS Employer Identification No.)

508 West 26th Street, Suite 6G, New York, NY

(Address of principal executive offices)

10001

(Zip Code)

(917) 338-3915

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, par value \$0.0001 per share	LTCH	The Nasdaq Stock Market LLC
Warrants, each whole warrant exercisable for one share of Common stock at an exercise price of \$11.50 per share	LTCHW	The Nasdaq Stock Market LLC

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

Emerging growth company

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

Item 2.05. Costs Associated with Exit or Disposal Activities.

On August 2, 2022, Latch, Inc. (the “Company”) announced that it had completed a reduction in force authorized by the Company’s board of directors on July 27, 2022 to create further operating efficiencies. The reduction in force impacts approximately 115 employees, or approximately 37% of the Company’s current full-time employees. The Company estimates that it will incur approximately \$2.5 million to \$3.5 million of total cash restructuring and related charges, primarily related to severance and benefit costs (excluding the impact of stock-based compensation), substantially all of which is expected to be incurred in the third quarter of 2022.

With respect to stock-based compensation, also as part of this reduction in force, the Company plans to modify a portion of the affected employees’ stock awards to allow a portion of the awards to vest that otherwise would have been forfeited. However, as a result of the reversal of previously recognized stock-based compensation expense for stock awards being forfeited and a reduction in the fair value of the awards vesting in connection with this reduction in force, the Company expects to recognize a net reduction of stock-based compensation of approximately \$1 million to \$2 million in the third quarter of 2022. This estimate may change due to future changes in the Company’s stock price.

The Company may incur additional expenses not currently contemplated due to events associated with the reduction in force. The charges that the Company expects to incur in connection with the reduction in force are estimates and subject to a number of assumptions, and actual results may differ materially.

Forward-Looking Statements

This Current Report on Form 8-K contains certain forward-looking statements within the meaning of the federal securities laws, including statements regarding adoption of the Company’s technology and products. These forward-looking statements generally are identified by the words “believe,” “project,” “expect,” “anticipate,” “estimate,” “intend,” “strategy,” “future,” “opportunity,” “plan,” “may,” “should,” “would,” “will continue,” “will likely result” and similar expressions. Forward-looking statements are predictions, projections and other statements about future events that are based on current expectations and assumptions and, as a result, are subject to risks and uncertainties. Forward-looking information includes, but is not limited to, statements regarding: the Company’s future products, performance and operations, and the related benefits to shareholders, customers and residents; the impact of the 2022 workforce reductions on the Company’s business; and the Company’s strategy. Many factors could cause actual future events to differ materially from the forward-looking statements in this document, including the Company’s ability to implement business plans and changes and developments in the industry in which the Company competes. The foregoing list of factors is not exhaustive. You should carefully consider the foregoing factors and the other risks and uncertainties described in the “Risk Factors” section of the Company’s Annual Report on Form 10-K filed with the Securities and Exchange Commission (the “SEC”) on March 1, 2022, and other documents filed by the Company from time to time with the SEC. These filings identify and address other important risks and uncertainties that could cause actual events and results to differ materially from those contained in the forward-looking statements. Forward-looking statements speak only as of the date they are made. Readers are cautioned not to put undue reliance on forward-looking statements, and the Company assumes no obligation to update or revise these forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law, including the securities laws of the United States and the rules and regulations of the SEC. The Company does not give any assurance that it will achieve its expectations.

Item 7.01. Regulation FD Disclosure.

On August 2, 2022, the Company issued a press release related to the information described in Item 2.05 above (the “Press Release”). A copy of the Press Release is furnished as Exhibit 99.1 to this Current Report on Form 8-K.

The information set forth in Item 7.01, including Exhibit 99.1, shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as expressly set forth by specific reference in such a filing.

Item 9.01. Financial Statement and Exhibits.

Exhibit Number	Description
99.1	Press Release dated August 2, 2022.
104	Cover Page Interactive Data File, formatted in Inline XBRL (included as Exhibit 101).

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.

Latch, Inc.

Date: August 2, 2022

By: /s/ Barry Schaeffer
Name: Barry Schaeffer
Title: Interim Chief Financial Officer and Treasurer

Latch announces further changes to improve operating efficiency

NEW YORK, August 2, 2022 -- Latch, Inc. (NASDAQ: LTCH), maker of LatchOS, the full-building enterprise software-as-a-service (SaaS) platform, today announced a plan to create further operating efficiencies, including through the completion of an additional workforce reduction. Under this plan, Latch will renew its focus on higher margin activities with customers, continue to grow new high margin recurring revenue, and more closely align its organizational structure with the size and focus of the business.

The expected increase in operating efficiencies under this plan, in conjunction with the changes announced in May 2022, are expected to result in approximately \$85 million to \$95 million in total annualized operating savings once fully completed. Latch estimates annualized operating expenses and capital expenditures of \$65 million to \$75 million following the completion of these changes.

The August workforce reduction impacts approximately 115 people, or approximately 37% of Latch's current full-time employees. The reduction is expected to result in approximately \$2.5 million to \$3.5 million of total cash restructuring and related charges primarily related to severance and benefits costs (excluding the impact of share-based compensation), substantially all of which is expected to be incurred in the third quarter of 2022.

Latch's guidance provided in its first quarter earnings release does not reflect the changes announced today or the workforce reduction and reorganization announced in May 2022. Accordingly, such previous guidance should not be relied upon. Latch intends to provide further information about these cost-savings efforts in connection with the release of Latch's second quarter earnings.

About Latch, Inc.

Latch makes spaces better places to live, work, and visit through a system of software, devices, and services. For more information, please visit <https://www.latch.com>.

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business; and the Company's strategy. Many factors could cause actual future events to differ materially from the forward-looking statements in this document, including Latch's ability to implement business plans and changes and developments in the industry in which Latch competes. The foregoing list of factors is not exhaustive. You should carefully consider the foregoing factors and the other risks and uncertainties described in the "Risk Factors" section of our Annual Report on Form 10-K filed with the SEC on March 1, 2022, and other documents filed by Latch from time to time with the SEC. These filings identify and address other important risks and uncertainties that could cause actual events and results to differ materially from those contained in the forward-looking statements. Forward-looking statements speak only as of the date they are made. Readers are cautioned not to put undue reliance on forward-looking statements, and the Company assumes no obligation to update or revise these forward-looking statements, whether as a result of new information, future events, or otherwise, except as required by law, including the securities laws of the United States and the rules and regulations of the SEC. The Company does not give any assurance that it will achieve its expectations.

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