

**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): October 22, 2024

Veritone, Inc.

(Exact name of Registrant as Specified in Its Charter)

Delaware
(State or Other Jurisdiction
of Incorporation)

001-38093
(Commission
File Number)

47-1161641
(IRS Employer
Identification No.)

1615 Platte Street
2nd Floor
Denver, Colorado
(Address of Principal Executive Offices)

80202
(Zip Code)

Registrant's Telephone Number, Including Area Code: (888) 507-1737

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 \$0.001 per share	VERI	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 7.01. Regulation FD Disclosure*Sale of Veritone One, LLC*

On October 17, 2024 (the “Closing Date”), Veritone, Inc. (the “Company”) entered into an Equity Purchase Agreement (the “Agreement”), by and among the Company, Veritone One, LLC, a wholly-owned subsidiary of the Company (“Veritone One”), and Oxford Buyer, LLC (“Purchaser”), an affiliate of Insignia Capital Group L.P., pursuant to which, among other things, Purchaser acquired from the Company all of the issued and outstanding equity of Veritone One (such transaction, the “Divestiture”) for a total purchase price of up to \$104.0 million, subject to purchase price adjustments and the achievement of certain earnout targets as described herein.

On the Closing Date, the Company received cash proceeds of \$59.1 million, which reflected the aggregate purchase price of \$104.0 million, less \$18.0 million subject to an earnout, \$20.3 million of working capital adjustments, \$1.5 million placed in a specified escrow account for potential purchase price adjustments, and an aggregate of \$5.2 million placed in specified escrow accounts for the potential satisfaction of post-closing indemnification claims. The Company may receive the earnout of up to \$18.0 million in cash proceeds based on the achievement of certain net revenue targets by Veritone One between January 1, 2025 and December 31, 2025.

After the Divestiture, the Company will have approximately 500 employees.

Term Loan Repayment

The Company will use net cash proceeds from the Divestiture to repay \$30.5 million principal amount of its outstanding term loan, plus accrued interest and a prepayment premium in an aggregate amount of \$3.3 million (collectively, the “Term Loan Repayment”). After giving effect to the Term Loan Repayment, \$43.1 million aggregate principal amount will remain outstanding under the term loan and the Company will have approximately \$27.3 million of cash and cash equivalents.

Press Release

On October 22, 2024, the Company issued a press release announcing the consummation of the Divestiture and the Term Loan Repayment. A copy of the press release is attached as Exhibit 99.1 hereto and is hereby incorporated by reference in its entirety.

The information in this Item 7.01 of this Current Report on Form 8-K, including Exhibit 99.1, shall not be deemed “filed” for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference into any filing by the Company under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, except as may be set forth by specific reference in such a filing.

Item 9.01. Financial Statements and Exhibits**(d) Exhibits**

Exhibit No.	Description
99.1	Press Release of Veritone, Inc. dated October 22, 2024.
104	Cover Page Interactive Data File (embedded within the Inline XBRL document).

Note Regarding Forward-Looking Statements

Statements and other information included in this Current Report on Form 8-K and exhibits hereto that are not historical facts, including statements about the Company’s use of proceeds from the Divestiture to make the Term Loan Repayment, the outstanding amount under the term loan after giving effect to the Term Loan Repayment, the amount of cash on hand after giving effect to the Term Loan Repayment, the ability of the Company to receive up to

\$18.0 million in cash proceeds based on earnout provisions under the Agreement, and the number of employees of the Company after giving effect to the Divestiture, may constitute forward-looking statements. Forward-looking statements are subject to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995, as amended. Forward-looking statements speak only as of the date they are made and, except for the Company's ongoing obligations under the U.S. federal securities laws, the Company undertakes no obligation to update any forward-looking statement.

Forward-looking statements are subject to known and unknown risks and uncertainties and are based on estimates and assumptions that could cause actual results to differ materially from those expected or implied by the forward-looking statements. Actual results may differ materially from the forward-looking statements for a number of reasons, including those identified in the risk factors included in the Company's filings with the Securities and Exchange Commission, including without limitation, in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2023, the Company's Quarterly Reports on Form 10-Q for the fiscal quarters ended March 31, 2024 and June 30, 2024, and the Company's other filings with the Securities and Exchange Commission.

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.

Veritone, Inc.

Date: October 22, 2024

By: /s/ Michael L. Zemetra
Michael L. Zemetra
Executive Vice President, Chief Financial Officer and Treasurer

Veritone Announces the Divestiture of its Media Agency for up to \$104 Million

Divestiture Focuses and Accelerates Strategy as a Leading Enterprise AI Software, Applications, and Services Provider

Advances Strategic Priorities to Deleverage and Optimize Balance Sheet, with a More Efficient Operating Cost Structure

Veritone Exits from the Divestiture with Over 3,000 Enterprise AI & Software Customers, across both Commercial & Public Sectors

DENVER — (BUSINESS WIRE) — Veritone, Inc. (NASDAQ: VERI) (“Veritone” or the “Company”), a leader in building human-centered enterprise AI solutions, today announced that it has sold its media agency, Veritone One, LLC, to Insignia Capital Group (“Insignia”).

Total consideration from the divestiture is up to \$104.0 million, subject to customary purchase price adjustments and including up to \$18.0 million in cash subject to an earn-out based on Veritone One’s achievement of certain net revenue targets during calendar year 2025. Net proceeds will be used to retire a significant portion of Veritone’s term debt and to fund future operations. The transaction significantly strengthens Veritone’s balance sheet and liquidity, allowing Veritone to concentrate on accelerating the growth of its enterprise AI software and solutions, powered by its proprietary aiWARE platform. This strategic focus is designed to enhance long-term shareholder value and position Veritone for sustained success in the AI sector.

“Divesting our legacy media agency is a transformative and material move in Veritone’s mission to accelerate growth and sharpen our focus on enterprise AI. When appointed as CEO, our goal was clear—streamline operations, bolster our financials, and zero in on what we do best: AI software and services. Now, as we near the close of fiscal 2024, we’re in a prime position to capitalize on the booming demand for AI and leverage the strength of Veritone’s aiWARE platform, applications, and solutions. This divestiture isn’t just another step—it’s the inflection point that unlocks material value for our shareholders and solidifies our leadership in delivering cutting-edge AI at scale. I couldn’t be more excited about where we’re headed,” said Ryan Steelberg, CEO & President of Veritone.

Steelberg continued, “Today marks a pivotal moment for Veritone, reshaping our trajectory and positioning us for the next stage of growth. By leveraging our leading AI technology, industry expertise, and unique insights platforms, Veritone One grew into a leading performance audio and influencer agency in North America. We are pleased that this divestiture allows Veritone One to focus on its core advertising strengths within audio and video and to continue its growth and industry leadership under Insignia’s new ownership. Now, with this divestiture wrapped up, Veritone is all-in on our enterprise AI platform and applications, serving both Commercial and Public Sectors. We’re hitting this focus in stride and with scale, servicing thousands of customers already, and we’re just getting started. The momentum we’ve built, paired with the capital infusion and deleveraging from this deal, puts us in a great position to accelerate growth and unlock the full potential of our AI business.”

In addition to acquiring Veritone One, Insignia Capital Group simultaneously acquired Oxford Road, another leading audio advertising agency. The two entities will operate independently in the near-term but will leverage their combined scale, technology, analytics platform and industry expertise to deliver unparalleled performance for their clients.

Canaccord Genuity served as the financial advisor and Cooley LLP served as legal counsel to Veritone for the Veritone One transaction.

About Veritone

Veritone (NASDAQ: VERI) builds human-centered enterprise AI solutions. Serving customers in the commercial and public sectors, Veritone's software and services empower individuals at the world's largest and most recognizable institutions and brands to run more efficiently, accelerate decision making and increase profitability. Veritone's leading enterprise AI platform, aiWARE™, orchestrates an ever-growing ecosystem of cognitive and generative AI models, transforming data sources into actionable intelligence. By blending human expertise with AI technology, Veritone advances human potential to help organizations solve problems and achieve more than ever before, enhancing lives everywhere.

To learn more, visit [Veritone.com](https://www.veritone.com).

Safe Harbor Statement

This press release contains forward-looking statements, including without limitation, statements regarding Veritone's ability to realize the anticipated benefits of the divestiture transaction, including improvement of Veritone's balance sheet and overall liquidity, Veritone's payoff of a significant portion of its term debt, Veritone's ability to advance and grow its enterprise aiWare platform, Veritone's ability to drive long-term shareholder value, and Veritone's ability to accelerate profitable growth. In addition, words such as "may," "will," "expect," "believe," "anticipate," "intend," "plan," "outlook," "should," "could," "estimate," "confident" or "continue" or the plural, negative or other variations thereof or comparable terminology are intended to identify forward-looking statements, and any statements that refer to expectations, projections or other characterizations of future events or circumstances are forward-looking statements. These forward-looking statements speak only as of the date hereof and are based on management's current assumptions, expectations, beliefs, and information. As such, Veritone's actual results could differ materially and adversely from those expressed in any forward-looking statement as a result of various factors and risks. Certain of these factors and risks are discussed in more detail in Veritone's most recently-filed Annual Report on Form 10-K, Veritone's most recently-filed Quarterly Report on Form 10-Q, and other periodic reports filed from time to time with the Securities and Exchange Commission. In light of the significant uncertainties inherent in the forward-looking information included herein, the inclusion of such information should not be regarded as a representation by Veritone or any other person that Veritone's objectives or plans will be achieved. The forward-looking statements contained herein reflect Veritone's beliefs, estimates, and predictions as of the date hereof, and we undertake no obligation to revise or update the forward-looking statements contained herein to reflect events or circumstances after the date hereof or to reflect the occurrence of unanticipated events for any reason, except as required by law.

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Source: Veritone