

**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): August 9, 2022

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.)

2420 17th St., Office 3002, Denver, CO
(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 (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 Exchange 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 4.02. Non-Reliance on Previously Issued Financial Statements or a Related Audit Report or Completed Interim Review

As previously reported, on August 9, 2022, the management and the audit committee (the "Audit Committee") of the Board of Directors of Veritone, Inc. (the "Company"), after consideration of the relevant facts and circumstances, determined that the Company's previously issued financial statements as of and for the three months ended March 31, 2022 should no longer be relied upon due to an error related to the calculation of fair value of contingent consideration at the time of the acquisition of PandoLogic Ltd., which led to an understatement of goodwill of \$8.0 million, intangible assets of \$6.0 million, and contingent consideration of \$13.1 million at the time of the acquisition, and an overstatement of subsequent changes in the fair value of the contingent consideration of \$6.6 million, and an understatement of subsequent intangible amortization expense of \$0.3 million. The restatement results in a non-cash charge that reduces general and administrative expenses and results in a favorable change to net loss for the three months ended March 31, 2022. The Company does not expect any of the changes described above to have an impact on its cash balances or liquidity. Any related press releases, stockholder communications, investor presentations or other communications describing relevant portions of the financial statements as of and for the three months ended March 31, 2022 should no longer be relied upon.

The Company will restate its prior period financial statements for the three months ended March 31, 2022 in an amendment to its Quarterly Report on Form 10-Q for the three months ended March 31, 2022 to be filed as soon as practicable. The Company evaluated the aggregate effects of the errors to its previously issued financial statements in accordance with SEC Staff Accounting Bulletins No. 99 and No. 108 and, based upon quantitative and qualitative factors, determined that the errors were not material to the previously issued financial statements and disclosures included in the Company's Annual Report on Form 10-K for the year ended December 31, 2021 or for any quarterly periods included therein. The Company will adjust its consolidated balance sheet as of December 31, 2021 in order to correct this immaterial error in the amendment to its Quarterly Report on Form 10-Q for the three months ended March 31, 2022. The Company will revise its consolidated financial statements as of and for the year ended December 31, 2021 when it files its Form 10-K for the period ended December 31, 2022.

Tables presenting the effects of these adjustments to the Company's previously issued financial statements as of and for the three months ended March 31, 2022 and as of and for the year ended, December 31, 2021 have been attached to this report as Exhibit 99.1 and are incorporated herein by reference.

The Company's management identified a material weakness in internal control over financial reporting relating to the appropriate oversight and sufficient review of the work performed by third-party specialists on the Company's behalf and the coordination of work being performed by more than one specialist. Such third-party specialists were used in the preparation of (i) the Company's valuation of contingent consideration, (ii) the Company's valuation of certain identified intangible assets and (iii) the Company's purchase price allocation pursuant to ASC 805, Business Combinations, in connection with the acquisition of PandoLogic Ltd.

The Company's management and the Audit Committee have discussed the matters disclosed in this Current Report on Form 8-K with Grant Thornton LLP, the Company's independent registered public accounting firm.

Item 9.01. Financial Statements Exhibits

(d) Exhibits

<u>Exhibit Number</u>	<u>Description</u>
99.1	<u>Revisions to the Company's consolidated statement of operations for the three months ended March 31, 2022, December 31, 2021, and September 30, 2021 and the Company's audited consolidated balance sheet as of December 31, 2022</u>
104	Cover Page Interactive Data File (formatted in Inline XBRL and contained in Exhibit 101)

Forward-Looking Statements

This Current Report on Form 8-K contains "forward-looking statements" within the meaning of the safe harbor provisions of the United States Private Securities Litigation Reform Act of 1995. Certain of these forward-looking statements can be identified by the use of words such as "may," "will," "expect," "believe," "anticipate," "intend," "plan," "should," "could," "estimate" 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. Such statements may include, but are not limited to, statements regarding the impact of the Company's restatement of certain historical financial statements. These forward-looking statements speak only as of the date hereof, and are based on the management's current assumptions, beliefs and information. As such, the Company's actual results could differ materially and adversely from those expressed in any forward-looking statement as a result of various factors. Important factors that could cause such differences include the process of preparing the restated financial statements as of and for the three months ended March 31, 2022 or other subsequent events that would require the Company to make additional adjustments to its previously issued financial statements. 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 the Company or any other person that the Company's objectives or plans will be achieved. The forward-looking statements contained herein reflect the Company's beliefs, estimates and predictions as of the date hereof, and the Company undertakes 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.

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.

Date: August 12, 2022

Veritone, Inc.

By: /s/ Michael L. Zemetra

Michael L. Zemetra

Executive Vice President, Chief Financial Officer
and Treasurer

EXHIBIT 99.1

On August 9, 2022, the management and the audit committee (the "Audit Committee") of the Board of Directors of Veritone, Inc. (the "Company"), after consideration of the relevant facts and circumstances, determined that the Company's previously issued financial statements as of and for the three months ended March 31, 2022 should no longer be relied upon due to an error related to the calculation of fair value of contingent consideration at the time of the acquisition of PandoLogic Ltd., which led to an understatement of goodwill, intangible assets, and contingent consideration at the time of the acquisition, and an overstatement of subsequent changes to the fair value of contingent consideration, and an understatement of subsequent intangible amortization expense.

The following tables present the effects of the aforementioned restatement to the specific line items presented in the Company's previously reported unaudited condensed consolidated financial statements as of and for the three months ended March 31, 2022 (in thousands, except per share amounts):

Condensed Consolidated Balance Sheet (unaudited)

	As of March 31, 2022		
	As Reported	Adjustment	As Restated
Intangible assets, net	\$ 86,563	\$ 5,304	\$ 91,867
Goodwill	36,630	7,970	44,600
Total assets	469,004	13,274	482,278
Contingent consideration, non-current	35,416	265	35,681
Other non-current liabilities	16,440	776	17,216
Total liabilities	413,004	1,041	414,045
Accumulated deficit	(380,076)	12,233	(367,843)
Total stockholders' equity	56,000	12,233	68,233
Total liabilities and stockholders' equity	469,004	13,274	482,278

Condensed Consolidated Statement of Operations and Comprehensive Loss (unaudited)

	Three Months Ended		
	March 31, 2022		
	As Reported	Adjustment	As Restated
General and administrative	\$ 28,917	\$ (6,596)	\$ 22,321
Amortization	4,693	323	5,016
Total operating expenses	61,485	(6,273)	55,212
Loss from operations	(27,078)	6,273	(20,805)
Loss before provision for income taxes	(28,264)	6,273	(21,991)
Provision for income taxes	177	(39)	138
Net loss	(28,441)	6,312	(22,129)
Basic and diluted net loss per share	(0.80)	0.18	(0.62)
Total comprehensive loss	(28,251)	6,312	(21,939)

Condensed Consolidated Statement of Stockholders' Equity (unaudited)

	Accumulated Deficit		
	As Reported	Adjustment	As Restated
Balance as of December 31, 2021	\$ (350,958)	\$ 5,921	\$ (345,037)
Net loss	(28,441)	6,312	(22,129)
Balance as of March 31, 2022	(380,076)	12,233	(367,843)
	Total Stockholders' Equity		
Balance as of December 31, 2021	80,579	5,921	86,500
Net loss	(28,441)	6,312	(22,129)
Balance as of March 31, 2022	56,000	12,233	68,233

Condensed Consolidated Statement of Cash Flows (unaudited)

	Three Months Ended		
	March 31, 2022		
	As Reported	Adjustment	As Restated
Cash flows from operating activities:			
Net loss	\$ (28,441)	\$ 6,312	\$ (22,129)
Adjustments to reconcile net loss to net cash provided by operating activities:			
Depreciation and amortization	4,891	321	5,212
Change in fair value of contingent consideration	11,641	(6,596)	5,045
Change in deferred taxes	(426)	(39)	(465)

There was no impact on cash flows from investing or financing activities.

The Company also evaluated the aggregate effects of the errors to its previously issued financial statements in accordance with SEC Staff Accounting Bulletins No. 99 and No. 108 and, based upon quantitative and qualitative factors, determined that the errors were not material to the previously issued financial statements included in its Annual Report on Form 10-K for the year ended December 31, 2021 or for any quarterly periods included therein.

The following tables reflect the impact of the revision to the specific line items presented in the Company's previously reported consolidated financial statements as of and for the year-ended December 31, 2021 (in thousands, except per share amounts):

Consolidated Balance Sheet

	As of December 31, 2021		
	As Reported	Adjustment	As Adjusted
Intangible assets, net	\$ 88,247	\$ 5,625	\$ 93,872
Goodwill	34,058	7,970	42,028
Total assets	504,752	13,595	518,347
Contingent consideration, current	19,988	65	20,053
Total current liabilities	191,276	65	191,341
Contingent consideration, non-current	24,737	6,796	31,533
Other non-current liabilities	13,078	813	13,891
Total liabilities	424,173	7,674	431,847
Accumulated deficit	(350,958)	5,921	(345,037)
Total stockholders' equity	80,579	5,921	86,500
Total liabilities and stockholders' equity	504,752	13,595	518,347

Consolidated Statement of Operations and Comprehensive Loss

	Year Ended		
	December 31, 2021		
	As Reported	Adjustment	As Adjusted
General and administrative	\$ 97,918	\$ (6,251)	\$ 91,667
Amortization	8,497	375	8,872
Total operating expenses	182,554	(5,876)	176,678
Loss from operations	(67,249)	5,876	(61,373)
Loss before provision for income taxes	(67,849)	5,876	(61,973)
Provision for income taxes	2,744	(45)	2,699
Net loss	(70,593)	5,921	(64,672)
Basic and diluted net loss per share	(2.12)	0.18	(1.94)
Total comprehensive loss	(70,763)	5,921	(64,842)

Consolidated Statement of Stockholders' Equity

	Accumulated Deficit		
	As Reported	Adjustment	As Adjusted
Net loss	\$ (70,593)	\$ 5,921	\$ (64,672)
Balance as of December 31, 2021	(350,958)	5,921	(345,037)
	Total Stockholders' Equity		
Net loss	(70,593)	5,921	(64,672)
Balance as of December 31, 2022	80,579	5,921	86,500

Consolidated Statement of Cash Flows (unaudited)

	Year Ended		
	December 31, 2021		
	As Reported	Adjustment	As Adjusted
Cash flows from operating activities:			
Net loss	\$ (70,593)	\$ 5,921	\$ (64,672)
Adjustments to reconcile net loss to net cash provided by operating activities:			
Depreciation and amortization	9,035	375	9,410
Change in fair value of contingent consideration	18,325	(6,251)	12,074
Change in deferred taxes	—	(45)	(45)

There was no impact on cash flows from investing or financing activities.