

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

FORM 10-Q

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended March 31, 2026

or

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission File Number: 001-38093

veritone[™]

Veritone, Inc.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of incorporation or organization)

47-1161641

(I.R.S. Employer Identification No.)

**5291 California Avenue, Suite 350
Irvine, California**

(Address of principal executive offices)

92617

(Zip Code)

(888) 507-1737

(Registrant's telephone number, including area code)

Not applicable

(Former name, former address and former fiscal year, if changed since last report)

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 Global Market

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer
Non-accelerated filer

Accelerated filer
Smaller reporting company
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.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

There were 92,958,965 shares of common stock outstanding as of May 12, 2026.

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CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q contains certain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the "Securities Act") and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and we intend that such forward-looking statements be subject to the safe harbors created thereby. All statements made in this Quarterly Report on Form 10-Q that are not statements of historical fact are forward-looking statements. Without limiting the generality of the foregoing, words such as "anticipates," "believes," "could," "estimates," "expects," "intends," "continue," "can," "may," "plans," "potential," "projects," "seeks," "should," "will," "would" or similar expressions and the negatives of those expressions may identify forward-looking statements, although not all forward-looking statements contain these identifying words. Such forward-looking statements include, but are not limited to, any statements that refer to projections of our future financial condition and results of operations, capital needs and financing plans, competitive position, industry environment, potential growth and market opportunities, sale, divestiture, or acquisition plans and strategies, compensation plans, governance structure and policies and/or the price of our common stock.

The forward-looking statements included herein represent our management's current expectations and assumptions based on information available as of the date of this report. These statements involve numerous known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Factors that may cause or contribute to such differences include, but are not limited to:

- our ability to continue as a going concern, including our ability to repay our 1.75% convertible senior notes due in November 2026 (the "Convertible Notes") prior to their scheduled maturity;
- our ability to expand our aiWARE SaaS business;
- declines or limited growth in the market for AI-based software applications and concerns over the use of AI that may hinder the adoption of AI technologies;
- our requirements for additional capital and liquidity to support our operations, our business growth, and repay or refinance our Convertible Notes prior to their scheduled maturity and the availability of such capital on acceptable terms, if at all;
- our reliance upon a limited number of key customers for a significant portion of our revenue, and the corresponding risk of declines in key customers' usage of our products and other offerings;
- our identification of existing material weaknesses in our internal control over financial reporting and plans for remediation;
- fluctuations in our results over time;
- the impact of seasonality on our business;
- our ability to manage our growth, including through acquisitions and expansion into international markets;
- our ability to enhance our existing products and introduce new products that achieve market acceptance and keep pace with technological developments;
- our expectations with respect to the future performance of our products, such as Intelligent Digital Evidence Management System ("iDEMS") and Veritone Data Refinery ("VDR"), including as drivers of future growth;
- actions by our competitors, partners and others that may block us from using third party technologies in our aiWARE platform, offering it for free to the public or making it cost prohibitive to continue to incorporate such technologies into our platform;
- interruptions or performance problems with our technology and infrastructure, or that of third parties with whom we work;

- the impact of the continuing economic disruption caused by macroeconomic and geopolitical factors, including lingering economic disruption caused by international conflicts, financial instability, inflation and the responses by central banking authorities to control inflation, monetary supply shifts, high interest rates, the imposition of tariffs, trade tensions, and global trade disputes, and the threat of recession in the United States and around the world on our business and our existing and potential customers; and
- any additional factors discussed in more detail in Part I, Item 1, *Business*; Part I, Item 1A, *Risk Factors*; and Part II, Item 7, *Management's Discussion and Analysis of Financial Condition and Results of Operations*, of our Annual Report on Form 10-K for the year ended December 31, 2025, and our other filings with the Securities and Exchange Commission ("SEC"), including this Quarterly Report on Form 10-Q and our future filings with the SEC.

All forward-looking statements are necessarily only estimates of future results, and there can be no assurance that actual results will not differ materially from expectations. You should carefully review these risks, as well as the additional risks described in other documents we file from time to time with the SEC. In light of the significant risks and uncertainties inherent in the forward-looking information included herein, the inclusion of such information should not be regarded as a representation by us or any other person that such results will be achieved, and readers are cautioned not to place undue reliance on such forward-looking information, which speaks only as of the date of this report.

Moreover, we operate in an evolving environment. New risks and uncertainties emerge from time to time and it is not possible for our management to predict all risks and uncertainties, nor can we assess the impact of all factors on our business or the extent to which any factor, or combination of factors, may cause actual future results to be materially different from those expressed or implied by any forward-looking statements.

Except as required by law, we assume no obligation to update any forward-looking statements, or to update the reasons actual results could differ materially from those anticipated in these forward-looking statements, even if new information becomes available in the future. We qualify all of our forward-looking statements by these cautionary statements.

PART I. FINANCIAL INFORMATION

Item 1. Financial Statements.

VERITONE, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(in thousands, except par value amounts)
(Unaudited)

	March 31, 2026	December 31, 2025
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 15,087	\$ 27,426
Accounts receivable, net	26,717	36,768
Prepaid expenses and other current assets	8,650	9,720
Total current assets	50,454	73,914
Property, equipment, and improvements, net	9,140	9,582
Intangible assets, net	34,063	38,639
Goodwill	53,975	54,256
Restricted cash	284	289
Other assets	7,283	5,600
Total assets	\$ 155,199	\$ 182,280
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 12,950	\$ 16,487
Deferred revenue	13,193	12,290
Convertible Notes, current portion	45,392	45,317
Accrued purchase compensation, current portion	—	1,500
Accrued expenses and other current liabilities	24,729	28,186
Total current liabilities	96,264	103,780
Other non-current liabilities	9,936	10,376
Total liabilities	106,200	114,156
Commitments and contingencies (Note 8)		
Stockholders' equity:		
Common stock, \$0.001 par value; 150,000 and 150,000 shares authorized as of March 31, 2026 and December 31, 2025, respectively; 92,958 and 92,627 shares issued and outstanding as of March 31, 2026 and December 31, 2025, respectively	94	93
Additional paid-in capital	646,712	645,962
Accumulated other comprehensive income	713	1,081
Accumulated deficit	(598,520)	(579,012)
Total stockholders' equity	48,999	68,124
Total liabilities and stockholders' equity	\$ 155,199	\$ 182,280

See the accompanying notes to unaudited condensed consolidated financial statements.

VERITONE, INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS
(in thousands, except per share amounts)
(Unaudited)

	Three Months Ended	
	March 31, 2026	March 31, 2025
Revenue	\$ 20,259	\$ 22,463
Operating expenses:		
Cost of revenue (exclusive of depreciation and amortization shown separately below)	6,550	7,834
Sales and marketing	10,653	10,105
Research and development	5,753	5,206
General and administrative	10,948	14,004
Depreciation and amortization	5,778	6,948
Total operating expenses	39,682	44,097
Operating loss	(19,423)	(21,634)
Interest expense, net	178	2,628
Other expense (income), net	520	(4,061)
Loss from operations before income taxes	(20,121)	(20,201)
Income tax benefit	(613)	(326)
Net loss	\$ (19,508)	\$ (19,875)
Earnings (Loss) per share:		
Loss per share, basic and diluted	\$ (0.21)	\$ (0.41)
Weighted-average common shares outstanding used in computing loss per share, basic and diluted	92,899,169	48,343,476
Comprehensive loss:		
Net loss	\$ (19,508)	\$ (19,875)
Foreign currency translation adjustment, net of income taxes	(368)	(420)
Total comprehensive loss	\$ (19,876)	\$ (20,295)

See the accompanying notes to unaudited condensed consolidated financial statements.

VERITONE, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
(in thousands)
(Unaudited)

	<u>Common Stock</u>		<u>Additional Paid-In Capital</u>	<u>Accumulated Other Comprehensive Income</u>	<u>Accumulated Deficit</u>	<u>Total Stockholders' Equity</u>
	<u>Shares</u>	<u>Amount</u>				
Balance as of December 31, 2025	92,627	\$ 93	\$ 645,962	\$ 1,081	\$ (579,012)	\$ 68,124
Common stock issued under employee stock plans	475	1	161	—	—	162
Common stock withheld for employee taxes and other	(144)	—	(652)	—	—	(652)
Other	—	—	4	—	—	4
Stock-based compensation	—	—	1,237	—	—	1,237
Net loss	—	—	—	—	(19,508)	(19,508)
Foreign currency translation adjustment, net of income taxes	—	—	—	(368)	—	(368)
Balance as of March 31, 2026	92,958	94	646,712	713	(598,520)	48,999

	<u>Common Stock</u>		<u>Additional Paid-In Capital</u>	<u>Accumulated Other Comprehensive Income (Loss)</u>	<u>Accumulated Deficit</u>	<u>Total Stockholders' Equity</u>
	<u>Shares</u>	<u>Amount</u>				
Balance as of December 31, 2024	40,218	\$ 41	\$ 480,477	\$ 214	\$ (467,280)	\$ 13,452
Common stock issued under employee stock plans	322	—	140	—	—	140
Common stock withheld for employee taxes and other	(91)	—	(285)	—	—	(285)
Common stock and pre-funded warrants issued in connection with registered direct offering, net of offering costs	4,415	4	19,938	—	—	19,942
Stock-based compensation	—	—	1,800	—	—	1,800
Net loss	—	—	—	—	(19,875)	(19,875)
Foreign currency translation adjustment, net of income taxes	—	—	—	(420)	—	(420)
Balance as of March 31, 2025	44,864	45	502,070	(206)	(487,155)	14,754

See the accompanying notes to unaudited condensed consolidated financial statements.

VERITONE, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands)
(Unaudited)

	Three Months Ended	
	March 31, 2026	March 31, 2025
Cash flows from operating activities:		
Net loss	\$ (19,508)	\$ (19,875)
Adjustments to reconcile net loss from cash used in operating activities		
Depreciation and amortization	5,778	6,948
Stock-based compensation	1,191	1,743
Non-cash interest expense	75	1,204
Deferred income taxes	541	(547)
Provision for credit losses	67	420
Non-cash barter revenue	(849)	—
Reduction in carrying amount of operating lease right-of-use assets	80	204
Change in fair value of earnout receivable	—	(3,654)
Changes in operating assets and liabilities:		
Accounts receivable	9,984	(2,247)
Prepaid expenses and other current assets	1,695	(887)
Other assets	(1,332)	(3)
Accounts payable	(3,974)	2,144
Deferred revenue	691	1,407
Accrued expenses and other current liabilities	(5,933)	(3,777)
Other non-current liabilities	—	(124)
Net cash used in operating activities	(11,494)	(17,044)
Cash flows from investing activities:		
Capital expenditures	(534)	(1,353)
Net cash used in investing activities	(534)	(1,353)
Cash flows from financing activities:		
Repayment of senior secured term loan	—	(1,938)
Proceeds from issuance of stock and pre-funded warrants under registered direct offerings and at-the-market offering, net of offering costs	—	19,944
Proceeds from issuance of stock under employee stock plans, net	162	140
Taxes paid related to net share settlement of equity awards	(652)	(285)
Other	4	—
Net cash (used in) provided by financing activities	(486)	17,861
Effect of exchange rates on cash, cash equivalents, and restricted cash	170	(413)
Net change in cash, cash equivalents, and restricted cash	(12,344)	(949)
Cash, cash equivalents, and restricted cash, beginning of period	27,715	17,318
Cash, cash equivalents, and restricted cash included at the end of the period	\$ 15,371	\$ 16,369
Non-cash investing and financing activities:		
Stock-based compensation capitalized as part of internal-use software	\$ 46	\$ 57
Lease liabilities arising from right-of-use assets	\$ —	\$ 1,840
Capital expenditures included in accounts payable	\$ 437	\$ —

See the accompanying notes to unaudited condensed consolidated financial statements.

VERITONE, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(in thousands, except share and per share data and percentages)
(Unaudited)

1. Description of Business

Veritone, Inc., a Delaware corporation (“Veritone,” and together with its subsidiaries, collectively, the “Company”), is a provider of artificial intelligence (“AI”) computing solutions. The Company’s proprietary AI operating system, aiWARE™, uses machine learning algorithms, or AI models, together with a suite of powerful applications, to reveal valuable insights from vast amounts of structured and unstructured data. aiWARE serves as the foundation for the Company’s AI solutions and bespoke applications and offers access to hundreds of cognitive categories through one common software infrastructure. Highly modular and customizable, aiWARE enables expansive scale with the flexibility to deploy in the cloud, at the edge or in hybrid environments. The Company’s aiWARE platform offers capabilities that are designed to mimic human cognitive functions such as perception, prediction and problem solving, enabling users to quickly, efficiently and cost effectively transform unstructured data into structured data, and analyze and optimize data to drive business processes and insights. aiWARE is based on an open architecture that enables new AI models, applications and workflows to be added quickly and efficiently, resulting in a scalable and evolving solution that can be leveraged by organizations across a range of industries.

The Company offers Software Products & Services to Commercial Enterprise and Public Sector customers using the Company’s aiWARE platform and Veritone Hire solutions, any related support and maintenance services, and any related professional services associated with the deployment and/or implementation of such solutions.

The Company also offers Managed Services, which include cloud-native digital content management solutions and content licensing services and representation services, through among other things, its VeriAds Network, which is comprised of programs that enable broadcasters, podcasters and social media influencers to generate incremental revenue. These offerings leverage the Company’s aiWARE technologies, providing customers with unique capabilities to enrich and drive expanded revenue opportunities from their content.

2. Significant Accounting Policies

Basis of Presentation

The unaudited condensed consolidated interim financial information of the Company has been prepared in accordance with Article 10 of the Securities and Exchange Commission’s (“SEC”) Regulation S-X. Accordingly, as permitted by Article 10 of Regulation S-X, it does not include all of the information required by generally accepted accounting principles in the U.S. (“U.S. GAAP”) for complete financial statements. The condensed consolidated balance sheet as of December 31, 2025 was derived from the audited financial statements at that date and does not include all the disclosures required by U.S. GAAP, as permitted by Article 10 of Regulation S-X. The Company’s unaudited condensed consolidated financial statements as of March 31, 2026 and for the three months ended March 31, 2026 and 2025 include Veritone, Inc. and all of its subsidiaries. In the opinion of management, the accompanying financial information contains all adjustments, consisting of normal recurring adjustments, necessary to state fairly the Company’s unaudited condensed consolidated financial statements as of March 31, 2026 and for the three months ended March 31, 2026 and 2025. These unaudited condensed consolidated financial statements should be read in conjunction with the Company’s Annual Report on Form 10-K for the year ended December 31, 2025 (the “2025 10-K”). Operating results for the three months ended March 31, 2026 and 2025 are not necessarily indicative of the results that may be expected for the year ending December 31, 2026.

Liquidity, Capital Resources, and Going Concern

These consolidated financial statements have been prepared in accordance with U.S. GAAP assuming the Company will continue as a going concern over the next twelve months from the issuance date of these condensed consolidated financial statements, which contemplates the realization of assets and satisfaction of liabilities in the normal course of business.

As of March 31, 2026, the Company had cash and cash equivalents of approximately \$15,087, working capital deficit of \$45,810 and accounts receivable, net of \$26,717, and the amount outstanding under our debt obligations was \$45,392, net of unamortized discount cost, all of which related to the Convertible Notes. Additionally, for the three months ended March 31, 2026, net loss was \$19,508 and net cash used in operating activities was \$11,494. The Company's ability to continue as a going concern is dependent on its ability to generate significant cash flows, obtain sufficient proceeds from any future offerings of securities, and/or obtain alternative financing prior to the maturity of the Convertible Notes in November 2026. The Company expects operating losses to continue in the foreseeable future as it continues to invest in growing its business. To alleviate these conditions, management is actively engaged in discussions to obtain alternative financing prior to the maturity of the Convertible Notes in November 2026. However, there can be no assurance that the Company will be able to obtain alternative financing as it is ultimately outside of the control of the Company.

In the near term, and to meet its obligations as they come due, the Company is evaluating additional strategies to obtain funding for future operations. These strategies may include, but are not limited to, obtaining equity financing, debt and/or further restructuring of operations to grow revenues and decrease operating expenses, which include capturing past cost reductions and potential future cost synergies from the Company's past acquisitions.

Due to the Company's projected cash needs (which includes amounts that will become due under the Convertible Notes upon their maturity in November 2026) combined with its current liquidity level and history of net losses and cash used to fund operating activities, there is substantial doubt regarding its ability to continue as a going concern for a period of at least one year from the date of issuance of these consolidated financial statements.

The going concern assumption contemplates the realization of assets and satisfaction of liabilities in the normal course of business. The Company may not be able to access additional equity under acceptable terms, and may not be successful in future operational restructurings, earning any of its deferred purchase consideration, meeting its minimum liquidity threshold under its Credit Agreement or growing its revenue base, and its ability to execute on its operating plans may be materially adversely impacted. If the Company becomes unable to continue as a going concern, it may have to dispose of other or additional assets and might realize significantly less value than the values at which they are carried on its condensed consolidated financial statements. These actions may cause the Company's stockholders to lose all or part of their investment in the Company's common stock. The condensed consolidated financial statements do not include any adjustments that might result from the Company being unable to continue as a going concern. If the Company cannot continue as a going concern, adjustments to the carrying values and classification of its assets and liabilities and the reported amounts of income and expenses could be required and could be material.

Reclassifications

Certain reclassifications were made to the prior period condensed consolidated statement of operations and condensed consolidated statement of cash flows to conform to the current period presentation.

Use of Estimates

The preparation of condensed consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities as of the date of the condensed consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. The Company bases its estimates and assumptions on current facts, historical experience, and various other factors that it believes to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities and the recording of revenues and expenses. Actual results could differ from those estimates.

Significant items subject to estimates and assumptions include, but are not limited to, the accounting recognition and presentation of revenue, allowance for credit losses, impairment of long-lived assets, the valuation of contingent consideration, the valuation of senior secured debt, the valuation of non-cash consideration received in barter transactions, the valuation of stock awards and stock warrants, and income taxes, where applicable. Actual results may differ from these estimates.

There has been uncertainty and disruption in the global economy and financial markets due to a number of factors, including lingering economic disruption caused by international conflicts, financial instability, the global inflationary environment and elevated interest rates and the imposition of tariffs, trade tensions, and global trade disputes. The Israel-Hamas and Iran conflicts have also adversely impacted the Company's business operations because the Company has an office and personnel based in Herzliya, Israel. The Company is not aware of any specific event or circumstance that would require an update to its estimates or assumptions or a revision of the carrying value of its assets or liabilities as of the date of filing of this Quarterly Report on Form 10-Q.

These estimates and assumptions may change as new events occur and additional information is obtained. As a result, actual results could differ materially from these estimates and assumptions.

Recently Adopted Accounting Pronouncements

In July 2025, the FASB issued ASU No. 2025-05, *Financial Instruments—Credit Losses (Topic 326): Measurement of Credit Losses for Accounts Receivable and Contract Assets*. This ASU allows entities to elect a practical expedient that assumes that current conditions as of the balance sheet date do not change for the remaining life of the asset when developing reasonable and supportable forecasts as part of estimating expected credit losses. The amendments in this update are effective for fiscal years beginning after December 15, 2025 and interim periods within those fiscal years, with early adoption permitted. The Company is evaluating the potential impact of this adoption on its condensed consolidated financial statements. The adoption of this guidance during the first quarter of 2026 did not have a material financial impact on the Company's consolidated financial statements.

New Accounting Pronouncements

In November 2024, the FASB issued ASU No. 2024-03, *Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses*. This ASU improves financial reporting by requiring that public business entities disclose additional information about specific expense categories in the notes to financial statements at interim and annual reporting periods that is generally not presented in the financial statements today. The amendments in this update are effective for fiscal years beginning after December 15, 2026 and interim periods within fiscal years beginning after December 15, 2027, with early adoption permitted. The Company is evaluating the potential impact of this adoption on its condensed consolidated financial statements.

In September 2025, the FASB issued ASU No. 2025-06, *Intangibles—Goodwill and Other—Internal-Use Software (Subtopic 350-40): Targeted Improvements to the Accounting for Internal-Use Software*. This ASU modernizes the accounting for software costs that are accounted for under Subtopic 350-40 and improves the operability of the guidance by removing all references to software development project stages so that the guidance is neutral to different software development methods, including methods that entities may use to develop software in the future. The amendments in this update are effective for fiscal years beginning after December 15, 2027 and interim periods within those fiscal years, with early adoption permitted. The Company is evaluating the potential impact of this adoption on its condensed consolidated financial statements.

Significant Customers

During the three months ended March 31, 2026 and 2025, no customer represented more than 10% of the Company's total consolidated revenue.

Remaining Performance Obligations

As of March 31, 2026, the aggregate amount of the transaction prices under the Company's contracts allocated to the Company's remaining performance obligations was \$24,564, approximately 61% of which the Company expects to recognize as revenue over the next twelve months, and the remainder thereafter to be recognized over the next five years. This aggregate amount excludes amounts allocated to remaining performance obligations under contracts that have an original duration of one year or less and variable consideration that is allocated to remaining performance obligations. Excluded based on this policy are balances related to Veritone Hire solutions representing gross purchase orders to be satisfied in less than one year. Revenues will be recognized net of costs to fulfill these orders.

Segment Information

The Company operates as one reporting segment. The Company reports segment information based on the internal reporting used by the chief operating decision maker (“CODM”) for making decisions and assessing performance as the source of the Company’s reportable segment. The Company’s CODM is its Chief Executive Officer. The CODM assesses performance and decides how to allocate resources using consolidated net loss as reported within the Company’s consolidated statements of operations. The CODM also uses loss from operations to assess the performance of the segment to allocate resources, including but not limited to, employees, property, financial and capital, primarily the annual budget and periodic forecasting process. The CODM considers variances to budget or forecast on a monthly, quarterly and annual basis in making these decisions about allocating capital and personnel to the segment. The Company, through its single reportable segment, is managed on a consolidated basis.

Significant segment expenses, which represent the difference between revenue and loss from operations before provision for income taxes, consist of the following:

	Three Months Ended	
	March 31, 2026	March 31, 2025
Revenue	\$ 20,259	\$ 22,463
Less:		
Cost of revenue (exclusive of depreciation and amortization shown separately below)	6,550	7,834
Personnel costs	17,544	17,443
Consultants	907	1,023
Marketing	808	994
Accounting fees	647	1,494
Legal fees	372	500
Outside services	258	275
Software expenses	1,870	1,887
Stock-based compensation expense	1,191	1,743
Severance	272	242
Depreciation and amortization	5,778	6,948
Other segment items	3,485	3,714
Operating loss	(19,423)	(21,634)
Interest expense, net	178	2,628
Other expense (income), net	520	(4,061)
Income tax benefit	(613)	(326)
Net loss	\$ (19,508)	\$ (19,875)

Other segment items include occupancy, insurance, and other costs.

Seasonality

The Company experiences seasonal fluctuations in its revenue and operating performance as a result of the utilization of its platform and associated revenues from its Software Products & Services as a result of factors such as the timing of large projects, the length and complexity of sales cycles, trends impacting the Company’s target vertical markets and the Company’s revenue recognition policies and any changes to those policies. Within a given quarter, a higher proportion of the Company’s agreements are signed toward the end of such quarter. Although these seasonal factors are common in the technology industry, historical patterns should not be considered a reliable indicator of the Company’s future sales activity or performance in any period.

Significant Accounting Policies

There have been no material changes in the Company’s significant accounting policies from those disclosed in its Annual Report on Form 10-K for the year ended December 31, 2025.

3. Debt

Senior Secured Term Loan

On December 13, 2023 (the "Term Loan Closing Date"), the Company and certain of its subsidiaries, as guarantors, entered into a Credit and Guaranty Agreement (as amended, the "Credit Agreement") with certain lenders (collectively, the "Lenders") and Wilmington Savings Fund Society, FSB, as administrative agent and collateral agent. The Credit Agreement provided for a \$77,500 senior secured term loan (the "Term Loan"), which was fully drawn by the Company on the Term Loan Closing Date. On the Term Loan Closing Date, the Company used \$37,500 of the Term Loan proceeds to repurchase \$50,000 principal amount of its Convertible Notes (as defined below). As a result of the collective transactions at the Term Loan Closing Date, the Company recorded the Term Loan at fair value and recognized a one-time gain of \$30,000 on the extinguishment of convertible debt. The initial discount on the Term Loan of \$23,807 along with the capitalized issuance costs of \$3,120 each will be amortized to interest expense over the term of the loan using the effective interest method. The amortization of initial discounts and issuance costs was \$0 and \$1,059 for the three months ended March 31, 2026 and 2025, respectively. On the Term Loan Closing Date, the Company issued warrants (the "Warrants") to the Lenders (in such capacity, the "Warrant Holders") to purchase up to 3,008,540 shares of the Company's common stock at an exercise price of \$2.576 per share with a termination date of December 12, 2028. At the date of issuance, the Company classified the Warrants as equity and recognized them in additional paid-in capital within its consolidated balance sheet. As of March 31, 2026, there were 2,508,683 Warrants that remained unexercised and outstanding.

On March 13, 2025, the Company entered into a Limited Consent (the "Limited Consent") to the Credit Agreement, with the lenders and administrative agent party thereto, pursuant to which the lenders consented to the delivery by the Company of the Company's audited consolidated financial statements for the fiscal year ended December 31, 2024 and a report of the Company's independent certified public accountants relating thereto that do not meet certain requirements of the Credit Agreement requiring, among other things, delivery of audited consolidated financial statements and a report thereon of the Company's independent certified public accountants that are unqualified as to going concern. As consideration for the Limited Consent, the Company paid an aggregate of \$1,000 in cash to the lenders party to the Limited Consent.

On November 12, 2025, the Company repaid in full the outstanding principal amount under the Term Loan, or approximately \$31,801, as well as \$480 of accrued interest and \$4,452 of prepayment premiums in accordance with the terms of the Term Loan.

During the year ended December 31, 2025, the Company repaid a total amount of \$41,176 on amounts outstanding under the Term Loan. As of December 31, 2025, the amount outstanding under the Term Loan was \$0.

For the three months ended March 31, 2026 and 2025, interest expense related to the Term Loan, including amortization of initial discounts and issuance costs, was \$0 and \$2,475, respectively.

Convertible Senior Notes

In November 2021, the Company issued, at par value, \$201,250 aggregate principal amount of 1.75% convertible senior notes due 2026 (the "Convertible Notes"). The issuance included the full exercise of an option granted by the Company to the initial purchasers of the Convertible Notes to purchase an additional \$26,250 aggregate principal amount of Convertible Notes. The Convertible Notes were issued pursuant to and are subject to the terms and conditions of an indenture, which is referred to as the Indenture, between the Company and U.S. Bank National Association, as trustee. The Convertible Notes were offered and sold in a private offering to qualified institutional buyers pursuant to Rule 144A under the Securities Act of 1933, as amended. In December 2022, the Company repurchased \$60,000 aggregate principal amount of the Convertible Notes at approximately 65% of par (the "2022 Repurchase Transaction"). In December 2023, the Company repurchased \$50,000 aggregate principal amount of the Convertible Notes at approximately 75% of par (the "2023 Repurchase Transaction").

In November 2025, the Company repurchased \$45,670 of its Convertible Notes from a limited number of holders in privately negotiated transactions for an aggregate purchase price of \$39,049, which included \$393 of accrued interest, plus 625,000 shares of common stock with a fair value of \$3,162 awarded to the shareholders. For accounting purposes, pursuant to ASC 470, these transactions were accounted for as an extinguishment of the Convertible Notes. The Company recognized a gain of \$3,589 on the restructuring offset by \$2,100 in third-party fees for a net gain of \$1,448. As the Company was deemed to be experiencing financial difficulty and received a concession attributed to the pay down, the Company recorded a gain on troubled debt restructuring in accordance with ASC 470-60, *Troubled Debt Restructuring by Debtors* within the Company's consolidated statement of loss during the fourth quarter of 2025.

As of March 31, 2026, the Company has \$45,580 in aggregate principal amount of the Convertible Notes outstanding and unamortized debt issuance costs of \$188.

The Convertible Notes are senior, unsecured obligations of the Company and bear interest at a rate of 1.75% per year. Interest accrues from November 19, 2021 and is payable semi-annually in arrears on May 15 and November 15 of each year, beginning on May 15, 2022. The Convertible Notes will mature on November 15, 2026, unless earlier converted, redeemed, or repurchased in accordance with the terms of the Convertible Notes.

Holders of the Convertible Notes may convert all or any portion of their Convertible Notes at their option at any time prior to the close of business on the business day immediately preceding May 15, 2026, only under the following conditions: (1) during any calendar quarter commencing after the calendar quarter ending on March 31, 2022 (and only during such calendar quarter), if the last reported sale price of the Company's common stock for at least 20 trading days (whether or not consecutive) during a period of 30 consecutive trading days ending on, and including, the last trading day of the immediately preceding calendar quarter is greater than or equal to 130% of the conversion price on each applicable trading day; (2) during the five business day period after any five consecutive trading day period (the "measurement period") in which the trading price per \$1,000 principal amount of Convertible Notes for each trading day of the measurement period was less than 98% of the product of the last reported sale price of the Company's common stock and the conversion rate for the Convertible Notes on each such trading day; (3) if the Company calls such Convertible Notes for redemption, at any time prior to the close of business on the second scheduled trading day immediately preceding the applicable redemption date; or (4) upon the occurrence of specified corporate events. On or after May 15, 2026, holders may convert all or any portion of their Convertible Notes at any time prior to the close of business on the second scheduled trading day immediately preceding the maturity date regardless of the foregoing conditions. Upon conversion, the Company will pay or deliver, as the case may be, cash, shares of its common stock or a combination of cash and shares of its common stock, at the Company's election.

The conversion rate for the Convertible Notes initially is 27.2068 shares of the Company's common stock per \$1,000 principal amount of Convertible Notes (equivalent to an initial conversion price of approximately \$36.76 per share of common stock). The conversion rate is subject to adjustment in some events but will not be adjusted for any accrued and unpaid interest. In addition, following certain corporate events that occur prior to the maturity date or following the Company's issuance of a notice of redemption, the Company will, in certain circumstances, increase the conversion rate for a holder who elects to convert its Convertible Notes in connection with such a corporate event or who elects to convert its Convertible Notes called (or deemed called) for redemption during the related redemption period, as the case may be.

The Company may redeem for cash all or any portion of the Convertible Notes (subject to certain limitations), at its option, on or after November 20, 2024 if the last reported sale price of the Company's common stock has been at least 130% of the conversion price then in effect for at least 20 trading days (whether or not consecutive) during any 30 consecutive trading day period (including the last trading day of such period) ending on, and including, the trading day immediately preceding the date on which the Company provides notice of redemption at a redemption price equal to 100% of the principal amount of the Convertible Notes to be redeemed, plus accrued and unpaid interest to, but excluding, the redemption date. No sinking fund is provided for the Convertible Notes.

If the Company undergoes a fundamental change prior to the maturity date, subject to certain conditions, holders may require the Company to repurchase for cash all or any portion of their Convertible Notes. The fundamental change repurchase price will be equal to 100% of the principal amount of the Convertible Notes to be repurchased, plus accrued and unpaid interest to, but excluding, the fundamental change repurchase date.

The Convertible Notes are the Company's senior unsecured obligations and rank senior in right of payment to all of the Company's indebtedness that is expressly subordinated in right of payment to the Convertible Notes; equal in right of payment with all existing and future liabilities of the Company that are not so subordinated; effectively junior to any of secured indebtedness of the Company to the extent of the value of the assets securing such indebtedness; and structurally junior to all indebtedness and other liabilities (including trade payables) and any preferred equity of the Company's current or future subsidiaries.

The net proceeds from the issuance of the Convertible Notes were approximately \$194,945, after deducting debt issuance costs. The total debt issuance costs incurred and recorded by the Company amounted to \$6,304, which were recorded as a reduction to the face amount of the Convertible Notes and are being amortized to interest expense using the effective interest method over the contractual term of the Convertible Notes. The Convertible Notes are recorded as a liability within convertible senior notes, non-current.

Interest expense related to the Convertible Notes, including amortization of issuance costs, was \$349 and \$545 for the three months ended March 31, 2026 and 2025, respectively. The effective interest rate for the three months ended March 31, 2026 and 2025 was approximately 2.42%. As of March 31, 2026, the if-converted value of the Convertible Notes did not exceed the outstanding principal amount. As of March 31, 2026, the total estimated fair value of the Convertible Notes was \$44,270, which was determined based on a market approach using actual bids and offers of the Convertible Notes in an over-the-counter market during the period. The Company considers these assumptions to be Level 2 inputs in accordance with the fair value hierarchy described in Note 5, *Fair Value Measurements*.

Capped Calls

In connection with the pricing of the Convertible Notes and subsequent exercise by the initial purchasers of their option to purchase additional Convertible Notes, each in November 2021, the Company used approximately \$18,616 of the net proceeds from the issuance of the Convertible Notes to enter into privately negotiated capped call transactions, which are referred to as the capped calls, with various financial institutions.

The capped call transactions cover, subject to anti-dilution adjustments substantially similar to those applicable to the Convertible Notes, the number of shares of the Company's common stock underlying the Convertible Notes. The capped call transactions are expected generally to reduce the potential dilution to the Company's common stock upon conversion of the Convertible Notes and/or offset some or all of any cash payments the Company is required to make in excess of the principal amount of converted Convertible Notes, as the case may be, in the event that the market price per share of the Company's common stock, as measured under the terms of the capped call transactions, is greater than the strike price of the capped call transactions, which initially corresponds to the conversion price of the Convertible Notes and is subject to anti-dilution adjustments substantially similar to those applicable to the conversion rate of the Convertible Notes. If, however, the market price per share of the Company's common stock, as measured under the terms of the capped call transactions, exceeds the cap price of the capped call transactions, there would nevertheless be dilution and/or there would not be an offset of such potential cash payments, in each case, to the extent that such market price exceeds the cap price of the capped call transactions. The initial cap price of the capped calls is \$48.55 per share of common stock, which represents a premium of 75% over the last reported sale price of the Company's common stock of \$27.74 per share on November 16, 2021, and is subject to certain customary adjustments under the terms of the capped calls; provided that the cap price will not be reduced to an amount less than the strike price of \$35.76 per share.

The capped call transactions are separate transactions and are not part of the terms of the Convertible Notes. The capped calls met the criteria for classification as equity and, as such, are not remeasured each reporting period and are included as a reduction to additional paid-in-capital within stockholders' equity.

In connection with the 2025 repurchase of the Convertible Notes, the Company entered into transactions to unwind a portion of the capped calls. The Company did not receive any proceeds from the unwinding of the capped calls in 2025.

4. Loss Per Share

The shares of common stock into which both the January 2025 Pre-Funded Warrants and June 2025 Pre-Funded Warrants (See Note 9, *Stockholders' Equity*) may be exercised are considered outstanding from the date of issuance of the January 2025 Pre-Funded Warrants and June 2025 Pre-Funded Warrants for the purposes of computing basic loss per share because the shares may be issued for little or no consideration and because the January 2025 Pre-Funded Warrants and June 2025 Pre-Funded Warrants were fully vested and immediately exercisable upon issuance.

The following participating securities have been excluded from the computation of diluted loss per share for the periods presented because including them would have been anti-dilutive:

	Three Months Ended	
	March 31, 2026	March 31, 2025
Stock options and restricted stock units issued and outstanding	10,923	10,070
Warrants to purchase common stock	2,655	3,655
Common stock issuable in connection with convertible senior notes	1,240	2,483
Total	14,818	16,208

5. Fair Value Measurements

The Company applies the provisions of FASB ASC Topic 820, Fair Value Measurement ("ASC 820"), for its financial and non-financial assets and liabilities. ASC 820 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. ASC 820 establishes a fair value hierarchy, which prioritizes the inputs used in measuring fair value into three broad levels as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the reporting entity can access at the measurement date.
- Level 2 inputs include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability, and inputs that are derived principally from or corroborated by observable market data by correlation or other means.
- Level 3 inputs are unobservable inputs for the asset or liability.

Cash and Cash Equivalents

The Company considers all highly liquid investments purchased with a maturity of three months or less to be cash equivalents. Cash and cash equivalents are comprised primarily of domestic and foreign bank accounts and money market funds. These cash and cash equivalents are valued based on Level 1 inputs which consist of quoted prices in active markets. To reduce its credit risk, the Company monitors the credit standing of the financial institutions that hold the Company's cash and cash equivalents. As of March 31, 2026 and December 31, 2025, the Company's cash and cash equivalents approximated their estimated fair value. As such, there are no unrealized gains or losses related to the Company's cash and cash equivalents.

Investments

The Company holds a strategic investment in a technology company that was determined to not have a readily determinable fair value. This investment is carried at a cost of \$2,970 on the Company's condensed consolidated balance sheets within other assets as of March 31, 2026 and December 31, 2025 and is categorized as Level 3 within the fair value hierarchy.

Because these investments do not have readily determinable fair values, the Company has elected to measure these investments under ASC 321, *Investments—Equity Securities*, at cost minus impairments, if any, plus or minus changes resulting from observable price changes in orderly transactions for identical or similar investments. No impairment was recorded for the three months ended March 31, 2026 and 2025. The Company re-measures its investments if there is an observable transaction in a class of security similar to the Company's investments and there were no such re-measurements for the three months ended March 31, 2026 and 2025.

6. Goodwill and Other Intangible Assets

Goodwill

Goodwill recorded in connection with the Company's acquisitions is primarily attributable to the assembled workforce and anticipated operational synergies. There were no additions to, or impairments of, goodwill during the three months ended March 31, 2026 and 2025.

The Company has only one reporting unit and evaluates goodwill for impairment at the single reporting unit level.

The following table displays the changes in the carrying amount of goodwill:

Balance at December 31, 2025	\$	54,256
Foreign currency translation		(281)
Balance at March 31, 2026	\$	<u>53,975</u>

Intangible Assets

The gross carrying amounts and accumulated amortization of the Company's finite-lived intangible assets as of March 31, 2026 and December 31, 2025 were as follows:

	March 31, 2026		
	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Developed technology	\$ 44,340	\$ (41,140)	\$ 3,200
Customer relationships	99,689	(69,088)	30,601
Trademarks and trade names	2,300	(2,038)	262
Total finite-lived intangible assets	<u>\$ 146,329</u>	<u>\$ (112,266)</u>	<u>\$ 34,063</u>

	December 31, 2025		
	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Developed technology	\$ 44,684	\$ (40,555)	\$ 4,129
Customer relationships	99,225	(65,122)	34,103
Trademarks and trade names	2,300	(1,893)	407
Total finite-lived intangible assets	<u>\$ 146,209</u>	<u>\$ (107,570)</u>	<u>\$ 38,639</u>

Amortization expense related to developed technology, customer relationships, and trademarks and trade names is recorded in depreciation and amortization within the Company's consolidated statements of operations. Amortization expense of finite-lived intangible assets was \$4,416 and \$5,947 for the three months ended March 31, 2026 and 2025, respectively.

The following table presents future amortization of the Company's finite-lived intangible assets as of March 31, 2026:

	Amount
2026 (remainder of the year)	\$ 12,592
2027	13,541
2028	7,870
2029	20
2030	20
Thereafter	20
Total	<u>\$ 34,063</u>

7. Consolidated Financial Statement Details

Consolidated Balance Sheets Details

Cash and Cash Equivalents

As of March 31, 2026 and December 31, 2025, the Company had cash and cash equivalents of \$15,087 and \$27,426.

Accounts Receivable, Net and Allowance for Credit Losses

Accounts receivable consisted of the following:

	As of	
	March 31, 2026	December 31, 2025
Accounts receivable - Managed Services (1)	\$ 11,113	\$ 13,600
Accounts receivable - Software Products and Services	17,486	24,996
	28,599	38,596
Less: allowance for expected credit losses	(1,882)	(1,828)
Accounts receivable, net	<u>\$ 26,717</u>	<u>\$ 36,768</u>

Accounts receivable - Managed Services reflects the amounts due from the Company's licensing and representation customers.

Prepaid Expenses and Other Current Assets

Prepaid expenses and other current assets consisted of the following:

	March 31, 2026	December 31, 2025
Prepaid expenses	\$ 4,518	\$ 5,383
Indemnification escrow holdback	1,500	1,500
Other receivables	78	121
Trade credits	1,539	1,557
Other current assets	1,015	1,159
Prepaid expenses and other current assets	<u>\$ 8,650</u>	<u>\$ 9,720</u>

Property, Equipment and Improvements, Net

Property, equipment and improvements, net consisted of the following:

	As of	
	March 31, 2026	December 31, 2025
Property and equipment	\$ 3,768	\$ 3,738
Internal use software development costs	16,628	16,533
Leasehold improvements	464	464
	20,860	20,735
Less: accumulated depreciation	(11,720)	(11,153)
Property, equipment and improvements, net	<u>\$ 9,140</u>	<u>\$ 9,582</u>

Depreciation expense was \$1,362 and \$1,001 for the three months ended March 31, 2026 and 2025, respectively.

The Company's property, equipment and improvements, net by geographic area are as follows:

	As of	
	March 31, 2026	December 31, 2025
United States	\$ 5,843	\$ 6,059
United Kingdom	3,103	3,333
Others	194	190
Total property, equipment and improvements, net	<u>\$ 9,140</u>	<u>\$ 9,582</u>

Other Assets

Other assets consisted of the following:

	March 31, 2026	December 31, 2025
Investments	2,970	2,970
Deferred tax assets	836	835
Operating lease right-of-use assets	1,623	1,794
Trade credits	1,853	—
Other	1	1
Other assets	<u>\$ 7,283</u>	<u>\$ 5,600</u>

Accrued Expenses and Other Current Liabilities

Accrued expenses and other current liabilities consisted of the following:

	March 31, 2026	December 31, 2025
Accrued compensation	\$ 3,959	\$ 4,288
Taxes payable	2,647	3,760
Current portion of operating lease liabilities	529	620
Royalties payable	7,105	7,246
Accrued trade payables	10,489	12,272
Accrued expenses and other current liabilities	<u>\$ 24,729</u>	<u>\$ 28,186</u>

Other Non-Current Liabilities

Other non-current liabilities consisted of the following:

	As of	
	March 31, 2026	December 31, 2025
Deferred tax liability	\$ 3,327	\$ 4,111
Income taxes payable	2,633	2,499
Operating lease liability, net of current portion	1,195	1,285
Deferred revenue	250	—
Unclaimed escrow liability	2,481	2,481
Other	50	—
Other non-current liabilities	<u>\$ 9,936</u>	<u>\$ 10,376</u>

Contract Liabilities

Contract liabilities consist of deferred revenue. Deferred revenue represents billings under non-cancelable contracts before the related product or service is transferred to the customer. The portion of deferred revenue that is anticipated to be recognized as revenue during the succeeding twelve-month period is recorded as deferred revenue within the Company's condensed consolidated balance sheets. Deferred revenue was comprised of the following:

	Deferred Revenue	
Balance as of December 31, 2025	\$	12,290
Less: revenue recognized		(7,992)
Additions to deferred revenue		9,145
Balance as of March 31, 2026		13,443

Consolidated Statements of Operations and Comprehensive Loss Details

Revenue

The Company serves two customer groups: (1) Commercial Enterprise, which today consists of customers in the commercial sector, including media and entertainment customers, representation customers and Veritone Hire solutions customers (inclusive of Broadbean customers); and (2) Public Sector, which consists of customers in the public sector industries, including state, local and federal government, legal, and compliance customers.

Software Products & Services consists of revenue generated from the Company's aiWARE platform, including its Veritone Data Refinery ("VDR") product, and our Talent Acquisition solutions, any related support and maintenance services, and any related professional services associated with the deployment and/or implementation of such solutions.

Managed Services consists of revenues generated from content licensing customers, representation services, and, to a lesser extent, from advertising customers and related services.

The table below illustrates the presentation of our revenues based on the above definitions:

	March 31, 2026	March 31, 2025
Software Products & Services	\$ 13,815	\$ 14,483
Managed Services:		
Representation Services	1,976	2,771
Licensing	4,468	5,209
Total Managed Services	6,444	7,980
Total revenue	<u>\$ 20,259</u>	<u>\$ 22,463</u>

Other Expense (Income), Net

The \$520 of other expense, net for the three months ended March 31, 2026 primarily consisted of foreign currency impact.

The \$4,061 of other (income), net for the three months ended March 31, 2025 consisted of a \$3,654 gain on revaluation of the Veritone One earnout receivable and a \$407 foreign currency impact.

Provision for Income Taxes

In accordance with ASC 740-270, *Income Taxes*, the provision or benefit from income taxes for interim periods is determined using an estimate of the Company's annual effective tax rate, adjusted for discrete items, if any, that are taken into account in the relevant period. Each quarter, the Company updates the estimate of the annual effective tax rate, and if the estimated tax rate changes, the Company records a cumulative adjustment. A separate estimated annual effective tax rate is applied for jurisdictions where an entity anticipates an ordinary loss or has an ordinary loss for the year to date for which no tax benefit can be recognized.

The Company's effective tax rate was a benefit of 3.0% and 1.6% for the three months ended March 31, 2026 and 2025, respectively. The difference between the effective tax rate and the U.S. federal statutory rate of 21% is primarily due to a valuation allowance established on the Company's domestic federal and state net deferred tax assets, as well as the impact of foreign operations subject to tax in foreign jurisdictions. The change in the effective tax rates for the three months ended March 31, 2026 as compared to the comparable prior year period is primarily due to the impact of taxes on foreign operations and valuation allowances against domestic net deferred tax assets.

As of March 31, 2026 and December 31, 2025, the Company had deferred tax assets of \$836 and \$835, respectively, and deferred tax liabilities of \$3,327 and \$4,111, respectively, which are included in other assets and other non-current liabilities, respectively, within the Company's condensed consolidated balance sheets. As of March 31, 2026, the Company continues to provide a valuation allowance against deferred tax assets that are not expected to be realizable. The Company continues to evaluate the realizability of deferred tax assets and the related valuation allowance. If the Company's assessment of the deferred tax assets or the corresponding valuation allowance were to change, the Company would record the related adjustment to income during the period in which the determination is made.

The Company is subject to taxation in the United States, Israel, the United Kingdom, France, and Australia. The United States, Israel, and the United Kingdom comprise the majority of the Company's operations. In general, the U.S. federal statute of limitations is three years. However, the Internal Revenue Service may still adjust a tax loss or credit carryover in the year the tax loss or credit carryover is utilized. As such, the Company's U.S. federal tax returns and state tax returns are open for examination since inception. The Israeli statute of limitations period is generally four years commencing at the end of the year in which the return was filed. The Company's 2023 U.S. Federal tax return is currently under examination.

On July 4, 2025, the U.S. enacted H.R. 1 "A bill to provide for reconciliation pursuant to Title II of H. Con. Res. 14", commonly referred to as the One Big Beautiful Bill Act ("OBBBA"). The OBBBA contains significant provisions, including the permanent extension or restoration of certain expiring corporate income tax provisions, originally introduced by the Tax Cuts and Jobs Act of 2017, and incremental modifications to the international framework. The legislation has multiple effective dates, with certain provisions effective for the tax year beginning after December 31, 2024, and others effective for tax years beginning after December 31, 2025. Veritone has evaluated the OBBBA provisions enacted during the quarter and has included the related impact in the provision for income taxes for the three months ended March 31, 2026, which was not material.

8. Leases, Commitments, and Contingencies

Leases

In January 2025, the Company entered into a non-cancellable agreement to lease office space in London to replace its existing office space. The base rent is approximately \$2,622, translated at the March 31, 2026 spot rate, in the aggregate over the original lease term of 71 months from the commencement date.

Deferred Purchase Consideration

In connection with its acquisition of an influencer-based management company in March 2022, the Company committed to make deferred purchase consideration payments totaling \$3,500 contingent upon recipient's continued employment through December 31, 2025. The first payment of \$1,000 was made in the first quarter of 2024, the second payment of \$1,000 was made in the first quarter of 2025, and the final payment of \$1,500 was made in the first quarter of 2026.

Legal and Other Contingencies

From time to time, the Company may be involved in litigation relating to claims arising out of its operations in the normal course of business. The Company currently is not a party to any legal proceedings, the adverse outcome of which, in management's opinion, individually or in the aggregate, would have a material adverse effect on the Company's results of operations, financial position or cash flows.

In December 2024, the Company received \$2,500 in unclaimed funds associated with the PandoLogic acquisition from its escrow agent. Based on the jurisdiction of the potential future claims and underlying statute of limitations, the Company has recognized the unclaimed funds as part of other non-current liabilities within its consolidated balance sheets, which amounted to \$2,481 and \$2,500 as of March 31, 2026 and December 31, 2025, respectively, and will continue to evaluate the merit of such claims.

9. Stockholders' Equity

January 2025 Registered Direct Offering

On January 2, 2025, the Company issued and sold an aggregate of 4,414,878 shares of common stock at a price of \$2.53 per share and pre-funded warrants to purchase up to 3,608,838 shares of common stock at a price of \$2.52 per pre-funded warrant (the "January 2025 Pre-Funded Warrants"), with an exercise price of \$0.01, in a registered direct offering with Esousa Group Holdings, LLC. The aggregate net proceeds were approximately \$19,947, after deducting offering expenses.

The January 2025 Pre-Funded Warrants generally cannot be exercised if the holder's aggregate beneficial ownership would be more than 9.99% of the total issued and outstanding shares of the Company's common stock following such exercise. The exercise price and number of shares of common stock issuable upon the exercise of the January 2025 Pre-Funded Warrants are subject to adjustment in the event of any stock dividends and splits, reverse stock split, recapitalization, reorganization or similar transaction, as described in the warrant agreement.

The January 2025 Pre-Funded Warrants were evaluated pursuant to ASC 480, Distinguishing Liabilities from Equity, and ASC 815, Derivatives and Hedging. The Company classified the January 2025 Pre-Funded Warrants as a component of stockholders' equity within additional paid-in capital and recorded them at fair value on the issuance date, which approximated their sales price. The January 2025 Pre-Funded Warrants were equity classified because they were freestanding financial instruments that are legally detachable and separately exercisable, were immediately exercisable, did not embody an obligation for the Company to repurchase its common shares, permitted the holders to receive a fixed number of common shares upon exercise, were indexed to the Company's common shares and met the equity classification criteria.

On October 17, 2025, the January 2025 Pre-Funded Warrants were exercised in full, and as of December 31, 2025, no Pre-Funded Warrants remained outstanding.

At the Market Program

On November 19, 2024, the Company entered into a sales agreement (the "Sales Agreement") with Needham & Company, LLC and H.C. Wainwright & Co., LLC (the "Sales Agents"), to establish an "at-the-market" equity offering program (the "ATM Program"), pursuant to which the Company may offer and sell shares of its common stock having an aggregate offering price of up to \$35,000 from time to time through the Sales Agents. Sales under the Sales Agreement were conducted as "at-the-market" equity offerings as defined in Rule 415(a)(4) under the Securities Act, including sales made directly on The Nasdaq Global Market or other trading markets for the Company's common stock. The issuance and sale of shares was made pursuant to the Company's registration statement on Form S-3 (File No. 333-280148), which became effective on June 21, 2024, and the related prospectus supplement filed with the SEC on November 19, 2024. From inception through October 2025, the Company received \$33,507 in net proceeds from sales of 11,740,454 shares of its common stock pursuant to the ATM Program. The ATM Program was completed and terminated in October 2025.

10. Stock-Based Compensation

The Company has stock-based compensation plans, which are more fully described in Note 12, *Stock-Based Compensation*, to the Consolidated Financial Statements included in the 2025 10-K. During the three months ended March 31, 2026, the Company granted restricted stock units ("RSUs") subject to service conditions, RSUs subject to service and performance conditions, and RSUs subject to service and market conditions.

Stock Options

The following table summarizes the activities for all stock options under the Company's stock-based compensation plans for the three months ended March 31, 2026:

	Number of Options Outstanding	Weighted-Average Exercise Price	Weighted-Average Remaining Contractual Term	Aggregate Intrinsic Value(1)
Outstanding as of December 31, 2025(2)	7,958	\$ 13.08	3.20 years	\$ 424
Granted	—	\$ —		
Exercised	(10)	\$ 2.68		
Forfeited or expired(3)	(35)	\$ 5.90		
Outstanding as of March 31, 2026(2)	<u>7,913</u>	<u>\$ 13.12</u>	2.95 years	\$ —
Exercisable as of March 31, 2026(4)	<u>7,887</u>	<u>\$ 13.15</u>	2.93 years	\$ —
Vested and expected to vest as of March 31, 2026(5)	<u>7,913</u>	<u>\$ 13.12</u>	2.95 years	\$ —

(1) The intrinsic value is the amount by which the current market value of the underlying stock exceeds the exercise price of the stock awards.

(2) Includes 3,528 and 3,530 performance condition stock options as of March 31, 2026 and December 31, 2025, respectively.

(3) Includes 2 performance condition stock options.

(4) Includes 3,528 performance condition stock options.

(5) Includes 3,528 performance condition stock options.

There were no stock options granted during the three months ended March 31, 2026 and 2025. The total intrinsic value of stock options exercised during the three months ended March 31, 2026 and 2025 was immaterial.

As of March 31, 2026, the total unrecognized compensation cost related to all nonvested stock options was \$96 and the related weighted-average period over which it is expected to be recognized was approximately 0.98 years.

Restricted Stock Units

The following table summarizes the activities for all RSUs under the Company's stock-based compensation plans for the three months ended March 31, 2026:

	Number of Shares	Weighted-Average Grant Date Fair Value Per Share
Outstanding as of December 31, 2025(1)	2,316	\$ 3.69
Granted(2)	1,302	\$ 3.36
Vested	(378)	\$ 4.96
Forfeited(3)	(230)	\$ 3.36
Outstanding as of March 31, 2026(1)	<u>3,010</u>	<u>\$ 3.42</u>

(1) Includes 742 and 323 performance condition RSUs as of March 31, 2026 and December 31, 2025, respectively.

(2) Includes 580 performance condition RSUs.

(3) Includes 161 performance condition RSUs.

The total vesting date fair value of RSUs which vested during the three months ended March 31, 2026 and 2025 was \$837 and \$729, respectively.

As of March 31, 2026, the total unrecognized compensation cost related to all nonvested RSUs was \$7,536 and the related weighted-average period over which it is expected to be recognized was approximately 1.98 years.

Stock-Based Compensation Expense

The following table provides information about stock-based compensation expense by award type:

	Three Months Ended	
	March 31, 2026	March 31, 2025
Stock options	\$ —	\$ 334
Restricted stock units	789	1,026
Employee stock purchase plan	402	383
Total stock-based compensation expense	<u>\$ 1,191</u>	<u>\$ 1,743</u>

The following table provides information about stock-based compensation expense by financial statement line item:

	Three Months Ended	
	March 31, 2026	March 31, 2025
Cost of revenue (exclusive of depreciation and amortization)	\$ —	\$ —
Sales and marketing	217	264
Research and development	255	318
General and administrative	719	1,161
Total stock-based compensation expense	<u>\$ 1,191</u>	<u>\$ 1,743</u>

Stock-based compensation expense capitalized as part of internal-use software was \$46 and \$57 for the three months ended March 31, 2026 and 2025, respectively.

11. Related Party Transactions

Steel Holdings Consulting Agreement

On January 4, 2023, the Company entered into a consulting agreement with Steel Holdings, LLC effective January 1, 2023 (the “Steel Holdings Consulting Agreement”). Steel Holdings, LLC is an entity affiliated with Chad Steelberg, formerly a member of the Board, as well as the Company’s former Chairman of the Board and former Chief Executive Officer. Under the Steel Holdings Consulting Agreement, the Company retained Mr. Steelberg as a consultant to provide ongoing Chief Executive Officer transition services and to manage and oversee the further development of the Company’s aiWARE platform.

In January 2024, the Company entered into an amended and restated independent contractor services agreement with Steel Holdings, LLC (the “Amended Consulting Agreement”), which superseded and replaced the Steel Holdings Consulting Agreement. Pursuant to the Amended Consulting Agreement, Mr. Steelberg will provide technical advisory services related to the Company’s software, software architecture and technology strategy as requested by the Company’s Chief Executive Officer until December 31, 2025, the termination date of the Amended Consulting Agreement. In consideration for such services, the Company paid Steel Holdings, LLC \$1,000 in cash on July 1, 2024 and agreed to pay Steel Holdings, LLC \$50 per month in cash for the period from January 2024 through December 2025. The Company reimbursed Steel Holdings, LLC for reasonable and documented expenses incurred in connection with providing the services in accordance with the Company’s standard travel and expense policies.

The Amended Consulting Agreement expired by its terms on December 31, 2025.

In January 2026, following the termination of the Amended Consulting Agreement, the Company entered into a new independent contractor services agreement with Steel Holdings, LLC (the “2026 Consulting Agreement”). Pursuant to the 2026 Consulting Agreement, Mr. Steelberg will provide technical advisory services related to the Company’s software and services, including strategic government sales and business development services, identification and pursuit of prospective customers, partners, and revenue opportunities, and supporting the Company’s go-to-market execution, as requested by the Company’s Chief Executive Officer until December 31, 2026, the termination date of the 2026 Consulting Agreement. In consideration for such services, the Company will pay to Steel Holdings, LLC \$12,500 per month in cash for the period from January 2026 through December 2026. The Company will reimburse Steel Holdings, LLC for reasonable and documented expenses incurred in connection with providing the services in accordance with the Company’s standard travel and expense policies.

The 2026 Consulting Agreement may be terminated by either party with 90 days’ notice. If the Company terminates the 2026 Consulting Agreement for any reason other than Steel Holdings, LLC’s material breach, then any remaining compensation payments under the 2026 Consulting Agreement will become due and payable.

Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations

The following discussion and analysis of our financial condition and results of operations should be read together with and is qualified in its entirety by reference to the condensed consolidated financial statements and related notes that are included elsewhere in this Quarterly Report on Form 10-Q. This discussion contains forward-looking statements based upon current expectations that involve risks and uncertainties. Our actual results may differ materially from those anticipated in these forward-looking statements as a result of various factors, including those discussed under “Risk Factors,” set forth in Part I, Item 1A of our Annual Report on Form 10-K for the year ended December 31, 2025, and any updates thereto set forth in this Quarterly Report on Form 10-Q and our other filings with the SEC, including future SEC filings. See “Cautionary Note Regarding Forward-Looking Statements.”

Overview

Veritone, Inc., collectively with our subsidiaries, referred to as “Veritone,” “Company,” “we,” “our,” and “us,” is a provider of artificial intelligence (“AI”) computing solutions. We are driven by the belief that AI is key to building a safer, more efficient, transparent and empowered society. Our mission is to be an active contributor to making the world better through AI. As creators of one of the world’s first AI operating systems, we are augmenting the human workforce by transforming use-case concepts into tangible, industry-leading applications and solutions.

Our proprietary AI operating system, aiWARE™, uses machine learning algorithms, or AI models, together with a suite of powerful applications, to reveal valuable insights from vast amounts of structured and unstructured data. aiWARE serves as the foundation for our AI solutions and bespoke applications and offers access to hundreds of cognitive categories through one common software infrastructure. Highly modular and customizable, aiWARE enables expansive scale with the flexibility to deploy in the cloud, at the edge or in hybrid environments. Our aiWARE platform offers capabilities that are designed to mimic human cognitive functions such as perception, prediction and problem solving, enabling users to quickly, efficiently and cost effectively transform unstructured data into structured data, and analyze and optimize data to drive business processes and insights. aiWARE is based on an open architecture that enables new AI models, applications and workflows to be added quickly and efficiently, resulting in a scalable and evolving solution that can be leveraged by organizations across a range of industries.

We also offer cloud-native digital content management solutions and content licensing and representation services. These offerings leverage our aiWARE technologies, providing customers with unique capabilities to enrich and drive expanded revenue opportunities from their content.

We generate revenue primarily through the delivery of our Software Products & Services (as defined below) across our Commercial Enterprise (“Commercial Enterprise”) and Public Sector (“Public Sector”) divisions, and secondarily from Managed Services (as defined below) that today include the delivery of content licensing, influencer management and related services within Commercial Enterprise.

- “Software Products & Services” consists of revenues generated from Commercial Enterprise and Public Sector customers using our aiWARE platform and hiring solutions, any related support and maintenance services, and any related professional services associated with the deployment and/or implementation of such solutions.
- “Managed Services” consists of revenues generated from Commercial Enterprise customers using our content licensing services, representation and related services.

Our presence is primarily in the United States, the United Kingdom, France, Australia, Israel and India.

During the three months ended March 31, 2026 and 2025, we generated revenue of \$20.3 million and \$22.5 million, respectively. Software Products & Services revenue was \$13.8 million and \$14.5 million during the three months ended March 31, 2026 and 2025, respectively. Managed Services revenue was \$6.4 million and \$8.0 million during the three months ended March 31, 2026 and 2025, respectively. During the three months ended March 31, 2026 and 2025, no customer represented more than 10% of our consolidated revenue.

Opportunities, Challenges, and Risks

We are a leader in AI-based Software Products & Services. Our proprietary AI operating system, aiWARE, uses machine learning algorithms, or AI models, together with a suite of powerful applications, to reveal valuable insights from vast amounts of structured and unstructured data. Historically, we have derived a large portion of our Software Product & Services revenue from applications we internally developed from our aiWARE platform and actively sold across various customers. Beginning in mid-fiscal year 2022, macroeconomic and geopolitical factors, including lingering economic disruption caused by international conflicts, financial instability, inflation and the responses by central banking authorities to control inflation, monetary supply shifts, high interest rates, the imposition of tariffs, trade tensions, and global trade disputes, and the threat of recession in the United States and around the world on our business and our existing and potential customers, negatively impacted parts of our consumption-based operations and financial results. For example, business operations at our Israel office location where we perform development work on our Talent Acquisition solutions, have been, and may continue to be, impacted by the conflicts in the Middle East. In addition, our Talent Acquisition solutions are sold to businesses whose financial conditions fluctuate based on general economic and business conditions, particularly the overall demand for labor and the economic health of current and prospective employers. While these economic and geopolitical factors persisted throughout 2025 and into the first quarter of 2026, including instability caused by tariffs and higher energy costs, our Software Products & Services revenue of \$65.8 million for the year ended December 31, 2025 increased 7.8% as compared to 2024.

Beginning in 2023, we enacted significant cost reductions. From January 2023 to June 2025, we announced plans to reduce costs through the optimization of our operational structure, the cumulative result of which was a reduction in our global workforce of approximately 30% over this period. As of March 31, 2026, we have achieved an aggregate of over \$50.0 million of net annualized strategic cost reductions since January 1, 2023 as a result of our organizational restructuring and realignment efforts. In May 2026, we announced plans to further reduce our operating cost structure by up to 30%, in part to reinvest in areas required for growth and to realize synergies from operations, including from the adoption of AI-based agents and tools across the organization. We expect to begin executing this cost reduction plan by no later than the end of the third quarter of 2026. Until such cost reduction actions are initiated, we plan to keep our operating expenses relatively flat as compared to fiscal year 2025, which will be driven in part by planned cost reductions across our operating structure, offset by planned increases in our research and development operating expenses, largely to support efforts around near-and long-term revenue growth in VDR and the Public Sector.

As of March 31, 2026, our total Software Products & Services customers declined to 2,897, which was a decrease of 8.2% as compared to March 31, 2025. This change was largely driven by declining consumption-based customers across our Talent Acquisition solutions, the vast majority of which are smaller revenue-based customers. In addition, smaller hiring agency customers experienced a drop in hiring as a result of the challenging macroeconomic environment. Collectively, these contributed to the decrease in Software Products & Services customers, but did not have a significant impact on our financial results for the quarters ended March 31, 2026 and 2025. In the first half of 2026 and until we see an improved macroeconomic environment, we expect to experience a similar decline in smaller hiring agency customers across our Talent Acquisition solutions. To continue our effort to grow our customer base and overall revenue, we continue to invest aggressively in existing customers and acquiring new customers.

We believe our Software Products & Services will extend the capabilities of many third-party software platforms and products that are widely used today. For example, we believe that, when integrated with aiWARE, our Talent Acquisition customers will have greater visibility and transparency in their hiring processes. Further, with iDEMS and VDR products, we now offer a suite of aiWARE applications to address the growing problem of unstructured digital data management faced by commercial, public safety, and federal government sectors today. A substantial portion of our growth in 2025 came from our iDEMS and VDR solutions. In June 2025, we announced a partnership with the US Air Force Office of Special Investigations (“OSI”), an investigative division within the US Department of Defense (“DOD”). The partnership with OSI is in the early stages of deploying our iDEMS solutions across the investigative divisions within the DOD. Through March 2026, our VDR sales pipeline increased to over \$50.0 million, as compared to approximately \$20.0 million in August 2025 and \$40.0 million in October 2025. As of the first quarter of 2026, we are now under contract with the majority of leading hyperscalers for the deployment of our VDR solution. Our Public Sector pipeline is over \$200 million as of March 31, 2026, which we believe reflects accelerating demand for our AI-driven solutions and our reputation as a trusted technology partner to government agencies. See “About Our Sales Pipelines” below for more information. As a result, during the year ended December 31, 2025, our Software Products Services revenue, excluding our Talent Acquisition solutions, grew over 45% when compared to the same period in 2024 led principally by our iDEMS and VDR initiatives.

In March 2026, we announced a strategic relationship with Oracle, which we anticipate will initially provide substantial savings on our compute costs. The strategic relationship also includes cash-based incentives to be paid from Oracle to us over time to facilitate the future scale and growth in our AI platform, including VDR. In addition, we will be able to leverage Oracle’s high-performance AI superclusters, including the latest OCI Zettascale10 architecture, to power our aiWARE platform. This collaboration allows Veritone’s global customer base to use AI with the superior price-performance, security, and data sovereignty provided by Oracle’s distributed cloud, which we believe will open new markets for our products and accelerate our long-term revenue growth opportunities.

We believe our operating results and performance are, and will continue to be, driven by various factors that affect our industry. Our ability to attract, grow and retain customers for our aiWARE platform is highly sensitive to rapidly changing technology and is dependent on our ability to maintain the attractiveness of our platform, content and services to our customers. Our near-term growth opportunities across our Software Products & Services include VDR and the expansion of our iDEMS platform across our Public Sector. Our future revenue and operating growth will rely heavily on our ability to grow and retain our Software Products & Services customer base, continue to develop and deploy quality and innovative AI-driven applications and enterprise-level offerings, provide unique and attractive content and related services to our customers, continue to grow in newer markets such as Public Sector and our VDR opportunity, expand aiWARE into larger and more expansive enterprise engagements and manage our corporate overhead costs. While we believe we will be successful in these endeavors, we cannot guarantee that we will succeed in generating substantial long term operating growth and profitability.

Prior to 2024, we pursued an opportunistic strategy of acquiring companies to help accelerate our organic growth. Our acquisition strategy was threefold: (i) to increase the scale of our business in markets we serve, (ii) to accelerate growth in new markets and product categories, including expanding our existing engineering and sales resources, and (iii) to accelerate the adoption of aiWARE as the universal AI operating system through venture or market-driven opportunities. To accelerate and expand our growth opportunities in VDR and the Public Sector, we may pursue this strategy of acquiring companies in fiscal 2026 and beyond. While we believe there are strategic acquisition targets that can accelerate our entry into and expand our existing market share in key strategic markets, as well as our ability to grow our business, there is no certainty our historical or future acquisitions will achieve these objectives.

In the last few years, we have pursued and may continue to pursue opportunistic sales of certain business operations that are not part of our long-term strategy. For example, we divested our Veritone energy solutions group in the second quarter of 2023 and in October 2024, we divested our wholly-owned subsidiary, Veritone One, for a total purchase price of up to \$104.0 million. The decision to divest Veritone One was made to enhance our focus on our core business and growth initiatives, particularly in Software Products & Services. By divesting non-core assets, we aim to streamline operations, reduce complexity, and allocate resources more effectively toward areas that align with our long-term strategic goals. The divestiture of Veritone One has allowed us to concentrate on organic growth, enabling greater innovation, operational efficiency, and the ability to respond more swiftly to market opportunities within our primary business segments. We believe that a sharper focus on our core assets will drive sustainable growth and value creation for our shareholders moving forward.

For the three months ended March 31, 2026, our total revenues were \$20.3 million as compared to \$22.5 million for the three months ended March 31, 2025, a decrease of 9.8% over the prior-year period, driven by a decrease in Software Products & Services along with a decrease in Managed Services revenue due to lower revenue from representation services and licensing, in each case, compared to the prior year period. Our gross profit for the three months ended March 31, 2026 was \$12.4 million as compared to \$13.7 million for the three months ended March 31, 2025, a decrease of 9.4%, driven by a decrease in revenue compared to the prior year period. For the three months ended March 31, 2026, our non-GAAP gross profit (calculated as described in “Non-GAAP Financial Measures” below) decreased to \$13.7 million as compared to \$14.6 million for the three months ended March 31, 2025, driven by a decrease in revenue compared to the prior year period. Gross profit and non-GAAP gross profit are dependent upon our ability to grow our revenue by expanding our customer base and increasing business with existing customers, and to manage our costs by negotiating favorable economic terms with cloud computing providers such as AWS and Microsoft Azure. While we are focused on continuing to improve our gross profit and non-GAAP gross profit, our ability to attract and retain customers to grow our revenue will be highly dependent on our ability to implement and continually improve upon our technology and services and improve our technology infrastructure and operations as we experience increased network capacity constraints due to our growth.

During the three months ended March 31, 2026, we reported a net loss of \$19.5 million as compared to \$19.9 million during the three months ended March 31, 2025. During the three months ended March 31, 2026, we reported a non-GAAP net loss (calculated as described in “Non-GAAP Financial Measures” below) of \$11.9 million as compared to \$11.1 million during the three months ended March 31, 2025, respectively. To continue to grow our revenue, we will continue to make targeted investments in people, namely software engineers and sales personnel. However, considering the challenging macro-economic environment since 2022, we have made significant cost reductions to our operating structure to better streamline our business and prioritize investments that drive our growth. These cost reduction initiatives began in the latter half of 2022 and will continue into 2026, and included reductions in workforce and certain legacy operating costs, as well as the sale of our energy solutions group. As a result of these initiatives, we believe we will be able to accelerate our pathway toward long term profitability.

About Our Sales Pipelines

Our VDR and Public Sector sales pipelines represent revenue we expect to receive from contracts related to our VDR solutions and with our Public Sector customers, respectively, in each case based on the total fees payable during the full contract term for contracts that we believe have a high probability of closing in the next three to twelve months. We include in our VDR and Public Sector sales pipelines fees payable during any cancellable portion and an estimate of license fees that may fluctuate over the term and we do not include any variable fees under the contract (e.g., fees for cognitive processing, storage, professional services and other variable services) and any fees payable after contract renewals or extensions that are at the discretion of our customer. Many of our contracts require us to provide services over more than one year and may include professional fees required to enable our technology in certain environments we do not host or have direct control over. In some cases, our customers may have the ability to terminate our agreements on short notice and our VDR and Public Sector sales pipelines do not consider the potential impact of any early termination. No assurance can be given that we will ultimately realize our full VDR and Public Sector sales pipelines.

Non-GAAP Financial Measures and Key Performance Indicators

In evaluating our cash flows and financial performance, we use certain non-GAAP financial measures, including non-GAAP net income (loss), non-GAAP gross profit, and non-GAAP gross margin. We also provide certain key performance indicators (“KPIs”), including Total Software Products & Services Customers, Annual Recurring Revenue (SaaS), Annual Recurring Revenue (Consumption), Annual Recurring Revenue (Total), Total New Bookings and Gross Revenue Retention.

Non-GAAP net income (loss) is calculated as our net income (loss), adjusted to exclude interest expense, net, income taxes, depreciation and amortization, stock-based compensation, change in fair value of earnout receivable, contingent purchase compensation expense, foreign currency impact and other, acquisition and due diligence costs, severance and executive transition costs, and lender consent fees.

Non-GAAP gross profit is calculated as gross profit with adjustments to add back depreciation and amortization related to cost of revenue. Non-GAAP gross margin is defined as non-GAAP gross profit divided by revenue.

We present non-GAAP net income (loss), non-GAAP gross profit, and non-GAAP gross margin because management believes such information to be important supplemental measures of performance that are commonly used by securities analysts, investors and other interested parties in the evaluation of companies in our industry. Management also uses this information internally for forecasting, budgeting and measuring annual bonus compensation targets for our executive personnel, including our named executive officers. Our non-GAAP net income (loss) provides our management and investors consistency and comparability with our past financial performance and facilitates period-to-period comparisons of operations, as it eliminates the effect of items that are often unrelated to overall operating performance. Our non-GAAP gross profit and non-GAAP gross margin allow investors and our management team to analyze our operating performance by excluding expenses that are not directly related to the cost of providing goods and services.

These non-GAAP financial measures are not calculated and presented in accordance with GAAP and should not be considered as an alternative to net income (loss), operating income (loss), gross profit, gross margin or any other financial measures so calculated and presented, nor as an alternative to cash flow from operating activities as a measure of liquidity. Other companies (including our competitors) may define these non-GAAP financial measures differently. These non-GAAP measures may not be indicative of our historical operating results or predictive of potential future results. Investors should not consider this supplemental non-GAAP financial information in isolation or as a substitute for analysis of our results as reported in accordance with GAAP.

The following table provides a reconciliation of net loss to non-GAAP net loss:

	Three Months Ended	
	March 31, 2026	March 31, 2025
Net loss	\$ (19,508)	\$ (19,875)
Interest expense, net	178	2,628
Income taxes	(613)	(326)
Depreciation and amortization	5,778	6,948
Stock-based compensation	1,191	1,743
Change in fair value of earnout receivable	—	(3,654)
Contingent purchase compensation expense	—	75
Foreign currency impact and other	639	(416)
Acquisition and due diligence costs	85	268
Severance and executive transition costs	362	465
Other items (1)	—	1,014
Non-GAAP net loss	<u>\$ (11,888)</u>	<u>\$ (11,130)</u>

(1) Other items represent other expenses that are not indicative of our ongoing operations, which, for the three months ended March 31, 2025, comprised of fees paid to the lenders in connection with the limited consent to the Company's Credit Agreement.

The following table provides a reconciliation of gross profit to Non-GAAP gross profit and gross margin to Non-GAAP gross margin:

	Three Months Ended	
	March 31, 2026	March 31, 2025
Revenue	\$ 20,259	\$ 22,463
Operating expenses:		
Cost of revenue (exclusive of depreciation and amortization)	6,550	7,834
Depreciation and amortization related to cost of revenue	1,280	915
GAAP gross profit	12,429	13,714
Depreciation and amortization related to cost of revenue	1,280	915
Non-GAAP gross profit	\$ 13,709	\$ 14,629
GAAP gross margin	61.4 %	61.1 %
Non-GAAP gross margin	67.7 %	65.1 %

GAAP gross profit of \$12.4 million for the three months ended March 31, 2026 decreased \$1.3 million or 9.4% as compared to the three months ended March 31, 2025 primarily due to a decrease in revenue. GAAP gross margin of 61.4% for the three months ended March 31, 2026, increased 30 basis points as compared to the three months ended March 31, 2025 as a result of year-over-year increases in higher gross margin revenue from consumption-based and one-time software revenue.

Non-GAAP gross profit of \$13.7 million for the three months ended March 31, 2026 decreased \$0.9 million or 6.3% as compared to the three months ended March 31, 2025 primarily due to a decrease in revenue. Non-GAAP gross margin of 67.7% for the three months ended March 31, 2026, increased 254 basis points as compared to the three months ended March 31, 2025 as a result of year-over-year increases in higher gross margin revenue from consumption-based and one-time software revenue.

Our Managed Services revenue typically has a lower overall non-GAAP gross margin than our Software Products & Services revenue.

Supplemental Financial Information

We are providing the following unaudited supplemental financial information regarding our Software Products & Services as a lookback of the prior year to explain our recent historical and year-over-year performance.

The supplemental financial information for our Software Products & Services includes: (i) Total Software Products & Services Customers, (ii) Annual Recurring Revenue, (iii) Total New Bookings, and (iv) Gross Revenue Retention, in each case as defined in the footnotes to the table below.

Software Products & Services Supplemental Financial Information

The following table sets forth the results for each of our Software Products & Services supplemental financial information.

	Quarter Ended				
	March 31, 2025	June 30, 2025	September 30, 2025	December 31, 2025	March 31, 2026
Total Software Products & Services Customers(1)	3,156	3,066	3,021	2,978	2,89
Annual Recurring Revenue (SaaS) (in 000's)(2)	\$ 47,494	\$ 50,910	\$ 50,010	\$ 46,499	\$ 47,42
Annual Recurring Revenue (Consumption) (in 000's)(3)	\$ 11,223	\$ 10,957	\$ 13,930	\$ 16,207	\$ 16,79
Annual Recurring Revenue (in 000's)(4)	\$ 58,717	\$ 61,867	\$ 63,940	\$ 62,706	\$ 64,22
Total New Bookings (in 000's)(5)	\$ 15,835	\$ 14,965	\$ 19,042	\$ 16,654	\$ 15,98
Gross Revenue Retention(6)	> 90%	> 90%	> 90%	> 90%	> 90%

- (1) "Total Software Products & Services Customers" includes Software Products & Services customers as of the end of each respective quarter set forth above with net revenues in excess of \$10 during the last month of the quarter and also excludes any customers categorized by us as trial or pilot status. Management uses Total Software Products & Services Customers and we believe Total Software Products & Services Customers is useful to investors because it more accurately reflects our total customers for our Software Products & Services.
- (2) "Annual Recurring Revenue (SaaS)" represents an annualized calculation of monthly recurring subscription-based SaaS revenue during the last month of the applicable quarter for all Total Software Products & Services customers. Management uses "Annual Recurring Revenue (SaaS)" and we believe Annual Recurring Revenue (SaaS) is useful to investors because it provides annual recurring subscription-based SaaS revenues as compared to consumption-based revenues and the split between the two allows us to delineate between predictable recurring SaaS revenues and more volatile consumption-based revenues, including VDR.
- (3) "Annual Recurring Revenue (Consumption)" represents the trailing twelve months of all non-recurring and/or consumption-based revenue for all active Total Software Products & Services customers. Management uses "Annual Recurring Revenue (Consumption)" and we believe Annual Recurring Revenue (Consumption) is useful to investors because Annual Recurring Revenue provides a calculation of our trailing twelve months of consumption-based revenue from Total Software Products & Services Customers, which as noted above, excludes customers with insignificant revenue and customers on trial or pilot status. We believe the split between subscription-based SaaS revenue and consumption-based revenue allows us to delineate between predictable recurring SaaS revenues and more volatile consumption-based revenues, including VDR.
- (4) "Annual Recurring Revenue" represents the sum of "Annual Recurring Revenue (SaaS)" and "Annual Recurring Revenue (Consumption)." Management uses "Annual Recurring Revenue" and we believe Annual Recurring Revenue is useful to investors because it provides our revenue from Total Software Products & Services Customers, which as noted above, excludes customers with insignificant revenue and customers on trial or pilot status.
- (5) "Total New Bookings" represents the total fees payable during the full contract term for new contracts received in the quarter (including fees payable during any cancellable portion and an estimate of license fees that may fluctuate over the term), excluding any variable fees under the contract (e.g., fees for cognitive processing, storage, professional services and other variable services).
- (6) "Gross Revenue Retention" represents a calculation of our dollar-based gross revenue retention rate as of the period end by starting with the revenue from Software Products & Services Customers as of the three months in the prior year quarter to such period, or Prior Year Quarter Revenue. We then deduct from the Prior Year Quarter Revenue any revenue from Software Products & Services Customers who are no longer customers as of the current period end, or Current Period Ending Software Customer Revenue. We then divide the total Current Period Ending Software Customer Revenue by the total Prior Year Quarter Revenue to arrive at our dollar-based gross retention rate, which is the percentage of revenue from all Software Products & Services Customers from our Software Products & Services as of the year prior that is not lost to customer churn.

Results of Operations

The following tables set forth our results of operations for the three months ended March 31, 2026 and 2025, in dollars and as a percentage of our revenue for those periods. The period-to-period comparisons of our historical results are not necessarily indicative of the results that may be expected in the future.

	Three Months Ended	
	March 31, 2026	March 31, 2025
Revenue	\$ 20,259	\$ 22,463
Operating expenses:		
Cost of revenue (exclusive of depreciation and amortization shown separately below)	6,550	7,834
Sales and marketing	10,653	10,105
Research and development	5,753	5,206
General and administrative	10,948	14,004
Depreciation and amortization	5,778	6,948
Total operating expenses	39,682	44,097
Operating loss	(19,423)	(21,634)
Interest expense, net	178	2,628
Other expense (income), net	520	(4,061)
Loss from operations before income taxes	(20,121)	(20,201)
Income tax benefit	(613)	(326)
Net loss	\$ (19,508)	\$ (19,875)

	Three Months Ended	
	March 31, 2026	March 31, 2025
Revenue	100.0 %	100.0 %
Operating expenses:		
Cost of revenue (exclusive of depreciation and amortization shown separately below)	32.3 %	34.9 %
Sales and marketing	52.6 %	45.0 %
Research and development	28.4 %	23.2 %
General and administrative	54.0 %	62.3 %
Depreciation and amortization	28.5 %	30.9 %
Total operating expenses	195.9 %	196.3 %
Operating loss	(95.9)%	(96.3)%
Interest expense, net	0.9 %	11.7 %
Other expense (income), net	2.6 %	(18.1)%
Loss from operations before income taxes	(99.3)%	(89.9)%
Income tax benefit	(3.0)%	(1.5)%
Net loss	(96.3)%	(88.5)%

Comparison of the Three Months Ended March 31, 2026 and 2025

Revenue

Software Products & Services consists of revenue generated from our aiWARE platform, including our VDR product, and our Talent Acquisition solutions, any related support and maintenance services, and any related professional services associated with the deployment and/or implementation of such solutions.

Managed Services consists of revenues generated from content licensing customers, representation services, and, to a lesser extent, from advertising customers and related services.

	Three Months Ended	
	March 31, 2026	March 31, 2025
Software Products & Services	\$ 13,815	\$ 14,483
Managed Services:		
Representation Services	1,976	2,771
Licensing	4,468	5,209
Total Managed Services	6,444	7,980
Total revenue	<u>\$ 20,259</u>	<u>\$ 22,463</u>

Software Products & Services revenue decreased \$0.7 million, or 4.6%, in the three months ended March 31, 2026 compared to the corresponding prior-year period primarily due to a decline in revenue generated from our Talent Acquisition solutions. Commercial Enterprise Managed Services revenue decreased \$1.5 million, or 19.2%, in the three months ended March 31, 2026 compared to the corresponding prior-year period driven by declines in representation services led by lower influencer based advertising revenue as a result of the more challenging macro environment, along with a \$0.7 million decrease in content licensing.

Cost of Revenue (Exclusive of Depreciation and Amortization)

Cost of revenue, exclusive of depreciation and amortization, decreased \$1.3 million, or approximately 16.4%, from \$7.8 million for the three months ended March 31, 2025 to \$6.6 million for the three months ended March 31, 2026.

The \$1.3 million decrease was primarily due to a decrease in revenue. During the three months ended March 31, 2026, Software Products & Services products accounted for 68.2% of revenues compared to 64.5% in the prior year period.

Sales and Marketing

Sales and marketing expenses increased \$0.5 million, or approximately 5.4%, from \$10.1 million for the three months ended March 31, 2025 to \$10.7 million for the three months ended March 31, 2026. Sales and marketing expenses as a percentage of revenue increased from 45.0% for the three months ended March 31, 2025 to 52.6% for the three months ended March 31, 2026.

The \$0.5 million increase was primarily due to increases in personnel-related costs and outside services, partially offset by a decrease in advertising expense.

Research and Development

Research and development expenses increased \$0.5 million, or approximately 10.5%, from \$5.2 million for the three months ended March 31, 2025 to \$5.8 million for the three months ended March 31, 2026. Research and development expenses as a percentage of revenue increased from 23.2% for the three months ended March 31, 2025 to 28.4% for the three months ended March 31, 2026.

The \$0.5 million increase was primarily due to decreases in capitalized internal-use software costs, and an increase in outside consulting services.

General and Administrative

General and administrative expenses decreased \$3.1 million, or approximately 21.8%, from \$14.0 million for the three months ended March 31, 2025 to \$10.9 million for the three months ended March 31, 2026. General and administrative expenses as a percentage of revenue decreased from 62.3% for the three months ended March 31, 2025 to 54.0% for the three months ended March 31, 2026.

The \$3.1 million decrease was primarily due to decreases in personnel-related costs resulting from various cost reduction initiatives enacted, reduction in debt related expenses and lower third party professional services.

Depreciation and Amortization

Depreciation and amortization expenses decreased \$1.2 million, or approximately 16.8%, from \$6.9 million for the three months ended March 31, 2025 to \$5.8 million for the three months ended March 31, 2026. Depreciation and amortization expenses as a percentage of revenue decreased from 30.9% for the three months ended March 31, 2025 to 28.5% for the three months ended March 31, 2026.

The \$1.2 million decrease was primarily due to an increase in assets becoming fully depreciated compared to the prior year.

Interest Expense, Net

Interest expense, net decreased \$2.5 million, or approximately 93.2%, from \$2.6 million for the three months ended March 31, 2025 to \$0.2 million for the three months ended March 31, 2026, primarily due to the repayment in full of our senior secured term loan in November 2025.

Other Expense (Income), Net

The \$0.5 million of other expense, net for the three months ended March 31, 2026 primarily consisted of the effect of foreign currency exchange.

Other income, net of \$4.1 million for the three months ended March 31, 2025 was primarily due to a \$3.7 million favorable change in the fair value of the Veritone One earnout receivable and a favorable foreign currency impact.

Benefit From Income Taxes

Benefit from income taxes of \$0.6 million for the three months ended March 31, 2026 represented a change of \$0.3 million compared to a benefit from income taxes of \$0.3 million for the three months ended March 31, 2025. The change was largely driven by changes in the profitability of foreign entities during the three months ended March 31, 2025 compared to the three months ended March 31, 2026.

Liquidity, Capital Resources and Going Concern

We have historically generated negative cash flows from operations and have primarily financed our operations through the sale of equity securities and debt.

Pursuant to the requirements of the Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") Topic 205-40, *Presentation of Financial Statements—Going Concern*, management must evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about our ability to continue as a going concern for one year from the date these financial statements are issued. This evaluation does not take into consideration the potential mitigating effect of management's plans that have not been fully implemented or are not within our control as of the date the financial statements are issued. When substantial doubt exists under this methodology, management evaluates whether the mitigating effect of its plans sufficiently alleviates substantial doubt about our ability to continue as a going concern. The mitigating effect of management's plans, however, is only considered if both (1) it is probable that the plans will be effectively implemented within one year after the date that the financial statements are issued, and (2) it is probable that the plans, when implemented, will mitigate the relevant conditions or events that raise substantial doubt about the entity's ability to continue as a going concern within one year after the date that the financial statements are issued.

As of March 31, 2026, we had cash and cash equivalents of \$15.1 million, working capital deficit of \$45.8 million and accounts receivable, net of \$26.7 million, and the amount outstanding under our debt obligations was \$45.4 million, net of unamortized discount cost, all of which related to the Convertible Notes. Additionally, for the three months ended March 31, 2026, net loss was \$19.5 million and net cash used in operating activities was \$11.5 million. Our ability to continue as a going concern is dependent on our ability to generate significant cash flows, obtain sufficient proceeds from any future offerings of securities, and/or obtain alternative financing prior to the maturity of the Convertible Notes in November 2026. We expect operating losses to continue in the foreseeable future as we continue to invest in growing our business. To alleviate these conditions, management is actively engaged in discussions to obtain alternative financing prior to the maturity of the Convertible Notes in November 2026. However, there can be no assurance that we will be able to obtain alternative financing as it is ultimately outside of our control.

Due to our projected cash needs (which includes amounts that will become due under the Convertible Notes upon their maturity in November 2026) combined with our current liquidity level and history of net losses and cash used to fund operating activities, there is substantial doubt regarding our ability to continue as a going concern for a period of at least one year from the date of issuance of these consolidated financial statements.

We may not be able to access additional equity under acceptable terms, and may not be successful in future financial and operational restructurings, earning any of our deferred purchase consideration, or growing our revenue base, and our ability to execute on our operating plans may be materially adversely impacted. If we become unable to continue as a going concern, we may have to dispose of other or additional assets and might realize significantly less value than the values at which they are carried on our consolidated financial statements. These actions may cause our stockholders to lose all or part of their investment in our common stock. The consolidated financial statements do not include any adjustments that might result from us being unable to continue as a going concern. If we cannot continue as a going concern, adjustments to the carrying values and classification of our assets and liabilities and the reported amounts of income and expenses could be required and could be material.

Cash Flows

A summary of cash flows from our operating, investing, and financing activities is shown in the table below (in thousands):

	Three Months Ended	
	March 31, 2026	March 31, 2025
Net cash used in operating activities	\$ (11,494)	\$ (17,044)
Net cash used in investing activities	(534)	(1,353)
Net cash (used in) provided by financing activities	(486)	17,861
Effect of exchange rates on cash, cash equivalents, and restricted cash	170	(413)
Net change in cash, cash equivalents, and restricted cash	\$ (12,344)	\$ (949)

Operating Activities

Net cash used in operating activities was \$11.5 million for the three months ended March 31, 2026, a decrease of \$5.6 million from \$17.0 million for the three months ended March 31, 2025. The decrease was primarily due to a \$0.9 million decrease in net loss excluding changes in operating assets and liabilities disclosed within our condensed consolidated statement of cash flows and a \$4.6 million favorable change in operating assets and liabilities. The \$0.9 million decrease in net loss excluding changes in operating assets and liabilities was primarily driven by a decrease in our net loss and favorable changes in non-cash and reconciling items including change in fair value of earnout receivable and deferred income taxes partially offset by unfavorable changes in non-cash and reconciling items including stock-based compensation, provision for credit losses, barter income, non-cash interest expense and reduction in carrying amount of operating lease right-of-use assets. The \$4.6 million of favorable changes in operating assets and liabilities was primarily driven by favorable changes in accounts receivable and prepaid expenses and other current assets partially offset by unfavorable changes in other assets, accounts payable, deferred revenue and accrued expenses and other current liabilities.

Investing Activities

Net cash used in investing activities was \$0.5 million for the three months ended March 31, 2026, a decrease of \$0.8 million from \$1.4 million for the three months ended March 31, 2025. The decrease was due to a \$0.8 million decrease in capital expenditures.

Financing Activities

Net cash used in financing activities was \$0.5 million for the three months ended March 31, 2026, an unfavorable change of \$18.3 million as compared to net cash provided by financing activities of \$17.9 million for the three months ended March 31, 2025. The decrease was primarily due to a \$19.9 million decrease in proceeds from issuance of common stock and pre-funded warrants under our registered direct offerings in January 2025 and sales under our at-the-market offering, net of offering costs along with a decrease of \$0.4 million paid for taxes attributed to settlement of equity awards, partially offset by a \$1.9 million increase in repayment of our senior secured term loan.

Contractual Obligations and Known Future Cash Requirements

As of March 31, 2026, our debt obligations are solely comprised of \$45.6 aggregate principal amount outstanding of our Convertible Notes that mature in November 2026. For a further discussion on our Convertible Notes, see Note 3, Debt, to our financial statements included in this Quarterly Report on Form 10-Q.

As of March 31, 2026, we have no other present agreements or commitments with respect to any material acquisitions of businesses or technologies or any other material capital expenditures.

As of March 31, 2026, we have recorded \$2.6 million of gross liability for uncertain tax positions, including interest and penalties. Based upon the information available and possible outcomes, we cannot reasonably estimate the amount and period in which the liability might be paid.

Critical Accounting Policies and Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States requires management to make estimates and assumptions about future events that affect amounts reported in our condensed consolidated financial statements and related notes, as well as the related disclosure of contingent assets and liabilities at the date of the financial statements. Management evaluates its accounting policies, estimates and judgments on an on-going basis. Management bases its estimates and judgments on historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates under different assumptions and conditions.

Our critical accounting estimates reflecting management's estimates and judgments are described in our Annual Report on Form 10-K for the year ended December 31, 2025. We have reviewed recently issued accounting pronouncements and are evaluating the potential impact, if any, on our condensed consolidated financial statements. Accordingly, there have been no material changes to critical accounting policies and estimates as disclosed in our Annual Report on Form 10-K for the year ended December 31, 2025.

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

As a smaller reporting company, we are not required to provide the information required by Item 305 of Regulation S-K.

Item 4. Controls and Procedures.

Evaluation of Disclosure Controls and Procedures

Our management, with the participation of our Chief Executive Officer and Chief Financial Officer, evaluated the effectiveness of our disclosure controls and procedures as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act as of March 31, 2026. Our disclosure controls and procedures are designed to provide reasonable assurance of achieving their objectives of ensuring that information we are required to disclose in the reports we file or submit under the Exchange Act is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to enable timely decisions regarding required disclosures, and is recorded, processed, summarized, and reported within the time periods specified in the rules and forms promulgated by the SEC. Our management recognizes that any disclosure controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving their objectives, and there is no assurance that our disclosure controls and procedures will operate effectively under all circumstances. Based on this evaluation, our Chief Executive Officer and Chief Financial Officer have concluded that, as of March 31, 2026, our disclosure controls and procedures were not effective at the reasonable assurance level due to the following material weaknesses in internal control over financial reporting.

Material Weaknesses in Internal Control over Financial Reporting

A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of our annual or interim financial statements will not be prevented or detected on a timely basis.

During the preparation of our Form 10-K for the year ended December 31, 2025, management identified a material weakness in internal control over financial reporting relating to revenue recognition, specifically as it relates to the determination of the appropriate accounting for non-routine revenue transactions. This material weakness was not remediated as of March 31, 2026 and could have resulted in a material misstatement to our interim condensed consolidated financial statements that would not be prevented or detected on a timely basis.

During the preparation of our Quarterly Report on Form 10-Q for the quarter ended June 30, 2024, management identified a material weakness in internal control over financial reporting relating to a lack of an effective information and communication process that identified and assessed the source of and controls necessary to ensure the reliability of information used in financial reporting and for providing information required for effective activity level controls. This material weakness was not remediated as of March 31, 2026 and could have resulted in a material misstatement to our interim condensed consolidated financial statements that would not be prevented or detected on a timely basis.

During the preparation of our Annual Report on Form 10-K for the fiscal years ended December 31, 2023 and 2022, management identified the following material weaknesses in internal control over financial reporting, which still exist as of March 31, 2026:

- Management identified a material weakness in internal control over financial reporting relating to the consolidation process and review of financial statements specifically pertaining to the Company's design of controls to determine proper accounting for certain foreign exchange transactions and translation between Veritone, Inc. and certain foreign subsidiaries. This material weakness did not result in any identified material misstatements to the financial statements. However, this material weakness could have resulted in a material misstatement to the Company's annual or interim condensed consolidated financial statements that would not be prevented or detected and corrected on a timely basis.
- Management identified a material weakness in internal control over financial reporting relating to information technology general controls ("ITGCs") in the areas of user access and change-management over certain information technology ("IT") systems that support our financial reporting processes. Our business process automated and manual controls that are dependent on the affected ITGCs were also deemed ineffective because they could have been adversely impacted. These control deficiencies were a result of user access and change management processes over certain IT systems.

Related to the findings above, management concluded that during the year ended December 31, 2023, we did not maintain appropriately designed entity-level controls impacting the control environment or monitoring controls to prevent or detect material misstatements to the consolidated financial statements. Specifically, these deficiencies were attributed to (i) a lack of a sufficient number of qualified resources to perform control activities and (ii) insufficient risk assessment and monitoring activities as a result of untimely or ineffective identification of internal control risks to properly design, test, implement and assess effective internal controls over financial reporting. This material weakness has not been remediated as of March 31, 2026.

Remediation of Material Weaknesses in Internal Control Over Financial Reporting

In order to remediate the material weaknesses, management took and is continuing to take remediation actions including:

- (i) continued engagement since March 2024 with an outside firm to assist us with our remediation actions;
- (ii) development of a more robust plan and risk assessment process around the proper design, testing and assessment of operating effectiveness of internal controls over financial reporting which has been an ongoing process since April 2024;
- (iii) development and delivery of a training program addressing ITGCs and policies, including educating control owners concerning the principles and requirements of each control, with a focus on those related to user access and change management over IT systems impacting financial reporting;
- (iv) development and maintenance of documentation of underlying ITGCs to promote knowledge transfer upon personnel and function changes;
- (v) implementation of quarterly IT management review and testing plan to monitor ITGCs, including user access reviews and change management controls with a specific focus on systems supporting our financial reporting processes;
- (vi) hiring and training staff on proper accounting for foreign exchange translation, transactions when consolidating foreign subsidiaries and the proper, accurate and timely evaluation of the realizability of long lived assets, including goodwill and intangible assets. Management has also hired additional staff to oversee the implementation and testing of these remediation actions; and
- (vii) implementation of enhanced procedures for the evaluation and review of non-routine revenue transactions, including review of the estimated fair value of noncash consideration, or assessment of standalone selling price of the services promised to the customer, as applicable.

To further remediate the existing material weakness identified herein, the management team, including the Chief Executive Officer and Chief Financial Officer, have reaffirmed and re-emphasized the importance of internal controls, control consciousness and a strong control environment. We are committed to maintaining a strong control environment and believe that these remediation efforts represent continued improvement in our control environment.

We also expect to continue to review, optimize and enhance our financial reporting controls and procedures. While remediating actions have been implemented to mitigate the material weaknesses identified with regard to foreign transaction consolidation and ITGCs, these material weaknesses will not be considered remediated until the applicable remediated and enhanced control processes have operated for a sufficient period of time and management has concluded, through testing, that this enhanced control is operating effectively.

Changes in Internal Control over Financial Reporting

While management continues to make progress on its remediation efforts, other than the remediation efforts described above, there were no changes in our internal control over financial reporting (as such term is defined in Rules 13a-15(f) and 15d-15(f) of the Exchange Act) during the quarter ended March 31, 2026 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Inherent Limitations on Effectiveness of Controls

Management recognizes that a control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints and that management is required to apply its judgment in evaluating the benefits of possible controls and procedures relative to their costs. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud or error, if any, have been detected. These inherent limitations include the realities that judgments in decision making can be faulty, and that breakdowns can occur because of a simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people, or by management override of the controls. The design of any system of controls also is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions; over time, controls may become inadequate because of changes in conditions, or the degree of compliance with policies or procedures may deteriorate. Because of the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and not be detected.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings.

From time to time, we may be involved in litigation relating to claims arising out of our operations in the normal course of business. We currently are not a party to any legal proceedings, the adverse outcome of which, in management’s opinion, individually or in the aggregate, would have a material adverse effect on our results of operations, financial position or cash flows. Regardless of the outcome, any litigation could have an adverse impact on us due to defense and settlement costs, diversion of management resources and other factors.

Item 1A. Risk Factors.

Risks affecting our business are discussed in Part I, Item 1A, *Risk Factors*, of our Annual Report on Form 10-K for the year ended December 31, 2025 (the “2025 10-K”). There have been no material changes to our risk factors as previously disclosed in our 2025 10-K.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

None.

Item 3. Defaults Upon Senior Securities.

None.

Item 4. Mine Safety Disclosures.

Not applicable.

Item 5. Other Information.

None.

Item 6. Exhibits.

(a) Exhibit Index:

Exhibit Number	Description	Incorporated by Reference		
		Form	Exhibit	Filing Date
3.1	Fourth Amended and Restated Certificate of Incorporation of the Registrant	8-K	3.1	6/16/2025
3.2	Amended and Restated Bylaws of the Registrant	8-K	3.2	5/23/2017
31.1*	Certification of Principal Executive Officer pursuant to Rule 13a–14(a) or 15d–14(a) of the Exchange Act			
31.2*	Certification of Principal Financial Officer pursuant to Rule 13a–14(a) or 15d–14(a) of the Exchange Act			
32.1**	Certification of Principal Executive Officer and Principal Financial Officer pursuant to 18 U.S. Section 1350			
101.INS*	Inline XBRL Instance Document – the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document			
101.SCH*	Inline XBRL Taxonomy Extension Schema Document With Embedded Linkbase Documents			
104*	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)			

* Filed herewith.

** The certifications furnished as Exhibit 32.1 accompany this Quarterly Report on Form 10-Q pursuant to 18 U.S.C. Subsection 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, and shall not be deemed "filed" by the Registrant for purposes of Section 18 of the Exchange Act and are not to be incorporated by reference into any of the Registrant's filings under the Securities Act, irrespective of any general incorporation language contained in any such filing.

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.

VERITONE, INC.

By: /s/ MICHAEL L. ZEMETRA
Michael L. Zemetra
Executive Vice President, Chief Financial Officer and Treasurer
(Principal Financial and Accounting Officer)

Date: May 14, 2026

RULE 13a-14(a)/15d-14(a) CERTIFICATION

I, Ryan Steelberg, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Veritone, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

By: /s/ RYAN STEELBERG
Ryan Steelberg
President and Chief Executive Officer
(Principal Executive Officer)

Date: May 14, 2026

RULE 13a-14(a)/15d-14(a) CERTIFICATION

I, Michael L. Zemetra, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Veritone, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

By: /s/ MICHAEL L. ZEMETRA
Michael L. Zemetra
Executive Vice President, Chief Financial Officer and Treasurer
(Principal Financial and Accounting Officer)

Date: May 14, 2026

SECTION 1350 CERTIFICATION

In connection with the Quarterly Report of Veritone, Inc. (the "Company") on Form 10-Q for the quarterly period ended March 31, 2026 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), we, Ryan Steelberg, President and Chief Executive Officer of the Company, and Michael L. Zemetra, Executive Vice President, Chief Financial Officer and Treasurer of the Company, each certify, pursuant to Rule 13a-14(b) or Rule 15d-14(b) of the Securities Exchange Act of 1934, as amended (the "Exchange Act") and 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. the Report fully complies with the requirements of Section 13(a) or 15(d) of the Exchange Act; and
2. the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

By: /s/ RYAN STEELBERG
Ryan Steelberg
President and Chief Executive Officer
(Principal Executive Officer)

Date: May 14, 2026

By: /s/ MICHAEL L. ZEMETRA
Michael L. Zemetra
Executive Vice President, Chief Financial Officer and Treasurer
(Principal Financial and Accounting Officer)

Date: May 14, 2026