

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

FORM 8-K

CURRENT REPORT

**Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported): **May 27, 2026**

SOUNDHOUND AI, INC.
(Exact name of registrant as specified in its charter)

Delaware (State or other jurisdiction of incorporation)	001-40193 (Commission File Number)	85-1286799 (I.R.S. Employer Identification No.)
5400 Betsy Ross Drive Santa Clara, CA (Address of principal executive offices)		95054 (Zip Code)

Registrant's telephone number, including area code: (408) 441-3200

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

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

Title of each class	Trading Symbol	Name of each exchange on which registered
Class A Common Stock, \$0.0001 par value per share	SOUN	The Nasdaq Stock Market LLC
Warrants, each exercisable for one share of Class A Common Stock at an exercise price of \$11.50 per share, subject to adjustment	SOUNW	The Nasdaq Stock Market LLC

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

Emerging growth company

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

Item 5.03. Amendments to Certificate of Incorporation or Bylaws; Change in Fiscal Year.

On May 25, 2026, the Board of Directors (the “**Board**”) of SoundHound AI, Inc., a Delaware corporation (the “**Company**”), unanimously approved and adopted the Second Amended and Restated Bylaws of the Company (the “**Second Amended and Restated Bylaws**”). The Second Amended and Restated Bylaws amend and restate those certain Amended and Restated Bylaws of the Company adopted by the Board on April 26, 2022, to remove the provision allowing any unauthorized, defective or conflicted transaction questioned in any stockholders’ derivative suit, or any other suit to enforce alleged rights of the Company or any of its stockholders, to be approved, ratified and confirmed by the Board or the Company’s stockholders before or after judgment, and thereby to be cured, and such approval, ratification or confirmation to constitute a bar to any claim or execution of any judgment in respect of such questioned transaction.

The preceding is a summary of the material changes in the Amended and Restated Bylaws and is qualified in its entirety by reference to the complete text of the Amended and Restated Bylaws filed as Exhibit 3.1 to this Current Report on Form 8-K (this “**Report**”) and incorporated by reference herein.

Item 5.07 Submission of Matters to a Vote of Security Holders.

On May 22, 2026, the Company held its 2026 annual meeting of stockholders (the “**Annual Meeting**”). The number of shares of Class A common stock, par value \$0.0001 per share (the “**Class A Common Stock**”), entitled to vote at the Annual Meeting was 393,674,647 shares and the number of shares of Class B common stock, par value \$0.0001 per share (the “**Class B Common Stock**” and, together with the Class A Common Stock, the “**Voting Stock**”), entitled to vote at the Annual Meeting was 32,535,408 shares. Stockholders were entitled to one vote for each share of Class A Common Stock owned and 10 votes for each share of Class B Common Stock owned. The number of shares of Voting Stock present or represented by valid proxy at the Annual Meeting was 426,210,055 shares representing 719,028,727 votes. At the Annual Meeting, the Company’s stockholders (i) re-elected each of Dr. Keyvan Mohajer, James Hom, Larry Marcus, Diana Sroka and Dr. Eric Ball as directors to serve on the Board for a one-year term that will expire at the Company’s 2027 annual meeting of stockholders, or until their successors are elected and qualified, and (ii) ratified the appointment by the Board of PricewaterhouseCoopers LLP as the Company’s independent registered public accounting firm for the fiscal year ending December 31, 2026.

The following is a tabulation of the voting on each of the proposals presented at the Annual Meeting:

Proposal No. 1 – Election of directors

Dr. Keyvan Mohajer, James Hom, Larry Marcus, Diana Sroka and Dr. Eric Ball were elected to serve until the 2026 annual meeting of stockholders or until his or her successor is duly elected and qualified or until his or her earlier resignation or removal or otherwise is disqualified from serving as a director of the Company. The voting results were as follows:

Nominee	Shares Voted For	Shares Withheld	Broker Non-Votes
Dr. Keyvan Mohajer	367,926,495	2,783,725	150,823,007
James Hom	366,138,436	4,571,784	150,823,007
Larry Marcus	356,789,793	13,920,427	150,823,007
Diana Sroka	360,252,557	10,457,663	150,823,007
Dr. Eric Ball	352,655,071	18,055,149	150,823,007

Proposal No. 2 – Ratification of the appointment by the Board of the Company of PricewaterhouseCoopers LLP as the Company’s independent registered public accounting firm for the fiscal year ending December 31, 2026

The ratification of the appointment by the Board of PricewaterhouseCoopers LLP as the Company’s independent registered public accounting firm for the fiscal year ending December 31, 2026 was approved. The voting results were as follows:

Votes For	Votes Against	Abstentions
514,619,500	4,307,207	2,606,520

Item 8.01. Other Events.

As disclosed in the Company's Registration Statement on Form S-3ASR filed with the Securities and Exchange Commission on May 11, 2026 (the "**Registration Statement**"), on May 11, 2026, the Company entered into an equity distribution agreement (the "**Equity Distribution Agreement**") with Cantor Fitzgerald & Co., D.A. Davidson & Co., H.C. Wainwright & Co., LLC, Roth Capital Partners, LLC, Northland Securities, Inc., Ladenburg Thalmann & Co. Inc., Wedbush Securities Inc. and Joseph Gunnar & Co., LLC (collectively, the "**Managers**"), relating to the sale of up to \$300,000,000 shares of the Company's Class A common stock, par value \$0.0001 per share, pursuant to the Registration Statement and the sales prospectus contained therein, from time to time through or to the Managers acting as agent or principal.

A copy of the Equity Distribution Agreement is filed as Exhibit 1.1 to this Report and incorporated by reference herein.

Item 9.01. Financial Statement and Exhibits.

(a) Financial Statements of Business Acquired

The unaudited condensed consolidated financial statements of LivePerson, Inc. ("**LivePerson**") as of and for the three months ended March 31, 2026 and 2025 are attached as Exhibit 99.1 to this Report and incorporated herein by reference. Such financial statements of LivePerson were prepared in accordance with U.S. generally accepted accounting principles as issued by the Financial Accounting Standards Board.

(b) Pro Forma Financial Information

The unaudited pro forma condensed combined financial information of the Company and LivePerson as of and for the three months ended March 31, 2026 are attached as Exhibit 99.2 to this Report and incorporated herein by reference.

Exhibit Number	Description
1.1	Equity Distribution Agreement, dated May 11, 2026.
3.1	Second Amended and Restated Bylaws.
99.1	Unaudited condensed consolidated financial statements of LivePerson, Inc. as of and for the three months ended March 31, 2026 and 2025.
99.2	Unaudited pro forma condensed combined financial information of SoundHound AI, Inc. and LivePerson, Inc. as of and for the three months ended March 31, 2026.
104	Cover Page Interactive Data File (formatted as inline XBRL)

SIGNATURE

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

Dated: May 27, 2026

SoundHound AI, Inc.

/s/ Keyvan Mohajer

Name: Keyvan Mohajer

Title: Chief Executive Officer

SOUNDHOUND AI, INC.

\$300,000,000
Common Stock
(\$ 0.0001 par value)

Equity Distribution Agreement

May 11, 2026

Cantor Fitzgerald & Co.
D.A. Davidson & Co.
H.C. Wainwright & Co., LLC
Roth Capital Partners, LLC
Northland Securities, Inc.
Ladenburg Thalmann & Co. Inc.
Wedbush Securities Inc.
Joseph Gunnar & Co., LLC

c/o Cantor Fitzgerald & Co.
110 East 59th Street, 6th Floor
New York, NY 10022

c/o D.A. Davidson & Co.
8 Third Street North
Great Falls, Montana 59401

c/o H.C. Wainwright & Co., LLC
430 Park Avenue
New York, New York 10022

c/o Roth Capital Partners, LLC
888 San Clemente Drive
Newport Beach, CA 92660

c/o Northland Securities, Inc.
150 South Fifth Street, Suite 3300
Minneapolis, MN 55402

c/o Ladenburg Thalmann & Co. Inc.
640 5th Ave, 4th Floor
New York, NY 10019

c/o Wedbush Securities Inc.
225 S Lake Ave Penthouse
Pasadena, CA 91101

c/o Joseph Gunnar & Co., LLC
1000 RXR Plaza
Uniondale, New York 11556

Ladies and Gentlemen:

SoundHound AI, Inc., a corporation organized under the laws of Delaware (the “Company”), confirms its agreement (this “Agreement”) with Cantor Fitzgerald & Co., D.A. Davidson & Co., H.C. Wainwright & Co., LLC, Roth Capital Partners, LLC, Northland Securities, Inc., Ladenburg Thalmann & Co. Inc., Wedbush Securities Inc. and Joseph Gunnar & Co., LLC, (each, a “Manager,” and, collectively, the “Managers”) as follows:

1. Description of Shares. The Company proposes to issue and sell through or to the Managers, as sales agents and/or principals, shares of the Company’s Class A common stock, \$0.0001 par value (“Common Stock”), having an aggregate gross sales price of up to \$300,000,000 (the “Shares”), from time to time during the term of this Agreement and on the terms set forth in Section 3 of this Agreement. For purposes of selling the Shares through the Managers, the Company hereby appoints the Managers as exclusive agents of the Company for the purpose of soliciting purchases of the Shares from the Company pursuant to this Agreement and the Managers agree to use their commercially reasonable efforts to solicit purchases of the Shares on the terms and subject to the conditions stated herein. The Company agrees that whenever it determines to sell the Shares directly to any Manager as principal, it will enter into a separate agreement (each, a “Terms Agreement”) in substantially the form of Annex I hereto, relating to such sale in accordance with Section 3 of this Agreement. Certain terms used herein are defined in Section 19 hereof.

2. Representations and Warranties. The Company represents and warrants to, and agrees with, each Manager at the Execution Time and on each such time the following representations and warranties are repeated or deemed to be made pursuant to this Agreement, as set forth below.

(a) The Company meets the requirements for use of Form S-3 under the Securities Act and has prepared and filed or will file with the Commission an automatic shelf registration statement, as defined in Rule 405 on Form S-3ASR, including a related Base Prospectus, for registration under the Securities Act of the offering and sale of the Shares (the “Registration Statement”). Such Registration Statement, including any amendments thereto and any Rule 462(b) Registration Statement filed prior to the Execution Time or prior to any such time this representation is repeated or deemed to be made, became or will have become effective upon filing. The Company will file with the Commission the Prospectus Supplement relating to the Shares in accordance with Rule 424(b). As filed, the Prospectus will contain all information required by the Securities Act and the rules thereunder, and shall be in all substantive respects in the form furnished to the Managers prior to the Execution Time or prior to any such time this representation is repeated or deemed to be made. The Registration Statement, at the Execution Time, each such time this representation is repeated or deemed to be made, and at all times during which a prospectus is required by the Securities Act to be delivered (whether physically or through compliance with Rule 172 or any similar rule) in connection with any offer or sale of Shares, meets the requirements set forth in Rule 415(a)(1)(x). The initial Effective Date of the Registration Statement was not earlier than the date three years before the Execution Time. Any reference herein to the Registration Statement, the Base Prospectus, the Prospectus Supplement, any Interim Prospectus Supplement or the Prospectus shall be deemed to refer to and include the documents incorporated by reference therein pursuant to Item 12 of Form S-3 which were filed under the Exchange Act on or before the Effective Date of the Registration Statement or the issue date of the Base Prospectus, the Prospectus Supplement, any Interim Prospectus Supplement or the Prospectus, as the case may be; and any reference herein to the terms “amend,” “amendment” or “supplement” with respect to the Registration Statement, the Base Prospectus, the Prospectus Supplement, any Interim Prospectus Supplement or the Prospectus shall be deemed to refer to and include all documents subsequently filed by the Company with the Commission pursuant to the Exchange Act that are deemed to be incorporated therein by reference (the “Incorporated Documents”).

(b) To the extent that the Registration Statement is not available for the sales of the Shares as contemplated by this Agreement or the Company is not a “well known seasoned issuer” as defined in Rule 405 or otherwise is unable to make the representations set forth in Section 2(e) at any time when such representations are required, the Company shall file a new registration statement with respect to any additional shares of Common Stock necessary to complete such sales of the Shares and shall cause such registration statement to become effective as promptly as practicable. After the effectiveness of any such registration statement, all references to “Registration Statement” included in this Agreement shall be deemed to include such new registration statement, including all documents incorporated by reference therein pursuant to Item 12 of Form S-3, and all references to “Base Prospectus” included in this Agreement shall be deemed to include the final form of prospectus, including all documents incorporated therein by reference, included in any such registration statement at the time such registration statement became effective.

(c) On each Effective Date, at the Execution Time, at each Applicable Time, at each Settlement Date and at all times during which a prospectus is required by the Securities Act to be delivered (whether physically or through compliance with Rule 172 or any similar rule) in connection with any offer or sale of Shares, the Registration Statement complied and will comply in all material respects with the applicable requirements of the Securities Act and the Exchange Act and the respective rules thereunder and did not and will not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary in order to make the statements therein not misleading; and on the date of any filing pursuant to Rule 424(b), at the Execution Time, at each Applicable Time, on each Settlement Date and at all times during which a prospectus is required by the Securities Act to be delivered (whether physically or through compliance with Rule 172 or any similar rule) in connection with any offer or sale of Shares, the Prospectus (together with any supplement thereto) complied and will comply in all material respects with the applicable requirements of the Securities Act and the Exchange Act and the respective rules thereunder and did not and will not include any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided, however, that the Company makes no representations or warranties as to the information contained in or omitted from the Registration Statement or the Prospectus (or any supplement thereto) in reliance upon and in conformity with information furnished in writing to the Company by the Managers specifically for inclusion in the Registration Statement or the Prospectus (or any supplement thereto).

(d) At the Execution Time, at each Applicable Time and at each Settlement Date, the Disclosure Package does not and will not contain any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading. The preceding sentence does not apply to statements in or omissions from the Disclosure Package based upon and in conformity with written information furnished to the Company by the Manager specifically for use therein.

(e) No stop order suspending the effectiveness of the Registration Statement will be in effect, and no proceedings for such purpose or pursuant to Section 8A of the Securities Act will be pending before or, to the Company's knowledge, threatened by the Commission.

(f) The Common Stock is an "actively-traded security" exempted from the requirements of Rule 101 of Regulation M under the Exchange Act by subsection (c)(1) of such rule.

(g) The Company is not a party to any other sales agency agreements or other similar arrangements with any agent or any other representative in respect of at the market offerings of the Shares in accordance with Rule 415(a)(4) of the Securities Act.

(h) The Company has not taken and will not take, directly or indirectly, any action designed to or that might be reasonably expected to cause or result in stabilization or manipulation of the price of any security of the Company to facilitate the sale or resale of the Shares.

(i) There is no broker, finder or other party that is entitled to receive from the Company any brokerage or finder's fee or other fee or commission as a result of any transactions contemplated by this Agreement, except as may otherwise exist with respect to the Managers pursuant to this Agreement.

(j) The interactive data in the eXtensible Business Reporting Language ("XBRL") included as an exhibit to the Registration Statement fairly presents the information called for in all material respects and has been prepared in accordance with the Commission's rules and guidelines applicable thereto.

(k) Each of the Company and its subsidiaries has been duly incorporated and is validly existing as a corporation in good standing under the laws of the jurisdiction in which it is chartered or organized with full corporate power and authority to own or lease, as the case may be, and to operate its properties and conduct its business as described in the Disclosure Package and the Prospectus, and is duly qualified to do business as a foreign corporation and is in good standing under the laws of each jurisdiction which requires such qualification. Each of the Company and its subsidiaries owns or leases all such properties as are necessary to the conduct of its operations as presently conducted.

(l) All the outstanding shares of capital stock of each subsidiary have been duly and validly authorized and issued and are fully paid and nonassessable, and, except as otherwise set forth in the Disclosure Package and the Prospectus, all outstanding shares of capital stock of the subsidiaries are owned by the Company either directly or through wholly owned subsidiaries free and clear of any perfected security interest or any other security interests, claims, liens or encumbrances.

(m) Any statutes, regulations, contracts or other documents that are required to be described in the Registration Statement or the Prospectus or to be filed as exhibits to the Registration Statement have been so described or filed.

(n) This Agreement has been duly authorized, executed and delivered by the Company.

(o) The Company is not and, after giving effect to the offering and sale of the Shares and the application of the proceeds thereof as described in the Disclosure Package and the Prospectus, will not be an “investment company” as defined in the Investment Company Act of 1940, as amended, and the rules and regulations promulgated thereunder.

(p) No consent, approval, authorization, filing with or order of any court or governmental agency or body is required in connection with the transactions contemplated herein, except such as have been obtained under the Securities Act and such as may be required under the blue sky laws of any jurisdiction, the Financial Industry Regulatory Authority, Inc. (“**FINRA**”) or Nasdaq Stock Market (“**Nasdaq**”) in connection with the purchase and distribution of the Shares by the Managers in the manner contemplated herein and in the Disclosure Package and the Prospectus.

(q) Neither the Company nor any subsidiary is in violation or default of (i) any provision of its charter or bylaws, (ii) the terms of any indenture, contract, lease, mortgage, deed of trust, note agreement, loan agreement or other agreement, obligation, condition, covenant or instrument to which it is a party or bound or to which its property is subject, or (iii) any statute, law, rule, regulation, judgment, order or decree of any court, regulatory body, administrative agency, governmental body, arbitrator or other authority having jurisdiction over the Company or such subsidiary or any of its properties, as applicable, except, in the case of each of clauses (ii) and (iii) above, for any such violation or default that would not, individually or in the aggregate, have a Material Adverse Effect (as defined below).

(r) Neither the issue and sale of the Shares nor the consummation of any other of the transactions herein contemplated nor the fulfillment of the terms hereof will conflict with, result in a breach or violation of, or imposition of any lien, charge or encumbrance upon any property or assets of the Company or any of its subsidiaries pursuant to, (i) the charter or by-laws of the Company or any of its subsidiaries, (ii) the terms of any indenture, contract, lease, mortgage, deed of trust, note agreement, loan agreement or other agreement, obligation, condition, covenant or instrument to which the Company or any of its subsidiaries is a party or bound or to which its or their property is subject, or (iii) any statute, law, rule, regulation, judgment, order or decree applicable to the Company or any of its subsidiaries of any court, regulatory body, administrative agency, governmental body, arbitrator or other authority having jurisdiction over the Company or any of its subsidiaries or any of its or their properties, except, in the case of clauses (ii) and (iii), for such conflicts, breach, violations, liens, charges and encumbrances as would not, individually or in the aggregate, reasonably be expected to result in a Material Adverse Effect or that have been waived.

(s) As of the Execution Time, no holders of securities of the Company have rights to the registration of such securities under the Registration Statement.

(t) The consolidated historical financial statements and schedules of the Company and its consolidated subsidiaries included or incorporated by reference in the Prospectus and the Registration Statement present fairly the financial condition, results of operations and cash flows of the Company as of the dates and for the periods indicated, comply as to form with the applicable accounting requirements of the Securities Act and have been prepared in conformity with generally accepted accounting principles in the United States (“U.S. GAAP”) applied on a consistent basis throughout the periods involved (except as otherwise noted therein). The consolidated historical financial statements and schedules of LivePerson, Inc. (“LivePerson”) included or incorporated by reference in the Prospectus and the Registration Statement present fairly the financial condition, results of operations and cash flows of LivePerson as of the dates and for the periods indicated, comply as to form with the applicable accounting requirements of the Securities Act and have been prepared in conformity with U.S. GAAP applied on a consistent basis throughout the periods involved (except as otherwise noted therein). The pro forma financial statements included or incorporated by reference in the Prospectus and the Registration Statement include assumptions that provide a reasonable basis for presenting the significant effects directly attributable to the transactions and events described therein, the related pro forma adjustments give appropriate effect to those assumptions, and the pro forma adjustments reflect the proper application of those adjustments to the historical financial statement amounts in the pro forma financial statements included or incorporated by reference in the Prospectus and the Registration Statement. The pro forma financial statements included or incorporated by reference in the Prospectus and the Registration Statement comply as to form in all material respects with the applicable requirements of Regulation S-X under the Securities Act and the pro forma adjustments have been properly applied to the historical amounts in the compilation of those statements.

(u) No action, suit or proceeding by or before any court or governmental agency, authority or body or any arbitrator involving the Company or any of its subsidiaries or its or their property is pending or, to the knowledge of the Company, threatened that (i) could reasonably be expected to have a material adverse effect on the performance of this Agreement or the consummation of any of the transactions contemplated hereby or (ii) could reasonably be expected to have a material adverse effect on the condition (financial or otherwise), prospects, earnings, business or properties of the Company and its subsidiaries, taken as a whole, whether or not arising from transactions in the ordinary course of business (each of (i) and (ii), a “**Material Adverse Effect**”), except as set forth in or contemplated in the Disclosure Package and the Prospectus (exclusive of any supplement thereto).

(v) PricewaterhouseCoopers LLP, who has certified certain financial statements of the Company and its consolidated subsidiaries and delivered their report with respect to the audited consolidated financial statements and schedules included in the Disclosure Package and the Prospectus, are independent public accountants with respect to the Company within the meaning of the Securities Act and the applicable published rules and regulations thereunder.

(w) BDO USA, P.C., who has certified certain financial statements of LivePerson and delivered its report with respect to the audited consolidated financial statements and schedules included in the Disclosure Package and the Prospectus, was, as of May 11, 2026 and during the period covered by the financial statements on which it reported, an independent public accountant with respect to LivePerson within the meaning of the Securities Act and the applicable published rules and regulations thereunder.

(x) The Company has filed all tax returns that are required to be filed or has requested extensions thereof (except in any case in which the failure so to file would not have a Material Adverse Effect, except as set forth in or contemplated in the Disclosure Package and the Prospectus (exclusive of any supplement thereto)) and has paid all taxes required to be paid by it and any other assessment, fine or penalty levied against it, to the extent that any of the foregoing is due and payable, except for any such assessment, fine or penalty that is currently being contested in good faith or as would not have a Material Adverse Effect, except as set forth in or contemplated in the Disclosure Package and the Prospectus (exclusive of any supplement thereto).

(y) No labor problem or dispute with the employees of the Company or any of its subsidiaries exists or, to the knowledge of the Company, is threatened or imminent, and the Company is not aware of any existing or imminent labor disturbance by the employees of any of its or its subsidiaries' principal suppliers, contractors or customers, that could have a Material Adverse Effect, except as set forth in or contemplated in the Disclosure Package and the Prospectus (exclusive of any supplement thereto).

(z) The Company and each of its subsidiaries are insured by insurers of recognized financial responsibility against such losses and risks and in such amounts as are prudent and customary in the businesses in which they are engaged; all policies of insurance insuring the Company or any of its subsidiaries or their respective businesses, assets, employees, officers and directors are in full force and effect; the Company and its subsidiaries are in compliance with the terms of such policies and instruments in all material respects; and there are no claims by the Company or any of its subsidiaries under any such policy or instrument as to which any insurance company is denying liability or defending under a reservation of rights clause; neither the Company nor any such subsidiary has been refused any insurance coverage sought or applied for; and neither the Company nor any such subsidiary has any reason to believe that it will not be able to renew its existing insurance coverage as and when such coverage expires or to obtain similar coverage from similar insurers as may be necessary to continue its business at a cost that would not have a Material Adverse Effect, except as set forth in or contemplated in the Disclosure Package and the Prospectus (exclusive of any supplement thereto).

(aa) No subsidiary of the Company is currently prohibited, directly or indirectly, from paying any dividends to the Company, from making any other distribution on such subsidiary's capital stock, from repaying to the Company any loans or advances to such subsidiary from the Company or from transferring any of such subsidiary's property or assets to the Company or any other subsidiary of the Company, except as described in or contemplated by the Disclosure Package and the Prospectus.

(bb) The Company and its subsidiaries possess all licenses, certificates, permits and other authorizations issued by all applicable authorities necessary to conduct their respective businesses except for any failure to obtain such licenses, certificates, permits or authorizations would not, individually or in the aggregate, reasonably be expected to result in a Material Adverse Effect or that have been waived, and neither the Company nor any such subsidiary has received any notice of proceedings relating to the revocation or modification of any such certificate, authorization or permit which, singly or in the aggregate, if the subject of an unfavorable decision, ruling or finding, would have a Material Adverse Effect, except as set forth in or contemplated in the Disclosure Package and the Prospectus (exclusive of any supplement thereto).

(cc) The Company and each of its subsidiaries maintain a system of internal accounting controls sufficient to provide reasonable assurance that (i) transactions are executed in accordance with management's general or specific authorizations; (ii) transactions are recorded as necessary to permit preparation of financial statements in conformity with generally accepted accounting principles and to maintain asset accountability; (iii) access to assets is permitted only in accordance with management's general or specific authorization; (iv) the recorded accountability for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences; and (v) the interactive data in eXtensible Business Reporting Language included or incorporated by reference in the Registration Statement and the Prospectus is in compliance with the Commission's published rules, regulations and guidelines applicable thereto. Except as disclosed in the Incorporated Documents, the Company and its subsidiaries' internal controls over financial reporting are effective and the Company and its subsidiaries are not aware of any material weakness in their internal controls over financial reporting.

(dd) The Company and its subsidiaries maintain "disclosure controls and procedures" (as such term is defined in Rule 13a-15(e) under the Exchange Act) that are designed to ensure that information required to be disclosed by the Company in reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the Commission's rules and forms, including controls and procedures designed to ensure that such information is accumulated and communicated to the Company's management as appropriate to allow timely decisions regarding required disclosure. The Company's certifying officers have evaluated the effectiveness of the Company's disclosure controls and procedures as required by Rule 13a-15 of the Exchange Act and, except as described in the Incorporated Documents, such disclosure controls and procedures were effective as of the end of the Company's most recently completed fiscal quarter.

(ee) The Company has not taken, directly or indirectly, any action designed to or that would constitute or that might reasonably be expected to cause or result in, under the Exchange Act or otherwise, stabilization or manipulation of the price of any security of the Company to facilitate the sale or resale of the Shares.

(ff) The Company and its subsidiaries are (i) in compliance with any and all applicable foreign, federal, state and local laws and regulations relating to the protection of human health and safety, the environment or hazardous or toxic substances or wastes, pollutants or contaminants (“Environmental Laws”), (ii) have received and are in compliance with all permits, licenses or other approvals required of them under applicable Environmental Laws to conduct their respective businesses and (iii) have not received notice of any actual or potential liability under any environmental law, except, in the case of any of clauses (i), (ii) or (iii) above, where such non-compliance with Environmental Laws, failure to receive required permits, licenses or other approvals, or liability would not, individually or in the aggregate, have a Material Adverse Effect, except as set forth in or contemplated in the Disclosure Package and the Prospectus (exclusive of any supplement thereto). Except as set forth in the Disclosure Package and the Prospectus, to the knowledge of the Company, neither the Company nor any of the subsidiaries has been named as a “potentially responsible party” under the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended.

(gg) To the Company’s knowledge, none of the following events has occurred or exists: (i) a failure to fulfill the obligations, if any, under the minimum funding standards of Section 302 of the United States Employee Retirement Income Security Act of 1974, as amended (“ERISA”), and the regulations and published interpretations thereunder with respect to a Plan, determined without regard to any waiver of such obligations or extension of any amortization period; (ii) an audit or investigation by the Internal Revenue Service, the U.S. Department of Labor, the Pension Benefit Guaranty Corporation or any other federal or state governmental agency or any foreign regulatory agency with respect to the employment or compensation of employees by any of the Company or any of its subsidiaries that could have a Material Adverse Effect; (iii) any breach of any contractual obligation, or any violation of law or applicable qualification standards, with respect to the employment or compensation of employees by the Company or any of its subsidiaries that could have a Material Adverse Effect. To the Company’s knowledge, none of the following events has occurred or is reasonably likely to occur: (i) a material increase in the aggregate amount of contributions required to be made to all Plans in the current fiscal year of the Company and its subsidiaries compared to the amount of such contributions made in the most recently completed fiscal year of the Company and its subsidiaries; (ii) a material increase in the “accumulated post-retirement benefit obligations” (within the meaning of Statement of Financial Accounting Standards 106) of the Company and its subsidiaries compared to the amount of such obligations in the most recently completed fiscal year of the Company and its subsidiaries; (iii) any event or condition giving rise to a liability under Title IV of ERISA that could have a Material Adverse Effect; or (iv) the filing of a claim by one or more employees or former employees of the Company or any of its subsidiaries related to their employment that could have a Material Adverse Effect. For purposes of this paragraph, the term “Plan” means a plan (within the meaning of Section 3(3) of ERISA) subject to Title IV of ERISA with respect to which the Company or any of its subsidiaries may have any liability.

(hh) There is and has been no failure on the part of the Company and any of the Company's directors or officers, in their capacities as such, to comply with any provision of the Sarbanes-Oxley Act of 2002 and the rules and regulations promulgated in connection therewith (the "Sarbanes-Oxley Act"), including Section 402 relating to loans and Sections 302 and 906 relating to certifications.

(ii) Neither the Company nor any of its subsidiaries nor, to the knowledge of the Company, any director, officer, agent, employee, affiliate or other person acting on behalf of the Company or any of its subsidiaries is aware of or has taken any action, directly or indirectly, that could result in a violation or a sanction for violation by such persons of the Foreign Corrupt Practices Act of 1977, as amended, or similar law of any other relevant jurisdiction, or the rules or regulations thereunder; and the Company and its subsidiaries have instituted and maintain policies and procedures to ensure compliance therewith. No part of the proceeds of the offering will be used, directly or indirectly, in violation of the Foreign Corrupt Practices Act of 1977, as amended, or similar law of any other relevant jurisdiction, or the rules or regulations thereunder.

(jj) The operations of the Company and its subsidiaries are and have been conducted at all times in compliance with applicable financial recordkeeping and reporting requirements and the money laundering statutes and the rules and regulations thereunder and any related or similar rules, regulations or guidelines, issued, administered or enforced by any governmental agency (collectively, the "Money Laundering Laws") and no action, suit or proceeding by or before any court or governmental agency, authority or body or any arbitrator involving the Company or any of its subsidiaries with respect to the Money Laundering Laws is pending or, to the knowledge of the Company, threatened.

(kk) Neither the Company nor any of its subsidiaries nor, to the knowledge of the Company, any director, officer, agent, employee or affiliate of the Company or any of its subsidiaries (i) is, or is controlled or 50% or more owned in the aggregate by or is acting on behalf of, one or more individuals or entities that are currently the subject of any sanctions administered or enforced by the United States (including any administered or enforced by the Office of Foreign Assets Control of the U.S. Department of the Treasury, the U.S. Department of State or the Bureau of Industry and Security of the U.S. Department of Commerce), the United Nations Security Council, the European Union, a member state of the European Union, the United Kingdom government (including the Foreign, Commonwealth & Development Office) , or other relevant sanctions authority (collectively, "Sanctions") and such persons, "Sanctioned Persons" and each such person, a "Sanctioned Person"), (ii) is located, organized or resident in a country or territory that is, or whose government is, the subject of Sanctions that broadly prohibit dealings with that country or territory (collectively, "Sanctioned Countries" and each, a "Sanctioned Country") or (iii) will, directly or indirectly, use the proceeds of this offering, or lend, contribute or otherwise make available such proceeds to any subsidiary, joint venture partner or other individual or entity in any manner that would result in a violation of any Sanctions by, or could result in the imposition of Sanctions against, any individual or entity (including any individual or entity participating in the offering, whether as underwriter, advisor, investor or otherwise).

(ll) Neither the Company nor any of its subsidiaries has engaged in any dealings or transactions with or for the benefit of a Sanctioned Person, or with or in a Sanctioned Country, in the preceding 3 years, nor does the Company or any of its subsidiaries have any plans to engage in dealings or transactions with or for the benefit of a Sanctioned Person, or with or in a Sanctioned Country.

(mm) As of the Execution Time, the subsidiaries listed on Annex II attached hereto are the only significant subsidiaries of the Company as defined by Rule 1-02 of Regulation S-X (each, a “Subsidiary” and together, the “Subsidiaries”).

(nn) Except as described in the Registration Statement, Disclosure Package and the Prospectus, (i) the Company and its subsidiaries own or have a valid license to all patents, inventions, copyrights, know how (including trade secrets and other unpatented and/or unpatentable proprietary or confidential information, systems or procedures), trademarks, service marks, trade names, domain names and other intellectual property, including any and all registrations, applications for registration, and goodwill associated with any of the foregoing (collectively, “Intellectual Property Rights”) currently employed by them in connection with the business as now operated, or as proposed in the Registration Statement and the Prospectus to be operated, by them, except where the failure to own, possess, license, have the right to use any of the foregoing would not reasonably be expected to result in a Material Adverse Effect; (ii) the Intellectual Property Rights owned by the Company and its subsidiaries and, to the Company’s knowledge, the Intellectual Property Rights exclusively licensed to the Company and its subsidiaries, in each case, which are material to the conduct of the business of the Company and its subsidiaries as currently conducted, are valid, subsisting and enforceable, and there is no pending or, to the Company’s knowledge, threatened action, suit, proceeding or claim by others challenging the validity, scope or enforceability of any such Intellectual Property Rights; (iii) neither the Company nor any of its subsidiaries has received any notice alleging any infringement, misappropriation or other violation of Intellectual Property Rights which, individually or in the aggregate, if the subject of an unfavorable decision, ruling or finding, would have a Material Adverse Effect; (iv) all Intellectual Property Rights owned or purported to be owned by the Company or its subsidiaries is owned solely by the Company or its subsidiaries and is owned free and clear of all liens, encumbrances, defects and other restrictions, other than as disclosed in the Prospectus; (v) to the Company’s knowledge, no third party is infringing, misappropriating or otherwise violating, or has infringed, misappropriated or otherwise violated, any Intellectual Property Rights owned by the Company, except to the extent that the infringement, misappropriation or violation, would not, individually or in the aggregate, have a Material Adverse Effect; (vi) to the Company’s knowledge, neither the Company nor any of its subsidiaries infringes, misappropriates or otherwise violates, or has infringed, misappropriated or otherwise violated, any Intellectual Property Rights of a third party; (vii) all employees or contractors engaged in the development of Intellectual Property Rights on behalf of the Company or any subsidiary of the Company have executed an invention assignment agreement whereby such employees or contractors presently assign all of their right, title and interest in and to such Intellectual Property Rights to the Company or the applicable subsidiary, and to the Company’s knowledge no such agreement has been breached or violated; and (viii) the Company and its subsidiaries use, and have used, commercially reasonable efforts to appropriately maintain all information intended to be maintained as a material trade secret, except, in the case of any of clauses (ii)-(viii) above, as would not, individually or in the aggregate, result in a Material Adverse Effect.

(oo) Except as would not have a Material Adverse Effect, (i) the Company and each of its subsidiaries have complied and are presently in compliance with all internal and external privacy policies, contractual obligations, applicable laws, statutes, judgments, orders, rules and regulations of any court or arbitrator or other governmental or regulatory authority and any other legal obligations, in each case, relating to the collection, use, transfer, import, export, storage, protection, disposal and disclosure by the Company or any of its subsidiaries of personal, personally identifiable, household, sensitive, confidential or regulated data (“Data Security Obligations”, and such data, “Data”); (ii) the Company has not received any notification of or complaint regarding non-compliance with any Data Security Obligation; and (iii) there is no action, suit or proceeding by or before any court or governmental agency, authority or body pending or, to the knowledge of the Company, threatened alleging non-compliance with any Data Security Obligation.

(pp) The Company and each of its subsidiaries’ information technology assets and equipment, computers, systems, networks, hardware, software, websites, applications, and databases (collectively, the “IT Systems”) are adequate or, and operate and perform in all material respects as required in connection with the operation of the business of the Company and its subsidiaries as currently conducted, free and clear of all material bugs, errors, defects, Trojan horses, time bombs, malware and other corruptants. The Company and each of its subsidiaries have taken reasonable technical and organizational measures to protect the IT Systems and Data used in connection with the operation of the Company’s and its subsidiaries’ businesses. Without limiting the foregoing, the Company and its subsidiaries have used reasonable efforts to establish and maintain, and have established, maintained, implemented and complied with, reasonable information technology, information security, cyber security and data protection controls, policies and procedures, including oversight, access controls, encryption, technological and physical safeguards and business continuity/disaster recovery and security plans that are designed to protect against and prevent breach, destruction, loss, unauthorized distribution, use, access, disablement, misappropriation or modification, or other compromise or misuse of or relating to any IT System or Data used in connection with the operation of the Company’s and its subsidiaries’ businesses (“Breach”). To the Company’s knowledge, there has been no such material Breach, and the Company and its subsidiaries have not been notified of and have no knowledge of any event or condition that would reasonably be expected to result in, any such material Breach.

(qq) Except as disclosed in the Registration Statement, Disclosure Package and the Prospectus, the Company (i) does not have any material lending or other relationship with any bank or lending affiliate of any Manager and (ii) does not intend to use any of the proceeds from the sale of the Shares hereunder to repay any outstanding debt owed to any affiliate of any Manager.

(rr) The authorized, issued and outstanding shares of capital stock of the Company are as set forth in the Registration Statement and the Prospectus (other than for subsequent issuances, if any, pursuant to this Agreement, pursuant to reservations, agreements or employee benefit plans referred to in the Registration Statement and the Prospectus or pursuant to the exercise of convertible securities or options referred to in the Registration Statement and the Prospectus). The issued and outstanding shares of capital stock have been duly authorized and validly issued, are fully paid and nonassessable and have been issued in compliance with all federal and state securities laws. None of the outstanding shares of capital stock were issued in violation of any preemptive rights, rights of first refusal or other similar rights to subscribe for or purchase securities of the Company. There are no authorized or outstanding options, warrants, preemptive rights, rights of first refusal or other rights to purchase, or equity or debt securities convertible into or exchangeable or exercisable for, any capital stock of the Company or any of its subsidiaries other than those described in or contemplated by the Registration Statement and the Prospectus. The descriptions of the Company's stock option, stock bonus and other stock plans or arrangements, and the options or other rights granted thereunder, set forth in the Registration Statement and the Prospectus accurately and fairly in all material respects present the information required to be shown with respect to such plans, arrangements, options and rights.

(ss) The Shares have been duly authorized for issuance and sale through the Agents pursuant to this Agreement and, when issued and delivered by the Company pursuant to the terms of this Agreement, will be validly issued and fully paid and non-assessable; and the issuance of the Shares is not subject to the preemptive or other similar rights of any securityholder of the Company, except as have been duly and validly waived.

(i) At the time of filing the Registration Statement, (ii) at the time of the most recent amendment thereto for the purposes of complying with Section 10(a)(3) of the Securities Act (whether such amendment was by post-effective amendment, incorporated report filed pursuant to Sections 13 or 15(d) of the Exchange Act or form of prospectus), (iii) at the time the Company or any person acting on its behalf (within the meaning, for this clause only, of Rule 163(c)) made any offer relating to the Shares in reliance on the exemption in Rule 163, and (iv) at the Execution Time and on each such time this representation is repeated or deemed to be made (with such date being used as the determination date for purposes of this clause (iv)), the Company was or is (as the case may be) a "well-known seasoned issuer" as defined in Rule 405. The Company agrees to pay the fees required by the Commission relating to the Shares within the time required by Rule 456(b)(1) without regard to the proviso therein and otherwise in accordance with Rules 456(b) and 457(r). Any certificate signed by any officer of the Company and delivered to the Managers or counsel for the Managers in connection with this Agreement or any Terms Agreement shall be deemed a representation and warranty by the Company, as to matters covered thereby, to each Manager.

3. Sale and Delivery of Shares.

(a) Subject to the terms and conditions and in reliance upon the representations and warranties herein set forth, the Company agrees to issue and sell Shares from time to time through or to the Managers, acting as sales agents, and each Manager agrees to use its commercially reasonable efforts to sell, as sales agent for the Company, the Shares on the terms set forth below. Notwithstanding anything to the contrary in this Agreement, any Manager may decline, for any reason in its sole discretion, to act as sales agent for the Company hereunder with respect to one or more sets of Company instructions for the sale of the Shares.

(i) The Shares are to be sold by one of the Managers on a daily basis or otherwise as shall be agreed to by the Company and the Managers on any day that (A) is a trading day (a "Trading Day") for Nasdaq, (B) the Company has instructed such Manager by telephone or by electronic mail to make such sales and (C) the Company has satisfied its obligations under Section 6 of this Agreement. On a Trading Day that the Company wishes to sell the Shares, the Company may sell the Shares through only one Manager and, if it determines to do so in its discretion, the Company will designate the maximum amount of the Shares to be sold by such Manager daily as agreed to by such Manager (in any event not in excess of the amount available for issuance under the Prospectus and the currently effective Registration Statement) and the minimum price per Share at which such Shares may be sold. Subject to the terms and conditions hereof, such Manager shall use its commercially reasonable efforts to sell on a particular day all of the Shares designated for the sale by the Company on such day. The Manager through whom sales of the Shares as sales agent are then being made through this Section 3(a) is referred to as the "Selling Manager." The gross sales price of the Shares sold under this Section 3(a) shall be the market price for shares of the Company's Common Stock sold by the Selling Manager under this Section 3(a) on the Nasdaq at the time of sale of such Shares.

(ii) The Company acknowledges and agrees that (A) there can be no assurance that any Manager will be successful in selling the Shares, (B) no Manager will incur liability or obligation to the Company or any other person or entity if it does not sell Shares for any reason other than a failure by such Manager to use its commercially reasonable efforts consistent with its normal trading and sales practices and applicable law and regulations to sell such Shares as required under this Agreement and (C) no Manager shall be under any obligation to purchase Shares on a principal basis pursuant to this Agreement, except as otherwise specifically agreed by such Manager and the Company pursuant to a Terms Agreement.

(iii) The Company shall not authorize the issuance and sale of, and no Manager shall be obligated to use its commercially reasonable efforts to sell, any Share at a price lower than the minimum price therefor designated from time to time by the Company's Board of Directors (the "Board"), or a duly authorized committee thereof, and notified to the Managers in writing. The Company or any Manager may, upon notice to the other party hereto by telephone (confirmed promptly by electronic mail), suspend the offering of the Shares for any reason and at any time; provided, however, that such suspension or termination shall not affect or impair the parties' respective obligations with respect to the Shares sold hereunder prior to the giving of such notice. The Managers shall have no responsibility for maintaining records with respect to the Shares available for offer or sale under the Registration Statement or for determining the aggregate gross proceeds, number or minimum price of Shares duly authorized by the Company.

(iv) The Managers may sell shares in negotiated transactions, including block trades, or transactions that are deemed to be “at the market” offerings as defined in Rule 415 under the Securities Act of 1933, as amended, or the Securities Act, including sales made by means of ordinary brokers’ transactions, including directly on Nasdaq, or sales made to or through a market maker other than on an exchange at prevailing market prices, at prices related to prevailing market prices or at negotiated prices or by any other method permitted by law. No Manager shall purchase Shares for its own account as principal unless expressly authorized to do so by the Company pursuant to a Terms Agreement.

(v) The compensation to the Selling Manager, as agent of the Company, for sales of the Shares hereunder shall be up to 2.5% of the gross sales price of the Shares sold pursuant by such Manager to this Section 3(a) and payable as described in the succeeding subsection (vi) below. The foregoing rate of compensation shall not apply when any Manager acts as principal, in which case the Company may sell Shares to such Manager as principal at a price agreed upon at the relevant Applicable Time pursuant to a Terms Agreement. The remaining proceeds, after further deduction for any transaction fees imposed by any governmental or self-regulatory organization in respect of such sales (the “Transaction Fees”), shall constitute the net proceeds to the Company for such Shares (the “Net Proceeds”).

(vi) Each Selling Manager shall provide written confirmation (which may be by facsimile or electronic mail) to the Company following the close of trading on the Nasdaq each day in which the Shares are sold under this Section 3(a) setting forth the number of the Shares sold on such day, the aggregate gross sales proceeds and the Net Proceeds to the Company, and the compensation payable by the Company to such Manager with respect to such sales. Such compensation shall be set forth and invoiced in periodic statements from the applicable Selling Manager to the Company, with payment to be made by the Company promptly after its receipt thereof.

(vii) Settlement for sales of the Shares pursuant to this Section 3(a) will occur, unless the parties agree otherwise, on the first business day that is also a Trading Day following the date on which any sales were made (each such day, a “Settlement Date”). On each Settlement Date, the Shares sold through a Manager for settlement on such date shall be issued and delivered by the Company to such Manager against payment of the aggregate gross sales proceeds less any Transaction Fees for the sale of such Shares. Settlement for all such Shares shall be effected by free delivery of the Shares to such Manager’s account at The Depository Trust Company (“DTC”) in return for payments in same day funds delivered to the account designated by the Company. If the Company or its transfer agent (if applicable) shall default on its obligation to deliver the Shares on any Settlement Date, the Company shall (A) indemnify and hold such Manager harmless against any loss, claim or damage arising from or as a result of such default by the Company and (B) pay such Manager any commission to which it would otherwise be entitled absent such default. If a Manager breaches this Agreement by failing to deliver the aggregate gross sales proceeds less any Transaction Fees to the Company on any Settlement Date for the Shares delivered by the Company, such Manager will pay the Company interest based on the effective overnight federal funds rate on such unpaid amount less any compensation due to such Manager.

(viii) At each Applicable Time, Settlement Date and Representation Date (as defined in Section 4(j)), the Company shall be deemed to have affirmed each representation and warranty contained in this Agreement as if such representation and warranty were made as of such date, modified as necessary to relate to the Registration Statement and the Prospectus as amended as of such date. Any obligation of any Manager to use its commercially reasonable efforts to sell the Shares on behalf of the Company shall be subject to the continuing accuracy of the representations and warranties of the Company herein, to the performance by the Company of its obligations hereunder and to the continuing satisfaction of the additional conditions specified in Section 6 of this Agreement.

(b) If the Company wishes to issue and sell the Shares pursuant to this Agreement but other than as set forth in Section 3(a) of this Agreement (each, a "Placement"), it will notify a Manager of the proposed terms of such Placement. If such Manager, acting as principal, wishes to accept such proposed terms (which it may decline to do for any reason in its sole discretion) or, following discussions with the Company wishes to accept amended terms, such Manager and the Company will enter into a Terms Agreement setting forth the terms of such Placement. The terms set forth in a Terms Agreement will not be binding on the Company or such Manager unless and until the Company and such Manager have each executed such Terms Agreement accepting all of the terms of such Terms Agreement. In the event of a conflict between the terms of this Agreement and the terms of a Terms Agreement, the terms of such Terms Agreement will control.

(c) Each sale of the Shares to any Manager shall be made in accordance with the terms of this Agreement and, if applicable, a Terms Agreement, which will provide for the sale of such Shares to, and the purchase thereof by, such Manager. A Terms Agreement may also specify certain provisions relating to the reoffering of such Shares by such Manager. The commitment of the applicable Manager to purchase the Shares pursuant to any Terms Agreement shall be deemed to have been made on the basis of the representations and warranties of the Company herein contained and shall be subject to the terms and conditions herein set forth. Each Terms Agreement shall specify the number of the Shares to be purchased by the applicable Manager pursuant thereto, the price to be paid to the Company for such Shares, any provisions relating to rights of, and default by, underwriters acting together with such Manager in the reoffering of the Shares, and the time and date (each such time and date being referred to herein as a "Time of Delivery") and place of delivery of and payment for such Shares. Such Terms Agreement shall also specify any requirements for opinions of counsel, accountants' letters and officers' certificates pursuant to Section 6 of this Agreement and any other information or documents required by the applicable Manager.

(d) Under no circumstances shall the number and aggregate amount of the Shares sold pursuant to this Agreement and any Terms Agreement exceed (i) the aggregate amount set forth in Section 1, (ii) the number of shares of the Common Stock available for issuance under the currently effective Registration Statement, (iii) the number and aggregate amount of the Shares authorized from time to time to be issued and sold under this Agreement by the Board, or a duly authorized committee thereof, and notified to the Managers in writing or (iv) the number of authorized but unissued shares of Common Stock (less shares of Common Stock issuable upon exercise, conversion or exchange of any outstanding securities of the Company or otherwise reserved from the Company's authorized capital stock).

(e) If any party has reason to believe that the exemptive provisions set forth in Rule 101(c)(1) of Regulation M under the Exchange Act are not satisfied with respect to the Shares, it shall promptly notify the other party and sales of the Shares under this Agreement and any Terms Agreement shall be suspended until that or other exemptive provisions have been satisfied in the judgment of each party.

(f) Notwithstanding any other provision of this Agreement the Company shall not request the sale of any Shares that would be sold, and no Manager shall be obligated to sell, during any period in which the Company is, or could be deemed to be, in possession of material non-public information.

4. Agreements. The Company agrees with the Managers that:

(a) During any period when the Company has delivered an effective instruction to sell Shares pursuant to Section 3(a)(i) of this Agreement or when the delivery of a prospectus relating to the Shares is required (including in circumstances where such requirement may be satisfied pursuant to Rule 172) to be delivered under the Securities Act, the Company will not file any amendment of the Registration Statement or supplement (including the Prospectus Supplement or any Interim Prospectus Supplement) to the Base Prospectus or any Rule 462(b) Registration Statement unless the Company has furnished to the Managers a copy for its review prior to filing and will not file any such proposed amendment or supplement to which any Manager reasonably objects. The Company has properly completed the Prospectus, in a form approved by the Managers, and filed such Prospectus, as amended at the Execution Time, with the Commission pursuant to the applicable paragraph of Rule 424(b) by the Execution Time and will cause any supplement to the Prospectus to be properly completed, in a form approved by the Managers, and will file such supplement with the Commission pursuant to the applicable paragraph of Rule 424(b) within the time period prescribed thereby and will provide evidence reasonably satisfactory to the Managers of such timely filing. The Company will promptly advise the Managers (i) when the Prospectus, and any supplement thereto, shall have been filed (if required) with the Commission pursuant to Rule 424(b) or when any Rule 462(b) Registration Statement shall have been filed with the Commission, (ii) when, during any period when the delivery of a prospectus (whether physically or through compliance with Rule 172 or any similar rule) is required under the Securities Act in connection with the offering or sale of the Shares, any amendment to the Registration Statement shall have been filed or become effective (other than any annual report of the Company filed pursuant to Section 13(a) or 15(d) of the Exchange Act), (iii) of any request by the Commission or its staff for any amendment of the Registration Statement or for any supplement to the Prospectus or for any additional information, (iv) of the issuance by the Commission of any stop order suspending the effectiveness of the Registration Statement or of any notice objecting to its use or the institution or threatening of any proceeding for that purpose and (v) of the receipt by the Company of any notification with respect to the suspension of the qualification of the Shares for sale in any jurisdiction or the institution or threatening of any proceeding for such purpose. The Company will use its commercially reasonable efforts to prevent the issuance of any such stop order or the occurrence of any such suspension or objection to the use of the Registration Statement or any Rule 462(b) Registration Statement and, upon such issuance, occurrence or notice of objection, to obtain as soon as possible the withdrawal of such stop order or relief from such occurrence or objection, including, if necessary, by filing an amendment to the Registration Statement or a new registration statement and using its commercially reasonable efforts to have such amendment or new registration statement declared effective as soon as practicable.

(b) If, at any time on or after an Applicable Time but prior to the related Settlement Date or Time of Delivery, any event occurs as a result of which the Disclosure Package would include any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements therein in the light of the circumstances under which they were made or the circumstances then prevailing not misleading, the Company will (i) notify promptly the Managers so that any use of the Disclosure Package may cease until it is amended or supplemented; (ii) amend or supplement the Disclosure Package to correct such statement or omission; and (iii) supply any amendment or supplement to the Managers in such quantities as the Managers may reasonably request.

(c) During any period when the delivery of a prospectus relating to the Shares is required (including in circumstances where such requirement may be satisfied pursuant to Rule 172) to be delivered under the Securities Act, any event occurs as a result of which the Prospectus as then supplemented would include any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements therein in the light of the circumstances under which they were made at such time not misleading, or if it shall be necessary to amend the Registration Statement, file a new registration statement or supplement the Prospectus to comply with the Securities Act or the Exchange Act or the respective rules thereunder, including in connection with use or delivery of the Prospectus, the Company promptly will (i) notify the Managers of any such event, (ii) prepare and file with the Commission, subject to the second sentence of paragraph (a) of this Section 4, an amendment or supplement or new registration statement which will correct such statement or omission or effect such compliance, (iii) use its commercially reasonable efforts to have any amendment to the Registration Statement or new registration statement declared effective as soon as practicable in order to avoid any disruption in use of the Prospectus and (iv) supply any supplemented Prospectus to each Manager in such quantities as such Manager may reasonably request.

(d) As soon as practicable, the Company will make generally available to its security holders and to the Managers an earnings statement or statements of the Company and its subsidiaries which will satisfy the provisions of Section 11(a) of the Securities Act and Rule 158. For the avoidance of doubt, the Company's compliance with the reporting requirements of the Exchange Act shall be deemed to satisfy the requirements of this Section 4(d).

(e) The Company will furnish to each Manager and counsel for the Managers, without charge, signed copies of the Registration Statement (including exhibits thereto) and, so long as delivery of a prospectus by the Managers or dealer may be required by the Securities Act (including in circumstances where such requirement may be satisfied pursuant to Rule 172), as many copies of the Prospectus and any supplement thereto as such Manager may reasonably request. The Company will pay the expenses of printing or other production of all documents relating to the offering.

(f) The Company will arrange, if necessary, for the qualification of the Shares for sale under the laws of such jurisdictions as the Managers may designate and will maintain such qualifications in effect so long as required for the distribution of the Shares; provided that in no event shall the Company be obligated to qualify to do business in any jurisdiction where it is not now so qualified or to take any action that would subject it to service of process in suits, other than those arising out of the offering or sale of the Shares, in any jurisdiction where it is not now so subject.

(g) The Company will not offer, sell, contract to sell, pledge, or otherwise dispose of, (or enter into any transaction which is designed to, or might reasonably be expected to, result in the disposition of (whether by actual disposition or effective economic disposition due to cash settlement or otherwise) by the Company or any affiliate of the Company or any person in privity with the Company or any affiliate of the Company) directly or indirectly, including the filing (or participation in the filing) of a registration statement with the Commission in respect of, or establish or increase a put equivalent position or liquidate or decrease a call equivalent position within the meaning of Section 16 of the Exchange Act, any other shares of Common Stock or any securities convertible into, or exercisable, or exchangeable for, shares of Common Stock; or publicly announce an intention to effect any such transaction without (i) giving the Managers at least five Business Days' prior written notice specifying the nature of the proposed transaction and the date of such proposed transaction and (ii) the Managers suspending acting under this Agreement for such period of time requested by the Company or as deemed appropriate by the Managers in light of the proposed transaction; provided, however, that the Company may issue and sell Common Stock pursuant to this Agreement or any Terms Agreement, any employee stock incentive plan or employee stock purchase plan of the Company in effect at the Execution Time and the Company may issue Common Stock issuable upon the conversion of securities or the exercise of warrants outstanding at the Execution Time.

(h) The Company will not (i) take, directly or indirectly, any action designed to or that would constitute or that might reasonably be expected to cause or result in, under the Exchange Act or otherwise, stabilization or manipulation of the price of any security of the Company to facilitate the sale or resale of the Shares or (ii) sell, bid for, purchase or pay any person (other than as contemplated by this Agreement or any Terms Agreement) any compensation for soliciting purchases of the Shares.

(i) The Company will, at any time during the term of this Agreement, as supplemented from time to time, advise the Managers immediately after it shall have received notice or obtained knowledge thereof, of any information or fact that would materially alter or affect any opinion, certificate, letter and other document provided to the Managers pursuant to Section 6 herein.

(j) Upon commencement of the offering of the Shares under this Agreement (and upon the recommencement of the offering of the Shares under this Agreement following the termination of a suspension of sales hereunder), and, within five (5) Trading Days after each time that (i) the Registration Statement or the Prospectus shall be amended or supplemented (other than by means of a prospectus supplement relating solely to the offering of securities other than the Shares), (ii) there is filed with the Commission any document incorporated by reference into the Prospectus, (iii) the Company files an Annual Report on Form 10-K under the Exchange Act, (iv) the Company files a Quarterly Report on Form 10-Q under the Exchange Act, (v) files a current report on Form 8-K containing amended financial information (other than information “furnished” pursuant to Items 2.02 or 7.01 of Form 8-K or to provide disclosure pursuant to Item 8.01 of Form 8-K relating to the reclassification of certain properties as discontinued operations in accordance with Statement of Financial Accounting Standards No. 144) under the Exchange Act, and only if any Agent reasonably determines that the information contained in such Form 8-K is material, or (vi) the Shares are delivered to any Manager as principal at the Time of Delivery pursuant to a Terms Agreement or (vii) otherwise as the Managers may reasonably request (such commencement or recommencement date and each such date referred to in (i), (ii), (iii), (iv), (v), (vi) and (vii) above, a “Representation Date”), the Company shall furnish or cause to be furnished to the Managers forthwith a certificate, in the form attached hereto as Exhibit 4(j), dated and delivered on such Representation Date. The requirement to provide a certificate under this Section 4(j) shall be waived for any Representation Date occurring at a time when no instruction to a Manager to sell Shares pursuant to this Agreement has been delivered by the Company or is pending, which waiver shall continue until the earlier to occur of the date the Company delivers instructions to sell Shares pursuant to Section 3(a)(i) hereunder and the next occurring Representation Date on which the Company files its annual report on Form 10-K. Notwithstanding the foregoing, if the Company subsequently decides to sell Shares following a Representation Date when the Company relied on such waiver and did not provide the Managers with a certificate under this Section 4(j), then before the Company delivers the instructions for the sale of Shares or the Selling Manager sells any Shares pursuant to such instructions, the Company shall provide the Managers with a certificate in conformity with this Section 4(j) dated as of the date that the instructions for the sale of Shares are issued and any other deliverables that would otherwise have been required at such Representation Date.

(k) At each Representation Date with respect to which the Company is obligated to deliver a certificate pursuant to Section 4(j) for which no waiver is applicable, the Company shall furnish or cause to be furnished forthwith to the Managers, the written opinion and negative assurance letter of Ellenoff Grossman & Schole LLP, counsel to the Company (“Company Counsel”), or other counsel satisfactory to the Managers, *provided, however*, the Company shall be required to furnish to the Managers no more than one opinion hereunder per calendar quarter; provided, further, that in lieu of such opinions for subsequent periodic filings under the Exchange Act, counsel may furnish the Managers with a letter (a “Reliance Letter”) to the effect that each Manager may rely on a prior opinion delivered under this Section 4(k) to the same extent as if it were dated the date of such letter (except that statements in such prior opinion shall be deemed to relate to the Registration Statement and the Prospectus as amended or supplemented as of the date of the Reliance Letter).

(l) At each Representation Date with respect to which the Company is obligated to deliver a certificate pursuant to Section 4(j) for which no waiver is applicable, Davis Polk & Wardwell LLP, counsel to the Managers, shall deliver its written opinion and negative assurance letter, in form and substance satisfactory to the Managers. The Company shall have furnished to such counsel such documents as they request for the purpose of enabling them to pass upon such matters.

(m) At each Representation Date with respect to which the Company is obligated to deliver a certificate pursuant to Section 4(j) for which no waiver is applicable, the Company shall cause PricewaterhouseCoopers LLP, or other independent accountants satisfactory to the Managers forthwith, to furnish the Managers a letter, in form satisfactory to the Managers, (i) confirming that they are independent accountants within the meaning of the Securities Act and the Exchange Act and the respective applicable rules and regulations adopted by the Commission thereunder (ii) stating, as of such date, the conclusions and findings of such firm with respect to the financial information and other matters ordinarily covered by accountants' "comfort letters" to underwriters in connection with registered public offerings (the first such letter, the "Initial Comfort Letter") and (iii) updating the Initial Comfort Letter had it been given on such date and modified as necessary to relate to the Registration Statement and the Prospectus, as amended and supplemented to the date of such letter.

(n) [Reserved.]

(o) At each Representation Date with respect to which the Company is obligated to deliver a certificate pursuant to Section 4(j) for which no waiver is applicable, the Company shall cause BDO USA, P.C., or other independent accountants satisfactory to the Managers forthwith, to furnish the Managers a letter, in form and substance satisfactory to the Managers, (i) confirming that they were, as of May 11, 2026 and during the period covered by the financial statements on which they reported, independent public accountants with respect to LivePerson within the meaning of the Securities Act and the Exchange Act and the respective applicable rules and regulations adopted by the Commission thereunder (ii) stating, as of such date, the conclusions and findings of such firm with respect to the financial information and other matters ordinarily covered by accountants' "comfort letters" to underwriters in connection with registered public offerings (the first such letter, the "Initial Comfort Letter") and (iii) updating the Initial Comfort Letter had it been given on such date and modified as necessary to relate to the Registration Statement and the Prospectus, as amended and supplemented to the date of such letter. Notwithstanding the foregoing, such letter shall not be required to be delivered after such time that the financial statements of LivePerson are no longer incorporated by reference into the Registration Statement.

(p) At each Representation Date with respect to which the Company is obligated to deliver a certificate pursuant to Section 4(j) for which no waiver is applicable, the Company shall deliver a certificate executed by the Chief Financial Officer of the Company (the “CFO Certificate”), dated as of such date, in in form and substance reasonably satisfactory to the Manager.

(q) At each Representation Date with respect to which the Company is obligated to deliver a certificate pursuant to Section 4(j) for which no waiver is applicable, the Company will conduct a due diligence session, in form and substance satisfactory to the Managers, which shall include representatives of the management and the independent accountants of the Company. The Company shall cooperate timely with any reasonable due diligence request from or review conducted by the Managers or its agents from time to time in connection with the transactions contemplated by this Agreement, including, without limitation, providing information and available documents and access to appropriate corporate officers and the Company’s agents during regular business hours and at the Company’s principal offices, and timely furnishing or causing to be furnished such certificates, letters and opinions from the Company, its officers and its agents, as the Managers may reasonably request.

(r) The Company consents to the Managers trading in the Common Stock for each of the Managers’ own accounts and for the accounts of its clients at the same time as sales of the Shares occur pursuant to this Agreement or pursuant to a Terms Agreement.

(s) The Company will disclose in its Annual Reports on Form 10-K and Quarterly Reports on Form 10-Q, as applicable, the number of Shares sold through the Managers under this Agreement, the Net Proceeds to the Company and the compensation paid by the Company with respect to sales of Shares pursuant to this Agreement during the relevant quarter. Additionally, on such dates as the Securities Act shall require, the Company will (i) file a prospectus supplement with the Commission under the applicable paragraph of Rule 424(b) under the Securities Act, which prospectus supplement will set forth, within the relevant period, the amount of Shares sold through the Managers pursuant to this Agreement, the Net Proceeds to the Company and the compensation payable by the Company to the Managers with respect to such Shares, and (ii) deliver such number of copies of each such prospectus supplement to Nasdaq as may be required by the rules or regulations of Nasdaq.

(t) If to the knowledge of the Company, the conditions set forth in Section 6(a) shall not be true and correct on the applicable Settlement Date, the Company will offer to any person who has agreed to purchase Shares from the Company as the result of an offer to purchase solicited by any Manager the right to refuse to purchase and pay for such Shares.

(u) Each acceptance by the Company of an offer to purchase the Shares hereunder, and each execution and delivery by the Company of a Terms Agreement, shall be deemed to be an affirmation to the Managers that the representations and warranties of the Company contained in or made pursuant to this Agreement are true and correct as of the date of such acceptance or of such Terms Agreement as though made at and as of such date, and an undertaking that such representations and warranties will be true and correct as of the Settlement Date for the Shares relating to such acceptance or as of the Time of Delivery relating to such sale, as the case may be, as though made at and as of such date (except that such representations and warranties shall be deemed to relate to the Registration Statement and the Prospectus as amended and supplemented relating to such Shares).

(v) The Company shall ensure that there are at all times sufficient shares of Common Stock to provide for the issuance, free of any preemptive rights, out of its authorized but unissued shares of Common Stock or shares of Common Stock held in treasury, of the maximum aggregate number of Shares authorized for issuance by the Board pursuant to the terms of this Agreement. The Company will use its commercially reasonable efforts to cause the Shares to be listed for trading on Nasdaq and to maintain such listing.

(w) During any period when the delivery of a prospectus relating to the Shares is required (including in circumstances where such requirement may be satisfied pursuant to Rule 172) to be delivered under the Securities Act, the Company will file all documents required to be filed with the Commission pursuant to the Exchange Act within the time periods required by the Exchange Act and the regulations thereunder.

(x) The Company shall cooperate with the Managers and use its reasonable efforts to permit the Shares to be eligible for clearance and settlement through the facilities of DTC.

(y) The Company will apply the Net Proceeds from the sale of the Shares in the manner set forth in the Prospectus.

5. Payment of Expenses.

(a) The Company agrees to pay the costs and expenses incident to the performance of its obligations under this Agreement, whether or not the transactions contemplated hereby are consummated, including without limitation: (i) the preparation, printing or reproduction and filing with the Commission of the Registration Statement (including financial statements and exhibits thereto), the Prospectus and each amendment or supplement to any of them; (ii) the printing (or reproduction) and delivery (including postage, air freight charges and charges for counting and packaging) of such copies of the Registration Statement, the Prospectus, and all amendments or supplements to any of them, as may, in each case, be reasonably requested for use in connection with the offering and sale of the Shares; (iii) the preparation, printing, authentication, issuance and delivery of certificates for the Shares, including any stamp or transfer taxes in connection with the original issuance and sale of the Shares; (iv) the printing (or reproduction) and delivery of this Agreement, any blue sky memorandum and all other agreements or documents printed (or reproduced) and delivered in connection with the offering of the Shares; (v) the registration of the Shares under the Exchange Act and the listing of the Shares on Nasdaq; (vi) any registration or qualification of the Shares for offer and sale under the securities or blue sky laws of the several states (including filing fees and the reasonable fees and expenses of counsel for the Managers relating to such registration and qualification, subject to the cap set forth in clause (x) below); (vii) any filings required to be made with the Financial Industry Regulatory Authority, Inc. (“FINRA”) (including filing fees and the reasonable fees and expenses of counsel for the Managers relating to such filings, subject to the cap set forth in clause (x) below); (viii) the transportation and other expenses incurred by or on behalf of Company representatives in connection with presentations to prospective purchasers of the Shares; (ix) the fees and expenses of the Company’s accountants and the fees and expenses of counsel (including local and special counsel) for the Company; (x) the reasonable documented out-of-pocket expenses of the Managers, including the reasonable fees, disbursements and expenses of counsel for the Managers in connection with this Agreement and the Registration Statement in an amount not to exceed \$75,000 in the aggregate; and (xi) all other costs and expenses incident to the performance by the Company of its obligations hereunder.

6. Conditions to the Obligations of the Managers. The obligations of each Manager under this Agreement and any Terms Agreement shall be subject to (i) the accuracy of the representations and warranties on the part of the Company contained herein as of the Execution Time, each Representation Date, and as of each Applicable Time, Settlement Date and Time of Delivery, (ii) to the performance by the Company of its obligations hereunder and (iii) the following additional conditions:

(a) The Prospectus, and any supplement thereto, required by Rule 424 to be filed with the Commission have been filed in the manner and within the time period required by Rule 424(b) with respect to any sale of Shares; each Interim Prospectus Supplement shall have been filed in the manner required by Rule 424(b) within the time period required by Section 4(s) of this Agreement; and no stop order suspending the effectiveness of the Registration Statement or any notice objecting to its use shall have been issued and no proceedings for that purpose shall have been instituted or threatened.

(b) The Managers shall have received the written opinion and negative assurance letter of Company Counsel required pursuant to Section 4(k) on or before the date on which such opinion and negative assurance letters are required pursuant to Section 4(k).

In rendering such opinion, such counsel may rely (A) as to matters involving the application of laws of any jurisdiction other than the State of Delaware or the Federal laws of the United States, to the extent they deem proper and specified in such opinion, upon the opinion of other counsel of good standing whom they believe to be reliable and who are satisfactory to counsel for the Managers and (B) as to matters of fact, to the extent they deem proper, on certificates of responsible officers of the Company and public officials. References to the Prospectus in this paragraph (b) shall also include any supplements thereto at the Settlement Date.

(c) The Managers shall have received from Davis Polk & Wardwell LLP, counsel for the Managers, its written opinion and negative assurance letter required pursuant to Section 4(l) on or before the date on which such opinion and negative assurance letters are required pursuant to Section 4(l), and the Company shall have furnished to such counsel such documents as they request for the purpose of enabling them to pass upon such matters.

(d) The Managers shall have received from the Company the certificate required pursuant to Section 4(j) on or before the date on which such certificate is required pursuant to Section 4(j).

(e) The Managers shall have received the comfort letter of PricewaterhouseCoopers LLC required to be delivered pursuant to Section 4(m) on or before the date on which such delivery of such comfort letters are required pursuant to Section 4(m).

(f) [Reserved.]

(g) The Managers shall have received the comfort letter of BDO USA, P.C. required to be delivered pursuant to Section 4(o) on or before the date on which such delivery of such comfort letters are required pursuant to Section 4(o).

(h) The Managers shall have received the CFO Certificate required to be delivered pursuant to Section 4(p) on or before the date on which such delivery of such CFO Certificate on or before the date on which such delivery of such comfort letters are required pursuant to Section 4(p).

(i) FINRA shall not have raised any objection with respect to the fairness and reasonableness of the terms and arrangements under this Agreement.

(j) The Shares shall have been listed and admitted and authorized for trading on Nasdaq, and satisfactory evidence of such actions shall have been provided to the Managers.

(k) Prior to each Settlement Date and Time of Delivery, as applicable, the Company shall have furnished to the Managers such further information, certificates and documents as the Managers may reasonably request.

(l) The Company shall have paid the required Commission filing fees relating to the Shares within the time period required by Rule 456(b)(1)(i) of the Securities Act without regard to the proviso therein and otherwise in accordance with Rules 456(b) and 457(r) of the Securities Act and, if applicable, shall have updated the "Calculation of Registration Fee" table in accordance with Rules 456(b)(1)(ii) and 424(g) of the Securities Act.

If any of the conditions specified in this Section 6 shall not have been fulfilled when and as provided in this Agreement, or if any of the opinions and certificates mentioned above or elsewhere in this Agreement shall not be reasonably satisfactory in form and substance to the Managers and counsel for the Managers, this Agreement and all obligations of the Managers hereunder may be canceled at, or at any time prior to, any Settlement Date or Time of Delivery, as applicable, by the Managers. Notice of such cancellation shall be given to the Company in writing or by telephone or facsimile confirmed in writing.

The documents required to be delivered by this Section 6 shall be delivered at the office of Davis Polk & Wardwell LLP, counsel for the Managers, at 900 Middlefield Road, Suite 200, Redwood City, California 94063, on each such date as provided in this Agreement.

7. Indemnification and Contribution.

(a) The Company agrees to indemnify and hold harmless each Manager, the directors, officers, employees, affiliates and agents of each Manager and each person who controls such Manager within the meaning of either the Securities Act or the Exchange Act against any and all losses, claims, damages or liabilities, joint or several, to which they or any of them may become subject under the Securities Act, the Exchange Act or other Federal or state statutory law or regulation, at common law or otherwise, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon any untrue statement or alleged untrue statement of a material fact contained in the registration statement for the registration of the Shares as originally filed or in any amendment thereof, or in the Base Prospectus, the Prospectus Supplement, any Interim Prospectus Supplement shall have been filed in the manner required by Rule 424(b) within the time period required by Section 4(s) of this Agreement, the Prospectus or in any amendment thereof or supplement thereto or arise out of or are based upon the omission or alleged omission to state therein a material fact required to be stated therein or necessary in order to make the statements therein not misleading, and agrees to reimburse each such indemnified party, as incurred, for any legal or other expenses reasonably incurred by them in connection with investigating or defending any such loss, claim, damage, liability or action; provided, however, that the Company will not be liable in any such case to the extent that any such loss, claim, damage or liability arises out of or is based upon any such untrue statement or alleged untrue statement or omission or alleged omission made therein in reliance upon and in conformity with written information furnished to the Company by such Manager specifically for inclusion therein. This indemnity agreement will be in addition to any liability that the Company may otherwise have. The Company hereby acknowledges that the only information that the Managers have furnished to the Company expressly for use in the Prospectus Supplement, the Prospectus or any Interim Prospectus Supplement (or any amendment or supplement thereto) are the statements set forth in the last sentence of the second paragraph, the second sentence of the third paragraph and the first sentence of the fourth paragraph under the caption “Plan of Distribution” in the Prospectus (the “Manager Information”).

(b) Each Manager, severally but not jointly, agrees to indemnify and hold harmless the Company, each of its directors, each of its officers who signs the Registration Statement, and each person who controls the Company within the meaning of either the Securities Act or the Exchange Act, to the same extent as the foregoing indemnity from the Company to each Manager, but only with reference to written information relating to each Manager furnished to the Company by each Manager specifically for inclusion in the documents referred to in the foregoing indemnity. This indemnity agreement will be in addition to any liability which the Managers may otherwise have.

(c) Promptly after receipt by an indemnified party under this Section 7 of notice of the commencement of any action, such indemnified party will, if a claim in respect thereof is to be made against the indemnifying party under this Section 7, notify the indemnifying party in writing of the commencement thereof; but the failure so to notify the indemnifying party (i) will not relieve it from liability under paragraph (a) or (b) above unless and to the extent it did not otherwise learn of such action and such failure results in the forfeiture by the indemnifying party of substantial rights and defenses and (ii) will not, in any event, relieve the indemnifying party from any obligations to any indemnified party other than the indemnification obligation provided in paragraph (a) or (b) above. The indemnifying party shall be entitled to appoint counsel of the indemnifying party's choice at the indemnifying party's expense to represent the indemnified party in any action for which indemnification is sought (in which case the indemnifying party shall not thereafter be responsible for the fees and expenses of any separate counsel retained by the indemnified party or parties except as set forth below); provided, however, that such counsel shall be reasonably satisfactory to the indemnified party. Notwithstanding the indemnifying party's election to appoint counsel to represent the indemnified party in an action, the indemnified party shall have the right to employ separate counsel (including local counsel), and the indemnifying party shall bear the reasonable fees, costs and expenses of such separate counsel if (i) the use of counsel chosen by the indemnifying party to represent the indemnified party would present such counsel with a conflict of interest, (ii) the actual or potential defendants in, or targets of, any such action include both the indemnified party and the indemnifying party and the indemnified party shall have reasonably concluded that there may be legal defenses available to it and/or other indemnified parties which are different from or additional to those available to the indemnifying party, (iii) the indemnifying party shall not have employed counsel reasonably satisfactory to the indemnified party to represent the indemnified party within a reasonable time after notice of the institution of such action or (iv) the indemnifying party shall authorize the indemnified party to employ separate counsel at the expense of the indemnifying party. An indemnifying party will not, without the prior written consent of the indemnified parties, settle or compromise or consent to the entry of any judgment with respect to any pending or threatened claim, action, suit or proceeding in respect of which indemnification or contribution may be sought hereunder (whether or not the indemnified parties are actual or potential parties to such claim or action) unless such settlement, compromise or consent: (i) includes an unconditional release of each indemnified party from all liability arising out of such claim, action, suit or proceeding and (ii) does not include a statement as to or an admission of fault, culpability or a failure to act, by or on behalf of any indemnified party.

(d) In the event that the indemnity provided in paragraph (a), (b) or (c) of this Section 7 is unavailable to or insufficient to hold harmless an indemnified party for any reason, the Company and the Managers agree to contribute to the aggregate losses, claims, damages and liabilities (including legal or other expenses reasonably incurred in connection with investigating or defending the same) (collectively "Losses") to which the Company and each Manager may be subject in such proportion as is appropriate to reflect the relative benefits received by the Company on the one hand and the relevant Manager on the other from the offering of the Shares. If the allocation provided by the immediately preceding sentence is unavailable for any reason, the Company and such Manager severally shall contribute in such proportion as is appropriate to reflect not only such relative benefits but also the relative fault of the Company on the one hand and of such Manager on the other in connection with the statements or omissions which resulted in such Losses as well as any other relevant equitable considerations. Benefits received by the Company shall be deemed to be equal to the total net proceeds from the offering (before deducting expenses) received by it, and benefits received by the relevant Manager shall be deemed to be equal to the total underwriting discounts and commissions, in each case as determined by this Agreement or any applicable Terms Agreement. Relative fault shall be determined by reference to, among other things, whether any untrue or any alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information provided by the Company on the one hand or by the relevant Manager on the other, the intent of the parties and their relative knowledge, access to information and opportunity to correct or prevent such untrue statement or omission. The Company and each Manager agrees that it would not be just and equitable if contribution were determined by pro rata allocation or any other method of allocation which does not take account of the equitable considerations referred to above. Notwithstanding the provisions of this paragraph (d), in no event shall any Manager be required to contribute any amount in excess of the amount by which the underwriting discount or commission, as the case may be, applicable to the Shares purchased by such Manager hereunder exceeds the amount of any damages that any Manager has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation. For purposes of this Section 7, each person who controls any Manager within the meaning of either the Securities Act or the Exchange Act and each director, officer, employee, affiliate and agent of any Manager shall have the same rights to contribution as each Manager, and each person who controls the Company within the meaning of either the Securities Act or the Exchange Act, each officer of the Company who shall have signed the Registration Statement and each director of the Company shall have the same rights to contribution as the Company, subject in each case to the applicable terms and conditions of this paragraph (d).

8. Termination.

(a) The Company shall have the right, by giving written notice as hereinafter specified, to terminate the provisions of this Agreement relating to the solicitation of offers to purchase the Shares in its sole discretion at any time. Any such termination shall be without liability of any party to any other party except that (i) if Shares have been sold through any Manager for the Company, then Section 4(u) shall remain in full force and effect, (ii) with respect to any pending sale, through any Manager for the Company, the obligations of the Company, including in respect of compensation of such Manager, shall remain in full force and effect notwithstanding the termination and (iii) the provisions of Sections 2, 5, 7, 10, 11, 13 and 15 of this Agreement shall remain in full force and effect notwithstanding such termination.

(b) Each Manager shall, as to itself, have the right, by giving written notice as hereinafter specified, to terminate the provisions of this Agreement relating to the solicitation of offers to purchase the Shares in its sole discretion at any time; provided, however, that this Agreement and the obligations hereunder will remain in full force and effect with respect to the Manager that has not so terminated its obligations. Any such termination shall be without liability of any party to any other party except that the provisions of Sections 2, 5, 7, 10, 11, 13 and 15 of this Agreement shall remain in full force and effect notwithstanding such termination. For the avoidance of doubt, the termination by one Manager pursuant to this section 8(b) shall not affect the rights and obligations of the other Manager under this Agreement.

(c) This Agreement shall remain in full force and effect unless terminated pursuant to Sections 8(a) or (b) above or otherwise by mutual agreement of the parties; provided that any such termination by mutual agreement shall in all cases be deemed to provide that Sections 2, 5, 7 and 10 shall remain in full force and effect.

(d) Any termination of this Agreement shall be effective on the date specified in such notice of termination; provided that such termination shall not be effective until the close of business on the date of receipt of such notice by the Managers or the Company, as the case may be. If such termination shall occur prior to the Settlement Date or Time of Delivery for any sale of the Shares, such sale shall settle in accordance with the provisions of Section 3(a)(vii) of this Agreement.

(e) In the case of any purchase of Shares by any Manager pursuant to a Terms Agreement, the obligations of such Manager pursuant to such Terms Agreement shall be subject to termination, in the absolute discretion of such Manager, by notice given to the Company prior to the Time of Delivery relating to such Shares, if at any time prior to such delivery and payment (i) trading in the Company's Common Stock shall have been suspended by the Commission or Nasdaq or trading in securities generally on the NYSE or Nasdaq shall have been suspended or limited or minimum prices shall have been established on either of such exchanges, (ii) a banking moratorium shall have been declared either by Federal or New York State authorities or (iii) there shall have occurred any outbreak or escalation of hostilities, declaration by the United States of a national emergency or war, or other calamity or crisis the effect of which on financial markets is such as to make it, in the sole judgment of any Manager, impractical or inadvisable to proceed with the offering or delivery of the Shares as contemplated by the Prospectus (exclusive of any amendment or supplement thereto).

9. Recognition of the U.S. Special Resolution Regimes.

(a) In the event that any Manager that is a Covered Entity becomes subject to a proceeding under a U.S. Special Resolution Regime, the transfer from such Manager of this Agreement, and any interest and obligation in or under this Agreement, will be effective to the same extent as the transfer would be effective under the U.S. Special Resolution Regime if this Agreement, and any such interest and obligation, were governed by the laws of the United States or a state of the United States.

(b) In the event that any Manager that is a Covered Entity or a BHC Act Affiliate of such Manager becomes subject to a proceeding under a U.S. Special Resolution Regime, Default Rights under this Agreement that may be exercised against such Manager are permitted to be exercised to no greater extent than such Default Rights could be exercised under the U.S. Special Resolution Regime if this Agreement were governed by the laws of the United States or a state of the United States.

10. Representations and Indemnities to Survive. The respective agreements, representations, warranties, indemnities and other statements of the Company or its officers and of the Managers set forth in or made pursuant to this Agreement will remain in full force and effect, regardless of any investigation made by any Manager or the Company or any of the officers, directors, employees, affiliates, agents or controlling persons referred to in Section 7 hereof, and will survive delivery of and payment for the Shares.

11. Notices. All communications hereunder will be in writing and effective only on receipt, and, if sent to the Managers, will be delivered to:

Cantor Fitzgerald & Co.
110 East 59th Street
New York, New York 10022
Attention: Global Head of Investment Banking
Email: notices-IBD@cantor.com

D.A. Davidson & Co.
8 Third Street North
Great Falls, Montana 59401

H.C. Wainwright & Co., LLC
430 Park Avenue
New York, New York 10022
Attention: Chief Executive Officer
Email: notices@hcwco.com

Roth Capital Partners, LLC
888 San Clemente Drive
Newport Beach, CA 92660
Attn: Equity Capital Markets
rothecm@roth.com

Northland Securities, Inc.
150 South Fifth Street, Suite 3300
Minneapolis, MN 55402
Attention: Jeff Peterson
Email: jpeterson@northlandcapitalmarkets.com

Ladenburg Thalmann & Co. Inc.
640 5th Ave, 4th Floor
New York, NY 10019
Attention: Joseph Giovanniello
Tel: (212) 409-2000
Email: jgiovanniello@ladenburg.com

Wedbush Securities Inc.
4 Embarcadero Center, Suite 2610
San Francisco, CA 94111
Attn: Technology Investment Banking Team
TMT@wedbush.com

with copy to:

Attn: Legal Department
legalnotices@wedbush.com

Joseph Gunnar & Co., LLC
1000 RXR Plaza
Uniondale, NY 11556
Attention: Stephan A. Stein
Email: sstein@JGunnar.com

and, if sent to the Company, will be delivered to:

SoundHound AI, Inc.
5400 Betsy Ross Drive
Santa Clara, California 95054
(408) 441-3200
Email: Keyvan Mohajer
Attention: keyvan@soundhound.com

12. Successors. This Agreement will inure to the benefit of and be binding upon the parties hereto and their respective successors and the officers, directors, employees, agents and controlling persons referred to in Section 8 hereof, and no other person will have any right or obligation hereunder.

13. No Fiduciary Duty. The Company hereby acknowledges that (a) the purchase and sale of the Shares pursuant to this Agreement is an arm's-length commercial transaction between the Company, on the one hand, and each Manager and any affiliate through which it may be acting, on the other, (b) each Manager is acting solely as sales agent and/or principal in connection with the purchase and sale of the Company's securities and not as a fiduciary of the Company and (c) the Company's engagement of each Manager in connection with the offering and the process leading up to the offering is as independent contractors and not in any other capacity. Furthermore, the Company agrees that it is solely responsible for making its own judgments in connection with the offering (irrespective of whether any Manager has advised or is currently advising the Company on related or other matters). The Company agrees that it will not claim that any Manager has rendered advisory services of any nature or respect, or owe an agency, fiduciary or similar duty to the Company, in connection with such transaction or the process leading thereto.

14. Integration. This Agreement and any Terms Agreement supersede all prior agreements and understandings (whether written or oral) between the Company and the Managers with respect to the subject matter hereof.

15. Applicable Law. This Agreement and any Terms Agreement will be governed by and construed in accordance with the laws of the State of New York applicable to contracts made and to be performed within the State of New York. Each party hereby irrevocably submits to the exclusive jurisdiction of the state and federal courts sitting in the City of New York, Borough of Manhattan, for the adjudication of any dispute hereunder or in connection with any transaction contemplated hereby, and hereby irrevocably waives, and agrees not to assert in any suit, action or proceeding, any claim that it is not personally subject to the jurisdiction of any such court, that such suit, action or proceeding is brought in an inconvenient forum or that the venue of such suit, action or proceeding is improper. Each party hereby irrevocably waives personal service of process and consents to process being served in any such suit, action or proceeding by mailing a copy thereof (certified or registered mail, return receipt requested) to such party at the address in effect for notices to it under this agreement and agrees that such service shall constitute good and sufficient service of process and notice thereof. Nothing contained herein shall be deemed to limit in any way any right to serve process in any manner permitted by law.

16. Waiver of Jury Trial. The Company hereby irrevocably waives, to the fullest extent permitted by applicable law, any and all right to trial by jury in any legal proceeding arising out of or relating to this Agreement, any Terms Agreement or the transactions contemplated hereby or thereby.

17. Counterparts. This Agreement and any Terms Agreement may be signed in one or more counterparts, each of which shall constitute an original and all of which together shall constitute one and the same agreement.

18. Headings. The section headings used in this Agreement and any Terms Agreement are for convenience only and shall not affect the construction hereof.

19. Definitions. The terms that follow, when used in this Agreement and any Terms Agreement, shall have the meanings indicated.

“Applicable Time” shall mean, with respect to any Shares, the time of sale of such Shares pursuant to this Agreement or any relevant Terms Agreement.

“Base Prospectus” shall mean the base prospectus referred to in Section 2(a) above contained in the Registration Statement at the Execution Time.

“BHC Act Affiliate” shall mean “affiliate” as defined in, and shall be interpreted in accordance with, 12 U.S.C. § 1841(k).

“Business Day” shall mean any day other than a Saturday, a Sunday or a legal holiday or a day on which banking institutions or trust companies are authorized or obligated by law to close in New York City.

“Commission” shall mean the Securities and Exchange Commission.

“Covered Entity” shall mean any of the following: (i) a “covered entity” as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 252.82(b), (ii) a “covered bank” as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 47.3(b) or (iii) a “covered FSI” as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 382.2(b).

“Default Right” shall mean default right as defined and interpreted in accordance with, 12 C.F.R. §§ 252.81, 47.2 or 382.1, as applicable.

“Disclosure Package” shall mean (i) the Base Prospectus, (ii) the Prospectus Supplement, (iii) the most recently filed Interim Prospectus Supplement and (iv) the public offering price of Shares sold at the relevant Applicable Time.

“Effective Date” shall mean each date and time that the Registration Statement, any post-effective amendment or amendments thereto and any Rule 462(b) Registration Statement became or becomes effective.

“Exchange Act” shall mean the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder.

“Execution Time” shall mean the date and time that this Agreement is executed and delivered by the parties hereto.

“Interim Prospectus Supplement” shall mean the prospectus supplement relating to the Shares prepared and filed pursuant to Rule 424(b) from time to time as provided by Section 4(s) of this Agreement.

“Prospectus” shall mean the Base Prospectus, as supplemented by the Prospectus Supplement and the most recently filed Interim Prospectus Supplement (if any).

“Prospectus Supplement” shall mean the most recent prospectus supplement relating to the Shares that was first filed pursuant to Rule 424(b) at or prior to the Execution Time.

“Registration Statement” shall mean the registration statement referred to in Section 2(a) above, including exhibits and financial statements and any prospectus supplement relating to the Shares that is filed with the Commission pursuant to Rule 424(b) and deemed part of such registration statement pursuant to Rule 430B, as amended on each Effective Date and, in the event any post-effective amendment thereto or any Rule 462(b) Registration Statement becomes effective, shall also mean such registration statement as so amended or such Rule 462(b) Registration Statement, as the case may be.

“Rule 158”, “Rule 163”, “Rule 164”, “Rule 172”, “Rule 405”, “Rule 415”, “Rule 424”, “Rule 430B” and “Rule 462” refer to such rules under the Securities Act.

“Rule 462(b) Registration Statement” shall mean a registration statement and any amendments thereto filed pursuant to Rule 462(b) relating to the offering covered by the registration statement referred to in Section 1(a) hereof.

“Securities Act” shall mean the Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder.

“U.S. Special Resolution Regime” shall mean each of (i) the Federal Deposit Insurance Act and the regulations promulgated thereunder and (ii) Title II of the Dodd-Frank Wall Street Reform and Consumer Protection Act and the regulations promulgated thereunder.

If the foregoing is in accordance with your understanding of our agreement, please sign and return to us the enclosed duplicate hereof, whereupon this letter and your acceptance shall represent a binding agreement among the Company and the Managers.

Very truly yours,

SoundHound AI, Inc.

By: /s/ Keyvan Mohajer

Name: Keyvan Mohajer

Title: Chief Executive Officer

The foregoing Agreement is hereby confirmed and accepted as of the date first written above.

Cantor Fitzgerald & Co.

By: /s/ Sameer Vausdev

Name: Sameer Vausdev
Title: Managing Director

D.A. Davidson & Co.

By: /s/ Joshua Nolan

Name: Joshua Nolan
Title: Managing Director

H.C. Wainwright & Co., LLC

By: /s/ Edward Silvera

Name: Edward Silvera
Title: Co-Chief Executive Officer

Roth Capital Partners, LLC

By: Aaron M. Gurewitz

Name: Aaron M. Gurewitz
Title: Co-CEO & Head of Investment Banking

Northland Securities, Inc.

By: /s/ Jeff Peterson

Name: Jeff Peterson
Title: Managing Director

Ladenburg Thalmann & Co. Inc.

By: /s/ Samir Hussein

Name: Samir Hussein
Title: Managing Director, Technology Investment Banking

Wedbush Securities Inc.

By: /s/ Burke Dempsey

Name: Burke Dempsey
Title: Executive Vice President, Head of Investment Banking & Capital Markets

Joseph Gunnar & Co., LLC

By: /s/ Stephan A. Stein

Name: Stephan A. Stein
Title: President

SOUNDHOUND AI, INC.**OFFICER CERTIFICATE**

[•], 20[•]

The undersigned, the duly qualified and elected Chief Executive Officer, of **SoundHound AI, Inc.** (the “**Company**”), a Delaware corporation, does hereby certify in such capacity and on behalf of the Company, pursuant to Section 4(j) of the Equity Distribution Agreement dated May [•], 2026 (the “**Agreement**”) among the Company and Cantor Fitzgerald & Co., D.A. Davidson & Co., H.C. Wainwright & Co., LLC, Roth Capital Partners, LLC, Northland Securities, Inc., Ladenburg Thalmann & Co. Inc., Wedbush Securities Inc. and Joseph Gunnar & Co., LLC, that to the knowledge of the undersigned:

- (i) no stop order suspending the effectiveness of the Registration Statement is in effect, and no proceedings for such purpose pursuant to Section 8A under the Securities Act of 1933, as amended (the “**Securities Act**”) are pending before or threatened by the U.S. Securities and Exchange Commission (the “**Commission**”);
- (ii) the Prospectus Supplement and any Interim Prospectus Supplement have been timely filed with the Commission under the Securities Act and in accordance with the Agreement;
- (iii) since the date of the latest audited financial statements included or incorporated by reference in the Registration Statement, the General Disclosure Package and the Prospectus or since the respective dates as of which information is given in the Registration Statement, the General Disclosure Package and the Prospectus, there has been no event or development in respect of the business or financial condition of the Company and its subsidiaries that is, individually or in the aggregate, reasonably likely to have a material adverse effect;
- (iv) the representations and warranties of the Company contained in the Agreement are true and correct on and as of the date hereof; and
- (v) the Company has complied with all of the agreements and satisfied all of the conditions on its part to be performed or satisfied under the Agreement on or prior to the date hereof.

Capitalized terms used herein without definition shall have the meanings given to such terms in the Agreement.

Each of Davis Polk & Wardwell LLP and Ellenoff Grossman & Schole LLP is entitled to rely on this certificate in connection with such firm’s legal opinion to be delivered pursuant to the Agreement.

By: _____
 Name:
 Title:

Date: _____

SOUNDHOUND AI, INC.

Common Stock

TERMS AGREEMENT

_____, 20__

[Cantor Fitzgerald & Co.]
[D.A. Davidson & Co.]
[H.C. Wainwright & Co., LLC]
[Roth Capital Partners, LLC]
[Northland Securities, Inc.]
[Ladenburg Thalmann & Co. Inc.]
[Wedbush Securities Inc.]
[Joseph Gunnar & Co., LLC]

[c/o Cantor Fitzgerald & Co.
110 East 59th Street, 6th Floor
New York, NY 10022]

[c/o D.A. Davidson & Co.
8 Third Street North
Great Falls, Montana 59401]

[c/o H.C. Wainwright & Co., LLC
430 Park Avenue
New York, New York 10022]

[c/o Roth Capital Partners, LLC
888 San Clemente Drive
Newport Beach, CA 92660]

[c/o Northland Securities, Inc.
150 South Fifth Street, Suite 3300
Minneapolis, MN 55402]

[c/o Ladenburg Thalmann & Co. Inc.
640 5th Ave, 4th Floor
New York, NY 10019]

[c/o Wedbush Securities Inc.
225 S Lake Ave Penthouse
Pasadena, CA 91101]

[c/o Joseph Gunnar & Co., LLC
1000 RXR Plaza
Uniondale, New York 11556]

Dear Sirs:

SoundHound AI, Inc. (the “Company”) proposes, subject to the terms and conditions stated herein and in the Equity Distribution Agreement, dated May [●], 2026 (the “Equity Distribution Agreement”), by and among the Company, Cantor Fitzgerald & Co., D.A. Davidson & Co., H.C. Wainwright & Co., LLC, Roth Capital Partners, LLC, Northland Securities, Inc., Ladenburg Thalmann & Co. Inc., Wedbush Securities Inc. and Joseph Gunnar & Co., LLC, to issue and sell to [Cantor Fitzgerald & Co.][D.A. Davidson & Co.][H.C. Wainwright & Co., LLC][Roth Capital Partners, LLC][Northland Securities, Inc.][Ladenburg Thalmann & Co. Inc.][Wedbush Securities Inc.][Joseph Gunnar & Co., LLC], the securities specified in the Schedule I hereto (the “Purchased Shares”).

Each of the provisions of the Equity Distribution Agreement not specifically related to the solicitation by [Cantor Fitzgerald & Co.][D.A. Davidson & Co.][H.C. Wainwright & Co., LLC][Roth Capital Partners, LLC][Northland Securities, Inc.][Ladenburg Thalmann & Co. Inc.][Wedbush Securities Inc.][Joseph Gunnar & Co., LLC], as agent of the Company, of offers to purchase securities is incorporated herein by reference in its entirety, and shall be deemed to be part of this Terms Agreement to the same extent as if such provisions had been set forth in full herein. Each of the representations and warranties set forth therein shall be deemed to have been made at and as of the date of this Terms Agreement and the Time of Delivery, except that each representation and warranty in Section 2 of the Equity Distribution Agreement which makes reference to the Prospectus (as therein defined) shall be deemed to be a representation and warranty as of the date of the Equity Distribution Agreement in relation to the Prospectus, and also a representation and warranty as of the date of this Terms Agreement and the Time of Delivery in relation to the Prospectus as amended and supplemented to relate to the Purchased Shares.

An amendment to the Registration Statement (as defined in the Equity Distribution Agreement), or a supplement to the Prospectus, as the case may be, relating to the Purchased Shares, in the form heretofore delivered to the Managers is now proposed to be filed with the Securities and Exchange Commission.

Subject to the terms and conditions set forth herein and in the Equity Distribution Agreement which are incorporated herein by reference, the Company agrees to issue and sell to [Cantor Fitzgerald & Co.][D.A. Davidson & Co.][H.C. Wainwright & Co., LLC][Roth Capital Partners, LLC][Northland Securities, Inc.][Ladenburg Thalmann & Co. Inc.][Wedbush Securities Inc.][Joseph Gunnar & Co., LLC] and the latter agrees to purchase from the Company the number of shares of the Purchased Shares at the time and place and at the purchase price set forth in the Schedule I hereto.

If the foregoing is in accordance with your understanding, please sign and return to us a counterpart hereof, whereupon this Terms Agreement, including those provisions of the Equity Distribution Agreement incorporated herein by reference, shall constitute a binding agreement between [Cantor Fitzgerald & Co.][D.A. Davidson & Co.][H.C. Wainwright & Co., LLC][Roth Capital Partners, LLC][Northland Securities, Inc.] [Ladenburg Thalmann & Co. Inc.][Wedbush Securities Inc.][Joseph Gunnar & Co., LLC] and the Company.

SOUNDHOUND AI, INC.

By: _____
Name:
Title:

ACCEPTED as of the date
first written above.

[CANTOR FITZGERALD & CO.]
[D.A. DAVIDSON & CO.]
[H.C. WAINWRIGHT & CO., LLC]
[ROTH CAPITAL PARTNERS, LLC]
[NORTHLAND SECURITIES, INC.]
[LADENBURG THALMANN & CO. INC.]
[WEDBUSH SECURITIES INC.]
[JOSEPH GUNNAR & CO., LLC]

By: _____
Name:
Title:

Title of Purchased Shares [and Additional Shares]:

Common Stock, par value \$[] per share

Number of Shares of Purchased Shares:

[Number of Shares of Additional Shares:]

[Price to Public:]

Purchase Price by [Cantor Fitzgerald & Co.]

[D.A. Davidson & Co.]

[H.C. Wainwright & Co., LLC]

[Roth Capital Partners, LLC]

[Northland Securities, Inc.]

[Ladenburg Thalmann & Co. Inc.]

[Wedbush Securities Inc.]

[Joseph Gunnar & Co., LLC]:

Method of and Specified Funds for Payment of Purchase Price:

By wire transfer to a bank account specified by the Company in same day funds.

Method of Delivery:

Free delivery of the Shares to the Manager's account at The Depository Trust Company in return for payment of the purchase price.

Time of Delivery:

Closing Location:

Documents to be Delivered:

The following documents referred to in the Equity Distribution Agreement shall be delivered as a condition to the closing at the Time of Delivery [and on any Option Closing Date]:

- (1) The opinion referred to in Section 4(k).
- (2) The opinion referred to in Section 4(l).
- (3) The accountants' letter referred to in Sections 4(m) and 4(o).
- (4) The chief financial officer's certificate referred to in Section 4(p).
- (5) The officers' certificate referred to in Section 4(j).
- (6) Such other documents as the Managers shall reasonably request.

**SECOND AMENDED AND RESTATED BYLAWS
OF
SOUNDHOUND AI, INC.**

**ARTICLE I
OFFICES**

1.1 Registered Office. The registered office of SoundHound AI, Inc. (the "Corporation") in the State of Delaware shall be established and maintained at 251 Little Falls Drive, Wilmington, Delaware 19808, County of New Castle and Corporation Service Company shall be the registered agent of the corporation in charge thereof.

1.2 Other Offices. The Corporation may also have offices at such other places both within and without the State of Delaware as the board of directors of the Corporation (the "Board of Directors") may from time to time determine or the business of the Corporation may require.

**ARTICLE II
MEETINGS OF STOCKHOLDERS**

2.1 Place of Meetings. All meetings of the stockholders shall be held at such time and place, either within or without the State of Delaware, as shall be designated from time to time by the Board of Directors and stated in the notice of the meeting or in a duly executed waiver of notice thereof.

2.2 Annual Meetings. The annual meeting of stockholders shall be held on such date and at such time as may be fixed by the Board of Directors and stated in the notice of the meeting, for the purpose of electing directors and for the transaction of only such other business as is properly brought before the meeting in accordance with these Bylaws (the "Bylaws").

Written notice of an annual meeting stating the place, date and hour of the meeting, shall be given to each stockholder entitled to vote at such meeting not less than ten (10) nor more than sixty (60) days before the date of the annual meeting.

To be properly brought before the annual meeting, business must be either (i) specified in the notice of annual meeting (or any supplement or amendment thereto) given by or at the direction of the Board of Directors, (ii) otherwise brought before the annual meeting by or at the direction of the Board of Directors, or (iii) otherwise properly brought before the annual meeting by a stockholder. In addition to any other applicable requirements, for business to be properly brought before an annual meeting by a stockholder, the stockholder must have given timely notice thereof in writing to the Secretary of the Corporation. To be timely, a stockholder's notice must be delivered to or mailed and received at the principal executive offices of the Corporation not less than sixty (60) days nor more than ninety (90) days prior to the meeting; provided, however, that in the event that less than seventy (70) days' notice or prior public disclosure of the date of the annual meeting is given or made to stockholders, notice by a stockholder, to be timely, must be received no later than the close of business on the tenth (10th) day following the day on which such notice of the date of the annual meeting was mailed or such public disclosure was made, whichever first occurs. A stockholder's notice to the Secretary shall set forth (a) as to each matter the stockholder proposes to bring before the annual meeting (i) a brief description of the business desired to be brought before the annual meeting and the reasons for conducting such business at the annual meeting, and (ii) any material interest of the stockholder in such business, and (b) as to the stockholder giving the notice (i) the name and record address of the stockholder and (ii) the class, series and number of shares of capital stock of the Corporation which are beneficially owned by the stockholder. Notwithstanding anything in these Bylaws to the contrary, no business shall be conducted at the annual meeting except in accordance with the procedures set forth in this Article II, Section 2. The officer of the Corporation presiding at an annual meeting shall, if the facts warrant, determine and declare to the annual meeting that business was not properly brought before the annual meeting in accordance with the provisions of this Article II, Section 2, and if such officer should so determine, such officer shall so declare to the annual meeting and any such business not properly brought before the meeting shall not be transacted.

2.3 Special Meetings. Special meetings of the stockholders, for any purpose or purposes, may only be called as prescribed by statute or by the Certificate of Incorporation of the Corporation (the "Certificate of Incorporation"). Such request shall state the purpose or purposes of the proposed meeting.

Unless otherwise provided by law, written notice of a special meeting of stockholders, stating the time, place and purpose or purposes thereof, shall be given to each stockholder entitled to vote at such meeting, not less than ten (10) or more than sixty (60) days before the date fixed for the meeting. Business transacted at any special meeting of stockholders shall be limited to the purposes stated in the notice.

2.4 Quorum. The holders of a majority of the voting power of the capital stock issued and outstanding and entitled to vote thereat, present in person or represented by proxy, shall constitute a quorum at all meetings of the stockholders for the transaction of business except as otherwise provided by statute or by the Certificate of Incorporation. If, however, such quorum shall not be present or represented at any meeting of the stockholders, the holders of a majority of the votes entitled to be cast by the stockholders entitled to vote thereat, present in person or represented by proxy, shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present or represented. At such adjourned meeting at which a quorum shall be present or represented, any business may be transacted which might have been transacted at the meeting as originally noticed. If the adjournment is for more than thirty (30) days, or if after the adjournment a new record date is fixed for the adjourned meeting, a notice of the adjourned meeting shall be given to each stockholder entitled to vote at the meeting.

2.5 Organization. The Chairman of the Board of Directors shall act as chairman of meetings of the stockholders. The Board of Directors may designate any other officer or director of the Corporation to act as chairman of any meeting in the absence of the Chairman of the Board of Directors, and the Board of Directors may further provide for determining who shall act as chairman of any stockholders meeting in the absence of the Chairman of the Board of Directors and such designee.

The Secretary of the Corporation shall act as secretary of all meetings of the stockholders, but in the absence of the Secretary the presiding officer may appoint any other person to act as secretary of any meeting.

2.6 Voting. Unless otherwise required by law, the Certificate of Incorporation or these Bylaws, any question (other than the election of directors) brought before any meeting of stockholders shall be decided by the vote of the holders of a majority of the stock represented and entitled to vote thereat. At all meetings of stockholders for the election of directors, a plurality of the votes cast shall be sufficient to elect. Each stockholder represented at a meeting of stockholders shall be entitled to cast one vote for each share of the capital stock entitled to vote thereat held by such stockholder, unless otherwise provided by the Certificate of Incorporation. Each stockholder entitled to vote at a meeting of stockholders or to express consent or dissent to corporate action in writing without a meeting may authorize any person or persons to act for him by proxy. All proxies shall be executed in writing and shall be filed with the Secretary of the Corporation not later than the day on which exercised. No proxy shall be voted or acted upon after three (3) years from its date, unless the proxy provides for a longer period. The Board of Directors, in its discretion, or the officer of the Corporation presiding at a meeting of stockholders, in his or her discretion, may require that any votes cast at such meeting shall be cast by written ballot.

2.7 Action of Stockholders Without Meeting. Unless otherwise provided by the Certificate of Incorporation or by resolution of the Board of Directors, no action required to be taken at any annual or special meeting of stockholders, or any action which may be taken at any annual or special meeting of such stockholders, may be taken without a meeting. If action without a meeting is provided by the Certificate of Incorporation or by resolution of the Board of Directors, such action may be taken without prior notice and without a vote, if a consent in writing, setting forth the action so taken, shall be signed by the holders of outstanding stock having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all shares entitled to vote thereon were present and voted, and shall be delivered to the Corporation by delivery to its registered office in the State of Delaware, its principal place of business, or an officer or agent of the Corporation having custody of the book in which proceedings of meetings of stockholders are recorded. Delivery made to the Corporation's registered office shall be by hand or by certified or registered mail, return receipt requested. Prompt notice of the taking of the corporate action without a meeting by less than unanimous written consent shall be given to those stockholders who have not consented in writing.

2.8 Voting List. The officer who has charge of the stock ledger of the corporation shall prepare and make, at least ten (10) days before every meeting of stockholders, a complete list of the stockholders entitled to vote at the meeting, arranged in alphabetical order, showing the address of each stockholder and the class and number of shares registered in the name of each stockholder. Such list shall be open to the examination of any stockholder, for any purpose germane to the meeting, during ordinary business hours, for a period of at least ten (10) days prior to the election, either at a place within the city, town or village where the election is to be held, which place shall be specified in the notice of the meeting, or, if not specified, at the place where said meeting is to be held. The list shall be produced and kept at the time and place of election during the whole time thereof, and may be inspected by any stockholder of the Corporation who is present.

2.9 Stock Ledger. The stock ledger of the Corporation shall be the only evidence as to who are the stockholders entitled to examine the stock ledger, the list required by Section 8 of this Article II or the books of the Corporation, or to vote in person or by proxy at any meeting of stockholders.

2.10 Adjournment. Any meeting of the stockholders, including one at which directors are to be elected, may be adjourned for such periods as the presiding officer of the meeting or the stockholders present in person or by proxy and entitled to vote shall direct.

2.11 Inspectors. The election of directors and any other vote by ballot at any meeting of the stockholders shall be supervised by at least one inspector. Such inspectors shall be appointed by the Board of Directors in advance of the meeting. If the inspector so appointed shall refuse to serve or shall not be present, such appointment shall be made by the officer presiding at the meeting.

ARTICLE III **DIRECTORS**

3.1 Powers; Number; Qualifications. The business and affairs of the Corporation shall be managed by or under the direction of the Board of Directors, except as may be otherwise provided by law or in the Certificate of Incorporation. The number of directors which shall constitute the Board of Directors shall be not less than one (1) nor more than nine (9). The exact number of directors shall be fixed from time to time, within the limits specified in this Article III Section 1 or in the Certificate of Incorporation, by the Board of Directors. Directors need not be stockholders of the Corporation. The Board may be divided into Classes as more fully described in the Certificate of Incorporation.

3.2 Election; Term of Office; Resignation; Removal; Vacancies. Each director shall hold office as prescribed by the Certificate of Incorporation. Unless otherwise provided in the Certificate of Incorporation, vacancies and newly created directorships resulting from any increase in the authorized number of directors or from any other cause may be filled by a majority of the directors then in office, although less than a quorum, or by a sole remaining director and each director so chosen shall hold office until the next election of the class for which such director shall have been chosen, and until his or her successor shall be elected and qualified, or until such director's earlier resignation, removal from office, death or incapacity.

3.3 Nominations. Unless otherwise provided in the Certificate of Incorporation or any Certificate of Designation (as defined in the Certificate of Incorporation), nominations of persons for election to the Board of Directors of the Corporation at a meeting of stockholders of the Corporation may be made at such meeting by or at the direction of the Board of Directors, by any committee or persons appointed by the Board of Directors or by any stockholder of the Corporation entitled to vote for the election of directors at the meeting who complies with the notice procedures set forth in this Article III, Section 3. Such nominations by any stockholder shall be made pursuant to timely notice in writing to the Secretary of the Corporation. To be timely, a stockholder's notice shall be delivered to or mailed and received at the principal executive offices of the Corporation not less than sixty (60) days nor more than ninety (90) days prior to the meeting; provided however, that in the event that less than seventy (70) days' notice or prior public disclosure of the date of the meeting is given or made to stockholders, notice by the stockholder, to be timely, must be received no later than the close of business on the tenth (10th) day following the day on which such notice of the date of the meeting was mailed or such public disclosure was made, whichever first occurs. Such stockholder's notice to the Secretary shall set forth (i) as to each person whom the stockholder proposes to nominate for election or reelection as a director, (a) the name, age, business address and residence address of the person, (b) the principal occupation or employment of the person, (c) the class and number of shares of capital stock of the Corporation which are beneficially owned by the person, and (d) any other information relating to the person that is required to be disclosed in solicitations for proxies for election of directors pursuant to the Rules and Regulations of the Securities and Exchange Commission under Section 14 of the Securities Exchange Act of 1934, as amended, and (ii) as to the stockholder giving the notice (a) the name and record address of the stockholder and (b) the class and number of shares of capital stock of the Corporation which are beneficially owned by the stockholder. The Corporation may require any proposed nominee to furnish such other information as may reasonably be required by the Corporation to determine the eligibility of such proposed nominee to serve as a director of the Corporation. No person shall be eligible for election as a director of the Corporation unless nominated in accordance with the procedures set forth herein. The officer of the Corporation presiding at an annual meeting shall, if the facts warrant, determine and declare to the meeting that a nomination was not made in accordance with the foregoing procedure, and if he should so determine, he shall so declare to the meeting and the defective nomination shall be disregarded.

3.4 Meetings. The Board of Directors may hold meetings, both regular and special, either within or without the State of Delaware. The first meeting of each newly elected Board of Directors shall be held immediately after and at the same place as the meeting of the stockholders at which it is elected and no notice of such meeting shall be necessary to the newly elected directors in order to legally constitute the meeting, provided a quorum shall be present. Regular meetings of the Board of Directors may be held without notice at such time and place as shall from time to time be determined by the Board of Directors. Special meetings of the Board of Directors may be called by the Chairman of the Board of Directors, the Chief Executive Officer or a majority of the entire Board of Directors. Notice thereof stating the place, date and hour of the meeting shall be given to each director either by mail not less than forty-eight (48) hours before the date of the meeting, by telephone, facsimile, telegram or e-mail on twenty-four (24) hours notice, or on such shorter notice as the person or persons calling such meeting may deem necessary or appropriate in the circumstances.

3.5 Quorum. Except as may be otherwise specifically provided by law, the Certificate of Incorporation or these Bylaws, at all meetings of the Board of Directors or any committee thereof, a majority of the entire Board of Directors or such committee, as the case may be, shall constitute a quorum for the transaction of business and the act of a majority of the directors present at any meeting at which there is a quorum shall be the act of the Board of Directors. If a quorum shall not be present at any meeting of the Board of Directors or of any committee thereof, a majority of the directors present thereat may adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present.

3.6 Organization of Meetings. The Board of Directors shall elect one of its members to be Chairman of the Board of Directors. The Chairman of the Board of Directors shall lead the Board of Directors in fulfilling its responsibilities as set forth in these By-Laws, including its responsibility to oversee the performance of the Corporation, and shall determine the agenda and perform all other duties and exercise all other powers which are or from time to time may be delegated to him or her by the Board of Directors.

Meetings of the Board of Directors shall be presided over by the Chairman of the Board of Directors, or in his or her or her absence, by the Chief Executive Officer, or in the absence of the Chairman of the Board of Directors and the Chief Executive Officer by such other person as the Board of Directors may designate or the members present may select.

3.7 Actions of Board of Directors Without Meeting. Unless otherwise restricted by the Certificate of Incorporation or these Bylaws, any action required or permitted to be taken at any meeting of the Board of Directors or of any committee thereof may be taken without a meeting, if all members of the Board of Directors or of such committee, as the case may be, consent thereto in writing or by electronic transmission, and the writing or writings or electronic transmission or transmissions are filed with the minutes of proceedings of the Board of Directors or committee.

3.8 Removal of Directors by Stockholders. The entire Board of Directors or any individual Director may be removed from office with or without cause by a vote of a majority of the voting power of the holders of the outstanding shares then entitled to vote at an election of directors. Notwithstanding the foregoing, if the Corporation's board is classified, stockholders may effect such removal only for cause. In case the Board of Directors or any one or more Directors be so removed, new Directors may be elected at the same time for the unexpired portion of the full term of the Director or Directors so removed.

3.9 Resignations. Any Director may resign at any time by submitting his or her written resignation to the Board of Directors or Secretary of the Corporation. Such resignation shall take effect at the time of its receipt by the Corporation unless another time be fixed in the resignation, in which case it shall become effective at the time so fixed. The acceptance of a resignation shall not be required to make it effective.

3.10 Committees. The Board of Directors may designate one or more committees, each committee to consist of one or more of the directors of the Corporation. In the absence or disqualification of a member of a committee, the member or members thereof present at any meeting and not disqualified from voting, whether or not he or they constitute a quorum, may unanimously appoint another member of the Board of Directors to act at the meeting in the place of any such absent or disqualified member. Any such committee, to the extent provided by law and in the resolution of the Board of Directors establishing such committee, shall have and may exercise all the powers and authority of the Board of Directors in the management of the business and affairs of the Corporation, and may authorize the seal of the Corporation to be affixed to all papers which may require it; but no such committee shall have the power or authority in reference to amending the Certificate of Incorporation, adopting an agreement of merger or consolidation, recommending to the stockholders the sale, lease or exchange of all or substantially all of the Corporation's property and assets, recommending to the stockholders a dissolution of the Corporation or a revocation of a dissolution or amending the Bylaws of the Corporation; and, unless the resolution expressly so provides, no such committee shall have the power or authority to declare a dividend or to authorize the issuance of stock or to adopt a certificate of ownership and merger. Each committee shall keep regular minutes of its meetings and report the same to the Board of Directors when required.

3.11 Compensation. Unless otherwise restricted by the Certificate of Incorporation or these Bylaws, the Board shall have the authority to fix the compensation of directors, including for service on a committee of the Board, and may be paid either a fixed sum (in cash or other form of consideration) for attendance at each meeting of the Board or other compensation as director.

No such payment shall preclude any director from serving the Corporation in any other capacity and receiving compensation therefor. Members of special or standing committees may be allowed like compensation for attending committee meetings.

3.12 Interested Directors. No contract or transaction between the Corporation and one or more of its directors or officers, or between the Corporation and any other corporation, partnership, association, or other organization in which one or more of its directors or officers are directors or officers, or have a financial interest, shall be void or voidable solely for this reason, or solely because the director or officer is present at or participates in the meeting of the Board of Directors or committee thereof which authorizes the contract or transaction, or solely because his, her or their votes are counted for such purpose, if (i) the material facts as to his, her or their relationship or interest and as to the contract or transaction are disclosed or are known to the Board of Directors or the committee, and the Board of Directors or committee in good faith authorizes the contract or transaction by the affirmative votes of a majority of the disinterested directors, even though the disinterested directors be less than a quorum; or (ii) the material facts as to his, her or their relationship or interest and as to the contract or transaction are disclosed or are known to the stockholders entitled to vote thereon, and the contract or transaction is specifically approved in good faith by vote of the stockholders; or (iii) the contract or transaction is fair as to the Corporation as of the time it is authorized, approved or ratified, by the Board of Directors, a committee thereof or the stockholders. Common or interested directors may be counted in determining the presence of a quorum at a meeting of the Board of Directors or of a committee which authorizes the contract or transaction.

3.13 Meetings by Means of Conference Telephone. Members of the Board of Directors or any committee designed by the Board of Directors may participate in a meeting of the Board of Directors or of a committee of the Board of Directors by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other, and participation in a meeting pursuant to this subsection shall constitute presence in person at such meeting.

ARTICLE IV
OFFICERS

4.1 General. The officers of the Corporation shall be elected or appointed by the Board of Directors and may consist of: a Chairman of the Board, Vice Chairman of the Board, Chief Executive Officer, President, Chief Financial Officer, Secretary and Treasurer. The Board of Directors, in its discretion, may also elect or appoint one or more Vice Presidents (including Executive Vice Presidents and Senior Vice Presidents), Assistant Secretaries, Assistant Treasurers, a Controller and such other officers as in the judgment of the Board of Directors may be necessary or desirable. The Chief Executive Officer or President may also appoint such other officers (including without limitation one or more Vice Presidents and Controllers) as may be necessary or desirable for the conduct of the business of the Corporation. Such other officers shall have such powers and duties and shall hold their offices for such terms as may be provided in these Bylaws or as may be prescribed by the Board or, if such officer has been appointed by the Chief Executive Officer or President, as may be prescribed by the appointing officer. Any number of offices may be held by the same person and more than one person may hold the same office, unless otherwise prohibited by law, the Certificate of Incorporation or these Bylaws. The officers of the Corporation need not be stockholders of the Corporation or residents of the State of Delaware, nor need such officers be directors of the Corporation.

4.2 Election. The Board of Directors at its first meeting held after each annual meeting of stockholders shall elect the officers of the Corporation who shall hold their offices for such terms and shall exercise such powers and perform such duties as shall be determined from time to time by the Board of Directors; and all officers of the Corporation shall hold office until their successors are chosen and qualified, or until their earlier resignation or removal. Except as otherwise provided in this Article IV, any officer elected by the Board of Directors may be removed at any time by the affirmative vote of a majority of the Board of Directors. Any vacancy occurring in any office of the Corporation shall be filled by the Board of Directors. The salaries of all officers who are directors of the Corporation shall be fixed by the Board of Directors.

4.3 Voting Securities Owned by the Corporation. Powers of attorney, proxies, waivers of notice of meeting, consents and other instruments relating to securities owned by the Corporation may be executed in the name of and on behalf of the Corporation by the Chief Executive Officer, President or any Vice President, and any such officer may, in the name and on behalf of the Corporation, take all such action as any such officer may deem advisable to vote in person or by proxy at any meeting of security holders of any corporation in which the Corporation may own securities and at any such meeting shall possess and may exercise any and all rights and powers incident to the ownership of such securities and which, as the owner thereof, the Corporation might have exercised and possessed if present. The Board of Directors may, by resolution, from time to time confer like powers upon any other person or persons.

4.4 Chairman of the Board. The Chairman of the Board shall preside when present at all meetings of the stockholders and the Board. The Chairman of the Board shall have general supervision and control of the acquisition activities of the Corporation subject to the ultimate authority of the Board, and shall be responsible for the execution of the policies of the Board with respect to such matters. In the absence (or inability or refusal to act) of the Chairman of the Board, the Chief Executive Officer (if he or she shall be a director) shall preside when present at all meetings of the stockholders and the Board. The powers and duties of the Chairman of the Board shall not include supervision or control of the preparation of the financial statements of the Corporation (other than through participation as a member of the Board). The position of Chairman of the Board and Chief Executive Officer may be held by the same person.

4.5 Chief Executive Officer. Subject to the provisions of these Bylaws and to the direction of the Board of Directors, the Chief Executive Officer shall have ultimate authority for decisions relating to the general management and control of the affairs and business of the Corporation and shall perform such other duties and exercise such other powers which are or from time to time may be delegated to him or her by the Board of Directors or these Bylaws, all in accordance with basic policies as established by and subject to the oversight of the Board of Directors.

4.6 President. At the request of the Chief Executive Officer, or in the absence of the Chief Executive Officer, or in the event of his or her inability or refusal to act, the President shall perform the duties of the Chief Executive Officer, and when so acting, shall have all the powers of and be subject to all the restrictions upon such office. The President shall perform such other duties and have such other powers as the Board of Directors from time to time may prescribe.

4.7 Chief Financial Officer. The Chief Financial Officer shall have general supervision, direction and control of the financial affairs of the Corporation and shall perform such other duties and exercise such other powers which are or from time to time may be delegated to him or her by the Board of Directors or these Bylaws, all in accordance with basic policies as established by and subject to the oversight of the Board of Directors. In the absence of a named Treasurer, the Chief Financial Officer shall also have the powers and duties of the Treasurer as hereinafter set forth and shall be authorized and empowered to sign as Treasurer in any case where such officer's signature is required.

4.8 Vice Presidents. At the request of the Chief Executive Officer or the President or in the absence of the Chief Executive Officer or the President, or in the event of his or her inability or refusal to act, the Vice President or the Vice Presidents if there is more than one (in the order designated by the Board of Directors) shall perform the duties of the Chief Executive Officer or the President, as applicable, and when so acting, shall have all the powers of and be subject to all the restrictions upon such office. Each Vice President shall perform such other duties and have such other powers as the Board of Directors from time to time may prescribe. If there be no Vice President, the Board of Directors shall designate the officer of the Corporation who, in the absence of the Chief Executive Officer or the President or in the event of the inability or refusal of such officer to act, shall perform the duties of such office, and when so acting, shall have all the powers of and be subject to all the restrictions upon such office.

4.9 Secretary. The Secretary shall attend all meetings of the Board of Directors and all meetings of stockholders and record all the proceedings thereat in a book or books to be kept for that purpose; the Secretary shall also perform like duties for the standing committees when required. The Secretary shall give, or cause to be given, notice of all meetings of the stockholders and special meetings of the Board of Directors, and shall perform such other duties as may be prescribed by the Board of Directors or the Chief Executive Officer, under whose supervision the Secretary shall be. If the Secretary shall be unable or shall refuse to cause to be given notice of all meetings of the stockholders and special meetings of the Board of Directors, then any Assistant Secretary shall perform such actions. If there be no Assistant Secretary, then the Board of Directors or the Chief Executive Officer may choose another officer to cause such notice to be given. The Secretary shall have custody of the seal of the Corporation and the Secretary or any Assistant Secretary, if there be one, shall have authority to affix the same to any instrument requiring it and when so affixed, it may be attested by the signature of the Secretary or by the signature of any such Assistant Secretary. The Board of Directors may give general authority to any other officer to affix the seal of the Corporation and to attest the affixing by his or her signature. The Secretary shall see that all books, reports, statements, certificates and other documents and records required by law to be kept or filed are properly kept or filed, as the case may be.

4.10 Treasurer. The Treasurer shall have the custody of the corporate funds and securities and shall keep full and accurate accounts of receipts and disbursements in books belonging to the Corporation and shall deposit all moneys and other valuable effects in the name and to the credit of the Corporation in such depositories as may be designated by the Board of Directors. The Treasurer shall disburse the funds of the Corporation as may be ordered by the Board of Directors, taking proper vouchers for such disbursements, and shall render to the Chief Executive Officer, the President and the Board of Directors, at its regular meetings, or when the Board of Directors so requires, an account of all his or her transactions as Treasurer and of the financial condition of the Corporation. If required by the Board of Directors, the Treasurer shall give the Corporation a bond in such sum and with such surety or sureties as shall be satisfactory to the Board of Directors for the faithful performance of the duties of his or her office and for the restoration to the Corporation, in case of his or her death, resignation, retirement or removal from office, of all books, papers, vouchers, money and other property of whatever kind in his or her possession or under his or her control belonging to the Corporation.

4.11 Assistant Secretaries. Except as may be otherwise provided in these Bylaws, Assistant Secretaries, if there be any, shall perform such duties and have such powers as from time to time may be assigned to them by the Board of Directors, the Chief Executive Officer, the President, any Vice President, if there be one, or the Secretary, and in the absence of the Secretary or in the event of his or her disability or refusal to act, shall perform the duties of the Secretary, and when so acting, shall have all the powers of and be subject to all the restrictions upon the Secretary.

4.12 Assistant Treasurers. Assistant Treasurers, if there be any, shall perform such duties and have such powers as from time to time may be assigned to them by the Board of Directors, the President, any Vice President, if there be one, or the Treasurer, and in the absence of the Treasurer or in the event of his or her disability or refusal to act, shall perform the duties of the Treasurer, and when so acting, shall have all the powers of and be subject to all the restrictions upon the Treasurer. If required by the Board of Directors, an Assistant Treasurer shall give the Corporation a bond in such sum and with such surety or sureties as shall be satisfactory to the Board of Directors for the faithful performance of the duties of his or her office and for the restoration to the Corporation, in case of his or her death, resignation, retirement or removal from office, of all books, papers, vouchers, money and other property of whatever kind in his or her possession or under his or her control belonging to the Corporation.

4.13 Controller. The Controller shall establish and maintain the accounting records of the Corporation in accordance with generally accepted accounting principles applied on a consistent basis, maintain proper internal control of the assets of the Corporation and shall perform such other duties as the Board of Directors, the Chief Executive Officer, the President or any Vice President of the Corporation may prescribe.

4.14 Other Officers. Such other officers as the Board of Directors may choose shall perform such duties and have such powers as from time to time may be assigned to them by the Board of Directors. The Board of Directors may delegate to any other officer of the Corporation the power to choose such other officers and to prescribe their respective duties and powers.

4.15 Vacancies. The Board of Directors shall have the power to fill any vacancies in any office occurring from whatever reason.

4.16 Resignations. Any officer may resign at any time by submitting his or her written resignation to the Corporation. Such resignation shall take effect at the time of its receipt by the Corporation, unless another time be fixed in the resignation, in which case it shall become effective at the time so fixed. The acceptance of a resignation shall not be required to make it effective.

4.17 Removal. Subject to the provisions of any employment agreement approved by the Board of Directors, any officer of the Corporation may be removed at any time, with or without cause, by the Board of Directors.

ARTICLE V **CAPITAL STOCK**

5.1 Form of Certificates. The shares of stock in the Corporation may be certificated or uncertificated, subject to the sole discretion of the Board of Directors and the requirements of the DGCL.

5.2 Signatures. Each certificate representing capital stock of the Corporation shall be signed by or in the name of the Corporation by (a) the Chairman of the Board, Chief Executive Officer, the President or a Vice President and (b) the Treasurer, an Assistant Treasurer, the Secretary or an Assistant Secretary of the Corporation. Any or all the signatures on the certificate may be a facsimile. . In case an officer, transfer agent or registrar who has signed or whose facsimile signature has been placed upon a certificate shall have ceased to be such officer, transfer agent or registrar before such certificate is issued, it may be issued by the Corporation with the same effect as if such person were such officer, transfer agent or registrar at the date of issue.

5.3 Lost Certificates. The Board of Directors may direct a new stock certificate or certificates to be issued in place of any stock certificate or certificates theretofore issued by the Corporation alleged to have been lost, stolen or destroyed, upon the making of an affidavit of that fact by the person claiming the certificate of stock to be lost, stolen or destroyed. When authorizing such issue of a new stock certificate, the Board of Directors may, in its discretion and as a condition precedent to the issuance thereof, require the owner of such lost, stolen or destroyed certificate, or his or her legal representative, to advertise the same in such manner as the Board of Directors shall require and/or to give the Corporation a bond in such sum as it may direct as indemnity against any claim that may be made against the Corporation with respect to the certificate alleged to have been lost, stolen or destroyed.

5.4 Transfers. Stock of the Corporation shall be transferable in the manner prescribed by law and in these Bylaws. Transfers of certificated stock shall be made on the books of the Corporation only by the person named in the certificate or by such person's attorney lawfully constituted in writing and upon the surrender of the certificate therefor, which shall be canceled before a new certificate shall be issued. Transfers of uncertificated stock shall be made on the books of the Corporation only by the person then registered on the books of the Corporation as the owner of such shares or by such person's attorney lawfully constituted in writing and written instruction to the Corporation containing such information as the Corporation or its agents may prescribe. No transfer of uncertificated stock shall be valid as against the Corporation for any purpose until it shall have been entered in the stock records of the Corporation by an entry showing from and to whom transferred. The Corporation shall have no duty to inquire into adverse claims with respect to any stock transfer unless (a) the Corporation has received a written notification of an adverse claim at a time and in a manner which affords the Corporation a reasonable opportunity to act on it prior to the issuance of a new, reissued or re-registered share certificate, in the case of certificated stock, or entry in the stock record books of the Corporation, in the case of uncertificated stock, and the notification identifies the claimant, the registered owner and the issue of which the share or shares is a part and provides an address for communications directed to the claimant; or (b) the Corporation has required and obtained, with respect to a fiduciary, a copy of a will, trust, indenture, articles of co-partnership, Bylaws or other controlling instruments, for a purpose other than to obtain appropriate evidence of the appointment or incumbency of the fiduciary, and such documents indicate, upon reasonable inspection, the existence of an adverse claim. The Corporation may discharge any duty of inquiry by any reasonable means, including notifying an adverse claimant by registered or certified mail at the address furnished by him or, if there be no such address, at his or her residence or regular place of business that the security has been presented for registration of transfer by a named person, and that the transfer will be registered unless within thirty days from the date of mailing the notification, either (a) an appropriate restraining order, injunction or other process issues from a court of competent jurisdiction; or (b) an indemnity bond, sufficient in the Corporation's judgment to protect the Corporation and any transfer agent, registrar or other agent of the Corporation involved from any loss which it or they may suffer by complying with the adverse claim, is filed with the Corporation.

5.5 Fixing Record Date. In order that the Corporation may determine the stockholders entitled to notice or to vote at any meeting of stockholders or any adjournment thereof, or to express consent to corporate action in writing without a meeting, or entitled to receive payment of any dividend or other distribution or allotment of any rights, or entitled to exercise any rights in respect of any change, conversion or exchange of stock or for the purpose of any other lawful action, the Board of Directors may fix a record date, which record date shall not precede the date upon which the resolution fixing the record is adopted by the Board of Directors, and which record date shall not be more than sixty (60) nor less than ten (10) days before the date of such meeting, nor more than ten (10) days after the date upon which the resolution fixing the record date of action with a meeting is adopted by the Board of Directors, nor more than sixty (60) days prior to any other action. If no record date is fixed:

(a) The record date for determining stockholders entitled to notice of or to vote at a meeting of stockholders shall be at the close of business on the day next preceding the day on which notice is given, or, if notice is waived, at the close of business on the day next preceding the day on which the meeting is held.

(b) The record date for determining stockholders entitled to express consent to corporate action in writing without a meeting, when no prior action by the Board of Directors is necessary, shall be the first date on which a signed written consent is delivered to the Corporation.

(c) The record date for determining stockholders for any other purpose shall be at the close of business on the day on which the Board of Directors adopts the resolution relating thereto.

A determination of stockholders of record entitled to notice of or to vote at a meeting of stockholders shall apply to any adjournment of the meeting; provided, however, that the Board of Directors may fix a new record date for the adjourned meeting.

5.6 Registered Stockholders. Prior to due presentment for transfer of any share or shares, the Corporation shall treat the registered owner thereof as the person exclusively entitled to vote, to receive notifications and to all other benefits of ownership with respect to such share or shares, and shall not be bound to recognize any equitable or other claim to or interest in such share or shares on the part of any other person, whether or not it shall have express or other notice thereof, except as otherwise provided by the laws of the State Delaware.

ARTICLE VI

NOTICES

6.1 Form of Notice. Notices to directors and stockholders other than notices to directors of special meetings of the board of Directors which may be given by any means stated in Article III, Section 4, shall be in writing and delivered personally or mailed to the directors or stockholders at their addresses appearing on the books of the corporation. Notice by mail shall be deemed to be given at the time when the same shall be mailed. Notice to directors may also be given by telegram.

6.2 Waiver of Notice. Whenever any notice is required to be given under the provisions of law or the Certificate of Incorporation or by these Bylaws of the Corporation, a written waiver, signed by the person or persons entitled to notice, whether before or after the time stated therein, shall be deemed equivalent to notice. Attendance of a person at a meeting shall constitute a waiver of notice of such meeting, except when the person attends a meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any regular, or special meeting of the stockholders, Directors, or members of a committee of Directors need be specified in any written waiver of notice unless so required by the Certificate of Incorporation.

ARTICLE VII
INDEMNIFICATION OF DIRECTORS AND OFFICERS

7.1 The Corporation shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the Corporation) by reason of the fact that he is or was a director, officer, employee or agent of the Corporation, or is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by him in connection with such action, suit or proceeding if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the Corporation, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his or her conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith and in a manner which he reasonably believed to be in or not opposed to the best interests of the Corporation, and, with respect to any criminal action or proceeding, had reasonable cause to believe that his or her conduct was unlawful.

7.2 The Corporation shall indemnify any person who was or is a party, or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the Corporation to procure a judgment in its favor by reason of the fact that he is or was a director, officer, employee or agent of the Corporation, or is or was serving at the request of the Corporation as a director, officer, employee or agent of another Corporation, partnership, joint venture, trust or other enterprise against expenses (including attorneys' fees) actually and reasonably incurred by him in connection with the defense or settlement of such action or suit if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the Corporation and except that no indemnification shall be made in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable to the Corporation unless and only to the extent that the Court of Chancery or the court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which the Court of Chancery or such other court shall deem proper.

7.3 To the extent that a director, officer, employee or agent of the Corporation has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to in Sections 1 or 2 of this Article, or in defense of any claim, issue or matter therein, he shall be indemnified against expenses (including attorneys' fees) actually and reasonably incurred by him or her in connection therewith.

7.4 Any indemnification under sections 1 or 2 of this Article (unless ordered by a court) shall be made by the Corporation only as authorized in the specific case upon a determination that indemnification of the director, officer, employee or agent is proper in the circumstances because he has met the applicable standard of conduct set forth in such section. Such determination shall be made:

(a) By the Board of Directors by a majority vote of a quorum consisting of directors who were not parties to such action, suit or proceeding, or

(b) If such a quorum is not obtainable, or, even if obtainable a quorum of disinterested directors so directs, by independent legal counsel in a written opinion, or

(c) By the stockholders.

7.5 Expenses (including attorneys' fees) incurred by an officer or director in defending any civil, criminal, administrative or investigative action, suit or proceeding may be paid by the Corporation in advance of the final disposition of such action, suit or proceeding upon receipt of an undertaking by or on behalf of such director or officer to repay such amount if it shall ultimately be determined that he is not entitled to be indemnified by the Corporation as authorized in this Section. Such expenses (including attorneys' fees) incurred by other employees and agents may be so paid upon such terms and conditions, if any, as the Board of Directors deems appropriate.

7.6 The indemnification and advancement of expenses provided by, or granted pursuant to the other sections of this Article shall not be deemed exclusive of any other rights to which those seeking indemnification or advancement of expenses may be entitled under the Certificate of Incorporation or under any bylaw, agreement, vote of stockholders or disinterested directors or otherwise, both as to action in his or her official capacity and as to action in another capacity while holding such office. 7.7 The Corporation shall have power to purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the Corporation, or is or was serving at the request of the Corporation as a director, officer, employee or agent of another Corporation, partnership, joint venture, trust or other enterprise against any liability asserted against him and incurred by him in any such capacity, or arising out of his or her status as such, whether or not the Corporation would have the power to indemnify him against such liability under the provisions of this Article.

7.8 For purposes of this Article, references to “the Corporation” shall include, in addition to the resulting Corporation, any constituent Corporation (including any constituent of a constituent) absorbed in a consolidation or merger which, if its separate existence had continued, would have had power and authority to indemnify its directors, officers, and employees or agents, so that any person who is or was a director, officer employee or agent of such constituent Corporation, or is or was serving at the request of such constituent Corporation as a director, officer, employee or agent of another Corporation, partnership, joint venture, trust or other enterprise, shall stand in the same position under this Article with respect to the resulting or surviving Corporation as he would have with respect to such constituent Corporation of its separate existence had continued.

7.9 For purposes of this Article, references to “other enterprises” shall include employee benefit plans; references to “fines” shall include any excise taxes assessed on a person with respect to any employee benefit plan; and references to “serving at the request of the Corporation” shall include any service as a director, officer, employee or agent of the Corporation which imposes duties on, or involves services by, such director, officer, employee, or agent with respect to an employee benefit plan, its participants or beneficiaries; and a person who acted in good faith and in a manner he reasonably believed to be in the interest of the participants and beneficiaries of an employee benefit plan shall be deemed to have acted in a manner “not opposed to the best interests of the Corporation” as referred to in this Article.

7.10 The indemnification and advancement of expenses provided by, or granted pursuant to, this Article shall, unless otherwise provided when authorized or ratified, continue as to a person who has ceased to be a director, officer, employee or agent and shall inure to the benefit of the heirs, executors and administrators of such a person.

7.11 No director or officer of the Corporation shall be personally liable to the Corporation or to any stockholder of the Corporation for monetary damages for breach of fiduciary duty as a director or officer, provided that this provision shall not limit the liability of a director or officer (i) for any breach of the director’s or the officer’s duty of loyalty to the Corporation or its stockholders, (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (iii) under Section 174 of the General Corporation Law of Delaware, or (iv) for any transaction from which the director or officer derived an improper personal benefit.

ARTICLE VIII

GENERAL PROVISIONS

8.1 Reliance on Books and Records. Each Director, each member of any committee designated by the Board of Directors, and each officer of the Corporation, shall, in the performance of his or her duties, be fully protected in relying in good faith upon the books of account or other records of the Corporation, including reports made to the Corporation by any of its officers, by an independent certified public accountant, or by an appraiser selected with reasonable care.

8.2 Maintenance and Inspection of Records. The Corporation shall, either at its principal executive office or at such place or places as designated by the Board of Directors, keep a record of its stockholders listing their names and addresses and the class and number of shares held by each stockholder, a copy of these by-laws, as may be amended to date, minute books, accounting books and other records.

Any such records maintained by the Corporation may be kept on, or by means of, or be in the form of, any information storage device or method, provided that the records so kept can be converted into clearly legible paper form within a reasonable time. The Corporation shall so convert any records so kept upon the request of any person entitled to inspect such records pursuant to the provisions of the Delaware General Corporation Law. When records are kept in such manner, a clearly legible paper form produced from or by means of the information storage device or method shall be admissible in evidence, and accepted for all other purposes, to the same extent as an original paper form accurately portrays the record.

Any stockholder of record, in person or by attorney or other agent, shall, upon written demand under oath stating the purpose thereof, have the right during the usual hours for business to inspect for any proper purpose the Corporation's stock ledger, a list of its stockholders, and its other books and records and to make copies or extracts therefrom. A proper purpose shall mean a purpose reasonably related to such person's interest as a stockholder. In every instance where an attorney or other agent is the person who seeks the right to inspection, the demand under oath shall be accompanied by a power of attorney or such other writing that authorizes the attorney or other agent to so act on behalf of the stockholder. The demand under oath shall be directed to the Corporation at its registered office in Delaware or at its principal executive office.

8.3 Inspection by Directors. Any director shall have the right to examine the Corporation's stock ledger, a list of its stockholders, and its other books and records for a purpose reasonably related to his or her position as a director.

8.4 Dividends. Subject to the provisions of the Certificate of Incorporation, if any, dividends upon the capital stock of the Corporation may be declared by the Board of Directors at any regular or special meeting, pursuant to law. Dividends may be paid in cash, in property, or in shares of the capital stock, subject to the provisions of the Certificate of Incorporation. Before payment of any dividend, there may be set aside out of any funds of the Corporation available for dividends such sum or sums as the Directors from time to time, in their absolute discretion, think proper as a reserve or reserves to meet contingencies, or for equalizing dividends, or for repairing or maintaining any property of the Corporation, or for such other purpose as the Directors shall think conducive to the interest of the Corporation, and the Directors may modify or abolish any such reserve in the manner in which it was created.

8.5 Checks. All checks or demands for money and notes of the Corporation shall be signed by such officer or officers or such other persons as the Board of Directors may from time to time designate.

8.6 Fiscal Year. The fiscal year of the Corporation shall be as determined by the Board of Directors. If the Board of Directors shall fail to do so, the Chief Executive Officer shall fix the fiscal year.

8.7 Seal. The corporate seal shall have inscribed thereon the name of the Corporation, the year of its organization and the words "Corporate Seal, Delaware". The seal may be used by causing it or a facsimile thereof to be impressed or affixed or in any manner reproduced.

8.8 Amendments. Subject to the Certificate of Incorporation, the original or other Bylaws may be adopted, amended or repealed by the stockholders entitled to vote thereon at any regular or special meeting or, if the Certificate of Incorporation so provides, by the Board of Directors. The fact that such power has been so conferred upon the Board of Directors shall not divest the stockholders of the power nor limit their power to adopt, amend or repeal Bylaws.

8.9 Interpretation of Bylaws. All words, terms and provisions of these Bylaws shall be interpreted and defined by and in accordance with the General Corporation Law of the State of Delaware, as amended, and as amended from time to time hereafter.

LIVEPERSON, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(in thousands, except share amounts)
(unaudited)

	<u>March 31, 2026</u>	<u>December 31, 2025</u>
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 101,499	\$ 95,004
Accounts receivable, net of allowances of \$4,785 and \$4,451 as of March 31, 2026 and December 31, 2025, respectively	29,029	27,014
Prepaid expenses and other current assets (Note 1)	<u>15,417</u>	<u>15,100</u>
Total current assets	145,945	137,118
Property and equipment, net (Note 6)	87,858	90,389
Contract acquisition costs, net (Note 2)	20,856	23,951
Intangible assets, net (Note 5)	13,502	13,409
Goodwill, net (Note 5)	184,540	184,902
Deferred tax assets, net (Note 14)	4,533	4,511
Other assets	348	387
Total assets	<u>\$ 457,582</u>	<u>\$ 454,667</u>
LIABILITIES AND STOCKHOLDERS' DEFICIT		
Current liabilities:		
Accounts payable	\$ 4,357	\$ 9,522
Accrued expenses and other current liabilities (Note 7)	48,105	38,700
Deferred revenue (Note 2)	57,987	54,295
Current portion of long-term debt (Note 8)	<u>20,071</u>	<u>20,052</u>
Total current liabilities	130,520	122,569
Senior notes, net of current portion (Note 8)	373,723	371,732
Deferred tax liabilities (Note 14)	4,199	4,196
Other liabilities	636	665
Total liabilities	<u>509,078</u>	<u>499,162</u>
Commitments and contingencies (Notes 10 and 13)		
Stockholders' deficit:		
Common stock, \$0.001 par value - 20,000,000 shares authorized; 12,285,554 and 12,223,729 shares issued, 12,101,150 and 12,039,325 shares outstanding as of March 31, 2026 and December 31, 2025, respectively.	173	173
Treasury stock, at cost - 184,404 shares as of March 31, 2026 and December 31, 2025	(3)	(3)
Additional paid-in capital	1,023,338	1,021,076
Accumulated deficit	(1,067,321)	(1,058,494)
Accumulated other comprehensive loss	<u>(7,683)</u>	<u>(7,247)</u>
Total stockholders' deficit	<u>(51,496)</u>	<u>(44,495)</u>
Total liabilities and stockholders' deficit	<u>\$ 457,582</u>	<u>\$ 454,667</u>

See accompanying notes to condensed consolidated financial statements.

LIVEPERSON, INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(in thousands, except share and per share amounts)
(unaudited)

	Three Months Ended	
	March 31,	
	2026	2025
Revenue	\$ 56,956	\$ 64,700
Costs, expenses and other:		
Cost of revenue (exclusive of depreciation and amortization expense shown separately below)	15,525	18,218
Sales and marketing	13,770	23,485
General and administrative	12,120	16,784
Product development	12,180	16,034
Depreciation and amortization expense	5,112	5,818
Restructuring costs	—	1,305
Total costs, expenses and other	<u>58,707</u>	<u>81,644</u>
Loss from operations	(1,751)	(16,944)
Other (expense) income, net:		
Interest expense	(8,252)	(7,478)
Interest income	503	1,457
Other income, net	998	8,487
Total other (expense) income, net	<u>(6,751)</u>	<u>2,466</u>
Loss before provision for (benefit from) income taxes	(8,502)	(14,478)
Provision for (benefit from) income taxes	325	(345)
Net loss	<u>\$ (8,827)</u>	<u>\$ (14,133)</u>
Net loss per share of common stock:		
Basic	<u>\$ (0.73)</u>	<u>\$ (2.32)</u>
Diluted	<u>\$ (0.73)</u>	<u>\$ (3.61)</u>
Weighted-average shares used to compute net loss per share:		
Basic	<u>12,060,769</u>	<u>6,104,729</u>
Diluted	<u>12,060,769</u>	<u>6,353,663</u>

See accompanying notes to condensed consolidated financial statements.

LIVEPERSON, INC.
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS
(in thousands)
(unaudited)

	Three Months Ended	
	March 31,	
	2026	2025
Net loss	\$ (8,827)	\$ (14,133)
Foreign currency translation adjustment	(436)	1,751
Total comprehensive loss	<u>\$ (9,263)</u>	<u>\$ (12,382)</u>

See accompanying notes to condensed consolidated financial statements.

LIVEPERSON, INC.
CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' DEFICIT
(in thousands, except share amounts)
(unaudited)

	<u>Common Stock</u>		<u>Treasury Stock</u>		<u>Additional Paid-in Capital</u>	<u>Accumulated Deficit</u>	<u>Accumulated Other Comprehensive Loss</u>	<u>Total Deficit</u>
	<u>Shares</u>	<u>Amount</u>	<u>Shares</u>	<u>Amount</u>				
Balance at December 31, 2025	12,223,729	\$ 173	(184,404)	\$ (3)	\$ 1,021,076	\$ (1,058,494)	\$ (7,247)	\$ (44,495)
Common stock issued upon vesting of restricted stock units ("RSUs")	61,825	—	—	—	—	—	—	—
Stock-based compensation	—	—	—	—	2,262	—	—	2,262
Net loss	—	—	—	—	—	(8,827)	—	(8,827)
Other comprehensive loss	—	—	—	—	—	—	(436)	(436)
Balance at March 31, 2026	<u>12,285,554</u>	<u>\$ 173</u>	<u>(184,404)</u>	<u>\$ (3)</u>	<u>\$ 1,023,338</u>	<u>\$ (1,067,321)</u>	<u>\$ (7,683)</u>	<u>\$ (51,496)</u>

	<u>Common Stock</u>		<u>Treasury Stock</u>		<u>Additional Paid-in Capital</u>	<u>Accumulated Deficit</u>	<u>Accumulated Other Comprehensive Loss</u>	<u>Total Deficit</u>
	<u>Shares</u>	<u>Amount</u>	<u>Shares</u>	<u>Amount</u>				
Balance at December 31, 2024	6,263,782	\$ 94	(184,404)	\$ (3)	\$ 936,047	\$ (991,261)	\$ (12,193)	\$ (67,316)
Common stock issued upon vesting of restricted stock units	148,077	2	—	—	(2)	—	—	—
Stock-based compensation	—	—	—	—	4,754	—	—	4,754
Net loss	—	—	—	—	—	(14,133)	—	(14,133)
Other comprehensive income	—	—	—	—	—	—	1,751	1,751
Balance at March 31, 2025	<u>6,411,859</u>	<u>\$ 96</u>	<u>(184,404)</u>	<u>\$ (3)</u>	<u>\$ 940,799</u>	<u>\$ (1,005,394)</u>	<u>\$ (10,442)</u>	<u>\$ (74,944)</u>

See accompanying notes to condensed consolidated financial statements.

LIVEPERSON, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands)
(unaudited)

	Three Months Ended	
	March 31,	
	2026	2025
OPERATING ACTIVITIES:		
Net loss	\$ (8,827)	\$ (14,133)
Adjustments to reconcile net loss to net cash provided by (used in) operating activities:		
Stock-based compensation expense	2,262	4,709
Depreciation and amortization expense	4,940	5,587
Reduction of operating lease right-of-use assets	23	35
Amortization of purchased intangible assets and finance leases	172	231
Amortization of debt issuance costs and accretion of debt discount	2,011	1,788
Change in fair value of Warrants	(1,116)	(8,824)
Non-cash interest expense	6,241	5,690
Allowance for credit losses	499	416
Deferred income taxes	—	78
Changes in operating assets and liabilities:		
Accounts receivable	(2,536)	(1,205)
Prepaid expenses and other current assets	(335)	3,624
Contract acquisition costs	3,109	1,662
Accounts payable, accrued expenses and other current liabilities	(604)	(5,944)
Deferred revenue	3,694	3,170
Other liabilities	11	20
Net cash provided by (used in) operating activities	9,544	(3,096)
INVESTING ACTIVITIES:		
Purchases of property and equipment, including capitalized internal-use software development costs	(2,644)	(3,759)
Purchases of intangible assets	(272)	(386)
Net cash used in investing activities	(2,916)	(4,145)
FINANCING ACTIVITIES:		
Principal payments for finance leases	—	(26)
Net cash used in financing activities	—	(26)
Effect of foreign exchange rate changes on cash and cash equivalents	(133)	284
Net increase (decrease) in cash and cash equivalents	6,495	(6,983)
Cash and cash equivalents - beginning of year	95,004	183,237
Cash and cash equivalents - end of period	<u>\$ 101,499</u>	<u>\$ 176,254</u>
Supplemental disclosure of other cash flow information:		
Cash paid for income taxes, net	\$ 427	\$ 330
Supplemental disclosure of non-cash investing and financing activities:		
Purchase of property and equipment and intangible assets recorded in accounts payable	\$ 147	\$ 896

See accompanying notes to condensed consolidated financial statements.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)

Note 1. Description of Business and Basis of Presentation

LivePerson, Inc. (the “Company”) is a leader in digital customer conversation. Since 1998, LivePerson has enabled meaningful connections between consumers and its customers through digital and artificial intelligence (“AI”)-powered conversations. Our customers’ existing investments in Generative AI and Large Language Models (“LLMs”) are fully compatible with LivePerson’s enterprise-class digital customer conversation platform (the “Conversational Cloud”).

The Conversational Cloud powers conversations across each of a brand’s primary digital channels, including mobile apps, mobile and desktop web browsers, short messaging service, social media and third-party consumer messaging platforms. Brands can also use the Conversational Cloud to connect conversations across voice and digital channels to give customers additional options and ensure their interactions with brands are integrated no matter where they choose to reach out.

The Conversational Cloud enables what the Company calls “the tango” of humans, LivePerson bots, third-party bots and LLMs, in which humans oversee and are assisted by AI and can seamlessly step into conversations as needed. Agents utilize the AI engine (including generative AI capabilities) to surface relevant content, define next-best actions and automate repetitive transactional work so that the agent can focus on relationship building. By integrating customer engagement channels, LivePerson’s proprietary AI, and third-party bots and AI, the Conversational Cloud offers brands a comprehensive approach to scaling automations across customer conversations.

In March 2026, the Company commercially launched Syntrix, a proprietary simulation and evaluation platform designed to provide predictability and safety in conversational AI. Utilizing the Company’s conversational data sets, Syntrix allows enterprise brands to test, evaluate, and validate AI behavior in a controlled environment prior to deployment. A core capability of the platform is the Conversation Simulator, which identifies AI performance issues and validates human agent readiness at scale. Syntrix is designed with architectural flexibility to be sold as an integrated component of the Conversational Cloud or as a standalone evaluation and simulation solution for brands utilizing third-party AI ecosystems.

Basis of Presentation

In October 2025, the Company effected a 1-for-15 reverse stock split (the “Reverse Stock Split”) of its issued common stock. As a result, every 15 shares of its issued common stock were combined into one share of common stock. No fractional shares of the Company’s common stock were issued as a result of the Reverse Stock Split. Each stockholder who would otherwise have been entitled to receive a fractional share as a result of the Reverse Stock Split received a cash payment equal to the product obtained by multiplying the number of shares of common stock held by such stockholder before the Reverse Stock Split that would otherwise have been exchanged for such fractional share interest by the closing price per share of the common stock as reported on The Nasdaq Global Select Market on October 10, 2025. As a result of the Reverse Stock Split, proportionate adjustments were made to the per share exercise price and the number of shares issuable upon the exercise of, or notional shares underlying, all outstanding warrants to purchase shares of the Company’s common stock. In addition, the number of authorized shares of common stock was proportionately reduced. Proportionate adjustments were also made to (i) the number of shares of common stock available for issuance under the Company’s equity plans, (ii) the number of shares underlying, and the exercise prices of, outstanding equity awards, as applicable, that have been previously granted under such equity plans or other arrangements, (iii) the number of shares or notional shares underlying, and the exercise prices of, the Company’s outstanding warrants, (iv) the number of shares or notional shares underlying, and the conversion prices of, the Company’s outstanding convertible notes and (v) the number of rights outstanding pursuant to the Company’s Tax Benefits Preservation Plan, in each case in accordance with their respective terms. The Reverse Stock Split did not affect the par value of the common stock or the number of shares of preferred stock that the Company is authorized to issue under its certificate of incorporation. These notes to the condensed consolidated financial statements and the accompanying condensed consolidated financial statements give retroactive effect to the Reverse Stock Split for all periods presented.

The condensed consolidated financial statements and the financial data and other information disclosed in the notes to the condensed consolidated financial statements as of March 31, 2026 and for the three months ended March 31, 2026 are unaudited. In the opinion of management, the unaudited condensed consolidated financial statements reflect all adjustments, which include only normal recurring adjustments necessary for a fair presentation of the Company’s condensed consolidated financial position, results of operations, comprehensive loss, and cash flows for the interim periods presented. The results of operations for any interim period are not necessarily indicative of the results of operations for any other future interim period or for a full fiscal year. The condensed consolidated balance sheet as of December 31, 2025 has been derived from audited consolidated financial statements at that date.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

Certain information and note disclosures included in the Company's audited financial statements prepared in accordance with accounting principles generally accepted in the United States ("GAAP") have been condensed or omitted as they are not required for interim financial statements pursuant to GAAP and the rules and regulations of the Securities and Exchange Commission (the "SEC"). These unaudited interim condensed consolidated financial statements should be read in conjunction with the Company's audited consolidated financial statements and notes thereto for the year ended December 31, 2025 included in the Company's Annual Report on Form 10-K filed with the SEC on March 16, 2026.

Principles of Consolidation

The unaudited condensed consolidated financial statements reflect the operations of LivePerson and its wholly-owned subsidiaries. All intercompany balances and transactions have been eliminated in consolidation.

Use of Estimates

The preparation of the condensed consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. These estimates are based on information available as of the date of the condensed consolidated financial statements. On a regular basis, management evaluates these estimates and assumptions.

Items subject to such estimates and assumptions include, but are not limited to:

- stock-based compensation expense;
- allowance for credit losses;
- the period of benefit for deferred contract acquisition costs;
- valuation of goodwill;
- valuation and useful lives of long-lived assets;
- valuation of the cash-settled and share-settled warrants (together, "Warrants");
- valuation of features embedded in the 2029 Notes (as defined below);
- income taxes; and
- recognition, measurement, and disclosure of contingent liabilities.

As of the date of issuance of the financial statements, the Company is not aware of any material specific events or circumstances that would require it to update its estimates, judgments, or to revise the carrying values of its assets or liabilities. These estimates may change, as new events occur and additional information is obtained, and are recognized in the condensed consolidated financial statements as soon as they become known. Actual results could differ from those estimates and any such differences may be material to the Company's condensed consolidated financial statements.

Significant Accounting Policies

The Company's significant accounting policies are described in the Company's Annual Report on Form 10-K for the year ended December 31, 2025. There have been no significant changes to these policies that have had a material impact on the Company's condensed consolidated financial statements and related notes for the three months ended March 31, 2026.

**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)**

Prepaid expenses and other current assets

The following table presents the detail of prepaid expenses and other current assets as of the dates presented:

	March 31, 2026	December 31, 2025
(In thousands)		
Prepaid software maintenance	\$ 8,599	\$ 8,788
VAT receivable	2,234	3,279
Other prepaid expenses	1,584	1,550
Other current assets	3,000	1,483
Total prepaid expenses and other current assets	\$ 15,417	\$ 15,100

Leases

The Company has non-cancelable operating leases for its corporate offices and other service agreements. As of March 31, 2026, the Company's lease assets and liabilities were not material, with a remaining lease term of less than one year, with an option to extend. The Company uses the non-cancelable lease term when recognizing the right-of-use ("ROU") assets and lease liabilities, unless it is reasonably certain that a renewal or termination option will be exercised. The Company's operating lease costs were \$1.9 million and \$2.4 million for the three months ended March 31, 2026 and 2025, respectively. The weighted average discount rate for leases was 7% for the three months ended March 31, 2026 and 2025. Future minimum lease payments under non-cancelable leases are not material for the next twelve months.

Recently Adopted Accounting Pronouncements

In July 2025, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2025-05, *Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses for Accounts Receivable and Contract Assets*, which provides all entities with a practical expedient when estimating expected credit losses for current accounts receivable and current contract assets arising from certain transactions. In developing reasonable and supportable forecasts as part of estimating expected credit losses, all entities may 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. The guidance was effective for annual periods beginning after December 15, 2025. The Company elected to adopt the practical expedient, which did not have a material impact on the Company's condensed consolidated financial statements or related disclosures.

In November 2024, the FASB issued ASU 2024-04, *Debt - Debt with Conversion and Other Options (Subtopic 470-20): Induced Conversions of Convertible Debt Instruments*, which seeks to clarify the requirements for determining whether certain settlements of convertible debt instruments should be accounted for as an induced conversion. The amendments in this update were effective for annual periods beginning after December 15, 2025. Adoption of the guidance, which the Company elected to apply prospectively, did not have a material impact on the Company's condensed consolidated financial statements or related disclosures.

Recently Issued Accounting Pronouncements

In December 2025, the FASB issued ASU 2025-12, *Codification Improvements*, which seeks to make incremental improvements to GAAP on a broad range of topics arising from technical corrections, unintended application of guidance, clarifications and other minor improvements. The guidance is effective for interim reporting periods within annual reporting periods beginning after December 15, 2026, with early adoption permitted, and can be applied on an issue-by-issue basis, prospectively or retrospectively. The Company is currently evaluating the potential impact of adopting this new guidance on its consolidated financial statements and related disclosures.

In December 2025, the FASB issued ASU 2025-11, *Interim Reporting (Topic 270) - Narrow-Scope Improvements* which improves the navigability of the required interim disclosures and clarifies when that guidance is applicable. The guidance is effective for interim reporting periods within annual reporting periods beginning after December 15, 2027, with early adoption permitted, and can be applied prospectively or retrospectively. The Company is currently evaluating the potential impact of adopting this new guidance on its consolidated financial statements and related disclosures.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)

In September 2025, the FASB issued ASU 2025-06, *Intangibles - Goodwill and Other - Internal-Use Software (Subtopic 350-40): Targeted Improvements to the Accounting for Internal-Use Software*, which removes all references to project stages related to internal-use software development. An entity is required to start capitalizing software costs when both of the following occur: (1) management has authorized and committed to funding the software project and (2) it is probable that the project will be completed and the software will be used to perform the function intended. The guidance is effective for annual periods beginning after December 15, 2027, with early adoption permitted. The Company is currently evaluating the potential impact of adopting this new guidance on its consolidated financial statements and related disclosures.

In November 2024, the FASB issued ASU 2024-03, *Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures (Subtopic 220-40)*, which seeks to expand disclosures about a public entity’s expenses, including more detailed information about the types of expenses (including purchases of inventory, employee compensation, depreciation, amortization, and depletion) in commonly presented expense captions (such as cost of sales, sales and marketing, general and administrative, and research and development). The amendments in this update are effective for annual periods beginning after December 15, 2026, and interim periods beginning after December 15, 2027. Early adoption is permitted for both interim and annual financial statements that have not yet been issued or made available for issuance. ASU 2024-03 should be applied retrospectively. The Company is currently evaluating the potential impact of adopting this new guidance on its consolidated financial statements and related disclosures.

Note 2. Revenue Recognition

The Company’s revenue is generated from hosted service revenues, including platform access, usage and related professional services. Revenues are recognized when control of these services is transferred to the Company’s customers, in an amount that reflects the consideration the Company expects to be entitled to in exchange for those services. No single customer accounted for 10% or more of total revenue for the three months ended March 31, 2026 and 2025.

The Company determines revenue recognition through the following steps:

- identification of the contract, or contracts, with a customer;
- identification of the performance obligations in the contract;
- determination of the transaction price;
- allocation of the transaction price to the performance obligations in the contract; and
- recognition of revenue when, or as, the Company satisfies a performance obligation.

The following table presents the Company’s revenues disaggregated by revenue source:

	Three Months Ended	
	March 31,	
	2026	2025
	(In thousands)	
Hosted services	\$ 49,361	\$ 55,134
Professional services	7,595	9,566
Total revenue	\$ 56,956	\$ 64,700

Remaining Performance Obligation

As of March 31, 2026, the aggregate amount of the transaction price allocated to remaining performance obligations was \$161.7 million. Approximately 97% of the Company’s remaining performance obligations are expected to be recognized during the next 24 months, with the balance recognized thereafter. The disclosed amount represents contracted revenue that has not yet been recognized and does not include contract amounts that are cancelable by the customer, amounts associated with optional renewal periods, and amounts related to performance obligations that are billed and recognized as performed.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)

Contracts with Multiple Performance Obligations

Most of the Company’s contracts with customers contain multiple performance obligations. For these contracts, the Company accounts for individual performance obligations separately if they are distinct. The transaction price is allocated to the separate performance obligations on a relative standalone selling price (“SSP”) basis. Judgment is required to determine the SSP for each distinct performance obligation. The Company determines SSP based on observable prices at which the performance obligations are sold separately. When not directly observable, SSP is estimated using an adjusted market assessment approach, which considers market conditions and other entity-specific factors.

Revenue by Geographic Location

The Company is domiciled in the United States and has international operations around the globe. The following table presents the Company’s revenues attributable to operations by region for the periods presented:

	Three Months Ended	
	March 31,	
	2026	2025
	(In thousands)	
Americas (1)	\$ 29,970	\$ 41,552
EMEA (2)	17,493	14,186
APAC (3)	9,493	8,962
Total revenue	\$ 56,956	\$ 64,700

(1) United States, Canada, Latin America and South America (“Americas”)

(2) Europe, the Middle East and Africa (“EMEA”)

(3) Asia-Pacific (“APAC”)

Information about Contract Balances

The Company defers all incremental commission costs incurred to obtain the contract. These contract acquisition costs, which are comprised of sales commissions, have balances at March 31, 2026 and December 31, 2025 of \$20.9 million and \$24.0 million, respectively. The Company amortizes these costs over the related period of benefit using the customer expected life that the Company determined to be four years, which is consistent with the transfer to the customer of the services to which the asset relates. Commissions earned for renewal contracts are amortized over the contractual term of the renewals. The Company classifies contract acquisition costs as long-term.

The deferred revenue balance consists of services, which have been invoiced upfront, and are recognized as revenue only when the revenue recognition criteria are met.

In some arrangements, the Company allows customers to pay for access to the Conversational Cloud over the term of the software subscription. Amounts recognized as revenue in excess of amounts billed are recorded as unbilled receivables. Unbilled receivables, anticipated to be invoiced in the next twelve months, are included in Accounts receivable, net of allowances for credit losses on the condensed consolidated balance sheets.

The Company recognized revenue of \$28.7 million and \$27.9 million for the three months ended March 31, 2026 and 2025, respectively, which was included in the corresponding deferred revenue balance at the beginning of the year.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)

The Company's long-term deferred revenues are included in Other liabilities on the condensed consolidated balance sheets. The opening and closing balances of the Company's contract acquisition costs, net, and deferred revenues are as follows:

	Contract Acquisition Costs, Net (Non-current)	Deferred Revenue (Current)	Deferred Revenue (Non-current)
	(In thousands)		
Balance as of December 31, 2024	\$ 33,559	\$ 57,980	\$ 323
Decrease net	(9,608)	(3,685)	(233)
Balance as of December 31, 2025	\$ 23,951	\$ 54,295	\$ 90
(Decrease) increase, net	(3,095)	3,692	(58)
Balance as of March 31, 2026	<u>\$ 20,856</u>	<u>\$ 57,987</u>	<u>\$ 32</u>

The changes in deferred revenue during both periods presented were primarily driven by changes in customer renewal patterns and contract structures, including the timing of renewals and shifts in service commitments. Amortization expense in connection with contract acquisition cost was \$4.1 million and \$4.3 million for the three months ended March 31, 2026 and 2025, respectively, and was included in sales and marketing expense in the condensed consolidated statements of operations.

Accounts Receivable, Net

Accounts receivable are recorded at the invoiced amount and do not bear interest. The allowance for credit losses is the Company's best estimate of the amount of expected credit losses in the Company's existing accounts receivable, based on both specific and general reserves. The Company maintains general reserves on a collective basis by considering factors such as historical experience, creditworthiness, the age of the trade receivable balances, and current economic conditions. Account balances are charged off against the allowance after all means of collection have been exhausted and the potential for recovery is considered remote. The Company does not have any off-balance sheet credit exposure related to its customers. The activity in the allowance for credit losses as of the dates presented is as follows:

	March 31, 2026	December 31, 2025
	(In thousands)	
Balance, beginning of year	\$ 4,451	\$ 8,627
Additions charged to costs and expenses	499	866
Deductions/write-offs	(165)	(5,042)
Balance, end of period	<u>\$ 4,785</u>	<u>\$ 4,451</u>

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)

Note 3. Net Loss Per Share

Basic net loss per share is computed by dividing net loss by the weighted-average number of shares of common stock outstanding during the period.

Diluted net loss per share is computed by giving effect to all potentially dilutive common stock equivalents outstanding for the period. For the periods in the table below where the impact was dilutive, the numerator is decreased to reverse the gain on change in fair value of share-settled warrants, and the denominator is increased to include the number of shares issuable upon the potential exercise of warrants. For purposes of the calculations below, stock options, restricted stock units, and the 0% Convertible Senior Notes due 2026 (the “2026 Notes”) are considered to be common stock equivalents but are excluded from the calculation of diluted net loss per share when including them has an anti-dilutive effect.

The share-settled warrants and cash-settled warrants are not participating securities. The share-settled warrants are excluded from the calculation of diluted EPS for the three months ended March 31, 2026, as their effect would have been anti-dilutive because the exercise prices were greater than the average market price of the common shares for that period. The cash-settled warrants are not included in the calculation of diluted EPS due to the cash-settlement requirement.

The Company uses the treasury stock method for stock options, restricted stock units, and share-settled warrants, and uses the if-converted method for convertible debt. See Note 8 – *Senior Notes, Capped Call Transactions and Warrants* for additional information about the 2026 Notes, First Lien Convertible Senior Notes due 2029 (“2029 Notes”), and Second Lien Senior Subordinated Secured Notes due 2029 (the “Second Lien Notes,” and together with the 2026 Notes and the 2029 Notes, the “Notes”).

The following table presents shares used in calculating basic and diluted net loss per share for the three months ended March 31, 2026 and 2025, as follows:

	Three Months Ended	
	March 31,	
	2026	2025
	(In thousands, except per share amounts)	
Numerator:		
Net loss available to shareholders for basic net loss per share	\$ (8,827)	\$ (14,133)
Gain on change in fair value of share-settled warrants	—	(8,824)
Net loss available to shareholders for diluted net loss per share	(8,827)	(22,957)
Denominator:		
Weighted average number of shares outstanding used to compute basic net loss per share	12,060,769	6,104,729
Impact of potential exercise of warrants	—	248,934
Weighted average number of shares outstanding used to compute diluted net loss per share	12,060,769	6,353,663
Net loss per share:		
Basic	\$ (0.73)	\$ (2.32)
Diluted	\$ (0.73)	\$ (3.61)

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The securities listed below were excluded from the computation of diluted net loss per share for all periods presented, as their effect would have been anti-dilutive:

	As of March 31,	
	2026	2025
Shares subject to outstanding common stock options and employee stock purchase plan	209,762	174,484
Restricted stock units	784,151	720,180
Share-settled warrants	1,020,390	—
2026 Notes	17,835	320,106
Total	2,032,138	1,214,770

Note 4. Segment Information

The Company accounts for its segment information in accordance with the provisions of Accounting Standards Codification (“ASC”) 280-10, *Segment Reporting*. ASC 280-10 establishes annual and interim reporting standards for operating segments of a company. ASC 280-10 requires disclosures of selected segment-related financial information about products, major customers, and geographic areas based on the Company’s internal accounting methods. The chief operating decision maker (“CODM”), who is the Company’s Chief Executive Officer, evaluates performance, makes operating decisions, and allocates resources based on the financial information presented on a consolidated basis using net loss. Expenses are reviewed by the nature of the cost (Cost of revenue, Sales and marketing, General and administrative and Product development), consistent with the Company’s presentation on its condensed consolidated statements of operations. There are no segment managers who are held accountable by the CODM, or anyone else, for operations, operating results and planning for levels or components below the consolidated unit level. Accordingly, management has determined that the Company operates as one operating and reportable segment. The Company identifies net loss as its required measure of segment operating profit or loss. Significant expenses within loss from operations, as well as within net loss are separately presented on the Company’s condensed consolidated statements of operations. Other segment items within net loss include Interest expense, Interest income, Other income, net, and Provision for (benefit from) income taxes.

Geographic Information

The following table presents the Company’s long-lived assets by geographic region as of the dates set forth below:

	March 31,	December 31,
	2026	2025
	(In thousands)	
United States	\$ 262,390	\$ 266,695
Germany	25,741	26,147
Australia	9,608	9,721
Netherlands	4,609	4,678
Other (1)	9,289	10,308
Total long-lived assets	\$ 311,637	\$ 317,549

(1) Israel, United Kingdom, Japan, France, Italy, Spain, Canada, and Singapore

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Note 5. Goodwill and Intangible Assets, Net

Goodwill

Goodwill represents the excess of the aggregate purchase price over the fair value of net identifiable assets acquired in a business combination. The Company evaluates goodwill for impairment on an annual basis, and more frequently whenever events or substantive changes in circumstances indicate that it is more likely than not that the carrying value of a reporting unit exceeds its fair value. Assumptions used in an impairment test require significant judgment, therefore, they are subject to change based on facts and circumstances present at each date goodwill is evaluated for impairment. There were no impairments of goodwill during the three months ended March 31, 2026 and 2025.

If, in future periods, the financial performance of the reporting unit does not meet expectations, or a prolonged decline occurs in the market place of our common stock, it may cause a material change in the results of the impairment assessment and result in future impairment to goodwill.

The changes in the carrying amount of goodwill for the three months ended March 31, 2026 are as follows:

	Goodwill, net
	(In thousands)
Balance as of December 31, 2025 (1)	\$ 184,902
Foreign exchange adjustment	(362)
Balance as of March 31, 2026 (1)	\$ 184,540

(1) As of March 31, 2026 and December 31, 2025, accumulated impairment losses totaled \$114.0 million.

Intangible Assets, Net - Patents

Legal costs incurred to establish patents are capitalized. When patents are issued, capitalized costs are amortized on the straight-line method over the related patent term. We review our patent portfolio on a periodic basis to determine whether events and circumstances would indicate impairment. In the event a patent is abandoned, the net book value of the patent is written off.

The changes in the carrying amount of intangible assets are as follows:

	March 31,	December 31,
	2026	2025
	(In thousands)	
Patents:		
Gross carrying amount	\$ 13,669	\$ 16,639
Accumulated amortization	(167)	(3,230)
Net carrying amount	\$ 13,502	\$ 13,409
Weighted average amortization period	10.8 years	11.0 years

Amortization expense is recognized over the estimated useful life of the asset. Aggregate amortization expense for intangible assets was \$0.2 million for the three months ended March 31, 2026 and March 31, 2025. There were no impairments of intangible assets during the three months ended March 31, 2026 and 2025.

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As of March 31, 2026, estimated annual amortization expense for the next five years and thereafter is as follows:

	Estimated Amortization Expense (In thousands)
Remainder of 2026	\$ 487
2027	618
2028	611
2029	595
2030	573
Thereafter	10,618
Total	\$ 13,502

Note 6. Property and Equipment, Net

Property and equipment are stated at cost, net of accumulated depreciation, and amortization. Depreciation and amortization is calculated using the straight-line method over the estimated useful lives of the related assets. Leasehold improvements are amortized using the straight-line method over the shorter of the lease term or the estimated useful life of the asset. The Company reviews the estimated useful lives of its property and equipment on an annual basis. The following table presents the detail of property and equipment, net as of the dates presented:

	Useful life	March 31, 2026	December 31, 2025
	(In years)	(In thousands)	
Computer equipment and software	3 to 5	\$ 133,972	\$ 133,858
Internal-use software development costs	5	189,873	187,470
Furniture, equipment and building improvements	The lesser of 5 or estimated useful life	332	333
Property and equipment, at cost		324,177	321,661
Less: accumulated depreciation and amortization		(236,319)	(231,272)
Total Property and equipment, net		\$ 87,858	\$ 90,389

There were no impairments of property and equipment during the three months ended March 31, 2026 and 2025.

Expenditures for routine maintenance and repairs are charged to operating expense as incurred. Major renewals and improvements are capitalized and depreciated over their estimated useful lives. The following table presents total depreciation and amortization expense included in the condensed consolidated statements of operations for the periods presented:

	Three months ended March 31,	
	2026	2025
	(In thousands)	
Cost of revenue	\$ 1,074	\$ 1,538
Sales and marketing	430	596
General and administrative	352	309
Product development	3,256	3,375
Total depreciation and amortization expense	\$ 5,112	\$ 5,818

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Note 7. Accrued Expenses and Other Current Liabilities

The following table presents the detail of accrued expenses and other current liabilities as of the dates presented:

	March 31, 2026	December 31, 2025
	(In thousands)	
Professional services and consulting and other vendor fees	\$ 21,304	\$ 17,404
Payroll and other employee-related costs	8,883	7,735
Warrants liability (Note 9)	1,882	2,999
Accrued interest	7,363	1,122
Restructuring (Note 12)	885	1,387
Sales commissions	1,459	1,787
Other	6,329	6,266
Total accrued expenses and other current liabilities	<u>\$ 48,105</u>	<u>\$ 38,700</u>

Note 8. Senior Notes, Capped Call Transactions and Warrants

Convertible Senior Notes due 2026 and Capped Calls

In December 2020, the Company issued \$517.5 million aggregate principal amount of its 2026 Notes in a private placement, of which \$20.1 million aggregate principal amount was outstanding as of March 31, 2026. The 2026 Notes are senior unsecured obligations of the Company. The 2026 Notes will mature on December 15, 2026, unless earlier repurchased or redeemed by the Company or converted pursuant to their terms. The total net proceeds from the offering of the 2026 Notes, after deducting debt issuance costs, was approximately \$505.3 million.

Each \$1,000 in principal amount of the 2026 Notes is convertible into 0.8862 shares of the Company's common stock, which is equivalent to a conversion price of \$1,128.39 per share. The conversion rate is subject to adjustment upon the occurrence of certain specified events but will not be adjusted for any accrued and unpaid special interest. In addition, following certain corporate events that occur prior to the maturity date, the Company will increase the conversion rate for a holder who elects to convert its 2026 Notes in connection with such a corporate event. The 2026 Notes are not redeemable prior to the maturity date of the 2026 Notes and no sinking fund is provided for the 2026 Notes. The indenture governing the 2026 Notes contains events of default customary for convertible notes issued in connection with similar transactions. If the Company undergoes a "Fundamental Change" (as defined in the indenture governing the 2026 Notes) which includes a change of control or the failure of the Company's common stock to be listed or quoted on any of The Nasdaq Global Select Market, The Nasdaq Global Market or the New York Stock Exchange, holders may require the Company to repurchase for cash all or any portion of their 2026 Notes in principal amounts of \$1,000 or a multiple thereof at a Fundamental Change repurchase price equal to 100% of the principal amount of the 2026 Notes to be repurchased, plus accrued and unpaid special interest to, but excluding, the Fundamental Change repurchase date. The Company determined that as of March 31, 2026, the likelihood of the Fundamental Change provision being triggered is remote.

Holders of the 2026 Notes may convert their 2026 Notes at their option at any time prior to the close of business on the business day immediately preceding August 15, 2026, in multiples of \$1,000 principal amount, only under the following circumstances: (1) during any calendar quarter commencing after the calendar quarter ending on March 31, 2021 (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 for the 2026 Notes on each applicable trading day as determined by the Company; (2) during the five business day period after any five consecutive trading day period (the "2026 Notes measurement period") in which the "trading price" (as defined in the indenture governing the 2026 Notes) per \$1,000 principal amount of 2026 Notes for each trading day of the 2026 Notes 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 2026 Notes on each such trading day; (3) with respect to any 2026 Notes that the Company calls for redemption, at any time prior to the close of business on the scheduled trading day immediately preceding the redemption date; or (4) upon the occurrence of specified corporate events. On or after August 15, 2026, holders may convert all or any portion of their 2026 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 circumstances. 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.

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During the three months ended March 31, 2026, the conditions allowing holders of the 2026 Notes to convert were not met.

In connection with the offering of the 2026 Notes, the Company entered into privately-negotiated capped call option transactions with certain counterparties (the “2026 capped calls”). The 2026 capped calls each have a strike price of \$1,128.39 per share, subject to certain adjustments, which corresponds to the conversion price of the 2026 Notes. The 2026 capped calls have cap prices of \$1,583.70 per share, subject to certain adjustment events. The 2026 capped calls cover, subject to anti-dilution adjustments, approximately 0.11 million shares of common stock. The 2026 capped calls are generally intended to reduce or offset the potential dilution to the common stock upon any conversion of the 2026 Notes with such reduction or offset, as the case may be, subject to a cap based on the cap price. The 2026 capped calls expire on December 15, 2026, subject to earlier exercise. The 2026 capped calls are subject to either adjustment or termination upon the occurrence of specified extraordinary events affecting the Company, including a merger event, a tender offer, and a nationalization, insolvency or delisting involving the Company. In addition, the 2026 capped calls are subject to certain specified additional disruption events that may give rise to a termination of the 2026 capped calls, including changes in law, failure to deliver, and hedging disruptions. The 2026 capped calls are recorded in stockholders’ deficit and are not accounted for as derivatives. The net cost of \$46.1 million incurred to purchase the 2026 capped calls was recorded as a reduction to additional paid-in capital in the accompanying condensed consolidated balance sheets.

Pursuant to a privately negotiated exchange and purchase agreement (the “Exchange and Purchase Agreement”), on June 3, 2024, the Company exchanged \$146.0 million principal amount of the 2026 Notes then held by an investor for \$100.0 million principal amount of new 2029 Notes, and the same investor purchased an additional \$50.0 million principal amount of the 2029 Notes for cash. In connection with the exchange and purchase, the Company also issued the Warrants to the investor, and the investor agreed to purchase up to \$50.0 million of additional 2029 Notes upon the Company’s request and subject to certain conditions (the “Delayed Draw Notes”). A corresponding portion of capped calls were terminated following the exchange and purchase as required by their terms for minimal consideration.

On June 13, 2024, the Company repurchased \$10.3 million principal amount of the 2026 Notes for \$4.9 million in cash, and a corresponding portion of the 2026 capped calls were terminated following the repurchase as required by their terms for no consideration.

September 2025 Debt Exchange

On September 12, 2025 (the “Exchange Closing Date”), the Company consummated an exchange of the \$341.1 million in aggregate principal amount of 2026 Notes held by certain former holders of the Company’s outstanding 2026 Notes (the “Noteholders”) for (i) an aggregate payment of \$45.0 million in cash, (ii) \$115.0 million in aggregate principal amount of the Company’s 10.0% Second Lien Senior Subordinated Secured Notes due 2029 (the “Second Lien Notes”), (iii) 3,555,596 shares of common stock and (iv) 26,551 shares of Series B Fixed Rate Convertible Perpetual Preferred Stock, par value \$0.001 (the “Series B Preferred Stock”). On September 25, 2025, the Company issued an additional 143,192 shares of common stock to certain of the Noteholders, which shares were issued on a deferred basis due to a beneficial ownership limitation preventing such Noteholders from owning in excess of 9.90% of the outstanding common stock of the Company. In addition, a corresponding portion of the 2026 capped calls were terminated following the exchange as required by their terms for no consideration. This September 2025 Debt Exchange was accounted for as a Troubled Debt Restructuring (“TDR”) in accordance with ASC 470-60, *Troubled Debt Restructuring by Debtors*. The Company recognized a TDR gain of \$27.7 million, which was presented as Gain on troubled debt restructuring in the consolidated statements of operations for the year ended December 31, 2025.

On the Exchange Closing Date, the principal amount of the exchanged 2026 Notes was \$341.1 million with a discount of \$1.7 million for a net carrying value of \$339.4 million. The Company recognized the Second Lien Notes at a carrying value of \$182.0 million. Under the TDR accounting treatment, the carrying value of the Second Lien Notes of \$182.0 million was comprised of the total future undiscounted cash flows which included principal of \$115.0 million, the maximum interest of \$58.7 million as well as a redemption premium of \$8.3 million. The redemption premium is related to the contingent redemption feature where the lenders can redeem the Second Lien Notes immediately prior to their maturity upon the occurrence of a Fundamental Change as defined in the indenture governing the Second Lien Notes at 105% of the principal plus accrued but unpaid interest as discussed further below. The Company assumes contingent future payments will have to be paid and those amounts shall be included in the total future cash payments. If, in future periods, the contingency is resolved so that a contingent payment does not have to be made, the Company will recognize a gain in the period when the contingency has been resolved. Subsequently, no interest expense on the Second Lien Notes will be recorded, as all future interest payments will reduce the carrying value of the restructured debt.

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The unexchanged 2026 Notes, due December 15, 2026, are classified as Current portion of long-term debt in the condensed consolidated balance sheets as of March 31, 2026. The aggregate principal amount of the unexchanged 2026 Notes was \$20.1 million and the carrying amount of the unexchanged 2026 Notes was \$20.0 million as of March 31, 2026. The remaining term over which the unexchanged 2026 Notes' debt issuance costs will be amortized is 0.7 years at an effective interest rate of 0.40%.

Second Lien Senior Subordinated Secured Notes due 2029

On the Exchange Closing Date, the Company issued \$115.0 million in aggregate principal amount of Second Lien Notes as part of the September 2025 Debt Exchange transaction. The Second Lien Notes accrue interest at a rate of 10.0% per annum. Prior to March 15, 2027, all of the interest on the Second Lien Notes is payable in-kind ("PIK"). On and after March 15, 2027 and until June 15, 2028, interest will be payable, at the Company's option, in cash or in-kind or partially in cash and partially in-kind. On and after June 15, 2028, until the maturity of the Second Lien Notes, interest on the Second Lien Notes will be payable in cash, or at the Company's option, up to 6.0% per annum in-kind. Unless earlier repurchased or redeemed by the Company, the Second Lien Notes will mature on December 15, 2029.

The Company may, at its option, redeem the Second Lien Notes, in whole or in part, prior to September 12, 2026 at a price equal to the sum of (i) 105% of the accrued and unpaid interest (including cash and PIK components thereof), (ii) 105% of the aggregate principal amount of the Second Lien Notes (including, without duplication of any amounts described in item (i), all increases to the principal amount as the result of previous payments of PIK interest) and (iii) the present value of the remaining future interest payments (including cash and PIK components thereof) through September 12, 2026, computed using a discount rate of T + 50 (such amount, the "Make Whole Amount"). On or after September 12, 2026, and prior to September 12, 2027, the Company may, at its option, redeem the Second Lien Notes, in whole or in part for an amount of cash equal to the sum of (i) 105% of the aggregate principal amount of the Second Lien Notes (including all increases to the principal amount as the result of previous payments of PIK interest) plus (ii) 105% of all accrued and unpaid interest (including, without duplication of any amounts described in item (i), cash and PIK components thereof). On or after September 12, 2027, and prior to September 12, 2028, the Company may, at its option, redeem the Second Lien Notes, in whole or in part for an amount of cash equal to the sum of (i) 102.5% of the aggregate principal amount of the Second Lien Notes (including all increases to the principal amount as the result of previous payments of PIK interest) plus (ii) 102.5% of all accrued and unpaid interest (including, without duplication of any amounts described in item (i), cash and PIK components thereof). From September 12, 2028 until maturity, the Company may, at its option, redeem the Second Lien Notes, in whole or in part for an amount of cash equal to the sum of (i) 100% of the aggregate principal amount of the Second Lien Notes (including all increases to the principal amount as the result of previous payments of PIK interest) plus (ii) 100% of all accrued and unpaid interest (including, without duplication of any amounts described in item (i), cash and PIK components thereof). No sinking fund is provided for the Second Lien Notes.

The Second Lien Notes are guaranteed on a senior subordinated basis by certain of the Company's direct and indirect domestic and foreign subsidiaries and secured by second lien priority security interests in substantially all of the assets of the Company and such subsidiary guarantors, subject to customary exceptions. Pursuant to an intercreditor agreement, the Second Lien Notes are subordinated in right of payment and to collateral, in each case, to the 2029 Notes. The indenture governing the Second Lien Notes contains affirmative and negative covenants and events of default customary for senior secured notes issued in connection with similar transactions. The negative covenants include limitations on asset sales, the incurrence of debt, preferred stock and liens, fundamental changes, investments, dividends and other payment restrictions affecting subsidiaries, restricted payments and transactions with affiliates. Among other things, these covenants generally prohibit the payment of cash dividends on the Company's common stock. Our failure to comply with these covenants could result in an event of default which, if not cured or waived, could result in the acceleration of the Second Lien Notes. In the event the Second Lien Notes are accelerated prior to September 12, 2028, the applicable acceleration premium set forth in the indenture governing the Second Lien Notes will become due. The indenture governing the Second Lien Notes permits the Company and its subsidiaries to incur, subject to certain requirements, up to (i) \$150.0 million of debt that is junior in lien priority and subordinated in right of payment to the Second Lien Notes, and (ii) up to \$20.1 million as exchange consideration for, or the proceeds of which are used to repay, the remaining \$20.1 million aggregate principal amount of 2026 Notes, which debt may be in the form of additional Second Lien Notes. No embedded derivatives were bifurcated from the Second Lien Notes as the September 2025 Debt Exchange was accounted for as a troubled debt restructuring and the Company recognized a gain in connection with the issuance of the Second Lien Notes.

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If the Company undergoes a “Fundamental Change” as defined in the indenture governing the Second Lien Notes, which includes a change of control or the failure of the Company’s common stock to be listed or quoted on any of The Nasdaq Global Select Market, The Nasdaq Global Market or the New York Stock Exchange, holders may require the Company to repurchase all or any portion of their Second Lien Notes at a repurchase price equal to (i) the Make Whole Amount, if such Fundamental Change occurs prior to September 12, 2026, or (ii) the sum of (A) 105% of the aggregate principal amount of the Second Lien Notes (including all increases to the principal amount as the result of previous payments of PIK interest) plus (B) 105% of all accrued and unpaid interest, if such Fundamental Change occurs on or after September 12, 2026.

Series B Preferred Stock

On the Exchange Closing Date, the Company filed a Certificate of Designation with respect to the Series B Preferred Stock (the “Series B Certificate of Designation”) with the Secretary of State of the State of Delaware and issued to the Noteholders an aggregate 26,551 shares of Series B Preferred Stock. Each share of Series B Preferred Stock had an initial stated value (“Stated Value”) of \$1,000 per share, subject to adjustment for (i) any splits, combinations, or similar adjustment and (ii) accrued unpaid dividends. The Series B Preferred Stock did not have a stated maturity and were not subject to mandatory redemption or any sinking fund, and would have remained outstanding indefinitely unless earlier converted, repurchased or redeemed.

On October 2, 2025, the stockholders of the Company approved the Stock Increase Charter Amendment Proposal to increase the authorized common stock share capital of the Company from 13,333,333 shares to 20,000,000 shares. The Stock Increase Charter Amendment was filed with the Secretary of State of the State of Delaware on October 3, 2025. As a result, all of the outstanding shares of Series B Preferred Stock automatically converted pursuant to the terms of the Series B Certificate of Designation, and on October 7, 2025, an aggregate 1,547,840 shares of common stock were issued to holders of the Series B Preferred Stock.

First Lien Convertible Senior Notes due 2029

In June 2024, the Company issued \$150.0 million aggregate principal amount of its 2029 Notes pursuant to the Exchange and Purchase Agreement including \$100.0 million aggregate principal amount issued in exchange for \$146.0 million aggregate principal amount of 2026 Notes and \$50.0 million aggregate principal amount issued for cash. The Company paid third parties \$7.6 million in connection with the transaction, which was capitalized as debt issuance costs. At the time of the exchange, the fair value of the 2029 Notes approximated \$118.1 million, and the Company recognized a debt discount of \$31.9 million.

In December 2024, the Company issued \$50.0 million aggregate principal amount of its 2029 Notes, constituting the Delayed Draw Notes, for \$50.0 million cash.

Unless earlier repurchased or redeemed by the Company or converted pursuant to their terms, the 2029 Notes will mature on the earlier of (a) June 15, 2029 and (b) 91 days before the maturity of the 2026 Notes, if greater than \$60.0 million principal amount of 2026 Notes remains outstanding on such date. The amount payable by the Company if the 2029 Notes mature pursuant to clause (b) will be equal to 100% of the aggregate principal amount of the 2029 Notes, plus accrued and unpaid interest, plus the remaining future interest payments that would have been payable through June 15, 2029, discounted at a rate equal to the comparable treasury rate plus 50 basis points (the “Make-Whole Amount”).

From June 3, 2024, until the date of issuance of the Delayed Draw Notes, interest on the 2029 Notes accrued at a rate of 10.83% (consisting of 4.17% cash and 6.66% PIK) per annum. From the date of issuance of the Delayed Draw Notes and prior to December 15, 2026, interest on the 2029 Notes has increased and accrues at a rate of 11.375% (consisting of 4.375% cash and 7.00% PIK) per annum. On and after December 15, 2026, interest on the 2029 Notes will further increase and accrue at a rate of 13% (consisting of 5% cash and 8% PIK) per annum.

The Company may, at its option, redeem the 2029 Notes, in whole or in part, prior to June 15, 2025 at a price equal to the Make-Whole Amount. On or after June 15, 2025, and prior to June 15, 2026, the Company may, at its option, redeem the 2029 Notes, in whole or in part for an amount of cash equal to the sum of (i) 106.50% of the aggregate principal amount of the 2029 Notes (including all increases to the principal amount as the result of previous payments of PIK interest) plus (ii) 106.50% of all accrued and unpaid PIK interest plus (iii) all accrued and unpaid cash interest. On or after June 15, 2026, and prior to December 15, 2026, the Company may, at its option, redeem the 2029 Notes, in whole or in part for an amount of cash equal to the sum of (i) 103.25% of the aggregate principal amount of the 2029 Notes (including all increases to the principal amount as the result of previous payments of PIK interest) plus (ii) 103.25% of all accrued and unpaid PIK interest plus (iii) all accrued and unpaid cash interest. From December 15, 2026 until maturity, the Company may, at its option, redeem the 2029 Notes, in whole or in part for an amount of cash equal to the sum of (i) 113% of the aggregate principal amount of the 2029 Notes (including all increases to the principal amount as the result of previous payments of PIK interest) plus (ii) 113% of all accrued and unpaid PIK interest plus (iii) all accrued and unpaid cash interest. No sinking fund is provided for the 2029 Notes.

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The 2029 Notes are guaranteed on a senior basis by certain of the Company's direct and indirect domestic and foreign subsidiaries and secured by first priority security interests in substantially all of the assets of the Company and such subsidiary guarantors, subject to customary exceptions. The indenture governing the 2029 Notes contains affirmative and negative covenants and events of default customary for senior secured notes issued in connection with similar transactions. The negative covenants include limitations on asset sales, the incurrence of debt, preferred stock and liens, fundamental changes, investments, dividends and other payment restrictions affecting subsidiaries, restricted payments and transactions with affiliates. Among other things, these covenants generally prohibit the payment of cash dividends on the Company's common stock. The Make-Whole Amount will be payable in the event of an acceleration of the 2029 Notes or repurchase triggered by certain asset sales. The indenture governing the 2029 Notes permits the Company and its subsidiaries to incur, subject to certain requirements, up to \$150.0 million of debt that is junior in lien priority and subordinated in right of payment to the 2029 Notes. The indenture governing the 2029 Notes also includes a financial covenant that requires the Company at all times to maintain a minimum cash balance of \$60.0 million (excluding proceeds of the 2029 Notes). Upon request of the investor, the indenture governing the 2029 Notes requires the Company to enter into a registration rights agreement with respect to the 2029 Notes containing customary terms including demand, shelf and piggyback registration rights. The Company was in compliance with its financial covenants as of March 31, 2026.

If the Company undergoes a "Fundamental Change" (as defined in the indenture governing the 2029 Notes), which includes a change of control or the failure of the Company's common stock to be listed or quoted on any of The Nasdaq Global Select Market, The Nasdaq Global Market or the New York Stock Exchange, holders may require the Company to repurchase all or any portion of their 2029 Notes at a repurchase price equal to 100% of the aggregate principal amount of the 2029 Notes to be repurchased, plus accrued and unpaid interest, plus an amount equal to 66% of the remaining future interest payments (including PIK interest) that would have been payable through June 15, 2029, discounted at a rate equal to the comparable treasury rate plus 50 basis points. The likelihood of a Fundamental Change under the 2029 Notes occurring was remote unless and until the noteholders agreed to concessions (as they did to enable the pending sale of the business) because the amounts required to satisfy the contractual obligations in connection with a Fundamental Change materially exceeded the Company's enterprise value.

Holders of the 2029 Notes may convert their 2029 Notes at their option at any time prior to the close of business on the business day immediately preceding February 15, 2029 only under the following circumstances: (1) during any calendar quarter commencing after the calendar quarter ending on September 30, 2024 (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 for the 2029 Notes on each applicable trading day as determined by the Company; (2) during the five business day period after any five consecutive trading day period (the "2029 Notes measurement period") in which the "trading price" (as defined in the indenture governing the 2029 Notes) per \$1,000 principal amount of 2029 Notes for each trading day of the 2029 Notes measurement period was less than 98% of the product of the last reported sale price of the Company's common stock and the product of (x) the quotient of (i) the "conversion amount" (as defined in the Indenture) in respect of \$1,000 principal amount of the 2029 Notes on such trading day divided by (ii) 1,000 times (y) the conversion rate for the 2029 Notes on each such trading day; (3) with respect to any 2029 Notes that the Company calls for redemption, at any time prior to the close of business on the scheduled trading day immediately preceding the redemption date; (4) upon the occurrence of specified corporate events; or (5) during the period from August 17, 2026 through September 14, 2026, if the aggregate principal amount of 2026 Notes exceeds \$60.0 million on August 16, 2026. On or after February 15, 2029, holders may convert all or any portion of their 2029 Notes at any time prior to the close of business on June 13, 2029, regardless of the foregoing circumstances. The 2029 Notes include certain embedded features requiring bifurcation, which did not have material values as of March 31, 2026 due to management's estimates of the likelihood of triggering events, but that may have value in the future should those estimates change, with any change in fair value recorded in the Company's condensed consolidated statements of operations.

The 2029 Notes (including all accrued and unpaid interest) are convertible at the option of the holders at certain times into cash based on a daily conversion value calculated on a proportionate basis for each trading day in a 50 trading day observation period, corresponding to 0.8862 shares of the Company's common stock per \$1,000 principal amount of 2029 Notes. The Company is not required to deliver its common stock upon conversion under any circumstances. The conversion rate for the 2029 Notes is subject to adjustment if certain events occur and contains customary anti-dilution protections. During the three months ended March 31, 2026, the conditions allowing holders of the 2029 Notes to convert were not met.

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The 2029 Notes, including the Delayed Draw Notes, are accounted for as a single liability, and the combined carrying amount is \$191.8 million as of March 31, 2026, consisting of principal of \$221.9 million, net of unamortized issuance costs of \$5.8 million and debt discount of \$24.3 million. The 2029 Notes were classified as long-term liabilities in the condensed consolidated balance sheets as of March 31, 2026. The remaining term over which the 2029 Notes' debt issuance costs will be amortized is 3.2 years at an effective interest rate of 19.13% for the 2029 Notes and 13.28% for the Delayed Draw Notes as of March 31, 2026. The 2029 Notes and the Delayed Draw Notes had an effective interest rate of 19.13% and 13.28%, respectively, as of December 31, 2025.

Unamortized debt issuance costs incurred in connection with securing the Company's financing arrangements are presented in the condensed consolidated balance sheets as a direct deduction from the carrying amount of the outstanding borrowings, consistent with debt discounts. All deferred financing costs are amortized to interest expense. The net carrying amount of the liability component of the Notes as of March 31, 2026 and December 31, 2025 is as follows:

	March 31, 2026				December 31, 2025			
			Second Lien				Second Lien	
	2026 Notes	2029 Notes	Notes ⁽¹⁾	Total	2026 Notes	2029 Notes	Notes ⁽¹⁾	Total
	(In thousands)				(In thousands)			
Principal	\$ 20,125	\$ 221,877	\$ 181,952	\$ 423,954	\$ 20,125	\$ 221,877	\$ 181,952	\$ 423,954
Unamortized debt discount	—	(24,296)	—	(24,296)	—	(25,955)	—	(25,955)
Unamortized issuance costs	(54)	(5,810)	—	(5,864)	(73)	(6,142)	—	(6,215)
Total net carrying value	20,071	191,771	181,952	393,794	20,052	189,780	181,952	391,784
Less: Current portion of long-term debt	(20,071)	—	—	(20,071)	(20,052)	—	—	(20,052)
Carrying value of long-term debt, net	<u>\$ —</u>	<u>\$ 191,771</u>	<u>\$ 181,952</u>	<u>\$ 373,723</u>	<u>\$ —</u>	<u>\$ 189,780</u>	<u>\$ 181,952</u>	<u>\$ 371,732</u>

(1) Represents \$115.0 million of outstanding principal amount of Second Lien Notes, plus the maximum interest of \$58.7 million as well as a redemption premium of \$8.3 million.

The following table sets forth the interest expense recognized related to the Notes:

	Three Months Ended	
	March 31,	
	2026	2025
	(In thousands)	
Contractual interest expense	\$ 6,241	\$ 5,690
Amortization of debt issuance costs	400	631
Amortization of debt discount	1,611	1,157
Total interest expense	<u>\$ 8,252</u>	<u>\$ 7,478</u>

Warrants

On June 3, 2024, pursuant to the Exchange and Purchase Agreement, the Company issued to the investor 10-year warrants with a strike price of \$11.25 per share, exercisable for 649,782 shares of the Company's common stock and 10-year warrants with a strike price of \$11.25 per share, exercisable with respect to a notional amount of 156,318 shares of the Company's common stock for cash payments equal to the excess of "fair market value" (as defined therein) per share over the strike price, fully diluted subject to certain adjustments. In August 2025, Warrants with a notional amount of 200,000 shares were settled and a gain of \$1.3 million related to the fair value adjustment on settlement date was recognized in Other (expense) income, net in the consolidated statements of operations for the year ended December 31, 2025.

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The cash-settled warrants will permit the Company, subject to certain conditions (including to the extent that the Company, following payment, would have “available cash” (as defined therein) of less than \$100.0 million), to defer payment of the settlement amount at an annualized interest rate of 6.0%, compounded monthly. Warrants outstanding at the 10-year expiration will be exercised automatically (and in the case of the share-settled warrants, will be exercised on a cashless basis) if, immediately prior to the expiration, the fair market value per share is greater than the strike price.

The Warrants contain customary anti-dilution protections. The triggers for the anti-dilution adjustments include (a) subdivision, combination or reclassification of the outstanding shares of common stock into a greater or smaller number of shares, (b) certain below market issuances of common stock, (c) certain issuances of common stock at a price that is less than the strike price of the Warrant, (d) certain issuances of a dividend or distribution to all holders of common stock, (e) an above market tender offer or exchange offer by the Company for common stock. Pursuant to the anti-dilution terms of the Warrants, and giving effect to the settlement of Warrants with respect to a notional amount of 200,000 shares, the aggregate notional amount of the Warrants increased to 1,047,514 shares as of March 31, 2026.

In the event of a “Cash/Public Acquisition” (as defined therein), the Warrants may be automatically exercised, cash settled or expire, depending on the fair market value per share. The Warrants contain a beneficial ownership limitation on the investor’s ownership of the Company’s common stock, on a post-exercise basis (aggregating all securities convertible into or exercisable for the Company’s common stock), of 4.99%, subject to increase upon 61 days’ notice by the investor, but not to exceed 9.99%.

The Warrants were classified as current liabilities under ASC 480, *Distinguishing Liabilities from Equity*, in the Company’s condensed consolidated balance sheets and recorded at fair value of \$5.3 million at the issuance date with subsequent changes in fair value recorded in the Company’s condensed consolidated statements of operations. As of March 31, 2026, the Warrants had a fair value of \$1.9 million. A gain of \$1.1 million and a gain of \$8.8 million for the change in fair value were recorded in Other (expense) income, net, in the Company’s condensed consolidated statements of operations for the three months ended March 31, 2026 and 2025, respectively.

Note 9. Fair Value Measurements

The Company measures its cash equivalents at fair value based on an expected exit price as defined by the authoritative guidance on fair value measurements, which represents the amount that would be received on the sale of an asset or paid to transfer a liability, as the case may be, in an orderly transaction between market participants. As such, fair value may be based on assumptions that market participants would use in pricing an asset or liability. The authoritative guidance on fair value measurements establishes a consistent framework for measuring fair value on either a recurring or nonrecurring basis whereby inputs, used in valuation techniques, are assigned a hierarchical level. The following are the hierarchical levels of inputs to measure fair value:

- Level 1: Observable inputs that reflect quoted prices (unadjusted) for identical assets or liabilities in active markets.
- Level 2: Inputs reflect: quoted prices for identical assets or liabilities in markets that are not active; quoted prices for similar assets or liabilities in active markets; inputs other than quoted prices that are observable for the assets or liabilities; or inputs that are derived principally from or corroborated by observable market data by correlation or other means.
- Level 3: Unobservable inputs reflecting the Company’s assumptions incorporated in valuation techniques used to determine fair value. These assumptions are required to be consistent with market participant assumptions that are reasonably available.

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Financial Assets and Liabilities

The carrying amount of cash, accounts receivable, and accounts payable approximate their fair value due to their short-term nature. The Company's assets and liabilities that are measured at fair value on a recurring basis, by level, within the fair value hierarchy as of March 31, 2026 and December 31, 2025, are summarized as follows:

	March 31, 2026			
	Level 1	Level 2	Level 3	Total
	(In thousands)			
Assets				
Cash equivalents - money market funds	\$ 43,375	\$ —	\$ —	\$ 43,375
Total assets	\$ 43,375	\$ —	\$ —	\$ 43,375
Liabilities:				
Warrants liability	\$ —	\$ —	\$ 1,883	\$ 1,883
Total liabilities	\$ —	\$ —	\$ 1,883	\$ 1,883
December 31, 2025				
	December 31, 2025			
	Level 1	Level 2	Level 3	Total
	(In thousands)			
Assets:				
Cash equivalents - money market funds	\$ 43,000	\$ —	\$ —	\$ 43,000
Total assets	\$ 43,000	\$ —	\$ —	\$ 43,000
Liabilities:				
Warrants liability	\$ —	\$ —	\$ 2,999	\$ 2,999
Total liabilities	\$ —	\$ —	\$ 2,999	\$ 2,999

In determining fair value, the Company utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible as well as considers counterparty credit risk in its assessment of fair value. Observable or market inputs reflect market data obtained from independent sources, while unobservable inputs reflect the Company's assumptions based on the best information available.

The Company's money market funds are measured at fair value on a recurring basis based on quoted market prices in active markets and are classified as Level 1 within the fair value hierarchy. The Company's Warrants liability was measured at fair value on a recurring basis and was classified as Level 3 within the fair value hierarchy. Significant changes in unobservable inputs could result in significantly lower or higher fair value measurements.

On a nonrecurring basis, the Company uses fair value measures when analyzing asset impairment. Long-lived assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. If it is determined such indicators are present and the review indicates that the assets will not be fully recoverable, based on undiscounted estimated cash flows over the remaining amortization periods, their carrying values are reduced to estimated fair value. Estimated fair values are Level 3 measures in the fair value hierarchy.

**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
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The estimated fair value of outstanding balances of the Notes as of the dates presented are as follows:

	Level of Hierarchy	Fair Value	Principal Balance	Unamortized Debt Discount	Unamortized Debt Issuance Costs	Net Carrying Value
(In thousands)						
March 31, 2026						
2026 Notes	2	\$ 8,561	\$ 20,125	\$ —	\$ (54)	\$ 20,071
2029 Notes	3	\$ 198,592	\$ 221,877	\$ (24,296)	\$ (5,810)	\$ 191,771
Second Lien 2029 Notes	3	\$ 82,684	\$ 181,952	\$ —	\$ —	\$ 181,952
December 31, 2025						
2026 Notes	2	\$ 8,175	\$ 20,125	\$ —	\$ (73)	\$ 20,052
2029 Notes	3	\$ 200,601	\$ 221,877	\$ (25,955)	\$ (6,142)	\$ 189,780
Second Lien 2029 Notes	3	\$ 61,497	\$ 181,952	\$ —	\$ —	\$ 181,952

Management determined the fair value of 2026 Notes by using Level 2 inputs based on observable market prices for the instrument and similar instruments. Management determined the fair value of the 2029 Notes and Delayed Draw Notes as of March 31, 2026 by using Level 3 inputs, including volatility of 15.00%, yield of 17.50%, risk-free rate of 3.82%, and credit spread of 13.90%. Management determined the fair value of the Second Lien Notes as of March 31, 2026 by using Level 3 inputs, including volatility of 15.00%, yield of 30.00%, risk-free rate of 3.85% and credit spread of 26.69%.

Management determined the fair value of the 2029 Notes as of December 31, 2025 by using Level 3 inputs, including the volatility of 15.00%, yield of 16.00%, risk-free rate of 3.59% and credit spread of 12.81%. Management determined the fair value of the Second Lien Notes as of December 31, 2025 by using Level 3 inputs, including volatility of 15.00%, yield of 30.00%, risk-free rate of 3.64% and credit spread of 24.60%. A change in those inputs to a different amount might result in a significantly higher or lower fair value measurement.

Warrants

The Company recorded the fair value of the Warrants upon issuance using the Black-Scholes valuation model and is required to revalue these Warrants at each reporting date with any changes in fair value recorded on the Company's condensed consolidated statements of operations. The valuation of the Warrants was classified as Level 3 within the fair value hierarchy and is influenced by the fair value of the underlying, or notional amount of, common stock of the Company. A summary of the Black-Scholes pricing model assumptions used to record the fair value of the Warrants as of March 31, 2026 and 2025 is as follows:

	March 31, 2026	March 31, 2025
Stock price	\$ 2.55	\$ 0.80
Risk free rate	4.18%	4.19%
Expected life (in years)	8.18	9.18
Expected volatility	86.00%	78.00%

Any significant changes in the inputs may result in significantly higher or lower fair value measurements. Refer to Note 8 – *Senior Notes, Capped Call Transactions and Warrants* for additional information.

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The changes in fair value of the Level 3 Warrants as of the dates presented are as follows:

	March 31, 2026	December 31, 2025
	(In thousands)	
Balance, beginning of year	\$ 2,999	\$ 17,498
Settlement of Warrants	—	(1,297)
Change in the fair value of Warrants	(1,116)	(13,202)
Balance, end of period	\$ 1,883	\$ 2,999

Note 10. Commitments and Contingencies

Employee Benefit Plans

The Company has a 401(k) defined contribution plan covering all eligible employees. The Company's 401(k) policy is a Safe Harbor Plan, whereby the Company matches 100% of the first 3% of eligible compensation and 50% of the next 2% of eligible compensation. The match is immediately vested. Salaries and related expenses include \$0.4 million and \$0.7 million of employer matching contributions for the three months ended March 31, 2026 and 2025, respectively.

Letters of Credit

As of March 31, 2026, the Company had letters of credit totaling \$0.5 million outstanding as a security deposit for the due performance by the Company of the terms and conditions of a supply contract.

Contractual obligations

The Company's purchase obligations consist of agreements to purchase goods and services entered into in the ordinary course of business. The Company has purchase obligation agreements primarily relating to contracts with vendors in connection with Information Technology ("IT") infrastructure and cloud computing services with remaining terms of one year or less. In September 2025, the Company entered into a new three-year contract for \$76.4 million in purchase commitments over a three-year term. Total purchase commitments remaining as of March 31, 2026 including those under this contract are as follows: \$19.9 million for the remainder of 2026, \$25.3 million for 2027, and \$25.2 million for 2028.

Indemnifications

The Company enters into service and license agreements in its ordinary course of business. Pursuant to some of these agreements, the Company agrees to indemnify certain customers from and against certain types of claims and losses suffered or incurred by them as a result of using the Company's products.

The Company also has agreements whereby its executive officers and directors are indemnified for certain events or occurrences while the officer or director is, or was, serving at the Company's request in such capacity. The maximum potential amount of future payments the Company could be required to make under these indemnification agreements is unlimited; however, the Company has a directors and officers insurance policy that reduces its exposure and enables the Company to recover a portion of any future amounts paid. As a result of its insurance policy coverage, the Company believes the estimated fair value of these indemnification agreements is minimal. The Company has no liabilities recorded for these agreements as of March 31, 2026 and December 31, 2025.

Note 11. Stockholders' Deficit

Common Stock

As of March 31, 2026, there were 20,000,000 shares of common stock authorized, 12,285,554 shares issued, and 12,101,150 shares outstanding. The par value for the common stock is \$0.001 per share.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
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Stock-Based Compensation

The Company's stock-based compensation generally includes stock options, restricted stock units ("RSUs"), performance-vesting restricted stock units ("PRSUs"), and purchases under the Company's 2019 Employee Stock Purchase Plan (the "ESPP"). Stock-based compensation expense related to RSUs is based on the market value of the underlying stock on the date of grant and the related expense is recognized ratably over the requisite service period. The stock-based compensation expense related to PRSUs is estimated at the grant date based on the expectation that performance goals will be achieved at the stated target level. The amount of compensation cost recognized depends on the relative satisfaction of the performance condition based on performance to date. There were no PRSUs granted during the three months ended March 31, 2026, and 2025.

Stock Incentive Plans

The Company's 2019 Stock Incentive Plan became effective on April 11, 2019. The 2019 Stock Incentive Plan, as amended and restated, allows the Company's employees and directors to participate in the Company's future performance through grants of stock-based awards of stock options and RSUs at the discretion of the board of directors. The number of shares authorized for issuance under the 2019 Stock Incentive Plan as of March 31, 2026 was 3,487,182 shares. Options to acquire common stock granted under the 2019 Stock Incentive Plan have ten-year terms. As of March 31, 2026, 43,123 shares of common stock remained available for issuance (taking into account all stock option exercises and other equity award settlements through March 31, 2026).

Employee Stock Purchase Plan

The number of shares authorized for issuance under the ESPP as of March 31, 2026 was 300,000 shares. As of March 31, 2026, 92,972 shares of common stock remained available for issuance under the ESPP (taking into account all share purchases through March 31, 2026).

Inducement Plan

There are 1,027,489 shares of common stock authorized and reserved for issuance under the Inducement Plan. As of March 31, 2026, 77,746 shares of common stock remained available for issuance under the Inducement Plan (taking into account all option exercises and other equity award settlements through March 31, 2026).

Stock Option Activity

The following table is a summary of the Company's stock option activity and weighted average exercise prices for the three months ended March 31, 2026:

	<u>Stock Option Activity</u>		Weighted Average Remaining Contractual Term (In years)	Aggregate Intrinsic Value (In thousands)
	Options (In thousands)	Weighted Average Exercise Price		
Balance outstanding at December 31, 2025	178	\$ 184.30	5.92	\$ —
Granted	—	—		
Exercised	—	—		
Cancelled or expired	(2)	461.55		
Balance outstanding at March 31, 2026	<u>176</u>	<u>180.47</u>	<u>5.74</u>	<u>—</u>
Options vested and expected to vest	<u>100</u>	<u>306.10</u>	<u>3.91</u>	<u>—</u>
Options exercisable at March 31, 2026	<u>82</u>	<u>\$ 368.37</u>	<u>2.73</u>	<u>\$ —</u>

The total fair value of stock options exercised during the three months ended March 31, 2026 and 2025 was immaterial. As of March 31, 2026, there was \$0.4 million of total unrecognized compensation cost related to nonvested share-based compensation arrangements. That cost is expected to be recognized over a weighted average period of approximately 1.4 years.

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Restricted Stock Unit and Performance-Vesting Restricted Stock Unit Activity

The following table is a summary of the Company's RSU and PRSU activity and weighted average grant date fair value for the three months ended March 31, 2026:

	Number of Shares	Weighted Average Grant Date Fair Value	Aggregate Fair Value
	(In thousands)	(Per share)	(In thousands)
Balance outstanding at December 31, 2025	783	\$ 15.45	\$ 3,028
Awarded	44	3.76	
Released	(62)	31.36	
Forfeited	(14)	25.37	
Non-vested and outstanding at March 31, 2026	<u>751</u>	<u>13.30</u>	<u>1,914</u>
Expected to vest	<u>628</u>	<u>\$ 13.51</u>	<u>\$ 1,602</u>

RSUs granted to employees generally vest over a one to four-year period, or upon achievement of certain performance conditions. As of March 31, 2026, total unrecognized compensation cost, adjusted for estimated forfeitures, related to nonvested RSUs was \$5.4 million and the weighted-average remaining vesting period was 0.95 years.

PRSUs granted are generally subject to both a service-based vesting condition and a performance-based vesting condition. PRSUs will vest upon the achievement of specified performance targets and subject to continued service through the applicable vesting dates. The associated compensation cost is recognized over the requisite service period when it is probable that the performance condition will be satisfied. There were no PRSUs granted during the three months ended March 31, 2026 and 2025, respectively. The PRSUs that vested in the third quarter of 2025 were settled and distributed during the three months ended March 31, 2026.

Total stock-based compensation costs included in the condensed consolidated statements of operations for the three months ended March 31, 2026 and 2025 are as follows:

	Three Months Ended March 31,	
	2026	2025
	(In thousands)	
Cost of revenue	\$ 81	\$ 186
Sales and marketing	507	1,378
General and administrative	1,153	1,773
Product development	521	1,372
Total	<u>\$ 2,262</u>	<u>\$ 4,709</u>

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Note 12. Restructuring

LivePerson has undertaken several restructuring initiatives to realign the Company's cost structure with its current business model, a changing competitive environment and changes in the Company's commercial performance. In September 2025, the Company initiated a new restructuring plan to reduce cash expenditures to align with the Company's current commercial performance, resulting in a charge of \$11.7 million for the year ended December 31, 2025. The Company recognized no restructuring costs during the three months ended March 31, 2026, and \$1.3 million during the three months ended March 31, 2025, which included severance and other compensation costs and are recorded in Restructuring costs in the condensed consolidated statements of operations. The 2025 restructuring activities were considered to be substantially completed as of December 31, 2025.

The following table presents the detail of the liability for the Company's restructuring costs, which is included within Accrued expenses and other current liabilities within the condensed consolidated balance sheets as of March 31, 2026 and December 31, 2025:

	March 31, 2026	December 31, 2025
	(In thousands)	
Balance, beginning of the year	\$ 1,387	\$ 3,028
Severance and other associated costs	—	11,667
Cash payments	(502)	(13,308)
Balance, end of period	\$ 885	\$ 1,387

Note 13. Legal Matters

Stockholder Litigation

In December 2023, a putative stockholder class action entitled *Damri v. LivePerson, Inc.*, No. 1:23-cv-10517, was filed under the federal securities laws against the Company, its former Chief Executive Officer, and its Chief Financial Officer in the United States District Court for the Southern District of New York. The complaint alleges that the Company's Form 10-Q filings and forecasts for the first, second, and third quarters of fiscal year 2022 were false and misleading in violation of Section 10(b) of the Securities Exchange Act of 1934, based on the Company's later disclosures and report on Form 10-K on March 16, 2023. In May 2024, the plaintiff filed an amended complaint. The Company moved to dismiss the amended complaint in August 2024, and in March 2025, the court granted the Company's motion and dismissed the action with prejudice. In April 2025, the plaintiff appealed the decision to the United States Court of Appeals for the Second Circuit and in March 2026, the dismissal was affirmed but the case was remanded to the district court with leave for the plaintiff to try to replead his complaint. A second amended complaint was filed, and the parties are currently briefing a renewed motion to dismiss. A parallel litigation on behalf of stockholders who purchased their shares on the Tel Aviv Stock Exchange, entitled *Weissbrod v. LivePerson, Inc.*, is pending in the Tel Aviv District Court in Israel, but has been stayed pending further developments in the *Damri* case.

In January 2024, a purported derivative action entitled *Marti v. LoCascio*, No. 1:24-cv-00598, was filed in the United States District Court for the Southern District of New York by a purported stockholder of the Company against the Company's former Chief Executive Officer, its Chief Financial Officer, members of the current Board of Directors and several former Directors. The *Marti* litigation claims that the Company itself was harmed by the same acts and omissions underlying the *Damri* federal securities lawsuit and seeks to recover unspecified losses on behalf of the Company. Between June and September 2024, four other purported derivative actions were filed by purported stockholders of the Company against the Company's former Chief Executive Officer, its Chief Financial Officer, members of the current Board of Directors and several former Directors. These four purported derivative actions, similar to the *Marti* litigation, claim that the Company itself was harmed by the same acts and omissions underlying the *Damri* federal securities lawsuit, and seek to recover unspecified losses on behalf of the Company. The four actions are entitled: (i) *Steffens v. Block*, No. 1:24-cv-04481, filed in the United States District Court for the Southern District of New York; (ii) *Ravi v. LoCascio*, Index No. 653498/2024, filed in the Supreme Court of the State of New York, New York County; (iii) *Morales v. LoCascio*, No. 1:24-cv-05297, filed in the United States District Court for the Southern District of New York; and (iv) *Perkins v. LoCascio*, Index No. 654992/2024, filed in the Supreme Court of the State of New York, New York County. The *Marti*, *Steffens* and *Morales* cases are stayed, and the *Perkins* case is in abeyance, pending further developments in the *Damri* case.

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(UNAUDITED)

In February 2024, Starboard Value LP and several of its related entities and investment funds filed a lawsuit against the Company, its former Chief Executive Officer, and its Chief Financial Officer entitled Starboard Value LP v. LivePerson, Inc., No. 2024-0103, in the Court of Chancery of the State of Delaware. The complaint alleged common law fraud, fraudulent inducement and negligent misrepresentation in connection with an alleged scheme to induce Starboard to settle its 2022 proxy contest against the Company and, as stated in the complaint, involved previous Starboard allegations of misrepresentations in the Company's public disclosures that the Company previously informed Starboard were found to be unsubstantiated following an independent investigation. Starboard sought damages for its trading losses and purported lost anticipated profits. The defendants filed an answer denying the substantive allegations of the complaint, the parties engaged in discovery, and in July 2025, the litigation was settled. The settlement did not have an impact on the Company's condensed consolidated statements of operations, as the cost was covered by insurance.

In April 2026, Vector Capital VI, L.P. filed a lawsuit in the Court of Chancery of the State of Delaware against the members of the Company's board of directors who voted in favor of the Company's September 2025 Debt Exchange transaction. The action, entitled Vector Capital VI, L.P. v. Miller, C.A. No. 2026-0536, alleges that the September 2025 Debt Exchange constituted a breach of fiduciary duty by the board, was unfairly coercive, frustrated stockholder voting rights and improperly diluted the value of the Company's common stock. The complaint seeks unspecified damages. The Company, on behalf of the directors, will be moving to dismiss the complaint.

COVID-Related Matters

As has been widely reported, there is heightened scrutiny by the federal government across many programs related to global novel coronavirus disease ("COVID-19") that were introduced during the COVID-19 pandemic. The Company previously provided products and services related to COVID-19 testing and accompanying software. Those products and services have been the subject of inquiry and review by Medicare, the Department of Justice and the U.S. Food and Drug Administration.

The Company has discontinued all products and services related to COVID-19, and has responded to and intends to continue to cooperate with governmental inquiries related to its previous engagement in COVID-19 related product and service offerings.

Other Legal, Administrative, Governmental and Regulatory Matters

From time to time, the Company is or may be subject to or involved in legal, administrative, governmental and/or regulatory proceedings, inquiries and investigations as well as actual or threatened litigation, claims and/or demands (each an "Action" and collectively "Actions"). These have included and may include (without limitation) Actions brought by or against the Company, its affiliates, subsidiaries, directors and/or officers with respect to intellectual property, contracts, financial, commercial, employment, legal, compliance, privacy, data security, regulatory and/or other matters related to the Company's business, as well as Actions brought against the Company's customers for which the Company has a contractual indemnification obligation.

Regardless of the outcome, Actions can have an adverse impact on the Company because of defense and/or settlement costs, diversion of management resources, reputational risks and other factors.

Accruals

The Company accrues for certain contingencies when it is both probable that a liability has been incurred and the amount of the loss can be reasonably estimated and discloses certain contingencies for which no accrual has been made as appropriate and in compliance with ASC 450, *Contingencies*. Significant judgment is required in both the determination of probability and the determination as to whether a loss is reasonably estimable. The accruals or estimates, if any, resulting from the foregoing analysis, are reviewed at least quarterly and adjusted to reflect the impact of negotiations, settlements, rulings, advice of legal counsel and other information and events pertaining to a particular matter.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)

Note 14. Income Taxes

Income taxes are accounted for under the asset and liability method. Under this method, deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and operating loss and tax credit carryforwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. In assessing the realizability of deferred tax assets, management considers whether it is more likely than not that some portion or all of the deferred tax assets will be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences are expected to become deductible. Management considers the scheduled reversal of deferred tax liabilities, projected future taxable income and tax planning strategies in making this assessment.

The Company includes interest accrued on the underpayment of income taxes and certain interest expense and penalties, if any, related to unrecognized tax benefits as a component of the income tax provision. The Company recorded a valuation allowance against its U.S., e-bot7 Germany, and Bulgaria deferred tax assets as it considered its cumulative losses in recent years as a significant piece of negative evidence. Since valuation allowances are evaluated by jurisdiction, the Company believes that the deferred tax assets related to LivePerson Australia Pty. Ltd., Engage Pty. Ltd., LivePerson (UK) Ltd., LivePerson Japan, and LivePerson Ltd. (Israel) are more likely than not to be realized as these jurisdictions have positive cumulative pre-tax book income after adjusting for permanent and one-time items.

The One Big Beautiful Bill Act (“OBBBA”) was signed into law on July 4, 2025, and makes changes to the deductibility of certain business expenditures including interest expense, research and development expenditures, and property and equipment, and makes changes to elements of U.S. cross-border taxation. OBBBA allows taxpayers to make an election to accelerate the deductions over one year or two years. The Company implemented the changes enacted under OBBBA and is currently evaluating the impact of the elections available.

For the three months ended March 31, 2026, the Company recorded a tax provision of \$0.3 million. This consisted of a tax provision on operating earnings of non-US subsidiaries, a tax expense on UK stock compensation windfall, and interest accrual on unrecognized tax benefits in Israel. For the three months ended March 31, 2025, the Company recorded a tax benefit of \$0.3 million. This consisted of a tax provision on operating earnings of non-US subsidiaries, a tax benefit on an increase in tax receivables, and interest accrual on unrecognized tax benefits in Israel.

The Company had a valuation allowance on certain deferred tax assets for the year ended December 31, 2025 of \$243.2 million. Inherent in the Company’s 2026 annual effective tax rate is an estimated increase in the valuation allowance of \$3.6 million, all of which would be recorded as an expense. During 2025, an increase in the valuation allowance in the amount of \$8.6 million was recorded as an expense.

Note 15. Subsequent Events

Debt Repurchase

On April 7, 2026, the Company repurchased \$5.2 million principal amount of the 2026 Notes for \$3.0 million in cash. Following this transaction, the aggregate principal amount and carrying value of the 2026 Notes were reduced to \$15.0 million. A corresponding portion of the 2026 capped calls were terminated following the repurchase as required by their terms for no consideration.

The Merger Agreement

On April 21, 2026, LivePerson entered into a Merger Agreement (the “Merger Agreement”), by and among LivePerson, SoundHound AI, Inc., a Delaware corporation, and Lightspeed Merger Sub Inc., a Delaware corporation and an indirect wholly owned subsidiary of SoundHound (“Merger Sub”), pursuant to which, on the terms and subject to the conditions set forth in the Merger Agreement, Merger Sub will merge with and into LivePerson (the “Merger”), with LivePerson surviving the Merger as an indirect wholly owned subsidiary of SoundHound. All capitalized terms used in this summary of the Merger Agreement that are not otherwise defined herein have the meanings ascribed to such terms in the Merger Agreement.

Subject to the terms and conditions of the Merger Agreement, at the date and time the Merger becomes effective (the “Effective Time”), each share of LivePerson’s common stock issued and outstanding immediately prior to the Effective Time (other than certain excluded shares) will be automatically converted into the right to receive a number of shares of Class A common stock of SoundHound, par value \$0.0001 per share (“SoundHound Common Stock”) equal to (a) the Closing Merger Consideration (as defined below), divided by (b) the total number of shares of LivePerson common stock that are issued and outstanding, or that are issuable upon the conversion, exercise or settlement in full of any rights to acquire LivePerson’s common stock, as of immediately prior to the Effective Time (such number of shares, the “Fully Diluted Common Number”, and the result of the calculation set forth in the foregoing clauses (a) and (b), the “Per Share Merger Consideration”). It is intended that the Merger be treated as a transaction in which gain or loss is recognized for U.S. federal income tax purposes.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)

The aggregate amount of consideration payable by SoundHound to holders of LivePerson's common stock in connection with the Merger pursuant to the terms of the Merger Agreement will be a number of shares of SoundHound Common Stock equal to the quotient of (a) the Aggregate Consideration Amount (as defined below), divided by (b) the SoundHound Closing Stock Price (the "Closing Merger Consideration").

The "Aggregate Consideration Amount" refers to an amount equal to (a) \$42,784,532.64, minus (b) the LivePerson Shortfall Cash (as defined below), plus (c) the aggregate dollar amount of the exercise prices of all In-the-Money Options (as defined below) (other than options assumed by SoundHound and converted into an option to acquire shares of SoundHound Common Stock, in accordance with the terms of the Merger Agreement). "LivePerson Shortfall Cash" refers to an amount equal to (x) \$74,000,000 (or, solely for purposes of the Merger Agreement, \$71,000,000 if the Closing occurs in July), minus (y) the aggregate principal amount of the 2026 Notes repurchased by LivePerson between April 1, 2026 and the closing of the Merger (the "Closing") (the figure resulting from clause (x) minus clause (y), the "LivePerson Minimum Cash"), minus (z) the cash and cash equivalents on LivePerson's balance sheet as of 12:01 a.m. Pacific Time on the date on which the Closing occurs (the "Closing Date") (net of certain LivePerson transaction expenses as of the Closing) (the foregoing clause (z), the "LivePerson Cash Balance"); provided that, if a negative number results from such calculation, "LivePerson Shortfall Cash" will be \$0. The "SoundHound Closing Stock Price" refers to the price per share of SoundHound Common Stock derived from the average of the daily volume weighted average prices of a share of SoundHound Common Stock on the Nasdaq on each of the ten (10) consecutive trading days ending on (and including) the trading day that is three (3) trading days prior to the Closing Date, rounded down to the nearest penny, as reported by Bloomberg; provided that, in the event such price per share (I) exceeds \$12 per share, "SoundHound Closing Stock Price" will be \$12 per share or (II) falls below \$7 per share, "SoundHound Closing Stock Price" will be \$7 per share.

Under the terms of the Merger Agreement, completion of the Merger is subject to customary closing conditions, including, among others (a) the adoption of the Merger Agreement by the stockholders of LivePerson; (b) the absence of any law, order or other legal impediment prohibiting the consummation of the Merger; (c) the receipt of approvals under certain applicable foreign direct investment laws; (d) the approval for listing the shares of SoundHound Common Stock issuable to the stockholders of LivePerson pursuant to the Merger Agreement on the Nasdaq; (e) the effectiveness of SoundHound's registration statement on Form S-4; (f) the accuracy of the parties' respective representations and warranties in the Merger Agreement, subject to specified materiality qualifications; (g) the performance or compliance by SoundHound and LivePerson with the covenants in the Merger Agreement in all material respects; (h) the absence of a material adverse effect on LivePerson (as defined in the Merger Agreement); and (i) the consummation of the Notes Restructuring Transactions (as defined below).

The Merger Agreement contains customary representations, warranties and covenants made by each of SoundHound, Merger Sub and LivePerson, including, among others, covenants by LivePerson regarding the conduct of its business during the pendency of the transactions contemplated by the Merger Agreement, public disclosures and other matters. LivePerson is required, among other things, not to solicit alternative business combination transactions and, subject to certain exceptions, not to engage in discussions or negotiations regarding an alternative business combination transaction.

Both SoundHound and LivePerson may terminate the Merger Agreement under specified circumstances, including (a) if the Merger is not completed by October 21, 2026 (which date may be extended to December 5, 2026 if certain regulatory approvals have not been obtained); (b) if LivePerson fails to obtain stockholder approval; (c) if LivePerson's board of directors makes an adverse recommendation change with respect to the Merger or commits a material breach of its non-solicitation obligations; (d) if LivePerson's board of directors terminates to accept a superior acquisition proposal; or (e) if the Notes Restructuring Transactions are terminated for any reason. The Merger Agreement further provides that LivePerson is required to pay SoundHound a termination fee of \$5,000,000, plus SoundHound's transaction expenses, if the Merger Agreement is terminated under certain specified circumstances, including if LivePerson's board of directors changes or withdraws its recommendation of the Merger, terminates the Merger Agreement to enter into an agreement with respect to a superior acquisition proposal or if the Notes Restructuring Transactions terminate for any reason or otherwise fail to consummate by the Outside Date (as defined in the Merger Agreement), except where such termination or failure to consummate primarily resulted from SoundHound's material breach of the Notes Restructuring Agreement; provided that where a termination fee is payable in connection with the failure to consummate, or termination of, the Note Restructuring Transactions, the obligation to reimburse SoundHound's transaction expenses will be capped at \$3,750,000.

The Merger Agreement and the consummation of the transactions contemplated thereby, including the Merger (collectively, the "Transactions") have been unanimously approved by LivePerson's board of directors, and LivePerson's board of directors has resolved to recommend to the stockholders of LivePerson to adopt the Merger Agreement, subject to its terms and conditions.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)

The Notes Restructuring Agreement

On April 21, 2026, concurrently with the execution and delivery of the Merger Agreement, SoundHound entered into a Notes Restructuring Agreement (the “Notes Restructuring Agreement”) with LivePerson and each of the holders of the 2029 Notes and the Second Lien Notes (together with the 2029 Notes, the “Secured Notes”), pursuant to which and on the terms and subject to the conditions thereof, among other things, the holders of the Secured Notes have agreed to release and deem satisfied the Secured Notes for the consideration contemplated thereby (the transactions contemplated by the Notes Restructuring Agreement, “Notes Restructuring Transactions”).

Upon consummation of the Notes Restructuring Transactions, on the terms and subject to the conditions set forth in the Notes Restructuring Agreement, each holder of 2029 Notes has agreed to accept, in full and complete satisfaction of all obligations of LivePerson to such holder, (a) a number of shares of SoundHound Common Stock equal to the quotient of (i) \$178,007,733.68 (the “First Lien Holder Aggregate Consideration Amount”), divided by (ii) the SoundHound Closing Stock Price and (b) an amount in cash paid by LivePerson concurrently with Closing in the amount of (i) accrued and unpaid interest on the 2029 Notes held by such holder, plus (ii) 65% of any LivePerson Excess Cash.

Upon consummation of the Notes Restructuring Transactions, on the terms and subject to the conditions set forth in the Notes Restructuring Agreement, each holder of Second Lien Notes has agreed to accept, in full and complete satisfaction of all obligations of LivePerson to such holder, such holder’s pro rata portion of (a) a number of shares of SoundHound Common Stock equal to the quotient of (i) \$83,207,733.68 (the “Second Lien Holder Aggregate Consideration Amount”), divided by (ii) the SoundHound Closing Stock Price and (b) an amount in cash equal to (i) the principal amount of any 2026 Notes repurchased and retired by LivePerson between April 1, 2026 and the Closing, minus (ii) the amount of cash paid to repurchase such 2026 Notes, plus (iii) 35% of LivePerson Excess Cash.

“LivePerson Excess Cash” refers to the difference of (a) the LivePerson Cash Balance, minus (b) the LivePerson Minimum Cash; provided that, if a negative number results from such calculation, “LivePerson Excess Cash” shall be \$0.

The Notes Restructuring Agreement provides SoundHound the option to elect, at any time before the close of business two business days prior to the Closing Date, to substitute an amount of cash in lieu of all or a portion of the stock consideration paid to the holders of Secured Notes, provided that (a) each holder of Secured Notes receives the same proportion of its consideration in cash and shares of SoundHound Common Stock; (b) regardless of the SoundHound Closing Stock Price, the proportion of consideration satisfied in cash shall be calculated assuming the stock consideration is worth the First Lien Holder Aggregate Consideration Amount and the Second Lien Holder Aggregate Consideration Amount, respectively and (c) in the event SoundHound Closing Stock Price is greater than \$12 per share, SoundHound shall not be entitled to substitute cash for more than 50% of the stock consideration.

Under the terms of the Notes Restructuring Agreement, completion of the Notes Restructuring Transactions is subject to customary closing conditions, including (a) the absence of any order or other legal impediment prohibiting the consummation of the Notes Restructuring Transactions; (b) the closing conditions under the Merger Agreement being satisfied or waived (other than the consummation of the Notes Restructuring Transactions); (c) the requisite securities law filings having been made; (d) the approval for listing the shares of SoundHound Common Stock issuable to the holder of the Secured Notes pursuant to the Notes Restructuring Agreement on the Nasdaq; (e) the accuracy of the parties’ respective representations and warranties in the Notes Restructuring Agreement, subject to specified materiality qualifications; (f) the performance or compliance by SoundHound, LivePerson and the holders of Secured Notes with the covenants in the Notes Restructuring Agreement in all material respects; (g) the delivery of all required payments under the Notes Restructuring Agreement; (h) the entry into a registration rights agreement in respect of the shares of SoundHound Common Stock issuable to the holders of the Secured Notes; and (i) the substantially contemporaneous consummation of the Notes Restructuring Transactions by the holders of the 2029 Notes and the holders of the Second Lien Notes.

The Notes Restructuring Agreement contains customary representations, warranties and covenants made by each of the parties, including, among others, that the shares of SoundHound Common Stock issued in connection with the Notes Restructuring Transactions will be eligible for resale pursuant to an effective registration statement filed by SoundHound with the SEC. The holders of Secured Notes are required, among other things, not to solicit alternative business combination or note restructuring transactions and not to engage in discussions or negotiations regarding an alternative business combination or note restructuring transaction.

The Notes Restructuring Agreement automatically terminates upon any termination of the Merger Agreement in accordance with its terms. Additionally, each of the parties may terminate the Notes Restructuring Agreement under specified circumstances, including if the Notes Restructuring Transactions are not completed on or prior to the fifth business day following the Outside Date (as defined in the Merger Agreement). The holders of the 2029 Notes are entitled to terminate the Notes Restructuring Agreement upon (a) any failure by LivePerson to pay amounts due under the indenture or other agreements governing the 2029 Notes or (b) a breach of certain provisions of the indenture governing the 2029 Notes, in each case, subject to cure rights of LivePerson and SoundHound.

Unaudited Pro Forma Condensed Combined Financial Information

The unaudited pro forma condensed combined financial information of SoundHound AI, Inc. (“SoundHound” or the “Company”) presents the combination of the historical financial information of SoundHound and LivePerson, Inc. (“LivePerson” or the “Target”), adjusted to give effect to the LivePerson Merger.

Description of the Acquisition

On April 21, 2026, SoundHound AI, Inc. (“SoundHound”) entered into a Merger Agreement and a Notes Restructuring Agreement (collectively, the “Transaction Agreements”) with LivePerson, Inc. (“LivePerson”), pursuant to which Lightspeed Merger Sub Inc., a wholly owned subsidiary of SoundHound, agreed to merge with and into LivePerson, with LivePerson surviving as an indirect wholly owned subsidiary of SoundHound (the “LivePerson Merger”).

Under the terms of the Transaction Agreements, total consideration consisted of the following:

- i. shares of SoundHound Class A common stock issued to holders of LivePerson’s First Lien Convertible Senior Notes due 2029 and 10.0% Second Lien Senior Subordinated Secured Notes (collectively, the “Secured Notes”) equal to approximately \$178.0 million and \$83.2 million (the “First and Second Lien Stock Consideration”), respectively, each divided by the SoundHound Closing Stock Price,
- ii. shares of SoundHound Class A common stock issued to holders of LivePerson common stock with an aggregate value of \$42.8 million (the “Shareholder Stock Consideration”) divided by the SoundHound Closing Stock Price, subject to adjustment for LivePerson’s closing cash balance relative to a \$74.0 million minimum cash threshold; and
- iii. replacement restricted stock units (RSUs) and cash-settled awards issued to continuing LivePerson employees in exchange for outstanding unvested equity awards. All out-of-the-money stock options and warrants were cancelled at closing for no consideration.

The SoundHound Closing Stock Price is determined based on the average of the daily volume-weighted average prices of a share of SoundHound Common Stock on each of the ten consecutive trading days ending on and including the trading day that is three trading days prior to the closing date, subject to a collar of \$7.00 (floor) and \$12.00 (cap) per share. SoundHound retains the right to substitute cash in lieu of all or a portion of the stock consideration payable to Secured Note holders.

As of March 31, 2026, LivePerson had approximately \$20.1 million in aggregate principal amount of 0% Convertible Notes due 2026 outstanding. Pursuant to the Merger Agreement, LivePerson is required to use commercially reasonable best efforts to retire these notes at or prior to closing.

The determination of estimated preliminary consideration under GAAP and the preliminary purchase price allocation, including the fair value of assets acquired and liabilities assumed, are accounted for as a business combination under *ASC 805, Business Combinations*, and are discussed in Note 3 to the Unaudited Pro Forma Condensed Combined Financial Statements included herein.

Other Information

The unaudited pro forma condensed combined financial information prepared as of March 31, 2026 and for the three months ended March 31, 2026 have been prepared to update the unaudited pro forma condensed combined financial information presented in the Registration Statement on Form S-3 filed by SoundHound with the SEC on May 11, 2026 and should be read in conjunction with the unaudited pro forma condensed combined statement of operations for the annual period ended December 31, 2025 included therein. The unaudited pro forma condensed combined balance sheet as of March 31, 2026 combines the historical consolidated balance sheets of SoundHound and LivePerson, giving effect to the acquisition as if it had occurred on March 31, 2026. The unaudited pro forma condensed combined statement of operations for the three months ended March 31, 2026 assumes that the LivePerson Merger occurred as of January 1, 2025 and combines the historical results of SoundHound and LivePerson giving pro forma effect for the periods then ended.

The unaudited pro forma condensed combined financial information is derived from the historical financial information of SoundHound and LivePerson, and should be read in conjunction with the following information:

- the historical unaudited condensed consolidated financial statements of SoundHound for the three months ended March 31, 2026, included in its Quarterly Report on Form 10-Q filed with the SEC on May 11, 2026,
- the historical unaudited condensed consolidated financial statements of LivePerson, Inc. for the three months ended March 31, 2026, as attached as Exhibit 99.2 to this Report and incorporated herein by reference.

Assumptions underlying the pro forma adjustments are described in the accompanying notes, which should be read in conjunction with the unaudited pro forma condensed combined financial information. The transaction accounting adjustments are based on available information and assumptions that the Company’s management believes are reasonable. Actual results and valuations may differ materially from the assumptions within the accompanying unaudited pro forma condensed combined financial information.

The LivePerson Merger is subject to closing adjustments that have not yet been finalized. Accordingly, the pro forma adjustments are preliminary and have been made solely for the purpose of providing unaudited pro forma condensed combined financial information as required by SEC rules. Differences between these preliminary estimates and the final acquisition accounting may be material.

SOUNDHOUND AI, INC.
Unaudited Pro Forma Condensed Combined Balance Sheet
As of March 31, 2026
(in thousands)

SoundHound Consolidated Balance Sheet Line Items	SoundHound Historical	LivePerson Historical As Adjusted (Note 2)	Transaction Accounting Adjustments (Note 3)	Note	Pro Forma Combined
ASSETS					
Current assets:					
Cash and cash equivalents	\$ 215,642	\$ 101,499	\$ (47,570)	3(a), 3(b)	\$ 269,571
Accounts receivable, net of allowances	30,068	25,664	-		55,732
Contract assets and unbilled receivable, net	32,752	3,365	-		36,117
Other current assets	10,343	15,417	-		25,760
Total current assets	288,805	145,945	(47,570)		387,180
Restricted cash equivalents, non-current	676	-	-		676
Right-of-use assets	5,920	72	-		5,992
Property and equipment, net	2,863	4,616	-		7,479
Goodwill	122,277	184,540	(21,198)	3(c)	285,619
Intangible assets, net	172,036	13,502	114,498	3(d)	300,036
Deferred tax asset	28	4,533	-		4,561
Contract assets and unbilled receivable, non-current, net	34,067	-	-		34,067
Other non-current assets	18,279	104,374	(104,098)	3(e), 3(f)	18,555
Total assets	\$ 644,951	\$ 457,582	\$ (58,368)		\$ 1,044,165
LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)					
Current liabilities:					
Accounts payable	\$ 8,048	\$ 4,357	\$ -		\$ 12,405
Accrued liabilities	29,321	47,661	(2,138)	3(b), 3(g), 3(h)	74,844
Operating lease liabilities	2,751	87	-		2,838
Finance lease liabilities	289	-	-		289
Income tax liability	2,812	-	-		2,812
Deferred revenue	28,509	57,987	-		86,496
Other current liabilities	1,557	20,428	(20,071)	3(b)	1,914
Total current liabilities	73,287	130,520	(22,209)		181,598
Operating lease liabilities, net of current portion	3,186	-	-		3,186
Deferred revenue, net of current portion	6,756	-	-		6,756
Long-term debt	-	373,723	(373,723)	3(b)	-
Contingent acquisition liabilities, net of current portion	87,334	-	-		87,334
Income tax liability, net of current portion	1,379	-	-		1,379
Deferred tax liability	2,209	4,199	-		6,408
Other non-current liabilities	10,134	636	-		10,770
Total liabilities	\$ 184,285	\$ 509,078	\$ (395,932)		\$ 297,431
Stockholders' equity (deficit):					
Series A Preferred Stock	-	-	-		-
Class A Common Stock	37	173	(170)	3(h)	40
Class B Common Stock	3	-	-		3
Treasury stock, at cost	-	(3)	3	3(h)	-
Additional paid-in capital	1,442,560	1,023,338	(730,166)	3(h)	1,735,732
Accumulated deficit	(982,094)	(1,067,321)	1,060,214	3(h)	(989,201)
Accumulated other comprehensive income (loss)	160	(7,683)	7,683	3(h)	160
Total stockholders' equity (deficit)	\$ 460,666	\$ (51,496)	\$ 337,564		\$ 46,734
Total liabilities and stockholders' equity (deficit)	\$ 644,951	\$ 457,582	\$ (58,368)		\$ 1,044,165

See Notes to the Unaudited Pro Forma Condensed Combined Financial Information.

SOUNDHOUND AI, INC.
Unaudited Pro Forma Condensed Combined Statement of Operations
For the three months ended March 31, 2026
(in thousands, except share and per share data)

SoundHound Consolidated Income Statement Line Items	SoundHound Historical	LivePerson Historical As Adjusted (Note 2)	Transaction Accounting Adjustments (Note 3)	Note	Pro Forma Combined
Revenues	\$ 44,195	\$ 56,956	\$ -		\$ 101,151
Operating expenses:					
Cost of revenues	30,453	16,599	2,050	3(i)	49,102
Sales and marketing	19,215	14,200	(4,100)	3(j)	29,315
Research and development	26,200	15,436	(3,788)	3(k)	37,848
General and administrative	25,676	12,300			37,976
Change in fair value of contingent acquisition liabilities	(39,392)	-	-		(39,392)
Amortization of intangible assets	4,714	172	4,264	3(i)	9,150
Total operating expenses	<u>66,866</u>	<u>58,707</u>	<u>(1,574)</u>		<u>123,999</u>
Loss from operations	<u>(22,671)</u>	<u>(1,751)</u>	<u>1,574</u>		<u>(22,848)</u>
Other income (expense), net:					
Interest expense	(71)	(8,252)	8,252	3(l)	(71)
Other income (expense), net	(1,488)	1,501	(1,116)	3(m)	(1,103)
Total other income (expense), net	<u>(1,559)</u>	<u>(6,751)</u>	<u>7,136</u>		<u>(1,174)</u>
Loss before provision for income taxes	(24,230)	(8,502)	8,710		(24,022)
Provision for income taxes	798	325	-		1,123
Net loss	<u>\$ (25,028)</u>	<u>\$ (8,827)</u>	<u>\$ 8,710</u>		<u>\$ (25,145)</u>
Net loss per share:					
Basic	<u>\$ (0.06)</u>			3(n)	<u>\$ (0.06)</u>
Diluted	<u>\$ (0.11)</u>			3(n)	<u>\$ (0.10)</u>
Weighted-average common shares outstanding:					
Basic	<u>421,472,827</u>			3(n)	<u>456,344,364</u>
Diluted	<u>429,783,201</u>			3(n)	<u>464,654,738</u>

See Notes to the Unaudited Pro Forma Condensed Combined Financial Information.

Notes to the Unaudited Pro Forma Condensed Combined Financial Information

Note 1 — Basis of Presentation

The historical financial information of SoundHound and LivePerson has been adjusted in the unaudited pro forma condensed combined financial information to reflect transaction accounting adjustments related to the Transactions in accordance with generally accepted accounting principles (“GAAP”), based on the assumptions and adjustments that are described in the accompanying notes.

The LivePerson Merger has been accounted for as a business combination in accordance with the acquisition method of accounting under GAAP. Under this method of accounting, SoundHound has been determined to be the accounting acquirer and LivePerson to be the accounting acquiree. The acquisition method of accounting requires, among other things, that the assets acquired and liabilities assumed in a business combination are measured and recognized at fair value as of the acquisition date. The excess of the consideration over the fair value of assets acquired and liabilities assumed is allocated to goodwill. The final purchase price allocation could differ materially from the preliminary allocation used in the transaction accounting adjustments as the final allocation may include changes in allocations to intangible assets as well as goodwill.

The unaudited pro forma condensed combined financial information includes certain reclassifications to conform LivePerson’s historical accounting presentation to SoundHound’s accounting presentation.

The unaudited pro forma condensed combined balance sheet as of March 31, 2026 gives effect to the LivePerson Merger, as if the Merger had been completed on March 31, 2026 and combines the unaudited condensed consolidated balance sheet of SoundHound as of March 31, 2026 with LivePerson’s unaudited condensed consolidated balance sheet as of March 31, 2026.

The unaudited pro forma condensed combined statement of operations for the three months ended March 31, 2026 give effect to the LivePerson Merger as if it had occurred on January 1, 2025, the first day of SoundHound’s fiscal 2025, and combines the historical results of SoundHound and LivePerson. The unaudited pro forma condensed combined statement of operations for the three months ended March 31, 2026 combines the unaudited condensed consolidated statement of operations of SoundHound for the three months ended March 31, 2026 with LivePerson’s unaudited condensed consolidated statement of operations for the three months ended March 31, 2026.

The pro forma financial information reflects transaction accounting adjustments that management believes are necessary to present fairly SoundHound’s pro forma results of operations and financial position following the closing of the LivePerson Merger as of and for the periods indicated. The pro forma adjustments, which SoundHound believes are reasonable under the circumstances, are preliminary and are based upon available information and certain assumptions described in the accompanying notes to the unaudited pro forma condensed combined financial information. Actual results and valuations may differ materially from the assumptions within the accompanying unaudited pro forma condensed combined financial information.

The actual results of operations of the combined company will likely differ, perhaps materially, from the pro forma amounts reflected herein due to a variety of factors. The Company believes that its assumptions and methodologies provide a reasonable basis for presenting all of the significant effects of the transactions based on information available to management at this time, and that the pro forma transaction accounting adjustments give effect to those assumptions and are properly applied in the unaudited pro forma condensed combined financial information.

The unaudited pro forma condensed combined financial information does not give effect to any anticipated synergies, operating efficiencies, tax savings, or cost savings that may be associated with the LivePerson Merger.

No deferred tax liability has been recorded with respect to the basis differences associated with the identifiable intangible assets recognized in the transaction because the Company has sufficient net operating loss carryforwards to offset the related deferred tax effects. Accordingly, no pro forma balance sheet adjustment has been reflected for such intangible assets. The preliminary purchase price allocation in the unaudited pro forma information reflects a full valuation allowance against the acquired U.S. federal and state net deferred tax assets, including net operating loss carryforwards, as the realization of the full amount of these acquired net deferred tax assets is uncertain, and reflects the carryover of deferred tax balances of foreign jurisdictions which do not carry a full valuation allowance.

Income tax expense reflects the combined historical income tax provisions of LivePerson and SoundHound. This presentation assumes that the existing full valuation allowance will continue to be maintained and, therefore, no incremental tax benefit or other pro forma tax adjustment has been reflected in the unaudited pro forma condensed statement of operations. Management has not completed its analysis of the tax impact of the LivePerson Merger on the combined company. Upon consummation of the LivePerson Merger, SoundHound will perform a comprehensive analysis of the tax impact of the LivePerson Merger on the combined company with full information. The effective tax rate of the combined company could be significantly different than what is presented in these unaudited pro forma financial statements depending on post-business combination activities.

Note 2 — Reclassification Adjustments

The accounting policies used in the preparation of the unaudited pro forma condensed combined financial information are those set out in SoundHound's unaudited condensed consolidated financial statements as of and for the three months ended March 31, 2026. Certain reclassifications are reflected in the unaudited pro forma condensed combined balance sheet and statement of operations to conform presentation between SoundHound and LivePerson. These reclassifications have no effect on previously reported assets, liabilities, stockholders' equity (deficit) and net loss of SoundHound or LivePerson. Upon consummation of the LivePerson Merger, SoundHound will perform a comprehensive review of LivePerson's accounting policies. As a result of that review, SoundHound may identify differences between the accounting policies of the two companies which, when conformed, could have a material impact on the combined consolidated financial statements.

Refer to the table below for a summary of identified reclassification adjustments made to present LivePerson's consolidated balance sheet as of March 31, 2026, to conform presentation to that of SoundHound (in thousands):

LivePerson Consolidated Balance Sheet Line Items	SoundHound Consolidated Balance Sheet Line Items	LivePerson Historical	Reclassification Adjustments	Note	LivePerson Historical (Adjusted)
Current assets:	Current assets:				
Cash and cash equivalents	Cash and cash equivalents	\$ 101,499			\$ 101,499
Accounts receivable, net of allowances	Accounts receivable, net of allowances	\$ 29,029	(3,365)	(d)	25,664
Prepaid expenses and other current assets	Other current assets	\$ 15,417			15,417
	Contract assets and unbilled receivable, net		3,365	(d)	3,365
Total current assets	Total current assets	145,945	-		145,945
	Right-of-use assets		72	(a)	72
Property and equipment, net	Property and equipment, net	87,858	(83,242)	(e)	4,616
Goodwill	Goodwill	184,540			184,540
Intangible assets, net	Intangible assets, net	13,502			13,502
Deferred tax asset	Deferred tax asset	4,533			4,533
Contract acquisition costs, net	Other non-current assets	20,856			20,856
Other assets	Other non-current assets	348	83,170	(a), (e)	83,518
	Total assets	\$ 457,582	\$ -		\$ 457,582
Current liabilities:	Current liabilities:				
Accounts payable	Accounts payable	\$ 4,357			\$ 4,357
Accrued expenses and other current liabilities	Accrued liabilities	\$ 48,105	(444)	(b), (c)	47,661
	Operating lease liabilities		87	(c)	87
Deferred revenue	Deferred revenue	57,987			57,987
	Other current liabilities		357	(b)	357
Current portion of long-term debt	Other current liabilities	20,071			20,071
Total current liabilities	Total current liabilities	130,520	-		130,520
Senior notes, net of current portion	Long-term debt	373,723			373,723
Deferred tax liability	Deferred tax liability	4,199			4,199
Other liabilities	Other non-current liabilities	636			636
Total liabilities	Total liabilities	\$ 509,078	\$ -		\$ 509,078
Stockholders' equity (deficit)	Stockholders' equity (deficit):				
Common stock	Class A Common Stock	173			173
Treasury stock	Treasury stock, at cost	(3)			(3)
Additional paid-in capital	Additional paid-in capital	1,023,338			1,023,338
Accumulated deficit	Accumulated deficit	(1,067,321)			(1,067,321)
Accumulated other comprehensive income (loss)	Accumulated other comprehensive income (loss)	(7,683)			(7,683)
Total stockholders' equity	Total stockholders' equity	\$ (51,496)	\$ -		\$ (51,496)
Total liabilities and stockholders' equity	Total liabilities and stockholders' equity	\$ 457,582	\$ -		\$ 457,582

(a) Reclassification of LivePerson's historical right-of-use assets of \$0.1 million from other assets to right-of-use assets within SoundHound's balance sheet.

(b) Reclassification of LivePerson's historical other current liabilities of \$0.4 million from accrued expenses and other current liabilities to other current liabilities within SoundHound's balance sheet.

- (c) Reclassification of LivePerson's historical lease liabilities of \$0.1 million from accrued expenses and other current liabilities to operating lease liabilities within SoundHound's balance sheet.
- (d) Reclassification of LivePerson's historical unbilled receivables of \$3.4 million from accounts receivable, net of allowances to contract assets and unbilled receivable, net within SoundHound's balance sheet.
- (e) Reclassification of LivePerson's historical internal-use software development costs of \$83.2 million from property and equipment to other non-current assets within SoundHound's balance sheet.

Refer to the table below for a summary of identified reclassification adjustments made to present LivePerson's consolidated statement of operations for the three months ended March 31, 2026, to conform presentation to that of SoundHound (in thousands):

LivePerson Consolidated Income Statement Line Items	SoundHound Consolidated Income Statement Line Items	LivePerson Historical	Reclassification Adjustments	Note	LivePerson Historical (Adjusted)
Revenue	Revenues	\$ 56,956			\$ 56,956
Costs, expenses and other:	Operating expenses:				
Cost of revenue (exclusive of depreciation and amortization shown separately below)	Cost of revenues	15,525	1,074	(a)	16,599
Sales and marketing	Sales and marketing	13,770	430	(a)	14,200
Product development	Research and development	12,180	3,256	(a)	15,436
General and administrative	General and administrative	12,120	180	(a)	12,300
	Amortization of intangible assets		172	(a)	172
Depreciation and amortization expense		5,112	(5,112)	(a)	-
Total operating expenses	Total operating expenses	58,707	-		58,707
Loss from operations	Loss from operations	(1,751)	-		(1,751)
Other income (expense), net:	Other income (expense), net:				
Interest expense	Interest expense	(8,252)			(8,252)
Interest income		503	(503)	(b)	-
Other income (expense), net	Other income (expense), net	998	503	(b)	1,501
Total other income (expense), net	Total other income (expense), net	(6,751)	-		(6,751)
Loss before provision (benefit) for income taxes	Loss before provision (benefit) for income taxes	(8,502)			(8,502)
Provision for income taxes	Provision for income taxes	325			325
Net loss	Net loss	\$ (8,827)	\$ -		\$ (8,827)

- (a) Reclassification of LivePerson's historical depreciation and amortization of \$5.1 million to cost of revenues, sales and marketing, general and administrative, research and development, and amortization of intangible assets within SoundHound's statement of operations line items.
- (b) Reclassification of LivePerson's historical interest income of \$0.5 million from interest income to other income, net within SoundHound's statement of operations line item.

Note 3 — Transaction Accounting Adjustments to Unaudited Pro Forma Condensed Combined Balance Sheet and Statement of Operations – LivePerson Merger

The estimated preliminary consideration of \$293.2 million was determined by reference to the fair value of SoundHound’s common stock on May 15, 2026. The calculation of estimated preliminary consideration is as follows:

Estimated Preliminary Consideration

	Shares	Per Share	Total
	(In thousands, except share and per share amounts)		
Estimated SoundHound shares issued for settlement of Secured Notes (1)	29,819,116	\$ 8.41	\$ 250,779
Estimated SoundHound shares issued to LivePerson’s capital stockholders (2)	4,884,079	8.41	41,075
Estimated replacement equity awards for LivePerson’s equity awards (3)	124,854	8.41	955
Estimated equity consideration for LivePerson’s equity awards settled (4)	43,488	8.41	366
Total			\$ 293,175

(1) SoundHound expects the Secured Notes to be entirely settled in shares of Class A Common Stock. As such, estimated preliminary consideration is equal to the fair value of shares issued to holders of the Secured Notes based on the Total Consideration for the First and Second Lien Secured Notes each divided by the 10-day VWAP stock price of \$8.76 estimated as of May 15, 2026 as follows:

Description	First Lien	Second Lien	Total
Total Consideration	\$ 178,007,734	\$ 83,207,729	\$ 261,215,463
10-day VWAP stock price	\$ 8.76	\$ 8.76	
Shares to be issued	20,320,517	9,498,599	29,819,116
Fair value per share	\$ 8.41	\$ 8.41	
Total	\$ 170,895,548	\$ 79,883,218	\$ 250,778,766

(2) Common stock consideration is computed based on the Shareholder Stock Consideration of \$42.8 million divided by the 10-day VWAP stock price of \$8.76 estimated as of May 15, 2026 rounded to the nearest whole share.

(3) Certain equity awards of LivePerson will be replaced by SoundHound equity awards. The pre-combination portion of such equity awards represents estimated preliminary consideration. There was no incremental post-acquisition expense in excess of that recorded in the historical financial statements of SoundHound as a result of the replacement equity awards. We have adjusted replacement equity award consideration down by \$0.1 million, but not shares, to reflect the fair value of estimated forfeitures

(4) Certain Board of Directors and vested equity awards of LivePerson will be settled in shares of SoundHound common stock. Such settlement of equity awards represents estimated preliminary consideration.

The final shares and total estimated preliminary consideration could significantly differ from the amounts presented in the unaudited pro forma condensed combined financial information due to movements in the SoundHound common stock price up to the closing date of the LivePerson Merger.

The Company has assumed that the 2026 Notes will be settled by LivePerson in cash prior to close. There exists a remote possibility that the 2026 Notes may be assumed by the Company and in that case, there will be no impact on consideration transferred and goodwill.

The SoundHound Closing Stock Price was determined based on the average of the daily volume-weighted average price of SoundHound Common stock for each of the ten consecutive trading days ending on and including the trading day that is three trading days prior to the closing date, subject to a collar of \$7.00 (floor) and \$12.00 (cap) per share. May 15, 2026 was determined to be the most recent practicable date prior to the effective date. As such, May 15, 2026 was the last day of this ten-day volume-weighted period, in which the stock price was determined. A sensitivity analysis on the SoundHound share price was performed to assess the impact on purchase consideration at each end of the collar, or \$7 per share and \$12 per share, as this represents a reasonable range for share price based on recent volatility. The closing share price was held constant at the May 15, 2026 closing share price (\$8.41 per share) for purposes of the sensitivity to illustrate range when SoundHound Closing Stock Price and closing date share price may differ. Purchase consideration will not be impacted by stock price volatility within the collar when SoundHound Closing Stock Price and closing date share price match. The value of LivePerson equity awards when considering a 20% range of outcomes, is immaterial.

The following table shows the change in stock price and estimated consideration:

SoundHound Closing Stock Price	Number of Shares	Share Price (May 15, 2026)	Fair Value of Shares Issued (Consideration)	Impact on Purchase Consideration
	(In thousands, except share and per share amounts)			
Floor - \$7	43,428,571	\$ 8.41	\$ 365,234	\$ 72,059
Cap - \$12	25,333,334	\$ 8.41	\$ 213,053	\$ (80,122)

Preliminary Purchase Price Allocation

Under the acquisition method of accounting, the identifiable assets acquired and liabilities assumed of LivePerson are recognized and measured as of the acquisition date at fair value and added to those of SoundHound. The determination of fair value used in the pro forma adjustments presented herein are preliminary and based on management estimates of the fair value and useful lives of the assets acquired and liabilities assumed and have been prepared to illustrate the estimated effect of the LivePerson Merger. The final determination of the purchase price allocation, upon the completion of the LivePerson Merger, will be based on LivePerson's net assets acquired as of that date and will depend on a number of factors that cannot be predicted with certainty at this time. Therefore, the actual allocations will differ from the pro forma adjustments presented. The allocation is dependent upon certain valuation and other studies that have not yet been completed. Accordingly, the pro forma purchase price allocation is subject to further adjustment as additional information becomes available and as additional analyses and final valuations are completed. There can be no assurances that these additional analyses and final valuations will not result in significant changes to the estimates of fair value set forth below.

The following table sets forth a preliminary allocation of the estimated consideration to the identifiable tangible and intangible assets acquired and liabilities assumed of LivePerson based on LivePerson's consolidated balance sheet as of March 31, 2026, with cash and cash equivalents adjusted for \$13.5 million of expected transaction costs by LivePerson, with the excess recorded to goodwill.

	As of March 31, 2026 (in thousands)
Total preliminary purchase consideration	\$ 293,175
Cash and cash equivalents	\$ 53,928
Accounts receivable	25,664
Contract assets and unbilled receivables	3,365
Other current assets	15,417
Intangible assets (1)	128,000
Property and equipment (2)	4,616
Right-of-use assets	72
Deferred tax assets (3)	4,533
Other non-current assets	276
Total assets acquired	\$ 235,871
Accounts payable	\$ 4,357
Accrued liabilities	38,416
Deferred revenue	57,987
Other current liabilities	357
Deferred tax liabilities (3)	4,199
Operating lease liabilities	87
Other non-current liabilities	635
Total liabilities assumed	\$ 106,038
Preliminary fair value of net assets acquired	\$ 129,833
Estimated goodwill (4)	\$ 163,342

(1) Preliminary identifiable intangible assets in the unaudited pro forma condensed combined financial information consists of the following:

	Preliminary Fair Value (in millions)	Estimated Useful Life
Developed technology	\$ 41.0	5 Years
Customer relationships	83.0	5 Years
Trademark/Trade Name	4.0	3.5 Years

The identifiable intangible assets and related amortization are preliminary and are based on management's estimates after consideration of similar transactions. As discussed above, the amount that will ultimately be allocated to identifiable intangible assets and liabilities, and the related amount of amortization, may differ materially from this preliminary allocation. In addition, the periods the amortization impacts will ultimately be based upon the periods in which the associated economic benefits or detriments are expected to be derived, or where appropriate, based on the use of a straight-line method. Therefore, the amount of amortization following the LivePerson Merger may differ significantly between periods based upon the final value assigned and amortization methodology used for each identifiable intangible asset.

- (2) Property and equipment consists primarily of computer equipment, for which the carrying value is assumed to approximate fair value.
- (3) The preliminary purchase price allocation in the unaudited pro forma information reflects a full valuation allowance against the acquired U.S. federal and state net deferred tax assets, including net operating loss carryforwards, as the realization of the full amount of these acquired net deferred tax assets is uncertain. The preliminary purchase price allocation reflects the carryover of deferred tax balances of foreign jurisdictions which do not carry a full valuation allowance. This determination is preliminary and subject to change based upon the final determination of the fair value of identified assets and liabilities.
- (4) Goodwill represents the excess of consideration over the fair value of the underlying net assets acquired. In accordance with ASC Topic 350, Goodwill and Other Intangible Assets, goodwill is not amortized, but instead is reviewed for impairment at least annually, absent any indicators of impairment. Goodwill is attributable to planned growth in new markets and synergies expected to be achieved from the combined operations of SoundHound and LivePerson. Goodwill recorded in the LivePerson Merger is not expected to be deductible for tax purposes.

The adjustments related to the acquisition of LivePerson included in the unaudited pro forma condensed combined balance sheet as of March 31, 2026 and unaudited pro forma condensed combined statements of operations for the three months ended March 31, 2026 are as follows:

- (a) Reflects the expected \$13.5 million of transaction costs incurred by LivePerson, which are expected to be paid by LivePerson prior to closing of the LivePerson Merger in accordance with the Merger Agreement.
- (b) Reflects LivePerson's settlement of the 2026 Notes prior to the acquisition close date for \$20.1 million of cash from current portion of long-term debt, along with \$373.7 million of Secured Notes settled from long-term debt in shares of SoundHound Common Stock. Also includes the \$14.0 million of cash paid by LivePerson for the \$6.6 million of excess cash to settle the Secured Notes and the \$7.4 million of accrued interest on the Secured Notes.

**For the three
months
ended
March 31,
2026**
(in thousands)

Expected Settlement of LivePerson Debt

Excess Cash paid by LivePerson to settle Secured Notes	\$ (6,636)
Cash paid by LivePerson for accrued interest	(7,363)
Cash paid by LivePerson to settle 2026 Notes	(20,071)
Total adjustment to cash and cash equivalents	\$ (34,070)
Settlement of accrued interest – accrued liability account	\$ (7,363)
Settlement of 2026 Notes	\$ (20,071)
Settlement of Secured Notes	\$ (373,723)

(c) Reflects the elimination of LivePerson’s historical goodwill and the recognition of the preliminary estimate of Goodwill based on the preliminary purchase price allocation. The difference between the preliminary consideration and preliminary identifiable net assets acquired is recorded as estimated goodwill. Goodwill in the acquisition is not expected to be deductible for tax purposes. Refer above for further details related to the preliminary purchase price allocation.

**As of
March 31,
2026**
(in thousands)

Elimination of LivePerson’s historical goodwill	\$ (184,540)
LivePerson Merger goodwill recognized	163,342
Net adjustment to goodwill	\$ (21,198)

(d) Reflects the elimination of LivePerson’s historical intangible assets and the recognition of the preliminary estimated fair value of intangible assets acquired in the LivePerson Merger.

**As of
March 31,
2026**
(in thousands)

Fair value of intangible assets acquired	\$ 128,000
Elimination of LivePerson’s historical intangible assets, net	(13,502)
Net adjustment to intangible assets, net	\$ 114,498

SoundHound determined a preliminary fair value estimate of intangible assets resulting from the preliminary fair value allocation of purchase price. The intangible assets included the following:

	<u>Fair Value</u> <u>(in thousands)</u>	<u>Estimated</u> <u>useful life</u> <u>(in years)</u>
Intangible assets acquired		
Trademark / Trade name	\$ 4,000	3.5
Customer relationships	83,000	5
Developed technology	41,000	5
Total fair value of acquired intangible assets	\$ 128,000	

(e) Reflects elimination of \$20.9 million of LivePerson’s historical contract acquisition costs from other non-current assets, that were not assets as defined by ASC 805 and are considered to be a part of the fair value of customer relationships intangible asset.

(f) Reflects elimination of \$83.2 million of LivePerson’s historical internal-use software development costs.

(g) Reflects elimination of \$1.9 million LivePerson’s historical warrants balance as all warrants are cancelled or extinguished upon the LivePerson Merger.

(h) The following table summarizes the transaction accounting adjustments impacting the equity balances of LivePerson, as well as new equity issued as consideration for the Merger (in thousands):

	Adjustments to LivePerson historical equity (1)	Purchase consideration (2)	Transaction costs (3)	Total Transaction Accounting Adjustments
Adjustment to Treasury Stock	\$ 3	\$ -	\$ -	\$ 3
Adjustment to Class A Common Stock	(173)	3	-	(170)
Adjustment to Accumulated other comprehensive loss	7,683	-	-	7,683
Net Adjustment to Additional paid-in capital	(1,023,338)	293,172	-	(730,166)
Net Adjustment to Accumulated deficit	1,067,321	-	(7,107)	1,060,214
Net Adjustment to Stockholders' equity	<u>\$ 51,496</u>	<u>\$ 293,175</u>	<u>\$ (7,107)</u>	<u>\$ 337,564</u>

- (1) Represents the elimination of LivePerson's historical equity balances as of March 31, 2026
- (2) Reflects the total preliminary purchase consideration of \$293.2 million as estimated on May 15, 2026. This includes the issuance of Common Shares 34.9 million shares at \$.0001 Par Value.
- (3) Reflects expected acquiror transaction costs of \$7.1 million.
- (i) Reflects the elimination of LivePerson's historical amortization expense and the recognition of new amortization expense related to the acquired identifiable intangible assets based on their estimated fair value on the acquisition date. Amortization expense is calculated based on the estimated fair value of each of the identifiable intangible assets and the associated estimated useful lives.

The acquired intangible assets have been amortized using a straight-line method based on their estimated useful lives as if the LivePerson Merger had been completed on January 1, 2026.

	For the three months ended March 31, 2026 (in thousands)	Estimated useful life (in years)
Intangible assets acquired		
Trademark / trade name	\$ 286	3.5
Customer relationships	4,150	5
Developed technology	2,050	5
Total amortization expense for acquired intangible assets	<u>\$ 6,486</u>	

Adjustment to Cost of revenues -

	For the three months ended March 31, 2026 (in thousands)
Amortization expense for acquired intangible assets (developed technology)	\$ 2,050
Adjustment to cost of revenues	<u>\$ 2,050</u>

Adjustment to Amortization of intangible assets -

	For the three months ended March 31, 2026 (in thousands)
Amortization expense for acquired intangible assets (customer relationship and trademark / trade name)	\$ 4,436
Elimination of LivePerson's historical intangible asset amortization expense	(172)
Net adjustment to amortization of intangible assets	<u>\$ 4,264</u>

- (j) Reflects the elimination of LivePerson's historical amortization of contract acquisition costs of \$4.1 million for the three months ended March 31, 2026, that were not assets as defined by ASC 805.
- (k) Reflects the elimination of LivePerson's historical amortization of internal-use software development costs of \$3.8 million for the three months ended March 31, 2026.
- (l) Reflects the reduction of \$8.3 million in historical interest expense for the three months ended March 31, 2026, related to the settlement of LivePerson's debt at closing.
- (m) Reflects the elimination of LivePerson's historical gain on the change in fair value of debt warrants of \$1.1 million for the three months ended March 31, 2026.
- (n) Reflects the pro forma basic and diluted net loss per share attributable to the combined entity's common stockholders presented in conformity with the two-class method required for participating securities as a result of the pro forma adjustments. The two-class method requires income available to common stockholders for the period to be allocated between shares of common stock and participating securities; however, no allocation has been made because the participating securities are not participating in losses.

The pro forma basic net loss per share attributable to the combined entity's common stockholders is calculated using the historical basic weighted average shares of SoundHound's common stock outstanding, adjusted for the additional new shares of SoundHound common stock issued to consummate the LivePerson Merger, assuming the shares were issued and outstanding as of January 1, 2025. Pro forma diluted net loss per share attributable to the combined entity's common stockholders is calculated using the historical diluted weighted average shares of SoundHound Common Stock outstanding.

Pro forma earnings per share computation for the three months ended March 31, 2026:

	For the three months ended March 31, 2026
	(in thousands, except share and per share data)
Pro forma net loss attributable to stockholders	\$ (25,145)
Weighted average shares outstanding – basic	456,344,364
Pro forma net loss per share – basic	\$ (0.06)
Pro forma net loss attributable to stockholders	\$ (25,145)
Effect of potentially dilutive equivalent shares to net income (loss)	(22,504)
Net Loss attributable to stockholders, diluted	(47,649)
Weighted average shares outstanding – diluted	464,654,738
Pro forma net loss per share – diluted	\$ (0.10)
Pro forma weighted average shares outstanding – basic	
SoundHound historical, March 31, 2026	421,472,827
LivePerson Merger share consideration transferred	34,871,537
Pro forma weighted average shares outstanding – basic	456,344,364
Pro forma weighted average shares outstanding – diluted	
SoundHound historical, March 31, 2026	429,783,201
LivePerson Merger share consideration transferred	34,871,537
Pro forma weighted average shares outstanding – diluted	464,654,738