

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

FORM 8-K

CURRENT REPORT

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

Date of Report (Date of earliest event reported): **August 8, 2024**

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 2.02 Results of Operations and Financial Condition.

On August 8, 2024, SoundHound AI, Inc. (the “Company”) issued a press release announcing financial results and operational highlights for the second quarter ended June 30, 2024. A copy of the press release is furnished as Exhibit 99.1 to this current report on Form 8-K. The Company is also furnishing as Exhibit 99.2 to this current report on Form 8-K the condensed consolidated balance sheets of the Company as of June 30, 2024, and the related condensed consolidated statements of operations and comprehensive loss and condensed consolidated statements of cash flows for the period ended June 30, 2024.

Item 9.01. Financial Statement and Exhibits.

Exhibit Number	Description
99.1	Press Release, dated August 8, 2024
99.2	Financial statements for the period ended June 30, 2024
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 Current Report on Form 8-K to be signed on its behalf by the undersigned hereunto duly authorized.

Dated: August 8, 2024

SoundHound AI, Inc.

By: /s/ Keyvan Mohajer

Name: Keyvan Mohajer

Title: Chief Executive Officer

SoundHound AI Reports 54% Growth and Record Q2 Revenue of \$13.5 Million; Closes Quarter With Over \$200 Million in Cash

Acquires Amelia, an enterprise conversational AI leader, to significantly expand to new verticals across finance, insurance, and healthcare

SANTA CLARA, Calif.--(BUSINESS WIRE)--SoundHound AI, Inc. (Nasdaq: SOUN), a global leader in voice artificial intelligence, today reported its financial results for the second quarter 2024.

“This has been a milestone quarter, with strong customer momentum across all of our key industries – including several new global brands,” said Keyvan Mohajer, CEO and Co-Founder of SoundHound AI. *“And today we announced a significant acquisition that will expand SoundHound’s reach across multiple new enterprise verticals. We believe the demand for voice and conversational AI is increasing and are committed to strengthening our leadership position in this growing market.”*

Second Quarter Financial Highlights

- Reported revenue was \$13.5 million, an increase of 54% year-over-year
- GAAP gross margin was 63%; non-GAAP gross margin was 67%
- GAAP earnings per share was a loss of (\$0.11); non-GAAP earnings per share was a loss of (\$0.04)
- GAAP net loss was (\$37.3) million; non-GAAP net loss was (\$14.8) million
- Adjusted EBITDA was (\$13.8) million
- Cumulative subscriptions & bookings backlog¹ customer metric was \$723 million and roughly doubled year-over-year
- Annual run rate of over 5 billion queries, second quarter up approximately 90% year-over-year
- Completed conversion of all preferred equity into class A common stock
- Prepaid \$100 million debt in the quarter; saving over \$55 million in interest and fees over the remaining life of the loan
- Strong cash balance of \$201 million at the end of the second quarter

“We continued to realize strong growth in the second quarter while meaningfully improving our capital structure,” said Nitesh Sharan, CFO of SoundHound AI. *“This is allowing us to further accelerate our organic business while capitalizing on high-impact M&A. Today’s acquisition of Amelia is a key step towards harnessing the huge growth potential in conversational AI and helps us scale even faster.”*

Business Highlights

Customer Service

- Acquired Amelia to accelerate and scale SoundHound AI's customer service offering. The combined companies will bring together decades of experience in conversational AI to offer best-in-class customer service support to a broad range of new verticals. These include some of the very largest multinational enterprise brands, top 15 global banks, and Fortune 500 organizations, with the combined company spanning nearly 200 marquee customers.
- Signed one of the largest pizza chains in the world on an AI roadmap to introduce SoundHound's phone ordering services to thousands of stores.
- Beef 'O' Brady's rolled out SoundHound's voice AI ordering system to all corporate locations, and opened it up to franchisees with plans for the family sports bar and grill chain to go live with customers in more than 20 states across the U.S.
- Dynamic Interaction, SoundHound's next generation drive-thru AI interface, launched with multiple top global QSR brands.
- Employee Assist, SoundHound's voice AI offering for back-of-house staff, added customers with multiple brands – including two prominent coffee shop chains.
- SoundHound's Smart Answering has extended the company's customer service offering beyond restaurants, and signed up a number of customers in various verticals with multi-location brands.
- Acquired Allset to fast-track the company's vision of a voice commerce ecosystem. A food ordering platform, with nearly 7,000 restaurant partners, Allset is designed for local pick-up, allowing consumers and restaurants to bypass delivery app fees.

Automotive

- Peugeot, Vauxhall, Opel, Citroën, and Alfa Romeo all went into full production with SoundHound Chat AI across multiple markets and languages. In total, six Stellantis brands are now in production with SoundHound's voice assistant with generative AI.
- U.S. EV manufacturer will soon go into production with the SoundHound Chat AI voice assistant across its full fleet of market-leading vehicles – the first U.S. OEM to integrate an assistant with generative AI capabilities.
- In partnership with Stellantis, SoundHound has signed a new contract to provide the voice assistant for three of their brands in Latin America.
- Expanded on an existing customer relationship with a growing EV manufacturer in Europe to add SoundHound Chat AI to their digital assistant.

Partnerships

- SoundHound partnered with Perplexity to bring cutting-edge online LLMs to SoundHound Chat AI. Users can now ask a more complex set of questions and the assistant is able to answer across multiple channels including phones, cars, and smart devices.

- Connex2X, an innovative aftermarket connected vehicle company, partnered with SoundHound to integrate leading voice AI technology into its connected vehicle products.

1) See section "Certain Defined Terms" at the end of this press release for additional information.

Second Quarter 2024 Financial Measures¹

Three Months Ended (thousands, unless otherwise noted)	June 30, 2024		June 30, 2023		Change
Revenues	\$	13,462	\$	8,751	54 %
GAAP gross profit	\$	8,482	\$	6,921	23 %
GAAP gross margin		63.0%		79.1%	(16.1) pp
Non-GAAP gross profit	\$	8,951	\$	7,002	28 %
Non-GAAP gross margin		66.5%		80.0%	(13.5) pp
GAAP operating loss	\$	(21,985)	\$	(16,483)	33 %
Non-GAAP adjusted EBITDA	\$	(13,848)	\$	(10,082)	37 %
GAAP net loss	\$	(37,322)	\$	(23,307)	60 %
Non-GAAP net loss	\$	(14,821)	\$	(16,069)	(8) %
GAAP net loss per share	\$	(0.11)	\$	(0.11)	\$ —
Non-GAAP net loss per share	\$	(0.04)	\$	(0.07)	\$ 0.03

1) Please see tables below for a reconciliation from GAAP to non-GAAP.

Liquidity and Cash Flows

The company's total cash was \$201 million at June 30, 2024.

Condensed Cash Flow Statement

Six Months Ended (thousands)	June 30, 2024		June 30, 2023	
Cash flows:				
Net cash used in operating activities	\$	(40,440)	\$	(34,201)
Net cash used in investing activities		(4,788)		(293)
Net cash provided by financing activities		137,030		154,558
Effects of exchange rate changes on cash		130		—
Net change in cash and cash equivalents	\$	91,932	\$	120,064

Business Outlook

Incorporating today's announcement of the acquisition of Amelia, SoundHound is updating its revenue outlook for 2024 and 2025. SoundHound now expects its full year 2024 revenue to exceed \$80 million and its 2025 revenue outlook to exceed \$150 million.

Additional Information

For more information please see the company's SEC filings which can be obtained on the company's website at investors.soundhound.com. The financial statements will be posted on the website, and will be included when the company files its 8-K. The financial data presented in this press release should be considered preliminary until the company files its 10-Q.

Conference Call and Webcast

Keyvan Mohajer, Co-Founder and CEO, and Nitesh Sharan, CFO will host a live audio conference call and webcast today at 2:00 p.m. Pacific Time/5:00 p.m. Eastern Time. A live webcast and replay will also be accessible at investors.soundhound.com.

About SoundHound AI

SoundHound (Nasdaq: SOUN), a global leader in conversational intelligence, offers voice AI solutions that let businesses offer incredible conversational experiences to their customers. Built on proprietary technology, SoundHound's voice AI delivers best-in-class speed and accuracy in numerous languages to product creators across automotive, TV, and IoT, and to customer service industries via groundbreaking AI-driven products like Smart Answering, Smart Ordering, and Dynamic Drive-Thru, an AI-powered multimodal food ordering solution. Along with SoundHound Chat AI, a powerful voice assistant with integrated Generative AI, SoundHound powers millions of products and services, and processes billions of interactions each year for world class businesses. www.soundhound.com

Forward Looking Statements and Other Disclosures

This press release contains forward-looking statements, which are not historical facts, within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. In some cases, you can identify forward-looking statements by the use of words such as "may," "could," "expect," "intend," "plan," "seek," "anticipate," "believe," "estimate," "predict," "potential," "continue," "likely," "will," "would" and variations of these terms and similar expressions, or the negative of these terms or similar expressions. These forward-looking statements include, but are not limited to, statements concerning our expected financial performance, our ability to implement our business strategy and anticipated business and operations, the potential utility of and market for our products and services, our ability to achieve revenue from our cumulative bookings backlog and subscription bookings backlog, and guidance for financial results for 2024. Such forward-looking statements are necessarily based upon estimates and assumptions that, while considered reasonable by us and our management, are inherently uncertain. As a result, readers are cautioned not to place undue reliance on these forward-looking statements. Our actual results may differ materially from those expressed or implied by these forward-looking statements as a result of risks and uncertainties impacting SoundHound's business including, our ability to successfully launch and commercialize new products and services and derive significant revenue, our ability to develop

the bespoke products and services required under the contracts included in our bookings backlog and subscription backlog, including, but not limited to, our ability to convert customer adoption of Smart Ordering into realized revenue, our ability to predict or measure supply chain disruptions at our customers, our market opportunity and our ability to acquire new customers and retain existing customers, unexpected costs, charges or expenses resulting from our 2024 acquisitions, the ability of our 2024 acquisitions to be accretive on the company's financial results, the timing and impact of our growth initiatives, level of product service failures that could lead our customers to use competitors' services, our ability to predict direct and indirect customer demand for our existing and future products, our ability to hire, retain and motivate employees, the effects of competition, including price competition within our industry segment, technological, regulatory and legal developments that uniquely or disproportionately impact our industry segment, developments in the economy and financial markets and those other factors described in our risk factors set forth in our filings with the Securities and Exchange Commission from time to time, including our Annual Report on Form 10-K, Quarterly Reports on Form 10-Q and Current Reports on Form 8-K. We do not intend to update or alter our forward-looking statements, whether as a result of new information, future events or otherwise, except as required by applicable law.

Certain Defined Terms

Cumulative Subscriptions & Bookings Backlog includes the company's bookings backlog and subscriptions backlog in one holistic metric. Cumulative bookings backlog is derived from committed customer contracts and takes into account the prior quarter end balance of bookings backlog plus new bookings in the current quarter minus associated revenue recognized from bookings from prior periods. Subscriptions backlog refers to potential revenue achievable for the company with current customers where the company is the leading or exclusive provider, and assuming a 4-year ramp up during which time our technologies are being implemented and assuming a successful full roll out of our technologies over a total 5-year duration. Reasonable assumptions about adoption percentages are included, with lower percentages applied to pilot and proof-of-concept customers.

Non-GAAP Measures of Financial Performance

To supplement the company's financial statements, which are presented on the basis of U.S. generally accepted accounting principles (GAAP), the following non-GAAP measures of financial performance are included in this release: non-GAAP gross profit, non-GAAP gross margin, adjusted EBITDA, non-GAAP net loss and non-GAAP earnings per share.

The company believes that providing this non-GAAP information in addition to the GAAP financial information, allows investors to view the financial results in the way the company views its operating results. The company also believes that providing this information allows investors to not only better understand the company's financial performance, but also, better evaluate the information used by management to evaluate and measure such performance.

As such, the company believes that disclosing non-GAAP financial measures to the readers of its financial statements provides the reader with useful supplemental information that allows for greater transparency in the review of the company's financial and operational performance.

The company defines its non-GAAP measures by excluding certain items:

The company arrives at non-GAAP gross profit and non-GAAP gross margin by excluding (i) amortization of intangibles (including acquired intangible assets) and (ii) stock-based compensation.

The company arrives at adjusted EBITDA by excluding (i) total interest and other income/(expense), net, (ii) income taxes, (iii) depreciation and amortization expense (including acquired intangible assets), (iv) stock-based compensation, (v) restructuring expense, (vi) change in fair value of contingent consideration for business acquisition, and (vii) acquisition-related costs.

The company arrives at non-GAAP net loss and non-GAAP net loss per share by excluding (i) depreciation and amortization expense (including acquired intangible assets), (ii) stock-based compensation, (iii) restructuring expense, (iv) loss on early extinguishment of debt, (v) change in fair value of contingent consideration for business acquisition, (vi) gain on bargain purchase, and (vii) acquisition-related costs.

Reconciliations of GAAP to these adjusted non-GAAP financial measures are included in the tables below. When analyzing the company's operating results, investors should not consider non-GAAP measures as substitutes for the comparable financial measures prepared in accordance with GAAP.

To the extent that the company presents any forward-looking non-GAAP financial measures, the company does not present a quantitative reconciliation of such measures to the most directly comparable GAAP financial measure (or otherwise present such forward-looking GAAP measures) because it is impractical to do so.

Second Quarter Reconciliation of GAAP Gross Profit to Non-GAAP Gross Profit and GAAP Gross Margin to Non-GAAP Gross Margin

Three Months Ended (thousands)	June 30, 2024	June 30, 2023
GAAP gross profit¹	\$ 8,482	\$ 6,921
Adjustments:		
Amortization of Intangibles	362	—
Stock-based compensation	107	81
Non-GAAP gross profit	\$ 8,951	\$ 7,002
GAAP gross margin	63.0%	79.1%
Non-GAAP gross margin	66.5%	80.0%

1) GAAP gross profit is calculated by subtracting the cost of revenues from revenues.

Second Quarter Reconciliation of GAAP Net Loss to Non-GAAP Adjusted EBITDA

Three Months Ended (thousands)	June 30, 2024	June 30, 2023
GAAP net loss	\$ (37,322)	\$ (23,307)
Adjustments:		
Interest and other income/(expense), net ¹	(888)	5,532
Loss on early extinguishment of debt	15,587	837
Income taxes	638	4
Depreciation and amortization	1,280	703
Stock-based compensation	7,253	5,532
Restructuring	—	166
Change in fair value of contingent acquisition liabilities	(1,082)	—
Acquisition-related expenses	686	—
Non-GAAP adjusted EBITDA	\$ (13,848)	\$ (10,069)

1) Includes other income/(expense) of \$5.0 and \$(0.8) million for the three months ended June 30, 2024 and 2023, respectively.

Second Quarter Reconciliation of GAAP Net Loss to Non-GAAP Net Loss and Non-GAAP Net Loss Per Share

Three Months Ended (thousands)	June 30, 2024	June 30, 2023
GAAP net loss	\$ (37,322)	\$ (23,307)
Adjustments:		
Depreciation and amortization	1,280	703
Stock-based compensation	7,253	5,532
Restructuring	—	166
Loss on early extinguishment of debt	15,587	837
Change in fair value of contingent acquisition liabilities	(1,082)	—
Gain on bargain purchase	(1,223)	—
Acquisition-related expenses	686	—
Non-GAAP net loss	\$ (14,821)	\$ (16,069)
GAAP net loss per share¹	(0.11)	(0.11)
Adjustments	0.07	0.04
Non-GAAP net loss per share¹	(0.04)	(0.07)

1) Weighted average common shares outstanding (basic and diluted) for the three months ended June 30, 2024 and 2023 were 331,830,608 and 220,772,111, respectively.

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SOUNDHOUND AI, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(In thousands, except share and per share data)

	June 30, 2024 (Unaudited)	December 31, 2023
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 200,156	\$ 95,260
Accounts receivable, net of allowances of \$439 and \$203 as of June 30, 2024 and December 31, 2023, respectively	5,059	4,050
Contract assets and unbilled receivable, net of allowance for credit losses of \$108 and \$17 of June 30, 2024 and December 31, 2023, respectively	14,892	11,780
Other current assets	3,949	2,452
Total current assets	224,056	113,542
Restricted cash equivalents, non-current	811	13,775
Right-of-use assets	4,303	5,210
Property and equipment, net	1,296	1,515
Goodwill	6,039	—
Intangible assets, net	13,147	—
Deferred tax asset	10	11
Contract assets and unbilled receivable, non-current, net of allowance for credit losses of \$171 and \$177 of June 30, 2024 and December 31, 2023, respectively	15,518	16,492
Other non-current assets	1,494	577
Total assets	\$ 266,674	\$ 151,122
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 4,255	\$ 1,653
Accrued liabilities	13,147	13,884
Operating lease liabilities	2,285	2,637
Finance lease liabilities	63	121
Income tax liability	1,888	1,618
Deferred revenue	2,931	4,310
Other current liabilities	968	—
Total current liabilities	25,537	24,223
Operating lease liabilities, net of current portion	2,175	3,089
Deferred revenue, net of current portion	3,766	4,910
Long-term debt	—	84,312
Contingent acquisition liabilities (Note 17)	4,410	—
Income tax liability, net of current portion	2,275	2,453
Other non-current liabilities	4,570	3,967
Total liabilities	42,733	122,954
Commitments and contingencies (Note 7)		
Stockholders' equity:		
Series A Preferred Stock, \$0.0001 par value; 1,000,000 shares authorized; 0 and 475,005 shares issued and outstanding, aggregate liquidation preference of \$0 and \$16,227 as of June 30, 2024 and December 31, 2023, respectively	—	14,187
Class A Common Stock, \$0.0001 par value; 455,000,000 shares authorized; 315,153,605 and 216,943,349 shares issued and outstanding as of June 30, 2024 and December 31, 2023, respectively	31	22
Class B Common Stock, \$0.0001 par value; 44,000,000 shares authorized; 32,735,408 and 37,485,408 shares issued and outstanding as of June 30, 2024 and December 31, 2023, respectively	3	4
Additional paid-in capital	886,412	606,135
Accumulated deficit	(662,710)	(592,379)
Accumulated other comprehensive income	205	199
Total stockholders' equity	223,941	28,168
Total liabilities and stockholders' equity	\$ 266,674	\$ 151,122

SOUNDHOUND AI, INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS
(In thousands, except share and per share data)
(Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Revenues	\$ 13,462	\$ 8,751	\$ 25,056	\$ 15,458
Operating expenses:				
Cost of revenues	4,980	1,830	9,649	3,806
Sales and marketing	5,655	5,078	11,197	9,953
Research and development	15,738	11,736	30,616	25,920
General and administrative	9,535	6,424	19,802	13,713
Change in fair value of contingent acquisition liabilities	(1,082)	—	3,080	—
Amortization of intangible assets	621	—	1,226	—
Restructuring	—	166	—	3,751
Total operating expenses	35,447	25,234	75,570	57,143
Loss from operations	(21,985)	(16,483)	(50,514)	(41,685)
Other expense, net:				
Loss on early extinguishment of debt	(15,587)	(837)	(15,587)	(837)
Interest expense	(4,086)	(4,735)	(9,750)	(5,831)
Other income (expense), net	4,974	(835)	6,453	(1,638)
Total other expense, net	(14,699)	(6,407)	(18,884)	(8,306)
Loss before provision for income taxes	(36,684)	(22,890)	(69,398)	(49,991)
Provision for income taxes	638	417	933	746
Net loss	\$ (37,322)	\$ (23,307)	\$ (70,331)	\$ (50,737)
Cumulative dividends attributable to Series A Preferred Stock	(73)	(877)	(416)	(1,559)
Net loss attributable to SoundHound common shareholders	\$ (37,395)	\$ (24,184)	\$ (70,747)	\$ (52,296)
Other comprehensive income:				
Unrealized gains on investments	(30)	29	6	—
Comprehensive loss	\$ (37,425)	\$ (24,155)	\$ (70,741)	\$ (52,296)
Net loss per share:				
Basic and diluted	\$ (0.11)	\$ (0.11)	\$ (0.23)	\$ (0.25)
Weighted-average common shares outstanding:				
Basic and diluted	331,830,608	220,772,111	309,213,583	212,970,561

SOUNDHOUND AI, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)
(Unaudited)

	Six Months Ended June 30,	
	2024	2023
Cash flows used in operating activities:		
Net loss	\$ (70,331)	\$ (50,737)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	2,750	1,411
Stock-based compensation	14,232	13,947
Loss on change in fair value of ELOC program	—	1,901
Amortization of debt issuance cost	1,524	1,607
Non-cash lease amortization	1,445	1,714
Foreign currency gain/loss from remeasurement	(70)	—
Change in fair value of contingent acquisition liabilities	3,080	—
Loss on early extinguishment of debt	15,587	837
Deferred income taxes	(368)	—
Other, net	(891)	82
Changes in operating assets and liabilities:		
Accounts receivable, net	211	(177)
Other current assets	(1,426)	(634)
Contract assets	(2,267)	(2,080)
Other non-current assets	(842)	363
Accounts payable	1,941	(903)
Accrued liabilities	(625)	5,295
Operating lease liabilities	(1,720)	(1,910)
Deferred revenue	(2,523)	(4,625)
Other non-current liabilities	(147)	(292)
Net cash used in operating activities	(40,440)	(34,201)
Cash flows used in investing activities:		
Purchases of property and equipment	(335)	(293)
Payment related to acquisitions, net of cash acquired	(4,453)	—
Net cash used in investing activities	(4,788)	(293)
Cash flows provided by financing activities:		
Proceeds from the issuance of Series A Preferred Stock, net of issuance costs	—	24,942
Proceeds from sales of Class A common stock under the ELOC program, net of issuance costs	—	71,455
Proceeds from sales of Class A common stock under the Sales Agreement and Equity Distribution Agreement	237,639	—
Proceeds from exercise of stock options and employee stock purchase plan	10,628	8,177
Payment of financing costs associated with the Sales Agreement and Equity Distribution Agreement	(5,639)	—
Proceeds from the issuance of long-term debt, net of issuance costs	—	85,087
Payments on notes payable	(105,540)	(35,029)
Payments on finance leases	(58)	(74)
Net cash provided by financing activities	137,030	154,558
Effects of exchange rate changes on cash	130	—
Net change in cash, cash equivalents, and restricted cash equivalents	91,932	120,064
Cash, cash equivalents, and restricted cash equivalents, beginning of period	109,035	9,475
Cash, cash equivalents, and restricted cash equivalents, end of period	\$ 200,967	\$ 129,539

SOUNDHOUND AI, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS – Continued
(In thousands)
(Unaudited)

Reconciliation to amounts on the condensed consolidated balance sheets:		
Cash and cash equivalents	\$ 200,156	\$ 115,764
Non-current portion of restricted cash equivalents	811	13,775
Total cash, cash equivalents, and restricted cash equivalents shown in the condensed consolidated statements of cash flows	<u>\$ 200,967</u>	<u>\$ 129,539</u>
Supplemental disclosures of cash flow information:		
Cash paid for interest	<u>\$ 3,541</u>	<u>\$ 4,344</u>
Cash paid for income taxes	<u>\$ 1,274</u>	<u>\$ 1,098</u>
Noncash investing and financing activities:		
Conversion of Series A Preferred Stock to Class A common stock	<u>\$ 14,187</u>	<u>\$ —</u>
Issuance of Class A Common Stock to settle commitment shares related to the ELOC program	<u>\$ —</u>	<u>\$ 915</u>
Deferred offering costs reclassified to additional paid-in capital	<u>\$ 147</u>	<u>\$ 802</u>
Unpaid financing costs in connection with the Equity Distribution Agreement	<u>\$ 522</u>	<u>\$ —</u>
Non-cash debt discount	<u>\$ —</u>	<u>\$ 4,136</u>
Property and equipment acquired under accrued liabilities	<u>\$ 92</u>	<u>\$ —</u>
Fair value of Class A common stock and deferred equity consideration issued for SYNQ3 acquisition	<u>\$ 9,687</u>	<u>\$ —</u>
Fair value of contingent earnout consideration under SYNQ3 acquisition	<u>\$ 1,676</u>	<u>\$ —</u>
Fair value of contingent holdback consideration under SYNQ3 acquisition	<u>\$ 427</u>	<u>\$ —</u>
Fair value of deferred cash consideration under other acquisition	<u>\$ 195</u>	<u>\$ —</u>