
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549**

FORM 10-Q

(Mark One)

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

For the quarterly period ended June 30, 2026

OR

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

For the transition period from to

Commission File Number: 001-38107

SoundThinking, Inc.

(Exact Name of Registrant as Specified in its Charter)

Delaware
(State or other jurisdiction of
incorporation or organization)
39300 Civic Center Dr., Suite 300
Fremont, California
(Address of principal executive offices)

47-0949915
(I.R.S. Employer
Identification No.)

94538
(Zip Code)

Registrant's telephone number, including area code: (510) 794-3100

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common stock, par value \$0.005 per share	SSTI	The Nasdaq Capital Market

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

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

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

Large accelerated filer	☐	Accelerated filer	☐
Non-accelerated filer	☒	Smaller reporting company	☒
Emerging growth company	☐		

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

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

As of August 5, 2026, the registrant had 13,163,790 shares of common stock, \$0.005 par value per share, outstanding.

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SPECIAL NOTE REGARDING FORWARD LOOKING STATEMENTS

This Quarterly Report on Form 10-Q contains forward-looking statements that involve substantial risks and uncertainties. The forward-looking statements are contained principally in the section of this Quarterly Report on Form 10-Q entitled “Management’s Discussion and Analysis of Financial Condition and Results of Operations” but are also contained elsewhere in this Quarterly Report on Form 10-Q. Often, you can identify forward-looking statements by the words “anticipate,” “believe,” “continue,” “could,” “estimate,” “expect,” “intend,” “may,” “might,” “objective,” “ongoing,” “plan,” “predict,” “project,” “potential,” “should,” “will,” or “would,” or the negative of these terms, or other comparable terminology intended to identify statements about the future. Forward-looking statements include statements about:

- our ability to continue to increase revenues, secure customer renewals and expand coverage areas of existing public safety customers;
- our ability to continue to add new customers for our public safety and security solutions;
- our ability to grow both domestically and internationally;
- our ability to effectively manage or sustain our growth;
- our ability to maintain, increase or strengthen awareness of our solutions;
- our ability to achieve and maintain service level agreement standards in our customer contracts;
- future revenues, hiring plans, expenses, capital expenditures, capital requirements and stock performance;
- our ability to service outstanding debt and satisfy covenants associated with outstanding debt facilities;
- our ability to attract and retain qualified employees and key personnel and further expand our overall headcount;
- the impact of the material weaknesses in our internal controls and our ability to remediate these material weaknesses on the timing we anticipate, or at all;
- our ability to comply with new or modified laws and regulations that currently apply or become applicable to our business both in the United States and internationally; and
- our ability to maintain, protect and enhance our intellectual property.

We caution you that the foregoing list may not contain all of the forward-looking statements made in this Quarterly Report on Form 10-Q.

These forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause our actual results, levels of activity, performance or achievements to be materially different from the information expressed or implied by these forward-looking statements. Although we believe that we have a reasonable basis for each forward-looking statement contained in this Quarterly Report on Form 10-Q, we caution you that these statements are based on a combination of facts and factors currently known by us and our expectations of the future, about which we cannot be certain. You should refer to the “Risk Factors” section of our Annual Report on Form 10-K for the year ended December 31, 2025 for a discussion of important factors that may cause our actual results to differ materially from those expressed or implied by our forward-looking statements. As a result of these factors, we cannot assure you that the forward-looking statements in this Quarterly Report on Form 10-Q will prove to be accurate. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law. You should read this Quarterly Report on Form 10-Q and the documents that we reference in this Quarterly Report on Form 10-Q completely and with the understanding that our actual future results may be materially different from what we expect. We qualify all of our forward-looking statements by these cautionary statements.

PART I. FINANCIAL INFORMATION

Item 1. Condensed Consolidated Financial Statements

SoundThinking, Inc. Condensed Consolidated Balance Sheets (In thousands, except share and per share data)

	June 30, 2026 (unaudited)	December 31, 2025
Assets		
Current assets		
Cash and cash equivalents	\$ 6,410	\$ 15,797
Accounts receivable and contract assets, net	24,475	28,570
Prepaid expenses and other current assets	4,137	4,225
Total current assets	35,022	48,592
Property and equipment, net	17,515	18,816
Operating lease right-of-use assets	1,459	1,904
Goodwill	34,213	34,213
Intangible assets, net	27,417	29,335
Other assets	2,533	2,894
Total assets	<u>\$ 118,159</u>	<u>\$ 135,754</u>
Liabilities and Stockholders' Equity		
Current liabilities		
Accounts payable	\$ 2,883	\$ 3,789
Accrued expenses and other current liabilities	7,566	9,578
Line of credit	4,000	4,000
Deferred revenue, short-term	33,162	40,035
Total current liabilities	47,611	57,402
Deferred revenue, long-term	2,876	3,845
Deferred tax liability	1,417	1,359
Operating lease liabilities, net of current portion	703	976
Total liabilities	52,607	63,582
Commitments and contingencies (Note 12)		
Stockholders' equity		
Common stock: \$0.005 par value; 500,000,000 shares authorized; 13,163,796 and 12,825,960 shares issued and outstanding as of June 30, 2026 and December 31, 2025, respectively	65	64
Additional paid-in capital	191,270	186,115
Accumulated deficit	(125,474)	(113,718)
Accumulated other comprehensive loss	(309)	(289)
Total stockholders' equity	65,552	72,172
Total liabilities and stockholders' equity	<u>\$ 118,159</u>	<u>\$ 135,754</u>

See accompanying notes to condensed consolidated financial statements.

SoundThinking, Inc.
Condensed Consolidated Statements of Operations
(In thousands, except share and per share data)
(Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Revenues	\$ 23,889	\$ 25,889	\$ 48,067	\$ 54,238
Costs				
Cost of revenues	12,249	12,058	24,732	23,776
Impairment of property and equipment	105	36	540	73
Total costs	12,354	12,094	25,272	23,849
Gross profit	11,535	13,795	22,795	30,389
Operating expenses				
Sales and marketing	5,907	6,525	12,407	13,784
Research and development	3,991	3,746	8,396	7,811
General and administrative	6,291	6,467	12,967	12,941
Restructuring expense	—	—	535	—
Total operating expenses	16,189	16,738	34,305	34,536
Operating loss	(4,654)	(2,943)	(11,510)	(4,147)
Other expense, net				
Interest income (expense), net	4	(20)	28	(32)
Other expense, net	(68)	(71)	(212)	(239)
Total other expense, net	(64)	(91)	(184)	(271)
Loss before income taxes	(4,718)	(3,034)	(11,694)	(4,418)
Provision for income taxes	33	86	62	186
Net loss	\$ (4,751)	\$ (3,120)	\$ (11,756)	\$ (4,604)
Net loss per share, basic and diluted	\$ (0.37)	\$ (0.24)	\$ (0.91)	\$ (0.36)
Weighted-average shares used in computing net loss per share, basic and diluted	13,106,795	12,712,191	12,941,651	12,680,456

See accompanying notes to condensed consolidated financial statements.

SoundThinking, Inc.
Condensed Consolidated Statements of Comprehensive Loss
(In thousands)
(Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Net loss	\$ (4,751)	\$ (3,120)	\$ (11,756)	\$ (4,604)
Other comprehensive loss:				
Change in foreign currency translation adjustment, net of taxes	24	2	(20)	28
Comprehensive loss	<u>\$ (4,727)</u>	<u>\$ (3,118)</u>	<u>\$ (11,776)</u>	<u>\$ (4,576)</u>

See accompanying notes to condensed consolidated financial statements.

SoundThinking, Inc.
Condensed Consolidated Statements of Stockholders' Equity
(In thousands, except share data)
(Unaudited)

	Common Stock Shares	Par Value	Additional Paid-in Capital	Accumulated Deficit	Accumulated Other Comprehensive Loss	Total Stockholders' Equity
Balance at January 1, 2026	12,825,960	\$ 64	\$ 186,115	\$ (113,718)	\$ (289)	\$ 72,172
Exercise of stock options	2,295	—	6	—	—	6
Issuance of common stock from RSUs vested	125,688	—	—	—	—	—
Stock-based compensation	—	—	2,479	—	—	2,479
Other comprehensive loss	—	—	—	—	(44)	(44)
Net loss	—	—	—	(7,005)	—	(7,005)
Balance at March 31, 2026	12,953,943	64	188,600	(120,723)	(333)	67,608
Exercise of stock options	500	—	—	—	—	—
Issuance of common stock from ESPP purchases	44,333	—	231	—	—	231
Issuance of common stock from RSUs vested	165,020	1	(1)	—	—	—
Stock-based compensation	—	—	2,440	—	—	2,440
Other comprehensive income	—	—	—	—	24	24
Net loss	—	—	—	(4,751)	—	(4,751)
Balance at June 30, 2026	<u>13,163,796</u>	<u>\$ 65</u>	<u>\$ 191,270</u>	<u>\$ (125,474)</u>	<u>\$ (309)</u>	<u>\$ 65,552</u>

	Common Stock Shares	Par Value	Additional Paid-in Capital	Accumulated Deficit	Accumulated Other Comprehensive Loss	Total Stockholders' Equity
Balance at January 1, 2025	12,634,485	\$ 64	\$ 177,021	\$ (104,298)	\$ (388)	\$ 72,399
Exercise of stock options	—	—	3	—	—	3
Repurchase of common stock	(33,493)	—	(504)	—	—	(504)
Issuance of common stock from RSUs vested	65,109	—	—	—	—	—
Stock-based compensation	—	—	3,404	—	—	3,404
Other comprehensive income	—	—	—	—	26	26
Net loss	—	—	—	(1,484)	—	(1,484)
Balance at March 31, 2025	12,666,101	64	179,924	(105,782)	(362)	73,844
Exercise of stock options	3,453	—	16	—	—	16
Repurchase of common stock	(31,570)	—	(470)	—	—	(470)
Issuance of common stock from ESPP purchases	40,865	—	408	—	—	408
Issuance of common stock from RSUs vested	109,782	—	—	—	—	—
Stock-based compensation	—	—	3,841	—	—	3,841
Other comprehensive income	—	—	—	—	2	2
Net loss	—	—	—	(3,120)	—	(3,120)
Balance at June 30, 2025	<u>12,788,631</u>	<u>\$ 64</u>	<u>\$ 183,719</u>	<u>\$ (108,902)</u>	<u>\$ (360)</u>	<u>\$ 74,521</u>

See accompanying notes to condensed consolidated financial statements.

SoundThinking, Inc.
Condensed Consolidated Statements of Cash Flows
(In thousands)
(Unaudited)

	2026	Six Months Ended June 30,	2025
Cash flows from operating activities:			
Net loss	\$	(11,756)	\$ (4,604)
Adjustments to reconcile net loss to net cash used in operating activities:			
Depreciation of property and equipment		2,915	3,037
Amortization of intangible assets		1,917	1,931
Impairment of property and equipment		540	73
Stock-based compensation		4,919	7,245
Deferred taxes		58	18
Allowance for credit loss		99	269
Changes in operating assets and liabilities:			
Accounts receivable and contract asset		3,970	(5,548)
Prepaid expenses and other assets		448	696
Accounts payable		(688)	(713)
Accrued expenses and other liabilities		(1,839)	(3,124)
Deferred revenue		(7,843)	(704)
Net cash used in operating activities		(7,260)	(1,424)
Cash flows from investing activities:			
Purchase of property and equipment		(2,371)	(2,277)
Investment in intangible and other assets		—	(13)
Net cash used in investing activities		(2,371)	(2,290)
Cash flows from financing activities:			
Proceeds from exercise of stock options		6	19
Repurchases of common stock		—	(974)
Proceeds from employee stock purchase plan		231	408
Net cash provided by (used in) financing activities		237	(547)
Change in cash and cash equivalents		(9,394)	(4,261)
Effect of exchange rate on cash and cash equivalents		7	28
Cash and cash equivalents at beginning of year		15,797	13,183
Cash and cash equivalents at end of period	\$	6,410	\$ 8,950
Supplemental cash flow disclosures:			
Cash paid for interest	\$	115	\$ 132
Cash paid for income taxes	\$	147	\$ 353
Supplemental cash flow disclosures:			
ROU Assets obtained in exchange for lease liabilities	\$	—	\$ 193
Purchases of property and equipment and intangibles included in accounts payable	\$	535	\$ 706

See accompanying notes to condensed consolidated financial statements.

SoundThinking, Inc.
Notes to Condensed Consolidated Financial Statements

Note 1. Organization and Description of Business

SoundThinking, Inc. (the “Company”) brings the power of digital transformation to law enforcement and security personnel by providing precision-policing and security solutions, combining data-driven solutions and strategic advisory services for law enforcement, security teams and civic leadership. As of June 30, 2026, the Company had approximately 314 customers and to date has worked with approximately 2,100 agencies to help drive more efficient, effective, and equitable public safety outcomes.

The Company's SafetySmart™ platform includes seven data-driven tools consisting of (i) its flagship product, ShotSpotter®, the leading outdoor gunshot detection, location and alerting system trusted by 171 cities and 21 universities and corporations as of June 30, 2026, (ii) CrimeTracer™, an agency-wide crime data and intelligence platform that enables investigators, analysts, patrol officers and command staff to search through more than one billion criminal justice records from across jurisdictions, leverage dashboards and artificial intelligence (“AI”)-assisted tools to generate tactical leads and quickly make intelligent connections to solve crimes, (iii) CaseBuilder™, a one-stop investigative management system for tracking, reporting, and collaborating on cases, (iv) ResourceRouter™ that directs the deployment of patrol and community anti-violence resources in an objective way to help maximize the impact of limited resources and improve community safety, (v) PlateRanger™ powered by Rekor®, an advanced license plate recognition (“ALPR”) and vehicle identification solution that leverages AI and machine learning to enhance investigative efficiency and provide real-time data sharing for law enforcement, (vi) Field Agent, an AI layer that transforms public safety data into actionable intelligence, and (vii) SafePointe™, an AI-based weapons detection system designed to provide discreet, high throughput screening that complements physical security measures without compromising visitor experience. The Company offers its solutions on a software-as-a-service subscription model to its customers. These solutions may operate independently or together as an integrated platform that connects detection, data analysis, resource deployment and case management workflows.

ShotSpotter for Campus and ShotSpotter for Corporate, are typically smaller-scale deployments of ShotSpotter vertically marketed to universities, corporate campuses, and key infrastructure centers to mitigate risk and enhance security by notifying authorities of outdoor gunfire incidents, saving critical minutes for first responders to arrive. In 2019, the Company created a technology innovation unit, SoundThinking Labs, to expand its efforts supporting innovative uses of its technology to help protect wildlife and the environment. In the first quarter of 2025, the Company rolled out a perimeter-based sniper gunshot detection solution targeting utility substations, with initial pilots aimed at utility customers, conducted through SoundThinking Labs. Additionally, the Company provides maintenance and support services and professional software development services to two customers, through sales channel intermediaries.

The Company's principal executive offices are located in Fremont, California. The Company has six wholly owned subsidiaries.

Note 2. Summary of Significant Accounting Policies

Basis of Presentation

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with generally accepted accounting principles in the United States of America (“U.S. GAAP”) and applicable rules and regulations of the Securities and Exchange Commission (“SEC”) regarding interim financial reporting. Certain information and note disclosures normally included in the consolidated financial statements prepared in accordance with U.S. GAAP have been condensed or omitted pursuant to such rules and regulations. The unaudited condensed consolidated financial statements include the results of the Company and its wholly owned subsidiaries. All significant intercompany transactions have been eliminated upon consolidation.

The accompanying unaudited condensed consolidated financial statements and related financial information should be read in conjunction with the consolidated financial statements filed with the Company's Annual Report on Form 10-K for the year ended December 31, 2025 (“Annual Report”) filed with the SEC on March 30, 2026.

In the opinion of management, the accompanying unaudited condensed consolidated financial statements reflect all normal recurring adjustments necessary to present fairly the financial position, results of operations, comprehensive loss, stockholders' equity and cash flows for the interim periods, but are not necessarily indicative of the results of operations or cash flows to be anticipated for the full year 2026 or any future period. The Company has evaluated subsequent events occurring after the date of the condensed consolidated financial statements for events requiring recording or disclosure in the unaudited condensed consolidated financial statements.

Use of Estimates

The preparation of unaudited condensed consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and reported amounts of revenues and expenses during the reporting period. On an ongoing basis, management evaluates its significant estimates including the valuation of accounts receivable, the lives and realization of tangible and intangible assets and goodwill, stock-based compensation expense, customer life, revenue recognition, contingent liabilities related to legal matters, and income taxes including deferred taxes and any related valuation allowance. Management bases its estimates on historical experience and on various other market-specific and relevant assumptions it believes to be reasonable under the circumstances. Actual results could differ from those estimates and such differences could be material to the Company's financial position and results of operations.

The Company records net deferred tax assets to the extent the Company believes these assets will more likely than not be realized. In making such a determination, the Company considers all available positive and negative evidence, including future reversals of existing taxable temporary differences, projected future taxable income, tax-planning strategies, and results of recent operations. In the event the Company determines that it would be able to realize its deferred assets in the future in excess of their net recorded amount, the Company would make an adjustment to the deferred tax asset valuation allowance, which would reduce the provision for income taxes.

Concentrations of Risk

Credit Risk – Financial instruments that potentially subject the Company to concentration of credit risk consisted primarily of cash and cash equivalents and accounts receivable from trade customers. The Company maintains its deposits of cash and cash equivalents at three domestic and four international financial institutions. The Company is exposed to credit risk in the event of default by a financial institution to the extent that cash and cash equivalents are in excess of the amount insured by the Federal Deposit Insurance Corporation ("FDIC") and other local country government agencies. The Company generally places its cash and cash equivalents with high-credit quality financial institutions. To date, the Company has not experienced any losses on its cash and cash equivalents. As of June 30, 2026, the Company had approximately \$5.0 million, \$0.1 million and \$9,000, deposited with the Company's three domestic financial institutions, for which only \$250,000 is insured per institution under FDIC limits.

Concentration of Accounts Receivable and Contract Assets – At June 30, 2026, the City of New York accounted for 29% of the Company's total accounts receivable and contract assets, net. At December 31, 2025, the City of New York accounted for 33%, of the Company's total accounts receivable and contract assets, net.

Concentration of Revenues – For the three months ended June 30, 2026, the City of New York accounted for 27% of the Company's total revenues. For the three months ended June 30, 2025, the City of New York accounted for 25% of the Company's total revenues. For the six months ended June 30, 2026, the City of New York accounted for 27% of the Company's total revenues. For the six months ended June 30, 2025, the City of New York accounted for 31% of the Company's total revenues.

Concentration of Suppliers – The Company relies on a limited number of suppliers and contract manufacturers. In particular, the Company currently utilizes a single contract manufacturer to assemble its proprietary sensors and a single contract manufacturer to assemble its bollards.

During the six months ended June 30, 2026, there were no changes to the Company's significant accounting policies described in the Company's Annual Report on Form 10-K for the year ended December 31, 2025.

Recent Accounting Pronouncements Adopted

Measurement of Credit Losses for Accounts Receivable and Contract Assets

In July 2025, the FASB issued ASU 2025-05, Financial Instruments—Credit Losses (Topic 326): Measurement of Credit Losses for Accounts Receivable and Contract Assets, which introduces a practical expedient for all entities, related to applying Subtopic 326-20 to current accounts receivable and current contract assets arising from transactions accounted for under Topic 606. 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. This standard is effective for the Company's annual reporting periods beginning after December 15, 2025, and interim reporting periods within those annual reporting periods. Effective January 1, 2026, the Company adopted ASU 2025-05 using the prospective transition method and elected the practical expedient permitted under the guidance. Adoption of the standard did not have a material impact on the Company's condensed consolidated financial statements.

Recent Accounting Pronouncements Not Yet Effective

Expense Disaggregation Disclosures

In November 2024, the FASB issued ASU 2024-03, Income Statement - Reporting Comprehensive Income - Expense Disaggregation Disclosures (Subtopic 220-40), which requires disclosure of specific information about costs and expenses within relevant expense captions on the face of the income statement, qualitative descriptions for expense captions not specifically disaggregated quantitatively, and the total amount and definition of selling expenses for interim and annual reporting periods. This standard is effective for the Company's annual reporting period beginning January 1, 2027 and interim reporting periods beginning January 1, 2028 and should be applied on a retrospective or prospective basis, with early adoption permitted. The Company is currently assessing the impact of adopting this standard on its consolidated financial statements.

Targeted Improvements to the Accounting for Internal-Use Software

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 prescriptive and sequential software development stages. 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. This standard is effective for the Company's annual reporting periods beginning after December 15, 2027, and interim reporting periods within those annual reporting periods. Early adoption is permitted as of the beginning of an annual reporting period. The Company is currently assessing the impact of adopting this standard on its consolidated financial statements.

Note 3. Revenue Related Disclosures

The changes in deferred revenue were as follows (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Beginning balance	\$ 40,350	\$ 45,437	\$ 43,880	\$ 44,233
New billings	18,779	21,943	38,800	50,362
Revenue recognized during the year from beginning balance	(17,579)	(15,533)	(28,148)	(23,484)
Revenue recognized during the year from new billings	(5,512)	(8,317)	(18,494)	(27,581)
Ending balance	<u>\$ 36,038</u>	<u>\$ 43,530</u>	<u>\$ 36,038</u>	<u>\$ 43,530</u>

The following table presents remaining performance obligations for contractually committed revenues as of June 30, 2026 (in thousands):

Remainder of 2026	\$	29,313
2027		39,562
2028		16,552
2029		5,441
Thereafter		2,216
Total	\$	<u>93,084</u>

The timing of certain revenue recognition included in the table above is based on estimates of go-live dates for contracts not yet live. Contractually committed revenue includes deferred revenue as of June 30, 2026 and amounts under contract that will be invoiced after June 30, 2026.

During the three months ended June 30, 2026, the Company recognized revenues of \$23.0 million from customers in the United States, and \$0.9 million from customers in the Bahamas, South Africa and South America. During the three months ended June 30, 2025, the Company recognized revenues of \$25.2 million from customers in the United States, and \$0.7 million from customers in the Bahamas, South Africa and South America.

During the six months ended June 30, 2026, the Company recognized revenues of \$46.4 million from customers in the United States, and \$1.7 million from customers in the Bahamas, South Africa and South America. During the six months ended June 30, 2025, the Company recognized revenues of \$52.7 million from customers in the United States, and \$1.5 million from customers in the Bahamas, South Africa and South America.

During the three months ended June 30, 2026, the Company recognized revenues of \$23.7 million from monthly subscription, maintenance and support services, and \$0.2 million from professional software development services. During the three months ended June 30, 2025, the Company recognized revenues of \$25.6 million from monthly subscription, maintenance and support services, and \$0.3 million from professional software development services.

During the six months ended June 30, 2026, the Company recognized revenues of \$47.7 million from monthly subscription, maintenance and support services, and \$0.4 million from professional software development services. During the six months ended June 30, 2025, the Company recognized revenues of \$53.6 million from monthly subscription, maintenance and support services, and \$0.7 million from professional software development services.

During the three and six months ended June 30, 2026, the Company recognized approximately \$0.2 million and \$0.3 million, respectively, of catch-up revenue from various customers.

During the six months ended June 30, 2025, the Company recognized approximately \$4.3 million of catch-up revenue comprising approximately \$3.5 million of catch-up revenue during the three months ended March 31, 2025 based on two three-year contract renewals with New York City Police Department and \$0.8 million of catch-up revenue from various customers during the three months ended June 30, 2025.

Note 4. Fair Value Measurements

The Company has \$4.6 million and \$12.0 million in a money market fund as of June 30, 2026 and December 31, 2025, respectively. The fair value measurement was classified as Level I within the fair value hierarchy as prescribed by Accounting Standards Codification 820-10-35-37 ("ASC 820, *Fair Value Measurement*").

There were no transfers into or out of Level III during the six months ended June 30, 2026 and 2025.

The Company records its financial assets and liabilities at fair value. The carrying amounts of certain of the Company's financial instruments, including cash, trade and other receivables, net, and accounts payable, approximate their fair value due to their short maturities.

Note 5. Intangible Assets, Net

Intangible assets consist of the following (in thousands):

			June 30, 2026	
	Weighted-Average Amortization Period (in years)	Gross	Accumulated Amortization	Net
Customer relationships	14	\$ 25,470	\$ (9,049)	\$ 16,421
Acquired software technology	9	16,340	(6,477)	9,863
Patents and intellectual property	3	2,076	(1,692)	384
Tradename	9	2,100	(1,351)	749
Total intangible assets, net		<u>\$ 45,986</u>	<u>\$ (18,569)</u>	<u>\$ 27,417</u>

			December 31, 2025	
	Weighted-Average Amortization Period (in years)	Gross	Accumulated Amortization	Net
Customer relationships	14	\$ 25,470	\$ (8,140)	\$ 17,330
Acquired software technology	9	16,340	(5,622)	10,718
Patents and intellectual property	3	2,076	(1,600)	476
Tradename	9	2,100	(1,289)	811
Total intangible assets, net		<u>\$ 45,986</u>	<u>\$ (16,651)</u>	<u>\$ 29,335</u>

Intangible amortization expense was approximately \$0.9 million for the three months ended June 30, 2026 and 2025. Intangible amortization expense was approximately \$1.9 million for the six months ended June 30, 2026 and 2025.

The following table presents future intangible asset amortization as of June 30, 2026 (in thousands):

Remainder of 2026	\$ 1,906
2027	3,809
2028	3,741
2029	3,650
2030	2,775
Thereafter	11,536
Total	<u>\$ 27,417</u>

Note 6. Details of Certain Condensed Consolidated Balance Sheet Accounts

Accounts receivable and contract assets, net (in thousands):

	June 30, 2026	December 31, 2025
Accounts receivable	\$ 22,107	\$ 23,460
Contract assets	3,341	5,985
Allowance for credit losses	(973)	(875)
	<u>\$ 24,475</u>	<u>\$ 28,570</u>

Prepaid expenses and other current assets (in thousands):

	June 30, 2026	December 31, 2025
Deferred commissions	\$ 1,709	\$ 1,546
Prepaid software and licenses	1,993	1,041
Prepaid insurance	166	1,101
Short-term deposits	73	335
Other prepaid expenses	193	201
Other	3	1
	<u>\$ 4,137</u>	<u>\$ 4,225</u>

Other assets (long-term) (in thousands):

	June 30, 2026	December 31, 2025
Deferred commissions	\$ 2,034	\$ 2,395
Escrow claim	357	357
Other	142	142
	<u>\$ 2,533</u>	<u>\$ 2,894</u>

Accrued expenses and other current liabilities (in thousands):

	June 30, 2026	December 31, 2025
Personnel-related accruals	\$ 4,842	\$ 7,233
Operating lease liabilities, current	808	1,024
Professional fees	306	177
Sales/use tax payable	164	137
Other	1,446	1,007
	<u>\$ 7,566</u>	<u>\$ 9,578</u>

Note 7. Related Party Transactions

During the three and six months ended June 30, 2026, the Company recognized less than \$0.1 million, in revenues from SoundThinking Labs projects with charitable organizations that have received donations from one of the Company's former directors and from one of the Company's significant stockholders. During the three and six months ended June 30, 2025, the Company recognized less than \$0.1 million in revenues from SoundThinking Labs projects with charitable organizations that have received donations from one of the Company's former directors and from one of the Company's significant stockholders.

Note 8. Restructuring

In the first quarter of 2026, the Company implemented a reduction in force affecting approximately 15 employees to more effectively allocate its resources and to reduce operational costs. There was no restructuring activity during the three months ended June 30, 2026.

Restructuring expense related to the workforce reduction during the six months ended June 30, 2026 amounted to \$0.5 million, consisting of cash expenditures for severance and other employee separation-related costs.

As of June 30, 2026, net restructuring liabilities totaled approximately less than \$0.1 million and was included in accrued expenses and other current liabilities on the Company's unaudited condensed consolidated balance sheet.

Note 9. Net Loss per Share

The computation of basic net loss per share is based on the weighted-average number of shares of common stock outstanding during each period. The computation of diluted net loss per share is based on the weighted-average number

of shares outstanding during the period plus, when their effect is dilutive, incremental shares consisting of shares subject to stock options, restricted stock units, employee stock purchase plan purchase rights and warrants.

The following table summarizes the computation of basic and diluted net loss per share (in thousands, except share and per share data):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Numerator:				
Net loss	\$ (4,751)	\$ (3,120)	\$ (11,756)	\$ (4,604)
Denominator:				
Weighted-average shares outstanding, basic and diluted	13,106,795	12,712,191	12,941,651	12,680,456
Net loss per share, basic and diluted	\$ (0.37)	\$ (0.24)	\$ (0.91)	\$ (0.36)

The following potentially dilutive shares outstanding at the end of the periods presented were excluded in the calculation of diluted net loss per share as the effect would have been anti-dilutive:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Options to purchase common stock	1,654,591	1,772,338	1,654,591	1,772,338
Unvested restricted stock units	4,371,539	2,592,981	4,371,539	2,592,981
Estimated number of shares issuable under 2017 ESPP	50,537	20,152	50,537	20,152
Total	<u>6,076,667</u>	<u>4,385,471</u>	<u>6,076,667</u>	<u>4,385,471</u>

Note 10. Equity Incentive Plans

Stock options

A summary of option activities under the 2005 Stock Plan, as amended in January 2010 and November 2012 (the “2005 Plan”) and 2017 Equity Incentive Plan (the “2017 Plan”) during the six months ended June 30, 2026 is as follows:

	Number of Options Outstanding	Weighted-Average Exercise Price	Weighted-Average Grant Date Fair Value per Option	Aggregate Intrinsic Value Exercised (in thousands)	Weighted-Average Remaining Contractual term (in years)
Outstanding at December 31, 2025	1,689,142	\$ 26.41			
Granted	128,866	\$ 7.30	\$ 4.37		
Exercised	(2,500)	\$ 3.06		\$ 11	
Canceled	(160,917)	\$ 32.67			
Outstanding at June 30, 2026	<u>1,654,591</u>	\$ 24.35			
Option exercisable at June 30, 2026	<u>1,292,628</u>	\$ 27.07			
Option vested and expected to vest at June 30, 2026	<u>1,654,591</u>	\$ 24.35		\$ 568	8.32

Under an “evergreen” provision, the number of shares of common stock reserved for issuance under the 2017 Plan will automatically increase on January 1 of each year, beginning on January 1, 2018 and ending on and including January 1, 2027, by 5% of the total number of shares of the Company’s common stock outstanding on December 31 of the preceding calendar year or a lesser number of shares determined by the Board. In accordance with the evergreen provision,

the number of shares of common stock reserved for issuance under the 2017 Plan was increased on January 1, 2026 by 641,298 shares, which was equal to 5% of the total number of shares of common stock outstanding on December 31, 2025.

Restricted stock units

A summary of restricted stock unit (“RSU”) activities under the 2017 Plan during the six months ended June 30, 2026 is as follows:

	Number of RSUs	Weighted- Average Grant Date Fair Value per RSU	Aggregate Fair Value of RSUs Vested (in thousands)
Unvested RSUs at December 31, 2025	520,379	\$ 18.10	
Granted	922,431	\$ 6.71	
Vested	(239,924)	\$ 15.19	\$ 1,717
Forfeited	(36,108)	\$ 18.46	
Unvested RSUs at June 30, 2026	<u>1,166,778</u>	\$ 9.68	

Performance-based restricted stock units

The Company has granted performance-based restricted stock units (“PSUs”) under the 2017 Plan to certain employees of the Company that represent shares potentially issuable in the future. PSUs generally vest in one installment on the certification date following the satisfaction of obtaining revenue, Adjusted EBITDA or other performance criteria. Compensation expense related to PSUs is determined based on the fair value of the underlying common stock at the grant date and the most probable level of achievement of the performance conditions.

A summary of PSU activities under the 2017 Plan during the six months ended June 30, 2026 is as follows:

	Number of PSUs	Weighted- Average Grant Date Fair Value per PSU	Aggregate Fair Value of PSUs Vested (in thousands)
Unvested PSUs at December 31, 2025	1,757,277	\$ 16.47	
Granted	1,721,212	\$ 7.17	
Vested	(59,598)	\$ 13.77	\$ 397
Forfeited	(214,130)	\$ 15.84	
Unvested PSUs at June 30, 2026	<u>3,204,761</u>	\$ 11.57	

2017 Employee Stock Purchase Plan

Under the 2017 Employee Stock Purchase Plan (the “2017 ESPP”), eligible employees may purchase shares of our common stock through payroll deductions that cannot exceed 15% of the employee’s salary. The 2017 ESPP provides for a six-month offering period. At the end of the purchase period, eligible employees are permitted to purchase shares of common stock at the lower of 85% of the fair market value at the beginning or end of the offering period subject to tax limitations on the total value of the purchase.

The 2017 ESPP contains an “evergreen” provision that provides for an automatic annual share increase on January 1 of each year, in an amount equal to the lesser of (1) 2% of the total number of shares of common stock outstanding on December 31st of the preceding calendar year, (2) 150,000 shares or (3) such number of shares as determined by the Board. In accordance with the evergreen provision, the number of shares of common stock reserved for issuance under the 2017 ESPP was increased on January 1, 2026 by 150,000 shares. The number of shares available for grant under the 2017 ESPP was 747,445 as of June 30, 2026.

Total stock-based compensation expense associated with the 2005 Plan, 2017 Plan and 2017 ESPP is recorded in the condensed consolidated statements of operations and was allocated as follows (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Cost of revenues	\$ 426	\$ 620	\$ 1,282	\$ 1,268
Sales and marketing	398	574	783	1,165
Research and development	277	444	660	837
General and administrative	1,339	2,203	2,194	3,975
Total	\$ 2,440	\$ 3,841	\$ 4,919	\$ 7,245

Note 11. Financing Arrangements

The Company has a revolving loan facility (the “Revolving Facility”) under its Credit Agreement with Columbia Bank (previously known as Umpqua Bank), as amended (the “Credit Agreement”) with a revolving credit commitment of \$40.0 million and letter of credit sub-facility of \$7.5 million that matures on October 15, 2027.

Any amounts outstanding under the letter of credit sub-facility reduce the amount available for the Company to borrow under the Revolving Facility. The available loan facility as of June 30, 2026 and December 31, 2025 was approximately \$36.0 million, for both periods. As of June 30, 2026 and December 31, 2025, there was \$4.0 million outstanding on the Company’s line of credit. The interest expense recorded for the three and six months ended June 30, 2026 was immaterial based on a weighted-average interest rate of 5.64% and 5.66%, respectively. The interest expense recorded for the three and six months ended June 30, 2025 was immaterial based on a weighted-average interest rates of 6.28% and 6.29%, respectively. As of June 30, 2026 the Company was in compliance with all covenants and other requirements set forth in the Credit Agreement.

Note 12. Commitments and Contingencies

The Company may become subject to legal proceedings, as well as demands and claims that arise in the normal course of business. Such claims, even if not meritorious, could result in the expenditure of significant financial and management resources. The Company makes a provision for a liability relating to legal matters when it is both probable that a liability has been incurred and the amount of the loss can be reasonably estimated. These provisions are reviewed and adjusted to include the impacts of negotiations, estimated settlements, legal rulings, advice of legal counsel, and other information and events pertaining to a particular matter.

An unfavorable outcome on any litigation matters could require payment of substantial damages, or, in connection with any intellectual property infringement claims, could require the Company to pay ongoing royalty payments or could prevent the Company from selling certain of its products. As a result, a settlement of, or an unfavorable outcome on, any of the matters referenced above or other litigation matters could have a material adverse effect on the Company’s business, operating results, financial condition and cash flows. Management is not aware of any contingencies which it believes will have a material effect on its financial position, results of operations or liquidity.

Note 13. Segment Reporting

The Company operates as a single operating and reportable segment, which reflects how the Company's chief operating decision maker (“CODM”) reviews financial information and allocates resources. The Company's CODM is the Chief Executive Officer. The Company manages its operations on a consolidated basis for purposes of evaluating financial performance and allocating resources. Accordingly, the Company has determined that it operates in one operating segment and one reportable segment. The CODM evaluates performance based on consolidated net income and reviews consolidated financial information when making decisions regarding resource allocation. The CODM does not evaluate assets and does not review segment expenses beyond those presented in the consolidated statement of operations. Because the Company operates in a single reportable segment, the segment results are consistent with the consolidated financial statement.

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

You should read the following discussion and analysis of our financial condition and results of operations together with our unaudited condensed consolidated financial statements and accompanying notes included in this Quarterly Report on Form 10-Q and the financial statements and accompanying notes and other financial information in the Management's Discussion and Analysis of Financial Condition and Results of Operations included in the Company's Annual Report on Form 10-K for the year ended December 31, 2025, filed with the Securities and Exchange Commission ("SEC") on March 30, 2026.

Overview

We are a leading public safety technology company that combines data-driven solutions and strategic advisory services for law enforcement, security teams and civic leadership. In April 2023, we changed the company name, ShotSpotter, Inc., to SoundThinking, Inc., reflecting our broader impact on public safety through a growing set of industry-leading law enforcement tools and community-focused solutions. As part of the rebranding, we introduced the SafetySmart™ platform that includes seven data-driven tools consisting of: (i) our flagship product, ShotSpotter®, our leading outdoor gunshot detection, location and alerting system trusted by 171 cities and 21 universities and corporations as of June 30, 2026, (ii) CrimeTracer™, an agency-wide crime data and intelligence platform that enables investigators, analysts, patrol officers and command staff to search through more than one billion criminal justice records from across jurisdictions, leverage dashboards and AI-assisted tools to generate tactical leads, and quickly make intelligent connections to solve cases, (iii) CaseBuilder™, a one-stop investigative management system for tracking, reporting, and collaborating on cases, (iv) ResourceRouter™, which directs the deployment of patrol and community anti-violence resources in an objective way to help maximize the impact of limited resources and improve community safety, (v) PlateRanger™ powered by Rekor®, an ALPR and vehicle identification solution that leverages AI and machine learning to enhance investigative efficiency and provide real-time data sharing for law enforcement, (vi) Field Agent, an AI layer that transforms public safety data into actionable intelligence and (vii) SafePointe™, an AI-based weapons detection system designed to provide discreet, high-throughput screening that complements physical security measures without compromising visitor experience. These solutions may operate independently or together as an integrated system that connects detection, data analysis, resource deployment and case management workflows. We also offer other security use-case specific solutions, including ShotSpotter for Campus and ShotSpotter for Corporate, which are typically smaller-scale deployments of ShotSpotter gunshot detection vertically marketed to universities, corporate campuses and key infrastructure centers to mitigate risk and enhance security by notifying authorities of outdoor gunfire incidents, saving critical minutes for first responders to arrive. In the first quarter of 2025, we rolled out a perimeter-based sniper gunshot detection solution targeting utility substations, with initial pilots aimed at utility customers, conducted through SoundThinking Labs. SoundThinking Labs supports innovative use cases of the Company's technology to help protect wildlife and the environment.

Our gunshot detection solutions consist of highly-specialized, cloud-based software integrated with proprietary, internet-enabled sensors designed to detect outdoor gunfire. The speed and accuracy of our gunfire alerts enable law enforcement and security personnel to consistently and quickly respond to shooting events including those unreported through 911, which can increase the chances of apprehending the shooter, providing timely aid to victims, and identifying witnesses before they scatter, as well as aid in evidence collection and serve as an overall deterrent. When a potential gunfire incident is detected by our sensors, our system precisely locates where the incident occurred and applies machine classification combined with human review to analyze and validate the incident. An alert containing a location on a map and critical information about the incident is sent directly to subscribing law enforcement or security personnel through any internet-connected computer and to iPhone or Android mobile devices.

Our software sends gunfire data along with the audio of the triggering sound to our Incident Review Center ("IRC"), where our trained incident review specialists are on duty 24 hours a day, seven days a week, 365 days a year to screen and confirm actual gunfire incidents. Our trained incident review specialists can supplement alerts with additional tactical information, such as the potential presence of multiple shooters or the use of high-capacity weapons. Gunshot incidents reviewed by our IRC result in alerts typically sent within approximately 45 seconds of the receipt of the gunfire incident.

We offer our solutions on a software-as-a-service subscription model to our customers. We generate annual subscription revenues from the deployment of ShotSpotter on a per-square-mile basis. Our security solutions, ShotSpotter for Campus, and ShotSpotter for Corporate are typically sold on a subscription basis, each with a customized deployment plan. Our ResourceRouter solution, CaseBuilder, PlateRanger and CrimeTracer are also sold on a subscription basis generally customized based on the number of sworn officers in a particular city. We generate annual subscription revenues from the deployment of SafePointe on a per-lane basis, a lane being the detection area between two sensors. As of June 30, 2026, we had ShotSpotter, ShotSpotter for Campus, and ShotSpotter for Corporate coverage areas under contract covered over 1,072 square miles, of which over 1,047 square miles had gone live. Coverage areas under contract for ShotSpotter included 171 cities and coverage areas under contract for ShotSpotter for Campus and ShotSpotter for Corporate included 21 campuses/sites across the United States, South Africa, Uruguay, Brazil and the Bahamas, and included some of the largest cities in the United States. As of June 30, 2026, we had 365 SafePointe lanes under contract. Most of our revenues are attributable to customers based in the United States.

We continue to see growing interest in other solutions, including CrimeTracer. We expect CrimeTracer to also contribute to growth during 2026, although revenues from ShotSpotter are expected to continue representing a majority of our revenues for the foreseeable future. SoundThinking Labs projects are generally conducted in coordination with a sponsoring charitable organization and may or may not be revenue-producing. When they are revenue-producing, they will generally be sold on a cost-plus basis. As such, SoundThinking Labs projects will normally produce gross margins significantly lower than most of our other solutions. Additionally, we have pricing programs for Tier 4 and 5 law enforcement agencies (those with fewer than 100 sworn officers) that allow them to contract for our gunshot detection solutions to cover a footprint of less than three square miles, using standardized coverage parameters, at a discounted annual subscription rate.

Since our founding over 29 years ago, SoundThinking has been and continues to be a purpose-led company. We are a mission-driven organization that focuses on improving public safety outcomes. We accomplish this by earning the trust of law enforcement and providing solutions to help them better engage and strengthen the police-community relationships in fulfilling their sworn obligation to serve and protect all. Our inspiration comes from our principal founder, Dr. Bob Showen, who believes that the highest and best use of technology is to promote social good. We are committed to developing comprehensive, respectful, and engaged partnerships with law enforcement agencies, elected officials and communities focused on making a positive difference in the world.

We enter into subscription agreements that typically range from one to three years in duration. Substantially all of our sales are to governmental agencies and universities, which often undertake a prolonged contract evaluation process that affects the size or the timing of our sales contracts and may likewise increase our customer acquisition costs.

We rely on a limited number of suppliers and contract manufacturers to produce components of our solutions. We have no long-term contracts with these manufacturers and purchases from them are generally on a purchase order basis. Although we use a limited number of suppliers and contract manufacturers, we believe that we could find alternate suppliers or manufacturers if circumstances required us to do so, in part because a portion of the components required by our solutions are available off the shelf.

We generated revenues of \$23.9 million and \$25.9 million for the three months ended June 30, 2026 and 2025, respectively, representing a decrease of 8%. For the three months ended June 30, 2026 and 2025, revenues from ShotSpotter represented approximately 64% and 68% of total revenues, respectively. Our current largest customer, the City of New York, accounted for 27% of our total revenues for the three months ended June 30, 2026. The City of New York accounted for 25% of our total revenues for the three months ended June 30, 2025.

We generated revenues of \$48.1 million and \$54.2 million for the six months ended June 30, 2026 and 2025, respectively, representing a decrease of 11%. For the six months ended June 30, 2026 and 2025, revenues from ShotSpotter represented approximately 65% and 63% of total revenues, respectively. Our current largest customer, the City of New York, accounted for 27% of our total revenues for the six months ended June 30, 2026. The City of New York accounted for 31% of our total revenues for the six months ended June 30, 2025.

For the three months ended June 30, 2026 and 2025, revenues generated within the United States (including Puerto Rico and the U.S. Virgin Islands) accounted for \$23.0 million and \$25.2 million, respectively, or 96% and 97% of total revenues, respectively.

For the six months ended June 30, 2026 and 2025, revenues generated within the United States (including Puerto Rico and the U.S. Virgin Islands) accounted for \$46.4 million and \$52.7 million, respectively, or 97% and 97% of total revenues, respectively.

We had a net loss of \$4.8 million and \$3.1 million for the three months ended June 30, 2026 and 2025, respectively. We had a net loss of \$11.8 million and \$4.6 million for the six months ended June 30, 2026 and 2025, respectively. Our accumulated deficit was \$125.5 million and \$113.7 million at June 30, 2026 and December 31, 2025, respectively.

We are focused on growing our business and believe that our future growth is dependent on many factors, including our ability to increase our customer base, expand the coverage of our solutions among our existing customers, expand our international presence, increase sales of our security solutions and retain our customers. Our future growth will primarily depend on the market acceptance for outdoor gunshot detection solutions and expanding into new markets for our other security solutions. Challenges we face in this regard include our target customers not having access to adequate funding sources, the fact that contracting with government entities can be complex, expensive and time-consuming, the fact that our typical sales cycle is often very long and difficult to estimate accurately and the fact that negative publicity about our company can and has caused current and potential future customers to evaluate the sales of our solutions more than in the past. We expect international sales cycles to be even longer than our domestic sales cycles. To combat these challenges, we invest in research and development, increase awareness of our solutions, invest in new sales and marketing campaigns, often in different languages for international sales, and hire additional sales representatives to drive sales to continue to maintain our position as a market leader. In addition, we believe that entering into strategic partnerships with other service providers to cities and municipalities offers another potential avenue for expansion.

We also focus on expanding our business by introducing new products and services to existing customers, such as CrimeTracer, PlateRanger and SafePointe, an AI-driven weapon detection system, and acquiring intellectual property assets. For instance, we have an opportunity to grow in the healthcare vertical with California's AB 2975 mandate, which requires weapon detection systems in all general acute care and psychiatric hospitals in 2027. We believe this legislation has created a substantial, addressable market opportunity for us. In addition, we also continue to develop and enhance mobile and field-based capabilities. We have introduced a ShotSpotter-to-drone integration to help agencies respond in real time and is live in 16 cities, and SafetySmart Field Agent, which is an AI-powered user experience which enables public safety officers to obtain public safety data, e.g., gunfire data from ShotSpotter and license plate reads from PlateRanger through one unified experience. We believe that developing and acquiring products for law enforcement in adjacent categories is a path for additional growth. We believe our large and growing installed base of police departments who trust SoundThinking's products, support, and way of doing business provide revenue growth opportunities. The ability to cross-sell new products provides an opportunity to grow revenues per customer and lifetime value. We will also focus on expanding into new markets in conjunction with new regulations in California requiring weapons detection systems in hospitals and exploring other new markets such as casinos. Challenges we face in this area include ensuring our new products are reliable, integrated well with other SoundThinking solutions, and priced and serviced appropriately. In some cases, we will need to bring in new skill sets to properly develop, market, sell or service these new products depending on the categories they represent.

With respect to international sales, we believe that we have the potential to expand our coverage within existing areas, and to pursue opportunities in Latin America and other regions of the world. By adding additional sales resources in strategic locations, including our recent hire of a Vice President in Brazil, we believe we will be better positioned to reach these markets. However, we recognize that we have limited international operational experience and currently operate in a limited number of regions outside of the United States. Operating successfully in international markets will require significant resources and management attention and will subject us to additional regulatory, economic, and political risks. We may face additional challenges that may delay contract execution related to negotiating with governments in transition, the use of third-party integrations and consultants. Moreover, we anticipate that different political and regulatory considerations that vary across different jurisdictions could extend or make it more difficult to predict the length of what is already a lengthy sales cycle.

Net New "Go-Live" Cities and Universities

Net new "go-live" cities and universities represent the number of cities and universities covered by deployments of our gunshot detection solution, ShotSpotter, that were formally approved by customers during the period, both from initial and expanded customer deployments, net of cities and universities that ceased to be "live" during the period due to customer cancellations. New cities and universities include deployed coverage areas that may have been sold, or booked,

in a prior period. We focus on net new “go-live” cities and universities as a key business metric to measure our operational performance and market penetration. For the three and six months ended June 30, 2026, we went live in one new city but had some customer cancellations. Our net new “go-live” cities and universities were as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Net new “go-live” cities and universities	1	5	3	9

Components of Results of Operations

Revenues

We generate annual subscription revenues from the deployment of ShotSpotter on a per-square-mile basis and generate annual subscription revenues from the deployment of SafePointe on a per-lane basis, a lane being the detection area between two sensors. Our security solutions, ShotSpotter for Campus and ShotSpotter for Corporate are typically sold on a subscription basis, each with a customized deployment plan. Our CrimeTracer, ResourceRouter, CaseBuilder and PlateRanger solutions are also sold on a subscription basis.

We derive the majority of our revenues from subscription services. We recognize subscription fees ratably, on a straight-line basis, over the term of the subscription, which for new customers is typically initially one to three years in length. Customer contracts include one-time set-up fees for the set-up of our sensors in the customer’s coverage areas, training, and third-party integration licenses. If the set-up fees are deemed to be a material right, they are recognized ratably over three to five years depending on the contract term. Training and third-party integration license fees are recognized upon delivery.

For ShotSpotter sales to cities, we generally invoice customers for 50% of the total contract value when the contract is fully executed and for the remaining 50% when the subscription service is operational and ready to go live – that is, when the customer has acknowledged the completion of all the deliverables in the signed customer acceptance form. For SafePointe, we generally invoice 50% of the first year’s subscription price when the contract is fully executed and the remaining 50%, as described above. For ShotSpotter for Campus, ShotSpotter for Corporate and CrimeTracer, we generally invoice customers 100% of the total contract value when the subscription service is operational, which is often soon after contract execution. All fees billed in advance of services being delivered are recorded as deferred revenue. The timing of when new miles go live can be uncertain and, as a result, can have a significant impact on the levels of revenues and deferred revenue from quarter to quarter.

For ShotSpotter, our pricing model is based on a per-square-mile basis. For SafePointe, our pricing model is based on a per-lane basis. For ShotSpotter for Campus, ShotSpotter for Corporate and CaseBuilder our pricing model is on a customized-site basis. For ResourceRouter, CaseBuilder and CrimeTracer, pricing is currently customized, generally tied to the number of sworn police officers in a particular agency. For PlateRanger, pricing is based on the placement and number of installed cameras. We may also offer discounts or other incentives in conjunction with all ShotSpotter sales in an effort to introduce the product, accelerate sales or extend renewals for a longer contract term. As a result of our process for invoicing contracts and renewals upon execution, our cash flow from operations and accounts receivable can fluctuate due to timing of contract execution and timing of deployment.

We generally invoice subscription service renewals for 100% of the total contract value when the renewal contract is executed. Renewal fees are recognized ratably over the term of the renewal, which is typically one year. While most of our customers elect to renew their agreements, in some cases, they may not be able to obtain the proper approvals or funding to complete the renewal prior to expiration. For these customers, we stop recognizing subscription revenues at the end of the current contract term, even though we may continue to provide services for a period of time until the renewal process is completed. Once the renewal is complete, we then recognize subscription revenues for the period between the expiration of the original term of the agreement and the completion of the renewal process in the month in which the renewal is executed. If a customer declines to renew its subscription prior to the end of the contract term, remaining setup fees, if any, are immediately recognized.

We generate revenues from subscriptions of CrimeTracer, cloud-based data services for advanced search and analysis tools. We also provide access to this technology platform to an intermediary to either be resold or combined with

their own materials, software and/or services, to create an integrated solution that is provided to their end-user customers. We recognize this revenue net of margins paid to the intermediary.

We also generate revenues from CaseBuilder, a first-of-its-kind digital case management solution that automates the process by which key information is input, captured and used to identify associated gun crime cases leading to the identification of persons of interest. Subscriptions for CaseBuilder recognize revenue similar to our ShotSpotter and CrimeTracer products. Revenue is also generated through sales channel intermediaries that include enhanced services. The sales channel intermediary contract includes an enterprise CaseBuilder solution with supplemental professional services to integrate CaseBuilder with the customer's existing systems that will remain in place.

For SafePointe, we generate revenues from subscriptions of our AI-based weapons detection system based on the number of entryways, or lanes, being covered.

For PlateRanger, we generate revenues from subscriptions of our AI-based advanced license plate recognition system based on the placement and number of installed cameras.

It is likely that international deployments may have different payment and billing terms due to their local laws, restrictions or other customary terms and conditions.

SoundThinking Labs projects may or may not be revenue-producing. When they are revenue-producing, they are generally sold on a cost-plus basis.

We anticipate that, due to rising costs of inflation, our customers may experience increased expenditures resulting in budget shortfalls and changes in their business cycle, which may cause delays in their ability to approve proposals for contracts.

Costs

Costs include the cost of revenues and impairment of property and equipment. Cost of revenues for ShotSpotter primarily includes depreciation expense associated with capitalized customer acoustic sensor networks, communication expenses, costs related to hosting our service applications, costs related to operating our IRC, providing remote and on-site customer support and maintenance and forensic services, providing customer training and onboarding services, certain personnel and related costs of operations, stock-based compensation and allocated overheads that include information technology, facility and equipment depreciation costs. Cost of revenues for our SafePointe solution are similar except that depreciation of the capitalized customer equipment is smaller due to the lower costs of SafePointe customer equipment.

Impairment of property and equipment is primarily attributable to our write-off of the remaining book value of sensor networks related to customers lost.

In the near term, we expect our cost of revenues to increase in absolute dollars as our installed base increases, although certain of our costs of revenues are fixed and do not need to increase commensurate with increases in revenues. In addition, depreciation expense associated with deployed equipment is recognized over the first five years from the go live date. We also expect cost of revenues to increase in absolute dollars as we continue to invest in our customer success capabilities to drive growth and value for our customers.

For revenues generated through the sale of a proprietary software license and related maintenance and support services and professional software development services, cost of revenues generally includes employee compensation costs that are relatively fixed, third-party contractor costs, allocated facility costs and overhead, and the costs of billable expenses such as travel and lodging. The unpredictability of the timing of entering into significant professional services agreements may cause significant fluctuations in our costs which, in turn, may impact our quarterly financial results.

The cost of revenues for CrimeTracer, ResourceRouter, CaseBuilder and PlateRanger is generally related to employee compensation costs and data center hosting services, both of which are relatively fixed.

Operating Expenses

Operating expenses consist of sales and marketing, research and development, and general and administrative expenses. Consultants, salaries, bonuses, stock-based compensation expense and other personnel costs are the most significant components of each of these expense categories. We include stock-based compensation expense incurred in connection with the grant of stock options and restricted stock units to the applicable operating expense category based on the equity award recipient's functional area.

In the first quarter of 2026, we implemented a reduction in force affecting approximately 15 employees to more effectively allocate our resources and to reduce operational costs. Restructuring expense related to the workforce reduction during the six months ended June 30, 2026, amounted to \$0.5 million, consisting of cash expenditures for severance and other employee separation-related costs. We plan to keep our operating expenses relatively flat as compared to fiscal year 2025, which will be driven in part by planned cost reductions across our operating structure, offset by planned increases in research and development, largely to support efforts to execute our growth strategy

Sales and Marketing

Sales and marketing expenses primarily consist of personnel-related costs attributable to our sales and marketing personnel, commissions earned by our sales personnel, marketing expenses for trade shows and lead generation programs, consulting fees and travel and facility-related costs.

We expect sales and marketing expense will increase in the near-term in absolute dollars as we continue to grow our organization and may fluctuate from quarter to quarter based on the timing of commission expense, marketing campaigns and tradeshow.

Research and Development

Research and development expenses primarily consist of personnel-related costs attributable to our research and development personnel, consulting fees and allocated facilities and general operational overhead. We have devoted our product development efforts primarily to develop new lower-cost sensor hardware, develop new features, improve functionality of our solutions, and adapt to new technologies or changes to existing technologies.

We are investing in engineering and data science resources to further develop and improve our products across the SafetySmart platform. The focus of this effort will be in the areas of data science modeling, user experience, core application functionality and backend infrastructure improvements, including integration of ShotSpotter gunshot data to enhance forecasting of gun violence.

We are also investing in research and development resources in conjunction with our SoundThinking Labs projects and initiatives. The initial focus of these efforts is to develop innovative sensor applications as well as to test and expand the functionality of our outdoor sensors in challenging environmental conditions. As mentioned above, we are piloting a perimeter-based sniper gunshot detection solution targeting utility substations, with initial pilots aimed at utility customers.

In the near term, we expect our research and development expenses to increase in absolute dollars and as a percentage of revenues as we increase our research and development headcount to further strengthen our software and invest in the development of our services.

We will continue to invest in research and development to leverage our large and growing database of acoustic events, which includes those from both gunfire and non-gunfire. We also intend to leverage third-party artificial intelligence and our own evolving cognitive and analytical applications to improve the efficiency of our solutions. Certain of these applications and outputs may expand the platform of services that we will be able to offer our customers.

General and Administrative

General and administrative expenses primarily consist of personnel-related costs attributable to our executive, finance, and administrative personnel, legal, litigation, strategic communications, accounting and other professional services fees, and other corporate expenses and allocated overhead.

In the near term, we expect our general and administrative expenses to be relatively flat as compared to fiscal year 2025.

Other Income (Expense), Net

Other income (expense), net, consists primarily of interest income, interest expense and local and franchise tax expenses.

Income Taxes

Our income taxes are based on the amount of our income before tax and enacted federal, state and foreign tax rates, adjusted for allowable credits and deductions, as applicable. Historically, our income tax expense has been at the state level.

We continually monitor all positive and negative evidence regarding the realization of our deferred tax assets and may record assets when it becomes more likely than not, that they will be realized, which may impact the expense or benefit from income taxes.

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 not be realized. We regularly assess the likelihood that the deferred tax assets will be recovered from future taxable income. We consider projected future taxable income and ongoing tax planning strategies, then record a valuation allowance to reduce the carrying value of the net deferred taxes to an amount that is more likely than not able to be realized. Based upon our assessment of all available evidence, including the previous three years of income before tax after permanent items, estimates of future profitability, and our overall prospects of future business, we have determined that it is more likely than not that we will not be able to realize a portion of the deferred tax assets in the future. We will continue to assess the potential realization of deferred tax assets on an annual basis, or an interim basis if circumstances warrant. If our actual results and updated projections vary significantly from the projections used as a basis for this determination, we may need to change the valuation allowance against the gross deferred tax assets.

Results of Operations

Comparison of Three Months Ended June 30, 2026 and 2025

The following table sets forth selected condensed consolidated statements of operations data for the three months ended June 30, 2026 and 2025 (in thousands):

	2026	As a % of Revenues	2025	As a % of Revenues	Change	%
Revenues	\$ 23,889	100%	\$ 25,889	100%	\$ (2,000)	(8)%
Costs						
Cost of revenues	12,249	52%	12,058	47%	191	2%
Impairment of property and equipment	105	—	36	—	69	192%
Total costs	12,354	52%	12,094	47%	260	2%
Gross profit	11,535	48%	13,795	53%	(2,260)	(16)%
Operating expenses:						
Sales and marketing	5,907	25%	6,525	25%	(618)	(9)%
Research and development	3,991	17%	3,746	15%	245	7%
General and administrative	6,291	26%	6,467	25%	(176)	(3)%
Total operating expenses	16,189	68%	16,738	65%	(549)	(3)%
Operating loss	(4,654)	(20)%	(2,943)	(12)%	(1,711)	58%
Other expense, net	(64)	—	(91)	—	27	(30)%
Provision for income taxes	33	—	86	—	(53)	(62)%
Net loss	<u>\$ (4,751)</u>	<u>(20)%</u>	<u>\$ (3,120)</u>	<u>(12)%</u>	<u>\$ (1,631)</u>	<u>52%</u>

Revenues

The decrease in revenues of \$2.0 million was primarily attributable to a reduction in revenue of approximately \$2.2 million resulting from the non-renewal or delays of renewals of our contracts with multiple customers, as well as \$0.9 million of other reductions primarily related to a reduction of catch-up revenue from various customers, which decrease was partially offset by \$1.1 million in new bookings and expansions with existing customers.

Costs

The increase in total costs of \$0.3 million was due primarily to an increase of \$0.2 million due to an increase in information technology and facility costs and an increase of \$0.1 million in cost of revenue due to the increase in impairment of property and equipment.

Sales and Marketing Expense

Sales and marketing expense decreased by \$0.6 million, primarily due to decreased expense in commission expense related to brokerage services for the contract with the New York City Police Department.

Research and Development Expense

Research and development expense increased by \$0.2 million, primarily due to an increase in headcount expense reflecting continued investment in product innovation, AI-driven capabilities, and platform enhancements.

General and Administrative Expense

General and administrative expense decreased by \$0.2 million, primarily due to ongoing cost optimization initiatives.

Other Expense, Net

Other expense, net did not change materially compared to the same period in 2025.

Income Taxes

Our income taxes are based on the amount of our taxable income and enacted federal, state and foreign tax rates, adjusted for allowable credits, deductions and the valuation allowance against deferred tax assets, as applicable. A \$33,000 and \$0.1 million in provision for income taxes was recorded in the three months ended June 30, 2026 and 2025, respectively.

Comparison of Six Months Ended June 30, 2026 and 2025

The following table sets forth selected condensed consolidated statements of operations data for the six months ended June 30, 2026 and 2025 (in thousands):

	2026	As a % of Revenues	2025	As a % of Revenues	\$	Change	%
Revenues	\$ 48,067	100%	\$ 54,238	100%	\$ (6,171)		(11)%
Costs							
Cost of revenues	24,732	51%	23,776	44%	956		4%
Impairment of property and equipment	540	1%	73	—	467		640%
Total costs	25,272	52%	23,849	44%	1,423		6%
Gross profit	22,795	48%	30,389	56%	(7,594)		(25)%
Operating expenses:							
Sales and marketing	12,407	26%	13,784	26%	(1,377)		(10)%
Research and development	8,396	18%	7,811	14%	585		7%
General and administrative	12,967	27%	12,941	24%	26		—
Restructuring expense	535	1%	—	—	535		100%
Total operating expenses	34,305	72%	34,536	64%	(231)		(1)%
Operating loss	(11,510)	(24%)	(4,147)	(8%)	(7,363)		178%
Other expense, net	(184)	—	(271)	—	87		(32)%
Provision for income taxes	62	—	186	—	(124)		(67)%
Net loss	\$ (11,756)	(24%)	\$ (4,604)	(8%)	\$ (7,152)		155%

Revenues

The decrease in revenues of \$6.2 million was primarily attributable to approximately \$4.3 million of catch-up revenue comprising approximately \$3.5 million of catch-up revenue during the first quarter of 2025 based on two

three-year contract renewals with the New York City Police Department and \$0.8 million of catch-up revenue from various customers during the second quarter of 2025 compared to \$0.1 million and \$0.2 million of catch-up revenue in the first and second quarters of 2026, respectively, a reduction in revenue of approximately \$2.7 million resulting from the non-renewal or delays of renewals of our contracts with multiple customers and \$1.2 million of other reductions of services, which decrease was partially offset by \$1.6 million in new bookings and expansions with existing customers.

Costs

The increase in total costs of \$1.4 million was due primarily to an increase of \$1.4 million in cost of revenue due to the increase in costs related to servicing a larger customer base and an increase of \$0.5 million in impairment of property and equipment, which increase was offset by \$0.5 million in reduced product maintenance costs.

Sales and Marketing Expense

Sales and marketing expense decreased by \$1.4 million, primarily due to decreased expense in commission expense related to brokerage services for the contract with the New York City Police Department.

Research and Development Expense

Research and development expense increased by \$0.6 million, primarily due to an increase in headcount expense reflecting continued investment in product innovation, AI-driven capabilities, and platform enhancements.

General and Administrative Expense

General and administrative expense did not change materially compared to the same period in 2025, primarily due to an increase in legal fees, offset by a decrease in stock-based compensation expense.

Restructuring Expense

The increase of \$0.5 million in restructuring expense was due to a restructuring charge comprised of workforce reduction severance and other employee separation-related costs and restructuring costs incurred in the first quarter of 2026.

Other Expense, Net

Other expense, net increased by \$0.1 million compared to 2025.

Income Taxes

Our income taxes are based on the amount of our taxable income and enacted federal, state and foreign tax rates, adjusted for allowable credits, deductions and the valuation allowance against deferred tax assets, as applicable. A \$0.1 million and \$0.2 million in provision for income taxes was recorded in the six months ended June 30, 2026 and 2025, respectively.

Liquidity and Capital Resources

Sources of Funds

Our operations have been financed primarily through net proceeds from debt financing arrangements and cash from operating activities. Our principal source of liquidity is cash and cash equivalents totaling \$6.4 million and accounts receivable of \$24.5 million as of June 30, 2026. On June 30, 2026, we had approximately \$36.0 million of available borrowing capacity under our revolving credit facility, with \$4.0 million outstanding on our line of credit.

We believe our existing cash and cash equivalent balances, our available credit facility and cash flow from operations will be sufficient to meet our working capital and capital expenditure requirements for at least the next 12 months. We believe that despite our negative working capital, the costs to perform the short-term deferred revenue is relatively low compared to the balance of our deferred revenue of \$36 million. However, should additional working capital be needed, we can utilize our unused credit facility. We believe that we will meet longer term expected future working capital and capital expenditure requirements through a combination of cash flows from operating activities, available cash balances and our available credit facility. Our future capital requirements may vary materially from those currently planned and will depend on many factors, including our rate of revenue growth, the timing and extent of spending on sales

and marketing, the expansion of sales and marketing activities, the timing of new product introductions, market acceptance of our products and overall economic conditions. We may also seek additional capital to fund our operations, including through the sale of equity or debt financings. To the extent that we raise additional capital through the future sale of equity, the ownership interest of our stockholders will be diluted, and the terms of these securities may include liquidation or other preferences that adversely affect the rights of our existing common stockholders. The incurrence of debt financing would result in debt service obligations and the instruments governing such debt could provide for operating and financing covenants that would restrict our operations. Additionally, there is no guarantee that debt or equity financing will be available to us on terms that are favorable to us, or at all.

Use of Funds

Our historical uses of cash have primarily consisted of cash used for operating activities, such as expansion of our sales and marketing operations, research and development activities and other working capital needs, and cash used in investing activities, such as property and equipment expenditures to install infrastructure in customer cities in order to deliver our solutions and acquisitions. Our expected material cash requirements are similar to our historical uses of cash as well as in connection with contingent earnouts, our stock repurchase program and repayment of any outstanding debt obligations under our credit facility, each as described below.

Stock Repurchase Program

In November 2022, our board of directors approved a stock repurchase program (the “2022 Repurchase Program”) for up to \$25.0 million of our common stock. The shares may be repurchased from time to time in open market transactions, in privately negotiated transactions or by other methods in accordance with federal securities laws. The actual timing, number and value of shares repurchased under the program will be determined by management in its discretion and will depend on a number of factors, including the market price of our common stock, general market and economic conditions and applicable legal requirements. The stock repurchase program does not obligate us to purchase any particular amount of common stock and may be suspended or discontinued at any time.

There were no share repurchases during the three and six months ended June 30, 2026. As of June 30, 2026, \$10.5 million remains available under the 2022 Repurchase Program.

Credit Facility

We have a revolving credit facility under our Credit Agreement with Columbia Bank (“Columbia Bank Credit Agreement”) with a revolving credit commitment of \$40.0 million and letter of credit sub-facility of \$7.5 million that matures on October 15, 2027. Any amounts outstanding under the letter of credit sub-facility reduce the amount available for the Company to borrow under the revolving facility. The revolving loan facility is for general working capital purposes. Our available credit facility as of June 30, 2026 was \$36.0 million. On June 30, 2026, there was \$4.0 million outstanding on our line of credit. The Columbia Bank Credit Agreement subjects us to certain restrictive and financial covenants. We are in compliance with all the covenants under the Columbia Bank Credit Agreement as of June 30, 2026.

Cash Flows

Comparison of Six Months Ended June 30, 2026 and 2025

The following table presents a summary of our cash flows (in thousands):

	Six Months Ended June 30,	
	2026	2025
Net cash provided by (used in):		
Operating activities	\$ (7,260)	\$ (1,424)
Investing activities	(2,371)	(2,290)
Financing activities	237	(547)
Net change in cash and cash equivalents	<u>\$ (9,394)</u>	<u>\$ (4,261)</u>

Operating Activities

Our net loss and cash flows used in operating activities are significantly influenced by our increase in headcount to support our growth, increase in legal expenses, outside services fees, sales and marketing expenses and our ability to bill and collect in a timely manner.

Net cash used in operating activities increased by \$5.9 million during the six months ended June 30, 2026 resulting in net cash used in operating activities of \$7.3 million compared to net cash used in operating activities of \$1.4 million during the same period of 2025. This was primarily due to an increase in net loss of \$7.2 million, a \$7.1 million increase in deferred revenue, a decrease in non-cash activities of \$2.2 million and a decrease of \$0.2 million in prepaid and other assets, offset by an increase of \$9.5 million in accounts receivable and a \$1.3 million increase in accrued expenses and other liabilities, compared to the prior comparative period.

Investing Activities

Our investing activities consist of business acquisition expenditures, capital expenditures to install our solutions in customer coverage areas and purchases of property and equipment.

Investing activities used \$2.4 million in the six months ended June 30, 2026. This was primarily driven by investments in property and equipment installed for our solutions in customer coverage areas. Investing activities used \$2.3 million in the six months ended June 30, 2025, for investments in property and equipment installed for our solutions in customer coverage areas.

Financing Activities

Financing activities includes net proceeds from our employee stock purchase plan and exercise of stock options, offset by payments for repurchases of our common stock.

Financing activities provided cash of \$0.2 million in the six months ended June 30, 2026 from our employee stock purchase plan. Financing activities used \$0.6 million in the six months ended June 30, 2025 which reflects payment of \$1.0 million for repurchases of our common stock, offset by proceeds of \$0.4 million from our employee stock purchase plan.

Critical Accounting Estimates

Our condensed consolidated financial statements are prepared in accordance with generally accepted accounting principles in the United States of America. The preparation of our condensed consolidated financial statements requires us to make estimates, assumptions and judgments that affect the reported amounts of revenues, assets, liabilities, costs and expenses. We base our estimates and assumptions on historical experience and other factors that we believe to be reasonable under the circumstances and evaluate our estimates and assumptions on an ongoing basis. Our actual results may differ from these estimates.

Our critical accounting estimates are described under the heading “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Critical Accounting Estimates” in our Annual Report on Form 10-K for the year ended December 31, 2025 (our “2025 Annual Report on Form 10-K”) and the notes to the audited consolidated financial statements appearing in our 2025 Annual Report on Form 10-K, filed with the SEC on March 30, 2026. As of June 30, 2026, there have been no material changes to our critical accounting policies and estimates from those disclosed in our 2025 Annual Report on Form 10-K.

Recently Issued Accounting Pronouncements

See Note 2, *Summary of Significant Accounting Policies*, in the notes to our unaudited condensed, consolidated financial statements included in this Quarterly Report on Form 10-Q.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

Market risk represents the risk of loss that may impact our financial position due to adverse changes in financial market prices and rates. Our market risk exposure is primarily the result of fluctuations in interest rates and foreign exchange rates and inflation.

There were no material changes in our market risk during the six months ended June 30, 2026, compared to the market risk disclosed in the Qualitative and Quantitative Disclosures About Market Risk section of our 2025 Annual Report on Form 10-K.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

Our management has evaluated, under the supervision and with the participation of our Chief Executive Officer and Chief Financial Officer, the effectiveness of our disclosure controls and procedures (as defined in Rules 13-a-15(e) and 15d-15(e) under the Exchange Act) as of the end of the period covered by this report. Based on this evaluation, our Chief Executive Officer and Chief Financial Officer have concluded that as of June 30, 2026, our disclosure controls and procedures were not effective to provide reasonable assurance that the information we are required to file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, to allow timely decisions regarding required disclosure as a result of the material weaknesses in our internal control over financial reporting discussed below.

Changes in Internal Control over Financial Reporting

Other than discussed below, there were no changes in our internal control over financial reporting (as defined in Exchange Act Rule 13a-15(f)) during the quarter ended June 30, 2026 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Inherent Limitations on Effectiveness of Controls

Our management, including our principal executive officer and principal financial officer, does not expect that our disclosure controls and procedures or our internal control over financial reporting will prevent or detect all errors and all fraud. A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within the company have been detected. The design of any system of controls also is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Over time, controls may become inadequate because of changes in conditions, or the degree of compliance with the policies or procedures may deteriorate. Because of the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and not be detected.

Material Weaknesses in Internal Control over Financial Reporting

A material weakness is a control deficiency, or combination of deficiencies, in internal control over financial reporting such that there is a reasonable possibility that a material misstatement of our annual or interim financial statements will not be prevented or detected on a timely basis. As described above, management previously identified the following deficiencies that individually, or in the aggregate, constituted a material weakness in our internal control over financial reporting that continued to exist as of June 30, 2026.

Management previously identified a material weakness related to revenue recognition for certain of our customer contracts. Specifically, we did not design and maintain adequate controls to ensure (i) accurate identification of performance obligations and related timing of revenue recognition and (ii) accurate and complete disclosures required in financial statement footnotes related to revenue.

Management previously identified a material weakness due to control deficiencies related to the overall information technology general controls ("ITGCs") for user access, integration monitoring, and program change management for systems supporting our internal control processes and controls, controls over the completeness and accuracy of information used in business process controls and management review controls. Our business process controls (automated and manual), and management review controls were also deemed ineffective because they are adversely impacted by these

ineffective ITGCs.

These material weaknesses did not have an adverse effect on our reported operating results or financial condition and management has determined that the consolidated financial statements and other information included in this report and other periodic filings present fairly in all material respects our financial condition, results of operations and cash flows at and for the periods presented in accordance with U.S. GAAP.

Remediation Plan

We continue to implement measures to remediate the identified material weaknesses. During the quarter, we enhanced our ITGC policies, documentation and control procedures, including strengthening user access reviews, change management and related control documentation. We also enhanced controls over the identification of performance obligations, the timing of revenue recognition and related financial statement disclosures. In addition, we implemented new system reports and validation procedures to support the accuracy and completeness of revenue-related reporting and continued to engage external advisors to assist with the design, implementation and documentation of these controls. We will continue to evaluate the operating effectiveness of these controls over a sufficient period of time before concluding that the material weaknesses have been remediated.

PART II – OTHER INFORMATION

Item 1. Legal Proceedings

The information contained under the heading “Commitments and Contingencies” in Note 12 to our unaudited condensed consolidated financial statements included in this Quarterly Report on Form 10-Q is incorporated by reference into this Item.

Item 1A. Risk Factors

There are no material changes to the risk factors set forth in Part I, Item 1A, Risk Factors in our Annual Report on Form 10-K for the year ended December 31, 2025.

Item 2. Unregistered Sales of Equity Securities, Use of Proceeds and Issuer Purchases of Equity Securities

(a) Unregistered Sales of Equity Securities

None.

(b) Use of Proceeds

None.

(c) Issuer Purchases of Equity Securities

None.

Item 5. Other Information

During the six months ended June 30, 2026, none of our directors or officers (as defined in Rule 16a-1(f) under the Exchange Act) adopted or terminated any “Rule 10b5-1 trading arrangement” or “non-Rule 10b5-1 trading arrangement,” as those terms are defined in Item 408 of Regulation S-K.

Item 6. Exhibits

Exhibit Index

Exhibit Number	Exhibit Description	Form	Incorporated by Reference		Filing Date	Filed Herewith
			File No.	Exhibit		
3.1	Amended and Restated Certificate of Incorporation	8-K	001-38107	3.1	April 11, 2023	
3.2	Certificate of Change of Registered Agent	10-Q	001-38107	3.2	August 10, 2023	
3.3	Amended and Restated Bylaws	10-K	001-38107	3.3	March 30, 2026	
31.1	Certification of Principal Executive Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.					X
31.2	Certification of Principal Financial Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.					X
32.1*	Certification of Principal Executive Officer and Principal Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.					X
101.INS	Inline XBRL Instance Document (the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document).					X
101.SCH	Inline XBRL Taxonomy Extension Schema with Embedded Linkbase Documents					X
104	Cover Page formatted as Inline XBRL and contained in Exhibit 101					X

* Furnished herewith and not deemed to be “filed” for purposes of Section 18 of the Exchange Act, and shall not be deemed to be incorporated by reference into any filing under the Securities Act, or the Exchange Act (whether made before or after the date of the Form 10-Q), irrespective of any general incorporation language contained in such filing.

SIGNATURES

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

SOUNDTHINKING, INC.

Date: August 14, 2026

By: /s/ Ralph A. Clark
Ralph A. Clark
President and Chief Executive Officer

Date: August 14, 2026

By: /s/ Alan R. Stewart
Alan R. Stewart
Chief Financial Officer

CERTIFICATION OF PERIODIC REPORT UNDER SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Ralph A. Clark, certify that:

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

August 14, 2026

/s/ Ralph A. Clark

Ralph A. Clark

President and Chief Executive Officer
(Principal Executive Officer)

CERTIFICATION OF PERIODIC REPORT UNDER SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Alan R. Stewart, certify that:

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

August 14, 2026

/s/ Alan R. Stewart

Alan R. Stewart

Chief Financial Officer

(Principal Financial and Accounting Officer)

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

Pursuant to the requirement set forth in Rule 13a-14(b) of the Securities Exchange Act of 1934, as amended, (the “Exchange Act”) and Section 1350 of Chapter 63 of Title 18 of the United States Code (18 U.S.C. §1350), Ralph A. Clark, President and Chief Executive Officer of SoundThinking, Inc. (the “Company”), and Alan R. Stewart, Chief Financial Officer of the Company, each hereby certifies that, to the best of his knowledge:

- (1)The Company’s Quarterly Report on Form 10-Q for the period ended June 30, 2026 to which this Certification is attached as Exhibit 32.1 (the “Periodic Report”), fully complies with the requirements of Section 13(a) or Section 15(d) of the Exchange Act; and
- (2)The information contained in the Periodic Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: August 14, 2026

/s/ Ralph A. Clark

Ralph A. Clark
President and Chief Executive Officer
(Principal Executive Officer)

/s/ Alan R. Stewart

Alan R. Stewart
Chief Financial Officer
(Principal Financial and Accounting Officer)

This certification accompanies the Form 10-Q to which it relates, is not deemed filed with the Securities and Exchange Commission and is not to be incorporated by reference into any filing of SoundThinking, Inc. under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended (whether made before or after the date of the Form 10-Q), irrespective of any general incorporation language contained in such filing.
