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

FORM 10-Q

(Mark One)

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

For the quarterly period ended April 30, 2023

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: 001-38828

SEACHANGE INTERNATIONAL, INC.

(Exact name of registrant as specified in its charter)

Delaware	**04-3197974**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**
177 Huntington Ave, Ste 1703 PMB 73480, Boston, MA	**02115**
(Address of principal executive offices)	**(Zip Code)**

(978) 897-0100

(Registrant's telephone number, including area code)

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, $0.01 par value per share	SEAC	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, a smaller reporting company or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☐	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 ☒

The number of shares outstanding of the registrant's Common Stock on June 9, 2023 was 2,584,293 (This number represents post-reverse stock split shares.)

SEACHANGE INTERNATIONAL, INC.

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PART I – FINANCIAL INFORMATION

ITEM 1. Financial Statements

SEACHANGE INTERNATIONAL, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(In thousands, except share data)

	April 30, 2023 (Unaudited)	January 31, 2023 (Audited)
Assets		
Current assets:		
Cash and cash equivalents	$ 13,790	$ 13,415
Marketable securities, available for sale, fair value	1,409	1,244
Accounts receivable, net of allowances for credit losses	7,362	10,382
Unbilled receivables, net of allowances for credit losses	8,354	7,757
Prepaid expenses and other current assets	2,834	2,314
Total current assets	33,749	35,112
Property and equipment, net	670	713
Operating lease right-of-use assets	1,215	1,360
Unbilled receivables, net of allowances for credit losses	4,659	5,044
Other assets	415	430
Total assets	$ 40,708	$ 42,659
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	$ 1,852	$ 1,541
Accrued expenses	2,352	3,813
Deferred revenue	5,087	5,172
Total current liabilities	9,291	10,526
Deferred revenue	92	130
Operating lease liabilities	489	691
Taxes payable	98	98
Other liabilities	3	3
Total liabilities	9,973	11,448
Commitments and contingencies (Note 5)		
Stockholders' equity:		
Common stock, $0.01 par value per share; 100,000,000 shares authorized; 2,533,482 shares issued and 2,524,886 shares outstanding at April 30, 2023; 2,519,319 shares issued and 2,510,723 shares outstanding at January 31, 2023	25	25
Additional paid-in capital	267,481	267,120
Treasury stock, at cost; 8,596 shares at April 30, 2023 and January 31, 2023	(227)	(227)
Accumulated other comprehensive loss	(1,795)	(1,890)
Accumulated deficit	(234,749)	(233,817)
Total stockholders' equity	30,735	31,211
Total liabilities and stockholders' equity	$ 40,708	$ 42,659

Share information reflects the effect of a 1-for-20 reverse stock split. See Note 1.

See accompanying notes to the unaudited condensed consolidated financial statements.

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

	For the Three Months Ended April 30, 2023	2022
Revenue:		
Product	$ 1,540	$ 2,826
Service	5,452	3,897
Total revenue	6,992	6,723
Cost of revenue:		
Product	971	1,645
Service	1,868	1,858
Total cost of revenue	2,839	3,503
Gross profit	4,153	3,220
Operating expenses:		
Research and development	1,797	1,707
Selling and marketing	907	982
General and administrative	2,113	2,286
Severance and restructuring costs	44	165
Transaction costs	98	816
Total operating expenses	4,959	5,956
Loss from operations	(806)	(2,736)
Other income (expense), net	141	(259)
Loss before income taxes	(665)	(2,995)
Income tax provision	(49)	(1)
Net loss	$ (714)	$ (2,996)
Net loss per share, basic and diluted	$ (0.28)	$ (1.21)
Weighted average common shares outstanding, basic and diluted	2,521	2,469
Comprehensive loss:		
Net loss	$ (714)	$ (2,996)
Other comprehensive income (loss), net of tax:		
Foreign currency translation adjustments	105	(576)
Unrealized losses on marketable securities	(10)	—
Total other comprehensive income (loss)	95	(576)
Comprehensive loss	$ (619)	$ (3,572)

Share and per share information reflects the effect of a 1-for-20 reverse stock split. See Note 1.

See accompanying notes to the unaudited condensed consolidated financial statements.

SEACHANGE INTERNATIONAL, INC.
CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY (Unaudited)
(In thousands, except number of shares)

	Common Stock		Additional	Treasury	Accumulated Other	Accumulated	Total
	Number of Shares	Par Value	Paid-in Capital	Stock	Comprehensive Loss	Deficit	Stockholders' Equity
Balances at January 31, 2023	2,519,319	$ 25	$ 267,120	$ (227)	$ (1,890)	$ (233,817)	$ 31,211
Cumulative adjustment pursuant to adoption of ASC 326	—	—	—	—	—	(218)	(218)
Issuance of common stock pursuant to vesting of stock units	14,163	—	—	—	—	—	—
Stock-based compensation expense	—	—	361	—	—	—	361
Unrealized losses on marketable securities	—	—	—	—	(10)	—	(10)
Foreign currency translation adjustments	—	—	—	—	105	—	105
Net loss	—	—	—	—	—	(714)	(714)
Balances at April 30, 2023	2,533,482	$ 25	$ 267,481	$ (227)	$ (1,795)	$ (234,749)	$ 30,735

	Common Stock		Additional	Treasury	Accumulated Other	Accumulated	Total
	Number of Shares	Par Value	Paid-in Capital	Stock	Comprehensive Loss	Deficit	Stockholders' Equity
Balances at January 31, 2022	2,467,380	$ 25	$ 266,112	$ (227)	$ (973)	$ (222,413)	$ 42,524
Issuance of common stock pursuant to vesting of stock units	3,556	—	—	—	—	—	—
Stock-based compensation expense	—	—	284	—	—	—	284
Foreign currency translation adjustments	—	—	—	—	(576)	—	(576)
Net loss	—	—	—	—	—	(2,996)	(2,996)
Balances at April 30, 2022	2,470,936	$ 25	$ 266,396	$ (227)	$ (1,549)	$ (225,409)	$ 39,236

Share information reflects the effect of a 1-for-20 reverse stock split. See Note 1.

See accompanying notes to the unaudited condensed consolidated financial statements.

SEACHANGE INTERNATIONAL, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (Unaudited)
(In thousands)

	For the Three Months Ended April 30, 2023	2022
Cash flows from operating activities:		
Net loss	$ (714)	$ (2,996)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation expense	64	67
Discount accretion and premium amortization on marketable securities	(8)	—
Provision for credit losses	34	88
Stock-based compensation expense	361	284
Realized and unrealized foreign currency transaction loss	84	357
Changes in operating assets and liabilities:		
Accounts receivable	3,156	1,351
Unbilled receivables, net	(564)	104
Prepaid expenses and other current assets and other assets	(455)	(359)
Accounts payable	284	(652)
Accrued expenses and other liabilities	(1,572)	79
Deferred revenue	(91)	934
Net cash provided by (used in) operating activities	579	(743)
Cash flows from investing activities:		
Purchases of property and equipment	—	(15)
Proceeds from sales of marketable securities	500	—
Purchases of marketable securities	(667)	—
Net cash used in investing activities	(167)	(15)
Effect of exchange rate on cash, cash equivalents and restricted cash	(26)	(328)
Net increase (decrease) in cash, cash equivalents and restricted cash	386	(1,086)
Cash, cash equivalents and restricted cash at beginning of period	13,726	17,856
Cash, cash equivalents and restricted cash at end of period	$ 14,112	$ 16,770
Non-cash activities:		
Cumulative adjustment to retained earnings pursuant to adoption of ASC 326	$ (218)	$ —

See accompanying notes to the unaudited condensed consolidated financial statements.

1.Nature of Business and Basis of Presentation

SeaChange International, Inc. (“SeaChange,” or the “Company”) was incorporated under the laws of the state of Delaware on July 9, 1993. SeaChange is a leading provider of video delivery, advertising, streaming platforms, and emerging Free Ad-Supported Streaming TV services (“FAST”) development. Our software products and services facilitate the aggregation, licensing, management and distribution of video and advertising content for service providers, telecommunications companies, satellite operators, broadcasters and other content providers. SeaChange technology enables operators, broadcasters, and content owners to cost-effectively launch and grow premium linear TV and direct-to-consumer streaming services to manage, curate, and monetize their content. SeaChange helps protect existing and develop new and incremental advertising revenues for traditional linear TV and streaming services with its unique advertising technology. Further, the Company’s products provide customers an opportunity to insert advertising into broadcast and video on demand (“VOD”) content.

Basis of Presentation and Principles of Consolidation

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (“U.S.”) (“GAAP”). The Company consolidates the financial statements of its wholly owned subsidiaries and all intercompany transactions and account balances have been eliminated in consolidation. Certain prior period amounts have been reclassified to conform to the current year presentation.

The accompanying unaudited condensed consolidated financial statements included herein have been prepared by the Company in accordance with the instructions to Quarterly Report on Form 10-Q and pursuant to the rules and regulations of the Securities and Exchange Commission (the “SEC”). Certain information and footnote disclosures normally included in annual consolidated financial statements prepared in accordance with GAAP have been condensed or omitted pursuant to applicable rules and regulations, although the Company believes the disclosures made are adequate to make the information not misleading. In the opinion of the Company’s management, the condensed consolidated financial statements reflect all adjustments, which are normal and recurring in nature, necessary for a fair presentation. The year-end condensed consolidated balance sheet data as of January 31, 2023 was derived from our audited consolidated financial statements and may not include all disclosures required by GAAP. The results of operations for the three months ended April 30, 2023 are not necessarily indicative of the results to be expected for the entire year. These unaudited condensed consolidated financial statements should be read in conjunction with the audited consolidated financial statements and the notes thereto included in our Annual Report on Form 10-K for the fiscal year ended January 31, 2023, filed with the SEC on April 17, 2023.

Liquidity

As of April 30, 2023, the Company had $13.8 million of available cash and cash equivalents and $1.4 million of marketable securities, excluding $0.3 million of restricted cash.

The Company believes that existing cash and cash equivalents, marketable securities and cash expected to be provided by future operating results will be adequate to satisfy its working capital, capital expenditure requirements and other contractual obligations for at least 12 months from the date of this filing.

If the Company’s expectations are incorrect, it may need to raise additional funds to fund its operations or take advantage of unanticipated strategic opportunities in order to strengthen its financial position. In the future, the Company may enter into other arrangements for potential investments in, or acquisitions of, complementary businesses, services or technologies, which could require us to seek additional equity or debt financing. If adequate funds are not available or are not available on acceptable terms, the Company may not be able to take advantage of market opportunities, to develop new products or to otherwise respond to competitive pressures.

Notice of Delisting or Failure to Satisfy a Continued Listing Rule or Standard and Reverse Stock Split

On June 17, 2022, the Company received notification from the Listing Qualifications Department of The Nasdaq Stock Market (“Nasdaq”) stating that the Company did not comply with the minimum $1.00 bid price requirement for continued listing set forth in Nasdaq (the “Bid Price Requirement”). In accordance with Nasdaq listing rules, the Company was afforded 180 calendar days (until December 14, 2022) to regain compliance with the Bid Price Requirement. On December 15, 2022, the Company received written notice from Nasdaq stating that, although the Company had not regained compliance with the Bid Price Requirement by December 14, 2022, in accordance with Nasdaq listing rules, the Company is eligible for an additional 180 calendar day period, or until June 12, 2023 (the “Extended Compliance Date”), to regain compliance with the Bid Price Requirement. Nasdaq’s determination was based on, among other things, (1) the Company’s written notice of its intention to transfer to The Nasdaq Capital Market (the “Capital Market”) (as issuers on The Nasdaq Global Select Market (the “Global Select Market”) are not eligible for an additional 180-day compliance period) and to cure the deficiency by the Extended Compliance Date by effecting a reverse stock split, if necessary, and (2) the Company meeting the continued listing requirement for market value of publicly held shares and all other initial listing requirements for the Capital Market, with the exception of the Bid Price Requirement. On December 15, 2022, Nasdaq approved the Company's transfer from the Global Select Market to the Capital Market, a continuous trading market that operates in substantially the same manner as the Global Select Market.

In an effort to regain compliance with the Bid Price Requirement, on April 6, 2023, the Company's board of directors (the "Board") approved a discretionary reverse stock split of the Company's common stock in the range of 1-for-15 shares and 1-for-25 shares (the "Reverse Stock Split"), subject to stockholder approval at the Company's annual meeting of stockholders held on May 19, 2023 (the "Annual Meeting"). At the Annual Meeting, the stockholders approved the Reverse Stock Split at a ratio in the range of 1-for-15 to 1-for-25, with such ratio to be determined at the discretion of the Board. On May 19, 2023, the Board approved a reverse stock split of 1-for-20 to also be effective as of May 19, 2023. As a result of the Reverse Stock Split, every 20 shares of the Company's issued and outstanding common stock was automatically combined into one issued and outstanding share of common stock, without any change in the par value per share. No fractional shares were issued as a result of the Reverse Stock Split. Instead, any fractional shares of Common Stock that would have otherwise resulted from the Reverse Stock Split were rounded up to the nearest whole share. The Certificate of Amendment did not amend the number of authorized shares of common stock, which remained unchanged at 100,000,000 shares. The common stock began trading on a post-split basis on Nasdaq as of the open of trading on May 23, 2023.

Proportionate adjustments were made to the exercise price and number of shares issuable upon the exercise of the options outstanding under the Company's equity incentive plans, and the number of shares subject to restricted stock units ("RSUs"), deferred stock units ("DSUs") and performance stock units ("PSUs") under the Company's equity incentive plans.

All references to common stock, equity-based common stock awards and all share and per share data contained in this Quarterly Report on Form 10-Q (this "Form 10-Q") have been adjusted to reflect the Reverse Stock Split unless explicitly stated otherwise.

From the May 23, 2023 date that the Company's common stock began trading on a post-split basis on Nasdaq, the Company has maintained a minimum bid price of $1.00 per common share in excess of 10 consecutive business days as required under the Bid Price Requirement, and, on June 7, 2023, Nasdaq notified the Company that it had regained compliance with the Bid Price Requirement.

Merger Agreement and Subsequent Termination

In December 2021, the Company and Triller Hold Co LLC, a Delaware limited liability company ("Triller"), entered into an Agreement and Plan of Merger (the "Merger Agreement") pursuant to which Triller planned to merge with and into SeaChange, with the separate existence of Triller ceasing, and SeaChange continuing as the surviving corporation.

On June 13, 2022, SeaChange and Triller entered into a Termination Agreement and Release (the "Termination Agreement") pursuant to which SeaChange and Triller mutually agreed to terminate the Merger Agreement. Each party bore its own costs and expenses in connection with the terminated transaction, and neither party paid a termination fee to the other in connection with the terminated transactions. The Termination Agreement also contains mutual releases, whereby each party released the other from any claims of liability relating to the transactions contemplated by the Merger Agreement.

2.Significant Accounting Policies

Use of Estimates

The preparation of these unaudited condensed consolidated financial statements in conformity with GAAP requires management to make estimates and judgments that affect the reported amounts of assets, liabilities, revenue and expenses, and disclosure of contingent assets and liabilities. Significant estimates and assumptions reflected in these unaudited condensed consolidated financial statements include, but are not limited to, those related to revenue recognition, allowance for credit losses, management's going concern assessment, accounting for income taxes, and the valuation of stock-based awards. The Company bases its estimates on historical experience, known trends and other market-specific or relevant factors that are believed to be reasonable under the circumstances. On an ongoing basis, management evaluates its estimates as there are changes in circumstances, facts and experience. Changes in estimates are recorded in the period in which they become known. Actual results may differ materially from those estimates or assumptions.

Cash, Cash Equivalents and Restricted Cash

Cash and cash equivalents include cash on hand and on deposit and highly liquid investments in treasury bills with remaining maturities at the date of purchase of 90 days or less. All cash equivalents are carried at cost, which approximates fair value. Restricted cash represents cash that is restricted as to withdrawal or usage and consists primarily of cash held as collateral in relation to obligations set forth by the landlord of our facility in Poland.

The following table provides a summary of (i) cash and cash equivalents and (ii) restricted cash in the condensed consolidated statements of cash flows as of the periods presented:

	As of April 30,			
	2023		2022	
	(Amounts in thousands)			
Cash and cash equivalents	$	13,790	$	16,465
Restricted cash		322		305
Total cash, cash equivalents and restricted cash	$	14,112	$	16,770

	As of January 31,			
	2023		2022	
	(Amounts in thousands)			
Cash and cash equivalents	$	13,415	$	17,528
Restricted cash		311		328
Total cash, cash equivalents and restricted cash	$	13,726	$	17,856

Restricted cash is included as a component of other assets in the condensed consolidated balance sheets.

Marketable Securities

The Company’s investments, consisting of debt securities, are classified as available-for-sale and are carried at fair value, with the unrealized gains and losses, net of tax, reported as a component of accumulated other comprehensive loss in stockholders’ equity. Realized gains and losses and declines in value determined to be other than temporary are based on the specific identification method and are included as a component of other income (expense), net in the condensed consolidated statements of operations and comprehensive loss.

The Company assesses its available-for-sale debt securities under the available-for-sale debt security impairment model in ASC 326 as of each reporting date in order to determine if a portion of any decline in fair value below carrying value recognized on its available-for-sale debt securities is the result of a credit loss. The Company records credit losses in the condensed consolidated statements of operations and comprehensive loss as credit loss expense within other expense, net, which is limited to the difference between the fair value and the amortized cost of the marketable security. To date, the Company has not recorded any credit losses on its available-for-sale debt securities.

Fair Value Measurements

Certain assets and liabilities are carried at fair value under GAAP. Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. Valuation techniques used to measure fair value must maximize the use of observable inputs and minimize the use of unobservable inputs. Financial assets and liabilities carried at fair value are to be classified and disclosed in one of the following three levels of the fair value hierarchy, of which the first two are considered observable and the last is considered unobservable:

•Level 1—Quoted prices in active markets for identical assets or liabilities.

•Level 2—Observable inputs (other than Level 1 quoted prices), such as quoted prices in active markets for similar assets or liabilities, quoted prices in markets that are not active for identical or similar assets or liabilities, or other inputs that are observable or can be corroborated by observable market data.

•Level 3—Unobservable inputs that are supported by little or no market activity and that are significant to determining the fair value of the assets or liabilities, including pricing models, discounted cash flow methodologies and similar techniques.

The Company’s cash equivalents and marketable securities are carried at fair value determined according to the fair value hierarchy described above. The carrying values of accounts and other receivables, unbilled receivables, net, accounts payable, and accrued expenses approximate their fair values due to the short-term nature of these assets and liabilities.

Accounts Receivable, Unbilled Receivables, and Allowance for Credit Losses

Trade accounts receivable are recorded at invoiced amounts, net of allowance for credit losses, if applicable, and are unsecured and do not bear interest. Unbilled receivables are derived from the allocation of contract consideration for products and services, such as software licenses, which is recognized when such products and services are transferred to the customer. Payment for unbilled receivables is received over the contract term, which typically ranges between one and five years. Unbilled receivables are presented net of allowances for credit losses.

The allowance for credit losses is based on the probability of future collection under the current expect credited loss (“CECL”) impairment model under ASU 2016-13, Financial Instruments - Credit Losses (Topic 326), Measurement of Credit Losses on Financial Assets, which was adopted by the Company on February 1, 2023, as discussed below within Recently Adopted Accounting Pronouncements. Under the CECL impairment model, the Company determines its allowance by applying a loss-rate method based on an aging schedule using the Company’s historical loss rate. The Company also considers reasonable and supportable current information in determining its estimated loss rates, such as external forecasts, macroeconomic trends or other factors including customers’ credit risk and historical loss experience. The adequacy of the allowance is evaluated on a regular basis. Account balances are written off after all means of collection are exhausted and the balance is deemed uncollectible. Subsequent recoveries are credited to the allowance. Changes in the allowance are recorded as adjustments to the provision for credit losses in the period incurred.

Prior to February 1, 2023, trade and unbilled receivables were presented net of allowance for credit losses based on the credit risk of specific clients, past collection history, and management’s evaluation of other risks. Subsequent to February 1, 2023, under the CECL impairment model, expected credit losses stemming from unbilled receivables expected to be billed between one to five years from each balance sheet are estimated based on factors such as projected inflation, projected decreases in GDP, and projected unemployment, which include additional risk premiums based on the lengths of contracts.

Concentration of Credit Risk and of Significant Customers

Financial instruments which potentially expose the Company to concentrations of credit risk include cash, cash equivalents, restricted cash, marketable securities and accounts receivable. The Company has cash investment policies which, among other things, limit investments to investment-grade securities. The Company restricts its cash equivalents and marketable securities to repurchase agreements with major banks and U.S. government and corporate securities which are subject to credit and market risk, and are currently protected by limits offered through the Securities Investor Protection Corporation. The Company performs ongoing credit evaluations of the Company’s customers.

On March 10, 2023, one of the financial institutions that the Company has accounts, Silicon Valley Bank (“SVB”), was closed by the California Department of Financial Protection and Innovation, which appointed the Federal Deposit Insurance Corporation (the "FDIC") as receiver. To protect depositors, the FDIC transferred all deposits and substantially all of the assets of SVB to a receivership bank to be operated by FDIC as it markets the institution to potential bidders. In addition, the FDIC ultimately guaranteed all of our deposits formerly held with SVB. At the time of the SVB closure, the Company had funds deposited with SVB in various domestic and foreign accounts totaling approximately $5.0 million. On March 13, 2023, the receivership bank opened, and the Company had access to its accounts and has since transferred $5.0 million to other financial institutions.

The Company sells its software products and services worldwide primarily to service providers consisting of operators, telecommunications companies, satellite operators and broadcasters. A single customer accounted for 14% and 26% of total revenue for the three months ended April 30, 2023 and 2022, respectively, and a single customer accounted for 22% and 21% of the combined accounts receivable, net and unbilled receivables, net balance as of April 30, 2023 and January 31, 2023, respectively.

Revenue Recognition

Overview

The Company recognizes revenue following the guidance under Accounting Standards Codification (“ASC”) 606, Revenue from Contracts with Customers. The Company’s revenue is derived from sales of software licenses and associated third-party hardware and support services, as well as professional services and support fees related to the Company’s software licenses.

The Company recognizes revenue from contracts with customers using a five-step model, which is described below:

•identify the customer contract;

•identify performance obligations in the contract;

•determine the transaction price;

•allocate the transaction price to the performance obligations; and

•recognize revenue as the performance obligations are satisfied.

Identify the customer contract

A customer contract is generally identified when there is approval and commitment from both the Company and its customer, the rights have been identified, payment terms are identified, the contract has commercial substance and collectability and consideration is probable.

Identify performance obligations in the contract

The Company enters into contracts that include combinations of license, support and professional services, and third-party products, which are accounted for as separate performance obligations. A performance obligation is a promise to provide a distinct good or service or a series of distinct goods or services. A good or service that is promised to a customer is distinct if the customer can benefit from the good or service either on its own or together with other resources that are readily available to the customer, and a company's promise to transfer the good or service to the customer is separately identifiable from other promises in the contract.

Determine the transaction price

The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring goods or services to a customer, excluding sales and value-added taxes ("VAT") that are collected on behalf of government agencies. Some contracts provide the customer a license to use the Company's functional intellectual property in exchange for royalty payments. These arrangements may include fixed, minimum guaranteed amounts of consideration as well as a variable amount that is contingent on the revenues earned by the customer related to the license.

Allocate the transaction price to the contract performance obligations

The Company's contracts typically contain multiple performance obligations. The transaction price is allocated to each performance obligation based on the relative standalone selling prices ("SSP") of the goods or services being provided to the customer for which it accounts for individual performance obligations separately.

Recognize revenue as the performance obligations are satisfied

The Company's contracts may contain multiple performance obligations with differing revenue recognition patterns. Revenue is recognized when or as control of the promised goods or services is transferred to customers. The Company's software licenses may be perpetual, whereby the customer receives rights to use the software for an indefinite time period, or the license may be for a specified term. Transfer of the license and revenue recognition, including minimum guaranteed license royalties, occurs at the point in time the customer has the ability to download, use or access the software. Variable license royalties contingent on customer sales of products are recognized when the subsequent sales occur and the contingency is resolved. The Company's customers may also contract for a Software as a Service ("SaaS") offering whereby the customer only has a right to access the Company's software for a defined term. SaaS licenses are recognized ratably over the subscription period beginning on the date the license is made available to customers.

The Company's services revenue is comprised of support services and professional services. Support services consist of software upgrades on a when-and-if available basis, telephone support, bug fixes or patches and general hardware maintenance support. Revenue related to support services is recognized ratably over the term of the contract. Professional services are recognized as the services are performed.

Revenues attributable to third-party products typically consist of hardware and related support contracts. Hardware products are typically recognized when control is transferred to the customer, which is defined as the point in time when the client can use and benefit from the hardware. In situations where the hardware is distinct and it is delivered before services are provided and is functional without services, control is transferred upon delivery or acceptance by the customer. Revenue attributable to third-party support contracts is recognized ratably over the term of the contract.

Significant Judgments

The Company's contracts with customers often include promises to transfer multiple products and services to a customer. Determining whether products and services are considered distinct performance obligations that should be accounted for separately versus together may require significant judgment. Once the Company determines the performance obligations, it determines the transaction price, which includes estimating the amount of variable consideration to be included in the transaction price, if any. The Company then allocates the transaction price to each performance obligation in the contract based on the SSP. The corresponding revenue is recognized as the related performance obligations are satisfied.

Judgment is required to determine the SSP for each distinct performance obligation. The Company determines SSP based on the observable price of goods and services when the Company sells those goods and services separately in similar circumstances to similar customers. The Company estimates the SSP of certain goods and services when there is no directly observable separate pricing under the guidance of ASC 606-10-32-33. If the SSP is not observable through past transactions, the SSP is estimated, taking into account available information such as market conditions, expected margins, and internally approved pricing guidelines related to the performance obligations.

The Company enters into contracts with its customers that may include promises to transfer multiple performance obligations in the arrangement, such as software licenses, support, and professional services. The total fee of the contract may consist of one fixed price for all of the performance obligations or each performance obligation may be separately stated in the contract. Regardless of how the performance obligations are priced in the contract, the Company must determine the transaction price to be allocated to each identified performance obligation. The Company recognizes the portion of the transaction price allocated to the software license on a residual basis. The residual basis is used to allocate revenue when the contract arrangement includes a software license and has at least one performance obligation for which the SSP is observable (i.e., hardware and/or support services). The residual method is used as the selling price for software licenses in circumstances when the transaction price is highly variable and the SSP is not discernable from past transactions or other observable evidence. The Company periodically re-evaluates its use of the residual approach estimate compared to all available observable data before concluding the estimate is representative of SSP. In these contracts, the Company typically has observable SSP for the associated support services, and hardware, if applicable.

The Company also provides SaaS offerings, combining access to the Company's software platform with support services (inclusive of technical support and unspecified upgrades and bug fixes). The SaaS offering and support services are stand-ready obligations with the same pattern of transfer of control. SaaS offerings do not include the right for the customer to take possession of the software during the contract term. Typically, SaaS offerings include one distinct performance obligation, satisfied over time, with revenue recognized ratably over the contract term as the customer consumes the services. Services revenue is comprised of software license implementation, engineering, training and reimbursable expenses. Services are sold on both a standalone basis and as part of the Company's customer contracts. The Company has concluded these services are typically distinct performance obligations. For implementation, engineering and training services, revenue is recognized on an input method as hours are incurred and services are provided compared to total estimated hours. The Company estimates the SSP for fixed price services based on estimated hours adjusted for historical experience using the time and materials rates charged in standalone service arrangements. When sold on a time and materials basis, SSP for services is determined by observable prices in standalone service arrangements. Certain engineering services sold with support contracts are not distinct in the context of the contract and those services are bundled with other distinct services to form a single stand-ready performance obligation which is recognized ratably over the relevant service period.

The Company has utilized the cost-plus margin method to determine the SSP for software support services offerings and hardware sales when observable standalone pricing for support service offerings are not readily available. When support services are sold on an "a-la-carte" basis with the Company's software offerings, the Company typically determines the SSP of these support services based on this pricing relationship and observable data from standalone sales of support contracts. The expected cost-plus margin for hardware is based on the cost of the hardware from third parties, plus a reasonable markup that the Company believes is reflective of a market-based reseller margin.

Some contracts have payment terms that differ from the timing of revenue recognition, which requires the Company to assess whether the transaction price for those contracts includes a significant financing component. The Company has elected the practical expedient that permits an entity to not adjust for the effects of a significant financing component if the Company expects that at the contract inception, the period between when the entity transfers a promised good or service to a customer and when the customer pays for that good or service, will be one year or less. For those contracts in which the period exceeds the one-year threshold, this assessment, as well as the quantitative estimate of the financing component and its relative significance, requires judgment. The Company estimates the significant financing component provided to its customers with extended payment terms by determining the present value of the future payments by applying an average standard industry discount rate that reflects the customer's creditworthiness.

Payment terms with customers typically require payment 30 days from invoice date. Agreements with customers do not provide for any refunds for services or products and therefore no specific reserve for such is maintained. In the infrequent instances where customers raise a concern over delivered products or services, the Company has endeavored to remedy the concern and all costs related to such matters have been insignificant in all periods presented.

The Company occasionally enters into amendments to previously executed contracts that may constitute contract modifications. The amendments are assessed to determine if (1) the additional products and services are distinct from the product and services in the original arrangement; and (2) the amount of consideration expected for the added products and services reflects the SSP of those products and services. An amendment or contract modification meeting both criteria is accounted for as a separate contract. A contract modification not meeting both criteria is considered a change to the original contract and is accounted for on either a prospective basis as a termination of the existing contract and the creation of a new contract or a cumulative catch-up basis.

Contract Balances

When either party to a contract has performed, an entity shall present the contract in the statement of financial position as a contract asset or a contract liability, depending on the relationship between the entity's performance and the customer's payment. An entity shall present any unconditional rights to consideration separately as a receivable. Contract liabilities, which consist primarily of deferred revenue as of April 30, 2023 and January 31, 2023, are classified as current liabilities if expected to be invoiced or recognized within the next year. There were no contract assets as of April 30, 2023 and January 31, 2023.

Costs to Obtain and Fulfill a Contract

The Company recognizes an asset for the incremental costs of obtaining a contract with a customer if the Company expects the benefit of those costs to be longer than one year. The Company has determined that commissions and special incentive payments ("Spiffs") for hardware and software maintenance and support and professional services paid under the Company's sales incentive programs meet the requirements to be capitalized under ASC 340-40. Costs to obtain a contract are amortized as selling and marketing expense over the expected period of benefit in a manner that is consistent with the transfer of the related goods or services to which the asset relates. Significant judgments made in determining the amount of costs capitalized include whether the commissions are in fact incremental and would not have occurred absent the customer contract and the estimate of the amortization period. The commissions and Spiffs related to professional services are amortized over time as work is completed. The commissions and Spiffs for hardware and software maintenance are amortized over the life of the contract. These costs are periodically reviewed for impairment. The Company determined that no impairment of these assets existed as of January 31, 2023 or 2022. The Company has elected to apply the practical expedient and recognize the incremental costs of obtaining contracts as an expense when incurred if the amortization period of the assets that the Company otherwise would have recognized is one year or less. Total deferred capitalized commission costs were $144 thousand and $162 thousand as of April 30, 2023 and January 31, 2023, respectively. Current deferred capitalized commission costs are included in prepaid expense and other current assets in the Company's condensed consolidated balance sheets and non-current deferred capitalized commission costs are included in other assets in the Company's condensed consolidated balance sheets. Capitalized commissions expensed during the three months ended April 30, 2023 and 2022 were $18 thousand and $37 thousand, respectively, and are included in the condensed consolidated statement of operations and comprehensive loss.

Net Loss Per Share

Basic net loss per share is computed by dividing net loss available to common stockholders by the weighted average number of unrestricted common shares outstanding during the period.

Diluted net loss per share is computed by dividing net loss by the sum of the weighted average number of unrestricted common shares outstanding during the period and the weighted average number of potential common shares from the assumed exercise of stock options and the vesting of shares of RSUs , DSUs , and PSUs using the "treasury stock" method when the effect is not anti-dilutive. For periods in which the Company reports a net loss, diluted net loss per share is the same as basic net loss per share.

The number of common shares used in the computation of diluted net loss per share for the periods presented does not include the effect of the following potentially outstanding common shares because the effect would have been antidilutive:

	For the Three Months Ended April 30,	
	2023	2022
	(Amounts in thousands)	
Stock options	33	61
RSUs and DSUs	98	61
PSUs	42	15
	173	137

Recently Adopted Accounting Pronouncement

In June 2016, the Financial Accounting Standards Board issued Accounting Standards Update ("ASU") No. 2016-13, *Financial Instruments—Credit Losses (Topic 326)*, which introduces a new methodology for accounting for credit losses on financial instruments, including available-for-sale debt securities and accounts receivable. The guidance establishes a new "expected loss model" that requires entities to estimate current expected credit losses on financial instruments by using all practical and relevant information. Any expected credit losses are to be reflected as allowances rather than reductions in the amortized cost of available-for-sale debt securities.

The amendments are effective on February 1, 2023 for the Company, and must be applied using a modified retrospective approach with a cumulative-effect adjustment through retained earnings as of the beginning of the fiscal year upon adoption as required. While the standard modifies the measurement of the allowance for credit losses, it does not alter the credit risk of our trade or unbilled receivables. The Company adopted ASU No. 2016-13 using an estimated expected credit losses using the historical loss rate method for its trade accounts receivable and unbilled receivables as of January 31, 2023, with additional risk premiums for unbilled receivables expected to be billed after January 31, 2024 (one year after the adoption date). The adoption of the standard resulted in a cumulative beginning of year retained earnings adjustment of $0.2 million.

Under the CECL impairment model, the Company develops and documents its allowance for credit losses on its trade and unbilled receivables based on four portfolio segments by customer geographic location: North America, Latin America, Europe, and Other. The determination of portfolio segments is based primarily on the qualitative consideration of the credit risks driven by macroeconomic and geopolitical factors affecting customers in these geographic locations.

Our quantitative allowance for credit loss estimates under CECL was determined using the loss rate method, which is impacted by certain forecasted economic factors. In addition to our quantitative allowance for credit losses, we also incorporate qualitative adjustments that may relate to unique risks, changes in current economic conditions that may not be reflected in quantitatively derived results, or other relevant factors to further inform our estimate of the allowance for credit losses.

Additionally, due to the expansion of the time horizon over which we are required to estimate future credit losses, we may experience increased volatility in our future provisions for credit losses. Factors that could contribute to such volatility include, but are not limited to, changes in the composition and credit quality of customer base, economic conditions and forecasts, the allowance for credit loss models that are used, the data that is included in the models, the associated qualitative allowance framework, and our estimation techniques.

3.Condensed Consolidated Balance Sheet Detail

Accrued Expenses

Accrued expenses consisted of the following:

	As of	
	April 30, 2023	January 31, 2023
	(Amounts in thousands)	
Accrued employee compensation and benefits	$ 686	$ 1,603
Accrued professional fees	43	77
Sales tax and VAT payable	92	82
Current obligation - right of use operating leases	726	713
Accrued other	805	1,338
Total accrued expenses	$ 2,352	$ 3,813

4.Fair Value Measurements

The Company accounts for certain financial assets at fair value on a recurring basis. The following table presents information about the Company’s financial assets that are measured at fair value as of April 30, 2023 and January 31, 2023, and indicate the level within the fair value hierarchy where each measurement is classified.

	As of April 30, 2023			
	Total	Level 1	Level 2	Level 3
	(Amounts in thousands)			
Assets:				
Cash equivalents	$ 2,399	$ 2,399	$ —	$ —
Marketable securities:				
Corporate bonds	1,409	1,409	—	—
	$ 3,808	$ 3,808	$ —	$ —

	As of January 31, 2023			
	Total	Level 1	Level 2	Level 3
	(Amounts in thousands)			
Assets:				
Cash equivalents	$ 2,389	$ 2,389	$ —	$ —
Marketable securities:				
Corporate bonds	1,244	1,244	—	—
	$ 3,633	$ 3,633	$ —	$ —

Cash equivalents at April 30, 2023 and January 31, 2023 consisted of $2.4 million, in each period presented, of U.S. Treasury Securities with a maturity date of three months or less, respectively. During the periods presented above, no assets were transferred between the fair value hierarchy categories. The Company had no liabilities measured at fair value on a recurring basis at April 30, 2023 or January 31, 2023.

The following table summarizes the Company's investments in marketable securities, classified as available-for-sale as of April 30, 2023 and January 31, 2023:

	As of April 30, 2023		
	Amortized Cost	Gross Unrealized Loss	Fair Value
	(Amounts in thousands)		
Corporate bonds	1,444	(35)	1,409
	$ 1,444	$ (35)	$ 1,409

	As of January 31, 2023		
	Amortized Cost	Gross Unrealized Loss	Fair Value
	(Amounts in thousands)		
Corporate bonds	1,269	(25)	1,244
	$ 1,269	$ (25)	$ 1,244

The amortized cost and fair values of the above referenced debt and fixed-maturity securities as of April 30, 2023 are shown by contractual maturity in the table below. Actual maturities can differ from contractual maturities because borrowers may have the right to call or prepay obligations with or without call or prepayment penalties.

	Amortized Cost	Fair Value
	(Amounts in thousands)	
Due within one year through three years	$ 3,360	$ 3,358
Due after three years through five years	483	450
Due after five years	—	—
	$ 3,843	$ 3,808

5.Commitments and Contingencies

Litigation

Certain conditions may exist as of the date the condensed consolidated financial statements are issued which may result in a loss to the Company, but which will only be resolved when one or more future events occur or fail to occur. The Company assesses such contingent liabilities, and such assessment inherently involves an exercise of judgment. In assessing loss contingencies related to pending legal proceedings, or unasserted claims that may result in such proceedings, the Company evaluates the perceived merits of any legal proceedings or unasserted claims, as well as the perceived merits of the amount of relief sought or expected to be sought therein.

If the assessment of a contingency indicates that it is probable that a material loss has been incurred and the amount of the liability can be estimated, then the estimated liability would be accrued in the Company's condensed consolidated financial statements. If the Company's assessment indicates that a potentially material loss contingency is not probable, but is reasonably possible, or is probable but cannot be estimated, then the nature of the contingent liability and an estimate of the range of possible losses, if determinable and material, would be disclosed. Loss contingencies considered remote are generally not disclosed, unless they involve guarantees, in which case the guarantees would be disclosed. As of April 30, 2023 there are no current pending legal proceedings, in the opinion of management, that would have a material adverse effect on the Company's financial position, results from operations or cash flow.

The Company is currently under audit from a third-party software partner regarding licenses embedded on hardware supplied by the Company during the implementation of its software solutions. The preliminary third-party software partner's audit results have shown that a number of licenses have lapsed from support. However, the Company has evaluated this matter and has determined that the ultimate outcome is not currently estimable or determinable and is actively pursuing a solution that is acceptable for both parties.

Indemnification and Warranties

The Company provides indemnification, to the extent permitted by law, to its officers, directors, employees and agents for liabilities arising from certain events or occurrences while the officer, director, employee or agent is, or was, serving at the Company's request in such capacity. With respect to acquisitions, the Company provides indemnification to, or assumes indemnification obligations for, the current and former directors, officers and employees of the acquired companies in accordance with the acquired companies' governing documents. As a matter of practice, the Company has maintained directors' and officers' liability insurance including coverage for directors and officers of acquired companies.

The Company enters into agreements in the ordinary course of business with customers, resellers, distributors, integrators and suppliers. Most of these agreements require the Company to defend and/or indemnify the other party against intellectual property infringement claims brought by a third party with respect to its products. From time to time, the Company also indemnifies customers and business partners for damages, losses and liabilities they may suffer or incur relating to personal injury, personal property damage, product liability, and environmental claims relating to the use of its products and services or resulting from the acts or omissions of the Company, employees, authorized agents or subcontractors. From time to time, the Company has received requests from customers for indemnification of patent litigation claims. There are no current pending legal proceedings that in the opinion of management would have a material adverse effect on the Company's financial position, results from operations and cash flows. However, there is no assurance that future legal proceedings arising from ordinary course of business or otherwise, will not have a material adverse effect on the Company's financial position, results from operations or cash flows.

The Company warrants its products, including software products, will substantially perform in accordance with standard published specifications in effect at the time of delivery. In addition, the Company provides maintenance support to its customers and therefore allocates a portion of the product purchase price to the initial warranty period and recognizes revenue on a straight-line basis over that warranty period related to both the warranty obligation and the maintenance support agreement. When the Company receives revenue for extended warranties beyond the standard duration, it is deferred and recognized on a straight-line basis over the contract period. Related costs are expensed as incurred.

6.Operating Leases

The Company has operating leases for facilities expiring at various dates through 2025.

The components of lease expense included in the condensed consolidated statements of operations and comprehensive loss are as follows:

	For the Three Months Ended April 30,	
	2023	2022
	(Amounts in thousands)	
Operating lease cost	$ 110	$ 143
Short-term lease cost, net	3	4
Total lease cost	$ 113	$ 147

Supplemental balance sheet information related to the Company's operating leases was as follows:

	As of April 30, 2023	As of January 31, 2023
	(Amounts in thousands)	
Operating lease right-of-use assets	$ 1,215	$ 1,360
Current portion, operating lease liabilities	726	713
Operating lease liabilities, long term	489	691
Total operating lease liabilities	$ 1,215	$ 1,404
Weighted average remaining lease term (years)	1.8	2.0
Weighted average incremental borrowing rate	5.0 %	5.0 %

Supplemental cash flow information related to the Company's leases was as follows:

	For the Three Months Ended April 30, 2023	2022
	(Amounts in thousands)	
Cash paid for amounts included in the measurement of lease liabilities		
Operating cash flows from operating leases	$ 110	$ 143

The current portion, operating lease liabilities is included as a component of accrued expenses in the condensed consolidated balance sheets.

Future minimum lease payments for operating leases, with initial or remaining terms in excess of one year as of April 30, 2023 are as follows:

For the Fiscal Years Ended January 31,	Payments for Operating Leases (Amounts in thousands)
2024	$ 557
2025	765
Total lease payments	1,322
Less interest	107
Total operating lease liabilities	$ 1,215

7.Severance and Restructuring Costs

Severance and restructuring costs for the three months ended April 30, 2022 consisted of Board and employee-related termination benefits in the amount of $0.2 million. There were less than $0.1 million severance and restructuring costs for the three months ended April 30, 2023.

8.Stockholders' Equity

Preferred Stock Authorization

The Board is authorized to issue from time to time up to an aggregate of 5,000,000 shares of preferred stock, in one or more series. Each such series of preferred stock shall have the number of shares, designations, preferences, voting powers, qualifications and special or relative rights or privileges to be determined by the Board, including dividend rights, voting rights, redemption rights and sinking fund provisions, liquidation preferences, conversion rights and preemptive rights. No preferred stock has been issued as of April 30, 2023.

Equity Plans

Compensation and Incentive Plans

The Company's Second Amended and Restated 2011 Compensation and Incentive Plan (the "2011 Plan") provided for the grant of incentive stock options ("ISOs"), nonqualified stock options ("NQs"), RSUs, DSUs and PSUs and other equity based non-stock option awards as determined by the plan administrator to its officers, employees, consultants and directors. The 2011 Plan expired on July 20, 2021.

The Company's 2021 Compensation and Incentive Plan (the "2021 Plan") was proposed by the Board and adopted by the Company's stockholders in July 2021 to permit the continued issuance of equity-based compensation, including the granting of ISOs, NQs, restricted stock, RSUs, DSUs, PSUs, and other equity based non-stock option awards as determined by the plan administrator to officers, employees, consultants and directors. Under the 2021 Plan, the Company may satisfy awards upon the exercise of stock options or the vesting of stock units with newly issued shares or treasury shares. The Board, or a committee of independent members of the Board (the "Committee"), is responsible for the administration of the 2021 Plan and determining the terms of each award, award exercise price, the number of shares for which each award is granted and the rate at which each award vests. In certain instances, the Board or Committee may elect to modify the terms of an award.

Nonemployee members of the Board may elect to receive DSUs or stock options in lieu of RSUs. The number of units subject to the DSUs is determined as of the grant date and shall fully vest one year from the grant date. The shares underlying the DSUs are not issued until the earlier of the director ceasing to be a member of the Board (provided such time is subsequent to the first day of the succeeding fiscal year) or immediately prior to a change in control.

Option awards may be granted at an exercise price per share of not less than 100% of the fair market value per common share on the date of the grant and not less than 110% of the fair market value per common share on the date of the grant with respect to ISOs granted to employees owning stock possessing more than 10% of the total combined voting power of all classes of stock of the Company. Option awards granted under the 2021 Plan generally vest over a period of one to three years and expire ten years from the date of the grant.

Following Board approval and recommendation, on August 5, 2022 the Company's stockholders voted in favor of changes to the 2021 Plan (the "Amended and Restated 2021 Plan"). The purpose of the Amended and Restated 2021 Plan is to provide equity and cash incentives to the employees of the Company in order to attract, motivate and retain qualified employees. Changes made to the Amended and Restated 2021 Plan include the addition of 150,000 new shares authorized for issuance under the Amended and Restated 2021 Plan and the inclusion of additional methods to satisfy the tax obligations that arise for granted equity awards. The number of shares authorized for issuance under the Amended and Restated 2021 Plan at April 30, 2023 is 394,844, including 119,844 shares awarded under the 2011 Plan that may become available for issuance under the 2021 Plan due to the expiration, termination, surrender, or forfeiture of such outstanding awards. As of April 30, 2023, there were 135,580 shares available for future grants.

The Company has a Long-Term Incentive Program, adopted in fiscal 2016, under which the named executive officers and other key employees may receive long-term equity-based incentive awards, which are intended to align the interests of named executive officers and other key employees with the long-term interests of stockholders and to emphasize and reinforce the Company's focus on team success. Long-term equity-based incentive compensation awards are made in the form of stock options, RSUs and PSUs subject to vesting based in part on the extent to which employment continues under the Amended and Restated 2021 Plan.

2015 Employee Stock Purchase Plan

Under the Company's 2015 Employee Stock Purchase Plan (the "ESPP"), six-month offering periods begin on October 1 and April 1 of each year during which eligible employees may elect to purchase shares of common stock according to the terms of the offering. On each purchase date, eligible employees can purchase stock at a price per share equal to 85% of the closing price of the Company's common stock on the exercise date, but no less than par value. The maximum number of shares of the Company's common stock authorized for sale under the ESPP is 57,500 shares, of which 53,751 remain available under the ESPP as of April 30, 2023. There were no shares purchased under the ESPP during the three months ended April 30, 2023 and 2022 as the Company suspended the ESPP as of April 1, 2020 and is still evaluating when the suspension will be lifted, if at all.

Award Activity

In the three months ended April 30, 2023, the Company granted 9,170 RSU awards at a grant date weighted average fair value of $8.73 per share and 3,000 PSU awards at a grant date weighted average fair value of $4.60 per share. In the three months ended April 30, 2023, 14,773 RSU awards and 1,250 PSU awards were released, with 1,861 RSU shares exchanged to pay employee tax withholdings, pursuant to the terms of the RSU agreements. There were 2,708 option awards, 3,250 RSU awards and 3,000 PSU awards canceled in the three months ended April 30, 2023.

The PSUs granted in fiscal year 2023 and 2024 represent market-based awards to certain officers in connection with their appointment. The PSUs will vest on the attainment of a closing share price of $50.00 that is held for twenty consecutive trading days within three years from the grant date. In the event of a change in control of the Company, the vesting of the PSUs is based on the employee's time of service from the grant date.

Stock-Based Compensation

The Company recognized stock-based compensation expense within the condensed consolidated statements of operations and comprehensive loss as follows:

	For the Three Months Ended April 30,	
	2023	2022
	(Amounts in thousands)	
Cost of revenue, service	$ 3	$ 8
Research and development	13	6
Selling and marketing	81	11
General and administrative	264	259
	$ 361	$ 284

As of April 30, 2023, unrecognized stock-based compensation expense related to unvested stock options was approximately $0.1 million, which is expected to be recognized over a weighted average period of 1.2 years. As of April 30, 2023, unrecognized stock-based compensation expense related to unvested RSU awards and DSU awards was approximately $0.7 million, which is expected to be recognized over weighted average amortization periods of 1.4 years. Additionally, as of April 30, 2023, unrecognized stock-based compensation expense related to unvested PSU awards was $0.1 million, which is expected to be recognized over a weighted average amortization period of 1.2 years.

9.Accounts Receivables, Unbilled Receivables, Allowance for Credit Losses and Contract Liabilities

Receivables

The following table summarizes the Company's accounts receivable, net and unbilled receivables, net:

	As of April 30, 2023		As of January 31, 2023	
	(Amounts in thousands)			
Accounts receivable, net	$	7,362	$	10,382
Unbilled receivables, net - current		8,354		7,757
Unbilled receivables, net - long-term		4,659		5,044
	$	20,375	$	23,183

As of April 30, 2023 and January 31, 2023, the allowance for credit losses on current accounts receivable was $0.6 million and $0.8 million, respectively. As of April 30, 2023, the allowance for credit losses on current unbilled receivables was $0.4 million and $0.2 million on long-term unbilled receivables. As of January 31, 2023, the allowance for credit losses on current unbilled receivables was $0.2 million, and there was no allowance for credit losses provided for long-term unbilled receivables.

Unbilled Receivables, Net

Unbilled receivables, net consist of amounts recognized as revenue as performance obligations were transferred to customers for which the Company does not currently have the right to invoice. Unbilled receivables, net are primarily derived from the allocation of contract consideration to products and services, such as software licenses, recognized at the point of time transferred when the payment of such consideration is contingent on transferring support and maintenance services over the subsequent period which is frequently one to three years. There were no impairment losses recognized during the three months ended April 30, 2023 or 2022.

Unbilled receivables, net are expected to be billed in the future as follows (amounts in thousands, except percentage amounts):

	As of April 30,			
	2023		Percentage	
1 year or less	$	8,354		64 %
1-2 years		2,280		18 %
2-5 years		2,379		18 %
Total unbilled receivables, net	$	13,013		100 %

Allowance for Credit Losses

The following table summarizes the Company's allowance for credit losses for the three months ended April 30, 2023:

	Trade Accounts Receivable		Unbilled Receivables		Total Receivables	
			(Amounts in thousands)			
Balance as of February 1, 2023	$	841	$	168	$	1,009
Impact of CECL adoption		(151)		369		218
Adjustment to allowance for expected credit losses		1		33		34
Write-offs charged against allowance		(111)		—		(111)
Balance as of April 30, 2023	$	580	$	570	$	1,150

Contract Liabilities

Contract liabilities consist of deferred revenue and customer deposits that arise when amounts are billed to or collected from customers in advance of revenue recognition. Deferred revenue that will be recognized during the succeeding 12-month period is recorded as current deferred revenue and the remaining portion is recorded as deferred revenue, long-term. The change in deferred revenue as of April 30, 2023 is due to new billings in advance of revenue recognition offset by revenue recognized during the period.

	Deferred Revenue	
	Current	Long-Term
	(Amounts in thousands)	
Balance as of January 31, 2023	$ 5,172	$ 130
Decrease, net	(85)	(38)
Balance as of April 30, 2023	$ 5,087	$ 92

The Company recognized $2.0 million of revenue that was included in deferred revenue at the beginning of the period, offset by an additional $1.9 million of new contract liabilities for the three months ended April 30, 2023.

Remaining Performance Obligations

The aggregate amount of transaction price that is allocated to performance obligations that have not yet been satisfied or are partially satisfied as of April 30, 2023 is $20.5 million and consists primarily of undelivered software, service, and support obligations. This amount in part includes amounts billed for undelivered services that are included in deferred revenue reported on the condensed consolidated balance sheets. The Company expects to recognize $13.8 million as revenue within one year, an additional $3.8 million in the following year, and the remaining revenue thereafter. The Company expects to recognize substantially all of the remaining performance obligations by the second quarter of fiscal 2029. Revenue recognized for the three months ended April 30, 2023 related to remaining performance obligations as of the previous fiscal year ended January 31, 2023 was $4.0 million.

10.Disaggregated Revenue and Geographic Information

Disaggregated Revenue

The following table disaggregates revenue by revenue stream:

	For the Three Months Ended April 30,	
	2023	2022
	(Amounts in thousands)	
Product revenue:		
License	$ 1,072	$ 1,222
Hardware	468	1,604
Total product revenue	1,540	2,826
Service revenue:		
Maintenance and support	3,091	2,939
Professional services and other	2,361	958
Total service revenue	5,452	3,897
Total revenue	$ 6,992	$ 6,723

The following table disaggregates revenue by timing of transfer of goods or services:

	For the Three Months Ended April 30,	
	2023	2022
	(Amounts in thousands)	
Transferred at a point in time		
Product revenue	$ 841	$ 2,250
Transferred over time(1)		
Product revenue	699	576
Service revenue	5,452	3,897
Total revenue	$ 6,992	$ 6,723

(1) Comprised of SaaS, hosting, support contracts, and professional services.

Geographic Information

The following summarizes revenue by customers' geographic locations:

	For the Three Months Ended April 30,			
	2023	%	2022	%
	(Amounts in thousands, except percentages)			
Revenue by customers' geographic locations:				
North America[1]	$ 4,076	58%	$ 4,328	64%
Europe and Middle East	1,890	28%	1,393	21%
Latin America	725	10%	761	11%
Asia Pacific	301	4%	241	4%
Total revenue	$ 6,992		$ 6,723	

(1) Includes total revenue for the U.S. for the periods shown as follows:

	For the Three Months Ended April 30,	
	2023	2022
	(Amounts in thousands, except percentages)	
U.S. Revenue	$ 3,888	$ 3,874
% of total revenue	56 %	58 %

The following summarizes long-lived assets by geographic locations:

	As of April 30, 2023	%	As of January 31, 2023	%
	(Amounts in thousands, except percentages)			
Long-lived assets by geographic locations:				
North America	$ 6,039	87%	$ 6,553	86%
Europe and Middle East	889	12%	963	13%
Asia Pacific	31	1%	31	1%
Total long-lived assets by geographic location	$ 6,959		$ 7,547	

11.Income Taxes

Each interim period is considered an integral part of the annual period and, accordingly, the Company measures income tax expense using an estimated annual effective tax rate. The Company is required, at the end of each interim reporting period, to make its best estimate of the annual effective tax rate for the full fiscal year and use that rate to provide for income taxes on a current year-to-date basis, as adjusted for discrete taxable events that occur during the interim period.

The Company recorded an income tax provision of less than $0.1 million for each of the three months ended April 30, 2023 and 2022. The Company's effective tax rate in fiscal 2024, and in future periods, may fluctuate on a quarterly basis as a result of changes in jurisdictional forecasts where losses cannot be benefitted due to the existence of valuation allowances on deferred tax assets, changes in actual results versus estimates, or changes in tax laws, regulations, accounting principles or interpretations thereof.

The Company reviews all available evidence to evaluate the recovery of deferred tax assets, including the recent history of losses in all tax jurisdictions, as well as its ability to generate income in future periods. As of April 30, 2023, due to the uncertainty related to the ultimate use of certain deferred income tax assets, we have recorded a valuation allowance on certain deferred assets.

The Company files income tax returns in the U.S. federal jurisdiction, various state jurisdictions and various foreign jurisdictions. As of April 30, 2023, the Company is subject to U.S. Federal income tax examinations and other jurisdictions for the years 2016 through 2022. However, the taxing authorities will still have the ability to review the propriety of certain tax attributes created in closed years if such tax attributes are utilized in an open tax year, such as federal research and development credit carryovers.

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

Forward-Looking Statements

This Form 10-Q contains or incorporates forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, and such statements involve risks and uncertainties. The following information should be read in conjunction with the condensed consolidated financial information and the notes thereto included in this Form 10-Q. You should not place undue reliance on these forward-looking statements. Actual events or results may differ materially due to competitive factors and other factors referred to in Part II, Item 1A. "Risk Factors" in our Annual Report on Form 10-K filed with the SEC on April 17, 2023 (the "Form 10-K"), for our fiscal year ended January 31, 2023 and elsewhere in this Form 10-Q. These factors may cause our actual results to differ materially from any forward-looking statement. These forward-looking statements are based on current expectations, estimates, forecasts and projections about the industry and markets in which we operate, and management's beliefs and assumptions. We undertake no obligation to publicly update or revise the statements in light of future developments. In addition, other written or oral statements that constitute forward-looking statements may be made by us or on our behalf. Words such as "expect," "seek," "anticipate," "intend," "plan," "believe," "could," "estimate," "may," "target," "project," or variations of such words and similar expressions are intended to identify such forward-looking statements, but the absence of these words does not mean that a statement is not forward-looking. These statements are not guarantees of future performance and involve certain risks, uncertainties, and assumptions that are difficult to predict.

Business Overview

SeaChange International, Inc. ("SeaChange," the "Company," "we," or similar terms), incorporated under the laws of the State of Delaware on July 9, 1993, is a leading provider of video delivery, advertising, streaming platforms, and emerging FAST development. Our software products and services facilitate the aggregation, licensing, management and distribution of video and advertising content for service providers, telecommunications companies, satellite operators, broadcasters and other content providers. SeaChange technology enables operators, broadcasters, and content owners to cost-effectively launch and grow premium linear TV and direct-to-consumer streaming services to manage, curate, and monetize their content. SeaChange helps protect existing and develop new and incremental advertising revenues for traditional linear TV and streaming services with its unique advertising technology. Further, the Company's products provide customers an opportunity to insert advertising into broadcast and VOD content. We sell our software products and services worldwide, primarily to service providers including: operators, such as VIDAA USA Inc., Liberty Global, plc., Altice NV, Cox Communications, Inc. and Rogers Communications, Inc.; telecommunications companies, such as Verizon Communications, Inc., and Frontier Communications Corporation; satellite operators such as DirecTV and Dish Network Corporation; and broadcasters.

Our software products and services are designed to empower video providers to create, manage and monetize the increasingly personalized, highly engaging experiences that viewers demand. Using our products and services, we believe customers can increase revenue by offering services such as VOD programming on a variety of consumer devices, including televisions, smart phones, PCs, tablets and over-the-top streaming players. Our solutions enable service providers to offer other interactive television services that allow subscribers to receive personalized services and interact with their video devices, thereby enhancing their viewing experience. Our products also allow our customers to insert advertising into broadcast and VOD content.

SeaChange serves an exciting global marketplace where content access is becoming ubiquitous, and where consumption and monetization continue to transition from linear TV and subscription services to advertising-driven models on connected TVs. With our rich product portfolio and the strategic focus to maximize SeaChange partners' advertising inventory value with services such as targeting, personalization and multi-screen engagement, we are well positioned to expand our market share in the booming global video advertising and streaming markets. Providing SeaChange customers with more scalable and cloud-native software platforms enable them to further reduce their infrastructure costs, improve reliability and expand service offerings to their subscribers or viewers. Additionally, we are well positioned to capitalize on new customers entering the streaming and video advertising marketplace and increasingly serve adjacent markets. Our core technologies provide a foundation for software products and services that can be deployed in next generation video delivery and monetization systems capable of increased levels of subscriber activity and inventory transactions across multiple devices.

Merger Agreement and Subsequent Termination

In December 2021, the Company and Triller, entered into the Merger Agreement pursuant to which Triller planned to merge with and into SeaChange, with the separate existence of Triller ceasing, and SeaChange continuing as the surviving corporation.

On June 13, 2022, SeaChange and Triller entered into the Termination Agreement pursuant to which SeaChange and Triller mutually agreed to terminate the Merger Agreement. Each party bore its own costs and expenses in connection with the terminated transaction, and neither party paid a termination fee to the other in connection with the terminated transactions. The Termination Agreement also contains mutual releases, whereby each party released the other from any claims of liability relating to the transactions contemplated by the Merger Agreement. Transaction costs related to the transactions contemplated by the Merger Agreement and charged to the condensed consolidated statements of operations and comprehensive loss amounted to approximately $1.2 million and $1.5 million for the years ended January 31, 2023 and 2022, respectively.

Results of Operations

The following discussion summarizes the key factors our management believes are necessary for an understanding of our condensed consolidated financial statements as of and for the three months ended April 30, 2023 and 2022.

Revenue and Gross Profit

The components of our total revenue and gross profit are described in the following table:

	For the Three Months Ended April 30, 2023	2022	Change $	%
	(Amounts in thousands, except for percentage data)			
Revenue:				
Product revenue:				
License	$ 1,072	$ 1,222	$ (150)	(12.3 %)
Hardware	468	1,604	(1,136)	(70.8 %)
Total product revenue	1,540	2,826	(1,286)	(45.5 %)
Service revenue:				
Maintenance and support	3,091	2,939	152	5.2 %
Professional services and other	2,361	958	1,403	146.5 %
Total service revenue	5,452	3,897	1,555	39.9 %
Total revenue	6,992	6,723	269	4.0 %
Cost of product revenue	971	1,645	(674)	(41.0 %)
Cost of service revenue	1,868	1,858	10	0.5 %
Total cost of revenue	2,839	3,503	(664)	(19.0 %)
Gross profit	$ 4,153	$ 3,220	$ 933	29.0 %
Product gross profit margin	36.9 %	41.8 %		(4.9 %)
Service gross profit margin	65.7 %	52.3 %		13.4 %
Gross profit margin	59.4 %	47.9 %		11.5 %

One customer individually accounted for 14% of total revenue for the three months ended April 30, 2023 and one customer accounted for 26% of total revenue for the three months ended April 30, 2022.

International revenue accounted for 44% and 42% of total revenue in each of the three months ended April 30, 2023 and 2022, respectively. The increase in international sales as a percentage of total revenue for the three months ended April 30, 2023 as compared to the three months ended April 30, 2022 is primarily attributable to an increase in international revenue of $0.3 million, due to an increase in services revenue of $0.4 million, partially offset by a reduction in product revenue of $0.1 million.

Product Revenue

Product revenue consists of software, both licenses and subscriptions, and third-party hardware and software revenue. In transactions that include hardware and software not provided by SeaChange, the goods are purchased from a third-party provider, and we record revenue and cost of goods sold on a gross basis. Product revenue decreased by $1.3 million for the three months ended April 30, 2023 compared to the three months ended April 30, 2022, primarily due to the delivery of third-party products, which included a large one-time customer delivery during the three months ended April 30, 2022 that did not recur for the three months ended April 30, 2023.

Service Revenue

Service revenue consists of maintenance and support and professional services and other. Service revenue increased by $1.6 million for the three months ended April 30, 2023, as compared to the three months ended April 30, 2022, respectively. The increase in the three months ended April 30, 2023 is primarily due to an increase in professional services revenue, driven by customer demand for project work and leading to increased customer utilization of the professional services team. Additionally, maintenance and support revenue had an increase related to the renewal of maintenance contracts at higher rates for market increases.

Gross Profit and Margin

Cost of revenue consisted primarily of the cost of resold third-party products and services, purchased components and subassemblies, labor and overhead, testing and implementation, and ongoing maintenance of complete systems.

Our gross profit margin increased 12% for the three months ended April 30, 2023 as compared to the three months ended April 30, 2022, reflecting an increased professional services margin, driven primarily by increased demand in professional services and a dedicated, fully-utilized team for one significant customer. Service gross profit margin increased 13% for the three months ended April 30, 2023, as compared to the three months ended April 30, 2022, primarily due to an increase in demand for professional services resulting in higher utilization of the professional services team, while associated costs were reduced by nearly $0.5 million related to headcount attrition, incentive compensation and lower third-party costs were offset by $0.5 million increase in contract labor and related contractor expenses primarily required for a single significant customer. Product gross profit margin decreased by 5% for the three months ended April 30, 2023 as compared to the three months ended April 30, 2022, primarily due to sales of lower margin third-party products at a lower margin than the previous year, which included a large one-time customer delivery.

Operating Expenses

Research and Development

Research and development expenses consist of salaries and related costs, including stock-based compensation for personnel in software development and engineering functions, contract labor costs, depreciation of development and test equipment and an allocation of related facility expenses. The following table provides information regarding the change in research and development expenses during the periods presented:

	For the Three Months Ended April 30,		Change	
	2023	2022	$	%
	(Amounts in thousands, except for percentage data)			
Research and development expenses	$ 1,797	$ 1,707	$ 90	5.3 %
% of total revenue	25.7 %	25.4 %		

Research and development expenses increased by $0.1 million for the three months ended April 30, 2023 as compared to the three months ended April 30, 2022. The increase in research and development expenses for the three months ended April 30, 2023 was primarily due to a $0.1 million increase in salaries and compensation for new hires.

Selling and Marketing

Selling and marketing expenses consist of salaries and related costs, including stock-based compensation for personnel engaged in selling and marketing functions, commissions, travel expenses, certain promotional expenses and an allocation of related facility expenses. The following table provides information regarding the change in selling and marketing expenses during the periods presented:

	For the Three Months Ended April 30,		Change	
	2023	2022	$	%
	(Amounts in thousands, except for percentage data)			
Selling and marketing expenses	$ 907	$ 982	$ (75)	(7.6 %)
% of total revenue	13.0 %	14.6 %		

Selling and marketing expenses decreased by $0.1 million for the three months ended April 30, 2023, as compared to the three months ended April 30, 2022. Although costs remained relatively consistent, the decreases in selling and marketing expenses for the three months ended April 30, 2023 were primarily attributable to a reduction in contract labor of about $0.1 million.

General and Administrative

General and administrative expenses consist of salaries and related costs, including stock-based compensation for personnel in executive, finance, legal, human resources, information technology and administrative functions, as well as legal and accounting services, insurance premiums and an allocation of related facilities expenses. The following table provides information regarding the change in general and administrative expenses during the periods presented:

	For the Three Months Ended April 30,		Change	
	2023	2022	$	%
	(Amounts in thousands, except for percentage data)			
General and administrative expenses	$ 2,113	$ 2,286	$ (173)	(7.6 %)
% of total revenue	30.2 %	34.0 %		

General and administrative expenses decreased by $0.2 million for the three months ended April 30, 2023 as compared to the three months ended April 30, 2022. The decrease in general and administrative expenses for the three months ended April 30, 2023 was primarily attributable to a $0.1 million reduction in provision for credit losses and a $0.2 million reduction in professional fees related to reduced audit fees and the transition of our contracted third-party accounting resourcing program offset by a $0.1 million increase in salaries for new internal staff hires to perform accounting services in-house.

Severance and Restructuring Costs

Severance consists of employee-related termination benefits and other severance costs not related to a restructuring plan. Restructuring consists of employee-related termination benefits and facility closure costs. The following table provides information regarding the change in severance and restructuring costs during the periods presented:

	For the Three Months Ended April 30,		Change	
	2023	2022	$	%
	(Amounts in thousands, except for percentage data)			
Severance and restructuring costs	$ 44	$ 165	$ (121)	(73.3 %)
% of total revenue	0.6 %	2.5 %		

Severance and restructuring costs decreased by $0.1 million for the three months ended April 30, 2023, as compared to the three months ended April 30, 2022. Severance costs consisted of employee-related termination benefits.

Transaction Costs

Transaction costs related to merger and acquisition activity were $0.1 million for the three months ended April 30, 2023, compared to fees related to the terminated Merger Agreement of $0.8 million for three months ended April 30, 2022. Transaction costs include third-party direct costs such as legal, accounting, and other professional fees.

Other Income (Expense), Net

The table below provides detail regarding our other income (expense), net:

	For the Three Months Ended April 30,		Change	
	2023	2022	$	%
	(Amounts in thousands, except for percentage data)			
Interest income, net	$ 217	$ 75	$ 142	189.3 %
Foreign exchange loss, net	(91)	(357)	266	(74.5 %)
Miscellaneous income, net	15	23	(8)	(34.8 %)
	141	$ (259)	$ 400	

Interest income consists of interest received from our bank accounts and our investments in U.S. Treasury Securities and corporate bonds. Our foreign exchange loss, net is primarily due to the revaluation of intercompany notes.

Income Tax Provision

We recorded income tax provision of less than $0.1 million for the three months ended April 30, 2023 and 2022. Our effective tax rate in fiscal 2023 and in future periods may fluctuate on a quarterly basis as a result of changes in our jurisdictional forecasts where losses cannot be benefited due to the existence of valuation allowances on our deferred tax assets, changes in actual results versus our estimates, or changes in tax laws, regulations, accounting principles or interpretations thereof.

We review all available evidence to evaluate the recovery of deferred tax assets, including the recent history of losses in all tax jurisdictions, as well as our ability to generate income in future periods. As of April 30, 2023, due to the uncertainty related to the ultimate use of deferred income tax assets, we have recorded a valuation allowance on these deferred assets.

We file income tax returns in the U.S. federal jurisdiction, various state jurisdictions and various foreign jurisdictions. As of April 30, 2023, the Company is subject to U.S. Federal income tax examinations and other jurisdictions for the years 2016 through 2022. However, the taxing authorities will still have the ability to review the propriety of certain tax attributes created in closed years if such tax attributes are utilized in an open tax year, such as our federal research and development credit carryovers.

Liquidity and Capital Resources

The following table includes key line items of our condensed consolidated statements of cash flows:

		For the Three Months Ended April 30,		
		2023		2022
		(Amounts in thousands)		
Net cash provided by (used in) operating activities	$	579	$	(743)
Net cash used in investing activities		(167)		(15)
Effect of exchange rate changes on cash, cash equivalents and restricted cash		(26)		(328)
Net increase (decrease) in cash, cash equivalents and restricted cash	$	386	$	(1,086)

Historically, we have financed our operations and capital expenditures primarily with our cash and investments. Our cash, cash equivalents, restricted cash and marketable securities totaled $15.5 million at April 30, 2023.

We believe that existing cash and cash equivalents and cash expected to be provided by future operating activities will be adequate to satisfy our working capital, capital expenditure requirements and other contractual obligations for at least 12 months from the date of this filing.

If our expectations are incorrect, we may need to raise additional funds to fund our operations or take advantage of unanticipated strategic opportunities in order to strengthen our financial position. In the future, we may enter into other arrangements for potential investments in, or acquisitions of, complementary businesses, services or technologies, which could require us to seek additional equity or debt financing. If adequate funds are not available or are not available on acceptable terms, we may not be able to take advantage of market opportunities, to develop new products or to otherwise respond to competitive pressures.

Net cash provided by (used in) operating activities

Net cash provided by operating activities was $0.6 million for the three months ended April 30, 2023, resulting from (i) our net loss of $0.7 million, (ii) an offset of $0.5 cumulative non-cash charges consisting of $0.1 million for depreciation, $0.4 million for stock-based compensation and $0.1 million for foreign currency transaction loss, and (iii) a net change in working capital of $0.8 million, including a $3.2 million decrease in accounts receivable due to the timing of collections and a $0.3 million increase in accounts payable, partially offset by a $0.6 million increase in unbilled receivables due to timing of milestone billings, a $0.5 million increase in prepaid expenses and other current assets and other assets due to our annual insurance renewal in the quarter ended April 30, 2023, a $1.6 million decrease in accrued expenses and other liabilities due to April 2023 payments of bonuses and commissions accrued for at January 31, 2023 and a $0.1 million decrease in deferred revenue.

Net cash used in operating activities was $0.7 million for the three months ended April 30, 2022 due to our (i) 3.0 million net loss, (ii) operating activity non-cash adjustments of $0.8 million, including $0.1 million of depreciation expense, a $0.1 million provision for bad debt, $0.3 million of stock-based compensation expense, and $0.4 million of realized and unrealized foreign currency transaction losses, and (iii) net cash inflows of $1.5 million provided by changes in our operating assets and liabilities, including (but not limited to) a $1.4 million decrease in accounts receivable attributable to the collection of perpetual license invoices, a $0.1 million decrease in unbilled receivables attributable to the passage of time on installment invoicing of perpetual licenses previously sold for which we recognized revenue at the time of delivery, a $0.4 million increase in prepaid expenses and other current assets and other assets primarily attributable to the prepayment of annual insurance premiums, a $0.7 million decrease in accounts payable attributable to the timing of vendor payments, a $0.1 million increase in accrued expenses and other liabilities for goods and services received but not yet billed for, and a $0.9 million increase in deferred revenue attributable to up-front invoicing for which we recognize revenue over a period of time.

Net cash used in investing activities

Net cash used in investing activities was $0.2 million for the three months ended April 30, 2023 due to purchases of marketable securities of $0.2 million. Net cash provided by investing activities was less than 0.1 million for the three months ended April 30, 2022 due to purchases of property and equipment.

Continued Nasdaq Listing and Reverse Stock Split

On June 17, 2022, we received notification from the Listing Qualifications Department of The Nasdaq Stock Market (“Nasdaq”) stating that the Company did not comply with the minimum $1.00 bid price requirement for continued listing set forth in Nasdaq (the “Bid Price Requirement”). In accordance with Nasdaq listing rules, the Company was afforded 180 calendar days (until December 14, 2022) to regain compliance with the Bid Price Requirement. On December 15, 2022, the Company received written notice from Nasdaq stating that, although the Company had not regained compliance with the Bid Price Requirement by December 14, 2022, in accordance with Nasdaq listing rules, the Company is eligible for an additional 180 calendar day period, or until June 12, 2023 (the “Extended Compliance Date”), to regain compliance with the Bid Price Requirement. Nasdaq’s determination was based on, among other things, (1) the Company's written notice of its intention to transfer to The Nasdaq Capital Market (the "Capital Market") (as issuers on The Nasdaq Global Select Market (the "Global Select Market") are not eligible for an additional 180-day compliance period) and to cure the deficiency by the Extended Compliance Date by effecting a reverse stock split, if necessary, and (2) the Company meeting the continued listing requirement for market value of publicly held shares and all other initial listing requirements for the Capital Market, with the exception of the Bid Price Requirement. On December 15, 2022, Nasdaq approved the Company's transfer from the Global Select Market to the Capital Market, a continuous trading market that operates in substantially the same manner as the Global Select Market.

In an effort to regain compliance with the Bid Price Requirement, on April 6, 2023, the Board approved a discretionary reverse stock split of the Company's common stock in the range of 1-for-15 shares and 1-for-25 shares (the "Reverse Stock Split"), subject to stockholder approval at the Company's annual meeting of stockholders held on May 19, 2023 (the "Annual Meeting"). At the Annual Meeting, the stockholders approved the Reverse Stock Split at a ratio in the range of 1-for-15 to 1-for-25, with such ratio to be determined at the discretion of the Board. On May 19, 2023, the Board approved a reverse stock split of 1-for-20 to also be effective as of May 19, 2023. Proportionate adjustments were made to the exercise price and number of shares issuable upon the exercise of the options outstanding under the Company's equity incentive plans, and the number of shares subject to restricted stock units, deferred stock units and performance stock units under the Company's equity incentive plans. No fractional shares of common stock were issued in connection with the Reverse Stock Split. Instead, any fractional shares of common stock that would have otherwise resulted from the Reverse Stock Split were rounded up to the nearest whole share.

All references to common stock, equity-based common stock awards and all share and per share data contained in this Form 10-Q have been adjusted to reflect the Reverse Stock Split unless explicitly stated otherwise.

If, at any time before the Extended Compliance Date, the bid price for the Company's common stock shares closes at $1.00 or more for a minimum of 10 consecutive business days as required under the Bid Price Requirement, Nasdaq will provide written notification to the Company that it complies with the Bid Price Requirement. From the May 23, 2023 date that the Company's common stock began trading on a post-split basis on Nasdaq, the Company has maintained a minimum bid price of $1.00 in excess of 10 consecutive business days as required under the Bid Price Requirement, and, on June 7, 2023, Nasdaq notified the Company that it had regained compliance with the Bid Price Requirement.

Critical Accounting Policies and Significant Judgments and Estimates

We prepare our condensed consolidated financial statements in accordance with GAAP. The preparation of condensed consolidated financial statements also requires us to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues, costs and expenses and related disclosures. We base our estimates on historical experience and on various other assumptions that we believe to be reasonable under the circumstances. Actual results could differ significantly from the estimates made by our management.

There have been no material changes to our critical accounting policies and estimates during the three months ended April 30, 2023 from those disclosed in our financial statements and the related notes and other financial information included in our Form 10-K on file with the SEC, except for additional updated disclosures as described in Part I, Item I, Note 2, "Significant Accounting Policies, Revenue Recognition" to this Form 10-Q and the removal of goodwill, intangible assets and impairment of long-lived assets as described in Part V, Item 15, Note 2, "Significant Accounting Policies, Use of Estimates, Goodwill and Other Intangible Assets and Impairment of Long-lived Assets" to the Company's Form 10-K filed with the SEC on April 17, 2023.

Off-Balance Sheet Arrangements

During the periods presented herein, we did not have, and we do not currently have, any off-balance sheet arrangements, as defined in the rules and regulations of the SEC.

Recently Issued Accounting Pronouncements

A description of recently issued accounting pronouncements that may potentially impact our financial position and results of operations is disclosed in Part I, Item I, Note 2, "Significant Accounting Policies" to this Form 10-Q for more information.

ITEM 3. Quantitative and Qualitative Disclosures About Market Risk

We are a smaller reporting company, as defined in Rule 12b-2 under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), for this reporting period and are not required to provide the information required under this item.

ITEM 4. Controls and Procedures

Evaluation of disclosure controls and procedures. We maintain "disclosure controls and procedures," as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act, that are designed to ensure that information required to be disclosed in the reports that we file or submit under the Exchange Act is (1) recorded, processed, summarized and reported, within the time periods specified in the SEC's rules and forms and (2) accumulated and communicated to our management, including our principal executive officer and principal financial officer, to allow timely decisions regarding required disclosure. Management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving their objectives and management necessarily applies its judgment in evaluating the cost-benefit relationship of possible controls and procedures.

Based on the evaluation of our disclosure controls and procedures as of April 30, 2023, in accordance with the requirements under Rule 13a-15(b) of the Exchange Act, our principal executive officer and principal financial officer concluded that, as of that date, our disclosure controls and procedures were effective.

Changes in internal control over financial reporting. There were no changes in our internal controls over financial reporting during the quarter ended April 30, 2023 that have materially affected, or are reasonably likely to materially affect, our internal controls over financial reporting.

PART II. OTHER INFORMATION

ITEM 1. Legal Proceedings

We are not currently a party to any material legal proceedings. From time to time, we may be subject to various legal proceedings and claims that arise in the ordinary course of our business activities. Regardless of the outcome, litigation can have a material adverse effect on us because of defense and settlement costs, diversion of management resources, and other factors.

Further, we enter into agreements in the ordinary course of business with customers, resellers, distributors, integrators and suppliers. Most of our historical agreements require us to defend and/or indemnify the other party against intellectual property infringement claims brought by a third party with respect to our products. From time to time, we also indemnify customers and business partners for damages, losses and liabilities they may suffer or incur relating to personal injury, personal property damage, product liability, and environmental claims relating to the use of our products and services or resulting from the acts or omissions of us, our employees, authorized agents or subcontractors. Management cannot reasonably estimate any potential losses, but these claims could result in material liability for us (see Part I, Item I, Note 5, "Commitments and Contingencies" to this Form 10-Q for more information).

ITEM 1A. Risk Factors

In addition to the other information set forth in this Form 10-Q, you should carefully consider the risks discussed in our Form 10-K and those set forth from time to time in our other filings with the SEC. There have been no material changes in our risk factors from those described in our Form 10-K. The risks described in such reports are not the only risks facing us. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial also may materially and adversely affect our business, financial condition or future results.

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

None.

ITEM 3. Defaults Upon Senior Securities

Not applicable.

ITEM 4. Mine Safety Disclosures

Not applicable.

ITEM 5. Other Information

None.

ITEM 6. Exhibits

The following list of exhibits includes exhibits submitted with this Form 10-Q as filed with the SEC and those incorporated by reference to other filings.

Index to Exhibits

No.	Description
10.1*	Form of Restricted Stock Unit Agreement for Unregistered Shares to Non-Employee Directors pursuant to the Company's Amended and Restated 2021Compensation and Incentive Plan.
31.1*	Certification Pursuant to Rule 13a-14(a) of the Exchange Act, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2*	Certification Pursuant to Rule 13a-14(a) of the Exchange Act, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1**	Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2**	Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS*	Inline XBRL Instance Document. The instance document does not appear in the interactive data file because its XBRL tags are embedded within the inline XBRL document.
101.SCH*	Inline XBRL Taxonomy Extension Schema Document.
101.CAL*	Inline XBRL Taxonomy Extension Calculation Linkbase Document.
101.DEF*	Inline XBRL Taxonomy Extension Definition Linkbase Document.
101.LAB*	Inline XBRL Taxonomy Extension Label Linkbase Document.
101.PRE*	Inline XBRL Taxonomy Extension Presentation Linkbase Document.
104*	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101 filed herewith).

* Filed herewith.
** Furnished herewith.

SIGNATURES

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

Dated: June 12, 2023

SEACHANGE INTERNATIONAL, INC.

by: /s/ PETER AQUINO
Peter Aquino
Chief Executive Officer
(Principal Executive Officer)

by: /s/ MARK SZYNKOWSKI
Mark Szynkowski
Chief Financial Officer,
Senior Vice President and Treasurer
(Principal Financial Officer and Principal Accounting Officer)

Exhibit 10.1

SEACHANGE INTERNATIONAL, INC.

Director Restricted Stock Unit Agreement

SeaChange International, Inc., a Delaware corporation (the "Company"), hereby grants as of the award date below ("Award Date") to the person named below (the "Recipient"), and the Recipient hereby accepts, an award ("Award") of Restricted Stock Units ("RSU") that will vest as described in the Vesting Schedule, such Award to be subject to the terms and conditions specified in the attached Exhibit A.

Recipient Name:

Award Date:

Number of RSUs:

Schedule:

By signing this Agreement (as defined below), the Recipient acknowledges receipt of a copy of this Agreement and a copy of the Plan (as defined below).

This Agreement will be effective only upon execution by the Recipient and delivery of such signed Agreement to the Company.

IN WITNESS WHEREOF, the Company and the Recipient have caused this instrument to be executed as of the Award Date set forth above.

SEACHANGE INTERNATIONAL, INC.

____
(Recipient Signature)

By: ______________________________
Name: Mark Szynkowski
Title: Chief Financial Officer, Senior Vice President & Treasurer

Exhibit A

Director Restricted Stock Unit Agreement
Terms and Conditions

1.Award. The Recipient is hereby granted an Award of RSUs, effective as of the date set forth on the cover page attached hereto (the "Award Date"), subject to the terms and condition set forth herein (collectively with the cover page, this "Agreement"), and subject to and governed by the Company's Amended and Restated 2021 Compensation and Incentive Plan (the "Plan"). Capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Plan. Each RSU represents the right to receive one share of the Company's Common Stock upon the satisfaction of terms and conditions set forth in this Agreement and the Plan.

2.Vesting. Except as set forth in Section 5 herein, the RSUs will remain restricted and may not be sold, assigned, exchanged, pledged or otherwise transferred by the Recipient. The RSUs will vest as provided on the cover page hereto. Each date on which a portion of the Award vests shall be referred to herein as a "Vesting Date."

3.Distribution of the Award; Taxes; Dividend Equivalents. As soon as reasonably practicable following each Vesting Date (and in any event no later than March 15 of the calendar year following the year in which the Vesting Date occurs), the Company will release the portion of the Award that has become vested as of such Vesting Date in the form of shares of the Company's Common Stock. The Company shall provide the Recipient with at least seven (7) days written notice prior to the Vesting Date; such notice to specify the amount that the Recipient is required to pay to satisfy any applicable withholding Taxes (as hereinafter defined), if any. The Recipient may deposit with the Company an amount of cash equal to the amount determined by the Company, utilizing a tax rate determined by the Company in its reasonable discretion, to be required with respect to any withholding taxes, FICA contributions, or the like under any national, federal, state, local or other statute, ordinance, rule, or regulation in connection with the award or settlement of the restricted stock units (the "Taxes"). Alternatively, if the Company does not receive such amount from the Recipient at least two (2) days prior to the Vesting Date, and the Company determines that such Taxes must be withheld, the Company will withhold a number of shares (rounded up to the nearest whole share) of the Company's Common Stock with a market value determined as of the close of business on the business day immediately preceding the Vesting Date) equal to the amount of such Taxes associated with the vesting or settlement of the Award; *provided, however*, that the Company shall not be liable for determining the exact number of shares.

The Recipient shall have the right to receive dividend equivalent payments with respect to the Common Stock subject to the Award as provided in this paragraph. Upon each Vesting Date, Recipient shall be entitled to receive a dividend equivalent payment in respect of the shares of Common Stock covered by the Award that are not vested on the record date for each dividend payment, if any, made by the Company on its Common Stock for which the record date occurred (i) on or after the Award Date or the immediately preceding Vesting Date, as the case may be, and (ii) prior to the applicable Vesting Date, in an amount in cash equal to the amount of any dividend which otherwise would have been paid to the Recipient if such unvested shares had been issued for the benefit of the Recipient on the record dates for such dividend payments, subject to any applicable withholding for Taxes. Such dividend equivalent payments may be settled by the Company subject to such other conditions or terms that the

Committee may establish. Except for dividend equivalent payments, the Recipient shall have no rights as a stockholder, including voting rights, with respect to the RSUs.

4.Termination of Relationship with the Company. If the Recipient ceases to be employed by the Company or a Subsidiary, or to be a director of the Company ("Director"), for any reason, any portion of the Award that has not become vested on or prior to the date of such cessation shall thereupon be forfeited.

5.Award Not Transferable. The Award will not be assignable or transferable by the Recipient, except by will or the laws of descent and distribution.

6.Transferability of Award Shares. Delivery of the shares of Common Stock represented by the RSUs shall be subject to Recipient's acknowledgment of the following:

(a) The shares of Common Stock represented by the RSUs have not been registered under the Securities Act of 1933, as amended (the "Securities Act") or any applicable state securities laws and are "restricted securities" as defined in Rule 144 of the Securities Act and must be held indefinitely unless subsequently registered under the Securities Act and any applicable state securities laws or unless an exemption from the registration requirements thereof are available. Such Recipient shall not to offer, sell, pledge, or otherwise transfer, directly or indirectly, any of the shares of Common Stock represented by the RSUs absent an effective registration under the Securities Act and applicable state securities laws unless there is an applicable exemption from such registration requirements. Such Recipient is aware of the provisions of Rule 144 promulgated under the Securities Act which permit limited resale of shares purchased in a private placement subject to the satisfaction of certain conditions.

(b)The shares of Common Stock represented by the RSUs, and any securities issued in respect thereof or exchange therefor, may, to the extent required by applicable law, bear restrictive legends substantially as follows, and any further or additional legends as may be required under applicable state securities laws:

THESE SECURITIES HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR THE SECURITIES LAWS OF ANY STATE AND MAY NOT BE SOLD, TRANSFERRED OR OTHERWISE DISPOSED OF IN THE ABSENCE OF AN EFFECTIVE REGISTRATION STATEMENT COVERING THE SECURITIES UNDER, OR AN EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF, THE SECURITIES ACT OF 1933, AS AMENDED, AND APPLICABLE STATE SECURITIES LAWS. The Company reserves the right to place restrictions required by law on any shares of the Company's Common Stock received by the Recipient pursuant to the Award.

7.Conformity with the Plan. The Award is intended to conform in all respects with, and is subject to applicable provisions of, the Plan. To the extent that any provision of this Agreement conflicts with the express terms of the Plan, it is hereby acknowledged and agreed that the terms of the Plan shall control and, if necessary, the applicable provisions of this Agreement shall be deemed to be amended so as to carry out the purpose and intent of the Plan. By the Recipient's acceptance of this Agreement, the Recipient agrees to be bound by all of the terms of this Agreement and the Plan. Notwithstanding any other provision of this Section 7, in the event that the provisions of this Agreement are subject to Section 409A of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations promulgated thereunder ("Section 409A"), the provisions of this Agreement shall comply with, and shall be interpreted in a manner consistent with, Section 409A.

8.No Rights to Continued Employment. Nothing in this Agreement confers any right on the Recipient to continue as an employee or Director of the Company or a Subsidiary or affects in any way the right of any of the Company or a Subsidiary to terminate any such relationship of the Recipient.

9.Miscellaneous.

(a) Notices. All notices hereunder shall be in writing and shall be deemed given when sent by certified or registered mail, postage prepaid, return receipt requested, if to the Recipient, to the address set forth above or at the address shown on the records of the Company, and if to the Company, to the Company's principal executive offices, attention of the Corporate Secretary.

(b) Entire Agreement; Modification. This Agreement, together with the Plan, constitutes the entire agreement between the parties relative to the subject matter hereof, and supersedes all proposals, written or oral, and all other communications between the parties relating to the subject matter of this Agreement. The Company may amend, suspend or terminate the Plan, this Agreement and the Award granted hereunder at any time; provided, however, that no such amendment, suspension or termination may materially impair any Award without the Recipient's written consent.

(c) Fractional Shares. If the shares under this Award become issuable for a fraction of a share because of the adjustment provisions contained in the Plan, such fraction shall be rounded down to the nearest whole share.

(d) Severability. The invalidity, illegality or unenforceability of any provision of this Agreement shall in no way affect the validity, legality or enforceability of any other provision.

(e)Successors and Assigns. Except as provided herein, this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns, subject to the limitations set forth in Section 5 hereof.

(f) Governing Law. Participants and the Company agree to resolve issues that may arise out of or relate to the Plan or the same subject matter by binding arbitration in Boston, Massachusetts in accordance with the rules of the American Arbitration Association. The Plan and Award granted hereunder, including this Agreement, shall be governed by and construed in accordance with the laws of the Commonwealth of Massachusetts, excluding its conflicts or choice of law rules or principles that might otherwise refer construction or interpretation of this Agreement to the substantive law of another jurisdiction.

(g) Data Protection Waiver. The Recipient understands and consent to the Company or its agents or independent contractors appointed to administer the Plan obtaining certain of the Recipient's personal employment information required for the effective administration of the Plan and that such information may be transmitted outside of the country of the Recipient's employment and/or residence.

(h) Change in Control. "Change in Control" shall mean the first to occur, after the date hereof, of any of the following:

(i) the members of the Board at the beginning of any consecutive 12-calendar-month period (the "Incumbent Directors") cease for any reason other than due to death to constitute at least a majority of the members of the Board, provided that any director whose election, or nomination for election by the Company's stockholders, was approved by a vote of at least a majority of the members of the Board then still in office who were members of the Board at the beginning of such 12-calendar-month period, shall be deemed to be an Incumbent Director;

(ii) any consolidation or merger of the Company where the stockholders of the Company, immediately prior to the consolidation or merger, would not, immediately after the consolidation or merger, beneficially own (as such term is defined in Rule 13d-3 under the Securities Exchange Act of 1934, as amended (the "Securities Exchange Act"), directly or indirectly, shares of Stock representing in the aggregate 50% or more of the combined voting power of the securities of the corporation issuing cash or securities in the consolidation or merger (or of its ultimate parent company, if any);

(iii) there shall occur (A) any sale, lease, exchange or other transfer (in one transaction or a series of transactions contemplated or arranged by any party as a single plan) of all or substantially all the assets of the Company, other than a sale or disposition by the Company of all or substantially all of the Company's assets to an entity, at least 50% of the combined voting power of the voting securities of which are owned by Persons in substantially the same proportion as their ownership of the Company immediately prior to such sale or (B) the approval by the stockholders of the Company of any plan or proposal for the liquidation or dissolution of the Company; or

(iv) Any corporation or other legal person, pursuant to a tender offer, exchange offer, purchase of stock(whether in a market transaction or otherwise) or other transaction or event acquires securities representing 40% or more of the combined voting power of the voting securities of the Company, or there is a report filed on Schedule 13D or Schedule 14D-1 (or any successor schedule, form or report), each as promulgated pursuant to the U.S. Securities Exchange Act, disclosing that any "person" (as such term is used in Section 13(d)(3) or Section 14(d)(2) of the Securities Exchange Act) has become the "beneficial owner") (as such term is used in Rule 13d-3 under the Securities Exchange Act) of securities representing 40% or more of the combined voting power of the voting securities of the Company.

Notwithstanding the forgoing, none of the forgoing event(s) shall constitute a Change in Control unless such event(s) constitute a "change in ownership or effective control" or a change "in the ownership of a substantial portion of the assets," in each case within the meaning of Section 409A(a)(2)(A)(v) of the Internal Revenue Code of 1086, as amended, and any regulations and other guidance in effect from time-to-time thereunder including, without limitation, Notice 2005-1.

Exhibit 31.1

CERTIFICATION

I, Peter Aquino, certify that:

1.I have reviewed this quarterly report on Form 10-Q of SeaChange International, 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.

Date: June 12, 2023	By:	/s/ PETER AQUINO Peter Aquino *Chief Executive Officer* *(Principal Executive Officer)*

Exhibit 31.2

CERTIFICATION

I, Mark Szynkowski, certify that:

1.I have reviewed this quarterly report on Form 10-Q of SeaChange International, 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.

Date: June 12, 2023

By: /s/ MARK SZYNKOWSKI
Mark Szynkowski
Chief Financial Officer, Senior Vice President and Treasurer
(Principal Financial Officer)

Exhibit 32.1

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

In connection with the Quarterly Report of SeaChange International, Inc. (the "*Company*") on Form 10-Q for the period ending April 30, 2023 as filed with the Securities and Exchange Commission on the date hereof (the "*Report*"), I, Peter Aquino, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

(1)The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

(2)The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: June 12, 2023

/s/ PETER AQUINO
Peter Aquino
Chief Executive Officer
(Principal Executive Officer)

Exhibit 32.2

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

In connection with the Quarterly Report of SeaChange International, Inc. (the "*Company*") on Form 10-Q for the period ending April 30, 2023 as filed with the Securities and Exchange Commission on the date hereof (the "*Report*"), I, Mark Szynkowski, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

(1)The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

(2)The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: June 12, 2023

/s/ MARK SZYNKOWSKI
Mark Szynkowski
Chief Financial Officer, Senior Vice President and Treasurer
(Principal Financial Officer)