UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 10-Q

(Mark One)

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

For the quarterly period ended June 30, 2026

or

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

For the transition period from _________ to

Commission file number 001-38407

RED VIOLET, INC.
(Exact Name of Registrant as Specified in Its Charter)

Delaware	**82-2408531**
(State or Other Jurisdiction of Incorporation or Organization)	**(I.R.S. Employer Identification No.)**

2650 North Military Trail, Suite 300, Boca Raton, Florida 33431
(Address of Principal Executive Offices) (Zip Code)

(561) 757-4000
(Registrant's Telephone Number, Including Area Code)

None
(Former name, former address and former fiscal year, if changed since last report)

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

Title of each class	Trading Symbol (s)	Name of each exchange on which registered
Common Stock, $0.001 par value per share	RDVT	The NASDAQ Stock Market LLC

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 ☒

As of August 7, 2026, the registrant had 16,046,975 shares of common stock outstanding.

RED VIOLET, INC.
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PART I - FINANCIAL INFORMATION

Unless otherwise indicated or required by the context, all references in this Quarterly Report on Form 10-Q to “we,” “us,” “our,” “red violet,” or the “Company,” refer to Red Violet, Inc. and its consolidated subsidiaries.

Item 1. Financial Statements.

RED VIOLET, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(Amounts in thousands, except share data)
(unaudited)

	June 30, 2026	December 31, 2025
ASSETS:		
Current assets:		
Cash and cash equivalents	$ 49,972	$ 43,557
Accounts receivable, net of allowance for doubtful accounts of $145 and $231 as of June 30, 2026 and December 31, 2025, respectively	12,904	10,697
Prepaid expenses and other current assets	2,359	2,281
Total current assets	65,235	56,535
Property and equipment, net	914	882
Intangible assets, net	41,196	39,264
Goodwill	5,227	5,227
Right-of-use assets	2,311	2,570
Deferred tax assets	4,618	6,585
Other noncurrent assets	847	949
Total assets	$ 120,348	$ 112,012
LIABILITIES AND SHAREHOLDERS' EQUITY:		
Current liabilities:		
Accounts payable	$ 1,489	$ 1,977
Accrued expenses and other current liabilities	2,882	4,469
Current portion of operating lease liabilities	428	396
Deferred revenue	1,195	1,028
Total current liabilities	5,994	7,870
Noncurrent operating lease liabilities	2,219	2,396
Other noncurrent liabilities	523	820
Total liabilities	8,736	11,086
Shareholders' equity:		
Preferred stock—$0.001 par value, 10,000,000 shares authorized, and 0 shares issued and outstanding, as of June 30, 2026 and December 31, 2025	-	-
Common stock—$0.001 par value, 200,000,000 shares authorized, 14,114,395 and 14,151,350 shares issued and outstanding, as of June 30, 2026 and December 31, 2025	14	14
Additional paid-in capital	89,966	88,628
Retained earnings	21,632	12,284
Total shareholders' equity	111,612	100,926
Total liabilities and shareholders' equity	$ 120,348	$ 112,012

See notes to condensed consolidated financial statements.

RED VIOLET, INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(Amounts in thousands, except share data)
(unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Revenue	$ 26,718	$ 21,774	$ 52,548	$ 43,777
Costs and expenses:				
Cost of revenue (exclusive of depreciation and amortization)	3,818	3,501	7,637	7,162
Sales and marketing expenses	5,750	5,622	11,608	11,029
General and administrative expenses	8,268	7,253	16,167	13,427
Depreciation and amortization	2,787	2,647	5,597	5,197
Total costs and expenses	20,623	19,023	41,009	36,815
Income from operations	6,095	2,751	11,539	6,962
Interest income	394	339	738	647
Income before income taxes	6,489	3,090	12,277	7,609
Income tax expense	1,529	404	2,929	1,483
Net income	$ 4,960	$ 2,686	$ 9,348	$ 6,126
Earnings per share:				
Basic	$ 0.35	$ 0.19	$ 0.66	$ 0.44
Diluted	$ 0.34	$ 0.18	$ 0.65	$ 0.42
Weighted average shares outstanding:				
Basic	14,175,312	14,018,629	14,184,951	14,008,385
Diluted	14,464,461	14,553,282	14,436,339	14,528,789

See notes to condensed consolidated financial statements.

RED VIOLET, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
(Amounts in thousands, except share data)
(unaudited)

	Common stock		Treasury stock		Additional paid-in capital	Retained earnings	Total
	Shares	Amount	Shares	Amount			
Balance at March 31, 2025	13,950,797	$ 14	-	$ -	$ 89,264	$ 2,570	$ 91,848
Vesting of restricted stock units	38,617	-	-	-	-	-	-
Increase in treasury stock resulting from shares withheld to cover statutory taxes	-	-	(12,573)	(525)	-	-	(525)
Retirement of treasury stock	(12,573)	-	12,573	525	(525)	-	-
Share-based compensation	-	-	-	-	2,197	-	2,197
Net income	-	-	-	-	-	2,686	2,686
Balance at June 30, 2025	13,976,841	$ 14	-	$ -	$ 90,936	$ 5,256	$ 96,206
Balance at March 31, 2026	14,112,391	$ 14	(500)	$ (17)	$ 87,859	$ 16,672	$ 104,528
Vesting of restricted stock units	18,810	-	-	-	-	-	-
Increase in treasury stock resulting from shares withheld to cover statutory taxes	-	-	(5,306)	(216)	-	-	(216)
Common stock repurchased	-	-	(11,000)	(418)	-	-	(418)
Retirement of treasury stock	(16,806)	-	16,806	651	(651)	-	-
Share-based compensation	-	-	-	-	2,758	-	2,758
Net income	-	-	-	-	-	4,960	4,960
Balance at June 30, 2026	14,114,395	$ 14	-	$ -	$ 89,966	$ 21,632	$ 111,612

	Common stock		Treasury stock		Additional paid-in capital	Retained earnings (accumulated deficit)	Total
	Shares	Amount	Shares	Amount			
Balance at December 31, 2024	13,936,329	$ 14	-	$ -	$ 87,488	$ (870)	$ 86,632
Vesting of restricted stock units	58,117	-	-	-	-	-	-
Increase in treasury stock resulting from shares withheld to cover statutory taxes	-	-	(17,605)	(727)	-	-	(727)
Retirement of treasury stock	(17,605)	-	17,605	727	(727)	-	-
Share-based compensation	-	-	-	-	4,175	-	4,175
Net income	-	-	-	-	-	6,126	6,126
Balance at June 30, 2025	13,976,841	$ 14	-	$ -	$ 90,936	$ 5,256	$ 96,206
Balance at December 31, 2025	14,151,350	$ 14	-	$ -	$ 88,628	$ 12,284	$ 100,926
Vesting of restricted stock units	53,469	-	-	-	-	-	-
Increase in treasury stock resulting from shares withheld to cover statutory taxes	-	-	(15,924)	(714)	-	-	(714)
Common stock repurchased	-	-	(74,500)	(3,122)	-	-	(3,122)
Retirement of treasury stock	(90,424)	-	90,424	3,836	(3,836)	-	-
Share-based compensation	-	-	-	-	5,174	-	5,174
Net income	-	-	-	-	-	9,348	9,348
Balance at June 30, 2026	14,114,395	$ 14	-	$ -	$ 89,966	$ 21,632	$ 111,612

See notes to condensed consolidated financial statements.

RED VIOLET, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Amounts in thousands)
(unaudited)

	Six Months Ended June 30,	
	2026	2025
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	$ 9,348	$ 6,126
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	5,597	5,197
Share-based compensation expense	4,286	3,423
Write-off of long-lived assets	1	2
Provision for bad debts	367	274
Noncash lease expenses	259	257
Deferred income tax expense	1,967	1,187
Changes in assets and liabilities:		
Accounts receivable	(2,574)	(2,024)
Prepaid expenses and other current assets	(78)	(510)
Other noncurrent assets	102	(162)
Accounts payable	(488)	(293)
Accrued expenses and other current liabilities	(1,587)	(863)
Deferred revenue	167	94
Operating lease liabilities	(145)	(220)
Net cash provided by operating activities	17,222	12,488
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property and equipment	(168)	(252)
Capitalized costs included in intangible assets	(6,803)	(4,984)
Net cash used in investing activities	(6,971)	(5,236)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Taxes paid related to net share settlement of vesting of restricted stock units	(714)	(727)
Repurchases of common stock	(3,122)	-
Dividend payable	-	(4,181)
Net cash used in financing activities	(3,836)	(4,908)
Net increase in cash and cash equivalents	$ 6,415	$ 2,344
Cash and cash equivalents at beginning of period	43,557	36,504
Cash and cash equivalents at end of period	$ 49,972	$ 38,848
SUPPLEMENTAL DISCLOSURE INFORMATION:		
Cash paid for interest	$ -	$ -
Cash paid for income taxes	$ 531	$ 681
Share-based compensation capitalized in intangible assets	$ 888	$ 752
Retirement of treasury stock	$ 3,836	$ 727
Right-of-use assets obtained in exchange of operating lease liabilities	$ -	$ 1,153

See notes to condensed consolidated financial statements.

1. Summary of significant accounting policies

(a) Basis of preparation

The accompanying unaudited condensed consolidated financial statements of Red Violet, Inc., a Delaware corporation, and its consolidated subsidiaries (collectively, “red violet” or the “Company”), have been prepared in accordance with accounting principles generally accepted in the United States (“US GAAP”) and applicable rules and regulations of the Securities and Exchange Commission (the “SEC”) regarding interim financial reporting. Certain information and note disclosures normally included in annual financial statements prepared in accordance with US GAAP have been condensed or omitted pursuant to those rules and regulations.

The accompanying unaudited condensed consolidated financial statements reflect all normal recurring adjustments necessary to present fairly the financial position, results of operations, and cash flows for the interim periods, but are not necessarily indicative of the results of operations to be anticipated for any future interim periods or for the full year ending December 31, 2026.

The information included in this quarterly report on Form 10-Q should be read in conjunction with the consolidated financial statements and accompanying notes included in the Company’s Annual Report on Form 10-K for the year ended December 31, 2025 filed with the SEC on March 4, 2026 (the “2025 Form 10-K”).

The condensed consolidated balance sheet as of December 31, 2025 included herein was derived from the audited financial statements as of that date included in the 2025 Form 10-K, but does not include all disclosures required by US GAAP.

Principles of consolidation

The condensed consolidated financial statements include the financial statements of the Company and its subsidiaries. All significant intercompany transactions and balances have been eliminated in consolidation.

(b) Recently issued accounting standards

In November 2024, the Financial Accounting Standards Board (the “FASB”) issued Accounting Standards Update (“ASU”) No. 2024-03, "*Income Statement - Reporting Comprehensive Income - Expense Disaggregation Disclosures (Subtopic 220-40), Disaggregation of Income Statement Expenses,"* which requires disclosure within the notes to financial statements of specific information about certain costs and expenses including more detailed disclosures of certain categories of expenses such as employee compensation, depreciation, and intangible asset amortization that are components of existing expense captions presented on the face of the income statement. The update is effective for annual periods for fiscal years beginning after December 15, 2026 and interim periods beginning after December 15, 2027 on a prospective or retrospective basis. Early adoption is permitted. The Company is currently evaluating the impact this ASU may have on its condensed consolidated financial statements.

In September 2025, the FASB issued ASU No. 2025-06, *"Intangibles—Goodwill and Other—Internal-Use Software (Subtopic 350-40): Targeted Improvements to the Accounting for Internal-Use Software."* This ASU removes all references to prescriptive and sequential software development stages (referred to as “project stages”) and instead requires an entity to start capitalizing software costs when management has authorized and committed to funding the software project and it is probable that the project will be completed and the software will be used to perform the function intended. Additional updates include changes to accounting for website development costs and certain disclosure requirements. This ASU will be effective for annual reporting periods beginning after December 15, 2027, and interim reporting periods within those annual reporting periods. Early adoption is permitted as of the beginning of an annual reporting period. This ASU permits an entity to apply the new guidance using either a prospective transition approach, a modified transition approach that is based on the status of the project and whether software costs were capitalized before the date of adoption, or a retrospective transition approach. The Company is currently evaluating the impact this ASU may have on its condensed consolidated financial statements.

In December 2025, the FASB issued ASU No. 2025-11, *"Interim Reporting (Topic 270): Narrow-Scope Improvements."* The ASU clarifies interim disclosure requirements and the applicability of Topic 270. The objective of the amendments is to provide further clarity about the current interim disclosure requirements. The ASU is effective for interim reporting periods within annual reporting periods beginning after December 15, 2027. Adoption of this ASU can be applied using either a prospective or a retrospective approach. Early adoption is permitted. The Company is currently evaluating the impact this ASU may have on its condensed consolidated financial statements.

In December 2025, the FASB issued ASU No. 2025-12, *"Codification Improvements."* The ASU clarifies, corrects and makes minor improvements to various provisions of the Accounting Standards Codification. Among other amendments, the ASU clarifies that, upon the formal or constructive retirement of treasury stock, the excess of the repurchase price over par value may be recognized entirely as a deduction from additional paid-in capital, provided that additional paid-in capital does not become negative. The amendments are effective for annual reporting periods beginning after December 15, 2026, and interim periods within those annual reporting periods. Early adoption is permitted. The Company does not expect the adoption of this ASU to have a material effect on its condensed consolidated financial statements.

2. Earnings per share

Basic earnings per share is computed by dividing net income by the weighted average number of shares of common stock outstanding during the periods. Diluted earnings per share reflects the potential dilution that could occur if securities or other contracts to issue common stock were exercised, vested, or converted into common stock and is calculated using the treasury stock method and contingently issuable share guidance, as applicable.

(In thousands, except share data)	Three Months Ended June 30, 2026	Three Months Ended June 30, 2025	Six Months Ended June 30, 2026	Six Months Ended June 30, 2025
Numerator:				
Net income	$ 4,960	$ 2,686	$ 9,348	$ 6,126
Denominator:				
Weighted average shares outstanding:				
Basic	14,175,312	14,018,629	14,184,951	14,008,385
Diluted[(1)]	14,464,461	14,553,282	14,436,339	14,528,789
Earnings per share:				
Basic	$ 0.35	$ 0.19	$ 0.66	$ 0.44
Diluted	$ 0.34	$ 0.18	$ 0.65	$ 0.42

(1) For the three and six months ended June 30, 2026 and 2025, diluted weighted average shares outstanding reflect the dilutive effect of certain unvested restricted stock units ("RSUs").

3. Intangible assets, net

Intangible assets other than goodwill consist of the following:

		June 30, 2026			December 31, 2025		
(In thousands)	Amortization period	Gross amount	Accumulated amortization	Net	Gross amount	Accumulated amortization	Net
Software developed for internal use	5-10 years	$ 93,155	$ (54,082)	$ 39,073	$ 85,843	$ (48,704)	$ 37,139
Acquired intangible assets	10 years	2,364	(241)	2,123	2,282	(157)	2,125
Total		$ 95,519	$ (54,323)	$ 41,196	$ 88,125	$ (48,861)	$ 39,264

The gross carrying amount of software developed for internal use includes capitalized costs related to the design, development, and testing of internal-use software. These costs primarily consist of eligible personnel-related expenses, share-based compensation, and travel expenses incurred by relevant employees, and other directly attributable costs incurred during the application development stage. The gross carrying amount of acquired intangible assets reflects the acquisition cost of certain data assets for which the Company has obtained perpetual usage rights.

Amortization expenses of $2,716 and $2,595 for the three months ended June 30, 2026 and 2025, respectively, and $5,462 and $5,095 for the six months ended June 30, 2026 and 2025, respectively, were included in depreciation and amortization expense. As of June 30, 2026, intangible assets of $7,790, included in the gross carrying amounts of intangible assets, have not yet commenced amortization, as they are not ready for their intended use.

The Company capitalized costs of intangible assets of $3,733 and $2,784 during the three months ended June 30, 2026 and 2025, respectively, and $7,394 and $6,775 during the six months ended June 30, 2026 and 2025, respectively.

As of June 30, 2026, estimated amortization expense related to the Company's intangible assets for the remainder of 2026 through 2031 and thereafter is as follows:

(In thousands) Year	June 30, 2026
Remainder of 2026	$ 5,564
2027	10,832
2028	8,468
2029	6,505
2030	4,461
2031 and thereafter	5,366
Total	$ 41,196

4. Revenue recognition

The Company recognizes revenue in accordance with ASC 606, *"Revenue from Contracts with Customers"* ("Topic 606"). Under this standard, revenue is recognized when control of goods or services is transferred to the Company's customers, in an amount that reflects the consideration the Company expects to be entitled to in exchange for those goods or services. The Company's performance obligation is to provide on-demand information and identity intelligence solutions to its customers by leveraging its proprietary technology and applying machine learning and advanced analytics to its massive data repository. The pricing for the customer contracts is based on usage, a monthly fee, or a combination of both.

Permitted under Topic 606, the Company has applied the portfolio approach practical expedient in accounting for customer revenue as one collective group, rather than individual contracts. Based on the Company's historical knowledge of the contracts contained in this portfolio and the similar nature and characteristics of the customers, the Company has concluded the financial statement effects are not materially different than if accounting for revenue on a contract-by-contract basis.

Revenue is recognized over a period of time. The Company's customers simultaneously receive and consume the benefits provided by the Company's performance as and when provided. Furthermore, the Company has elected the "right to invoice" practical expedient, permitted under Topic 606, as its measure of progress, since it has a right to payment from a customer in an amount that corresponds directly with the value of its performance completed-to-date. In some arrangements, a right to consideration for the Company's performance under the customer contract may occur before invoicing to the customer, resulting in an unbilled accounts receivable. As of June 30, 2026, the current and noncurrent portions of unbilled accounts receivable of $1,296 and $777, respectively, were included within accounts receivable and other noncurrent assets, respectively, on the condensed consolidated balance sheets. As of December 31, 2025, the current and noncurrent portions of unbilled accounts receivable of $1,137 and $880, respectively, were included within accounts receivable and other noncurrent assets, respectively, on the condensed consolidated balance sheets. The Company's revenue arrangements do not contain significant financing components.

For each of the three months ended June 30, 2026 and 2025, 77% of total revenue was attributable to customers with pricing contracts, versus 23% attributable to transactional customers. For each of the six months ended June 30, 2026 and 2025, 76% of total revenue was attributable to customers with pricing contracts, versus 24% attributable to transactional customers. Pricing contracts are generally annual contracts or longer, with auto renewal.

If a customer pays consideration before the Company transfers services to the customer, those amounts are classified as deferred revenue. As of June 30, 2026 and December 31, 2025, the balance of deferred revenue was $1,195 and $1,028, respectively, all of which is expected to be recognized as revenue in the next 12 months. In relation to the deferred revenue balance as of December 31, 2025, $287 and $727 were recognized as revenue during the three and six months ended June 30, 2026, respectively.

As of June 30, 2026, $23,770 of revenue is expected to be recognized in the future for performance obligations that are unsatisfied or partially unsatisfied, related to pricing contracts that have a term of more than 12 months, of which, $7,032 of revenue will be recognized in the remainder of 2026, $10,300 in 2027, $4,144 in 2028, $1,625 in 2029, $370 in 2030, and $299 in 2031 and thereafter. The actual timing of recognition may vary due to factors outside of the Company's control. The Company excludes variable consideration related entirely to wholly unsatisfied performance obligations and contracts and recognizes such variable consideration based upon the right to invoice the customer.

Sales commissions are incurred and recorded on an ongoing basis over the term of the customer relationship. These costs are recorded in sales and marketing expenses.

In addition, the Company elected the practical expedient to not disclose the value of unsatisfied performance obligations for (i) contracts with an original expected length of one year or less and (ii) contracts for which the Company recognizes revenue at the amount to which it has the right to invoice for services performed.

5. Income taxes

The Company is subject to federal and state income taxes in the United States. The Company's tax provision for interim periods is determined using an estimate of its annual effective tax rate, adjusted for discrete items arising in that quarter, unless a reliable estimate of ordinary income or the related tax expense/benefit cannot be made or the Company is in cumulative losses for which the benefit cannot be realized. In each quarter, the Company updates its estimate of the annual effective tax rate, and if its estimated annual tax rate changes, the Company makes a cumulative adjustment in that quarter. The Company concluded that, due to its established historical cumulative positive income before income taxes plus permanent differences for recent years, projections of future taxable income, and the reversal of taxable temporary differences, the realization of deferred tax assets as of June 30, 2026 was more likely than not.

The Company's effective income tax rate was 24% and 13% for the three months ended June 30, 2026 and 2025, respectively, and 24% and 19% for the six months ended June 30, 2026 and 2025, respectively, differing from the U.S. federal statutory rate of 21%.

For the three and six months ended June 30, 2026, the effective income tax rates were higher than the statutory rate, primarily driven by state income taxes and nondeductible expenses, partially offset by research and development tax credits and excess tax benefits related to share-based compensation. In contrast, for the three and six months ended June 30, 2025, the effective income tax rates were lower than the statutory rate, primarily attributable to the research and development tax credits and excess tax benefits related to share-based compensation, partially offset by state income taxes and nondeductible expenses.

The Company assesses its income tax positions and records tax benefits for all years subject to examination based upon its evaluation of the facts, circumstances and information available at the reporting date. For those tax positions where it is more-likely-than-not that a tax benefit will be sustained, the Company has recorded the largest amount of tax benefit with a greater than 50% likelihood of being realized upon ultimate settlement with a taxing authority that has full knowledge of all relevant information. For those income tax positions where it is not more-likely-than-not that a tax benefit will be sustained, no tax benefit has been recognized in the Company's financial statements.

The Company continually evaluates expiring statutes of limitations, audits, proposed settlements, changes in tax law and new authoritative rulings. Due to the existence of net operating loss carryforwards since inception, all of the Company's income tax filings remain open for tax examinations.

The Company does not have any material unrecognized tax benefits as of June 30, 2026 and December 31, 2025.

6. Shareholders' equity

Common stock and treasury stock

As of June 30, 2026 and December 31, 2025, the number of issued shares of common stock was 14,114,395 and 14,151,350, respectively. The Company held no shares of treasury stock as of either date. The changes in the number of issued shares of common stock and treasury stock were due to the following factors:

- An aggregate of 53,469 shares of common stock were issued as a result of the vesting of RSUs, of which, 15,924 shares of common stock were withheld to pay withholding taxes upon such vesting, which were reflected in treasury stock, with a cost of $714. All 15,924 shares of treasury stock were retired during the six months ended June 30, 2026.
- During the six months ended June 30, 2026, the Company repurchased 74,500 shares of common stock under the Stock Repurchase Program, as defined below, which was reflected in treasury stock, with a cost of $3,122. All 74,500 shares of treasury stock were retired during the six months ended June 30, 2026.

On May 2, 2022, the Company's Board of Directors authorized a stock repurchase program to repurchase the Company's common stock from time to time through open market purchases, privately negotiated transactions or other means, including pursuant to Rule 10b5-1 trading plans, which was subsequently amended on each of December 19, 2023, March 28, 2024, and November 3, 2025, bringing the total authorization to $30.0 million (the "Stock Repurchase Program"). The Stock Repurchase Program does not obligate the Company to repurchase any shares and may be modified, suspended, or terminated at any time at the discretion of the Board of Directors.

7. Share-based compensation

Under the Red Violet, Inc. 2018 Stock Incentive Plan, as amended and restated (the “2018 Plan”), 7,500,000 shares of the Company’s common stock are authorized for issuance. The current amended and restated form of the 2018 Plan was approved by the Company’s stockholders on June 10, 2025 and, among other things, increased the number of shares authorized for issuance from 6,500,000 shares to 7,500,000 shares.

The primary purpose of the 2018 Plan is to attract, retain, reward and motivate certain individuals by providing them with an opportunity to acquire or increase a proprietary interest in the Company and to incentivize them to contribute to the growth and success of the Company, so as to strengthen the mutuality of the interests between such individuals and the stockholders of the Company.

As of June 30, 2026, there were 1,583,202 shares of common stock available for future issuance under the 2018 Plan.

To date, all share-based awards granted under the 2018 Plan have been in the form of RSUs. RSUs granted under the 2018 Plan vest upon the satisfaction of either service-based vesting conditions or both service-based and performance-based vesting conditions.

Service-based vesting conditions are generally satisfied over periods ranging from one to four years with annual vesting. Unvested activity related to RSUs subject solely to service-based vesting conditions for the six months ended June 30, 2026 was as follows:

	Number of units		Weighted average grant-date fair value
Unvested as of December 31, 2025	654,227	$	34.41
Granted[(1)]	60,641	$	44.79
Vested and delivered	(37,545)	$	25.24
Withheld as treasury stock[(2)]	(15,924)	$	25.78
Forfeited	(22,191)	$	32.73
Unvested as of June 30, 2026	639,208	$	36.21

(1) During the six months ended June 30, 2026, the Company granted an aggregate of 60,641 RSUs to certain employees and directors, and a consultant, at grant date fair values ranging from $42.39 to $54.09 per share, with vesting periods ranging generally from one to four years.

(2) Withheld as treasury stock represents shares withheld to pay statutory taxes upon the vesting of RSUs. Refer to Note 6, "Shareholders' equity" for details.

As of June 30, 2026, unrecognized share-based compensation expense associated with the granted RSUs subject solely to service-based vesting conditions amounted to $16,846, which is expected to be recognized over a remaining weighted average period of 2.1 years.

Performance-based awards

In addition to RSUs subject solely to service-based vesting conditions as described above, all RSUs granted by the Company that are subject to performance-based vesting conditions also carry service-based vesting conditions. Unvested activity related to RSUs subject to both service-based and performance-based vesting conditions for the six months ended June 30, 2026 was as follows:

	Number of units		Weighted average grant-date fair value
Unvested as of December 31, 2025	115,000	$	18.30
Granted	862,690	$	52.23
Vested not delivered	(20,000)	$	18.30
Unvested as of June 30, 2026	957,690	$	48.86

On March 18, 2024, the Company granted 130,000 RSUs to one non-executive employee, subject to both service-based and performance-based vesting conditions, with a grant-date fair value of $18.30 per share. The RSUs vest upon the achievement of specified revenue targets for a portion of the Company's business on or prior to December 31, 2030 (the "2024 Performance Criteria"). As of December 31, 2025, 15,000 RSUs had vested and been delivered. Of the remaining 115,000 unvested RSUs included in "Unvested as of December 31, 2025" in the table above, achievement of the applicable performance conditions for 45,000 RSUs was considered probable. During the six months ended June 30, 2026, 20,000 of these RSUs vested but had not yet been delivered, and the Company determined that achievement of performance conditions applicable to an additional 35,000 RSUs had become probable. Accordingly, as of June 30, 2026, 60,000 RSUs remained probable of achievement but unvested. No share-based compensation expense has been recognized for the remaining 35,000 unvested RSUs because achievement of the applicable performance conditions was not considered probable as of June 30, 2026.

On January 9, 2026, the Company granted an aggregate of 832,690 RSUs to certain key executive officers under the 2018 Plan, subject to both service-based and performance-based vesting conditions, with a grant-date fair value of $52.77 per share. The awards vest upon achievement of specified revenue and adjusted EBITDA margin targets over a trailing twelve-month period on or prior to March 31, 2030 (the "2026 Performance Criteria"). Each recipient received three awards of increasing size tied to progressively higher revenue thresholds, subject to a consistent adjusted EBITDA margin requirement. In the event of a change of control, portions of the awards may vest based on enterprise value at the time of the transaction. Compensation expense for these awards will be recognized if and when the performance conditions are determined to be probable of achievement. No share-based compensation expense related to these awards has been recognized because, as of June 30, 2026, achievement of the 2026 Performance Criteria was not considered probable.

On April 7, 2026, the Company granted 30,000 RSUs to one non-executive employee, subject to both service-based and performance-based vesting conditions, with a grant-date fair value of $37.23 per share. The award vests in increments upon the achievement of specified qualifying acquisitions on or prior to March 2, 2029 (the "2026 Acquisition Performance Criteria"). No share-based compensation expense related to this award has been recognized because, as of June 30, 2026, achievement of the 2026 Acquisition Performance Criteria was not considered probable.

As of June 30, 2026 and December 31, 2025, the number of unvested RSUs subject to both service-based and performance-based vesting conditions that were considered probable of achievement was 60,000 and 45,000, respectively.

As of June 30, 2026, the unrecognized share-based compensation expense associated with the granted RSUs subject to both service-based and performance-based vesting conditions amounted to $46,843. For awards probable of achievement, the unrecognized share-based compensation expense amounted to $504, which is expected to be recognized over a remaining weighted average period of 2.8 years.

Summary of share-based compensation

Share-based compensation was allocated to the following accounts in the condensed consolidated financial statements for the three and six months ended June 30, 2026 and 2025:

	Three Months Ended June 30,		Six Months Ended June 30,	
(In thousands)	**2026**	**2025**	**2026**	**2025**
Cost of revenue (exclusive of depreciation and amortization)	$ 14	$ -	$ 29	$ -
Sales and marketing expenses	147	193	375	388
General and administrative expenses	2,075	1,634	3,882	3,035
Share-based compensation expense	2,236	1,827	4,286	3,423
Capitalized in intangible assets	522	370	888	752
Total	$ 2,758	$ 2,197	$ 5,174	$ 4,175

8. Leases

The Company leases its corporate headquarters of 21,020 rentable square feet in accordance with a non-cancellable operating lease agreement as amended and effective in January 2017, and the Company entered into a further amendment on September 20, 2023 to exercise the extension option for an additional 60 months through June 30, 2029, with an option to further extend for an additional 60 months. The Company also leased an additional office space of 6,003 rentable square feet for its Seattle office in accordance with a non-cancellable operating lease agreement that expired in March 2025. The extension options of such agreements were not included in the determination of the lease terms. On December 20, 2024, the Company entered into a non-cancellable 80-month operating lease agreement for its new Seattle office space of 6,709 rentable square feet, with the lease commencement date on May 1, 2025 (the "New Seattle Lease").

For the three and six months ended June 30, 2026 and 2025, a summary of the Company's lease information is shown below:

(In thousands)	Three Months Ended June 30, 2026	Three Months Ended June 30, 2025	Six Months Ended June 30, 2026	Six Months Ended June 30, 2025
Lease cost:				
Operating lease costs	$ 184	$ 166	$ 369	$ 360
Other information:				
Cash paid for operating leases	$ 128	$ 148	$ 256	$ 349
Right-of-use assets obtained in exchange for new operating lease liabilities(1)	$ -	$ 1,153	$ -	$ 1,153

(1) The New Seattle Lease resulted in the recognition of $1,153 in right-of-use assets obtained in exchange for operating lease liabilities as of May 1, 2025. The Company applied a 6.0% discount rate, its estimated incremental borrowing rate for similar secured assets, to determine the present value of the lease payments, as the implicit rate in the lease is not readily determinable. The discount rate was based on information available as of the lease commencement date.

As of June 30, 2026 and December 31, 2025, the weighted average remaining operating lease term was 4.2 years and 4.6 years, respectively, and the weighted average discount rate used to measure the operating lease liabilities was 8.09% and 8.23%, respectively.

As of June 30, 2026, scheduled future maturities and present value of the operating lease liabilities are as follows:

(In thousands) Year	June 30, 2026
Remainder of 2026	$ 263
2027	737
2028	859
2029	596
2030	327
2031	336
Total maturities	$ 3,118
Present value included in condensed consolidated balance sheet:	
Current portion of operating lease liabilities	$ 428
Noncurrent operating lease liabilities	2,219
Total operating lease liabilities	$ 2,647
Difference between the maturities and related present value of operating lease liabilities	$ 471

9. Segment information

The Company operates as a single operating and reportable segment, identity and information solutions, as defined under ASC 280, "Segment Reporting." There have been no significant changes in the basis of segmentation or in the basis of measurement of segment profit since the last annual report.

The Company's chief operating decision maker (the "CODM") is a group consisting of its Chief Executive Officer, President, and Chief Financial Officer. The CODM assesses performance for the identity and information solutions segment and decides how to allocate resources based on net income that also is reported on the condensed consolidated statements of operations as net income. The measure of segment assets is reported on the condensed consolidated balance sheet as total assets.

Information about reported segment revenue, segment net income, and significant segment expenses is shown as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
(Dollars in thousands)	2026	2025	2026	2025
Revenue	$ 26,718	$ 21,774	$ 52,548	$ 43,777
Less:				
Cost of revenue (exclusive of depreciation and amortization)(1)	3,818	3,501	7,637	7,162
Personnel-related expenses	8,635	8,024	17,247	15,717
Advertising, marketing and agency expenses	363	287	686	511
Provision for bad debts	218	212	367	274
Share-based compensation expense	2,222	1,827	4,257	3,423
Occupancy expenses	280	265	564	571
Professional fees(2)	1,403	1,560	2,952	2,611
Other segment items(3)	897	700	1,702	1,349
Depreciation and amortization	2,787	2,647	5,597	5,197
Interest income	(394)	(339)	(738)	(647)
Income tax expense	1,529	404	2,929	1,483
Segment net income	$ 4,960	$ 2,686	$ 9,348	$ 6,126
Consolidated net income	$ 4,960	$ 2,686	$ 9,348	$ 6,126

(1) Cost of revenue (exclusive of depreciation and amortization) includes certain personnel-related expenses and share-based compensation expense, which are not included in the related line items below.

(2) Professional fees for the three and six months ended June 30, 2026 included $49 and $308, respectively, of acquisition-related costs incurred in connection with due diligence of potential strategic targets. Comparable acquisition-related costs were $370 for each of the three and six months ended June 30, 2025.

(3) Other segment items include primarily travel and entertainment, write-off of long-lived assets, and other selling, general and administrative expenses.

10. Commitments and contingencies

(a) Capital commitment

The Company incurred data costs, included within cost of revenue (exclusive of depreciation and amortization), of $2,443 and $2,417 for the three months ended June 30, 2026 and 2025, respectively, and $4,882 and $4,959 for the six months ended June 30, 2026 and 2025, respectively, under certain data licensing agreements.

In April 2025, the Company entered into a five-year, non-cancellable cloud services agreement with a third-party provider. The agreement includes a minimum annual purchase commitment of $3.0 million, beginning May 1, 2025. Costs incurred under this agreement are either (i) expensed as infrastructure fees and included in cost of revenue (exclusive of depreciation and amortization) when used in the delivery of our services to customers, or (ii) capitalized as internal-use software costs within intangible assets when consumed in the development or enhancement of the Company's internal-use software.

As of June 30, 2026, the total material capital commitments under certain data licensing agreements and the cloud service agreement amounted to $35,498, shown as follows:

(In thousands) Year	June 30, 2026
Remainder of 2026	$ 4,530
2027	8,260
2028	7,694
2029	7,605
2030	5,858
2031	1,551
Total	$ 35,498

(b) Contingencies

Other than as described below, the Company is not currently a party to any legal proceeding, investigation or claim which, in the opinion of management, is likely to have a material adverse effect on the business, financial condition, results of operations, or cash flows. Legal fees associated with such legal proceedings are expensed as incurred. The Company reviews legal proceedings and claims on an ongoing basis and follows appropriate accounting guidance, including ASC 450, when making accrual and disclosure decisions. The Company establishes accruals for those contingencies where the incurrence of a loss is probable and can be reasonably estimated, and it discloses the amount accrued and the amount of a reasonably possible loss in excess of the amount accrued, if such disclosure is necessary for its financial statements to not be misleading. To estimate whether a loss contingency should be accrued by a charge to income, the Company evaluates, among other factors, the degree of probability of an unfavorable outcome and the ability to make a reasonable estimate of the amount of the loss. The Company does not record liabilities when the likelihood that the loss has been incurred is probable, but the amount cannot be reasonably estimated.

On February 7, 2024, the Company was named as a defendant by Atlas Data Privacy Corporation (“Atlas”), Jane Doe-1, Jane Doe-2, Edwin Maldonado, Scott Maloney, Justyna Maloney, Patrick Colligan, and William Sullivan in an action filed in the Superior Court of New Jersey, Law Division, Monmouth County (the “Action”). Each plaintiff, other than Atlas, alleges that they are a covered person under a New Jersey state statute known as “Daniel’s Law”; Atlas alleges it is the assignee of claims from covered persons who allege Daniel’s Law was violated as to them. Each plaintiff, on their own behalf, and Atlas, on behalf of the alleged assignors, alleges the Company failed to comply with Daniel’s Law by not suppressing their home address and unpublished telephone number within 10 business days of receiving a suppression request.

The Company is one of over 150 companies sued by Atlas and a combination of individual plaintiffs in actions containing nearly identical allegations and seeking similar damages. The Company removed the matter to the United States District Court for the District of New Jersey, but it was remanded to the Superior Court of New Jersey, Law Division, Monmouth County by order dated November 21, 2024, where the Action is pending. On May 1, 2026, the acting Administrative Director of the Courts denied Atlas’s application to consolidate all cases against various defendants in the Superior Court of New Jersey. No trial date has been scheduled. Each plaintiff and Atlas seek to recover actual damages that are not less than liquidated damages under Daniel’s Law, punitive damages, pre- and post-judgment interest, attorneys’ fees and costs and injunctive relief. The Company is vigorously defending itself in the Action. Should the case be tried, an adverse ruling could have an immediate near-term impact on the Company's business, financial position, and/or operations. The Company has notified its insurer of the Action and has confirmed that the claim falls within the scope of its insurance coverage. As such, the Company anticipates that the insurer will cover defense costs and any potential liability, subject to policy limits and customary exclusions.

In addition to the foregoing, the Company may be involved in litigation from time to time in the ordinary course of business. The Company does not believe that the ultimate resolution of any such matter will have a material adverse effect on its business, financial condition, results of operations, or cash flows. However, the results of such matters cannot be predicted with certainty, and the Company cannot assure you that the ultimate resolution of any legal or administrative proceeding or dispute will not have a material adverse effect on its business, financial condition, results of operations, and cash flows.

11. Subsequent events

On August 5, 2026, the Company entered into an underwriting agreement with Raymond James & Associates, Inc. and Needham & Company, LLC, as representatives of the several underwriters (the “Underwriters”), relating to an underwritten public offering (the “Offering”) of 1,666,667 shares of its common stock. The Company also granted the Underwriters a 30-day option to purchase up to an additional 250,000 shares, which the Underwriters exercised in full on August 6, 2026, resulting in the issuance and sale of an aggregate of 1,916,667 shares.

On August 7, 2026, the Company closed the Offering at a public offering price of $60.00 per share. The shares were issued under the Company’s effective shelf registration statement on Form S-3. Net proceeds to the Company were approximately $108.6 million, after deducting underwriting discounts and commissions and estimated offering expenses. The Company intends to use the net proceeds for working capital and general corporate purposes, including potential strategic acquisitions.

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

You should read the following discussion and analysis in conjunction with our condensed consolidated financial statements and related notes included elsewhere in this Quarterly Report on Form 10-Q ("Form 10-Q"). This Form 10-Q contains certain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 ("PSLRA"), Section 27A of the Securities Act of 1933, as amended (the "Securities Act"), and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), about our expectations, beliefs, or intentions regarding our business, financial condition, results of operations, strategies, or prospects. You can identify forward-looking statements by the fact that these statements do not relate strictly to historical or current matters. Rather, forward-looking statements relate to anticipated or expected events, activities, trends, or results as of the date they are made. Because forward-looking statements relate to matters that have not yet occurred, these statements are inherently subject to risks and uncertainties that could cause our actual results to differ materially from any future results expressed or implied by the forward-looking statements. Many factors could cause our actual activities or results to differ materially from the activities and results anticipated in forward-looking statements. These factors include those contained in this Form 10-Q, as well as the disclosures made in the Company's Annual Report on Form 10-K for the year ended December 31, 2025 filed on March 4, 2026 (the "2025 Form 10-K"), and other filings we make with the Securities and Exchange Commission (the "SEC"). We do not undertake any obligation to update forward-looking statements, except as required by law. We intend that all forward-looking statements be subject to the safe harbor provisions of PSLRA. These forward-looking statements are only predictions and reflect our views as of the date they are made with respect to future events and financial performance.

References in this discussion and analysis to "we," "us," "our," "red violet," or the "Company," refer to Red Violet, Inc. and its consolidated subsidiaries.

Overview

Red Violet, Inc., a Delaware corporation, is dedicated to making the world a safer place and reducing the cost of doing business. We build proprietary technologies and apply analytical capabilities to deliver identity intelligence. Our technology powers critical solutions, which empower organizations to operate with confidence. Our solutions enable the real-time identification and location of people, businesses, assets, and their interrelationships. These solutions are used for purposes including identity verification, risk mitigation, due diligence, fraud detection and prevention, regulatory compliance, and customer acquisition. Our cloud-native, AI-embedded identity intelligence platform, CORE™, is purpose-built for the enterprise, yet flexible enough for organizations of all sizes, bringing clarity to massive datasets by transforming data into intelligence. We drive workflow efficiency and enable organizations to make better data-driven decisions.

With artificial intelligence and machine learning embedded directly into CORE's architecture from inception, and integrated with extensive proprietary data assets and regulated workflows, the platform enables customers to uncover actionable insights, accelerate decision-making, and operate at enterprise scale with materially reduced manual effort and operating costs. These AI-driven capabilities support the streamlining of labor-intensive workflows through automated, intelligence-driven processes that materially enhance efficiency and outcomes across risk management, compliance, and investigative functions.

Organizations are challenged by the structure, volume, velocity, and disparity of data. Our platform and applications provide real-time analytics, transforming the way our customers interact with information by presenting connections and relevance of information otherwise unattainable, which drives actionable insights and better outcomes. Leveraging cloud-native proprietary technology and applying machine learning and advanced analytical capabilities, CORE provides essential solutions to public and private sector organizations through intuitive, easy-to-use analytical interfaces. With extensive data assets consisting of public record, proprietary, and publicly-available data, our differentiated information and innovative platform and solutions deliver identity intelligence – entities, relationships, affiliations, interactions, and events. Our solutions are used today to enable frictionless commerce, enhance safety, and mitigate fraud and the related financial losses across the markets we serve.

While our platform powers a vast array of solutions for our customers, we presently market our solutions primarily through two brands, IDI™ and FOREWARN®. IDI is a leading-edge, analytics and information solutions provider delivering actionable intelligence to an expansive and diverse set of industries in support of use cases such as the verification and authentication of consumer identities, due diligence, prevention of fraud and abuse, legislative compliance, and debt recovery. idiCORE™ is IDI's flagship product. idiCORE is a next-generation, investigative solution used to address a variety of organizational challenges, including, but not limited to, due diligence, risk mitigation, identity authentication, and regulatory compliance, by financial services companies, insurance companies, healthcare companies, law enforcement and government, identity verification platforms, collections, law firms, retail, telecommunication companies, corporate security, and investigative firms. FOREWARN is an app-based solution currently tailored for the real estate industry, providing instant knowledge prior to face-to-face engagement with a consumer, helping professionals identify and mitigate risk. As of June 30, 2026 and 2025, IDI had 10,869 and 9,549 billable customers, respectively, and FOREWARN had 443,173 and 346,671 users, respectively. We define a billable customer of IDI as a single entity that generated revenue during the last three months of the period. Billable customers are typically corporate organizations. In most cases, corporate organizations will have multiple users and/or departments purchasing our solutions; however, we count the entire organization as a discrete customer. We define a user of FOREWARN as a unique person that has a subscription to use the FOREWARN service as of the last day of the period. A unique person can only have one user account.

We generate substantially all of our revenue from licensing our solutions. Customers access our solutions through a hosted environment using an online interface, batch processing, API, and custom integrations. We recognize revenue from licensing fees (a) on a transactional basis determined by the customer’s usage, (b) via a monthly fee or (c) from a combination of both. Revenue pursuant to pricing contracts containing a monthly fee is recognized ratably over the contract period. Pricing contracts are generally annual contracts or longer, with auto renewal. For each of the three months ended June 30, 2026 and 2025, 77% of total revenue was attributable to customers with pricing contracts, versus 23% attributable to transactional customers. For each of the six months ended June 30, 2026 and 2025, 76% of total revenue was attributable to customers with pricing contracts, versus 24% attributable to transactional customers.

We endeavor to understand our customers’ needs at the moment of first engagement. We continuously engage with our customers and evaluate their usage of our solutions throughout their life cycle, to maximize utilization of our solutions and, hence, their productivity. Our go-to-market strategy leverages (a) an inside sales team that cultivates relationships, and ultimately closes business, with their end-user markets, (b) a strategic sales team that provides a more personal, face-to-face approach for major accounts within certain industries, and (c) distributors, resellers, and strategic partners that have a significant foothold in many of the industries that we have not historically served, as well as to further penetrate those industries that we do serve. We employ a “land and expand” approach. Our sales model generally begins with a trial followed by an initial purchase on a transactional basis or minimum-committed monthly spend. As organizations derive benefits from our solutions, we are able to expand within organizations as additional use cases are presented across departments, divisions, and geographic locations, and customers become increasingly reliant on our solutions in their daily workflow.

In order for us to continue to develop new products, grow our existing business and expand into additional markets, we must generate and sustain sufficient operating profits and cash flow in future periods. This will require us to generate additional sales from current products and new products currently under development. We continue to build out our sales organization to drive current products and to introduce new products into the marketplace.

Critical Accounting Policies and Estimates

Management’s discussion and analysis of financial condition and results of operations are based upon our condensed consolidated financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States (“US GAAP”). The preparation of these financial statements requires us to make estimates and judgments that affect the reported amounts of assets, liabilities, revenue and expenses, and related disclosure of contingent assets and liabilities. On an ongoing basis, we evaluate our estimates, including those related to revenue recognition, allowance for doubtful accounts, useful lives of intangible assets, recoverability of the carrying amounts of goodwill and intangible assets, share-based compensation, and income tax provision. We base our estimates on historical experience and on various other assumptions that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions.

For additional information, please refer to our 2025 Form 10-K. There have been no material changes to Critical Accounting Policies and Estimates disclosed in our 2025 Form 10-K.

Recently issued accounting standards

See Note 1(b), “*Recently issued accounting standards,”* in “Notes to Condensed Consolidated Financial Statements.”

Second Quarter Financial Results

For the three months ended June 30, 2026 as compared to the three months ended June 30, 2025:

- Total revenue increased 23% to $26.7 million.
- Gross profit increased 29% to $20.2 million. Gross margin increased to 76% from 72%.
- Adjusted gross profit increased 25% to $22.9 million. Adjusted gross margin increased to 86% from 84%.
- Net income increased 85% to $5.0 million, which resulted in earnings of $0.35 and $0.34 per basic and diluted share, respectively. Net income margin increased to 19% from 12%.
- Adjusted EBITDA increased 48% to $11.2 million. Adjusted EBITDA margin increased to 42% from 35%.
- Adjusted net income increased 58% to $7.2 million, which resulted in adjusted earnings of $0.51 and $0.50 per basic and diluted share, respectively.
- Net cash provided by operating activities increased 42% to $10.6 million.
- Cash and cash equivalents were $50.0 million as of June 30, 2026.

Second Quarter and Recent Business Highlights

- Announced the August 2026 closing of an underwritten public offering of 1,916,667 shares of common stock, including 250,000 shares of common stock sold pursuant to the full exercise of the underwriters' option, providing net proceeds of approximately $109.0 million, after deducting underwriting discounts and commissions and estimated offering expenses. The Company intends to use the net proceeds from the offering for working capital and general corporate purposes, including potential strategic acquisitions.
- Added 447 customers to IDI during the second quarter, ending the quarter with 10,869 customers.
- Added 25,493 users to FOREWARN during the second quarter, ending the quarter with 443,173 users. 660 REALTOR® Associations throughout the U.S. are now contracted to use FOREWARN.
- Purchased 74,500 shares of the Company's common stock year to date through June 30, 2026, at an average price of $41.87 per share pursuant to the Company's Stock Repurchase Program. As of June 30, 2026, the Company had $15.5 million remaining under the Stock Repurchase Program.

Use and Reconciliation of Non-GAAP Financial Measures

Management evaluates the financial performance of our business on a variety of key indicators, including non-GAAP metrics of adjusted EBITDA, adjusted EBITDA margin, adjusted net income, adjusted earnings per share, adjusted gross profit, adjusted gross margin, and free cash flow ("FCF"). Adjusted EBITDA is a non-GAAP financial measure equal to net income, the most directly comparable financial measure based on US GAAP, excluding interest income, income tax expense, depreciation and amortization, share-based compensation expense, acquisition-related costs, litigation costs, and write-off of long-lived assets. We define adjusted EBITDA margin as adjusted EBITDA as a percentage of revenue. Adjusted net income is a non-GAAP financial measure equal to net income, the most directly comparable financial measure based on US GAAP, adjusted to exclude share-based compensation expense, amortization of share-based compensation capitalized in intangible assets, acquisition-related costs, litigation costs, and write-off of long-lived assets, and to include the tax effect of adjustments. We define adjusted earnings per share as adjusted net income divided by the weighted average shares outstanding. We define adjusted gross profit as gross profit plus depreciation and amortization of certain intangible assets, and adjusted gross margin as adjusted gross profit as a percentage of revenue. We define FCF as net cash provided by operating activities reduced by purchase of property and equipment and capitalized costs included in intangible assets.

The following is a reconciliation of net income, the most directly comparable US GAAP financial measure, to adjusted EBITDA:

	Three Months Ended June 30,		Six Months Ended June 30,	
(Dollars in thousands)	**2026**	**2025**	**2026**	**2025**
Net income	$ 4,960	$ 2,686	$ 9,348	$ 6,126
Interest income	(394)	(339)	(738)	(647)
Income tax expense	1,529	404	2,929	1,483
Depreciation and amortization	2,787	2,647	5,597	5,197
Share-based compensation expense	2,236	1,827	4,286	3,423
Acquisition-related costs	49	370	308	370
Litigation costs	81	4	185	13
Write-off of long-lived assets	-	1	1	3
Adjusted EBITDA	$ 11,248	$ 7,600	$ 21,916	$ 15,968
Revenue	$ 26,718	$ 21,774	$ 52,548	$ 43,777
Net income margin	19%	12%	18%	14%
Adjusted EBITDA margin	42%	35%	42%	36%

The following is a reconciliation of net income, the most directly comparable US GAAP financial measure, to adjusted net income:

	Three Months Ended June 30,		Six Months Ended June 30,	
(Dollars in thousands, except share data)	**2026**	**2025**	**2026**	**2025**
Net income	$ 4,960	$ 2,686	$ 9,348	$ 6,126
Share-based compensation expense	2,236	1,827	4,286	3,423
Amortization of share-based compensation capitalized in intangible assets	406	413	820	822
Acquisition-related costs	49	370	308	370
Litigation costs	81	4	185	13
Write-off of long-lived assets	-	1	1	3
Tax effect of adjustments(1)	(562)	(759)	(1,183)	(1,106)
Adjusted net income	$ 7,170	$ 4,542	$ 13,765	$ 9,651
Earnings per share:				
Basic	$ 0.35	$ 0.19	$ 0.66	$ 0.44
Diluted	$ 0.34	$ 0.18	$ 0.65	$ 0.42
Adjusted earnings per share:				
Basic	$ 0.51	$ 0.32	$ 0.97	$ 0.69
Diluted	$ 0.50	$ 0.31	$ 0.95	$ 0.66
Weighted average shares outstanding:				
Basic	14,175,312	14,018,629	14,184,951	14,008,385
Diluted	14,464,461	14,553,282	14,436,339	14,528,789

(1) The tax effect of adjustments is calculated using the expected combined federal and state statutory tax rate, which was approximately 26.00% for each of the three and six months ended June 30, 2026 and 2025. The resulting tax effect may differ from applying such rate to total adjustments due to the tax treatment of certain items. Beginning with the 2025 Form 10-K, we updated the methodology for determining the income tax effects of adjustments in calculating non-GAAP adjusted net income. Prior-period amounts have been revised to conform to the current methodology and presentation. These revisions did not affect our previously reported GAAP financial statements.

The following is a reconciliation of gross profit, the most directly comparable US GAAP financial measure, to adjusted gross profit:

	Three Months Ended June 30,		Six Months Ended June 30,	
(Dollars in thousands)	**2026**	**2025**	**2026**	**2025**
Revenue	$ 26,718	$ 21,774	$ 52,548	$ 43,777
Cost of revenue (exclusive of depreciation and amortization)	(3,818)	(3,501)	(7,637)	(7,162)
Depreciation and amortization related to cost of revenue	(2,716)	(2,595)	(5,462)	(5,095)
Gross profit	20,184	15,678	39,449	31,520
Depreciation and amortization of certain intangible assets[1]	2,669	2,560	5,378	5,012
Adjusted gross profit	$ 22,853	$ 18,238	$ 44,827	$ 36,532
Gross margin	76%	72%	75%	72%
Adjusted gross margin	86%	84%	85%	83%

(1) Depreciation and amortization of certain intangible assets primarily consists of the amortization of capitalized internal-use software development costs, which are included within intangible assets and amortized over their estimated useful lives.

The following is a reconciliation of net cash provided by operating activities, the most directly comparable US GAAP financial measure, to FCF:

	Three Months Ended June 30,		Six Months Ended June 30,	
(Dollars in thousands)	**2026**	**2025**	**2026**	**2025**
Net cash provided by operating activities	$ 10,637	$ 7,487	$ 17,222	$ 12,488
Less:				
Purchase of property and equipment	(105)	(202)	(168)	(252)
Capitalized costs included in intangible assets	(3,360)	(2,515)	(6,803)	(4,984)
Free cash flow	$ 7,172	$ 4,770	$ 10,251	$ 7,252

In order to assist readers of our condensed consolidated financial statements in understanding the operating results that management uses to evaluate the business and for financial planning purposes, we present non-GAAP measures of adjusted EBITDA, adjusted EBITDA margin, adjusted net income, adjusted earnings per share, adjusted gross profit, adjusted gross margin, and FCF as supplemental measures of our operating performance. We believe they provide useful information to our investors as they eliminate the impact of certain items that we do not consider indicative of our cash operations and ongoing operating performance. In addition, we use them as an integral part of our internal reporting to measure the performance and operating strength of our business.

We believe adjusted EBITDA, adjusted EBITDA margin, adjusted net income, adjusted earnings per share, adjusted gross profit, adjusted gross margin, and FCF are relevant and provide useful information frequently used by securities analysts, investors and other interested parties in their evaluation of the operating performance of companies similar to ours and are indicators of the operational strength of our business. We believe adjusted EBITDA eliminates the uneven effect of considerable amounts of non-cash depreciation and amortization, and share-based compensation expense, and the impact of other items not indicative of our ongoing operating performance. Adjusted EBITDA margin is calculated as adjusted EBITDA as a percentage of revenue. We believe adjusted net income provides additional means of evaluating period-over-period operating performance by eliminating certain non-cash expenses and other items that might otherwise make comparisons of our ongoing business with prior periods more difficult and obscure trends in ongoing operations. Adjusted net income is a non-GAAP financial measure equal to net income, adjusted to exclude share-based compensation expense, amortization of share-based compensation capitalized in intangible assets, and other items not indicative of our ongoing operating performance, and to include the tax effect of adjustments. We define adjusted earnings per share as adjusted net income divided by the weighted average shares outstanding. Our adjusted gross profit is a measure used by management in evaluating the business's current operating performance by excluding the impact of prior historical costs of assets that are expensed systematically and allocated over the estimated useful lives of the assets, which may not be indicative of the current operating activity. We define adjusted gross profit as gross profit plus depreciation and amortization of certain intangible assets. We believe adjusted gross profit provides useful information to our investors by eliminating the impact of certain non-cash depreciation and amortization, and primarily the amortization of software developed for internal use, providing a baseline of our core operating results that allow for analyzing trends in our underlying business consistently over multiple periods. Adjusted gross margin is calculated as adjusted gross profit as a percentage of revenue. We believe FCF is an important liquidity measure of the cash that is available, after capital expenditures, for operational expenses and investment in our business. FCF is a measure used by management to understand and evaluate the business's operating performance and trends over time. FCF is calculated by using net cash provided by operating activities, less purchase of property and equipment and capitalized costs included in intangible assets.

Adjusted EBITDA, adjusted EBITDA margin, adjusted net income, adjusted earnings per share, adjusted gross profit, adjusted gross margin, and FCF are not intended to be performance measures that should be regarded as an alternative to, or more meaningful than, financial measures presented in accordance with US GAAP. In addition, FCF is not intended to represent our residual cash flow available for discretionary expenses and is not necessarily a measure of our ability to fund our cash needs. The way we measure adjusted EBITDA, adjusted EBITDA margin, adjusted net income, adjusted earnings per share, adjusted gross profit, adjusted gross margin, and FCF may not be comparable to similarly titled measures presented by other companies, and may not be identical to corresponding measures used in our various agreements.

Results of Operations

Three months ended June 30, 2026 compared to three months ended June 30, 2025

Revenue

Revenue increased $4.9 million, or 23%, to $26.7 million for the three months ended June 30, 2026, compared to $21.8 million for the same period in 2025. The increase was driven by strong onboarding of new customers and volume expansion across the existing customer base.

- Revenue from new customers increased $0.5 million, or 36%, to $2.0 million; and
- Revenue from existing customers increased $4.4 million, or 22%, to $24.7 million.

Revenue from new customers represents total monthly revenue generated from customers during their first six full calendar months of revenue contribution. Revenue from existing customers represents total monthly revenue generated from customers beginning in their seventh full calendar month of revenue contribution.

As of June 30, 2026, our IDI billable customer base increased to 10,869 customers, up from 9,549 customers a year earlier. Our FOREWARN user base increased to 443,173 users, up from 346,671 users a year earlier.

Cost of revenue (exclusive of depreciation and amortization)

Cost of revenue (exclusive of depreciation and amortization) increased $0.3 million, or 9%, to $3.8 million for the three months ended June 30, 2026, compared to $3.5 million for the same period in 2025.

Our cost of revenue primarily consists of data acquisition costs, which include the cost to acquire data under flat-fee licensing agreements, including unlimited usage arrangements, as well as purchases on a transactional basis. We continue to enhance the breadth and depth of our data by the addition and expansion of relationships with key data suppliers, including our largest data supplier, which accounted for 46% of our total data acquisition costs for each of the three months ended June 30, 2026 and 2025. Effective on May 1, 2025, we entered into an amendment with our largest data supplier, extending the term of the agreement through April 30, 2031.

Additional components of our cost of revenue include cloud infrastructure fees, and pertinent personnel-related costs and share-based compensation expense.

Due to the fixed-cost nature of our primary data licensing structure, cost of revenue as a percentage of revenue decreased to 14% for the three months ended June 30, 2026, compared to 16% for the same period in 2025. We expect this percentage to continue to decline over time as our revenue increases.

Sales and marketing expenses

Sales and marketing expenses increased $0.2 million, or 2%, to $5.8 million for the three months ended June 30, 2026, compared to $5.6 million for the same period in 2025. We continued to invest in expanding our go-to-market capabilities to support long-term revenue growth.

Sales and marketing expenses include personnel-related expenses, advertising, marketing and agency expenses, travel expenses, and share-based compensation expense incurred by our sales team, and provision for bad debts.

For the three months ended June 30, 2026 and 2025, sales and marketing expenses consisted primarily of:

- personnel-related expenses of $4.5 million and $4.5 million, respectively;
- share-based compensation expense of $0.1 million and $0.2 million, respectively; and
- advertising, marketing and agency expenses of $0.4 million and $0.3 million, respectively.

General and administrative expenses

General and administrative expenses increased $1.0 million, or 14%, to $8.3 million for the three months ended June 30, 2026, compared to $7.3 million for the same period in 2025. The increase reflects higher personnel-related expenses and share-based compensation expense to support the continued growth of the business.

For the three months ended June 30, 2026 and 2025, general and administrative expenses consisted primarily of:

- personnel-related expenses of $4.1 million and $3.5 million, respectively;
- share-based compensation expense of $2.1 million and $1.6 million, respectively; and
- professional fees of $1.4 million and $1.6 million, respectively. Professional fees included $0.05 million and $0.4 million, respectively, of acquisition-related costs incurred in connection with the due diligence of potential strategic targets.

Depreciation and amortization

Depreciation and amortization expenses increased $0.2 million, or 5%, to $2.8 million for the three months ended June 30, 2026, compared to $2.6 million for the same period in 2025.

The increase was primarily driven by the amortization of intangible assets that became ready for their intended use after June 30, 2025.

Interest income

Interest income increased $0.1 million, or 16%, to $0.4 million for the three months ended June 30, 2026, compared to $0.3 million for the three months ended June 30, 2025.

The interest income was primarily attributable to yields on money market fund investments.

Income before income taxes

Income before income taxes increased $3.4 million, or 110%, to $6.5 million for the three months ended June 30, 2026, compared to $3.1 million for the same period in 2025.

The increase was primarily driven by:

- an increase of $4.9 million in revenue,

partially offset by:

- an increase of $0.3 million in cost of revenue (exclusive of depreciation and amortization);
- an increase of $0.7 million in personnel-related expenses;
- an increase of $0.4 million in share-based compensation expense; and
- an increase of $0.2 million in depreciation and amortization expense.

Income tax expense

Income tax expense was $1.5 million for the three months ended June 30, 2026, compared to $0.4 million for the same period in 2025.

The increase in income tax expense was primarily attributable to higher pre-tax income and the increase in the Company's effective tax rate to 24% for the three months ended June 30, 2026 from 13% for the same period in 2025.

For additional information, refer to Note 5, "Income taxes," in the "Notes to Condensed Consolidated Financial Statements."

Net income

Net income increased $2.3 million, or 85%, to $5.0 million for the three months ended June 30, 2026, compared to $2.7 million for the same period in 2025, as a result of the foregoing.

Six months ended June 30, 2026 compared to six months ended June 30, 2025

Revenue

Revenue increased $8.7 million, or 20%, to $52.5 million for the six months ended June 30, 2026, compared to $43.8 million for the same period in 2025. The increase was driven by volume expansion across the existing customer base, partially offset by the decrease in revenue from new customers.

- Revenue from existing customers increased $9.0 million, or 23%, to $48.4 million; and
- Revenue from new customers decreased $0.3 million, or 7%, to $4.1 million.

Revenue from new customers represents total monthly revenue generated from customers during their first six full calendar months of revenue contribution. Revenue from existing customers represents total monthly revenue generated from customers beginning in their seventh full calendar month of revenue contribution.

As of June 30, 2026, our IDI billable customer base increased to 10,869 customers, up from 9,549 customers a year earlier. Our FOREWARN user base increased to 443,173 users, up from 346,671 users a year earlier.

Cost of revenue (exclusive of depreciation and amortization)

Cost of revenue (exclusive of depreciation and amortization) increased $0.4 million, or 7%, to $7.6 million for the six months ended June 30, 2026, compared to $7.2 million for the same period in 2025.

Our cost of revenue primarily consists of data acquisition costs, which include the cost to acquire data under flat-fee licensing agreements, including unlimited usage arrangements, as well as purchases on a transactional basis. We continue to enhance the breadth and depth of our data by the addition and expansion of relationships with key data suppliers, including our largest data supplier, which accounted for 46% and 45% of our total data acquisition costs for the six months ended June 30, 2026 and 2025, respectively. Effective on May 1, 2025, we entered into an amendment with our largest data supplier, extending the term of the agreement through April 30, 2031.

Additional components of our cost of revenue include cloud infrastructure fees, and pertinent personnel-related costs and share-based compensation expense.

Due to the fixed-cost nature of our primary data licensing structure, cost of revenue as a percentage of revenue decreased to 15% for the six months ended June 30, 2026, compared to 16% for the same period in 2025. We expect this percentage to continue to decline over time as our revenue increases.

Sales and marketing expenses

Sales and marketing expenses increased $0.6 million, or 5%, to $11.6 million for the six months ended June 30, 2026, compared to $11.0 million for the same period in 2025. We continued to invest in expanding our go-to-market capabilities to support long-term revenue growth.

Sales and marketing expenses include personnel-related expenses, advertising, marketing and agency expenses, travel expenses, and share-based compensation expense incurred by our sales team, and provision for bad debts.

For the six months ended June 30, 2026 and 2025, sales and marketing expenses consisted primarily of:

- personnel-related expenses of $9.1 million and $9.1 million, respectively;
- share-based compensation expense of $0.4 million and $0.4 million, respectively; and
- advertising, marketing and agency expenses of $0.7 million and $0.5 million, respectively.

General and administrative expenses

General and administrative expenses increased $2.8 million, or 20%, to $16.2 million for the six months ended June 30, 2026, compared to $13.4 million for the same period in 2025. The increase reflects higher personnel-related expenses and share-based compensation expense to support the continued growth of the business.

For the six months ended June 30, 2026 and 2025, general and administrative expenses consisted primarily of:

- personnel-related expenses of $8.1 million and $6.6 million, respectively;
- share-based compensation expense of $3.9 million and $3.0 million, respectively; and
- professional fees of $3.0 million and $2.6 million, respectively. Professional fees included $0.3 million and $0.4 million, respectively, of acquisition-related costs incurred in connection with the due diligence of potential strategic targets.

Depreciation and amortization

Depreciation and amortization expenses increased $0.4 million, or 8%, to $5.6 million for the six months ended June 30, 2026, compared to $5.2 million for the same period in 2025.

The increase was primarily driven by the amortization of intangible assets that became ready for their intended use after June 30, 2025.

Interest income

Interest income increased $0.1 million, or 14%, to $0.7 million for the six months ended June 30, 2026, compared to $0.6 million for the six months ended June 30, 2025.

The interest income was primarily attributable to yields on money market fund investments.

Income before income taxes

Income before income taxes increased $4.7 million, or 61%, to $12.3 million for the six months ended June 30, 2026, compared to $7.6 million for the same period in 2025.

The increase was primarily driven by:

- an increase of $8.7 million in revenue,

partially offset by:

- an increase of $0.4 million in cost of revenue (exclusive of depreciation and amortization);
- an increase of $1.9 million in personnel-related expenses;
- an increase of $0.9 million in share-based compensation expense;
- an increase of $0.4 million in professional fees; and
- an increase of $0.4 million in depreciation and amortization expense.

Income tax expense

Income tax expense was $2.9 million for the six months ended June 30, 2026, compared to $1.5 million for the same period in 2025.

The increase in income tax expense was primarily attributable to higher pre-tax income and the increase in the Company's effective tax rate to 24% for the six months ended June 30, 2026 from 19% for the same period in 2025.

For additional information, refer to Note 5, "Income taxes," in the "Notes to Condensed Consolidated Financial Statements."

Net income

Net income increased $3.2 million, or 53%, to $9.3 million for the six months ended June 30, 2026, compared to $6.1 million for the same period in 2025, as a result of the foregoing.

Effect of Inflation

While the pace of inflation has shown signs of moderation more recently, macroeconomic uncertainty and higher interest rates have continued to influence business sentiment and spending patterns in certain sectors. These conditions have resulted in — and may continue to contribute to — fluctuations in transaction volumes, pricing dynamics, and operating margins across our services.

In addition, elevated interest rates implemented to curb inflation may reduce demand for credit, which could in turn lead to lower usage of our services by customers in the banking, financial services, and adjacent industries.

Despite these broader market dynamics, inflation has not had a material impact on our financial results to date. Where feasible, we have taken proactive steps to mitigate inflation-related cost increases, including implementing pricing adjustments where permitted under contract terms and competitive conditions.

Liquidity and Capital Resources

Cash flows provided by operating activities

For the six months ended June 30, 2026, net cash provided by operating activities was $17.2 million. This was primarily driven by:

- net income of $9.3 million;
- non-cash adjustments totaling $12.5 million, including share-based compensation expense, depreciation and amortization, write-off of long-lived assets, provision for bad debts, noncash lease expenses, and deferred income tax expense; and
- changes in operating assets and liabilities, which resulted in a net use of cash of $4.6 million, primarily due to an increase in accounts receivable, and a decrease in accounts payable, and accrued expenses and other current liabilities.

For the six months ended June 30, 2025, net cash provided by operating activities was $12.5 million. This was primarily driven by:

- net income of $6.1 million;
- non-cash adjustments totaling $10.3 million, including share-based compensation expense, depreciation and amortization, write-off of long-lived assets, provision for bad debts, noncash lease expenses, and deferred income tax expense; and
- changes in operating assets and liabilities, which resulted in a net use of cash of $4.0 million, primarily due to an increase in accounts receivable, and prepaid expenses and other current assets, and a decrease in accounts payable, accrued expenses and other current liabilities, and operating lease liabilities.

Cash flows used in investing activities

For the six months ended June 30, 2026 and 2025, net cash used in investing activities was $7.0 million and $5.2 million, respectively, primarily as a result of capitalized costs included in intangible assets.

Cash flows used in financing activities

For the six months ended June 30, 2026, net cash used in financing activities was $3.8 million. This was primarily driven by:

- taxes paid in connection with the net share settlement of vesting RSUs totaling $0.7 million; and
- common stock repurchases totaling $3.1 million, conducted pursuant to our Stock Repurchase Program (as defined below).

The Stock Repurchase Program was originally authorized by the Company's Board of Directors on May 2, 2022, permitting repurchases of our common stock from time to time, which was subsequently amended on each of December 19, 2023, March 28, 2024, and November 3, 2025, bringing the total authorization to $30.0 million.

For the six months ended June 30, 2025, net cash used in financing activities was $4.9 million. This was primarily driven by:

- the payment of a special cash dividend totaling $4.2 million; and
- taxes paid in connection with the net share settlement of vesting RSUs totaling $0.7 million.

On December 3, 2024, we declared a special cash dividend of $0.30 per share on our common stock to shareholders of record as of January 31, 2025. The dividend, totaling $4.2 million, was paid on February 14, 2025.

Commitments

As of June 30, 2026, we had material commitments under data licensing agreements and a cloud service agreement totaling $35.5 million.

We expect to fund these commitments, as well as our ongoing operating and capital requirements, using available cash on hand and cash flows generated from operations over the next twelve months.

Capital Resources

We reported net income of $5.0 million and $2.7 million for the three months ended June 30, 2026 and 2025, respectively, and $9.3 million and $6.1 million for the six months ended June 30, 2026 and 2025, respectively. As of June 30, 2026, we had total shareholders’ equity of $111.6 million and cash and cash equivalents of $50.0 million. Also, in August 2026, we closed an underwritten public offering of our common stock with net proceeds to us of approximately $108.6 million, after deducting underwriting discounts and commissions and estimated offering expenses. See Note 11, “Subsequent events,” in “Notes to Condensed Consolidated Financial Statements” for additional information on the offering.

Based on our projected growth in revenue and operating results over the next twelve months, and the available cash on hand, we believe that our existing resources will be sufficient to fund operations and expected capital expenditures for at least the next twelve months.

While we anticipate continuing to fund our business through internally generated cash flows, future capital needs may arise based on the pace of revenue growth, investment in technology, or strategic initiatives, including potential acquisitions. In such cases, we may seek to raise additional capital through the issuance of equity and/or debt securities. However, any such financing, if available, could result in dilution to existing stockholders and may involve terms that are not favorable to the Company.

Off-Balance Sheet Arrangements

As of June 30, 2026, we did not have any off-balance sheet arrangements, as defined in Item 303 of Regulation S-K.

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

As a smaller reporting company as defined in Rule 12b-2 of the Exchange Act, we are not required to include information required by this item.

Item 4. Controls and Procedures.

Evaluation of Disclosure Controls and Procedures

Our management, with the participation of the Company's Chief Executive Officer and Chief Financial Officer, evaluated the effectiveness of the Company's disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d–15(e) of the Exchange Act) as of June 30, 2026. We maintain disclosure controls and procedures that are designed to provide reasonable assurance that information required to be disclosed in our reports filed or submitted under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms and that such information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow for timely decisions regarding required disclosure.

Based on the evaluation of disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) of the Exchange Act), the Company's Chief Executive Officer and Chief Financial Officer concluded that the Company's disclosure controls and procedures were effective as of June 30, 2026.

Changes in Internal Control Over Financial Reporting

There were no changes in the Company's internal control over financial reporting identified in connection with management's evaluation pursuant to Rules 13a-15(d) or 15d-15(d) of the Exchange Act during the quarter ended June 30, 2026 that materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Limitations on Effectiveness of Controls and Procedures and Internal Control over Financial Reporting

In designing and evaluating the disclosure controls and procedures and internal control over financial reporting, management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives. In addition, the design of disclosure controls and procedures and internal control over financial reporting must reflect the fact that there are resource constraints and that management is required to apply judgment in evaluating the benefits of possible controls and procedures relative to their costs.

PART II - OTHER INFORMATION

Item 1. Legal Proceedings.

Information with respect to certain legal proceedings is included in Note 10, “Commitments and contingencies,” included in “Notes to Condensed Consolidated Financial Statements” contained in Part I, Item 1 of this Form 10-Q, and is incorporated herein by reference.

Item 1A. Risk Factors.

There have been no material changes to the risk factors previously disclosed in the Company’s 2025 Form 10-K.

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

Issuer Purchases of Equity Securities

The following table provides information relating to the Company's repurchase of common stock during the three months ended June 30, 2026 pursuant to the Stock Repurchase Program:

Period	Total number of shares purchased	Average price paid per share[1]	Total number of shares purchased as part of publicly announced plans or programs	Approximate dollar value of shares that may yet be purchased under the plans or programs
April 1, 2026 - April 30, 2026	9,750	$ 37.74	9,750	$ 15,593,021
May 1, 2026 - May 31, 2026	1,250	$ 40.02	1,250	$ 15,543,002
June 1, 2026 - June 30, 2026	-	$ -	-	$ 15,543,002
Total	11,000	$ 38.00	11,000	

(1) Exclusive of commission fees incurred in relation to the repurchase of common stock.

On May 2, 2022, the Company's Board of Directors authorized the Stock Repurchase Program to repurchase the Company's common stock from time to time through open market purchases, privately negotiated transactions or other means, including pursuant to Rule 10b5-1 trading plans, which was subsequently amended on each of December 19, 2023, March 28, 2024, and November 3, 2025, bringing the total authorization to $30.0 million. The Stock Repurchase Program does not obligate the Company to repurchase any shares and may be modified, suspended, or terminated at any time at the discretion of the Company's Board of Directors.

During the three months ended June 30, 2026, the Company repurchased 11,000 shares of its common stock under the Stock Repurchase Program, pursuant to a Rule 10b5-1 trading plan. Such repurchases were made in accordance with the limitations set forth in Rule 10b-18 and applicable securities laws.

Since the inception of the Stock Repurchase Program and through June 30, 2026, the Company has purchased a total of $14.5 million of common stock at an average price of $22.82 per share.

Shares of common stock withheld as payment of withholding taxes in connection with the vesting of equity awards are also treated as common stock repurchases. Those withheld shares of common stock are not required to be disclosed under Item 703 of Regulation S-K and accordingly are excluded from the amounts mentioned above.

Item 3. Defaults Upon Senior Securities.

None.

Item 4. Mine Safety Disclosures.

Not Applicable.

Item 5. Other Information.

Rule 10b5-1 Trading Plans

No officers or directors had any contract, instruction, or written plan for the purchase or sale of our securities that was intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) or any “non-Rule 10b5-1 trading arrangement” in effect at any time during the quarter ended June 30, 2026.

Item 6. Exhibits.

The following exhibits are filed as part of, or incorporated by reference into, this Quarterly Report on Form 10-Q.

		Incorporated by Reference				Filed
Exhibit No.	**Exhibit Description**	**Form**	**File No.**	**Exhibit**	**Filing Date**	**Herewith**
10.1+	Form of Director RSU Agreement.					X
31.1	Certification of Chief Executive Officer filed pursuant to Exchange Act Rules 13a-14(a) and 15d-14(a) of the Securities Exchange Act of 1934 as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.					X
31.2	Certification of Chief Financial Officer filed pursuant to Exchange Act Rules 13a-14(a) and 15d-14(a) of the Securities Exchange Act of 1934 as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.					X
32.1*	Certification by Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.					X
32.2*	Certification by Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.					X
101.INS	Inline XBRL Instance Document – the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.					X
101.SCH	Inline XBRL Taxonomy Extension Schema With Embedded Linkbase Documents.					X
104	Cover Page Interactive Data File (embedded within the Inline XBRL document).					X

+ Management contract or compensatory plan or arrangement.

* This certification is deemed furnished and not filed for purposes of Section 18 of the Exchange Act, or otherwise subject to the liability of that section, nor shall it be deemed incorporated by reference into any filing under the Securities Act or the Exchange Act.

SIGNATURES

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

August 10, 2026	**Red Violet, Inc.**
	By: /s/ Daniel MacLachlan
	Daniel MacLachlan
	Chief Financial Officer
	(Principal Financial and Accounting Officer)

Exhibit 10.1

RESTRICTED STOCK UNIT AGREEMENT
PURSUANT TO THE
RED VIOLET, INC.
AMENDED AND RESTATED 2018 STOCK INCENTIVE PLAN

THIS AGREEMENT ("Agreement") is made between Red Violet, Inc. ("Company"), a Delaware corporation and the participant included in Section 1(b) below (the "Participant"). Capitalized terms not defined herein shall have the meaning ascribed thereto in the Amended and Restated Red Violet, Inc. Stock Incentive Plan (as amended from time to time, the "Plan"). This Agreement shall be effective as of the date included in Section 1(a) below ("Effective Date").

1. **Award**.

(a) Effective Date:

(b) Participant:

(c) Number of Shares:

(d) Shares. Pursuant to the Plan, the Company hereby grants to the Participant the right to receive the number of shares listed in Section 1(c) (the "Number of Shares Awarded") of the Company's Common Stock upon the satisfaction of certain conditions (the "Restricted Stock Units"). Shares of the Company's Common Stock shall be issued only upon vesting of the Restricted Stock Units and only upon the satisfaction of the terms and conditions set forth herein and in the Plan (such shares shall be referred to hereafter as the "Award Stock").

(e) Plan Incorporated. Participant acknowledges receipt of a copy of the Plan, and agrees that this Award of Restricted Stock Units shall be subject to all of the terms and conditions set forth in the Plan, including future amendments thereto, if any, pursuant to the terms thereof, which Plan is incorporated herein by reference as a part of this Agreement.

2. **Restricted Stock Units**. Participant hereby accepts the Restricted Stock Units when issued and agrees as follows:

(a) Vesting. No Award Stock shall be issued pursuant to the unvested Restricted Stock Units. Except as otherwise provided for in the Plan and this Agreement, the Restricted Stock Units shall vest upon the earlier of ______[1] or the _____[2] Annual Meeting of Stockholders (the "Vesting Date"). Except as otherwise provided herein, there shall be no proportionate or partial vesting in the periods between the Effective Date and the Vesting Date and all vesting shall occur only on the aforementioned Vesting Date.

(b) Termination of Employment or Other Service; Change in Control.

(i) General. Except as otherwise provided in this Agreement, if Participant's employment or other service with the Company terminates, all Restricted Stock Units unvested at the time of termination shall expire and be forfeited immediately and returned to the Company.

(ii) Death. In the event that the Participant dies while in the employment or other service of the Company, all Restricted Stock Units which have not vested on the date of death shall immediately vest.

(iii) Disability. In the event that the Participant's employment or other service with the Company is terminated by reason of Disability, the Committee may, in its sole discretion, provide that Restricted Stock Units which have not vested on the date of such termination shall immediately vest.

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[1] One year from the Effective Date to be inserted.

[2] Year of next Annual Meeting of Stockholders to be inserted.

(iv) Change in Control. In the event of a Change in Control, all Restricted Stock Units which have not vested on the date of such Change in Control shall immediately vest; provided however, if the Change in Control occurs prior to the one year anniversary of the Participant's appointment to the Company's Board of Directors, then the number of shares vested in the event of a Change in Control shall equal the Number of Shares Awarded multiplied by a fraction, the numerator of which is equal to the number of days between the Effective Date and the date of the Change in Control and the denominator of which is equal to the number of days between the Effective Date and the Vesting Date. After such calculation, any fractional share will be rounded to the next whole number.

(c) Transferability. The Restricted Stock Units may not be sold, assigned, pledged, exchanged, hypothecated or otherwise transferred, encumbered or disposed of unless the Plan so provides.

(d) Distribution. The Company shall deliver a certificate evidencing shares of Award Stock to the Participant or direct its transfer agent to register such shares in book entry form, within thirty (30) days following the satisfaction of the vesting requirements.

3. **Distribution; Deferral**. Unless otherwise provided in the Restricted Stock Unit Deferral Election Form attached hereto as Appendix A, the Company shall deliver a certificate evidencing shares of Award Stock to the Participant or direct its transfer agent to register such shares in book entry form, within thirty (30) days following the satisfaction of the vesting requirements. For the Restricted Stock Unit Deferral Election Form to be effective, it must be received by the Company on the Effective Date.

4. **Status as a Shareholder**. Unless otherwise provided in the Plan, Participant shall have no rights of a shareholder with respect to the Restricted Stock Units until the Award Stock is issued to him or her pursuant to Section 2 above.

5. **Committee's Powers**. No provision contained in this Agreement shall in any way terminate, modify or alter, or be construed or interpreted as terminating, modifying or altering any of the powers, rights or authority vested in the Committee or, to the extent delegated, in its delegate pursuant to the terms of the Plan or resolutions adopted in furtherance of the Plan, including, without limitation, the right to make certain determinations and elections with respect to the Restricted Stock Units.

6. **Binding Effect**. This Agreement shall be binding upon and inure to the benefit of any successors to the Company and all persons lawfully claiming under Participant.

7. **Governing Law**. This Agreement shall be governed by, and construed in accordance with, the laws of the State of Delaware.

8. **Miscellaneous**.

(a) Provisions of Plan and Other Agreements Control. This Agreement is subject to all the terms, conditions and provisions of the Plan, including, without limitation, the amendment provisions thereof, and to such rules, regulations and interpretations relating to the Plan as may be adopted by the Board and as may be in effect from time to time. The Plan is incorporated herein by reference. If and to the extent that this Agreement conflicts or is inconsistent with the terms, conditions and provisions of the Plan, the Plan shall control, and this Agreement shall be deemed to be modified accordingly.

(b) No Third-Party Beneficiaries. This Agreement shall not confer any rights or remedies upon any person other than the parties and their respective successors and permitted assigns.

(c) Entire Agreement; Amendments. This Agreement (including the documents and exhibits referred to herein) and the Plan constitute the entire agreement among the parties and supersedes any prior understandings, agreements, or representations by or among the parties, written or oral, that may have related in any way to the subject matter hereof. This Agreement may not be amended, supplemented, or modified in whole or in part except by an instrument in writing signed by the party or parties against whom enforcement of any such amendment, supplement, or modification is sought.

(d) Counterparts. This Agreement may be executed in one or more counterparts, each of which will be deemed an original and all of which together will constitute one and the same instrument.

[Signature Page Follows]

IN WITNESS WHEREOF, the Company has caused this Agreement to be duly executed by an officer thereunto duly authorized, and the Participant has executed this Agreement, all as of the date first above written.

Red Violet, Inc.

____

Derek Dubner, Chief Executive Officer
Date:

PARTICIPANT

____

Date:

APPENDIX A:
AMENDED AND RESTATED 2018 STOCK INCENTIVE PLAN
RESTRICTED STOCK UNIT
DEFERRAL ELECTION FORM(3)

FOR THIS DEFERRAL ELECTION TO BE EFFECTIVE, IT MUST BE RECEIVED BY THE COMPANY ON THE EFFECTIVE DATE.

A. PARTICIPANT INFORMATION
Name:
Address:

B. DEFERRAL ELECTION

For each share of Common Stock to be issued to me pursuant to the Restricted Stock Unit Award Agreement effective _________, I hereby irrevocably elect to defer the receipt of such Common Stock as set forth below.

C. STOCK ISSUANCE DATE

As Restricted Stock Units vest under your Award, the Company will issue you shares of Common Stock with respect to such vested Restricted Stock Units within thirty (30) days following the satisfaction of such vesting requirements, unless you timely elect to receive the shares at a different time. If you elect a different date, Common Stock will generally be issued to you on such date but only to the extent your Restricted Stock Units are vested and additional shares of Common Stock (if any) will be issued to you when any remaining Restricted Stock Units vest.

I hereby elect to receive my shares of Common Stock on the earlier of (check all that apply):

1. _________________________________, 20____; (enter date)

2. my death;

3. my Disability (as defined in the Plan);

4. a Change in Control (as defined in the Plan); and/or

5. my "separation from service" (as defined in Code Section 409A) with the Company, if applicable

To the extent you are a "specified employee" for purposes of Code Section 409A and to the extent Section 409A is applicable to deferral of receipt of Common Stock pursuant to this Deferral Election Form (the "Form"), notwithstanding any contrary provision which exists in the Plan or the Agreement, your distribution will be delayed for a period of 6 months as required by Code Section 409A.

This Form is subject to all the terms, conditions and provisions of the Plan and the Agreement including, without limitation, the amendment provisions thereof. The Plan and the Agreement are incorporated herein by reference. If and to the extent that this Form conflicts or is inconsistent with the terms, conditions and provisions of the Plan or the Agreement, the Plan and the Agreement shall control, and this Form shall be deemed to be modified accordingly.

SIGNATURE:

_________________________________ ___________
Date

[3] Capitalized terms not defined herein shall have the meaning ascribed thereto in the Red Violet, Inc. 2018 Stock Incentive Plan (as amended to date, the "Plan").

INSTRUCTIONS FOR
RED VIOLET, INC. 2018 STOCK INCENTIVE PLAN
DEFERRAL ELECTION FORM

This Form is to be used to defer receipt of shares of Common Stock that are issuable under the Plan in connection with Restricted Stock Units. The following instructions provide more information about the Form.

A. PARTICIPANT INFORMATION

Please complete all items.

B. DEFERRAL ELECTION

Please identify the Restricted Stock Units subject to this Form.

C. STOCK ISSUANCE DATE

You may elect the timing of the issuance of your Common Stock to be issued pursuant to the Restricted Stock Units by checking the first box and inserting a specific date in the future that you want such Common Stock issued to you. If you make such an election, you shall be issued Common Stock with respect to any Restricted Stock Units that are vested on the date you elect and shall receive any remaining shares of Common Stock with respect to any other Restricted Stock Units when they vest. Notwithstanding the date you elect to receive your shares of Common Stock, you may choose by checking the corresponding boxes to receive shares of Common Stock corresponding to any vested Restricted Stock Units earlier if and upon occurrence of any of the following events to the extent selected: (1) your death; (2) your Disability; or (3) a Change in Control. If you make no election, the Company will issue you shares of Common Stock with respect to Restricted Stock Units within thirty (30) days following the satisfaction of such vesting requirements.

Exhibit 31.1

CERTIFICATIONS

I, Derek Dubner, certify that:

(1) I have reviewed this Quarterly Report on Form 10-Q of Red Violet, Inc.;

(2) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

(3) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

(4) The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

(5) The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

August 10, 2026

By: /s/ Derek Dubner
Derek Dubner
Chief Executive Officer
(Principal Executive Officer)

Exhibit 31.2

CERTIFICATIONS

I, Daniel MacLachlan, certify that:

(1) I have reviewed this Quarterly Report on Form 10-Q of Red Violet, Inc.;

(2) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

(3) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

(4) The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

(5) The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

August 10, 2026

By: /s/ Daniel MacLachlan
Daniel MacLachlan
Chief Financial Officer
(Principal Financial and Accounting Officer)

Exhibit 32.1

**CERTIFICATION PURSUANT
TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the accompanying Quarterly Report on Form 10-Q of Red Violet, Inc. for the quarter ended June 30, 2026 (the “Report”), the undersigned hereby certifies pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, to my knowledge and belief, that:

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

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

August 10, 2026

By: /s/ Derek Dubner
Derek Dubner
Chief Executive Officer
(Principal Executive Officer)

The certification set forth above is being furnished as an Exhibit solely pursuant to Section 906 of the Sarbanes—Oxley Act of 2002 and is not being filed as part of the Report or as a separate disclosure document of Red Violet, Inc. or the certifying officers.

Exhibit 32.2

CERTIFICATION PURSUANT
TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the accompanying Quarterly Report on Form 10-Q of Red Violet, Inc. for the quarter ended June 30, 2026 (the "Report"), the undersigned hereby certifies pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, to my knowledge and belief, that:

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

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

August 10, 2026

By: /s/ Daniel MacLachlan
Daniel MacLachlan
Chief Financial Officer
(Principal Financial and Accounting Officer)

The certification set forth above is being furnished as an Exhibit solely pursuant to Section 906 of the Sarbanes—Oxley Act of 2002 and is not being filed as part of the Report or as a separate disclosure document of Red Violet, Inc. or the certifying officers.