

VERITONE, INC.

SUPPLEMENTAL FINANCIAL INFORMATION

(Q4 2019)

This document contains the following unaudited financial and business information for the most recent eight quarters ended December 31, 2019:

Page

1. Supplemental Non-GAAP Financial Information and Reconciliation to GAAP Information
2. Supplemental Revenue Breakdown and Comparisons
3. Key Performance Indicators (KPIs)

Explanatory Notes

The accompanying financial information excludes all financial statement disclosures and other information required by generally accepted accounting principles (GAAP) and Securities and Exchange Commission (SEC) rules and regulations. However, Veritone has previously filed, or has publicly disclosed and will file, with the SEC, financial statements for each of the above noted periods that were prepared in accordance with generally accepted accounting principles and SEC rules and regulations. The accompanying financial information is derived from the books and records of Veritone that were used to prepare those financial statements. Accordingly, the accompanying information should be read in conjunction with Veritone's consolidated financial statements and notes thereto filed with the SEC for each respective period. We believe that quarter-to-quarter comparisons of results from operations, or any other similar period-to-period comparisons, should not be construed as reliable indicators of our future performance.

The accompanying financial information includes certain non-GAAP financial measures. The items excluded from these non-GAAP financial measures are detailed on the following pages. The Company presents this supplemental non-GAAP financial information because management believes such information to be important supplemental measures of performance that are commonly used by securities analysts, investors and other interested parties in the evaluation of companies in its industry. Management also uses this information internally for forecasting and budgeting. These non-GAAP measures may not be indicative of the historical operating results of Veritone or predictive of potential future results. Other companies (including the Company's competitors) may define these non-GAAP measures differently. Investors should not consider this supplemental non-GAAP financial information in isolation or as a substitute for analysis of the Company's results as reported in accordance with GAAP. In addition, Adjusted EBITDAS should not be considered as an alternative to cash flow from operating activities as a measure of liquidity.

VERITONE, INC.
SUPPLEMENTAL NON-GAAP FINANCIAL INFORMATION AND RECONCILIATION TO GAAP INFORMATION
(unaudited; in thousands, except per share data)

	Quarter Ended							
	March 31, 2018	June 30, 2018	September 30, 2018	December 31, 2018	March 31, 2019	June 30, 2019	September 30, 2019	December 31, 2019
GAAP gross profit	\$ 3,824	\$ 3,348	\$ 5,975	\$ 7,421	\$ 8,253	\$ 7,708	\$ 8,048	\$ 8,350
Depreciation and amortization	48	48	32	792	370	535	561	562
Non-GAAP gross profit	3,872	3,396	6,007	8,213	8,623	8,243	8,609	8,912
GAAP sales and marketing expenses	5,748	5,142	4,586	6,994	6,133	6,448	6,609	6,115
Depreciation and amortization	—	—	(18)	(949)	(212)	(529)	(529)	(528)
Stock-based compensation expense	(320)	(248)	(246)	(237)	(243)	(271)	(281)	(240)
Business realignment severance expense	—	—	—	—	—	—	—	(72)
Non-GAAP sales and marketing expenses	5,428	4,894	4,322	5,808	5,678	5,648	5,799	5,275
GAAP research and development expenses	4,528	5,146	5,218	7,203	6,938	6,351	5,730	4,782
Depreciation and amortization	(256)	(256)	(266)	(298)	(227)	(275)	(257)	(257)
Stock-based compensation expense	(242)	(266)	(595)	(662)	(380)	(376)	(307)	(230)
Machine Box contingent payments	—	—	—	(1,109)	(917)	(600)	(81)	-
Business realignment severance expense	—	—	—	—	—	—	—	(142)
Non-GAAP research and development expenses	4,030	4,624	4,357	5,134	5,414	5,100	5,085	4,153
GAAP general and administrative expenses	6,778	7,513	12,436	11,266	11,690	11,645	11,905	12,084
Depreciation and amortization	(51)	(169)	(240)	(279)	(324)	(247)	(275)	(258)
Stock-based compensation expense	(1,912)	(2,137)	(3,997)	(4,075)	(4,180)	(4,608)	(4,148)	(4,138)
Cost of warrants issued	—	(207)	—	—	—	—	—	—
Shareholder matters	—	—	—	(116)	—	—	—	—
Acquisition and integration-related costs	—	—	(2,020)	(407)	—	—	—	—
Performance Bridge earn-out fair value adjustment	—	—	—	—	(139)	—	—	—
Business realignment severance expense	—	—	—	—	—	—	—	(65)
Non-GAAP general and administrative expenses	4,815	5,000	6,179	6,389	7,047	6,790	7,482	7,623
GAAP loss from operations	(13,230)	(14,453)	(16,265)	(18,042)	(16,508)	(16,736)	(16,196)	(14,631)
Total non-GAAP adjustments ¹	2,829	3,331	7,414	8,924	6,992	7,441	6,439	6,492
Non-GAAP loss from operations	(10,401)	(11,122)	(8,851)	(9,118)	(9,516)	(9,295)	(9,757)	(8,139)
GAAP other income, net	183	133	329	263	211	51	184	95
Change in fair value of warrant liability	—	15	(108)	(91)	13	37	(57)	(9)
Non-GAAP other income, net	183	148	221	172	224	88	127	86
GAAP loss before income taxes	(13,047)	(14,320)	(15,936)	(17,779)	(16,297)	(16,685)	(16,012)	(14,536)
Total non-GAAP adjustments ¹	2,829	3,346	7,306	8,833	7,005	7,478	6,382	6,483
Non-GAAP loss before income taxes	(10,218)	(10,974)	(8,630)	(8,946)	(9,292)	(9,207)	(9,630)	(8,053)
GAAP net loss	(13,049)	(14,330)	(15,941)	(17,784)	(16,306)	(16,691)	(14,197)	(14,884)
Income tax provision	2	10	5	5	9	6	(1,815)	348
Other non-GAAP adjustments ¹	2,829	3,346	7,306	8,833	7,005	7,478	6,382	6,483
Non-GAAP net loss	\$ (10,218)	\$ (10,974)	\$ (8,630)	\$ (8,946)	\$ (9,292)	\$ (9,207)	\$ (9,630)	\$ (8,053)
GAAP basic and diluted net loss per share	\$ (0.81)	\$ (0.88)	\$ (0.86)	\$ (0.92)	\$ (0.84)	\$ (0.80)	\$ (0.64)	\$ (0.61)
Total non-GAAP adjustments to net loss per share	\$ 0.17	\$ 0.21	\$ 0.40	\$ 0.46	\$ 0.36	\$ 0.36	\$ 0.29	\$ 0.28
Non-GAAP basic and diluted net loss per share	\$ (0.64)	\$ (0.67)	\$ (0.46)	\$ (0.46)	\$ (0.48)	\$ (0.44)	\$ (0.43)	\$ (0.33)
Shares used in computing non-GAAP basic and diluted net loss per share	16,070	16,314	18,612	19,250	19,511	20,759	22,345	24,514

¹ Adjustments are comprised of the adjustments to GAAP gross profit, sales and marketing expenses, research and development expenses and general and administrative expenses and other income, net (where applicable) listed above.

VERITONE, INC.

Supplemental Revenue Breakdown and Comparisons

(Unaudited, Dollars in Millions)

Revenue by Business	Q1 2018	Q2 2018	Q3 2018	Q4 2018	Q1 2019	Q2 2019	Q3 2019	Q4 2019	Q4 2019 Change		YTD Change
									vs Q3 2019	vs Q4 2018	
Advertising	\$3,121	\$3,308	\$4,730	\$5,986	\$5,714	\$5,842	\$6,291	\$6,517	4%	9%	42.1%
-Excluding Acquisitions	\$3,121	\$3,308	\$4,296	\$4,680	\$4,186	\$4,299	\$4,473	\$4,624	3%	(1%)	14.1%
aiWARE SaaS Solutions	\$1,267	\$859	\$1,408	\$2,426	\$2,754	\$2,677	\$2,350	\$2,872	22%	18%	78.7%
-Excluding Acquisitions	\$1,267	\$859	\$1,077	\$1,482	\$1,639	\$1,735	\$1,427	\$1,977	39%	33%	44.7%
aiWARE Content Licensing and Media Services	N/A	N/A	\$1,409	\$2,534	\$3,657	\$3,751	\$4,164	\$3,059	(27%)	21%	
-Excluding Acquisitions	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
Total Sales	\$4,388	\$4,167	\$7,547	\$10,946	\$12,125	\$12,269	\$12,805	\$12,448	(3%)	14%	83.6%
-Excluding Acquisitions	\$4,388	\$4,167	\$5,373	\$6,162	\$5,825	\$6,034	\$5,900	\$6,601	12%	7%	21.2%
aiWARE SaaS Revenues (Excl. Acquisitions)											
	Q1 2018	Q2 2018	Q3 2018	Q4 2018	Q1 2019	Q2 2019	Q3 2019	Q4 2019	Q4 2019 Change		YTD Change
									vs Q3 2019	vs Q4 2018	
Media & Entertainment	\$667	\$832	\$1,020	\$1,439	\$1,068	\$1,521	\$1,326	\$1,857	40%	29%	45.8%
% aiWARE SaaS Revenues (Excl. Acquisitions)	53%	97%	95%	97%	65%	88%	93%	94%			
Government	\$0	\$5	\$17	\$23	\$486	\$44	\$32	\$30	(6%)	(100%)	NM
% aiWARE SaaS Revenues (Excl. Acquisitions)	0%	1%	2%	2%	30%	3%	2%	2%			
Legal	\$601	\$22	\$40	\$11	\$85	\$170	\$69	\$90	30%	(100%)	(38.6%)
% aiWARE SaaS Revenues (Excl. Acquisitions)	47%	3%	4%	1%	5%	10%	5%	5%			
Government Legal & Compliance	\$601	\$27	\$57	\$35	\$571	\$214	\$101	\$120	19%	247%	39.8%
% aiWARE SaaS Revenues (Excl. Acquisitions)	47%	3%	5%	2%	35%	12%	7%	6%			
Total aiWARE Software and Services											
	Q1 2018	Q2 2018	Q3 2018	Q4 2018	Q1 2019	Q2 2019	Q3 2019	Q4 2019	Q4 2019 Change		YTD Change
									vs Q3 2019	vs Q4 2018	
aiWARE SaaS Solutions	\$1,267	\$859	\$1,408	\$2,426	\$2,754	\$2,677	\$2,350	\$2,872	22%	18%	78.7%
aiWARE Content Licensing and Media Services	N/A	N/A	\$1,409	\$2,534	\$3,657	\$3,751	\$4,164	\$3,059	(27%)	21%	271.1%
aiWARE Software and Services	\$1,267	\$859	\$2,817	\$4,960	\$6,411	\$6,428	\$6,514	\$5,931	(9%)	(100%)	155.3%
% of Total Revenues	29%	21%	37%	45%	53%	52%	51%	48%			
Total aiWARE Software and Services by Vertical											
	Q1 2018	Q2 2018	Q3 2018	Q4 2018	Q1 2019	Q2 2019	Q3 2019	Q4 2019	Q4 2019 Change		YTD Change
									vs Q3 2019	vs Q4 2018	
Media & Entertainment	\$667	\$832	\$2,760	\$4,925	\$3,658	\$6,214	\$6,413	\$5,811	(9%)	(100%)	140.6%
% of Total aiWARE Software and Services	53%	97%	98%	99%	57%	97%	98%	98%			
Government Legal & Compliance	\$601	\$27	\$57	\$35	\$571	\$214	\$101	\$120	19%	(100%)	39.9%
% of Total aiWARE Software and Services	47%	3%	2%	1%	9%	3%	2%	2%			

VERITONE, INC.
KEY PERFORMANCE INDICATORS (KPI's) (UNAUDITED)

	Quarter Ended							
	Mar 31, 2018	Jun 30, 2018	Sept 30, 2018	Dec 31, 2018	Mar 31, 2019	Jun 30, 2019	Sept 30, 2019	Dec 31, 2019
Advertising								
Net new advertising clients added during quarter	14	14	10	14	14	21	11	15
Clients with active advertising campaigns during quarter	60	74	78	115	107	108	111	108
Average advertising spend per active client during quarter (in 000's)	\$490	\$425	\$540	\$478	\$486	\$497	\$505	\$567
Net revenue during quarter (in 000's)	\$3,121	\$3,308	\$4,730	\$5,986	\$5,714	\$5,842	\$6,291	\$6,517

	Quarter Ended							
	Mar 31, 2018	Jun 30, 2018	Sept 30, 2018	Dec 31, 2018	Mar 31, 2019	Jun 30, 2019	Sept 30, 2019	Dec 31, 2019
aiWARE SaaS Solutions								
Total customers at quarter end	70	86	93	123	129	136	153	172
Total accounts on platform at quarter end	591	625	634	840	911	941	980	1,069
Active third-party cognitive engines at quarter end	184	214	252	287	343	357	401	403
Hours of data processed during quarter	2,805,000	2,729,000	2,830,000	3,566,000	4,061,000	4,015,000	3,606,000	3,773,000
Total contract value of new bookings received during quarter (in 000's)	\$237	\$583	\$226	\$1,196	\$1,316	\$1,362	\$1,384	\$2,522
Monthly recurring revenue under agreements in effect at quarter end (in 000's)	\$169	\$214	\$191	\$544	\$494	\$545	\$547	\$568
Net revenue during quarter (in 000's)	\$1,267	\$860	\$1,406	\$2,426	\$2,754	\$2,677	\$2,350	\$2,872

¹ The results of Performance Bridge are included in the results for each KPI for the Company's Advertising business for the five most recent full quarters. In addition, Performance Bridge's net revenues are included for the portion of the third quarter of 2018 following the closing date of that acquisition.

² The results related to Wazee Digital and Machine Box offerings are included in the results for the following KPIs for the Company's aiWARE SaaS Solutions business for the five most recent full quarters: (i) total number of customers, (ii) total accounts on the platform, (iii) total contract value of new bookings, (iv) monthly recurring revenue under active agreements, and (v) net revenues. In addition, net revenues from the Wazee Digital and Machine Box offerings are included for the portion of the third quarter of 2018 following the closing dates of those acquisitions.