

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
GAAP gross profit	\$ 3,824	\$ 3,348	\$ 5,975	\$ 7,421	\$ 8,253
Depreciation and amortization	48	48	32	792	370
Non-GAAP gross profit	3,872	3,396	6,007	8,213	8,623
GAAP sales and marketing expenses	5,748	5,142	4,586	6,994	6,133
Depreciation and amortization	—	—	(18)	(949)	(212)
Stock-based compensation expense	(320)	(248)	(246)	(237)	(243)
Non-GAAP sales and marketing expenses	5,428	4,894	4,322	5,808	5,678
GAAP research and development expenses	4,528	5,146	5,218	7,203	6,938
Depreciation and amortization	(256)	(256)	(266)	(298)	(227)
Stock-based compensation expense	(242)	(266)	(595)	(662)	(380)
Machine Box contingent payments	—	—	—	(1,109)	(917)
Non-GAAP research and development expenses	4,030	4,624	4,357	5,134	5,414
GAAP general and administrative expenses	6,778	7,513	12,436	11,266	11,690
Depreciation and amortization	(51)	(169)	(240)	(279)	(324)
Stock-based compensation expense	(1,912)	(2,137)	(3,997)	(4,075)	(4,180)
Cost of warrants issued	—	(207)	—	—	—
Shareholder matters	—	—	—	(116)	—
Acquisition and integration-related costs	—	—	(2,020)	(407)	—
Performance Bridge earn-out fair value adjustment	—	—	—	—	(139)
Non-GAAP general and administrative expenses	4,815	5,000	6,179	6,389	7,047
GAAP loss from operations	(13,230)	(14,453)	(16,265)	(18,042)	(16,508)
Total non-GAAP adjustments ¹	2,829	3,331	7,414	8,924	6,992
Non-GAAP loss from operations	(10,401)	(11,122)	(8,851)	(9,118)	(9,516)
GAAP other income, net	183	133	329	263	211
Change in fair value of warrant liability	—	15	(108)	(91)	13
Non-GAAP other income, net	183	148	221	172	224
GAAP loss before income taxes	(13,047)	(14,320)	(15,936)	(17,779)	(16,297)
Total non-GAAP adjustments ¹	2,829	3,346	7,306	8,833	7,005
Non-GAAP loss before income taxes	(10,218)	(10,974)	(8,630)	(8,946)	(9,292)
GAAP net loss	(13,049)	(14,330)	(15,941)	(17,784)	(16,306)
Income tax provision	2	10	5	5	9
Other non-GAAP adjustments ¹	2,831	3,356	7,311	8,838	7,014
Non-GAAP net loss	\$ (10,216)	\$ (10,964)	\$ (8,625)	\$ (8,941)	\$ (9,283)
GAAP basic and diluted net loss per share	\$ (0.81)	\$ (0.88)	\$ (0.86)	\$ (0.92)	\$ (0.84)
Total non-GAAP adjustments to net loss per share	\$ 0.17	\$ 0.21	\$ 0.40	\$ 0.46	\$ 0.36
Non-GAAP basic and diluted net loss per share	\$ (0.64)	\$ (0.67)	\$ (0.46)	\$ (0.46)	\$ (0.48)
Shares used in computing non-GAAP basic and diluted net loss per share	16,070	16,314	18,612	19,250	19,511

See next page for footnote and additional information regarding the presentation of non-GAAP financial information.

¹ Adjustments are comprised of the adjustments to GAAP gross profit, sales and marketing expenses, research and development expenses and general and administrative expenses listed above.

Veritone is presenting the non-GAAP financial measures above because management believes they are important supplemental measures of performance that are commonly used by securities analysts, investors and other interested parties in the evaluation of companies in the company's industry. Management also uses this information internally for forecasting and budgeting. These non-GAAP financial measures may not be indicative of the historical operating results of Veritone or predictive of potential future results. Investors should not consider this supplemental non-GAAP financial information in isolation or as a substitute for analysis of Veritone's results as reported in accordance with GAAP.