

veritone

H U M A N  
H U M A N  
H U M A N  
H U M A N  
H U M A N

# Investor Presentation

November 2024



# Forward-Looking Statements & Disclaimers

This presentation of Veritone, Inc. (the “Company”) contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 that involve substantial risks and uncertainties. Without limiting the generality of the foregoing, words such as “anticipates,” “believes,” “could,” “estimates,” “expects,” “intends,” “continue,” “can,” “may,” “confident,” “outlook,” “plans,” “potential,” “projects,” “seeks,” “should,” “will,” “would,” or similar expressions and the negatives of those expressions may identify forward-looking statements, although not all forward-looking statements contain these identifying words. We may not actually achieve the plans, intentions or expectations disclosed in our forward-looking statements, and you should not place undue reliance on our forward-looking statements. Actual results or events could differ materially from the plans, intentions and expectations disclosed in the forward-looking statements we make. The forward-looking statements contained in this presentation reflect our current views with respect to future events, our business outlook for the years ending December 31, 2024 and 2025 and expectations for our business after the sale of Veritone One LLC.

Forward-looking statements represent our management’s beliefs and assumptions only as of the date of this presentation. We have included important factors in the cautionary statements included in our Annual Report on Form 10-K for the fiscal year ended December 31, 2023, our Quarterly Report on Form 10-Q for the quarter ended June 30, 2024 and our Quarterly Report on Form 10-Q for the quarter ended September 30, 2024, and other periodic reports that we have filed and may in the future file with the Securities and Exchange Commission (the “SEC”), particularly in the Risk Factors sections, that we believe could cause actual results or events to differ materially from the forward-looking statements that we make. Those factors include, but are not limited to: our ability to expand our aiWARE SaaS business; declines or limited growth in the market for AI-based software applications and concerns over the use of AI that may hinder the adoption of AI technologies; our requirements for additional capital and liquidity to support our operations, our business growth, service our debt obligations and refinance maturing debt obligations, and the availability of such capital on acceptable terms, if at all; our reliance upon a limited number of key customers for a significant portion of our revenue; declines in customers’ usage of our products and other offerings; our ability to realize the intended benefits of our acquisitions, divestitures, and other planned or ongoing cost-saving measures, including our ability to successfully integrate our recent acquisition of Broadbean; our identification of existing material weaknesses in our internal control over financial reporting; fluctuations in our results over time; the impact of seasonality on our business; our ability to manage our growth, including through acquisitions and expansion into international markets; our ability to enhance our existing products and introduce new products that achieve market acceptance and keep pace with technological developments; actions by our competitors, partners and others that may block us from using third party technologies in our aiWARE platform, offering it for free to the public or making it cost prohibitive to continue to incorporate such technologies into our platform; interruptions, performance problems or security issues with our technology and infrastructure, or that of our third party service providers; the impact of the continuing economic disruption caused by macroeconomic and geopolitical factors, including the Russia-Ukraine conflict, the war in Israel, financial instability, high interest rates, inflationary pressures and the responses by central banking authorities to control inflation, monetary supply shifts and the threat of recession in the United States and around the world on our business operations and those of our existing and potential customers. Except as required by law, we assume no obligation to update these forward-looking statements, or to update the reasons why actual results could differ materially from those anticipated in the forward-looking statements, even if new information becomes available in the future.

Before you invest, you should read our Annual Report on Form 10-K for the fiscal year ended December 31, 2023, Quarterly Reports on Form 10-Q and the other documents we have filed and may in the future file with the SEC for more complete information about the Company. You may obtain these documents for free on our website or by visiting EDGAR on the SEC website at [www.sec.gov](http://www.sec.gov).


The historical financial results of Veritone One are reflected in this earnings release as discontinued operations and, as such, have been excluded from continuing operations for all periods presented on a retrospective basis, unless otherwise stated. Unless otherwise noted, amounts and disclosures throughout the presentation relate to the Company’s continuing operations.

In addition to our financial results presented in accordance with generally accepted accounting principles in the United States (“GAAP”), this presentation also includes certain non-GAAP financial measures. Tables detailing the items excluded from these non-GAAP financial measures and reconciling such non-GAAP financial measures with the most directly comparable GAAP financial measures are included in the Appendix.

We have provided these non-GAAP financial measures 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 financial measures should not be considered as an alternative to net income (loss), operating income (loss) or any other financial measures so calculated and presented, nor as an alternative to cash flow from operating activities as a measure of liquidity. Other companies (including our competitors) may define these non-GAAP measures differently. These non-GAAP measures may not be indicative of our historical operating results or predictive of potential future results. Investors should not consider these non-GAAP financial measures in isolation or as a substitute for analysis of our results reported in accordance with GAAP.

This presentation also contains information using industry publications that generally state that the information contained therein has been obtained from sources believed to be reliable, but such information may not be accurate or complete. While we are not aware of any misstatements regarding the information from these industry publications, we have not independently verified any of the data from third-party sources nor have we ascertained the underlying economic assumptions relied on therein.



# The enterprise AI company that makes humans **even better.**

Veritone is a leading enterprise AI software, applications and services provider with one mission – to *advance* the capabilities of AI to *empower* people to do more than they ever thought possible.

---

Founded in	NASDAQ:	Employees:	Software Products & Services Customers:
<b>2014</b>	<b>VERI</b>	<b>500+*</b>	<b>3,291*</b>

# Earnings Results Snapshot

Key indicators in 3Q24<sup>(1)</sup>

## Financials

**\$22.0M**

3Q24  
Total Revenue

**\$14.7M**

3Q24  
Software Products &  
Services Revenue

**\$46.9M**

Cash & Cash  
Equivalents as of  
9/30/2024<sup>(2)</sup>

## KPIs

**3,291**

3Q24 Total Software  
Products & Services  
Customers<sup>(3)</sup>

**\$63.3M**

3Q24 Annual  
Recurring Revenue

**>90%**

3Q24 Gross Revenue  
Retention<sup>(3)</sup>

# Transaction Overview

*October 2024 Divestiture of Media Agency For Total Consideration up to \$104 Million*



## Veritone One Divestiture Highlights

- **Divestiture of non-core asset** from Veritone focus on AI software, products and services
- **Represented 24% of Veritone trailing revenue** for the nine months ended September 30, 2024
- **Positions Veritone as a pureplay AI company**, building on top of existing material scale which boasts over 3,000 customers after the divestiture
- **Reduces the projected cash costs of carrying the debt almost in half** after giving effect to the sale and term loan payment



## Financial & Operational Impact

- Total consideration of up to \$104 million
  - **Upfront:** \$59.1 million in cash at closing with an additional \$6.7 million in specified escrow accounts and \$20.3 million in purchase price adjustments
  - **Earn-out:** Up to \$18.0 million in cash subject to an earn-out based on Veritone One's revenue for calendar year 2025
- Purchase price based on 3.5x multiple on revenue and 8.9x multiple of EBITDA for the trailing twelve months ended September 30, 2024
- Net cash proceeds from the sale used to repay \$30.5 million principal amount of term loan, plus accrued interest and prepayment premiums in the aggregate amount of \$3.3 million
- After giving effect to the sale and term loan payment, Veritone has \$27.3 million of cash and aggregate principal debt of \$134.4 million, down from \$168.7 million at December 31, 2023



## Timing & Closing

- Simultaneous “sign & close” transaction and closed on October 17, 2024

# Simplified & focused on Enterprise AI

Founded in  
**2014**

NASDAQ:  
**VERI**

**33**

Issued U.S. Patents +  
14 U.S. Pending Applications<sup>(1)</sup>

**500+**

Employees<sup>(1)</sup>

**3,291**

Customers include major media  
&  
entertainment names<sup>(1)</sup>

**100+**

Partners including Amazon, Google,  
Microsoft, Oracle, Snowflake<sup>(1)</sup>

## What We Sell

### Software

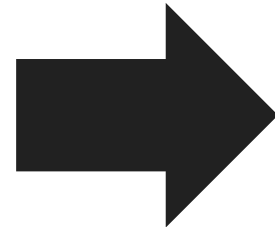
- Pre-built AI applications
- Industry and use case specific
- Leverages aiWARE platform

### Solutions

- Custom built AI applications, workflows, and solutions
- Hiring solutions
- Leverages aiWARE platform

### Services

- Consulting and professional services centered around data and AI including data readiness and modernization, AI strategy and enablement, and
- Managed services



## Who We Sell To

### Commercial



### Public Sector



# Problems we solve



## Data explosion

Organizations struggle to manage and leverage vast amounts of unstructured data—audio, video, and text.



## High cost & complexity of AI adoption

Most companies face barriers when integrating AI solutions that are typically fragmented and require significant integration effort.



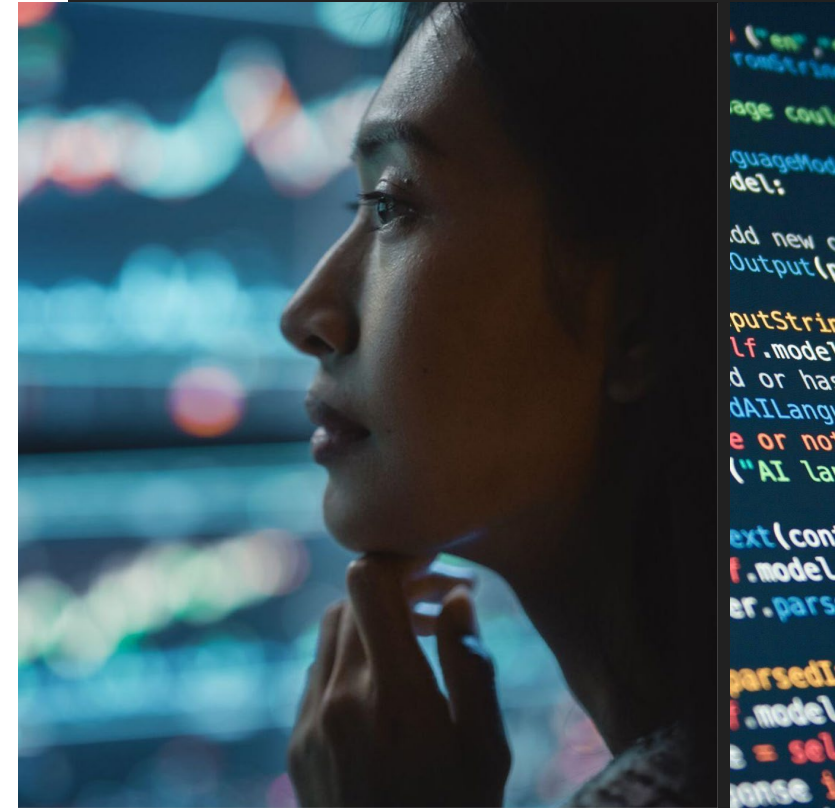
## Fragmented AI solutions

Single-purpose models fall short—integrating multiple cognitive engines is expensive and slow.



## Slow & inefficient workflows

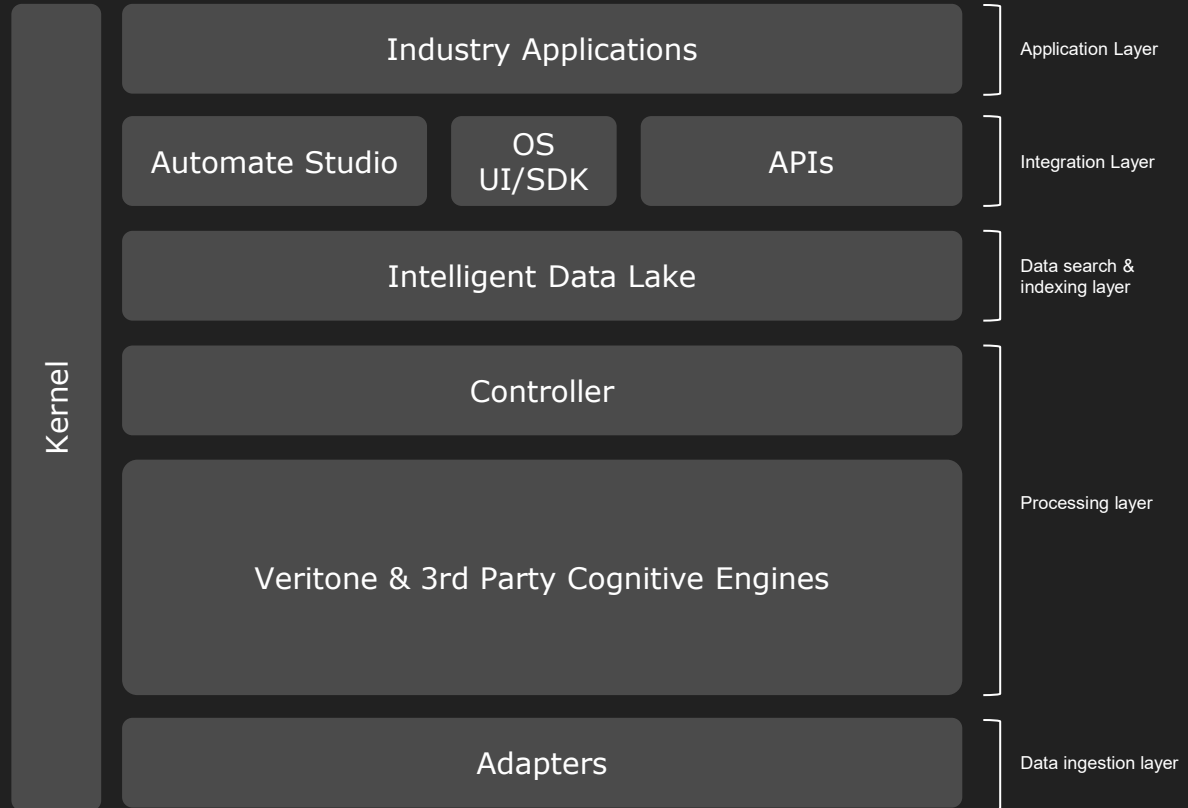
Legacy systems and manual processes cannot keep up with increasing demands for data-driven decision-making and compliance.



# Veritone aiWARE

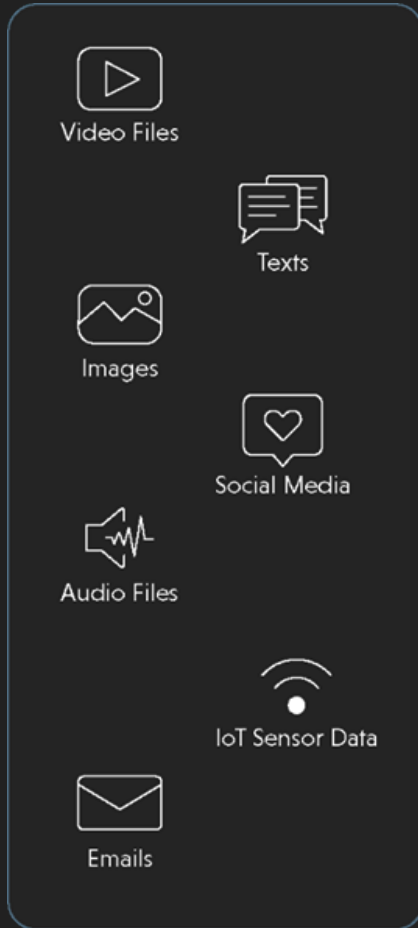
- **AI Platform:** A proprietary AI operating system that supports and offers hundreds of cognitive and generative AI models to analyze, organize, and act on data in near real-time.
- **Multi-Engine Flexibility:** aiWARE seamlessly integrates and manages hundreds of pre-trained AI models—from transcription to object detection—so companies can switch models based on specific needs.
- **Unified Platform:** Unlike competitors offering single AI tools, aiWARE delivers a comprehensive ecosystem to streamline multiple use cases (e.g., facial recognition, sentiment analysis).
- **Low-Code/No-Code Interface:** Democratizes AI adoption by allowing customers to deploy cognitive models without deep technical expertise.
- **Interoperability:** Works with existing enterprise workflows across sectors and allows organizations to switch between AI engines based on performance or use case—no vendor lock-in.
- **Scalability:** AI that grows with businesses, whether for real-time analytics, compliance, or automation.
- **Adaptive Learning:** Continuously integrates the latest AI models, ensuring state-of-the-art accuracy.

## Enterprise AI OS





# How we do it.



AI

## TEXT COGNITION

- Language Identification
- Translation
- Keyword Extraction
- Content Classification
- Text Extraction
- Summarization
- Anomaly Detection
- Sentiment Analysis

## VISION & BIOMETRIC COGNITION

- Object Detection
- Face Detection
- Logo Detection
- Face Recognition
- Text Recognition (OCR)

## SPEECH COGNITION

- Transcription
- Speaker Detection
- Speaker Recognition

## ANSWER QUESTIONS LIKE

- When does the face or object appear?
- When is the keyword said and by whom?
- How does the customer feel?

## DISCOVER & EXTRACT INFORMATION & INSIGHT

- Integrate results with applications
- Monitor results over time
- Scale up and out



# Key Competitive Advantages

1

## Proprietary AI Operating System - aiWARE

- Multi-Engine Platform: Combines over 300 cognitive models (e.g., transcription, facial recognition, etc.) in one unified system.
- Interoperability: Allows organizations to switch between AI engines based on performance or use case—no vendor lock-in.
- Adaptive Learning: Continuously integrates the latest AI models, ensuring state-of-the-art accuracy.

2

## AI Deployment Across Multiple Verticals

- Media & Entertainment: Automated metadata generation, content licensing, and monetization for broadcasters.
- Law Enforcement & Government: AI-powered video redaction and transcription for compliance and faster investigations.
- Legal & Compliance: E-discovery and monitoring tools to streamline complex case management.

3

## AI-Ready Infrastructure – Cloud Agnostic & Scalable

- Works seamlessly across major cloud providers (AWS, Azure, Google Cloud) or on-premise systems.
- Scalable for Large-Scale Data: Optimized for real-time, high-volume data processing with minimal downtime.

4

## Proven Success in Regulated Industries

- Veritone is trusted by government agencies, law enforcement, and broadcasters to solve mission-critical challenges.
- Industry certifications and deep compliance expertise (e.g., CJIS standards for law enforcement).

5

## Early Mover Advantage with AI Workflow Automation

- Pre-built AI models and workflows that reduce the need for costly, time-consuming customization.
- AI is embedded directly into clients' workflows, boosting productivity from Day 1.



# Our AI applications and custom-built AI solutions unlock tremendous value for the **commercial** enterprise

Veritone enables the enterprises to leverage AI to transform workflows and unlock value across functions in many industries through both pre-built AI applications and tools as well as custom AI and data projects.



## DATA INSIGHT

Gain value from video, audio, images, text, and data through metadata extraction, search, and visualization, enhancing customer support and system integrations



## DATA SERVICES

Our data offerings transform disorganized, fragmented data into a unified, accurate, and privacy-compliant ecosystem, empowering organizations



## LICENSING SERVICES

Our team of experts use proprietary AI technology to help find footage and navigate rights and clearances for content buyers and rights holders



## CONTENT MANAGEMENT & MONETIZATION

Unlock the full potential of your content efforts with AI-powered DAM and synthetic voice creation



## AI APPLICATION DEV / AI WORKFLOW

We turn your AI vision into a business advantage with tailored solutions, developed through a practical, business-focused approach



## HIRING SOLUTIONS

Increase the number of qualified applicants, decrease the time to find and hire the best candidates, while removing inefficient HR processes

## SELECT CUSTOMERS



## SELECTED PARTNERS



# AI-powered solutions to help government agencies and law enforcement to automate processes, enhance compliance, and improve operational efficiency

Veritone's public sector offerings greatly accelerate workflows for law enforcement, government, and public safety agencies. Our proprietary software suite, Intelligent Digital Evidence Management Systems, is one of the industry's first cloud-based digital evidence management solutions that integrates AI to help public safety and judicial agencies accelerate investigations.



## DATA INSIGHT

Gain value from video, audio, images, text, and data through metadata extraction, search, and visualization, enhancing customer support and system integrations



## BIOMETRIC IDENTIFICATION

Authenticate users, identify callers and suspects by recognizing voices and faces in videos, images, and calls



## HIRING SOLUTIONS

Increase the number of qualified applicants, decrease the time to find and hire the best candidates, while removing inefficient HR processes



## REDACTION

Save time and costs while freeing up valuable resources by using Veritone AI to automate the redaction of sensitive information within audio, video and image-based evidence



## TRANSCRIPTION & TRANSLATION

Legal and contact center teams, automate manual work with near-real-time transcription and translation of any data source



## PERSON-OF-INTEREST TRACKING

Track persons of interest across video files regardless of source without using personal identifiable information (PII)

## SELECT CUSTOMERS



## SELECTED PARTNERS

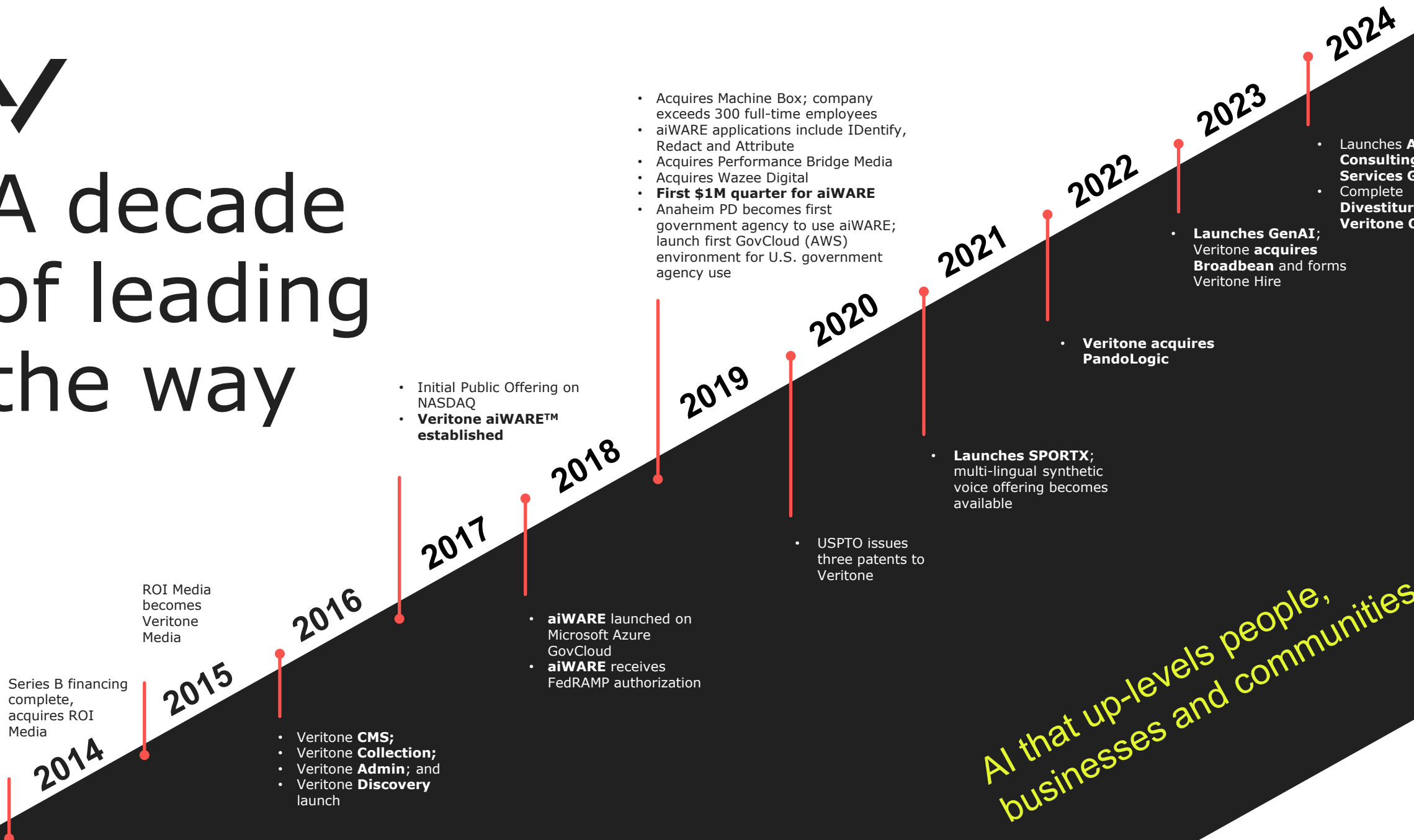


Empowering a **robust** partner & customer ecosystem.





# A decade of leading the way



AI that up-levels people, businesses and communities

# Recent Business Highlights

**AUG  
13**

## **Veritone Named Global Archive of Record and Exclusive Video Licensing Agent for the NCAA**

Announced a multi-year agreement with the National Collegiate Athletic Association (NCAA) to serve as its official global archive of record and exclusive, worldwide footage agent for all NCAA championship content. The agreement will leverage Veritone's advanced AI-powered Digital Media Hub (DMH) platform, including its renowned licensing capabilities, to enhance the storage, management and distribution of the NCAA's extensive championship media assets.

**SEP  
24**

## **Veritone Integrates Global Job Distribution with Eightfold AI**

Announced the integration of its global job distribution software with Eightfold AI, the leader in AI-powered talent intelligence. The collaboration aims to enhance the efficiency and effectiveness of recruitment processes by delivering a unified, AI-powered solution for job distribution and candidate sourcing.

**SEP  
26**

## **Midwest Public Safety Partners with Veritone to Offer a Full Lineup of AI-powered Applications for Law Enforcement**

Announced a partnership with Midwest Public Safety, a premier provider of public safety technology solutions. Through this collaboration, Midwest Public Safety will offer its prospective and current customers across the Midwest Veritone Public Sector's complete line of AI-powered applications for law enforcement and judicial agencies, helping agencies streamline and automate manual workflows, accelerate investigations and improve public safety while providing greater transparency.

**OCT  
09**

## **Veritone Expands iDEMS Data Integrations to Enhance Public Safety and Law Enforcement Efficiency**

Announced it has expanded automated data integrations into its Intelligent Digital Evidence Management System (iDEMS) to ingest data from Axon's Evidence.com and Milestone Systems XProtect. Veritone's iDEMS solution suite leverages cutting-edge artificial intelligence to streamline the management and analysis of digital evidence, including audio and video, providing law enforcement agencies with powerful tools to handle vast amounts of data quickly and accurately.

**OCT  
17**

## **Veritone Completes Divestiture of Media Agency, Veritone One**

Completed the divestiture for a total cash purchase price of up to \$104.0 million, which consisted of \$86.0 million in cash at closing and \$18.0 million in an earnout based upon the media agency's revenue performance in fiscal year 2025. Net proceeds from the transaction were \$59.1 million were used to repay \$30.5 million principal amount of term loan, plus accrued interest and prepayment premiums in the aggregate amount of \$3.3 million, and \$3.9 million in deal-related expenses.

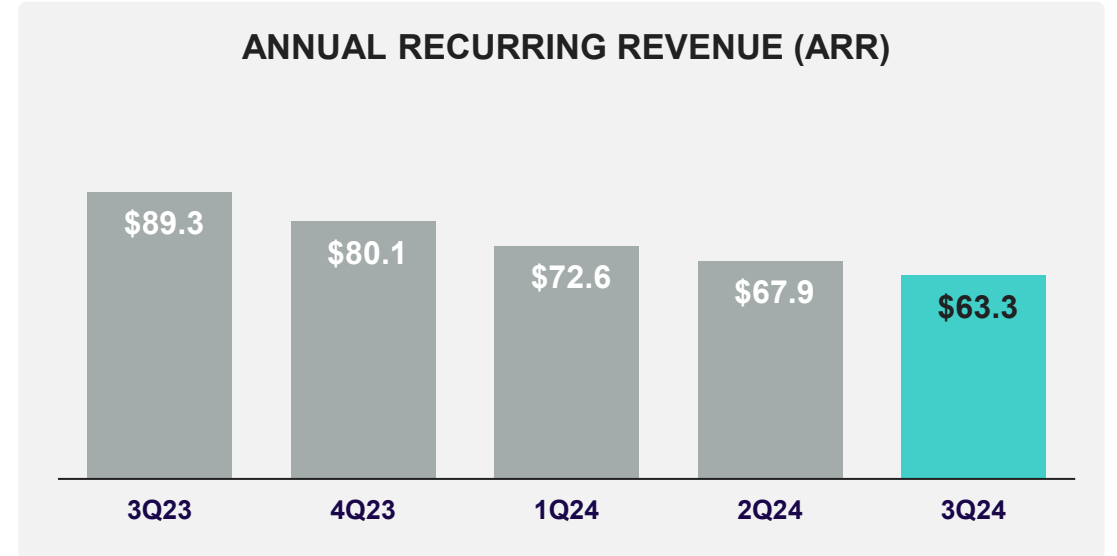
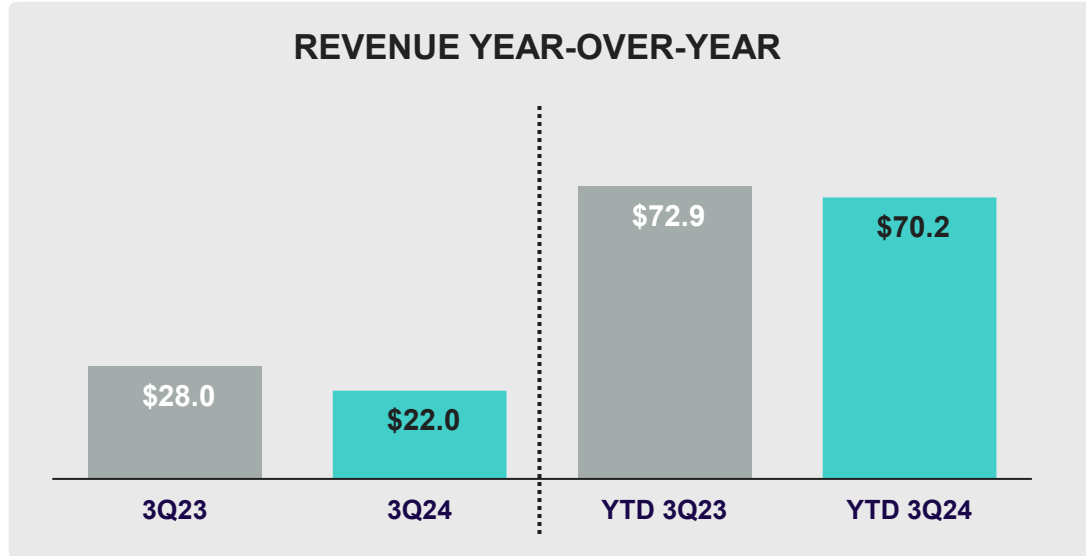
# Financial Update





# 3Q24 Financial Highlights

\$ in Millions



Gross Revenue Retention<sup>(1)</sup>

**>90%**



Total Software Products & Services Customers<sup>(1)</sup>

**3,291**



Revenue CAGR (2017-2024E)<sup>(2)</sup>

**+26%**

(1) As of September 30, 2024.

(2) Financial results for the period ending 9/30/2024 include contribution from PandoLogic starting in 9/14/2021 and contribution from Broadbean starting in 6/13/2023. Revenue estimates represent the midpoint of Management's Guidance Range provided November 12, 2024.

# Quarterly Key Performance Indicators

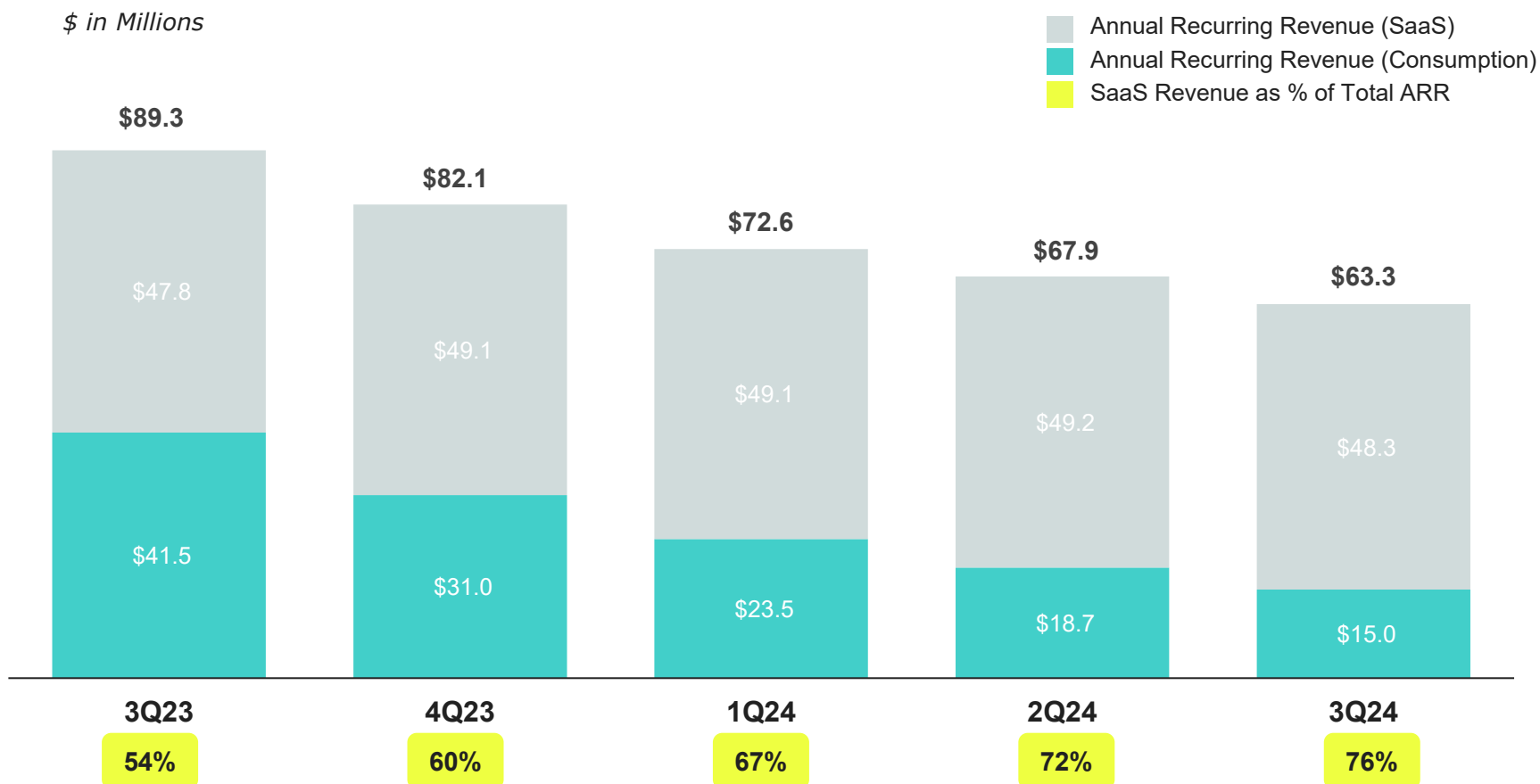
<i>\$ in Thousands</i>	Three Months Ended September 30, 2024	Three Months Ended September 30, 2023	Percent Change
<b>Revenue</b>	\$21,993	\$27,968	(21%)
<b>Loss from Operations</b>	(\$22,492)	(\$25,183)	11%
<b>Net Loss</b>	(\$21,746)	(\$24,541)	11%
<b>Non-GAAP Gross Profit<sup>(1)</sup></b>	\$15,668	\$20,942	(25)%
<b>Non-GAAP Net Loss<sup>(1)</sup></b>	(\$7,113)	(\$7,943)	(11)%

(1) See Appendix for reconciliation of Non-GAAP Gross Profit to Loss from Operations and Non-GAAP Net Loss to Net Loss.



# Diverse Revenue Mix

SaaS and consumption-based sales model provides earnings stability and flexibility to contract with companies of various sizes and preferences across industries.



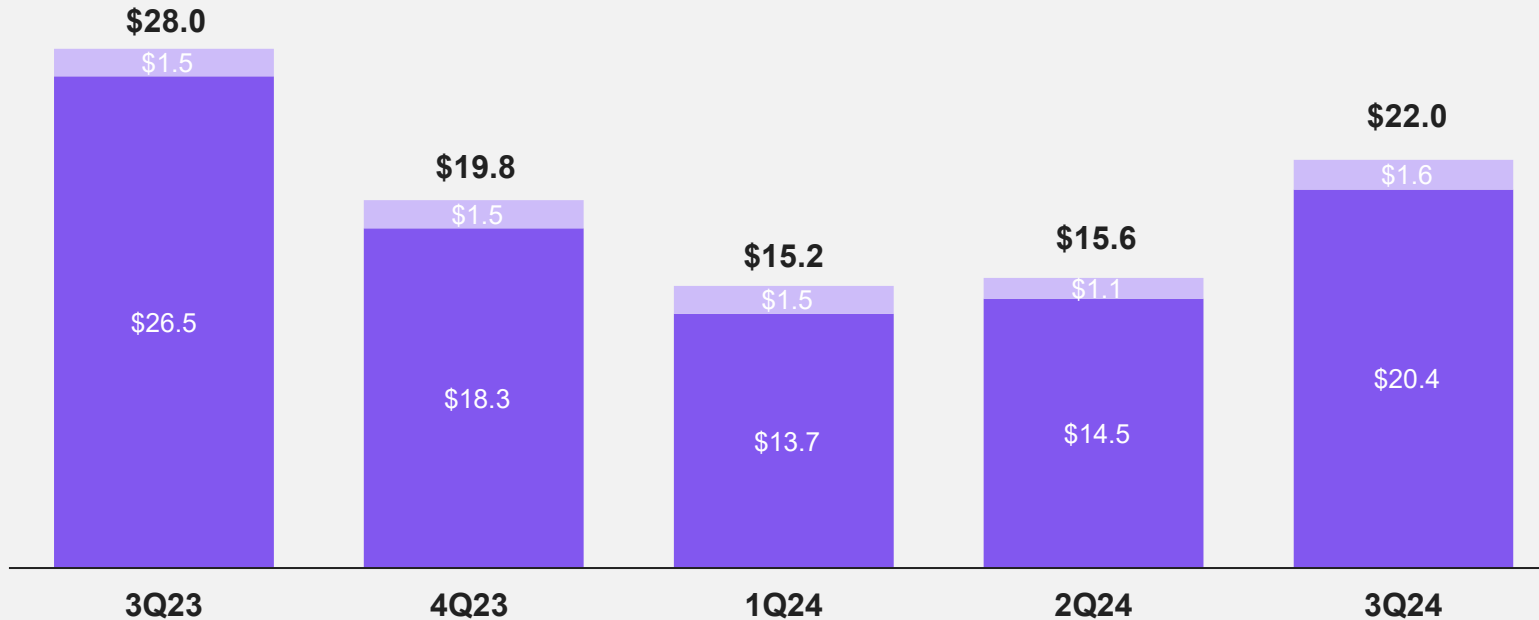
**1%**  
**YoY Increase**  
Annual Recurring Revenue (SaaS)



# Software Products & Services

## REVENUE PERFORMANCE

\$ in Millions



3Q24 YoY Change

Public Sector	8.1%
Commercial	(23.0)%

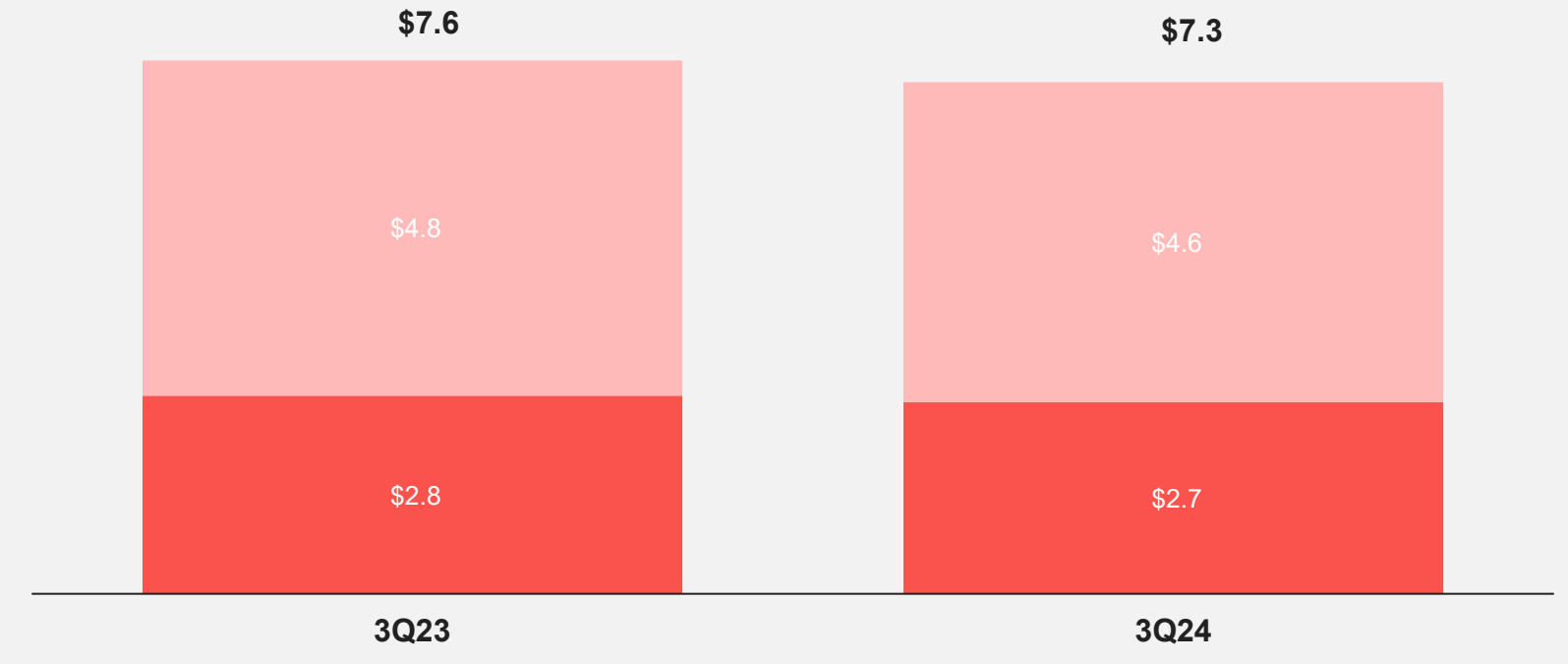
## 3Q HIGHLIGHTS

- **Revenue of \$20.4 million**, down \$5.8 million from Q3 2023 principally due to a decreased revenue from one-time software sales and from consumption-based customers, including Amazon.
- **New bookings of \$16.5 million**, up 6% YoY from \$15.5 million.
- **Total ARR (SaaS and Consumption) of \$63.3 million** from **3,291 Total Software Products & Services Customers**, including ARR (SaaS) of \$48.3 million, representing 76% of total ARR, from subscription-based customers.

# Managed Services

## REVENUE PERFORMANCE

\$ in Millions



3Q24 YoY Change

Licensing	(4.4%)
Representation Services	(3.5%)

(1) Avg billings per active Managed Services customer for each quarter reflects the average quarterly billings per active Managed Services customer over the twelve-month period through the end of such quarter for Managed Services clients that are active during such quarter.

## 3Q HIGHLIGHTS

- Revenue of \$7.3 million, decreased 4% YoY.
- Average billings per active Managed Services customer of \$838,000<sup>(1)</sup>, improving 35% from 3Q23.

# Balance Sheet Summary

<i>\$ in Thousands</i>	Three Months Ended September 30, 2024	Three Months Ended September 30, 2023
<b>Cash and Cash Equivalents</b>	\$11,422	\$72,070
<b>Current Assets</b>	\$165,415	\$161,387
<b>Total Assets</b>	\$336,425	\$359,423
<b>Current Liabilities</b>	\$249,287	\$186,243
<b>Total Liabilities</b>	\$361,586	\$340,720
<b>Stockholders' Equity</b>	(\$25,161)	\$18,703
<b>Common Shares Outstanding<sup>(1)</sup></b>	38,086,765	37,082,144

(1) Excluding options, RSUs and warrants as of September 30, 2024, and September 30, 2023, as applicable.

Copyright © 2024 Veritone, Inc. All rights reserved.



Appendix



# FY24 and FY25 Guidance

## Revenue and Non-GAAP Net Loss

<i>\$ in Thousands</i>	<b>FY24 E</b>
Revenue	\$92.5 - \$93.5M
Non-GAAP Net Loss <sup>(1)</sup>	\$(37.5) - \$(36.5)M

<i>\$ in Thousands</i>	<b>FY25 E</b>
Revenue	\$107.0 - \$122.0M
Non-GAAP Net Loss	\$(25.0) - \$(15.0)M

(1) See page 25 for reconciliation.

Note: GAAP net loss and non-GAAP net income (loss) figures FY 2024 and FY 2025 reflect the midpoint of the Company's financial guidance provided November 12, 2024.





# Quarterly GAAP to Non-GAAP Reconciliation (Unaudited)

<i>\$ in Thousands</i>	<b>3Q23</b>	<b>3Q24</b>
GAAP net income (loss)	<b>\$ (24,543)</b>	<b>\$ (21,746)</b>
Income from discontinued operations, net of income tax	(2,191)	(765)
Interest expense, net	314	2,987
(Benefit from) provision for income taxes	(1,003)	(2,575)
Depreciation and amortization	7,623	7,152
Stock-based compensation expense	1,953	2,099
Severance and executive transition costs	752	1,409
Variable consultant performance bonus expense <sup>(1)</sup>	397	-
Foreign currency impact	2,294	(393)
Contribution of business held for sale	-	-
Purchase consideration expense <sup>(2)</sup>	816	367
Acquisition and due diligence-related costs <sup>(3)</sup>	3,177	368
<b>Non-GAAP net loss from continuing operations</b>	<b>(10,411)</b>	<b>(11,097)</b>
Non-GAAP net income from discontinued operations	2,468	3,984
<b>Non-GAAP net loss</b>	<b>\$ (7,943)</b>	<b>\$ (7,113)</b>

(1) Variable consultant performance bonus expense represents the bonus payments paid to Mr. Chad Steelberg as a result of his achievement of the performance goals pursuant to his consulting agreement with us.

(2) Purchase consideration expense includes consideration related to acquisitions.

(3) For the three and nine months ended September 30, 2024, acquisition and due diligence costs are comprised of professional fees related to our acquisitions and divestitures.



# Annual GAAP to Non-GAAP Reconciliation (Unaudited)

<i>\$ in Thousands</i>	<b>FY24E</b>
<b>GAAP net loss</b>	<b>\$(70,239)</b>
Interest expense, net	16,600
(Benefit from) provision for income taxes	(800)
Depreciation and amortization	30,000
Stock-based compensation expense	6,700
Severance and executive transition costs <sup>(1)</sup>	3,749
Gain on debt extinguishment	(10)
Warrant expense	-
Change in fair value of warrant liability	-
Gain on sale of asset	-
State sales tax reserve	-
Stock offering costs	-
Lease exit charges	-
Change in fair value of contingent consideration	-
Gain on sale of energy group	-
Foreign currency impact	-
Contribution of business held for sale	-
Purchase consideration expense	-
Acquisition and integration-related costs	1,000
<b>Non-GAAP net income (loss)</b>	<b>(13,000)</b>

Note: GAAP net loss and non-GAAP net income (loss) figures for FY 2024 reflect the midpoint of the Company's financial guidance provided November 12, 2024.



# Reconciliation of Non-GAAP Gross Profit to Loss from Operations

*\$ in Thousands*

	Three Months Ended: September 30, 2024	Three Months Ended: September 30, 2023
Loss from operations	\$(22,492)	\$(25,183)
Sales and marketing	\$10,186	\$10,997
Research and development	\$7,528	\$10,410
General and administrative	\$14,421	\$18,264
Amortization	\$6,025	\$6,454
Non-GAAP gross profit	\$15,668	\$20,942



# Third Quarter 2024 Revenue Summary

<i>\$ in Thousands</i>	3Q23	3Q24	3Q24 CHANGE	
			Q/Q	Y/Y
<b>Commercial Enterprise</b>				
Software Products & Services	\$18,885	\$13,098	(10)%	(31)%
Managed Services	\$7,607	\$7,299	(52)%	(4)%
<b>Subtotal</b>	<b>\$26,492</b>	<b>\$20,397</b>	<b>(32)%</b>	<b>(23)%</b>
<b>Public Sector</b>				
Software Products & Services	\$1,476	\$1,596	42%	8%
Managed Services	-	-	-	-
<b>Subtotal</b>	<b>\$1,476</b>	<b>\$1,596</b>	<b>42%</b>	<b>8%</b>
<b>Total Sales</b>	<b>\$27,968</b>	<b>\$21,993</b>	<b>(29)%</b>	<b>(21)%</b>



# Supplemental Financial Information

Our customer composition is diverse and includes various segments across our verticals, each with different purchasing trends and pricing models. In order to provide enhanced visibility into our growth composition and broad customer base, we have added ARR as a key metric and defined our customer count methodology.

## DEFINITIONS

**“Total Software Products & Services Customers”** includes Software Products & Services customers as of the end of each respective quarter set forth above with net revenues in excess of \$10 and also excludes any customers categorized by us as trial or pilot status. In prior periods, we provided “Ending Software Customers,” which represented Software Products & Services customers as of the end of each fiscal quarter with trailing twelve-month revenues in excess of \$2,400 for both Veritone, Inc. and PandoLogic Ltd. and/or deemed by Veritone to be under an active contract for the applicable periods. Total Software Products & Services Customers is not comparable to Ending Software Customers. Total Software Products & Services Customers includes customers based on revenues in the last month of the quarter rather than on a trailing twelve month basis and excludes any customers that are on trial or pilot status with us rather than including customers with active contracts. Management uses Total Software Products & Services Customers and we believe Total Software Products & Services Customers are useful to investors because it more accurately reflects our total customers for our Software Products & Services inclusive of Broadbean.

**“Annual Recurring Revenue”** is calculated as Annual Recurring Revenue (SaaS), which is an annualized calculation of the monthly recurring revenue in the last month of the calculated quarter for all active Software Products & Services customers, combined with Annual Recurring Revenue (Consumption), which is the trailing twelve-month calculation of all non-recurring and/or consumption-based revenue for all active Software Products & Services customers. In prior periods, we provided “Average Annual Revenue,” which was calculated as the aggregate of trailing twelve-month Software Products & Services revenue divided by the average number of customers over the same period for both Veritone, Inc. and PandoLogic Ltd. Annual Recurring Revenue is not comparable to Average Annual Revenue. Annual Recurring Revenue is on a Pro Forma basis where indicated, is not averaged among active customers and uses a calculation of recurring revenue as described above instead of annual revenue. Management uses “Annual Recurring Revenue” and we believe Annual Recurring Revenue is useful to investors because Broadbean significantly increases our mix of subscription-based SaaS revenues as compared to non-recurring and/or consumption-based revenues.

**“Annual Recurring Revenue (SaaS)”** represents an annualized calculation of monthly recurring revenue during the last month of the applicable quarter for all Total Software Products & Services customers, in each case on a Pro Forma basis. In prior periods, we provided “Average Annual Revenue,” which was calculated as the aggregate of trailing twelve-month Software Products & Services revenue divided by the average number of customers over the same period for both Veritone, Inc. and PandoLogic Ltd. Annual Recurring Revenue is not comparable to Average Annual Revenue (SaaS). Annual Recurring Revenue (SaaS) includes only subscription-based SaaS revenue, is not averaged among active customers and uses a calculation of recurring revenue as described above instead of annual revenue. Management uses “Annual Recurring Revenue (SaaS)” and we believe Annual Recurring Revenue (SaaS) is useful to investors because Broadbean significantly increases our mix of subscription-based SaaS revenues as compared to Consumption revenues and the split between the two allows the reader to delineate between predictable recurring SaaS revenues and more volatile Consumption revenues.

**“Annual Recurring Revenue (Consumption)”** represents the trailing twelve months of all non-recurring and/or consumption-based revenue for all active Total Software Products & Services customers, in each case, on a Pro Forma basis. In prior periods, we provided “Average Annual Revenue,” which was calculated as the aggregate of trailing twelve-month Software Products & Services revenue divided by the average number of customers over the same period for both Veritone, Inc. and PandoLogic Ltd. Annual Recurring Revenue (Consumption) is not comparable to Average Annual Revenue. Annual Recurring Revenue (Consumption) includes only non-recurring and/or consumption-based revenue, is not averaged among active customers and uses a calculation of recurring revenue as described above instead of annual revenue. Management uses “Annual Recurring Revenue (Consumption)” and we believe Annual Recurring Revenue (Consumption) is useful to investors because Broadbean significantly increases our mix of subscription-based SaaS revenues as compared to Consumption revenues and the split between the two allows the reader to delineate between predictable recurring SaaS revenues and more volatile Consumption revenues.

**“Total New Bookings”** represents the total fees payable during the full contract term for new contracts received in the quarter (including fees payable during any cancellable portion and an estimate of license fees that may fluctuate over the term), excluding any variable fees under the contract (e.g., fees for cognitive processing, storage, professional services and other variable services).

**“Gross Revenue Retention”** represents a calculation of our dollar-based gross revenue retention rate as of the period end by starting with the revenue from Software Products & Services Customers as of the 3 months in the prior year quarter to such period, or Prior Year Quarter Revenue. We then deduct from the Prior Year Quarter Revenue any revenue from Software Products & Services Customers who are no longer customers as of the current period end, or Current Period Ending Software Customer Revenue. We then divide the total Current Period Ending Software Customer Revenue by the total Prior Year Quarter Revenue to arrive at our dollar-based gross retention rate, which is the percentage of revenue from all Software Products & Services Customers from our Software Products & Services as of the year prior that is not lost to customer churn. All numbers used to determine Gross Revenue Retention are calculated on a Pro Forma basis.

**“Pro Forma Software Revenue”** is a non-GAAP measure that represents Software Products & Services revenue on a Pro Forma basis.

**“Non-GAAP Gross Profit”** is defined as revenue less cost of revenue.

**“Non-GAAP Gross Margin”** is defined as Non-GAAP gross profit divided by revenue.



Thank you.

