

# VERITONE, INC.

## SUPPLEMENTAL FINANCIAL INFORMATION

(Q2 2022)

This document contains the following unaudited supplemental financial and business information:

### Page

1. Supplemental Non-GAAP Financial Information and Reconciliation to GAAP Information for fiscal year 2021 and for the three months ended March 31, 2022 and the three months ended June 30, 2022;
2. Breakdown and Reconciliation of Non-GAAP Net Income (Loss) to GAAP Net Loss for Core Operations and Corporate for the three and six months ended June 30, 2022 and for the three and six months ended June 30, 2021;
3. Reconciliation of Non-GAAP Net Income (Loss) to GAAP Net Loss for the years ended December 31, 2017, 2018, 2019, 2020, 2021 and for the Midpoint of the Company's Guidance for the Full Year 2022, as provided August 9, 2022;
4. Reconciliation of Non-GAAP Net Loss to GAAP Net Loss for 1Q:21, 2Q:21, 3Q:21, 4Q:21; 1Q:22; 2Q:22 and and for the Midpoint of the Company's Guidance for 3Q:22E;
5. Supplemental Financial Information for the available periods starting 1Q:21;
6. Pro Forma Income Statement (unaudited) as if PandoLogic Ltd. was owned by Veritone, Inc. since January 1, 2021;
7. Supplemental Revenue Breakdown and Comparisons (unaudited);
8. Restatement of Previously Issued Financial Statements; and
9. Restatement of Previously Issued Financial Statements (cont.).

### **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 and a reconciliation of such non-GAAP results and guidance with the Company's most directly comparable GAAP results and guidance are detailed on the following pages. The Company presents 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 revenue, 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 the Company's competitors) may define these non-GAAP financial measures differently. 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 these non-GAAP financial measures in isolation or as a substitute for analysis of the Company's results as reported in accordance with GAAP.

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

	March 31, 2021	June 30, 2021	September 30, 2021 <sup>(1)</sup>	December 31, 2021 <sup>(1)</sup>	March 31, 2022 <sup>(1)</sup>	June 30, 2022
Revenue	\$ 18,295	\$ 19,206	\$ 22,655	\$ 55,149	\$ 34,407	\$ 34,235
Cost of revenue	4,823	5,231	5,808	6,267	6,923	6,705
Non-GAAP gross profit	13,472	13,975	16,847	48,882	27,484	27,530
GAAP cost of revenue	4,823	5,231	5,808	6,267	6,923	6,705
Stock-based compensation expense	—	—	—	(116)	(20)	(24)
Non-GAAP cost of revenue	4,823	5,231	5,808	6,151	6,903	6,681
GAAP sales and marketing expenses	6,427	5,253	5,906	11,349	11,069	12,576
Stock-based compensation expense	(898)	(234)	(226)	(1,716)	(463)	(727)
Lease exit charges	—	—	—	—	—	—
Business realignment and officer severance costs	(236)	—	—	—	—	—
Non-GAAP sales and marketing expenses	5,293	5,019	5,680	9,633	10,606	11,849
GAAP research and development expenses	4,960	4,646	5,254	10,215	9,883	11,068
Stock-based compensation expense	(1,019)	(566)	(431)	(3,217)	(1,004)	(1,247)
Business realignment and officer severance costs	(14)	—	—	—	—	—
Non-GAAP research and development expenses	3,927	4,080	4,823	6,998	8,879	9,821
GAAP general and administrative expenses <sup>(1)</sup>	31,543	15,644	14,994	30,455	22,321	2,304
Depreciation	(175)	(78)	(95)	(189)	(197)	(245)
Stock-based compensation expense	(19,693)	(5,809)	(4,615)	(1,523)	(3,329)	(2,663)
Warrant expense	—	—	—	—	—	—
Change in fair value of contingent consideration <sup>(1)</sup>	—	—	(213)	(12,830)	(5,045)	13,830
State sales tax reserve	(138)	(146)	(22)	—	—	—
Stock offering costs	—	—	—	—	—	—
Lease exit charges	(3,367)	—	—	—	—	—
Acquisition and due diligence costs	—	(735)	(1,426)	(537)	(562)	(207)
Business realignment and officer severance costs	(7)	(92)	—	—	—	—
Non-GAAP general and administrative expenses	8,163	8,784	8,623	15,376	13,188	13,019
GAAP amortization <sup>(1)</sup>	(1,078)	(1,079)	(1,683)	(5,032)	(5,015)	(5,211)
GAAP loss from operations <sup>(1)</sup>	(30,536)	(12,647)	(10,990)	(8,169)	(20,804)	(3,629)
Total non-GAAP adjustments <sup>(2)</sup>	26,625	8,739	8,711	25,160	15,635	(3,506)
Non-GAAP net income (loss) from operations	(3,911)	(3,908)	(2,279)	16,991	(5,169)	(7,135)
GAAP other income (expense), net	(9)	(13)	(15)	(563)	(1,186)	(1,231)
Change in fair value of warrant liability	—	—	—	—	—	—
Interest expense	—	—	—	538	1,182	1,183
Lease termination charges	—	—	—	—	—	—
Gain on sale of asset	—	—	—	—	—	—
Non-GAAP other income (expense), net	(9)	(13)	(15)	(25)	(4)	(48)
GAAP loss before income taxes <sup>(1)</sup>	(30,545)	(12,660)	(11,005)	(8,732)	(21,990)	(4,860)
Total non-GAAP adjustments <sup>(2)</sup>	26,625	8,739	8,711	25,698	16,817	(2,323)
Non-GAAP net income (loss) before income taxes	(3,920)	(3,921)	(2,294)	16,966	(5,173)	(7,183)
GAAP net loss <sup>(1)</sup>	(30,567)	(12,715)	(11,401)	(10,958)	(22,129)	(3,253)
Income tax provision	22	55	396	2,226	139	(1,607)
Other non-GAAP adjustments	26,625	8,739	8,711	25,698	16,817	(2,323)
Non-GAAP net income (loss)	\$ (3,920)	\$ (3,921)	\$ (2,294)	\$ 16,966	\$ (5,173)	\$ (7,183)
Shares used in computing non-GAAP basic net gain (loss) per share	32,172	32,741	33,333	34,917	35,477	36,084
Shares used in computing non-GAAP diluted net gain (loss) per share <sup>(3)</sup>	32,172	32,741	33,333	45,621	35,477	36,084
Non-GAAP basic net gain (loss) per share	\$ (0.12)	\$ (0.12)	\$ (0.07)	\$ 0.49	\$ (0.15)	\$ (0.20)
Non-GAAP diluted net gain (loss) per share	\$ (0.12)	\$ (0.12)	\$ (0.07)	\$ 0.37	\$ (0.15)	\$ (0.20)

<sup>(1)</sup> Amounts for the three months ended March 31, 2022, December 31, 2021, and September 30, 2021 have been revised to correct for an error related to the calculation of fair value of contingent consideration at the time of the acquisition of PandoLogic and for subsequent changes in the fair value of the contingent consideration. For additional information, see the "Restatement of Previously Issued Financial Statements."

<sup>(2)</sup> Adjustments are comprised of the adjustments to GAAP cost of revenue, sales and marketing expenses, research and development expenses and general and administrative expenses and other (expense) income, net (where applicable) listed above.

<sup>(3)</sup> In Q4 2021, the shares used in computing non-GAAP diluted net earnings (loss) per share include the dilutive effects of common stock options, RSUs, and warrants as well as the common stock issuable in connection with the convertible notes, which for the purposes of diluted net earnings per share will be presented as if the convertible senior notes were converted to common shares as of January 1, 2021.

**VERITONE, INC.**

**Breakdown and Reconciliation of Non-GAAP Net Income (Loss) to GAAP Net Loss for Core Operations and Corporate**

(in thousands)

	Three Months Ended June 30,					
	2022			2021		
	Core Operations <sup>(1)</sup>	Corporate <sup>(2)</sup>	Total	Core Operations <sup>(1)</sup>	Corporate <sup>(2)</sup>	Total
Net loss	\$ (8,230)	\$ 4,977	\$ (3,253)	\$ (676)	\$ (12,039)	\$ (12,715)
Provision for income taxes	(964)	(643)	(1,607)	—	55	55
Depreciation and amortization	5,306	150	5,456	1,084	73	1,157
Stock-based compensation expense	2,685	1,976	4,661	1,016	5,593	6,609
Change in fair value of warrant liability	—	—	—	—	—	—
Change in fair value of Contingent consideration	—	(13,830)	(13,830)	—	—	—
State sales tax reserve	—	—	—	—	146	146
Lease exit charges	—	—	—	—	—	—
Interest expense	—	1,183	1,183	—	—	—
Acquisition and due diligence costs	—	207	207	—	735	735
Business realignment, severance and executive search costs	—	—	—	—	92	92
<b>Non-GAAP Net Income (Loss)</b>	<b>\$ (1,203)</b>	<b>\$ (5,980)</b>	<b>\$ (7,183)</b>	<b>\$ 1,424</b>	<b>\$ (5,345)</b>	<b>\$ (3,921)</b>

	Six Months Ended June 30,					
	2022			2021		
	Core Operations <sup>(1)</sup>	Corporate <sup>(2)</sup>	Total	Core Operations <sup>(1)</sup>	Corporate <sup>(2)</sup>	Total
Net loss <sup>(3)</sup>	\$ (14,251)	\$ (11,131)	\$ (25,382)	\$ (3,501)	\$ (39,781)	\$ (43,282)
(Benefit from) provision for income taxes <sup>(3)</sup>	(846)	(622)	(1,468)	—	77	77
Depreciation and amortization <sup>(3)</sup>	10,404	266	10,670	2,167	243	2,410
Stock-based compensation expense	4,668	4,809	9,477	3,711	24,508	28,219
Change in fair value of warrant liability	—	—	—	—	—	—
Change in fair value of Contingent consideration <sup>(3)</sup>	—	(8,785)	(8,785)	—	—	—
State sales tax reserve	—	—	—	—	284	284
Lease exit charges	—	—	—	—	3,367	3,367
Interest expense	—	2,365	2,365	—	—	—
Acquisition and due diligence costs	—	769	769	—	735	735
Business realignment, severance and executive search costs	—	—	—	250	99	349
<b>Non-GAAP Net Income (Loss)</b>	<b>\$ (25)</b>	<b>\$ (12,329)</b>	<b>\$ (12,354)</b>	<b>\$ 2,627</b>	<b>\$ (10,468)</b>	<b>\$ (7,841)</b>

<sup>(1)</sup>Core Operations consists of our aiWARE operating platform of software, SaaS and related services; content, licensing and advertising agency services; and their supporting operations, including direct costs of sales as well as operating expenses for sales, marketing and product development and certain general and administrative costs dedicated to these operations.

<sup>(2)</sup>Corporate consists of general and administrative functions such as executive, finance, legal, people operations, fixed overhead expenses (including facilities and information technology expenses), other income (expenses) and taxes, and other expenses that support the entire company, including public company driven costs.

<sup>(3)</sup>Amounts for the three months ended March 31, 2022 have been revised to correct for an error related to the calculation of fair value of contingent consideration at the time of the acquisition of PandoLogic and for subsequent changes in the fair value of the contingent consideration. For additional information, see the "Restatement of Previously Issued Financial Statements."

**VERITONE, INC.**  
**RECONCILIATION OF NON-GAAP NET INCOME (LOSS) TO GAAP NET LOSS**  
(Unaudited, in thousands)

	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021<sup>(1)</sup></u>	<u>2022 E</u>
GAAP net loss	\$ (59,601)	\$ (61,104)	\$ (62,078)	\$ (47,876)	\$ (65,728)	(54,300)
Interest expense	496	-	-	9	538	5,200
Provision for (benefit from) income taxes	6	22	(1,452)	76	2,699	600
Depreciation and amortization	253	3,701	5,947	6,407	9,410	21,700
Stock-based compensation expense	16,089	14,383	19,402	19,539	40,063	18,900
Business realignment, severance and executive search costs <sup>(2)</sup>	-	-	279	145	349	-
Amortization of debt discounts and issuance costs	3,740	-	-	-	-	-
Warrant expense	5,790	207	-	102	-	-
Write-off of debt discounts and debt issuance costs at IPO	10,132	-	-	-	-	-
Change in fair value of warrant liability	(7,114)	(184)	(16)	200	-	-
Gain on sale of asset	-	-	-	(56)	-	-
State sales tax reserve	-	-	-	818	306	-
Stock offering costs	-	-	-	27	-	-
Lease exit charges <sup>(3)</sup>	-	-	-	16	3,367	-
Change in fair value of Contingent consideration	-	-	-	-	13,130	(4,600)
Costs associated with unsolicited acquisition proposal	-	116	-	-	-	-
Performance Bridge earn-out fair value adjustment	-	-	139	-	-	-
Machine Box contingent payments	-	1,386	1,600	-	-	-
Acquisition, due diligence, and integration-related costs	-	2,427	-	-	2,698	-
Non-GAAP net income (loss)	<u>\$ (30,209)</u>	<u>\$ (39,046)</u>	<u>\$ (36,179)</u>	<u>\$ (20,593)</u>	<u>\$ 6,832</u>	<u>\$ (12,500)</u>

<sup>(1)</sup>Amounts for the year ended December 31, 2021 have been revised to correct for an error related to the calculation of fair value of contingent consideration at the time of the acquisition of PandoLogic and for subsequent changes in the fair value of the contingent consideration. For additional information, see the "Restatement of Previously Issued Financial Statements."

<sup>(2)</sup>Business realignment, severance and executive search costs consists of severance and executive search costs in 2021 and business realignment and officer severance costs in 2020 and 2019.

<sup>(3)</sup>Lease exit charges consists of charges related to a sublease in 2021 and lease termination charges in 2020.

Note: GAAP net loss and non-GAAP net income (loss) figures FY 2022 reflect the midpoint of the Company's financial guidance provided August 9, 2022.

**VERITONE, INC.**  
**RECONCILIATION OF NON-GAAP NET LOSS TO GAAP NET LOSS**

	(Unaudited, in thousands)						
	<u>Q1:2021</u>	<u>Q2:2021</u>	<u>Q3:2021<sup>(1)</sup></u>	<u>Q4:2021<sup>(1)</sup></u>	<u>Q1:2022<sup>(1)</sup></u>	<u>Q2:2022</u>	<u>Q3:2022 E</u>
GAAP net loss	\$ (30,567)	\$ (12,715)	\$ (11,401)	\$ (10,958)	\$ (22,127)	\$ (3,253)	\$ (20,700)
Interest expense	-	-	-	538	1,182	1,183	1,400
Provision for (benefit from) income taxes	22	55	396	2,226	138	(1,607)	500
Depreciation and amortization	1,253	1,157	1,779	5,221	5,212	5,456	5,500
Stock-based compensation expense	21,610	6,609	5,271	6,573	4,816	4,661	4,700
Business realignment, severance and executive search costs <sup>(2)</sup>	257	92	-	-	-	-	-
Warrant expense	-	-	-	-	-	-	-
Write-off of debt discounts and debt issuance costs at IPO	-	-	-	-	-	-	-
Change in fair value of warrant liability	-	-	-	-	-	-	-
Change in fair value of contingent consideration	-	-	213	12,830	5,045	(13,830)	2,100
Gain on sale of asset	-	-	-	-	-	-	-
State sales tax reserve	138	146	22	-	-	-	-
Stock offering costs	-	-	-	-	-	-	-
Lease exit charges <sup>(3)</sup>	3,367	-	-	-	-	-	-
Acquisition, due diligence, and integration-related costs	-	735	1,426	537	561	207	-
Non-GAAP net loss	<u>\$ (3,920)</u>	<u>\$ (3,921)</u>	<u>\$ (2,294)</u>	<u>\$ 16,967</u>	<u>\$ (5,173)</u>	<u>\$ (7,183)</u>	<u>\$ (6,500)</u>

<sup>(1)</sup> Amounts for the three months ended March 31, 2022, December 31, 2021, and September 30, 2021 have been revised to correct for an error related to the calculation of fair value of contingent consideration at the time of the acquisition of PandoLogic and for subsequent changes in the fair value of the contingent consideration. For additional information, see the “Restatement of Previously Issued Financial Statements.”

<sup>(2)</sup> Business realignment, severance and executive search costs consists of severance and executive search costs in 2021 and business realignment and officer severance costs in 2020.

<sup>(3)</sup> Lease exit charges consists of charges related to a sublease in 2021 and lease termination charges in 2020.

Note: GAAP net loss and non-GAAP net income (loss) figures Q3 2022 reflect the midpoint of the Company's financial guidance provided August 9, 2022.

**VERITONE, INC.**  
**Supplemental Financial Information**

	<u>Mar 31,</u> <u>2021</u>	<u>Jun 30,</u> <u>2021</u>	<u>Sept 30,</u> <u>2021</u>	<u>Dec 31,</u> <u>2021</u>	<u>Mar 31,</u> <u>2022</u>	<u>Jun 30,</u> <u>2022</u>
<b>Software Products &amp; Services Supplemental Financial Information</b>						
Software Revenue - Pro Forma (in 000's) <sup>(1)</sup>	\$ 10,183	\$ 20,072	\$ 21,860	\$ 40,223	\$ 18,167	\$ 18,379
Ending Customers <sup>(2)</sup>	385	419	433	529	559	594
Average Annual Revenue ("AAR") (in 000's) <sup>(3)</sup>	\$ 199	\$ 203	\$ 208	\$ 209	\$ 207	\$ 187
Total New Bookings (in 000's) <sup>(4)</sup>	\$ 2,442	\$ 4,896	\$ 3,356	\$ 8,317	\$ 9,574	\$ 14,658
Gross Revenue Retention <sup>(5)</sup>	>90%	>90%	>90%	>90%	>90%	>90%
	<u>Mar 31,</u> <u>2021</u>	<u>Jun 30,</u> <u>2021</u>	<u>Sept 30,</u> <u>2021</u>	<u>Dec 31,</u> <u>2021</u>	<u>Mar 31,</u> <u>2022</u>	<u>Mar 31,</u> <u>2022</u>
<b>Managed Services Supplemental Financial Information</b>						
Avg billings per active managed service client (in 000's) <sup>(6)(7)</sup>	\$ 582	\$ 622	\$ 615	\$ 625	\$ 684	\$ 736
Revenue during quarter (in 000's) <sup>(7)</sup>	\$ 10,327	\$ 9,968	\$ 9,647	\$ 10,857	\$ 10,735	\$ 9,625

(1) "Software Revenue - Pro Forma" includes historical Software Products & Services revenue from the past six (6) fiscal quarters of each of Veritone, Inc. and PandoLogic Ltd. (unaudited) and presents such revenue on a combined pro forma basis treating PandoLogic Ltd. as owned by Veritone, Inc. since January 1, 2021.

(2) "Ending Customers" includes Software Products & Services customers as of the end of each respective quarter set forth above with trailing twelve-month revenues in excess of \$2,400 for both Veritone, Inc. and PandoLogic Ltd. and/or deemed by the Company to be under an active contract for the applicable periods.

(3) "Average Annual Revenue (AAR)" is 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.

(4) "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).

(5) "Gross Revenue Retention" is calculated by dividing the total customer retained revenue for Software Products & Services at the end of the specified quarter by the total customer revenue for Software Products & Services at the beginning of such quarter. This measures quarterly revenue lost from customer base, which we believe is our best indicator of customer retention.

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

(7) Managed Services revenue and metrics exclude content licensing & media services.

**VERITONE, INC.**  
**PRO FORMA INCOME STATEMENT (UNAUDITED)**  
(in thousands)

	<b>Q1'21</b>	<b>Q2'21</b>	<b>Q3'21<sup>(1)</sup></b>	<b>Q4'21<sup>(1)</sup></b>	<b>Q1'22<sup>(1)</sup></b>	<b>Q2'22</b>
Software Products & Services	\$ 10,183	\$ 20,072	\$ 21,860	\$ 40,223	\$ 18,167	\$ 18,379
Managed Services	13,610	13,626	13,627	14,926	16,240	15,856
<b>Total Revenue</b>	<b>\$ 23,793</b>	<b>\$ 33,698</b>	<b>\$ 35,487</b>	<b>\$ 55,149</b>	<b>\$ 34,407</b>	<b>\$ 34,235</b>
Cost of Revenue	5,270	5,726	6,301	6,267	6,923	6,705
<b>Gross Profit</b>	<b>\$ 18,523</b>	<b>\$ 27,972</b>	<b>\$ 29,186</b>	<b>\$ 48,883</b>	<b>\$ 27,484</b>	<b>\$ 27,530</b>
<i>Gross Margin</i>	<i>78%</i>	<i>83%</i>	<i>82%</i>	<i>89%</i>	<i>80%</i>	<i>80%</i>
Total Operating Expenses	49,482	33,070	33,596	57,006	48,287	31,103
<b>Operating Income (Loss)</b>	<b>(30,959)</b>	<b>(5,098)</b>	<b>(4,410)</b>	<b>(8,123)</b>	<b>(20,803)</b>	<b>(3,573)</b>
Other (Income) / Expense	167	1,741	19,537	2,835	1,186	(1,231)
Add Back:	26,721	8,849	27,855	27,924	16,816	(4,841)
<b>Non-GAAP Net Income (Loss)</b>	<b>\$ (4,406)</b>	<b>\$ 2,009</b>	<b>\$ 3,908</b>	<b>\$ 16,966</b>	<b>\$ (5,173)</b>	<b>\$ (7,183)</b>

<sup>(1)</sup>Amounts for the three months ended March 31, 2022, December 31, 2021, and September 30, 2021 have been revised to correct for an error related to the calculation of fair value of contingent consideration at the time of the acquisition of PandoLogic and for subsequent changes in the fair value of the contingent consideration. For additional information, see the "Restatement of Previously Issued Financial Statements."

**VERITONE, INC.**  
**Supplemental Revenue Breakdown and Comparisons**  
(Unaudited, Dollars in Thousands)

<u>Revenue by Business</u>	<u>Q1 2021</u>	<u>Q2 2021</u>	<u>Q3 2021</u>	<u>Q4 2021</u>	<u>Q1 2022</u>	<u>Q2 2022</u>
<b>Commercial Enterprise</b>						
Software Products & Services	3,395	5,131	8,069	38,888	17,386	17,508
Managed Services	13,610	13,626	13,627	14,927	16,240	15,856
Sub-total	17,005	18,757	21,697	53,815	33,626	33,364
<b>Government &amp; Regulated Industries</b>						
Software Products & Services	1,290	448	958	1,335	781	871
Managed Services	-	-	-	-	-	-
Sub-total	1,290	448	958	1,335	781	871
<b>Total revenue</b>	<b>\$ 18,295</b>	<b>\$ 19,205</b>	<b>\$ 22,655</b>	<b>\$ 55,149</b>	<b>\$ 34,407</b>	<b>\$ 34,235</b>



**VERITONE, INC.**  
**Restatement of Previously Issued Financial Statements**

(in thousands)

On August 9, 2022, the management and the audit committee of Veritone determined that Veritone's previously issued financial statements as of and for the three months ended March 31, 2022 should no longer be relied upon due to an error related to the calculation of fair value of contingent consideration at the time of the acquisition of PandoLogic, which led to an understatement of goodwill and contingent consideration at the time of the acquisition, and for subsequent changes in the fair value of the contingent consideration. The restatement results in a non-cash charge that reduces general and administrative expenses and results in a favorable change to net loss for the three months ended March 31, 2022. Veritone will restate its prior period financial statements for the three months ended March 31, 2022 for such errors in an amendment to its Quarterly Report on Form 10-Q for the three months ended March 31, 2022.

Veritone evaluated the aggregate effects of the errors to its previously issued financial statements in accordance with SEC Staff Accounting Bulletins No. 99 and No. 108 and, based upon quantitative and qualitative factors, determined that the errors were not material to the previously issued financial statements and disclosures included in its Annual Report on Form 10-K for the year ended December 31, 2021 or for any quarterly periods included therein.

The following tables present the effects of the aforementioned revisions on Veritone's condensed consolidated statement of operations for the three months ended March 31, 2022, December 31, 2021, and September 30, 2021:

	<b>Three Months Ended</b>		
	<b>March 31, 2022</b>		
	<b>As Reported</b>	<b>Adjustment</b>	<b>As Restated</b>
General and administrative	\$ 28,917	\$ (6,596)	\$ 22,321
Amortization	\$ 4,693	\$ 321	5,014
Total operating expenses	61,485	(6,275)	55,210
Loss from operations	(27,078)	6,275	(20,803)
Loss before provision for income taxes	(28,264)	6,275	(21,989)
Provision for income taxes	177	(39)	138
Net loss	(28,441)	6,314	(22,127)
Basic and diluted net loss per share	(0.80)	0.18	(0.62)
Total comprehensive loss	(28,251)	6,314	(21,937)

	<b>Three Months Ended</b>		
	<b>December 31, 2021</b>		
	<b>As Reported</b>	<b>Adjustment</b>	<b>As Revised</b>
General and administrative	\$ 35,694	\$ (5,239)	\$ 30,455
Amortization	4,657	375	5,032
Total operating expenses	68,182	(4,864)	63,318
Loss from operations	(13,033)	4,864	(8,169)
Loss before provision for income taxes	(13,596)	4,864	(8,732)
Provision for income taxes	2,271	(45)	2,226
Net loss	(15,867)	4,909	(10,958)
Basic and diluted net loss per share	(0.45)	0.14	(0.31)
Total comprehensive loss	(16,044)	4,909	(11,135)

	<b>Three Months Ended</b>		
	<b>September 30, 2021</b>		
	<b>As Reported</b>	<b>Adjustment</b>	<b>As Revised</b>
General and administrative	\$ 15,037	\$ 43	\$ 15,080
Total operating expenses	68,182	(4,864)	63,318
Loss from operations	(11,033)	(43)	(11,076)
Loss before provision for income taxes	(11,048)	(43)	(11,091)
Net loss	(11,444)	(43)	(11,487)
Basic and diluted net loss per share	(0.34)	(0.00)	(0.34)
Total comprehensive loss	(11,444)	(43)	(11,487)

The following table presents the effects of the aforementioned revisions on the Company's audited consolidated balance sheet as of December 31, 2021:

	<b>As of December 31, 2021</b>		
	<b>As Reported</b>	<b>Adjustment</b>	<b>As Revised</b>
Intangible assets, net	\$ 88,247	\$ 5,625	\$ 93,872
Goodwill	34,058	6,914	\$ 40,972
Total assets	504,752	12,539	517,291
Contingent consideration, current	19,988	65	20,053
Total current liabilities	191,276	65	191,341
Contingent consideration, non-current	24,737	6,796	31,533
Other non-current liabilities	13,078	813	13,891
Total liabilities	424,173	7,674	431,847
Accumulated deficit	(350,958)	4,865	(346,093)
Total stockholders' equity	80,579	4,865	85,444
Total liabilities and stockholders' equity	504,752	12,539	517,291