

VERITONE, INC.

SUPPLEMENTAL FINANCIAL INFORMATION

(Q1 2020)

This document contains the following unaudited financial and business information for the most recent five quarters ended March 31, 2020:

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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 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 the Company's competitors) may define these non-GAAP measures differently. These non-GAAP 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 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, 2019	June 30, 2019	September 30, 2019	December 31, 2019	March 31, 2020
GAAP gross profit	\$ 8,253	\$ 7,708	\$ 8,048	\$ 8,350	\$ 8,093
Depreciation and amortization	370	535	561	562	561
Non-GAAP gross profit	8,623	8,243	8,609	8,912	8,654
GAAP sales and marketing expenses	6,133	6,448	6,609	6,115	5,460
Depreciation and amortization	(212)	(529)	(529)	(528)	(531)
Stock-based compensation expense	(243)	(271)	(281)	(240)	(178)
Business realignment severance expense	—	—	—	(72)	—
Non-GAAP sales and marketing expenses	5,678	5,648	5,799	5,275	4,751
GAAP research and development expenses	6,938	6,351	5,730	4,782	3,902
Depreciation and amortization	(227)	(275)	(257)	(257)	(256)
Stock-based compensation expense	(380)	(376)	(307)	(230)	(237)
Machine Box contingent payments	(917)	(600)	(81)	—	—
Business realignment severance expense	—	—	—	(142)	—
Non-GAAP research and development expenses	5,414	5,100	5,085	4,153	3,409
GAAP general and administrative expenses	11,690	11,645	11,905	12,084	11,543
Depreciation and amortization	(324)	(247)	(275)	(258)	(256)
Stock-based compensation expense	(4,180)	(4,608)	(4,148)	(4,138)	(4,041)
Performance Bridge earn-out fair value adjustment	(139)	—	—	—	—
Business realignment severance expense	—	—	—	(65)	—
Non-GAAP general and administrative expenses	7,047	6,790	7,482	7,623	7,246
GAAP loss from operations	(16,508)	(16,736)	(16,196)	(14,631)	(12,812)
Total non-GAAP adjustments	6,992	7,441	6,439	6,492	6,060
Non-GAAP loss from operations	(9,516)	(9,295)	(9,757)	(8,139)	(6,752)
GAAP other income, net	211	51	184	95	131
Change in fair value of warrant liability	13	37	(57)	(9)	(2)
Gain on sale of asset	—	—	—	—	(56)
Non-GAAP other income, net	224	88	127	86	73
GAAP loss before income taxes	(16,297)	(16,685)	(16,012)	(14,536)	(12,681)
Total non-GAAP adjustments ¹	7,005	7,478	6,382	6,483	6,002
Non-GAAP loss before income taxes	(9,292)	(9,207)	(9,630)	(8,053)	(6,679)
GAAP net loss	(16,306)	(16,691)	(14,197)	(14,884)	(12,684)
Income tax provision (benefit)	9	6	(1,815)	348	3
Other non-GAAP adjustments	7,005	7,478	6,382	6,483	6,002
Non-GAAP net loss	\$ (9,292)	\$ (9,207)	\$ (9,630)	\$ (8,053)	\$ (6,679)
GAAP basic and diluted net loss per share	\$ (0.84)	\$ (0.80)	\$ (0.64)	\$ (0.61)	\$ (0.47)
Total non-GAAP adjustments to net loss per share	\$ 0.36	\$ 0.36	\$ 0.29	\$ 0.28	\$ 0.22
Non-GAAP basic and diluted net loss per share	\$ (0.48)	\$ (0.44)	\$ (0.43)	\$ (0.33)	\$ (0.25)
Shares used in computing non-GAAP basic and diluted net lo	19,511	20,759	22,345	24,514	26,773

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

	Quarter Ended				
	Mar 31, 2019	Jun 30, 2019	Sept 30, 2019	Dec 31, 2019	Mar 31, 2020
Advertising					
Average gross billings per active client (in 000's) ⁽¹⁾	\$ 469	\$ 488	\$ 490	\$ 511	\$ 533
Net revenues during quarter (in 000's)	\$ 5,714	\$ 5,842	\$ 6,291	\$ 6,517	\$ 6,001
aiWARE SaaS Solutions					
Total accounts on platform at quarter end	911	941	980	1,069	1,587
New bookings received during quarter (in 000's) ⁽²⁾	\$ 1,316	\$ 1,362	\$ 1,384	\$ 2,522	\$ 1,397
Total contract value of new bookings received during quarter (in 000's) ⁽³⁾	\$ 2,092	\$ 1,351	\$ 1,724	\$ 12,872	\$ 2,312
Net revenues during quarter (in 000's)	\$ 2,754	\$ 2,677	\$ 2,350	\$ 2,872	\$ 3,108

¹ For each quarter, reflects the average gross quarterly billings per client over the twelve month period through the end of such quarter for clients that are active during such quarter.

² Represents the contractually committed fees payable during the first 12 months of the contract term, or the non-cancellable portion of the contract term (if shorter), for new contracts received in the quarter, excluding any variable fees under the contract (i.e., fees for cognitive processing, storage, professional services and other variable services).

³ 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 (i.e., fees for cognitive processing, storage, professional services and other variable services).

VERITONE, INC.**Supplemental Revenue Breakdown and Comparisons**

(Unaudited, Dollars in Thousands)

<u>Revenue by Business</u>	<u>Q1 2019</u>	<u>Q2 2019</u>	<u>Q3 2019</u>	<u>Q4 2019</u>	<u>Q1 2020</u>	<u>Q1 2020 Change</u>	
						<u>vs Q4 2019</u>	<u>vs Q1 2019</u>
Advertising	\$ 5,714	\$ 5,842	\$ 6,291	\$ 6,517	\$ 6,001	(8%)	5%
aiWARE SaaS Solutions	\$ 2,754	\$ 2,677	\$ 2,350	\$ 2,872	\$ 3,108	8%	13%
aiWARE Content Licensing and Media Services	\$ 3,657	\$ 3,751	\$ 4,164	\$ 3,059	\$ 2,795	(9%)	(24%)
Total Sales	\$ 12,125	\$ 12,270	\$ 12,805	\$ 12,448	\$ 11,904	(4%)	(2%)
<u>aiWARE SaaS Revenues</u>	<u>Q1 2019</u>	<u>Q2 2019</u>	<u>Q3 2019</u>	<u>Q4 2019</u>	<u>Q1 2020</u>	<u>vs Q4 2019</u>	<u>vs Q1 2019</u>
Media & Entertainment	\$ 2,235	\$ 2,470	\$ 2,257	\$ 2,773	\$ 2,612	(6%)	17%
Government Legal & Compliance	\$ 519	\$ 207	\$ 93	\$ 99	\$ 496	401%	(4%)