

## VERITONE, INC.

### SUPPLEMENTAL FINANCIAL INFORMATION

(Q1 AND YTD 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;
2. Breakdown and Reconciliation of Non-GAAP Net Income (Loss) to GAAP Net Loss for Core Operations and Corporate for the three months ended March 31, 2022 and for the three months ended March 31, 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 Midpoints of the Company's Guidance for the three months ending June 30, 2022 and the Full Year 2022, as provided May 3, 2022;
4. Reconciliation of Non-GAAP Net Loss to GAAP Net Loss for 1Q:21, 2Q:21, 3Q:21, 4Q:21; 1Q:22 and 2Q: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; and
7. Supplemental Revenue Breakdown and Comparisons (unaudited).

#### **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 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 this 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	December 31, 2021	March 31, 2022
Revenue	\$ 18,295	\$ 19,206	\$ 22,655	\$ 55,149	\$ 34,407
Cost of revenue	4,823	5,231	5,808	6,267	6,923
Non-GAAP gross profit	13,472	13,975	16,847	48,882	27,484
GAAP cost of revenue	4,823	5,231	5,808	6,267	6,923
Stock-based compensation expense	—	—	—	(116)	(20)
Non-GAAP cost of revenue	4,823	5,231	5,808	6,151	6,903
GAAP sales and marketing expenses	6,427	5,253	5,906	11,349	11,069
Stock-based compensation expense	(898)	(234)	(226)	(1,716)	(463)
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
GAAP research and development expenses	4,960	4,646	5,254	10,215	9,883
Stock-based compensation expense	(1,019)	(566)	(431)	(3,217)	(1,004)
Business realignment and officer severance costs	(14)	—	—	—	—
Non-GAAP research and development expenses	3,927	4,080	4,823	6,998	8,879
GAAP general and administrative expenses	31,543	15,644	15,037	35,694	28,917
Depreciation	(175)	(78)	(95)	(189)	(198)
Stock-based compensation expense	(19,693)	(5,809)	(4,615)	(1,523)	(3,329)
Warrant expense	—	—	—	—	—
Change in Fair Value of Contingent consideration	—	—	(256)	(18,069)	(11,641)
State sales tax reserve	(138)	(146)	(22)	—	—
Stock offering costs	—	—	—	—	—
Lease exit charges	(3,367)	—	—	—	—
Acquisition and due diligence costs	—	(735)	(1,426)	(537)	(561)
Business realignment and officer severance costs	(7)	(92)	—	—	—
Non-GAAP general and administrative expenses	8,163	8,784	8,623	15,376	13,188
GAAP Amortization	(1,078)	(1,079)	(1,683)	(4,657)	(4,693)
GAAP loss from operations	(30,536)	(12,647)	(11,033)	(13,033)	(27,078)
Total non-GAAP adjustments	26,625	8,739	8,754	30,024	21,909
Non-GAAP net income (loss) from operations	(3,911)	(3,908)	(2,279)	16,991	(5,169)
GAAP other income (expense), net	(9)	(13)	(15)	(563)	(1,186)
Change in fair value of warrant liability	—	—	—	—	—
Interest expense	—	—	—	538	1,182
Lease termination charges	—	—	—	—	—
Gain on sale of asset	—	—	—	—	—
Non-GAAP other income (expense), net	(9)	(13)	(15)	(25)	(4)
GAAP loss before income taxes	(30,545)	(12,660)	(11,048)	(13,596)	(28,264)
Total non-GAAP adjustments <sup>1</sup>	26,625	8,739	8,754	30,562	23,091
Non-GAAP net income (loss) before income taxes	(3,920)	(3,921)	(2,294)	16,966	(5,173)
GAAP net loss	(30,567)	(12,715)	(11,444)	(15,867)	(28,441)
Income tax provision	22	55	396	2,271	177
Other non-GAAP adjustments	26,625	8,739	8,754	30,562	23,091
Non-GAAP net income (loss)	<u>\$ (3,920)</u>	<u>\$ (3,921)</u>	<u>\$ (2,294)</u>	<u>\$ 16,966</u>	<u>\$ (5,173)</u>
Shares used in computing non-GAAP basic net gain (loss) per share	<u>32,172</u>	<u>32,741</u>	<u>33,333</u>	<u>34,917</u>	<u>35,477</u>
Shares used in computing non-GAAP diluted net gain (loss) per share	<u>32,172</u>	<u>32,741</u>	<u>33,333</u>	<u>45,621</u>	<u>35,477</u>
Non-GAAP basic net gain (loss) per share	<u>\$ (0.12)</u>	<u>\$ (0.12)</u>	<u>\$ (0.07)</u>	<u>\$ 0.49</u>	<u>\$ (0.15)</u>
Non-GAAP diluted net gain (loss) per share	<u>\$ (0.12)</u>	<u>\$ (0.12)</u>	<u>\$ (0.07)</u>	<u>\$ 0.37</u>	<u>\$ (0.15)</u>

<sup>(1)</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>(2)</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 March 31,					
	2022			2021		
	Core Operations <sup>(1)</sup>	Corporate <sup>(2)</sup>	Total	Core Operations <sup>(1)</sup>	Corporate <sup>(2)</sup>	Total
Net loss	\$ (6,100)	\$ (22,341)	\$ (28,441)	\$ (2,825)	\$ (27,742)	\$ (30,567)
Provision for income taxes	173	4	177	—	22	22
Depreciation and amortization	4,775	116	4,891	1,083	170	1,253
Stock-based compensation expense	1,983	2,833	4,816	2,695	18,915	21,610
Change in fair value of warrant liability	—	—	—	—	—	—
Change in fair value of Contingent consideration	—	11,641	11,641	—	—	—
State sales tax reserve	—	—	—	—	138	138
Lease exit charges	—	—	—	—	3,367	3,367
Interest expense	—	1,182	1,182	—	—	—
Acquisition and due diligence costs	—	561	561	—	—	—
Business realignment, severance and executive search costs	—	—	—	250	7	257
<b>Non-GAAP Net Income (Loss)</b>	<b>\$ 831</b>	<b>\$ (6,004)</b>	<b>\$ (5,173)</b>	<b>\$ 1,203</b>	<b>\$ (5,123)</b>	<b>\$ (3,920)</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.

**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</u>	<u>Q2:2022 E</u>	<u>2022 E</u>
GAAP net loss	\$ (59,601)	\$ (61,104)	\$ (62,078)	\$ (47,876)	\$ (70,593)	\$ (17,600)	(59,800)
Interest expense	496	-	-	9	538	900	3,600
Provision for (benefit from) income taxes	6	22	(1,452)	76	2,744	1,100	6,400
Depreciation and amortization	253	3,701	5,947	6,407	9,035	4,300	19,100
Stock-based compensation expense	16,089	14,383	19,402	19,539	40,063	6,500	26,200
Business realignment, severance and executive search costs <sup>(1)</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>(2)</sup>	-	-	-	16	3,367	-	-
Change in fair value of Contingent consideration	-	-	-	-	18,325	1,800	18,000
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>\$ (3,000)</u>	<u>\$ 13,500</u>

(1)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.

(2)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 for Q2 and FY 2022 reflect the midpoint of the Company's financial guidance provided May 3, 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</u>	<u>Q4:2021</u>	<u>Q1:2022</u>	<u>Q2:2022 E</u>
GAAP net loss	\$ (30,567)	\$ (12,715)	\$ (11,444)	\$ (15,867)	\$ (28,441)	\$ (17,600)
Interest expense	-	-	-	538	1,182	900
Provision for (benefit from) income taxes	22	55	396	2,271	177	1,100
Depreciation and amortization	1,253	1,157	1,779	4,846	4,891	4,300
Stock-based compensation expense	21,610	6,609	5,271	6,573	4,816	6,500
Business realignment, severance and executive search costs <sup>(1)</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	-	-	256	18,069	11,641	1,800
Gain on sale of asset	-	-	-	-	-	-
State sales tax reserve	138	146	22	-	-	-
Stock offering costs	-	-	-	-	-	-
Lease exit charges <sup>(2)</sup>	3,367	-	-	-	-	-
Acquisition, due diligence, and integration-related costs	-	735	1,426	537	561	-
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>\$ (3,000)</u>

(1)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.

(2)Lease exit charges consists of charges related to a sublease in 2021 and lease termination charges in 2020.

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

	<b>Mar 31,</b> <b>2021</b>	<b>Jun 30,</b> <b>2021</b>	<b>Sept 30,</b> <b>2021</b>	<b>Dec 31,</b> <b>2021</b>	<b>Mar 31,</b> <b>2022</b>
<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
Ending Customers <sup>(2)</sup>	385	419	433	529	559
Average Annual Revenue ("AAR") (in 000's) <sup>(3)</sup>	\$ 199	\$ 203	\$ 208	\$ 209	\$ 207
Total New Bookings (in 000's) <sup>(4)</sup>	\$ 2,442	\$ 4,896	\$ 3,356	\$ 8,317	\$ 9,574
Gross Revenue Retention <sup>(5)</sup>	>90%	>90%	>90%	>90%	>90%
	<b>Mar 31,</b> <b>2021</b>	<b>Jun 30,</b> <b>2021</b>	<b>Sept 30,</b> <b>2021</b>	<b>Dec 31,</b> <b>2021</b>	<b>Mar 31,</b> <b>2022</b>
<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
Revenue during quarter (in 000's) <sup>(7)</sup>	\$ 10,327	\$ 9,968	\$ 9,647	\$ 10,857	\$ 10,735

(1) "Software Revenue - Pro Forma" includes historical Software Products & Services revenue from the past five (5) 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</b>	<b>Q4'21</b>	<b>Q1'22</b>
Software Products & Services	\$ 10,183	\$ 20,072	\$ 21,860	\$ 40,223	\$ 18,167
Managed Services	13,610	13,626	13,627	14,926	16,240
<b>Total Revenue</b>	<b>\$ 23,793</b>	<b>\$ 33,698</b>	<b>\$ 35,487</b>	<b>\$ 55,149</b>	<b>\$ 34,407</b>
Cost of Revenue	5,270	5,726	6,301	6,267	6,923
<b>Gross Profit</b>	<b>\$ 18,523</b>	<b>\$ 27,972</b>	<b>\$ 29,186</b>	<b>\$ 48,883</b>	<b>\$ 27,484</b>
<i>Gross Margin</i>	78%	83%	82%	89%	80%
Total Operating Expenses	49,482	33,070	33,553	61,915	54,562
<b>Operating Income (Loss)</b>	<b>(30,959)</b>	<b>(5,098)</b>	<b>(4,367)</b>	<b>(13,032)</b>	<b>(27,078)</b>
Other (Income) / Expense	167	1,741	19,580	2,835	1,186
Add Back:	26,721	8,849	27,855	32,833	23,091
<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>

**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>
<b>Commercial Enterprise</b>					
Software Products & Services	3,395	5,131	8,069	38,888	17,386
Managed Services	13,610	13,626	13,627	14,927	16,240
Sub-total	17,005	18,757	21,697	53,815	33,626
<b>Government &amp; Regulated Industries</b>					
Software Products & Services	1,290	448	958	1,335	781
Managed Services	-	-	-	-	-
Sub-total	1,290	448	958	1,335	781
<b>Total revenue</b>	<b>\$ 18,295</b>	<b>\$ 19,205</b>	<b>\$ 22,655</b>	<b>\$ 55,149</b>	<b>\$ 34,407</b>