

**VERITONE, INC.**  
**SUPPLEMENTAL FINANCIAL INFORMATION**  
**(Q2 2023)**

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 2022 and for the three months ended March 31, 2023 and the three months ended June 30, 2023;
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, 2023 and for the three and six months ended June 30, 2022;
3. Reconciliation of Non-GAAP Net Income (Loss) to GAAP Net Loss for the years ended December 31, 2018, 2019, 2020, 2021, 2022 and for the Midpoint of the Company's Guidance for the Full Year 2023, as provided August 8, 2023;
4. Reconciliation of Non-GAAP Net Loss to GAAP Net Loss for 1Q:22, 2Q:22, 3Q:22, 4Q:22; 1Q:23; 2Q23 and for the Midpoint of the Company's Guidance for the three months ended September 30, 2023;
5. Supplemental Financial Information for the available periods starting 1Q:22;
6. Supplemental Revenue Breakdown and Comparisons; and
7. Reconciliation of Non-GAAP Gross Profit to Loss from Operations.

**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, 2022	June 30, 2022	September 30, 2022	December 31, 2022	March 31, 2023	June 30, 2023
Revenue	\$ 34,407	\$ 34,235	\$ 37,196	\$ 43,890	\$ 30,263	\$ 27,967
Cost of revenue	6,923	6,705	7,097	6,707	6,809	7,765
Non-GAAP gross profit	27,484	27,530	30,099	37,183	23,454	20,202
GAAP cost of revenue	6,923	6,705	7,097	6,707	6,809	7,765
Stock-based compensation expense	(20)	(24)	(46)	(26)	(20)	(17)
Non-GAAP cost of revenue	6,903	6,681	7,051	6,681	6,789	7,748
GAAP sales and marketing expenses	11,069	12,576	13,920	13,780	12,690	13,124
Stock-based compensation expense	(463)	(727)	(538)	(535)	(176)	(529)
Contribution of business held for sale	—	—	—	—	(263)	(221)
Business realignment and severance and executive transition costs	—	—	(86)	—	(316)	(190)
Non-GAAP sales and marketing expenses	10,606	11,849	13,296	13,245	11,935	12,184
GAAP research and development expenses	9,883	11,068	11,784	10,854	11,347	10,519
Stock-based compensation expense	(1,004)	(1,247)	(1,532)	(1,273)	(1,542)	(1,127)
Contribution of business held for sale	—	—	—	—	(558)	(559)
Business realignment and severance and executive transition costs	—	—	(198)	—	(344)	(151)
Non-GAAP research and development expenses	8,879	9,821	10,054	9,581	8,903	8,682
GAAP general and administrative expenses	22,321	2,304	2,502	17,050	17,397	19,025
Depreciation	(198)	(245)	(320)	(549)	(478)	(675)
Stock-based compensation expense	(3,329)	(2,663)	(2,986)	(2,702)	(2,179)	(1,024)
Change in fair value of contingent consideration	(5,045)	13,830	14,291	(355)	(651)	—
Variable consultant performance bonus expense	—	—	—	—	(394)	(237)
Contribution of business held for sale	—	—	—	—	(96)	(92)
Acquisition and due diligence costs	(561)	(207)	(839)	(1,080)	(805)	(4,271)
Business realignment and severance and executive transition costs	—	—	(81)	(175)	(604)	(348)
Non-GAAP general and administrative expenses	13,188	13,019	12,567	12,189	12,190	12,378
GAAP amortization	(5,016)	(5,211)	(5,504)	(5,450)	(5,429)	(5,714)
GAAP loss from operations	(20,805)	(3,629)	(3,611)	(9,951)	(23,409)	(28,180)
Total non-GAAP adjustments <sup>(1)</sup>	15,636	(3,506)	(2,161)	12,145	13,855	15,155
Non-GAAP net income (loss) from operations	(5,169)	(7,135)	(5,772)	2,194	(9,554)	(13,025)
GAAP other income (expense), net	(1,186)	(1,231)	(1,249)	18,413	355	3,510
Gain on sale of energy group	—	—	—	—	—	(2,572)
Gain on debt extinguishment	—	—	—	(19,097)	—	—
Foreign currency impact	—	—	—	—	(1,161)	(1,659)
Interest expense, net	1,182	1,183	1,305	680	805	720
Non-GAAP other income (expense), net	(4)	(48)	56	(4)	(1)	(1)
GAAP loss before income taxes	(21,991)	(4,860)	(4,860)	8,462	(23,054)	(24,670)
Total non-GAAP adjustments <sup>(1)</sup>	16,818	(2,323)	(856)	(6,272)	13,499	11,644
Non-GAAP net income (loss) before income taxes	(5,173)	(7,183)	(5,716)	2,190	(9,555)	(13,026)
GAAP net loss	(22,129)	(3,253)	(4,886)	5,032	(22,783)	(23,296)
Income tax provision	138	(1,607)	26	3,430	(271)	(1,374)
Other non-GAAP adjustments	16,818	(2,323)	(856)	(6,272)	13,499	11,644
Non-GAAP net income (loss)	\$ (5,173)	\$ (7,183)	\$ (5,716)	\$ 2,190	\$ (9,555)	\$ (13,026)
Shares used in computing non-GAAP basic net gain (loss) per share	35,477	36,084	36,202	36,360	36,588	36,849
Shares used in computing non-GAAP diluted net gain (loss) per share <sup>(2)</sup>	35,477	36,084	36,202	42,487	36,588	36,849
Non-GAAP basic net gain (loss) per share	\$ (0.15)	\$ (0.20)	\$ (0.16)	\$ 0.06	\$ (0.26)	\$ (0.35)
Non-GAAP diluted net gain (loss) per share	\$ (0.15)	\$ (0.20)	\$ (0.16)	\$ 0.05	\$ (0.26)	\$ (0.35)

<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 and Q4 2022, 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

**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,					
	2023			2022		
	Core Operations <sup>(1)</sup>	Corporate <sup>(2)</sup>	Total	Core Operations <sup>(1)</sup>	Corporate <sup>(2)</sup>	Total
<b>Net income (loss)</b>	\$ (15,205)	\$ (8,091)	\$ (23,296)	\$ (8,230)	\$ 4,977	\$ (3,253)
Benefit from income taxes	(742)	(632)	(1,374)	(964)	(643)	(1,607)
Depreciation and amortization	5,818	571	6,389	5,306	150	5,456
Stock-based compensation expense	1,929	768	2,697	2,685	1,976	4,661
Change in fair value of contingent consideration	—	—	—	—	(13,830)	(13,830)
Interest expense, net	—	720	720	—	1,183	1,183
Foreign currency impact	(1,631)	(28)	(1,659)	—	—	—
Acquisition and due diligence costs	—	4,271	4,271	—	207	207
Gain on sale of energy group	—	(2,572)	(2,572)	—	—	—
Contribution of business held for sale <sup>(3)</sup>	872	—	872	—	—	—
Variable consultant performance bonus expense	237	—	237	—	—	—
Severance and executive transition costs	474	215	689	—	—	—
<b>Non-GAAP Net Income (Loss)</b>	<b>\$ (8,248)</b>	<b>\$ (4,778)</b>	<b>\$ (13,026)</b>	<b>\$ (1,203)</b>	<b>\$ (5,980)</b>	<b>\$ (7,183)</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
<b>Net loss</b>	\$ (27,775)	\$ (18,484)	\$ (46,259)	\$ (14,251)	\$ (11,131)	\$ (25,382)
Benefit from income taxes	(1,246)	(399)	(1,645)	(846)	(622)	(1,468)
Depreciation and amortization	11,572	724	12,296	10,404	266	10,670
Stock-based compensation expense	4,264	2,350	6,614	4,668	4,809	9,477
Change in fair value of contingent consideration	—	651	651	—	(8,785)	(8,785)
Interest expense, net	9	1,516	1,525	—	2,365	2,365
Foreign currency impact	(2,777)	(43)	(2,820)	—	—	—
Acquisition and due diligence costs	—	5,076	5,076	—	769	769
Gain on sale of energy group	—	(2,572)	(2,572)	—	—	—
Contribution of business held for sale <sup>(3)</sup>	1,789	—	1,789	—	—	—
Variable consultant performance bonus expense	631	—	631	—	—	—
Severance and executive transition costs	1,501	632	2,133	—	—	—
<b>Non-GAAP Net Income (Loss)</b>	<b>\$ (12,032)</b>	<b>\$ (10,549)</b>	<b>\$ (22,581)</b>	<b>\$ (25)</b>	<b>\$ (12,329)</b>	<b>\$ (12,354)</b>

<sup>(1)</sup>Core operations consists of our consolidated Software Products & Services and Managed Services that include our content licensing and advertising 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>Contribution of business held for sale relates to the net loss for the periods presented for our energy group that we divested during Q2 2023. We have not recast Non-GAAP Net Loss for periods ended prior to March 31, 2023 because the change in business strategy to divest the business occurred in Q1 2023 and the prior period contributions were costs to operate the continuing business when incurred in the prior periods. The historical amounts would not have a major effect on prior period results.

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

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023 E</u>
GAAP net loss	\$ (61,104)	\$ (62,078)	\$ (47,876)	\$ (65,728)	(25,236)	(79,000)
Interest expense, net	-	-	9	538	4,350	3,100
Provision for (benefit from) income taxes	22	(1,452)	76	2,699	1,988	(3,300)
Depreciation and amortization	3,701	5,947	6,407	9,410	22,493	24,600
Stock-based compensation expense	14,383	19,402	19,539	40,063	19,115	13,200
Business realignment, severance and executive transition costs <sup>(1)</sup>	-	279	145	349	540	2,100
Change in fair value of Contingent consideration	-	-	-	13,130	(22,721)	700
Costs associated with unsolicited acquisition proposal	116	-	-	-	-	-
Contribution of business held for sale	-	-	-	-	-	1,800
Variable consultant performance bonus expense	-	-	-	-	-	1,200
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	2,688	5,100
Non-GAAP net income (loss)	<u>\$ (39,046)</u>	<u>\$ (36,179)</u>	<u>\$ (20,593)</u>	<u>\$ 6,832</u>	<u>\$ (15,880)</u>	<u>\$ (30,500)</u>

<sup>(1)</sup> Business realignment, severance and executive transition costs consists of severance and executive transition costs in 2023, severance and executive search costs in 2022 and 2021 and business realignment and officer severance costs in 2020 and 2019.

Note: GAAP net loss and non-GAAP net income (loss) figures FY 2023 reflect the midpoint of the Company's financial guidance provided August 8, 2023.

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

	<u>Q1:2022</u>	<u>Q2:2022</u>	<u>Q3:2022</u>	<u>Q4:2022</u>	<u>Q1:2023</u>	<u>Q2:2023 E</u>	<u>Q3:2023 E</u>
GAAP net loss	\$ (22,129)	\$ (3,253)	\$ (4,886)	\$ 5,032	\$ (22,963)	\$ (23,296)	\$ (16,900)
Interest expense, net	1,182	1,183	1,305	680	805	720	700
Provision for (benefit from) income taxes	138	(1,607)	26	3,430	(271)	(1,374)	(500)
Depreciation and amortization	5,214	5,456	5,824	5,999	5,907	6,389	6,000
Stock-based compensation expense	4,816	4,661	5,102	4,536	3,917	2,697	3,000
Business realignment, severance and executive transition costs <sup>(1)</sup>	-	-	365	175	1,444	689	-
Gain on debt extinguishment	-	-	-	(19,097)	-	-	-
Change in fair value of contingent consideration	5,045	(13,830)	(14,291)	355	651	-	-
Gain on sale of energy group	-	-	-	-	-	(2,572)	-
Foreign currency impact	-	-	-	-	(1,161)	(1,659)	-
Contribution of business held for sale	-	-	-	-	917	872	-
Variable consultant performance bonus expense	-	-	-	-	394	237	200
Acquisition, due diligence, and integration-related costs	561	207	839	1,080	805	4,271	-
Non-GAAP net loss	<u>\$ (5,173)</u>	<u>\$ (7,183)</u>	<u>\$ (5,716)</u>	<u>\$ 2,190</u>	<u>\$ (9,555)</u>	<u>\$ (13,026)</u>	<u>\$ (7,500)</u>

<sup>(1)</sup> Business realignment, severance and executive transition costs consists of severance and executive transition costs in 2023, severance and executive search costs in 2022 and 2021 and business realignment and officer severance costs in 2020 and 2019.

Note: GAAP net loss and non-GAAP net income (loss) figures for Q3 2023 reflect the midpoint of the Company's financial guidance provided August 8, 2023.

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

	<u>Mar 31,</u> <u>2022</u>	<u>Jun 30,</u> <u>2022</u>	<u>Sept 30,</u> <u>2022</u>	<u>Dec 31,</u> <u>2022</u>	<u>Mar 31,</u> <u>2023</u>	<u>Jun 30,</u> <u>2023</u>
<b>Software Products &amp; Services Supplemental Financial Information</b>						
Pro Forma Software Revenue (in 000's) <sup>(1)</sup>	\$ 26,319	\$ 26,857	\$ 28,629	\$ 35,656	\$ 22,417	\$ 20,860
Total Software Products & Services Customers <sup>(2)</sup>	3,673	3,718	3,787	3,824	3,773	3,705
Annual Recurring Revenue (SaaS) (in 000's) <sup>(3)</sup>	\$ 48,392	\$ 44,465	\$ 43,925	\$ 46,248	\$ 45,453	\$ 47,720
Annual Recurring Revenue (Consumption) (in 000's) <sup>(4)</sup>	\$ 87,445	\$ 85,901	\$ 85,091	\$ 71,754	\$ 67,242	\$ 60,229
Total New Bookings (in 000's) <sup>(5)</sup>	\$ 16,643	\$ 22,009	\$ 23,793	\$ 26,342	\$ 22,794	\$ 8,388
Gross Revenue Retention <sup>(6)</sup>	>90%	>90%	>90%	>90%	>90%	>90%
	<u>Mar 31,</u> <u>2022</u>	<u>Jun 30,</u> <u>2022</u>	<u>Sept 30,</u> <u>2022</u>	<u>Sept 30,</u> <u>2022</u>	<u>Mar 31,</u> <u>2023</u>	<u>Mar 31,</u> <u>2023</u>
<b>Managed Services Supplemental Financial Information</b>						
Avg billings per active managed service client (in 000's) <sup>(7)</sup>	\$ 684	\$ 736	\$ 747	\$ 823	\$ 771	\$ 576
Revenue during quarter (in 000's) <sup>(8)</sup>	\$ 10,735	\$ 9,625	\$ 10,035	\$ 11,074	\$ 9,337	\$ 6,876

(1) "Software Revenue - Pro Forma" is a non-GAAP measure that represents Software Products & Services revenue on a Pro Forma basis.

(2) "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 the Company 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. 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 customers inclusive of Broadbean.

(3) "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.

(4) "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 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.

(5) "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), in each case on a Pro Forma basis.

(6) "Gross Revenue Retention" represents calculate 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.

(7) 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.

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

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

<u>Revenue by Business</u>	<u>Q1 2022</u>	<u>Q2 2022</u>	<u>Q3 2022</u>	<u>Q4 2022</u>	<u>Q1 2023</u>	<u>Q2 2023</u>
<b>Commercial Enterprise</b>						
Software Products & Services	17,386	17,508	19,800	26,055	12,732	12,492
Managed Services	16,240	15,856	16,384	16,670	16,136	13,874
Sub-total	33,626	33,364	36,184	42,725	28,868	26,366
<b>Government &amp; Regulated Industries</b>						
Software Products & Services	781	871	1,012	1,165	1,395	1,601
Managed Services	-	-	-	-	-	-
Sub-total	781	871	1,012	1,165	1,395	1,601
<b>Total revenue</b>	<b>\$ 34,407</b>	<b>\$ 34,235</b>	<b>\$ 37,196</b>	<b>\$ 43,890</b>	<b>\$ 30,263</b>	<b>\$ 27,967</b>

**VERITONE, INC.**  
**RECONCILIATION OF NON-GAAP GROSS PROFIT TO LOSS FROM OPERATIONS**  
(in thousands)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	2022	2023	2022
Loss from operations	\$ (28,180)	\$ (3,629)	\$ (51,769)	\$ (24,433)
Sales and marketing	13,124	12,576	25,814	23,645
Research and development	10,519	11,068	22,046	20,951
General and administrative	19,025	2,304	36,422	24,625
Amortization	5,714	5,211	11,143	10,226
Non-GAAP gross profit	<u>\$ 20,202</u>	<u>\$ 27,530</u>	<u>\$ 43,656</u>	<u>\$ 55,014</u>