

VERITONE, INC.

SUPPLEMENTAL FINANCIAL INFORMATION

(Q2 2019)

This document contains the following unaudited financial and business information for the most recent six quarters ended June 30, 2019:

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1. Supplemental Non-GAAP Financial Information and Reconciliation to GAAP Information
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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 may not be indicative of the historical operating results of Veritone or predictive of potential future results. Other companies (including the Company's competitors) may define these non-GAAP measures differently. 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. In addition, Adjusted EBITDAS should not be considered as an alternative to cash flow from operating activities as a measure of liquidity.

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

	Quarter Ended					
	March 31, 2018	June 30, 2018	September 30, 2018	December 31, 2018	March 31, 2019	June 30, 2019
GAAP gross profit	\$ 3,824	\$ 3,348	\$ 5,975	\$ 7,421	\$ 8,253	\$ 7,708
Depreciation and amortization	48	48	32	792	370	535
Non-GAAP gross profit	3,872	3,396	6,007	8,213	8,623	8,243
GAAP sales and marketing expenses	5,748	5,142	4,586	6,994	6,133	6,448
Depreciation and amortization	—	—	(18)	(949)	(212)	(529)
Stock-based compensation expense	(320)	(248)	(246)	(237)	(243)	(271)
Non-GAAP sales and marketing expenses	5,428	4,894	4,322	5,808	5,678	5,648
GAAP research and development expenses	4,528	5,146	5,218	7,203	6,938	6,351
Depreciation and amortization	(256)	(256)	(266)	(298)	(227)	(275)
Stock-based compensation expense	(242)	(266)	(595)	(662)	(380)	(376)
Machine Box contingent payments	—	—	—	(1,109)	(917)	(600)
Non-GAAP research and development expenses	4,030	4,624	4,357	5,134	5,414	5,100
GAAP general and administrative expenses	6,778	7,513	12,436	11,266	11,690	11,645
Depreciation and amortization	(51)	(169)	(240)	(279)	(324)	(247)
Stock-based compensation expense	(1,912)	(2,137)	(3,997)	(4,075)	(4,180)	(4,608)
Cost of warrants issued	—	(207)	—	—	—	—
Shareholder matters	—	—	—	(116)	—	—
Acquisition and integration-related costs	—	—	(2,020)	(407)	—	—
Performance Bridge earn-out fair value adjustment	—	—	—	—	(139)	—
Non-GAAP general and administrative expenses	4,815	5,000	6,179	6,389	7,047	6,790
GAAP loss from operations	(13,230)	(14,453)	(16,265)	(18,042)	(16,508)	(16,736)
Total non-GAAP adjustments	2,829	3,331	7,414	8,924	6,992	7,441
Non-GAAP loss from operations	(10,401)	(11,122)	(8,851)	(9,118)	(9,516)	(9,295)
GAAP other income, net	183	133	329	263	211	51
Change in fair value of warrant liability	—	15	(108)	(91)	13	37
Non-GAAP other income, net	183	148	221	172	224	88
GAAP loss before income taxes	(13,047)	(14,320)	(15,936)	(17,779)	(16,297)	(16,685)
Total non-GAAP adjustments ¹	2,829	3,346	7,306	8,833	7,005	7,478
Non-GAAP loss before income taxes	(10,218)	(10,974)	(8,630)	(8,946)	(9,292)	(9,207)
GAAP net loss	(13,049)	(14,330)	(15,941)	(17,784)	(16,306)	(16,691)
Income tax provision	2	10	5	5	9	6
Other non-GAAP adjustments	2,829	3,346	7,306	8,833	7,005	7,478
Non-GAAP net loss	<u>\$ (10,218)</u>	<u>\$ (10,974)</u>	<u>\$ (8,630)</u>	<u>\$ (8,946)</u>	<u>\$ (9,292)</u>	<u>\$ (9,207)</u>
GAAP basic and diluted net loss per share	<u>\$ (0.81)</u>	<u>\$ (0.88)</u>	<u>\$ (0.86)</u>	<u>\$ (0.92)</u>	<u>\$ (0.84)</u>	<u>\$ (0.80)</u>
Total non-GAAP adjustments to net loss per share ¹	<u>\$ 0.17</u>	<u>\$ 0.21</u>	<u>\$ 0.40</u>	<u>\$ 0.46</u>	<u>\$ 0.36</u>	<u>\$ 0.36</u>
Non-GAAP basic and diluted net loss per share	<u>\$ (0.64)</u>	<u>\$ (0.67)</u>	<u>\$ (0.46)</u>	<u>\$ (0.46)</u>	<u>\$ (0.48)</u>	<u>\$ (0.44)</u>
Shares used in computing non-GAAP basic and diluted net loss per share	<u>16,070</u>	<u>16,314</u>	<u>18,612</u>	<u>19,250</u>	<u>19,511</u>	<u>20,759</u>

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.

Supplemental Revenue Breakdown and Comparisons

(Unaudited, Dollars in Millions)

<u>Revenue by Business</u>	<u>Q1 2018</u>	<u>Q2 2018</u>	<u>Q3 2018</u>	<u>Q4 2018</u>	<u>Q1 2019</u>	<u>Q2 2019</u>	<u>Q2 2019 Change</u>		<u>YTD Change</u>
							<u>vs Q1 2019</u>	<u>vs Q2 2018</u>	
Advertising	\$3.1	\$3.3	\$4.7	\$6.0	\$5.7	\$5.8	2%	77%	80%
-Excluding Acquisitions	\$3.1	\$3.3	\$4.3	\$4.7	\$4.2	\$4.3	3%	30%	32%
aiWARE SaaS Solutions	\$1.3	\$0.9	\$1.4	\$2.4	\$2.8	\$2.7	(3%)	212%	155%
-Excluding Acquisitions	\$1.3	\$0.9	\$1.1	\$1.5	\$1.6	\$1.7	6%	102%	59%
aiWARE Content Licensing and Media Services	N/A	N/A	\$1.4	\$2.5	\$3.7	\$3.8	3%	N/A	
-Excluding Acquisitions	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
Total Sales	\$4.4	\$4.2	\$7.5	\$10.9	\$12.1	\$12.3	1%	194%	185%
-Excluding Acquisitions	\$4.4	\$4.2	\$5.4	\$6.2	\$5.8	\$6.0	4%	45%	39%

<u>aiWARE SaaS Revenues (Excl. Acquisitions)</u>	<u>Q1 2018</u>	<u>Q2 2018</u>	<u>Q3 2018</u>	<u>Q4 2018</u>	<u>Q1 2019</u>	<u>Q2 2019</u>	<u>Q2 2019 Change</u>		<u>YTD Change</u>
							<u>vs Q1 2019</u>	<u>vs Q2 2018</u>	
Media & Entertainment	\$0.7	\$0.8	\$1.0	\$1.4	\$1.1	\$1.5	42%	83%	73%
<i>% aiWARE SaaS Revenues (Excl. Acquisitions)</i>	<i>53%</i>	<i>97%</i>	<i>95%</i>	<i>98%</i>	<i>65%</i>	<i>88%</i>			
Government	\$0.0	\$0.0	\$0.0	\$0.0	\$0.5	\$0.0	(91%)	780%	NM
<i>% aiWARE SaaS Revenues (Excl. Acquisitions)</i>	<i>0%</i>	<i>1%</i>	<i>2%</i>	<i>2%</i>	<i>30%</i>	<i>3%</i>			
Legal	\$0.6	\$0.0	\$0.0	\$0.0	\$0.1	\$0.2	100%	673%	(59%)
<i>% aiWARE SaaS Revenues (Excl. Acquisitions)</i>	<i>47%</i>	<i>3%</i>	<i>4%</i>	<i>1%</i>	<i>5%</i>	<i>10%</i>			

<u>Total aiWARE Software and Services</u>	<u>Q1 2018</u>	<u>Q2 2018</u>	<u>Q3 2018</u>	<u>Q4 2018</u>	<u>Q1 2019</u>	<u>Q2 2019</u>	<u>Q2 2019 Change</u>		<u>YTD Change</u>
							<u>vs Q1 2019</u>	<u>vs Q2 2018</u>	
aiWARE Saas Solutions	\$1.3	\$0.9	\$1.4	\$2.4	\$2.8	\$2.7	(3%)	212%	155%
aiWARE Content Licensing and Media Services	N/A	N/A	\$1.4	\$2.5	\$3.7	\$3.8	3%	N/A	N/A
aiWARE Software and Services	\$1.3	\$0.9	\$2.8	\$5.0	\$6.4	\$6.4	0%	648%	504%
<i>% of Total Revenues</i>	<i>29%</i>	<i>21%</i>	<i>37%</i>	<i>45%</i>	<i>53%</i>	<i>52%</i>			

<u>Total aiWARE Software and Services by Vertical</u>	<u>Q1 2018</u>	<u>Q2 2018</u>	<u>Q3 2018</u>	<u>Q4 2018</u>	<u>Q1 2019</u>	<u>Q2 2019</u>	<u>Q2 2019 Change</u>		<u>YTD Change</u>
							<u>vs Q1 2019</u>	<u>vs Q2 2018</u>	
Media & Entertainment	\$0.7	\$0.8	\$2.8	\$4.9	\$4.7	\$6.2	32%	646%	629%
<i>% of Total aiWARE Software and Services</i>	<i>53%</i>	<i>97%</i>	<i>98%</i>	<i>99%</i>	<i>74%</i>	<i>97%</i>			
Government	\$0.0	\$0.0	\$0.0	\$0.0	\$0.5	\$0.1	(89%)	967%	NM
<i>% of Total aiWARE Software and Services</i>	<i>0%</i>	<i>1%</i>	<i>1%</i>	<i>0%</i>	<i>8%</i>	<i>1%</i>			
Legal	\$0.6	\$0.0	\$0.0	\$0.0	\$0.1	\$0.2	100%	669%	(59%)
<i>% of Total aiWARE Software and Services</i>	<i>47%</i>	<i>3%</i>	<i>1%</i>	<i>0%</i>	<i>1%</i>	<i>3%</i>			

VERITONE, INC.
KEY PERFORMANCE INDICATORS (KPIs)
(Unaudited)

Advertising	Q1 2018	Q2 2018	Q3 2018	Q4 2018	Q1 2019	Q2 2019
Including acquisition¹:						
Net new advertising clients added during quarter	14	14	10	14	14	21
Clients with active advertising campaigns during quarter	60	74	78	115	107	108
Average advertising spend per active client during quarter (in 000's)	\$ 490	\$ 425	\$ 540	\$ 478	\$ 486	\$ 497
Net revenue during quarter (in 000's)	\$ 3,121	\$ 3,308	\$ 4,730	\$ 5,986	\$ 5,714	\$ 5,842
Excluding acquisitions:						
Net new advertising clients added during quarter	14	14	10	14	14	21
Clients with active advertising campaigns during quarter	60	74	78	76	71	71
Average advertising spend per active client during quarter (in 000's)	\$ 490	\$ 425	\$ 540	\$ 616	\$ 604	\$ 542
Net revenue during quarter (in 000's)	\$ 3,121	\$ 3,308	\$ 4,296	\$ 4,681	\$ 4,186	\$ 4,299
aiWARE SaaS Solutions						
	Q1 2018	Q2 2018	Q3 2018	Q4 2018	Q1 2019	Q2 2019
Including acquisitions²:						
Total customers at quarter end	70	86	93	123	129	136
Total accounts on platform at quarter end	591	625	634	840	911	941
Active cognitive engines at quarter end	184	214	252	287	343	357
Hours of data processed during quarter	2,805,000	2,729,000	2,830,000	3,566,000	4,061,000	4,015,050
Total contract value of new bookings received during quarter (in 000's)	\$ 237	\$ 583	\$ 226	\$ 1,196	\$ 1,316	\$ 1,362
Monthly recurring revenue under agreements in effect at quarter end (in 000's)	\$ 169	\$ 214	\$ 191	\$ 544	\$ 494	\$ 545
Net revenue during quarter (in 000's)	\$ 1,267	\$ 860	\$ 1,406	\$ 2,426	\$ 2,754	\$ 2,677
Excluding acquisitions:						
Total customers at quarter end	70	86	93	97	103	107
Total accounts on platform at quarter end	591	625	634	814	885	913
Active cognitive engines at quarter end	184	214	252	287	343	357
Hours of data processed during quarter	2,805,000	2,729,000	2,830,000	3,566,000	4,061,000	4,015,050
Total contract value of new bookings received during quarter (in 000's)	\$ 237	\$ 583	\$ 226	\$ 898	\$ 736	\$ 765
Monthly recurring revenue under agreements in effect at quarter end (in 000's)	\$ 169	\$ 214	\$ 191	\$ 229	\$ 235	\$ 283
Net revenue during quarter (in 000's)	\$ 1,267	\$ 860	\$ 1,077	\$ 1,474	\$ 1,639	\$ 1,735

¹ The results of Performance Bridge are included in the results for each KPI for the Company's Advertising business for the two most recent full quarters. In addition, Performance Bridge's net revenues are included for the portion of the third quarter of 2018 following the closing date of that acquisition.

² The results related to Wazee Digital and Machine Box offerings are included in the results for the following KPIs for the Company's aiWARE SaaS Solutions business for the two most recent full quarters: (i) total number of customers, (ii) total accounts on the platform, (iii) total contract value of new bookings, and (iv) monthly recurring revenue under active agreements. In addition, net revenues from the Wazee Digital and Machine Box offerings are included for the portion of the third quarter of 2018 following the closing date of that acquisition.