



# Transformative Acquisition of PandoLogic

July 22, 2021

# Forward Looking Statements & Disclaimers

This presentation contains forward-looking statements, including without limitation statements regarding Veritone's acquisition of PandoLogic, pro forma financial figures, potential synergies between Veritone and PandoLogic and expected business results of PandoLogic. Without limiting the generality of the foregoing, words such as "may," "will," "expect," "believe," "anticipate," "intend," "could," "estimate" or "continue" or the negative other variations thereof our comparable terminology are intended to identify forward-looking statements. In addition, any statements that refer to expectations, projections or other characterizations of future events or circumstances are forward-looking statements. Assumptions relating to the foregoing involve judgments and risks with respect to various matters which are difficult or impossible to predict accurately and many of which are beyond the control of Veritone. Certain of such judgments and risks are discussed in Veritone's SEC filings. Although Veritone believes that the assumptions underlying the forward-looking statements are reasonable, any of the assumptions could prove inaccurate and, therefore, there can be no assurance that the results contemplated in forward-looking statements will be realized. In light of the significant uncertainties inherent in the forward-looking information included herein, the inclusion of such information should not be regarded as a representation by Veritone or any other person that their objectives or plans will be achieved. Veritone undertakes no obligation to revise the forward-looking statements contained herein to reflect events or circumstances after the date hereof or to reflect the occurrence of unanticipated events.

This presentation includes non-GAAP financial measures. The company defines EBITDA as net income before net interest, tax expense, depreciation, and amortization expenses. The company defines non-GAAP net loss/income as net income excluding non-recurring, non-cash, and extraordinary items. 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. These non-GAAP measures may not be indicative of the historical operating results of Veritone or predictive of potential future results. Investors should review EBITDA and non-GAAP Net Loss in conjunction with the company's financial statements filed with the SEC.

A reconciliation of non-GAAP guidance measures to corresponding GAAP measures is not available on a forward-looking basis without unreasonable effort due to the uncertainty regarding, and the potential variability of, reconciling items that may be incurred in the future such as share-based compensation and amortization of purchase accounting associated with the final closing of this transaction, the effect of which may be significant.

# Agenda and Participants

## Agenda

- Transaction Snapshot
- Veritone + PandoLogic
- Strategic Rationale
- Transaction Details
- Pro Forma Financials

For more information visit  
[www.veritone.com](http://www.veritone.com)

## Call Participants



### Chad Steelberg

Founder & Chief Executive Officer, Veritone



### Terrance Baker

Chief Executive Officer, PandoLogic



### Ryan Steelberg

Founder & President, Veritone



### Michael Zemetra

Chief Financial Officer, Veritone



### Brian Alger

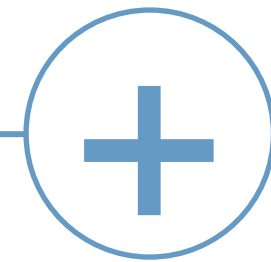
SVP Investor Relations and Capital Markets, Veritone



# Transaction Overview



Creator of the world's first operating system for artificial intelligence, aiWARE™



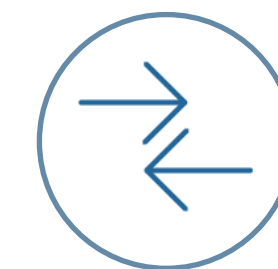
Leading provider of intelligent recruitment to rapidly expanding and global markets

## Accretive Transaction

- \$150 million in total value
  - \$50 million in cash + \$35 million in stock on closing
  - \$65 million cash and stock earnout based on fiscal years 2021 and 2022 financial
- ~3.0x PandoLogic's pro forma 2021 GAAP revenue
- Expected close in late Q3 2021



**AI-Driven Efficiency and Performance**



**Synergistic Platforms**



**Fortune 100 Customers**

# PandoLogic at a Glance

## Company Overview

- Automated talent acquisition platform that empowers employers to find the right talent, at the right time, in the right place.
- Serves an enterprise customer base within a large and growing market, which is looking to automate human-led solutions
- Proprietary AI-driven solutions create the industry's only fully-automated solution, tuned by machine learning utilizing the platform's large and rapidly-growing dataset
- Recently introduced conversational AI products to create better candidate experiences
- Rapidly expanding financial model with significant Operating Profit margin
- Seasoned management team with over 60 years of experience across the HR Technology landscape

## Select Clients and Verticals

ECOMMERCE | HEALTHCARE | LOGISTICS | RECRUITING | STAFFING | TELCO | OTHERS



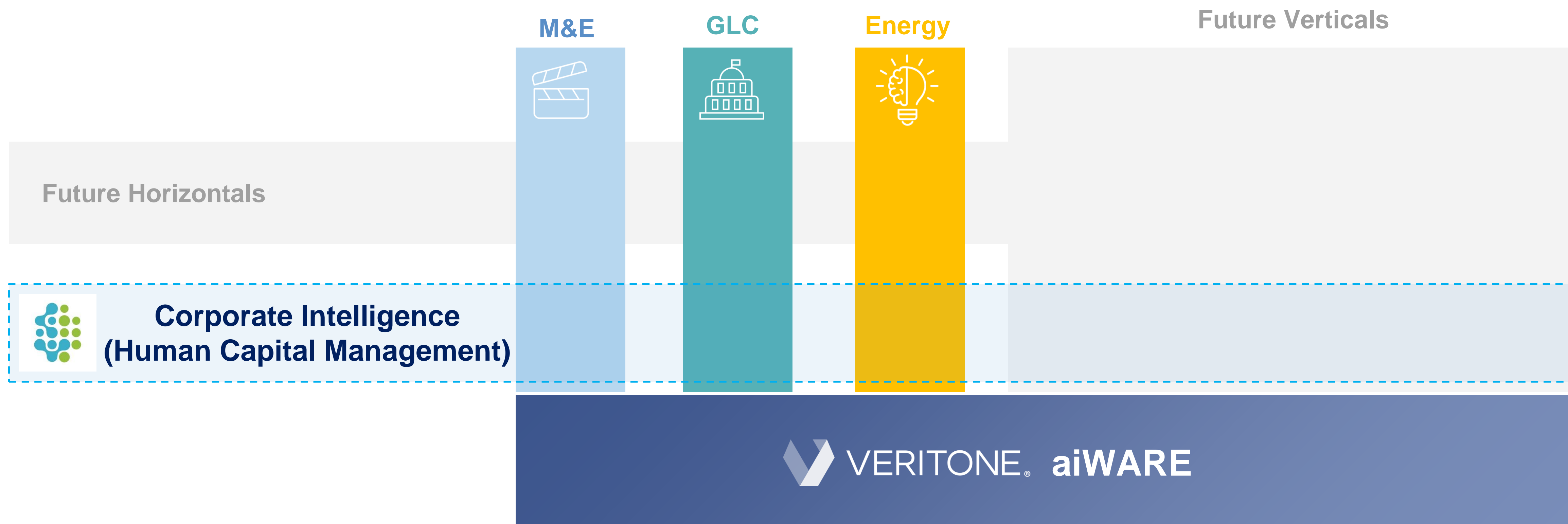
## Award Winning



## Select Network Partners

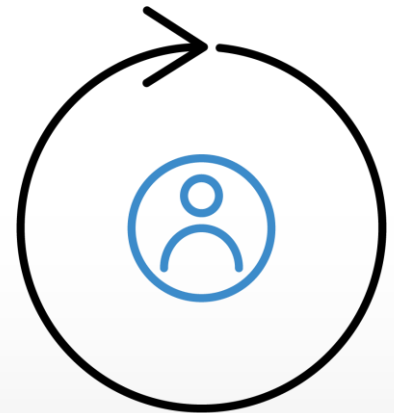


## Crossover of Corporate Intelligence SaaS & software offerings targeting Human Capital Management



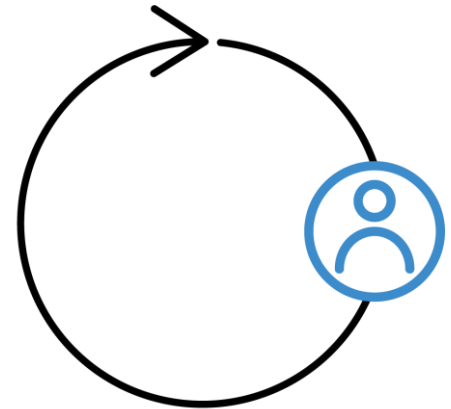
# Strategic Rationale

Veritone has been focused on the promise of moving humans from "In the Loop" to On the Loop"



**IN THE LOOP**

Human involvement is **required** for the process to occur



**ON THE LOOP**

Machines do the bulk of the work. Human involvement becomes **a check**, to ensure processes are running normally and to verify accuracy

## Creates leading AI + Human Capital Management software and SaaS solutions for employers requiring more efficient, unbiased and scalable hiring



**Expands market** into HR and talent acquisition with leading multinational and Fortune 100 companies



**Significantly diversifies** SaaS revenues



**Unlocks new growth** and development opportunities as the platforms are integrated



**Instant accretion** and financial scale to drive additional growth acceleration



**Further utilizes AI** to create deeper insight, transparency and efficiencies in hiring



# Combination Captures Market Share

PandoLogic accelerates Veritone's Capture of market share in the Machine Learning Operations portion of its ~\$35B SAM.

## Intelligent Process Automation

aiWARE brings AI into an overall IPA system that contains BPA, RPA, BI, and document capture.



The Intelligent Process Automation market size is expected to grow to \$20.7B by 2023 per IDC

## Machine Learning Operations

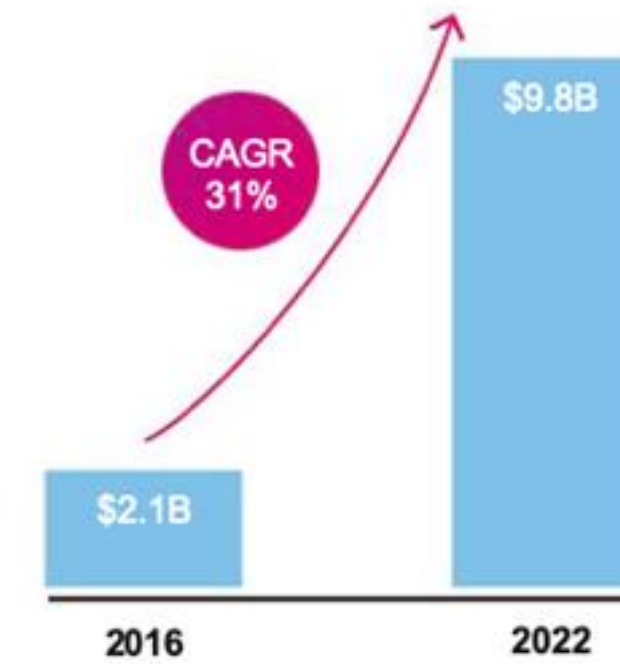
aiWARE helps organizations effectively deploy, integrate and monitor AI.



MLOps Solutions market size is expected to grow to \$4B by 2025 per Cognilytica

## AI Platform & Developer Tools

Addressing the deploy, integrate, and monitor functions of the full AI stack.



The AI platform market size is expected to grow to \$9.8B by 2022 per Markets and Markets

## 2025 AI Software Market

Current Serviceable Market \$34.5B+

Total Addressable Market \$100B (35% CAGR)

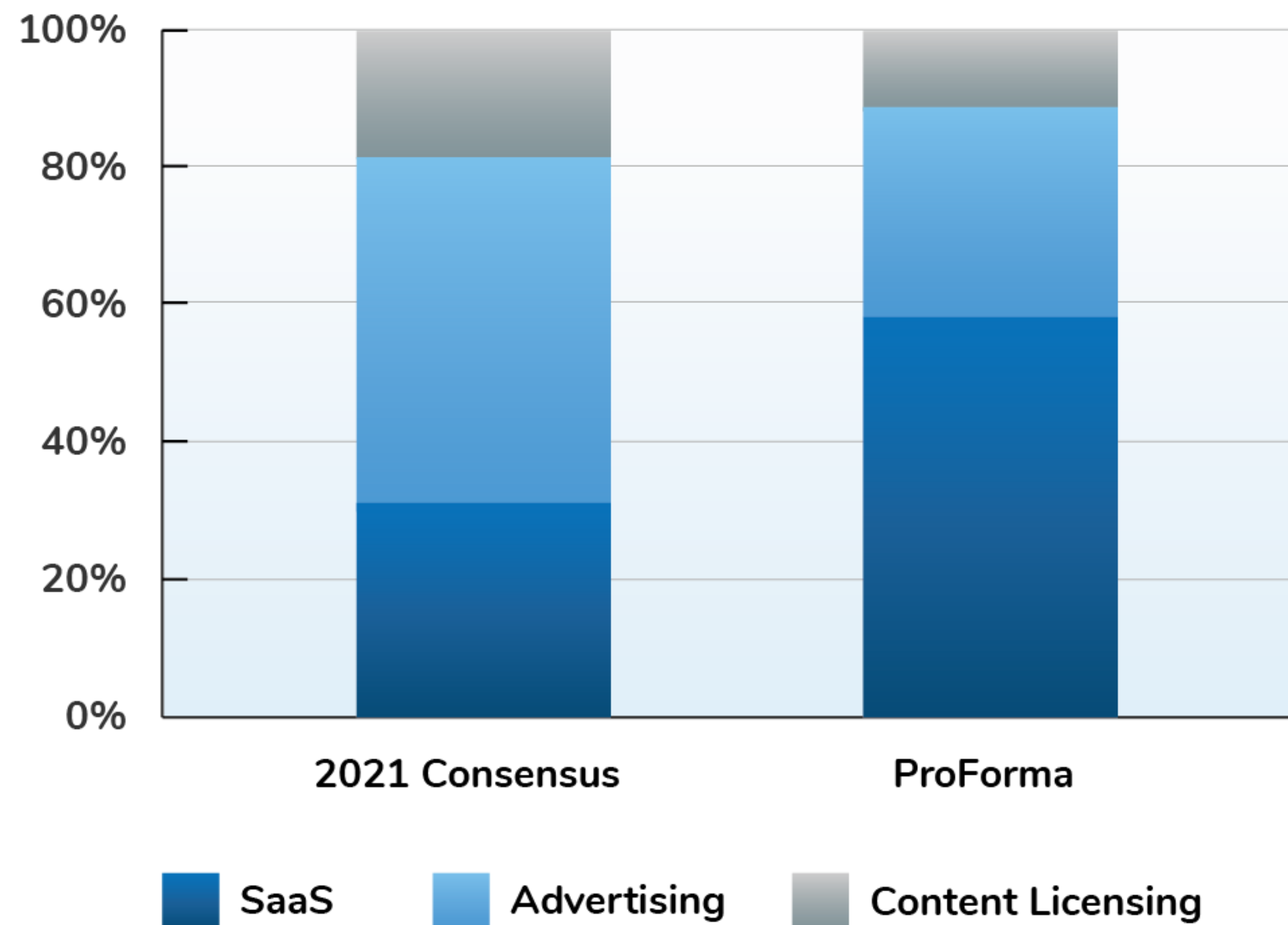


# Financial Considerations

Mike Zemetra, CFO

# Expanded SaaS and Software Solutions\*

## Balanced Revenue Mix



\* Pro Forma

## International Expansion Distributed Engineering

US: 66%  
ROW: 34%

**SaaS Revenue Mix Rises  
from ~30% to >50%**

**Future Opportunities to Expand  
Existing and New SaaS and  
Software Solutions across  
Combined Customer Base**

# Pro Forma Fiscal 2021

**Increases Pro Forma 2021  
Revenue Base +60%**

**Adds +\$25 Million to Pro Forma  
2021 Core Operations**

**Delivers Profitable Consolidated  
Non-GAAP Income**

<i>\$ in Millions</i>	Veritone Guidance <sup>1</sup>	PandoLogic Pro Forma	Combined Pro Forma
<b>2021 Revenue</b>	\$78.5 - \$83.5	+\$50.0	+\$128.5 - \$133.5
<b>SaaS and Software Solutions Revenue</b>	~30%	100%	+50%
<b>2021 Non-GAAP Net Loss/EBITDA</b>	\$(17.0) - \$(14.0)	+\$25.0	+\$8.0 - \$11.0

<sup>1</sup> Guidance provided on May 4, 2021



# Transaction Details

## Definitive Agreement Signed:

- July 21, 2021
- 

## Closing Consideration: \$85 million

- \$50 million cash
  - \$35 million Veritone stock priced at \$20.53
- 

## Expected Closing Date:

- Mid-September  
(subject to customary regulatory approvals)
- 

## Earnout Consideration: \$65 million

(based on fiscal 2021 and 2022 targets)

- \$43.3 million cash
  - \$21.7 million Veritone stock priced at \$20.53
- 

**Total consideration results in up to 7.8% dilution**

# Capitalization Table

Sources		
	Amount	% of Total
Cash	\$ 50.0	33.3%
Veritone Equity	35.0	23.3%
Deferred Consideration	65.0	43.3%
<b>Total Sources</b>	<b>\$ 150.0</b>	<b>100.0%</b>

Uses		
	Amount	% of Total
Acquisition of Pando Logic	\$ 150.0	100.0%
<b>Total Uses</b>	<b>\$ 150.0</b>	<b>100.0%</b>

Capitalization Table	
	Pro Forma 9/30/2021
<b>Cash</b>	<b>\$ +70.0</b>
<b>Debt</b>	<b>-</b>
<b>Total Cash over Debt</b>	<b>\$ +70.0</b>

2021 Pro Forma Financial Metrics				
	Total Revs	SaaS Revs	Gross Margin %	Non-GAAP Net Income
Consensus	\$80.6	\$23.0	73.8%	(\$15.5)
Pando	+\$50.0	+\$50.0	+90%	+\$25.0
<b>Total</b>	<b>+\$130.6</b>	<b>+\$73.0</b>	<b>+80%</b>	<b>&gt;\$9.5</b>
<i>% SaaS Rev vs Total Revenue</i>		<b>+50%</b>		

# Key Takeaways

- ☑ **Instantly Accretive Acquisition**
  - PandoLogic expected to add Pro Forma 2021 +\$50 million and +\$25 million in SaaS and related revenues and EBITDA, respectively.
  - PandoLogic expected to deliver solid double digit growth.
- ☑ PandoLogic to operate as **wholly-owned subsidiary**; no material changes expected for employees or customers.
- ☑ Captures **more of Veritone's SAM**, further accelerating SaaS revenue growth.
- ☑ **Extends use of AI**, driving further efficiencies for enterprises in all sectors and markets.
- ☑ **Shared customers** hold inherent cross selling potential.
- ☑ **Future integration of platforms** to leverage AI to create increased long term value from hiring process and outcomes.





# VERITONE TO ACQUIRE PANDOLOGIC

Expanding AI Platform for Intelligent Recruitment



# For More Information

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