



aiWARE:

THE LEADING ENTERPRISE AI PLATFORM

Investor Presentation | March 2023

FORWARD LOOKING STATEMENTS & DISCLAIMERS

This presentation of Veritone, Inc. (the “Company”) contains forward-looking statements that involve substantial risks and uncertainties. The words “anticipate,” “believe,” “estimate,” “expect,” “intend,” “may,” “plan,” “predict,” “project,” “target,” “potential,” “would,” “could,” “should,” and similar expressions are intended to identify forward-looking statements, although not all forward-looking statements contain these identifying words. We may not actually achieve the plans, intentions or expectations disclosed in our forward-looking statements, and you should not place undue reliance on our forward-looking statements. Actual results or events could differ materially from the plans, intentions and expectations disclosed in the forward-looking statements we make. The forward-looking statements contained in this presentation reflect our current views with respect to future events.

Forward-looking statements represent our management’s beliefs and assumptions only as of the date of this presentation. We have included important factors in the cautionary statements included in the Annual Report on Form 10-K and other periodic reports that we have filed with the Securities and Exchange Commission (the “SEC”), particularly in the Risk Factors sections, that we believe could cause actual results or events to differ materially from the forward-looking statements that we make. Those factors include, but are not limited to: our ability to expand our aiWARE SaaS business; declines or limited growth in the market for AI-based software applications and concerns over the use of AI that may hinder the adoption of AI technologies; our requirements for additional capital to support our business growth, and the availability of such capital on acceptable terms, if at all; our reliance upon a limited number of key customers for a significant portion of our revenue; fluctuations in our results over time; the impact of seasonality on our business; our ability to manage our growth, including through acquisitions and our further expansion into international operations; our ability to enhance our existing products and introduce new products that achieve market acceptance and keep pace with technological developments; actions by our competitors, partners and others that may block us from using the technology in our aiWARE platform, offering it to for free to the public or making it cost prohibitive to continue to incorporate their technologies into our platform; interruptions, performance problems or security issues with our technology and infrastructure, or that of our third party service providers; the impact of the continuing economic disruption caused by the COVID-19 pandemic and the Russian invasion of Ukraine on the business of the Company and that of our existing and potential customers; and increasing interest rates, inflationary pressures, and the threat of a recession in the United States and around the world. Except as required by law, we assume no obligation to update these forward-looking statements publicly, or to update the reasons why actual results could differ materially from those anticipated in the forward-looking statements, even if new information becomes available in the future.

Before you invest, you should read the Company’s Annual Report on Form 10-K, Quarterly Report on Form 10-Q and the other documents the Company has filed with the SEC for more complete information about the Company. You may obtain these documents for free on the Company’s website or by visiting EDGAR on the SEC website at www.sec.gov.

In addition to the Company’s GAAP financial results, this presentation also includes certain non-GAAP financial measures. Tables detailing the items excluded from these non-GAAP financial measures and reconciling such non-GAAP financial measures with the most directly comparable GAAP financial measures are included in the Appendix.

The Company has provided 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 measures differently. These non-GAAP measures may not be indicative of the historical operating results of the Company 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 reported in accordance with GAAP.

This presentation also contains information using industry publications that generally state that the information contained therein has been obtained from sources believed to be reliable, but such information may not be accurate or complete. While we are not aware of any misstatements regarding the information from these industry publications, we have not independently verified any of the data from third-party sources nor have we ascertained the underlying economic assumptions relied on therein.

IMPOSSIBLE IS OUTDATED

Our Mission

With our leading Enterprise AI software, applications and services, our mission is to create a better world - one that is safe, dynamic, transparent and innovative through the power of AI, changing how entire global industries and governments operate today.

PARTNERS



CUSTOMERS



Founded in
2014

NASDAQ:
VERI

69

Issued U.S. & Foreign Patents +
50 Pending Applications

655+

Employees

100+

Partners including Amazon, Google,
Microsoft, Oracle, & other household names

642+

SaaS customers including major
media & entertainment names

VERITONE AT A GLANCE

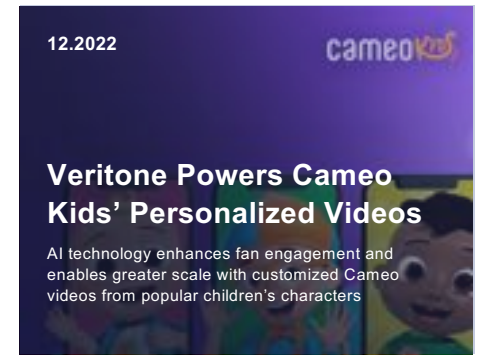
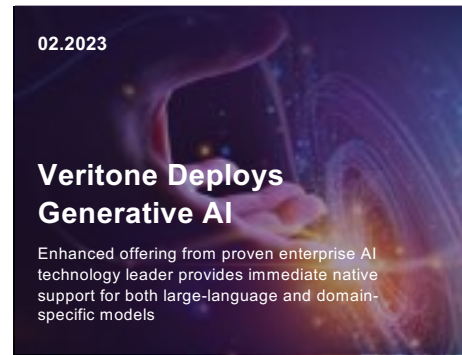
OVERVIEW

- Veritone's operating system for artificial intelligence, aiWARE™, orchestrates a diverse ecosystem of machine learning models to transform audio, video, text and other unstructured data sources into actionable intelligence
- Multi-faceted aiWARE™ platform capable of listening, watching, analyzing, and optimizing the world's information and infrastructure 24/7/365
- Cognition behind aiWARE™ is being used extensively across major Commercial Enterprises and Government & Regulated Industries customers today, driving down the cost, complexity and time to develop, deploy and distribute cognitively enabled applications across any cloud or on-premise infrastructure
- Industry-leading partners and customers



KEY INDICATORS SEEING MOMENTUM

Financials	\$150M +30% YOY Growth FY 2022 Revenue	+42% YOY Revenue Growth FY 2022 Software Product & Services	+\$184M Cash and Cash Equivalents +\$91M Unencumbered Cash As of 12/31/22
	642 21% YOY Growth Ending Software Customers	\$20M +141% YOY Growth Total New Bookings	>90% Gross Revenue Retention
KPIs			



* Definitions provided on the Supplemental Financial Information slide in the Appendix.

INVESTMENT HIGHLIGHTS



Large and Growing Enterprise AI Market

Leading Operating System and Applications for Artificial Intelligence (AI) Driving Enterprise AI Transformation

Focused Growth and Pathway Towards Profitability Through Strategic and Organic Opportunities

Critical Enterprise Solutions with Growing, and Attractive, Blue Chip Customer base

Founder-Led Entrepreneurial Management Team with Extensive Experience in Building “Data-Centric” Businesses

Attractive Financial Model and High Gross Margins

SECULAR TAILWINDS POSITION VERITONE FOR LONG-TERM GROWTH

~\$900B

Global AI market expected to grow at 19% CAGR and reach \$900bn by 2026¹

~\$110B

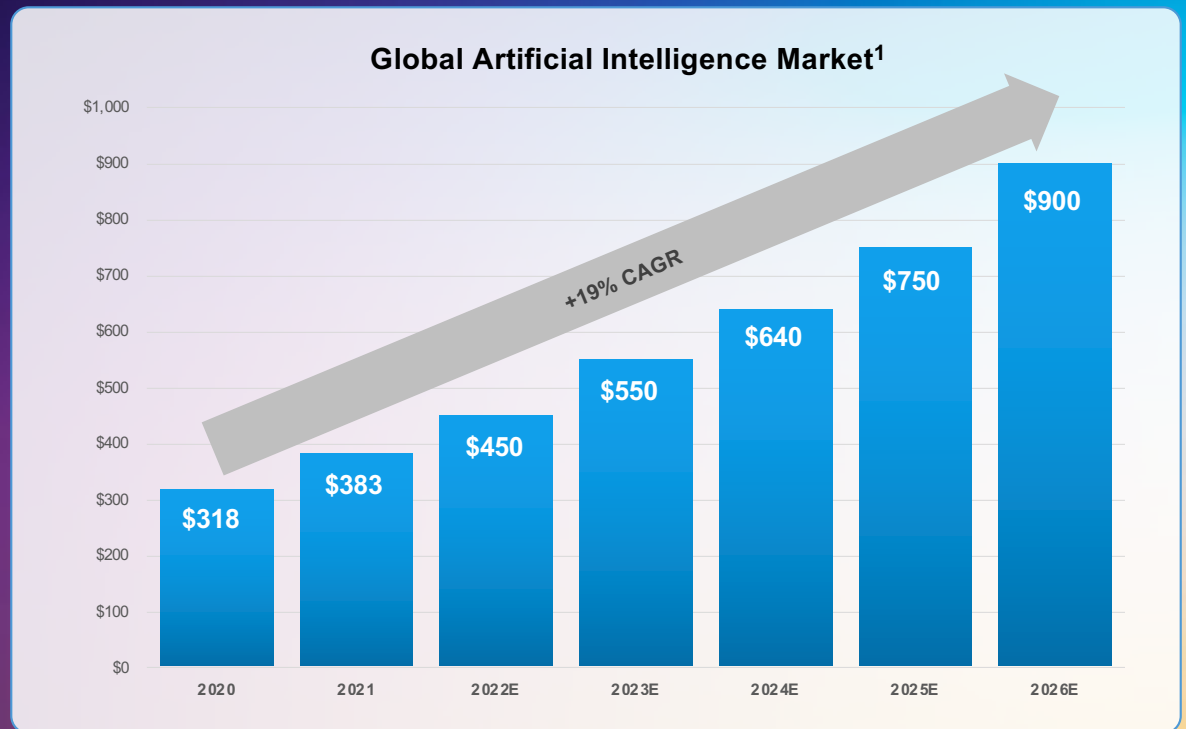
Global enterprise AI/ML market forecasted to grow at a CAGR of 36% and reach \$110B by 2030²

+48%

Global corporate investment in AI increased to \$176B (+48% YoY) in 2021, with private AI investment at \$93B, up more than 2x vs 2020³

#1

AI/ML was the top spending priority in 2023 (vs. #4 2022) in emerging software⁴



¹ International Data Corporation (IDC)

² BofA Global Research Estimates, Grand View Research

³ NetBase Quid, 2021 and 2022 AI Index Report

⁴ Cowen 2023 Enterprise Software Spending Survey

EXTENSIBLE AI PLATFORM ACCELERATING DIGITAL TRANSFORMATION

Veritone's proven Enterprise AI platform, aiWARE™, is the foundation upon which Veritone has helped customers and partners:

BUILD

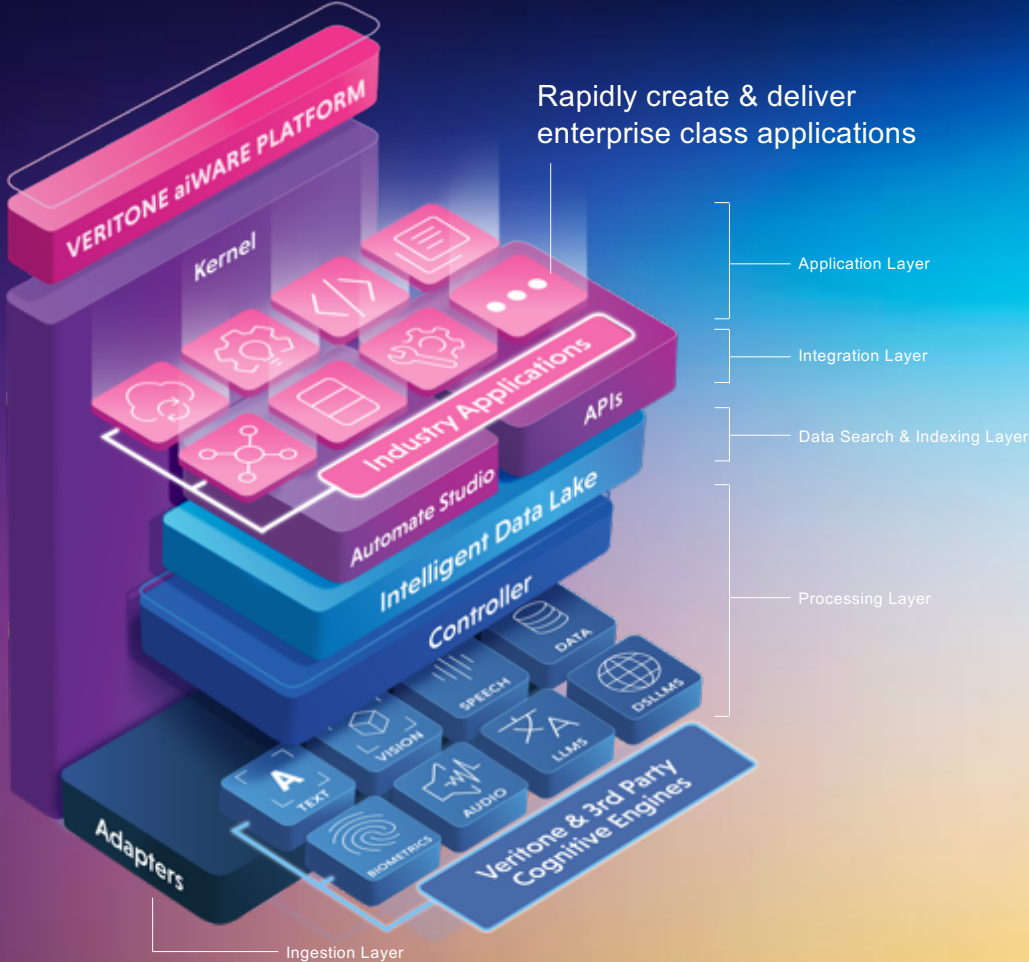
AI-powered solutions and applications faster and cost-effectively

ACCELERATE

AI enterprise implementation and adoption, increasing operational efficiency

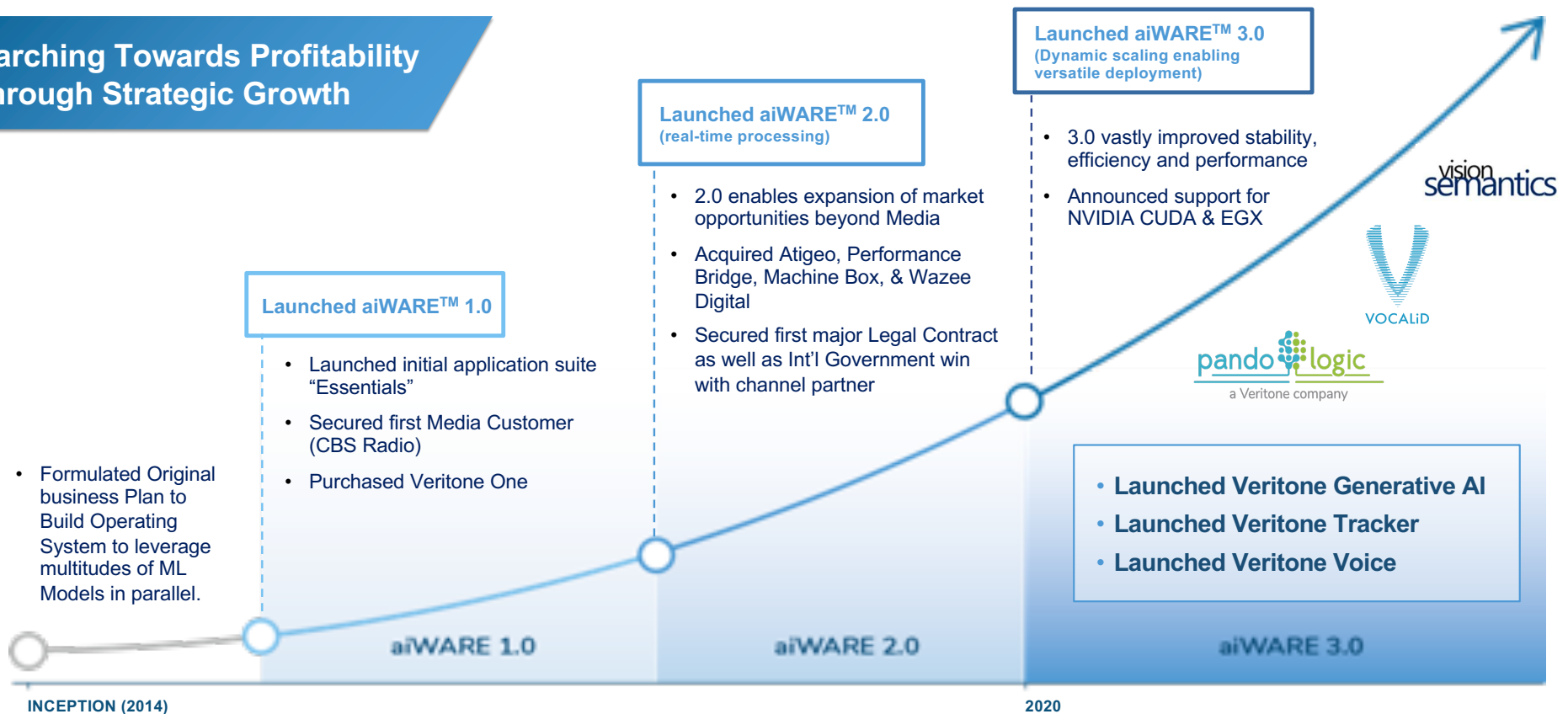
LEVERAGE

A vast ecosystem of proprietary and third-party AI models with minimal integration costs



STRATEGIC PRODUCT GROWTH ACCELERATED BY INORGANIC EXPANSION

Marching Towards Profitability Through Strategic Growth



ENTERPRISE AI PLATFORM WITH CUSTOMER-FOCUSED ALIGNMENT

ENTERPRISE AI

\$900B TAM by 2026 | 19% CAGR⁽¹⁾

COMMERCIAL ENTERPRISE		GOVERNMENT & REGULATED INDUSTRIES	
SOLUTIONS	SERVICES	SOLUTIONS	SERVICES
Data Insight	Veritone One	Data Insight	Redaction as a Service
Content Management & Monetization	Veritone Licensing	Biometric and Non-Biometric Identification	
Hiring Solutions	Influencer	Redaction	
Media Intelligence		Transcription & Translation	
Veritone Voice		Recruitment	



(1) Source: International Data Corporation (IDC)

COMMERCIAL ENTERPRISE SOLUTIONS

Built to Solve Your Business Challenges

Veritone is helping some of the world's most recognizable brands close the gap between traditional enterprise software and cognitive insights enabled by AI solutions and bespoke applications, empowering greater efficiencies, accelerating decision making and driving revenue growth



Data Insight

Gain value from your video, audio, images, text and data through metadata extraction, search and visualization, enhancing customer support and system integrations



Content Management & Monetization

Unlock the full potential of your content efforts with AI-powered DAM and synthetic voice creation



Media Intelligence

Provide proof-of-performance metrics for broadcast-to-web attribution while tracking all of your content to make it easier to reuse, provide airchecks and validate sponsorships



Hiring Solutions

Increase the number of qualified applicants, decrease the time to find and hire the best candidates, while removing inefficient HR processes



Enterprise AI for the Metaverse

A suite of solutions including synthetic Voice and Avatars to extend reach and value for both the Real and Digital worlds

SELECTED CUSTOMERS



VERITONE MANAGED SERVICES

VERITONE ONE

Full-service performance advertising agency and premiere social media influencer management and content production team utilizing aiWARE™ actionable intelligence



Veritone Licensing

Team of experts and proprietary AI help find footage, rights and clearances for content buyers and rightsholders

GOVERNMENT & REGULATED INDUSTRIES

Government Solutions

Veritone works with some of the largest federal, state, and local government agencies, solving problems of transparency, compliance and inefficiencies with AI solutions and bespoke applications



Data Insight

Gain value from video, audio, images, text and data through metadata extraction, search and visualization, enhancing customer support and system integrations



Redaction

Save time and costs while freeing up valuable resources by using Veritone AI to automate the redaction of sensitive information within audio, video and image-based evidence



Biometric Identification

Authenticate users identify callers and suspects by recognizing voices and faces in videos, images and calls



Transcription & Translation

Legal and contact center teams automate manual work with near-real-time transcription and translation of any data source



Recruitment

Increase the number of qualified applicants, decrease the time to find and hire the best candidates, while removing inefficient HR processes



Tracker

Track persons of interest across videos without using PII

SELECTED CUSTOMERS



SELECTED CHANNEL PARTNERS



EXPERIENCED LEADERSHIP



RYAN STEELBERG
Co-founder, CEO and President

- CEO & President - Brand Affinity Technologies
- Head of Radio – Google
- Co-Founder and President – dMarc Broadcasting (acquired by Google)
- Co-Founder, President and Board Member of AdForce (acquired buy CMGI)



MIKE ZEMETRA
Executive Vice President & Chief Financial Officer

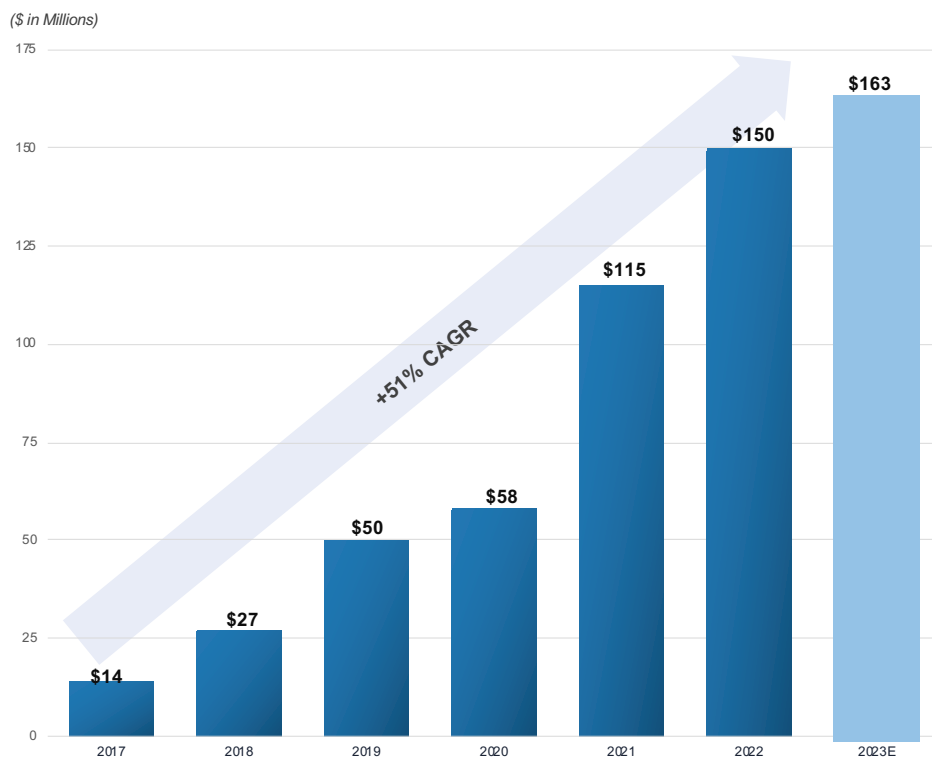
- CFO – LiveXLive Media Inc.
- Cloud Division CFO – j2 Global
- CFO – Global League Entertainment
- CAO – Demand Media
- PWC



FINANCIAL UPDATE

STRONG FINANCIAL PERFORMANCE

Track Record of Driving Sustained Revenue Growth⁽¹⁾



* For more information, see the Supplemental Financial Information and applicable reconciliations slides in the Appendix.

(1) Financial results for the period ending 12/31/2021 include contribution from PandoLogic starting in 9/14/2021. Revenue estimates represent the midpoint of Management's Guidance Range provided March 2, 2023.

Attractive Financial Profile

Fiscal '22 Financial Metrics		
Top Line	Total Revenue Growth (Y/Y)*	30%
	Software Product & Services Growth (Y/Y)*	42%
Profitability	Non-GAAP Gross Margin	82%
	Non-GAAP Net Income Margin	(11%)
Customers	Gross Revenue Retention*	90%+
	Ending Software Customers*	642

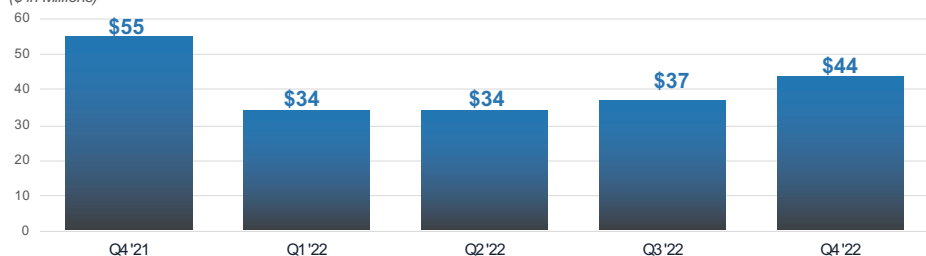
BUSINESS & FINANCIAL SUMMARY

Trailing 5 Quarters Financial Performance

Revenue

Quarterly Revenue Performance

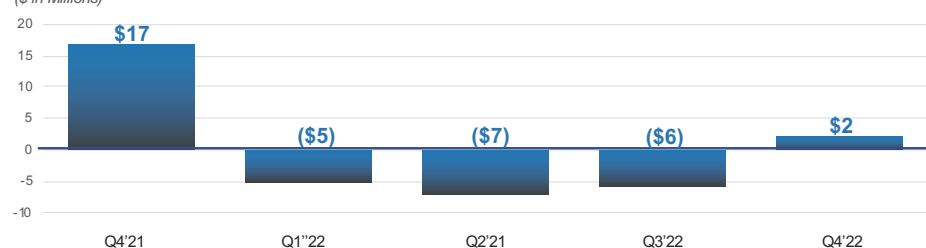
(\$ in Millions)



Non-GAAP Profitability

Quarterly Non-GAAP Net Income (Loss) Performance⁽¹⁾

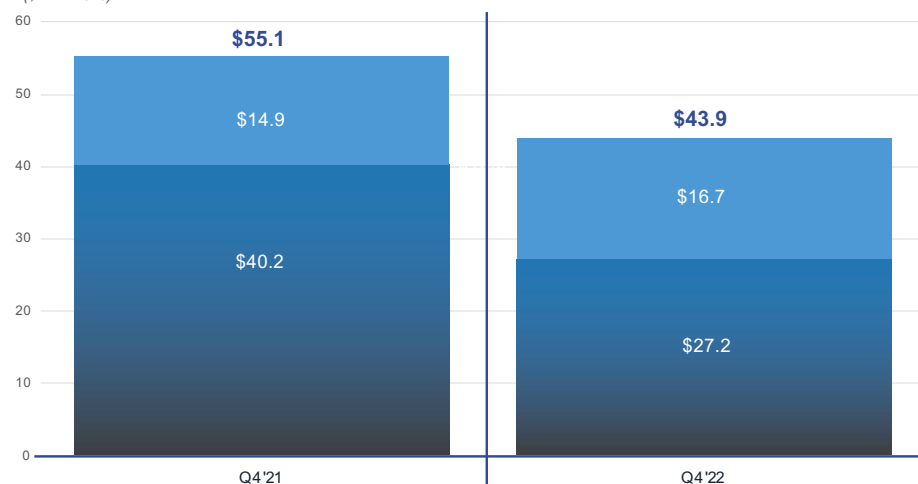
(\$ in Millions)



(1) Non-GAAP Net Income (Loss) and Pro Forma Revenue are non-GAAP financial measures. See appendix for reconciliations to their most directly comparable GAAP measures.

Q4'22 Revenue Summary

(\$ in Millions)



Q4'22 CHANGE

(Q4'21 - Q4'22)

Managed Services	12%
Software Products & Services	(32%)
Total Sales	(20%)

BALANCE SHEET SUMMARY

(\$ in Thousands)

December 31, 2022

Cash and Cash Equivalents	\$184,423
Current Assets	\$278,005
Total Assets	\$424,752
Current Liabilities	\$192,931
Total Liabilities	\$344,580
Stockholders' Equity	\$80,172
Common Shares Outstanding (excluding options, RSUs and warrants as of September 30, 2022)	36,321,222



APPENDIX

OVERVIEW VIDEO



<https://vimeo.com/716903836>

PRO FORMA HISTORICAL FINANCIALS

VERITONE, INC.
PRO FORMA INCOME STATEMENT (UNAUDITED)
(in thousands)

	Q1'21	Q2'21	Q3'21	Q4'21	Q1'22	Q2'22	Q3'22	Q4'22
Software Products & Services	\$ 10,183	\$ 20,072	\$ 21,860	\$ 40,223	\$ 18,167	\$ 18,379	\$ 20,812	\$ 27,220
Managed Services	13,610	13,626	13,627	14,926	16,240	15,856	16,384	16,670
Total Revenue	\$ 23,793	\$ 33,698	\$ 35,487	\$ 55,149	\$ 34,407	\$ 34,235	\$ 37,196	\$ 43,890
Cost of Revenue	5,270	5,726	6,301	6,267	6,923	6,705	7,097	6,707
Gross Profit	\$ 18,523	\$ 27,972	\$ 29,186	\$ 48,883	\$ 27,484	\$ 27,530	\$ 30,099	\$ 37,183
<i>Gross Margin</i>	78%	83%	82%	89%	80%	80%	81%	85%
Total Operating Expenses	49,482	33,070	33,596	57,006	48,287	31,103	33,710	47,150
Operating Income (Loss)	(30,959)	(5,098)	(4,410)	(8,123)	(20,803)	(3,573)	(3,611)	(9,967)
Other (Income) / Expense	167	1,741	19,537	2,835	1,186	(1,231)	(1,249)	18,413
Add Back:	26,721	8,849	27,855	27,924	16,818	(4,841)	(3,354)	30,570
Non-GAAP Net Income (Loss)	\$ (4,406)	\$ 2,009	\$ 3,908	\$ 16,966	\$ (5,171)	\$ (7,183)	\$ (5,716)	\$ 2,190

ANNUAL GAAP TO NON-GAAP RECONCILIATION

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

	2017	2018	2019	2020	2021	2022	2023 E
GAAP net loss	\$ (59,601)	\$ (61,104)	\$ (62,078)	\$ (47,876)	\$ (65,728)	\$ (25,236)	\$ (54,000)
Interest expense, net	496	-	-	9	538	4,350	4,000
Provision for (benefit from) income taxes	6	22	(1,452)	76	2,699	1,988	2,000
Depreciation and amortization	253	3,701	5,947	6,407	9,410	22,493	24,000
Stock-based compensation expense	16,089	14,383	19,402	19,539	40,063	19,115	20,000
Business realignment, severance and executive search costs ⁽¹⁾	-	-	279	145	349	540	-
Gain on debt extinguishment	-	-	-	-	-	(19,097)	-
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 ⁽²⁾	-	-	-	16	3,367	-	-
Change in fair value of Contingent consideration	-	-	-	-	13,130	(22,721)	-
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	2,688	-
Non-GAAP net income (loss)	\$ (30,209)	\$ (39,046)	\$ (36,179)	\$ (20,593)	\$ 6,832	\$ (15,880)	\$ (4,000)

⁽¹⁾ Business realignment, severance and executive search costs consists of severance and executive search costs in 2022 and 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 FY 2023 reflect the midpoint of the Company's financial guidance provided March 2, 2023.

QUARTERLY GAAP TO NON-GAAP RECONCILIATION

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</u>	<u>Q3:2022</u>	<u>Q4:2022</u>	<u>Q1:2023 E</u>
GAAP net loss	\$ (30,567)	\$ (12,715)	\$ (11,401)	\$ (10,958)	\$ (22,129)	\$ (3,253)	\$ (4,886)	\$ 5,032	\$ (21,500)
Interest expense, net	-	-	-	538	1,182	1,183	1,305	680	1,000
Provision for (benefit from) income taxes	22	55	396	2,226	138	(1,607)	26	3,430	500
Depreciation and amortization	1,253	1,157	1,779	5,221	5,214	5,456	5,824	5,999	6,000
Stock-based compensation expense	21,610	6,609	5,271	6,573	4,816	4,661	5,102	4,536	5,000
Business realignment, severance and executive search costs ⁽¹⁾	257	92	-	-	-	-	365	175	-
Gain on debt extinguishment	-	-	-	-	-	-	-	(19,097)	-
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	-	-	213	12,830	5,045	(13,830)	(14,291)	355	-
Gain on sale of asset	-	-	-	-	-	-	-	-	-
State sales tax reserve	138	146	22	-	-	-	-	-	-
Stock offering costs	-	-	-	-	-	-	-	-	-
Lease exit charges ⁽²⁾	3,367	-	-	-	-	-	-	-	-
Acquisition, due diligence, and integration-related costs	-	735	1,426	537	561	207	839	1,080	-
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>\$ (7,183)</u>	<u>\$ (5,716)</u>	<u>\$ 2,190</u>	<u>\$ (9,000)</u>

⁽¹⁾ Business realignment, severance and executive search costs consists of severance and executive search costs in 2022 and 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.

Note: GAAP net loss and non-GAAP net income (loss) figures for Q1 2023 reflect the midpoint of the Company's financial guidance provided March 2, 2023.

QUARTERLY GAAP TO NON-GAAP RECONCILIATION

VERITONE, INC.
RECONCILIATION OF PRO FORMA REVENUE TO REVENUE AND CALCULATION OF AAR
(in thousands)

	Quarter Ended							
	Mar 31, 2021	Jun 30, 2021	Sept 30, 2021	Dec 31, 2021	Mar 31, 2022	Jun 30, 2022	Sept 30, 2022	Dec 31, 2022
Software Products & Services Revenue	\$ 4,685	\$ 5,580	\$ 9,027	\$ 40,223	\$ 18,167	\$ 18,379	\$ 20,812	\$ 27,220
PandoLogic Revenue	5,498	14,492	12,833	—	—	—	—	—
Software Revenue - Pro Forma	\$ 10,183	\$ 20,072	\$ 21,860	\$ 40,223	\$ 18,167	\$ 18,379	\$ 20,812	\$ 27,220
Managed Services Revenue	13,610	13,626	13,628	14,926	16,240	15,856	16,384	16,670
Total Pro Forma Revenue	<u>\$ 23,793</u>	<u>\$ 33,698</u>	<u>\$ 35,488</u>	<u>\$ 55,149</u>	<u>\$ 34,407</u>	<u>\$ 34,235</u>	<u>\$ 37,196</u>	<u>\$ 43,890</u>

	Trailing Twelve Months Ended							
	Mar 31, 2021	Jun 30, 2021	Sept 30, 2021	Dec 31, 2021	Mar 31, 2022	Jun 30, 2022	Sept 30, 2022	Dec 31, 2022
Software Products & Services Revenue	\$ 15,439	\$ 18,017	\$ 23,693	\$ 59,515	\$ 72,997	\$ 85,796	\$ 97,581	\$ 84,578
PandoLogic Revenue	50,283	57,262	59,292	32,824	27,325	12,833	—	—
Software Revenue - Pro Forma	\$ 65,722	\$ 75,279	\$ 82,985	\$ 92,339	\$ 100,322	\$ 98,629	\$ 97,581	\$ 84,578
Managed Services Revenue	43,845	52,019	53,279	55,789	58,419	60,546	63,406	65,150
Total Pro Forma Revenue	<u>\$ 109,567</u>	<u>\$ 127,298</u>	<u>\$ 136,264</u>	<u>\$ 148,128</u>	<u>\$ 158,741</u>	<u>\$ 159,175</u>	<u>\$ 160,987</u>	<u>\$ 149,728</u>

Average Number of Software Customers - Pro Forma	330	372	399	442	485	529	575	603
Average Annual Revenue (AAR)	\$ 199	\$ 203	\$ 208	\$ 209	\$ 207	\$ 187	\$ 170	\$ 140

FOURTH QUARTER 2022 REVENUE SUMMARY

(\$ in Thousands)	Q4'21	Q3'22	Q4'22	Q4'22 CHANGE	
				Q/Q	Y/Y
Commercial Enterprise					
Software Products & Services	\$38,888	\$19,800	\$26,055	32%	(33%)
Managed Services	\$14,927	\$16,384	\$16,670	2%	12%
Subtotal	\$53,815	\$36,184	\$42,725	18%	(21%)
Government & Regulated Industries					
Software Products & Services	\$1,335	\$1,012	\$1,165	15%	(13%)
Managed Services	-	-	-		
Subtotal	\$1,335	\$1,012	\$1,165	15%	(13%)
Total Sales	\$55,149	\$37,196	\$43,890	18%	(20%)

Note: Software Product & Services previously aiWARE™ SaaS Solutions. Managed Services previously Advertising and aiWARE™ Content Licensing.

SUPPLEMENTAL FINANCIAL INFORMATION

“Ending Software Customers” includes Software Products & Services customers as of the periods presented with trailing twelve-month revenues in excess of \$2,400 and/or deemed by us to be under an active contract for the applicable periods.

“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)

“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.

“Software Revenue - Pro Forma” includes historical Software Products & Services revenue for the periods presented 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.



THANK YOU

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