



# Investor Presentation

NOVEMBER 2023

# Forward Looking Statements & Disclaimers

This presentation of Veritone, Inc. (the “Company”) contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 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 our Annual Report on Form 10-K for the fiscal year ended December 31, 2022 and other periodic reports that we have filed with the Securities and Exchange Commission (the “SEC”) including our Quarterly Report on Form 10-Q for the quarter ended September 30, 2023, 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 ability to close on a senior secured term loan facility with certain lenders in an aggregate principal amount of \$77.5 million pursuant to a commitment letter entered into on November 7, 2023, as discussed in our Quarterly Report on Form 10-Q for the quarter ended September 30, 2023 and our ability to obtain 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; declines in customers’ usage of our products and other offerings; our ability to realize the intended benefits of our acquisitions and divestitures, including our ability to successfully integrate our recent acquisition of Broadbean; 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 markets; 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 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 macroeconomic and geopolitical factors, including the COVID-19 pandemic, the Russia-Ukraine conflict and related sanctions, the war in Israel, financial instability, inflation rates and the responses by central banking authorities to control inflation, monetary supply shifts and the threat of recession in the United States and around the world on our business operations and those of our existing and potential customers. 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 for the fiscal year ended December 31, 2022, Quarterly Reports 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](http://www.sec.gov).

In addition to the Company’s financial results presented in accordance with generally accepted accounting principles in the United States (“GAAP”), 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.



# The Enterprise AI Company that makes Humans Even Better

Veritone is a leading enterprise AI software, applications and services provider with one mission – to *advance* the capabilities of AI to *empower* people to do more than they ever thought possible.

Founded in  
**2014**

NASDAQ:  
**VERI**

Employees:  
**750+**

Customers:  
**3,536**

# Earnings Results Snapshot

KEY INDICATORS IN Q3 2023

## FINANCIALS

**\$35M**

Q3 2023  
Total Revenue

**\$20M**

Q3 2023  
Software Revenue

**\$72M**

Q3 2023  
Cash & Cash  
Equivalents

## KPIs

**3,536**

Total Software Products  
& Service Customers

**\$99M**

Annual Recurring  
Revenue

**>90%**

Gross Revenue  
Retention

# Quarterly Business Highlights

AUG  
24

## Veritone Selected as Exclusive Ad Sales and AI Partner by SpokenLayer

Through this strategic collaboration, Veritone will serve as the exclusive ad sales agent for SpokenLayer, representing its entire portfolio of short-form podcasts, or “microcasts,” including publishing partners such as The Wall Street Journal, The Economist, Wired, TechCrunch and more.

SEP  
06

## Veritone Renews AI and Monetization Partnership with U.S. Soccer

Through the global partnership, Veritone will continue to serve as the archive of record and a licensing partner for all U.S. Soccer owned content including all National Teams. Veritone’s global licensing service enables marquee sporting and news rights holders worldwide to more efficiently and effectively archive and monetize their video rights.

OCT  
03

## Veritone Partners with CHESA to Streamline the U.S. Federal Legislative Branch Digital Media Management Solutions

Legislative Branch of the U.S. Government will use Veritone to streamline its digital media management efforts. The channel partnership with CHESA aims to revolutionize the way the U.S. Congress stores, manages and distributes assets, increasing its digital media management efficiency.

OCT  
17

## U.S. Department of Justice Awards Veritone Sole-Contractor Blanket Purchase Agreement at \$15 Million

Selected by the U.S. Department of Justice (DOJ) for a \$15 million Blanket Purchase Agreement, allowing all DOJ agencies to easily purchase Veritone software and services.

Nov  
08

## Veritone Announces Debt Restructuring, Improving Balance Sheet Heading into 2024

Veritone committed to a four year, \$77.5 million senior secured debt facility, replacing the previously announced AR credit facility. Key terms of debt facility include: rate of SOFR plus 850 basis points, amortization of payments of 2.5% per quarter beginning on the 6-month anniversary of the loan, 10% warrant coverage, a minimum liquidity covenant and the ability to pay down debt with equity at certain price points prospectively.

# Veritone's Growth Drivers



## DOUBLE DOWN ON CORE VERTICALS

- Deepen exposure to industries we serve
- Leverage track record of AI partner model success to increase market share
- Grow our diverse customer and revenue base



## UNLOCK THE POTENTIAL OF EXISTING CUSTOMERS

- Showcase expanding market applications of solutions across core verticals to existing customers
- Upsell additional volume to current customers
- Cross-sell expanding use cases
- Convert trial customers, particularly in government and regulated industries, to long-term customers



## CAPITALIZE ON DATA & INTEGRATION CAPABILITIES

- Deliver best-in-class ecosystem to drive operational efficiencies, accelerate decision making and increase profitability
- Market ability to integrate and orchestrate disparate data and workflows



## HARNESS EXPANDING MARKET OPPORTUNITY

- Expand our offerings to meet the demands of increasing spend and use cases of AI within enterprises
- Global AI market expected to grow at 19% CAGR and reach ~\$900B by 2026<sup>(1)</sup>



# An Ever-Expanding Partner & Customer Ecosystem



# Investment Highlights



Large & Growing  
Enterprise AI Market



A 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



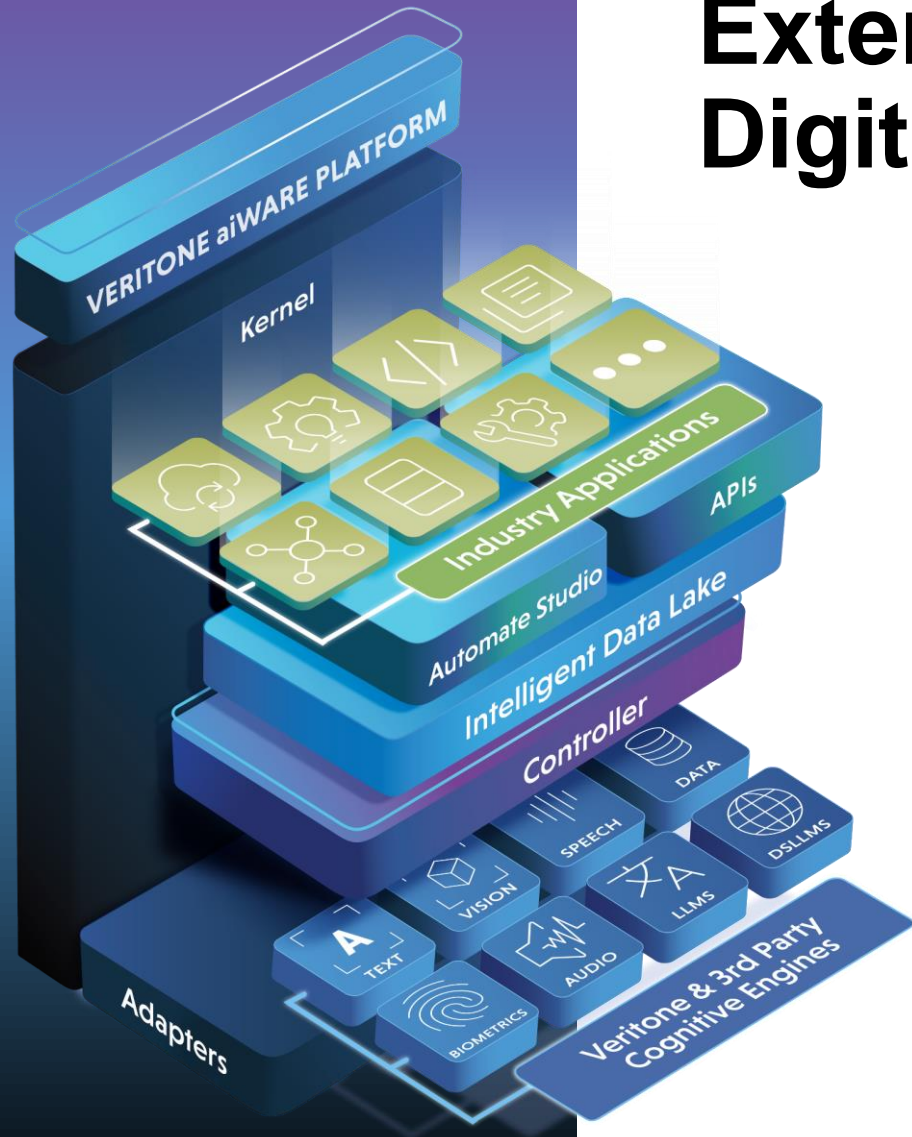
Founder-Led Entrepreneurial Management  
Team with Extensive Experience in Building  
“Data-Centric” Businesses



Attractive Financial Model and  
High Gross Margins



# 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**

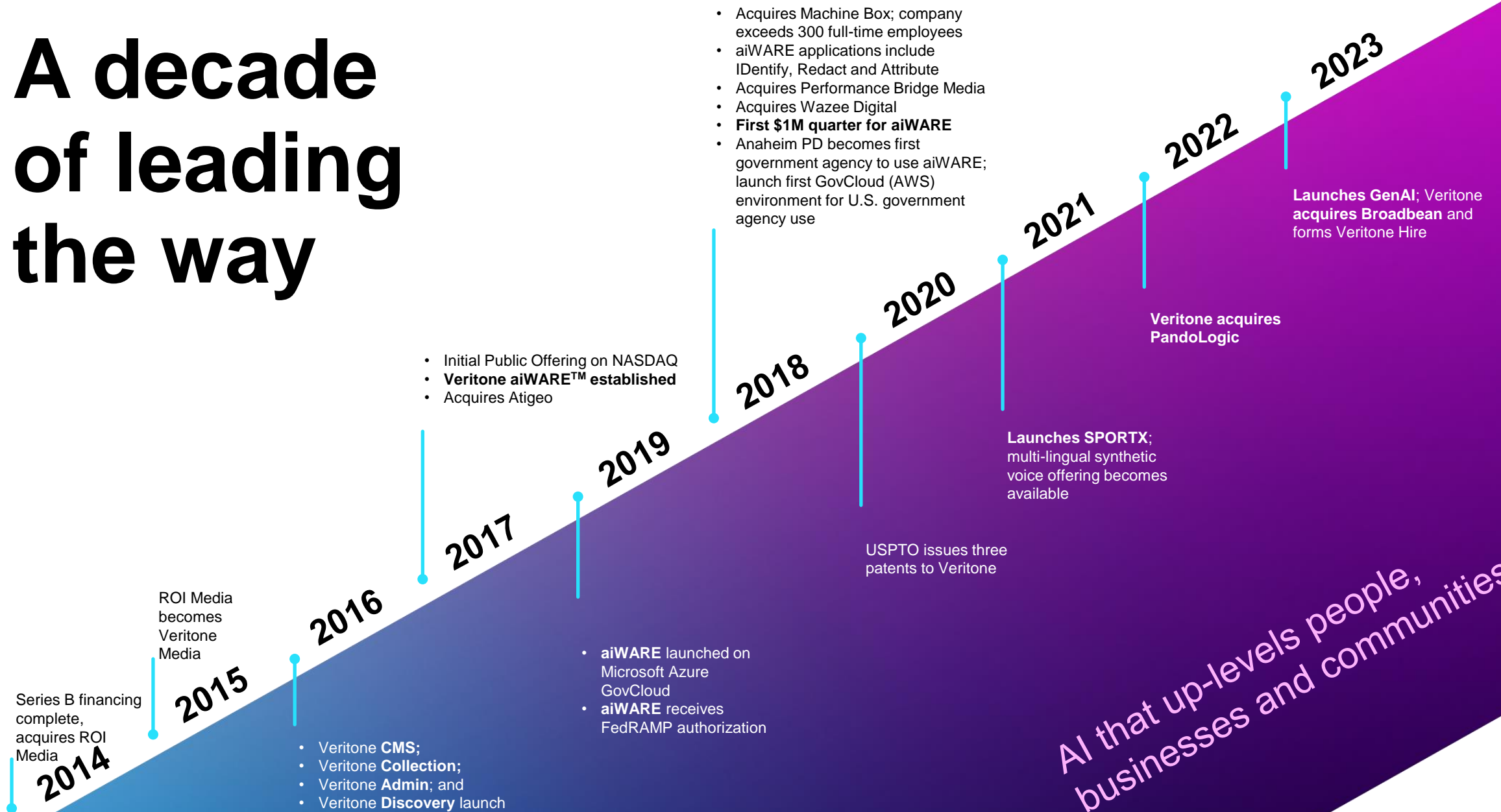
AI enterprise implementation and adoption, increasing operational efficiency



## **LEVERAGE**

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

# A decade of leading the way



AI that up-levels people, businesses and communities

# Target Market Verticals

## Media & Entertainment

### CREATE

Automated content creation, interactive storytelling and real-time content to scale reach

### MANAGE

Save resources with AI-powered digital asset management and metadata tagging

### MONETIZE

Unlock revenue generation and business opportunities from content through licensing marketplace and world-class services team

## Hire

### ATTRACT

Automate and optimize the job advertising process with AI-enabled talent acquisition technology to reach candidates at scale and maximize recruitment ROI

### ENGAGE

Streamline your screening process with conversational AI and applicant ranking

### COMPLY

Source diverse talent at scale and meet OFCCP requirements with end-to-end compliance recruitment management

## Public Sector

### DEPLOY

Suite of AI-enabled solutions enables fast and systematic evidence discovery and helps identify regulatory compliance risks

### AUTOMATE

Remove the manual processing of text, audio and video content to enable analysis and accelerate redaction processes

### EXTRACT

Surface actionable intelligence to drive greater efficiencies, minimize expense and deliver superior outcomes

**Demonstrated differentiation and product market fit combined with a robust partner ecosystem enables ongoing disruption and expansive market opportunities.**

# Veritone Media & Entertainment

## FROM CLIPS & CONTENT TO REAL VALUE AND REVENUE

Veritone Media & Entertainment empowers leaders in media, entertainment, sports and broadcast to unlock human potential through AI solutions, services and technologies. Creators, advertisers, podcasters, producers, broadcasters, managers, editors, sports and entertainment rights holders use Veritone's industry-leading AI to reach more eyes, ears, minds and hearts and share great content with the world.



### DATA INSIGHT

Gain value from 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



### AGENCY SERVICES

Leverage a team of experts using AI technology to maximize the performance of audio advertising and influencer marketing campaigns



### LICENSING SERVICES

Our team of experts use proprietary AI technology to help find footage and navigate rights and clearances for content buyers and rights holders



### HIRING SOLUTIONS

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

## SELECTED CUSTOMERS



Bloomberg



UBER



## SELECTED PARTNERS



# Veritone Hire

## AI THAT HELPS PEOPLE FIND MORE GREAT PEOPLE

Veritone Hire is redefining recruiting and talent acquisition by combining global job distribution tools with programmatic advertising AI technology to optimize customers' recruiting strategies, reduce their costs, improve efficiency and positively impact the most important asset in an organization — its people.



### JOB POSTING DISTRIBUTION

Automatically post job ads to job boards, search engines and social media channels all in one place, with seamless integrations into over 100 ATS partners



### CANDIDATE ENGAGEMENT & SCREENING

Streamline your screening process by leveraging conversational AI to engage and screen candidates post-apply, all within your ATS



### PROGRAMMATIC JOB ADVERTISING

Optimize individual ads or full campaigns with AI to help you maximize your ROI by increasing candidate volume while reducing wasted ad spend



### DIVERSITY & COMPLIANCE

Source diverse talent at scale using programmatic technology to place and optimize your job ads on a network of diversity job sites, offering guaranteed reach

## SELECTED CUSTOMERS



## SELECTED PARTNERS



# Veritone Public Sector

LESS TASKWORK. MORE TIME TO SERVE.

With Veritone's category-leading AI platform aiWARE™, the people at work in law enforcement, government and public safety can streamline manual identification and redaction efforts and accelerate audio and video processing with intelligent automation. Less time on repetitive tasks allows departments more time to focus on what matters – leading and protecting the communities they serve.



## DATA INSIGHT

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



## BIOMETRIC IDENTIFICATION

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



## HIRING SOLUTIONS

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



## 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



## TRANSCRIPTION & TRANSLATION

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



## PERSON-OF-INTEREST TRACKING

Track persons of interest across video files regardless of source without using personal identifiable information (PII)

## SELECTED CUSTOMERS



## SELECTED PARTNERS

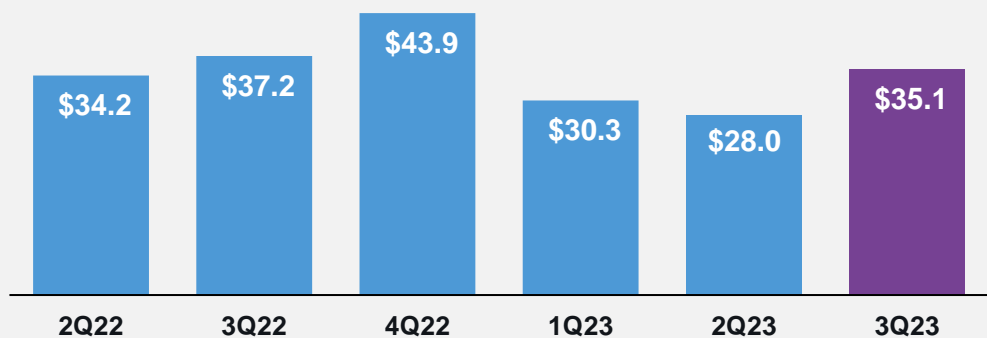


# Financial Update

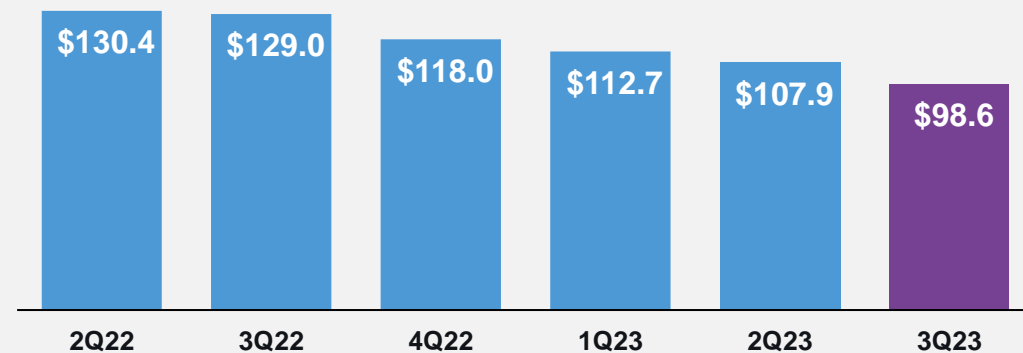
# Q3 2023 Financial Highlights

\$ in Million

## QUARTERLY REVENUE



## ANNUALIZED RECURRING REVENUE (ARR)\*



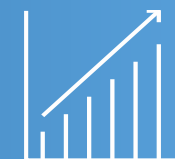
Gross Revenue Retention

**>90%**



Total Software Products & Services Customers

**+3,500**



Revenue CAGR (2017-2023E)<sup>(1)</sup>

**+44%**



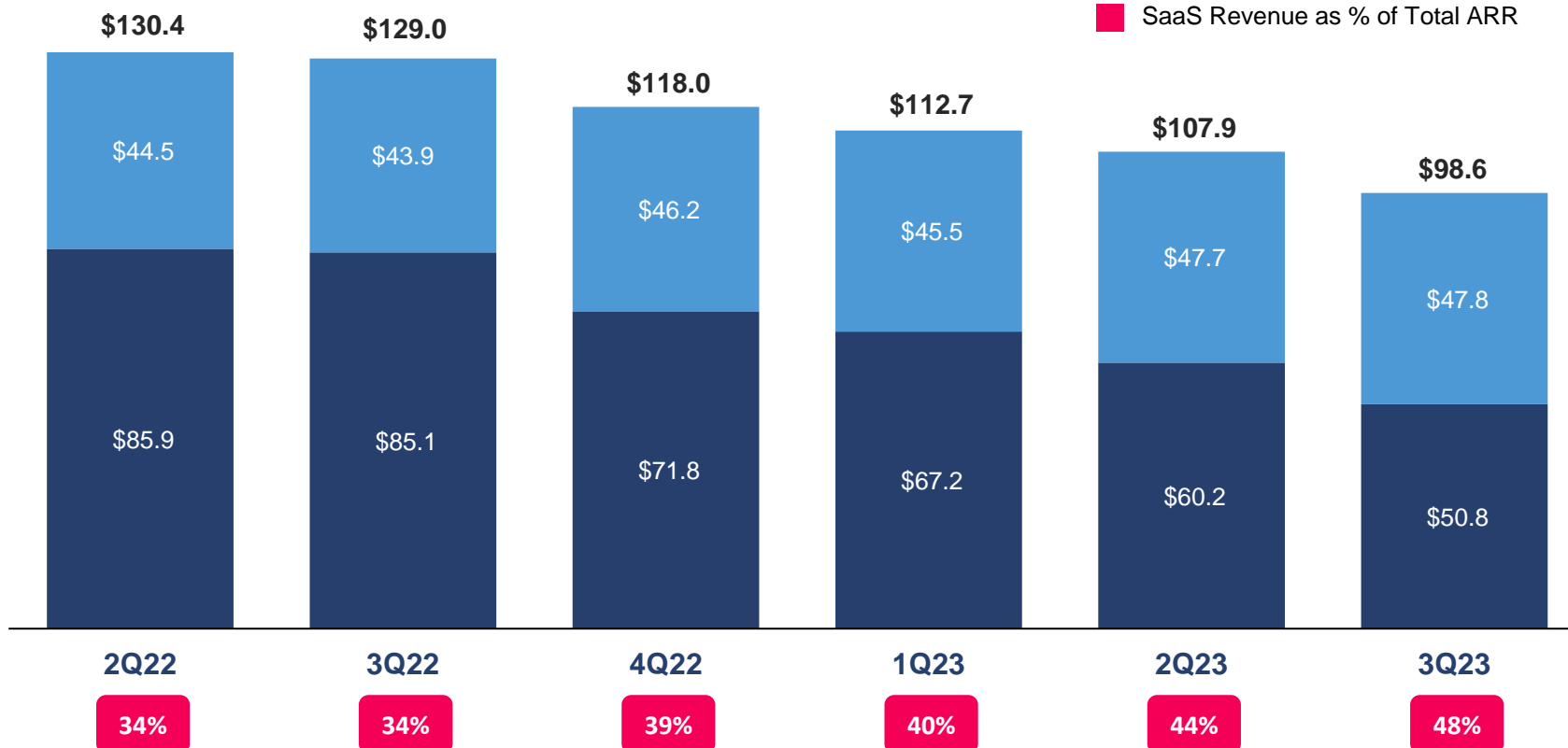
# Quarterly Key Performance Indicators

(\$ in Thousands)	Three Months Ended September 30, 2023	Three Months Ended September 30, 2022	Percent Change
Revenue	\$35,133	\$37,196	(6%)
Annual Recurring Revenue	\$98,559	\$129,016*	(24%)
Loss from Operations	(\$23,062)	(\$3,611)	539%
Net Loss	(\$24,541)	(\$4,886)	402%
Non-GAAP Gross Profit	\$27,946	\$30,099	(7%)
Non-GAAP Net Loss	(\$7,942)	(\$5,716)	39%
Total New Bookings	\$15,501	\$23,793*	(35%)

# Stable and Diverse Revenue Mix

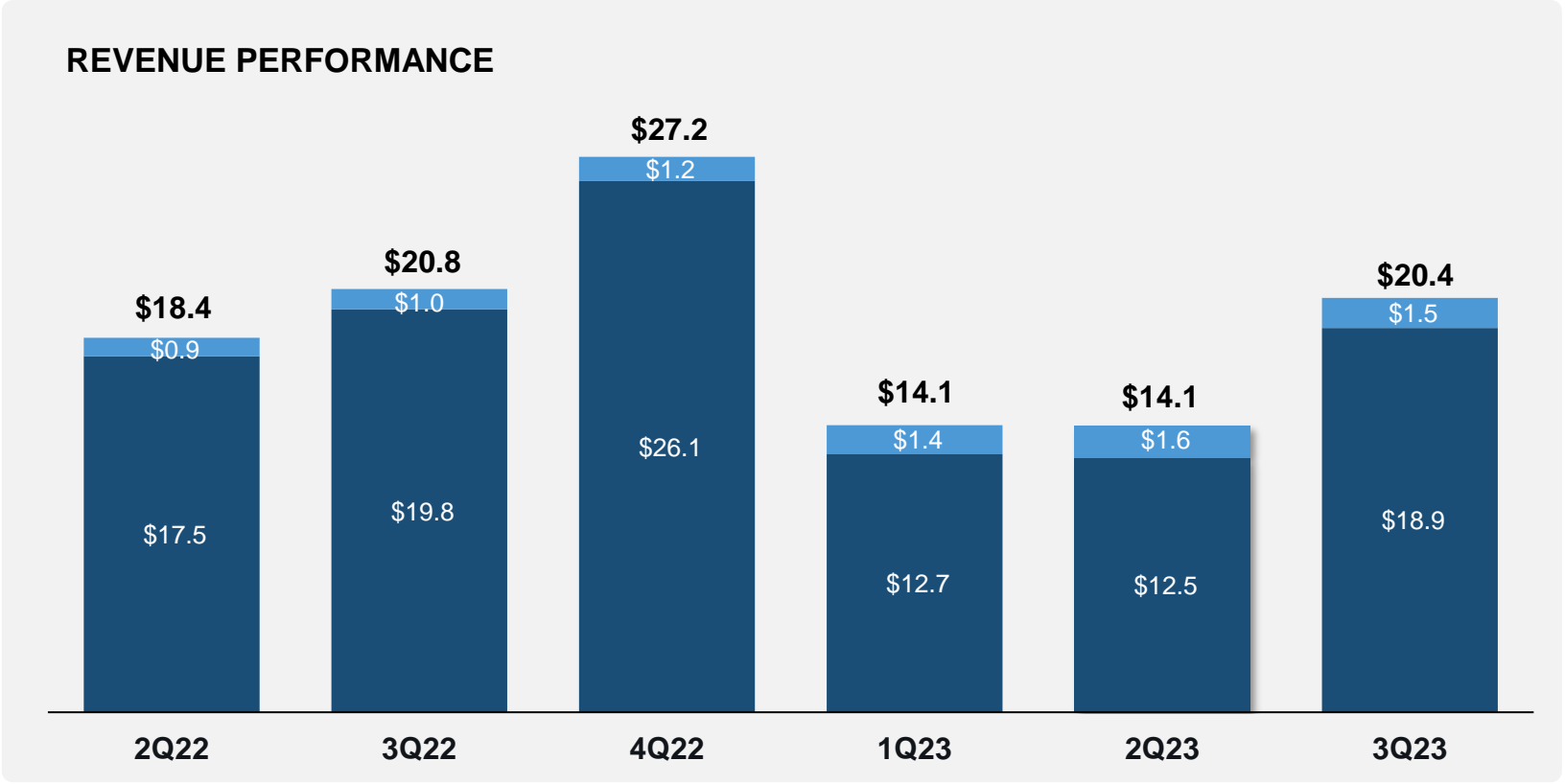
SaaS and consumption-based sales model provides earnings stability and flexibility to contract with companies of various sizes and preferences across industries.

- Annual Recurring Revenue (SaaS)\*
- Annual Recurring Revenue (Consumption)\*
- SaaS Revenue as % of Total ARR



**9%**  
YoY Increase  
Annual Recurring Revenue (SaaS)\*

# Software Products & Services



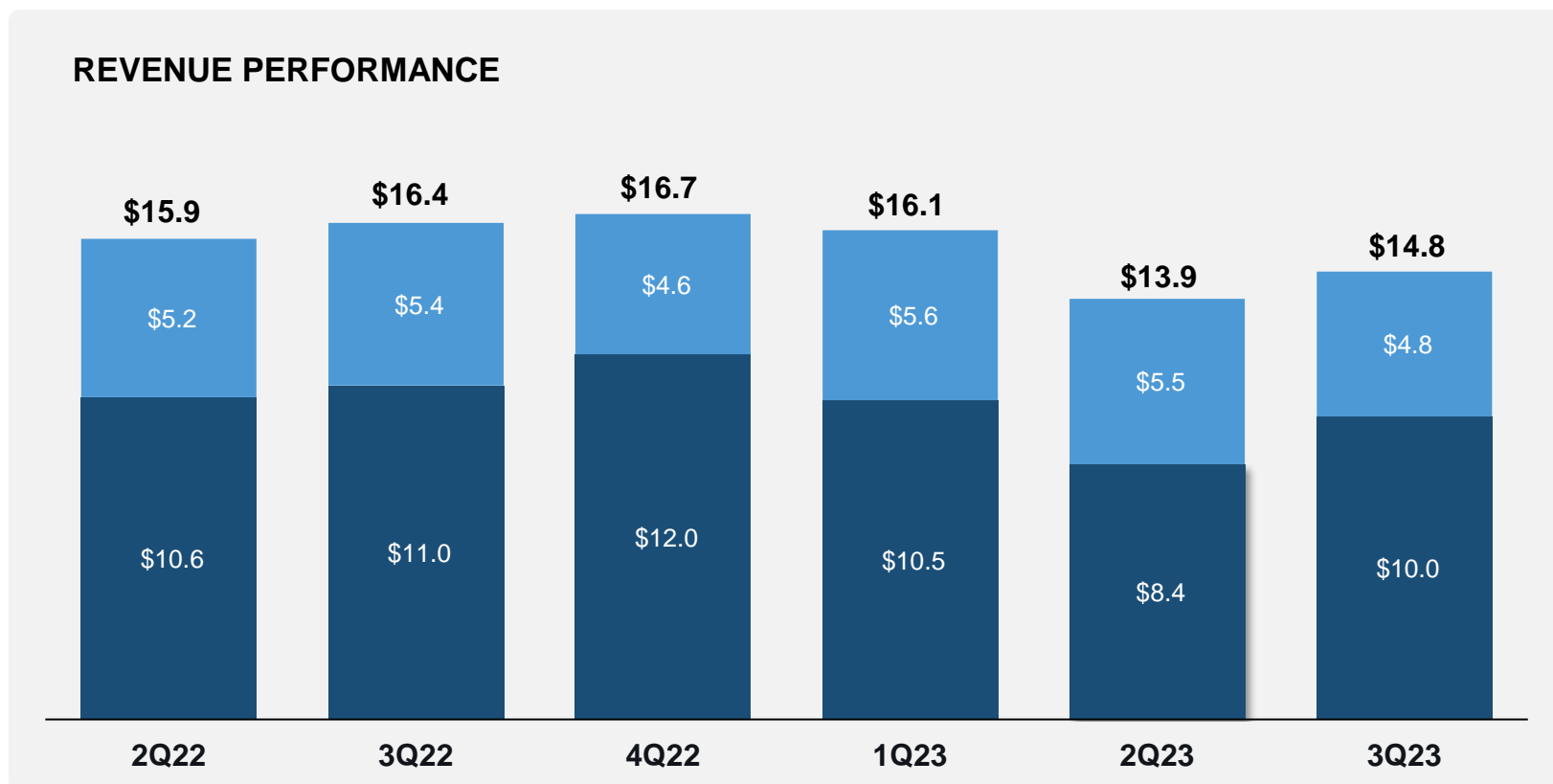
3Q23 YoY Change

Public Sector (GRI)	46%
Commercial Enterprise	(5%)

## HIGHLIGHTS

- Revenue of \$20.4 million, down 2% YoY attributed to lower consumption across the Veritone Hire customer base
- New bookings of \$15.5 million, up 85% sequentially versus 2Q23 on a pro forma basis
- \$48 million subscription-based ARR, up 9% compared to 3Q22 on a pro forma basis
- 3,536 Total Software Products & Services Customers, down 7% versus 3Q23 on a pro forma basis

# Managed Services



**3Q23 YoY Change**

Advertising	(9%)
Licensing	(11%)

## HIGHLIGHTS

- Revenue of \$14.8 million, declined 10% YoY driven by lower advertising spend
- Advertising gross billings per active client<sup>(1)</sup> of \$630,000, up 9% sequentially and down 16% YoY
- Managed Services benefits from advertising revenue with non-GAAP margins in excess of 90%

# Balance Sheet Summary

<i>(\$ in Thousands)</i>	As of September 30, 2023	As of December 31, 2022
<b>Cash and Cash Equivalents</b>	\$72,070	\$184,423
<b>Current Assets</b>	\$161,387	\$278,005
<b>Total Assets</b>	\$359,423	\$424,752
<b>Current Liabilities</b>	\$186,243	\$193,323
<b>Total Liabilities</b>	\$340,720	\$344,901
<b>Stockholders' Equity</b>	\$18,703	\$79,851
<b>Common Shares Outstanding<sup>(1)</sup></b>	37,082,144	36,321,222

# Appendix

# Quarterly GAAP to Non-GAAP Reconciliation (Unaudited)

(\$ in Thousands)	Q2 2022	Q3 2022	Q4 2022	Q1 2023	Q2 2023	Q3 2023	Q4 2023E
GAAP net loss	\$ (3,253)	\$ (4,886)	\$ 4,711	\$ (22,963)	\$ (23,296)	\$ (24,541)	\$ (15,500)
Interest expense, net	1,183	1,305	680	805	720	218	200
Provision for (benefit from) income taxes	(1,607)	26	3,751	(271)	(1,374)	(977)	(800)
Depreciation and amortization	5,456	5,824	5,999	5,907	6,389	7,857	7,900
Stock-based compensation expense	4,661	5,102	4,536	3,917	2,697	2,032	2,000
Business realignment, severance and executive transition costs <sup>(1)</sup>	-	365	175	1,444	689	785	-
Gain on debt extinguishment	-	-	(19,097)	-	-	-	-
Change in fair value of contingent consideration	(13,830)	(14,291)	355	651	-	816	-
Gain on sale of energy group	-	-	-	-	(2,572)	-	-
Foreign currency impact	-	-	-	(1,161)	(1,659)	2,294	-
Contribution of business held for sale	-	-	-	917	872	-	-
Variable consultant performance bonus expense	-	-	-	394	237	397	200
Stock offering costs	-	-	-	-	-	-	-
Lease exit charges <sup>(2)</sup>	-	-	-	-	-	-	-
Acquisition, due diligence, and integration-related costs	207	839	1,080	805	4,271	3,177	-
<b>Non-GAAP net loss</b>	<b>\$ (7,183)</b>	<b>\$ (5,716)</b>	<b>\$ 2,190</b>	<b>\$ (9,555)</b>	<b>\$ (13,026)</b>	<b>\$ (7,942)</b>	<b>\$ (6,000)</b>

(1) 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.

(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 Q4 2023 reflect the midpoint of the Company's financial guidance provided November 8, 2023.

# Annual GAAP to Non-GAAP Reconciliation (Unaudited)

(\$ in Thousands)	2018	2019	2020	2021	2022	2023 E
GAAP net loss	\$ (61,104)	\$ (62,078)	\$ (47,876)	\$ (64,672)	\$ (25,557)	\$ (86,300)
Interest expense, net	-	-	9	538	4,350	1,900
Provision for (benefit from) income taxes	22	(1,452)	76	2,699	2,309	(3,400)
Depreciation and amortization	3,701	5,947	6,407	9,410	22,493	28,100
Stock-based compensation expense	14,383	19,402	19,539	40,063	19,115	10,600
Business realignment, severance and executive transition costs <sup>(1)</sup>	-	279	145	349	540	2,900
Gain on debt extinguishment	-	-	-	-	(19,097)	-
Warrant expense	207	-	102	-	-	-
Change in fair value of warrant liability	(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	-	-	-	12,074	(22,721)	1,500
Gain on sale of energy group	-	-	-	-	-	(2,600)
Foreign currency impact	-	-	-	-	-	(500)
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	8,300
<b>Non-GAAP net income (loss)</b>	<b>\$ (39,046)</b>	<b>\$ (36,179)</b>	<b>\$ (20,593)</b>	<b>\$ 6,832</b>	<b>\$ (15,880)</b>	<b>\$ (36,500)</b>

(1) 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.

(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 FY 2023 reflect the midpoint of the Company's financial guidance provided November 8, 2023.



# Revenue to Non-GAAP Reconciliation (Unaudited)

<i>(\$ in Thousands)</i>		<b>2023 E</b>
Revenue	\$	127,200
Cost of Revenue		27,984
Non-GAAP Gross Profit	\$	99,216
Non-GAAP Gross Margin		78.0%

<i>(\$ in Thousands)</i>		<b>2023 E</b>
Revenue	\$	127,200
Non-GAAP Net Loss <sup>(1)</sup>		(36,500)
Non-GAAP Net Loss Margin		(28.7)%

# Third Quarter 2023 Revenue Summary

(\$ in Thousands)	Q3 2022	Q2 2023	Q3 2023	Q3 2023 CHANGE	
				Q/Q	Y/Y
<b>Commercial Enterprise</b>					
Software Products & Services	\$19,800	\$12,492	\$18,885	51%	(5%)
Managed Services	\$16,384	\$13,874	\$14,772	6%	(10%)
<b>Subtotal</b>	<b>\$36,184</b>	<b>\$26,366</b>	<b>\$33,657</b>	<b>28%</b>	<b>(7%)</b>
<b>Government &amp; Regulated Industries</b>					
Software Products & Services	\$1,012	\$1,601	\$1,476	(8%)	46%
Managed Services	-	-	-	-	-
<b>Subtotal</b>	<b>\$1,012</b>	<b>\$1,601</b>	<b>\$1,476</b>	<b>(8%)</b>	<b>46%</b>
<b>Total Sales</b>	<b>\$37,196</b>	<b>\$27,967</b>	<b>\$35,133</b>	<b>26%</b>	<b>(6%)</b>

# Supplemental Financial Information

Our customer composition is diverse and includes various segments across our verticals, each with different purchasing trends and pricing models. In order to provide enhanced visibility into our growth composition and broad customer base, we have added ARR as a key metric and defined our customer count methodology.

## DEFINITIONS

**“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.

**“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.

**“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 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 (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.

**“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.

**“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 three 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.

**“Software Revenue - Pro Forma”** is a non-GAAP measure that represents Software Products & Services revenue on a Pro Forma basis.

**“Non-GAAP Gross Margin”** is defined as Non-GAAP gross profit divided by revenue.

**Thank you**