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# Investor Presentation

May 2025



# 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. Without limiting the generality of the foregoing, words such as "anticipates," "believes," "could," "estimates," "expects," "intends," "continue," "can," "may," "confident", "outlook", "plans," "potential," "projects," "seeks," "should," "will," "would," or similar expressions and the negatives of those expressions may 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, our business outlook including for the second quarter of 2025 and the year ended December 31, 2025, and with respect to the future growth of our business and market opportunity.

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, 2024, and other periodic reports that we have filed and may in the future file 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 continue as a going concern, including our ability to service our debt obligations as they come due over the next twelve months and beyond; 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 and liquidity to support our operations, our business growth, service our debt obligations and refinance maturing debt obligations, 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, including declines in key customers' usage of our products and other offerings; our ability to realize the intended benefits of our acquisitions, sales, divestitures, and other existing or planned cost-saving measures, including the sale of our full-service advertising agency, Veritone One, and our ability to successfully integrate our acquisition of Broadbean; our identification of existing material weaknesses in our internal control over financial reporting and plans for remediation; fluctuations in our results over time; the impact of seasonality on our business; our ability to manage our growth, including through acquisitions and 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 third party technologies in our aiWARE platform, offering it for free to the public or making it cost prohibitive to continue to incorporate such technologies into our platform; interruptions, performance problems or security issues with our technology and infrastructure, or that of third parties with whom we work; the impact of the continuing economic disruption caused by macroeconomic and geopolitical factors, including the Russia-Ukraine conflict, the Israel-Hamas war and conflict in the surrounding regions, changing tariff policies and trade tensions, financial instability, inflation and the responses by central banking authorities to control inflation, monetary supply shifts, high interest rates 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, 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 our Annual Report on Form 10-K for the fiscal year ended December 31, 2024, Quarterly Reports on Form 10-Q and the other documents we have filed and may in the future file with the SEC for more complete information about the Company. You may obtain these documents for free on our website or by visiting EDGAR on the SEC website at [www.sec.gov](http://www.sec.gov).

The historical financial results of Veritone One are reflected in this earnings presentation as discontinued operations and, as such, have been excluded from continuing operations for all periods presented on a retrospective basis, unless otherwise stated. Unless otherwise noted, amounts and disclosures throughout the presentation relate to the Company's continuing operations.


In addition to our 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.

We have 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 calculated and presented in accordance with GAAP, nor as an alternative to cash flow from operating activities as a measure of liquidity. Other companies (including our competitors) may define these non-GAAP measures differently. These non-GAAP measures may not be indicative of our historical operating results or predictive of potential future results. Investors should not consider these non-GAAP financial measures in isolation or as a substitute for analysis of our 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.

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Founded in

2014

NASDAQ:

VERI

Employees:

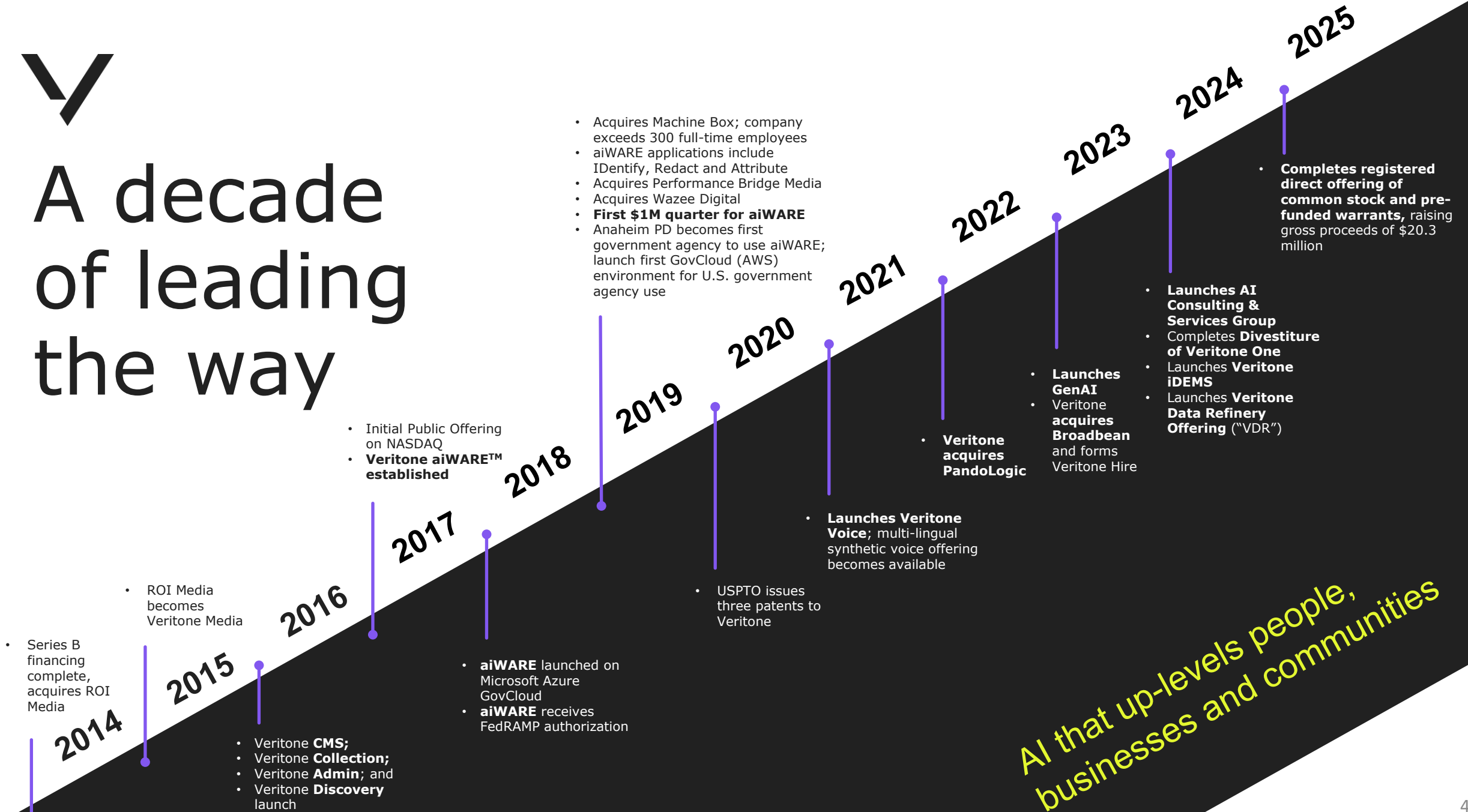
450+\*

Software, products &  
services customers:

3,150+\*



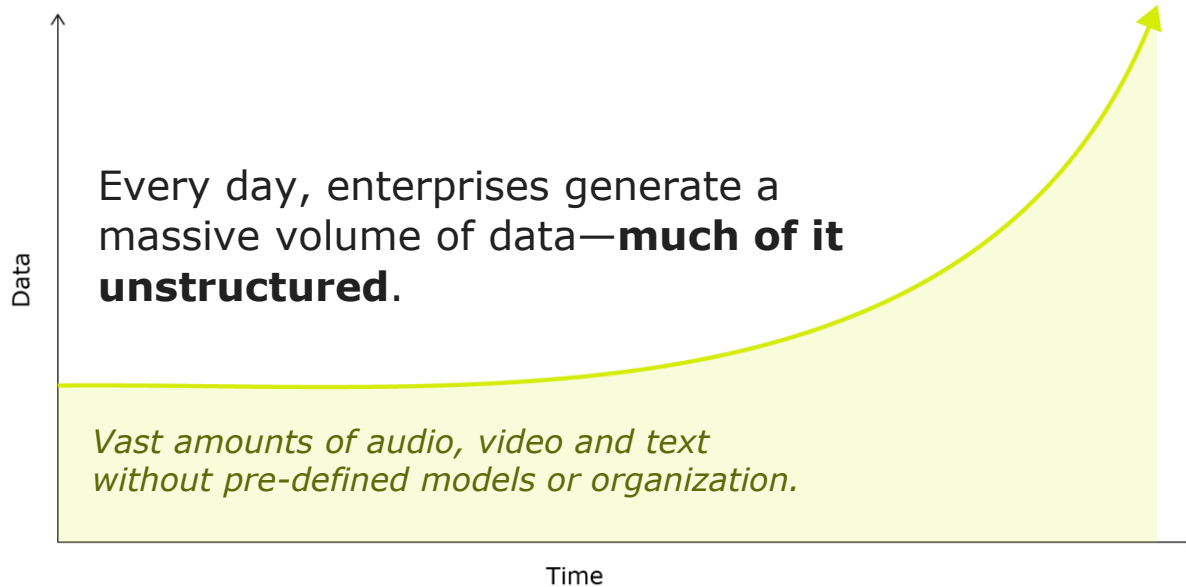
# A decade of leading the way



AI that up-levels people, businesses and communities



# It all starts with data.



Expensive data storage costs



Unstructured data is growing faster than structured data



Time consuming to collect & impossible to organize real-time



We're committed to advancing AI technology to help transform unstructured data into actionable Intelligence.



# Unstructured data in, intelligence out.



**Video**

Entertainment archives • Bodycam footage • Sports broadcasts  
Drone footage • CCTV • News broadcasts • Courtroom recordings



**Audio**

Radio broadcast • Podcasts • Interviews • Phone call recordings  
Audio books • Legal Proceedings • Air Traffic Control communications



**Text**

Text messages • Transcripts & captions • Evidence files • Emails • Forms • Applications  
Log files • Contracts & Legal documents • IoT sensor data • Resumes & Job Requisitions



**Images**

Social media • Police databases • Medical imaging • Retail & product photography  
• LPR • Satellite imagery • Document scans • Crime scene photos • ID Verification

**Veritone aiWARE**

**Ingesting vast amounts of audio, video, image, and text -  
every day - and making it usable in real time.**

# 862

Unique AI Models Used

# 10.69

Petabytes Processed

# 58.43M

Hours of Media Processed

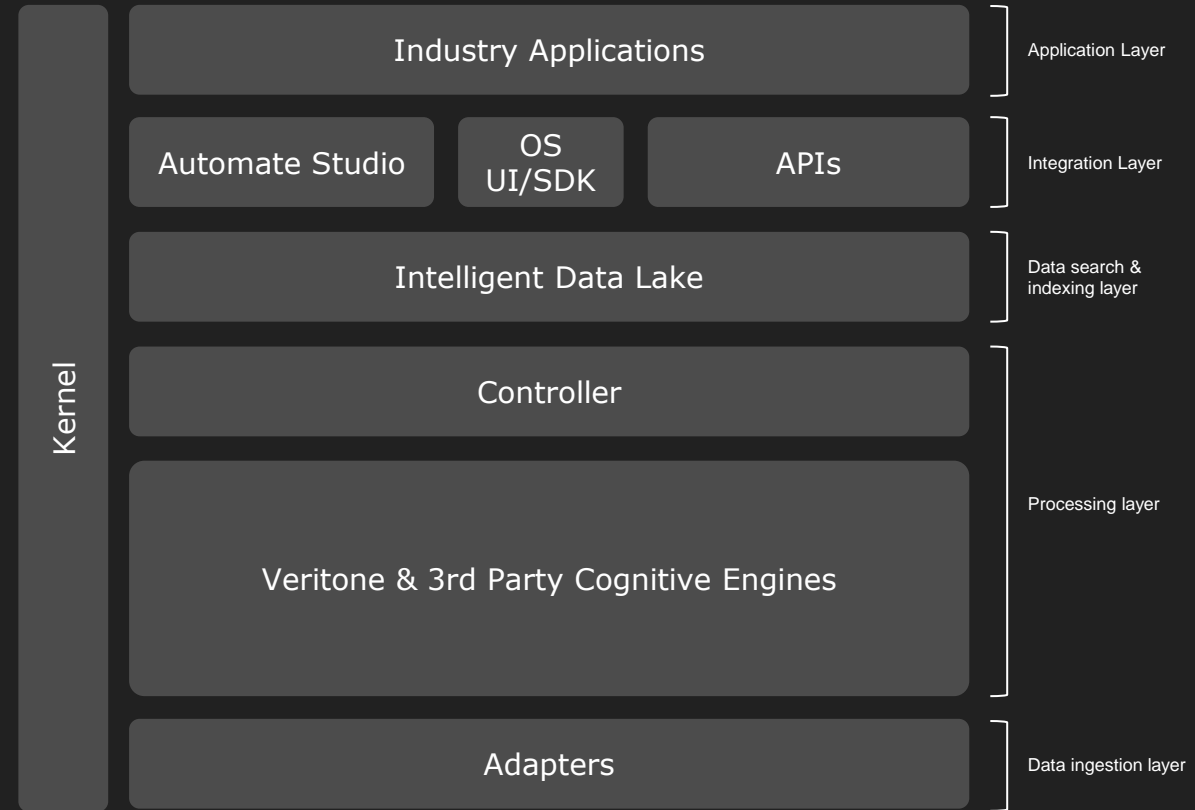
...in 2024 alone

# Veritone aiWARE

- **AI Platform:** A proprietary AI operating system that supports and offers hundreds of cognitive and generative AI models to analyze, organize, and act on data in near real-time.
- **Multi-Engine Flexibility:** aiWARE seamlessly integrates and manages hundreds of pre-trained AI models—from transcription to object detection—so companies can switch models based on specific needs.
- **Unified Platform:** Unlike competitors offering single AI tools, aiWARE delivers a comprehensive ecosystem to streamline multiple use cases (e.g., facial recognition, sentiment analysis).
- **Low-Code/No-Code Interface:** Democratizes AI adoption by allowing customers to deploy cognitive models without deep technical expertise.
- **Interoperability:** Works with existing enterprise workflows across sectors and allows organizations to switch between AI engines based on performance or use case—no vendor lock-in.
- **Scalability:** AI that grows with businesses, whether for real-time analytics, compliance, or automation.
- **Adaptive Learning:** Continuously integrates the latest AI models, ensuring state-of-the-art accuracy.



## Enterprise AI OS



Empowering a **robust** partner & customer ecosystem.





# Problems we solve



## Data explosion

Organizations struggle to manage and leverage vast amounts of unstructured data—audio, video, and text.



## High cost & complexity of AI adoption

Most companies face barriers when integrating AI solutions that are typically fragmented and require significant integration effort.



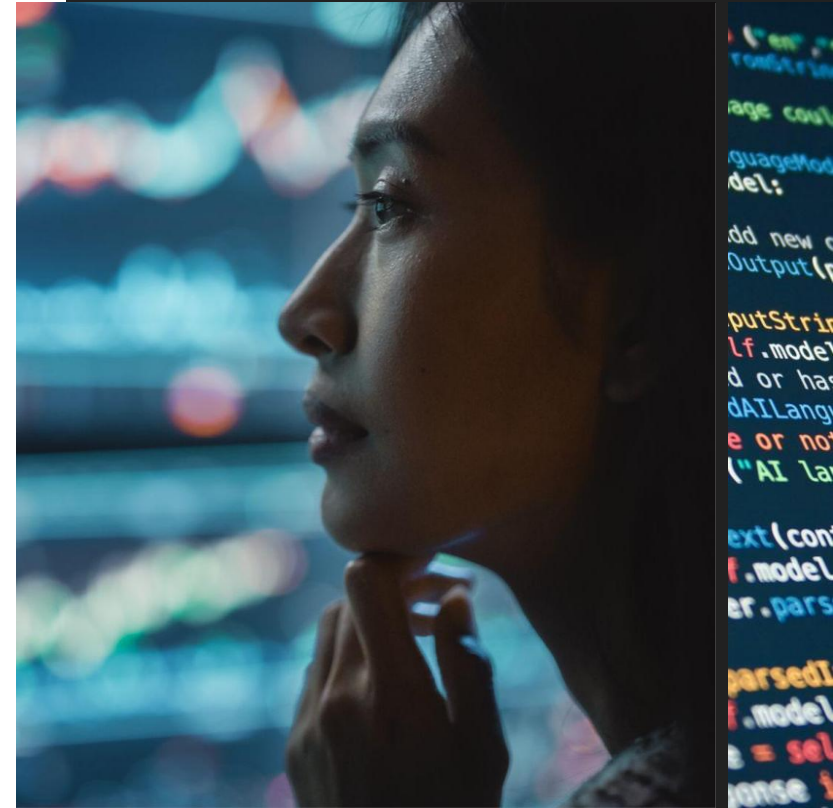
## Fragmented AI solutions

Single-purpose models fall short—integrating multiple cognitive engines is expensive and slow.

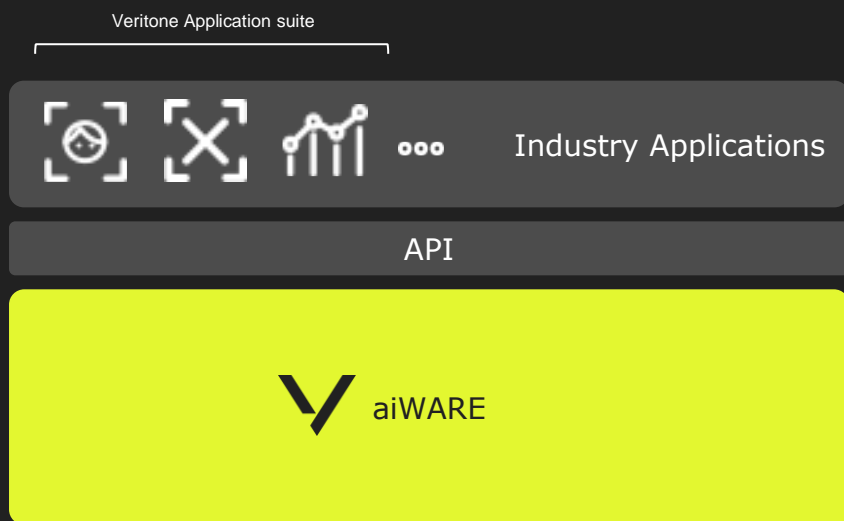


## Slow & inefficient workflows

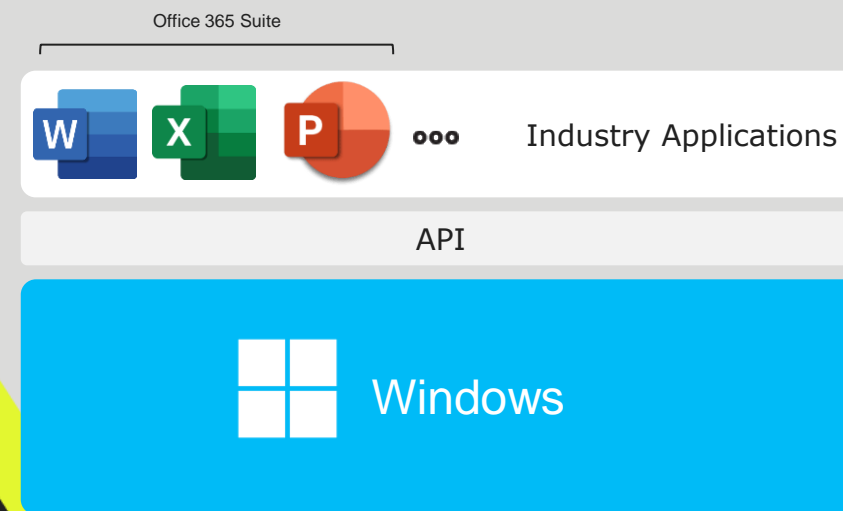
Legacy systems and manual processes cannot keep up with increasing demands for data-driven decision-making and compliance.



# An Operating system for AI



...compare to a computational OS



# Our AI applications and custom-built AI solutions unlock tremendous value for **commercial enterprise**.

Veritone enables enterprises to leverage AI to transform workflows and unlock value across functions in many industries through both pre-built AI applications and tools as well as custom AI and data projects.



### Data insight

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



### Data services

Our data offerings transform disorganized, fragmented data into a unified, accurate, and privacy-compliant ecosystem, empowering organizations



### 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



### Content management & monetization

Enhance your content strategy with AI-powered DAM and synthetic voice creation.



### AI application dev / AI workflow

We turn your AI vision into a business advantage with tailored solutions, developed through a practical, business-focused approach



### Hiring solutions

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

## SELECT CUSTOMERS



## SELECTED PARTNERS



# AI-powered solutions to help **government agencies** and law enforcement to automate processes, enhance compliance, and improve operational efficiency.

Veritone's public sector offerings can greatly accelerate workflows for law enforcement, government, and public safety agencies. Our proprietary software suite, Intelligent Digital Evidence Management Systems, is one of the industry's first cloud-based digital evidence management solutions that integrates AI to help public safety and judicial agencies accelerate investigations.



## 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)

## SELECT CUSTOMERS



## SELECTED PARTNERS



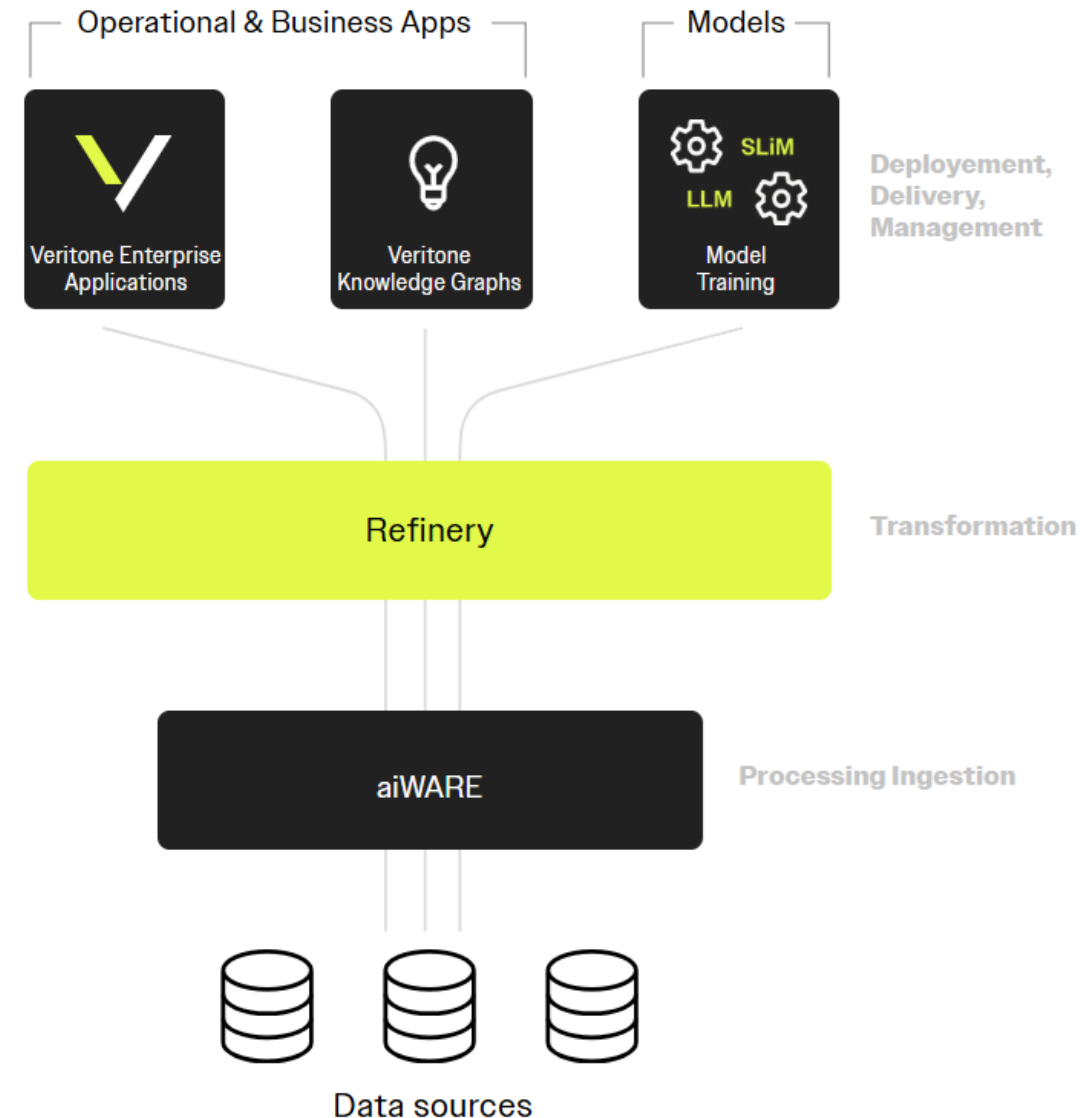
# Transform data. Power Intelligence.

## Meet Veritone Data Refinery (VDR).

Designed to help enterprises transform vast amounts of unstructured data into high-quality, AI-ready assets.

Through aiWARE's advanced capabilities, VDR transforms disparate data silos into a centralized and secure repository for video, audio and text data. From this repository, enterprises can:

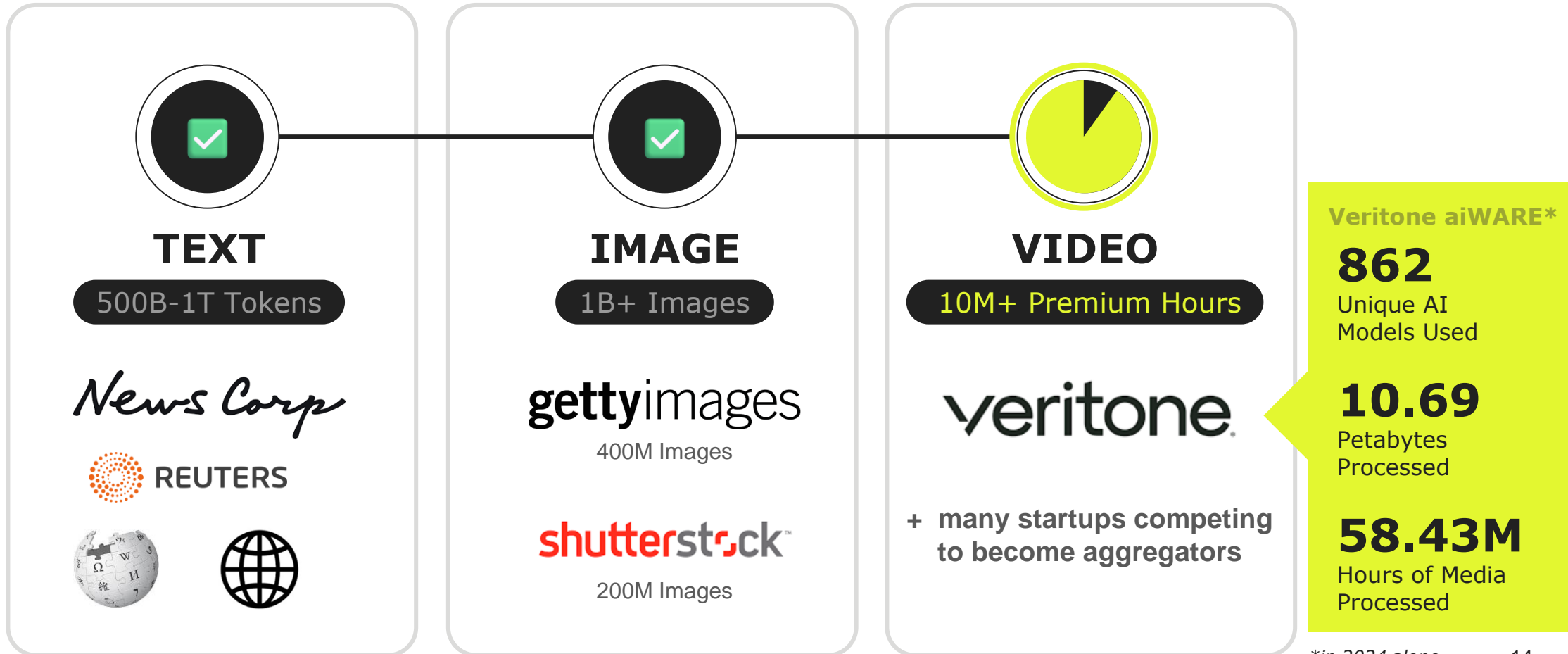
- + Extract immediate value and ROI out of Veritone's 20+ award-winning applications, serving both Public and Commercial sectors;
- + Identify custom AI solution and development needs, including training and fine-tuning AI cognitive and large language models; or
- + Explore monetization opportunities through third-party data licensing.





# Premium training data is essential.

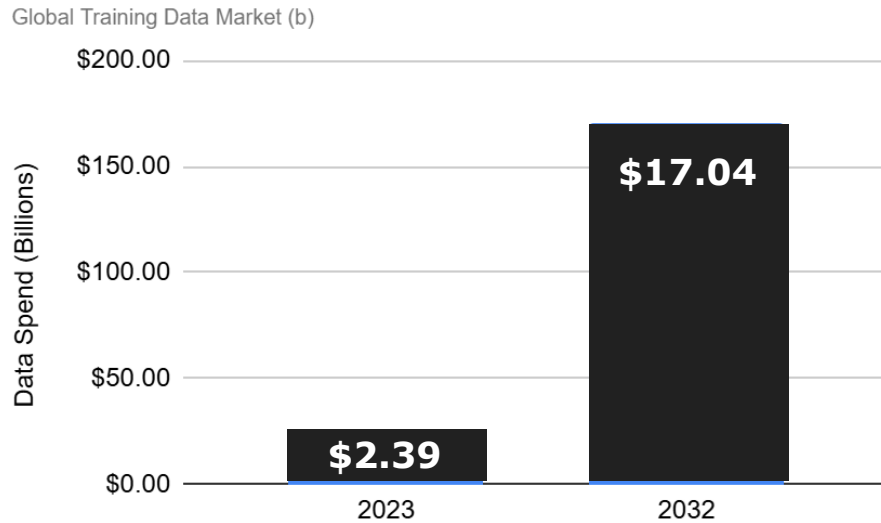
As AI models' data needs advance from Text, to Images, to Audio & Video, Veritone is uniquely and strategically positioned to capitalize on this audio and video market demand.



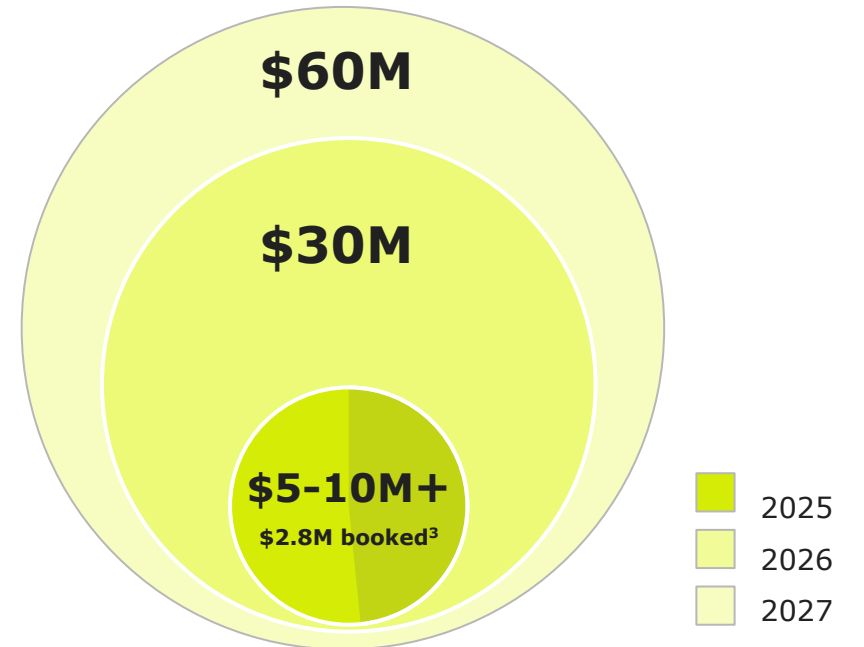
# Significant revenue opportunities.

Veritone’s targeted CAGR of 345% from 2024 to 2027 to address the large and growing training data market.

## \$17B Training Data Market<sup>1</sup>



## Direct Veritone Revenue Opportunity<sup>2</sup>



<sup>1</sup>Sources: [Fortune Business Insights](#), Stanford AI Index Report

<sup>2</sup>Based on management’s expectations

<sup>3</sup>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).

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# The depth, breadth and experience to **win.**

For over ten years, Veritone has successfully transformed unstructured data, including licensing, monetization and management of IP rights, for over 3,200 customers in the commercial and public sectors.



Logos represent existing Veritone customers, some of which are already VDR customers.

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# Veritone's Growth Drivers



## 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 public sector, to long-term customers



## Capitalize on data & integration capabilities

- Deliver product ecosystem designed to drive operational efficiencies, accelerate decision making and increase profitability
- Market ability to integrate and orchestrate disparate data and workflows
- Ability to integrate the latest AI models to help ensure state-of-the-art accuracy
- Scalable platform to grow with customers



## Harness expanding market opportunity

- Expand our offerings to meet the demands of increasing spend and use cases of AI within enterprises
- LLMs are becoming increasingly commoditized, portable and more affordable, we're positioned to succeed in the application layer



# Earnings Results Snapshot

Key indicators in 1Q25<sup>1</sup>

## Financials

**\$22.5M**

1Q25  
Total Revenue

**\$14.5M**

1Q25  
Software Products &  
Services Revenue

**\$16.1M**

Cash & Cash  
Equivalents<sup>2</sup>

## KPIs

**3,156**

1Q25 Total Software  
Products & Services  
Customers<sup>2</sup>

**\$58.7M**

1Q25 Annual  
Recurring Revenue<sup>3</sup>

**>90%**

1Q25 Gross Revenue  
Retention<sup>2,3</sup>



# Recent Business Highlights

Feb  
27

## **Vital Voices Selects Veritone's AI-based Digital Media Hub for Digital Asset Management to Amplify the Voices of Women Changemakers**

Announced that Vital Voices Global Partnership, a global nonprofit dedicated to empowering women leaders worldwide, has chosen Veritone's Digital Media Hub ("DMH") to enhance media management and storytelling. The collaboration underscores the transformative potential of AI technology for social good and is facilitated through the Amazon Web Services (AWS) Marketplace, a curated digital catalog of independent software vendors that makes it easy to find, test, buy and deploy software that runs on AWS.

Mar  
13

## **Veritone Announces Appointment of Francisco Morales to Board of Directors**

Announced the appointment of Francisco J. Morales to its Board of Directors, to be effective March 20, 2025. Francisco J. Morales is the Co-founder and Executive Chairman of 5.11 Tactical and its former CEO. Founded in 2003, 5.11 Tactical is widely recognized as a global market leader in tactical apparel, footwear, and gear for law enforcement, military, and first responders, serving thousands of agencies and institutions worldwide.

Mar  
18

## **Carahsoft Canada Awarded Veritone Supply Arrangement for SaaS Under the Government of Canada Cloud Initiative**

Announced that Veritone's AI solutions and software have been added to Carahsoft Canada's Supply Arrangement for Software as a Service (SaaS) Government of Canada (GC) Method of Supply (MoS). This addition enables Carahsoft to deliver Veritone's SaaS solutions, such as Veritone's AI-powered intelligent digital evidence management system (iDEMS), to Federal agencies in Canada and expands Veritone's reach in the Canadian market, increasing the reach of Veritone's innovative technology across global markets.

Apr  
10

## **Veritone Wins Future's Best of Show Award at the 2025 NAB Show**

Announced that Veritone Discovery, its AI-powered media access and analytics platform for broadcasters, has been awarded the prestigious Future's Best of Show Award, presented by TV Tech at the 2025 NAB Show.

Apr  
17

## **Veritone Achieves "Awardable" Status on DoD's Tradewinds Solutions Marketplace with AI-Powered Investigate Solution**

Announced that it has achieved "Awardable" status through the Chief Digital and Artificial Intelligence Office (CDAIO)'s Tradewinds Solutions Marketplace. Veritone's Investigate solution has been added to the Tradewinds Marketplace.

Apr  
23

## **Veritone Teams Up with Technology North to Modernize Public Safety Redaction Efforts Using AI**

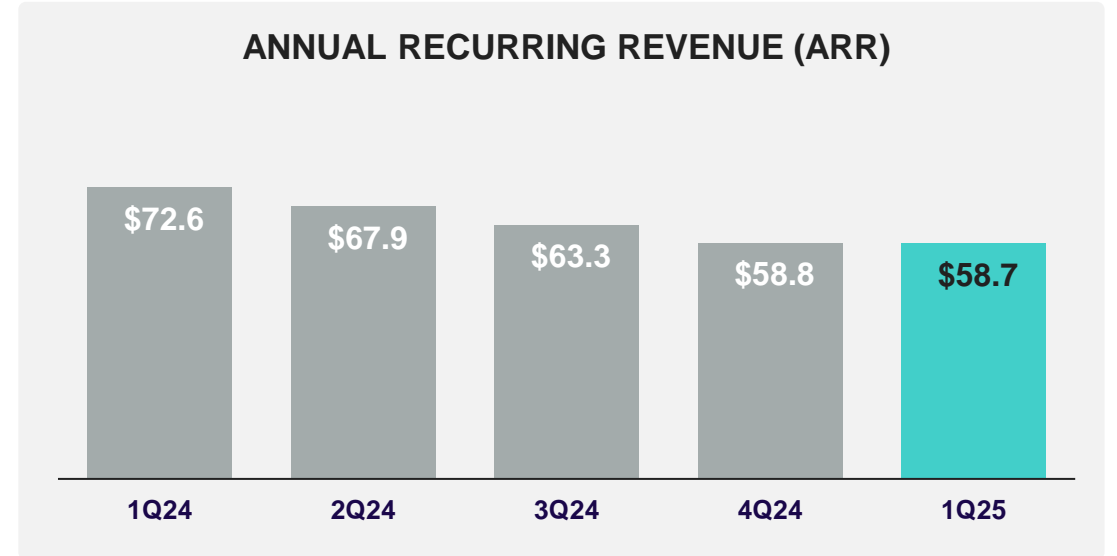
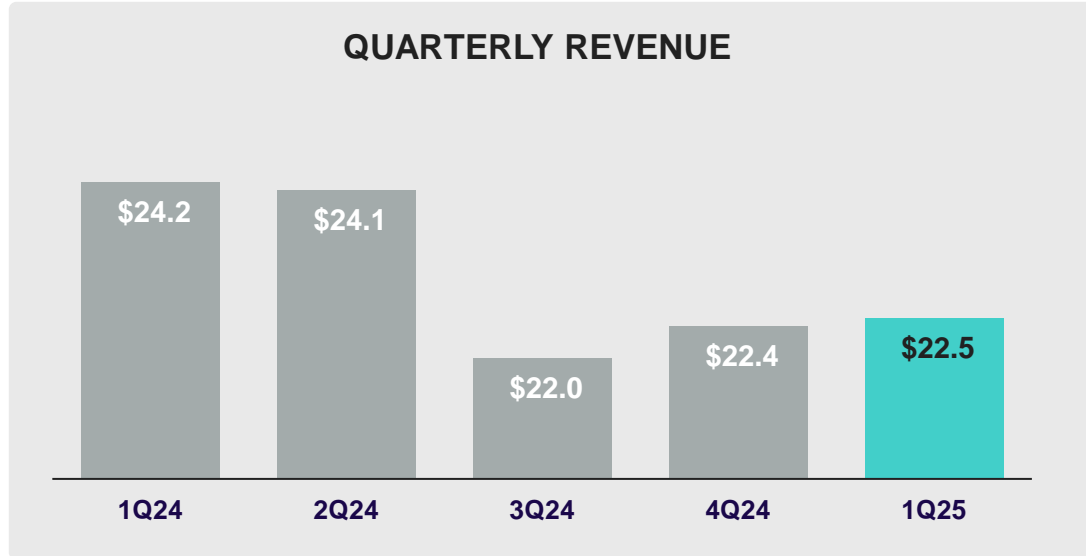
Announced a strategic partnership with Technology North, a pioneering technology organization dedicated to transforming the workplace experience for autistic and neurodivergent individuals. This collaboration empowers public safety agencies, often understaffed and overburdened by public records requests, by accelerating redaction efforts through human-in-the-loop AI solutions.

# Financial Update



# 1Q25 Financial Highlights

\$ in Millions



Gross Revenue Retention<sup>(1)</sup>

**>90%**



Total Software Products & Services Customers<sup>(1)</sup>

**3,156**



Revenue CAGR (2017-2025E)<sup>(2)</sup>

**+29%**

(1) As of March 31, 2025.

(2) Includes contribution from PandoLogic starting in 9/14/2021 and contribution from Broadbean starting on 6/13/2023. Revenue estimates represent the midpoint of Management's Guidance Range provided March 13, 2025.



# Quarterly Key Performance Indicators

<i>\$ in Thousands</i>	Three Months Ended March 31, 2025	Three Months Ended March 31, 2024	Percent Change
Revenue	\$22,463	\$24,153	(7)%
Loss from Operations	\$(20,201)	\$(27,245)	(26)%
Net Loss	\$(19,875)	\$(26,200)	(24)%
Gross Profit	\$13,714	\$16,327	(16)%
Non-GAAP Gross Profit <sup>1</sup>	\$14,629	\$17,205	(15)%
Non-GAAP Net Loss <sup>1</sup>	\$(11,130)	\$(7,619)	46%
Total New Bookings <sup>2</sup>	\$15,835	\$12,964	22%

(1) See Appendix for reconciliation of Non-GAAP Gross Profit to Loss from Operations and Non-GAAP Net Loss to Net Loss.

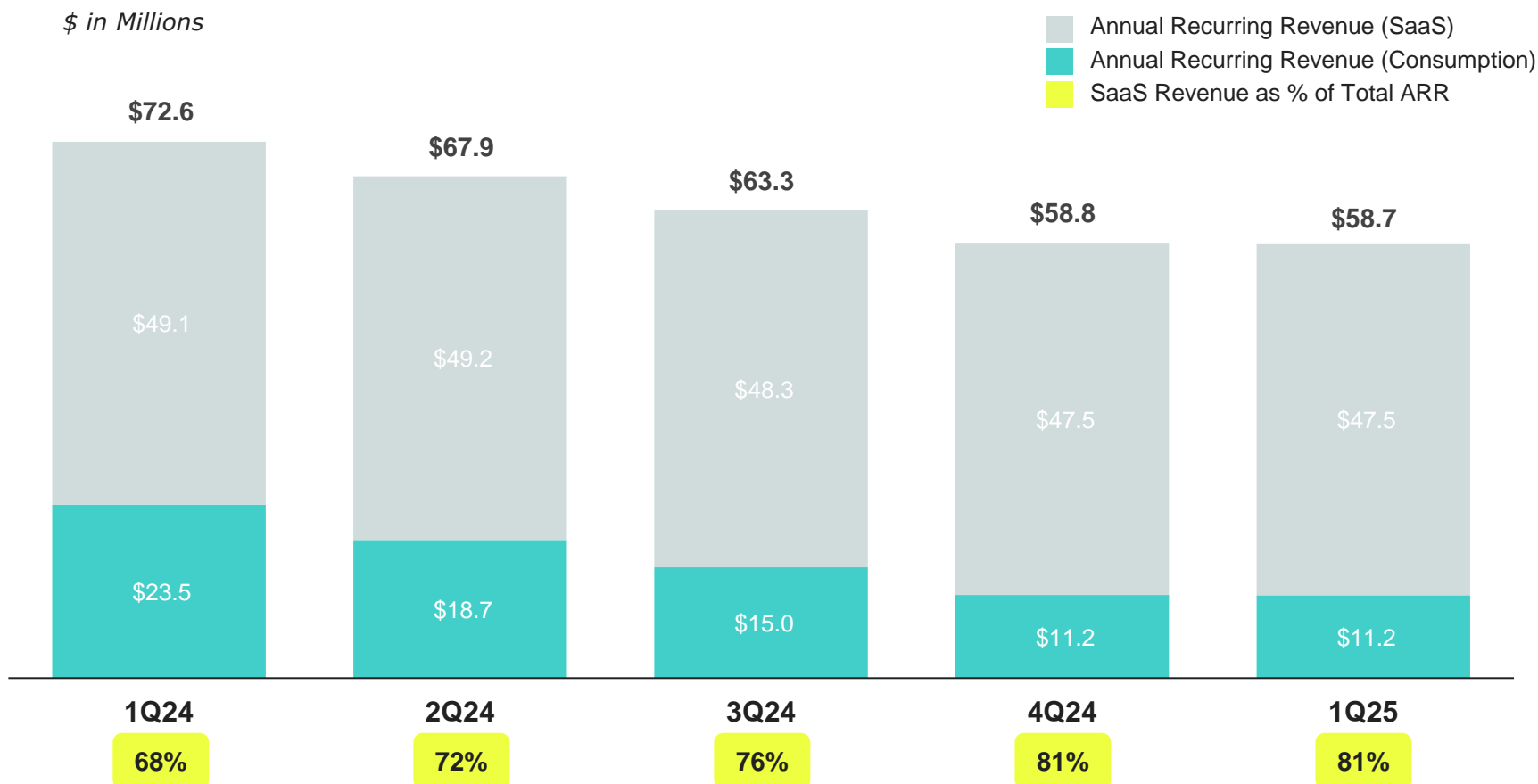
(2) See Appendix for definition of "Total New Bookings"

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# 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.



# 23% YoY Increase

In revenue contribution from Annual Recurring Revenue (SaaS) as a Percentage of Total ARR.

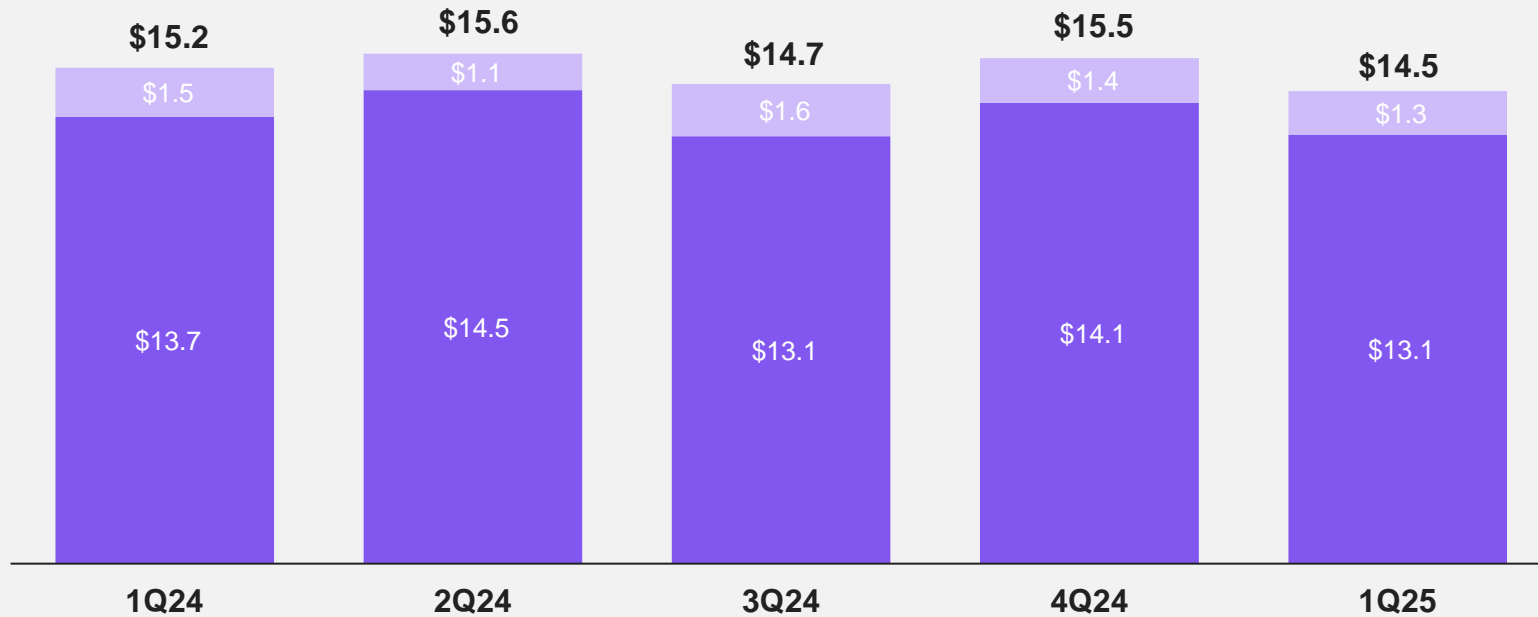




# Software Products & Services

## REVENUE PERFORMANCE

\$ in Millions



### 1Q25 YoY Change

Public Sector	(13.3)%
Commercial	(4.4)%

## 1Q HIGHLIGHTS

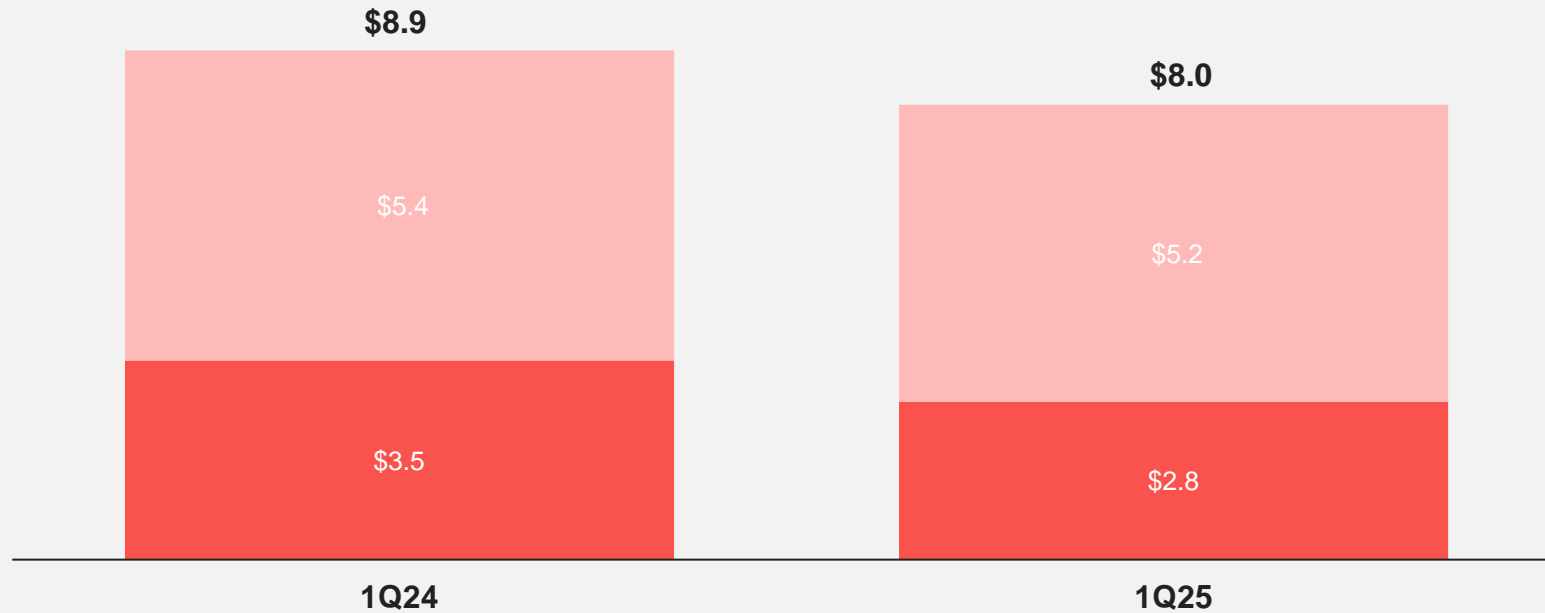
- **Software Products & Services Revenue of \$14.5 million**
- **Total ARR (SaaS and Consumption) of \$58.7 million** from **3,156 Total Software Products & Services Customers**, including ARR (SaaS) of \$47.5 million, representing 81% of total ARR, from subscription-based customers.



# Managed Services

## REVENUE PERFORMANCE

\$ in Millions



1Q25 YoY Change

Licensing	(3.7)%
Representation Services	(20.0)%

## 1Q HIGHLIGHTS

- Revenue of \$8.0 million



# Balance Sheet Summary

<i>\$ in Thousands</i>	Three Months Ended March 31, 2025	Three Months Ended December 31, 2024
Cash and Cash Equivalents	\$16,082	\$16,911
Current Assets	\$61,289	\$59,406
Total Assets	\$199,647	\$198,060
Current Liabilities	\$62,058	\$60,957
Total Liabilities	\$184,893	\$184,608
Stockholders' Equity	\$14,754	\$13,452
Common Shares Outstanding	44,834,462	40,217,628



Appendix



# FY25 Outlook

## Revenue and Non-GAAP Net Loss

<i>\$ in Thousands</i>	<b>FY25 E</b>	<b>2Q25 E</b>
Revenue	\$104.0M – \$115.0M	\$23.0M – \$25.0M
Non-GAAP Net Loss <sup>1</sup>	\$(30.0)M – \$(20.0)M	\$(9.0)M – \$(8.0)M

(1) See Appendix for reconciliation of Non-GAAP Gross Profit to Loss from Operations and Non-GAAP Net Loss to Net Loss.





# Quarterly GAAP to Non-GAAP Reconciliation (Unaudited)

<i>\$ in Thousands</i>	Three Months Ended March 31, 2024	Three Months Ended March 31, 2025
<b>Net loss</b>	<b>\$ (25,198)</b>	<b>\$ (19,875)</b>
Net income from discontinued operations, net of income taxes	(1,002)	—
Interest expense, net	2,462	2,628
Income taxes	(1,045)	(326)
Depreciation and amortization	7,425	6,948
Stock-based compensation	1,534	1,743
Change in fair value of earnout receivable	—	(3,654)
Contingent purchase compensation expense	317	75
Foreign currency impact and other	416	(416)
Acquisition and due diligence costs	903	268
Severance and executive transition costs	3,844	465
Other non-recurring items <sup>1</sup>	—	1,014
<b>Non-GAAP net loss from continuing operations</b>	<b>(10,344)</b>	<b>(11,130)</b>
Non-GAAP net income from discontinued operations <sup>2</sup>	2,725	—
<b>Non-GAAP net loss</b>	<b>\$ (7,619)</b>	<b>\$ (11,130)</b>

(1) Other non-recurring items for the three months ended March 31, 2025 consists of fees paid to the lenders of our senior secured term loan in connection with the Limited Consent to the Credit Agreement entered into on March 13, 2025.

(2) A reconciliation of non-GAAP net income from discontinued operations to GAAP net income from discontinued operations for the three months ended March 31, 2024 is set forth in the table below.



## Reconciliation of GAAP Net Income from Discontinued Operations to Non-GAAP Net Income from Discontinued Operations (Unaudited)

<i>\$ in Thousands</i>	<b>Three Months Ended March 31, 2024</b>
Net income from discontinued operations	<b>\$ 1,002</b>
Interest expense, net	1,528
Depreciation and amortization	77
Stock-based compensation	74
Acquisition and due diligence costs	38
Severance and executive transition costs	6
<b>Non-GAAP net income from discontinued operations</b>	<b>\$ 2,725</b>



## Reconciliation of Expected Non-GAAP Net Loss Range to Expected GAAP Net Loss Range (Unaudited)

<i>\$ in Millions</i>	Three Months Ending June 30, 2025	Year Ending December 31, 2025
Net loss	<b>\$ (21.5) to \$ (18.5)</b>	<b>\$ (80.0) to \$ (62.0)</b>
Interest expense, net	\$3.0 to \$2.5	\$12.0 to \$10.0
Income taxes	\$— to \$(0.5)	\$— to \$(2.0)
Depreciation and amortization	\$7.5 to \$7.0	\$30.0 to \$28.0
Stock-based compensation	\$2.0 to \$1.5	\$8.0 to \$6.0
<b>Non-GAAP net loss</b>	<b>\$ (9.0) to \$ (8.0)</b>	<b>\$ (30.0) to \$ (20.0)</b>



# Quarterly Reconciliation of Non-GAAP Gross Profit to GAAP Gross Profit

<i>\$ in Thousands</i>	Three Months Ended: March 31, 2025	Three Months Ended: March 31, 2024
Revenues	\$22,463	\$24,153
Cost of revenue (exclusive of depreciation and amortization)	\$7,834	\$6,947
Depreciation and amortization related to cost of revenue	\$915	\$879
GAAP gross profit	\$13,714	\$16,327
Depreciation and amortization related to cost of revenue	\$915	\$879
Stock-based compensation	-	\$(1)
Non-GAAP gross profit	\$14,629	\$17,205



# First Quarter 2025 Revenue Summary

<i>\$ in Thousands</i>	1Q24	1Q25	1Q25 CHANGE	
			Q/Q	Y/Y
<b>Commercial Enterprise</b>				
Software Products & Services	\$13,703	\$13,149	(7)%	(4)%
Managed Services	\$8,933	\$7,980	15%	(11)%
<b>Subtotal</b>	<b>\$22,636</b>	<b>\$21,129</b>	<b>-</b>	<b>(7)%</b>
<b>Public Sector</b>				
Software Products & Services	\$1,517	\$1,334	(5)%	(12)%
Managed Services	-	-	-	-
<b>Subtotal</b>	<b>\$1,517</b>	<b>\$1,334</b>	<b>(5)%</b>	<b>(12)%</b>
<b>Total Sales</b>	<b>\$24,153</b>	<b>\$22,463</b>	<b>-</b>	<b>(7)%</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 during the last month of the quarter and also excludes any customers categorized by us as trial or pilot status. 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 inclusive of Broadbean.

**“Annual Recurring Revenue”** is calculated as Annual Recurring Revenue (SaaS), which is an annualized calculation of the monthly recurring revenue in the last month of the calculated quarter for all active Software Products & Services customers, combined with Annual Recurring Revenue (Consumption), which is the trailing twelve-month calculation of all non-recurring and/or consumption-based revenue for all active Software Products & Services customers. Management uses “Annual Recurring Revenue” and we believe Annual Recurring Revenue is useful to investors because Broadbean significantly increases our mix of subscription-based SaaS revenues as compared to non-recurring and/or consumption-based revenues.

**“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. 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. 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).

**“Gross Revenue Retention”** represents a calculation of 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.

**“Non-GAAP Gross Profit”** is defined as gross profit with adjustments to add back depreciation and amortization related to cost of revenue and stock-based compensation.



Thank you.

