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Investor Presentation

August 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 third 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, our Quarterly Report on Form 10-Q for the quarter ended March 31, 2025 and our Quarterly Report on Form 10-Q for the quarter ended June 30, 2025, 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 our ability to repay or refinance our debt prior to its scheduled maturity; 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, service our debt obligations and refinance maturing debt obligations, and the availability of such capital on acceptable terms, if at all; our ability to manage, and obtain the benefits from, our cost reduction efforts; 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 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; our expectations with respect to the future performance of our products, such as iDEMS and VDR (each defined below), including as drivers of future growth; 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, financial instability, inflation and the responses by central banking authorities to control inflation, high interest rates, monetary supply shifts, the imposition of tariffs, trade tensions, and global trade disputes, 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. This presentation does not constitute an offer to sell or the solicitation of an offer to buy any securities, or a solicitation of any vote or approval, nor shall there be any sale of securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. 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.

Founded in

2014

NASDAQ:

VERI

Employees:

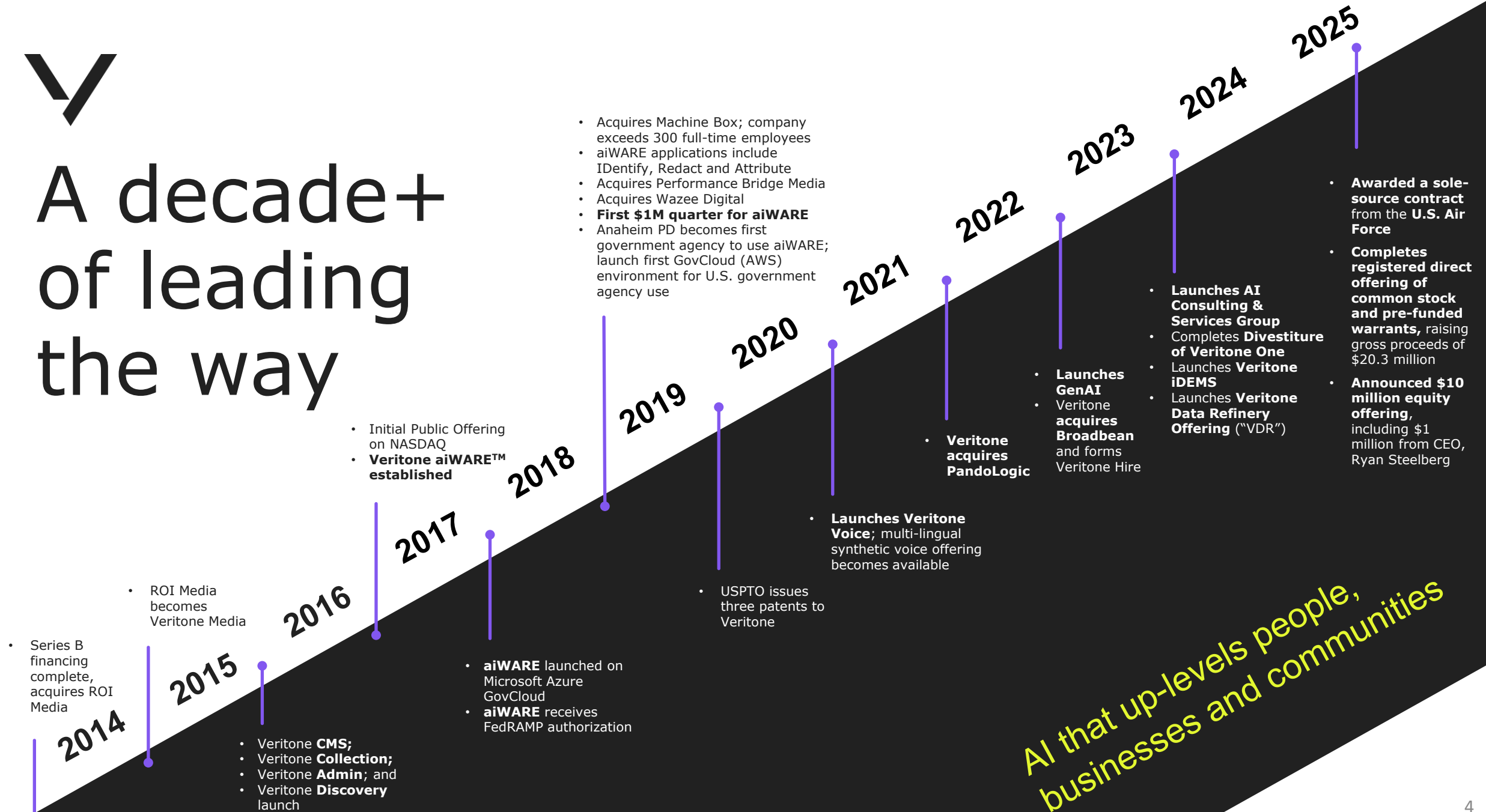
430+*

Software, products &
services customers:

3,060+

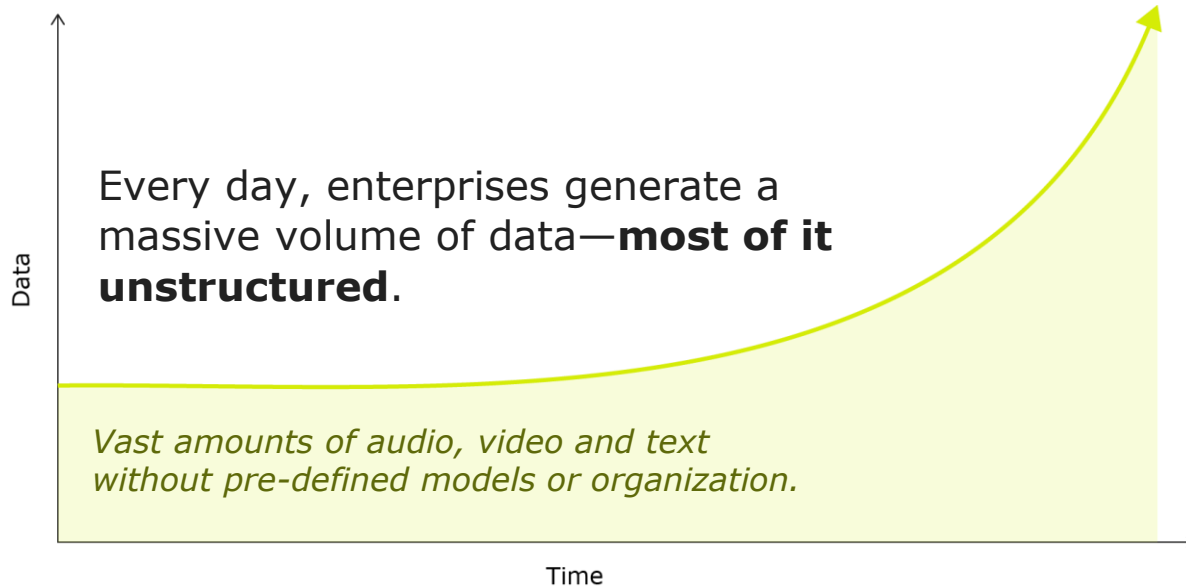


A decade+ of leading the way



AI that up-levels people, businesses and communities

It all starts with data.



Missed revenue and growth opportunities due to limited data utilization



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 insights, insights into action, and action into impact.



Unstructured data in, intelligence and automation 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

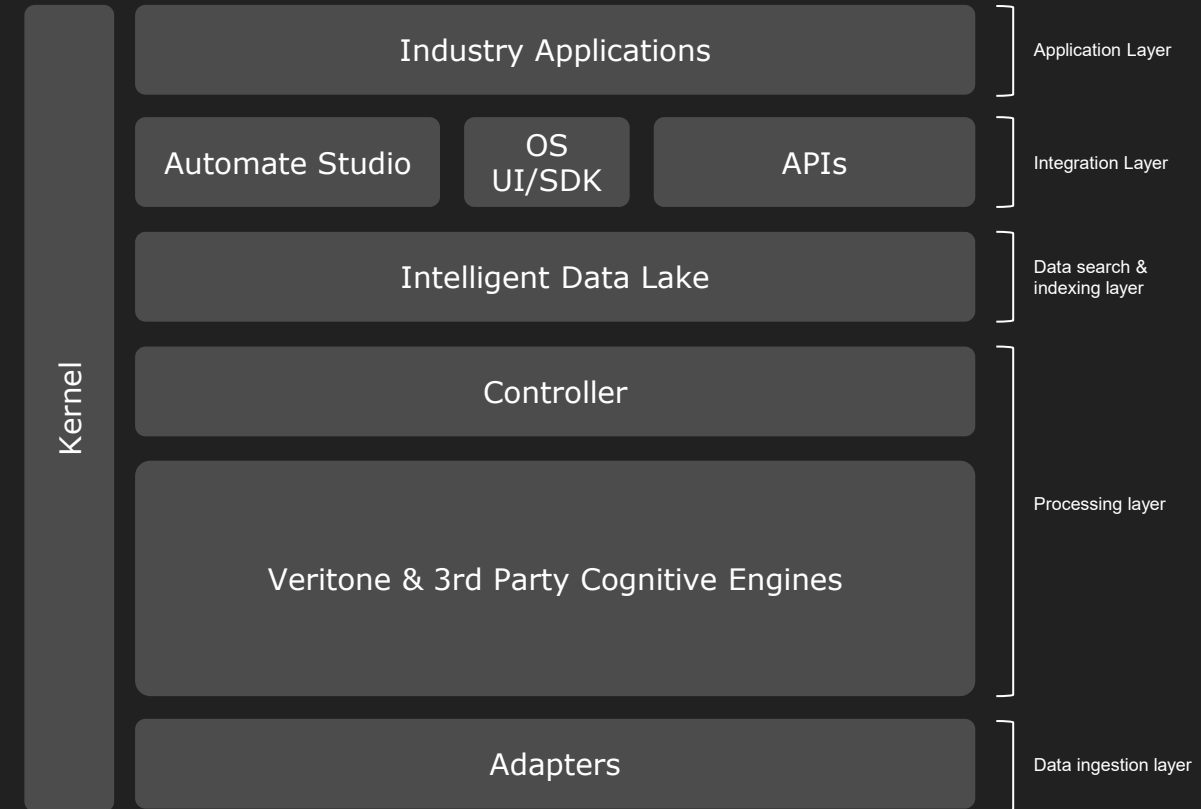


Veritone aiWARE

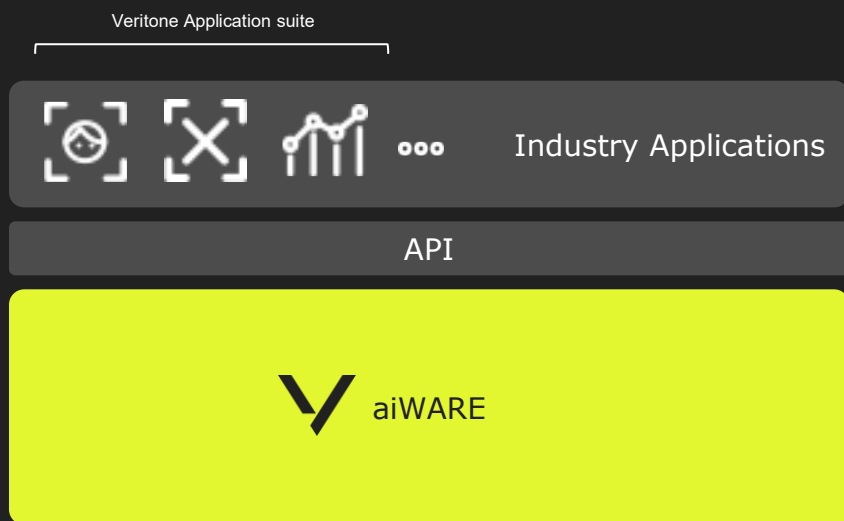
- **AI Platform:** A proprietary AI operating system that supports and offers hundreds of cognitive and generative AI models to analyze, organize, and act on data in near real-time.
- **Intelligent Data Lake:** A central repository and key source of powering ingestion and enriching vast volumes of structured and unstructured data, serving as the foundation for AI-driven analysis, discovery, and action.
- **Multi-Engine Flexibility:** aiWARE seamlessly integrates and manages hundreds of pre-trained generative and large language 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.



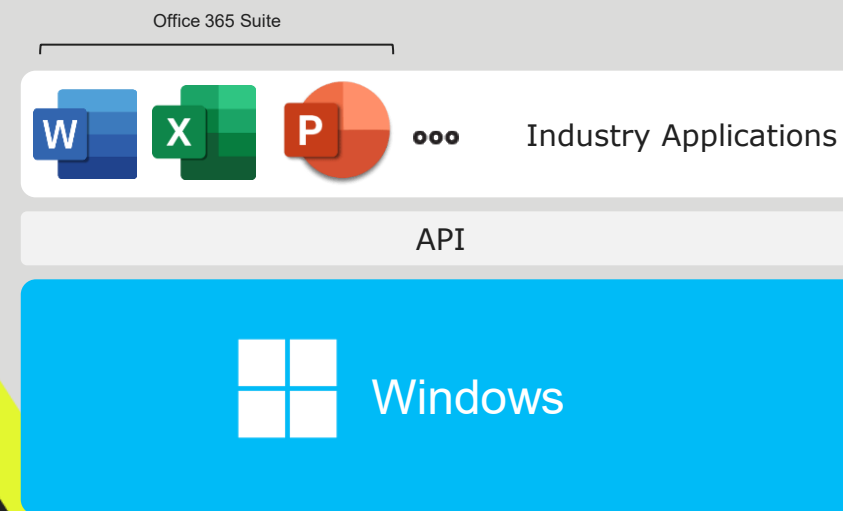
Enterprise AI OS



An Operating system for AI



...compare to a computational OS



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



Problems we solve



Data rich, insight poor

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



Complexity of AI adoption

Regulators and the public expect AI to be deployed responsibly and with human oversight.



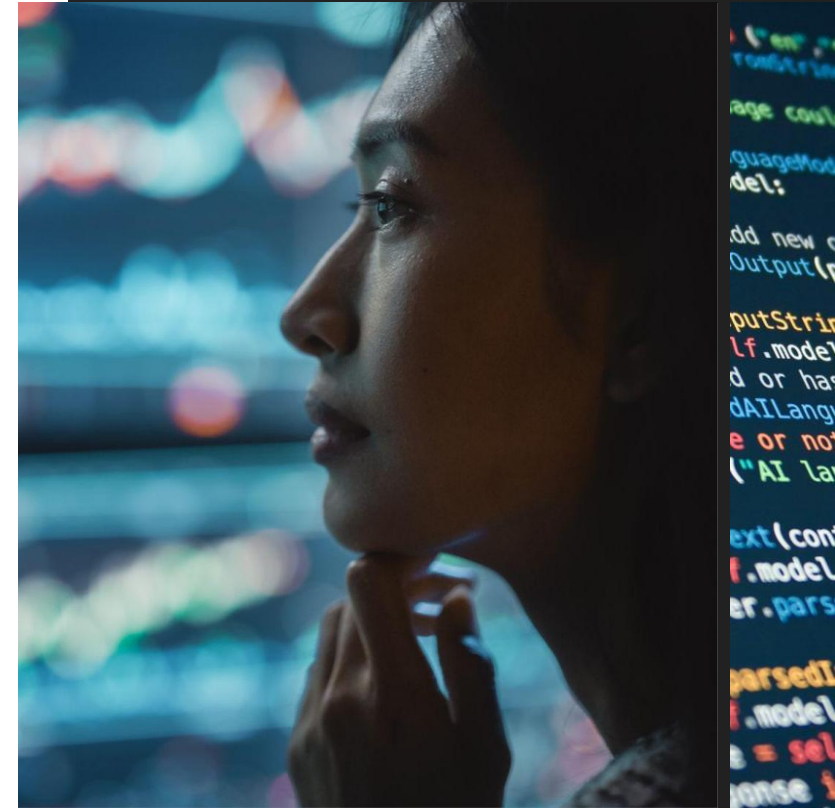
Restricted AI ecosystems

Legacy technology is not designed to efficiently integrate, process, and analyze large amounts of diverse data, overlooking optimization for third-party integration.



Slow & inefficient workflows

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



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



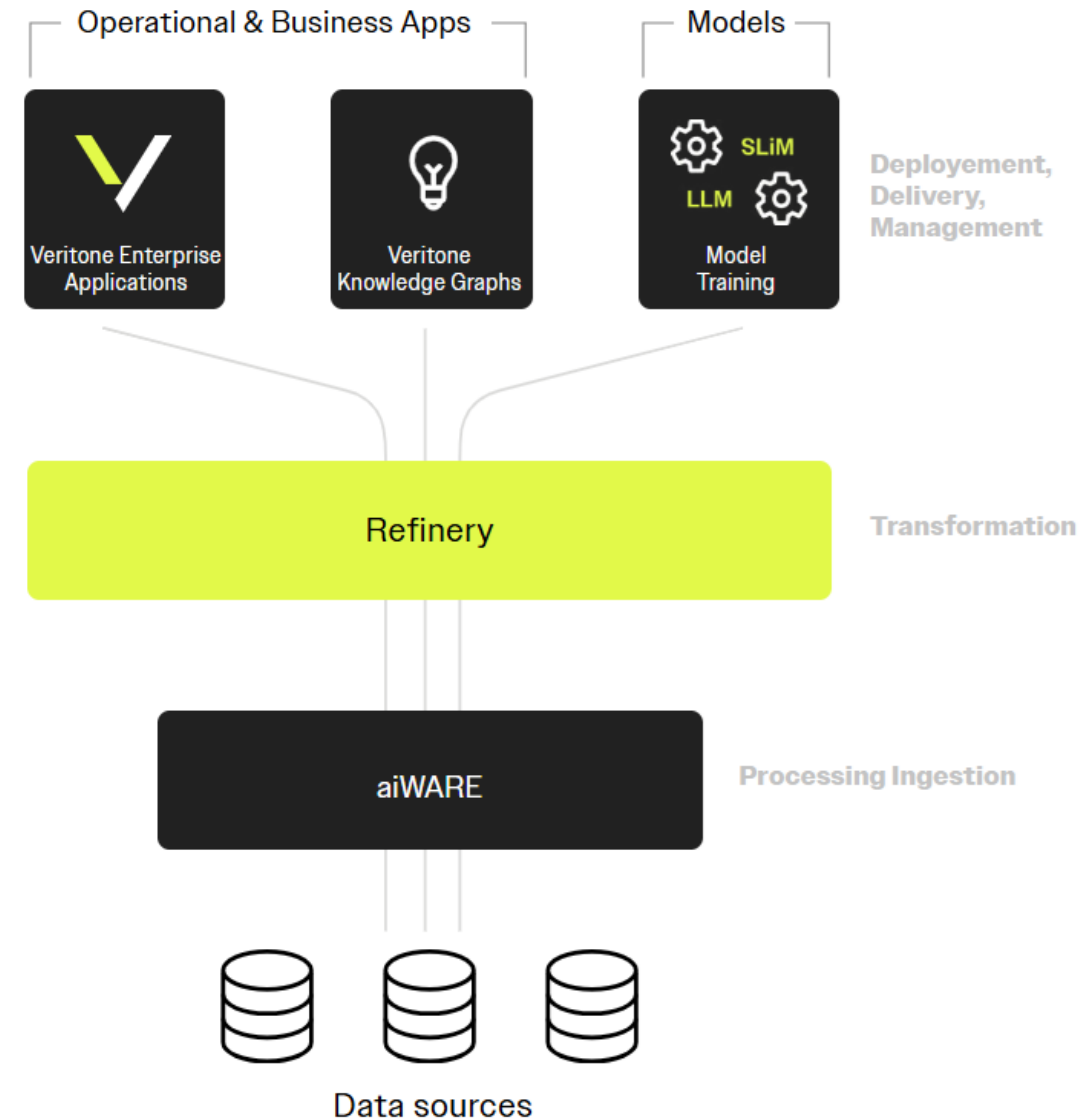
Transform data. Power Intelligence.

Meet Veritone Data Refinery (VDR).

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

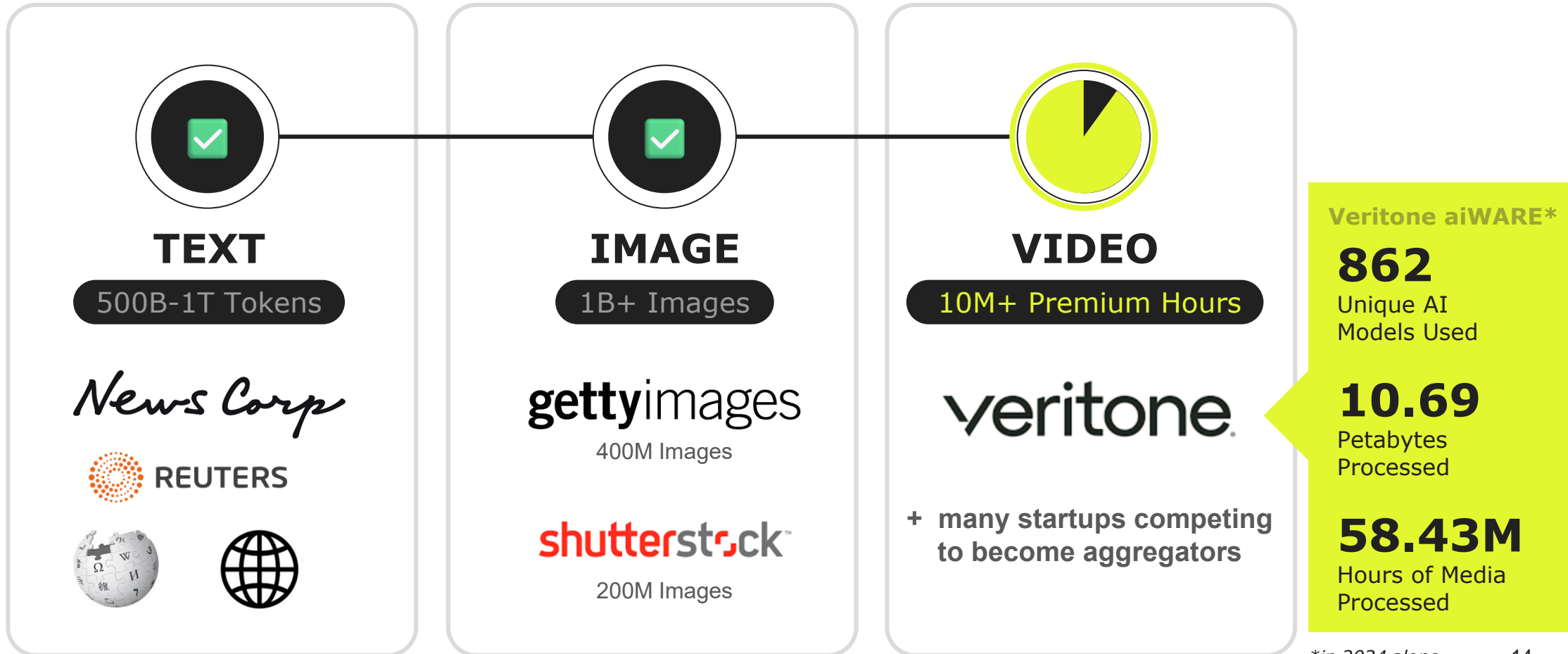
Through aiWARE's advanced capabilities, VDR transforms disparate data silos into a centralized and secure repository for video, audio and text data. From this repository, enterprises can:

- + 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.

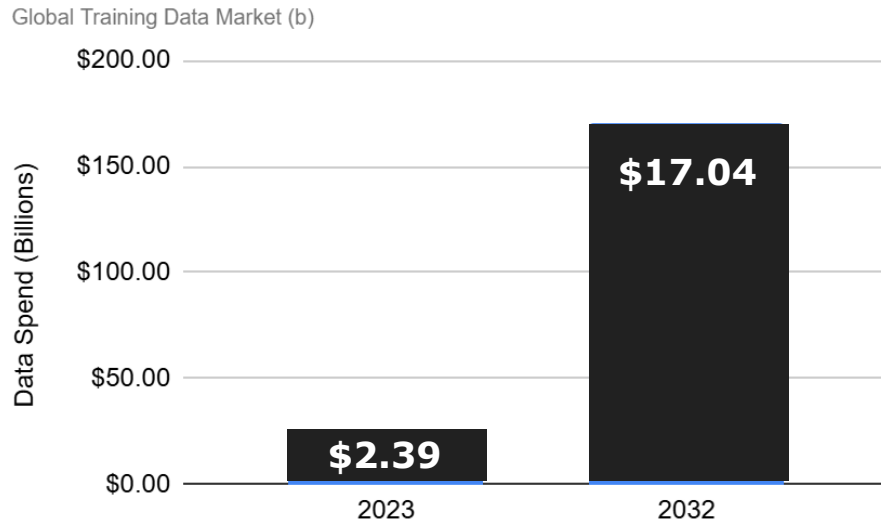
As AI models' data needs advance from Text, to Images, to Audio & Video, Veritone is uniquely and strategically positioned to capitalize on this audio and video market demand.



Significant revenue opportunities.

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

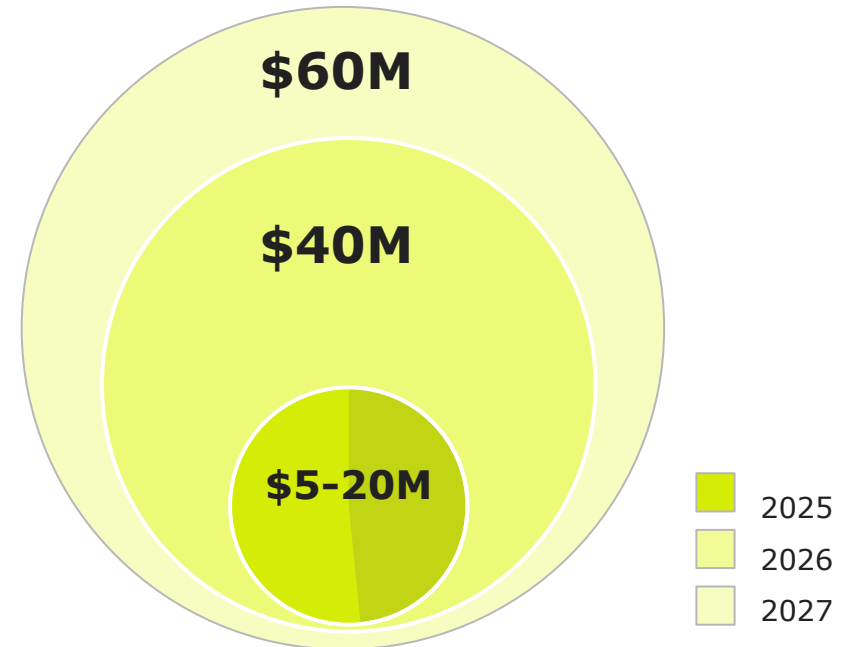
\$17B Training Data Market¹



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

²Based on management’s expectations

Direct Veritone Revenue Opportunity²



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 2Q25¹

Financials

\$24.0M

2Q25
Total Revenue

\$17.5M

2Q25
Software Products &
Services Revenue

\$13.6M

Cash & Cash
Equivalents²

KPIs

3,067

2Q25 Total Software
Products & Services
Customers²

\$62.6M

2Q25 Annual
Recurring Revenue³

>90%

2Q25 Gross Revenue
Retention^{2,3}

Recent Business Highlights

May
27

Veritone Signs Agreement with Riverside County Sheriff's Office for AI Redaction Technology

Announced a multi-year agreement with the Riverside County Sheriff's Office (RCSO) for the deployment of Veritone's industry-leading redaction software, part of its Intelligent Digital Evidence Management System (iDEMS) suite.

Jun
25

Veritone Awarded Sole Source Contract from Air Force

Announced it was awarded a sole source (one year plus four years) contract with the Air Force Office of Special Investigations (AFOSI). Under the contract, Veritone's aiWARETM platform, Intelligent Digital Evidence Management System (iDEMS) and professional services will provide AFOSI with advanced investigative and information capabilities to enhance and accelerate data analysis and workflows, investigative activity across several mission areas, and situational awareness.

Jun
26

Initiated Cost Reduction and Restructuring Initiatives in June 2025, Providing Annualized Savings of up to \$10 Million

Announced that Veritone implemented certain cost savings and restructuring initiatives to further streamline the business and improve its financial condition following the completion of previously announced initiatives, accelerating the path to profitability. Actions are expected to generate annualized savings of up to \$10.0 million, with \$7.5 million already achieved.

Jun
30

Veritone Announces Equity Offering of \$10 Million with Participation from CEO

Announced Veritone entered into a definitive agreement for the purchase and sale of shares of common stock and pre-funded warrants in a registered direct offering to a group of investors and a concurrent private placement transaction with CEO, Ryan Steelberg.

Jul
17

Veritone's AI-Powered Tools Assessed "Awardable" for DoD Work in the P1 Solutions Marketplace

Announced that it has achieved "Awardable" status through the Platform One (P1) Solutions Marketplace meaning Veritone solutions are now readily accessible to DoD customers through the platform of post-competition, readily awardable solutions which address the government's greatest requirements in hardware, software and service solutions.

Jul
29

Guinness World Records Teams with Veritone to Launch New Archive of Record-Breaking Footage

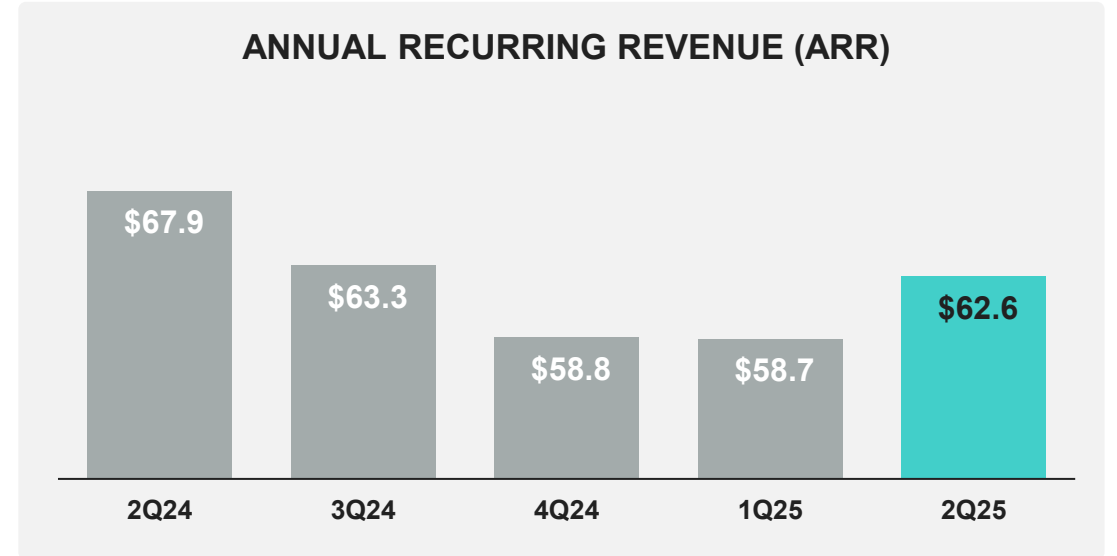
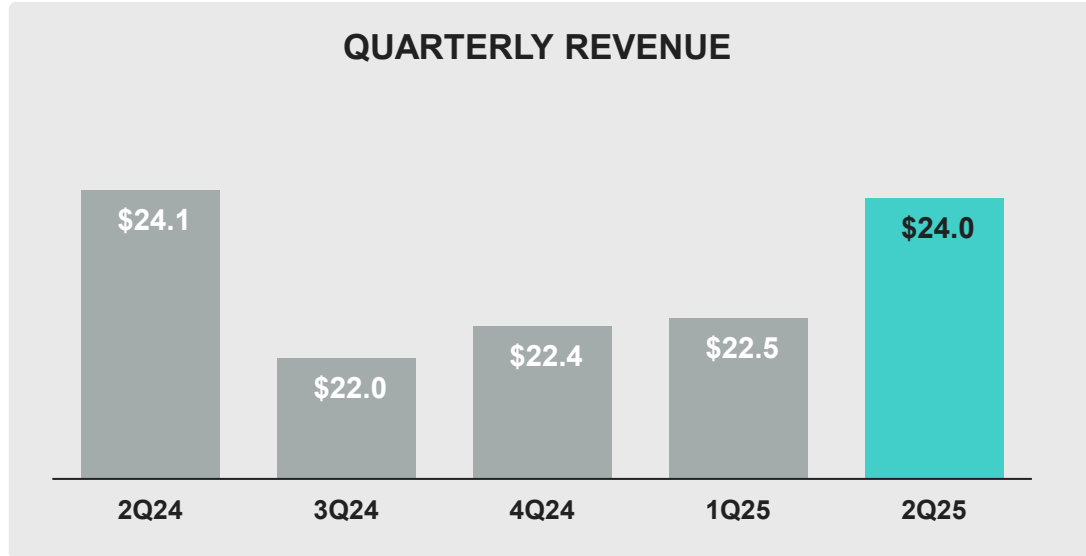
Announced a partnership with Guinness World Records to launch an online platform featuring exclusive record-breaking clips and images powered by Veritone's Digital Media Hub (DMH) to enable broadcasters, publishers, brands and content creators to easily search, access and license content from Guinness World Records' iconic archive.

Financial Update



2Q25 Financial Highlights

\$ in Millions



Gross Revenue Retention⁽¹⁾

>90%



Total Software Products & Services Customers⁽¹⁾

3,067



Revenue CAGR (2017-2025E)⁽²⁾

+26%

(1) As of June 30, 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 August 7, 2025.

Quarterly Key Performance Indicators

<i>\$ in Thousands</i>	Three Months Ended June 30, 2025	Three Months Ended June 30, 2024	Percent Change
Revenue	\$24,013	\$24,058	—%
Loss from Operations	\$(19,318)	\$(20,306)	(5)%
Net Loss	\$(26,798)	\$(22,231)	21%
Gross Profit	\$15,344	\$16,415	(7)%
Non-GAAP Gross Profit ¹	\$16,535	\$17,716	(7)%
Non-GAAP Net Loss ¹	\$(8,713)	\$(6,850)	27%
Total New Bookings ²	\$15,766	\$14,047	12%

(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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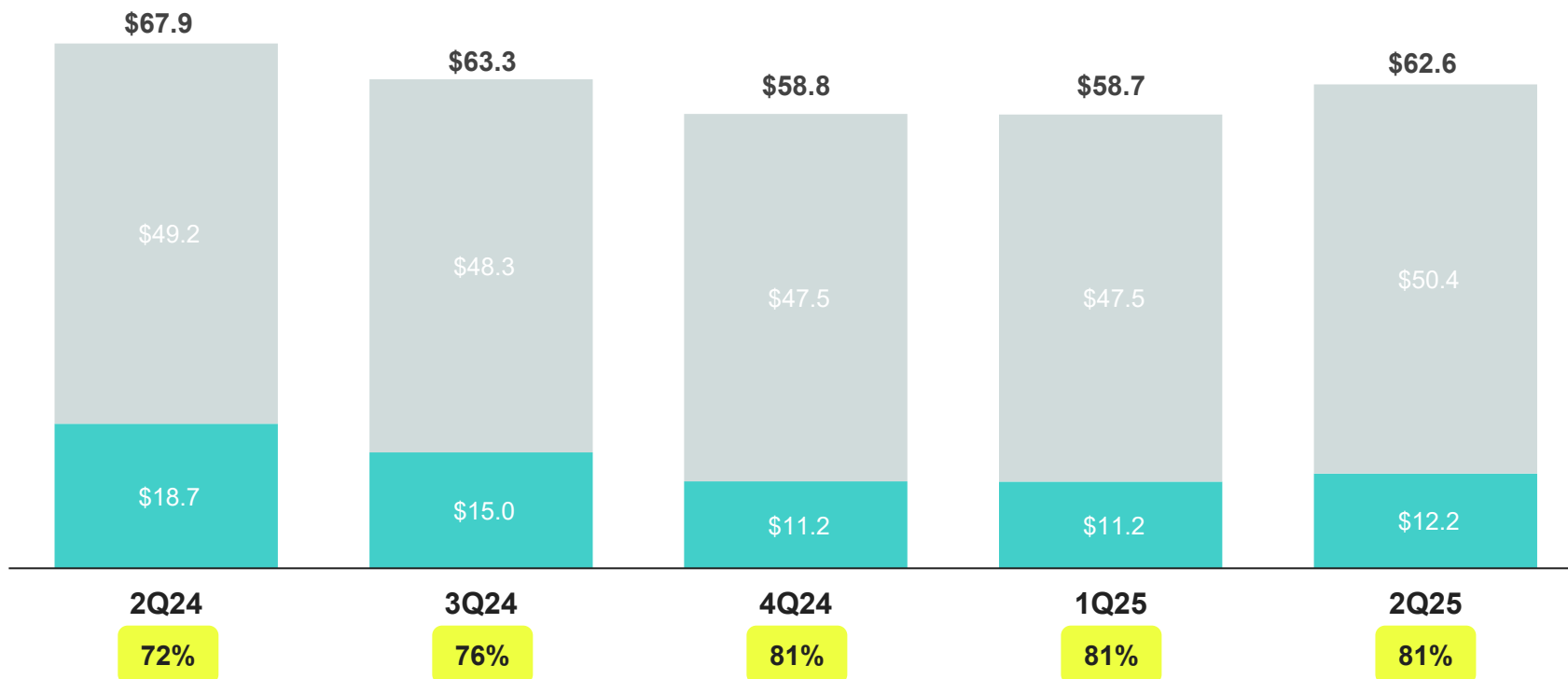


Diverse Revenue Mix

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

\$ in Millions

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



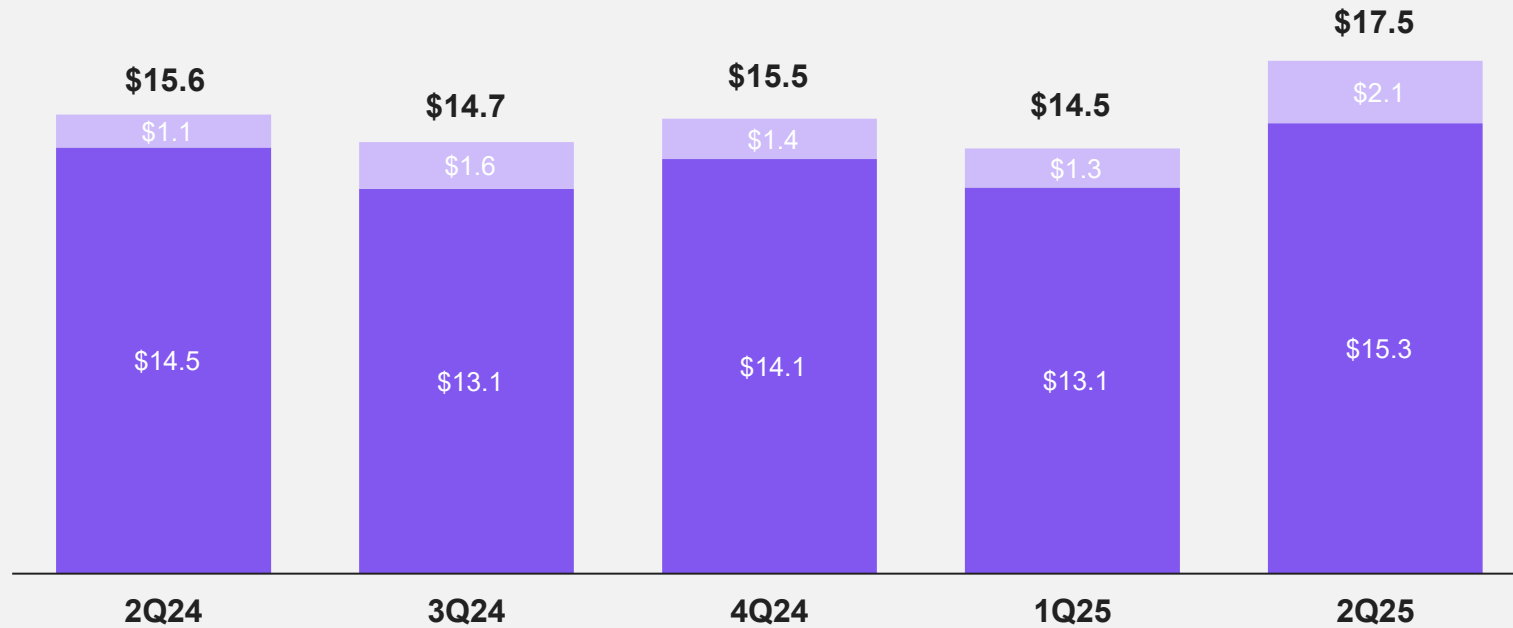
2%
YoY Increase
Annual Recurring Revenue (SaaS)



Software Products & Services

REVENUE PERFORMANCE

\$ in Millions



2Q25 YoY Change

Public Sector	90%
Commercial	6%

2Q HIGHLIGHTS

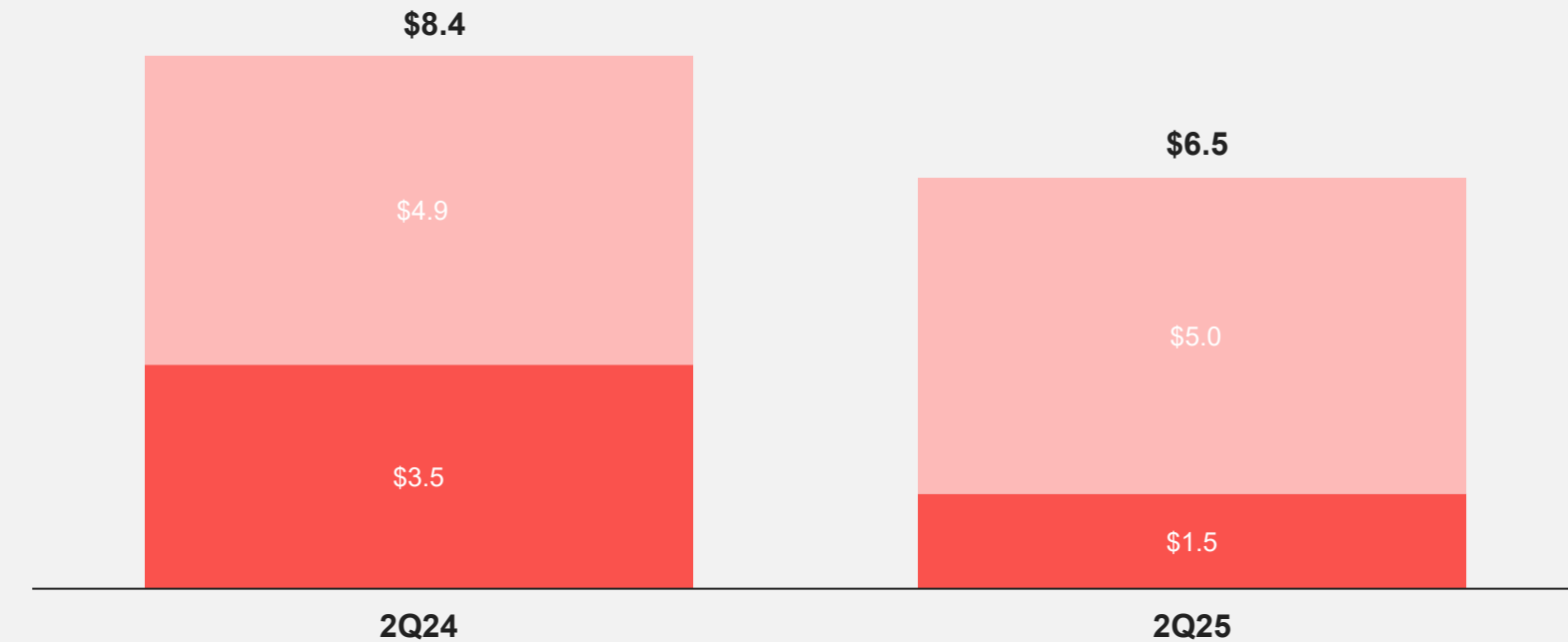
- **Software Products & Services Revenue of \$17.5 million**
- **Total ARR (SaaS and Consumption) of \$62.6 million from 3,067 Total Software Products & Services Customers, including ARR (SaaS) of \$50.4 million, representing 80% of total ARR, from subscription-based customers.**



Managed Services

REVENUE PERFORMANCE

\$ in Millions



2Q25 YoY Change

Licensing	3%
Representation Services	(57)%

2Q HIGHLIGHTS

- Revenue of \$6.5 million
- Decline in Representation Services is primarily due to a large one-time live event campaign in 2Q24 which did not repeat in 2Q25.



Balance Sheet Summary

<i>\$ in Thousands</i>	Three Months Ended June 30, 2025	Three Months Ended December 31, 2024
Cash and Cash Equivalents	\$13,568	\$16,911
Current Assets	\$57,940	\$59,406
Total Assets	\$186,806	\$198,060
Current Liabilities	\$64,842	\$60,957
Total Liabilities	\$185,588	\$184,608
Stockholders' Equity	\$1,218	\$13,452
Common Shares Outstanding ¹	47,583,142	40,217,628

¹On July 1, we issued 6,452,293 shares and pre-funded warrants to purchase 1,804,587 shares of common stock in connection with our registered direct offering announced on June 30.



Appendix



Outlook

Revenue and Non-GAAP Net Loss

<i>\$ in Thousands</i>	FY25 E	3Q25 E
Revenue	\$108.0M – \$115.0M	\$28.0M – \$30.0M
Non-GAAP Net Loss ¹	\$(30.0)M – \$(25.0)M	\$(6.5)M – \$(6.0)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 June 30, 2024	Three Months Ended June 30, 2025
Net loss	\$ (22,231)	\$ (26,798)
Net income from discontinued operations, net of income taxes	(1,146)	—
Interest expense, net	3,034	3,434
Income taxes	(78)	884
Depreciation and amortization	6,877	7,172
Stock-based compensation	2,059	1,710
Change in fair value of earnout receivable	—	2,870
Contingent purchase compensation expense	568	138
Foreign currency impact and other	(61)	254
Acquisition and due diligence costs	202	588
(Gain) Loss on asset disposition	170	—
Severance and executive transition costs	903	1,035
Other non-recurring items ¹	—	—
Non-GAAP net loss from continuing operations	(9,703)	(8,713)
Non-GAAP net income from discontinued operations ²	2,853	—
Non-GAAP net loss	\$ (6,850)	\$ (8,713)

(1) Other non-recurring items for the six months ended June 30, 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 June 30, 2025 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>	Three Months Ended June 30, 2024	Six Months Ended June 30, 2024
Net income from discontinued operations, net of income taxes	\$ 1,146	\$2,148
Interest expense, net	1,463	2,991
Income taxes	35	35
Depreciation and amortization	82	159
Stock-based compensation	80	154
Acquisition and due diligence costs	39	77
Severance and executive transition costs	8	14
Non-GAAP net income from discontinued operations	\$ 2,853	\$5,578



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

<i>\$ in Millions</i>	Three Months Ending September 30, 2025	Year Ending December 31, 2025
Net loss	\$(19.0) to \$(16.5)	\$(80.0) to \$(67.0)
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
Non-GAAP net loss	\$(6.5) to \$(6.0)	\$(30.0) to \$(25.0)



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

\$ in Thousands

	Three Months Ended: June 30, 2025	Three Months Ended: June 30, 2024
Revenues	\$24,013	\$24,058
Operating expenses:		
Cost of revenue (exclusive of depreciation and amortization)	\$7,478	\$6,342
Depreciation and amortization related to cost of revenue	\$1,191	\$1,301
GAAP gross profit	\$15,344	\$16,415
Depreciation and amortization related to cost of revenue	\$1,191	\$1,301
Non-GAAP gross profit	\$16,535	\$17,716



Second Quarter 2025 Revenue Summary

<i>\$ in Thousands</i>	2Q24	2Q25	2Q25 CHANGE	
			Q/Q	Y/Y
Commercial Enterprise				
Software Products & Services	\$14,510	\$15,334	17%	6%
Managed Services	\$8,426	\$6,544	(18)%	(22)%
Subtotal	\$22,936	\$21,878	4%	(5)%
Public Sector				
Software Products & Services	\$1,122	\$2,135	60%	90%
Managed Services	-	-	-	-
Subtotal	\$1,122	\$2,135	60%	90%
Total Sales	\$24,058	\$24,013	7%	-%



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 subscription-based SaaS 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-based revenues and the split between the two allows us to delineate between predictable recurring SaaS revenues and more volatile consumption-based 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-based revenues and the split between the two allows us to delineate between predictable recurring SaaS revenues and more volatile consumption-based 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.

“Pipeline” represents revenue we expect to receive based on the total fees payable during the full contract term for new contracts outstanding at the end of the quarter and contracts that we believe have a high probability of closing in the next three to twelve months. We include in our sales pipeline fees payable during any cancellable portion and an estimate of license fees that may fluctuate over the term and we do not include any variable fees under the contract (e.g., fees for cognitive processing, storage, professional services and other variable services) and any fees payable after contract renewals or extensions that are at the discretion of our customer. Many of our contracts require us to provide services over more than one year and may include professional fees required to enable our technology in certain environments we do not host or have direct control over. In some cases, our customers may have the ability to terminate our agreements on short notice and our pipeline does not consider the potential impact of any early termination. No assurance can be given that we will ultimately realize our full sales pipeline.



Thank you.

