

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549**

**FORM 8-K**

**CURRENT REPORT**

**Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

**Date of Report (Date of earliest event reported): August 3, 2021**

**Veritone, Inc.**

(Exact name of Registrant as Specified in Its Charter)

**Delaware**  
(State or Other Jurisdiction  
of Incorporation)

**001-38093**  
(Commission File Number)

**47-1161641**  
(IRS Employer  
Identification No.)

**1515 Arapahoe St., Tower 3, Suite 400**  
**Denver, Colorado**  
(Address of Principal Executive Offices)

**80202**  
(Zip Code)

**Registrant's Telephone Number, Including Area Code: (888) 507-1737**

**Not Applicable**  
(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instructions A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Exchange Act:

| Title of each class                       | Trading<br>Symbol(s) | Name of each exchange on which registered |
|---|----------------------|---|
| Common Stock, par value \$0.001 per share | VERI                 | The NASDAQ Stock Market LLC               |

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

**Item 2.02. Results of Operations and Financial Condition.**

On August 3, 2021, Veritone, Inc. (the “Company”) announced its financial results for the second quarter and six months ended June 30, 2021, as well as its outlook for certain financial measures for the third quarter and full year of 2021. The press release issued by the Company in connection with the announcement is attached to this report as Exhibit 99.1.

This information shall not be deemed “filed” for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference into any filing by the Company under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, except as may be set forth by specific reference in such a filing.

***Use of Non-GAAP Financial Measures***

In the press release attached to this report as Exhibit 99.1, the Company has supplemented its financial measures prepared in accordance with U.S. generally accepted accounting principles (GAAP) with non-GAAP financial measures. These non-GAAP financial measures and the reasons for their inclusion, as well as the limitations on the usefulness of such information to an investor, are described below.

The Company has provided a non-GAAP measure of “gross profit,” which is the Company’s revenue less its cost of revenue, and non-GAAP measures of “Non-GAAP net loss” and “Non-GAAP net loss per share,” which represent the Company’s net loss and net loss per share, adjusted to exclude interest expense, provision for income taxes, depreciation expense, amortization expense, stock-based compensation expense, a reserve for state sales taxes, charges related to a facility sublease, gain of sale of asset, warrant expense, acquisition and due diligence costs, and severance and executive search costs, for the three and six months ended June 30, 2021 and 2020. The Company has also provided guidance regarding its expected Non-GAAP net loss for the third quarter and full year of 2021.

Tables detailing the items excluded from these non-GAAP financial measures and reconciling such non-GAAP results and guidance with the Company’s GAAP results and guidance are included following the financial statements that are a part of the press release. The tables also include a breakdown of GAAP net loss, non-GAAP net income (loss) and these excluded items between the Company’s core operations and corporate. These non-GAAP 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 Non-GAAP net loss or Non-GAAP net loss per share differently.

In addition, following the financial statements attached to the press release, the Company has provided supplemental non-GAAP measures of gross profit, operating expenses, loss from operations, other (expense) income, net, and loss before income taxes, excluding the items excluded from Non-GAAP net loss as noted above that are applicable to such measures, and reconciling such non-GAAP measures to the applicable GAAP measures.

The Company has provided these non-GAAP measures in addition to its GAAP results because management believes that they are 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. This non-GAAP financial information 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.

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**Item 9.01. Financial Statements and Exhibits.**

**(d) Exhibits.**

| <b>Exhibit No.</b> | <b>Description</b>   |
|--------------------|--|
| 99.1               | <a href="#">Press Release dated August 3, 2021 (furnished pursuant to Item 2.02 and not deemed filed).</a> |
| 104                | Cover Page Interactive Data File (embedded within the Inline XBRL document).                               |

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**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: August 3, 2021

**Veritone, Inc.**

By: /s/ Michael L. Zemetra  
Michael L. Zemetra  
Executive Vice President, Chief Financial Officer  
and Treasurer

## Veritone Reports Record Q2 Results, Raises Guidance for Fiscal 2021

### *Q2 aiWARE SaaS Solutions up 86% year over year*

- **Posted Record Revenue in Q2 of \$19.2 Million, Up 45% Year over Year**
- **Increased Q2 Gross Profit 47% Year over Year to \$14.0 Million**
- **Reported Q2 GAAP Net Loss of \$12.7 Million**
- **Improved Q2 Non-GAAP Net Loss 32% Year over Year to \$3.9 Million**
- **Raised Full Year 2021 Guidance, Increasing Midpoints in Revenue from \$81 Million to \$100 Million and in Non-GAAP Net Loss from \$15.5 Million to \$7.0 Million\***
- **Signed a Definitive Agreement in July to Acquire PandoLogic Ltd, an Intelligent Hiring Platform, with Pro Forma 2021 Revenue over \$50 Million and Non-GAAP Net Income over \$25 Million**

**DENVER, CO – August 3, 2021 – Veritone, Inc. (NASDAQ: VERI)**, a leading provider of artificial intelligence (AI) technology and solutions, today reported results for the quarter ended June 30, 2021.

Veritone reported revenue of \$19.2 million for the second quarter of 2021, reflecting its fifth consecutive quarter of record contributions from aiWARE SaaS Solutions and Advertising. For the second quarter of 2021, GAAP net loss was \$12.7 million. Non-GAAP net loss was \$3.9 million, improving \$1.8 million compared with the second quarter of 2020.

“Q2 was once again exceptional, and we achieved our fifth consecutive quarter of record results,” said Chad Steelberg, Chairman and CEO of Veritone. “Executing on all fronts, we completed a major milestone with the release of aiWARE 3.0, including next generation synthetic voice technology Marvel.ai, successfully deployed our energy Forecaster and Controller at a major utility in the East Coast, and signed a definitive agreement to acquire next generation intelligent hiring platform, PandoLogic. The acquisition is expected to be immediately accretive beginning in Q4 2021, transforming our operating profile, with scale and increased SaaS revenue contribution. With our increasing confidence and improving visibility into our continued growth, we are raising our full year guidance.”

Ryan Steelberg, President of Veritone added, “Veritone’s strength continues to build as our customers find increasing value in our AI solutions and our sales cycles and new market penetration are accelerating. Our go to market strategy and partner relationships are maturing, as we continue to expand the penetration of existing accounts and land new accounts in new markets. We delivered strong growth across the board, notably SaaS revenue grew by 86% year-over-year and achieved its largest bookings quarter ever. Having established strong momentum in the first six months of the year, we expect to build upon that going forward.”

### **Recent Business Highlights**

- Launched MARVEL.ai, a complete end-to-end voice-as-a-service solution, to create and monetize hyper-realistic synthetic voice content at commercial scale.
- Deployed Energy Forecaster and Controller solutions to a lead utility customer.
- Forged a new partnership with *Sports Illustrated* to monetize the brand’s iconic sports and entertainment content.
- Unveiled device learning model for SMA Sunny Central solar inverters, driving GRID reliability in the global transition to green energy.
- Awarded US patent for dynamic AI model orchestration.
- Signed a definitive agreement in July 2021 to acquire PandoLogic Ltd to expand Veritone’s AI platform to include intelligent recruitment. The deal was valued at \$150 million in cash and stock, with \$50 million in cash and \$35 million in stock (1.7 million shares) to be paid at closing, and the remaining \$65 million to be paid in cash and stock based upon PandoLogic achieving certain financial conditions in fiscals 2021 and 2022. The transaction is subject to customary closing conditions and is expected to finalize by late September 2021.

### **Business Outlook**

\* The company outlook assumes the completion of the PandoLogic in late September 2021.

### **Third Quarter 2021**

- Revenue is expected to be in the range of \$21.5 million to \$22.5 million, representing a 40% increase year over year at the midpoint.
- Non-GAAP net loss is expected to be in the range of \$4.5 million to \$3.5 million, representing a 7% improvement year over year at the midpoint.

### **Full Year 2021**

- The Company increased its 2021 revenue expectations to be in the range of \$96.5 million to \$103.5 million, representing a 73% increase year over year at the midpoint with aiWARE SaaS Solutions revenue expected to grow over 200% year over year.
- The Company narrowed its 2021 non-GAAP net loss expectations to be in the range of \$8.5 million to \$5.5 million, representing a 66% improvement year over year at the midpoint.

## **Financial Results for Second Quarter Ended June 30, 2021**

Revenue was a record \$19.2 million, compared with \$13.3 million in the second quarter of 2020. The growth reflects a 86% increase in aiWARE SaaS Solutions, including strong growth from the Company's M&E and GLC services; a 42% increase in Advertising driven by higher gross billings at VeritoneOne and growth in our VeriAds Network and an 13% increase in aiWARE Content Licensing and Media Services. Gross profit increased 47% year over year to \$14.0 million, compared with \$9.5 million in the second quarter of 2020, driven largely by the revenue growth in aiWARE SaaS Solutions and Advertising.

GAAP net loss was \$12.7 million, compared with a GAAP net loss of \$11.8 million in the second quarter of 2020. Non-GAAP net loss was \$3.9 million, improving \$1.8 million year-over-year compared with \$5.7 million in the second quarter of 2020. This was driven by the \$1.9 million improvement in Core Operations, which reported Q2 2021 non-GAAP net income of \$1.4 million, up from Q2 2020 non-GAAP net loss of \$0.5 million reflecting higher gross margins offset by greater operating expenses to support the Company's growth.

As of June 30, 2021, the Company had cash and cash equivalents of \$120.6 million, including \$48.2 million of cash received from Advertising clients for future payments to vendors, and no long-term debt.

## **Conference Call**

Veritone will hold a conference call on Tuesday, August 3, 2021 at 4:30 p.m. Eastern Time (1:30 p.m. Pacific Time) to discuss its results for the second quarter of 2021 and its outlook for the third quarter and full year of 2021, provide an update on the business, and conduct a question and answer session. To listen, please join the webcast or dial-in. To avoid a wait, if dialing in, please pre-register or call in 20 minutes in advance.

- Preregister\* <https://dpregrister.com/sreg/10157840/e9f4c3bca0>
- Live audio webcast: [investors.veritone.com](https://investors.veritone.com)
- Domestic call number: 844-750-4897
- International call number: 412-317-5293
- Call ID: 10157840

\* Callers who pre-register will be emailed upon registering a conference pass code and unique PIN to gain immediate access to the call and bypass the live operator. Participants may pre-register at any time, including up to and after the call start time. If you have any difficulty connecting with the conference call, please contact LHA Investor Relations at 415-433-3777.

A replay of the audio webcast will be available on the Company's website approximately one hour after the call ends. A telephonic replay of the call will be available through August 17, 2021:

|                              |                |
|------------------------------|----------------|
| Replay number:               | 1-877-344-7529 |
| International replay number: | 1-412-317-0088 |
| Replay ID:                   | 10157840       |

## **About the Presentation of Supplemental Non-GAAP Financial Information**

In this news release, the Company has supplemented its financial measures prepared in accordance with U.S. generally accepted accounting principles (GAAP) with certain non-GAAP financial measures: "gross profit," "Non-GAAP net loss," and "Non-GAAP net loss per share." Gross profit is the Company's revenue less its cost of revenue. Non-GAAP net loss is the Company's net loss, adjusted to exclude interest expense, provision for income taxes, depreciation expense, amortization expense, stock-based compensation expense, a reserve for state sales taxes, charges related to a facility sublease, gain on sale of asset, warrant expense, acquisition and diligence costs, and severance and executive search costs. Non-GAAP net loss 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. The items excluded from Non-GAAP net loss, as well as a breakdown of GAAP net loss, non-GAAP net income (loss) and these excluded items between the Company's core operations and corporate, are detailed in the reconciliations included following the financial statements attached to this news release. Other companies (including the Company's competitors) may define Non-GAAP net loss differently.

Core Operations consists of the Company's aiWARE operating platform of software, SaaS and related services; content licensing and advertising agency services; and their supporting operations, including direct costs of sales as well as operating expenses for sales, marketing and product development and certain general and administrative costs dedicated to these operations. Corporate principally consists of general and administrative functions such as executive, finance, legal, people operations, fixed overhead expenses (including facilities and information technology expenses), other income (expenses) and taxes, and other expenses that support the entire Company, including public company driven costs.

In addition, following the financial statements attached to this news release, the Company has provided additional supplemental non-GAAP measures of gross profit, operating expenses, loss from operations, other income (expense), net, and loss before income taxes, excluding the items excluded from non-GAAP net loss as noted above, and reconciling such non-GAAP measures to the applicable GAAP measures.

The Company presents this supplemental non-GAAP financial information because management believes such information to be important supplemental measures of performance that are commonly used by securities analysts, investors and other interested parties in the evaluation of companies in its industry. Management also uses this information internally for forecasting and budgeting. These non-GAAP measures may not be indicative of the historical operating results of Veritone or

predictive of potential future results. Investors should not consider this supplemental non-GAAP financial information in isolation or as a substitute for analysis of the Company's results as reported in accordance with GAAP.

#### **About Veritone**

Veritone (NASDAQ: VERI) is a leading provider of artificial intelligence (AI) technology and solutions. The Company's proprietary operating system, aiWARE™, powers a diverse set of AI applications and intelligent process automation solutions that are transforming both commercial and government organizations. aiWARE orchestrates an expanding ecosystem of machine learning models to transform audio, video, and other data sources into actionable intelligence. The Company's AI developer tools enable its customers and partners to easily develop and deploy custom applications that leverage the power of AI to dramatically improve operational efficiency and unlock untapped opportunities. Veritone is headquartered in Denver, Colorado, and has offices in Costa Mesa, London and San Diego. To learn more, visit [Veritone.com](http://Veritone.com).

#### **Safe Harbor Statement**

*This news release contains forward-looking statements, including without limitation statements regarding the Company's expectations regarding its rapidly growing pipeline of business, the Company's expected total revenue and Non-GAAP net loss in the third quarter and full year of 2021, and the Company's expected year-over-year growth in aiWARE SaaS Solutions revenue for full year 2021. In addition, words such as "may," "will," "expect," "believe," "anticipate," "intend," "plan," "should," "could," "estimate" or "continue" or the plural, negative or other variations thereof or comparable terminology are intended to identify forward-looking statements, and any statements that refer to expectations, projections or other characterizations of future events or circumstances are forward-looking statements. These forward-looking statements speak only as of the date hereof, and are based on management's current assumptions, beliefs and information. As such, the Company's actual results could differ materially and adversely from those expressed in any forward-looking statement as a result of various factors. Important factors that could cause such differences include, among other things, the pending acquisition of PandoLogic, the impact of the economic disruption caused by COVID-19 pandemic on the business of the Company and that of its existing and potential customers; the Company's ability to achieve broad recognition and customer acceptance of its products and services; the Company's ability to continue to develop and add additional capabilities and features to its aiWARE operating system; the development of the market for cognitive analytics solutions; the ability of third parties to develop and provide additional high quality, relevant machine learning models and applications; the Company's ability to successfully identify and integrate such additional third-party models and applications onto its aiWARE operating system, and to continue to be able to access and utilize such models and applications, and the cost thereof; as well as the impact of future economic, competitive and market conditions, particularly those related to its strategic end markets; and future business decisions, all of which are difficult or impossible to predict accurately and many of which are beyond the control of the Company. Certain of these judgments and risks are discussed in more detail in the Company's Annual Report on Form 10-K and other periodic reports filed with the Securities and Exchange Commission. In light of the significant uncertainties inherent in the forward-looking information included herein, the inclusion of such information should not be regarded as a representation by the Company or any other person that the Company's objectives or plans will be achieved. The forward-looking statements contained herein reflect the Company's beliefs, estimates and predictions as of the date hereof, and the Company undertakes no obligation to revise or update the forward-looking statements contained herein to reflect events or circumstances after the date hereof or to reflect the occurrence of unanticipated events for any reason, except as required by law.*

#### **Company Contact:**

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SVP, Corporate Development & Investor Relations  
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(949) 386-4318  
[investors@veritone.com](mailto:investors@veritone.com)

#### **Investor Relations Contact:**

Kirsten Chapman  
LHA Investor Relations  
(415) 433-3777  
[veritone@lhai.com](mailto:veritone@lhai.com)

**VERITONE, INC.**  
**CONDENSED CONSOLIDATED BALANCE SHEETS (UNAUDITED)**  
(in thousands)

| ASSETS                                      | As of            |                      |
|---|------------------|----------------------|
|   | June 30,<br>2021 | December 31,<br>2020 |
| Cash and cash equivalents                   | \$ 120,627       | \$ 114,817           |
| Accounts receivable, net                    | 19,518           | 16,666               |
| Expenditures billable to clients            | 20,783           | 18,365               |
| Prepaid expenses and other current assets   | 8,944            | 6,719                |
| Total current assets                        | 169,872          | 156,567              |
| Property, equipment and improvements, net   | 479              | 2,354                |
| Intangible assets, net                      | 8,587            | 10,744               |
| Goodwill                                    | 6,904            | 6,904                |
| Long-term restricted cash                   | 855              | 855                  |
| Other assets                                | 230              | 230                  |
| Total assets                                | \$ 186,927       | \$ 177,654           |
| <b>LIABILITIES AND STOCKHOLDERS' EQUITY</b> |                  |                      |
| Accounts payable                            | \$ 16,174        | \$ 15,632            |
| Accrued media payments                      | 68,266           | 55,874               |
| Client advances                             | 7,638            | 6,496                |
| Other accrued liabilities                   | 12,633           | 10,246               |
| Total current liabilities                   | 104,711          | 88,248               |
| Other non-current liabilities               | 1,989            | 1,196                |
| Total liabilities                           | 106,700          | 89,444               |
| Total stockholders' equity                  | 80,227           | 88,210               |
| Total liabilities and stockholders' equity  | \$ 186,927       | \$ 177,654           |



**VERITONE, INC.**  
**CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS (UNAUDITED)**  
**AND COMPREHENSIVE LOSS**  
(in thousands, except per share and share data)

|  | Three Months Ended<br>June 30, |             | Six Months Ended<br>June 30, |             |
|--|--------------------------------|-------------|------------------------------|-------------|
|  | 2021                           | 2020        | 2021                         | 2020        |
| Revenue  | \$ 19,206                      | \$ 13,268   | \$ 37,501                    | \$ 25,172   |
| Operating expenses:                                    |                                |             |                              |             |
| Cost of revenue  | 5,231                          | 3,763       | 10,054                       | 7,013       |
| Sales and marketing                                    | 5,253                          | 4,932       | 11,680                       | 9,861       |
| Research and development                               | 4,646                          | 3,440       | 9,606                        | 7,086       |
| General and administrative                             | 15,644                         | 11,343      | 47,187                       | 22,886      |
| Amortization   | 1,079                          | 1,346       | 2,157                        | 2,694       |
| Total operating expenses                               | 31,853                         | 24,824      | 80,684                       | 49,540      |
| Loss from operations                                   | (12,647)                       | (11,556)    | (43,183)                     | (24,368)    |
| Other expense, net                                     | (13)                           | (235)       | (22)                         | (104)       |
| Loss before provision for income taxes                 | (12,660)                       | (11,791)    | (43,205)                     | (24,472)    |
| Provision for income taxes                             | 55                             | 2           | 77                           | 5           |
| Net loss   | \$ (12,715)                    | \$ (11,793) | \$ (43,282)                  | \$ (24,477) |
| Net loss per share:                                    |                                |             |                              |             |
| Basic and diluted                                      | \$ (0.39)                      | \$ (0.43)   | \$ (1.33)                    | \$ (0.91)   |
| Weighted average shares outstanding:                   |                                |             |                              |             |
| Basic and diluted                                      | 32,741,356                     | 27,117,432  | 32,458,269                   | 26,945,297  |
| Comprehensive loss:                                    |                                |             |                              |             |
| Net loss   | \$ (12,715)                    | \$ (11,793) | \$ (43,282)                  | \$ (24,477) |
| Foreign currency translation gain, net of income taxes | -                              | 1           | 7                            | 5           |
| Total comprehensive loss                               | \$ (12,715)                    | \$ (11,792) | \$ (43,275)                  | \$ (24,472) |

**VERITONE, INC.**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)**  
(in thousands)

|   | Six Months Ended |             |
|---|------------------|-------------|
|   | June 30,         |             |
|   | 2021             | 2020        |
| <b>Cash flows from operating activities:</b>                                |                  |             |
| Net loss  | \$ (43,282)      | \$ (24,477) |
| Adjustments to reconcile net loss to net cash used in operating activities: |                  |             |
| Depreciation and amortization   | 2,410            | 3,206       |
| Issuance of warrants  | —                | 102         |
| Loss on disposal of fixed assets  | 1,894            | —           |
| Loss on sublease  | 1,211            | —           |
| Change in fair value of warrant liability                                   | —                | 200         |
| Provision for doubtful accounts   | 5                | 213         |
| Stock-based compensation expense  | 28,219           | 8,587       |
| Changes in assets and liabilities:  |                  |             |
| Accounts receivable   | (2,857)          | (3,453)     |
| Expenditures billable to clients  | (2,418)          | 7,109       |
| Prepaid expenses and other assets   | (2,218)          | (363)       |
| Accounts payable  | 542              | 3,484       |
| Accrued media payments  | 12,392           | 5,133       |
| Client advances   | 1,142            | (4,619)     |
| Other accrued liabilities   | 2,387            | 2,193       |
| Other liabilities   | (418)            | (92)        |
| Net cash used in operating activities                                       | (991)            | (2,777)     |
| <b>Cash flows from investing activities:</b>                                |                  |             |
| Proceeds from the sale of equipment   | —                | 56          |
| Capital expenditures  | (272)            | (30)        |
| Net cash (used in) provided by investing activities                         | (272)            | 26          |
| <b>Cash flows from financing activities:</b>                                |                  |             |
| Proceeds from common stock offerings, net                                   | —                | 6,527       |
| Proceeds from loan  | —                | 6,491       |
| Repayment of loan   | —                | (6,491)     |
| Proceeds from the exercise of warrants                                      | 2,279            | 2,100       |
| Proceeds from issuances of stock under employee stock plans, net            | 4,794            | 140         |
| Net cash provided by financing activities                                   | 7,073            | 8,767       |
| Net increase in cash and cash equivalents and restricted cash               | 5,810            | 6,016       |
| Cash and cash equivalents and restricted cash, beginning of period          | 115,672          | 44,920      |
| Cash and cash equivalents and restricted cash, end of period                | \$ 121,482       | \$ 50,936   |

**VERITONE, INC.**  
**REVENUE DETAIL (UNAUDITED)**  
(in thousands)

|   | Three Months Ended |                  | Six Months Ended |                  |
|---|--------------------|------------------|------------------|------------------|
|   | June 30,           |                  | June 30,         |                  |
|   | 2021               | 2020             | 2021             | 2020             |
| Advertising                                 | \$ 9,969           | \$ 7,038         | \$ 20,296        | \$ 13,039        |
| aiWARE SaaS Solutions                       | 5,580              | 3,002            | 10,265           | 6,110            |
| aiWARE Content Licensing and Media Services | 3,657              | 3,228            | 6,940            | 6,023            |
| <b>Revenue</b>                              | <b>\$ 19,206</b>   | <b>\$ 13,268</b> | <b>\$ 37,501</b> | <b>\$ 25,172</b> |

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

|   | Three Months Ended June 30, |                   |                   |                    |                   |                   |
|---|-----------------------------|-------------------|-------------------|--------------------|-------------------|-------------------|
|   | 2021                        |                   |                   | 2020               |                   |                   |
|   | Core Operations(1)          | Corporate(2)      | Total             | Core Operations(1) | Corporate(2)      | Total             |
| Net loss                                  | \$ (676)                    | \$ (12,039)       | \$ (12,715)       | \$ (2,380)         | \$ (9,413)        | \$ (11,793)       |
| Provision for income taxes                | —                           | 55                | 55                | —                  | 2                 | 2                 |
| Depreciation and amortization             | 1,084                       | 73                | 1,157             | 1,353              | 249               | 1,602             |
| Stock-based compensation expense          | 1,016                       | 5,593             | 6,609             | 526                | 3,605             | 4,131             |
| Change in fair value of warrant liability | —                           | —                 | —                 | —                  | 202               | 202               |
| Warrant expense                           | —                           | —                 | —                 | —                  | 102               | 102               |
| State sales tax reserve                   | —                           | 146               | 146               | —                  | —                 | —                 |
| Interest expense                          | —                           | —                 | —                 | —                  | 9                 | 9                 |
| Acquisition and due diligence costs       | —                           | 735               | 735               | —                  | —                 | —                 |
| Severance and executive search            | —                           | 92                | 92                | —                  | —                 | —                 |
| <b>Non-GAAP Net Income (Loss)</b>         | <b>\$ 1,424</b>             | <b>\$ (5,345)</b> | <b>\$ (3,921)</b> | <b>\$ (501)</b>    | <b>\$ (5,244)</b> | <b>\$ (5,745)</b> |

|   | Six Months Ended June 30, |                    |                   |                    |                    |                    |
|---|---------------------------|--------------------|-------------------|--------------------|--------------------|--------------------|
|   | 2021                      |                    |                   | 2020               |                    |                    |
|   | Core Operations(1)        | Corporate(2)       | Total             | Core Operations(1) | Corporate(2)       | Total              |
| Net loss                                  | \$ (3,501)                | \$ (39,781)        | \$ (43,282)       | \$ (6,155)         | \$ (18,322)        | \$ (24,477)        |
| Provision for income taxes                | —                         | 77                 | 77                | —                  | 5                  | 5                  |
| Depreciation and amortization             | 2,167                     | 243                | 2,410             | 2,709              | 497                | 3,206              |
| Stock-based compensation expense          | 3,711                     | 24,508             | 28,219            | 1,089              | 7,498              | 8,587              |
| Change in fair value of warrant liability | —                         | —                  | —                 | —                  | 200                | 200                |
| Warrant expense                           | —                         | —                  | —                 | —                  | 102                | 102                |
| State sales tax reserve                   | —                         | 284                | 284               | —                  | —                  | —                  |
| Gain on sale of asset                     | —                         | —                  | —                 | —                  | (56)               | (56)               |
| Interest expense                          | —                         | —                  | —                 | —                  | 9                  | 9                  |
| Acquisition and due diligence costs       | —                         | 735                | 735               | —                  | —                  | —                  |
| Charges related to sublease               | —                         | 3,367              | 3,367             | —                  | —                  | —                  |
| Severance and executive search            | 250                       | 99                 | 349               | —                  | —                  | —                  |
| <b>Non-GAAP Net Income (Loss)</b>         | <b>\$ 2,627</b>           | <b>\$ (10,468)</b> | <b>\$ (7,841)</b> | <b>\$ (2,357)</b>  | <b>\$ (10,067)</b> | <b>\$ (12,424)</b> |

(1) Core operations consists of the Company's aiWARE operating platform of software, SaaS and related services; content, licensing and advertising agency services; and their supporting operations, including direct costs of sales as well as operating expenses for sales, marketing and product development and certain general and administrative costs dedicated to these operations.

(2) Corporate consists of general and administrative functions such as executive, finance, legal, people operations, fixed overhead expenses (including facilities and information technology expenses), other income (expenses) and taxes, and other expenses that support the entire company, including public company driven costs.

**VERITONE, INC.**  
**RECONCILIATION OF EXPECTED NON-GAAP NET LOSS RANGE**  
**TO EXPECTED GAAP NET LOSS RANGE (UNAUDITED)**  
(in millions)

|                                  | <b>Three Months Ending<br/>September 30, 2021</b> | <b>Year Ending<br/>December 31, 2021</b> |
|----------------------------------|---|--|
| Net loss                         | (\$10.9) to (\$9.9)                               | (\$56.9) to (\$53.9)                     |
| Provision for income taxes       | —   | —  |
| Charges related to sublease      | —   | \$ 3.4                                   |
| Depreciation and amortization    | \$ 1.1  | \$ 4.6                                   |
| Stock-based compensation expense | \$ 5.3  | \$ 39.0                                  |
| Other                            | —   | \$ 1.4                                   |
| <b>Non-GAAP net loss</b>         | <b>(\$4.5) to (\$3.5)</b>                         | <b>(\$8.5) to (\$5.5)</b>                |

**VERITONE, INC.**  
**RECONCILIATION OF NON-GAAP TO GAAP FINANCIAL INFORMATION (UNAUDITED)**  
(in thousands, except per share data)

|  | Three Months Ended |            | Six Months Ended |             |
|--|--------------------|------------|------------------|-------------|
|  | June 30,           |            | June 30,         |             |
|  | 2021               | 2020       | 2021             | 2020        |
| Revenue  | \$ 19,206          | \$ 13,268  | \$ 37,501        | \$ 25,172   |
| Cost of revenue  | 5,231              | 3,763      | 10,054           | 7,013       |
| Gross profit   | 13,975             | 9,505      | 27,447           | 18,159      |
| GAAP sales and marketing expenses                                      | 5,253              | 4,932      | 11,680           | 9,861       |
| Stock-based compensation expense                                       | (234)              | (198)      | (1,132)          | (376)       |
| Severance and executive search   | —                  | —          | (236)            | —           |
| Non-GAAP sales and marketing expenses                                  | 5,019              | 4,734      | 10,312           | 9,485       |
| GAAP research and development expenses                                 | 4,646              | 3,440      | 9,606            | 7,086       |
| Stock-based compensation expense                                       | (566)              | (184)      | (1,585)          | (421)       |
| Severance and executive search   | —                  | —          | (14)             | —           |
| Non-GAAP research and development expenses                             | 4,080              | 3,256      | 8,007            | 6,665       |
| GAAP general and administrative expenses                               | 15,644             | 11,343     | 47,187           | 22,886      |
| Depreciation   | (78)               | (256)      | (253)            | (512)       |
| Stock-based compensation expense                                       | (5,809)            | (3,749)    | (25,502)         | (7,790)     |
| Warrant expense  | —                  | (102)      | —                | (102)       |
| Charges related to sublease  | —                  | —          | (3,367)          | —           |
| State sales tax reserve  | (146)              | —          | (284)            | —           |
| Acquisition and due diligence costs                                    | (735)              | —          | (735)            | —           |
| Severance and executive search   | (92)               | —          | (99)             | —           |
| Non-GAAP general and administrative expenses                           | 8,784              | 7,236      | 16,947           | 14,482      |
| GAAP amortization  | (1,079)            | (1,346)    | (2,157)          | (2,694)     |
| GAAP loss from operations  | (12,647)           | (11,556)   | (43,183)         | (24,368)    |
| Total non-GAAP adjustments (1)   | 8,739              | 5,835      | 35,364           | 11,895      |
| Non-GAAP loss from operations  | (3,908)            | (5,721)    | (7,819)          | (12,473)    |
| GAAP other expense, net  | (13)               | (235)      | (22)             | (104)       |
| Change in fair value of warrant liability                              | —                  | 202        | —                | 200         |
| Interest expense   | —                  | 9          | —                | 9           |
| Gain on sale of asset  | —                  | —          | —                | (56)        |
| Non-GAAP other (expense) income, net                                   | (13)               | (24)       | (22)             | 49          |
| GAAP loss before income taxes  | (12,660)           | (11,791)   | (43,205)         | (24,472)    |
| Total non-GAAP adjustments (1)   | 8,739              | 6,046      | 35,364           | 12,048      |
| Non-GAAP loss before income taxes                                      | (3,921)            | (5,745)    | (7,841)          | (12,424)    |
| Income tax provision   | 55                 | 2          | 77               | 5           |
| GAAP net loss  | (12,715)           | (11,793)   | (43,282)         | (24,477)    |
| Total non-GAAP adjustments (1)   | 8,794              | 6,048      | 35,441           | 12,053      |
| Non-GAAP net loss  | \$ (3,921)         | \$ (5,745) | \$ (7,841)       | \$ (12,424) |
| Shares used in computing non-GAAP basic and diluted net loss per share | 32,741             | 27,117     | 32,458           | 26,945      |
| Non-GAAP basic and diluted net loss per share                          | \$ (0.12)          | \$ (0.21)  | \$ (0.24)        | \$ (0.46)   |

(1) Adjustments are comprised of the adjustments to GAAP gross profit, sales and marketing expenses, research and development expenses and general and administrative expenses and other (expense) income, net (where applicable) listed above.

**VERITONE, INC.**  
**KEY PERFORMANCE INDICATORS (KPI's) (UNAUDITED)**

|  | Quarter Ended   |                 |                  |                 |                 |                 |
|--|-----------------|-----------------|------------------|-----------------|-----------------|-----------------|
|  | Mar 31,<br>2020 | Jun 30,<br>2020 | Sept 30,<br>2020 | Dec 31,<br>2020 | Mar 31,<br>2021 | Jun 30,<br>2021 |
| <b>Advertising</b>   |                 |                 |                  |                 |                 |                 |
| Average gross billings per active client (in 000's) <sup>(1)</sup> | 533             | 614             | 625              | 632             | 713             | 715             |
| Revenue during quarter (in 000's)                                  | \$ 5,881        | \$ 6,140        | \$ 7,372         | \$ 8,138        | \$ 8,371        | \$ 7,881        |

|  | Quarter Ended   |                 |                  |                 |                 |                 |
|--|-----------------|-----------------|------------------|-----------------|-----------------|-----------------|
|  | Mar 31,<br>2020 | Jun 30,<br>2020 | Sept 30,<br>2020 | Dec 31,<br>2020 | Mar 31,<br>2021 | Jun 30,<br>2021 |
| <b>aiWARE SaaS Solutions</b>   |                 |                 |                  |                 |                 |                 |
| Total accounts on platform at quarter end  | 1,587           | 1,753           | 1,791            | 1,896           | 1,777           | 1,820           |
| New bookings received during quarter (in 000's) <sup>(2)</sup>                         | \$ 1,397        | \$ 2,319        | \$ 2,083         | \$ 1,437        | \$ 1,864        | \$ 3,579        |
| Total contract value of new bookings received during quarter (in 000's) <sup>(3)</sup> | \$ 2,312        | \$ 2,502        | \$ 2,469         | \$ 2,431        | \$ 4,068        | \$ 4,069        |
| Revenue during quarter (in 000's)  | \$ 3,108        | \$ 3,002        | \$ 3,351         | \$ 4,402        | \$ 4,685        | \$ 5,580        |

- (1) For each quarter, reflects the average gross quarterly billings per agency client over the twelve month period through the end of such quarter for agency clients that are active during such quarter.
- (2) Represents the contractually committed fees payable during the first 12 months of the contract term, or the non-cancellable portion of the contract term (if shorter), for new contracts received in the quarter, excluding any variable fees under the contract (i.e., fees for cognitive processing, storage, professional services and other variable services).
- (3) 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 (i.e., fees for cognitive processing, storage, professional services and other variable services).