Conversational AI That's *More Human*™

SoundHound AI
Investor Presentation

May 2024

SoundHound.com

SoundHound

Disclaimer and Other Important Information

Forward Looking Statements

This presentation contains forward-looking statements, which are not historical facts, within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. In some cases, you can identify forward-looking statements by the use of words such as "may," "could," "expect," "intend," "plan," "seek," "anticipate," "believe," "estimate," "predict," "potential," "continue," "likely," "will," "would" and variations of these terms and similar expressions, or the negative of these terms or similar expressions. These forward-looking statements include, but are not limited to, statements concerning our expected financial performance, our ability to implement our business strategy and anticipated business and operations, the potential utility of and market for our products and services, our ability to achieve revenue from our cumulative subscriptions and bookings backlog, and guidance for financial results for 2024 and 2025. Such forward-looking statements are necessarily based upon estimates and assumptions that, while considered reasonable by us and our management, are inherently uncertain. As a result, readers are cautioned not to place undue reliance on these forward-looking statements. Our actual results may differ materially from those expressed or implied by these forward-looking statements as a result of risks and uncertainties impacting SoundHound's business including, our ability to successfully launch and commercialize new products and services and derive significant revenue, our ability to develop the bespoke products and services required under the contracts included in our bookings backlog, including, but not limited to, our ability to convert customer adoption of Smart Ordering into realized revenue, our ability to predict or measure supply chain disruptions at our customers, our market opportunity and our ability to acquire new customers and retain existing customers, the timing and impact of our growth initiatives, level of product service failures that could lead our customers to use competitors' services, our ability to predict direct and indirect customer demand for our existing and future products, our ability to hire, retain and motivate employees, the effects of competition, including price competition within our industry segment, technological, regulatory and legal developments that uniquely or disproportionately impact our industry segment, developments in the economy and financial markets and those other factors described in our risk factors set forth in our filings with the Securities and Exchange Commission from time to time, including our Annual Report on Form 10-K, Quarterly Reports on Form 10-Q and Current Reports on Form 8-K. We do not intend to update or alter our forward-looking statements, whether as a result of new information, future events or otherwise, except as required by applicable law.

Use of Projections

The financial projections, such as cumulative subscriptions and bookings backlog, presented in this presentation, with respect to SoundHound represent SoundHound management's current estimates of future performance based on various assumptions, which may or may not prove to be correct. SoundHound's independent registered public accounting firms have not audited, reviewed, compiled or performed any procedures with respect to the projections and, accordingly, they did not express an opinion or provide any other form of assurance with respect thereto. These projections constitute forward-looking information, are presented for illustrative purposes only and should not be relied upon as being necessarily indicative of future results. The assumptions and estimates underlying these projections are inherently uncertain and are subject to a wide variety of significant business, economic and competitive risk that could cause actual results to differ materially from those contained in these projections. Accordingly, there can be no assurance that these projections will be realized. Further, industry experts and others may disagree with these assumptions and with SoundHound management's view of the market and the prospects for SoundHound. Our ability to recognize our cumulative subscriptions and bookings backlog and to service the total addressable market is subject to various risks and uncertainties, including our ability to obtain additional capital, including equity or debt financing, to continue operations.

Use of Data

This presentation also contains statistical data, estimates and forecasts made by independent parties and by us relating to market size and growth, as well as other data about our industry and business. These data involve a number of assumption and limitations, and we have not independently verified the accuracy or completeness of these data. Neither we nor any other person makes any representation as to the accuracy or completeness of such data or undertakes any obligation to update such data after the date of this presentation. In addition, projections, assumptions and estimates of our future performance of the markets we operate are necessarily subject to a high degree of uncertainty and risk.

SoundHound AI Highlights

Best-in-class voice AI technology surpassing competitors in **speed, accuracy, and complex language understanding** with a deep patent portfolio and generative AI

Strategically positioned as the **leading independent voice AI platform** with fully integrated, proprietary solutions in 25 languages on both cloud-enabled and hardware-embedded devices

Massive **$140B+ total addressable market** with large barriers to entry creating deep competitive moat

In production at scale with prominent global brands across industries with **$682M cumulative subscriptions and bookings backlog**
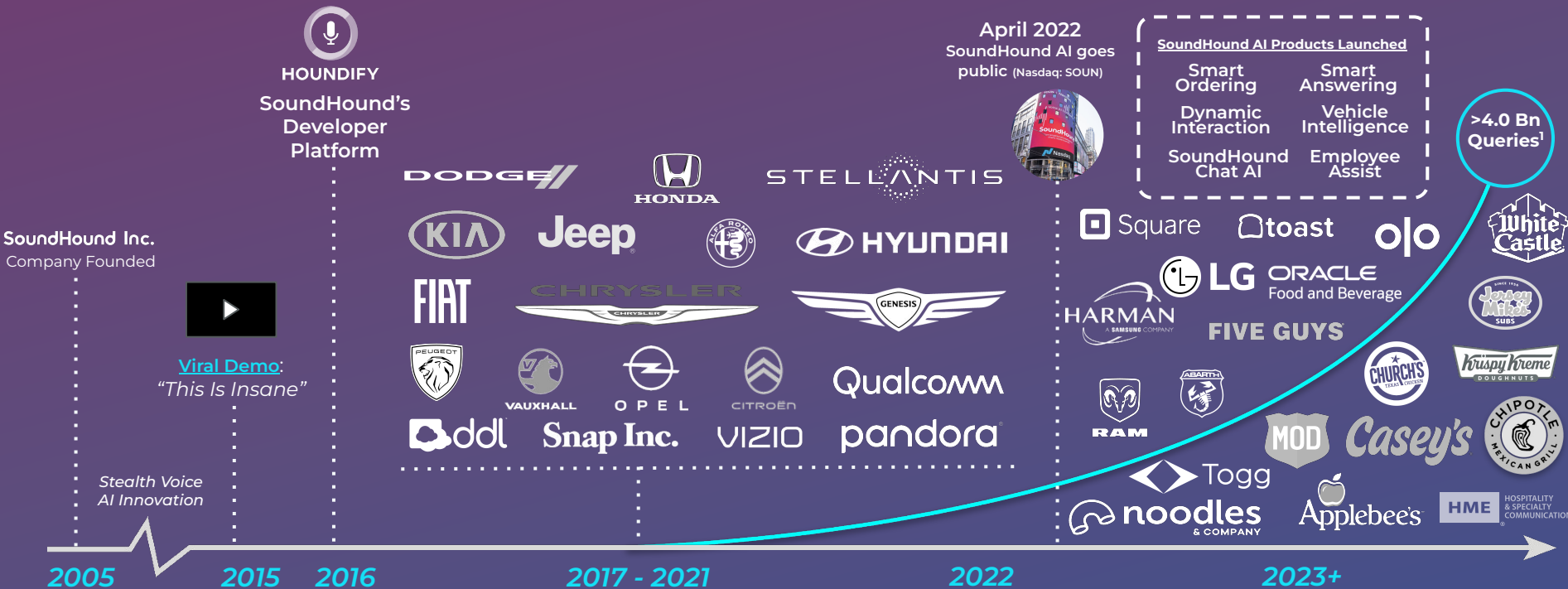
In 2025, **expecting to surpass $100 million in revenue** with positive adjusted EBITDA

Strong financial momentum, demonstrating a consistent ~50% revenue CAGR and steady progress in **driving efficiencies and improving cash flow**

SoundHound AI – *The Choice of the World's Leading Brands*

Our platform powers the voice experience in millions of products and services around the world


HOUNDIFY

SoundHound's Developer Platform

April 2022
SoundHound AI goes **public** (Nasdaq: SOUN)

SoundHound AI Products Launched

Smart Ordering	Smart Answering
Dynamic Interaction	Vehicle Intelligence
SoundHound Chat AI	Employee Assist

>4.0 Bn Queries[1]

SoundHound Inc.
Company Founded

Viral Demo:
"This Is Insane"

Stealth Voice AI Innovation

2005   **2015**   **2016**   **2017 - 2021**   **2022**   **2023+**

25 Languages:

1. Annual query run rate based on >330 million queries per month as of March 31, 2024

SoundHound

4

"This is Insane!"

Number 1 post on Reddit with 2+ million views in one day
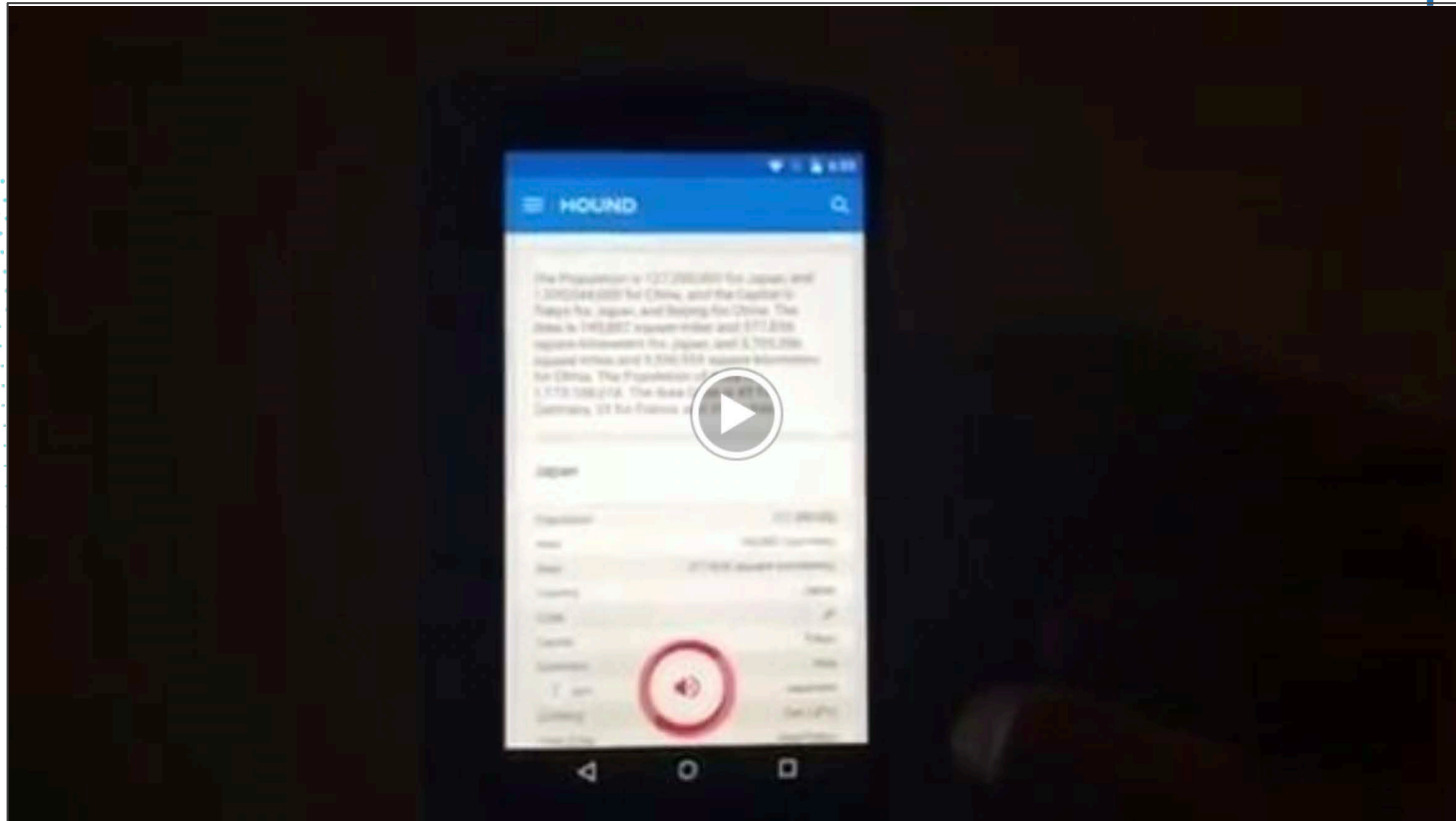
Our Mission

Our Vision

Voice-enable the world with conversational intelligence.

Create a conversational AI platform that:

exceeds human capabilities

delivers **value and delight** to end users

creates an **ecosystem** with **billions of products**

enables **innovation and monetization opportunities** for product creators

We Continue to Revolutionize Human-Computer Interaction for Commercial Use Cases

Dynamic Interaction is a groundbreaking real-time, multimodal, full-duplex interface poised to revolutionize human-computer interaction
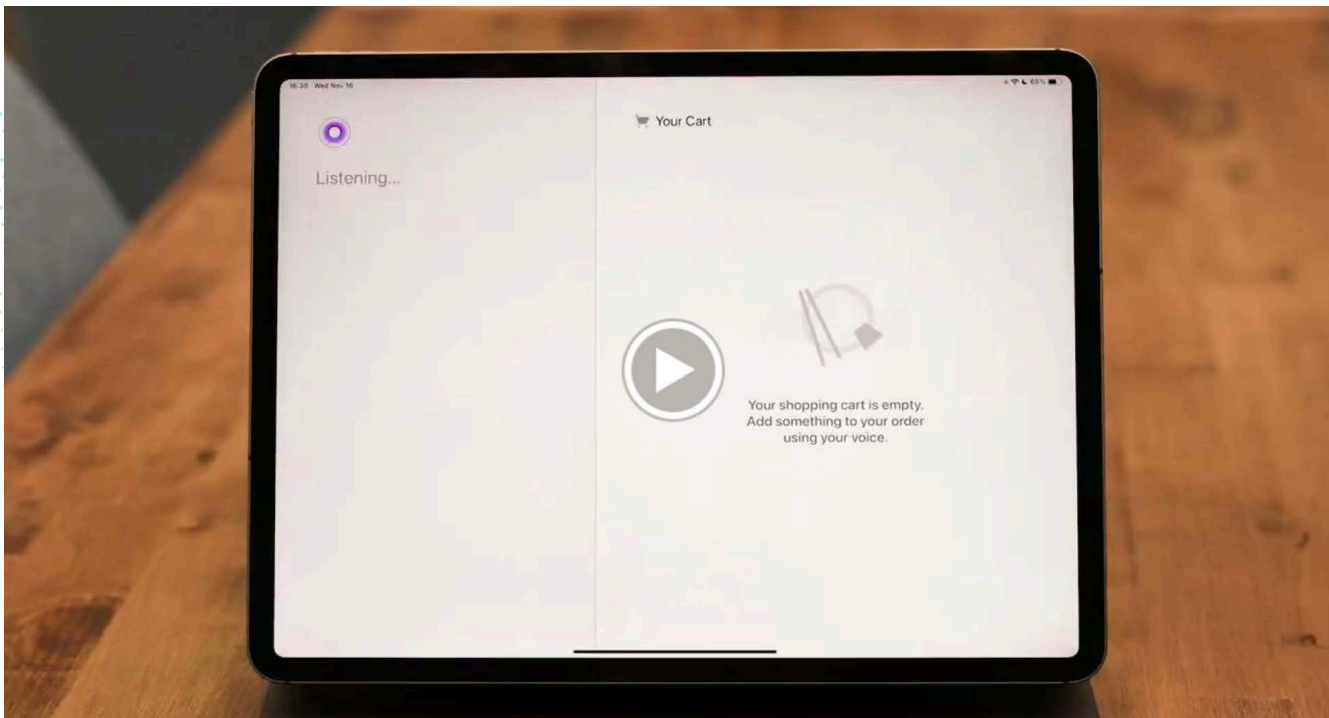
SoundHound Chat AI For Automotive With Generative AI

Voice-enabled AI platform that combines real-time information domains and generative AI models like ChatGPT

SoundHound's Disruptive Voice AI Products and Solutions

Portfolio of advanced products deliver conversational AI that's *more human™*

Pillar I: Auto+

SoundHound Chat AI

The fastest, smartest, most up-to-date voice AI assistant with generative AI orchestrating between hundreds of domains and LLMs: Solutions are available in Edge, Cloud-Only or Hybrid with Cloud+Edge connectivity.

Smart TV's, IoT, Devices

Fully-customizable voice-enabled device solutions for TV's, appliances, speakers, speakers, remote controls and many more.

Vehicle Intelligence

Vehicle Intelligence uses generative AI and LLMs to answer almost any question a user asks about a car's functionality, maintenance, or repair – all completely hands-free.

Branded Wake Words

Custom branded wake words are built using advanced machine learning and deep neural networks to synthesize a wide range of training data to create the most robust wake word models in the market.

Pillar 2: Customer Service

dynamic drive-thru

A category-level breakthrough solution that offers a fully automated AI Drive-Thru experience. This multimodal interface allows customers to order with instant audiovisual feedback using both voice and touchscreen.

smart ordering

Easy-to-use voice AI assistant that fully automates the phone ordering process for restaurants.

employee assist

A state-of-the-art AI solution for restaurant employees to significantly improve efficiency in the kitchen with a simple headset.

smart answering

AI-powered voice answering service that handles multiple calls at once, filters out spam, offers verbal and SMS response options, captures leads and answers multiple questions.

SoundHound Voice AI Platform

SoundHound's advanced voice AI platform combines proprietary technologies
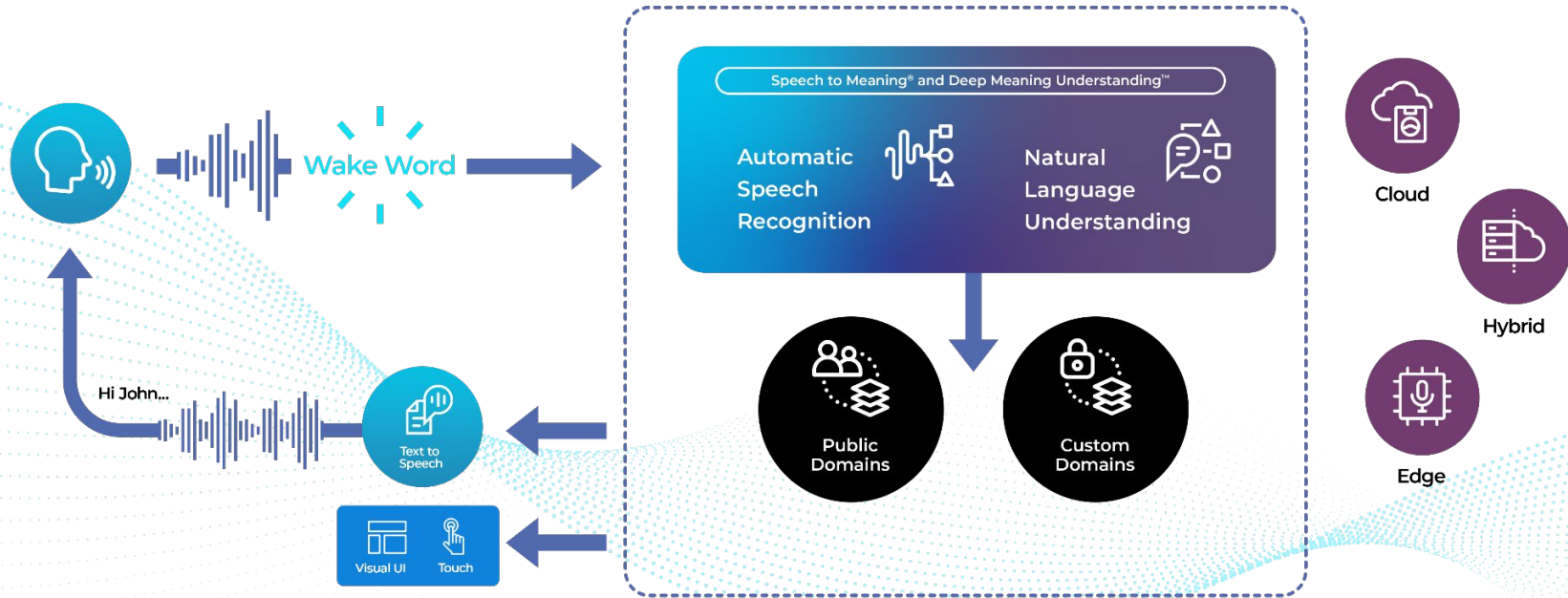
We have proprietary *Speech-to-Meaning,*™ *Deep Meaning Understanding,*™ and *Collective AI*™ breakthroughs that we built from the ground up.

SoundHound's Disruptive Voice AI Technology

Portfolio of advanced generative AI technologies deliver conversational AI that's *more human*™
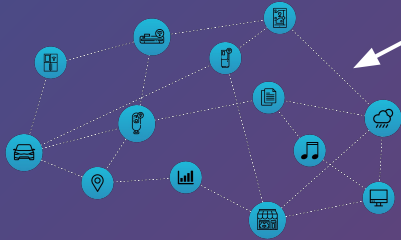
SoundHound uses <u>data science</u> to arbitrate responses so users get better answers from the right domain.

Data Science

Machine Learning

SoundHound uses <u>machine learning</u> to enhance how domains work together to better handle complex queries.

Collective AI®

AI with a collective of domains & knowledge that is bigger than the sum of its parts.

+

LLMs

Large language model integration from other third parties such as ChatGPT
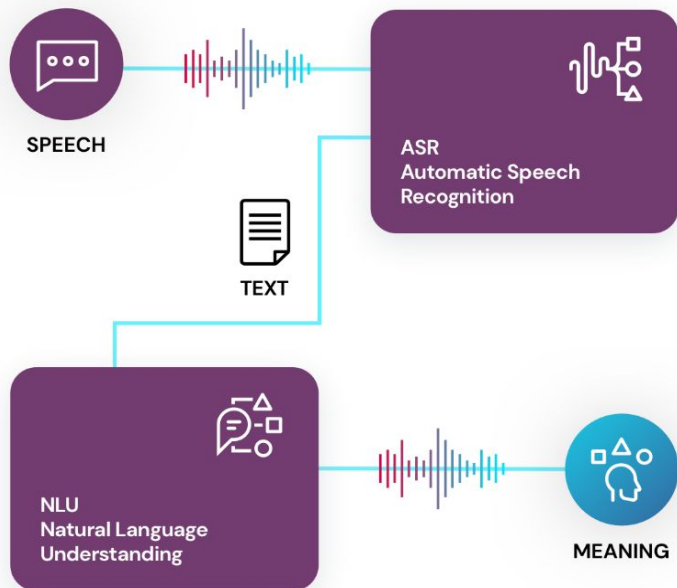
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SoundHound Generative AI

Integration of internally developed generative AI models that bring specific use cases to life
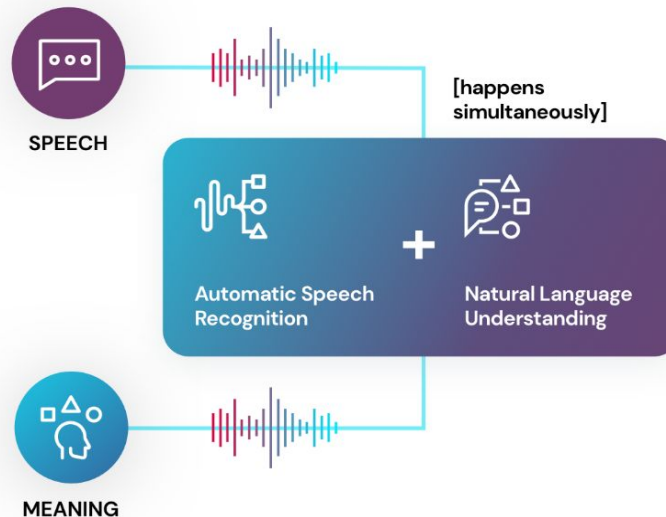
SoundHound

SoundHound's Breakthrough Voice AI Platform

SoundHound's proprietary Speech-to-Meaning® technology combines ASR and NLU to understand speech in real-time

Typical voice AI technologies
involve two steps,

SPEECH

ASR
Automatic Speech Recognition

TEXT

NLU
Natural Language Understanding

MEANING

SoundHound
gets it done in one.

SPEECH

[happens simultaneously]

Automatic Speech Recognition + **Natural Language Understanding**
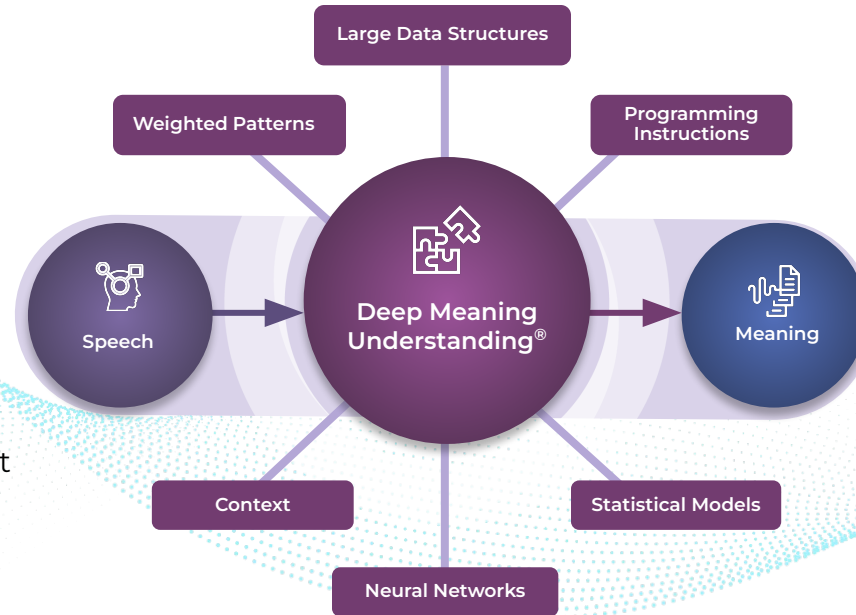
MEANING

Faster, more efficient, and with greater accuracy

Deep Meaning Understanding®

Enabling natural and complex conversations

- ✓ Understands complex conversations
- ✓ Understands context
- ✓ Automatically creates a searchable space and allows dynamic changes
- ✓ Lightning-fast searches that avoid early classifications
- ✓ Real time speech or text input
- ✓ Executes code in real time
- ✓ Scalable

Large Data Structures

Weighted Patterns

Programming Instructions

Speech → Deep Meaning Understanding® → Meaning

Context

Statistical Models

Neural Networks

Show me hotels in San Francisco that are less than $600 but not less than $300, are pet friendly, have a gym and a pool, with at least 3 stars, staying for 2 nights, and don't include anything that doesn't have wi-fi.

Here are several hotels matching your criteria.

Sort by lowest price.

OK! Here are several results sorted by lowest price

What if I check in tonight and stay for 2 nights?

Showing 1 result for September 10, staying for 2 nights

Collective AI® Vision

A global AI that knows the answer to any question and can perform any task

Extensible collective AI platform for developer collaboration to create a global AI that is always learning and is larger than the sum of its parts:

- Interconnected domains and knowledge graphs

- Crowdsourced to domain experts

- Intelligence increases exponentially based on linear contribution

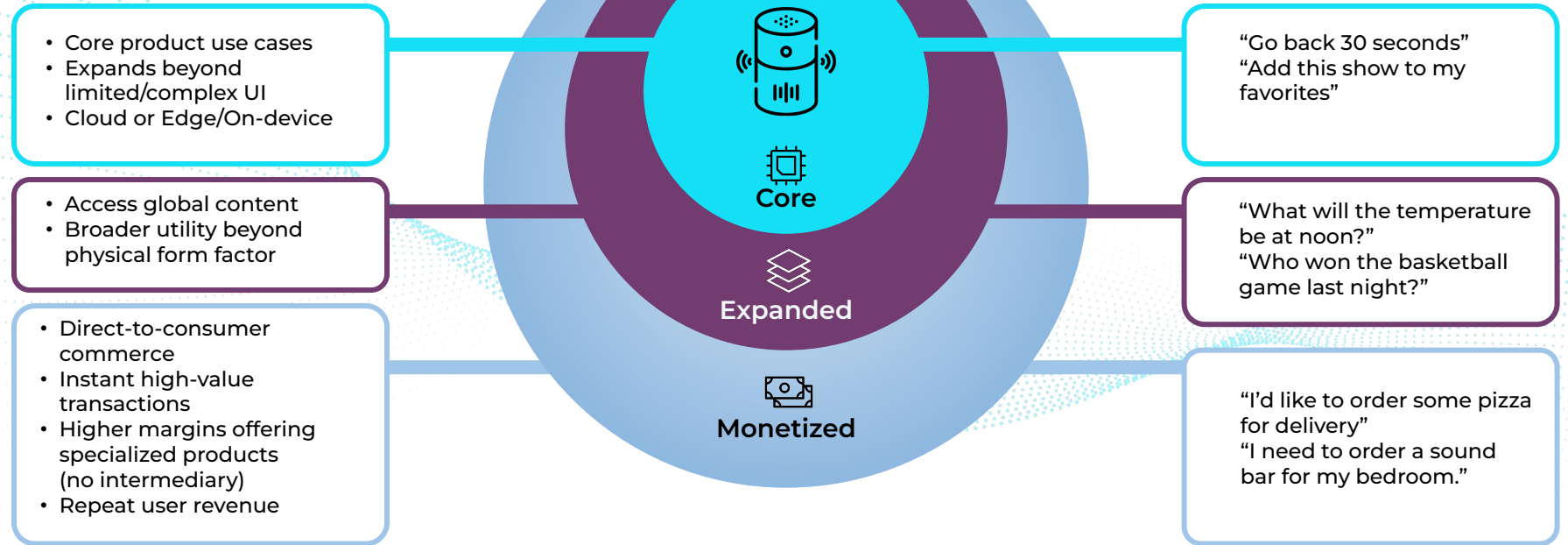- Full flexibility for contributors and product creators

Collective AI - Crowdsourced, Always-Learning Domain Knowledge

The SoundHound Ecosystem Extends Product and Brand Value

Three use case categories combine to unlock the value of IoT products and generate revenue

Core

Expanded

Monetized

- Core product use cases
- Expands beyond limited/complex UI
- Cloud or Edge/On-device

- Access global content
- Broader utility beyond physical form factor

- Direct-to-consumer commerce
- Instant high-value transactions
- Higher margins offering specialized products (no intermediary)
- Repeat user revenue

"Go back 30 seconds"
"Add this show to my favorites"

"What will the temperature be at noon?"
"Who won the basketball game last night?"

"I'd like to order some pizza for delivery"
"I need to order a sound bar for my bedroom."

Strong Patent Protection

270+ Patents: 155+ granted, 115+ pending

Speech Recognition
ASR accuracy, SLMs, AM training, pronunciations, phrase spotting, EOU detection, speech attribute detection

Natural Language
Domains, grammars & phrasings, parsing & interpretation, slot values, disambiguation & modal dialog, query API access, response information, transcriptions

Machine Learning
Neural networks & training, statistical modeling, embeddings & dimensionality reduction, crowdsourcing, recommendation, database management, prediction, privacy

Human Interfaces
Microphone, displays, device states, engagement, TTS voices, query cut-offs, personalization, conversations, searching, filtering

Platform and Tools
Platforms, SDKs, developer interfaces, content/data providers

Advertising
Ads, profiling, thoughts & concepts, monitoring, bidding, buying/purchasing, payments

Consumer Electronics
Portable devices, wearable devices, automobiles, appliances, offline capabilities

Audio and Music
Fingerprinting & music recognition, broadcast & source identification, lyrics synchronization, sing/hum recognition

SoundHound

Why We Win: SoundHound's Undeniable Criteria for Adoption

We believe our custom Voice AI innovation delivers the greatest value for third-party integration

Technology

Legacy Tech	Big Tech	SoundHound
Outdated	Current	**Disruptive**

Breakthrough tech with integrated Generative AI domains. We believe we have a meaningful lead on the competition and 15+ years of voice AI data accumulation

Brand / Data Control

Big Tech	Legacy Tech	SoundHound
Loss brand / data	**Independent / White Label**	

Full control over brand, users, and data. Full privacy control establishes trust with customers

Financial

Legacy Tech	Big Tech	SoundHound
Incur costs	Free with repercussions	**Generates revenue**

Privacy Control

Big Tech	Legacy Tech	SoundHound
Low privacy	**Control privacy**	

Ecosystem

Legacy Tech	Big Tech	SoundHound
Limited domains	Self-serving	**Collective AI**

Edge Hybrid

Big Tech	Legacy Tech	SoundHound
Cloud only	**Cloud and Edge**	

Conflict of Interest

Big Tech	Legacy Tech	SoundHound
Conflict	Neutral vendor	**Fully-aligned partner**
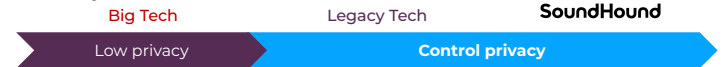
Differentiation and Innovation

Legacy Tech	Big Tech	SoundHound
Low	Self-Serving	**Custom Innovation**

Massive Market Opportunity for Voice AI

Voice AI Delivers Real Value to Consumers and Businesses of All Sizes Across Many Industries

Estimated Total Addressable Market

$140B+

TAM (2024E)[1]

Industries with SoundHound Products in Market or in Development

Automotive	Restaurants	Customer Service
Entertainment	Smart TV's	IoT & Devices

Industries Representing Future Opportunities for SoundHound

Financial	Retail	Healthcare
Education	Contact Center	Enterprise
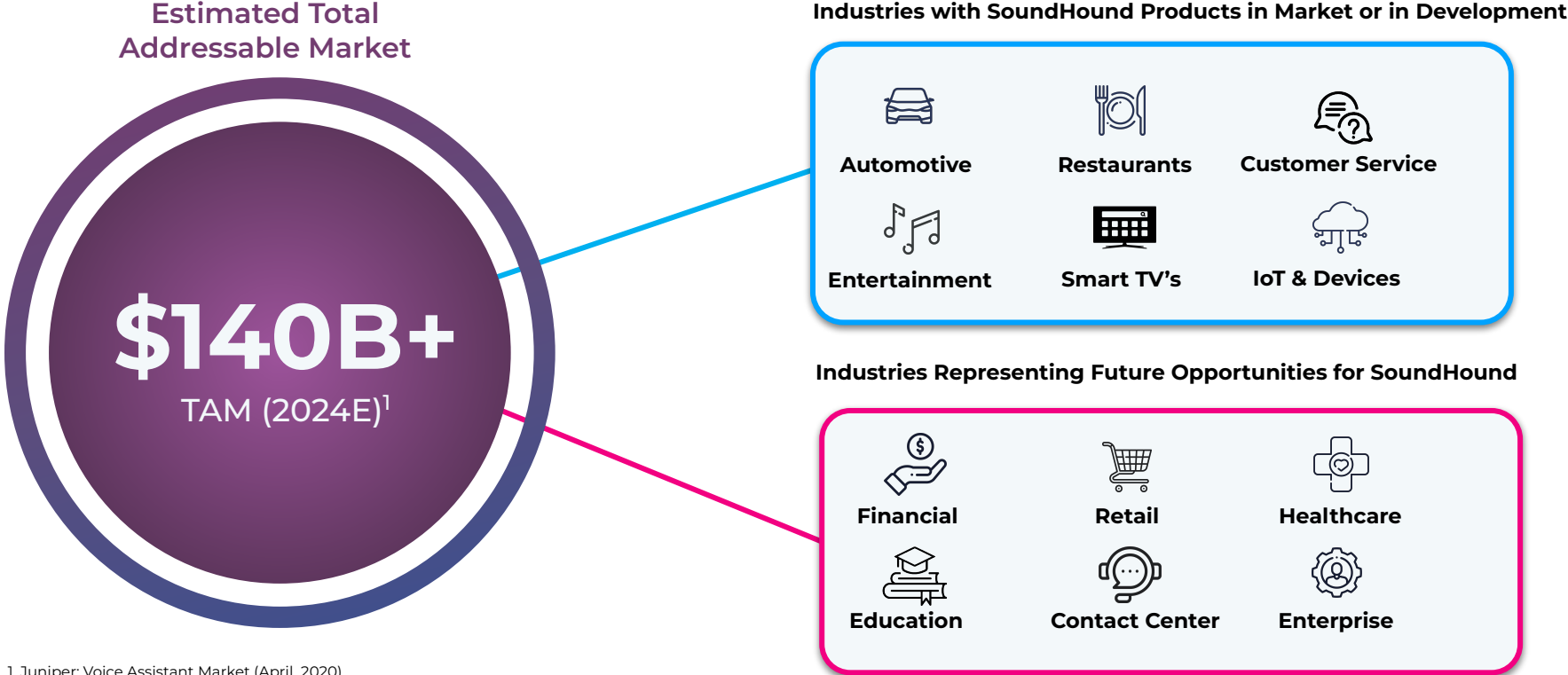
1. Juniper: Voice Assistant Market (April 2020)

Three Revenue Generation Pillars

Established royalty and subscription revenues seeking to create an ecosystem of voice advertising and commerce

Products

Voice-enabled products across automotive, Smart TVs and IoTs

1. Royalties

- Based on volume, usage, and life
- Revenue per device / user
- Revenue per device

Pillar I

Services

Customer service, food ordering, content, appointments, and purchasing opportunities.

2. Subscription

- Revenue per month / location / lane
- Revenue from usage-based fees
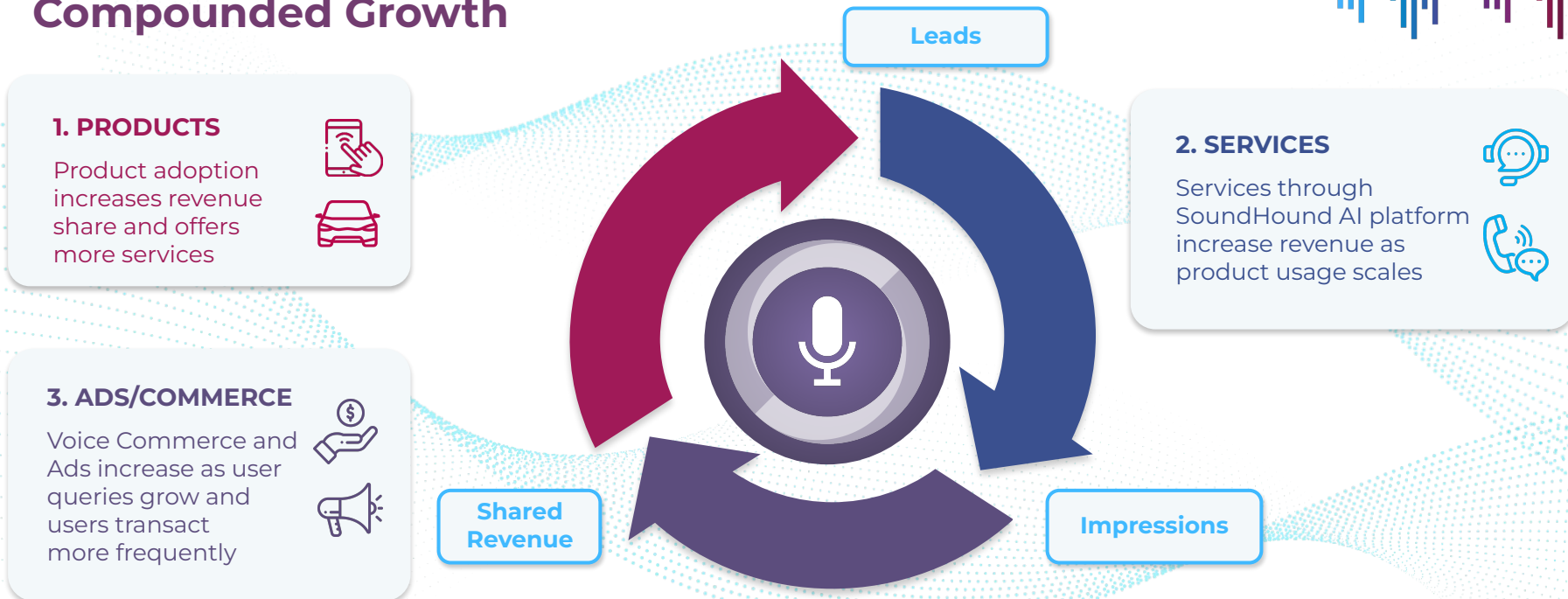- Revenue per query

Pillar II

Ads & Commerce

Revenue from users of Products (Pillar I) accessing Services (Pillar II)

3. Monetization

- Commissions on ordering
- Revenue share with customers
- Intent-based sponsorship

Pillar III

Flywheel Effect of Three Revenue "Pillars" Generates Compounded Growth

Leads

1. PRODUCTS
Product adoption increases revenue share and offers more services

2. SERVICES
Services through SoundHound AI platform increase revenue as product usage scales

3. ADS/COMMERCE
Voice Commerce and Ads increase as user queries grow and users transact more frequently

Shared Revenue

Impressions

The Flywheel Effect: **Customer adoption of SoundHound's Product and Services generate demand for ads and commerce. As usage increases new revenue opportunities are created expanding the Total Addressable Market**

Pillar I Select Market Opportunity: Automotive

Immediate Opportunity
Increase penetration with existing customers

SoundHound is at the inflection point of building scale with existing customers
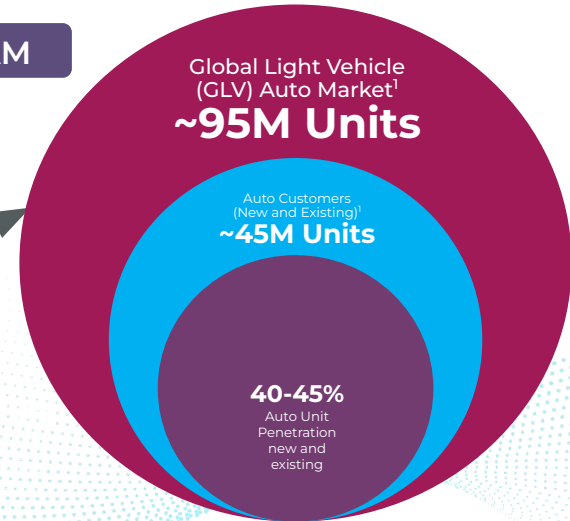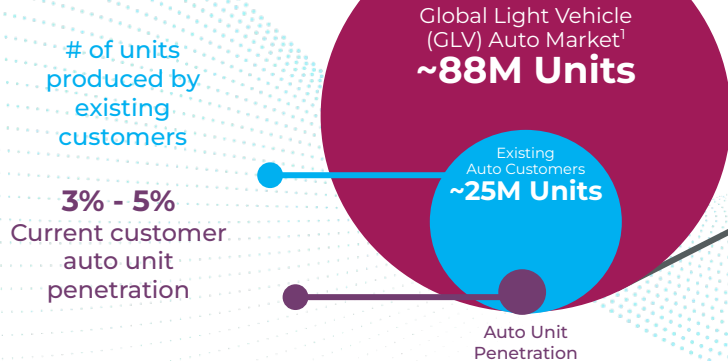
Next Opportunity
Increase penetration by ~10x while more than doubling customer base

SoundHound has significant future opportunities to grow share with new and existing customers, including new EV entrants

2024 TAM

Global Light Vehicle (GLV) Auto Market[1]
~88M Units

Existing Auto Customers
~25M Units

# of units produced by existing customers

3% - 5%
Current customer auto unit penetration

Auto Unit Penetration

2028 TAM

Global Light Vehicle (GLV) Auto Market[1]
~95M Units

Auto Customers (New and Existing)[1]
~45M Units

40-45%
Auto Unit Penetration new and existing

SoundHound AI

Leading Automotive Brands Currently Powered by SoundHound Technology

1. Global light vehicle unit sales (IHS Markit). New and existing, company estimate.

DODGE · FIAT · Jeep · HYUNDAI · CHRYSLER · KIA · GENESIS · Togg

CITROËN · PEUGEOT · RAM · HONDA · VAUXHALL · OPEL · DS AUTOMOBILES · ALFA ROMEO · LANCIA · MOPAR · ABARTH
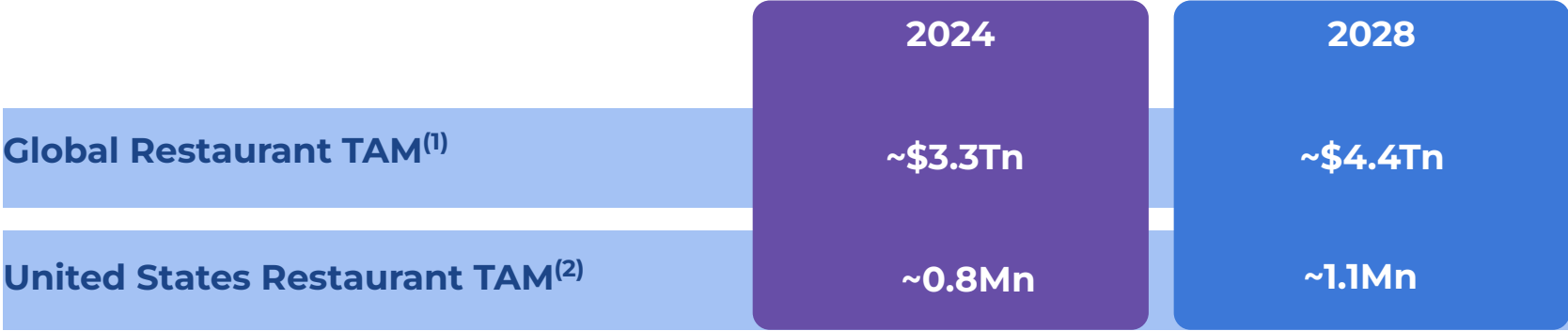
Pillar II Select Annual Revenue Opportunity: Restaurants

Immediate Opportunity
Massive expansion opportunity within restaurants. Can scale much faster with short sales cycle

SoundHound has a more than a $1Bn revenue opportunity in the U.S. alone. With a particular focus on the industries fastest growing sector: off premise restaurants (Delivery, Takeout & Drive Thru), SoundHound aims to grow rapidly as restaurants turn to Tech.

	2024	2028
Global Restaurant TAM[1]	~$3.3Tn	~$4.4Tn
United States Restaurant TAM[2]	~0.8Mn	~1.1Mn

SoundHound AI

Growing Partnerships with Payment Services, Delivery Apps and Restaurants

Applebee's · Casey's · CHIPOTLE MEXICAN GRILL · White Castle · Jersey Mike's SUBS · CHURCH'S TEXAS CHICKEN · noodles & COMPANY · Krispy Kreme DOUGHNUTS · FIVE GUYS

Square · toast · ORACLE Food and Beverage · BEEF 'O' BRADY'S GOOD FOOD, GOOD SPORTS · OLO · DETROIT'S ORIGINAL CHICKEN SHACK · Blake's LOTABURGER · MOD · BUBBAKOO'S BURRITOS

1..Statista, April 2023, expected $4.43T in 2028 from $2.5T in 2021 with 9.9% CAGR; 2024 was estimated; 2.National Restaurant Association: 2024 estimate; 2028 estimated based on global market 9.9% CAGR

Pillar III Market Opportunity: Monetization

Next Opportunity:
Voice AI monetization provides brands new revenue opportunities to monetize their products and services through ecommerce, services and digital advertising

Implied Revenue Per User: **SoundHound's** projected revenue per device is conservative relative to Facebook and Google's historical figures

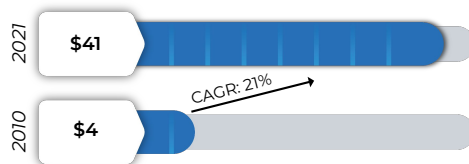## SoundHound Projection

Aggregate Monetization per Device / Year

2028E >$3

CAGR: ~75%

2024 <$0.3
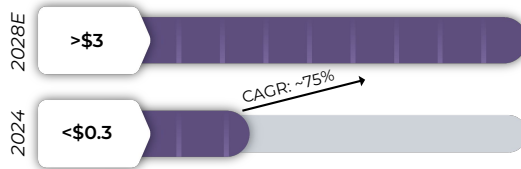
Voice AI Transactions
Select examples
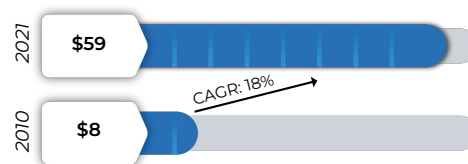
✔ Restaurant Ordering
✔ Grocery Shopping
✔ Entertainment
✔ Retail and E-Commerce

✔ Auto Services, Gas and Parking
✔ IoT Products
✔ Digital Advertising
✔ Other Services

Historical Industry KPIs

Facebook (Global) ARPU

2021 $41

CAGR: 21%

2010 $4

Google (Global) ARPU

2021 $59

CAGR: 18%

2010 $8

Global and U.S. TAMs 2026

E-Commerce Market

Global **$7.4Tn**

U.S. **$1.3Tn**

Digital Advertising Market

Global **$820Bn**

U.S. **$315Bn**

*Voice ads are **10x** more effective than traditional digital ad channels* [1]

Source: Management estimates, Company materials, Wall Street research, and online sources.
(1) SXM media survey (January 2021)
Note: SoundHound assumes average of 1 user per device during the forecast period. Google user count estimated to grow with world population.

Strong Start to the Year: Q1 Highlights at a Glance
Full Year 2024 Outlook Raised

Total Cash of $226 Million
$212 Million of Unrestricted Cash

Revenue to $11.6 Million
Revenue Increased by 73% Year Over Year

Cumulative Subscriptions & Bookings Backlog
Reaches $682 Million up by 80% Year Over Year

Annual Query Run Rate Exceeds 4 billion
First quarter up over 60% Year Over Year

Rapid Innovation for Voice AI Offerings
Dynamic Interaction, Smart Ordering, Smart
Answering, Employee Assist, SoundHound Chat AI,
Vehicle Intelligence

Strong Partnerships in AI
Working with NVIDIA, ARM and Perplexity

FY 2024 Revenue Outlook

$65 million to $77 million

**Expected to surpass $100 million
in revenue, and be adjusted
EBITDA positive in 2025**

Consistent Strong Growth and Approaching Scale

Condensed Historical Financials

(thousands)	FY2020	FY2021	FY2022	FY2023
Revenue	$ 13,017	$ 21,197	$ 31,129	$ 45,873
Cost of revenue	$ 5,863	$ 6,585	$ 9,599	$ 11,307
Sales & marketing	$ 4,739	$ 4,240	$ 20,367	$ 18,893
Research & development	$ 54,279	$ 59,178	$ 76,392	$ 51,439
General & administrative	$ 14,140	$ 16,521	$ 30,443	$ 28,285
Operating expenses	$ 79,021	$ 86,524	$ 136,801	$ 114,481*
Operating loss	$ (66,004)	$ (65,327)	$ (105,672)	$ (68,608)
Net loss	$ (74,407)	$ (79,540)	$ (116,713)	$ (88,937)
Gross margin	55%	69%	69%	75%
Adjusted EBITDA**	$ (54,070)	$ (53,503)	$ (72,843)	$ (35,896)
Operating cash flow	$ (46,304)	$ (66,177)	$ (94,019)	$ (68,265)

*Includes $4,557 of Restructuring expenses
**Refer to 'Reconciliation of GAAP Net Loss to Non-GAAP Adjusted EBITDA' table for more details

Historical Revenue Growth

+52% CAGR
Full year revenue in millions ($)

2020: 13 · 2021: 21 · 2022: 31 · 2023: 46
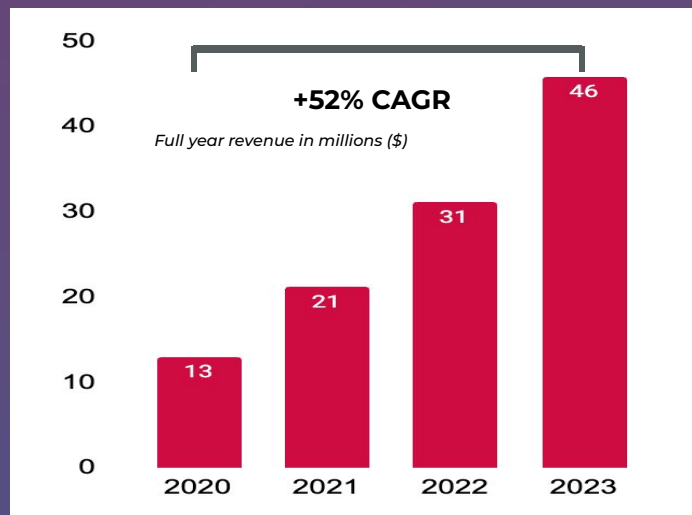
Driving the business towards:

✔ **Continued strong revenue growth**
✔ **Sustained annual gross margin of 70%+**
✔ **Adjusted EBITDA positive**

SoundHound AI
Conversational AI That's *More Human*™

SoundHound.com

APPENDIX

We Believe Every Company Needs Voice AI

Voice AI delivers business value, unifies customer service, and increases safety

Voice AI Business Value

Lowers costs

Solves staffing challenges

Increases revenues

Smart upsell

Increases retention

Customer personalization and loyalty

Enables new use cases

Unleashing the full potential of IoT

Increases safety

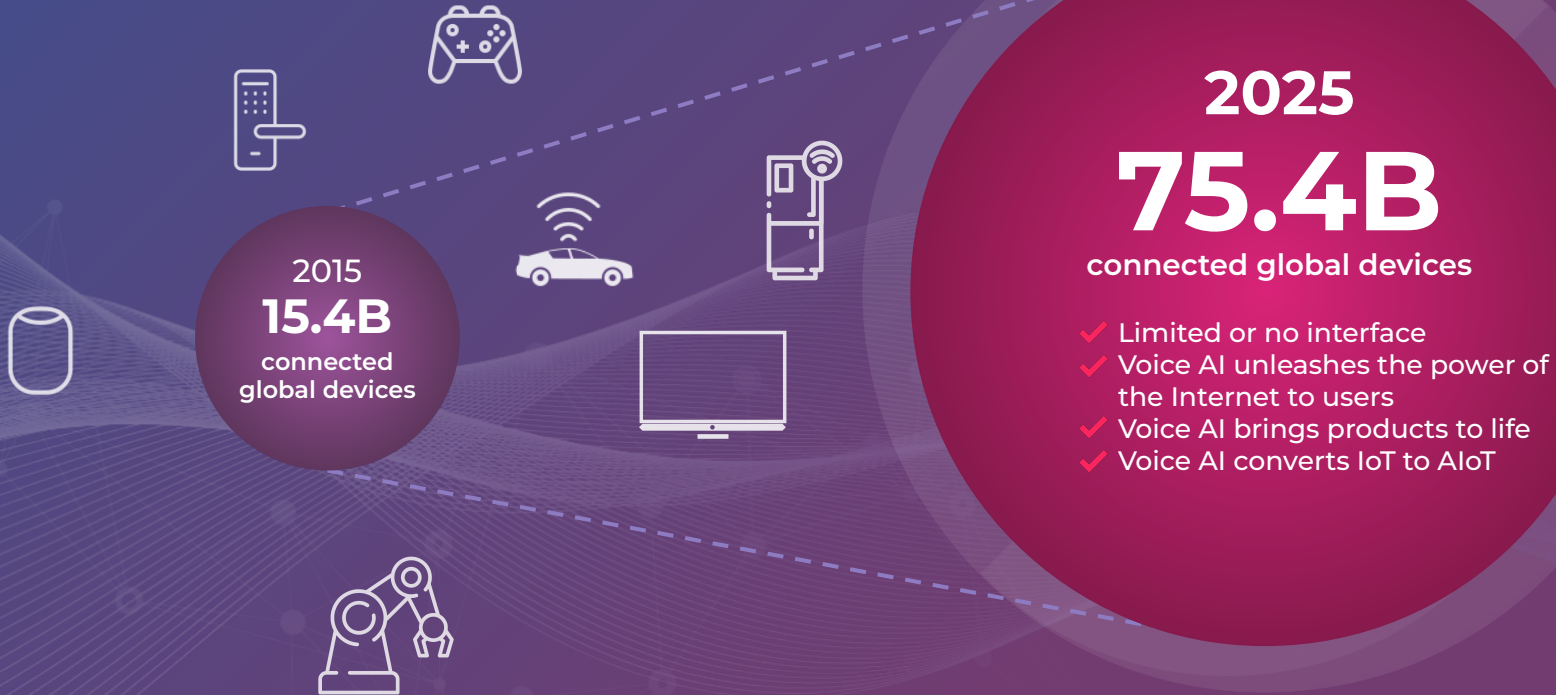Reduced driver distraction and touchless interfaces for a pandemic-impacted world

Multichannel Integration

Cars

Call Center

IoT

SoundHound
Voice AI Platform

Mobile

Web

Hotels
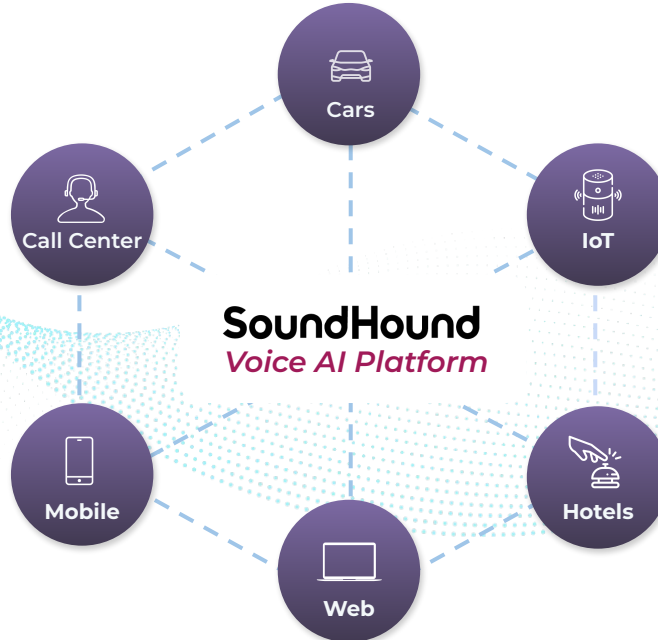
SoundHound Advantages

✓ Breakthrough voice AI technology developed over two decades

✓ Independent platform giving businesses full data privacy controls and ability to garner insights from data

✓ White-labeled solution that offers ability to have brand-owned voice experiences that build loyalty

✓ An ecosystem that drives monetization opportunities by connecting users with services on SoundHound's platform

✓ Holistic solution with cloud and edge connectivity options, a wide range of domains, and ability to customize

Growth in Connected Devices is a World of Untapped Opportunity

2015
15.4B
connected global devices

2025
75.4B
connected global devices

- ✔ Limited or no interface
- ✔ Voice AI unleashes the power of the Internet to users
- ✔ Voice AI brings products to life
- ✔ Voice AI converts IoT to AIoT

Source: IHS

Technology Leaders Disrupted Markets and Expanded Upon Them

Microsoft

- Disrupted desktop computing
- Operating system
- Business value for *Product Creators*

Apple

- Disrupted mobile
- Monetization platform
- Business value for *Developers*

Google

- Disrupted Internet search
- Keyword bidding
- Business value *for Advertisers*

amazon

- Disrupted commerce
- E-commerce optimized for *Customers*
- Business value for *Merchants*

SoundHound

Positioned to be the leader in Human-Computer interaction and the next generation of search monetization

Disrupting Human-Computer Interfaces

- ✓ Billions of products with voice AI Conversational interactions
- ✓ Reactive and proactive engagement
- ✓ 270+ patents with 40+ patents in conversational monetization
- ✓ Business value for *Product Creators, Advertisers, Developers, and Merchants*
- ✓ Proven adoption with ~3.5 billion annual query traffic

Growing Void and Demand for an Independent Voice AI Platform

The Success of Independent Disruptors

- Focused resources
- Fueled by AI democratization of computing platforms
- Beating the legacy giants

twilio   zoom

stripe   Square

airbnb   shopify

Uber   slack

Voice AI from Big Tech

- Conflict of interest
- Hidden agenda
- Learn and compete
- Product takeover
- Loss of brand autonomy and data

Voice Licensing Legacy Players

- Dated technology
- Outdated expensive business model
- Rigid contracts
- Low attachment to product success
- 4/12/2021: Microsoft acquisition of Nuance for $19.7B

SoundHound Opportunity

- ✓ Disruptive technology
- ✓ Custom voice assistants
- ✓ Proprietary domains and services
- ✓ Control of customer data
- ✓ Defined privacy policies
- ✓ No conflict of interest
- ✓ Innovation and monetization opportunities

SoundHound

A Range of Connectivity Options for Your Needs

Our *Edge+Cloud*™ **Connectivity Solutions** allow brands to optimize their voice-enabled products and devices with options ranging from fully-embedded to exclusively cloud-connected.

> **Roll up the windows and navigate to the nearest gas station**

> All windows are up. There is a Best Gas in one mile. Do you want to go to that one?

Edge+Cloud

The capabilities of **Edge** with the flexibility of cloud connectivity. Deliver the level of cloud connectivity that best matches your product and users.

Cloud-Only

Equip your voice assistant with real-time data and information from the cloud, deliver the most relevant responses to user queries with no restrictions of your device CPU and memory capabilities, and retain ownership of your customer relationships and access to data and analytics.

Edge

Fully-embedded voice AI solution with as much **Natural Language Understand (NLU)** capabilities as necessary for your purposes and to meet customer desires for hands-free convenience. Includes full accessibility to custom commands and the ability to create custom domains for proprietary on-device functionality.

EdgeLite+Cloud

The capabilities of **EdgeLite** with the flexibility to use the cloud to retrieve information or push product updates.

EdgeLite

Process data locally without the privacy or connectivity concerns of the Internet with our fully-embedded voice solution. Developers have access to natural language commands with less CPU impact, a bundled wake word, and the ability to instantly update commands.

In-car sentence accuracy

In different conditions. Test performed by Houndify automotive customer

(%)	0 km/h	60 km/h	105 km/h	120 km/h
Large Tech Company	89%	81%	58%	33%
SoundHound	**95%**	**90%**	**78%**	**66%**

Competitive Advantage*	"Big Tech" 1	"Big Tech" 2	"Big Tech" 3	Legacy Vendors	"Big Tech" 4	SoundHound
Speech-to-Meaning® (Real-Time ASR-NLU)						✔
Basic NLU	✔	✔	✔	✔	✔	✔
Deep Meaning Understanding® (Complex Conversational Support)						✔
NLU Platform	✔				✔	✔
Collective AI® (Extensible Platform)						✔
Dual Hybrid Technology				✔		✔
Embedded Offline Recognition				✔		✔
Hundreds of Content Domains	✔				✔	✔
Monetization Revenue						✔
Custom Wake Word / Multiple Wake Words				✔		✔
Own Your Brand Experience				✔		✔
Complete Cross-Industry Offering						✔
Independent and Platform Agnostic				✔		✔
Custom Solutions and Support				✔		✔

Reconciliation of GAAP Net Loss to Non-GAAP Adjusted EBITDA

To supplement our financial statements, which are presented on the basis of U.S. generally accepted accounting principles (GAAP), the following non-GAAP measure of financial performance is included in this release: adjusted EBITDA. We define Adjusted EBITDA as our GAAP net loss excluding (i) interest and other expense, net, (ii) depreciation and amortization expense, (iii) income taxes, (iv) stock-based compensation, (v) restructuring expense, and (vi) acquisition-related expenses.

A reconciliation of GAAP to this adjusted non-GAAP financial measure is included below. When analyzing the Company's operating results, investors should not consider non-GAAP measures as substitutes for the comparable financial measures prepared in accordance with GAAP.

Adjusted EBITDA

(thousands)	2020	2021	2022	2023
Net loss	$ (74,407)	$ (79,540)	$ (116,713)	$ (88,937)
OI&E	$ 7,665	$ 13,757	$ 8,417	$ 16,415
Income taxes	$ 738	$ 456	$ 2,889	$ 3,914
Depreciation and amortization	$ 6,037	$ 5,502	$ 4,037	$ 2,313
Stock-based compensation	$ 5,897	$ 6,322	$ 28,792	$ 24,789
Restructuring expense	$ -	$ -	$ -	$ 4,557
Acquisition-related expenses	$ -	$ -	$ -	$ 1,053
Adjusted EBITDA (non-GAAP)	$ (54,070)	$ (53,503)	$ (72,578)	$ (35,896)