VERILUMA

ASX Announcement

31 October 2019

September 2019 Quarterly Activities Report

Veriluma Limited (**ASX: VRI**, **Veriluma** or **Company**), one of Australia's leading Artificial Intelligence companies providing prescriptive analytics software solutions, is pleased to provide an update on its activities for the quarter ended 30 September 2019.

Operational Update

During the quarter, delivery of services in support of the Defence contract, which was awarded in February, continued. As an extension of this contract, the Defence project team requested Veriluma respond to a proposal for the supply of hardware as a service in support of the training courses conducted at various locations around Australia for Veriluma's software solutions, and that of other technology vendors. Veriluma was successful in this submission (see ASX Announcement dated 7 October 2019). The service will provide servers, laptops and associated peripherals for each student who attends training beginning October 2019.

Staffing

A fulltime Account Executive based in Canberra has been hired to expand the footprint of software licences and services inside Defence and outside into other government agencies. He brings 30 years of technology experience and 2 decades of relationships and sales in the Canberra market.

To support increasing awareness of our brand and software, a Chief Marketing and Communications Officer has been retained. Andy Rice has a background in advertising with clients such as Subaru, Optus, the US Army and the Australian Federal Government. He was also the CMO for the first FinTech backed by Adelaide Bendigo Bank, Tic:Toc home loans. His broad industry engagement brings the experience Veriluma needs in strategic positioning, communications, brand awareness.

UK

A visit to the UK for 9 days endorsed the decision to establish a presence there. The opportunities exist across various industries including government. The appetite for innovation is strong and there is support for the software from a number of bodies. We have a growing pipeline of prospects and the first sale will drive the recruitment of team members with the skills and experience to use our software in a pre and post sales capacity as well as provide services to support delivery.

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AVVA

The hosted application website has officially launched for subscribers. The market positioning has been completed and there has been a greater than expected interest from the corporate sector with several *friendlies* working with the Made In the Now team in Europe.

Potentiate

During the quarter, the agreement for the joint venture was negotiated and the sales presentation to clients fine-tuned and tested. Other client challenges in other industries have been identified and are currently being explored.

Prometheus Acquisition

The investigation of Prometheus Information Pty Limited's solutions, clients and technology fit began during this quarter with a view to acquire, integrate and expand the Veriluma Software footprint and technical offering (see ASX Announcement of 7 October 2019).

Corporate Update

During the quarter, Veriluma completed an over-subscribed capital raising of $5.4 million, and had its securities reinstated to trading on ASX.

For more information, please contact

investor@veriluma.com

About Veriluma

Veriluma has developed and patented an advanced algorithmic approach to deliver decisive insight to decision makers. Veriluma's software, Intelfuze, augments the available data and human knowledge with artificial speed and unbiased accuracy. Intelfuze is a form of advanced, forward-looking analytics, which provides assessments about future outcomes and a preferred course of action. Originally developed for the Australian Defence Intelligence Organisation, Veriluma's software provides a rapid and accurate assessment about situations of national interest.

In complex decision making situations, the ability to comprehensively manage incomplete or uncertain inputs is highly valuable for businesses, governments and individuals. Orbis Research estimates that the Artificial Intelligence/Prescriptive Analytics market is currently worth US$4.6b, and will grow at a CAGR of 22%, to reach an estimated US$20b by 2020. Currently, 10% of organisations have some form of prescriptive analytics and this is expected to grow to 35% by 2020. [1]Source: Gartner Forecast Snapshot: Prescriptive Analytics, Worldwide, 2016; 5 February 2016.

Veriluma's software has wide application across multiple industries including banking and financial services, insurance, defence and national security, legal and health.

www.veriluma.com