

19 December 2016

ASX Announcement

Veriluma secures contract with Australian Department of Defence

HIGHLIGHTS

- Indicators and Warnings model to be developed for Climate and Disaster Preparedness
- Project involves collaboration between several government departments and research agencies including the Department of Defence
- Prototype model to be built during the first six months of 2017
- Company's pipeline of opportunities in the Government sector continues to grow

Veriluma Limited (**ASX: VRI, Veriluma or Company**), Australia's leading prescriptive analytics software provider, is pleased to announce that the Company has entered into a landmark contract with the Australian Government Department of Defence (**DoD**) to build a prototype '*Indicators and Warnings*' model for Climate and Disaster Preparedness using Veriluma's unique patented "Intelfuze" software (**DoD Project**). The DoD Project is an important new collaboration between several Government and research agencies including the DoD. Veriluma anticipates that the success of the DoD Project will provide ongoing and mutually beneficial relationships between the Company and other agencies of the Australian Federal Government.

The prototype will be built in the first six months of 2017 by Veriluma's expert team, led by Dr Stuart Nettleton who was recently appointed as Veriluma's Chief Data Scientist (*refer ASX announcement 15 November 2016*), who will also be lead consultant to the DoD Project. Dr Nettleton will be assisted by Professor Roger Bradbury, a highly experienced and well respected researcher and consultant within both DoD and the wider strategic policy environment who runs the Strategy and Statecraft in Cyberspace research program at the National Security College.

Commenting on this significant milestone, Veriluma CEO Elizabeth Whitelock said:

"We are delighted that the Department of Defence has selected Veriluma to support it in this important initiative. We believe this prototype will form the foundation of a strong ongoing partnership with the Department of Defence and the participating agencies and is further endorsement of Veriluma's unique patented analytics software."

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About Veriluma and Prescriptive Analytics:

Veriluma has developed and patented an advanced algorithm dealing in Prescriptive Analytics. Prescriptive Analytics is a form of advanced, forward-looking analytics, which provides assessments about future outcomes. Although most types of analytics aim to assist and improve in the decision making process, only Prescriptive Analytics delivers a preferred course of action. Developed in a Commonwealth Research Centre for the Australian Defence Intelligence Organisation, which has been utilising Veriluma's technology since 2013, Veriluma's software assists decision makers with rapid and accurate assessments of terrorism and national security threats using its patented technology.

In complex decision making situations, the ability to comprehensively manage incomplete or uncertain inputs is highly valuable for businesses, governments and individuals. ¹The Prescriptive Analytics software market is expected to reach US\$1.1 billion in the next 3 years, with a 22% Compound Annual Growth Rate (CAGR) from 2016. Currently, 10% of organisations have some form of prescriptive analytics and this is expected to grow to 35% by 2020. ¹Source: Gartner Forecast Snapshot: Prescriptive Analytics, Worldwide, 2016; 5 February 2016

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