

ASX Announcement

7 November 2019

Joint Venture with Potentiate creates Data Distillery

Veriluma Limited (ASX: VRI, Veriluma or Company), one of Australia's leading Artificial Intelligence companies providing prescriptive analytics software solutions, is pleased to announce it has executed a shareholders' agreement with Potentiate Pty Limited (**Potentiate**), and established Data Distillery Pty Ltd (**Data Distillery**) as a special purpose joint venture company owned 50/50 by Veriluma and Potentiate.

The focus of Data Distillery is to help businesses refine and enhance consumer data both at scale and to fill data gaps using Veriluma's patented software. The joint venture has the potential to generate significant revenue as Potentiate will lead the sale of the Data Distillery solution to their existing global client base, with profits to be shared between Veriluma and Potentiate. The financial benefit to Veriluma is not determinable at this time but is anticipated to be material subject to the sales success of Data Distillery.

Data Distillery will provide insights around customer behaviour to help organisations in industries such as banking, automotive and telecommunications to interact in a more meaningful and timely fashion with their customers to drive retention and increase sales. Veriluma is providing the technology platform and skills for the tailored Data Distillery solutions, which embrace data science and human centred AI. With a strong, differentiated technology solution and access to a global client base, Data Distillery is a significant step up in securing footholds in new industry verticals for Veriluma.

"We have been working with Veriluma to find greater insight for our clients," says Potentiate Group CEO, Peter Harris. "Veriluma's AI creates an accurate and explainable result which equips our clients to make timely and informed decisions."

Harris went on to say, "We are privileged to have some of the most famous brands as our clients. By identifying behavioural patterns within their data, for example, we can deliver them greater actionable insights. The next frontier is to use data to identify intent. Veriluma AI takes this data, creates learnings and drives understanding by identifying the customer's intent – not only what but when and explains how it arrived at this result."

Veriluma CEO, Elizabeth Whitelock said "The range of business challenges we can address with Potentiate is outstanding. To date, the focus on customer purchase decisions has yielded extraordinarily accurate results (even with missing and unreliable data). This solution is now ready for Potentiate's clients. This proof point has piqued interest in other industry sectors and we are

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investigating how these challenges can be best addressed in a repeatable fashion. I am delighted to formalise the partnership with Potentiate and together establish Data Distillery as our joint venture.”

“Data Distillery is a fabulous example of human insight, machine learning of data and the power of the Veriluma prescriptive AI engine.”

For more information, please contact

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About Potentiate

Potentiate is a data intelligence company focused on customer experience management; employee engagement; and market insights. Potentiate offers a consultancy-led approach, coupled with world-class technology and smart research design.

Diverse in nature and approach, Potentiate embraces fresh ideas and forward thinking: having the courage to challenge not just what you see, but the way in which you see it.

Potentiate has been in the marketing, market research and technology industry for over 20 years. It is headquartered in Sydney, with offices in Melbourne, Seattle, Tokyo, London, Paris, Cologne and Kuala Lumpur.

When working with Potentiate, quality and security are assured, proven by Potentiate's ISO27001 and Fair Data accreditations and multiple industry accolades at a national, regional and global level, including winning the Temkin CX Vendor excellence award.

www.potentiate.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. ¹Source: 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.

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