

Veriluma Limited Interim Financial Report 31 December 2016

Sydney, Australia, 28 February 2017 - Veriluma Limited (ASX: VRI), Following the reverse takeover of Parmelia Resources Limited (“PML”) and repurposing as Veriluma Limited (“Veriluma”), then subsequent relisting, the company has released its audited review of results for the half-year ended 31 December 2016.

Commenting on the result, Veriluma CEO, Elizabeth Whitelock said: “The financial results are reflective of Veriluma being in an early stage commercialisation phase, laying the foundations to deliver the longer-term strategy. In that context, we are very pleased with the progress we have made in terms of advancing our growth plans”.

“A net loss from ongoing operating activities of \$1,261,029 excluding non-cash items for the period, was largely driven by one-off professional fees, legal fees, and listing costs associated with the reverse acquisition and relisting, securing key personnel, exploration tenement expenses, marketing and new business development. This investment has provided the underpinnings to commence implementing our strategy”.

“Since the half-year, we are pleased to be able to confirm leading Australian law firm Gilbert + Tobin will trial Veriluma’s prescriptive analytics solution on legal applications. This trial will commence during the first quarter of 2017.”

“Veriluma holds several legacy exploration tenements in Western Australia. With our core focus on being Australia’s leading prescriptive analytics software provider, the Board is committed to an early divestiture of these tenements. As announced in Veriluma’s quarterly update to the market (refer ASX Announcement of 30 January), the Board has commenced a process for the sale of these tenements and is engaged in active dialogue with a number of interested parties. While the Board is confident that a successful transaction will be concluded in the near future there is no guarantee that the process will lead to a sale. Veriluma will continue to update the market with any new material information as and when it arises”

“We appreciate the support of our cornerstone shareholders in bringing Veriluma to market, and their ongoing confidence in our strategy. Veriluma is well positioned to take advantage of the significant opportunities in the Prescriptive Analytics sector both here and internationally,” Ms Whitelock said.

Key Financials

- The net loss from underlying operating activities of \$1,261,029, was largely driven by one-off professional fees, legal fees and costs associated with the reverse acquisition and relisting. Due to the length of time taken to complete the reverse acquisition, some of these costs were higher than originally budgeted. Other costs incurred were from securing key personnel, exploration tenement expenses, marketing and new business development.

Key Financials (continued)

- The statutory accounting loss after tax of \$13,632,407 is mainly driven by a one-off, non-cash listing expense of \$12,371,378 that represents the cost of the reverse acquisition to the Group. The listing expense represents the excess of the fair value of the share capital and options on issue at acquisition date over the fair value of the assets and liabilities of Parmelia Resources Limited acquired, due to the reverse acquisition transaction. As this is not reflective of the underlying operational result of Veriluma Limited, an operating result has also been disclosed to exclude this non-operating, non-cash and one-off value.
- Under Accounting Standards, Veriluma Software Pty Ltd (formerly Veriluma Pty Ltd) is considered the accounting acquirer. Veriluma Limited's financial statements are presented as a continuation of Veriluma Software Pty Ltd financial statements, not Parmelia Resources Limited financial statements.

Outlook

The prescriptive analytics software market is expected to grow at 32% annually from US\$1.2 billion in 2016 to US\$4.6 billion by 2021. Asia-Pacific (China, India, Australia & NZ) is expected to have the highest growth rate due to aggressively adopting prescriptive technologies to stay ahead of competition ¹.

"While we are unable to make revenue forecasts, we are delighted with the growth of our sales pipeline, the increase in inbound interest in our solution and the expansion opportunities via partners in our key strategic and geographic markets. We are involved in a number of exciting initiatives which we look forward to announcing in the coming months." Ms Whitelock said.

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¹ MarketsandMarkets: "Prescriptive Analytics Market by Component, Data Type, Application, Business Function, Deployment Model, Vertical, and Region - Global Forecast to 2021" January 2017