
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Date of Report (Date of earliest event reported): November 1, 2021

VERRA MOBILITY CORPORATION

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

1-37979
(Commission
File Number)

81-3563824
(IRS Employer
Identification No.)

1150 N. Alma School Road
Mesa, Arizona
(Address of principal executive offices)

85201
(Zip Code)

(480) 443-7000
(Registrant's telephone number, including area code)

N/A
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

(Title of each class)

(Trading symbol)

(Name of each exchange on which registered)

Class A common stock, par value \$0.0001 per share

VRRM

Nasdaq Capital Market

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§ 230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§ 240.12b-2 of this chapter).

- Emerging growth company
 - If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.
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Item 2.02 Results of Operations and Financial Condition.

On November 4, 2021, Verra Mobility Corporation (the “*Company*”) issued a press release announcing its financial results for the third quarter ended September 30, 2021. A copy of the press release is furnished as Exhibit 99.1 to this Current Report on Form 8-K.

The information in this Item 2.02 and Exhibit 99.1 attached hereto is being furnished and shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference into any filing under the Securities Act of 1933, as amended, except as expressly set forth by specific reference in such filing.

Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

On November 1, 2021, Tricia Chiodo notified the Company of her intent to retire from her position as Chief Financial Officer of the Company, which the Company expects to become effective in the second quarter of 2022. Ms. Chiodo will continue to serve as Chief Financial Officer of the Company until her retirement becomes effective. The Company will immediately begin a search for a new Chief Financial Officer. Ms. Chiodo’s decision to retire is not the result of any dispute or disagreement with the Company on any matter relating to its accounting or financial policies or procedures or its financial statements or disclosure.

Item 7.01 Regulation FD Disclosure.

The Company will host a conference call and live webcast to discuss its third quarter 2021 financial results on November 4, 2021, at 5 p.m. Eastern time. The Company disseminated an earnings presentation on November 4, 2021 to be used in connection with the earnings call. A copy of the earnings presentation is furnished as Exhibit 99.2 to this Current Report on Form 8-K and incorporated into this Item 7.01 by reference. Additionally, an investor presentation that will be used by the Company in presenting to certain existing and potential stockholders of the Company at upcoming investor conferences is attached as Exhibit 99.3 to this Current Report on Form 8-K and incorporated into this Item 7.01 by reference.

The information furnished in this Item 7.01 and Exhibits 99.2 and 99.3 attached hereto is being furnished and shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference into any filing under the Securities Act of 1933, as amended, except as may be expressly set forth by specific reference in such filing.

The Company expressly disclaims any obligation to update or revise any of the information contained in the presentations.

The presentations are available on the Company’s investor relations website located at ir.verramobility.com, although the Company reserves the right to discontinue that availability at any time.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

Exhibit Number	Description of Exhibits
99.1	Press Release, dated November 4, 2021, issued by Verra Mobility Corporation.
99.2	Q3 2021 Earnings Presentation, dated November 4, 2021, given by Verra Mobility Corporation.
99.3	Investor Presentation, dated November 4, 2021, given by Verra Mobility Corporation.
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Dated: November 4, 2021

Verra Mobility Corporation

By: /s/ Patricia Chiodo

Name: Patricia Chiodo

Title: Chief Financial Officer



Verra Mobility Reports Third Quarter 2021 Financial Results

- Net income for the third quarter of 2021 was \$27.3 million, or \$0.14 per diluted share
- Reports third quarter revenue of \$162.1 million; total year-to-date revenue of \$380.6 million
- Generated cash flows from operations of \$129.3 million

Mesa, AZ, November 4, 2021 – Verra Mobility (NASDAQ: VRRM), a leading provider of smart mobility technology solutions, announced today the financial results for the three and nine months ended September 30, 2021.

“Our team delivered strong results for the third quarter with a total revenue of \$162.1 million and significant profit growth in both of our business segments,” said David Roberts, Chief Executive Officer of Verra Mobility. “With rental car travel and the use of cashless tolling growing steadily, our Commercial Services segment achieved a 75% increase in revenue year-over-year. Our Government Solutions segment saw 61% revenue growth from increases in both service revenue and product sales year-over-year. Additionally, we made great progress this quarter with the integration of Redflex, and expect to continue achieving synergies. Redflex’s automated safety technology and intelligent transportation solutions have strengthened our Government Solutions portfolio and expanded our customer base globally.”

Third Quarter 2021 Financial Highlights

- **Revenue:** Total revenue for the third quarter of 2021 was \$162.1 million, an increase of 67% compared to \$96.9 million for the third quarter of 2020. The increase was attributable to service revenue resulting from improved travel demand that positively impacted the rental car industry in our Commercial Services segment, and growth in both speed and red-light programs from the inclusion of Redflex operations in our Government Solutions segment.
- **Net income:** Net income for the third quarter of 2021 was \$27.3 million, or \$0.14 per share based on 165.4 million diluted weighted average shares outstanding. Net income for the comparable 2020 period was \$11.1 million, or \$0.07 per share, based on 162.6 million diluted weighted average shares outstanding.
- **Adjusted Earnings Per Share (EPS):** Adjusted EPS for the third quarter of 2021 was \$0.27 per share compared to \$0.17 per share for the third quarter of 2020.
- **Adjusted EBITDA:** Adjusted EBITDA was \$82.1 million for the third quarter of 2021, compared to \$53.5 million for the same period last year. Adjusted EBITDA margin was 51% of total revenue for 2021 and 55% for 2020.

The Company reports its results of operations based on two operating segments:

- **Commercial Services** delivers market-leading automated toll and violations management and title and registration solutions to rental car companies, fleet management companies, and other large fleet owners.
- **Government Solutions** delivers market-leading automated safety solutions to municipalities, school districts and government agencies, including services and technology that enable photo enforcement related to speed, red-light, school bus, and city bus lane management.

Third Quarter 2021 Segment Detail

- The Commercial Services segment generated total revenue of \$77.3 million, a 75% increase compared to \$44.2 million in the same period in 2020. Segment profit was \$51.3 million, a 66% increase from \$30.8 million in the prior year. The significant increases in revenue and profit resulted from improved travel demand that positively impacted the rental car industry. The segment profit margin was 66% for 2021 and 70% for the same period in 2020.
- The Government Solutions segment generated total revenue of \$84.8 million, a 61% increase compared to \$52.8 million in the same period in 2020. The increase was due to growth in service revenue and product sales from the inclusion of Redflex operations with no comparable amounts in the prior year. The segment profit was \$30.0 million, a 32% increase from \$22.7 million in the prior year. The segment profit margin was 35% for 2021 and 43% for 2020.

Year-To-Date 2021 Financial Highlights

- **Revenue:** Total revenue for year-to-date 2021 was \$380.6 million, an increase of 30% compared to \$293.4 million for year-to-date 2020. Redflex contributed \$22.8 million to the revenue growth, and the remaining increase was due to service revenue resulting from improved travel demand that positively impacted the rental car industry in our Commercial Services segment, and growth in both speed and red-light programs in our Government Solutions segment.
- **Net income:** Net income for year-to-date 2021 was \$22.4 million, or \$0.14 per share, based on 164.8 million diluted weighted average shares outstanding. Net income for the comparable 2020 period was \$9.5 million, or \$0.06 per share, based on 162.0 million diluted weighted average shares outstanding.
- **Adjusted EBITDA:** Adjusted EBITDA was \$191.0 million for year-to-date 2021, compared to \$136.0 for year-to-date 2020. Adjusted EBITDA margin was 50% of total revenue for year-to-date 2021 and 46% for 2020.

Liquidity: As of September 30, 2021, cash and cash equivalents were \$128.2 million and we generated \$129.3 million in cash flows from operations for 2021. As of September 30, 2021, we had total debt of \$999.7 million, net of cash on hand, our net debt was \$871.4 million, and a \$62.2 million availability to borrow on the revolver that is undrawn.

Restatement of Previously Reported Financial Information

We restated our consolidated financial statements as of December 31, 2020 and 2019 and for the years ended December 31, 2020, 2019, and 2018, including interim periods within the fiscal years 2020 and 2019. This was based on recent guidance by the U.S. Securities and Exchange Commission (the "SEC") on April 12, 2021 regarding the accounting for warrants issued by special purpose acquisition companies. As a result, this press release includes restated information for the affected prior periods which should be read in conjunction with the restated information in our Annual Report on Form 10-K/A filed with the SEC on May 17, 2021. The new accounting treatment for warrants impacts net income in prior periods but has no impact on revenue, Adjusted EBITDA, or total cash flows.

Redflex Acquisition: On June 17, 2021, we completed the acquisition of Redflex Holdings Limited, a public company limited by shares, incorporated in Australia and listed on the Australian Securities Exchange ("Redflex"). Redflex is a provider of intelligent traffic management products and services that are sold and managed in the Asia Pacific, North America, Europe, and Middle East regions. Redflex develops, manufactures, and operates a wide range

of platform-based solutions, utilizing advanced sensor and image capture technologies that enable active management of state and local motorways.

Conference Call Details

Date: November 04, 2021

Time: 5:00 p.m. Eastern Time (2:00 p.m. Pacific Time)

U.S. and Canadian Callers Dial-in: (800) 239-9838

Outside of U.S. and Canada Dial-in: (323) 794-8554 for international callers with conference ID #7088112

Webcast Information: Available live in the “Investor Relations” section of the Company’s website at <http://ir.verramobility.com>.

An audio replay of the call will also be available until 11:59 p.m. Eastern Time on November 18, 2021 by dialing (844) 512-2921 for the U.S. or Canada and (412) 317-6671 for international callers and entering passcode #7088112. In addition, an archived webcast will be available in the “News & Events” section of the Investor Relations page of the Company’s website at <http://ir.verramobility.com>.

About Verra Mobility

Verra Mobility is committed to developing and using the latest in technology and data intelligence to help make transportation safer and easier. As a global company, Verra Mobility sits at the center of the mobility ecosystem – one that brings together vehicles, devices, information, and people to solve complex challenges faced by our customers and the constituencies they serve.

Verra Mobility serves the world’s largest commercial fleets and rental car companies to manage tolling transactions and violations for millions of vehicles. As a leading provider of connected systems, Verra Mobility processes millions of transactions each year through integration and connectivity with hundreds of tolling and issuing authorities. Verra Mobility also fosters the development of safe cities, partnering with law enforcement agencies, transportation departments and school districts mainly across North America operating thousands of red-light, speed, bus lane and school bus stop arm safety cameras. Arizona-based Verra Mobility operates in North America, Australia, Europe and Asia. For more information, visit www.verramobility.com.

Forward-Looking Statements

This press release contains forward-looking statements which address the Company’s expected future business and financial performance, and may contain words such as “goal,” “target,” “future,” “estimate,” “expect,” “anticipate,” “intend,” “plan,” “believe,” “seek,” “project,” “may,” “should,” “will” or similar expressions. Examples of forward-looking statements include, among others, statements regarding the benefits of the Company’s strategic acquisitions, changes in the market for our products and services, expected operating results, such as revenue growth, expansion plans and opportunities, and earnings guidance related to 2021 financial and operational metrics. Forward-looking statements involve risks and uncertainties that could cause actual results to differ materially from those currently anticipated. A number of factors could cause actual results or outcomes to differ materially from those indicated by such forward looking statements. These factors include, but are not limited to: (1) the impact of payment delays related to the outstanding receivables with the City of New York Department of Transportation (“NYCDOT”) (2) the disruption to our business and results of operations as a result of the COVID-19 pandemic; (3) the impact of the COVID-19 pandemic on our revenues from key customers in the rental car industry and from photo enforcement programs; (4) customer concentration in our Commercial Services and Government Solutions segments; (5) decreases in the prevalence of automated photo enforcement or the use of tolling; (6) risks and uncertainties related to our government contracts, including but not limited to administrative hurdles, legislative changes, termination rights, audits and investigations; (7) decreased interest in outsourcing from our customers; (8) our ability to properly perform under our contracts and otherwise satisfy our customers; (9) our ability to compete in a highly competitive and rapidly evolving market; (10) our ability to keep up with technological developments and changing customer preferences; (11) the success of our new products and changes to existing products and services; (12) our ability to successfully

integrate our recent or future acquisitions; (13) failures in or breaches of our networks or systems, including as a result of cyber-attacks; and (14) other risks and uncertainties indicated from time to time in documents filed or to be filed with the SEC by Verra Mobility. The forward-looking statements herein represent the judgment of the Company, as of the date of this release, and Verra Mobility disclaims any intent or obligation to update forward-looking statements. This press release should be read in conjunction with the information included in the Company's other press releases, reports and other filings with the SEC. Understanding the information contained in these filings is important in order to fully understand the Company's reported financial results and our business outlook for future periods.

Non-GAAP Financial Measures

In addition to disclosing financial results that are determined in accordance with U.S. generally accepted accounting principles ("GAAP"), the Company also discloses certain non-GAAP financial information in this press release. These financial measures are not recognized measures under GAAP and are not intended to be and should not be considered in isolation or as a substitute for, or superior to, the financial information prepared and presented in accordance with GAAP. EBITDA, Adjusted EBITDA, Free Cash Flow, Adjusted Net Income and Adjusted EPS are non-GAAP financial measures as defined by SEC rules. These non-GAAP financial measures may be determined or calculated differently by other companies. Reconciliations of these non-GAAP measurements to the most directly comparable GAAP financial measurements have been provided in the financial statement tables included in this press release, and investors are encouraged to review the reconciliations.

VERRA MOBILITY CORPORATION
CONDENSED CONSOLIDATED BALANCE SHEETS
(Unaudited)

(\$ in thousands except per share data)	September 30, 2021	December 31, 2020 (As restated)
Assets		
Current assets:		
Cash and cash equivalents	\$ 128,247	\$ 120,259
Restricted cash	2,945	633
Accounts receivable (net of allowance for credit loss of \$14.7 million and \$11.5 million at September 30, 2021 and December 31, 2020, respectively)	174,463	168,783
Unbilled receivables	27,422	14,045
Prepaid expenses and other current assets	39,054	24,317
Total current assets	372,131	328,037
Installation and service parts, net	10,596	7,944
Property and equipment, net	95,786	70,284
Operating lease assets	32,960	29,787
Intangible assets, net	317,031	342,139
Goodwill	637,739	586,435
Other non-current assets	15,673	2,699
Total assets	\$ 1,481,916	\$ 1,367,325
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	\$ 48,632	\$ 34,509
Accrued liabilities	53,663	15,636
Payable to related party pursuant to tax receivable agreement, current portion	5,202	4,791
Current portion of long-term debt	9,433	9,104
Total current liabilities	116,930	64,040
Long-term debt, net of current portion	965,362	832,941
Operating lease liabilities, net of current portion	31,570	27,986
Payable to related party pursuant to tax receivable agreement, net of current portion	64,329	67,869
Private placement warrant liabilities	35,933	30,866
Asset retirement obligation	10,708	6,409
Deferred tax liabilities, net	12,378	21,148
Other long-term liabilities	1,040	494
Total liabilities	1,238,250	1,051,753
Commitments and contingencies		
Stockholders' equity		
Preferred stock, \$0.0001 par value	—	—
Common stock, \$0.0001 par value	16	16
Common stock contingent consideration	36,575	36,575
Additional paid-in capital	311,003	373,620
Accumulated deficit	(100,482)	(94,850)
Accumulated other comprehensive (loss) income	(3,446)	211
Total stockholders' equity	243,666	315,572
Total liabilities and stockholders' equity	\$ 1,481,916	\$ 1,367,325

VERRA MOBILITY CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
AND COMPREHENSIVE INCOME
(Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	2020	2021	2020
		(As restated)		(As restated)
(\$ in thousands, except per share data)				
Service revenue	\$ 141,811	\$ 82,980	\$ 348,000	\$ 245,292
Product sales	20,284	13,928	32,610	48,138
Total revenue	162,095	96,908	380,610	293,430
Cost of service revenue	1,412	907	3,624	3,139
Cost of product sales	9,391	7,088	15,562	24,838
Operating expenses	48,309	26,544	115,235	85,502
Selling, general and administrative expenses	31,580	17,511	86,252	64,218
Depreciation, amortization and (gain) loss on disposal of assets, net	29,529	29,590	84,806	88,002
Total costs and expenses	120,221	81,640	305,479	265,699
Income from operations	41,874	15,268	75,131	27,731
Interest expense, net	11,637	9,578	32,481	31,568
Change in fair value of private placement warrants	(5,067)	(4,400)	5,067	(11,533)
Tax receivable agreement liability adjustment	—	—	1,661	4,446
Loss on extinguishment of debt	—	—	5,334	—
Other income, net	(3,494)	(4,982)	(9,305)	(9,430)
Total other expenses	3,076	196	35,238	15,051
Income before income taxes	38,798	15,072	39,893	12,680
Income tax provision	11,492	3,986	17,510	3,176
Net income	\$ 27,306	\$ 11,086	\$ 22,383	\$ 9,504
Other comprehensive (loss) income:				
Change in foreign currency translation adjustment	(3,818)	2,467	(3,657)	(1,408)
Total comprehensive income	\$ 23,488	\$ 13,553	\$ 18,726	\$ 8,096
Net income per share:				
Basic	\$ 0.17	\$ 0.07	\$ 0.14	\$ 0.06
Diluted	\$ 0.14	\$ 0.07	\$ 0.14	\$ 0.06
Weighted average shares outstanding:				
Basic	159,358	161,744	161,334	161,460
Diluted	165,431	162,568	164,808	161,995

VERRA MOBILITY CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

	Nine Months Ended September 30,	
	2021	2020 (As restated)
(\$ in thousands)		
Cash Flows from Operating Activities:		
Net income	\$ 22,383	\$ 9,504
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	84,756	87,828
Amortization of deferred financing costs and discounts	3,854	3,725
Change in fair value of private placement warrants	5,067	(11,533)
Tax receivable agreement liability adjustment	1,661	4,446
Loss on extinguishment of debt	5,334	—
Credit loss expense	6,716	10,628
Deferred income taxes	(8,677)	(3,920)
Stock-based compensation	10,184	9,192
Gain from third-party insurance proceeds	—	(1,400)
Other	238	1,075
Changes in operating assets and liabilities:		
Accounts receivable, net	(5,442)	(58,913)
Unbilled receivables	(5,655)	3,866
Prepaid expenses and other assets	(5,014)	8,655
Accounts payable and accrued liabilities	15,596	(15,134)
Other liabilities	(1,717)	(3,669)
Net cash provided by operating activities	129,284	44,350
Cash Flows from Investing Activities:		
Acquisition of business, net of cash and restricted cash acquired	(107,004)	—
Purchases of installation and service parts and property and equipment	(15,633)	(18,317)
Cash proceeds from the sale of assets	225	67
Net cash used in investing activities	(122,412)	(18,250)
Cash Flows from Financing Activities:		
Borrowings of long-term debt	996,750	—
Repayment of long-term debt	(882,905)	(26,503)
Payment of debt issuance costs	(6,628)	(960)
Payment of debt extinguishment costs	(1,066)	—
Share repurchase and retirement	(100,000)	—
Proceeds from exercise of stock options	108	—
Payment of employee tax withholding related to RSUs vesting	(924)	(486)
Net cash provided by (used in) financing activities	5,335	(27,949)
Effect of exchange rate changes on cash and cash equivalents	(1,907)	(874)
Net increase (decrease) in cash, cash equivalents and restricted cash	10,300	(2,723)
Cash, cash equivalents and restricted cash - beginning of period	120,892	132,430
Cash, cash equivalents and restricted cash - end of period	\$ 131,192	\$ 129,707

VERRA MOBILITY CORPORATION

ADJUSTED EBITDA RECONCILIATION (Unaudited)

(\$ in thousands)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	2020	2021	2020
		(As restated)		(As restated)
Net income	\$ 27,306	\$ 11,086	\$ 22,383	\$ 9,504
Interest expense, net	11,637	9,578	32,481	31,568
Income tax provision	11,492	3,986	17,510	3,176
Depreciation and amortization	29,529	29,419	84,756	87,828
EBITDA	79,964	54,069	157,130	132,076
Transaction and other related expenses ⁽ⁱ⁾	2,678	132	10,110	735
Transformation expenses ⁽ⁱⁱ⁾	773	575	1,468	1,090
Change in fair value of private placement warrants ⁽ⁱⁱⁱ⁾	(5,067)	(4,400)	5,067	(11,533)
Tax receivable agreement liability adjustment ^(iv)	—	—	1,661	4,446
Loss on extinguishment of debt ^(v)	—	—	5,334	—
Stock-based compensation ^(vi)	3,703	3,153	10,184	9,192
Adjusted EBITDA	\$ 82,051	\$ 53,529	\$ 190,954	\$ 136,006

- (i) Transaction and other related expenses incurred in the three and nine months ended September 30, 2021 primarily related to costs associated with our Redflex acquisition and other deal costs, and certain costs for the debt offering of senior unsecured notes and refinancing the first lien term loan in March 2021. Transaction and other related expenses incurred in 2020 related to costs associated with our Pagatelia acquisition and certain costs for refinancing our debt.
- (ii) Transformation expenses consist of severance and other employee separation costs related to exit activities initiated during each respective period.
- (iii) This consists of adjustments to the private placement warrants liability from the re-measurement to fair value at the end of each reporting period.
- (iv) We recorded \$1.7 million and \$4.4 million of charges for the nine months ended September 30, 2021 and 2020, respectively. The TRA liability adjustment in 2021 is arising from higher estimated state tax rates due to changes in statutory rates, whereas in 2020 it is arising from higher estimated state tax rates due to a change in apportionment.
- (v) The loss on extinguishment of debt for the nine months ended September 30, 2021 consists of a \$4.0 million write-off of pre-existing deferred financing costs and \$1.3 million of lender and third-party costs associated with the issuance of the new first lien term loan.
- (vi) Stock-based compensation represents the non-cash charge related to the issuance of awards under the Verra Mobility Corporation 2018 Equity Incentive Plan.

FREE CASH FLOW (Unaudited)

(\$ in thousands)	Nine Months Ended September 30,	
	2021	2020
Net cash provided by operating activities	\$ 129,284	\$ 44,350
Purchases of installation and service parts and property and equipment	(15,633)	(18,317)
Free cash flow	\$ 113,651	\$ 26,033

ADJUSTED EPS (Unaudited)

(In thousands, except per share data)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	2020	2021	2020
	(As restated)		(As restated)	
Net income	\$ 27,306	\$ 11,086	\$ 22,383	\$ 9,504
Amortization of intangibles	22,896	23,559	66,858	70,619
Transaction and other related expenses	2,678	132	10,110	735
Transformation expenses	773	575	1,468	1,090
Change in fair value of private placement warrants	(5,067)	(4,400)	5,067	(11,533)
Tax receivable agreement liability adjustment	—	—	1,661	4,446
Loss on extinguishment of debt	—	—	5,334	—
Stock-based compensation	3,703	3,153	10,184	9,192
Total adjustments before income tax effect	24,983	23,019	100,682	74,549
Income tax effect on adjustments	(7,400)	(6,088)	(44,192)	(18,673)
Total adjustments after income tax effect	17,583	16,931	56,490	55,876
Adjusted Net Income	<u>\$ 44,889</u>	<u>\$ 28,017</u>	<u>\$ 78,873</u>	<u>\$ 65,380</u>
Adjusted EPS	\$ 0.27	\$ 0.17	\$ 0.48	\$ 0.40
Diluted weighted average shares outstanding	165,431	162,568	164,808	161,995

EBITDA and Adjusted EBITDA

We define EBITDA as net income adjusted to exclude interest expense, net, income taxes, depreciation and amortization. Adjusted EBITDA further excludes certain non-cash expenses and other transactions that management believes are not indicative of our ongoing operating performance. EBITDA and Adjusted EBITDA, as defined, exclude some but not all items that affect our cash flow from operating activities. As a result, they may not be comparable to similarly titled performance measures presented by other companies.

We use these metrics to measure our performance from period to period both at the consolidated level as well as within our operating segments, to evaluate and fund incentive compensation programs and to compare our results to those of our competitors. In addition to Adjusted EBITDA being a significant measure of performance for management purposes, we also believe that this presentation provides useful information to investors regarding financial and business trends related to our results of operations and that when non-GAAP financial information is viewed with GAAP financial information, investors are provided with a more meaningful understanding of our ongoing operating performance. EBITDA and Adjusted EBITDA have certain limitations as analytical tools and should not be used as substitutes for net income, cash flows from operations, or other consolidated income or cash flow data prepared in accordance with GAAP.

Free Cash Flow

We define “Free Cash Flow” as cash flow from operations less capital expenditures.

Adjusted Net Income

We define “Adjusted Net Income” as net income adjusted to exclude amortization of intangibles and certain non-cash or non-recurring expenses.

Adjusted EPS

We define “Adjusted EPS” as Adjusted Net Income divided by the diluted weighted average shares for the period.

Investor Relations Contact

IR@verramobility.com



**VERRA
MOBILITY™**
Safe. Smart. Connected.

Earnings Overview

Verra Mobility Q3 Earnings Presentation
For the Quarter Ended September 30, 2021

Forward-looking statements

This presentation includes "forward-looking statements" within the meaning of the "safe harbor" provisions of the United States Private Securities Litigation Reform Act of 1995. Forward-looking statements may be identified by the use of words such as "forecast," "intend," "seek," "target," "anticipate," "believe," "expect," "estimate," "plan," "outlook," and "project" and other similar expressions that predict or indicate future events or trends or that are not statements of historical matters. Such forward-looking statements include projected financial information.

Such forward-looking statements with respect to revenues, earnings, performance, strategies, prospects and other aspects of the business of Verra Mobility Corporation and its subsidiaries (collectively, "Verra Mobility") are based on current expectations that are subject to risks and uncertainties.

A number of factors could cause actual results or outcomes to differ materially from those indicated by such forward-looking statements. These factors include, but are not limited to: (1) the impact of payment delays related to the outstanding receivables with the City of New York Department of Transportation ("NYCDOT") (2) the disruption to our business and results of operations as a result of the COVID-19 pandemic; (3) the impact of the COVID-19 pandemic on our revenues from key customers in the rental car industry and from photo enforcement programs; (4) customer concentration in our Commercial Services and Government Solutions segments; (5) decreases in the prevalence of automated photo enforcement or the use of tolling; (6) risks and uncertainties related to our government contracts, including but not limited to administrative hurdles, legislative changes, termination rights, audits and investigations; (7) decreased interest in outsourcing from our customers; (8) our ability to properly perform under our contracts and otherwise satisfy our customers; (9) our ability to compete in a highly competitive and rapidly evolving market; (10) our ability to keep up with technological developments and changing customer preferences; (11) the success of our new products and changes to existing products and services; (12) our ability to successfully integrate our recent or future acquisitions; (13) failures in or breaches of our networks or systems, including as a result of cyber-attacks; and (14) other risks and uncertainties indicated from time to time in documents filed or to be filed with the Securities and Exchange Commission (the "SEC") by Verra Mobility.

You are cautioned not to place undue reliance upon any forward-looking statements, including the projections, which speak only as of the date made. Verra Mobility does not undertake any commitment to update or revise the forward-looking statements, whether as a result of new information, future events or otherwise.

Non-GAAP Financial Information

This presentation uses certain non-GAAP financial information, including earnings before interest, taxes, depreciation and amortization ("EBITDA") and adjusted EBITDA, which further excludes certain non-cash expenses, loss on extinguishment of debt and other transactions management believes are not indicative of Verra Mobility's business.

Verra Mobility believes that these non-GAAP measures of financial results provide useful information to management and investors regarding certain financial and business trends relating to Verra Mobility's financial condition and results of operations. These financial measures are not recognized measures under GAAP and they are not intended to be and should not be considered in isolation or as a substitute for, or superior to, the financial information prepared and presented in accordance with GAAP. EBITDA, adjusted EBITDA and adjusted EBITDA margin are non-GAAP financial measures as defined by SEC rules. This non-GAAP financial information may be determined or calculated differently by other companies. A reconciliation of Verra Mobility's non-GAAP financial information to GAAP financial information is provided in the Appendix hereto and in Verra Mobility's Form 8-K, filed with the SEC, with the earnings press release for the period indicated.



Q3 Results by Segment – Commercial Services

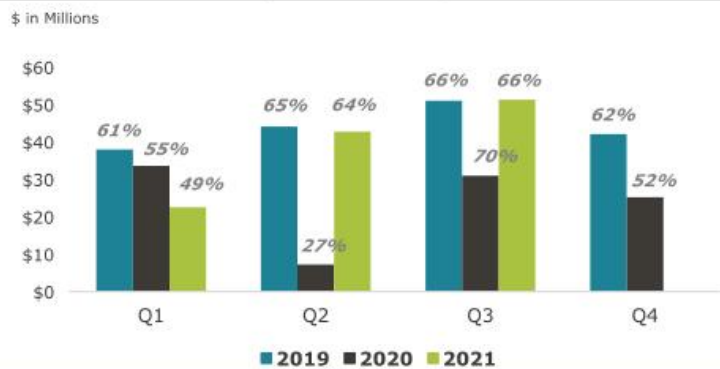
For the Quarter Ended September 30, 2021

Commercial Services

Revenue & YoY Growth



Adj. EBITDA & Margin %



Commercial Services Commentary

- Revenue of \$77.3M in Q3 increased 75.0% from the same quarter in the prior year. Revenue returned to within \$0.4M of Q3 2019 levels
- Adjusted EBITDA of \$51.3M in the quarter increased \$20.3M or 65.4% from the same period of the prior year
- Operating expenses of \$17.5M in Q3 2021 increased by \$5.7M or 48.1% from the same period in the prior year
- SG&A of \$10.6M for Q3 2021 increased by \$4.7M or 79.3% over the same period in the prior year
- **We have returned to 2019 levels of revenue and profitability with Adj EBITDA margins of 66%**

Q3 Results by Segment – Government Solutions

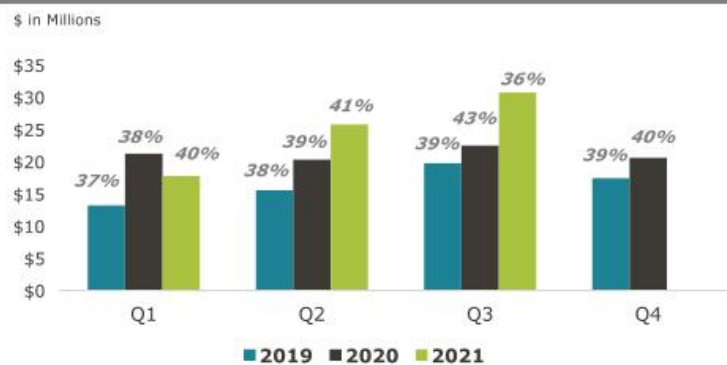
For the Quarter Ended September 30, 2021

Government Solutions

Revenue & YoY Growth



Adj. EBITDA & Margin %



Government Solutions Commentary

- Revenue of \$84.8M in Q3 increased 60.8% from the same quarter in the prior year

(\$ in Millions)	Service Revenue		Product Revenue	
	\$	YoY	\$	YoY
Q3 2020	\$ 38.8		\$ 13.9	
Organic	\$ 9.8	25.2%	\$ 2.8	19.8%
Redflex Acquisition	\$ 15.9	41.0%	\$ 3.6	25.8%
Q3 2021	\$ 64.6	66.3%	\$ 20.3	45.6%

- Service revenue grew \$9.8M or 25.2% organically and \$15.9M or 41% in connection with the Redflex acquisition.
- Revenue reflects the installation of 236 Fixed Speed systems in NYC. Product revenue is dependent on a few customers who buy their equipment in the US and international project and is a less predictable revenue stream than service revenue
- Adjusted EBITDA of \$30.7M in the quarter increased \$8.2M or 36.5% from the same period of the prior year

Consolidated Q3 Results

For the Quarter Ended September 30, 2021

Verra Mobility

Revenue & YoY Growth

\$ in Millions



Adj. EBITDA & Margin %

\$ in Millions



Q3 Commentary

- Total revenue increased by \$65.2 million to \$162.1 million or 67.3% in Q3 2021 from \$96.9 million in Q3 2020

Service Revenue Growth

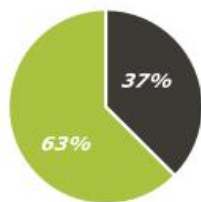
(\$ in Millions)	2019	2020	2021
Total Service Revenue	\$ 110.8	\$ 83.0	\$ 141.8
Less Redflex			\$ (15.9)
Organic Revenue	\$ 110.8	\$ 83.0	\$ 125.9
Growth over 2020			51.7%
Growth over 2019			13.7%

- Service Revenue of \$141.8 million includes \$15.9 million from our June acquisition of Redflex. Organic service revenue grew ~52% over 2020 and ~14% over 2019. The growth from fixed programs and the return of tolling has moved us beyond pre-pandemic revenue
- Adjusted EBITDA of \$82.1 million, increased from \$53.5 million or 53.3% in Q3 of 2021
- Adjusted EBITDA grew approximately \$11.2M or 15.8% over the same quarter in 2019, hurdling pre-pandemic levels

Consolidated Q3 Results

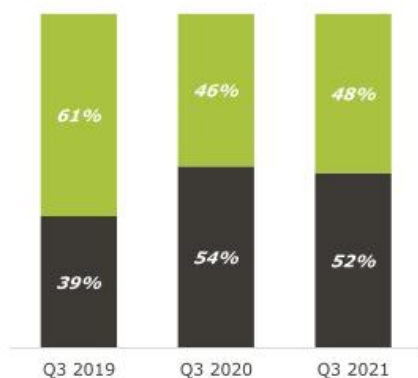
For the Quarter Ended September 30, 2021

Q3 Adj EBITDA Mix by Business Segment



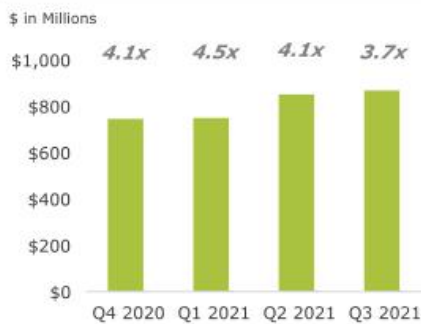
■ GS Adj. EBITDA ■ CS Adj. EBITDA

Revenue Mix & Adj. EBITDA Margins



■ Total GS Revenue ■ Total CS Revenue

Net Debt & Leverage



Q3 Commentary

- Cash on hand increased to \$128.2 million at the end of Q3 2021 from \$120.3 million at the end of Q4 2020
 - Generated cash flow from operations of \$129.3 million
 - The company repurchased \$100 million of stock in Q3
- Leverage decreased due to an increase in EBITDA
- The company has total debt of \$999.7 million and a \$62.2 million revolver that is undrawn

Announced Acquisition

- On November 1st the company signed an agreement to acquire T2 Systems for \$347 million and an additional \$9 for an acquisition that was in flight by T2 but not yet closed. The company would use the accordion feature in the Term Loan B for \$250 million with the remainder in cash.
- Proforma for this acquisition our leverage would be 4.8x at Q3 and estimated to be 4.1x at year-end

Guidance

We are very pleased with our performance year-to-date and are raising our guidance

	2021 Full Year		
	Low	High	Mid
Service Revenue	\$470	\$480	\$475
Product Revenue	\$55	\$60	\$58
Total Revenue	\$525	\$540	\$533
Adj EBITDA	\$250	\$260	\$255
Adj EBITDA Margin	48%	48%	48%

Service Revenue – At Mid-Point

- Includes ~\$35M of revenue from Redflex and ~\$440M from VRRM
 - VRRM standalone service revenue would exceed FY 2019 by more than \$20M
- Implied YoY Service Revenue growth of 31% organically and 41% inclusive of our recent acquisition

Product Revenue

- Includes installation of NYC speed cameras and international project revenue from Redflex

Adj EBITDA

- Implies some margin compression in Q4 due to a continued shift in revenue mix toward the lower margin GS business and the incorporation of Redflex which has historically operated at mid-single digit margins

Cash and Leverage

Standalone Basis

- Total debt is expected to be \$998M at year-end
- We expect to end the year with ~\$200M of cash on hand

Pro Forma Leverages assumes T2 systems closes in Q4



APPENDIX

Consolidated Results of Operations

Unaudited (\$ in millions)	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Full Year 2020	Q1 2021	Q2 2021	Q3 2021
Service revenue	\$99.5	\$62.8	\$83.0	\$91.0	\$336.3	\$89.8	\$116.4	\$141.8
Product sales	17.2	17.0	13.9	9.2	57.3	0.1	12.2	20.3
Total revenue	\$116.7	\$79.8	\$96.9	\$100.2	\$393.6	\$89.9	\$128.7	\$162.1
Cost of service revenue	1.2	1.0	0.9	0.8	4.0	0.9	1.3	1.4
Cost of product sales	8.7	9.1	7.1	4.7	29.6	0.0	6.1	9.4
Operating expenses	32.3	26.7	26.5	30.2	115.7	30.5	36.4	48.3
Selling, general and administrative expenses	25.9	20.8	17.5	25.4	89.7	28.4	26.2	31.6
Depreciation, amortization, and (gain) loss on disposal of assets, net	29.2	29.2	29.6	28.8	116.8	28.3	27.0	29.5
Total costs and expenses	\$97.3	\$86.8	\$81.6	\$90.1	\$355.8	\$88.1	\$97.2	\$120.2
Income (loss) from operations	19.4	(7.0)	15.3	10.1	37.8	1.8	31.5	41.9
Interest expense, net	12.5	9.5	9.6	9.3	40.9	9.2	11.7	11.6
Change in fair value of private placement warrants	(15.5)	8.3	(4.4)	12.7	1.1	2.1	8.1	(5.1)
Loss from tax receivable agreement adj	-	4.4	-	2.4	6.9	-	1.7	-
Loss on extinguishment of debt	-	-	-	-	-	5.3	-	-
Other (income) expense, net	(2.9)	(1.5)	(5.0)	(2.5)	(11.9)	(3.0)	(2.8)	(3.5)
Total other expense	(\$5.9)	\$20.8	\$0.2	\$21.9	\$37.0	\$13.6	\$18.6	\$3.1
Income (loss) before income taxes	25.4	(27.7)	15.0	(11.8)	0.9	(11.8)	12.9	38.8
Income tax provision (benefit)	3.2	(4.0)	4.0	2.3	5.4	(2.9)	8.9	11.5
Net (loss) income	\$22.1	(\$23.7)	\$11.1	(\$14.1)	(\$4.6)	(\$8.9)	\$4.0	\$27.3
Bridge to adj. EBITDA								
Net (loss) income	\$22.1	(\$23.7)	\$11.1	(\$14.1)	(\$4.6)	(\$8.9)	\$4.0	\$27.3
Interest expense, net	12.5	9.5	9.6	9.3	40.9	9.2	11.7	11.6
Income tax provision (benefit)	3.2	(4.0)	4.0	2.3	5.4	(2.9)	8.9	11.5
Depreciation and amortization	29.3	29.2	29.4	28.7	116.6	28.2	27.0	29.5
EBITDA	\$67.1	\$11.0	\$54.1	\$26.2	\$158.3	\$25.6	\$51.6	\$80.0
Transaction and other related	0.5	0.1	0.1	1.2	1.9	4.1	3.3	2.7
Transformation expense	-	0.5	0.6	(0.0)	1.1	0.3	0.4	0.8
Loss on extinguishment of debt	-	-	-	-	-	5.3	-	-
TRA adjustment	-	4.4	-	2.4	6.9	-	1.7	-
Change in fair value of private placement warrants	(15.5)	8.3	(4.4)	12.7	1.1	2.1	8.1	(5.1)
Stock-based compensation	2.8	3.3	3.2	3.4	12.6	2.9	3.6	3.7
Adjusted EBITDA	\$54.9	\$27.6	\$53.5	\$45.8	\$181.8	\$40.3	\$68.6	\$82.1



Verra Mobility acquired Redflex June 18th, 2021. Q2 2021 includes 12 days of Redflex actuals.

Segment Results of Operations

Commercial Services

Unaudited (\$ in millions)	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Full Year 2020	Q1 2021	Q2 2021	Q3 2021
Segment Revenue								
Commercial Services	\$61.2	\$27.3	\$44.2	\$48.2	\$180.9	\$45.7	\$66.5	\$77.3
Segment Adj EBITDA								
Commercial Services	\$33.6	\$7.3	\$31.0	\$25.2	\$97.2	\$22.6	\$42.8	\$51.3

Government Solutions

Unaudited (\$ in millions)	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Full Year 2020	Q1 2021	Q2 2021	Q3 2021
Segment Revenue								
Government Solutions	\$55.5	\$52.5	\$52.8	\$52.0	\$212.7	\$44.2	\$62.2	\$84.8
Segment Adj EBITDA								
Government Solutions	\$21.2	\$20.3	\$22.5	\$20.6	\$84.7	\$17.8	\$25.8	\$30.7



Verra Mobility acquired Redflex June 18th, 2021. Q2 2021 includes 12 days of Redflex actuals.

An aerial, black and white photograph of a city, likely New York City, showing a river, several bridges, and dense urban buildings. The image is used as a background for the text.

**VERRA
MOBILITY™**
Safe. Smart. Connected.

The logo consists of a circular arrangement of ten green arrows pointing outwards from a central point.

Thank You

<http://ir.verramobility.com/>



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Investor Overview

Verra Mobility Q3 Investor Presentation
For the Quarter Ended September 30, 2021

FORWARD-LOOKING STATEMENTS

This presentation includes "forward-looking statements" within the meaning of the "safe harbor" provisions of the United States Private Securities Litigation Reform Act of 1995. Forward-looking statements may be identified by the use of words such as "forecast," "intend," "seek," "target," "anticipate," "believe," "expect," "estimate," "plan," "outlook," and "project" and other similar expressions that predict or indicate future events or trends or that are not statements of historical matters. Such forward-looking statements include projected financial information.

Such forward-looking statements with respect to revenues, earnings, performance, strategies, prospects and other aspects of the business of Verra Mobility Corporation and its subsidiaries (collectively, "Verra Mobility") are based on current expectations that are subject to risks and uncertainties.

A number of factors could cause actual results or outcomes to differ materially from those indicated by such forward-looking statements. These factors include, but are not limited to: (1) the impact of payment delays related to the outstanding receivables with the City of New York Department of Transportation ("NYCDOT"); (2) the disruption to our business and results of operations as a result of the COVID-19 pandemic; (3) the impact of the COVID-19 pandemic on our revenues from key customers in the rental car industry and from photo enforcement programs; (4) customer concentration in our Commercial Services and Government Solutions segments; (5) decreases in the prevalence of automated photo enforcement or the use of tolling; (6) risks and uncertainties related to our government contracts, including but not limited to administrative hurdles, legislative changes, termination rights, audits and investigations; (7) decreased interest in outsourcing from our customers; (8) our ability to properly perform under our contracts and otherwise satisfy our customers; (9) our ability to compete in a highly competitive and rapidly evolving market; (10) our ability to keep up with technological developments and changing customer preferences; (11) the success of our new products and changes to existing products and services; (12) our ability to successfully integrate our recent or future acquisitions; (13) failures in or breaches of our networks or systems, including as a result of cyber-attacks; and (14) other risks and uncertainties indicated from time to time in documents filed or to be filed with the Securities and Exchange Commission (the "SEC") by Verra Mobility.

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Use of Non-GAAP Financial Measures

This presentation includes non-GAAP financial measures, including earnings before interest, taxes, depreciation and amortization ("EBITDA"), Pro Forma Adjusted EBITDA, Free Cash Flow, Free Cash Flow Margin and Pro Forma Adjusted Revenue. Pro Forma Adjusted EBITDA is defined as EBITDA, as adjusted as described in this presentation for historical costs and estimated cost savings and synergies. Free Cash Flow is defined as EBITDA minus capital expenditures and Free Cash Flow Margin is defined as Free Cash Flow divided by revenue. Pro Forma Adjusted Revenue adjusts revenue for non-cash amortization of contract incentive and certain pre-acquisition results. You can find the reconciliation of these measures to the nearest comparable GAAP measures elsewhere in this presentation.

Verra Mobility believes that these non-GAAP measures of financial results provide useful information to management and investors regarding certain financial and business trends relating to Verra Mobility's financial condition and results of operations. Verra Mobility's management uses these non-GAAP measures to compare Verra Mobility's performance to that of prior periods for trend analyses, for purposes of determining management incentive compensation, and for budgeting and planning purposes. These measures are used in monthly financial reports prepared for management and Verra Mobility's board of directors. Verra Mobility believes that the use of these non-GAAP financial measures provides an additional tool for investors to use in evaluating ongoing operating results and trends. Management of Verra Mobility does not consider these non-GAAP measures in isolation or as an alternative to financial measures determined in accordance with GAAP.

Other companies may calculate non-GAAP measures differently, and therefore the non-GAAP measures of Verra Mobility included in this presentation may not be directly comparable to similarly titled measures of other companies.

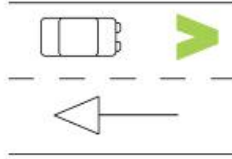


SAFE. SMART. CONNECTED.

A global leader in smart transportation, we work alongside our customers to relentlessly develop customized technology solutions to solve complex transportation challenges.



Building safer cities
by installing, maintaining and managing leading technology that positively impacts driver behavior and enhances road safety.



Enabling smarter roadways
by providing the integrated technology to help rental car companies and large fleet operators manage tolls, violations, and vehicle title and registrations.



Developing more connected systems
by seamlessly connecting people, technology and data across the smart mobility ecosystem.

As mobility becomes more complex, connected and automated, Verra Mobility works behind the scenes to help make transportation safer and easier.

WE OPERATE IN TWO BUSINESS SEGMENTS

Who We Are

Commercial Services



What we do

The Commercial Services segment generates revenue by providing fully outsourced tolling and violations management and title and registration services to our customers through integrated technologies that both reduce cost and add value.

Who we serve

- Rental Car Companies (RACs)
- Fleet Management Companies (FMCs)
- Large Fleet Operators

\$238M Service Revenue*

Government Solutions



What we do

The Government Solutions segment generates revenue by contracting with municipalities and school districts to provide the hardware, software, installation, maintenance and support they need to identify, issue, enforce, and successfully adjudicate traffic violations.

Who we serve

- Municipalities
- Counties
- School districts
- Other governmental entities

\$201M Service Revenue*



* TTM Service Revenue for the period ending September 30, 2021

Confidential & Proprietary

COMMERCIAL SERVICES

Providing tolling, violation management and title/registration services

Toll Management

Rental fleet toll collection and management, reducing in-house administrative burdens while providing convenience to the driver – daily or flat fee

Commercial fleet toll collection and management driving value for customers

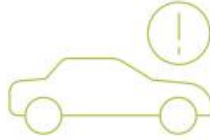


United States & a portion of Canada

Violations

Manage toll, parking and photo enforcement violations for rental car and commercial fleets, reducing violation-related expenses and late fees

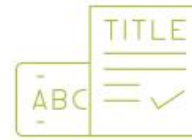
European toll and violation collection and management for issuing authorities for administrative fees



United States & Europe

Title and Registration

Rental car and commercial fleet title and registration for data management and services fee



United States

\$238M Service Revenue*



* TTM Service Revenue for the period ending September 30, 2021

Confidential & Proprietary

GOVERNMENT SOLUTIONS

Increasing road safety by changing driver behavior

Red-Light Safety Cameras

Capture and process images and video of vehicles running red lights



Speed Safety Cameras

Capture and process images and video of vehicles exceeding speed limits



Stop-Arm Safety Cameras

Capture and process images and video of vehicles illegally passing school buses



Bus Lane Cameras

Capture and process images and video of vehicles violating city bus lane restrictions



\$201M Service + \$42M Product = \$243M Total Revenue*



* TTM Revenue for the period ending September 30, 2021

Confidential & Proprietary

WHY INVEST IN VERRA MOBILITY?

Leadership, business model and strong financial performance



A market leader with highly differentiated platforms

- Leading provider of road safety cameras in the U.S.
- Leading provider of toll and violation management to rental car and fleet management companies in U.S.



Contracted, reoccurring revenue business model

- Contracts with the three largest U.S. rental car companies
- Large install base = reoccurring revenue



Proven financial performance

- Solid financial results with robust margins
- Historically strong free cash flow conversion
- CAGR for service revenue from 2017-2019 = 35%



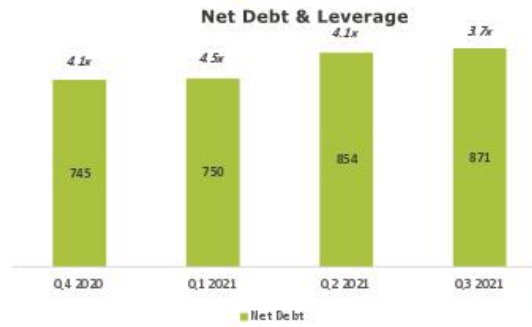
Platform for future growth

- European expansion
- M&A



PROVEN FINANCIAL PERFORMANCE

Strong revenue and profitability create beneficial cash flow



Strategy

Verra Mobility generates a substantial amount of free cash flow

Investing that cash flow back into the company for growth is an important part of our strategy

We build organic growth through new markets, new customers or expanding with existing customers

M&A has been part of our historical growth and it's likely to be part of our future growth

Revenue

Revenue includes growth from acquisitions as follows:

- 2018 Service Revenue growth includes \$114M from the acquisitions of HTA and EPC, and the remaining \$23M of growth was organic
- 2019 Service Revenue growth includes \$19M from acquisitions of HTA and EPC early in 2018. The remaining \$33M of growth was organic
- 2021 Service Revenue and Product Revenue include \$19.0M and \$3.8M, respectively, from the acquisition of Redflex on June 18th

Adj EBITDA

Acquisitions have contributed to our overall profitability, but due to aggressive integration strategies we don't carry separate cost structures and therefore cannot report the impact of Adj. EBITDA from acquisitions

Confidential & Proprietary



FUTURE GROWTH

Verra Mobility has multiple levers for sustained growth

1

Benefit from Strong Industry Tailwind

- ▶ Further migration to cashless and all-electronic tolling
 - ▶ Intensified public attention given to traffic safety issues for drivers, pedestrians, bicyclists and law enforcement
-

2

Expand Mobility Platform

- ▶ Leverage existing capabilities to further penetrate ride and car sharing markets
 - ▶ Collaborate with OEMs to connect directly to vehicles electronically, including autonomous vehicles
-

3

Expand Globally

- ▶ European Tolling & Violations has a large addressable market
 - ▶ Natural extension of existing products to European fleet vehicles with existing Verra Mobility customers
-

4

Pursue Accretive Acquisitions

- ▶ Increase competitive positioning and strengthen portfolio with highly strategic acquisitions
- ▶ Create value through successful integration and synergy realization



M&A PRINCIPLES

Evaluation Criteria

1 Strategic Fit

- Connect all activities to Verra Mobility's strategy
- Find opportunities where Verra Mobility's and the target's assets, when combined, can create unique value

2 Financial Discipline

- Protect Verra Mobility's capital: seek returns above the cost of capital required for the deal

3 Integration Focus

- Establish close partnership with the broader organization
- Ensure cultural fit and change management discipline
- Establish processes for short and long-term execution and accountability

4 Programmatic Process

- Develop a robust and replicable process to identify, execute, and integrate firms into Verra Mobility

5 Discovery Mindset

- Cultivate a mindset of discovery; seek to uncover asymmetric information
- Generate a robust pipeline of potential deals through research, networks, internal contacts, etc.
- Strong views, weakly held



APPENDIX



VERRA MOBILITY QUARTERLY RESULTS

2020 - 2021

Unaudited (\$ in millions)	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Full Year 2020	Q1 2021	Q2 2021	Q3 2021
Service revenue	\$99.5	\$62.8	\$87.0	\$91.0	\$336.3	\$89.8	\$116.4	\$141.8
Product sales	17.2	17.0	13.9	9.2	57.3	0.1	12.2	20.3
Total revenue	\$116.7	\$79.8	\$99.9	\$100.2	\$393.6	\$89.9	\$128.7	\$162.1
Cost of service revenue	1.2	1.0	0.9	0.8	4.0	0.9	1.3	1.4
Cost of product sales	8.7	9.1	7.1	4.7	29.6	0.0	6.1	9.4
Operating expenses	32.3	26.7	26.5	30.2	115.7	30.5	36.4	48.3
Selling, general and administrative expenses	25.9	20.8	17.5	25.4	89.7	28.4	26.2	31.6
Depreciation, amortization, and (gain) loss on disposal of assets, net	29.2	29.2	29.6	28.8	116.8	28.3	27.0	29.5
Total costs and expenses	\$97.3	\$86.8	\$81.6	\$90.1	\$355.8	\$88.1	\$97.2	\$120.2
Income (loss) from operations	19.4	(7.0)	15.3	10.1	37.8	1.8	31.5	41.9
Interest expense, net	12.5	9.5	9.6	9.3	40.9	9.2	11.7	11.6
Change in fair value of private placement warrants	(15.5)	8.3	(4.4)	12.7	1.1	2.1	8.1	(5.1)
Loss from tax receivable agreement adj	-	4.4	-	2.4	6.9	-	1.7	-
Loss on extinguishment of debt	-	-	-	-	-	5.3	-	-
Other (income) expense, net	(2.9)	(1.5)	(5.0)	(2.5)	(11.9)	(3.0)	(2.8)	(3.5)
Total other expense	(\$5.9)	\$20.8	\$9.2	\$21.9	\$37.0	\$13.6	\$18.6	\$3.1
Income (loss) before income taxes	25.4	(27.7)	15.0	(11.8)	0.9	(11.8)	12.9	38.8
Income tax provision (benefit)	3.2	(4.0)	4.0	2.3	5.4	(2.9)	8.9	11.5
Net (loss) income	\$22.1	(\$23.7)	\$11.1	(\$14.1)	(\$4.6)	(\$8.9)	\$4.0	\$27.3
Bridge to adj. EBITDA								
Net (loss) income	\$22.1	(\$23.7)	\$11.1	(\$14.1)	(\$4.6)	(\$8.9)	\$4.0	\$27.3
Interest expense, net	12.5	9.5	9.6	9.3	40.9	9.2	11.7	11.6
Income tax provision (benefit)	3.2	(4.0)	4.0	2.3	5.4	(2.9)	8.9	11.5
Depreciation and amortization	29.2	29.2	29.4	28.7	116.6	28.2	27.0	29.5
EBITDA	\$67.1	\$11.0	\$54.1	\$26.2	\$158.3	\$25.6	\$51.6	\$80.0
Transaction and other related	0.5	0.1	0.1	1.2	1.9	4.1	3.3	2.7
Transformation expense	-	0.5	0.6	(0.0)	1.1	0.3	0.4	0.8
Loss on extinguishment of debt	-	-	-	-	-	5.5	-	-
TRA adjustment	-	4.4	-	2.4	6.9	-	1.7	-
Change in fair value of private placement warrants	(15.5)	8.3	(4.4)	12.7	1.1	2.1	8.1	(5.1)
Stock-based compensation	2.8	3.3	3.2	3.4	12.6	2.9	3.6	3.7
Adjusted EBITDA	\$54.9	\$27.6	\$53.5	\$45.8	\$181.8	\$40.3	\$68.6	\$82.1



SEGMENT RESULTS OF OPERATIONS

2020 - 2021

Commercial Services

Unaudited (\$ in millions)	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Full Year 2020	Q1 2021	Q2 2021	Q3 2021
Segment Total Revenue								
Commercial Services	\$61.2	\$27.3	\$44.2	\$48.2	\$180.9	\$45.7	\$66.5	\$77.3
Segment Adj EBITDA								
Commercial Services	\$33.6	\$7.3	\$31.0	\$25.2	\$97.2	\$22.6	\$42.8	\$51.3

Government Solutions

Unaudited (\$ in millions)	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Full Year 2020	Q1 2021	Q2 2021	Q3 2021
Segment Total Revenue								
Government Solutions	\$55.5	\$52.5	\$52.8	\$52.0	\$212.7	\$44.2	\$62.2	\$84.8
Segment Adj EBITDA								
Government Solutions	\$21.2	\$20.3	\$22.5	\$20.6	\$84.7	\$17.8	\$25.8	\$30.7



VERRA MOBILITY ADJ. PRO FORMA REVENUE RECONCILIATION

2017 - 2018

Verra Mobility

Unaudited (\$ in millions)	2017	2018 *
Verra Mobility (Pre-HTA, Pre-EPC) Adj. Revenue	\$232.4	\$370.1
HTA Adj. Revenue	103.7	15.8
EPC Reported Revenue	12.6	3.0
Verra Mobility Adj. Pro Forma Revenue	\$348.7	\$388.9



* Note: Fiscal year end December 31st. HTA and EPC based on Q1 for 2018. See following appendix pages for reconciliation of Verra Mobility (Pre-HTA, Pre-EPC), HTA and EPC.

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VERRA MOBILITY ADJ. PRO FORMA REVENUE RECONCILIATION

2017 - 2018

Unaudited (\$ in millions)	2017	2018
Verra Mobility (Pre-HTA, Pre-EPC) Reported Services Revenue	\$228.2	\$365.1
Adjustments:		
Non-cash Amortization of Contract Incentive	0.3	0.0
Sunshine State Tag Agency, Inc. Pre-acquisition Results	0.0	0.0
Verra Mobility (Pre-HTA, Pre-EPC) Adjusted Services Revenue	\$228.5	\$365.1
Verra Mobility (Pre-HTA, Pre-EPC) Reported Product Revenue	3.9	5.1
Verra Mobility (Pre-HTA, Pre-EPC) Total Adjusted Revenue	\$232.4	\$370.1
HTA Reported Revenue	\$101.4	\$15.8
Adjustments:		
Non-cash Amortization of Contract Incentive	2.3	0.0
HTA Adjusted Revenue	\$103.7	\$15.8
EPC Reported Revenue	\$12.6	\$3.0
Total Adj. Pro Forma Revenue	\$348.7	\$388.9



VERRA MOBILITY ADJ. PRO FORMA EBITDA RECONCILIATION

2017 - 2018

Verra Mobility

Unaudited (\$ in millions)	2017	2018 *
Verra Mobility (Pre-HTA, Pre-EPC) Adj. EBITDA	\$97.9	\$197.6
HTA Adj. EBITDA	80.9	10.7
EPC Adj. EBITDA	5.0	1.2
Verra Mobility Adj. Pro Forma EBITDA	\$183.8	\$209.5



* Note: Fiscal year end December 31st. HTA and EPC based on Q1 for 2018. See following appendix pages for reconciliation of Verra Mobility (Pre-HTA, Pre-EPC), HTA and EPC.

VERRA MOBILITY (PRE-HTA, PRE-EPC) ADJ. EBITDA RECONCILIATION

2017 - 2018

Verra Mobility (Pre-HTA, Pre-EPC)

Unaudited (\$ in millions)	2017	2018
Net Income	\$19.5	(\$58.4)
Definitional Adjustments:		
Depreciation and amortization	45.7	103.3
Interest expense, net	21.7	69.6
Income taxes	(29.4)	(16.2)
Total definitional adjustments	\$38.0	\$156.7
Reported EBITDA	\$57.5	\$98.3
Adjustments:		
Transaction and other related expenses	32.0	56.4
Transformation expenses	3.9	8.8
Loss on extinguishment of debt	0.0	26.5
Sponsor Fees and expenses	4.2	5.4
Non-cash amortization of contract inducement	0.3	0.0
Stock-based compensation	0.0	2.3
Total adjustments	\$40.4	\$99.4
Adjusted EBITDA	\$97.9	\$197.6



HTA ADJ. EBITDA RECONCILIATION

2017

HTA	
Unaudited (\$ in millions)	2017
Net Income	\$67.6
Definitional Adjustments:	
Depreciation and amortization	2.1
Interest expense, net	0.1
Income taxes	0.4
Total definitional adjustments	\$2.6
Reported EBITDA	\$70.2
Adjustments:	
Extraordinary adjustments - primarily seller expenses	2.5
Contract incentive - non-cash amortization	2.3
Gain/loss on sale of equipment, net	0.0
Pro forma cc rebates	3.5
Capitalized internal labor	2.0
Other	0.4
Total adjustments	10.7
Adjusted EBITDA	\$80.9

EPC	
Unaudited (\$ in millions)	2017
Net Income	\$3.6
Definitional Adjustments:	
Depreciation and amortization	0.0
Interest expense, net	(0.0)
Income taxes	1.0
Total definitional adjustments	\$1.0
Reported EBITDA	\$4.6
Adjustments:	
Extraordinary expenses add back	0.3
Legal fees - appointment of new directors	0.0
Board of directors fees add back	0.0
Total adjustments	0.3
Adjusted EBITDA	\$5.0





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