

**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): April 21, 2022

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:

<i>(Title of each class)</i>	<i>(Trading symbol)</i>	<i>(Name of each exchange on which registered)</i>
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.

Item 2.02 Results of Operations and Financial Condition.

On April 21, 2022, Verra Mobility Corporation (the “*Company*”) issued a press release announcing its financial results for the quarter and fiscal year ended December 31, 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 7.01 Regulation FD Disclosure.

The Company will host a conference call and live webcast to discuss its fourth quarter and full year 2021 financial results on April 21, 2022, at 5:00 p.m. Eastern time. On April 21, 2022, the Company disseminated an earnings presentation 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.

<u>Exhibit Number</u>	<u>Description of Exhibits</u>
99.1	Press Release, dated April 21, 2022, issued by Verra Mobility Corporation.
99.2	Q4 2021 Earnings Presentation, dated April 21, 2022, given by Verra Mobility Corporation.
99.3	Investor Presentation, dated April 21, 2022, 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: April 21, 2022

Verra Mobility Corporation

By: /s/ Patricia Chiodo

Name: Patricia Chiodo

Title: Chief Financial Officer



Verra Mobility Announces Fourth Quarter and Full Year 2021 Financial Results

- Full year 2021 revenue of \$550.6 million
- Full year 2021 cash flows from operations of \$193.2 million
- Completed the installation of 695 cameras for the New York City Department of Transportation with the remainder completed in the first quarter of 2022
- Executed five-year contract extension with Fox Rent A Car for tolling services
- Reiterating 2022 financial guidance

Mesa, Ariz, April 21, 2022 – Verra Mobility Corporation (NASDAQ: VRRM), a leading provider of smart mobility technology solutions, announced today the financial results for the fourth quarter and full year ended December 31, 2021.

“Our 2021 results represent a year of strong execution and exemplary performance. We delivered across all aspects of our business plan – solid operating results as well as the execution of key strategic initiatives that diversify our business and position us in attractive market areas,” said David Roberts, Chief Executive Officer, Verra Mobility. “We have favorable tailwinds entering 2022 with recent flagship contract wins, including the school zone speed expansion in New York City, along with the anticipated continued recovery in travel in the United States and the rest of the world.”

Fourth Quarter 2021 Financial Highlights

- **Revenue:** Total revenue for the fourth quarter of 2021 was \$169.9 million, an increase of 70% compared to \$100.2 million for the fourth quarter of 2020. The increase was attributable to growth in both service revenue and product sales in our Government Solutions segment due in part from the inclusion of Redflex operations, increase in service revenue in our Commercial Services segment resulting from improved travel demand and the inclusion of T2 Systems revenue since December 7, 2021.
 - **Net income (loss):** Net income for the fourth quarter of 2021 was \$19.1 million, or \$0.12 per share based on 159.9 million diluted weighted average shares outstanding. Net loss for the comparable 2020 period was \$(14.1) million, or \$(0.09) per share, based on 162.1 million diluted weighted average shares outstanding.
 - **Adjusted Earnings Per Share (EPS):** Adjusted EPS for the fourth quarter of 2021 was \$0.25 per share compared to \$0.13 per share for the fourth quarter of 2020.
 - **Adjusted EBITDA:** Adjusted EBITDA was \$79.9 million for the fourth quarter of 2021 compared to \$45.8 million for the same period last year. Adjusted EBITDA margin was 47% of total revenue for 2021 and 46% for 2020.
-

We report our results of operations based on three operating segments:

- **Commercial Services** offers 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 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.
- **Parking Solutions** provides an integrated suite of parking software and hardware solutions to universities, municipalities, parking operators, healthcare facilities and transportation hubs in the United States and Canada.

Fourth Quarter 2021 Segment Detail

- The Commercial Services segment generated total revenue of \$71.5 million, a 48% increase compared to \$48.2 million in the same period in 2020. Segment profit was \$43.7 million, a 74% increase from \$25.2 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 61% for 2021 and 52% for the same period in 2020.
- The Government Solutions segment generated total revenue of \$91.9 million, a 77% increase compared to \$51.9 million in the same period in 2020. The increase was due to organic growth in service revenue and product sales as well as from the inclusion of Redflex operations with no comparable amounts in the prior year. The segment profit was \$33.4 million, a 60% increase from \$20.8 million in the prior year. The segment profit margin was 36% for 2021 and 40% for 2020.
- The newly created Parking Solutions segment generated total revenue of \$6.5 million since December 7, 2021 with no comparable amounts in the prior year. The segment profit was \$2.4 million with a profit margin of 37% for 2021.

Full Year 2021 Financial Highlights

- **Revenue:** Total revenue for fiscal year 2021 was \$550.6 million, an increase of 40% compared to \$393.6 million for fiscal year 2020. Our acquisitions in 2021 contributed \$45.0 million to revenue growth, and the remaining increase was mainly from Commercial Services service revenue resulting from improved travel demand, which has led to increased toll usage by RAC customers.
- **Net income (loss):** Net income for fiscal year 2021 was \$41.4 million, or \$0.25 per share, based on 163.8 million diluted weighted average shares outstanding. Net loss for the comparable 2020 period was \$(4.6) million, or \$(0.03) per share, based on 161.6 million diluted weighted average shares outstanding.
- **Adjusted EBITDA:** Adjusted EBITDA was \$270.9 million for fiscal year 2021, compared to \$181.8 million for fiscal year 2020. Adjusted EBITDA margin was 49% of total revenue for 2021 and 46% for 2020.

Liquidity: As of December 31, 2021, cash and cash equivalents were \$101.3 million and we generated \$193.2 million in cash flows from operations for 2021.

Redflex Acquisition: On June 17, 2021, we completed the acquisition of Redflex Holdings Limited ("**Redflex**"), an Australian company formerly listed on the Australian Securities Exchange. 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 designs, 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.

T2 Systems Acquisition: On December 7, 2021, we acquired T2 Systems Parent Corporation ("**T2 Systems**"), which offers an integrated suite of parking software and hardware solutions to its customers. This acquisition supports our

strategy to expand and diversify into new markets within the mobility sector, and is included in the newly created Parking Solutions segment.

Business Operations Highlights and Contract Awards

- Executed a five-year contract extension with Fox Rent A Car for tolling services
- The Government Solutions segment completed the installation of 720 cameras for the New York City Department of Transportation with the last 25 invoiced in January 2022, and on February 17, 2022, it received a Notice to Proceed on the next 240 school zone speed cameras, which it expects to fully install in 2022.

2022 Full Year Guidance

Any guidance that we provide is subject to change as a variety of factors can affect actual operating results. Certain of the factors that may impact our actual operating results are identified below in the safe harbor language included within Forward-Looking Statements of this press release. In addition, the recent acquisitions of Redflex and T2 Systems include preliminary allocations of the fair values of assets acquired and liabilities assumed as of the acquisition date. Purchase price allocations are subject to change within the measurement period (up to one year from the acquisition date).

We are reiterating our 2022 financial guidance issued on March 31, 2022 based on our financial results to date and our current outlook for the remainder of the year. The table below summarizes our 2022 financial guidance:

Service revenue	\$635 million - \$652 million
Product sales	\$59 million - \$63 million
Total revenue	\$694 million - \$715 million
Adjusted EBITDA	\$312 million - \$322 million

Conference Call Details

Date: April 21, 2022

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

U.S. and Canadian Callers Dial-in: (800) 289-0438

Outside of U.S. and Canada Dial-in: (323) 794-2423 for international callers with conference ID #4936039

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

An audio replay of the call will also be available until 11:59 p.m. Eastern Time on May 05, 2022, by dialing (844) 512-2921 for the U.S. or Canada and (412) 317-6671 for international callers and entering passcode #4936039. In addition, an archived webcast will be available in the “News & Events” section of the Investor Relations page on our 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.

As a leading provider of connected mobility systems, Verra Mobility serves the world’s largest rental car companies and commercial fleets by managing tolling and violation transactions for millions of vehicles 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 speed, red-light, bus lane and school bus stop arm safety

cameras, and by offering parking hardware and software solutions. 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 our 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 our 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 2022 financial and operational metrics. Forward-looking statements involve risks and uncertainties and a number of factors could cause actual results to differ materially from those currently anticipated. These factors include, but are not limited to: (1) the impacts on our operations and business resulting from our delayed 2021 Form 10-K filing; (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. This press release should be read in conjunction with the information included in our other press releases, reports and other filings with the SEC. Understanding the information contained in these filings is important in order to fully understand our 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”), we also disclose 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, Adjusted EPS and Adjusted EBITDA Margin are non-GAAP financial measures as defined by SEC rules. These non-GAAP financial measures may be determined or calculated differently by other companies. As a result, they may not be comparable to similarly titled performance measures presented 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.

We are not providing a quantitative reconciliation of Adjusted EBITDA, which is included in our 2022 financial guidance above, in reliance on the “unreasonable efforts” exception for forward-looking non-GAAP measures set forth in SEC rules because certain financial information, the probable significance of which cannot be determined, is not available and cannot be reasonably estimated without unreasonable effort and expense. In this regard, we are unable to provide a reconciliation of forward-looking Adjusted EBITDA to GAAP net income (loss), due to the inherent difficulty in forecasting and quantifying certain amounts that are necessary for such reconciliation. Due to the uncertainty of estimates and assumptions used in preparing forward-looking non-GAAP measures, we caution investors that actual results could differ materially from these non-GAAP financial projections.

We use these non-GAAP financial 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, we also believe that these non-GAAP measures provide 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. These non-GAAP measures have certain limitations as analytical tools and should not be used as substitutes for net income, cash flows from operations, earnings per share or other consolidated income or cash flow data prepared in accordance with GAAP.

EBITDA and Adjusted EBITDA

We define EBITDA as net income (loss) 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.

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 (loss) 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.

Adjusted EBITDA Margin

We define “Adjusted EBITDA Margin” as Adjusted EBITDA as a percentage of total revenue.

VERRA MOBILITY CORPORATION
CONDENSED CONSOLIDATED BALANCE SHEETS
(Unaudited)

<u>(In thousands, except per share data)</u>	December 31, 2021	December 31, 2020
Assets		
Current assets:		
Cash and cash equivalents	\$ 101,283	\$ 120,259
Restricted cash	3,149	633
Accounts receivable (net of allowance for credit losses of \$12.1 million and \$11.5 million at December 31, 2021 and 2020, respectively)	160,979	168,783
Unbilled receivables	29,109	14,045
Inventory, net	12,093	113
Prepaid expenses and other current assets	41,456	24,204
Total current assets	348,069	328,037
Installation and service parts, net	13,332	7,944
Property and equipment, net	96,066	70,284
Operating lease assets	38,862	29,787
Intangible assets, net	487,299	342,139
Goodwill	838,867	586,435
Other non-current assets	14,561	2,699
Total assets	\$ 1,837,056	\$ 1,367,325
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	\$ 67,556	\$ 34,509
Deferred revenue	27,141	749
Accrued liabilities	38,435	14,887
Payable to related party pursuant to tax receivable agreement, current portion	5,107	4,791
Current portion of long-term debt	36,952	9,104
Total current liabilities	175,191	64,040
Long-term debt, net of current portion	1,206,802	832,941
Operating lease liabilities, net of current portion	34,984	27,986
Payable to related party pursuant to tax receivable agreement, net of current portion	56,615	67,869
Private placement warrant liabilities	38,466	30,866
Asset retirement obligation	11,824	6,409
Deferred tax liabilities, net	47,524	21,148
Other long-term liabilities	5,686	494
Total liabilities	1,577,092	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	309,883	373,620
Accumulated deficit	(81,416)	(94,850)
Accumulated other comprehensive (loss) income	(5,094)	211
Total stockholders' equity	259,964	315,572
Total liabilities and stockholders' equity	\$ 1,837,056	\$ 1,367,325

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

(\$ in thousands, except per share data)	Three Months Ended December 31,		Year Ended December 31,	
	2021	2020	2021	2020
Service revenue	\$ 144,846	\$ 90,982	\$ 492,846	\$ 336,274
Product sales	25,134	9,181	57,744	57,319
Total revenue	169,980	100,163	550,590	393,593
Cost of service revenue	1,713	828	5,337	3,967
Cost of product sales	14,247	4,735	29,809	29,573
Operating expenses	48,135	30,227	163,370	115,729
Selling, general and administrative expenses	37,155	25,446	123,407	89,664
Depreciation, amortization and (gain) loss on disposal of assets, net	31,995	28,842	116,801	116,844
Total costs and expenses	133,245	90,078	438,724	355,777
Income from operations	36,735	10,085	111,866	37,816
Interest expense, net	12,461	9,297	44,942	40,865
Change in fair value of private placement warrants	2,533	12,666	7,600	1,133
Tax receivable agreement liability adjustment	(2,677)	2,404	(1,016)	6,850
Loss on extinguishment of debt	—	—	5,334	—
Other income, net	(3,590)	(2,455)	(12,895)	(11,885)
Total other expenses	8,727	21,912	43,965	36,963
Income (loss) before income taxes	28,008	(11,827)	67,901	853
Income tax provision	8,942	2,255	26,452	5,431
Net income (loss)	\$ 19,066	\$ (14,082)	\$ 41,449	\$ (4,578)
Other comprehensive (loss) income:				
Change in foreign currency translation adjustment	(1,648)	4,196	(5,305)	2,788
Total comprehensive income (loss)	\$ 17,418	\$ (9,886)	\$ 36,144	\$ (1,790)
Net income (loss) per share:				
Basic	\$ 0.12	\$ (0.09)	\$ 0.26	\$ (0.03)
Diluted	\$ 0.12	\$ (0.09)	\$ 0.25	\$ (0.03)
Weighted average shares outstanding:				
Basic	155,953	162,144	159,983	161,632
Diluted	159,965	162,144	163,778	161,632

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

(\$ in thousands)	For the Year Ended December 31,	
	2021	2020
Cash Flows from Operating Activities:		
Net income (loss)	\$ 41,449	\$ (4,578)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Depreciation and amortization	116,753	116,570
Amortization of deferred financing costs and discounts	5,170	5,437
Change in fair value of private placement warrants	7,600	1,133
Tax receivable agreement liability adjustment	(1,016)	6,850
Loss on extinguishment of debt	5,334	—
Credit loss expense	9,588	14,391
Deferred income taxes	(10,640)	(4,746)
Stock-based compensation	13,784	12,589
Other	308	1,210
Changes in operating assets and liabilities:		
Accounts receivable, net	14,946	(90,592)
Unbilled receivables	(7,753)	5,964
Inventory, net	2,798	—
Prepaid expenses and other assets	(5,097)	3,829
Deferred revenue	(3,966)	58
Accounts payable and other current liabilities	8,296	(16,925)
Other liabilities	(4,383)	(4,281)
Net cash provided by operating activities	193,171	46,909
Cash Flows from Investing Activities:		
Acquisitions, net of cash and restricted cash acquired	(451,237)	—
Purchases of installation and service parts and property and equipment	(24,998)	(24,260)
Cash proceeds from the sale of assets	265	107
Net cash used in investing activities	(475,970)	(24,153)
Cash Flows from Financing Activities:		
Borrowings on revolver	25,000	—
Borrowings of long-term debt	1,245,500	—
Repayment of long-term debt	(884,530)	(28,779)
Payment of debt issuance costs	(10,646)	(1,078)
Payment of debt extinguishment costs	(1,066)	—
Share repurchase and retirement	(100,000)	—
Proceeds from exercise of stock options	155	—
Payment of employee tax withholding related to RSUs vesting	(5,691)	(4,147)
Net cash provided by (used in) financing activities	268,722	(34,004)
Effect of exchange rate changes on cash and cash equivalents	(2,383)	(290)
Net decrease in cash, cash equivalents and restricted cash	(16,460)	(11,538)
Cash, cash equivalents and restricted cash - beginning of period	120,892	132,430
Cash, cash equivalents and restricted cash - end of period	\$ 104,432	\$ 120,892

VERRA MOBILITY CORPORATION

ADJUSTED EBITDA RECONCILIATION (Unaudited)

(\$ in thousands)	Three Months Ended December 31,		For the Year Ended December 31,	
	2021	2020	2021	2020
Net income (loss)	\$ 19,066	\$ (14,082)	\$ 41,449	\$ (4,578)
Interest expense, net	12,461	9,297	44,942	40,865
Income tax provision	8,942	2,255	26,452	5,431
Depreciation and amortization	31,997	28,742	116,753	116,570
EBITDA	72,466	26,212	229,596	158,288
Transaction and other related expenses ⁽ⁱ⁾	3,842	1,160	13,952	1,895
Transformation expenses ⁽ⁱⁱ⁾	220	—	1,688	1,090
Change in fair value of private placement warrants ⁽ⁱⁱⁱ⁾	2,533	12,666	7,600	1,133
Tax receivable agreement liability adjustment ^(iv)	(2,677)	2,404	(1,016)	6,850
Loss on extinguishment of debt ^(v)	—	—	5,334	—
Stock-based compensation ^(vi)	3,600	3,397	13,784	12,589
Adjusted EBITDA	\$ 79,984	\$ 45,839	\$ 270,938	\$ 181,845

- (i) Transaction and other related expenses incurred in the three and twelve months ended December 31, 2021 primarily related to costs associated with our Redflex and T2 Systems acquisitions 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 and Redflex acquisitions 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) The liability adjustment in 2021 is a result of lower estimated state tax rates due to changes in apportionment, whereas in 2020 it is a result of higher state tax rates due to changes in apportionment.
- (v) The loss on extinguishment of debt consists of a \$4.0 million write-off of pre-existing deferred financing costs and discounts and \$1.3 million of lender and third-party costs associated with the issuance of the 2021 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)	For the Year Ended December 31,	
	2021	2020
Net cash provided by operating activities	\$ 193,171	\$ 46,909
Purchases of installation and service parts and property and equipment	(24,998)	(24,260)
Free cash flow	\$ 168,173	\$ 22,649

ADJUSTED EPS (Unaudited)

(\$ in thousands, except per share data)	Three Months Ended December 31,		For the Year Ended December
	2021	2020	31, 2021
Net income (loss)	\$ 19,066	\$ (14,082)	\$ 41,449
Amortization of intangibles	23,086	22,860	89,945
Transaction and other related expenses	3,842	1,160	13,952
Transformation expenses	220	—	1,688
Change in fair value of private placement warrants	2,533	12,666	7,600
Tax receivable agreement liability adjustment	(2,677)	2,404	(1,016)
Loss on extinguishment of debt	—	—	5,334
Stock-based compensation	3,600	3,397	13,784
Total adjustments before income tax effect	30,604	42,487	131,287
Income tax effect on adjustments	(9,771)	(8,101)	(51,145)
Total adjustments after income tax effect	20,833	34,386	80,142
Adjusted Net Income	<u>\$ 39,899</u>	<u>\$ 20,304</u>	<u>\$ 121,591</u>
Adjusted EPS	\$ 0.25	\$ 0.13	\$ 0.74
Diluted weighted average shares outstanding	159,965	162,144	163,778

The Adjusted Net Income and Adjusted EPS for the twelve months ended December 31, 2020 were not presented as they were not meaningful due to the disproportionate effective tax rate for the period.

Investor Relations Contact
Mark Zindler
mark.zindler@verramobility.com



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

Earnings Overview

Verra Mobility Q4 Earnings Presentation
For the Quarter Ended December 31, 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" or the "Company") are based on current expectations and judgements of the Company as of the date of this release. The Company disclaims any intent or obligation to update forward-looking statements hereafter. Forward-looking statements involve risks and uncertainties that could cause actual results to differ materially from those expressed or implied by such forward-looking statements, including but not limited to (1) the impacts on our operations and business resulting from our delayed 2021 Form 10-K filing (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. These risks, uncertainties and other factors are further described under "Risk Factors," "Management's Discussion and Analysis of Financial Condition and Results of Operations" and elsewhere in the documents filed with the SEC from time to time.

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 and other transactions that management believes are not indicative of Verra Mobility's ongoing operating performance.

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.



EXECUTIVE SUMMARY

Strong Execution in the fourth quarter

- Total revenue and adjusted EBITDA exceeded the high-end of expectations
- Strong operating cash flow
- The Commercial Services segment continues to see strong demand and returned to 2019 revenue levels in the fourth quarter with similar profitability levels
- Government Solutions fourth quarter performance driven by the installation of 326 fixed speed systems in New York City

Key Contract wins

- Executed a five-year contract extension with Fox Rent A Car for tolling services (Fox is our 4th largest tolling customer)
- Subsequent to the end of the fourth quarter, the Government Solutions segment has completed the installation of 720 cameras for the New York City DoT with the last 25 being invoiced in January 2022
 - In February, the Company received a Notice to Proceed on the 240 School Zone Speed Cameras, which it expects to fully install in 2022
- In addition, executed a three-year contract extension with Hertz for title & registration work



¹ Adjusted EBITDA and Adjusted EBITDA margin are non-GAAP financial measures. For a reconciliation of these non-GAAP financial measures, see the appendix.



Q4 2021 Total Revenue

\$170.0 million; including \$6.5 million from T2 Systems

Q4 2021 Adjusted EBITDA ¹

\$80.0 million; including \$2.6 million from T2 Systems

Full-Year 2021 Cash Flow from Operations

\$193.2 million

Closed T2 Systems acquisition

Important Legislative Actions

Washington transportation bill - The bill expands & extends programs in Washington state

- Automated speed enforcement
- Extends sunset period for other photo enforcement

3 |

FULL YEAR 2021 RESULTS

For the Year Ended December 31, 2021

Revenue & YoY Growth

\$ in Millions



Adj EBITDA & Margin %

\$ in Millions



Cash from Operations

\$ in Millions



Q4 RESULTS BY SEGMENT – COMMERCIAL SERVICES

For the Quarter Ended December 31, 2021

Revenue & YoY Growth



FY Revenue & YoY Growth



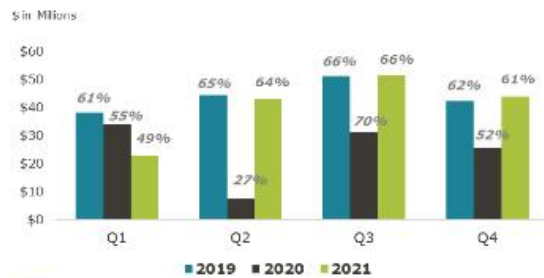
Revenue

- Revenue of \$71.5M in Q4 increased 48.3% from the same quarter in the prior year.

Adj EBITDA

- Adjusted EBITDA of \$43.8M in the quarter increased \$18.6M or 73.5% from the same period of the prior year
- Operating expenses of \$18.1M in Q4 2021 increased by \$4.6M or 34.4% from the same period in the prior year
- SG&A of \$12.0M for Q4 2021 increased by \$0.5M or 4.4% over the same period in the prior year

Adj EBITDA & Margin %



FY Adj EBITDA & Margin %

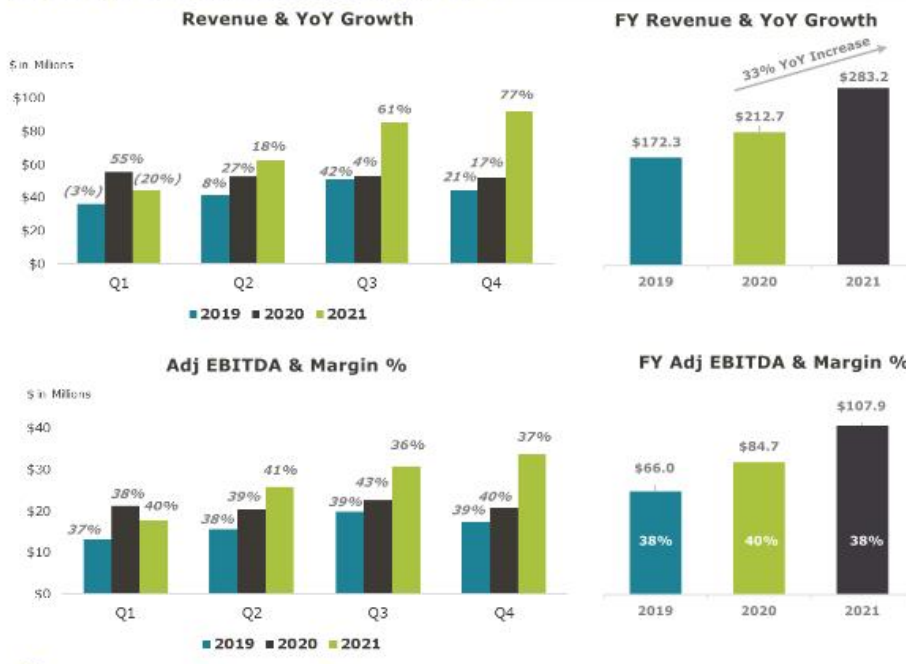


We have returned to 2019 levels of revenue and profitability with Adj EBITDA margins of 61%



Q4 RESULTS BY SEGMENT – GOVERNMENT SOLUTIONS

For the Quarter Ended December 31, 2021



Revenue

- Revenue of \$92.0M in Q4 increased 77.0% from the same quarter in the prior year

(\$ in Millions)	Q4-2021	
	\$	YoY
Service Revenue	\$ 69.4	62.2%
Product Revenue	\$ 22.6	145.6%
Total Revenue	\$ 92.0	77.0%

- Service revenue grew \$26.6M or 62.2%
- Revenue reflects the installation of 326 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

Adj EBITDA

- Adjusted EBITDA of \$33.6M in the quarter increased \$13.0M or 63.3% from the same period of the prior year



CONSOLIDATED Q4 RESULTS

For the Quarter Ended December 31, 2021

Revenue & YoY Growth



Adj EBITDA & Margin %



Revenue

- Total revenue increased by \$69.8 million to \$170.0 million or 69.7% in Q4 2021 from \$100.2 million in Q4 2020

(\$ in Millions)	Q4 Service Revenue Growth		
	2019	2020	2021
Total Service Revenue	\$ 104.8	\$ 91.0	\$ 144.8
Less Redflex			\$ (14.0)
Less Parking Solutions			\$ (4.0)
Organic Revenue	\$ 104.8	\$ 91.0	\$ 126.9
Growth over 2020			39.5%
Growth over 2019			21.1%

Adj EBITDA

- Adjusted EBITDA of \$80.0 million, increased by \$34.1 million or 74.5% in Q4 of 2021
- Adjusted EBITDA grew approximately \$20.4M or 34.2% over the same quarter in 2019, hurdling pre-pandemic levels



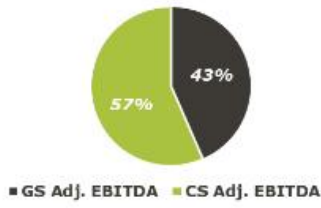
Parking Solutions reflected \$6.5M in revenue (\$4.0M in service rev & \$2.6M in product rev) & \$2.6M in Adj EBITDA in Dec 2021

Confidential & Proprietary

CONSOLIDATED Q4 RESULTS

For the Quarter Ended December 31, 2021

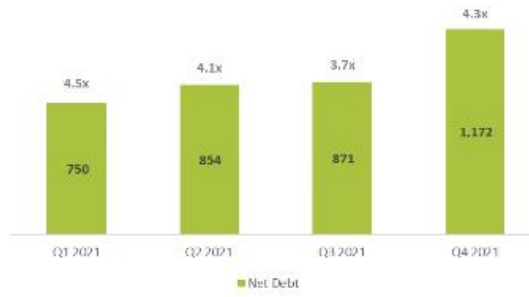
Q4 Adj EBITDA Mix by Business Segment



Revenue Mix & Adj EBITDA Margins



Net Debt & Leverage ⁽¹⁾



Cash and Debt balances

- Cash on hand decreased to \$101.3 million at the end of Q4 2021 from \$120.3 million at the end of Q4 2020
 - Generated cash flow from operations of \$193.2 million
- Leverage increased due to a decrease in EBITDA
- The company has total debt of about \$1.3 billion including \$25.0 million in outstanding borrowings on the revolver, which was repaid in January 2022

Announced Acquisitions

- On November 1st the company signed an agreement to acquire T2 Systems for \$347 million and an additional \$9 for an acquisition that was signed by T2 but not yet closed. The company used the accordion feature in the Term Loan B for \$250 million with the remainder in cash.

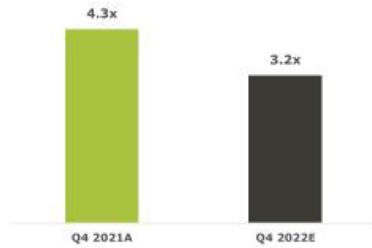


⁽¹⁾ As of December 31, 2021, we had \$25.0 million in outstanding borrowings on the Revolver, which was repaid in full in January 2022. Excluding the \$25.0 million under the revolver, net leverage would be 4.3x

REITERATING GUIDANCE

Reiterating guidance initially provided on March 31, 2022

	2022 Full Year		
	Low	High	Mid
Service Revenue	\$635	\$652	\$643
Product Revenue	\$59	\$63	\$61
Total Revenue	\$694	\$715	\$704
Adj EBITDA	\$312	\$322	\$317
Adj EBITDA Margin	45%	45%	45%



Service Revenue – At Mid-Point

- YoY Service Revenue growth of 30% including T2 Systems and Reflex

Product Revenue

- Modest increase over FY21
 - Increase in product revenue driven by T2 Systems and Reflex, offset by the reduction in New York City installations

Adj EBITDA

- Implies margin compression in 2022 due to a continued shift in revenue mix toward the GS business and the incorporation of T2 Systems and Reflex, both of whom operate at lower margins than legacy Verra Mobility

Cash and Leverage

Standalone Basis

- Total debt is expected to be \$1,239M at year-end
- We expect to end 2022 with ~\$240M of cash on hand



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	Q4 2021	Full Year 2021
Service revenue	\$99.5	\$62.8	\$83.0	\$91.0	\$336.3	\$89.8	\$116.4	\$141.8	\$144.8	\$492.8
Product sales	17.2	17.0	13.9	9.2	\$7.3	0.1	12.2	20.3	25.1	57.7
Total revenue	\$116.7	\$79.8	\$96.9	\$100.2	\$393.6	\$89.9	\$128.7	\$162.1	\$170.0	\$550.6
Cost of service revenue	1.2	1.0	0.9	0.8	4.0	0.9	1.3	1.4	1.7	5.3
Cost of product sales	8.7	9.1	7.1	4.7	29.6	0.0	6.1	9.4	14.2	29.8
Operating expenses	32.3	36.7	26.5	30.2	135.7	30.5	36.4	48.3	48.1	163.4
Selling, general and administrative expenses	25.9	30.8	17.5	25.4	89.7	28.4	26.2	31.6	37.2	123.4
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	32.0	116.8
Total costs and expenses	\$97.3	\$86.8	\$81.6	\$90.1	\$355.8	\$88.1	\$97.2	\$120.2	\$133.2	\$438.7
Income (loss) from operations	19.4	(7.0)	15.3	10.1	37.8	1.8	31.5	41.9	36.7	111.9
Interest expense, net	12.5	9.5	9.6	9.3	40.9	9.2	11.7	11.6	12.5	44.9
Change in fair value of private placement warrants	(15.5)	8.3	(4.4)	12.7	1.1	2.1	8.1	(5.1)	2.5	7.6
Tax receivable agreement adj	-	4.4	-	2.4	6.9	-	1.7	-	(2.7)	(1.0)
Loss on extinguishment of debt	-	-	-	-	-	5.3	-	-	-	5.3
Other (income) expense, net	(2.9)	(1.5)	(5.0)	(2.5)	(11.9)	(3.0)	(2.8)	(3.5)	(3.6)	(12.9)
Total other expense	(\$5.9)	\$20.8	\$0.2	\$21.9	\$37.0	\$13.6	\$18.6	\$3.1	\$8.7	\$4.0
Income (loss) before income taxes	25.4	(27.7)	15.0	(11.8)	0.9	(11.8)	12.9	38.8	28.0	67.9
Income tax provision (benefit)	3.2	(4.0)	4.0	2.3	5.4	(2.9)	8.9	11.5	8.9	26.5
Net (loss) income	\$22.1	(\$23.7)	\$11.1	(\$14.1)	(\$4.6)	(\$8.9)	\$4.0	\$27.3	\$19.1	\$41.4
Bridge to adj. EBITDA										
Net (loss) income	\$22.1	(\$23.7)	\$11.1	(\$14.1)	(\$4.6)	(\$8.9)	\$4.0	\$27.3	\$19.1	\$41.4
Interest expense, net	12.5	9.5	9.6	9.3	40.9	9.2	11.7	11.6	12.5	44.9
Income tax provision (benefit)	3.2	(4.0)	4.0	2.3	5.4	(2.9)	8.9	11.5	8.9	26.5
Depreciation and amortization	29.3	29.2	29.4	28.7	116.6	28.2	27.0	29.5	32.0	116.8
EBITDA	\$67.1	\$11.0	\$54.1	\$26.2	\$158.3	\$25.6	\$51.6	\$80.0	\$77.5	\$229.6
Transaction and other related	0.5	0.1	0.1	1.2	1.9	4.1	3.3	2.7	3.8	14.0
Transformation expense	-	0.5	0.6	(0.0)	1.1	0.3	0.4	0.8	0.2	1.7
Loss on extinguishment of debt	-	-	-	-	-	5.3	-	-	-	5.3
TRA adjustment	-	4.4	-	2.4	6.9	-	1.7	-	(2.7)	(1.0)
Change in fair value of private placement warrants	(15.5)	8.3	(4.4)	12.7	1.1	2.1	8.1	(5.1)	2.5	7.6
Stock-based compensation	2.8	3.3	3.2	3.4	12.6	2.9	3.6	3.7	3.6	13.8
Adjusted EBITDA	\$54.9	\$27.6	\$53.5	\$45.8	\$181.8	\$40.3	\$68.6	\$82.1	\$80.0	\$270.9



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	Q4 2021	Full Year 2021
Segment Total Revenue										
Commercial Services	\$61.2	\$27.3	\$44.2	\$48.2	\$180.9	\$45.7	\$66.5	\$77.3	\$71.5	\$260.9
Segment Adj EBITDA										
Commercial Services	\$33.6	\$7.3	\$31.0	\$25.2	\$97.2	\$22.6	\$42.8	\$51.3	\$43.8	\$160.4

Government Solutions

Unaudited (\$ in millions)	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Full Year 2020	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Full Year 2021
Segment Total Revenue										
Government Solutions	\$55.5	\$52.5	\$52.8	\$52.0	\$212.7	\$44.2	\$62.2	\$84.8	\$92.0	\$283.2
Segment Adj EBITDA										
Government Solutions	\$21.2	\$20.3	\$22.5	\$20.6	\$84.7	\$17.8	\$25.8	\$30.7	\$33.6	\$107.9

Parking Solutions

Unaudited (\$ in millions)	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Full Year 2020	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Full Year 2021
Total Revenue										
Parking Solutions	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$6.5	\$6.5
Adj EBITDA										
Parking Solutions	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$2.6	\$2.6





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

Thank You

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



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

Investor Overview

Verra Mobility Q4 Investor Presentation
For the Quarter Ended December 31, 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" or the "Company") are based on current expectations and judgements of the Company as of the date of this release. The Company disclaims any intent or obligation to update forward-looking statements hereafter. Forward-looking statements involve risks and uncertainties that could cause actual results to differ materially from those expressed or implied by such forward-looking statements, including but not limited to (1) the impacts on our operations and business resulting from our delayed 2021 Form 10-K filing (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. These risks, uncertainties and other factors are further described under "Risk Factors," "Management's Discussion and Analysis of Financial Condition and Results of Operations" and elsewhere in the documents filed with the SEC from time to time.

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.

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 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 total revenue. Pro Forma Adjusted Revenue adjusts total revenue for non-cash amortization of contract incentive and certain pre-acquisition results. These non-GAAP financial measures may be determined or calculated differently by other companies. As a result, they may not be comparable to similarly titled performance measures presented by other companies. Reconciliations of these non-GAAP measurements to the most directly comparable GAAP financial measurements have been provided elsewhere in this presentation.

Verra Mobility uses these non-GAAP financial metrics to measure its performance from period to period both at the consolidated level as well as within its operating segments, to evaluate and fund incentive compensation programs and to compare its results to those of its competitors. In addition, the Company also believes that these non-GAAP measures provide useful information to investors regarding financial and business trends related to the Company's 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 the Company's ongoing operating performance. These non-GAAP measures have certain limitations as analytical tools and should not be used as substitutes for net income, cash flows from operations, earnings per share or other consolidated income or cash flow data prepared in accordance with GAAP.

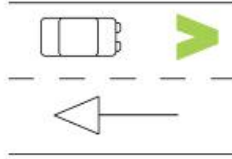


SAFE. SMART. CONNECTED.

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 THREE BUSINESS SEGMENTS

Who We Are

Business Unit

Business Model

What we do

Who we serve

Commercial Services
\$261M Service Revenue*



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.

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

Government Solutions
\$228M Service Revenue*



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.

- Municipalities
- Counties
- School districts
- Other governmental entities

Parking Solutions
\$4M Service Revenue*



The Parking Solutions segment provides an integrated suite of parking software and hardware solutions that includes curbside management, mobile payments, contactless transactions and transportation demand management.

- Universities
- Municipalities
- Healthcare
- Commercial/Private Operators



Confidential & Proprietary

* TTM Service Revenue for the period ending December 31, 2021; Parking Solutions represents T2 Systems post-closing (December 7, 2021)

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

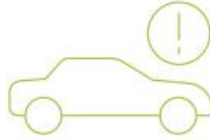


United States & a portion of Canada

Violations

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

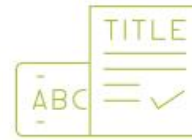
European toll and violation collection and management for issuing authorities for administrative fees



United States & Europe

Title and Registration

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



United States

\$261M Service Revenue*



* TTM Service Revenue for the period ending December 31, 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



\$228M Service + \$55M Product = \$283M Total Revenue*



* TTM Revenue for the period ending December 31, 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 2017-2021 = 21%



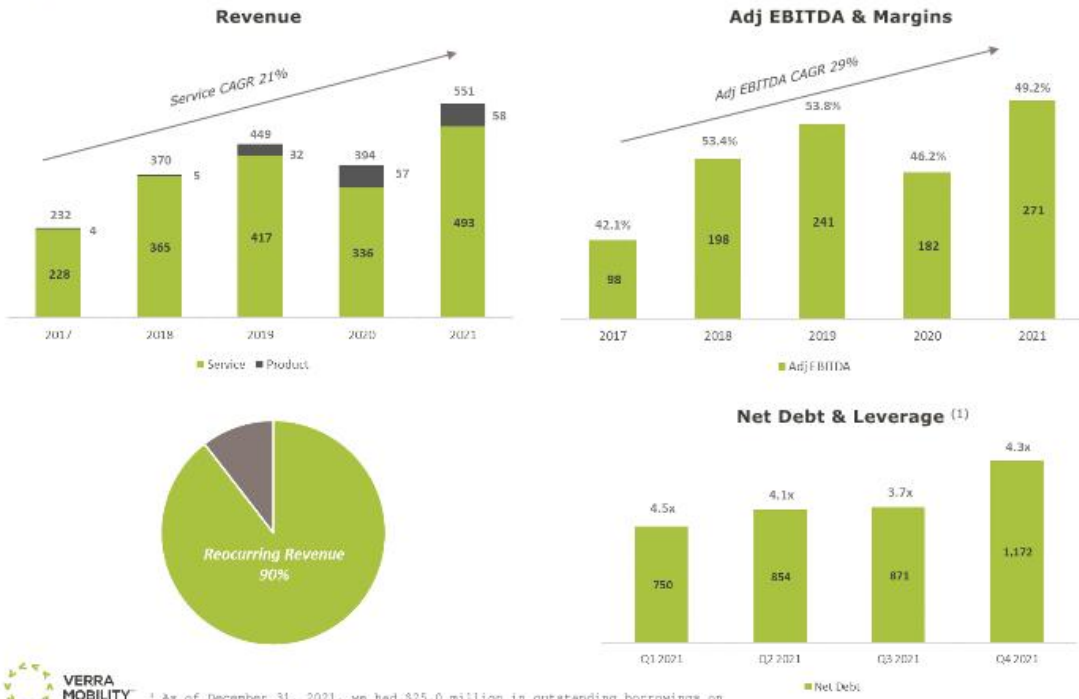
Platform for future growth

- 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 2019. The remaining \$33M of growth was organic
- 2021 Service Revenue and Product Revenue include \$32.8M and \$5.2M, respectively, from the acquisition of Reflex on June 18th. The December 7th acquisition of T2 Systems contributed \$4.0M in Service Revenue and \$2.6M in Product Revenue.

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



¹ As of December 31, 2021, we had \$25.0 million in outstanding borrowings on the Revolver, which was repaid in full in January 2022. Excluding the \$25.0 million under the revolver, net leverage would be 4.2x

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	Q4 2021	Full Year 2021
Service revenue	\$99.5	\$62.8	\$83.0	\$91.0	\$336.3	\$89.8	\$116.4	\$141.8	\$144.8	\$492.8
Product sales	17.2	17.0	13.9	9.2	\$7.3	0.1	12.2	20.3	25.1	57.7
Total revenue	\$116.7	\$79.8	\$96.9	\$100.2	\$393.6	\$89.9	\$128.7	\$162.1	\$170.0	\$550.6
Cost of service revenue	1.2	1.0	0.9	0.8	4.0	0.9	1.3	1.4	1.7	5.3
Cost of product sales	8.7	9.1	7.1	4.7	29.6	0.0	6.1	9.4	14.2	29.8
Operating expenses	32.3	36.7	26.5	30.2	115.7	30.5	36.4	48.3	48.1	163.4
Selling, general and administrative expenses	25.9	30.8	17.5	25.4	89.7	28.4	26.2	31.6	37.2	123.4
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	32.0	116.8
Total costs and expenses	\$97.3	\$86.8	\$81.6	\$90.1	\$355.8	\$88.1	\$97.2	\$120.2	\$113.2	\$438.7
Income (loss) from operations	19.4	(7.0)	15.3	10.1	37.8	1.8	31.5	41.9	36.7	111.9
Interest expense, net	12.5	9.5	9.6	9.3	40.9	9.2	11.7	11.6	12.5	44.9
Change in fair value of private placement warrants	(15.5)	8.3	(4.4)	12.7	1.1	2.1	8.1	(5.1)	2.5	7.6
Tax receivable agreement adj	-	4.4	-	2.4	6.9	-	1.7	-	(2.7)	(1.0)
Loss on extinguishment of debt	-	-	-	-	-	5.3	-	-	-	5.3
Other (income) expense, net	(2.9)	(1.5)	(5.0)	(2.5)	(11.9)	(3.0)	(2.8)	(3.5)	(3.6)	(12.9)
Total other expense	(\$5.9)	\$20.8	\$0.2	\$21.9	\$37.0	\$13.6	\$18.6	\$3.1	\$8.7	\$44.0
Income (loss) before income taxes	25.4	(27.7)	15.0	(11.8)	0.9	(11.8)	12.9	38.8	28.0	67.9
Income tax provision (benefit)	3.2	(4.0)	4.0	2.3	5.4	(2.9)	8.9	11.5	8.9	26.5
Net (loss) income	\$22.1	(\$23.7)	\$11.1	(\$14.1)	(\$4.6)	(\$8.9)	\$4.0	\$27.3	\$19.1	\$41.4
Bridge to adj. EBITDA										
Net (loss) income	\$22.1	(\$23.7)	\$11.1	(\$14.1)	(\$4.6)	(\$8.9)	\$4.0	\$27.3	\$19.1	\$41.4
Interest expense, net	12.5	9.5	9.6	9.3	40.9	9.2	11.7	11.6	12.5	44.9
Income tax provision (benefit)	3.2	(4.0)	4.0	2.3	5.4	(2.9)	8.9	11.5	8.9	26.5
Depreciation and amortization	29.3	29.2	29.4	28.7	116.6	28.2	27.0	29.5	32.0	116.8
EBITDA	\$67.1	\$11.0	\$54.1	\$26.2	\$158.3	\$25.6	\$51.6	\$80.0	\$77.5	\$229.6
Transaction and other related	0.5	0.1	0.1	1.2	1.9	4.1	3.3	2.7	3.8	14.0
Transformation expense	-	0.5	0.6	(0.0)	1.1	0.3	0.4	0.8	0.2	1.7
Loss on extinguishment of debt	-	-	-	-	-	5.3	-	-	-	5.3
TRA adjustment	-	4.4	-	2.4	6.9	-	1.7	-	(2.7)	(1.0)
Change in fair value of private placement warrants	(15.5)	8.3	(4.4)	12.7	1.1	2.1	8.1	(5.1)	2.5	7.6
Stock-based compensation	2.8	3.3	3.2	3.4	12.6	2.9	3.6	3.7	3.6	13.8
Adjusted EBITDA	\$54.9	\$27.6	\$53.5	\$45.8	\$181.8	\$40.3	\$68.6	\$82.1	\$80.0	\$270.9



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	Q4 2021	Full Year 2021
Segment Total Revenue										
Commercial Services	\$61.2	\$27.3	\$44.2	\$48.2	\$180.9	\$45.7	\$66.5	\$77.3	\$71.5	\$260.9
Segment Adj EBITDA										
Commercial Services	\$33.6	\$7.3	\$31.0	\$25.2	\$97.2	\$22.6	\$42.8	\$51.3	\$43.8	\$160.4

Government Solutions

Unaudited (\$ in millions)	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Full Year 2020	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Full Year 2021
Segment Total Revenue										
Government Solutions	\$55.5	\$52.5	\$52.8	\$52.0	\$212.7	\$44.2	\$62.2	\$84.8	\$92.0	\$283.2
Segment Adj EBITDA										
Government Solutions	\$21.2	\$20.3	\$22.5	\$20.6	\$84.7	\$17.8	\$25.8	\$30.7	\$33.6	\$107.9

Parking Solutions

Unaudited (\$ in millions)	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Full Year 2020	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Full Year 2021
Total Revenue										
Parking Solutions	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$6.5	\$6.5
Adj EBITDA										
Parking Solutions	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$2.6	\$2.6



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.

Confidential & Proprietary

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 AND EPC 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





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

Thank You

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