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Ipsidy Announces Results for First Quarter Ended March 31, 2021 Building Trusted Identity

May 6, 2021

LONG BEACH, N.Y., May 06, 2021 (GLOBE NEWSWIRE) — Ipsidy Inc. (authid.ai) [OTCQB:IDTY] a leading provider of [arIdentity as a Service](#) (IDaaS) platform delivering a suite of secure, mobile, biometric identity verification solutions, today announced its results for the first quarter ended March 31, 2021.

The identity solutions market is rapidly developing and increasing demand for verifying digital identity during remote onboarding and passwordless authentication solutions can be seen in our expanding pipeline and recent agreements highlighted below with multinational customers across a variety of industries and geographies. While remote access to a broad range of digital services and networks is not new, the COVID-19 pandemic has accelerated demand for verifying identity seamlessly during remote onboarding as well securing “touchless” interactions.

Ipsidy’s IDaaS platform helps our clients eliminate identity fraud, phishing, and account takeover through an automated, cascading biometric identity verification solution. Offering a seamless, secure mobile experience, our technology captures and validates a government issued credential (such as a driver’s license), and biometrically matches a selfie of the applicant to the credential. Ipsidy confirms the rightful owner of a document is present and applying for an account or registering for passwordless authentication, whereas other identity analytics providers merely compare user attributes (such as name, address and phone number) to compiled data sources, examine device behavior, and flag aberrant or fraudulent patterns. Instead, Ipsidy securely creates a digital chain of trust between biometrically verified individuals, their accounts, and their devices. This chain of trust, we believe, substantially enhances how our clients can confidently convert new vetted users to revenue quickly, and proactively authenticate their systems access and services across the customer engagement.

Financial Results for the Three Months Ended March 31, 2021

- Total revenue for the three-month period ended March 31, 2021 was \$0.6 million compared to \$0.8 million for the three-month period ended March 31, 2020.
- Net loss for the three-month period ended March 31, 2021 was \$2.5 million compared to a net loss of \$3.8 million for the three-month period ended March 31, 2020.
- Basic and fully diluted net loss per share for the three-month period ended March 31, 2021 was \$0.00 cents compared to basic and fully diluted net loss per share of \$0.01 cents for the three-month period ended March 31, 2020.
- Adjusted EBITDA loss of \$1.3 million for the three-month period ended March 31, 2021 improved by \$0.1 million compared to the Adjusted EBITDA loss for the three-month period ended March 31, 2020.

Refer to Table 1 for reconciliation of net income to Adjusted EBITDA (a non-GAAP measure).

The following highlights some of our activities during the first quarter of 2021.

- Selected by US payment processor, On The Fly POS, to deliver Ipsidy’s biometric solutions to its card-present and payment gateway merchant portfolios. Ipsidy provides payment processors with a fully automated solution for enhanced identity assurance across the user engagement including digital onboarding of merchants and consumers, FIDO2 passwordless access to bank systems and online account services, as well as strong PSD2 compliant, step-up authentication for high-value transactions.
- Expanded our partner network in the Americas, signing an extension to our agreement with Inetum (a division of the global IT services company formerly known as Gfi), covering the North and Central American The Agreement also provides access to Mexico’s national identity registry, through Inetum, which when integrated to Ipsidy will enhance our identity verification services.
- Signed an agreement with BPSmart, an innovative technology provider servicing North America and Latin America, to integrate Proof and Verified into their chat-based AI-Powered, Digital Assistant Platform.
- Completed integration to Temenos core banking platform making the full complement of Ipsidy’s identity verification and authentication solutions easily available to the Temenos global portfolio.
- Added customers in the financial services segment including international financial institutions, fintech companies and payment processors who will leverage Ipsidy’s trusted identity verification and seamless passwordless login services to mitigate identity fraud, account takeover and phishing.
- Entered agreements with additional technology partners in India to offer our services to their customers.
- A US-based application services provider integrated Ipsidy’s Proof within their health passport solution, allowing customers to remotely verify their identity prior to accessing and storing their health This customer is offering their application to sports facilities, entertainment venues, airlines, and travel companies.
- Various sharing-economy and ecommerce providers, including auto-rentals and property management companies, added our identity verification services, Proof, to help reduce identity fraud in digital customer onboarding.

"We continue to make progress in 2021, building on the major repositioning the Company undertook in the second half of 2020 and into this year," said Phillip Kumnick, CEO & Chairman of Ipsidy. "We rolled out our solutions to customers across various market segments, secured new partners in the financial services and technology sectors and are in production with a global financial institution. Based on our significant product differentiation, we remain confident that our robust new business pipeline will yield increased traction for Ipsidy's solutions and services."

We continue to carefully watch developments related to COVID-19. The extent to which COVID-19 will impact our customers, business, results and financial condition will depend on current and future developments, which are highly uncertain and cannot be predicted at this time. We have seen our business opportunities develop more slowly as business partners and potential customers are dealing with Covid-19 issues and working remotely. These issues have caused delays in decision making and finalization of negotiations and agreements. We appreciate the support of our employees, partners and customers in these difficult times.

Additional analysis of the Company's performance can be found in "Management's Discussion and Analysis of Financial Condition and Results of Operations" included in the Quarterly Report on Form 10-Q for the three months ended March 31, 2021 filed at www.sec.gov and posted on the Company's investor relations website.

About Ipsidy:

Ipsidy Inc. (OTCQB:IDTY) (authid.ai), Ipsidy is Digital Identity. Our mission is to ensure our customers know the identity of their users *with* biometric certainty. Our Identity as a Service (IDaaS) platform delivers a suite of secure, mobile, facial biometric identity solutions, available to any vertical, anywhere. Our robust [identity verification](#) and [authentication](#) solutions work great on their own, but even better together to help answer everyday questions: Who is applying for a loan? Who is sending money? Who is requesting an account change? Ipsidy is committed to providing seamless, accurate and speedy identity solutions that establish security and trust in today's digital world.

Ipsidy is headquartered in New York and has operating subsidiaries: MultiPay in Colombia, www.multipay.com.co; Cards Plus in South Africa, www.cardsplus.co.za; Ipsidy Enterprises in the U.K. and Ipsidy Perú S.A.C. Further information on Ipsidy can be found at authid.ai or contact us at sales@ipsidystaging.wpengine.com.

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Notice Regarding Forward-Looking Statements.

Information contained in this announcement may include "forward-looking statements." All statements other than statements of historical facts included herein, including, without limitation, those regarding the financial position, business strategy, plans and objectives of management for future operations of both Ipsidy and its business partners, future service launches with customers, the outcome of pilots and new initiatives and customer pipeline are forward-looking statements. Such forward-looking statements are based on a number of assumptions regarding Ipsidy present and future business strategies, and the environment in which Ipsidy expects to operate in the future, which assumptions may or may not be fulfilled in practice. Implementation of some or all of the new services referred to is subject to regulatory or other third party approvals. Actual results may vary materially from the results anticipated by these forward-looking statements as a result of a variety of risk factors, including the risk that implementation, adoption and offering of the service by customers, consumers and others may take longer than anticipated, or may not occur at all; changes in laws, regulations and practices; changes in domestic and international economic and political conditions, the as yet uncertain impact of the Covid-19 pandemic and others. Additional risks may arise with respect to commencing operations in new countries and regions, of which Ipsidy is not fully aware at this time. See the Company's Annual Report Form 10-K for the Fiscal Year ended December 31, 2020 filed at www.sec.gov for other risk factors which investors should consider. These forward-looking statements speak only as to the date of this announcement and cannot be relied upon as a guide to future performance. Ipsidy expressly disclaims any obligation or undertaking to disseminate any updates or revisions to any forward-looking statements contained in this announcement to reflect any changes in its expectations with regard thereto or any change in events, conditions or circumstances on which any statement is based.

Non-GAAP Financial Information.

The Company provides certain non-GAAP financial measures in this statement. Management believes that Adjusted EBITDA, when viewed with our results under GAAP and the accompanying reconciliations, provides useful information about our period-over-period results. Adjusted EBITDA is presented because management believes it provides additional information with respect to the performance of our fundamental business activities and is also frequently used by securities analysts, investors and other interested parties in the evaluation of comparable companies. We also rely on Adjusted EBITDA as a primary measure to review and assess the operating performance of our company and our management team in connection with our executive compensation. These non-GAAP key business indicators, which include Adjusted EBITDA, should not be considered replacements for and should be read in conjunction with the GAAP financial measures.

We define Adjusted EBITDA as GAAP net loss adjusted to exclude: (1) interest expense, (2) interest income, (3) provision for income taxes, (4) depreciation and amortization, (5) stock-based compensation expense (stock options and restricted stock) and (6) certain other items management believes affect the comparability of operating results. Please see Table 1 below for a reconciliation of Adjusted EBITDA to net income (loss), the most directly comparable financial measure calculated and presented in accordance with GAAP.

