



Ipsidy Announces Results for Year Ended December 31, 2019

March 31, 2020

A Year of Continued Progress Building Trusted Identity

LONG BEACH, N.Y., March 30, 2020 (GLOBE NEWSWIRE) — Ipsidy Inc. (authid.ai) [OTCQB:IDTY] which operates an Identity as a Service (IDaaS) platform that delivers a suite of secure, mobile, biometric identity solutions, available to any vertical, anywhere, today announced its results for the year ended December 31, 2019.

Financial Results for the Year Ended December 31, 2019

- Total revenue for the year ended December 31, 2019 was \$2.6 million compared to \$3.8 million for the year ended December 31, 2018. The results in 2018 reflected the one-time supply of [Search™](#), our Automated Fingerprint Identification System, to the Zimbabwe Electoral Commission, offset by revenue increases in 2019 from new products and Cards Plus.
- Net loss for the year ended December 31, 2019 was \$10.5 million compared to a net loss of \$10.0 million for the year ended December 31, 2018, principally as a result of a non-cash charge for goodwill impairment loss of approximately \$1.5 million.
- Basic and fully diluted net loss per share for both years ended December 31, 2019 and 2018 was \$0.02 cents. \$
- Adjusted EBITDA loss for the year ended December 31, 2019 was \$6.4 million compared to an Adjusted EBITDA loss of \$6.0 million for the year ended December 31, 2018, as the Company invested in the technical and operational resources required to support ongoing and future operations. \$
- Secured approximately \$3.6 million of additional equity and convertible debt investment during 2019 and a further \$1.5 million of convertible debt investment in February 2020.

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

Everything starts with trusted identity. Our identity platform offers a suite of mobile biometric identity services that our customers can use to verify identity ([Proof™](#)) and authenticate transactions ([Verified™](#)) across multiple use cases, thereby creating trusted transactions.

We continued to make progress during 2019 in executing our Trusted Identity strategy. Ipsidy ran pilots and workshops with a number of reseller and technology partners and potential customers. We developed new implementation and deployment models in response to customer and market demands. The Identity solutions market is rapidly developing and increasing demand for verifying digital identity during remote onboarding and digital transactions can be seen in our pipeline. While remote working and secure access to corporate networks are not new, the scope and speed at which society is now moving workers and students to the virtual office or classroom, is staggering. We believe our products and services are well equipped to help those organizations adopting remote working and learning, and substantially improve how they can confidently grant access only to those who are entitled to such access.

The Company's highlighted activities included the following: □

- Signed LOI with local partners in the United Arab Emirates to establish business and operations and commenced sales activities in pursuit of a number of specific opportunities. \$
- Established Ipsidy Peru S.A.C, our subsidiary company in Peru, signed an [agreement with RENIEC](#), the National ID Registry in Peru and developed support to our IDaaS platform for connecting to government registries, including RENIEC, thereby enhancing our Proof™ solution. □
- Launched [Proof](#), our new identity proofing solution and made it available through Ipsidy's new [Identity Portal](#) and via integration. □
- Launched [Time™](#), a mobile solution for tracking time & attendance with biometric & geo-location certainty □
- Partnered with [Skypatrol to deliver SkyOne lock](#), which incorporates mobile, biometric identity authentication services and GPS technology as part of a transportation logistics solution for trucking fleets. \$
- Launched our SDK's for image capture and liveness detection and developed enhancements based on client needs. □
- Completed [support for Apple's iOS13](#) with NFC and made available Concierge and Time Apps on both Apple and Android platforms with updated SDK's.

Recent Highlights

- Signed agreement with Temenos SA (SIX: TEMN), a global banking software provider to over 3000 financial institutions, including 41 of the world's top 50 banks, to integrate with the Temenos banking software system and become a member of the Temenos MarketPlace which provides financial institutions with easy access to innovative fintech solutions from around the world.
- Phillip L. Kumnick, previously SVP Global Acquirer Processing at Visa, an experienced industry executive, joined our Board of Directors in January 2020 and was appointed Deputy Chairman.
- Philip R. Broenniman also joined our Board of Directors in March 2020, bringing his experience and skills as an investment manager, entrepreneur and financial analyst.

"As a result of our engagement with business partners and potential customers in 2019, we have fine-tuned our approach to the market to reflect the solutions that customers are demanding and simplified the way users interact with our solutions," said Philip Beck, Chairman and CEO of Ipsidy. "Recent developments have only highlighted the expanding need for remote onboarding of users, verifying identity and authenticating transactions everywhere. The

Ipsidy team continues to work on closing opportunities in the EMEA, LATAM and US regions, with a focus on the financial, telecommunication and logistics sectors.”

We are carefully watching developments related to COVID-19 and have considered a variety of potential scenarios. Day to day operations have been somewhat impacted, by the requirement for all employees to work from home, for which we were already substantially prepared, and we are working to mitigate any impact to our customers and employees and are continually updating our plans as the situation develops. 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 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-K for the year ended December 31, 2019 filed at www.sec.gov and posted on the Company's investor relations website.

About Ipsidy:

Ipsidy Inc. (OTCQB:IDTY) authid.ai operates an Identity as a Service (IDaaS) platform that delivers a suite of secure, mobile, biometric identity solutions, available to any vertical, anywhere. In a world that is increasingly digital and mobile, our mission is to help our customers know with biometric certainty the identity of the people with whom they are engaging. We provide solutions to everyday problems: Who is applying for a loan? Who is accessing the computer system? Who is at the door? Identity creates trusted transactions. Ipsidy's solutions embed authenticated identity and event details with a digital signature and participants use their own mobile device to approve everyday transactions. Our platform delivers identity solutions that work great on their own but even better together.

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, whether as a result of the COVID-19 pandemic, or otherwise 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, 2019 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.

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