



Ipsidy Announces Results for Third Quarter Ended September 30, 2019

November 13, 2019

LONG BEACH, N.Y., November 13, 2019 — Ipsidy Inc. (<https://authid.ai>) [OTCQX: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 third quarter ended September 30, 2019.

Financial Highlights for the Three and Nine Months Ended September 30, 2019

- Total revenue for the three and nine-month periods in 2019 was \$0.6 million and \$1.9 million respectively compared to \$0.7 million and \$3.0 million respectively for the three and nine months in 2018. The results for the nine-months period 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 before taxes for the three and nine months ended September 30, 2019 were \$2.3 million and \$6.8 Million respectively, compared to a net loss before taxes for the three and nine months ended September 30, 2018 of \$2.1 million and \$7.4 million.
- Basic and diluted net loss per share for the three and nine months ended September 30, 2019 was \$0.00 cents and 0.01 cents respectively compared to basic and diluted net loss per share of \$0.00 cents and \$0.02 cents respectively in the three and nine months ended September 30, 2018.
- Adjusted EBITDA loss for the three and nine month periods in 2019 was \$1.8 million and \$4.9 million respectively compared to \$1.3 million and \$4.4 million respectively in 2018.
- In June 2019, the Company closed a common equity funding round for aggregate gross proceeds of approximately \$3.1 million, by the issuance of approximately 38.8 million shares of Common Stock.

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

Operational Highlights

Ipsidy continued to make progress in executing our strategy, improving our platform pursuing sales and launching our new identity solutions across several vertical and international markets, including the following activities:

- Signed LOI with local partners to establish business and operations in United Arab Emirates (UAE) and commenced sales activities in UAE, in pursuit of a number of specific opportunities.
- Ipsidy Peru S.A.C, our subsidiary company in Peru signed [an agreement with RENIEC](#), the National ID Registry in Peru to enhance the [Proof™](#) solution launched in Peru and established local infrastructure to deliver our Identity services in the country. We believe that expected revenues from our implementation for BBVA Continental in Peru under an agreement with Hogier Gartner Y CIA will substantially improve the cash flow of our Multipay operations in the LATAM region.
- Launched our SDK's for image capture and liveness detection and developed enhancements based on client feedback.
- Launched Proof, our new identity proofing solution, available through Ipsidy's new Identity Portal and via integration. Working with our partner, Datapro, to offer [Verified](#) and Proof, to additional Datapro financial institutions.
- Continued to develop our enhanced frictionless IP Camera solution for facial biometric extraction, tracking and matching. This solution is currently being tested by an entertainment industry customer in the United States.
- Completed support for Apple's iOS13 with NFC and made available updated Ipsidy, Time and Concierge Apps on Apple and Android platforms with updated SDK's. Additional Ipsidy technology placed into service.
- Phillip L. Kumnick, previously SVP Global Acquirer Processing at Visa, an experienced industry executive, [agreed to join the Board of Directors](#).

"Ipsidy's Identity as a Service Platform solves everyday problems with biometric certainty" said Philip Beck, Chairman and CEO of Ipsidy. "We believe that we are at an inflection point based on our engagement and discussions with business partners and potential customers. The Ipsidy team is working on closing opportunities in the EMEA and LATAM regions, that we believe will be significant. We are focused on improving our balance sheet and efficiently deploying resources to support our active sales pipeline and the efforts needed to deliver the quality solutions that customers are demanding."

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 September 30, 2019 filed at www.sec.gov and posted on the Company's investor relations website.

Get the Ipsidy mobile apps at: [App Store](#) or [GooglePlay](#). Visit the Ipsidy website today at <https://authid.ai> where you can learn more about our

solutions, sign up to become part of our Reseller Network, learn how to integrate to our platform or use our out-of-the box solutions [Access](#)™, [Time](#) and the [Identity Portal](#).

About Ipsidy:

Ipsidy Inc. (OTCQX:IDTY) authid.ai is a provider of 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 in my lobby? 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. in Peru. 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 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 on Form 10-K for the Fiscal Year ended December 31, 2018 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.

