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Ipsidy Announces Results for Second Quarter Ended June 30, 2019

August 12, 2019

LONG BEACH, N.Y., August 12, 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 second quarter ended June 30, 2019.

Financial Highlights for the Three and Six Months Ended June 30, 2019

- Total revenue for the three and six-month periods in 2019 was \$0.6 million and \$1.4 million respectively compared to \$1.8 million and \$2.4 million respectively for the three and six months in 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 before taxes for the three and six months ended June 30, 2019 decreased by 12% and 15% to \$2.2 million and \$4.4 Million respectively, compared to a net loss for the three and six months ended June 30, 2018 of \$2.5 million and \$5.2 million respectively.
- Basic and diluted net loss per share for the three and six months ended June 30, 2019 was \$0.00 cents and 0.01 cents respectively compared to basic and diluted net loss per share of \$0.01 cents in each of the three and six months ended June 30, 2018.
- Adjusted EBITDA loss for the three and six month periods in 2019 was \$1.5 million and \$3.1 million respectively compared to \$1.6 million and \$3.3 million respectively in 2018, a decrease of 1% and 5% respectively.
- 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).

"We are focused on specific international opportunities, where we are starting to see active interest in our solutions" said Philip Beck, Chairman and CEO of Ipsidy. "We believe that we can build on Ipsidy's established presence in Latin America in an effective way, to provide our solutions to this important market. We are also working on opportunities in other regions, that we believe can be significant. We look forward to growing our platform revenue with more customers and users over the coming year, as we focus in on our active sales pipeline. We also continue to work on our plan for uplisting to a national exchange in due course."

Operational Highlights

Ipsidy continued to make progress in executing our strategy, building our team, enhancing our IDaaS platform, updating our apps to reflect customer feedback, establishing sales channels and launching our new identity solutions across several vertical and international markets, including the following activities:

- Signed Memorandum of Understanding with [ASNET](#), a Colombian provider of advanced transaction solutions, to integrate and offer Ipsidy solutions to their clients in Latin America and join the Ipsidy Partner Network.
- Established a subsidiary company in Peru and working to develop necessary local infrastructure and pursue various agreements to deliver our Identity services in the country.
- Announced agreement with Mobile Solutions Peru to launch Ipsidy solutions in Peru and Chile.
- Started work on pilots of Time™ with two customers in Peru, including Boxer Security, adapting our Access solution and its mobile facial biometric and geo-location application to verify [employee time and attendance](#) for their security personnel working at client facilities around Peru.
- Our Colombian subsidiary Multipay, completed implementation of a bill payments solution for [Cyrus Trading Consultores Asociados S.A.C.](#), a payments technology company, working with BBVA Continental in Peru under our agreement with Hogier Gartner Y CIA.
- Continued to develop our enhanced Access™ and frictionless IP Camera solution by leveraging our Ayonix license to allow rapid edge-processing for facial biometric extraction, tracking and matching. This solution is currently being tested by an entertainment industry customer in the United States.
- Launched Verified™ using the Identity Portal with Safetrade's Xpressa Payment Solutions in South Africa, to quickly [identify merchant customers](#) of its online payment gateway and to authorize account profile changes. Verified helped Xpressa enhance its security, increase productivity and improve customer service.
- Launched Proof™, our new [identity proofing](#) solution, available through Ipsidy's new Identity Portal and via integration. Our partner, Datapro, has modified its e-IBS core banking solution including its digital onboarding module to integrate Verified

and Proof, which are available to Datapro's financial institutions with account holders in 31 countries.

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 June 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 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. 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.

