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## Ipsidy Announces Results for Year Ended December 31, 2017

March 15, 2018

LONG BEACH, N.Y., March 15, 2018 — Ipsidy Inc. (authid.ai) [OTCQB:IDTY], (formerly known as ID Global Solutions Corporation), a provider of secure, biometric identification, identity management and electronic transaction processing services, today announced its results for the year ended December 31, 2017.

### Financial Highlights for the Year Ended December 31, 2017

- Total revenue for the year ended December 31, 2017 was \$2.3 million compared to \$1.9 million for the year ended December 31, 2016.
- Net loss for the year ended December 31, 2017 was \$17.5 million compared to a net loss of \$9.9 million for the year ended December 31, 2016. In 2017, there was a negative impact of \$4.1 million from the elimination of debt and modification of warrants, as compared to a positive impact of \$7.3 million in 2016 from the reduction in the derivative liability.
- Basic and fully diluted net loss per share for the years ended December 31, 2017 and December 31, 2016 were both \$0.05 cents.
- Adjusted EBITDA loss for the year ended December 31, 2017 was \$5.7 million compared to an Adjusted EBITDA loss of \$4.3 million for the year ended December 31, 2016, as the Company invested in infrastructure and technology and engaged additional personnel to support on-going and future operations.
- Converted outstanding debt and accrued interest in the amount of approximately \$6.3 million into approximately 84.8 million shares of common stock.
- Repaid an additional \$0.3 million of outstanding debt, cancelled 3.6 million warrants and cancelled 2.5 million shares of the Company's common stock.
- Secured \$9.0 million of additional equity and \$3.0 million of debt financing.
- Total liabilities reduced to \$4.1 million as of December 31, 2017, compared to liabilities of \$25.8 million as of December 31, 2016, and stockholders' equity increased to \$12.9 million as of December 31, 2017, compared to a stockholders' deficit of \$13.3 million as of December 31, 2016.

The combination of the above events resulted in the substantial improvement in the Company's balance sheet and provided near-term working capital. Refer to Table 1 for reconciliation of net income to Adjusted EBITDA (a non-GAAP measure).

### Operational Highlights

- Announced the appointment of Philip Beck as Chairman of the Board of Directors, Chief Executive and President and Stuart Stoller as Chief Financial Officer on January 31, 2017.
- Added Ted Stern to the Board of Directors on September 28, 2017.
- Changed name to Ipsidy Inc. adopted the new ticker symbol "IDTY" and in February 2018 Ipsidy was upgraded to the OTC Markets OTCQB tier. This is a Venture Market for early stage and developing companies who are current in their filings and undergo an annual verification and management certification process.
- Continued process improvements to the Company's MultiPay bill pay transaction platform in Colombia.
- Continued to enhance our identity transaction platform.
- Initiated pilot programs in the United States using IdLock to provide identity and transaction authentication, in order to test our products in the market, gain customer and use feedback and ready the products for commercial launch in the marketplace.
- In December 2017, we won an international tender by the Zimbabwe Electoral Commission for the provision of our IdSearch™ / IMS Voter Registry Automated Fingerprint Identification System (AFIS) to provide automated voter roll publication and ensure that no duplicate entries exist in the voter roll for the forthcoming election.

"2017 was a year of transformational change," said Philip Beck, Chairman and Chief Executive Officer of Ipsidy. "The Company was recapitalized, management was reorganized and the Ipsidy team strengthened. We continue to enhance our identity transaction platform, in order to create trusted transactions to approve everyday events. Our platform enables customers to choose the levels of friction and assurance that are appropriate to their business. We are looking forward to an exciting year of progress."

We are building upon our existing capabilities in biometric identification and multi-factor identity authentication and management solutions to develop an identity transaction platform for our business customers. The platform is being designed to enable the end users of our business customers to more easily authenticate their identity through a mobile phone or portable device of their choosing (as opposed to dedicated hardware). Our system enables participants to complete transactions with a digitally signed authentication response, including the underlying transaction data and embedded attributes of the participant's identity.

We believe that it is essential that businesses and consumers know who is on the other side of an electronic transaction and have an audit trail,

proving that the identity of the other party was duly authenticated. We are continuing to enhance solutions to provide our customers with the next level of [transaction security](#), control and certainty. Our platform uses biometric and [multi-factor](#) identity management solutions, which are intended to support a wide variety of electronic transactions. We define “electronic transactions” in the broadest sense to include not only financial transactions (i.e. exchanges of value in all of their forms), and legal transactions (e.g. approving the release of personal or other confidential data or the execution of documents), but also access control to physical environments (e.g. border crossings and secure areas at offices, data centers and other sensitive locations) and digital environments (e.g. accessing account information, voting systems, email systems and controlling data network log-ins).

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 10K for the year ended December 31, 2017 filed at [www.sec.gov](http://www.sec.gov) and posted on the Company’s investor relations website.

**About Ipsidy:** Ipsidy Inc (OTCQB:IDTY) authid.ai (formerly known as ID Global Solutions Corporation OTC:IDGS) is a provider of secure, biometric identification, identity management and electronic transaction processing services. Ipsidy is headquartered in New York and has operating subsidiaries: MultiPay in Colombia, [www.multipay.com.co](http://www.multipay.com.co) and Cards Plus in South Africa, [www.cardsplus.co.za](http://www.cardsplus.co.za). Our identity transaction platform creates a trusted transaction, embedding authenticated identity and event details with a digital signature and using a participant’s mobile device to approve everyday transactions. Our platform is being designed to use biometric and multi-factor identity management solutions, which are intended to support a wide variety of electronic transactions. We believe that it is essential that businesses and consumers know who is on the other side of an electronic transaction and have an audit trail, proving that the identity of the other party was duly authenticated. We continue to enhance our solutions to provide our customers with the next level of transaction security, control and certainty over everyday transactions. Further information on Ipsidy can be found at [authid.ai](http://authid.ai) or contact us at [sales@ipsidystaging.wpengine.com](mailto: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 forwardlooking 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 Form 10-K for the Fiscal Year ended December 31, 2017 filed at [www.sec.gov](http://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 (5) derivative income (expense) and (6) certain other items management believes affect the comparability of operating results. Please see “Adjusted EBITDA” below for more information and for a reconciliation of Adjusted EBITDA to net income, the most directly comparable financial measure calculated and presented in accordance with GAAP.

Visit <https://authid.ai/sec-filing> to see results.

