



Ipsidy Announces Results for Third Quarter Ended September 30, 2020

November 09, 2020

LONG BEACH, N.Y., Nov. 08, 2020 (GLOBE NEWSWIRE) — Ipsidy Inc. (authid.ai) [OTCQB:IDTY] a leading provider of secure, mobile biometric identity solutions, including [Identity as a Service \(IDaaS\)](#), today announced its results for the third quarter ended September 30, 2020.

Financial Results for the Three Months and Nine Months Ended September 30, 2020

- Total revenue for the three and nine-month periods in 2020 was \$0.5 million and \$1.6 million respectively compared to \$0.6 million and \$1.9 million respectively for the three and nine months in 2019. The decrease was principally due to the impact of the Covid-19 pandemic.
- Net loss before taxes for the three and nine months ended September 30, 2020 was \$1.9 million and \$9.2 million respectively, compared to a net loss before taxes for the three and nine months ended September 30, 2019 of \$2.4 million and \$6.8 Million, respectively.
- The decrease in the net loss for the three-month period reflects lower general and administrative expenses. The increase in the net loss in the nine-month period resulted primarily from non-cash charges relating to the convertible note financing, warrant exercise and impairment charges arising out of the Covid-19 pandemic, offset by lower general and administrative expenses.
- Basic and diluted net loss per share was \$0.00 cents and \$0.02 in the three and nine months ended September 30, 2020, respectively, compared to basic and diluted net loss per share of \$0.00 cents and \$0.01 cents in the three and nine months ended September 30, 2019, respectively.
- Adjusted EBITDA loss for the three and nine-month periods ended September 30, 2020 was \$1.3 million and \$4.1 million respectively compared to \$1.7 million and \$5.2 million respectively in 2019, representing decreases of approximately 22% in each period related to lower overall expenses.
- Secured over \$5 million of additional funding from existing and new investors in October 2020, through the issuance of common stock and warrants.

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

“The last quarter has seen continued progress for Ipsidy,” said Phillip Kumnick, CEO & Chairman of Ipsidy. *“We started to roll out our products to customers, secured new customers in the financial services sector and operated a successful pilot with a major financial institution. We are excited by the prospects for growth into 2021 that appear in our robust new business pipeline, supported by the recent injection of capital from our existing as well as new stockholders. We greatly appreciate their confidence in our ability to execute our plan.”*

The following highlights of our activities during the first nine months of 2020 demonstrate execution of our strategy to expand the [Ipsidy Partner Network](#) with identity industry and technology professionals, that can effectively deliver our identity services to a range of markets and verticals that are demanding increased security and trust.

- - [Launched a strategic partnership with LoginID Inc.](#) to offer new tools in the fight against fraud in online activities. By integrating Ipsidy’s biometric identity verification platform with the LoginID FIDO as a Service platform, both companies will now offer seamless FIDO2 authentication and login services, delivered with enhanced security and the highest level of identity trust.
 - [Joined the FIDO Alliance](#), a cross-industry coalition developing open, interoperable authentication standards that reduce reliance on passwords. Ipsidy’s vision is to establish and bind a rooted, trusted identity to a user. Strong identity verification removes any uncertainty of a user’s identity, thereby enhancing FIDO strong authentication and facilitating FIDO’s mission of eliminating the reliance on passwords.
 - Signed an agreement with an international bank pursuant to our membership in the Temenos Marketplace, to deploy Ipsidy’s biometric identity verification and FIDO compliant strong authentication services for remote digital onboarding, elimination of account passwords, and combating of identity fraud for their international banking customers.
 - [Implemented and launched our technology with Intellicheck, Inc.](#) (NASDAQ: IDN), a provider of identification authentication and age verification technology for North America that is being deployed for use with US financial institutions and payment providers.
 - [Entered into reseller agreements with IECISA](#), a Gfi group company, which provides information technology services in 11 European countries and the Latin America Caribbean region, and ATOS Origin FZ LLC (a part of the ATOS Middle East, Turkey & Africa region), a global leader in digital transformation. These partners are offering our identity verification and authentication services to build trust in today’s online, digital world across these

- international markets in the telecom, media, utilities, and financial services sectors.
- o [Launched our web browser applications](#), in order to make it easier for more clients to deliver the solution to their users as well as simplify the user experience for both our [Proof™](#) onboarding and account takeover fraud prevention application and our [Verified™](#) mobile multi-factor authentication solution.
 - o [Appointed Phillip L. Kumnick as CEO](#) in May 2020 and he became Chairman of the Board in October 2020. Mr. Kumnick was previously SVP Global Acquirer Processing at Visa and an experienced industry executive and joined our Board of Directors in December 2019. | [Appointed Philip R. Broenniman as President & COO](#) in May 2020. Mr. Broenniman is an experienced investment manager with business operating and analytical skills and joined our Board of Directors in March 2020.

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 expanding pipeline and recent agreements. While remote access to a broad range of services and networks is not new, the COVID-19 pandemic is accelerating demand for verifying identity seamlessly during remote onboarding as well as securing “touchless” interaction. Our mobile biometric services are designed to help organizations thwart identity fraud and account takeover, by knowing the identity of their users with speed and accuracy. We believe Ipsidy’s solutions substantially enhance how they can confidently onboard new users and authenticate their access and services across the customer engagement. 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. Beginning March 2020, the Company’s day-to-day operations have been impacted differently depending on geographic location and services that are being performed. 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 but at the same time we have seen an uptick in interest in our solutions, and we are optimistic that these will start to bear fruit. 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 and nine months ended September 30, 2020 filed at www.sec.gov and posted on the Company’s investor relations website.

About Ipsidy:

[Ipsidy Inc.](#) (OTCQB:IDTY) authid.ai, is Digital Identity. Ipsidy’s 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.

Contacts:

Ipsidy Inc.

Phillip Kumnick, CEO and Chairman phillipkumnick@ipsidystaging.wpengine.com
Stuart Stoller, CFO stuartstoller@ipsidystaging.wpengine.com
+1 (516) 274-8700

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, 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.

For detailed financial information please visit: <https://authid.ai/sec-filing>

