



**FOR IMMEDIATE RELEASE**

## **Intellicheck Mobilisa Announces Third Quarter 2015 Financial Results**

*Pivot to SaaS Platform Achieving Expanded Product Adoption*

JERICHO, NY – November 10, 2015 -- Intellicheck Mobilisa, Inc. (NYSE MKT:IDN), a leader in identity authentication, verification and validation solutions, today announced its financial results for the third quarter ended September 30, 2015.

Revenue for the third quarter ended September 30, 2015 decreased 31.7% to \$2,199,473 compared to \$3,218,344 in the same period of the previous year. During the quarter, the Company sold its wireless division that accounted for only \$24,000 of third quarter revenue versus \$741,000 in the same prior year period. Excluding the revenue generated from the wireless division from both periods, sales were down 12% for the third quarter. Gross profit as a percentage of revenues increased to 63.5% for the three months ended September 30, 2015 compared to 62.6% for the three months ended September 30, 2014.

“We continue to achieve very strong gross margins, and expect our margins to increase further as our newly implemented SaaS business model generates a larger percentage of our overall revenues,” commented Intellicheck’s CEO Dr. William Roof. “The third quarter divestiture of our wireless division was another important step in support of our efforts to focus on our core competencies in the identity authentication and verification space. We anticipate multiple product adoption announcements in the coming months regarding locations that are live with our products, reflecting the success of our efforts. With the rising adoption of our Law ID™, Age ID™, Retail ID™ and Defense ID® product offerings, we remain confident that we are on the right path and believe that we are adequately capitalized for growth.”

Adjusted EBITDA (earnings before interest, taxes, depreciation, amortization and certain non-recurring charges) was a loss of (\$734,000) for the third quarter of 2015 compared to a gain of \$445,000 for the third quarter of 2014. A reconciliation of adjusted EBITDA to net income is

provided elsewhere in this release. The net loss for the three months ended September 30, 2015 was (\$1,267,797) or (\$0.13) per diluted share compared to a net gain of \$327,743 or \$0.07 per diluted share for the quarter ended September 30, 2014.

Cash and cash equivalents at the end of the quarter totaled \$6.7 million or \$0.68 per diluted share. Stockholders' equity totaled \$17.7 million at the end of the quarter or \$1.79 per diluted share.

The Company's booked orders for the three months ended September 30, 2015 decreased 34% to \$2,035,665 compared to \$3,079,323 for the same period in 2014. Excluding the \$418,092 in wireless bookings from the prior year's quarter, the Company's booked orders were down 24% for the third quarter. Driven by sales in the banking and telecommunications markets, commercial ID bookings increased 24% but were more than offset by a 43% decline in government bookings for the quarter.

As of September 30, 2015, the Company's backlog, which represents non-cancelable sales orders for products not yet shipped and services to be performed, increased 26%, to approximately \$898,000 compared to \$710,000 at September 30, 2014; and increased 69% versus December 31, 2014 when our backlog was approximately \$530,000.

"Our balance sheet remains strong and we remain confident that we are on-track to achieve profitability as we continue to execute our strategic plan for expanded market adoption of our cutting-edge product offerings and leverage our robust patent portfolio to enhance our position as an industry innovator. We look forward to reporting our progress to our shareholders over the coming quarters regarding additional developments that will underscore the traction of our new SaaS product offerings," Dr. Roof concluded.

The financial results reported today do not take into account any adjustments that may be required in connection with the completion of the Company's review process and should be considered preliminary until Intellicheck Mobilisa files its Form 10-Q for the fiscal quarter ended September 30, 2015.

**INTELLICHECK MOBILISA, INC.**  
**CONSOLIDATED BALANCE SHEETS**

ASSETS

	September 30, 2015	December 31, 2014
	(Unaudited)	
<b>CURRENT ASSETS:</b>		
Cash and cash equivalents	\$ 6,665,599	\$ 2,966,350
Accounts receivable, net of allowance of \$49,613 and \$78,724 as of September 30, 2015 and December 31, 2014, respectively	1,625,001	792,072
Inventory	92,446	115,021
Other current assets	<u>210,763</u>	<u>108,884</u>
Total current assets	8,593,809	3,982,327
NOTES RECEIVABLE, net of current portion	160,113	-
PROPERTY AND EQUIPMENT, net	318,166	346,915
GOODWILL	8,101,661	8,101,661
INTANGIBLE ASSETS, net	2,666,518	3,307,797
OTHER ASSETS	<u>62,800</u>	<u>75,007</u>
Total assets	<u>\$ 19,903,067</u>	<u>\$ 15,813,707</u>

LIABILITIES AND STOCKHOLDERS' EQUITY

<b>CURRENT LIABILITIES:</b>		
Accounts payable	\$ 284,199	\$ 45,193
Accrued expenses	586,580	915,809
Deferred revenue, current portion	<u>897,842</u>	<u>1,141,069</u>
Total current liabilities	1,768,621	2,102,071
<b>OTHER LIABILITIES</b>		
Deferred revenue, long-term portion	342,051	435,153
Deferred rent	<u>108,135</u>	<u>128,446</u>
Total liabilities	2,218,807	2,665,670
<b>COMMITMENTS AND CONTINGENCIES</b>		
<b>STOCKHOLDERS' EQUITY:</b>		
Common stock - \$.001 par value; 40,000,000 shares authorized; 9,854,741 and 4,934,601 shares issued and outstanding, respectively	9,855	4,934
Additional paid-in capital	114,758,082	106,442,897
Accumulated deficit	<u>(97,083,677)</u>	<u>(93,299,794)</u>
Total stockholders' equity	<u>17,684,260</u>	<u>13,148,037</u>
Total liabilities and stockholders' equity	<u>\$ 19,903,067</u>	<u>\$ 15,813,707</u>

**INTELLICHECK MOBILISA, INC.**

**CONSOLIDATED STATEMENTS OF OPERATIONS**

(Unaudited)

	<u>Three Months Ended September 30,</u>		<u>Nine Months Ended September 30,</u>	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
REVENUES	\$ 2,199,473	\$ 3,218,344	\$ 5,478,170	\$ 5,507,434
COST OF REVENUES	<u>(803,484)</u>	<u>(1,202,760)</u>	<u>(2,446,392)</u>	<u>(2,013,218)</u>
Gross profit	1,395,989	2,015,584	3,031,778	3,494,216
<b>OPERATING EXPENSES</b>				
Selling	481,977	398,035	1,023,527	1,106,206
General and administrative	1,601,160	836,841	4,064,155	2,744,225
Research and development	<u>692,310</u>	<u>453,022</u>	<u>1,869,063</u>	<u>1,327,376</u>
Total operating expenses	<u>2,775,447</u>	<u>1,687,898</u>	<u>6,956,745</u>	<u>5,177,807</u>
(Loss) Income from operations	(1,379,458)	327,686	(3,924,967)	(1,683,591)
<b>OTHER INCOME (EXPENSE)</b>				
Interest and other income	112,233	57	144,391	661
Interest expense	<u>(572)</u>	<u>-</u>	<u>(3,307)</u>	<u>(78)</u>
Net (Loss) Income	<u>\$(1,267,797)</u>	<u>\$ 327,743</u>	<u>\$(3,783,883)</u>	<u>\$(1,683,008)</u>
<b>PER SHARE INFORMATION</b>				
(Loss) Income per common share -				
Basic	<u>\$ (0.13)</u>	<u>\$ 0.07</u>	<u>\$ (0.39)</u>	<u>\$ (0.35)</u>
Diluted	<u>\$ (0.13)</u>	<u>\$ 0.07</u>	<u>\$ (0.39)</u>	<u>\$ (0.35)</u>
Weighted average common shares used in computing per share amounts -				
Basic	<u>9,851,764</u>	<u>4,932,057</u>	<u>9,584,582</u>	<u>4,756,703</u>
Diluted	<u>9,851,764</u>	<u>4,945,807</u>	<u>9,584,582</u>	<u>4,756,703</u>

**INTELLICHECK MOBILISA, INC.**

**CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY**

For the nine months ended September 30, 2015

(Unaudited)

	<u>Common Stock</u>		Additional	Accumulated	<u>Total</u>
	<u>Shares</u>	<u>Amount</u>	<u>Paid-in Capital</u>	<u>Deficit</u>	
BALANCE, January 1, 2015	4,934,601	\$ 4,934	\$ 106,442,897	\$ (93,299,794)	\$ 13,148,037
Stock-based compensation expense	-	-	685,892	-	685,892
Issuance of common stock, net of costs	4,857,143	4,857	7,625,900	-	7,630,757
Exercise of stock options	313	1	3,456	-	3,457
Vesting of restricted stock	62,684	63	(63)	-	-
Net loss	<u>-</u>	<u>-</u>	<u>-</u>	<u>(3,783,883)</u>	<u>(3,783,883)</u>
BALANCE, September 30, 2015	<u>9,854,741</u>	<u>\$ 9,855</u>	<u>\$ 114,758,082</u>	<u>\$ (97,083,677)</u>	<u>\$ 17,684,260</u>

**INTELLICHECK MOBILISA, INC.**

**CONSOLIDATED STATEMENTS OF CASH FLOWS**

(Unaudited)

	<u>Nine Months Ended September 30,</u>	
	<u>2015</u>	<u>2014</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Net loss	\$ (3,783,883)	\$ (1,683,008)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	798,072	454,971
Noncash stock-based compensation expense	685,892	10,266
Gain on sale of wireless assets	(108,825)	-
Gain on sale of property and equipment	(31,500)	-
Deferred rent	(20,311)	(28,788)
Changes in assets and liabilities:		
(Increase) in accounts receivable	(832,929)	(1,580,782)
Decrease (Increase) in inventory	22,576	(60,344)
(Increase) Decrease in other current assets	(59,512)	16,723
Decrease in other assets	12,207	-
(Decrease) Increase in accounts payable, accrued expenses	(90,223)	94,874
(Decrease) Increase in deferred revenue	<u>(336,329)</u>	<u>467,100</u>
Net cash used in operating activities	<u>(3,744,765)</u>	<u>(2,308,988)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchases of patents	(125,000)	-
Purchases of property and equipment	(93,142)	(95,753)
Proceeds from sale of property and equipment	31,500	-
Proceeds from sale of wireless assets	<u>30,000</u>	<u>-</u>
Net cash used in investing activities	<u>(156,642)</u>	<u>(95,753)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Net proceeds from issuance of common stock	7,630,757	5,247,323
Net proceeds from issuance of common stock from exercise of stock options	977	-
Payments on note payable	<u>(31,078)</u>	<u>-</u>
Net cash provided by financing activities	<u>7,600,656</u>	<u>5,247,323</u>
Net increase in cash and cash equivalents	3,699,249	2,842,582
CASH AND CASH EQUIVALENTS, beginning of period	<u>2,966,350</u>	<u>224,386</u>
CASH AND CASH EQUIVALENTS, end of period	<u>\$ 6,665,599</u>	<u>\$ 3,066,968</u>
Supplemental disclosure of noncash investing and financing activities:		
Issuance of notes receivable related to sale of wireless division	<u>\$ 200,000</u>	<u>\$ -</u>
Financing of property and equipment	<u>\$ 31,078</u>	<u>\$ -</u>
Covenant not to compete	<u>\$ -</u>	<u>\$ 587,500</u>

A reconciliation of GAAP net loss to Adjusted EBITDA follows:

	(Unaudited)			
	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Net (loss) income	\$(1,267,797)	\$ 327,743	\$(3,783,883)	\$(1,683,008)
Reconciling items:				
Interest and other – net	(111,661)	(57)	(141,084)	(583)
Depreciation and amortization	227,049	111,177	798,072	454,971
Stock-based compensation costs	<u>418,484</u>	<u>5,685</u>	<u>685,892</u>	<u>10,266</u>
Adjusted EBITDA	<u>\$ (733,925)</u>	<u>\$ 444,548</u>	<u>\$ (2,441,003)</u>	<u>\$ (1,218,354)</u>

### Earnings Conference Call Information

The Company will hold an earnings conference call today, November 10, 2015, at 1:00 p.m. eastern time/10:00 a.m. pacific time to discuss operating results. To listen to the earnings conference call, please dial 877-407-8037. For callers outside the U.S., please dial +1 201-689-8037.

The conference call will also be webcast simultaneously and can be accessed at

<http://www.investorcalendar.com/IC/CEPage.asp?ID=174477>

by clicking on the link to the Webcast.

The webcast will be available for 14 days following the conference call.

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### About Intellicheck Mobilisa

Intellicheck Mobilisa is an industry leader in identity authentication, verification and validation solutions in both the U.S. and Mexico. The Company holds 24 patents including many patents pertaining to identification technology. Its identity solutions support customers in the national defense, law enforcement, retail, hospitality and financial markets. The Company's products scan, authenticate and analyze components of identity documents including driver licenses, military identification cards and other government forms of identification containing magnetic stripe, barcode and smart chip information. Once extracted from the identity card, the information can be used to populate forms as well as provide safety, security and efficiencies throughout these markets. For more information regarding Intellicheck's innovative products, please visit [www.intellicheck.com](http://www.intellicheck.com).

### Adjusted EBITDA

Intellicheck Mobilisa uses Adjusted EBITDA as a non-GAAP financial performance measurement. Adjusted EBITDA is calculated by starting with net income (loss) and adding back interest, income taxes, impairments of long-lived assets and goodwill, depreciation, amortization and stock-based compensation expense. Adjusted EBITDA is provided to investors to supplement the results of operations reported in accordance with GAAP. Management believes that Adjusted EBITDA provides an additional tool for investors to use in comparing Intellicheck Mobilisa financial results with other companies that also use Adjusted EBITDA in their communications to investors. By excluding non-cash charges such as impairments of long-lived assets and goodwill, amortization, depreciation and stock-

based compensation, as well as non-operating charges for interest and income taxes, investors can evaluate the Company's operations and compare its results on a more consistent basis to the results of other companies. In addition, adjusted EBITDA is one of the primary measures that management uses to monitor and evaluate financial and operating results.

Intellicheck Mobilisa considers Adjusted EBITDA to be an important indicator of the Company's operational strength and performance of its business and a useful measure of the Company's historical operating trends. However, there are significant limitations to the use of Adjusted EBITDA, because it excludes interest income and expense, impairments of long-lived assets and goodwill, and stock based compensation expense, all of which impact the Company's profitability, as well as depreciation and amortization related to the use of long-term assets, which benefit multiple periods. Intellicheck Mobilisa believes that these limitations are compensated by providing Adjusted EBITDA only as a supplement to GAAP net income (loss) and clearly identifying the difference between the two measures. Consequently, Adjusted EBITDA should not be considered in isolation or as a substitute for net income (loss) presented in accordance with GAAP. Adjusted EBITDA as defined by the Company may not be comparable with similarly named measures provided by other entities.

### **Safe Harbor Statement**

Statements in this news release about Intellicheck Mobilisa's future expectations, including: the advantages of our products, future demand for Intellicheck Mobilisa's existing and future products, whether revenue and other financial metrics will improve in future periods, whether Intellicheck Mobilisa will be able to execute its turn-around plan or whether successful execution of the plan will result in increased revenues, whether sales of our products will continue at historic levels or increase, whether brand value and market awareness will grow, whether the Company can leverage existing partnerships or enter into new ones, and all other statements in this release, other than historical facts, are "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995 ("PSLRA"). This statement is included for the express purpose of availing Intellicheck Mobilisa, Inc. of the protections of the safe harbor provisions of the PSLRA. It is important to note that actual results and ultimate corporate actions could differ materially from those in such forward-looking statements based on such factors as market acceptance of Intellicheck Mobilisa's products, changing levels of demand for Intellicheck Mobilisa's current and future products, Intellicheck Mobilisa's ability to reduce or maintain expenses while increasing sales, customer results achieved using our products in both the short and long term, success of future research and development activities, Intellicheck Mobilisa's ability to successfully manufacture, market and sell its products, Intellicheck Mobilisa's ability to manufacture its products in sufficient quantities to meet demand within required delivery time periods while meeting its quality control standards, any delays or difficulties in the Company's supply chain, the success of the Company's sales and marketing efforts coupled with the typically long sales and implementation cycle for its products, Intellicheck Mobilisa's ability to enforce its intellectual property rights, changes in laws and regulations applicable to the Company's products, the Company's continued ability to access government-provided data, the risks inherent in doing business with the government including audits and contract cancellations, liability resulting from any security breaches or product failure, and other risks detailed from time to time in Intellicheck Mobilisa's reports filed with the SEC. We do not assume any obligation to update the forward-looking information.