



FOR IMMEDIATE RELEASE

**Intellicheck Mobilisa Announces Fourth Quarter
And Year-End 2015 Financial Results**

*Fourth Quarter Revenues Increase 39% Over Prior Year Q4
Full Year Revenues Up 6% Over Prior Year*

JERICHO, NY – March 22, 2016 -- [Intellicheck Mobilisa](#), Inc. (NYSE MKT:IDN), a leader in threat identification, identity authentication, verification and validation solutions, today announced its financial results for the fourth quarter and full-year ended December 31, 2015.

Revenue for the fourth quarter ended December 31, 2015 increased 39.0% to \$1,536,496 compared to \$1,105,622 in the same period of the previous year. During the third quarter of 2015, the Company sold its wireless division. Excluding the revenue generated from the wireless division from last year's comparable period, sales were up 42% for the fourth quarter. The Company's booked orders for the three months ended December 31, 2015, excluding the \$42,000 in wireless bookings from the prior year's comparable period, increased 4% to \$968,000. Approximately 80% of the Company's bookings were attributable to its commercial products. Gross profit as a percentage of revenues was 63.6% for the three months ended December 31, 2015 compared to 32.1% for the three months ended December 31, 2014.

"Our fourth quarter revenue increase reflects the important successes we have achieved in growing product traction and market scope. We attribute our progress to the focused execution of our strategic plan that we believe will position us to achieve profitable, sustainable long term growth, while maximizing shareholder value," commented Dr. William Roof, CEO of Intellicheck.

Adjusted EBITDA (earnings before interest, taxes, depreciation, amortization and certain non-recurring charges) was a loss of \$1,140,415 for the fourth quarter of 2015 compared to a loss of \$873,466 for the fourth 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 December 31, 2015 was \$1,550,068 or \$0.16 per diluted share compared to a net loss of \$5,961,222 or \$1.24 per diluted share for the quarter ended December 31, 2014. In the fourth quarter of 2014, the Company took a goodwill impairment charge in the amount of \$4.2 million. Excluding the goodwill write-down, the comparable net loss for the three months would have been \$1,754,222 or \$0.37 per diluted share.

Revenue for the full year ended December 31, 2015 increased 6% to \$7,014,665 compared to \$6,613,056 in the previous year. As previously mentioned, the Company sold its wireless division in 2015 that accounted for \$369,000 in revenue during fiscal 2015 and \$963,000 in revenue in the prior year period. Excluding the revenue generated from the wireless division from both periods, sales were up 18% year over year. Gross profit as a percentage of revenue was down slightly to 57.1% for the year ended December 31, 2015 compared to 58.2% for the year ended December 31, 2014.

"We are pushing forward with key initiatives that we believe will fuel growth at a time when domestic and international security challenges represent growing opportunities for our innovative products that address critical needs. With our strong product suite, strengthened operations, and financial discipline, we expect to continue to see a positive revenue pattern that will reflect growing product adoption and market penetration," noted Dr. Roof.

Adjusted EBITDA (earnings before interest, taxes, depreciation, amortization and certain non-recurring charges) was a loss of \$3,581,418 for fiscal 2015 compared to a loss of \$2,091,820 for fiscal 2014. A reconciliation of adjusted EBITDA to net income is provided elsewhere in this release. The net loss for the fiscal year ended December 31, 2015 was \$5,333,951 or \$0.55 per diluted share compared to a net loss of \$7,644,230 or \$1.59 per diluted share for the fiscal year ended December 31, 2014. As previously mentioned, in the fourth quarter of 2014, the Company took a goodwill impairment charge in the amount of \$4.2 million. Excluding the goodwill write-down, the comparable net loss for the 2014 fiscal year would have been \$3,437,230 or \$0.72 per diluted share.

As of December 31, 2015, and excluding the wireless division backlog, the Company's backlog, which represents non-cancelable sales orders for products not yet shipped and services to be performed, decreased 15%, to approximately \$197,000.

Cash and cash equivalents at the end of fiscal 2015 totaled \$6.0 million or \$0.60 per diluted share. Stockholders' equity totaled \$16.3 million at the end of the fiscal year or \$1.65 per diluted share.

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-K for the fiscal year ended December 31, 2015.

INTELLICHECK MOBILISA, INC.**CONSOLIDATED BALANCE SHEETS****DECEMBER 31, 2015 and 2014**

	<u>2015</u>	<u>2014</u>
<u>ASSETS</u>		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 5,953,257	\$ 2,966,350
Accounts receivable, net of allowance of \$18,411 and \$78,724 as of December 31, 2015 and 2014, respectively	1,158,972	792,072
Inventory	74,732	115,021
Other current assets	<u>178,362</u>	<u>108,884</u>
Total current assets	7,365,323	3,982,327
NOTE RECEIVABLE, net of current portion	150,496	-
PROPERTY AND EQUIPMENT, net	325,427	346,915
GOODWILL	8,101,661	8,101,661
INTANGIBLE ASSETS, net	2,470,127	3,307,797
OTHER ASSETS	<u>59,800</u>	<u>75,007</u>
Total assets	<u>\$ 18,472,834</u>	<u>\$ 15,813,707</u>
<u>LIABILITIES AND STOCKHOLDERS' EQUITY</u>		
CURRENT LIABILITIES:		
Accounts payable	\$ 260,276	\$ 45,193
Accrued expenses	536,316	915,809
Deferred revenue, current portion	<u>909,233</u>	<u>1,141,069</u>
Total current liabilities	1,705,825	2,102,071
OTHER LIABILITIES		
Deferred revenue, long-term portion	341,242	435,153
Deferred rent	<u>99,355</u>	<u>128,446</u>
Total liabilities	2,146,422	2,665,670
COMMITMENTS AND CONTINGENCIES		
STOCKHOLDERS' EQUITY:		
Common stock – \$.001 par value; 40,000,000 shares authorized; 9,878,906 and 4,934,601 shares issued and outstanding as of December 31, 2015 and 2014, respectively	9,879	4,934
Additional paid-in capital	114,950,278	106,442,897
Accumulated deficit	<u>(98,633,745)</u>	<u>(93,299,794)</u>
Total stockholders' equity	<u>16,326,412</u>	<u>13,148,037</u>
Total liabilities and stockholders' equity	<u>\$ 18,472,834</u>	<u>\$ 15,813,707</u>

INTELLICHECK MOBILISA, INC.

**CONSOLIDATED STATEMENTS OF OPERATIONS
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014**

	<u>2015</u>	<u>2014</u>
REVENUES	\$ 7,014,665	\$ 6,613,056
COST OF REVENUES	<u>(3,006,359)</u>	<u>(2,763,432)</u>
Gross profit	4,008,306	3,849,624
OPERATING EXPENSES		
Selling	1,449,803	1,374,004
General and administrative	5,444,034	4,090,642
Research and development	2,594,678	1,823,147
Goodwill impairment	<u>-</u>	<u>4,207,000</u>
Total operating expenses	<u>9,488,515</u>	<u>11,494,793</u>
Loss from operations	(5,480,209)	(7,645,169)
OTHER INCOME		
Interest and other income	149,575	939
Interest expense	<u>(3,317)</u>	<u>-</u>
Net loss	<u>\$ (5,333,951)</u>	<u>\$ (7,644,230)</u>
PER SHARE INFORMATION:		
Loss per common share -		
Basic	<u>\$ (0.55)</u>	<u>\$ (1.59)</u>
Diluted	<u>\$ (0.55)</u>	<u>\$ (1.59)</u>
Weighted average common shares used in computing per share amounts -		
Basic	<u>9,658,346</u>	<u>4,801,059</u>
Diluted	<u>9,658,346</u>	<u>4,801,059</u>

INTELLICHECK MOBILISA, INC.**CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2015**

	<u>Common Shares</u>	<u>Stock Amount</u>	<u>Additional Paid-in Capital</u>	<u>Accumulated Deficit</u>	<u>Total</u>
BALANCE, December 31, 2013	3,486,557	\$ 3,487	\$101,008,381	\$(85,655,564)	\$15,356,304
Stock-based compensation expense (employees and directors)	2,544	2	188,638	-	188,640
Issuance of common stock, net of costs	1,445,500	1,445	5,245,878	-	5,247,323
Net loss	-	-	-	(7,644,230)	(7,644,230)
BALANCE, December 31, 2014	4,934,601	\$ 4,934	\$106,442,897	\$(93,299,794)	\$13,148,037
Stock-based compensation expense (employees and directors)	-	-	878,112	-	878,112
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	86,849	87	(87)	-	-
Net loss	-	-	-	(5,333,951)	(5,333,951)
BALANCE, December 31, 2015	9,878,906	\$ 9,879	\$114,950,278	\$(98,633,745)	\$16,326,412

INTELLICHECK MOBILISA, INC.**CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014**

	<u>2015</u>	<u>2014</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	\$ (5,333,951)	\$ (7,644,230)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	1,020,679	1,157,709
Non cash stock based compensation expense	878,112	188,640
Non cash change in provision for doubtful accounts	(60,313)	78,724
Gain on sale of wireless assets	(108,825)	-
Gain on sale of property and equipment	(31,500)	-
Deferred rent	(29,091)	(35,307)
Impairment of goodwill	-	4,207,000
(Increase) Decrease in accounts receivable	(306,587)	170,724
Decrease (Increase) in inventory	40,289	(60,344)
(Increase) in other current assets	(30,127)	(1,365)
Decrease (Increase) in other assets	15,207	(3,000)
(Decrease) in accounts payable and accrued expenses	(164,410)	(807,015)
(Decrease) Increase in deferred revenue	(325,747)	374,578
Net cash used in operating activities	<u>(4,436,264)</u>	<u>(2,373,886)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of property and equipment	(126,618)	(131,473)
Purchases of patents	(125,000)	-
Proceeds from sale of property and equipment	31,500	-
Proceeds from sale of wireless assets	30,000	-
Collections on note receivable	12,633	-
Net cash used in investing activities	<u>(177,485)</u>	<u>(131,473)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Net proceeds from the 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	(31,078)	-
Net cash provided by financing activities	<u>7,600,656</u>	<u>5,247,323</u>
Net increase in cash and cash equivalents	2,986,907	2,741,964
CASH AND CASH EQUIVALENTS, beginning of year	<u>2,966,350</u>	<u>224,386</u>
CASH AND CASH EQUIVALENTS, end of year	<u>\$ 5,953,257</u>	<u>\$ 2,966,350</u>
Supplemental disclosure of noncash investing and financing activities:		
Issuance of note receivable related to sale of wireless assets	\$ 200,000	\$ -
Financing of property and equipment	\$ 31,078	\$ -
Covenant not to compete	\$ -	\$ 587,500

A reconciliation of GAAP net loss to Adjusted EBITDA follows:

	Year Ended December 31,	
	(Unaudited)	
	2015	2014
Net loss	\$ (5,333,951)	\$ (7,644,230)
Reconciling items:		
Interest and other (income) expense	(146,258)	(939)
Depreciation and amortization	1,020,679	1,157,709
Stock-based compensation costs	878,112	188,640
Impairment of goodwill	-	4,207,000
Adjusted EBITDA	<u>\$ (3,581,418)</u>	<u>\$ (2,091,820)</u>

Earnings Conference Call Information

The Company will hold an earnings conference call today, March 22, 2016, at 1:00 p.m. eastern time/10:00 a.m. pacific time to discuss operating results. To listen to the conference call, please dial 877-407-8037. For callers outside the U.S., please dial 201-689-8037.

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

<http://www.investorcalendar.com/IC/CEPage.asp?ID=174752> and 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 threat identification, identity authentication, verification and validation systems. Our technology makes it possible for our customers to enhance the safety and awareness of their facilities and people, improve customer service, and increase operational efficiencies. Founded in 1994, Intellicheck has grown to serve dozens of Fortune 500 companies including retail and financial industry clients, national defense clients at agencies, major seaports, and military bases, police departments, and diverse state and federal government agencies. For more information on Intellicheck Mobilisa, please visit <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.