



FOR IMMEDIATE RELEASE

Intellicheck Announces First Quarter 2016 Financial Results

Financial Results Conference Call Today at 1:00 p.m. EDT/10:00 a.m. PT

JERICHO, NEW YORK – May 13, 2016—[Intellicheck Mobilisa](#), Inc. (NYSE MKT:IDN), a leader in threat identification, identity authentication, verification and validation technology solutions, today announced its financial results for the quarter ended March 31, 2016.

Revenue for the first quarter ended March 31, 2016 was \$950,668 compared to \$987,127 in the same period of the previous year. Adjusted EBITDA was (\$1,743,783) for the first quarter of 2016 compared to (\$898,417) for the first quarter of 2015. Net loss for the three months ended March 31, 2016 was (\$2,143,491) or (\$0.22) per diluted share compared to a net loss of (\$1,302,113) or (\$0.14) per share for the quarter ended March 31, 2015.

Intellicheck's CEO Dr. William Roof noted that expected future announcements will underscore the Company's current confidence in attainable profitability and supportable long-term growth. "Earlier this week we announced the introduction of Retail ID Mobile™ and its early implementation by two renowned department store chains. This important new product reflects the successes we have achieved in growing product scope and market traction. We believe Retail ID Mobile will allow large and small retailers to realize significant efficiencies because it allows them to go-live in a matter of weeks versus the time and cost of point-of-sale integration. Importantly, it also allows retailers to address fraud-related loss issues immediately and realize an equally immediate impact in improving store profitability."

Dr. Roof concluded, "We continue to execute our strategic plan transitioning our company to a subscription-based software provider that we believe will allow us to scale and deliver more predictable and recurring revenue quarter over quarter. Our strategic plan for accelerated product adoption across key markets is also taking hold as evidenced by the strong growth we are experiencing with Age ID™ partnerships and significant law enforcement agency interest in

Law ID® in areas like the Southwest where we already have approval for product implementation. We believe that these examples of product traction demonstrate that we remain on track, delivering the industry leading products and services that will enhance market appeal and drive shareholder value."

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 March 31, 2016.

INTELLICHECK MOBILISA, INC.
CONSOLIDATED BALANCE SHEETS

ASSETS

	March 31, 2016 <u>(Unaudited)</u>	December 31, 2015 <u></u>
CURRENT ASSETS:		
Cash and cash equivalents	\$ 4,074,267	\$ 5,953,257
Accounts receivable, net of allowance of \$18,411 as of March 31, 2016 and December 31, 2015	691,061	1,158,972
Inventory	76,211	74,732
Other current assets	<u>159,019</u>	<u>178,362</u>
Total current assets	5,000,558	7,365,323
NOTES RECEIVABLE, net of current portion	140,919	150,496
PROPERTY AND EQUIPMENT, net	320,271	325,427
GOODWILL	8,101,661	8,101,661
INTANGIBLE ASSETS, net	2,391,237	2,470,127
OTHER ASSETS	<u>59,800</u>	<u>59,800</u>
Total assets	\$ <u>16,014,446</u>	\$ <u>18,472,834</u>

LIABILITIES AND STOCKHOLDERS' EQUITY

CURRENT LIABILITIES:		
Accounts payable	\$ 419,691	\$ 260,276
Accrued expenses	772,021	536,316
Deferred revenue, current portion	<u>1,048,767</u>	<u>909,233</u>
Total current liabilities	2,240,479	1,705,825
OTHER LIABILITIES		
Deferred revenue, long-term portion	299,048	341,242
Deferred rent	<u>90,576</u>	<u>99,355</u>
Total liabilities	2,630,103	2,146,422

COMMITMENTS AND CONTINGENCIES

STOCKHOLDERS EQUITY:

Common stock - \$.001 par value; 40,000,000 shares authorized; 8,964,142 and 9,878,906 shares issued and outstanding, respectively	8,964	9,879
Additional paid-in capital	114,152,615	114,950,278
Accumulated deficit	<u>(100,777,236)</u>	<u>(98,633,745)</u>
Total stockholders' equity	<u>13,384,343</u>	<u>16,326,412</u>
Total liabilities and stockholders' equity	\$ <u>16,014,446</u>	\$ <u>18,472,834</u>

INTELLICHECK MOBILISA, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)

	<u>Three Months Ended March 31,</u>	
	<u>2016</u>	<u>2015</u>
REVENUES	\$950,668	\$987,127
COST OF REVENUES	<u>(163,042)</u>	<u>(392,162)</u>
Gross profit	787,626	594,965
OPERATING EXPENSES		
Selling, general and administrative	2,016,776	1,426,290
Research and development	<u>919,456</u>	<u>495,938</u>
Total operating expenses	<u>2,936,232</u>	<u>1,922,228</u>
Loss from operations	(2,148,606)	(1,327,263)
OTHER INCOME (EXPENSE)		
Interest and other income	5,115	27,329
Interest expense	<u>-</u>	<u>(2,179)</u>
Net loss	<u>(2,143,491)</u>	<u>\$(1,302,113)</u>
PER SHARE INFORMATION		
Loss per common share -		
Basic/Diluted	<u>\$ (0.22)</u>	<u>\$ (0.14)</u>
Weighted average common shares used in computing per share amounts -		
Basic/Diluted	<u>9,678,318</u>	<u>9,057,326</u>

INTELLICHECK MOBILISA, INC.

CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY

For the three months ended March 31, 2016

(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, 2016	9,878,906	\$ 9,879	\$ 114,950,278	\$ (98,633,745)	\$ 16,326,412
Stock-based compensation expense	-	-	298,030	-	298,030
Purchase and retirement of common stock	(979,114)	(979)	(1,095,629)	-	(1,096,608)
Vesting of restricted stock	64,350	64	(64)	-	-
Net loss	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,143,491)</u>	<u>(2,143,491)</u>
BALANCE, March 31, 2016	<u>8,964,142</u>	<u>\$ 8,964</u>	<u>\$ 114,152,615</u>	<u>\$(100,777,236)</u>	<u>\$ 13,384,343</u>

INTELLICHECK MOBILISA, INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

	<u>Three Months Ended March 31,</u>	
	<u>2016</u>	<u>2015</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	\$ (2,143,491)	\$ (1,302,113)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	106,793	340,321
Noncash stock-based compensation expense	298,030	88,525
Deferred rent	(8,779)	(6,519)
Changes in assets and liabilities:		
Decrease in accounts receivable	467,911	204,853
(Increase) Decrease in inventory	(1,479)	3,115
Decrease (Increase) in other current assets	19,343	(30,115)
Decrease in other assets	-	9,206
Increase in accounts payable, accrued expenses	395,120	132,117
Increase (Decrease) in deferred revenue	<u>97,340</u>	<u>(146,460)</u>
Net cash used in operating activities	<u>(769,212)</u>	<u>(707,070)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of patents	-	(125,000)
Purchases of property and equipment	(22,747)	(28,671)
Collection on note receivable	<u>9,577</u>	<u>-</u>
Net cash used in investing activities	<u>(13,170)</u>	<u>(153,671)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Net proceeds from issuance of common stock	-	7,630,757
Purchase and retirement of common stock	(1,096,608)	-
Payments on note payable	<u>-</u>	<u>(1,620)</u>
Net cash (used in) provided by financing activities	<u>(1,096,608)</u>	<u>7,629,137</u>
Net (decrease) increase in cash and cash equivalents	<u>(1,878,990)</u>	<u>6,768,396</u>
CASH AND CASH EQUIVALENTS, beginning of period	<u>5,953,257</u>	<u>2,966,350</u>
CASH AND CASH EQUIVALENTS, end of period	<u>\$ 4,074,267</u>	<u>\$ 9,734,746</u>
Supplemental disclosure of noncash investing and financing activities:		
Financing of property and equipment	<u>\$ -</u>	<u>\$ 31,078</u>

A reconciliation of GAAP net loss to Adjusted EBITDA follows:

	(Unaudited)	
	Three Months Ended	
	March 31,	
	2016	2015
Net loss	\$ (2,143,491)	\$ (1,302,113)
Reconciling items:		
Interest and other – net	(5,115)	(25,150)
Depreciation and amortization	106,793	340,321
Stock-based compensation costs	<u>298,030</u>	<u>88,525</u>
Adjusted EBITDA	<u>\$ (1,743,783)</u>	<u>\$ (898,417)</u>

Earnings Conference Call Information

The Company will hold an earnings conference call today, May 13, at 1:00 p.m. EDT/10:00 a.m. PDT to discuss operating results. To listen to the earnings 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.intellicheck.com/about/investor-relations/presentations>, and clicking on the link to the Webcast. Alternatively, the webcast can be accessed at: <http://www.investorcalendar.com/IC/CEPage.asp?ID=175007>. The webcast will be available for 14 days following the conference call.

Contact: Media and Public Relations Sharon Schultz (302) 539-3747

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, please visit www.intellicheck.com.

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"). These statements, which express management's current views concerning future events, trends, contingencies or results, appear at various places in this website and use words like "anticipate," "assume," "believe," "continue," "estimate," "expect," "forecast," "future," "intend," "plan," "potential," "predict," "project," "strategy," "target" and similar terms, and future or conditional tense verbs like "could," "may," "might," "should," "will" and "would" 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.

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.