



Intellicheck Announces First Quarter Financial Results
Year over year first quarter revenues increased 49% and
SaaS revenues increased 120%

MELVILLE, NY – May 14, 2018 -- Intellicheck, Inc. (NYSE American: IDN), an industry leader in identification authentication solutions, today announced its financial results for the first quarter ended March 31, 2018.

Revenue for the first quarter ended March 31, 2018 grew 49% to \$1,062,062 versus \$712,660 in the prior year comparable period. SaaS revenue in the first quarter grew 120% and totaled \$595,000 versus \$270,000 in the quarter ending March 31, 2017. Gross profit as a percentage of revenues improved to 90.5% for the three months ended March 31, 2018 versus 84.6% in the prior year comparable period.

Intellicheck CEO Bryan Lewis said, “While I am encouraged by our progress, I am committed to refocusing our efforts to realize greater revenue growth of our SaaS based products in our key markets. To that end, I have initiated a complete reorganization of the sales force, which includes bringing in new sales people to work within a revamped operational structure. These operational changes reflect my belief that significant adjustments needed to be made to support our sales goals and allow us to manage the business in real time on a daily basis.”

Lewis explained that the actions he has taken in the first ninety days of his tenure make his intentions clear. “I am going to continue taking what I believe are the necessary steps to build momentum, drive consistent growth and position the Company on a well-defined path for success,” he concluded.

The net loss for the three months ended March 31, 2018 was (\$1,067,957) or (\$0.07) per diluted share versus (\$936,757) or (\$0.09) per diluted share in the comparable prior year period. Adjusted EBITDA (earnings before interest, taxes, depreciation, amortization, stock-based

compensation expense and certain non-recurring charges) was a loss of (\$961,969) for the first quarter of 2018 versus a loss of (\$738,636) in the prior year comparable period. A reconciliation of adjusted EBITDA to net loss is provided elsewhere in this release.

Cash at March 31, 2018 totaled \$7.8 million and stockholders' equity totaled \$15.7 million at the end of period.

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 files its Form 10-Q for the fiscal quarter ended March 31, 2018.

Conference Call Information:

The Company will hold an earnings conference call today, May 14, at 4:30 p.m. ET/1:30 p.m. PT 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 webcast simultaneously and can be accessed at <http://www.investorcalendar.com/event/29079> by clicking on the link to the webcast.

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

PART I – FINANCIAL INFORMATION

Item 1. FINANCIAL STATEMENTS

**INTELLICHECK, INC.
CONSOLIDATED BALANCE SHEETS**

ASSETS

	March 31, 2018 <u>(Unaudited)</u>	December 31, 2017 <u></u>
CURRENT ASSETS:		
Cash	\$ 7,765,692	\$ 8,010,161
Accounts receivable, net of allowance of \$18,750 at March 31, 2018 and December 31, 2017, respectively	703,016	652,627
Inventory	81,964	85,321
Other current assets	240,662	218,835
Total current assets	<u>8,791,334</u>	<u>8,966,944</u>
NOTE RECEIVABLE, net of current portion	60,764	71,138
PROPERTY AND EQUIPMENT, net	269,102	211,602
GOODWILL	8,101,661	8,101,661
INTANGIBLE ASSETS, net	424,327	463,578
OTHER ASSETS	67,808	67,181
	<u>17,714,996</u>	<u>17,882,104</u>
Total assets	\$ <u>17,714,996</u>	\$ <u>17,882,104</u>

LIABILITIES AND STOCKHOLDERS' EQUITY

CURRENT LIABILITIES:		
Accounts payable	\$ 123,052	\$ 71,578
Accrued expenses	930,405	815,350
Deferred revenue, current portion	810,361	739,980
Total current liabilities	<u>1,863,818</u>	<u>1,626,908</u>
OTHER LIABILITIES:		
Deferred revenue, long-term portion	82,650	87,736
Other long-term liabilities	79,203	158,407
	<u>2,025,671</u>	<u>1,873,051</u>
Total liabilities	2,025,671	1,873,051

COMMITMENTS AND CONTINGENCIES (Note 11)

STOCKHOLDERS' EQUITY:

Common stock - \$.001 par value; 40,000,000 shares authorized; 15,608,943 and 15,009,246 shares issued and outstanding at March 31, 2018 and December 31, 2017, respectively	15,609	15,009
Additional paid-in capital	127,164,498	126,416,869
Accumulated deficit	<u>(111,490,782)</u>	<u>(110,422,825)</u>
Total stockholders' equity	<u>15,689,325</u>	<u>16,009,053</u>
Total liabilities and stockholders' equity	\$ <u>17,714,996</u>	\$ <u>17,882,104</u>

INTELLICHECK, INC.

CONSOLIDATED STATEMENTS OF OPERATIONS

(Unaudited)

	<u>Three Months Ended March 31,</u>	
	<u>2018</u>	<u>2017</u>
REVENUES	\$ 1,062,062	\$ 712,660
COST OF REVENUES	<u>(100,469)</u>	<u>(109,436)</u>
Gross profit	961,593	603,224
OPERATING EXPENSES		
Selling, general and administrative	1,415,384	1,172,883
Research and development	<u>628,036</u>	<u>370,597</u>
Total operating expenses	<u>2,043,420</u>	<u>1,543,480</u>
Loss from operations	(1,081,827)	(940,256)
OTHER INCOME		
Interest and other income	<u>13,870</u>	<u>3,499</u>
Net loss	\$ <u><u>(1,067,957)</u></u>	\$ <u><u>(936,757)</u></u>
PER SHARE INFORMATION		
Loss per common share -		
Basic/Diluted	\$ <u><u>(0.07)</u></u>	\$ <u><u>(0.09)</u></u>
Weighted average common shares used		
in computing per share amounts -		
Basic/Diluted	<u><u>15,271,213</u></u>	<u><u>10,731,856</u></u>

INTELLICHECK, INC.

CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY

For the three months ended March 31, 2018
(Unaudited)

	<u>Common Stock</u>		Additional	Accumulated	Total
	<u>Shares</u>	<u>Amount</u>	<u>Paid-in Capital</u>	<u>Deficit</u>	<u>Stockholders' Equity</u>
BALANCE, January 1, 2018	15,009,246	\$ 15,009	\$ 126,416,869	\$ (110,422,825)	\$ 16,009,053
Stock-based compensation expense	-	-	60,708	-	60,708
Exercise of stock options	593,838	594	686,927	-	687,521
Vesting of restricted stock	5,859	6	(6)	-	-
Net loss	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,067,957)</u>	<u>(1,067,957)</u>
 BALANCE, March 31, 2018	 <u>15,608,943</u>	 <u>\$ 15,609</u>	 <u>\$ 127,164,498</u>	 <u>\$ (111,490,782)</u>	 <u>\$ 15,689,325</u>

INTELLICHECK, INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS

(Unaudited)

	<u>Three Months Ended March 31,</u>	
	<u>2018</u>	<u>2017</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	\$ (1,067,957)	\$ (936,757)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	59,150	104,820
Noncash stock-based compensation expense	60,708	96,800
Deferred rent	(13,505)	(11,108)
Changes in assets and liabilities:		
(Increase) decrease in accounts receivable	(50,389)	141,438
Decrease (increase) in inventory	3,357	(5,230)
(Increase) in other current assets	(21,421)	(112,436)
(Increase) decrease in other assets	(627)	1,500
Increase in accounts payable and accrued expenses	180,034	61,797
Increase (decrease) in deferred revenue	65,295	(157,787)
(Decrease) in other long-term liabilities	(79,204)	-
Net cash used in operating activities	<u>(864,559)</u>	<u>(816,963)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Capital expenditures	(77,399)	(9,534)
Collection of note receivable	9,968	13,267
Net cash (used in) provided by investing activities	<u>(67,431)</u>	<u>3,733</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Net proceeds from issuance of common stock from exercise of stock options	687,521	10,100
Net proceeds from issuance of common stock from exercise of warrants	-	14,300
Net cash provided by financing activities	<u>687,521</u>	<u>24,400</u>
Net decrease in cash	(244,469)	(788,830)
CASH, beginning of period	<u>8,010,161</u>	<u>3,092,172</u>
CASH, end of period	<u>\$ 7,765,692</u>	<u>\$ 2,303,342</u>

A reconciliation of GAAP net loss to Non-GAAP Adjusted EBITDA follows:

	(Unaudited)	
	Three Months Ended	
	March 31,	
	2018	2017
Net loss	\$ (1,067,957)	\$ (936,757)
Reconciling items:		
Interest and other income	(13,870)	(3,499)
Depreciation and amortization	59,150	104,820
Stock-based compensation expense	60,708	96,800
Adjusted EBITDA (Non-GAAP)	\$ (961,969)	\$ (738,636)

Contact

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About Intellicheck NYSE American: IDN Intellicheck is a trusted industry leader in technology solutions that provide real-time identification authentication and age verification. We make it possible for our clients to enhance safety and awareness, increase revenues, 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, police departments, national defense clients at agencies, major seaports, and military bases, and diverse state and federal government agencies. For more information on Intellicheck, visit <http://www.intellicheck.com/> and follow Intellicheck on [Twitter @IntellicheckIDN](#), on Facebook <https://www.facebook.com/intellicheckidn/>, on Instagram [@IntellicheckIDN](#), on LinkedIn <https://www.linkedin.com/company/intellicheck-inc-> and on YouTube <https://www.youtube.com/user/ICMOBIL>,

Safe Harbor Statement

Statements in this news release about Intellicheck's future expectations, including: the advantages of our products, future demand for Intellicheck's existing and future products, whether revenue and other financial metrics will improve in future periods, whether Intellicheck 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 PSLRA. This statement is included for the express purpose of availing Intellicheck, 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's products and the presently anticipated growth in the commercial adoption of the Company's products and services, changing levels of demand for Intellicheck's current and future products, Intellicheck'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's ability to successfully manufacture, market and sell its products, Intellicheck'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'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's reports filed with the SEC. We do not assume any obligation to update the forward-looking information.