



## **Intellicheck Announces Second Quarter Financial Results**

*Year Over Year SaaS Revenues Increased 107%  
Gross Margin Increased to 91.8%*

MELVILLE, NY – August 14, 2018 -- Intellicheck, Inc. (NYSE American: IDN), an industry leader in identification authentication solutions, today announced its financial results for the second quarter ended June 30, 2018.

Revenue for the second quarter ended June 30, 2018 increased 5% to \$1,001,418 versus \$951,334 in the prior year comparable period. SaaS revenue in the second quarter grew 107% and totaled \$625,000 versus \$302,000 in the quarter ending June 30, 2017. Gross profit as a percentage of revenues improved to 91.8% for the three months ended June 30, 2018 versus 78.5% in the prior year comparable period.

Intellicheck CEO Bryan Lewis said, “The growth in SaaS based product revenue reflects the early success of our strategic plan in refocusing our efforts in our key markets and the importance of the steps we have taken to build a new sales organization and initiate operational changes.”

Lewis said the path forward is well-defined, “We will continue our concentration on growing market traction for our key products, powering market opportunities to galvanize consistent growth.”

The net loss for the three months ended June 30, 2018 was (\$1,100,375) or (\$0.07) per diluted share versus (\$1,098,553) or (\$0.10) 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 (\$1,018,135) for the second quarter of 2018 versus a loss of (\$902,211) in the prior year comparable period. A reconciliation of adjusted EBITDA to net loss is provided elsewhere in this release.

Cash at June 30, 2018 totaled \$6.5 million and stockholders' equity totaled \$14.7 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 period ended June 30, 2018.

**Conference Call Information:**

The Company will hold an earnings conference call today, August 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

	June 30, 2018 (Unaudited)	December 31, 2017
<b>CURRENT ASSETS:</b>		
Cash	\$ 6,462,631	\$ 8,010,161
Accounts receivable, net of allowance of \$24,375 and \$18,750 at June 30, 2018 and December 31, 2017, respectively	473,704	652,627
Inventory	81,217	85,321
Other current assets	453,355	218,835
Total current assets	7,470,907	8,966,944
NOTE RECEIVABLE, net of current portion	50,287	71,138
PROPERTY AND EQUIPMENT, net	296,992	211,602
GOODWILL	8,101,661	8,101,661
INTANGIBLE ASSETS, net	385,075	463,578
OTHER ASSETS	9,742	67,181
Total assets	\$ 16,314,664	\$ 17,882,104

LIABILITIES AND STOCKHOLDERS' EQUITY

<b>CURRENT LIABILITIES:</b>		
Accounts payable	\$ 52,762	\$ 71,578
Accrued expenses	928,281	815,350
Deferred revenue, current portion	624,064	739,980
Total current liabilities	1,605,107	1,626,908
<b>OTHER LIABILITIES:</b>		
Deferred revenue, long-term portion	48,751	87,736
Other long-term liabilities	7,863	158,407
Total liabilities	1,661,721	1,873,051

COMMITMENTS AND CONTINGENCIES (Note 11)

**STOCKHOLDERS' EQUITY:**

Common stock - \$.001 par value; 40,000,000 shares authorized; 15,625,329 and 15,009,246 shares issued and outstanding at June 30, 2018 and December 31, 2017, respectively	15,625	15,009
Additional paid-in capital	127,228,475	126,416,869
Accumulated deficit	(112,591,157)	(110,422,825)
Total stockholders' equity	14,652,943	16,009,053
Total liabilities and stockholders' equity	\$ 16,314,664	\$ 17,882,104

**INTELLICHECK, INC.**

**CONSOLIDATED STATEMENTS OF OPERATIONS**

(Unaudited)

	<u>Three Months Ended June 30,</u>		<u>Six Months Ended June 30,</u>	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
REVENUES	\$ 1,001,418	\$ 951,334	\$ 2,063,480	\$ 1,663,994
COST OF REVENUES	<u>(82,393)</u>	<u>(204,634)</u>	<u>(182,862)</u>	<u>(314,070)</u>
Gross profit	919,025	746,700	1,880,618	1,349,924
OPERATING EXPENSES				
Selling, general and administrative	1,307,524	1,352,361	2,722,908	2,525,244
Research and development	<u>755,097</u>	<u>495,048</u>	<u>1,383,133</u>	<u>865,645</u>
Total operating expenses	<u>2,062,621</u>	<u>1,847,409</u>	<u>4,106,041</u>	<u>3,390,889</u>
Loss from operations	(1,143,596)	(1,100,709)	(2,225,423)	(2,040,965)
OTHER INCOME				
Interest and other income	<u>43,221</u>	<u>2,156</u>	<u>57,091</u>	<u>5,655</u>
Net loss	\$ <u><u>(1,100,375)</u></u>	\$ <u><u>(1,098,553)</u></u>	\$ <u><u>(2,168,332)</u></u>	\$ <u><u>(2,035,310)</u></u>
PER SHARE INFORMATION				
Loss per common share -				
Basic/Diluted	\$ <u><u>(0.07)</u></u>	\$ <u><u>(0.10)</u></u>	\$ <u><u>(0.14)</u></u>	\$ <u><u>(0.19)</u></u>
Weighted average common shares used				
in computing per share amounts -				
Basic/Diluted	<u><u>15,623,351</u></u>	<u><u>10,769,437</u></u>	<u><u>15,448,255</u></u>	<u><u>10,750,751</u></u>

**INTELLICHECK, INC.**

**CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY**

For the six months ended June 30, 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	-	-	124,701	-	124,701
Exercise of stock options	593,838	594	686,927	-	687,521
Vesting of restricted stock	22,155	22	(22)	-	-
Net loss	-	-	-	(2,168,332)	(2,168,332)
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
BALANCE, June 30, 2018	<u>15,625,239</u>	<u>\$ 15,625</u>	<u>\$ 127,228,475</u>	<u>\$ (112,591,157)</u>	<u>\$ 14,652,943</u>

**INTELLICHECK, INC.**

**CONSOLIDATED STATEMENTS OF CASH FLOWS**

(Unaudited)

	<u>Six months ended June 30,</u>	
	<u>2018</u>	<u>2017</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Net loss	\$ (2,168,332)	\$ (2,035,310)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	120,618	208,600
Stock-based compensation expense	124,701	191,518
Provision for doubtful accounts	5,625	-
Deferred rent	(6,002)	(22,215)
Changes in assets and liabilities:		
Decrease (increase) in accounts receivable	173,298	(273,595)
Decrease (increase) in inventory	4,104	(11,580)
(Increase) in other current assets	(233,703)	(187,879)
Decrease in other assets	57,439	1,358
Increase in accounts payable and accrued expenses	107,980	93,792
(Decrease) in deferred revenue	(154,901)	(175,662)
(Decrease) in other long-term liabilities	(158,407)	-
Net cash used in operating activities	<u>(2,127,580)</u>	<u>(2,210,973)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Capital expenditures	(127,505)	(12,794)
Collection of note receivable	20,034	19,185
Net cash (used in) provided by investing activities	<u>(107,471)</u>	<u>6,391</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
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	-	137,500
Net cash provided by financing activities	<u>687,521</u>	<u>147,600</u>
Net decrease in cash	(1,547,530)	(2,056,982)
CASH, beginning of period	<u>8,010,161</u>	<u>3,092,172</u>
CASH, end of period	<u>\$ 6,462,631</u>	<u>\$ 1,035,190</u>

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

	(Unaudited)			
	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2018	2017	2018	2017
Net loss	\$ (1,100,375)	\$ (1,098,553)	\$ (2,168,332)	\$ (2,035,310)
Reconciling items:				
Interest and other income	(43,221)	(2,156)	(57,091)	(5,655)
Depreciation and amortization	61,468	103,780	120,618	208,600
Stock-based compensation expense	63,993	94,718	124,701	191,518
Adjusted EBITDA	<u>\$ (1,018,135)</u>	<u>\$ (902,211)</u>	<u>\$ (1,980,104)</u>	<u>\$ (1,640,847)</u>

## Contact

Investor Relations: Gar Jackson (949) 873-2789

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

**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 market and sell its products, any delays or difficulties in the Company's supply chain 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, together with 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.