



# Investor Presentation

November 2023





# CAUTIONARY STATEMENT

## Forward-Looking Statements:

This presentation contains “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Although the forward-looking statements in this presentation reflect the good faith judgment of management, forward-looking statements are inherently subject to known and unknown risks and uncertainties that may cause actual results to be materially different from those discussed in these forward-looking statements. Readers are urged to carefully review and consider the various disclosures made by us in our reports filed with the Securities and Exchange Commission, including the risk factors that attempt to advise interested parties of the risks that may affect our business, financial condition, results of operation and cash flows.

If one or more of these risks or uncertainties materialize, or if the underlying assumptions prove incorrect, our actual results may vary materially from those expected or projected. Readers are urged not to place undue reliance on these forward-looking statements, which speak only as of the date of this release. We assume no obligation to update any forward-looking statements in order to reflect any event or circumstance that may arise after the date of this presentation.



# Intellicheck at a Glance

- Our products are used across a wide variety of industries, both in-person and digitally
  - Banking & Financial Services; Retail; Automotive; Law Enforcement; Alcohol, Tobacco and Cannabis Sales; Gaming; Title Insurance
- No hardware requirements lead to rapid deployment
- Trailing twelve-month SaaS revenues have increased each month for the past 45 months
- 4-year CAGR of 56% from FY18-FY22
- Gross margins consistently greater than 90%
- Adjusted EBITDA showing consistent progression towards FY23 break-even
- Expanding into new vertical markets that include title, automotive & white label digital use cases



# Who We Are

- We believe Intellicheck is the best first step in identity validation to stop fraud losses and AML/KYC
- Our unique approach is highly accurate, instant and fully automated
  - “Prior to us using it in the field, we scanned over 1,000 known counterfeits, each one was detected.”
    - New York State DMV Director of Investigations
  - “A true gamechanger in stopping fraud, top 5 all time.”
    - SVP of Fraud, top 5 Financial Services Company with over \$1.7 trillion in assets



# Magnitude of the fraud Problem in 2022

Type	US Victims (Millions)	Total Fraud Amount (Billions)	Mean Fraud Amount per Victim
Total Fraud	15.4	\$20.3	\$1,311
Existing Account Fraud	14.3	\$16.4	\$1,320
New Account Fraud	3.6	\$3.9	\$1,919
Account Takeover Fraud	4.5	\$11.0	\$2,008



# We Are Very Different

- 28 State-level law enforcement agencies use Intellicheck to validate ID's. Why is that important?
  - Law enforcement alone can check ID's with every DMV in North America
    - Yet they choose Intellicheck instead because we are just as accurate and lightning fast

WE BELIEVE NO OTHER ID VALIDATION PROVIDER CAN SAY THIS



# We Are Very Different

- For in-branch or retail use cases, we typically work with the existing hardware
  - Point-of-sale scanner, branch check scanner
  - In use at over 4,800 bank or lender branches and over 30,000 retail locations
- For digital use cases, our accuracy means our clients introduce less friction in their customer process
  - No need for front, back and selfie – 1 step, less abandonment

**NO LARGE UPFRONT COSTS, SIMPLIFIED USER EXPERIENCE**



# How We Are Used To Stop Fraud Losses

- Physical and Digital New Account Opening Opportunities
  - Instant credit, BNPL, bank accounts, loans, automotive test drives, title insurance, etc.
  - In-person or through website or mobile app
- Card-Not-Present
  - “I forgot my store-branded credit card; can you look me up?”
- Bank Branches and Call Centers
  - Validate who you are for risky transactions/account updates to stop account takeover

**WE VALIDATE AN IDENTITY FOR FINANCIAL SERVICES EVERY 2 SECONDS**





# Representative Financial Services Clients

- A top 5 bank with over 2 million accounts, \$1.7 trillion in assets, and one of the top 3 credit card issuers in the country.
  - Intellicheck is in use in the bank branches and at their merchant retailers for instant credit
  - Signed 3-year renewal with 20% guaranteed increased usage in 2023
- A top 10 bank with almost \$400 billion in assets and one of the top 5 credit card issuers.
  - Intellicheck in use in the bank branches and cafes, call center, automotive loan department and at merchant retailers for instant credit
- A top 15 bank with over \$200 billion in assets.
  - Intellicheck is in use in their bank branches and in the mobile banking app



# What We Deliver



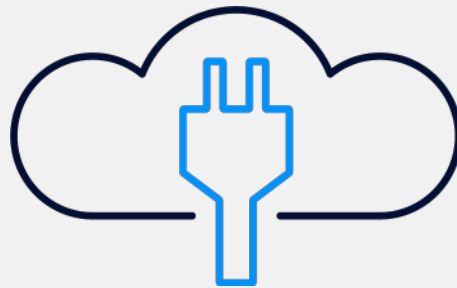
## **IDN-Portal**

- Mobile app-based ID validation
- Rapid implementation - Turn it on and it works



## **IDN-Portal+**

- Web-based no-integration platform
- Validate someone in front of you or remote
- Advanced analytics and risk signal detection



## **IDN-Direct**

- API-driven identity validation
- Bring Intellicheck into your process
- Your branding, your platform



# Why Intellicheck

## Accurate

Over 99.9% accuracy

*Less fraud – fewer penalties*



## Fast

Results in < a second  
Equals more clients

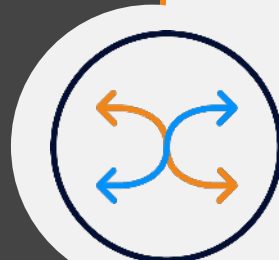
*Faster validation*



## Better Experience

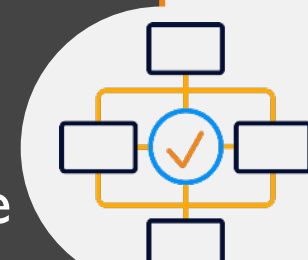
Fewer user steps

*Greater user retention*



## Quick Set-up

No new hardware  
Rest API or sign-up + use  
*Be up and running in >1 hour*





# Q3 Recap





## Q3 Developments

- Continued to increase our online penetration for remote authentication with significant organizations
- Signed second largest title company in the U.S.
- Signed the leading comprehensive digital closing platform used by title, escrow, real estate, and mortgage lending professionals
- Promoted Jonathan Robins to Chief Technology Officer
- Hired David Jurgens to drive the channel partner initiative



# FINANCIAL OVERVIEW





## Q3 2023 FINANCIAL HIGHLIGHTS

### SaaS Revenue Growth

- Total Revenue: \$4,760,000 (+19% YoY)
  - SaaS Revenue: \$4,635,000 (+17% YoY) – Record Q3 Total
  - Gross Margin: 91.0%
- 

### Balance Sheet *(as of Sept 30)*

- Cash & ST Investments: \$8,910,000
  - Stockholders' Equity: \$17,071,000
  - Debt: \$0
- 

### Net Income (Loss) & EBITDA

- Net Loss: (\$644,000)
  - Includes \$342,000 non-cash equity compensation expense
- Adjusted EBITDA: \$(271,000)



# ADJUSTED EBITDA RECONCILIATION

## Adjusted EBITDA

We use Adjusted EBITDA as a non-GAAP financial performance measurement. Adjusted EBITDA is calculated by adjusting net loss for certain reductions such as interest and other income (expense) and certain addbacks such as non-restructuring severance expenses, provisions for income taxes, 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 our 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 provisions for income taxes, investors can evaluate our operations and can compare the results on a more consistent basis to the results of other companies. In addition, Adjusted EBITDA is one of the primary measures management uses to monitor and evaluate financial and operating results.

We consider Adjusted EBITDA to be an important indicator of our operational strength and performance of our business and a useful measure of our historical operating trends. However, there are significant limitations to the use of Adjusted EBITDA since it excludes non-restructuring severance expenses, provisions for income taxes, interest and other (expense) income, impairments of long-lived assets and goodwill, stock-based compensation expense, all of which impact our profitability, as well as depreciation and amortization related to the use of long-term assets which benefit multiple periods. We believe that these limitations are compensated by providing Adjusted EBITDA only with GAAP net 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 loss presented in accordance with GAAP. Adjusted EBITDA as defined by us may not be comparable with similarly named measures provided by other companies.

The reconciliation of GAAP net loss to Non-GAAP Adjusted EBITDA is as follows:

	<u>Three Months Ended September 30,</u>		<u>Nine Months Ended September 30,</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Net loss	\$ (644)	\$ (724)	\$ (2,737)	\$ (3,290)
Reconciling items:				
Non-restructuring severance expenses	131	—	548	—
Provision for income taxes	8	—	20	—
Interest and other expense (income)	(179)	—	(181)	—
Depreciation and amortization	71	70	210	209
Stock-based compensation including liability classified awards	<u>342</u>	<u>729</u>	<u>1,347</u>	<u>1,768</u>
Adjusted EBITDA	<u>\$ (271)</u>	<u>\$ 75</u>	<u>\$ (793)</u>	<u>\$ (1,313)</u>



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