

# Ipsidy Inc

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## Ipsidy Inc. rides the wave of identity authentication

In a small seaside community known more for surfing than tech innovation, Ipsidy Inc. (OTCMKTS:IDTY) is riding the wave of multi-factor authentication and identity management.

"Today's mobilised world enables identity to approve everyday transactions," said Chairman and CEO Philip Beck in an interview at the company's headquarters in Long Beach, N.Y. "We are building an Identity Transaction Network centred around our platform. My team's track record of the last 20 years has been to partner with large institutions and provide them with a real-time transaction platform to authenticate transactions. We're doing it with identity now."

After the massive hacks of Equifax Inc. (NYSE:EFX), Target Corp. (NYSE:TGT) and Home Depot (NYSE:HD), Beck and the Ipsidy team saw a huge market for the company's proprietary biometric technology and beyond.

Founded in 2011 as ID Global Solutions Corp., Beck and Chief Financial Officer Stu Stoller came on board in 2017 and re-imagined the company as Ipsidy Inc. -- a play on the Latin word "ipse," which means self -- and together with the original founder Tom Szoke and his team built a suite of new authentication products around its core of existing applications.

The company's business was the legacy of its roots as ID Global Solutions, which provides biometric fingerprint-matching technology for the U.S. Transportation Safety Administration. It has also been used to verify voter rolls for national elections including Zambia and Guinea, and was recently selected in a competitive tender for Zimbabwe.

The acquisitions of MultiPay in 2015 and CardsPlus in 2017 bolted on transactional routing and credentialing products. In Colombia, its technology refills bus transit cards and provides transaction processing for electronic money transfers and bill payments for the country's postal service.

Beck and his team are not newcomers to multinational transactions and authentication. He started Planet Payment Inc. in 1999 and built it into a Nasdaq-listed company before it was sold in 2017.

### Building an Identity Transaction Platform

Four new product pilots comprise the core of Ipsidy's mobile authentication business: Concierge Identity Services, Financial Transaction Authentication, Identity & Account Authentication, and a Mobile Payment Ecosystem.

Beck said that the company will be rolling out its pilot products in tandem with its debut on the OTC:QB exchange March 1. To better identify itself in the identity space, the company recently changed its ticker from IDGS to IDTY, a play on the word "identity."

**Price:** US\$0.135

**Market Cap:** US\$64.66M

### 1 Year Share Price Graph



### Share Information

**Code:** IDTY

**Listing:** OTCQX

**52 week High Low**  
**\$0.25 \$0.06**

**Sector:** Software & Computer Services

**Website:** www.ipsidy.com

### Company Synopsis:

*Ipsidy Inc. (OTCQX:IDTY) operates an Identity as a Service (IDaaS) platform that delivers a suite of secure, mobile, biometric identity solutions, available to any vertical, anywhere. In a world that is increasingly digital and mobile, our mission is to help our customers know with biometric certainty the identity of the people with whom they are engaging.*

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The new products are impressive.

In a visual demonstration at the company's sleek and stylish home office -- nestled in a tech incubator called Bridgeworks that Beck and his son also founded -- Beck's team showed how a front-desk concierge in a building could instantly authenticate a visitor and control access to the building using only a Bluetooth beacon and the smartphones and Internet-enabled devices already in their possession.

"We're aspiring to ensure that identity can be used any way the owner needs to use it, and relied on by all the people that need to verify your identity," Beck said.

The current identity authentication process is cumbersome and still paper-based. For example, in a physical location building visitors are required to present an ID, such as a driver's license, and then the concierge manually enters the data into a networked system to issue a paper badge or stick-on label to gain entrance.

With the Access by Ipsidy solution powered by the company's IDLok authentication technology system, it's as easy as taking a selfie.

Using the company's free smartphone app to register, Bluetooth beacons pick up a signal when visitors enter the building and by using Ipsidy's proprietary technology via the smartphone's camera, the biometric authenticator recognises and transmits the visitor's photo and ID info to the concierge, who can monitor the activity on a smartphone or smartpad.

"The conversation has subtly changed from just focusing on security and hacking to the importance of verifying identity in order to do security," Beck said. "If you don't know definitively who you're dealing with, how can you do security? Identity sits at the top."

Ipsidy operates in a sector they call Identity Solutions as a Service, or IDSaaS. In addition to integrating Ipsidy's service as a black box, using available APIs and SDKs, Ipsidy also provides an out-of-the-box solution that uses tech already in everyone's possession, Beck said.

The company's Identity Transaction Platform sits between the entity requiring authentication and the user seeking access using the user's own cell phone. It works just as well for internet-based banking transactions as well as physical locations

#### Monetising the identity space

Ipsidy has raised about \$20 million from investors, Beck said, and in November the company booked sales of \$1.8 million for the first nine months of 2017, up from \$1.4 million a year earlier. For the third quarter, Ipsidy halved its net loss, to \$2.1 million from \$4.3 million in the year-ago period.

The addressable market is huge, he said, comprised of all smartphone users in the world, a number of whom could potentially enroll more than once with Ipsidy customers. Industry experts estimate the market size to be in the order of \$32 billion on various metrics.

"Identity authentication should be as ubiquitous as electronic payments," Beck said.

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