



VerifyMe

BRAND OWNERS:

- **PRODUCT PROTECTION**
- **PRODUCT LIFE CYCLE/SUPPLY CHAIN MONITORING**
- **CUSTOMER ENGAGEMENT**

INVESTOR PRESENTATION

September 2020

NASDAQ:VRME

FORWARD LOOKING STATEMENTS

Forward Looking Statements

In addition to historical information, this presentation contains statements relating to the future business, financial performance and future events or developments, strategy, projected costs, prospects, plans, objectives of management and future operations, future revenue, and expected market growth of VerifyMe, Inc. (“VerifyMe,” the “Company,” “we,” or “us”) that may constitute “forward-looking statements” within the meaning of the “safe harbor” provisions of the Private Securities Litigation Reform Act of 1995. The words “believe,” “may,” “estimate,” “continue,” “anticipate,” “intend,” “should,” “plan,” “could,” “target,” “potential,” “is likely,” “will,” “expect” and similar expressions, as they relate to us, are intended to identify forward-looking statements. We have based these forward-looking statements largely on our current expectations and projections about future events and financial trends that we believe may affect our financial condition, results of operations, business strategy and financial needs. Important factors that could cause actual results to differ from those in the forward-looking statements include our ability to continue as a going concern and history of losses, our ability to obtain additional financing, the impact of the COVID-19 pandemic, intellectual property litigation, the successful development of our sales and marketing capabilities, our ability to retain key management personnel, our ability to work with partners in selling our technologies to businesses, production difficulties, our inability to enter into contracts and arrangements with future partners, issues which may affect the reluctance of companies to change their purchasing of products, acceptance of our technologies, and the efficiency of our authenticators in the field.

More detailed information about these factors may be found in the Company’s filings with the Securities and Exchange Commission, including its Annual Report on Form 10-K for the year ended December 31, 2019 and the Quarterly Report on Form 10-Q for the three months ended June 30, 2020. The statements made herein speak only as of the date of this presentation. The Company’s actual results, performance or achievements could differ materially from the results expressed in, or implied by, these forward-looking statements. The Company undertakes no obligation to update or revise its forward-looking statements to reflect events or circumstances after the date of this presentation, except as required by law.

This presentation shall not constitute an offer to sell or the solicitation of an offer to buy any securities of the Company, nor shall there be any sale of these securities in any state or jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such state or jurisdiction.

Confidential

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Financial and Equity Snapshot



Exchange/Ticker: NASDAQ: VRME

Stock Price (8/25/20): \$4.15

Shares Outstanding: 5.6 Million

Market Cap: \$23 million

Cash Balance: \$9.6 million

Debt: \$0

Revenues (TTM as of 6/30/20): \$325,000; 110% growth year-over-year

Average Daily Volume: 105,000 shares

Insider Ownership: 25%



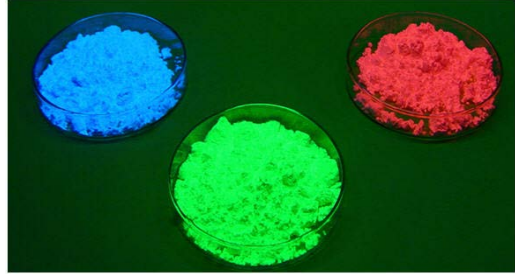
Investment Highlights



1. Solving Global Counterfeiting Problem
 - FBI: "Crime of the 21st Century"
 - IMF: "\$2.2 Trillion by 2022"
 - WHO: "10s of Thousands Dying"
2. Technology
 - Safe, Practical, Highly Effective, Affordable and Easily Implemented
 - 11 US and European Patents
 - Scalable – Revenue Potential - Pipeline
3. Execution
 - Experienced Management
 - Fortune 500 Board Of Directors
 - Major Multi-Billion Clients
4. Strategic Partners
 - Hewlett-Packard (NYSE:HPQ)
 - Micro Focus (NASDAQ:MFGP)
5. Fragmented Industry – Consolidation

VerifyMe, Inc. – A Technology Solutions Provider

A technology solutions provider specializing in brand protection functions such as counterfeit prevention, authentication, serialization, track and trace features for labels, packaging and products. Using a beeper or smartphone, our products can authenticate and provide data on products and users.



RainbowSecure® technology

- Rare earth material used to imbed invisible images that can only be revealed with special calibrated laser devices capable of fluorescing, decoding and verifying our technology
- Particularly well-suited, among other things, for labels, packaging, textiles, plastics and metal products



VeriPAS™ serialization

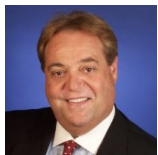
- Track and trace software, covertly and overtly serializes products to track a product's “life cycle” for brand owners



VerifyMe® as Authentic™ labels

- Dual-purpose pre-printed labels with a visible serialized QR code for consumer smart phone scanning authentication.

Management & Board of Directors



Patrick White

*President, Chief Executive Officer and Director
BS Accounting & MBA – Rochester Institute of
Technology*

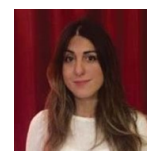
- Over 25 years in the security printing and identification industry
- Founded Document Security Systems, Inc. (NYSE: DSS) in 2002 and served as its CEO and a director from Aug. 2002 to Dec. 2012
- Member of the U.S. Secret Services, Document Security Alliance – tasked with recommending security technologies to protect the vital records of the U.S.A.
- Has made technology presentations all over the world and appeared with Liz Claman on her show “Closing Bell” on the Fox Business News
- Named inventor for 4 US Patents in Security Printing



Keith Goldstein

*Acting Chief Operating Officer
BS - Business Administration –
Boston University and CPA*

- Over 25 years’ of experience in strategic, operational and financial management across a variety of industries
- Manager and principal of POC Advisory Group, LLC, which provides business advisory services to the Company, since May 2017
- Former CEO of ABCorp., North America, a supplier of secure payment, retail and identification cards, vital record and transaction documents, systems and services to governments and financial institutions, from 2011 until Apr. 2017



Margaret Gezerlis,

ACCA

Chief Financial Officer

- Over 10 years’ of experience in “Big 4” public accounting firms as well as private and publicly listed companies
- Holds an international accounting qualification from the Association of Chartered Certified Accountants (ACCA)
- Former employee of the CFO Squad LLC from Feb. 2018 until Nov. 2018



Sandy Fliderman

Chief Technology Officer

- Over 25 years’ of experience in the technology industry
- Former Chief Information Officer at VEEDIMS, LLC, an Internet of Things technology company specializing in data collection and distribution in the aerospace and marine industries
- Co-inventor on a number of patents and created the technology behind VerifyMe™



Patrick White

President and CEO of VerifyMe™/Founder of Document Security Systems, Inc. (NYSE:DSS)



**Norman Gardner,
Chairman of the Board**

Founder of and consultant to VerifyMe™



Chris Gardner

American entrepreneur and private equity investor, and international best-selling author and award-winning film producer of “The Pursuit of Happyness”



Marshall Geller

Former Managing Partner of Bear Sterns and founder of St. Cloud Capital, a private equity fund



Howard Goldberg

Former CEO of Player’s International and one of the top corporate lawyers in the country.



Scott Greenberg

COB of GP Strategies (NYSE:GPX)



Dr. Arthur Laffer

Founder and Chairman of Laffer Associates, director of NexPoint Residential Trust Inc. (NYSE:NXRT) and NexPoint Real Estate Finance Inc. (NYSE:NREF), and recipient of Presidential Medal of Freedom

VerifyMe™ - Strategic Partners



- 5 year contract – renewed upon mutual agreement of the parties
- Ink canisters with RainbowSecure® mounted into digital HP Indigo presses
- Global sales force trained with RainbowSecure®
- Used in Customer Experience Centers (Alpharetta, GA, Singapore, Tel Aviv and Barcelona, Spain)



- One of the largest pure-play software companies¹
- Supports VeriPAS™
- Software app support

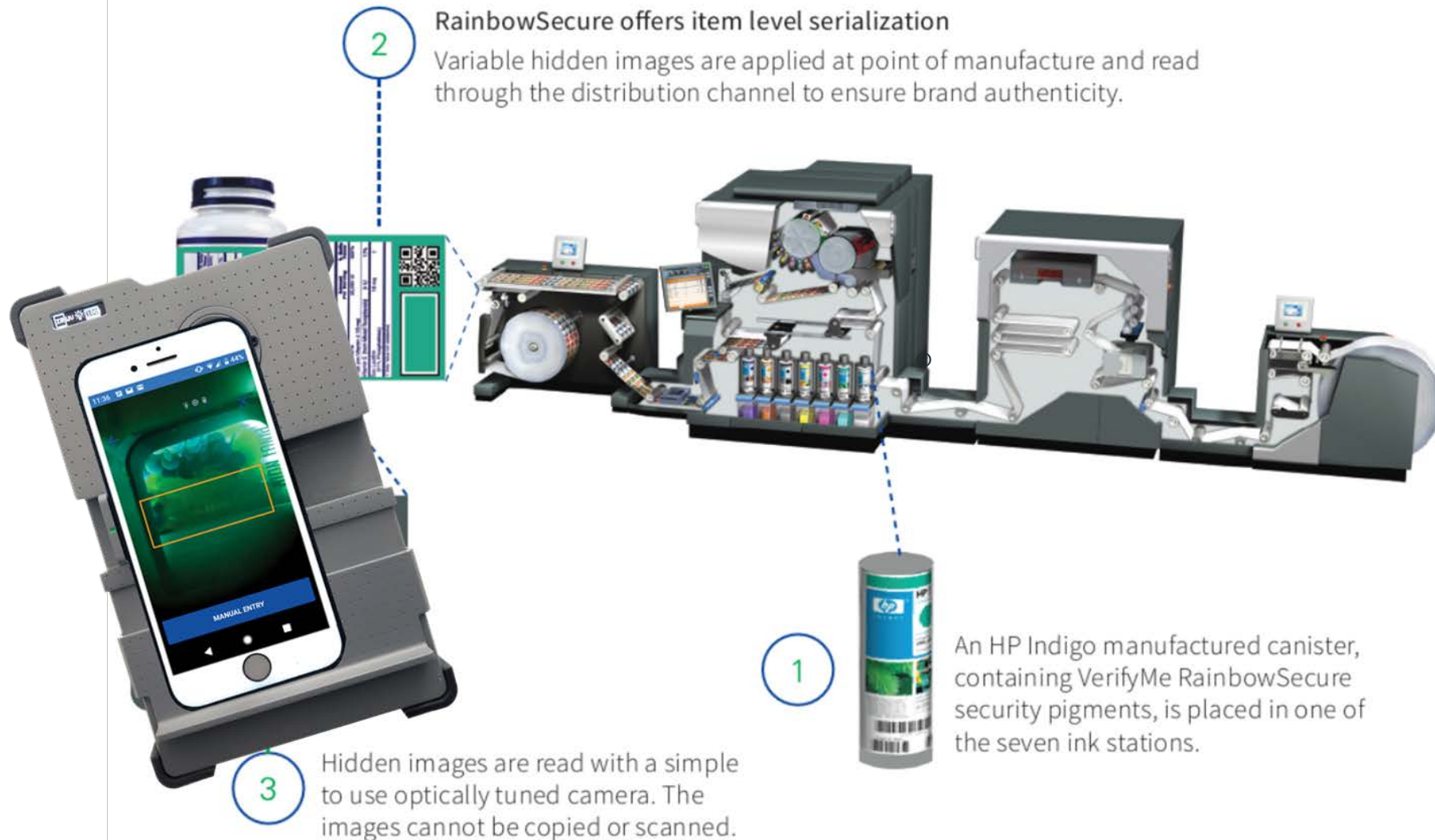


- Provides global infrastructure
- Help desk support
- Sales and marketing
- Warehousing
- Billing



- One of the largest ink companies
- Creating inkjet heads for RainbowSecure® invisible ink
- Expected to expand market for RainbowSecure® technology

How RainbowSecure® Works with HP Indigo

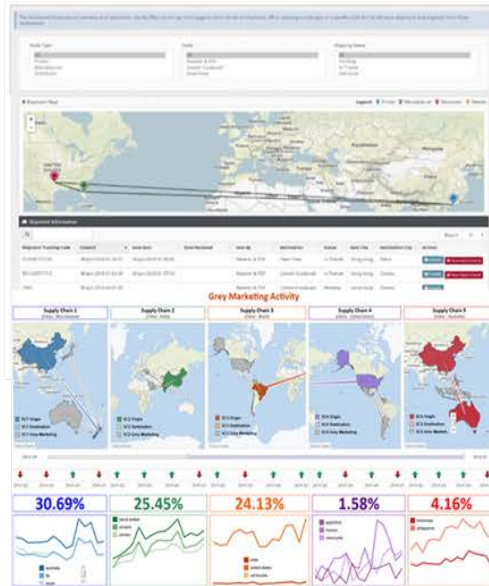


VerifyMe™ - Products and Solutions

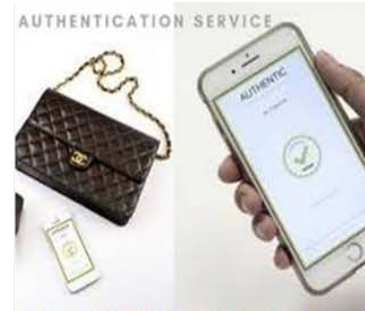
VerifyMe™ has a portfolio of brand protection solutions



RainbowSecure®
Invisible QR Codes



VeriPAS™
Track and Trace Software Data
Brand Owners Monitor/Control
Products Life Cycle



**Smart Phone
Authenticator**
Consumer/Investigator
Product Authentication



Amazon
VerifyMe® as
“Authentic”™ Labels



VerifyMe™
Beeper

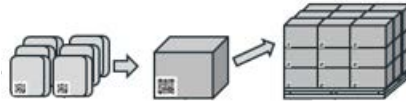
How VeriPAS™ Works

VeriPAS™ tracks events across the product's lifecycle/supply chain to point of use by consumers and delivers business value through robust intelligence.

01.

Serialization

Unit – Carton – Pallet
Aggregation



02.

Supply Chain

Track & Trace
Complete visibility

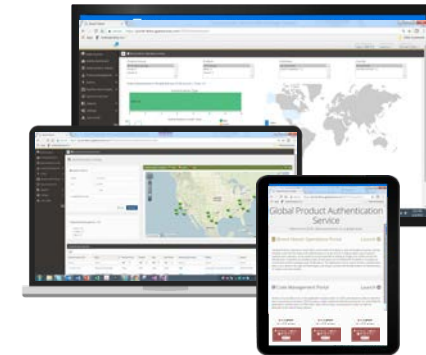


03.

Retail & Consumer
Authentication &
Consumer Engagement



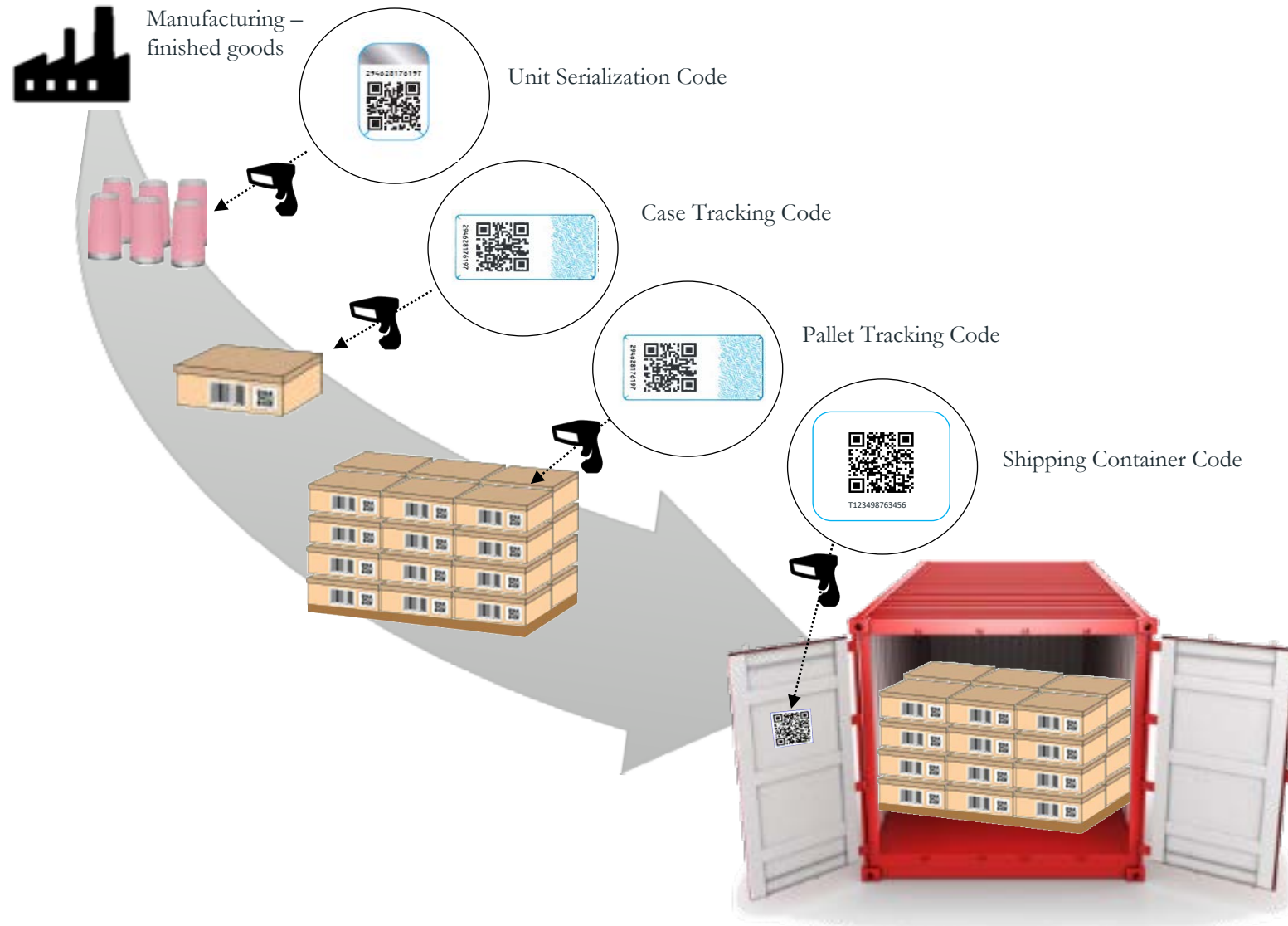
Robust Business Intelligence



VeriPAS™ puts the data to work via client configured operation controls (alerts, reports, dashboards) specific to the clients use case, business problem and challenge.

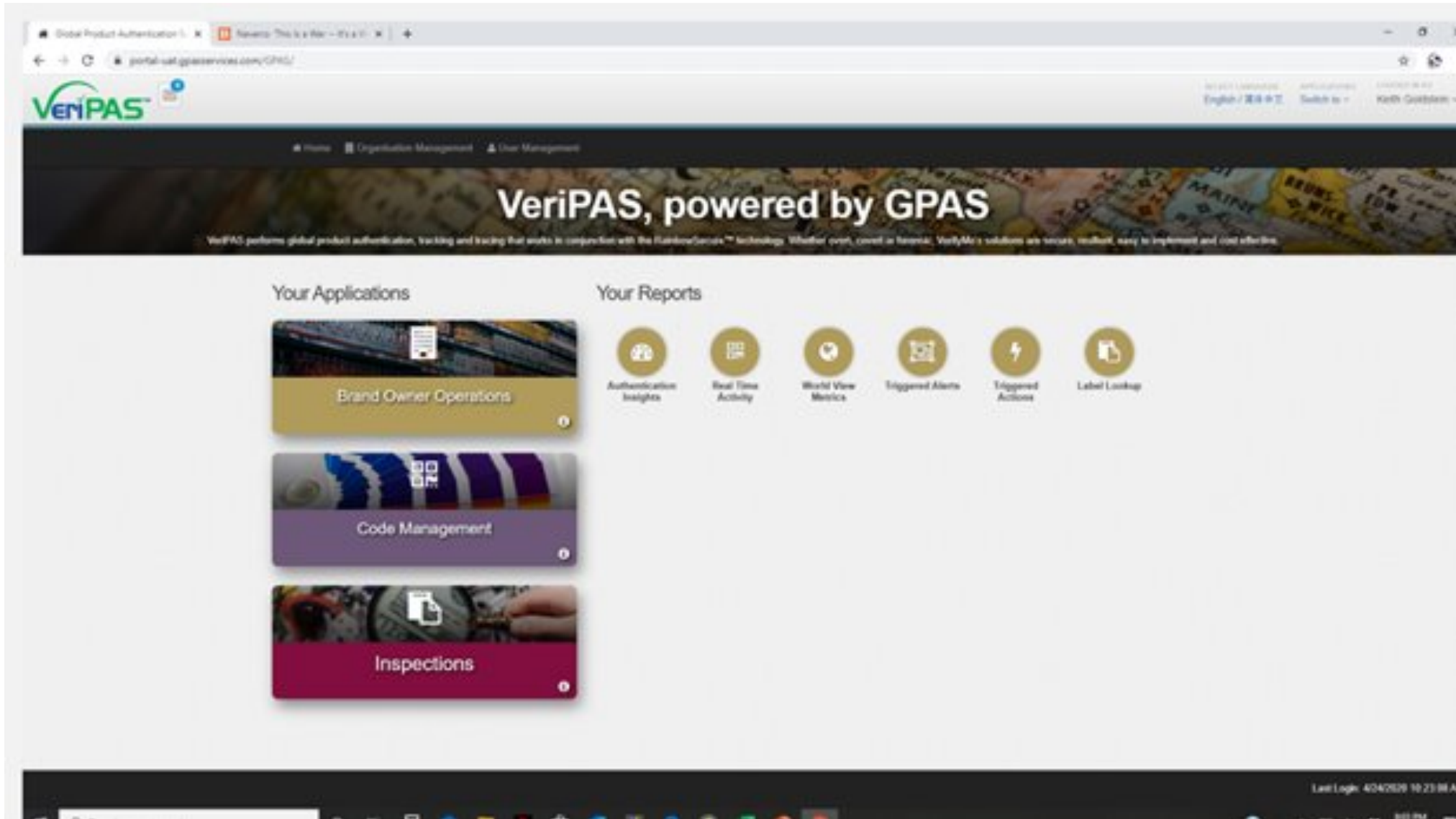
VeriPAST™ Serialization

Units are serialized, scanned, and associated with case packs, pallets, and shipping containers.

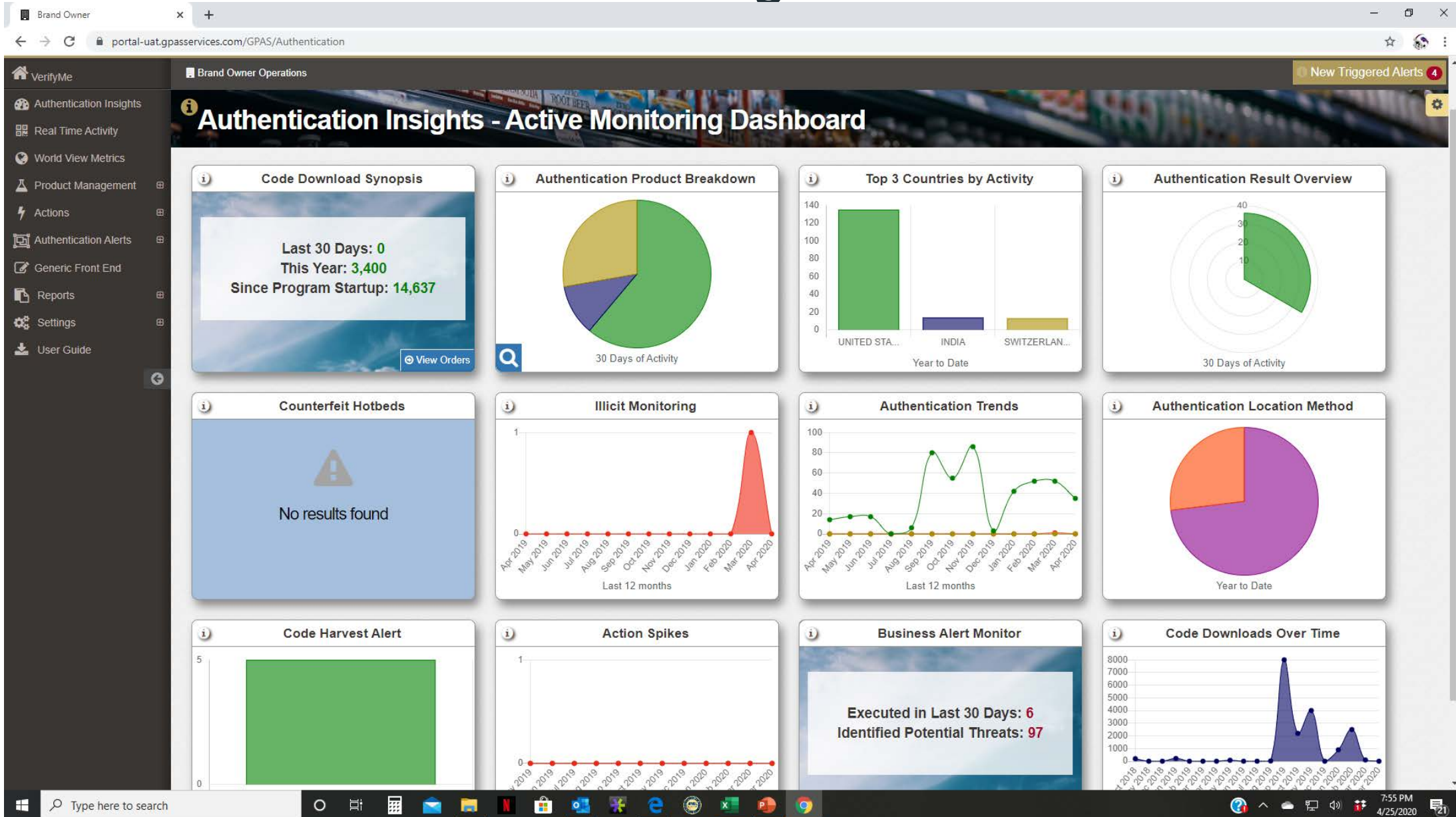


Aggregation: Units are serialized, scanned, and associated with case packs. Case packs are associated with Pallets. Pallets are associated with shipping containers.

Tracking: Shipping containers are tracked worldwide and upon receipt at customer center, a single code inside the container door is scanned to receive all products within the container.



Brand Owner Monitoring Dashboard



BRAND OWNER – GLOBAL REAL TIME MONITORING

Brand Owner Operations

Real Time Activity

Search Criteria

From: 9/1/2019
To: 4/25/2020
OR
Authentication Code:

Reset Search

Total Authentications : 406
Valid : 405
Invalid : 0
Fake : 1

Authentication Locations

Valid Invalid Fake

Authentication Records

Authentication Code	Date	Product Group	Product	Type	Code Status	Authentication Count	IPHash	Country	City	Postal Code
611206085891	24-Apr-2020 09:28:29	All	Demo QR	Valid	Active	24	rFIJ87IXsU9WzMYJpRiJSyKLgo=	INDIA	mumbai	400070

BRAND OWNER – GPS Product Scan Monitoring

Brand Owner

portal-uat.gpasservices.com/GPAS/Authentication/AuthenticationActivity

SELECT LANGUAGE English / 简体中文 APPLICATIONS Switch to LOGGED IN AS Keith Goldstein

VerifyMe Brand Owner Operations New Triggered Alerts 4

Real Time Activity

Search Criteria

From: 9/1/2019 To: 4/25/2020 OR Authentication Code:

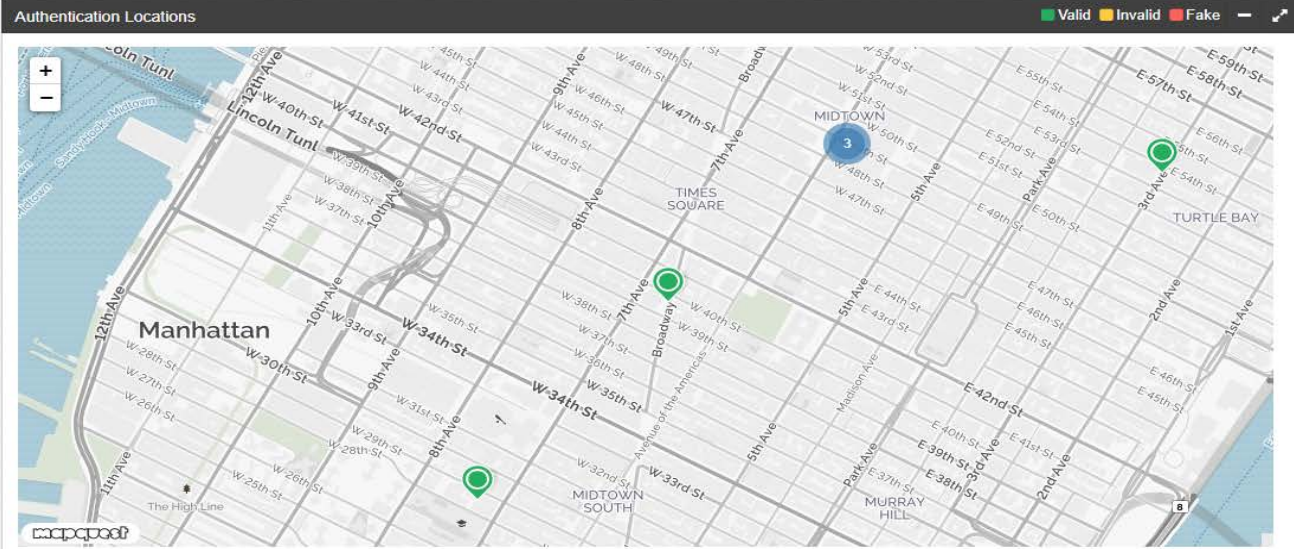
Reset Search

Total Authentications : 406

Valid : 405
Invalid : 0
Fake : 1

Authentication Locations

Valid Invalid Fake



Authentication Records

Reset Filters Export 10

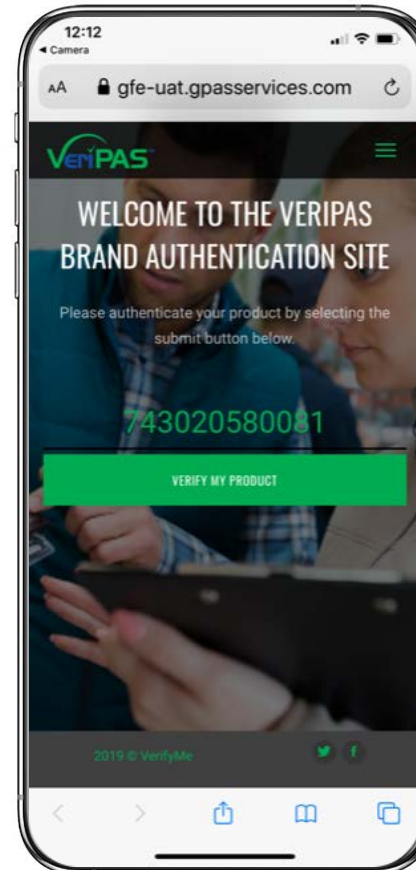
Authentication Code	Date	Product Group	Product	Type	Code Status	Authentication Count	IPHash	Country	City	Postal Code
<input type="text"/>	<input type="text"/>	All	All	All	All	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
611206085891	24-Apr-2020 09:28:29		Demo QR	Valid	Active	24	rFIJ87IXsU9WzMYJpRrJSyKLGo=	INDIA	mumbai	400070

Consumer Authentication Example

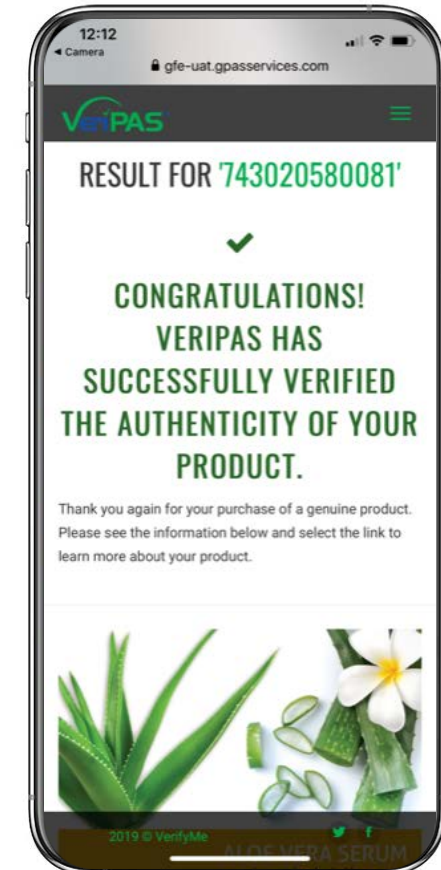
1 Scan



2 Submit



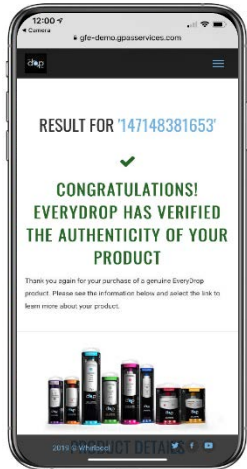
3 Authenticate



VeriPAS™ Consumer Engagement

Utilization of a built-in landing page designer or seamless API integration with your mobile marketing environment.
Complete brand messaging flexibility with authenticity transparent or in the background.

Authentication



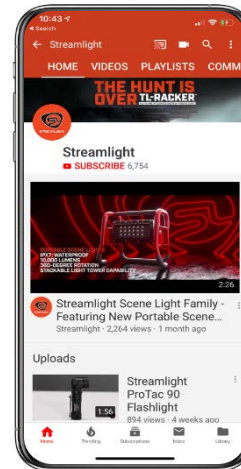
Registration



Coupons



Videos

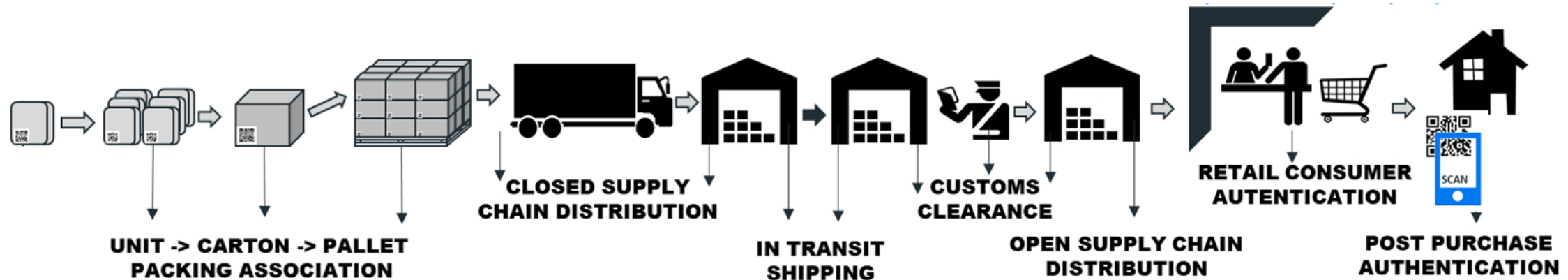


...And More



VeriPAS™ Supply Chain Tracking Workflow & Integration

VeriPAS™ provides the client with visibility to all events across the supply chain from product manufacture to consumer engagement by deploying non-invasive methods to integrate, collect & store all traceability lifecycle events.



VeriPAS™ Integration Layer for Data Collection

API/Webservice Integration
Cloud Based – SAP ERP, JDE ERP
EPICIS Services
Mobile Devices
IOT Sensor Devices
RFID Middleware Integration
Manual Integration
SC Blockchain

Use Case Driven Operational Controls

Business Rules Engine Real Time Alerts & Notifications Supply Chain Visualisation Advanced Reporting Business Intelligence Dashboards Analytics Dashboards



*Complete Tracking, Inventory, Reporting
Dashboards*

Amazon Retailer Solution - VerifyMe® as Authentic™ Labels

A turn-key platform for smaller brands to guarantee product authenticity to their customers and create a program for customer engagement and loyalty. Developed to provide covert brand protection for on-line retailers, while simultaneously enabling consumer product authentication, promotion, engagement and education through the visible serialized QR code.



Square Design



Round Design



Call to Action Card

Simple E-Commerce Solution – Smart Phone Authentication for on-line customers

VeriPAS™ Pricing Approach

- **VOLUME BASED PRICING**

- Pennies Per Label, Package or product (\$.01 - \$.05 - \$.25)

- **Volumes**

- 1-500,000
- 501,000 – 1 million
- 1 million to 10 million
- 11 million to 50 million
- 51 million to 100 million
- 100 million to 500 million
- 501 million to 1 billion
- 1 billion +

- **VeriPAS™ Per Code Pricing Includes:**

- Training & Setup
- WEB PORTAL
- Secure Code Ordering & Management
- Business Intelligence Tools
- Product/Code Traceability – Supply Chain & Consumer Marketplace
- Geo-Location Activity Dashboards
- Track & Trace Dashboards
- Business Rules Engine
- Support & Maintenance
- Updates
- Opportunity to influence roadmap regarding new features/requirements

Competitors

applieddnasciences 

- Applied DNA – Recently in a COVID Bio Play



- eApeiron – Kodak Traceless Ink Taggant

Authentix 

- Authentix – **Acquired** by Blue Water Energy PE

DIGIMARC | 

- Digimarc – Digital Watermark

solo 

- Solo Sciences – **Acquired** by (NASDAQ:KERN)

smartrac

- SmartTrac - **Acquired** by (NASDAQ:AVY)

OBSERVATIONS:

- Very High Multiples
- Fragmented Industry
- Big Brands in Acquisition Mode?
- Broad Range of Technologies
 - RFID/NFC
 - Digital Watermarks
 - DNA
 - Holographs/UV Ink

DIFFERENTIATORS:

- VerifyMe Strategic Partners
 - HP Indigo
 - Micro Focus
 - INX International
- Instant Authentication
- Web Portal – Cloud Based
- Customer Engagement
- Cost
- "Silver Bullet" Answer

Sales Team Focus - Six Major Sales Verticals

Target Markets – On the Body/In the Body

1. Cosmetics
2. Food and Beverages
3. Pharmaceuticals (including cannabis and nutraceuticals)
4. Government Products (including voting ballots, drivers' licenses, passports, tax stamps, and immigration documents)
5. Apparel (uniforms, military, police, sports, and fashion brands)
6. E-Commerce (preventing website counterfeiting for brand owners)



Recent Business Highlights

Expected to Lead to Revenue Growth:

- Cross-Selling with **Corsearch** - Solutions on E-Commerce Counterfeiting and Brand Abuse
- Formed strategic partnership with **Techind** Engineers & Consultants-Impex, part of the Gohar Group, of **India** (Pharma)
- Expanded VerifyMe® as Authentic™ labels availability for **Amazon retailers** to enable customers to easily authenticate their product including all legitimate COVID-19 related products with smart phone
- Signed first order for VeriPAS™ track and trace technology in the **cannabis** industry
- Expanded our contracted sales channel partners and representatives from four in 2019 to sixteen in 2020
- Granted Notice of Allowance for new **patent** for our dual code authentication process relating to our invisible QR code and smartphone reading system from the U.S. Patent & Trademark Office
- Continued initial contract with multi-billion-dollar global **consumer product companies**
- Expanded reach with new sales representative relationship based outside the United States in **Zug, Switzerland**

Financial Overview

VerifyMe, Inc.			
STATEMENTS OF OPERATIONS (Unaudited)			
	Six Months Ended		
	June 30, 2020	June 30, 2019	
Sales	\$ 167,000	\$ 87,000	
Cost of Sales	30,000	22,000	
Gross Profit	137,000	65,000	
Operating Expenses			
General & administrative	1,032,000	651,000	
Payroll expenses	304,000	207,000	
Sales & marketing	122,000	252,000	
Total Operating Expenses	1,548,000	1,247,000	
Loss Before Other Income (Expense)	(1,411,000)	(1,182,000)	
Interest (Expense) Income, net	(2,054,000)	3,000	
Loss on Extinguishment of Debt	(281,000)	-	
Net Loss	\$ (3,745,000)	\$ (1,179,000)	
Incl. Non-Cash Stock Compensation	688,000	349,000	

Financials – Capitalization Table

VerifyMe, Inc.			
BALANCE SHEETS			
	June 30, 2020 (Unaudited)	December 31, 2019	
Assets			
Cash and cash equivalents	\$ 9,595,000	\$ 253,000	
Accounts Receivable	46,000	81,000	
Total Current Assets	9,723,000	447,000	
Property and Equipment	228,000	177,000	
Intangible Assets	324,000	319,000	
Total Assets	\$ 10,274,000	\$ 943,000	
	-	-	
Current Liabilities			
Accounts payable and accrued	372,000	422,000	
Convertible debt	-	298,000	
Total Liabilities	457,000	1,011,000	
Total Stockholders' Equity (Deficit)	9,817,000	(68,000)	
Total Liabilities and Stockholders'	\$ 10,274,000	\$ 943,000	

Capitalization Table	As of August 14, 2020		
	Outstanding	Current Common Share Equivalent	Percent of Fully Diluted Outstanding
Common Shares	5,576,000	5,576,000	55.9%
Preferred B	0.85	144,000	1.4%
Stock Options ⁽¹⁾	474,000	474,000	4.8%
Warrants ⁽²⁾	3,779,000	3,779,000	37.9%
Total		9,973,000	100.0%

(1) 474,00 shares of common stock issuable upon exercise of outstanding options at a weighted average exercise price of \$4.48 per share


(2) 3,779,000 shares of common stock issuable upon exercise of outstanding warrants at a weighted average exercise price of \$5.89 per share

Catalysts:

What to look for over the next 12 months:

- **SALES** - Significant NEW Brand Owner Clients
- **SALES** - Current Clients: Expansion of Technology to new products and countries
- **TECHNOLOGY** – New Apparel Industry Security Technology
- **SALES:** Federal Government Collaboration –
 - HSE Borders and Customs Ports of Entry Test
 - CDC/FDA (COVD & DSCSA Mandate 2023)
- **SALES** - Entrance of use of technologies into the cannabis industry/pharma
- **SALES** - Execution of our PIPELINE of projects which is at its highest level in Company history
- **M&A** - Complementary and accretive acquisition(s)

THANK YOU!



Contact Us

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