



VerifyMe[®]

Protect your brand. Grow your business.

Investor Presentation
September 8, 2022

NASDAQ:VRME

Agenda



- Welcome & Introductions
- Operations Update
- Financial Review
- Q&A
- Closing Remarks

FORWARD-LOOKING STATEMENTS

In addition to historical information, this presentation contains statements relating to the acquisition of the business and assets of PeriShip, LLC by VerifyMe, Inc. and integration of the two companies, anticipated synergies of the acquisition, revenue opportunities, anticipated revenue, profitability of the combined company, future business, financial performance, future catalysts 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," "opportunity," "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 the impact of the COVID-19 pandemic, intellectual property litigation, the successful development of our sales and marketing capabilities, the successful integration of our acquisitions (including the acquisition of the business and assets of PeriShip, LLC), 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 large 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 and Quarterly Reports filed with the Securities and Exchange Commission under the heading "Risk Factors." 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.

Market data and industry information used herein are based on our management's knowledge of the industry and the good faith estimates of management. We also relied, to the extent available, upon managements review of independent industry surveys, forecasts and publications and other publicly available information prepared by a number of third-party sources. All of the market data and industry information used herein involves a number of assumptions and limitations which we believe to be reasonable, and you are cautioned not to give undue weight to such estimates. Although we believe that these sources are reliable, we cannot guarantee the accuracy or completeness of this information, and we have not independently verified this information. Projections, assumptions and estimates of our future performance and the future performance of the industry in which we operate are subject to a high degree of uncertainty and risk due to a variety of factors, including those described, above. These and other factors could cause results to differ materially from those expressed in our estimates and beliefs and in the estimates prepared by independent parties.

Non-GAAP Financial Measures

This presentation includes non-GAAP financial information. This non-GAAP information is in addition to, not a substitute for or superior to, measures of financial performance or liquidity determined in accordance with GAAP. The Securities and Exchange Commission's Regulation G applies to any public disclosure or release of material information that includes a non-GAAP financial measure and requires: (i) the presentation of the most directly comparable financial measure calculated and presented in accordance with GAAP and (ii) a reconciliation of the differences between the non-GAAP financial measure presented and the most directly comparable financial measure calculated and presented in accordance with GAAP. The required presentations and reconciliations are contained in this presentation and can also be found at our website at www.verifyme.com.

Welcome Remarks

Scott Greenberg
Chairman

- **Remarks**
- **Future Outlook**

Financial and Equity Snapshot

Exchange/Ticker: NASDAQ: **VRME**

Stock Price (9/6/2022): **\$1.52**

Shares Outstanding (9/6/2022): **9.1 Million**

Market Cap: **\$13.8 million**

Cash Balance: **\$3.8 million as of June 30, 2022**

Debt: **\$2.0 million as of June 30, 2022**

Revenues (TTM as of 6/30/22):
\$5.2 million Actual⁽¹⁾ (\$27.5M Pro Forma for PeriShip)

Insider Ownership: **approximately 13%**

Share Repurchase Program: **New \$1.5 million plan as of July 1, 2022**

Entered into Multi-Year contract Extension with Strategic Partner and
Largest Customer of PeriShip



Provide software driven logistics and complimentary services

Strong
Leadership
Team

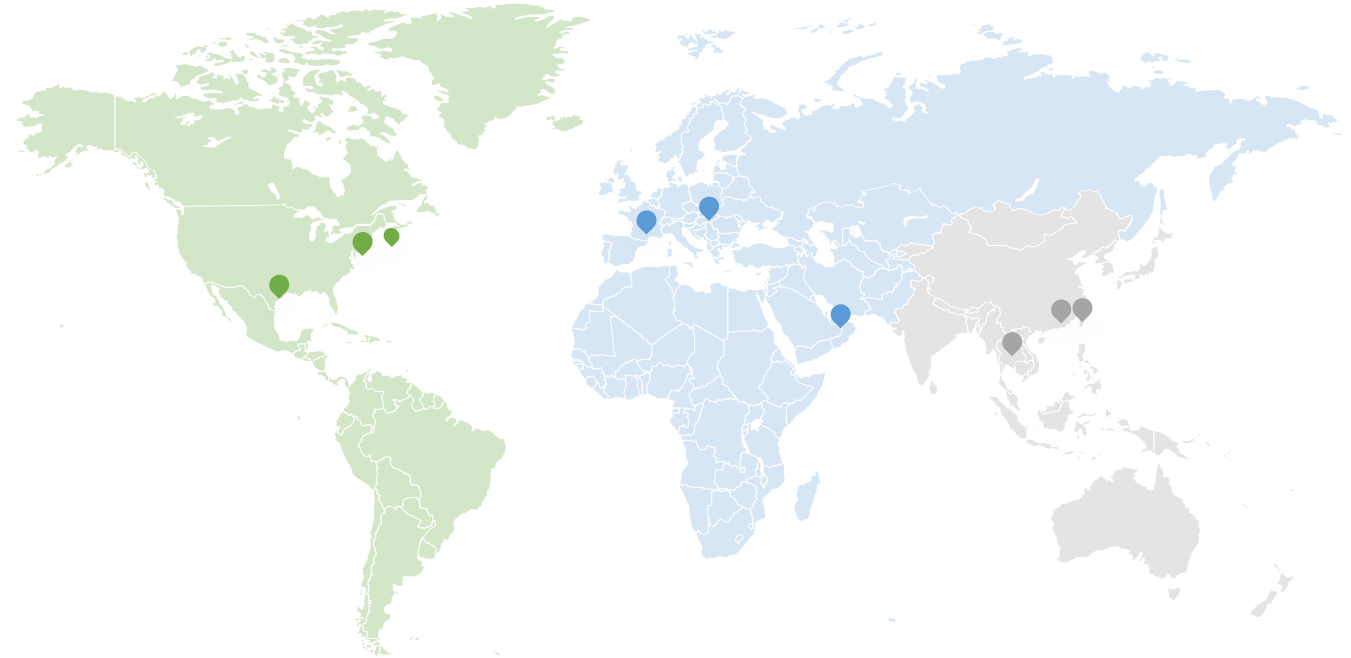
Sticky
Customer
Base

Global Sales
Network

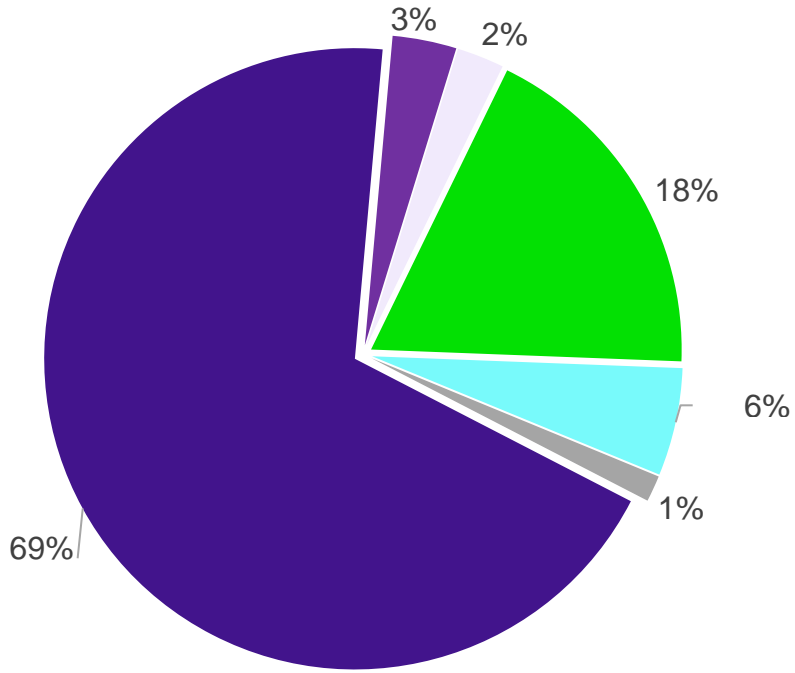
Strategic
Industry Focus

Global Sales Network

- ✓ Offices in New York, Connecticut, Boston, Switzerland and Texas
- ✓ Strategic sales partners in UK and India with others coming online



Revenue by Market Sector for the Quarter



■ Pharma ■ Agriculture ■ Apparel ■ Food & Beverage ■ Health & Beauty ■ Other



Growth Strategy

Segment	Q2 % Revenue	Hurdle	Action
PeriShip	94%	Increase presence to grow revenue	<ul style="list-style-type: none">✓ Sales & marketing campaign✓ Focus on small and medium market
VerifyMe	6%	Long sales cycle	<ul style="list-style-type: none">✓ Acquisition of PeriShip with over 400 customers✓ Cross selling✓ New product introductions✓ Strategic Partnerships

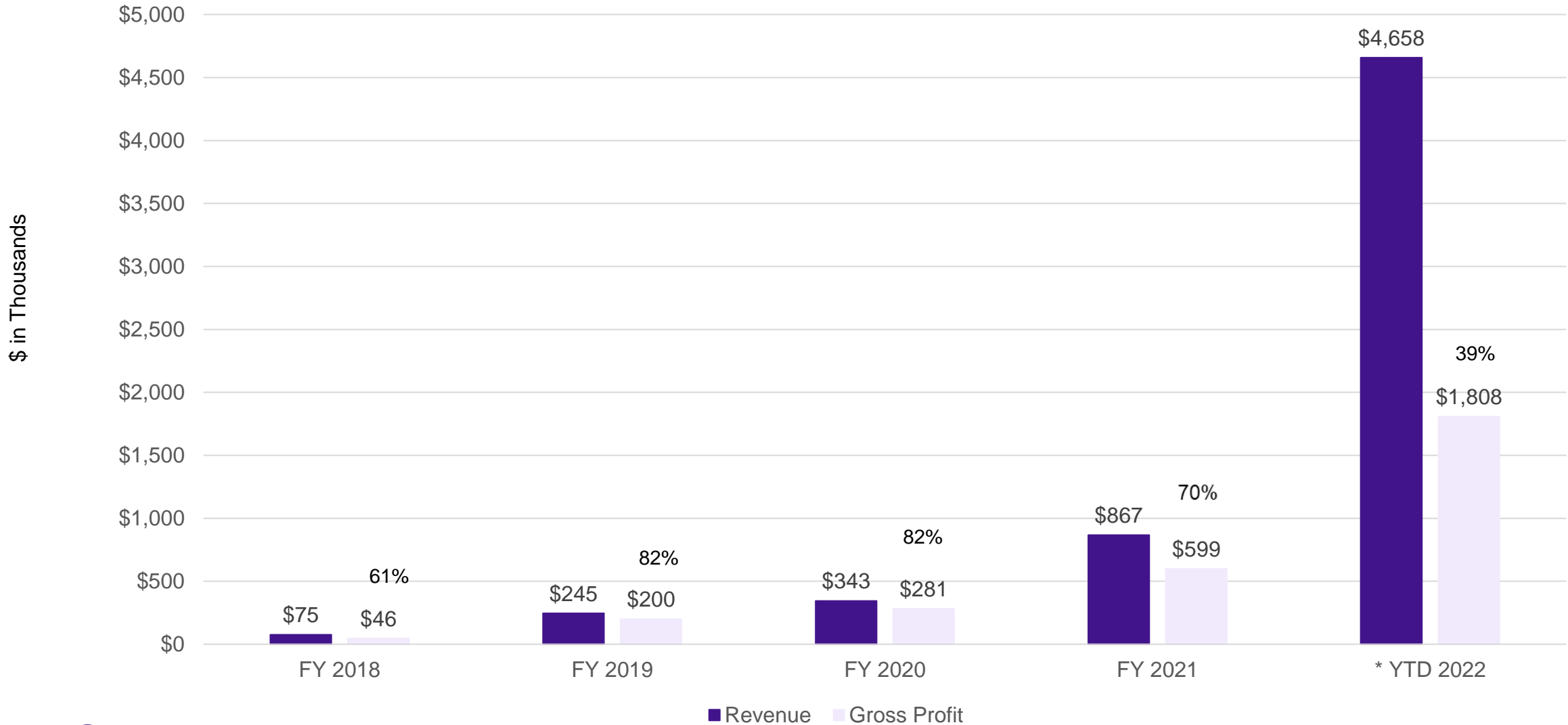
Financials

Q2 2022 Selected Financial Highlights

	Q1 2022	Q2 2022	YTD 2022
Revenue	161	4,497	4,658
Gross profit	123	1,685	1,808
Gross margin	76%	37%	39%
General and administrative expenses	1,465	2,535	4,000
Sales and marketing expenses	299	447	746
Net Loss	(1,394)	(12,555)	(13,949)
Adjusted EBITDA ⁽¹⁾	(1,058)	(303)	(1,361)

(1) The term Adjusted EBITDA is a non-GAAP financial measure that the Company believes is useful to investors in evaluating its results. For a reconciliation of this non-GAAP financial measure to the most comparable GAAP equivalents, see the Non-GAAP Reconciliation along with related footnotes, in the Appendices to this presentation.

Revenue and Gross Profit



Balance Sheet

Key Highlights

- Cash of \$3.8M as of June 30, 2022 (\$7.5M paid in April for acquisition of PeriShip)
- \$10.6M Intangible assets and goodwill related to the acquisition of PeriShip
- Debt-\$2.0M related to acquisition of PeriShip as of June 30, 2022

(\$ in thousands)

	June 30, 2022 (unaudited)	December 31, 2021
Assets		
Cash and cash equivalents	\$3,751	\$9,422
Accounts receivable and unbilled revenue	2,360	297
Equity Investment	-	10,964
Intangible assets & Goodwill	10,609	-
Other assets	1,375	1,005
Total Assets	\$18,095	\$21,688
Current Liabilities		
Accounts payable, accrued exp and current lease	\$2,089	\$450
Current portion of debt	500	-
Non-Current Liabilities		
Long term portion of debt	1,500	
Other long term liabilities	416	71
Total Liabilities	\$4,505	\$521
Total Stockholders' Equity	\$13,590	\$21,167
Total Liabilities and Stockholders'	\$18,095	\$21,688



Q & A

Appendices

Non-GAAP Reconciliation – Adjusted EBITDA⁽¹⁾

For the six months ended June 30 2022	Amounts in Thousands ('000)			
	Three Months Ended		Six months ended	
	June 30,		June 30,	
ADJUSTED EBITDA (Non-GAAP)	2022	2021	2022	2021
Net loss	\$ (12,555)	\$ (1,358)	\$ (13,949)	\$ (2,573)
Interest income (expenses), net	23	-	22	-
Payroll protection program debt forgiveness	-	(70)	-	(70)
Amortization and depreciation	208	32	243	55
Total EBITDA (Non-GAAP)	(12,324)	(1,396)	(13,684)	(2,588)
Adjustments:				
Stock based compensation	5	13	92	23
Fair value of options issued in exchange for services	-	-	-	85
Fair value of restricted stock and restricted stock units issued in exchange for services	308	499	650	842
Loss on equity investments	11,210	-	10,958	-
One time professional expenses for acquisitions	498	-	623	-
Total Adjusted EBITDA (Non-GAAP)	\$ (303)	\$ (884)	\$ (1,361)	\$ (1,638)

(1) Adjusted earnings before interest, income taxes, depreciation and amortization (Adjusted EBITDA) is a widely used non-GAAP financial measure of operating performance. It is presented as supplemental information that the Company believes is useful to investors to evaluate its results because it excludes certain items that are not directly related to the Company's core operating performance. In particular, with regard to our comparison of the second quarter 2022 Adjusted EBITDA to second quarter 2021 Adjusted EBITDA, we believe that certain charges in the second quarter make a quarter to quarter comparison of net income less useful to investors than a comparison of Adjusted EBITDA in understanding the results of operations. Adjusted EBITDA is calculated by adding back to net income interest expense, payroll protection program debt forgiveness, depreciation and amortization, non-cash stock compensation expense, loss on equity investment and professional expenses for the acquisition. Adjusted EBITDA should not be considered as a substitute either for net income, as an indicator of the Company's operating performance, or for cash flow, as a measure of the Company's liquidity. In addition, because Adjusted EBITDA may not be calculated identically by all companies, the presentation here may not be comparable to other similarly titled measures of other companies.



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