



# VerifyMe<sup>®</sup>

Protect your brand. Grow your business.

Investor Presentation  
January 12, 2022  
NASDAQ:VRME

# Agenda



- Welcome
- Company Overview
- Product Solutions & Technology
- Growth Strategy
- Financial Analysis
- Q&A
- Closing Remarks

# FORWARD-LOOKING STATEMENTS

In addition to historical information, this presentation contains statements relating to the 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," "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, 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 on Form 10-K for the year ended December 31, 2020 and the Quarterly Report on Form 10-Q for the nine months ended September 30, 2021. 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 management's 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.

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# Welcome Remarks

Scott Greenberg  
Chairman

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

# Company Overview

# Financial and Equity Snapshot

Exchange/Ticker: NASDAQ: **VRME**

Stock Price (1/07/22): **\$3.23**

Shares Outstanding (1/07/22): **7.2 Million**

Market Cap: **\$23.3 million**

Cash Balance: **\$10.6 million as of September 30, 2021**

Equity Investment: **\$10.8 million as of September 30, 2021**

Debt: **\$0 as of September 30, 2021**

Revenues (YOY as of 9/30/21):  
**\$612,000; 128% growth year-over-year**

Insider Ownership: **9%**

Share Repurchase Program: **Approximately \$1 million remaining under the plan as of September 30, 2021**



# Management



## Scott Greenberg

*Chairman of the Board*

- Former Chairman at GP Strategies with a \$394 M market cap when sold



## Patrick White

*President, Chief Executive Officer and Director*

- 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
- Grew DSS from \$1 Mil to \$340 M market cap



## Keith Goldstein

*Acting Chief Operating Officer*

- Over 25 years of experience in strategic, operational and financial management across a variety of industries
- 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 15 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



## Nancy Meyers CPA, CGA

*Vice President Finance and Investor Relations*

- Over 25 years of experience in accounting and finance for publicly listed companies most recently with GP Strategies
- Holds a Chartered Professional Accountant designation from Canada



## 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™

# VerifyMe at Inflection Point

2017-2020 Development stage completed  
2021 - Forward Commercialization stage, ramping of sales

## SALES

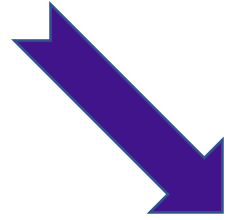
- Significant NEW Brand Owner Clients
- Conversion of mature prospects to customers
- Sales growth exceeding 100%
- Incremental gross margin growth
- Recurring revenue stream

## MERGERS AND ACQUISITIONS

- Complementary acquisition(s)
- Label / Pkg Printer / Pharma
- Blockchain – Software Developers



# Key Market Drivers



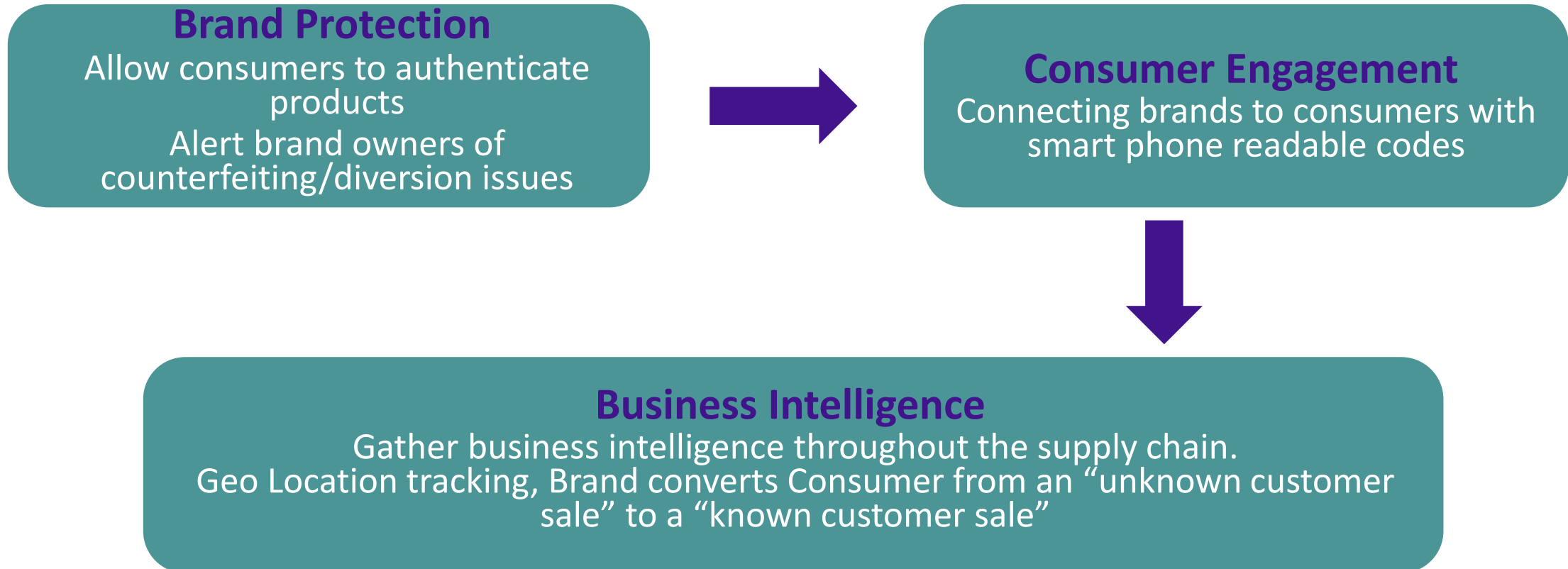
- ✓ Growing Counterfeit Problem
- ✓ Growing Product Diversion
- ✓ Health Issues
- ✓ Supply Chain Problems
- ✓ Brand Owners want Data- Business Intelligence
- ✓ Brand Owners want to engage and know their customers
- ✓ Linking NFT Certificates of Ownership to Physical Products



# Product Solutions and Technology

# Product Road Map

We are brand protection and customer engagement experts.



# The Consumer Engagement Opportunity

Smartphone and cloud technologies have fundamentally changed the market.

VerifyMe combines cloud-based authentication software with mobile web experiences to help brand owners connect with consumers at point of sale and point of use to extend their engagement.



**6.0B**

There are 6.0 billion smartphone users in the world \*



**\$3.9T**

With CAGR of 34.9%, mobile commerce is expected to reach \$3.9T by 2026\*\*



**QR code**

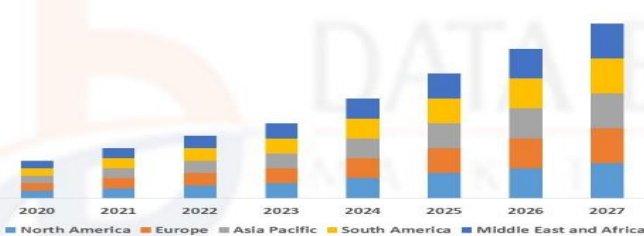
QR codes and NFC make it possible to connect products and consumers instantly

# Global Market Size of VERIFYME Products

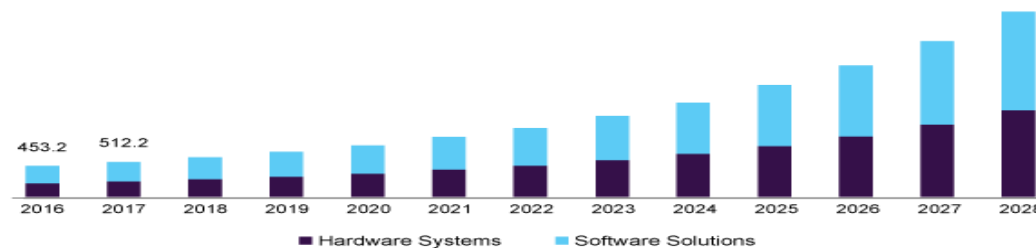
VerifyMe Product Year	PRODUCT	MARKET	CAGR
1999-2018	#1 Product Authentication=	\$7.7 Bil (2026)	+8.7%
2019	#2 Serialization/Track and Trace =	\$9.7 Bil (2028)	+19%
2020	#3 Consumer Engagement=	\$29.5 Bil (2024)	+12.6%
2021	#4 Global Label Printing =	<u>\$58.3 Bil (2027)</u>	<u>+9.3%</u>
	TOTAL ADDRESSABLE Market =	\$105.2 Billion	+11.1%



Global Label Printing Market is Expected to Account for USD 58.28 Billion by 2027



U.S. track & trace solution market size, by product, 2016 - 2028 (USD Million)



Source: www.grandviewresearch.com

# Major Market Verticals

To fight counterfeiting, diversion and engage with consumers



APPAREL



CONSUMER PRODUCTS



COSMETICS



FOOD & BEVERAGE



WINE & SPIRITS



ELECTRONICS



PHARMACEUTICALS



PPE



CANNABIS



AUTOMOTIVE



INDUSTRIAL

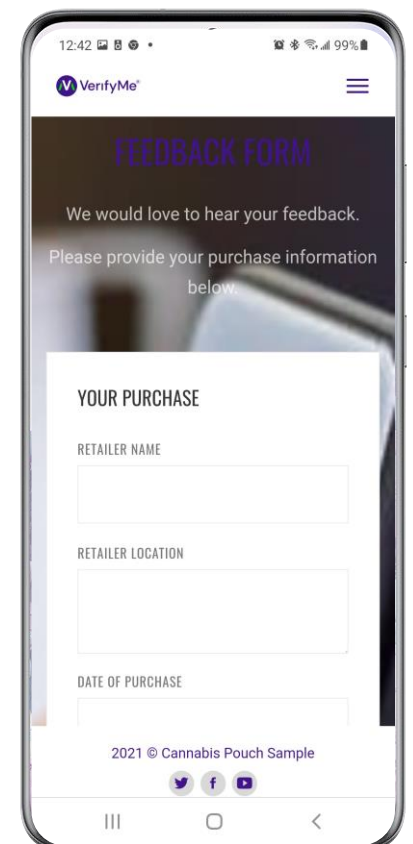
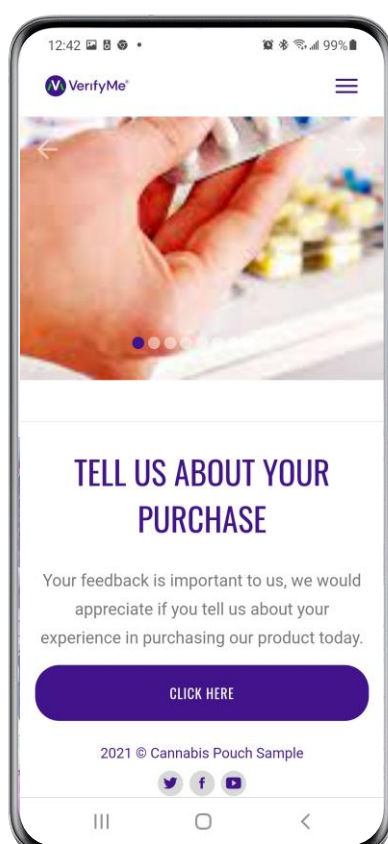
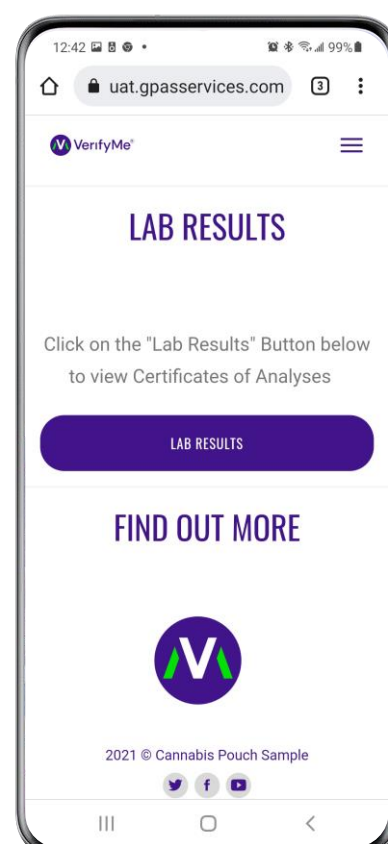
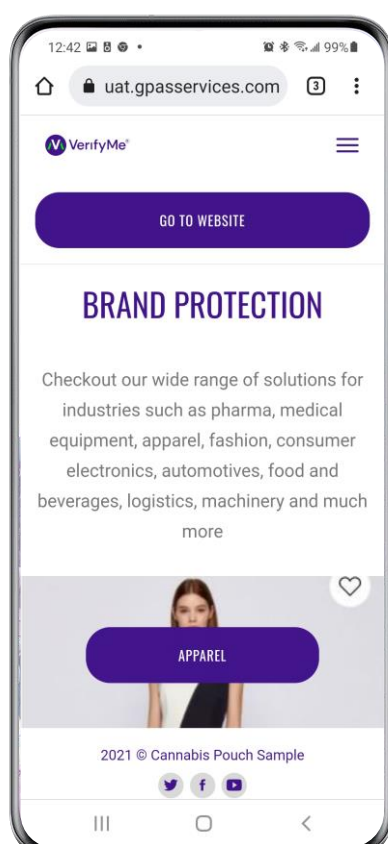
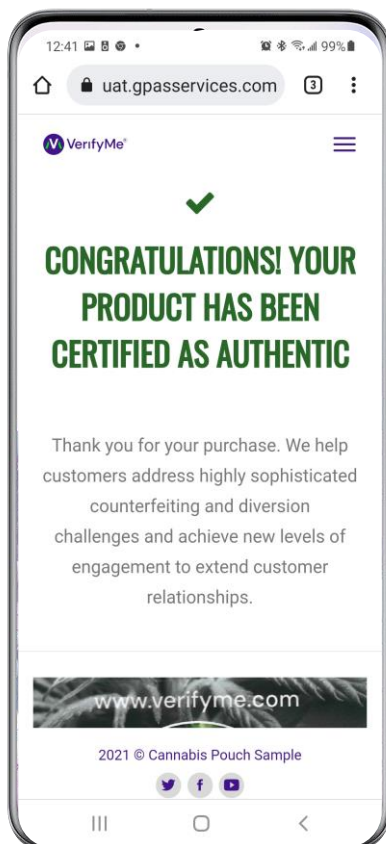
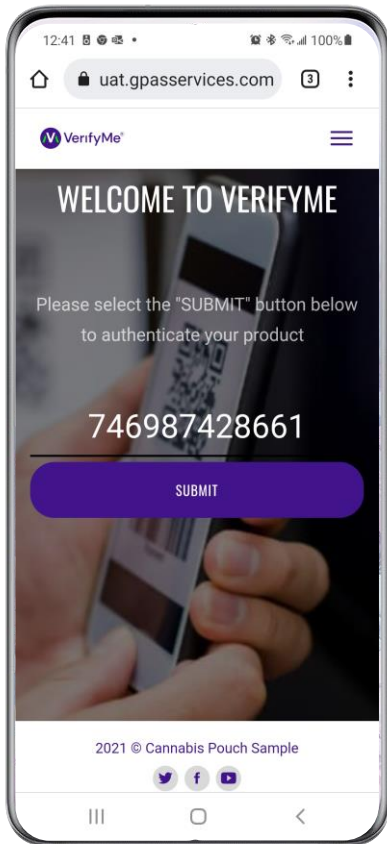
# Brand Protection | Simple 3 Level Approach

## Level 1 - Dynamic visible codes & NFC for consumers and supply chain T&T

- Printed Digitally
  - Traditional QR codes – open source, any smart phone scan
  - Proprietary 2D codes – use branded App to scan, high levels of security, very hard to copy or link to fake websites
- NFC/RFID chips, no line of sight required

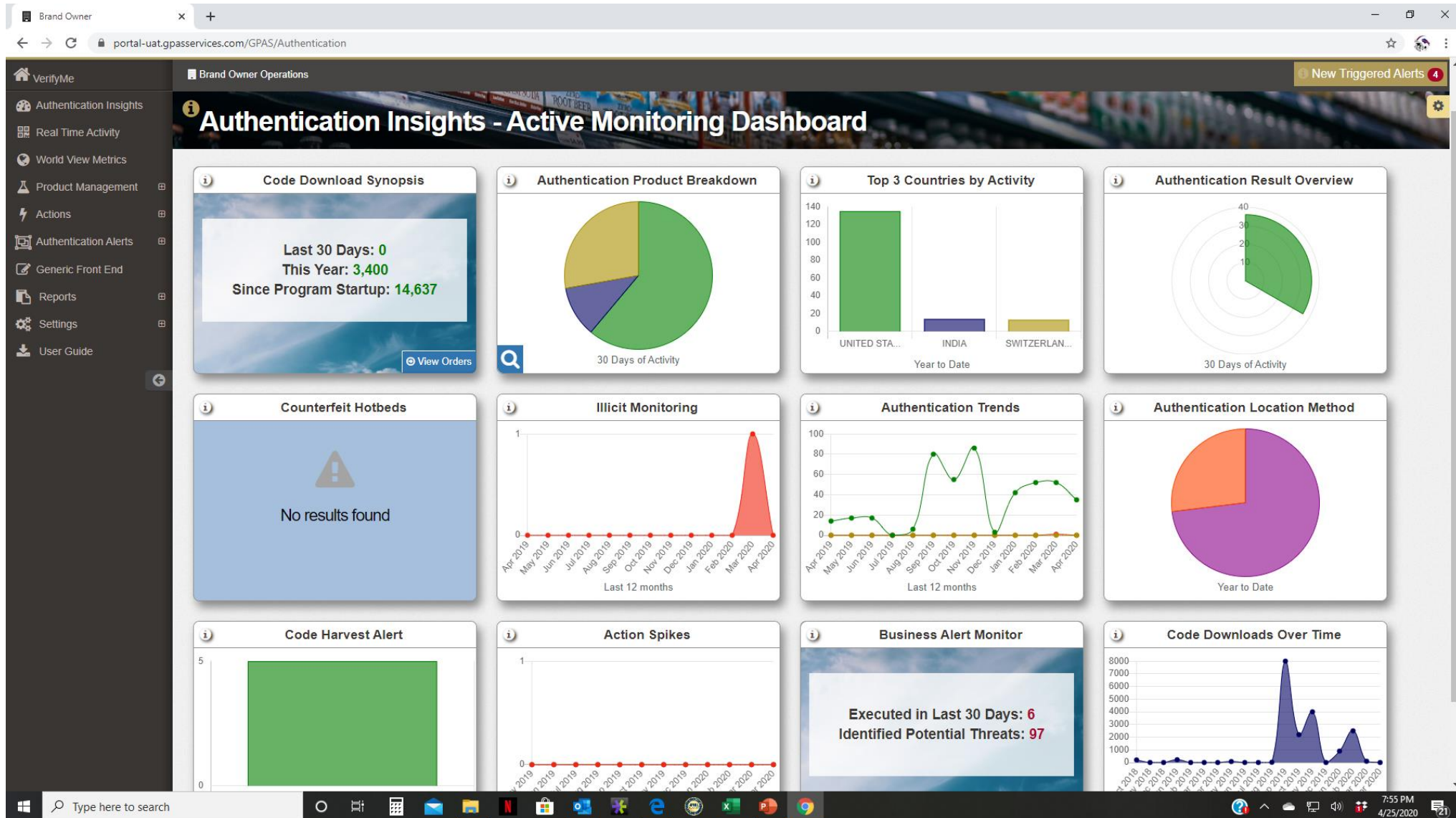


# Consumer Engagement

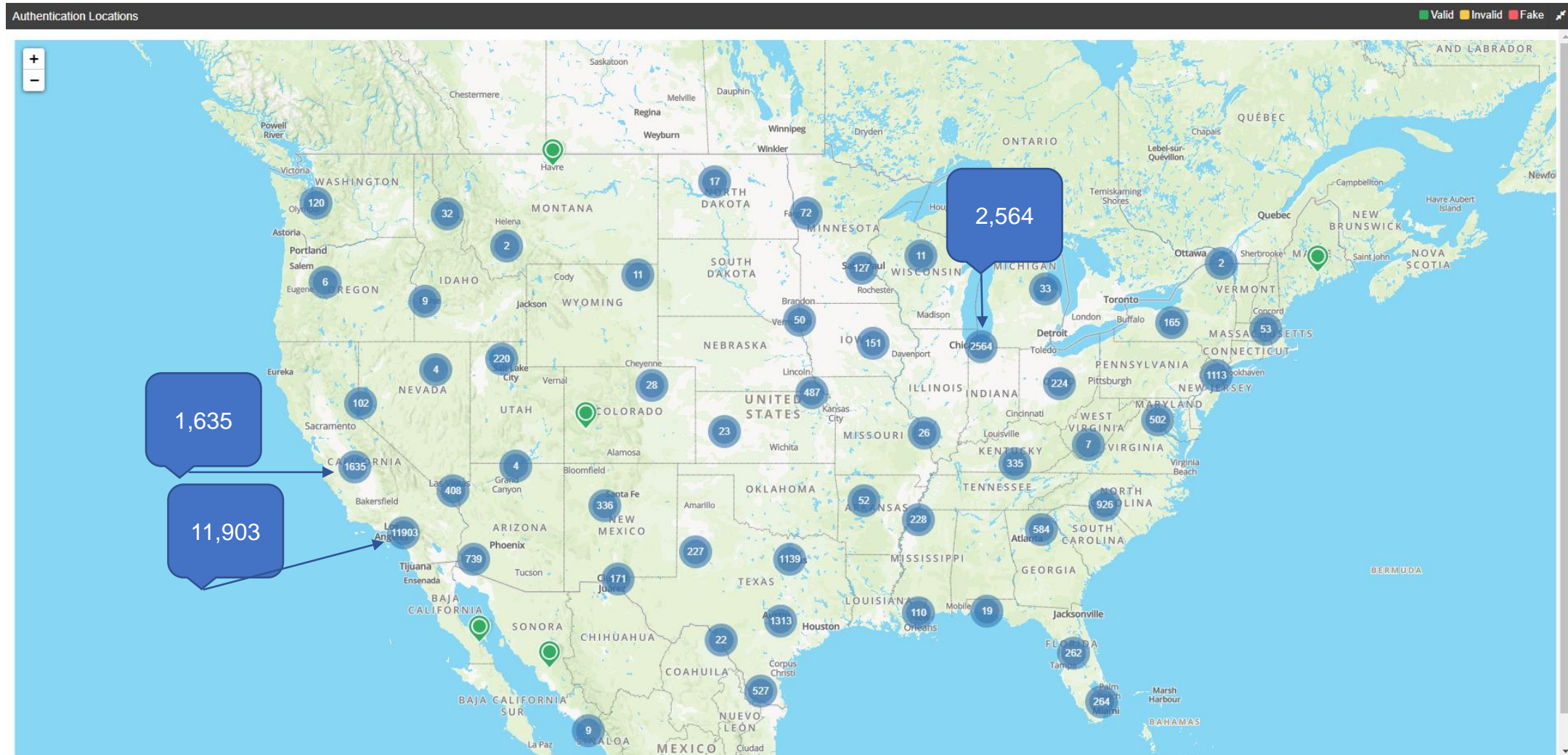




# Brand Owner Monitoring Dashboard



# Data Rich Purchase Information

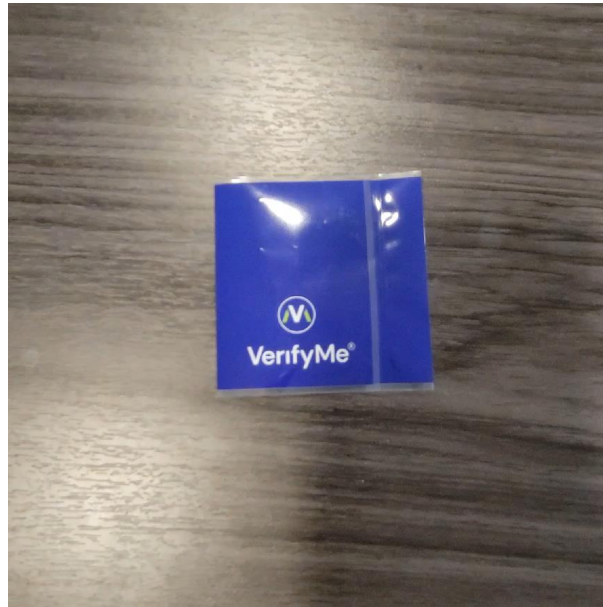


# Brand Protection | Simple 3 Phase Approach

## Level 2 - Static invisible & tagged spot colors for brand inspectors



Aluminum Bottle Caps



Shrink Sleeves Packaging



Fabric / Apparel

- VerifyInk™ Printed on any conventional printing press, gravure, flexo, offset, silkscreen
- Printed on virtually any material, metal, PET shrink sleeves, plastics, paper, fabrics, etc.
- Authenticated off-line and on-line

# Brand Protection | Simple 3 Level Approach

## Level 3 - Variable, unique invisible serialization on digital printing press



Ingredients:  
Water, Organic Aloe Vera Extract, Witch Hazel, Botanical Hyaluronic Acid, Kosher Vegetable Glycerin, Methylsulfoniomethane (MSM), Hydroxyethyl Cellulose, Carrageenan Gum, Organic Jojoba Oil, Wildcrafted Green Tea, Geranium Essential Oil, Vitamin C, Vitamin E, Sodium Benzoate, Potassium Sorbate, Ethylhexyl Glycerin, Organic Gotu Kola Extract.



This is an HP Indigo digital print. Printed with VerifyMe™'s RainbowSecure™ powered by HP Indigo.

Peptide +  
Anti-Wrinkle  
Serum

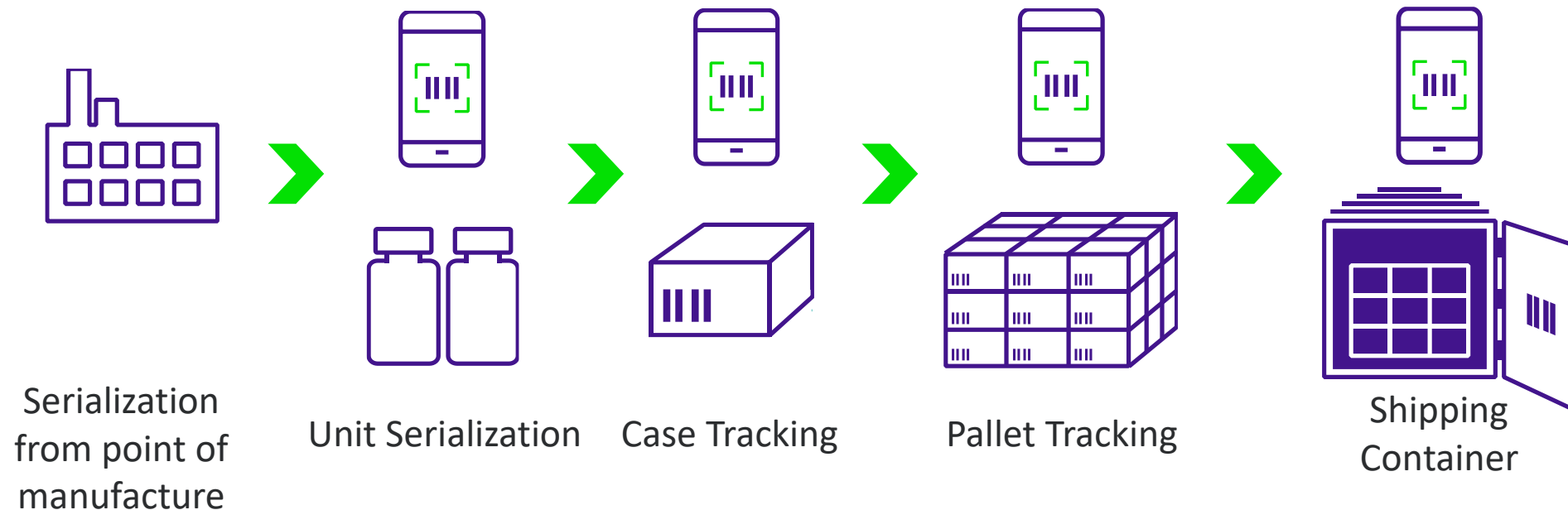
**ALOE VERA SERUM**  
advanced retinol skin care



# VerifyMe Track & Trace™

Track events across the supply chain, from manufacture to point of use.

VerifyMe provides visibility of events across the supply chain by deploying non-invasive methods to integrate, collect, and store actionable data—providing invaluable information to brands and customers alike.



# Growth Strategy

## 2022 New Technology Commercialization:

#1 – Apparel Industry Solutions

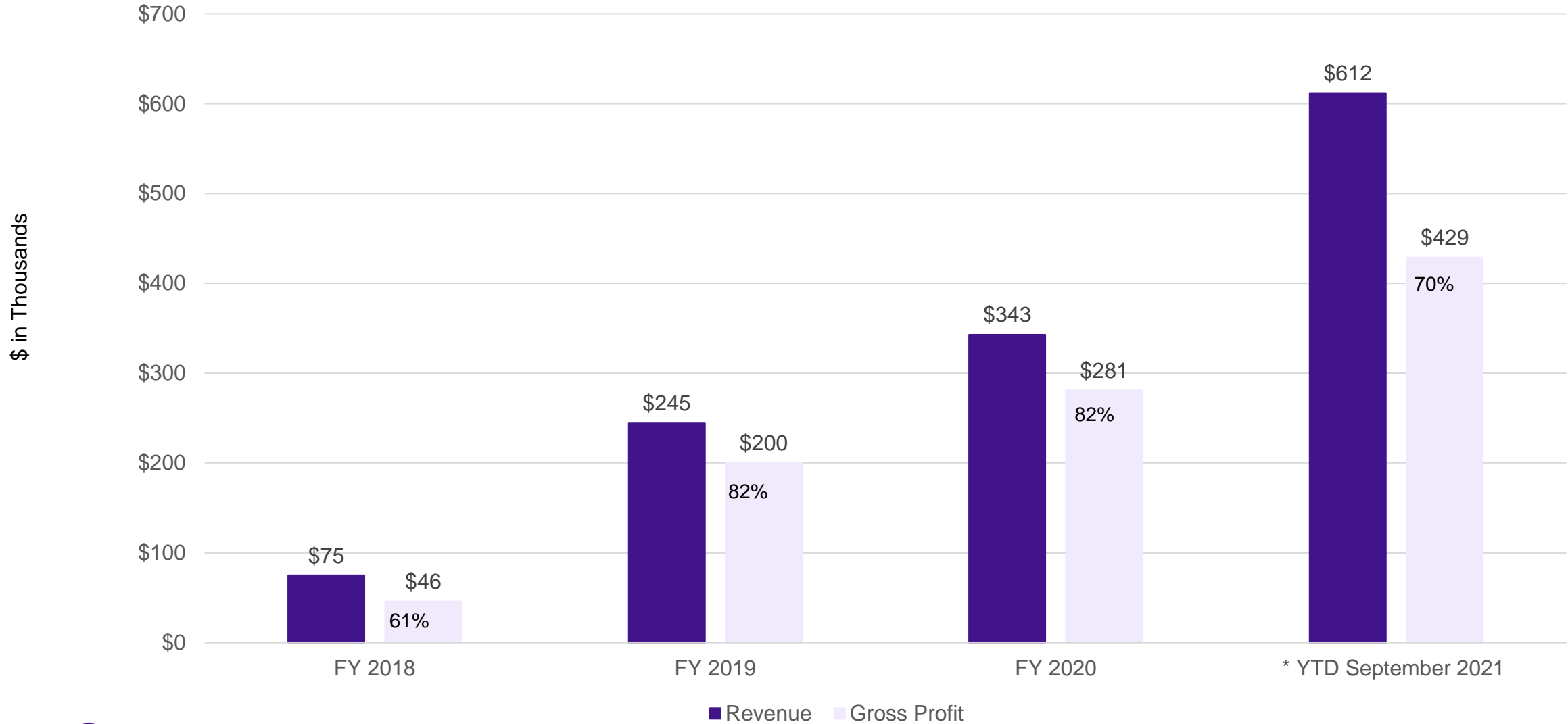
#2 – Crypto Linking Products to NFTs (Food and Beverage, High-End Products, Sports Apparel)

#3 – New Ink Jet Technology Opens 95% of Label And Packaging Market to VerifyMe



# Financials

# Revenue and Gross Profit





# Balance Sheet

## Key Highlights

- Cash of \$10.6M as of September 30, 2021
- \$10.8M Equity Investment in SPAC –G3 VRM Acquisition Corp of which we beneficially own approximately 9.42%
- Debt-Free as of September 30, 2021

(\$ in thousands)	September 30, 2021 (unaudited)	December 31, 2020
<b>Assets</b>		
Cash and cash equivalents	\$10,630	\$7,939
Equity Investment	10,806	-
Other assets	1,164	835
<b>Total Assets</b>	<b>\$22,600</b>	<b>\$8,774</b>
<b>Current Liabilities</b>		
Accounts payable and accrued	\$434	\$383
<b>Non-Current Liabilities</b>		
Other Long-Term Liabilities	9	72
<b>Total Liabilities</b>	<b>\$443</b>	<b>\$455</b>
<b>Total Stockholders' Equity</b>	<b>\$22,157</b>	<b>\$8,319</b>
<b>Total Liabilities and Stockholders'</b>	<b>\$22,600</b>	<b>\$8,774</b>

# Investment Highlights

## 1. Solving Global Counterfeiting Problem

FBI: "Crime of the 21st Century" \*

FE: "\$1.9-2.8 Trillion by 2022" \*\*

WHO: "10s of Thousands Dying" \*\*\*

## 2. Technology

Safe, Practical, Highly Effective, Instant,  
Affordable and Easily Implemented

12 US and European Patents

Scalable – Revenue Potential - Prospects

## 3. Execution

Experienced Management

Fortune 500 Board Of Directors

Significant cash reserves to support  
growth

## 4. Strategic Partners

Hewlett-Packard (NYSE:HPQ)

INX International Ink Co.

## 5. Crypto Opportunities

NFTs

Metaverse



# Q & A



Protect your brand. Grow your business.

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