

**T STAMP INC**  
**(‘Trust Stamp’ or ‘The Company’)**

***Trust Stamp announces record revenue and gross profit for Q1 2022;  
revenue increases 430% over the same period last year***

**May 13 2022:** Trust Stamp (Nasdaq: IDAI, Euronext Growth: AIID ID), the Privacy-First Identity Company™ providing AI-powered trust and identity services used globally across multiple sectors, provides a business update and commentary on reported financial results for the three months ended March 31, 2022 (“Q1 2022”).

**First Quarter 2022 Financial Highlights:**

- **Net Revenue** was \$2.82M in Q1 2022 compared to \$0.53M in Q1 2021, a 430.0% increase year-over-year
- **Gross Profit** was \$2.13M in Q1 2022 compared to \$0.27M in Q1 2021, a 673.8% increase year-over-year
- **Gross Profit Margin** for Q1 2022 was 75.4% compared to 51.6% for Q1 2021
- **Operating Loss** decreased to \$1.64M in Q1 2022 compared to \$1.94M in Q1 2021
- **Net Profit Margin** increased to -60.0% in Q1 2022 from -381.7% in Q1 2021
- **Net Loss** was \$1.69M in Q1 2022 compared to \$2.03M in Q1 2021, a 16.7% decrease year-over-year
- **Cash and Cash Equivalents** were \$5.84M in Q1 2022 compared with \$3.48M as of December 31, 2021

**Gareth Genner, Chief Executive Officer,** comments: *“We achieved record revenue of \$2.82 million and gross profit of \$2.13 million during Q1 2022, representing year-over-year increases of 430% and 674%, respectively. Trust Stamp has reported several significant developments over the past quarter as we delivered growth across the business, from our targeted suite of solutions and intellectual property portfolio to our earnings and client base.*

*This strong financial and operational performance reflects Trust Stamp’s ability to capture diversified market opportunities and grow existing commercial relationships to generate long-term revenue streams. Notably, we expanded upon an existing customer relationship within the government sector while increasing our scope of work with multiple Fortune 500 commercial clients in the financial services sector. Our technology has garnered interest across multiple government use cases in the United States and internationally, addressing pressing concerns around the privacy and security of legacy biometric implementations. Towards this end, Trust Stamp has made a significant investment in expanding our government-facing business development team and are in active discussions with several overseas governments.*

*We continue to innovate through investment in research and development to expand and productize our portfolio of solutions, which has led to five patent issuances and nine new patent application filings in Q1. Trust Stamp’s core technology delivers unparalleled security, utility, and privacy, at a fraction of the cost of traditional biometric solutions, driving commercial growth as we address cross-industry needs for fraud prevention, operational efficiency, and accessibility in digital services.*

*We are notably pleased with the launch and commercial adoption of our next-generation Biometric Multi-Factor Authentication ([Biometric MFA™](#)) offering and Identity Orchestration Platform, which transforms secure digital operations across the identity lifecycle with seamless rapid deployment of custom workflows built on our range of innovative AI-powered solutions. The low-code identity package addresses key industry and consumer requirements, including know-your-customer (KYC) and anti-money laundering (AML) regulations, multi-factor authentication, account recovery, fraud prevention, data protection, and more.*

*Following the launch of our end-to-end Identity Orchestration Platform, FIS, a leading financial services technology provider with over 20,000 clients, announced a partnership to leverage Trust Stamp’s biometric verification and tokenization capabilities in their global KYC solution. We continue to onboard new clients and partners, including VIVA Finance, which is integrating our biometric verification, document validation, and data protection technology to power and protect robust, accessible, and equitable financial services. Beyond internal sales initiatives, Trust*

*Stamp is also focused on engaging channel partners with substantial distribution networks, which we believe will enable us to rapidly and cost-effectively scale the business.*

*Trust Stamp's commitment to innovating secure, privacy-first identity and trust verification solutions, investment in scalable infrastructure, and strengthened presence across a range of market opportunities position us to drive continued positive performance as we execute on our long-term growth strategy with a strong balance sheet, including cash on hand of \$5.86 million.*

*Building upon our work to drive market differentiation and shareholder value with a resilient and diversified business over previous years, Trust Stamp has made significant progress on executing key strategic goals in the first quarter of 2022, including uplisting to the Nasdaq Capital Market on January 31, 2022. On behalf of the Trust Stamp team, I want to thank our shareholders for your continued support as we execute our mission to accelerate secure global financial and societal inclusion."*

## **Financial Performance Overview**

### **Revenue**

Net revenue increased by \$2.29 million or 430.0%, to \$2.82 million for Q1 2022, compared to \$532 thousand for Q1 2021. This increase was primarily due to revenue contracts executed by newly acquired and existing customers.

### **Gross Profit**

Gross profit increased by a notable \$1.86 million or 673.9% year-over-year in the first quarter, while gross profit margin improved to 75.4% in Q1 2022, compared to 51.6% for Q1 2021. The improvement was due in part to the Company's prior investment in research and development, which enabled the utilization of existing technologies with relatively nominal implementation costs for new deployments.

### **Research and Development**

Research and development (R&D) costs decreased by \$261 thousand or 34.6% year-over-year in the first quarter. The decrease in R&D expenses in the comparison periods was driven by the Company's continued efforts to transition software development resources towards expanding internal capabilities and away from external third-party software development.

### **Selling, General, and Administrative Expenses**

Selling, general, and administrative (SG&A) expense increased to \$3.12 million for Q1 2022, compared to \$1.33 million for Q1 2021. The increase in SG&A expense during the period ended March 31, 2022 was driven by legal and professional services fees, other fees related to the listing of the Company's common stock on the Nasdaq Capital Market, and internal sales commissions.

### **Operating Loss**

Operating loss decreased by \$295 thousand to \$1.64 million for Q1 2022, compared to \$1.94 million for Q1 2021. The primary reason for the decrease in operating loss was the growth in net revenue, which outpaced the growth in operating costs by a factor of 5.3. Adjusting for additional non-cash and non-recurring activities results in an even more significant improvement to the operating margin.

### **Net Loss**

Net loss decreased 16.7% or \$0.07 per basic and diluted share for Q1 2022 to \$1.69M from \$2.03 million or \$0.11 per basic and diluted share for the same period last year.

### Liquidity and Capital Resources

As of March 31, 2022, and December 31, 2021, the Company had approximately \$5.84 million and \$3.48 million of cash, respectively. The increase in cash during the comparative periods was a result of the net positive cash inflow from the combination of financing and operating activities. In Q1 2022, the Company received \$1.95 million related to a government contract and \$3.32 million from a warrant exercise, as well as \$365 thousand in units sold and warrants exercised in connection to the Company's 2022 fundraising efforts in preparation for its Nasdaq listing.

Total working capital as of March 31, 2022 was \$5.63 million, compared to \$3.36 million as of December 31, 2021. As of March 31, 2022 and December 31, 2021, the Company had no long-term debt. Total stockholders' equity was \$7.42 million as of March 31, 2022, compared to \$5.03 million as of December 31, 2021.

### **Enquiries**

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### **About Trust Stamp**

[Trust Stamp](#), the Privacy-First Identity Company™, is a global provider of AI-powered identity services for use in multiple sectors including banking and finance, regulatory compliance, government, real estate, communications, and humanitarian services. Its technology empowers organizations with advanced biometric identity solutions that reduce fraud, protect personal data privacy, increase operational efficiency, and reach a broader base of users worldwide through its unique data transformation and comparison capabilities.

Located in seven countries across North America, Europe, Asia, and Africa, Trust Stamp trades on the Nasdaq Capital Market ([Nasdaq: IDAI](#)) and Euronext Growth in Dublin ([Euronext Growth: AIID.ID](#)). Founded in 2016 by Gareth Genner and Andrew Gowasack, the company now employs over 100 people.

### **Safe Harbor Statement: Caution Concerning Forward-Looking Remarks**

*All statements in this release that are not based on historical fact are "forward-looking statements" including within the meaning of the Private Securities Litigation Reform Act of 1995 and the provisions of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. The information in this announcement may contain forward-looking statements and information related to, among other things, the company, its business plan and strategy, and its industry. These statements reflect management's current views with respect to future events based on information currently available and are subject to risks and uncertainties that could cause the company's actual results to differ materially from those contained in the*

*forward-looking statements. Investors are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date on which they are made. The company does not undertake any obligation to revise or update these forward-looking statements to reflect events or circumstances after such date or to reflect the occurrence of unanticipated events.*