



Biometric Solutions Provider BIO-key Raises \$2.55M in Private Placement of a Senior Secured Convertible Note

Wall, NJ, July 11, 2019 - [BIO-key International, Inc.](#) (NASDAQ: BKYI), an innovative provider of biometric authentication and security solutions, today announced the sale of a \$3.06 million Senior Secured Convertible Note to Lind Global Macro Fund, LP. At closing, \$2.55 million was funded, with the proceeds to be used for general working capital purposes, including repayment of outstanding indebtedness.

The Note is secured by a first priority lien on substantially all of BIO-key's assets and properties and is convertible at the option of the Investor into shares of BIO-key common stock at a fixed conversion price of \$1.50 per share.

BIO-key CEO Michael DePasquale commented, "BIO-key completed this funding to ensure that we have sufficient financial resources to fund our business and execute on our growth strategy. We believe this financing structure, including its above-market conversion price and 12 month repayment schedule, provides an attractive source of capital for our company, particularly in light of the unforeseen delay in the receipt of software license payments from a large international customer."

The principal amount of the Note is due and payable as follows: \$918,000 is due 180 days after funding; \$1,071,000 is due 270 days after funding, and the balance is due 12 months after the date of funding. BIO-key has the right to prepay the Note in full at any time without penalty, in which case the Investor will have the option of converting 25% of the outstanding principal amount of the Note into BIO-key shares at \$1.50 per share.

Additionally, the Investor was issued a five-year warrant to purchase 2,000,000 shares of common stock at a fixed exercise price of \$1.50 per share. The Warrant is immediately exercisable.

Maxim Group LLC served as placement agent in connection with the forgoing transaction.

About BIO-key International, Inc. (www.bio-key.com)

BIO-key is revolutionizing authentication with [biometric solutions](#) that enable convenient and secure access to information and high-stakes transactions. We offer alternatives to passwords, PINs, tokens, and cards to make it easy for enterprises and consumers to secure their devices as well as information in the cloud. Our premium [finger scanning devices](#) offer market-leading quality, performance and price. BIO-key also brings the power and ease of use of biometric technology to its [TouchLock line](#) of biometric and Bluetooth enabled padlocks – providing even more ways to BIO-key your world!

BIO-key Safe Harbor Statement

All statements contained in this press release other than statements of historical facts are "forward-looking statements" as defined in the Private Securities Litigation Reform Act of 1995 (the "Act"). The words "estimate," "project," "intends," "expects," "anticipates,"

"believes" and similar expressions are intended to identify forward-looking statements. Such forward-looking statements are made based on management's beliefs, as well as assumptions made by, and information currently available to, management pursuant to the "safe-harbor" provisions of the Act. These statements are not guarantees of future performance or events and are subject to risks and uncertainties that may cause actual results to differ materially from those included within or implied by such forward-looking statements. These risks and uncertainties include, without limitation, our ability to develop new products and evolve existing ones, customer and market acceptance of biometric solutions generally and our specific offerings, our ability to expand sales within existing customer relationships, our ability to raise additional capital, and our ability to attract and retain key personnel. For a more complete description of these and other risk factors that may affect the future performance of BIO-key International, Inc., see "Risk Factors" in the Company's Annual Report on Form 10-K for the year ended December 31, 2018 and its other filings with the Securities and Exchange Commission. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date made. Except as required by law, the Company undertakes no obligation to disclose any revision to these forward-looking statements.

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