



Biometric Solutions Provider BIO-key Raises \$2.1M in Private Placement of a Senior Secured Convertible Note

Wall, NJ, May 7, 2020 - [BIO-key International, Inc.](http://www.bio-key.com) (NASDAQ: BKYI), an innovative provider of biometric authentication and security solutions, today announced the sale of a \$2,415,400 Senior Secured Convertible Note to Lind Global Macro Fund, LP. At closing, \$2.1 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 \$1.16 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 as we start the deployment of our recently announced contracts in Africa and deal with the current global coronavirus pandemic."

The principal amount of the Note is due and payable in five equal monthly installments of \$268,333 beginning seventh months after the funding date with the balance 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 \$1.16 per share.

Additionally, the Investor was issued a five-year warrant to purchase 1,900,000 shares of common stock at a fixed exercise price of \$1.16 per share. The Warrant is immediately exercisable.

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

This press release shall not constitute an offer to sell or the solicitation of an offer to buy, 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 the registration or qualification under the securities laws of any such state or jurisdiction.

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

BIO-key is revolutionizing authentication with biometric solutions that enable convenient and secure access to devices, information, applications and high-value transactions. BIO-key's software and hardware finger scanning solutions offer secure, user-friendly and attractively priced alternatives to passwords, PINs, tokens and security cards, enabling enterprises and consumers to secure their networks and devices as well as their information in the cloud.

About The Lind Partners (www.thelindpartners.com)

The Lind Partners is an institutional fund manager and leading provider of growth capital to small- and mid-cap companies publicly traded in the US, Canada, Australia and the UK. Lind targets high growth sectors such as technology, biotech, clean-tech, mining and oil & gas. Founded in 2011, Lind has completed over 70 direct investments for more than \$850 million in total value and has an established reputation as a flexible and supportive capital partner to investee companies.

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, our history of losses and limited revenue, our ability to raise additional capital, our ability to protect our intellectual property, market acceptance of biometric products generally and our products under development, our ability to market our consumer products changes in business conditions, changes in our sales strategy and product development plans, changes in the marketplace, continued services of our executive management team, security breaches, competition between us and other companies in the biometric technology industry, delays in the development of products and statements of assumption underlying any of the foregoing. For a more complete description of these and other risk factors that may affect the future performance of BIO-key International, Inc., please see the section entitled "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. Additionally, there may be other factors of which the Company is not currently aware that may affect matters discussed in forward-looking statements and may also cause actual results to differ materially from those discussed. In particular, the consequences of the coronavirus outbreak to economic conditions and the industry in general and the financial position and operating results of our company including, in particular, impacts on our supply chain, international operations, and shelter in place orders in the states in which operate, have been material, are changing rapidly, and cannot be predicted.

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