

Government Defense Ministry Implements BIO-key Fingerprint Biometric Identity Access Management Solutions for Microsoft Active Directory and Office Users

Initial Contract Valued at \$257K with Additional Revenue Potential

Wall, NJ, January 16, 2018 – BIO-key International, Inc. (NASDAQ: BKYI), an innovative provider of biometric software and hardware solutions for strong and convenient user authentication, today announced that the cybersecurity group of one of the world's most respected government defense ministries has purchased and implemented BIO-key's software and hardware to secure access to their internal Microsoft Windows infrastructure.

The initial purchase order, valued at approximately \$257K, will enable convenient, yet strong, authentication for the users of defense ministry IT systems and is expected to lead to additional opportunities as the solution is deployed more broadly. Revenue from the contract is expected to be recognized in the Company's fiscal 2018 first quarter.

After extensive security testing and evaluation, the ministry selected and deployed BIO-key's WEB-key server-based biometric management platform, as well as BIO-key fingerprint scanners, to protect its existing federated Microsoft Active Directory environment.

BIO-key's secure authentication platform has been integrated with the ministry's Microsoft Windows **Active Directory Federation Services** (ADFS) used to control access to shared files, Microsoft Office applications and Outlook secure email with a seamless biometric authentication experience. BIO-key worked closely with the ministry's cybersecurity team to integrate its state-of-the-art, cloud-enabled biometric authentication with their ADFS to deliver more a secure biometric **single sign-on** access to systems and applications located across organizational boundaries.

BIO-key's SVP Strategy and Business Development, Jim Sullivan commented, "This project and its successful deployment are a testament to the vision and value of our server-based biometric solutions. This customer is world-renowned for its cybersecurity expertise and standards. We are honored that they chose to use our software after finding it satisfied their standards for security, accuracy, and user experience."

Mike DePasquale, Chairman & CEO, BIO-key commented, "This contract confirms the security, workflow and return on investment benefits of our solutions in enabling customers to meet rigorous requirements for strong multi-factor authentication. Defense ministries must be at the cutting edge of highly secure and cost-effective solutions to protect sensitive infrastructure from security threats. We are proud to have been selected by this highly sophisticated customer as their trusted biometric security provider."

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 that make it easy for enterprises and consumers to secure their devices as well as information in the cloud. BIO-key provides **NIST** approved biometric algorithms and software solutions, complemented with a line of finger scanning devices offering market-leading quality and performance. BIO-key has also launched a line of **TouchLock** biometric and Bluetooth enabled padlocks, including travel and bicycle locks, bringing the security and ease-of-use of biometric technology to a wide variety of applications.

BIO-key Safe Harbor Statement

All statements contained in this press release other than statements of historical facts are "forwardlooking 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, , 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, 2016 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. The Company undertakes no obligation to disclose any revision to these forward-looking statements to reflect events or circumstances after the date made.

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