

Biometric Solutions Provider BIO-key International Completes Conversion of all Outstanding Preferred Stock into Common Stock at \$3.60 Per Share

Wall, NJ, June 4, 2018 - [BIO-key International, Inc.](http://www.bio-key.com) (NASDAQ: BKYI), an innovative provider of biometric authentication and security solutions, today announced that all remaining outstanding shares of the Company's Series A-1 and Series B-1 Convertible Preferred Stock, and all accrued and unpaid dividends, have been converted into common stock at a conversion price of \$3.60 per share.

As a result of these conversions and other preferred stock conversions earlier in 2018, BIO-key has eliminated approximately \$638,000 in future annual preferred stock dividends payments. Additionally, BIO-key has satisfied payment of all accrued preferred stock dividends through the issuance of common stock at a price of \$3.60 per share.

In 2018, BIO-key has paid \$828,441 in accrued preferred stock dividends through the issuance of 230,123 shares of its Common stock. Reflecting the preferred stock conversions and accrued dividend payments in 2018, BIO-key has issued 4,885,569 shares of common stock, increasing its total issued and outstanding shares to 12.6 million.

BIO-key's CEO Michael DePasquale commented, "We are grateful for the support and confidence of these long-term investors who converted preferred stock and accrued dividends into common stock at roughly a 61% premium to the Friday June 1st closing price of \$2.23. The conversions simplify and strengthen BIO-key's capital structure while eliminating all future dividend payment requirements."

Year to Date Conversions of Convertible Preferred Stock and Accrued Dividends

	Preferred Shares Converted to Common	Accrued Dividends Converted to Common	Conversion Price	Common Shares Issued	Date	Reduction in Annual Dividends
Series B-1 2.5% Convertible Preferred	60,420		\$3.60	16,78,334	3/23/18	\$ 51,050
Accrued Series B-1 Dividends		\$417,084	\$3.60	115,857	3/23/18	
Series B-1 2.5% Convertible Preferred	44,580		\$3.60	12,38,334	5/23/18	\$ 11,450
Accrued Series B-1 Dividends		\$55,342	\$3.60	15,373	5/23/18	
Series A-1 1% Convertible Preferred	39,088		\$3.60	10,85,778	4/3/18	\$ 34,528
Accrued A-1 Dividends		\$330,552	\$3.60	91,820	4/3/18	
Series A-1 1% Convertible Preferred	23,508		\$3.60	6,53,000	5/31/18	\$ 41,048
Accrued A-1 Dividends		\$25,463	\$3.60	7,073	5/31/18	
Totals		\$828,441		4,885,569		\$ 638,076

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, including [SideSwipe™](#), [SideTouch™](#), [EcoID™](#) and [SidePass™](#), offer market-leading quality, performance and price. BIO-key is now bringing the power and ease of use of biometric technology to its recently launched [TouchLock™](#) line of biometric and Bluetooth enabled padlocks – thereby 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, 2017 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.

Facebook – Corporate: [BIO-key International](#)
Twitter – Corporate: [@BIOkeyIntl](#)
Twitter – Investors: [@BIO_keyIR](#)
StockTwits: [@BIO_keyIR](#)

Investor & Media Contacts

William Jones, Tanya Kamatu
Catalyst Global
212-924-9800
bkyi@catalyst-ir.com