authID Inc. Announces Pricing of Approximately $9.4 Million Registered Direct Offering

November 20, 2023

DENVER, Nov. 20, 2023 (GLOBE NEWSWIRE) -- authID Inc. (NASDAQ: AUID) ("authID" or the "Company"), a leading provider of innovative biometric identity verification and authentication solutions, today announced it has entered into a definitive agreement with investors to sell 1,574,990 shares of its common stock (the "Shares"), pursuant to a registered direct offering (the "Registered Direct Offering"). The purchase price for one Share will be $6.00. The aggregate gross proceeds from the Offering are expected to be approximately $9.4 million before deducting placement agent fees and other estimated offering expenses.

"authID has built significant sales momentum that allowed us to secure a record $1 million in booked Annual Recurring Revenue ("bARR") during the recent third quarter. With an expansion of prospects and use-cases in our sales pipeline, we believe we are well positioned to deliver additional sales wins and continued growth. As stated on our Q3 earnings call, we have doubled our estimated bARR target from $3 million to $6 million by Q2 2024. We are also pleased to confirm a target of $9M in bARR for the full calendar and fiscal year 2024" said Rhon Daguro, CEO of authID. "In the last few months, we have preserved the best of what authID had, while adding deep domain expertise in identity to create a best of breed team for sales and execution."

Continued Daguro, "This fully subscribed investment by the shareholders, fellow Directors, and new investors is a tremendous sign of confidence in our mission, and we thank all investors for their continuing support. This funding round will allow us to deepen our bench and continue to innovate our product roadmap with technology that stays ahead of fraud trends and strengthens our positioning as thought leaders to our customers."

The closing of the Registered Direct Offering is expected to occur on or about November 22, 2023, subject to the satisfaction of customary closing conditions.

Madison Global Partners, LLC, acted as sole placement agent for the offering.

authID intends to use the net proceeds for working capital and general corporate purposes.

The Shares offered in the Registered Direct Offering are being offered by the Company pursuant to a shelf registration statement (Registration No. 333-260641) filed with the Securities and Exchange Commission (the "SEC") and declared effective by the SEC on November 10, 2021. The offering is being made only by means of a prospectus supplement and accompanying prospectus. A prospectus supplement and accompanying prospectus relating to the Registered Direct Offering will be filed with the SEC and, when available, may be obtained for free on the SEC's website located at http://www.sec.gov. Electronic copies of the final prospectus supplement and accompanying prospectus relating to the Registered Direct offering may be obtained by contacting Madison Global Partners, LLC, Attention: David S. Kaplan, Managing Partner 350 Motor Parkway, Suite 205, Hauppauge, NY 11788, by email at info@madisonglobalpartners.com, or by telephone at (646) 690-0330.

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 registration or qualification under the securities laws of any such state or jurisdiction.

About authID Inc.

authID (Nasdaq: AUID) ensures cyber-savvy enterprises "Know Who's Behind the Device" for every customer or employee login and transaction. Through its easy-to-integrate, patented, biometric identity platform, authID quickly and accurately verifies a user's identity, eliminating any assumption of 'who' is behind a device and preventing cybercriminals from taking over accounts. authID combines digital onboarding, FIDO2 login, and biometric authentication and account recovery, with a fast, accurate, user-friendly experience – delivering identity verification in 700ms. Establishing a biometric root of trust for each user that is bound to their accounts and provisioned devices, authID stops fraud at onboarding, eliminates password risks and costs, and provides the faster, frictionless, and more accurate user identity experience demanded by operators of today's digital ecosystems.
For more information, please visit www. https://authid.ai/.

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Cautionary Statement Regarding Forward-Looking Statements:

This Press Release includes "forward-looking statements." All statements other than statements of historical facts included herein, including booked Annual Recurring Revenue are forward-looking statements. Actual results may vary materially from the results anticipated by these forward-looking statements as a result of a variety of risk factors. See the Company's Annual Report on Form 10-K for the Fiscal Year ended December 31, 2022, filed at www.sec.gov and other documents filed with the SEC for risk factors which investors should consider. These forward-looking statements speak only as to the date of this release and cannot be relied upon as a guide to future performance. authID expressly disclaims any obligation or undertaking to disseminate any updates or revisions to any forward-looking statements contained in this release to reflect any changes in its expectations with regard thereto or any change in events, conditions, or circumstances on which any statement is based.

Non-GAAP Financial Information

The Company provides certain non-GAAP financial measures in this statement. These non-GAAP key business indicators, which include bARR and

ARR, should not be considered replacements for and should be read in conjunction with the GAAP financial measures.

Management believes that bARR and ARR, when viewed with our results under GAAP, provide useful information about the direction of future growth trends of the Company's revenues. We also rely on bARR as one of a number of primary measures to review and assess the sales performance of our Company and our management team in connection with our executive compensation. The Company defines booked Annual Recurring Revenue or bARR, as the amount of annual recurring revenue represented by the estimated amounts of annual recurring revenue we believe will be earned under such contracted orders, looking out eighteen months from the date of signing of each customer contract.

The Company defines Annual Recurring Revenue or ARR, as the amount of recurring revenue derived from sales of our Verified products during the last three months of the relevant period as determined in accordance with GAAP, multiplied by four.

bARR may be distinguished from ARR, as bARR does not take specifically into account the time to implement any contract for Verified, nor for any ramp in adoption, or seasonality of usage of the Verified products but is based on the assumption that 18 months after signing these matters will have been generally resolved. Furthermore, bARR is based on estimates of future revenues under particular contracts, whereas ARR, whilst also forward looking, is based on historical revenues recognized in accordance with GAAP during the relevant period. bARR and ARR have limitations as analytical tools, and you should not consider them in isolation from, or as a substitute for, analysis of our results as reported under GAAP. Some of these limitations are:

- bARR & ARR should not be considered as predictors of future revenues but only as indicators of the direction in which revenues may be trending. Actual revenue results in the future as determined in accordance with GAAP may be significantly different to the amounts indicated as bARR or ARR at any time.
- bARR and ARR are to be considered "forward looking statements" and subject to the same risks, as other such statements (see note on "Forward Looking Statements" above).
- bARR & ARR only include revenues from sale of our Verified products and not other revenues.
- bARR & ARR do not include amounts we consider as non-recurring revenues (for example one-off implementation fees).