



authID Achieves 12x Year Over Year Growth 2x Faster Than Planned

January 17, 2024

Secures ~\$3 Million in Sales Bookings, Strengthens Financial Position, and Expands Innovation

DENVER, Jan. 17, 2024 (GLOBE NEWSWIRE) -- [authID®](#) [Nasdaq: AUID], a leading provider of innovative biometric identity verification and authentication solutions, today announced the Company experienced record year over year growth in sales of 1,200% for its biometric identity authentication platform.

The company also bolstered its financial position by completing financing rounds in [May](#) and [November](#) 2023, securing a combined \$17.6 million in gross proceeds and a debt-to-equity conversion of almost \$9 million. These measures, combined with cost-cutting efforts and a July reverse stock-split, helped authID regain compliance with Nasdaq listing rules and provided the capital needed to secure critical identity-domain experts and deliver on product innovation.

Record sales momentum followed the mid-year appointment of [Rhon Daguro as CEO](#), the reconstitution of its [Corporate Board of Directors](#), and the August appointment of [Ed Sellitto as CFO](#). Together they transformed the company into a high-performance technology and sales organization that solves for major identity authentication challenges.

Daguro and his [newly appointed sales leaders](#) quickly built a robust sales pipeline for both short-term and long-term expansion and realized successive quarter-over-quarter sales growth, achieving their 12-month sales goal originally targeted for June 2024 in just six months. The Company secured sales of \$0.2 million, \$1.0 million and \$1.7 million in gross Booked Annual Recurring Revenue (bARR as defined below) in the second, third, and fourth quarters of 2023, respectively. The cumulative value of approximately \$3 million in sales represents more than 12 times the highest total gross bARR that authID had previously reported for an annual period.

"This level of sales growth in such a short period attests to the market's concerns around the security and authentication breaches attributed to compromised passwords and devices that dominated 2023 headlines, and which are predicted to continue in 2024. In an all-digital world centered around identity, generative AI is expected to increase the effectiveness and frequency of fraud attacks while lowering the bar for launching those attacks," said authID CEO Rhon Daguro. "authID is dedicated to ensuring enterprises 'Know Who Is Behind the Device' to prevent cybercriminals from performing account takeovers and seizing assets, while delivering the fastest and easiest user experience."

authID expects to broaden its ability to provide fast, accurate, and user-friendly solutions to fight authentication fraud for both consumers and workforce employees by identifying who is the living and breathing person behind the device for many authentication use cases. By simply using a camera and processing a biometric transaction in 700 milliseconds, authID delivers fast, frictionless, and precise identity authentication that far outshines the competition, who at best offer speeds of 4 to 9 seconds, as tested by customers.

Continued Daguro, "We greatly appreciate the patience and guidance of our investors who put their faith in our ability to leverage what they'd already built and gave us the opportunity to succeed. I believe the work done in 2023 puts us on a path to reward that trust by delivering an innovative product roadmap, an expanded sales pipeline, and bookings leading to revenue that allow us to realize our previously stated target of \$9 million in bARR for 2024, a triple growth target over 2023."

It should be noted the Company will issue financial results for the fourth quarter and full year of 2023 with its Annual Report for the year in March.

For further information on how authID can help your organization secure your workforce or consumer applications against identity fraud, cyberattacks, and account takeover, [schedule a demo](#).

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 for the period, which will be published in due course with our Annual Report on Form 10-K for the period ended December 31, 2023. Please note that the definitions of these non-GAAP financial measures have changed as compared to the non-GAAP financial measures reported in previous periods. Management believes that bARR, when viewed with our results under GAAP, provides useful information about our period-over-period activities. bARR is presented because management believes it provides additional information with respect to the trends in the performance of our fundamental business activities. 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. In particular bARR is a forward-looking measure and does not give any indication of the likely results of operations of the Company for the period just ended, nor of the GAAP financial measures which will be reported in Form 10-K for the quarter and year just ended.

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 net amount of bARR reflects the deduction of the bARR of contracts previously included in reported bARR, which were subject to attrition during the quarter. The gross and net amount of bARR signed for the full year 2023 was \$2.94 million, compared to \$0.23 million of bARR signed in 2022.

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 our SaaS services, nor for any ramp in adoption, or seasonality of usage of the authID products, but is based on the assumption that 18 months after signing these matters will have been generally resolved. 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” below).
- 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).

Forward-Looking Statements

This Press Release includes “forward-looking statements.” All statements other than statements of historical facts included herein, including, without limitation, those regarding the future results of operations, booked Annual Recurring Revenue (bARR), Annual Recurring Revenue (ARR), the plans and objectives of management for future operations of both authID Inc. and its customers or business partners, are forward-looking statements. Such forward-looking statements are based on a number of assumptions regarding the successful implementation of the services which are the subject of the referenced agreements, authID’s present and future business strategies, and the environment in which authID expects to operate in the future, which assumptions may or may not be fulfilled in practice. Actual results may vary materially from the results anticipated by these forward-looking statements as a result of a variety of risk factors, including the Company’s ability to attract and retain customers; changes in laws, regulations and practices; changes in domestic and international economic and political conditions, the as yet uncertain impact of the war in Ukraine, inflationary pressures, increases in interest rates, and others. 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 other 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.

About authID Inc.

authID (Nasdaq: AUID) ensures cyber-savvy enterprises “Know Who’s Behind the Device” TM 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, visit www.authID.ai.

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