

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(d) OF
THE SECURITIES EXCHANGE ACT OF 1934

Date of Report (Date of earliest event reported): March 6, 2023



authID Inc.

(Exact name of registrant as specified in its charter)

Delaware

(State or Other Jurisdiction
of Incorporation)

001-40747

(Commission File Number)

46-2069547

(IRS Employer
Identification Number)

1385 S. Colorado Blvd., Building A, Suite 322, Denver, Colorado 80222
(Address of principal executive offices) (zip code)

516-274-8700
(Registrant's telephone number, including area code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol	Name of each exchange on which registered
Common Stock par value \$0.0001 per share	AUID	The Nasdaq Stock Market, LLC

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth Company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 1.01. Entry into a Material Definitive Agreement

As previously disclosed, on March 21, 2022, Ipsidy Inc., now known as authID Inc. (the “Company”), entered into a Facility Agreement with Stephen J. Garchik, who was and is a shareholder of the Company (“Garchik”), pursuant to which Garchik agreed to provide to the Company a \$10.0 million unsecured standby line of credit facility that could be drawn down in several tranches, subject to certain conditions described in the Facility Agreement (the “Original Facility Agreement”). Pursuant to the Original Facility Agreement, the Company paid Garchik a facility commitment fee of 100,000 shares of our common stock (the “Facility Commitment Fee”) upon the effective date of the Original Facility Agreement.

On March 8, 2023, the Company entered into an Amended and Restated Facility Agreement with Garchik, pursuant to which the Company and Garchik amended and restated the Original Facility Agreement in its entirety (the “A&R Facility Agreement”), to replace the credit facility contemplated by the Original Facility Agreement with (i) an initial credit facility to the Company in an amount of \$900,000 (the “Initial Funding”) and (ii) the parties to use their reasonable best efforts after the Initial Funding to negotiate the terms of a subsequent credit facility in the aggregate amount of \$2,700,000 (the “Subsequent Funding”).

On March 9, 2023, pursuant to the A&R Facility Agreement, the Company entered into a promissory note in favor of Garchik (the “Initial Promissory Note”), pursuant to which Garchik loaned \$900,000 (the “Principal Amount”) to the Company. At the same time, as a condition to Garchik providing the Principal Amount, certain of the Company’s subsidiaries, ID Solutions, Inc., FIN Holdings, Inc. and Innovation in Motion, Inc. (the “Guarantors”) entered into a guaranty of the Initial Promissory Note with Garchik (the “Guaranty”).

A&R Facility Agreement

Under the A&R Facility Agreement, Garchik agreed to provide the Initial Funding to the Company upon receipt of a fully executed Initial Promissory Note and an executed Release Agreement relating to the Original Facility Agreement (the “Release Agreement”). The Company and Garchik have agreed to use reasonable best efforts to negotiate the terms of the Subsequent Funding by March 15, 2023, and the A&R Facility Agreement will terminate if definitive documentation for the Subsequent Funding is not entered into before July 1, 2023, for any reason other than breach of a party’s obligations.

While the terms of the Subsequent Funding are subject to due diligence and final documentation, a summary of selected terms of the proposed financing is attached to the A&R Facility Agreement as Exhibit B thereto. The Subsequent Funding would be a \$2,700,000 secured note facility with a 12% per annum interest rate, paid in kind, capitalized and added to the balance of the loan on a quarterly basis, calculated on a 360-day year basis, on the outstanding aggregate balance of the Subsequent Facility. The Subsequent Facility will mature twenty-four (24) months after effectiveness. Garchik will be granted a fully perfected, non-avoidable, first-priority security interest and lien on all assets of the Company. The Subsequent Facility would be the senior obligation of the Company and will rank senior in right to payment of the obligations under the existing Senior Secured Convertible Notes entered into between the Company and certain noteholders on March 21, 2022 (the “Convertible Notes”) and the liens granted in connection with the Subsequent Facility shall rank *pari passu* with the liens granted to holders of the Convertible Notes. Pursuant to this, the Company will use reasonable best efforts to obtain the consent of two-thirds of the holders of Convertible Notes.

In satisfaction of a condition precedent to the Initial Funding under the A&R Facility Agreement, Thomas L. Thimot, Phillip L. Kumnick, Philip R. Broenniman, Michael A. Gorriz and Neepa Patel, comprising all directors of the Company’s board of directors (the “Board of Directors”) other than Joseph Trelin, Michael L. Koehneman and Jacqueline L. White (the “Remaining Directors”), delivered to the Company executed resignation letters in escrow (the “Board Resignation Letters”) that became effective as of the Initial Funding. Also in satisfaction of a condition precedent to the Initial Funding under the A&R Facility Agreement, on March 9, 2023, the Board of Directors appointed Joseph Trelin to the Company’s Compensation and Audit Committees, effective as of the Initial Funding.

The A&R Facility Agreement also provided Garchik with the right to nominate four (4) designees (not counting any Remaining Directors) (the “New Designees”) to be considered for election to the Board of Directors (the “Nomination Right”). In satisfaction of a condition precedent to the Initial Funding under the A&R Facility Agreement, as described in greater detail in Item 5.02 of this Current Report, the Board of Directors appointed four (4) New Designees to the Board, effective as of the Initial Funding. The Company also agreed that the Board of Directors would, promptly following the closing of the Initial Funding, evaluate candidates for appointment as replacement of Mr. Thimot as Chief Executive Officer and that, upon the earlier of appointment of a new Chief Executive Officer or April 3, 2023, Mr. Thimot’s resignation letter as Chief Executive Officer will be declared effective.

Initial Promissory Note

Interest accrues on the Principal Amount until paid in full at a per annum rate equal to 15%, computed on the basis of a 360-day year and twelve 30-day months, payable in arrears on March 31, June 30, September 30 and December 31 of each year commencing March 31, 2023 or the first business day following each such date if any such date falls on a day which is not a business day, in cash. The Principal Amount shall mature on March 31, 2025.

The Company made standard (i) affirmative covenants to Garchik, including, but not limited to, in regard to its existence, payment obligations, business activities, financial information and use of proceeds and (ii) negative covenants to Garchik, including, but not limited to, in regard to the rank of indebtedness, incurrence of indebtedness, maintenance of insurance and properties, transactions with affiliates and disposition of assets.

While the Initial Promissory Note is unsecured, in the event of either (I) the conversion of the Convertible Notes of all amounts outstanding thereunder and the release of all liens over the Company's assets granted by and through the Transaction Documents (as defined in the Convertible Notes) or (II) receipt of the consent of the requisite holders of the Convertible Notes, in each case, the Company will, as collateral security for the due and punctual payment and performance of all obligations under the Initial Promissory Note, pledge and assign to Garchik a first-priority, continuing security interest in substantially all of the assets of the Company, subject to exclusions consistent with those contained in the Transaction Documents. The Company has agreed to use its reasonable best efforts to deliver to Garchik an amendment to the Securities Purchase Agreement, dated as of March 21, 2022 (the "SPA"), pursuant to which the Convertible Notes were purchased, permitting the grant of that collateral security to Garchik. Upon the grant of that collateral security, interest will accrue on the outstanding Principal Amount under the Initial Promissory Note at a per annum rate equal to 12%.

The Initial Promissory Note includes customary Events of Default, including, among other things, (i) failing to make payment of any of the Principal Amount or interest due and such failure continues for not less than 5 business days without being cured; (ii) any representation or warranty in the Initial Promissory note being untrue in any material respect and such failure continuing for a period of not less than 5 business days without being cured; or (iii) the Initial Promissory Note shall for any reason cease to be, or shall be asserted by the Company or any affiliate thereof not to be, a legal, valid and binding obligation of the Company. Upon an Event of Default, Garchik can declare all outstanding amounts under the Initial Promissory Note due, along with any accrued interest.

Guaranty

In connection with the Company and Garchik entering into the Initial Promissory Note, each Guarantor of the Company agreed to, for the benefit and security of Garchik, guarantee the payment and performance all of the Company's obligations under the Initial Promissory Note and the Guaranty.

Release Agreement

In connection with the A&R Facility Agreement, on March 9, 2023, the Company and Garchik entered into the Release Agreement, pursuant to which the Company and Garchik mutually agreed to release any and all rights to make a claim against the other and any existing claims against the other arising out of or relating to the Original Facility Agreement.

Additional Information

The foregoing is only a summary of the material terms of the A&R Facility Agreement, the Initial Promissory Note, the Guaranty, the Release Agreement and the other transaction documents, and does not purport to be a complete description of the rights and obligations of the parties thereunder. The summary of the A&R Facility Agreement, the Initial Promissory Note, the Guaranty, the Release Agreement is qualified in its entirety by reference to the forms of such agreements, which are filed as exhibits to this Current Report and are incorporated by reference herein.

The foregoing summary and the exhibits hereto also are not intended to modify or supplement any disclosures about us in our reports filed with the Securities and Exchange Commission. In particular, the agreements and the related summary are not intended to be, and should not be relied upon, as disclosures regarding any facts and circumstances relating to the Company or any of its subsidiaries or affiliates. The agreements contain representations and warranties by us, which were made only for purposes of that agreements and as of specified dates. The representations, warranties and covenants in the agreements were made solely for the benefit of the parties to the agreements; may be subject to limitations agreed upon by the contracting parties, including being subject to confidential disclosures that may modify, qualify or create exceptions to such representations and warranties; may be made for the purposes of allocating contractual risk between the parties to the agreements instead of establishing these matters as facts; and may be subject to standards of materiality applicable to the contracting parties that differ from those applicable to investors. In addition, information concerning the subject matter of the representations, warranties and covenants may change after the date of the agreements, which subsequent information may or may not be fully reflected in our public disclosures.

Item 2.03 Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of a Registrant.

The information included in Item 1.01 of this Current Report is incorporated by reference into this Item 2.03 of this Current Report to the extent required.

Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

On March 6, 2023, Mr. Thimot tendered his resignation as Chief Executive Officer to the Company, effective upon the earlier of the appointment of his successor and April 3, 2023. The Company is currently in negotiations with a candidate to be appointed as Chief Executive Officer, but no agreement has been reached regarding such appointment at this time.

Before the A&R Facility Agreement was entered into, Mr. Thimot, Phillip L. Kumnick, Philip R. Broenniman, Michael A. Gorriz and Neepta Patel (the "Retiring Directors") tendered their resignations from the Board of Directors of the Company, to be held in escrow until the Initial Funding. The Company thanks the Retiring Directors for their dedicated service to the Company.

On March 9, 2023, the Board of Directors appointed Joseph Trelin to the Company's Compensation and Audit Committees.

Pursuant to the Nomination Right under the A&R Facility Agreement, Mr. Garchik nominated Rhon Daguro, Ken Jisser, Michael Thompson and Thomas Szoke for appointment to the Board of Directors. On March 9, 2023, the Board of Directors appointed Messrs. Daguro, Jisser, Thompson and Szoke as additional directors of the Company (the "Additional Directors") and reduced the size of the Board of Directors from 8 directors to 7 directors, with effect from the resignations of the Retiring Directors. Under the terms of the A&R Facility Agreement, the Nomination Right expired upon the appointment of the four (4) Additional Directors to the Board of Directors.

Rhon Daguro

Mr. Daguro has over 20 years of sales, marketing, technology, and venture capital experience. He has built multiple profitable software and professional services firms. Most recently, from 2018 to 2022, he served as the Chief Revenue Officer of Socure Inc. Prior to that, Mr. Daguro held various executive sales positions with Persistent Systems, Hortonworks, and Oracle.

Ken Jisser

Mr. Jisser is the Founder & CEO of The Pipeline Group, Inc., a technology-enabled services company that aims to deliver business results for companies looking to build predictable and profitable pipeline. Mr. Jisser founded the company in his garage in 2017, and it reached #415 among the fastest growing private companies in America, according to Inc. Magazine rankings published in 2021. Prior to that, Mr. Jisser served as GTM Advisor at Druva Inc., where he rebuilt the global inside sales team.

Thomas R. Szoke

Mr. Szoke has over 25 years of engineering, global sales, and operations management experience. He is a founder of the Company and has served as a director and in various other senior roles until 2021. Prior to founding the Company, he served as Chief Operating Officer of Innovation In Motion Inc., now a subsidiary of the Company. Mr. Szoke is also the inventor of IIM Global Corps HDR Intelligent Accessory product lines and has held various sales and management positions with Motorola, Inc. for over 20 years. Since 2021, he has been an independent consultant for the Company and others.

Michael Thompson

Mr. Thompson has over 38 years of domestic and international experience in publicly traded and private equity backed consumer and commercial businesses. Since 2022, Mr. Thompson has been a partner at Hemingway Capital, an operationally focused private equity firm. Previously, he served as Chief Executive Officer for companies in the bedding (Corsicana Mattress from 2018 to 2022), polyurethane foam and pet products industries and was an operating executive for two leading middle-market private equity firms. Mr. Thompson has also held executive positions with Rubbermaid Commercial Products, Merillat Industries, a division of Masco Corporation, and Black+Decker, and began his career with Sunbeam Appliance Company.

The Board of Directors has determined that Messrs. Daguro and Thompson are independent directors under applicable Nasdaq rules.

Mr. Jisser is the Founder and Chief Executive Officer of The Pipeline Group, Inc. (“TPG”), a technology-enabled services company that assists companies with pipeline generation. Because the Company was billed approximately \$360,000 in 2021, \$960,000 in 2022 and \$52,000 to date in 2023 as a customer of TPG and is currently contracted to pay TPG \$10,000 per month for up to 12 months (terminable upon notice at any time at the end of a month), Mr. Jisser is not an independent director under applicable Nasdaq rules.

Mr. Szoke, a co-founder of the Company, previously served as Chief Solutions Architect of the Company from 2019 to 2021 and Chief Technology Officer and Chief Operating Officer of the Company from 2016 to 2018 and solely in 2018, respectively, and so is not an independent director under applicable Nasdaq rules. Additionally, Mr. Szoke was formerly a director of the Company from 2013 to 2021.

In addition to the Company’s standard cash compensation for directors, each Additional Director will be granted 100,000 share options in the Company, vesting over three years on the date of each annual meeting of the shareholders of the Company. The options will be priced based on the closing price of our common stock on the third trading day after the public announcement of the transactions described in this Current Report.

Item 7.01 Regulation FD Disclosure.

On March 9, 2023, the Company issued a press release about its entry into the A&R Facility Agreement, the closing of the Initial Funding and the Board of Director and management changes described elsewhere in this Current Report. The press release is furnished as exhibit 99.1 and incorporated by reference herein.

Item 9.01 Financial Statements, Pro Forma Financial Information and Exhibits.

(d) Exhibits:

Exhibit	Description
10.1	Amended and Restated Facility Agreement between the Company and Stephen J. Garchik dated March 8, 2023.
10.2	Promissory Note between the Company and Stephen J. Garchik dated March 9, 2023.
10.3	Guaranty Agreement by FIN Holdings Inc., Innovation in Motion, Inc. and ID Solutions, Inc. in favor of Stephen J. Garchik dated March 9, 2023.
10.4	Release Agreement between the Company and Stephen J. Garchik dated March 9, 2023.
99.1	Press Release, dated March 9, 2023.
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

authID Inc.

Date: March 10, 2023

By: /s/ Hang Thi Bich Pham

Name: Hang Thi Bich Pham

Title: Chief Financial Officer

authID Inc.
Amended and Restated Facility Agreement

THIS AMENDED AND RESTATED FACILITY AGREEMENT (this “**Facility Agreement**”) amends, restates, consolidates and fully supersedes the Original Facility Agreement (as defined below) and is made this 8th day of March 2023 BY and BETWEEN AUTHID INC., a Delaware corporation formerly known as Ipsidy Inc. (the “**Company**” or the “**Borrower**”, as applicable) having a place of business at 1325 S. Colorado Blvd., Building A, Suite 322, Denver, CO 80222, and STEPHEN J. GARCHIK (“**Lender**”) with an address at 2474 S. Ocean Boulevard, Highland Beach, FL 33487, and an email address at sgarchik@sjmpartners.com.

WHEREAS, on March 21, 2022, the parties entered into that certain Facility Agreement (the “**Original Facility Agreement**”).

WHEREAS, the parties wish to amend and restate the Original Facility Agreement in its entirety, to provide for (i) the Lender providing an initial credit facility to the Company in an amount up to \$900,000 (the “**Initial Funding**”) and the Borrower and Guarantors executing and delivering a promissory note in favor of the Lender, substantially in the form attached to this Facility Agreement as **Exhibit A** (the “**Initial Promissory Note**”), with respect thereto and (ii) after the Initial Funding, the parties using their reasonable best efforts to negotiate the terms of a subsequent credit facility in the aggregate amount of \$2,700,000 (the “**Subsequent Funding**” and, together with the Initial Funding, the “**Facility**”), pursuant to the terms and conditions set forth herein.

IN CONSIDERATION OF the parties’ mutual promises and covenants hereunder, the adequacy and sufficiency of which each party hereby acknowledges, it is hereby agreed as follows:

1. **Initial Funding.** On or after the effectiveness of this Facility Agreement, on the terms and conditions set forth herein and in the Initial Promissory Note, the Lender agrees to provide the Initial Funding to the Borrower, upon receipt of the fully executed Initial Promissory Note and the Release Agreement (as defined therein) and satisfaction of the other conditions precedent set forth in Section 7 hereof.
 2. **Subsequent Funding.** After the Initial Funding, the parties shall use their reasonable best efforts to negotiate the terms of the Subsequent Facility by March 15, 2023. The summary of terms attached hereto as **Exhibit B** (the “**Term Sheet**”) sets forth some of the terms contemplated for the Subsequent Funding. For the avoidance of doubt, the Term Sheet is in summary form only, and it is understood by the parties that any such Subsequent Funding will be conditioned upon entry by the parties into definitive documentation, in form and substance satisfactory to the Lender in its reasonable discretion, and contain certain affirmative, negative, financial covenants, and conditions precedent, including, but not limited to, drawdown conditions based upon a budget and revenue benchmarks. Except as set forth in the foregoing sentences of this Section 2, (i) the Lender shall have no obligation with respect to any Subsequent Funding until a Subsequent Promissory Note has been fully negotiated and agreed and delivered and the conditions therein have been satisfied and (ii) nothing herein shall constitute a commitment by the Lender to provide or commit to provide any portion of the Subsequent Funding. In the event that the parties fail, for any reason other than a breach of this Section 2, to enter into a definitive Subsequent Promissory Note before July 1, 2023, this Facility Agreement shall terminate.
 3. **Governing Law; Jurisdiction.** This Facility Agreement shall be governed by and construed in accordance with the laws of the state of New York, United States of America and the parties hereby submit to the exclusive jurisdiction of the courts, Federal and State, located in the State of New York, with venue in New York County, with respect to any dispute or proceedings arising out of or relating to this Facility Agreement, or the Facility.
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4. Notices. All notices to be provided pursuant to this Facility Agreement (and any consents permitted by the terms of this Facility Agreement) shall be in writing and delivered by hand, or sent by e-mail transmission, or other electronic means, or overnight delivery to their respective addresses set forth above with a copy to, for the Borrower: legal@authid.ai. All such notices delivered by hand or by courier shall be deemed served upon receipt or refusal of receipt by the addressee. All notices given electronically shall be deemed served upon the next business day after transmission, provided no error message was received. Either party may serve notice in accordance with this Section changing their respective addresses for service.
5. Pre-Initial Funding Expenses; Indemnification.
- a. Immediately following the closing of the Initial Funding, the Company shall reimburse the Lender for all reasonable attorney's fees incurred by the Lender in the negotiation and execution of this Facility Agreement prior to the closing of the Initial Funding; provided, that in no event shall the Company's aggregate obligations to reimburse the Lender for such fees exceed the reasonable attorney's fees incurred by the Company and its subsidiaries for the corresponding services performed for them by Arnold & Porter Kaye Scholer LLP during the same time period.
 - b. You agree to indemnify and hold harmless the Lender and each of its affiliates and respective partners, officers, directors, employees, agents, trustees, administrators, managers, advisors and representatives (each, an "**Indemnified Party**") from and against (and will reimburse each Indemnified Party as the same are incurred for) any and all claims, damages, losses, liabilities and expenses (including, without limitation, the reasonable fees, disbursements and other charges of counsel; provided, that in no event shall the Company's aggregate obligations to indemnify the Indemnified Parties from and against (or reimburse the Indemnified Parties for) such fees, disbursements and other charges, to the extent arising from the negotiation, preparation, execution and delivery of the definitive documentation for the Facility, to the extent incurred from and after the closing of the Initial Funding through the signing of the definitive documentation for the Subsequent Funding, exceed the aggregate fees, disbursements and other charges incurred by the Company and its subsidiaries for the corresponding services performed for them during the same time period) that may be incurred by or asserted or awarded against any Indemnified Party, in each case arising out of (a) any matters contemplated by this Facility Agreement or the transactions contemplated hereby (b) the Initial Promissory Note, except to the extent such claim, damage, loss, liability or expense is found in a final, nonappealable judgment by a court of competent jurisdiction to have resulted from such Indemnified Party's gross negligence or willful misconduct. In the case of an investigation, litigation or proceeding to which the indemnity in this paragraph applies, such indemnity shall be effective whether or not such investigation, litigation or proceeding is brought by you, your equityholders or creditors or an Indemnified Party, whether or not an Indemnified Party is otherwise a party thereto and whether or not the transactions contemplated hereby are consummated. You also agree that no Indemnified Party shall have any liability (whether direct or indirect, in contract or tort or otherwise) to you or your subsidiaries or affiliates or to your or their respective equity holders or creditors arising out of the transactions contemplated hereby, except to the extent of direct, as opposed to special, indirect, consequential or punitive, damages determined in a final, nonappealable judgment by a court of competent jurisdiction to have resulted from such Indemnified Party's gross negligence or willful misconduct.
6. Conditions Precedent to Effectiveness. The effectiveness of this Facility Agreement shall be subject to the following conditions precedent, each of which shall be satisfied prior to the effectiveness of this Facility Agreement (unless the Lender, in its sole and absolute discretion, shall agree otherwise):
- a. Director Resignation Letters. Thomas L. Thimot, Phillip L. Kumnick, Philip R. Broenniman, Michael A. Gorriz and Neepa Patel, comprising all directors of the Company's board of directors (the "**Board of Directors**") other than Joseph Trelin, Michael L. Koehneman and Jacqueline L. White (the "**Remaining Directors**"), shall have delivered executed resignation letters (the "**Board Resignation Letters**") to the Company, to be held in escrow pending their release as contemplated by Section 7(a).
 - b. Board Authorization. The Board of Directors shall have evaluated and formally authorized and approved of the Facility Agreement, the documents being entered into in connection therewith, and the transactions contemplated thereunder.

7. Conditions Precedent to Initial Funding. The obligation of the Lender to provide the Initial Funding is subject to the following conditions precedent, each of which shall be satisfied at or prior to the provision of the Initial Funding (unless the Lender, in its sole and absolute discretion, shall agree otherwise):
- a. Director Resignations. The Board Resignation Letters shall have been released from escrow and shall have been declared effective by the Company.
 - b. Committee Appointments. The Board of Directors shall have appointed Joseph Trelin to the Company's Compensation and Audit Committees, and the Company shall have declared such appointments effective.
 - c. Board Nominations. The Lender shall have the right to nominate four (4) designees (provided, for the avoidance of doubt, that none of the Remaining Directors shall count as such a designee for the purpose of this clause c) to be considered by the Board of Directors for subsequent election to the Board of Directors (the "**Nomination Right**"). The Lender acknowledges that the Nomination Right does not constitute a guarantee of election of such nominee to the Board of Directors and that the nominee(s) may not be elected by the Board of Directors, in which case the Lender may nominate another person to be a director in lieu of the rejected designee. Each designee shall be subject to and may be required to execute all confidentiality obligations, share dealing codes and other documents and policies relating to insider trading and corporate governance matters, as may be applicable to directors of the Company. The remaining members of the Board of Directors shall not appoint any other directors until the Nomination Right has been exercised or has been terminated in accordance with the following sentence. Such Nomination Right will terminate automatically upon the earlier of (i) the appointment of such four designees to the Board of Directors and (ii) the convening of the first meeting of the stockholders of the Company following the date of this Facility Agreement.
 - d. Board Appointments. The Board of Directors shall have evaluated and appointed to the Board of Directors at least two (2) designees nominated by the Lender pursuant to clause c above.
 - e. Deliverables. The Promissory Note and the Release Agreement shall have been executed and delivered by the Company.
8. Chief Executive Officer. Promptly following the closing of the Initial Funding, the newly constituted Board of Directors shall evaluate one or more candidates for appointment as a replacement Chief Executive Officer of the Company. Upon the appointment of the new Chief Executive Officer, the CEO Resignation Letter shall be declared effective.
9. Miscellaneous. This Facility Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns, including in the case of individuals, their heirs, executors and administrators. This Facility Agreement may not be amended or modified in any respect, except by an instrument in writing signed by the parties. No failure or delay by a party in exercising any right, power or privilege hereunder shall operate as a waiver thereof by such party, nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any right, power or privilege hereunder. No warranties or representations whether implied by statute or otherwise, or if expressly made prior to the date hereof shall be effective and the same are hereby disclaimed and may not be relied upon by either party, except to the extent that the same are expressly set forth in the Facility Agreement.
10. Amendment and Restatement. This Facility Agreement amends and restates the Original Facility Agreement in its entirety. This Facility Agreement, together with the Initial Promissory Note and the documents delivered in connection therewith (the "**Initial Documentation**"), contains the entire agreement between the parties hereto with respect to the subject matter hereof. This Facility Agreement, together with the Initial Documentation, supersedes and renders void any prior understandings or agreements as to the subject matter hereof entered into between the parties hereto regarding the transactions contemplated hereby.

[Signature Pages Follow]

IN WITNESS WHEREOF, the parties hereto executed this Facility Agreement as of the date first above written.

AUTHID INC.

By: /s/ Thomas Thimot
Name: Thomas Thimot
Title: CEO

STEPHEN J. GARCHIK

/s/ Stephen J. Garchik

[Signature Page to Facility Agreement]

EXHIBIT A

FORM OF INITIAL PROMISSORY NOTE

[Attached]

PROMISSORY NOTE

\$900,000

Denver, Colorado
March [9], 2023

FOR VALUE RECEIVED, **authID Inc.**, a Delaware corporation formerly known as Ipsidy Inc. (the “**Borrower**”), promises to pay to **Stephen Garchik** (together with any successors and assigns, the “**Lender**”), at the Lender’s offices at 2474 S. Ocean Boulevard, Highland Beach, FL 33487, or at such other place in the United States of America as the Lender or any holder hereof may from time to time designate in writing (the “**Payment Office**”), the principal amount of Nine Hundred Thousand Dollars (\$900,000) (the “**Principal Amount**”) on March 31, 2025 (“**Maturity**”) or earlier as provided herein. The Borrower also agrees to pay interest, as provided herein, on the outstanding Principal Amount, until the outstanding Principal Amount shall be paid in full. The Borrower and the Guarantors (as defined herein) are collectively referred to herein as the “**Loan Parties**”.

THE LOAN.

§ 1.1 Advance.

(a) On the date hereof (the “**Closing Date**”), the Lender made an advance to the Borrower in the amount of Nine Hundred Thousand and 00/100 Dollars (\$900,000), and the Borrower acknowledges and agrees that as of the date hereof such amount remains outstanding and shall hereafter be evidenced by this Note.

(b) The amount borrowed hereunder once repaid may not be reborrowed.

§ 1.2 Interest. Interest shall accrue on the outstanding Principal Amount hereunder from the date hereof until paid in full at a per annum rate equal to 15%. Interest shall be computed on the basis of a 360-day year and twelve 30-day months, shall be payable in arrears on each Interest Date, and shall be payable in accordance with the terms of this Note. Interest shall be paid on each Interest Date and on the Maturity date in cash.

§ 1.3 Record of Debt. The Lender shall maintain a register evidencing the indebtedness of the Borrower to the Lender resulting from the advance made by the Lender hereunder, including the amounts of principal and interest payable and paid to the Lender from time to time hereunder. The entries made by the Lender in such register shall, absent manifest error, be conclusive evidence of the existence and amounts of the obligations recorded therein, and the Borrower and the holder(s) of this Note shall treat each Person whose name is recorded in such register as the owner of an interest in this Note for all purposes; provided, that the failure of the Lender to maintain such register or any error therein shall not in any manner affect the obligation of the Borrower to repay the unpaid outstanding Principal Amount hereof and interest thereon in accordance with the terms of this Note.

§ 1.4 Payments. Except as expressly set forth in this Note, all payments in respect of this Note shall be made at the Payment Office in lawful money of the United States of America and in immediately available funds, free and clear of, and without, any deduction, withholding, set-off or counterclaim of any kind or nature.

§ 1.5 Prepayment. The Borrower may at any time, upon not less than five (5) Business Days’ prior written notice to the Lender (which notice shall be irrevocable), prepay all or any portion of the outstanding Principal Amount evidenced by this Note in whole or in part, without premium or penalty. Any such prepayment shall be accompanied by payment of all accrued but unpaid interest on the amount prepaid.

§ 1.6 Indemnity for Returned Payments. If after receipt of any payment or application of proceeds which is applied to the payment of all or any part of the obligations outstanding or payable hereunder, the Lender is for any reason compelled to surrender such payment or proceeds to any Person because such payment or application of proceeds is invalidated, declared fraudulent, set aside, rescinded, determined to be void or voidable as a preference, impermissible setoff, or a diversion of trust funds, or for any other reason, then the obligations or part thereof intended to be satisfied by such payment or application shall be revived and continued and this Note shall continue in full force as if such payment or proceeds had not been received by the Lender and the Borrower shall be liable to pay the amount of such payment or proceeds, and interest thereon, to the Lender. The provisions of this Section 1.6 shall be and remain operative and in full force and effect regardless of, and shall survive, any contrary action which may have been taken by the Lender in reliance upon such payment or application of proceeds, and the repayment of advances evidenced by this Note.

REPRESENTATIONS AND WARRANTIES.

The Borrower represents and warrants to the Lender (which representations and warranties shall survive the execution and delivery of this Note and the advancing of the advance hereunder) that:

§ 1.7 Organization; Power. The Borrower is duly organized, validly existing and in good standing under the laws of its jurisdiction of incorporation, has the requisite power and authority to own its property and assets and to carry on its business as now conducted and as currently proposed to be conducted and is qualified or licensed to do business in every jurisdiction where such qualification or licensing is required, except where the failure to be so qualified and in good standing individually or in the aggregate, could not reasonably be expected to result in a material adverse effect on the business, assets, operations or condition (financial or otherwise) of the Borrower or impair the validity or enforceability of, or the ability of the Borrower to perform its obligations under, this Note (a “**Material Adverse Effect**”). The Borrower has the power to execute, deliver and perform its obligations under this Note and to borrow hereunder. Each Guarantor has the power to execute, deliver and perform its obligations under the Guaranty and to guaranty the Borrower’s obligations hereunder.

§ 1.8 Authorization. The execution, delivery and performance by the Borrower of this Note and each Guarantor of the Guaranty, and the consummation by the Borrower of transactions contemplated hereunder and by each Guarantor of the transactions contemplated thereunder (a) have been duly authorized by all requisite action on the part of the Borrower and each Guarantor, as applicable, and (b) will not (i) violate any provision of law or regulation applicable to the Borrower or any Guarantor, as applicable, (ii) violate or be in conflict with its certificate of incorporation and bylaws, (iii) violate any order or decree of any court, or any rule, regulation or order of any other agency of government, binding upon the Borrower or any Guarantor or its or their properties, as applicable, (iv) violate or result (alone or with notice or lapse of time or both) in a default under any material contractual obligation of the Borrower, or (v) except as contemplated hereby, result in or require the creation or imposition of any lien, charge or encumbrance of any nature whatsoever upon any properties or assets of the Borrower or any Guarantor.

§ 1.9 Binding Effect. This Note has been duly executed and delivered by the Borrower and constitutes a legal, valid and binding obligation of the Borrower enforceable in accordance with its terms subject to any applicable bankruptcy, reorganization, insolvency, moratorium or similar laws affecting creditors’ rights generally. The Guaranty has been duly executed and delivered by each Guarantor and constitutes a legal, valid and binding obligation of such Guarantor enforceable in accordance with its terms subject to any applicable bankruptcy, reorganization, insolvency, moratorium or similar laws affecting creditors’ rights generally.

§ 1.10 No Debt. The Borrower and its Subsidiaries have no material Indebtedness, except (a) amounts outstanding under the Convertible Notes; (b) amounts outstanding under this Note; and (c) other Permitted Indebtedness.

§ 1.11 Ownership of Property/Liens. The Borrower and each Guarantor has good and indefeasible title to, or a valid leasehold interest in, its material personal property and a valid leasehold interest in, its material real property, in each case, free and clear of Liens (as hereinafter defined) except for Permitted Liens.

§ 1.12 Disclosure. No written statement made by a senior officer of the Borrower to the Lender in connection with this Note or the advances hereunder, as of the date thereof contained any untrue statement of a material fact or omitted a material fact necessary to make the statement made not misleading in light of all the circumstances existing at the date the statement was made, it being recognized by the Lender that although statements as to forecasts and projections have been or will be prepared by the Borrower in good faith based upon assumptions that the preparer thereof believed to be reasonable at the time made, such statements are being made as to future events and are not to be viewed as fact.

§ 1.13 No Event of Default. No event has occurred and is continuing that is an Event of Default.

CLOSING DELIVERABLES.

§ 1.14 Closing Deliverables. The Lender has received all of the following, each of which is in form and substance reasonably satisfactory to the Lender and its legal counsel (unless otherwise specified or unless the Lender otherwise agreed or directed):

- i. an executed Note;
- ii. an executed guaranty (the “**Guaranty**”) from each of FIN Holdings Inc., ID Solutions, Inc. and Innovation in Motion Inc. (the “**Guarantors**”);
- iii. with respect to the Borrower and each Guarantor:
 - (a) a certificate of good standing of such entity in its jurisdiction of formation issued by the Secretary of State (or comparable office) of such jurisdiction of formation as of a date within ten (10) days of the Closing Date;
 - (b) a certificate evidencing such entity’s qualification as a foreign corporation and good standing issued by the Secretary of State (or comparable office) of each material jurisdiction in which the Borrower conducts business and is required to so qualify, as of a date within ten (10) days of the Closing Date;
 - (c) a certified copy of the Certificate of Incorporation as certified by the Secretary of State (or comparable office) of such entity’s jurisdiction of formation within ten (10) Business Days of the Closing Date for the Borrower and ID Solutions, Inc. and within twenty (20) Business Days of the Closing Date for FIN Holdings Inc. and Innovation in Motion Inc.; and
 - (d) a certificate, executed by the Secretary of such entity and dated as of the Closing Date, as to (i) the resolutions adopted by the Board of Directors in connection with the transactions contemplated hereby, (ii) the certificate of incorporation of such entity and (iii) the bylaws of such entity, each as in effect on the Closing Date; and

- iv. an executed Release Agreement relating to that certain Facility Agreement, dated as of March 21, 2022, by and between Ipsidy Inc. and Stephen J. Garchik (the “**Release Agreement**”).

AFFIRMATIVE COVENANTS

The Borrower covenants and agrees with the Lender that, so long as this Note or any provision hereof shall remain in effect, or the principal of or interest on this Note or any fee, expense or amount payable or any other obligations hereunder or with respect to this Note shall be unpaid or outstanding, it will:

§ 1.15 Existence. Do or cause to be done all things necessary to preserve, renew and keep in full force and effect its legal existence.

§ 1.16 Payment of Obligations. Pay and discharge promptly when due all material indebtedness and all other material liabilities and obligations, including all taxes, assessments and governmental charges or levies imposed upon it or upon its income or profits before the same shall become delinquent or in default unless (i) the validity or amount thereof is being contested in good faith by appropriate proceedings and (ii) adequate reserves with respect thereto are maintained by it in accordance with U.S generally accepted accounting principles.

§ 1.17 Financial Information. File on a timely basis with the Securities & Exchange Commission all required Annual Reports on Form 10-K and Quarterly Reports on Form 10-Q, as well as any other required filings under applicable laws and regulations, for so long as the Borrower is subject to such filing requirements. If the Borrower ceases to be required to file such reports the Borrower shall provide Lender with annual audited financial statements, within ninety (90) days after the end of each fiscal year and quarterly unaudited financial statements within forty-five (45) days after the end of each fiscal quarter.

§ 1.18 Permitted Business Activities. Engage only in business activities consistent with the business activities of the Loan Parties as of the Closing Date, and only own assets and make investments that will be used in connection with such business activities and are incidental thereto (collectively, the “**Permitted Business Activities**”).

§ 1.19 Inspection of Properties and Books. Permit the Lender, at Borrower’s expense, to visit and inspect any of the properties of the Loan Parties or any of their respective Subsidiaries (subject to the rights of any tenants), to examine the books of account of the Loan Parties and their respective Subsidiaries (and to make copies thereof and extracts therefrom) and to discuss the affairs, finances and accounts of the Loan Parties and their respective Subsidiaries with, and to be advised as to the same by, their senior officers, all at such reasonable times (during normal business hours) and intervals as the Lender may reasonably request upon reasonable notice.

§ 1.20 Use of Proceeds. Use the proceeds of this Note for working capital and general corporate purposes of the Borrower, and other general corporate purposes.

NEGATIVE COVENANTS

The Borrower covenants and agrees with the Lender that, so long as this Note or any provision hereof shall remain in effect or the principal of or interest on this Note or any fee, expense or amount payable or any other obligations hereunder or with respect to this Note shall be unpaid or outstanding:

§ 1.21 Rank. All payments due under this Note shall be *pari passu* with all other unsecured Indebtedness of the Borrower (other than Permitted Indebtedness secured by Permitted Liens).

§ 1.22 Incurrence of Indebtedness. Without the prior written consent of the Lender, the Borrower shall not, and the Borrower shall cause each of its Subsidiaries to not, directly or indirectly, incur or guarantee, assume or suffer to exist any Indebtedness (other than Permitted Indebtedness).

§ 1.23 Existence of Liens. Without the prior written consent of the Lender, the Borrower shall not, and the Borrower shall cause each of its Subsidiaries to not, directly or indirectly, allow or suffer to exist any mortgage, lien, pledge, charge, security interest or other encumbrance upon or in any property or assets (including accounts and contract rights) owned by the Borrower or any of its Subsidiaries (collectively, “**Liens**”) other than Permitted Liens.

§ 1.24 Restriction on Redemption and Cash Dividends. Except with respect to the Convertible Notes, the Borrower shall not, and the Borrower shall cause each of its Subsidiaries to not, directly or indirectly, redeem, repurchase or declare or pay any cash dividend or distribution on any of its capital stock (other than to the Borrower or any of its Subsidiaries).

§ 1.25 Maintenance of Properties, Etc. The Borrower shall maintain and preserve, all of its material properties which are necessary or useful in the proper conduct of its business in good working order and condition, ordinary wear and tear excepted, and comply at all times with the provisions of all material leases to which it is a party as lessee or under which it occupies property, so as to prevent any material loss or material forfeiture thereof or thereunder.

§ 1.26 Maintenance of Intellectual Property. The Borrower will take all action necessary or advisable to maintain all of the Intellectual Property of the Borrower that is necessary or material to the conduct of its business in full force and effect.

§ 1.27 Maintenance of Insurance. The Borrower shall maintain insurance with responsible and reputable insurance companies or associations (including, without limitation, comprehensive general liability, cybersecurity, hazard and business interruption insurance) with respect to its properties (including all real properties leased or owned by it) and business, in such amounts and covering such risks as is carried generally in accordance with sound business practice by companies in similar businesses similarly situated.

§ 1.28 Transactions with Affiliates. The Borrower shall not enter into any transaction with any of its Affiliates (other than wholly owned Subsidiaries), officers, or directors, other than transactions in the ordinary course of business and upon fair and reasonable terms not materially less favorable than it could obtain or could become entitled to in an arm’s length transaction with a Person that was not its Affiliate.

§ 1.29 Disposition of Assets. Without the prior written consent of the Lender, neither the Borrower nor any Subsidiary shall sell, assign, transfer, convey, exchange, convert, surrender, contribute, donate, gift, lease, license, abandon or otherwise dispose of any of the Borrower’s or any such Subsidiary’s material property, other than (i) in the ordinary course of business of the Borrower or such Subsidiary or (ii) the sale, assignment, transfer, conveyance, surrender or other disposition of the software or source code for MultiPay correspondent bank payments services.

EVENTS OF DEFAULT; REMEDIES

§ 1.30 Defaults. The existence or occurrence of any one or more of the following events shall constitute an “**Event of Default**”:

(a) the Borrower shall fail to make payment of any of the principal of or interest on this Note when due and such failure continues for a period of not less than five (5) Business Days without being cured; or

(b) the Borrower shall fail to observe or perform any covenants, obligations or agreements contained in or Sections 4 or 5 of this Note and such failure continues for a period of not less than five (5) Business Days without being cured; or

(c) the Borrower shall fail to make payment of any amounts due under the Convertible Notes or any other obligation for payment of monies owing in an amount of not less than \$400,000 and such failure continues for a period of not less than five (5) Business Days without being cured; or

(d) any representation or warranty herein shall be untrue in any material respect and such failure continues for a period of not less than five (5) Business Days without being cured; or

(e) the Borrower shall (i) execute a general assignment for the benefit of its creditors, (ii) become the subject, voluntarily or involuntarily, of any bankruptcy, insolvency, moratorium, debt relief, reorganization or similar proceeding; provided, however, it shall not be an Event of Default if the Borrower becomes the subject of an involuntary bankruptcy, insolvency, moratorium, debt relief, reorganization or similar proceeding so long as it promptly objects to such proceeding and seeks a dismissal or stay thereof and the proceeding is dismissed or stayed within sixty (60) days following its filing, (iii) apply for or consent to or acquiesce in the appointment of a custodian, receiver, trustee, or liquidator of itself or of all or a substantial part of its assets, (iv) file a voluntary petition seeking protection under any bankruptcy, insolvency, moratorium, debt relief, reorganization or similar law now or hereafter existing, (v) file an answer admitting the material allegations of, or consenting to, or default in filing an answer to, a petition filed against it in any bankruptcy, insolvency, moratorium, debt relief, reorganization or similar proceedings, (vi) institute or voluntarily be or become a party to any other judicial proceedings intended to effect a discharge of the debts of the Borrower or any Subsidiary, as the case may be, in whole or in part or (vii) take any corporate action for the purpose of authorizing any of the foregoing; or

(f) an order, judgment, or decree shall be entered by any court of competent jurisdiction appointing a custodian, receiver, trustee, or liquidator of the Borrower of all or any substantial part of the Borrower’s assets, unless such order, judgment or decree is dismissed or stayed within sixty (60) days after its entry; or

(g) the liquidation, dissolution or termination of the Borrower;

(h) the occurrence, directly or indirectly, by operation of law or otherwise, of any Change of Control of the Borrower; or

(i) this Note shall for any reason cease to be, or shall be asserted by the Borrower, or any Affiliate thereof not to be, a legal, valid and binding obligation of the Borrower.

§ 1.31 Remedies. Without limiting any other rights or remedies of the Lender provided for elsewhere in this Note, or the other Loan Documents, or by applicable Law, or in equity, or otherwise:

(a) upon the occurrence, and during the continuance, of any Event of Default other than an Event of Default described in Section 7.1(e), (f) or (g), then, at any time thereafter, if such or any other Event of Default shall then be continuing, the Lender may, at its option, forthwith declare this Note and all outstanding amounts, together with accrued interest thereon and all fees and obligations of the Borrower hereunder to be forthwith due and payable without presentment, demand, protest or other notice or formality of any kind, all of which are hereby expressly waived by the Borrower. The Lender shall have all rights, interests, benefits or privileges hereunder or which may be otherwise available to the Lender at law or in equity.

(b) Upon the occurrence and during the continuance of any Event of Default described in Section 7.1(e), (f) or (g), the unpaid principal of the Note, all interest accrued and unpaid thereon and all other amounts payable under the Loan Documents shall be forthwith due and payable, all without protest, presentment, notice of dishonor, demand or further notice of any kind, all of which are expressly waived by Borrower.

(c) Upon the occurrence and during the continuance of any Event of Default, the Lender, without notice to (except as expressly provided for in any Loan Document) or demand upon Borrower, which are expressly waived by Borrower (except as to notices expressly provided for in any Loan Document), may proceed to protect, exercise and enforce its rights and remedies under the Loan Documents against Borrower and any other Loan Party and such other rights and remedies as are provided by law or equity.

(d) The order and manner in which the Lender's rights and remedies are to be exercised shall be determined by the Lender in its sole discretion, and all payments received by the Lender shall be applied first to the costs and expenses (including attorneys' fees and disbursements and the reasonably allocated costs of attorneys employed by the Lender) of the Lender, then to the repayment of advances. No application of payments under this clause (d) will cure any Event of Default, or prevent acceleration, or continued acceleration, of amounts payable under the Loan Documents, or prevent the exercise, or continued exercise, of rights or remedies of the Lender hereunder or thereunder or at law or in equity.

§ 1.32 Rights and Remedies Cumulative. No right or remedy herein conferred upon the Lender is intended to be exclusive of any other right or remedy contained herein or in any instrument or document delivered in connection with or pursuant to this Note, and every such right or remedy shall be cumulative and shall be in addition to every other such right or remedy contained herein and therein or now or hereafter existing at law or in equity or by statute, or otherwise.

§ 1.33 Rights and Remedies Not Waived. No course of dealing between the Borrower and the Lender or any failure or delay on the part of the Lender in exercising any rights or remedies of the Lender and no single or partial exercise of any rights or remedies hereunder shall operate as a waiver or preclude the exercise of any other rights or remedies hereunder. Any decision by the Lender not to require payment of any interest, fee, cost or other amount payable under this Note, or to calculate any amount payable by a particular method, on any occasion shall in no way limit or be deemed a waiver of the Lender's right to require full payment of any interest, fee, cost or other amount payable under this Note, or to calculate an amount payable by another method that is not inconsistent with this Note, on any other or subsequent occasion.

SPRINGING SECURITY INTEREST

§ 1.34 Security Interests. In the event of either (I) the conversion of the Convertible Notes of all amounts outstanding thereunder into validly issued, fully paid and non-assessable shares of Common Stock (as defined in the Convertible Notes) and the release of all Liens over the Borrower's assets granted by and through the Transaction Documents (as defined in the Convertible Notes) and (II) receipt of the consent of the requisite holders of the Convertible Notes, in each case, the Borrower shall, as collateral security for the due and punctual payment and performance of all obligations under this Note, as and when due, pledge and assign to the Lender a first-priority, continuing security interest in substantially all of the assets of the Borrower, subject to exclusions consistent with those contained in the Transaction Documents, wherever located and owned at such time. The Borrower shall use its reasonable best efforts to deliver to the Lender, and the Lender shall use its reasonable best efforts to obtain the written consent of the Required Holders (as defined in the SPA) to, an amendment to that certain Securities Purchase Agreement, dated as of March 21, 2022 (the "SPA"), by and among the Company and the holders of the Convertible Notes, permitting the grant of collateral security as set forth in this Section 7.1; *provided, that*, the parties agree that neither party shall have any liability whatsoever hereunder arising out of or relating to the failure to deliver any such amendment or to obtain such consent and that no representation, warranty or covenant of the Borrower contained herein shall be breached or deemed breached as a result of the failure to obtain such consent.

§ 1.35 Secured Interest Rate. Upon the grant of collateral security as set forth in Section 7.1, without the need for further action by any Person, interest shall accrue on the outstanding Principal Amount hereunder from the date of such grant until paid in full at a per annum rate equal to 12% notwithstanding anything in Section 1.2 to the contrary.

MISCELLANEOUS

§ 1.36 Collection Costs. Following an Event of Default, if the Lender or any holder of this Note shall refer this Note to an attorney for collection, the Borrower agrees to pay, in addition to unpaid principal and interest and any other amounts payable hereunder, all the costs and expenses incurred in attempting or effecting collection hereunder, including reasonable attorneys' fees, whether or not suit is instituted.

§ 1.37 Waivers. Presentment, demand, protest or other notice or formality of any kind, except as may be otherwise specifically provided herein, are all hereby waived by the Borrower with respect to this Note.

§ 1.38 Interest Rate Limitation. It is the intention and understanding of the Borrower and the Lender that the indebtedness evidenced by this Note be exempt from the restrictions of the usury laws of the State of New York and any applicable federal law. The Borrower and the Lender stipulate and agree that none of the terms and provisions contained in this Note shall ever be construed to create a contract for the use, forbearance, or detention of money requiring payment of interest, including default interest, at a rate in excess of the maximum interest rate permitted to be charged by the laws of the State of New York or any applicable federal law. In such event, if the Borrower or any of its Subsidiaries or successors or assigns shall collect monies which are deemed to constitute interest which would otherwise increase the effective interest rate of this Note to a rate in excess of the maximum rate permitted to be charged by the laws of the State of New York or any applicable federal law, all such sums deemed to constitute interest in excess of such maximum rate shall, at the option of the Borrower, be credited to the payment of the sums due thereunder or returned to the Lender.

§ 1.39 Modification. No amendment, modification or waiver of any provision of this Note and no consent by the Lender to any departure therefrom by the Borrower shall be effective unless such amendment, modification, waiver or consent shall be in writing and signed by the Lender, and the same shall then be effective only for the period and on the conditions and for the specific instances and purposes specified in such writing. No notice to or demand on the Borrower in any case shall entitle the Borrower to any other or further notice or demand in similar or other circumstances.

§ 1.40 Governing Law. This Note shall be construed in accordance with and governed by the laws of the State of New York without regard to any conflicts of laws principles thereof that would call for the application of the laws of any other jurisdiction.

§ 1.41 Waiver of Jury Trial, etc.

(a) Except as prohibited by law, each party hereto hereby waives any right it may have to a trial by jury in respect of any litigation, action, suit or proceeding directly or indirectly arising out of, under or in connection with this Note. The Borrower and the Lender each represents that it has reviewed this waiver and knowingly and voluntarily waives its jury trial rights following consultation with legal counsel. In the event of any litigation, action, suit or proceeding, a copy of this Note may be filed as a written consent to a trial by the court.

(b) Each party hereto hereby waives any right it may have to claim or recover in any litigation, action, suit or proceeding referred to in paragraph (a) of this Section 8.6(b) any special, exemplary, punitive or consequential damages or any damages other than, or in addition to, actual damages.

(c) The Borrower hereby (i) certifies that no representative, agent or attorney of the Lender has represented, expressly or otherwise, that the Lender would not, in the event of any litigation, action, suit or proceeding, seek to enforce the foregoing waivers and (ii) acknowledges that the Lender has been induced to enter into this Note, by, among other things, the Borrower's waivers and certifications herein.

§ 1.42 Consent to Exclusive Jurisdiction. Each of the Borrower and the Lender hereby irrevocably (a) submits to the exclusive jurisdiction of the courts of the State of New York sitting in New York County and of the United States of America for the Southern District of New York and any appellate court from any thereof, in connection with any litigation, action, suit or proceeding arising out of or relating to this Note and (b) waives any defense or objection that any litigation, action, suit or proceeding brought in any such court has been brought in an improper venue or inconvenient forum.

§ 1.43 Benefit of Agreement. This Note shall be binding upon the successors and assigns of the Borrower and inure to the benefit of the Lender and its successors, endorsees and assigns, provided, that, (a) the Borrower may not delegate, transfer or assign any rights or obligations hereunder without the Lender's prior written consent, and any such purported delegation, transfer or assignment by the Borrower without such consent shall be null and void and (b) the Lender may not assign or delegate all or any portion of its obligations hereunder without the consent of the Borrower (such consent not to be unreasonably withheld, conditioned or delayed), except that no such consent shall be required for an assignment or delegation to an affiliate of the Lender or an investment vehicle to be formed by the Lender or while an Event of Default has occurred and is continuing.

§ 1.44 No Fiduciary Duty. Nothing in this Note shall be construed to create or give rise to any fiduciary duty on the part of the Lender to the Borrower or any of its Subsidiaries.

§ 1.45 Cumulative Remedies; No Waiver. The rights, powers, privileges and remedies of the Lender provided herein or in any other Loan Document are cumulative and not exclusive of any right, power, privilege or remedy provided by Law or equity. No failure or delay on the part of the Lender in exercising any right, power, privilege or remedy may be, or may be deemed to be, a waiver thereof; nor may any single or partial exercise of any right, power, privilege or remedy preclude any other or further exercise of the same or any other right, power, privilege or remedy.

§ 1.46 Severability. In case any provision or any part of any provision contained in this Note shall, for any reason, be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision or remaining part of the affected provision of this Note, but this Note shall be construed as if such invalid, illegal, or unenforceable provision or part thereof had never been contained herein but only to the extent such provision or part thereof is invalid, illegal, or unenforceable.

§ 1.47 Counterparts. This Note may be executed in counterparts (and by different parties hereto in different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single promissory note. Delivery of an executed counterpart of a signature page of this Note by facsimile or in electronic (for example, “.pdf” or “.tif”) format by email or other electronic transmission shall be effective as delivery of a manually executed counterpart of this Note. Signature pages may be detached from separate counterparts and attached to a single counterpart so that all signature pages are attached to the same document.

§ 1.48 Controlling Documents. For the avoidance of doubt, in the event of any conflict between the terms of this Note and that certain Amended and Restated Facility Agreement, dated as of the date hereof, by and between the Borrower and Stephen J. Garchik (the “**Facility Agreement**”), the terms of this Note shall control.

§ 1.49 Notices. All notices to be provided pursuant to this Note (and any consents permitted by the terms of this Note) shall be in writing and delivered by courier or by hand, or sent by e-mail transmission, or other electronic means,

(a) to Borrower at: 1624 Market St Ste 226,
Unit 51767,
Denver, Colorado 80202-1559 USA,
Attn: General Counsel,
E-mail: legal@authid.ai

(b) to Lender at: 2474 S. Ocean Boulevard,
Highland Beach, FL 33487
E-mail: sgarchik@sjmpartners.com

All such notices delivered by hand or by courier shall be deemed served upon receipt or refusal of receipt by the addressee. All notices given electronically shall be deemed served upon the next Business Day after transmission, provided no error message was received. Either party may serve notice in accordance with this Section changing their respective addresses for service.

DEFINITIONS

For purposes of this Note, the following terms shall have the following meanings:

§ 1.50 “**Affiliate**” means, with respect to any Person, any other Person that directly or indirectly controls, is controlled by, or is under common control with, such Person, it being understood for purposes of this definition that “control” of a Person means the power directly or indirectly either to vote 10% or more of the stock having ordinary voting power for the election of directors of such Person or direct or cause the direction of the management and policies of such Person whether by contract or otherwise.

§ 1.51 “**Board of Directors**” means the board of directors or other equivalent body of the Borrower.

§ 1.52 “**Business Day**” means any day other than Saturday, Sunday or other day on which commercial banks in The City of New York are authorized or required by law to remain closed;

§ 1.53 “**Change of Control**” means the sale of all or substantially all of the assets of the Borrower, taken together with the Guarantors and the other Subsidiaries on a consolidated basis, or, with respect to the Borrower, (i) any Person or group of persons within the meaning of section 13(d)(3) of the Securities Exchange Act of 1934 obtains legal or beneficial ownership of twenty percent (20%) or more of the outstanding voting securities (or other voting ownership interests) of the Borrower, or if the Borrower is a limited partnership, of any general partner of the Borrower, or (ii) a majority of the members of the board of directors or other equivalent governing body of the Borrower cease to be composed of individuals (A) who were members of that board or other equivalent governing body on March 10, 2023, (B) whose election or nomination to that board or equivalent governing body was approved by individuals referred to in preceding clause (A) constituting at the time of such election or nomination at least a majority of that board or equivalent governing body, or (C) whose election or nomination to that board or equivalent governing body was approved by individuals referred to in preceding clauses (A) and (B) constituting at the time of such election or nomination at least a majority of that board or equivalent governing body.

§ 1.54 “**Convertible Note**” means each of the series of Senior Secured Convertible Notes issued by the Borrower as of March 21, 2022, in the original aggregate principal amount of \$9,175,205.

§ 1.55 “**Indebtedness**” means, (a) all indebtedness for borrowed money, (b) all obligations issued, undertaken or assumed as the deferred purchase price of property or services (including, without limitation, “capital leases” in accordance with GAAP) (other than trade payables entered into in the ordinary course of business consistent with past practice), (c) all reimbursement or payment obligations with respect to letters of credit, surety bonds and other similar instruments, (d) all indebtedness created or arising under any conditional sale or other title retention agreement, or incurred as financing or leasing, in either case with respect to any property or assets acquired with the proceeds of such indebtedness, and (e) all contingent obligations in respect of indebtedness or obligations of others of the kinds referred to in clauses (a) through (d) of this Section.

§ 1.56 “**Intellectual Property**” means all (i) patents, trademarks, service marks, trade names, domain names, copyrights, designs and trade secrets, and moral rights; (ii) inventions, discoveries, ideas, processes, formulae, methods, schematics, intellectual property, know-how, computer software programs (including, without limitation, source code, operating systems, applications, documentation, specifications, files, and other materials related thereto), published and unpublished works of authorship, data and databases; (iii) other tangible or intangible proprietary or confidential information and materials; and (iv) all applications for or registrations of any of the foregoing and all rights in or to any of the foregoing including, without limitation, under licenses or other arrangements with other persons.

§ 1.57 “**Interest Date**” means March 31, June 30, September 30, and December 31, of each year commencing March 31, 2023 or the first Business Day following each such date if any such date falls on a day which is not a Business Day.

§ 1.58 “**Loan Documents**” means this Note and the Facility Agreement.

§ 1.59 “**Note**” means this promissory note.

§ 1.60 “**Permitted Indebtedness**” means (a) Indebtedness evidenced by the Convertible Notes issued and outstanding as of the date hereof and (b) other Indebtedness consisting of a revolving or line of credit facility or facilities in an aggregate amount not to exceed \$100,000 (the “**Permitted BofA LOC Debt**”).

§ 1.61 “**Permitted Liens**” means (a) any Lien for taxes not yet due or delinquent or being contested in good faith by appropriate proceedings for which adequate reserves have been established in accordance with GAAP, (b) any statutory Lien arising in the ordinary course of business by operation of law with respect to a liability that is not yet due or delinquent, (c) any Lien created by operation of law, such as materialmen’s liens, mechanics’ liens and other similar liens, arising in the ordinary course of business with respect to a liability that is not yet due or delinquent or that is being contested in good faith, (d) Liens securing the Permitted BofA LOC Debt, (e) Liens arising from the licensing of Intellectual Property in the ordinary course of the Loan Parties’ business, and (f) the security interests securing the obligations under and granted pursuant to the terms of the Convertible Notes.

§ 1.62 “**Person**” means an individual, a limited liability company, a partnership, a joint venture, a corporation, a trust, an unincorporated organization, any other entity or a government or any department or agency thereof.

§ 1.63 “**Subsidiary**” means any Person in which the Borrower, directly or indirectly, (i) owns at least 25% of the outstanding capital stock or holds at least 25% of the outstanding equity or similar interest of such Person or (ii) controls the business, operations or administration of such Person, and all of the foregoing, collectively.

SECTION 2. INDEMNIFICATION

§ 2.1 Indemnification. The Borrower and each Subsidiary agree, jointly and severally, to defend, protect, indemnify, and hold the Lender and each of its shareholders, partners, members, officers, directors, employees, and direct or indirect investors, and any of the foregoing Persons’ agents or other representatives (including, without limitation, those retained in connection with the transactions contemplated by this Note) (each, and “**Indemnified Party**”) harmless from and against any and all claims, damages, losses, liabilities, obligations, penalties, fees, costs, and expenses (including, without limitation, reasonable legal fees, costs, expenses, and disbursements of such Person’s counsel as a result of, arising out of, or relating to (i) any misrepresentation or breach of any representation or warranty made by the Borrower in this Note, (ii) any breach of any covenant, agreement or obligation of the Borrower contained in this Note, (iii) enforcement of this Note, or (iv) any cause of action, suit, proceeding or claim brought or made against such Indemnified Party by a third party (including for these purposes a derivative action brought on behalf of the Company or any Subsidiary) or which otherwise involves such Indemnified Party that arises out of or results from the Borrower’s execution, delivery, performance or enforcement of the Note (including, without limitation, as a party in interest or otherwise in any action or proceeding for injunctive or other equitable relief), in each case except to the extent resulting from such Person’s gross negligence or willful misconduct, as determined by a final judgment of a court of competent jurisdiction no longer subject to appeal.

§ 2.2 Costs, Expenses and Taxes. Borrower shall pay within five (5) days after demand, accompanied by an invoice therefor, the reasonable costs and expenses of the Lender in connection with the negotiation, preparation, execution, delivery, administration and interpretation of the Loan Documents and any amendment thereto or waiver thereof. Following and during the continuation of an Event of Default, Borrower shall also pay on demand, accompanied by an invoice therefor, the reasonable costs and expenses of the Lender in connection with the refinancing, restructuring, reorganization (including a bankruptcy reorganization) and enforcement or attempted enforcement of the Loan Documents, and any matter related thereto. The foregoing costs and expenses may include filing fees, recording fees, title insurance fees, appraisal fees, search fees, and other out of pocket expenses and the reasonable fees and out of pocket expenses of any legal counsel (including reasonably allocated costs of legal counsel employed by the Lender), independent public accountants and other outside experts retained by the Lender, whether or not such costs and expenses are incurred or suffered by the Lender in connection with or during the course of any bankruptcy or insolvency proceedings of any member of the Borrower or its subsidiaries. Borrower shall pay any and all documentary and other taxes (excluding taxes imposed on or measured in whole or in part by any Lender's overall net income imposed on such Lender (including taxes on gross income imposed in lieu of net income, minimum taxes or branch profits taxes) by (A) any jurisdiction (or political subdivision thereof) in which such Lender is organized or maintains its principal office or (B) any jurisdiction (or political subdivision thereof) in which such Lender is "doing business"), and all costs, expenses, fees and charges payable or determined to be payable in connection with the filing or recording of this Note, any other Loan Document or any other instrument or writing to be delivered hereunder or thereunder, or in connection with any transaction pursuant hereto or thereto, and shall reimburse, hold harmless and indemnify on the terms set forth herein the Lender from and against any and all loss, liability or legal or other expense with respect to or resulting from any delay in paying or failure to pay any such tax, cost, expense, fee or charge or that any of them may suffer or incur by reason of the failure of any party to perform any of its obligations hereunder.

§ 2.3 Nonliability of the Lender. Borrower acknowledges and agrees that:

(a) Any inspections of any property of Borrower or any other Loan Party made by or through the Lender are for purposes of administration of the Drawdowns only and Borrower and such other Loan Parties are not entitled to rely upon the same (whether or not such inspections are at the expense of Borrower);

(b) By accepting or approving anything required to be observed, performed, fulfilled or given to the Lender pursuant to the Loan Documents, the Lender shall not be deemed to have warranted or represented the sufficiency, legality, effectiveness or legal effect of the same, or of any term, provision or condition thereof, and such acceptance or approval thereof shall not constitute a warranty or representation to anyone with respect thereto by the Lender;

(c) The relationship between Borrower and the Lender as the result of this Note shall at all times remain solely that of borrowers and lenders; as a result of the entry into this Note, the Lender shall not under any circumstance be construed to be partners or joint venturers of Borrower or any of its subsidiaries, the Lender shall not under any circumstance be deemed to be in a relationship of confidence or trust or a fiduciary relationship with Borrower or any other subsidiary, or to owe any fiduciary duty to Borrower or any other subsidiary; and

(d) The Lender shall not be responsible or liable to any Person for any loss, damage, liability or claim of any kind relating to injury or death to Persons or damage to Property caused by the actions, inaction or negligence of Borrower and/or any of its Subsidiaries.

[Signature Pages Follow]

SIGNED AS OF THE DATE FIRST ABOVE WRITTEN

authID Inc.

By: _____
Name: Thomas Thimot
Title: CEO

ACCEPTED AND AGREED:

EXHIBIT B

FORM OF PROPOSED TERM SHEET FOR SUBSEQUENT FUNDING

The following draft term sheet (the “**Term Sheet**”) summarizes selected terms of a proposed senior secured term loan financing for authID Inc., a Delaware corporation formerly known as Ipsidy Inc. (the “**Borrower**” or the “**Company**”) and certain of its affiliates and subsidiaries listed as guarantor entities below (the “**Guarantors**”) and together with the Borrower, the “**Obligors**”).

THIS TERM SHEET IS A NON-BINDING TERM SHEET PRESENTED FOR DISCUSSION PURPOSES ONLY AND IS SUBJECT TO DUE DILIGENCE AND FINAL DOCUMENTATION ACCEPTABLE TO THE PROPOSED LENDER IN ITS REASONABLE DISCRETION. THIS TERM SHEET DOES NOT ADDRESS ALL TERMS THAT WOULD BE REQUIRED IN CONNECTION WITH THE PROPOSED TRANSACTION.

THIS TERM SHEET IS NOT AN OFFER WITH RESPECT TO ANY SECURITIES. ANY SUCH OFFER WILL COMPLY WITH ALL APPLICABLE SECURITIES LAWS AND/OR PROVISIONS OF THE APPLICABLE LAW. NOTHING CONTAINED IN THIS TERM SHEET SHALL BE AN ADMISSION OF FACT OR LIABILITY.

Borrower	authID Inc. f/k/a Ipsidy Inc.
Lender	One or more lenders, including Stephen J. Garchik or an investment vehicle thereof to be formed (collectively, the “ Lender ”)
Guarantors	FIN Holdings Inc. Innovation in Motion, Inc. ID Solutions, Inc.
Amount and Type of Facility	\$2,700,000 secured note facility (the “ Facility ”)
Use of Proceeds	Working capital to continue the effort to sell the technology to new customers and subject to various budget and operational restrictions, as discussed below.
Interest Rate	12% per annum paid to Lender which shall be paid in kind, capitalized and added to the balance of loan on a quarterly basis, calculated on a 360-day year basis, on the outstanding aggregate balance of the Facility from time to time (the “ Principal ”).
Default Interest Rate	6% per annum.
Maturity	24-months from the Closing.
Documentation	The Facility shall be documented in the form of a promissory note (the “ Subsequent Promissory Note ”) and other collateral and debt instruments acceptable to the Lender in its reasonable discretion (collectively with the Subsequent Promissory Note, the “ Facility Documentation ”).
Drawdown	Drawdowns to be made no more frequently than monthly and subject to the applicable terms and conditions set forth in this Term Sheet.

Prepayment	The Company may choose to prepay the Facility at any time, in part or in full, without penalty by paying some or all of the principal and the related accrued interest to the Lender.
Guaranty	The Guarantors shall enter into a guaranty (the “ Guaranty ”) consistent with that certain Guaranty, dated as of March 21, 2022, in favor of the Lender, all in form and substance satisfactory to the Lender in its reasonable discretion.
Liens and Security Agreement; Ranking	<p>Pursuant to a security agreement (the “Security Agreement”), in form and substance satisfactory to the Lender in its sole discretion, the Borrower shall grant and pledge to the Lender a fully perfected, non-avoidable, first-priority security interest and lien on all assets of the Borrower, wherever located, and whether now owned or hereafter acquired.</p> <p>The Facility shall constitute the senior obligation of the Borrower and shall rank senior in right of payment to the obligations of the Borrower under the existing secured convertible notes, and the Liens granted in connection with the Facility shall rank <i>pari passu</i> with the liens granted to the holders of the Borrower’s existing secured convertible notes.</p> <p>The parties shall use their reasonable best efforts to obtain the consent under the existing convertible notes of the Required Holders (as defined therein) to the grant of the springing security interest set forth in the Initial Promissory Note.</p>
Conditions Precedent to Closing	<p>Prior to the closing of the Facility Documentation, the Borrower shall be required to satisfy certain closing conditions, including but not limited to the following (each, a “Closing Condition” and collectively, the “Closing Conditions”):</p> <ul style="list-style-type: none"> ● The full execution and delivery by the Borrower to the Lender of the Facility Documentation and such ancillary documents as may be reasonably requested by the Lender, including, but not limited to, the Security Agreement. ● The Borrower and the Guarantors shall have delivered an amendment to the Sale and Purchase Agreement for the existing convertible notes, in form and substance satisfactory to the Lender in its reasonable discretion, executed by the Required Lenders (as defined therein). ● The execution and delivery by the Guarantors to the Lender of the Guaranty. ● The Lender shall have received, in form and substance satisfactory to the Lender in its reasonable discretion, such other assurances, certificates, documents, consents related to the foregoing as the Lender reasonably may require.

Conditions Precedent to Funding	<p>Prior to the funding by the Lender of any Drawdown Request under this Facility, the Borrower shall be required to satisfy the following funding conditions (each, a “Funding Condition” and collectively, the “Funding Conditions”):</p> <ul style="list-style-type: none"> ● The Borrower shall deliver to the Lender a Compliance Certificate demonstrating compliance with all financial covenants and with the budget in all material respects. ● The representations and warranties of the Borrower set forth in the Facility Documentation shall be true and correct in all material respects on and as of the date of such Drawdown. ● No material adverse effect shall have occurred since the date of the previous Drawdown. ● The Borrower has delivered to the Lender and the Lender has approved of a revised Budget. ● Each Drawdown shall be in an amount tied to the projected Budget shortfall for the next month (or longer period that may be mutually agreed). ● The Borrower shall be in compliance with the revenue based target covenants. ● The Lender shall be satisfied with the then-existing slate of officers of each of the Borrower and each Guarantor. ● The Lender shall have received, in form and substance satisfactory to the Lender in its reasonable discretion, such other assurances, certificates, documents, consents related to the foregoing as the Lender reasonably may require.
Representations and Warranties	Typical representations and warranties for a financing such as the Facility, in form and substance reasonably satisfactory to the Lender.
Affirmative, Negative and Financing Covenants	<p>Typical affirmative, negative and financial covenants (applicable to the Borrower and the Guarantors) for financing such as the Facility, in form and substance satisfactory to the Lender.</p> <p><u>Financial Covenants</u></p> <ul style="list-style-type: none"> ● Minimum Liquidity ● Minimum Consolidated EBITDA
Operational Covenants	<p>The Borrower shall observe and be bound by the following operational covenants (the “Operational Covenants”):</p> <ul style="list-style-type: none"> ● The Borrower shall prepare and propose to the Lender a cash flow budget (the “Budget”), which shall be approved by the Lender in its sole discretion. ● Revenue-Based Targets. The Borrower shall comply with a quarterly test for customer acquisitions and revenue generation, to be negotiated by the parties and satisfactory to the Lender in its sole discretion.

Expenses	Typical lender expenses for a financing such as the Facility.
Events of Default	Typical events of default for a financing such as the Facility, in form and substance reasonably satisfactory to the Lender, including, but not limited to, (a) failure to make any required Principal or interest payment under the Facility; (b) the Borrower's cross-default under any related loan document, including the Convertible Notes; and (c) a change of control of the Borrower or any of its subsidiaries.
Indemnification	Typical indemnification in favor of the Lender for a financing such as the Facility, in form and substance satisfactory to the Lender.
DIP Financing	Absent prior agreement, if the Borrower or any Guarantor files a Chapter 11 Case, the Borrower shall provide the Lender first with a right of first refusal with regard to the provision of debtor-in-possession (" DIP ") financing. Any such DIP financing shall be subject to definitive documentation.
Credit Bidding	If the Company files a Chapter 11 Case and enters into a DIP financing agreement with the Lender, the Lender shall be entitled to credit bid a portion or the full amount of its debt holdings (in the Lender's sole discretion) toward the purchase of all or substantially all of the Company's assets pursuant to section 363(k) of the Bankruptcy Code to the extent permitted thereby.
Governing Law	New York
Closing	The Closing shall occur upon (i) the satisfaction of the Closing Conditions and (ii) the execution of the Facility Documentation.
Miscellaneous	The Facility Documentation shall include any other typical provisions and provisions reasonably requested by the Lender.

PROMISSORY NOTE

\$900,000

Denver, Colorado
March 9, 2023

FOR VALUE RECEIVED, **authID Inc.**, a Delaware corporation formerly known as Ipsidy Inc. (the “**Borrower**”), promises to pay to **Stephen Garchik** (together with any successors and assigns, the “**Lender**”), at the Lender’s offices at 2474 S. Ocean Boulevard, Highland Beach, FL 33487, or at such other place in the United States of America as the Lender or any holder hereof may from time to time designate in writing (the “**Payment Office**”), the principal amount of Nine Hundred Thousand Dollars (\$900,000) (the “**Principal Amount**”) on March 31, 2025 (“**Maturity**”) or earlier as provided herein. The Borrower also agrees to pay interest, as provided herein, on the outstanding Principal Amount, until the outstanding Principal Amount shall be paid in full. The Borrower and the Guarantors (as defined herein) are collectively referred to herein as the “**Loan Parties**”.

SECTION 1. THE LOAN.

§ 1.1 Advance.

(a) On the date hereof (the “**Closing Date**”), the Lender made an advance to the Borrower in the amount of Nine Hundred Thousand and 00/100 Dollars (\$900,000), and the Borrower acknowledges and agrees that as of the date hereof such amount remains outstanding and shall hereafter be evidenced by this Note.

(b) The amount borrowed hereunder once repaid may not be reborrowed.

§ 1.2 Interest. Interest shall accrue on the outstanding Principal Amount hereunder from the date hereof until paid in full at a per annum rate equal to 15%. Interest shall be computed on the basis of a 360-day year and twelve 30-day months, shall be payable in arrears on each Interest Date, and shall be payable in accordance with the terms of this Note. Interest shall be paid on each Interest Date and on the Maturity date in cash.

§ 1.3 Record of Debt. The Lender shall maintain a register evidencing the indebtedness of the Borrower to the Lender resulting from the advance made by the Lender hereunder, including the amounts of principal and interest payable and paid to the Lender from time to time hereunder. The entries made by the Lender in such register shall, absent manifest error, be conclusive evidence of the existence and amounts of the obligations recorded therein, and the Borrower and the holder(s) of this Note shall treat each Person whose name is recorded in such register as the owner of an interest in this Note for all purposes; provided, that the failure of the Lender to maintain such register or any error therein shall not in any manner affect the obligation of the Borrower to repay the unpaid outstanding Principal Amount hereof and interest thereon in accordance with the terms of this Note.

§ 1.4 Payments. Except as expressly set forth in this Note, all payments in respect of this Note shall be made at the Payment Office in lawful money of the United States of America and in immediately available funds, free and clear of, and without, any deduction, withholding, set-off or counterclaim of any kind or nature.

§ 1.5 Prepayment. The Borrower may at any time, upon not less than five (5) Business Days’ prior written notice to the Lender (which notice shall be irrevocable), prepay all or any portion of the outstanding Principal Amount evidenced by this Note in whole or in part, without premium or penalty. Any such prepayment shall be accompanied by payment of all accrued but unpaid interest on the amount prepaid.

§ 1.6 Indemnity for Returned Payments. If after receipt of any payment or application of proceeds which is applied to the payment of all or any part of the obligations outstanding or payable hereunder, the Lender is for any reason compelled to surrender such payment or proceeds to any Person because such payment or application of proceeds is invalidated, declared fraudulent, set aside, rescinded, determined to be void or voidable as a preference, impermissible setoff, or a diversion of trust funds, or for any other reason, then the obligations or part thereof intended to be satisfied by such payment or application shall be revived and continued and this Note shall continue in full force as if such payment or proceeds had not been received by the Lender and the Borrower shall be liable to pay the amount of such payment or proceeds, and interest thereon, to the Lender. The provisions of this Section 1.6 shall be and remain operative and in full force and effect regardless of, and shall survive, any contrary action which may have been taken by the Lender in reliance upon such payment or application of proceeds, and the repayment of advances evidenced by this Note.

SECTION 2. REPRESENTATIONS AND WARRANTIES.

The Borrower represents and warrants to the Lender (which representations and warranties shall survive the execution and delivery of this Note and the advancing of the advance hereunder) that:

§ 2.1 Organization; Power. The Borrower is duly organized, validly existing and in good standing under the laws of its jurisdiction of incorporation, has the requisite power and authority to own its property and assets and to carry on its business as now conducted and as currently proposed to be conducted and is qualified or licensed to do business in every jurisdiction where such qualification or licensing is required, except where the failure to be so qualified and in good standing individually or in the aggregate, could not reasonably be expected to result in a material adverse effect on the business, assets, operations or condition (financial or otherwise) of the Borrower or impair the validity or enforceability of, or the ability of the Borrower to perform its obligations under, this Note (a “**Material Adverse Effect**”). The Borrower has the power to execute, deliver and perform its obligations under this Note and to borrow hereunder. Each Guarantor has the power to execute, deliver and perform its obligations under the Guaranty and to guaranty the Borrower’s obligations hereunder.

§ 2.2 Authorization. The execution, delivery and performance by the Borrower of this Note and each Guarantor of the Guaranty, and the consummation by the Borrower of transactions contemplated hereunder and by each Guarantor of the transactions contemplated thereunder (a) have been duly authorized by all requisite action on the part of the Borrower and each Guarantor, as applicable, and (b) will not (i) violate any provision of law or regulation applicable to the Borrower or any Guarantor, as applicable, (ii) violate or be in conflict with its certificate of incorporation and bylaws, (iii) violate any order or decree of any court, or any rule, regulation or order of any other agency of government, binding upon the Borrower or any Guarantor or its or their properties, as applicable, (iv) violate or result (alone or with notice or lapse of time or both) in a default under any material contractual obligation of the Borrower, or (v) except as contemplated hereby, result in or require the creation or imposition of any lien, charge or encumbrance of any nature whatsoever upon any properties or assets of the Borrower or any Guarantor.

§ 2.3 Binding Effect. This Note has been duly executed and delivered by the Borrower and constitutes a legal, valid and binding obligation of the Borrower enforceable in accordance with its terms subject to any applicable bankruptcy, reorganization, insolvency, moratorium or similar laws affecting creditors’ rights generally. The Guaranty has been duly executed and delivered by each Guarantor and constitutes a legal, valid and binding obligation of such Guarantor enforceable in accordance with its terms subject to any applicable bankruptcy, reorganization, insolvency, moratorium or similar laws affecting creditors’ rights generally.

§ 2.4 No Debt. The Borrower and its Subsidiaries have no material Indebtedness, except (a) amounts outstanding under the Convertible Notes; (b) amounts outstanding under this Note; and (c) other Permitted Indebtedness.

§ 2.5 Ownership of Property/Liens. The Borrower and each Guarantor has good and indefeasible title to, or a valid leasehold interest in, its material personal property and a valid leasehold interest in, its material real property, in each case, free and clear of Liens (as hereinafter defined) except for Permitted Liens.

§ 2.6 Disclosure. No written statement made by a senior officer of the Borrower to the Lender in connection with this Note or the advances hereunder, as of the date thereof contained any untrue statement of a material fact or omitted a material fact necessary to make the statement made not misleading in light of all the circumstances existing at the date the statement was made, it being recognized by the Lender that although statements as to forecasts and projections have been or will be prepared by the Borrower in good faith based upon assumptions that the preparer thereof believed to be reasonable at the time made, such statements are being made as to future events and are not to be viewed as fact.

§ 2.7 No Event of Default. No event has occurred and is continuing that is an Event of Default.

SECTION 3. CLOSING DELIVERABLES.

§ 3.1 Closing Deliverables. The Lender has received all of the following, each of which is in form and substance reasonably satisfactory to the Lender and its legal counsel (unless otherwise specified or unless the Lender otherwise agreed or directed):

- i. an executed Note;
- ii. an executed guaranty (the “**Guaranty**”) from each of FIN Holdings Inc., ID Solutions, Inc. and Innovation in Motion Inc. (the “**Guarantors**”);
- iii. with respect to the Borrower and each Guarantor:
 - (a) a certificate of good standing of such entity in its jurisdiction of formation issued by the Secretary of State (or comparable office) of such jurisdiction of formation as of a date within ten (10) days of the Closing Date;
 - (b) a certificate evidencing such entity’s qualification as a foreign corporation and good standing issued by the Secretary of State (or comparable office) of each material jurisdiction in which the Borrower conducts business and is required to so qualify, as of a date within ten (10) days of the Closing Date;
 - (c) a certified copy of the Certificate of Incorporation as certified by the Secretary of State (or comparable office) of such entity’s jurisdiction of formation within ten (10) Business Days of the Closing Date for the Borrower and ID Solutions, Inc. and within twenty (20) Business Days of the Closing Date for FIN Holdings Inc. and Innovation in Motion Inc.; and

(d) a certificate, executed by the Secretary of such entity and dated as of the Closing Date, as to (i) the resolutions adopted by the Board of Directors in connection with the transactions contemplated hereby, (ii) the certificate of incorporation of such entity and (iii) the bylaws of such entity, each as in effect on the Closing Date; and

iv. an executed Release Agreement relating to that certain Facility Agreement, dated as of March 21, 2022, by and between Ipsidy Inc. and Stephen J. Garchik (the “**Release Agreement**”).

SECTION 4. AFFIRMATIVE COVENANTS

The Borrower covenants and agrees with the Lender that, so long as this Note or any provision hereof shall remain in effect, or the principal of or interest on this Note or any fee, expense or amount payable or any other obligations hereunder or with respect to this Note shall be unpaid or outstanding, it will:

§ 4.1 Existence. Do or cause to be done all things necessary to preserve, renew and keep in full force and effect its legal existence.

§ 4.2 Payment of Obligations. Pay and discharge promptly when due all material indebtedness and all other material liabilities and obligations, including all taxes, assessments and governmental charges or levies imposed upon it or upon its income or profits before the same shall become delinquent or in default unless (i) the validity or amount thereof is being contested in good faith by appropriate proceedings and (ii) adequate reserves with respect thereto are maintained by it in accordance with U.S generally accepted accounting principles.

§ 4.3 Financial Information. File on a timely basis with the Securities & Exchange Commission all required Annual Reports on Form 10-K and Quarterly Reports on Form 10-Q, as well as any other required filings under applicable laws and regulations, for so long as the Borrower is subject to such filing requirements. If the Borrower ceases to be required to file such reports the Borrower shall provide Lender with annual audited financial statements, within ninety (90) days after the end of each fiscal year and quarterly unaudited financial statements within forty-five (45) days after the end of each fiscal quarter.

§ 4.4 Permitted Business Activities. Engage only in business activities consistent with the business activities of the Loan Parties as of the Closing Date, and only own assets and make investments that will be used in connection with such business activities and are incidental thereto (collectively, the “**Permitted Business Activities**”).

§ 4.5 Inspection of Properties and Books. Permit the Lender, at Borrower’s expense, to visit and inspect any of the properties of the Loan Parties or any of their respective Subsidiaries (subject to the rights of any tenants), to examine the books of account of the Loan Parties and their respective Subsidiaries (and to make copies thereof and extracts therefrom) and to discuss the affairs, finances and accounts of the Loan Parties and their respective Subsidiaries with, and to be advised as to the same by, their senior officers, all at such reasonable times (during normal business hours) and intervals as the Lender may reasonably request upon reasonable notice.

§ 4.6 Use of Proceeds. Use the proceeds of this Note for working capital and general corporate purposes of the Borrower, and other general corporate purposes.

SECTION 5. NEGATIVE COVENANTS

The Borrower covenants and agrees with the Lender that, so long as this Note or any provision hereof shall remain in effect or the principal of or interest on this Note or any fee, expense or amount payable or any other obligations hereunder or with respect to this Note shall be unpaid or outstanding:

§ 5.1 Rank. All payments due under this Note shall be *pari passu* with all other unsecured Indebtedness of the Borrower (other than Permitted Indebtedness secured by Permitted Liens).

§ 5.2 Incurrence of Indebtedness. Without the prior written consent of the Lender, the Borrower shall not, and the Borrower shall cause each of its Subsidiaries to not, directly or indirectly, incur or guarantee, assume or suffer to exist any Indebtedness (other than Permitted Indebtedness).

§ 5.3 Existence of Liens. Without the prior written consent of the Lender, the Borrower shall not, and the Borrower shall cause each of its Subsidiaries to not, directly or indirectly, allow or suffer to exist any mortgage, lien, pledge, charge, security interest or other encumbrance upon or in any property or assets (including accounts and contract rights) owned by the Borrower or any of its Subsidiaries (collectively, “**Liens**”) other than Permitted Liens.

§ 5.4 Restriction on Redemption and Cash Dividends. Except with respect to the Convertible Notes, the Borrower shall not, and the Borrower shall cause each of its Subsidiaries to not, directly or indirectly, redeem, repurchase or declare or pay any cash dividend or distribution on any of its capital stock (other than to the Borrower or any of its Subsidiaries).

§ 5.5 Maintenance of Properties, Etc. The Borrower shall maintain and preserve, all of its material properties which are necessary or useful in the proper conduct of its business in good working order and condition, ordinary wear and tear excepted, and comply at all times with the provisions of all material leases to which it is a party as lessee or under which it occupies property, so as to prevent any material loss or material forfeiture thereof or thereunder.

§ 5.6 Maintenance of Intellectual Property. The Borrower will take all action necessary or advisable to maintain all of the Intellectual Property of the Borrower that is necessary or material to the conduct of its business in full force and effect.

§ 5.7 Maintenance of Insurance. The Borrower shall maintain insurance with responsible and reputable insurance companies or associations (including, without limitation, comprehensive general liability, cybersecurity, hazard and business interruption insurance) with respect to its properties (including all real properties leased or owned by it) and business, in such amounts and covering such risks as is carried generally in accordance with sound business practice by companies in similar businesses similarly situated.

§ 5.8 Transactions with Affiliates. The Borrower shall not enter into any transaction with any of its Affiliates (other than wholly owned Subsidiaries), officers, or directors, other than transactions in the ordinary course of business and upon fair and reasonable terms not materially less favorable than it could obtain or could become entitled to in an arm’s length transaction with a Person that was not its Affiliate.

§ 5.9 Disposition of Assets. Without the prior written consent of the Lender, neither the Borrower nor any Subsidiary shall sell, assign, transfer, convey, exchange, convert, surrender, contribute, donate, gift, lease, license, abandon or otherwise dispose of any of the Borrower's or any such Subsidiary's material property, other than (i) in the ordinary course of business of the Borrower or such Subsidiary or (ii) the sale, assignment, transfer, conveyance, surrender or other disposition of the software or source code for MultiPay correspondent bank payments services.

SECTION 6. EVENTS OF DEFAULT; REMEDIES

§ 6.1 Defaults. The existence or occurrence of any one or more of the following events shall constitute an "Event of Default":

(a) the Borrower shall fail to make payment of any of the principal of or interest on this Note when due and such failure continues for a period of not less than five (5) Business Days without being cured; or

(b) the Borrower shall fail to observe or perform any covenants, obligations or agreements contained in or Sections 4 or 5 of this Note and such failure continues for a period of not less than five (5) Business Days without being cured; or

(c) the Borrower shall fail to make payment of any amounts due under the Convertible Notes or any other obligation for payment of monies owing in an amount of not less than \$400,000 and such failure continues for a period of not less than five (5) Business Days without being cured; or

(d) any representation or warranty herein shall be untrue in any material respect and such failure continues for a period of not less than five (5) Business Days without being cured; or

(e) the Borrower shall (i) execute a general assignment for the benefit of its creditors, (ii) become the subject, voluntarily or involuntarily, of any bankruptcy, insolvency, moratorium, debt relief, reorganization or similar proceeding; provided, however, it shall not be an Event of Default if the Borrower becomes the subject of an involuntary bankruptcy, insolvency, moratorium, debt relief, reorganization or similar proceeding so long as it promptly objects to such proceeding and seeks a dismissal or stay thereof and the proceeding is dismissed or stayed within sixty (60) days following its filing, (iii) apply for or consent to or acquiesce in the appointment of a custodian, receiver, trustee, or liquidator of itself or of all or a substantial part of its assets, (iv) file a voluntary petition seeking protection under any bankruptcy, insolvency, moratorium, debt relief, reorganization or similar law now or hereafter existing, (v) file an answer admitting the material allegations of, or consenting to, or default in filing an answer to, a petition filed against it in any bankruptcy, insolvency, moratorium, debt relief, reorganization or similar proceedings, (vi) institute or voluntarily be or become a party to any other judicial proceedings intended to effect a discharge of the debts of the Borrower or any Subsidiary, as the case may be, in whole or in part or (vii) take any corporate action for the purpose of authorizing any of the foregoing; or

(f) an order, judgment, or decree shall be entered by any court of competent jurisdiction appointing a custodian, receiver, trustee, or liquidator of the Borrower of all or any substantial part of the Borrower's assets, unless such order, judgment or decree is dismissed or stayed within sixty (60) days after its entry; or

(g) the liquidation, dissolution or termination of the Borrower;

(h) the occurrence, directly or indirectly, by operation of law or otherwise, of any Change of Control of the Borrower; or

(i) this Note shall for any reason cease to be, or shall be asserted by the Borrower, or any Affiliate thereof not to be, a legal, valid and binding obligation of the Borrower.

§ 6.2 Remedies. Without limiting any other rights or remedies of the Lender provided for elsewhere in this Note, or the other Loan Documents, or by applicable Law, or in equity, or otherwise:

(a) upon the occurrence, and during the continuance, of any Event of Default other than an Event of Default described in Section 7.1(e), (f) or (g), then, at any time thereafter, if such or any other Event of Default shall then be continuing, the Lender may, at its option, forthwith declare this Note and all outstanding amounts, together with accrued interest thereon and all fees and obligations of the Borrower hereunder to be forthwith due and payable without presentment, demand, protest or other notice or formality of any kind, all of which are hereby expressly waived by the Borrower. The Lender shall have all rights, interests, benefits or privileges hereunder or which may be otherwise available to the Lender at law or in equity.

(b) Upon the occurrence and during the continuance of any Event of Default described in Section 7.1(e), (f) or (g), the unpaid principal of the Note, all interest accrued and unpaid thereon and all other amounts payable under the Loan Documents shall be forthwith due and payable, all without protest, presentment, notice of dishonor, demand or further notice of any kind, all of which are expressly waived by Borrower.

(c) Upon the occurrence and during the continuance of any Event of Default, the Lender, without notice to (except as expressly provided for in any Loan Document) or demand upon Borrower, which are expressly waived by Borrower (except as to notices expressly provided for in any Loan Document), may proceed to protect, exercise and enforce its rights and remedies under the Loan Documents against Borrower and any other Loan Party and such other rights and remedies as are provided by law or equity.

(d) The order and manner in which the Lender's rights and remedies are to be exercised shall be determined by the Lender in its sole discretion, and all payments received by the Lender shall be applied first to the costs and expenses (including attorneys' fees and disbursements and the reasonably allocated costs of attorneys employed by the Lender) of the Lender, then to the repayment of advances. No application of payments under this clause (d) will cure any Event of Default, or prevent acceleration, or continued acceleration, of amounts payable under the Loan Documents, or prevent the exercise, or continued exercise, of rights or remedies of the Lender hereunder or thereunder or at law or in equity.

§ 6.3 Rights and Remedies Cumulative. No right or remedy herein conferred upon the Lender is intended to be exclusive of any other right or remedy contained herein or in any instrument or document delivered in connection with or pursuant to this Note, and every such right or remedy shall be cumulative and shall be in addition to every other such right or remedy contained herein and therein or now or hereafter existing at law or in equity or by statute, or otherwise.

§ 6.4 Rights and Remedies Not Waived. No course of dealing between the Borrower and the Lender or any failure or delay on the part of the Lender in exercising any rights or remedies of the Lender and no single or partial exercise of any rights or remedies hereunder shall operate as a waiver or preclude the exercise of any other rights or remedies hereunder. Any decision by the Lender not to require payment of any interest, fee, cost or other amount payable under this Note, or to calculate any amount payable by a particular method, on any occasion shall in no way limit or be deemed a waiver of the Lender's right to require full payment of any interest, fee, cost or other amount payable under this Note, or to calculate an amount payable by another method that is not inconsistent with this Note, on any other or subsequent occasion.

SECTION 7. SPRINGING SECURITY INTEREST

§ 7.1 Security Interests. In the event of either (I) the conversion of the Convertible Notes of all amounts outstanding thereunder into validly issued, fully paid and non-assessable shares of Common Stock (as defined in the Convertible Notes) and the release of all Liens over the Borrower's assets granted by and through the Transaction Documents (as defined in the Convertible Notes) and (II) receipt of the consent of the requisite holders of the Convertible Notes, in each case, the Borrower shall, as collateral security for the due and punctual payment and performance of all obligations under this Note, as and when due, pledge and assign to the Lender a first-priority, continuing security interest in substantially all of the assets of the Borrower, subject to exclusions consistent with those contained in the Transaction Documents, wherever located and owned at such time. The Borrower shall use its reasonable best efforts to deliver to the Lender, and the Lender shall use its reasonable best efforts to obtain the written consent of the Required Holders (as defined in the SPA) to, an amendment to that certain Securities Purchase Agreement, dated as of March 21, 2022 (the "SPA"), by and among the Company and the holders of the Convertible Notes, permitting the grant of collateral security as set forth in this Section 7.1; *provided, that*, the parties agree that neither party shall have any liability whatsoever hereunder arising out of or relating to the failure to deliver any such amendment or to obtain such consent and that no representation, warranty or covenant of the Borrower contained herein shall be breached or deemed breached as a result of the failure to obtain such consent.

§ 7.2 Secured Interest Rate. Upon the grant of collateral security as set forth in Section 7.1, without the need for further action by any Person, interest shall accrue on the outstanding Principal Amount hereunder from the date of such grant until paid in full at a per annum rate equal to 12% notwithstanding anything in Section 1.2 to the contrary.

SECTION 8. MISCELLANEOUS

§ 8.1 Collection Costs. Following an Event of Default, if the Lender or any holder of this Note shall refer this Note to an attorney for collection, the Borrower agrees to pay, in addition to unpaid principal and interest and any other amounts payable hereunder, all the costs and expenses incurred in attempting or effecting collection hereunder, including reasonable attorneys' fees, whether or not suit is instituted.

§ 8.2 Waivers. Presentment, demand, protest or other notice or formality of any kind, except as may be otherwise specifically provided herein, are all hereby waived by the Borrower with respect to this Note.

§ 8.3 Interest Rate Limitation. It is the intention and understanding of the Borrower and the Lender that the indebtedness evidenced by this Note be exempt from the restrictions of the usury laws of the State of New York and any applicable federal law. The Borrower and the Lender stipulate and agree that none of the terms and provisions contained in this Note shall ever be construed to create a contract for the use, forbearance, or detention of money requiring payment of interest, including default interest, at a rate in excess of the maximum interest rate permitted to be charged by the laws of the State of New York or any applicable federal law. In such event, if the Borrower or any of its Subsidiaries or successors or assigns shall collect monies which are deemed to constitute interest which would otherwise increase the effective interest rate of this Note to a rate in excess of the maximum rate permitted to be charged by the laws of the State of New York or any applicable federal law, all such sums deemed to constitute interest in excess of such maximum rate shall, at the option of the Borrower, be credited to the payment of the sums due thereunder or returned to the Lender.

§ 8.4 Modification. No amendment, modification or waiver of any provision of this Note and no consent by the Lender to any departure therefrom by the Borrower shall be effective unless such amendment, modification, waiver or consent shall be in writing and signed by the Lender, and the same shall then be effective only for the period and on the conditions and for the specific instances and purposes specified in such writing. No notice to or demand on the Borrower in any case shall entitle the Borrower to any other or further notice or demand in similar or other circumstances.

§ 8.5 Governing Law. This Note shall be construed in accordance with and governed by the laws of the State of New York without regard to any conflicts of laws principles thereof that would call for the application of the laws of any other jurisdiction.

§ 8.6 Waiver of Jury Trial, etc.

(a) Except as prohibited by law, each party hereto hereby waives any right it may have to a trial by jury in respect of any litigation, action, suit or proceeding directly or indirectly arising out of, under or in connection with this Note. The Borrower and the Lender each represents that it has reviewed this waiver and knowingly and voluntarily waives its jury trial rights following consultation with legal counsel. In the event of any litigation, action, suit or proceeding, a copy of this Note may be filed as a written consent to a trial by the court.

(b) Each party hereto hereby waives any right it may have to claim or recover in any litigation, action, suit or proceeding referred to in paragraph (a) of this Section 8.6(b) any special, exemplary, punitive or consequential damages or any damages other than, or in addition to, actual damages.

(c) The Borrower hereby (i) certifies that no representative, agent or attorney of the Lender has represented, expressly or otherwise, that the Lender would not, in the event of any litigation, action, suit or proceeding, seek to enforce the foregoing waivers and (ii) acknowledges that the Lender has been induced to enter into this Note, by, among other things, the Borrower's waivers and certifications herein.

§ 8.7 Consent to Exclusive Jurisdiction. Each of the Borrower and the Lender hereby irrevocably (a) submits to the exclusive jurisdiction of the courts of the State of New York sitting in New York County and of the United States of America for the Southern District of New York and any appellate court from any thereof, in connection with any litigation, action, suit or proceeding arising out of or relating to this Note and (b) waives any defense or objection that any litigation, action, suit or proceeding brought in any such court has been brought in an improper venue or inconvenient forum.

§ 8.8 Benefit of Agreement. This Note shall be binding upon the successors and assigns of the Borrower and inure to the benefit of the Lender and its successors, endorsees and assigns, provided, that, (a) the Borrower may not delegate, transfer or assign any rights or obligations hereunder without the Lender's prior written consent, and any such purported delegation, transfer or assignment by the Borrower without such consent shall be null and void and (b) the Lender may not assign or delegate all or any portion of its obligations hereunder without the consent of the Borrower (such consent not to be unreasonably withheld, conditioned or delayed), except that no such consent shall be required for an assignment or delegation to an affiliate of the Lender or an investment vehicle to be formed by the Lender or while an Event of Default has occurred and is continuing.

§ 8.9 No Fiduciary Duty. Nothing in this Note shall be construed to create or give rise to any fiduciary duty on the part of the Lender to the Borrower or any of its Subsidiaries.

§ 8.10 Cumulative Remedies; No Waiver. The rights, powers, privileges and remedies of the Lender provided herein or in any other Loan Document are cumulative and not exclusive of any right, power, privilege or remedy provided by Law or equity. No failure or delay on the part of the Lender in exercising any right, power, privilege or remedy may be, or may be deemed to be, a waiver thereof; nor may any single or partial exercise of any right, power, privilege or remedy preclude any other or further exercise of the same or any other right, power, privilege or remedy.

§ 8.11 Severability. In case any provision or any part of any provision contained in this Note shall, for any reason, be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision or remaining part of the affected provision of this Note, but this Note shall be construed as if such invalid, illegal, or unenforceable provision or part thereof had never been contained herein but only to the extent such provision or part thereof is invalid, illegal, or unenforceable.

§ 8.12 Counterparts. This Note may be executed in counterparts (and by different parties hereto in different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single promissory note. Delivery of an executed counterpart of a signature page of this Note by facsimile or in electronic (for example, “.pdf” or “.tif”) format by email or other electronic transmission shall be effective as delivery of a manually executed counterpart of this Note. Signature pages may be detached from separate counterparts and attached to a single counterpart so that all signature pages are attached to the same document.

§ 8.13 Controlling Documents. For the avoidance of doubt, in the event of any conflict between the terms of this Note and that certain Amended and Restated Facility Agreement, dated as of the date hereof, by and between the Borrower and Stephen J. Garchik (the “**Facility Agreement**”), the terms of this Note shall control.

§ 8.14 Notices. All notices to be provided pursuant to this Note (and any consents permitted by the terms of this Note) shall be in writing and delivered by courier or by hand, or sent by e-mail transmission, or other electronic means,

(a) to Borrower at: 1624 Market St Ste 226,
 Unit 51767,
 Denver, Colorado 80202-1559 USA,
 Attn: General Counsel,
 E-mail: legal@authid.ai

(b) to Lender at: 2474 S. Ocean Boulevard,
 Highland Beach, FL 33487
 E-mail: sgarchik@sjmpartners.com

All such notices delivered by hand or by courier shall be deemed served upon receipt or refusal of receipt by the addressee. All notices given electronically shall be deemed served upon the next Business Day after transmission, provided no error message was received. Either party may serve notice in accordance with this Section changing their respective addresses for service.

SECTION 9. DEFINITIONS

For purposes of this Note, the following terms shall have the following meanings:

§ 9.1 “**Affiliate**” means, with respect to any Person, any other Person that directly or indirectly controls, is controlled by, or is under common control with, such Person, it being understood for purposes of this definition that “control” of a Person means the power directly or indirectly either to vote 10% or more of the stock having ordinary voting power for the election of directors of such Person or direct or cause the direction of the management and policies of such Person whether by contract or otherwise.

§ 9.2 “**Board of Directors**” means the board of directors or other equivalent body of the Borrower.

§ 9.3 “**Business Day**” means any day other than Saturday, Sunday or other day on which commercial banks in The City of New York are authorized or required by law to remain closed;

§ 9.4 “**Change of Control**” means the sale of all or substantially all of the assets of the Borrower, taken together with the Guarantors and the other Subsidiaries on a consolidated basis, or, with respect to the Borrower, (i) any Person or group of persons within the meaning of section 13(d)(3) of the Securities Exchange Act of 1934 obtains legal or beneficial ownership of twenty percent (20%) or more of the outstanding voting securities (or other voting ownership interests) of the Borrower, or if the Borrower is a limited partnership, of any general partner of the Borrower, or (ii) a majority of the members of the board of directors or other equivalent governing body of the Borrower cease to be composed of individuals (A) who were members of that board or other equivalent governing body on March 10, 2023, (B) whose election or nomination to that board or equivalent governing body was approved by individuals referred to in preceding clause (A) constituting at the time of such election or nomination at least a majority of that board or equivalent governing body, or (C) whose election or nomination to that board or equivalent governing body was approved by individuals referred to in preceding clauses (A) and (B) constituting at the time of such election or nomination at least a majority of that board or equivalent governing body.

§ 9.5 “**Convertible Note**” means each of the series of Senior Secured Convertible Notes issued by the Borrower as of March 21, 2022, in the original aggregate principal amount of \$9,175,205.

§ 9.6 “**Indebtedness**” means, (a) all indebtedness for borrowed money, (b) all obligations issued, undertaken or assumed as the deferred purchase price of property or services (including, without limitation, “capital leases” in accordance with GAAP) (other than trade payables entered into in the ordinary course of business consistent with past practice), (c) all reimbursement or payment obligations with respect to letters of credit, surety bonds and other similar instruments, (d) all indebtedness created or arising under any conditional sale or other title retention agreement, or incurred as financing or leasing, in either case with respect to any property or assets acquired with the proceeds of such indebtedness, and (e) all contingent obligations in respect of indebtedness or obligations of others of the kinds referred to in clauses (a) through (d) of this Section.

§ 9.7 “**Intellectual Property**” means all (i) patents, trademarks, service marks, trade names, domain names, copyrights, designs and trade secrets, and moral rights; (ii) inventions, discoveries, ideas, processes, formulae, methods, schematics, intellectual property, know-how, computer software programs (including, without limitation, source code, operating systems, applications, documentation, specifications, files, and other materials related thereto), published and unpublished works of authorship, data and databases; (iii) other tangible or intangible proprietary or confidential information and materials; and (iv) all applications for or registrations of any of the foregoing and all rights in or to any of the foregoing including, without limitation, under licenses or other arrangements with other persons.

§ 9.8 “**Interest Date**” means March 31, June 30, September 30, and December 31, of each year commencing March 31, 2023 or the first Business Day following each such date if any such date falls on a day which is not a Business Day.

§ 9.9 “**Loan Documents**” means this Note and the Facility Agreement.

§ 9.10 “**Note**” means this promissory note.

§ 9.11 “**Permitted Indebtedness**” means (a) Indebtedness evidenced by the Convertible Notes issued and outstanding as of the date hereof and (b) other Indebtedness consisting of a revolving or line of credit facility or facilities in an aggregate amount not to exceed \$100,000 (the “**Permitted BofA LOC Debt**”).

§ 9.12 “**Permitted Liens**” means (a) any Lien for taxes not yet due or delinquent or being contested in good faith by appropriate proceedings for which adequate reserves have been established in accordance with GAAP, (b) any statutory Lien arising in the ordinary course of business by operation of law with respect to a liability that is not yet due or delinquent, (c) any Lien created by operation of law, such as materialmen’s liens, mechanics’ liens and other similar liens, arising in the ordinary course of business with respect to a liability that is not yet due or delinquent or that is being contested in good faith, (d) Liens securing the Permitted BofA LOC Debt, (e) Liens arising from the licensing of Intellectual Property in the ordinary course of the Loan Parties’ business, and (f) the security interests securing the obligations under and granted pursuant to the terms of the Convertible Notes.

§ 9.13 “**Person**” means an individual, a limited liability company, a partnership, a joint venture, a corporation, a trust, an unincorporated organization, any other entity or a government or any department or agency thereof.

§ 9.14 “**Subsidiary**” means any Person in which the Borrower, directly or indirectly, (i) owns at least 25% of the outstanding capital stock or holds at least 25% of the outstanding equity or similar interest of such Person or (ii) controls the business, operations or administration of such Person, and all of the foregoing, collectively.

SECTION 10. INDEMNIFICATION

§ 10.1 **Indemnification.** The Borrower and each Subsidiary agree, jointly and severally, to defend, protect, indemnify, and hold the Lender and each of its shareholders, partners, members, officers, directors, employees, and direct or indirect investors, and any of the foregoing Persons’ agents or other representatives (including, without limitation, those retained in connection with the transactions contemplated by this Note) (each, and “**Indemnified Party**”) harmless from and against any and all claims, damages, losses, liabilities, obligations, penalties, fees, costs, and expenses (including, without limitation, reasonable legal fees, costs, expenses, and disbursements of such Person’s counsel as a result of, arising out of, or relating to (i) any misrepresentation or breach of any representation or warranty made by the Borrower in this Note, (ii) any breach of any covenant, agreement or obligation of the Borrower contained in this Note, (iii) enforcement of this Note, or (iv) any cause of action, suit, proceeding or claim brought or made against such Indemnified Party by a third party (including for these purposes a derivative action brought on behalf of the Company or any Subsidiary) or which otherwise involves such Indemnified Party that arises out of or results from the Borrower’s execution, delivery, performance or enforcement of the Note (including, without limitation, as a party in interest or otherwise in any action or proceeding for injunctive or other equitable relief), in each case except to the extent resulting from such Person’s gross negligence or willful misconduct, as determined by a final judgment of a court of competent jurisdiction no longer subject to appeal.

§ 10.2 Costs, Expenses and Taxes. Borrower shall pay within five (5) days after demand, accompanied by an invoice therefor, the reasonable costs and expenses of the Lender in connection with the negotiation, preparation, execution, delivery, administration and interpretation of the Loan Documents and any amendment thereto or waiver thereof. Following and during the continuation of an Event of Default, Borrower shall also pay on demand, accompanied by an invoice therefor, the reasonable costs and expenses of the Lender in connection with the refinancing, restructuring, reorganization (including a bankruptcy reorganization) and enforcement or attempted enforcement of the Loan Documents, and any matter related thereto. The foregoing costs and expenses may include filing fees, recording fees, title insurance fees, appraisal fees, search fees, and other out of pocket expenses and the reasonable fees and out of pocket expenses of any legal counsel (including reasonably allocated costs of legal counsel employed by the Lender), independent public accountants and other outside experts retained by the Lender, whether or not such costs and expenses are incurred or suffered by the Lender in connection with or during the course of any bankruptcy or insolvency proceedings of any member of the Borrower or its subsidiaries. Borrower shall pay any and all documentary and other taxes (excluding taxes imposed on or measured in whole or in part by any Lender's overall net income imposed on such Lender (including taxes on gross income imposed in lieu of net income, minimum taxes or branch profits taxes) by (A) any jurisdiction (or political subdivision thereof) in which such Lender is organized or maintains its principal office or (B) any jurisdiction (or political subdivision thereof) in which such Lender is "doing business"), and all costs, expenses, fees and charges payable or determined to be payable in connection with the filing or recording of this Note, any other Loan Document or any other instrument or writing to be delivered hereunder or thereunder, or in connection with any transaction pursuant hereto or thereto, and shall reimburse, hold harmless and indemnify on the terms set forth herein the Lender from and against any and all loss, liability or legal or other expense with respect to or resulting from any delay in paying or failure to pay any such tax, cost, expense, fee or charge or that any of them may suffer or incur by reason of the failure of any party to perform any of its obligations hereunder.

§ 10.3 Nonliability of the Lender. Borrower acknowledges and agrees that:

(a) Any inspections of any property of Borrower or any other Loan Party made by or through the Lender are for purposes of administration of the Drawdowns only and Borrower and such other Loan Parties are not entitled to rely upon the same (whether or not such inspections are at the expense of Borrower);

(b) By accepting or approving anything required to be observed, performed, fulfilled or given to the Lender pursuant to the Loan Documents, the Lender shall not be deemed to have warranted or represented the sufficiency, legality, effectiveness or legal effect of the same, or of any term, provision or condition thereof, and such acceptance or approval thereof shall not constitute a warranty or representation to anyone with respect thereto by the Lender;

(c) The relationship between Borrower and the Lender as the result of this Note shall at all times remain solely that of borrowers and lenders; as a result of the entry into this Note, the Lender shall not under any circumstance be construed to be partners or joint venturers of Borrower or any of its subsidiaries, the Lender shall not under any circumstance be deemed to be in a relationship of confidence or trust or a fiduciary relationship with Borrower or any other subsidiary, or to owe any fiduciary duty to Borrower or any other subsidiary; and

(d) The Lender shall not be responsible or liable to any Person for any loss, damage, liability or claim of any kind relating to injury or death to Persons or damage to Property caused by the actions, inaction or negligence of Borrower and/or any of its Subsidiaries.

[Signature Pages Follow]

SIGNED AS OF THE DATE FIRST ABOVE WRITTEN

authID Inc.

By: /s/ Thomas Thimot

Name: Thomas Thimot

Title: CEO

ACCEPTED AND AGREED:

Stephen Garchik

/s/ Stephen Garchik

[Signature Page to Promissory Note]

GUARANTY AGREEMENT

THIS GUARANTY AGREEMENT (this “**Guaranty**”) is made as of the 9th day of March, 2023, by FIN Holdings Inc., (“**Guarantor A**”), Innovation in Motion, Inc., (“**Guarantor B**”), and ID Solutions, Inc., (“**Guarantor C**”) and, together with Guarantor A and Guarantor B, each a “**Guarantor**,” and collectively, the “**Guarantors**,” which terms shall include their respective successors and assigns), with and for the benefit of Stephen J. Garchik (the “**Lender**” or “**Beneficiary**”). The Guarantors and the Lender are sometimes referred to herein individually as a “**Party**” and collectively as the “**Parties**.”

RECITALS

A. authID, Inc., a Delaware corporation (the “**Borrower**” or the “**Company**”), contemporaneously herewith, has entered into that certain Facility Agreement (defined below), pursuant to which, among other things, the Lender has agreed to provide the Borrower with the Initial Funding (as defined in the Facility Agreement).

B. Each Guarantor has agreed to make this Guaranty, for the benefit and security of the Lender, to guarantee the payment and performance all of the Borrower’s obligations, indebtedness and liabilities to the Lender, whether with respect to the Promissory Note (defined below).

C. Each Guarantor has determined that the execution, delivery, and performance of this Guaranty directly benefits, and is in the best interests of, such Guarantor.

NOW, THEREFORE, in consideration of the foregoing, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Guarantors make the following covenants, agreements, representations and warranties with and for the benefit and security of the Lender:

ARTICLE I CONSTRUCTION AND DEFINED TERMS

Section 1.01. Defined Terms. As used in this Guaranty, the following terms have the following meanings:

“**Bankruptcy Code**” means title 11 of the United States Code, 11 U.S.C. §§ 101 et seq. (or other applicable bankruptcy, insolvency, or similar laws, or any successor statute thereto).

“**Business Day**” means any day other than Saturday, Sunday, or other day on which commercial banks in New York City are authorized or required by law to remain closed.

“**Convertible Note**” Each of the series of Senior Secured Convertible Notes issued by the Borrower as of March 21, 2022, in the original aggregate principal amount of \$9,175,205.

“**Facility Agreement**” That certain Amended and Restated Facility Agreement, dated as of March 8, 2023, by and between the Borrower and Beneficiary.

“**Guaranteed Obligations**” means all obligations, including, without limitation, all interest, make-whole, and other amounts that accrue after the commencement of any Insolvency Proceeding of the Company or any Guarantor, whether or not the payment of such interest, make-whole and/or other amounts are enforceable or are allowable in such Insolvency Proceeding, and all fees, interest, premiums, penalties, causes of actions, costs, commissions, expense reimbursements, indemnifications and all other amounts due or to become due under any of the Transaction Documents.

“**Insolvency Proceeding**” means any proceeding commenced by or against any Person under any provision of the Bankruptcy Code or under any other bankruptcy or insolvency law, assignments for the benefit of creditors, formal or informal moratoria, compositions, or extensions generally with creditors, or proceedings seeking reorganization, arrangement, or other similar relief.

“**Material Adverse Effect**” A material adverse effect on (a) the Guarantor’s business, operations, financial condition, prospects, assets, liabilities or capitalization, (b) the Guarantor’s ability to pay or perform its obligations under any Transaction Documents, (c) the validity or enforceability of any Transaction Documents, or (d) any rights or remedies of the Lender under any Transaction Documents.

“**Other Connection Taxes**” means, with respect to the Lender, Taxes imposed as a result of a present or former connection between such Person and the jurisdiction imposing such Tax (other than connections arising from such Person having executed, delivered, become a party to, performed its obligations under, received payments under, received or perfected a security interest under, engaged in any other transaction pursuant to or enforced any Transaction Document, or sold or assigned an interest in this Guaranty or any Transaction Document).

“**Paid in Full**” or “**Payment in Full**” means the indefeasible payment in full in cash of all of the Guaranteed Obligations (other than contingent indemnification obligations to the extent no claim giving rise thereto has been asserted).

“**Person**” Any natural person, corporation, limited liability company, partnership, joint venture, association, joint-stock company, trust, unincorporated organization, Governmental Authority or other entity, including any receiver, debtor-in-possession, trustee, custodian, conservator, liquidator or similar official.

“**Promissory Note**” That certain Promissory Note, dated as of March __, 2023, by Borrower for the benefit of Beneficiary.

“**Subsidiary**” shall have the meaning set forth in the Transaction Documents.

“**Transaction Documents**” means, collectively, the Promissory Note and this Guaranty.

“**Transaction Party**” means the Company and each Guarantor, collectively, the “**Transaction Parties**”.

Section 1.02. Article and Section Headings. Article and Section headings and captions in this Guaranty are for convenience only and shall not affect the construction or interpretation of this Guaranty.

Section 1.03. Other Terms. Terms used in this Guaranty shall be applicable to the singular and plural, and references to gender shall include all genders. The terms “**herein**,” “**hereof**,” “**hereto**,” and “**hereunder**” and similar terms refer to this Guaranty as a whole and not to any particular Article, Section, subsection or clause in this Guaranty. Unless otherwise expressly limited herein (and except where used in the conjunction of time periods or where used in the context of “does not include,” “shall not include,” “not included” or “not including”), the terms “**include**” and “**including**,” shall be read to mean “include, without limitation,” or “including, without limitation,” as the case may be.

ARTICLE II
GUARANTY

Section 2.01. Guaranty.

- (a) Each Guarantor hereby, jointly and severally, guarantees to the Lender, for the benefit of the Lender, the punctual payment, as and when due and payable, by stated maturity or otherwise, of all of the Guaranteed Obligations. Without limiting the generality of the foregoing, each Guarantor's liability hereunder shall extend to all amounts that constitute part of the Guaranteed Obligations and would be owed by the Company to the Lender under the Promissory Note but for the fact that they are unenforceable.
- (b) Each Guarantor, by its acceptance of this Guaranty, hereby confirms that it is the intention of all parties involved that this Guaranty and the Guaranteed Obligations of each Guarantor hereunder not constitute a fraudulent transfer or conveyance for purposes of the Bankruptcy Code, the Uniform Fraudulent Conveyance Act, the Uniform Fraudulent Transfer Act, or any similar foreign, federal, provincial, state, or other applicable law to the extent applicable to this Guaranty and the Guaranteed Obligations of each Guarantor hereunder. To effectuate the foregoing intention, each of the Lender and the Guarantors irrevocably agrees that the Guaranteed Obligations of each Guarantor under this Guaranty at any time shall be limited to the maximum amount as will result in the Guaranteed Obligations of such Guarantor under this Guaranty not constituting a fraudulent transfer or conveyance.

Section 2.02. Guaranty Absolute; Continuing Guaranty; Assignments.

- (a) Each Guarantor, jointly and severally, hereby unconditionally and irrevocably, guarantees that the Guaranteed Obligations will be paid strictly in accordance with the terms of the Promissory Note, regardless of any law, regulation or order now or hereafter in effect in any jurisdiction affecting any of such terms or the rights of the Lender. The obligations of each Guarantor under this Guaranty are independent of the Guaranteed Obligations, and a separate action or actions may be brought and prosecuted against any Guarantor to enforce such obligations, irrespective of whether any action is brought against any Transaction Party or whether any Transaction Party is joined in any such action or actions. The liability of any Guarantor under this Guaranty shall be as a primary obligor (and not merely as a surety) and shall be irrevocable, absolute and unconditional irrespective of, and each Guarantor hereby irrevocably waives, to the extent permitted by law, any defenses it may now or hereafter have in any way relating to, any or all of the following:
 - (i) any lack of validity or enforceability of any Transaction Document;
 - (ii) any change in the time, manner or place of payment of, or in any other term of, all or any of the Guaranteed Obligations, or any other amendment or waiver of or any consent to departure from any Transaction Document, including, without limitation, any increase in the Guaranteed Obligations resulting from the extension of additional credit to any Transaction Party or extension of the maturity of any Guaranteed Obligations or otherwise;
 - (iii) any taking, release, or amendment or waiver of or consent to departure from any other guaranty, for all or any of the Guaranteed Obligations;

- (iv) any change, restructuring, or termination of the corporate, limited liability company, or partnership structure or existence of any Transaction Party;
 - (v) any failure of the Lender to disclose to any Transaction Party any information relating to the business, condition (financial or otherwise), operations, performance, properties, or prospects of any other Transaction Party now or hereafter known to the Lender (each Guarantor waiving any duty on the part of the Lender to disclose such information);
 - (vi) taking any action in furtherance of the release of any Guarantor or any other Person that is liable for the Guaranteed Obligations from all or any part of any liability arising under or in connection with any Transaction Document without the prior written consent of the Lender; or
 - (vii) any other circumstance (including, without limitation, any statute of limitations) or any existence of or reliance on any representation by the Lender that might otherwise constitute a defense available to, or a discharge of, any Transaction Party or any other guarantor or surety.
- (b) This Guaranty shall continue to be effective or be reinstated, as the case may be, if at any time any payment of any of the Guaranteed Obligations is rescinded or must otherwise be returned by the Lender or any other Person upon the insolvency, bankruptcy or reorganization of any Transaction Party or otherwise, all as though such payment had not been made.
- (c) This Guaranty is a continuing guaranty and shall (i) remain in full force and effect until Payment in Full of the Guaranteed Obligations (other than inchoate indemnity obligations) and shall not terminate for any reason prior to the maturity date thereof (other than Payment in Full of the Guaranteed Obligations) and (ii) be binding upon each Guarantor and its respective successors and assigns. This Guaranty shall inure to the benefit of and be enforceable by the Lender and its successors, and permitted pledgees, transferees, and assigns. Without limiting the generality of the foregoing sentence, the Lender may pledge, assign, or otherwise transfer all or any portion of its rights and obligations under and subject to the terms of any Transaction Document to any other Person, and such other Person shall thereupon become vested with all the benefits in respect thereof granted to the Lender, in each case as provided in such Transaction Document.

ARTICLE III **WAIVERS**

Section 3.01. Waiver of Subrogation. No Guarantor may exercise any rights that it may now or hereafter acquire against any Transaction Party or any other guarantor that arise from the existence, payment, performance, or enforcement of any Guarantor's obligations under this Guaranty, including, without limitation, any right of subrogation, reimbursement, exoneration, contribution or indemnification and any right to participate in any claim or remedy of the Lender against any Transaction Party or any other guarantor, whether or not such claim, remedy, or right arises in equity or under contract, statute or common law, including, without limitation, the right to take or receive from any Transaction Party or any other guarantor, directly or indirectly, in cash or other property or by set-off or in any other manner, payment or security solely on account of such claim, remedy or right, unless and until there has been Payment in Full of the Guaranteed Obligations. If any amount shall be paid to a Guarantor in violation of the immediately preceding sentence at any time prior to Payment in Full of the Guaranteed Obligations and all other amounts payable under this Guaranty, such amount shall be held in trust for the benefit of the Lender and shall forthwith be paid to the Lender to be credited and applied to the Guaranteed Obligations and all other amounts payable under this Guaranty, whether matured or unmatured, in accordance with the terms of the Transaction Document. If (a) any Guarantor shall make payment to the Lender of all or any part of the Guaranteed Obligations, and (b) there has been Payment in Full of the Guaranteed Obligations, the Lender will, at such Guarantor's request and expense, execute and deliver to such Guarantor appropriate documents, without recourse and without representation or warranty, necessary to evidence the transfer by subrogation to such Guarantor of an interest in the Guaranteed Obligations resulting from such payment by such Guarantor.

Section 3.02. Other Waivers. To the extent permitted by applicable law, each Guarantor hereby waives promptness, diligence, protest, notice of acceptance, and any other notice or formality of any kind with respect to any of the Guaranteed Obligations and this Guaranty and any requirement that the Lender exhaust any right or take any action against any Transaction Party or any other Person. Each Guarantor acknowledges that it will receive direct and indirect benefits from the financing arrangements contemplated herein and that the waiver set forth in this Section 3.02 is knowingly made in contemplation of such benefits. The Guarantors hereby waive any right to revoke this Guaranty, and acknowledge that this Guaranty is continuing in nature and applies to all Guaranteed Obligations, whether existing now or in the future. Without limiting the foregoing, to the extent permitted by applicable law, each Guarantor hereby unconditionally and irrevocably waives (a) any defense arising by reason of any claim or defense based upon an election of remedies by the Lender that in any manner impairs, reduces, releases or otherwise adversely affects the subrogation, reimbursement, exoneration, contribution, or indemnification rights of such Guarantor or other rights of such Guarantor to proceed against any of the other Transaction Parties, any other guarantor or any other Person, and (b) any defense based on any right of set-off or counterclaim against or in respect of the Guaranteed Obligations of such Guarantor hereunder. Each Guarantor hereby unconditionally and irrevocably waives any duty on the part of the Lender to disclose to such Guarantor any matter, fact or thing relating to the business, condition (financial or otherwise), operations, performance, properties or prospects of any other Transaction Party or any of its Subsidiaries now or hereafter known by the Lender.

ARTICLE IV **REPRESENTATIONS AND WARRANTIES**

Each Guarantor hereby represents and warrants as of the date first written above as follows:

Section 4.01. Each Guarantor hereby represents and warrants as of the date first written above as follows:

- (a) Such Guarantor (i) is a corporation, limited liability company or limited partnership duly organized, validly existing, and in good standing under the laws of the jurisdiction of its organization as set forth on the signature pages hereto, (ii) has all requisite corporate, limited liability company, or limited partnership power and authority to conduct its business as now conducted and as presently contemplated and to execute, deliver, and perform its obligations under this Guaranty and each other Transaction Document to which such Guarantor is a party, and to consummate the transactions contemplated hereby and thereby and (iii) is duly qualified to do business and is in good standing in each jurisdiction in which the character of the properties owned or leased by it or in which the transaction of its business makes such qualification necessary except where the failure to be so qualified (individually or in the aggregate) would not result in a Material Adverse Effect.
- (b) The execution, delivery, and performance by such Guarantor of this Guaranty and each other Transaction Document to which such Guarantor is a party (i) have been duly authorized by all necessary corporate, limited liability company, or limited partnership action, (ii) do not and will not contravene its charter, articles, certificate of formation, or by-laws, its limited liability company or operating agreement or its certificate of partnership or partnership agreement, as applicable, or any applicable law or any contractual restriction binding on such Guarantor or its properties do not and will not result in or require the creation of any lien, security interest, or encumbrance (other than pursuant to any Transaction Document) upon or with respect to any of its properties, and (iii) do not and will not result in any default, noncompliance, suspension, revocation, impairment, forfeiture, or nonrenewal of any material permit, license, authorization, or approval applicable to it or its operations or any of its properties.

- (c) No authorization or approval or other action by, and no notice to or filing with, any Governmental Authority or other Person is required in connection with the due execution, delivery, and performance by such Guarantor of any of the Transaction Documents to which such Guarantor is a party (other than expressly provided for in any of the Transaction Documents).
- (d) This Guaranty has been duly executed and delivered by each Guarantor and is, and each of the other Transaction Documents to which such Guarantor is or will be a party, when executed and delivered, will be, a legal, valid and binding obligation of such Guarantor, enforceable against such Guarantor in accordance with its terms, except as may be limited by the Bankruptcy Code or other applicable bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance, suretyship or similar laws and equitable principles (regardless of whether enforcement is sought in equity or at law).
- (e) There is no pending or, to the best knowledge of such Guarantor, threatened action, suit or proceeding against such Guarantor or to which any of the properties of such Guarantor is subject, before any court or other Governmental Authority or any arbitrator that (i) if adversely determined, could reasonably be expected to have a Material Adverse Effect or (ii) relates to any of the Transaction Documents to which such Guarantor is a party or any transaction contemplated hereby or thereby.
- (f) Such Guarantor (i) has read and understands the terms and conditions of the Transaction Documents and the Facility Agreement and (ii) now has and will continue to have independent means of obtaining information concerning the affairs, financial condition and business of the Company and the other Transaction Parties, and has no need of, or right to obtain from the Lender, any credit or other information concerning the affairs, financial condition or business of the Company or the other Transaction Parties.
- (g) Each Guarantor covenants and agrees that until Payment in Full of the Guaranteed Obligations, it will comply with each of the covenants of the Transaction Documents as if such Guarantor were a party thereto.

ARTICLE V
LIMITATION ON GUARANTEED OBLIGATIONS

Section 5.01. Limitation on Guaranteed Obligations.

- (a) Notwithstanding any provision herein contained to the contrary, each Guarantor's liability hereunder shall be limited to an amount not to exceed as of any date of determination the greater of:
 - (i) the amount of all Guaranteed Obligations;
 - (ii) the amount which could be claimed by the Lender from any Guarantor without rendering such claim voidable or avoidable under the Bankruptcy Code or under any applicable state Uniform Fraudulent Transfer Act, Uniform Fraudulent Conveyance Act, or similar statute or common law after taking into account, among other things, the Guarantor's right of contribution and indemnification.
- (b) Each Guarantor agrees that the Guaranteed Obligations may, at any time and from time to time, exceed the amount of the liability of such guarantor hereunder or affecting the rights and remedies of the Lender hereunder or under applicable law.

- (c) No payment made by the Company, any Guarantor, any other guarantor or any other Person or received or collected by the Lender from the Company, any of the Guarantors, any other guarantor or any other Person by virtue of any action or proceeding or any set-off or appropriation or application at any time or from time to time in reduction of or in payment of the Guaranteed Obligations shall be deemed to modify, reduce, release, or otherwise affect the liability of any Guarantor hereunder which shall, notwithstanding any such payment (other than any payment made by such Guarantor in respect of the Guaranteed Obligations or any payment received or collected from such Guarantor in respect of the Guaranteed Obligations), remain liable for the Guaranteed Obligations up to the maximum liability of such Guarantor hereunder until after all of the Guaranteed Obligations and all other amounts payable under this Guaranty shall have been Paid in Full.

ARTICLE VI

INDEMNIFICATION

Section 6.01. Indemnification.

- (a) Each Guarantor agrees, jointly and severally, to defend, protect, indemnify and hold the Beneficiary and all of its respective shareholders, partners, members, officers, directors, employees and direct or indirect investors and any of the foregoing Persons' agents or other representatives (including, without limitation, those retained in connection with the transactions contemplated by this Guaranty) (each an "**Indemnified Party**") harmless from and against any and all claims, damages, losses, liabilities, obligations, penalties, fees, costs and expenses (including, without limitation, reasonable legal fees, costs, expenses, and disbursements of such Person's counsel as a result of, arising out of, or relating to this Guaranty (including, without limitation, enforcement of this Guaranty)) or any failure of any Guaranteed Obligations to be the legal, valid and binding obligations of any Guarantor enforceable against such Guarantor in accordance with their terms (the "**Indemnified Liabilities**"), except to the extent resulting from such Person's gross negligence or willful misconduct, as determined by a final judgment of a court of competent jurisdiction no longer subject to appeal. To the extent that the foregoing undertaking by any Guarantor hereunder may be unenforceable for any reason, such Guarantor shall make the maximum contribution to the payment and satisfaction of each of the Indemnified Liabilities that is permissible under applicable law.
- (b) Each Guarantor agrees, jointly and severally, to pay to the Beneficiary upon demand the amount of any and all costs and expenses, including the reasonable fees, costs, expenses and disbursements of counsel for the Beneficiary and of any experts and agents, which the Beneficiary may incur in connection with (i) the preparation, negotiation, execution, delivery, recordation, administration, amendment, waiver or other modification or termination of this Guaranty, (ii) the exercise or enforcement of any of the rights of the Beneficiary hereunder, or (iii) the failure by any Guarantor to perform or observe any of the provisions hereof.
- (c) Each Guarantor hereby also agrees that none of the Indemnified Parties shall have any liability (whether direct or indirect, in contract, tort or otherwise) or any fiduciary duty or obligation to any of the Guarantors or any of their respective Affiliates or any of their respective officers, directors, employees, agents and advisors, and each Guarantor hereby agrees not to assert any claim against any Indemnified Party on any theory of liability, for special, indirect, consequential, incidental or punitive damages arising out of or otherwise relating to the facilities, the actual or proposed use of the proceeds of the advances, the Loan Documents or any of the transactions contemplated by the Loan Documents.

ARTICLE VII
TAXES

Section 7.01. Taxes

- (a) All payments made by any Guarantor hereunder or under any other Transaction Document shall be made in accordance with the terms of the respective Transaction Document and shall be made without set-off, counterclaim, withholding, deduction, or other defense, except as required by applicable law. Without limiting the foregoing, if any applicable law (as determined in the good faith discretion of the applicable Guarantor) requires the deduction or withholding for any present or future taxes, levies, imposts, deductions, charges, or withholdings, and all interest, additions to tax or penalties with respect thereto (“**Taxes**”), then the applicable Guarantor shall be entitled to make such deduction or withholding and shall pay the full amount deducted or withheld to the relevant Governmental Authority in accordance with applicable law. If any Guarantor shall be required to deduct or to withhold any Tax from or in respect of any amount payable hereunder or under any other Transaction Document, excluding (i) Taxes imposed by the United States (or any political subdivision thereof), (ii) Taxes imposed on or measured by net income (however denominated), franchise Taxes, and branch profits Taxes, in each case, (A) imposed as a result of the Lender being organized under the laws of, or having its principal office or applicable lending office located in, the jurisdiction imposing such Tax (or any political subdivision thereof) or (B) that are Other Connection Taxes, and (iii) Taxes attributable to the failure of the Lender to provide to the Guarantor such properly completed and executed documentation reasonably requested by the Guarantor as will permit such payment to be made without deduction or withholding or at a reduced rate of deduction or withholding that the Lender, as applicable, is legally entitled to provide (all such nonexcluded Taxes, collectively or individually, “**Indemnified Taxes**”), the amount so payable shall be increased to the extent necessary so that after making all required deductions and withholdings for Indemnified Taxes (including Indemnified Taxes on amounts payable to the Lender pursuant to this sentence) the Lender receives an amount equal to the sum he, she or it would have received had no such deduction or withholding of Indemnified Taxes been made. As promptly as possible after any payment of Taxes by a Guarantor to a Governmental Authority pursuant to this Section 8.01, such Guarantor shall send the Lender an official receipt (or, if an official receipt is not available, such other documentation as shall be reasonably satisfactory to the Lender, as the case may be) showing payment.
- (b) Each Guarantor agrees to pay any present or future stamp or documentary Taxes or any other excise or property Taxes that arise from the execution, delivery, registration or enforcement of, or otherwise with respect to, this Guaranty or any other Transaction Document (collectively, all such nonexcluded Taxes, “**Other Taxes**”).
- (c) Each Guarantor hereby indemnifies and agrees to hold each Indemnified Party harmless from and against Indemnified Taxes or Other Taxes (including, without limitation, any Indemnified Taxes or Other Taxes imposed by any jurisdiction on amounts payable under this Section 8.01) paid by any Indemnified Party as a result of any payment made hereunder or from the execution, delivery, registration or enforcement of, or otherwise with respect to, this Guaranty or any other Transaction Document, and any liability (including penalties, interest and reasonable expenses for nonpayment, late payment or otherwise) arising therefrom or with respect thereto, whether or not such Indemnified Taxes or Other Taxes were correctly or legally asserted. This indemnification shall be paid within thirty (30) days from the date on which the Lender makes written demand therefor, which demand shall identify the nature and amount of such Indemnified Taxes or Other Taxes.
- (d) The obligations of the Guarantors under this Section 8.01 shall survive the termination of this Guaranty and the payment of the Guaranteed Obligations and all other amounts payable hereunder.

ARTICLE VIII
MISCELLANEOUS

Section 8.01. Notices. Any notices required to be given under this Guaranty shall be given in the manner and to the addresses listed in the Loan Documents.

Section 8.02. Amendments. This Guaranty shall not be amended, modified, changed, waived, discharged or terminated, nor shall any consent be given under this Guaranty, unless such amendment, modification, change, waiver, discharge, termination or consent is in writing and signed by the Beneficiary.

Section 8.03. Successors and Assigns. This Guaranty shall be binding upon the Guarantors and their successors and assigns, and shall inure, together with the rights and remedies of the Beneficiary hereunder, to the benefit of the Beneficiary and the Beneficiary's successors, transferees and assigns. This Guaranty may not be assigned by any Guarantor without the prior written consent of the Beneficiary.

Section 8.04. Severability. Any provision of this Guaranty that is prohibited by, or unenforceable under, the laws of any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability, without invalidating the remaining provisions of this Guaranty, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction. To the extent permitted by law, each Guarantor hereby waives any provision of law which renders any provision of this Guaranty prohibited or unenforceable in any respect.

Section 8.05. Entire Agreement. This Guaranty, the other Credit Documents, and any other document executed and delivered by the Parties with this Guaranty or the other Loan Documents are a complete and exclusive expression of all the terms of the matters expressed therein, and all prior agreements, statements, and representations, whether written or oral, which relate thereto in any way are hereby superseded and shall be given no force and effect.

Section 8.06. Further Assurances. Each Guarantor shall execute and deliver to the Beneficiary such further assurances and take such other further actions as the Beneficiary may from time-to-time request to further the intent and purpose of this Guaranty and the other Loan Documents and to maintain and protect the rights and remedies intended to be created in favor of the Beneficiary under this Guaranty and the other Loan Documents.

Section 8.07. Choice of Law, Venue, Jury Trial Waiver and Judicial Reference.

(a) Governing Law. This Guaranty and the rights and obligations of the parties hereunder shall, in all respects, be governed by, and construed in accordance with, the laws (excluding the principles of conflict of laws) of the state of New York (including Section 5-1401 and Section 5-1402 of the General Obligations Law of the State of New York), including all matters of construction, validity and performance.

(b) Jurisdiction; Venue; Service.

(i) Each Guarantor hereby irrevocably consents to the non-exclusive personal jurisdiction of the state courts of New York and, if a basis for federal jurisdiction exists, the non-exclusive personal jurisdiction of any New York federal district court.

(ii) Each Guarantor agrees that venue shall be proper in any court of the state of New York selected by the Beneficiary or, if a basis for federal jurisdiction exists, in any New York federal district court. Each Guarantor waives any right to object to the maintenance of any suit, claim, action, litigation or proceeding of any kind or description, whether in law or equity, whether in contract or in tort or otherwise, in any of the state or federal courts of New York on the basis of improper venue or inconvenience of forum.

(c) WAIVER OF JURY TRIAL. THE GUARANTORS AND THE BENEFICIARY MUTUALLY WAIVE ALL RIGHT TO TRIAL BY JURY OF ALL CLAIMS OF ANY KIND ARISING OUT OF OR BASED UPON THIS GUARANTY OR ANY MATTER RELATING TO THIS GUARANTY, OR ANY OTHER LOAN DOCUMENT, OR ANY OBLIGATIONS, OR ANY CONTEMPLATED TRANSACTION. THE GUARANTORS AND THE BENEFICIARY ACKNOWLEDGE THAT THIS IS A WAIVER OF A LEGAL RIGHT AND THAT THE GUARANTORS AND THE BENEFICIARY EACH MAKE THIS WAIVER VOLUNTARILY AND KNOWINGLY AFTER CONSULTATION WITH COUNSEL OF THEIR RESPECTIVE CHOICE. THE GUARANTORS AND THE BENEFICIARY AGREE THAT ALL SUCH CLAIMS SHALL BE TRIED BEFORE A JUDGE OF A COURT HAVING JURISDICTION, WITHOUT A JURY.

[Signature Pages Follow]

IN WITNESS WHEREOF, each Guarantor has caused this Guaranty to be executed by its respective duly authorized officer, as of the date first written above.

GUARANTORS:

FIN HOLDINGS INC.

By: /s/ Thomas Thimot

Name: Thomas Thimot

Title: CEO

INNOVATION IN MOTION, INC.

By: /s/ Thomas Thimot

Name: Thomas Thimot

Title: CEO

ID SOLUTIONS, INC.

By: /s/ Thomas Thimot

Name: Thomas Thimot

Title: CEO

ACCEPTED AND AGREED

Stephen J. Garchik

/s/ Stephen J. Garchik

[Signature Page to Guaranty]

RELEASE AGREEMENT

This **RELEASE AGREEMENT** (this "Agreement") is made and entered into as of March 9, 2023, by and between authID, Inc. (the "Borrower" or the "Company", as applicable) and Stephen J. Garchik (the "Lender" and together with the Borrower, the "Parties" and each, a "Party").

RECITALS

WHEREAS, the Borrower and the Lender entered into that certain Facility Agreement, dated as of March 21, 2022 (the "Original Facility Agreement"), and that certain Amended and Restated Facility Agreement, dated as of March 8, 2023 (the "Facility Agreement"), which amended and restated the Original Facility Agreement.

WHEREAS, pursuant to the Facility Agreement, the Company and the Lender are entering into on the date hereof that certain Promissory Note (the "Promissory Note").

WHEREAS, the effectiveness of the transactions contemplated by the Promissory Note and of certain transactions contemplated by the Facility Agreement are conditioned on, among other things, the execution and delivery of this Agreement by all of the Parties hereto.

NOW, THEREFORE, in consideration of the premises and covenants and agreements set forth herein, and for the other good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, the Parties hereto agree as follows:

ARTICLE I
DEFINITIONS, RULES OF CONSTRUCTION

1.1. Definitions. For purposes of this Agreement, the following terms shall have the meanings ascribed to them in this Article I. Capitalized terms used herein but not otherwise defined shall have the meanings set forth in the Promissory Note.

"Claim(s)" means, any and all past and present actions, causes of action, demands, suits, claims, liabilities, liens, lawsuits, adverse consequences, amounts paid in settlement, costs, damages, debts, diminution in value, expenses, losses and other obligations of any kind or nature whatsoever, whether in law, equity or otherwise (including without limitation those arising under 11 U.S.C. §§ 541-550 and interest or other carrying costs, penalties, legal, accounting and other professional fees and expenses), whether known or unknown, fixed or contingent, direct or indirect, asserted or unasserted, foreseen or unforeseen, suspected or unsuspected, now existing or heretofore existing arising out of the Original Facility Agreement and any of the terms, conditions, or obligations thereunder.

"Released Claims" means, with respect to any Releasor, any Claim which is released by such Releasor pursuant to any of the provisions of Article II hereof.

"Releasee" has the meaning set forth in Section 1.3 hereof.

"Releasors" has the meaning set forth in Section 1.3 hereof.

1.2. Interpretation and Construction. The following provisions shall be applied wherever appropriate herein: (a) "herein," "hereby," "hereunder," "hereof" and other equivalent words shall refer to this Agreement as an entirety and not solely to the particular portion of the Agreement in which any such word is used; (b) whenever the words "include," "includes" or "including" are used in this Agreement, they are deemed to be followed by the words "without limitation"; (c) all definitions set forth herein shall be deemed applicable whether the words defined are used herein in the singular or the plural; (d) neither this Agreement nor any other agreement, document or instrument referred to herein or executed and delivered in connection herewith shall be construed against any party as the principal draftsman hereof or thereof; and (e) the descriptive headings in this Agreement are inserted for convenience of reference only and do not constitute a part of and shall not be utilized in interpreting this Agreement.

ARTICLE II
RELEASES

1.3. Releases by Releasors; Covenant not to Sue.

(a) Except as set forth herein, each Party, on behalf of himself or itself and his or its predecessors, successors, successors-in-interest and assigns, and its present and former managers, affiliates, subsidiaries, directors, officers, attorneys, employees, agents, legal representatives and other representatives (collectively, the "Releasors"), does hereby absolutely, unconditionally, irrevocably, and forever release, remise and discharge the other Party and his or its predecessors, successors, successors-in-interest and assigns, and his or its present and former managers, affiliates, subsidiaries, directors, officers, stockholders, attorneys, employees, agents, legal representatives and other representatives (collectively, "Releasees") from any and all Claims (collectively, the "Released Claims"), and hereby agrees and covenants not to assert or prosecute against the Releasees any and all Claims that such Releasor ever had, may have or hereafter can, may or shall have.

(b) Each Releasor hereby absolutely, unconditionally and irrevocably covenants and agrees with and in favor of the Releasees that it will not sue (at law, in equity, in any regulatory proceeding or otherwise) the Releasees on the basis of any Released Claim.

1.4. Limitation of Releases. Nothing in this Agreement shall be construed to constitute a release of, or a covenant not to sue in respect of the Releasees arising from conduct of the Releasees determined by a court of competent jurisdiction, or admitted in writing or in a plea agreement, to have been fraudulent or a criminal act by the Releasees. Nothing in this Agreement shall be construed to constitute a release of, or covenant not to sue in respect of any obligation of any Party under this Agreement or under the Facility Agreement.

1.5. Release of Unknown Claims. Subject to the exceptions set forth in Section 1.4 hereof, the Releasors agree and acknowledge that the Released Claims, which they are releasing and covenanting not to sue pursuant to this Agreement include any Released Claim which such Party does not know or suspect to exist in its favor at the time of the giving of the foregoing releases and covenants not to sue which, if known by it might affect its decision regarding the releases and covenants not to sue set forth therein. Subject to the exceptions set forth in Section 1.4 hereof, each of the Releasors agree and acknowledge that it might hereafter discover facts or documents in addition to or different from those which it now knows or believes to be true or exist with respect to the subject matter of any of the Released Claims, and the Releasees shall not have any duty to disclose or provide any such facts or documents (whether material or immaterial, known or unknown, suspected or unsuspected) to any Releasor, and each of the Releasors shall be deemed to have fully, finally and forever settled and released any and all Released Claims. In connection with their agreement to the foregoing release, the Parties knowingly and voluntarily waive and relinquish any and all provisions, rights and benefits conferred by any law of the United States or any state or territory of the United States, or principle or equivalent to California Civil Code § 1542, which provides: **A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS SETTLEMENT WITH THE DEBTOR.**

1.6. No Admission. Nothing in this Agreement shall be construed as an admission by the Releasees of the existence of any Released Claim or of any liability with respect to any or all of such Released Claims or any other past or future act, omission, fact, matter, transaction or occurrence. The Parties hereto have agreed to settle the Released Claims against each other in order to avoid the costs and undesirable effects of litigation between or among each other.

1.7. Costs. If any Releasor violates its covenant not to sue set forth in this Agreement, such Releasor agrees to pay, in addition to such other damages as the Releasees may sustain as a result of such violation, all attorneys' fees and costs incurred by the Releasees as a result of such violation, and further agrees that the Releasees shall have the right to assert any Claims against such breaching Releasor.

ARTICLE III
MISCELLANEOUS

1.8. Governing Law. This Agreement shall be construed and enforced in accordance with and governed by the laws of the State of New York without regard to the conflicts of laws principles thereto.

1.9. Severability. Whenever possible, each provision or portion of any provision of this Agreement will be interpreted in such manner as to be effective and valid under applicable law but if any provision or portion of any provision of this Agreement is held to be invalid, illegal or unenforceable in any respect under any applicable law or rule in any jurisdiction, such invalidity, illegality or unenforceability will not affect any other provision or portion of any provision in such jurisdiction, and this Agreement will be reformed, construed and enforced in such jurisdiction as if such had never been contained herein.

1.10. Parties' Use of Legal Counsel. Each of the Parties hereby acknowledges that such Party has been advised by its own legal counsel in connection with the negotiation, drafting, execution, and delivery and consummation of this agreement.

1.11. WAIVER OF RIGHT TO JURY. EACH OF THE PARTIES HERETO WAIVES ANY RIGHT TO HAVE A JURY PARTICIPATE IN RESOLVING ANY DISPUTE, WHETHER SOUNDING IN CONTRACT, TORT OR OTHERWISE, BETWEEN ANY OF THEM ARISING OUT OF, CONNECTED WITH, RELATING TO OR INCIDENTAL TO THE RELATIONSHIP ESTABLISHED BETWEEN ANY OF THEM IN CONNECTION WITH THIS AGREEMENT. INSTEAD, ANY DISPUTES RESOLVED IN COURT SHALL BE RESOLVED IN A BENCH TRIAL WITHOUT A JURY.

[Signature Pages Follow]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed and delivered as of the date first above written.

AUTHID INC.

By: /s/ Thomas Thimot
Name: Thomas Thimot
Title: CEO

STEPHEN J. GARCHIK

/s/ Stephen J. Garchik

[Signature Page to Release Agreement]



authID® Completes New Financing Round and Announces New Directors

Financing intended to meet projected working capital requirements through Q1 2024.

DENVER, March 09, 2023 (GLOBE NEWSWIRE) -- authID [Nasdaq: AUID], a leading provider of secure identity authentication solutions, today announced that it has closed a financing agreement with long-time investor, Stephen J. Garchik, for \$3.6 million, and appointed several new Directors.

The financing agreement is aligned with the Company's 2023 budget to support the reduced capital requirements and current business needs through the first quarter of 2024 as announced in February. The new financing modifies the terms of the March 2022 Facility Agreement entered into with Mr. Garchik. On March 9th, the Company completed an initial drawdown of \$900,000 under the revised Facility Agreement. Subsequent funding is subject to certain conditions, as described in the Facility Agreement.

The Company is pleased to have completed this financing round that is intended to support its projected working capital needs through Q1 2024. The Company thanks our valued investor for his continued vote of confidence in authID's future and for providing the resources that will allow authID to extend its innovative technology to help build a safer digital landscape for all.

The Company also announced that at Mr. Garchik's request four new members will join non-executive Directors Michael Koehneman, Joe Trelin, and Jacqueline White on the Company's Board of Directors. Bringing broad industry, leadership and revenue growth experience, the new Directors will together with the continuing board members, provide guidance and oversight to help the Company fully realize its potential. The new members are:

- Rhon Daguro, Former Chief Revenue Officer of Socure Inc.
- Ken Jisser, President of The Pipeline Group Inc.
- Thomas Szoke, Founder and Former Officer of authID Inc.
- Michael Thompson, Partner, Hemingway Capital

The Company will issue a separate press release detailing these new appointments.

As part of this transition, the Company announced that Chairman of the Board Phillip Kumnick and Directors Philip Broenniman, Michael Gorriz, Neepa Patel, and Tom Thimot have resigned. The Company also announced that Tom Thimot will step down as CEO by early April, pending the appointment of a new CEO. The Board is currently in negotiations with a candidate for successor CEO. The Company is retaining the services of the engineering and product organizations and finance and legal teams.

The Board thanks Tom and the retiring directors for their service, commitment, and leadership in directing authID's August 2021 NASDAQ uplisting and the transformation of the Company's identity authentication service including the launch of Verified 3.0 in 2022.

About authID® Inc.

At authID (Nasdaq: AUID), We Are Digital Identity®. authID provides secure identity authentication through Verified™, an easy-to-integrate Human Factor Authentication™ (HFA) platform. Human Factor Authentication combines unphishable, FIDO2 passwordless device authentication with cloud biometrics to authenticate the human behind the device. Powered by sophisticated biometric and artificial intelligence technologies, authID eliminates passwords to fortify enterprise security and trust between organizations, employees, and customers. For more information, go to www.authID.ai.

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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, cash flow, cash position and financial position, business strategy, plans and objectives of management for future operations of both authID Inc. and its business partners, are forward-looking statements. Such forward-looking statements are based on a number of assumptions regarding 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 successfully implement its cost-saving initiatives; the Company's ability to realize the anticipated benefits of changes to its operations; the terms that its lender may require for any drawdowns under the Facility Agreement; the Company's ability to attract and retain customers; the Company's ability to compete effectively; 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, the Covid-19 pandemic, inflationary pressures, rising energy prices, increases in interest rates, and others. See the Company's Annual Report on Form 10-K for the Fiscal Year ended December 31, 2021 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.