

SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

FORM 10-Q

(Mark One)

QUARTERLY REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended March 31, 2025

OR

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

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission file number 001-40747



**authID Inc.**

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of  
incorporation or organization)

46-2069547

(I.R.S. Employer  
Identification No.)

1580 North Logan Street, Suite 660, Unit 51767,  
Denver, CO 80203

(Address of principal executive offices) (zip code)

516-274-8700

(Registrant's telephone number, including area code)

(Former name, former address and former fiscal year, if changed since last report)

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 (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes  No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).

Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large Accelerated filer	<input type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input checked="" type="checkbox"/>	Smaller reporting company	<input checked="" type="checkbox"/>
		Emerging growth Company	<input type="checkbox"/>

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.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes  No

Indicate the number of shares outstanding of each of the issuer's classes of common stock as of the latest practicable date.

Class	Outstanding at May 8, 2025
Common Stock, par value \$0.0001	13,443,740 shares
Documents incorporated by reference:	None

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## CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION

This report includes forward-looking statements that relate to future events or our future financial performance and involve known and unknown risks, uncertainties and other factors that may cause our actual results, levels of activity, performance or achievements to differ materially from any future results, levels of activity, performance or achievements expressed or implied by these forward-looking statements. Words such as, but not limited to, “believe,” “expect,” “anticipate,” “estimate,” “intend,” “plan,” “targets,” “likely,” “aim,” “will,” “would,” “could,” and similar expressions or phrases identify forward-looking statements. We have based these forward-looking statements largely on our current expectations and future events and financial trends that we believe may affect our financial condition, results of operation, business strategy and financial needs.

You should read thoroughly this report and the documents that we refer to herein with the understanding that our actual future results may be materially different from and/or worse than what we expect. We qualify all of our forward-looking statements by these cautionary statements including those made in this report, in Part I. Item 1A. Risk Factors also appear in our Annual Report on Form 10-K for the year ended December 31, 2024 and our other filings with the Securities and Exchange Commission. Some examples of risk factors which may affect our business are as follows:

- our lack of significant revenues, positive cash flow and history of losses,
- market acceptance of our products and competition;
- our ability to attract and retain customers for existing and new products;
- our ability to effectively maintain and update our technology and product and service portfolio;
- our reliance on third party software and developers;
- breaches of network or IT security and presentation attacks;
- our ability to hire and retain key personnel and additional talent;
- our ability to raise capital under acceptable terms;
- our ability to maintain listing of our common stock on the Nasdaq Capital Market;
- our ability to adequately protect our intellectual property, or the loss of some of our intellectual property rights through costly litigation or administrative proceedings;
- our ability to operate in non-US markets;
- the impact of the wars in Ukraine and the Middle East;
- stock price and market volatility and the risk of securities litigation;
- legislation and government regulation; and
- general economic conditions, inflation and access to capital.

Other sections of this report include additional factors which could adversely impact our business and financial performance. New risk factors emerge from time to time and it is not possible for our management to predict all risk factors, nor can we assess the impact of all factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements. Except for our ongoing obligations to disclose material information under the Federal securities laws, we undertake no obligation to release publicly any revisions to any forward-looking statements, to report events or to report the occurrence of unanticipated events. These forward-looking statements speak only as of the date of this report, and you should not rely on these statements without also considering the risks and uncertainties associated with these statements and our business.

## OTHER PERTINENT INFORMATION

Unless specifically set forth to the contrary, when used in this report the terms “authID” the “Company,” “we,” “our,” “us,” and similar terms refer to authID Inc., a Delaware corporation and its subsidiaries.

The information which appears on our website [www.authID.ai](http://www.authID.ai) is not part of this report.

**PART I – FINANCIAL INFORMATION**

**ITEM 1. FINANCIAL STATEMENTS.**

**authID INC. AND SUBSIDIARIES**

**CONDENSED CONSOLIDATED BALANCE SHEETS**

	<b>March 31, 2025</b>	<b>December 31, 2024</b>
	<b>(unaudited)</b>	
<b>ASSETS</b>		
Current Assets:		
Cash	\$ 2,866,347	\$ 8,471,561
Accounts receivable, net	1,028,564	97,897
Contract assets	487,551	426,859
Deferred contract costs	595,359	617,918
Other current assets, net	623,475	460,192
Total current assets	<u>5,601,296</u>	<u>10,074,427</u>
Intangible assets, net	185,226	213,718
Goodwill	4,183,232	4,183,232
Total assets	<u>\$ 9,969,754</u>	<u>\$ 14,471,377</u>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Current Liabilities:		
Accounts payable and accrued expenses	\$ 811,934	\$ 1,715,410
Commission liability	191,519	459,657
Severance liability	325,000	325,000
Convertible debt, net	-	240,884
Deferred revenue	1,011,448	215,237
Total current liabilities	<u>2,339,901</u>	<u>2,956,188</u>
Total liabilities	<u>\$ 2,339,901</u>	<u>\$ 2,956,188</u>
Commitments and Contingencies (Note 8)		
Stockholders' Equity:		
Common stock, \$0.0001 par value, 150,000,000 shares authorized as of March 31, 2025 and December 31, 2024; 10,920,909 shares issued and outstanding as of March 31, 2025 and December 31, 2024	1,092	1,092
Additional paid-in capital	185,766,847	185,312,508
Accumulated deficit	(178,147,996)	(173,808,529)
Accumulated comprehensive income	9,910	10,118
Total stockholders' equity	<u>7,629,853</u>	<u>11,515,189</u>
Total liabilities and stockholders' equity	<u>\$ 9,969,754</u>	<u>\$ 14,471,377</u>

See notes to condensed consolidated financial statements.

**authID INC. AND SUBSIDIARIES**

**CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS**  
(Unaudited)

	<b>Three Months Ended</b>	
	<b>March 31,</b>	
	<b>2025</b>	<b>2024</b>
Revenues, net	<u>296,256</u>	<u>157,378</u>
Operating Expenses:		
General and administrative	2,645,700	2,062,361
Research and development	1,998,663	1,204,968
Depreciation and amortization	30,192	43,408
Total operating expenses	<u>4,674,555</u>	<u>3,310,737</u>
Loss from continuing operations	<u>(4,378,299)</u>	<u>(3,153,359)</u>
Other Income (Expense):		
Interest expense	(12,712)	(13,138)
Interest income	51,544	108,920
Other income (expense), net	<u>38,832</u>	<u>95,782</u>
Net Loss before income taxes	(4,339,467)	(3,057,577)
Income tax expense	-	-
Net Loss	<u>\$ (4,339,467)</u>	<u>\$ (3,057,577)</u>
Net Loss Per Share - Basic and Diluted operations	<u>\$ (0.40)</u>	<u>\$ (0.32)</u>
Weighted Average Shares Outstanding - Basic and Diluted:	<u>10,920,909</u>	<u>9,450,220</u>

See notes to condensed consolidated financial statements.

authID INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS  
(Unaudited)

	Three Months Ended March 31,	
	2025	2024
Net Loss	\$ (4,339,467)	\$ (3,057,577)
Foreign currency translation (loss) gain	(208)	4,078
Comprehensive loss	<u>\$ (4,339,675)</u>	<u>\$ (3,053,499)</u>

See notes to condensed consolidated financial statements.

**authID INC. AND SUBSIDIARIES**

**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY  
(Unaudited)**

	<u>Common Stock</u>		<u>Additional</u>	<u>Accumulated</u>	<u>Accumulated</u>	<u>Total</u>
	<u>Shares</u>	<u>Amount</u>	<u>Paid-in</u>	<u>Deficit</u>	<u>Other</u>	
			<u>Capital</u>		<u>Comprehensive</u>	
					<u>Income</u>	
Balances, December 31, 2023	9,450,220	\$ 945	\$ 172,714,712	\$ (159,530,535)	\$ 12,624	\$ 13,197,746
Stock-based compensation	-	-	722,971	-	-	722,971
Net Loss	-	-	-	(3,057,577)	-	(3,057,577)
Foreign currency translation	-	-	-	-	4,078	4,078
Balances, March 31, 2024	<u>9,450,220</u>	<u>\$ 945</u>	<u>\$ 173,437,683</u>	<u>\$ (162,588,112)</u>	<u>\$ 16,702</u>	<u>\$ 10,867,218</u>
Balances, December 31, 2024	10,920,909	\$ 1,092	\$ 185,312,508	\$ (173,808,529)	\$ 10,118	\$ 11,515,189
Stock-based compensation	-	-	454,339	-	-	454,339
Net Loss	-	-	-	(4,339,467)	-	(4,339,467)
Foreign currency translation	-	-	-	-	(208)	(208)
Balances, March 31, 2025	<u>10,920,909</u>	<u>\$ 1,092</u>	<u>\$ 185,766,847</u>	<u>\$ (178,147,996)</u>	<u>\$ 9,910</u>	<u>\$ 7,629,853</u>

See notes to condensed consolidated financial statements.

**authID INC. AND SUBSIDIARIES**

**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**(Unaudited)**

	<b>Three Months Ended</b>	
	<b>March 31,</b>	
	<b>2025</b>	<b>2024</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Net loss	\$ (4,339,467)	\$ (3,057,577)
Adjustments to reconcile net loss with cash flows from operations:		
Stock-based compensation	454,339	722,971
Depreciation and amortization expense	30,192	43,408
Amortization of debt discounts and issuance costs	4,116	4,115
Changes in operating assets and liabilities:		
Accounts receivable	(930,667)	(237,506)
Contract assets	(60,692)	(49,713)
Deferred contract cost	22,559	(3,417)
Other current assets	(163,283)	(9,521)
Commission liability	(268,138)	(40,950)
Accounts payable and accrued expenses	(903,476)	(495,357)
Deferred revenue	796,211	176,019
Net cash flows from operating activities	<u>(5,358,306)</u>	<u>(2,947,528)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchase of intangible assets	(1,700)	-
Net cash flows from investing activities	<u>(1,700)</u>	<u>-</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Repayment of convertible notes	(245,000)	-
Net cash flows from financing activities	<u>(245,000)</u>	<u>-</u>
Effect of Foreign Currencies	(208)	(3,359)
Net Change in Cash	(5,605,214)	(2,950,887)
Cash, Beginning of the Period	8,471,561	10,177,099
Cash, End of the Period	<u>\$ 2,866,347</u>	<u>\$ 7,226,212</u>
<b>Supplemental Disclosure of Cash Flow Information:</b>		
Cash paid for interest	<u>\$ 13,137</u>	<u>\$ 9,023</u>

See notes to condensed consolidated financial statements.

**authID INC. AND SUBSIDIARIES**

**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

**NOTE 1 – BASIS OF PRESENTATION**

In the opinion of Management, the accompanying unaudited condensed consolidated financial statements are prepared in accordance with instructions for Form 10-Q, include all adjustments (consisting only of normal recurring accruals) which we considered as necessary for a fair presentation of the results for the periods presented. Certain information and footnote disclosures normally included in the consolidated financial statements prepared in accordance with accounting principles generally accepted in the United States of America have been condensed or omitted. It is suggested that these condensed consolidated financial statements be read in conjunction with the Company’s Annual Report on Form 10-K for the year ended December 31, 2024. The results of operations for the three months ended March 31, 2025 are not necessarily indicative of the results to be expected for future periods or the full year.

The consolidated financial statements include the accounts of authID Inc. and its wholly-owned subsidiaries MultiPay S.A.S. (dissolved as of August 2, 2024), ID Solutions, Inc., FIN Holdings Inc., Ipsidy Enterprises Limited, and authID Gaming Inc. (collectively the “Company”). All significant intercompany balances and transactions have been eliminated in consolidation.

*Going Concern*

As of March 31, 2025, the Company had an accumulated deficit of approximately \$178.1 million. For the three months ended March 31, 2025, the Company earned revenue of approximately \$0.3 million, used approximately \$5.4 million to fund its operations, and incurred a net loss of approximately \$4.3 million.

The continuation of the Company as a going concern is dependent upon financial support from the Company’s stockholders, the ability of the Company to obtain additional debt or equity financing to continue operations, the Company’s ability to generate sufficient cash flows from operations, successfully locating and negotiating with other business entities for potential acquisition and acquiring new clients to generate revenues and cash flows. Going forward, the Company plans to raise additional funds to support its operations and investments as it seeks to create a sustainable organization. Our growth-oriented business plan to offer products to our customers will require continued capital investment and there is no guarantee that such financing will be available, or available on acceptable terms.

There is no assurance that the Company will ever be profitable. These unaudited condensed consolidated financial statements do not include any adjustments to reflect the possible future effects on the recoverability and classification of assets or the amounts and classifications of liabilities that may result should the Company be unable to continue as a going concern. As there can be no assurance that the Company will be able to achieve positive cash flows (become cash flow positive) and raise sufficient capital to maintain operations, there is substantial doubt about the Company’s ability to continue as a going concern.

*Net Loss per Common Share*

The Company computes net loss per share in accordance with FASB ASC 260, “Earnings per Share”. ASC 260 requires presentation of both basic and diluted earnings per share (“EPS”) on the face of the statement of operations. Basic EPS is computed by dividing net loss available to common shareholders by the weighted average number of common shares outstanding during the period. Diluted EPS gives effect to all dilutive potential common shares outstanding during the period including stock options, using the treasury stock method, and convertible notes and stock warrants, using the if-converted method. In computing diluted EPS, the average stock price for the period is used in determining the number of shares assumed to be purchased from the exercise of stock options, warrants and conversion of convertible notes. Diluted EPS excludes all dilutive potential common shares if their effect is anti-dilutive. The following potentially dilutive securities were excluded from the calculation of diluted loss per share for the three months ended March 31, 2025 and 2024 because their effect was antidilutive:

<b>Security</b>	<b>2025</b>	<b>2024</b>
Convertible notes payable	-	8,277
Warrants	697,446	598,267
Stock options	2,135,985	1,880,971
	2,833,431	2,487,515

### *Revenue Recognition*

*Software License* – The Company recognizes revenue based on the identified performance obligations over the performance period for fixed consideration and / or variable fees generated. Variable fees are typically earned over time based on monthly users, transaction volumes or a monthly flat fee rate. We allocate the selling price in a contract which has multiple performance obligations based on the contract selling price that we believe represents a fair market price for the service rendered based on estimated standalone selling price. Transaction fees are billed monthly and are constrained to transactions incurred within the month.

For contracts with minimum annual fees, the Company generally recognizes the amount of revenue ratably over the contract year and records contract assets for the amount in excess of monthly contract billings relating to variable contract consideration. For certain contracts, the Company enters into an agreement which stipulates a minimum annual fee which is generally due at the end of the contract year, in excess of the amount of monthly billings. The Company may also require milestone payments of the minimum annual fee. The amount of any billed fees in excess of revenue recognized is recorded as deferred revenue. The company accounts for any price concessions granted to a customer as reductions to consideration under each respective contract and subsequently recognizes revenue up to the amount of the revised consideration after the concession is provided.

Any usage-based fees in excess of the minimum contract amount are charged to the customer and allocated to the annual period in which they are earned under the contract. At the beginning of each annual period in the contract, the Company estimates the variable amounts for the annual period subject to the constrained variable consideration (usage-based fees) and recognizes that amount on a time-elapsed basis over the annual period. At each reporting date within an annual period, the Company reassesses its estimate of the excess variable amounts for the annual period and updates the amount recognized on a time-elapsed basis over the remainder of the annual period.

The Company had deferred revenue contract liabilities of approximately \$1,011,000 and \$215,000 as of March 31, 2025 and December 31, 2024, respectively, for certain revenue that will be earned in future periods.

### *Remaining Performance Obligations*

As of March 31, 2025, the Company's Remaining Performance Obligation (RPO) was \$13.85 million, of which \$1.01 million is recorded as deferred revenue and \$12.84 million is related to other non-cancellable contracted amounts. The Company expects approximately 34% of the RPO to be recognized as revenue over the twelve months ending March 31, 2026, based on contractual commitments and expected usage patterns. However, the amount and timing of revenue recognition are generally dependent upon customers' future consumption, which is inherently variable at customers' discretion. Furthermore, the Company does not have sufficient historical information to estimate the recognition of revenue due to its current operations and has approximated such amount based on discussions with the contracted parties.

### *Accounts Receivable*

All customers are granted credit on a short-term basis. The Company routinely reviews its trade receivables and makes provisions for probable doubtful accounts; however, those provisions are estimates and actual results could differ from those estimates and those differences may be material. Trade receivables are deemed uncollectible and removed from accounts receivable and the allowance for doubtful accounts when collection efforts have been exhausted.

As of December 31, 2024 the Company's balance in its allowance for doubtful accounts was \$149,720. In the three months ended March 31, 2025 the Company re-evaluated the likelihood of recovery of the balance of \$149,720 and decided to remove the \$149,720 from accounts receivable and allowance for doubtful accounts.

#### *Concentration of Risks*

For the Three Months ended March 31, 2025, three customers represented 68% of revenue. For the Three Months ended March 31, 2024, three customers represented 61% of revenue.

As of March 31, 2025, one customer accounting for 81% of the Company's accounts receivable. As of December 31, 2024, two customers accounted for 39% of the Company's accounts receivable.

As of March 31, 2025, one customer accounted for 72% of the Company's Remaining Performance Obligation. As of December 31, 2024, one customer accounted for 70% of the Company's Remaining Performance Obligation.

#### *Deferred Contract Costs*

We defer the portion of sales commission that is considered a cost of obtaining a new contract with a customer and amortize these deferred costs over the period of benefit. We expense the remaining sales commissions as incurred. Reversals recorded in the three months ended March 31, 2025 reflect commission clawbacks for certain bookings that were adjusted in the quarter, per our corporate policy. The following table summarizes deferred contract cost activity for the three months ended March 31, 2025:

	<b>Deferred Contract Costs</b>
Carrying Value at December 31, 2024	\$ 617,918
Additions	-
Reversals	(3,185)
Amortization	(19,374)
Carrying Value at March 31, 2025	<u>\$ 595,359</u>

#### **NOTE 2 – OTHER CURRENT ASSETS**

Other current assets consisted of the following as of March 31, 2025 (unaudited) and December 31, 2024:

	<b>March 31, 2025</b>	<b>December 31, 2024</b>
Deferred offering cost	\$ 215,193	\$ -
Prepaid third-party and related party services	351,882	319,190
Prepaid insurance	56,400	141,002
	<u>\$ 623,475</u>	<u>\$ 460,192</u>

Deferred offering costs are deferred costs directly related to the Company's registered direct offering as described in Note 10. These costs include fees paid to bankers, attorneys, as well as other third parties.

**NOTE 3 – INTANGIBLE ASSETS, NET (OTHER THAN GOODWILL)**

The Company's intangible assets primarily consist of acquired and developed software that is being amortized over their estimated useful lives as indicated below. The following is a summary of activity related to intangible assets for the three months ended March 31, 2025 (unaudited):

	<b>Acquired and Developed Software</b>	<b>Patents</b>	<b>Total</b>
Useful Lives	5 Years	10 Years	
Carrying Value at December 31, 2024	\$ 99,819	\$ 113,899	\$ 213,718
Additions	-	1,700	1,700
Amortization	(25,636)	(4,556)	(30,192)
Carrying Value at March 31, 2025	<u>\$ 74,183</u>	<u>\$ 111,043</u>	<u>\$ 185,226</u>

The following is a summary of intangible assets as of March 31, 2025 (unaudited):

	<b>Acquired and Developed Software</b>	<b>Patents</b>	<b>Total</b>
Cost	\$ 1,782,872	\$ 185,596	\$ 1,968,468
Accumulated amortization	(1,708,689)	(74,553)	(1,783,242)
Carrying Value at March 31, 2025	<u>\$ 74,183</u>	<u>\$ 111,043</u>	<u>\$ 185,226</u>

Amortization expense totaled approximately \$30,000 and \$43,000 for the three months ended March 31, 2025, and 2024, respectively.

Future expected amortization of intangible assets is as follows:

2025 (Remainder of the Year)	\$ 57,095
2026	37,226
2027	30,442
2028	18,389
2029	18,389
Thereafter	23,685
	<u>\$ 185,226</u>

There were no impairment indicators noted with respect to the Company's long-lived assets, including intangible assets, as of March 31, 2025.

**NOTE 4 – ACCOUNTS PAYABLE AND ACCRUED EXPENSES**

Accounts payable and accrued expenses consisted of the following as of March 31, 2025 (unaudited) and December 31, 2024:

	<b>March 31, 2025</b>	<b>December 31, 2024</b>
Trade payables	\$ 292,042	\$ 317,030
Accrued payroll and related obligations	224,002	984,536
Other accrued expenses	295,890	413,844
	<u>\$ 811,934</u>	<u>\$ 1,715,410</u>

## NOTE 5 – CONVERTIBLE NOTES PAYABLE

On March 21, 2022, the Company entered into a Securities Purchase Agreement (“SPA”) with certain accredited investors, which included certain Company directors or their affiliates (the “Note Investors”). Under the SPA, the Company issued Senior Secured Convertible Notes (the “Convertible Notes”) to the Note Investors, with a total initial principal amount of approximately \$9.2 million and a conversion price of \$3.70 per share.

The Convertible Notes carried an aggregate cash origination fee of approximately \$200,000, and the Company also issued approximately 3,562 shares of common stock to the Note Investors as an additional origination fee. These Convertible Notes matured on March 31, 2025 and accrued interest at an annual rate of 9.75%, was payable on a quarterly basis.

The following is a summary of convertible notes outstanding as of March 31, 2025 (unaudited) and December 31, 2024:

	<u>March 31,</u> <u>2025</u>	<u>December 31,</u> <u>2024</u>
9.75% convertible notes due March 31, 2025	\$ -	\$ 245,000
Less		
Unamortized debt discount expense	-	(652)
Unamortized debt issuance expense	-	(3,464)
	<u>\$ -</u>	<u>\$ 240,884</u>

The Company paid the outstanding Convertible Notes and accrued interest in full on March 31, 2025.

## NOTE 6 – RELATED PARTY TRANSACTIONS

### *Commercial Agreements*

On June 6, 2023, the Company entered into a services agreement with The Pipeline Group, Inc. (“TPG”). Ken Jisser, a director of the Company, is the founder and CEO of TPG, a technology-enabled services company that aims to deliver business results for companies looking to build a predictable and profitable pipeline. The agreement provides that TPG will assist in providing outsourced sales including business development resources for outbound calling, provide support for automated dialing technology, classify customer data and other sales related services for an initial term of one year. On October 25, 2023, on December 19, 2023 and on August 26, 2024, the Company entered into amendments to the above services agreement, pursuant to which TPG will provide certain additional services to the Company. In consideration of the services, the Company will pay TPG \$70,000 per month during the current term ending in June 2025. During the three months ended March 31, 2025 the Company paid TPG a total of \$210,000. As of March 31, 2025 the Company had a balance of \$70,000 in Accounts Payable related to amounts owed to TPG under the payment terms of this agreement. The foregoing is only a summary of the material terms of the agreements entered with TPG and does not purport to be a complete description of the rights and obligations of the parties thereunder. The summary of the agreement entered with TPG is qualified in its entirety by reference to the forms of such agreements, which were filed as exhibits to the Company’s Current Report and are incorporated by reference herein (See “Exhibits”).

## NOTE 7 – STOCKHOLDERS' EQUITY

### Common Stock

There was no common stock issued during the three months ended March 31, 2025 and 2024.

### Warrants

There was no warrant activity during the three months ended March 31, 2025 and 2024. As of March 31, 2025, there are warrants to acquire 697,446 shares for a weighted average exercise price of \$11.20 per share with weighted average remaining life of 2.9 years.

The following is a summary of the Company's warrant activity for the three months ended March 31, 2025 (unaudited):

	Number of Shares	Weighted Average Exercise Price	Weighted Average Remaining Life
Outstanding, December 31, 2024	697,446	\$ 11.20	3.2 Years
Granted	-	\$ -	
Exercised/Cancelled	-	\$ -	
Outstanding, March 31, 2025	<u>697,446</u>	<u>\$ 11.20</u>	2.9 Years

### Stock Options

During the three months ended March 31, 2025, the Company granted 30,000 options to a new employee at an exercise price of \$5.89 per share.

During the three months ended March 31, 2024 the Company agreed to accelerate the vesting of 6,511 options for Mr. Joe Trelin under the terms of his resignation with an exercise price of \$5.48 per share. These accelerated options would not otherwise have vested prior to termination of service according to their Service conditions. Therefore, the Company recalculated the fair value of these options as of his termination date of February 20, 2024 using the Black Scholes method.

The Company determined the grant date fair value of options granted for the three months ended March 31, 2025, using the Black Scholes Method, as applicable, with the following assumptions:

Expected volatility	110 – 123%
Expected term	5 years
Risk free rate	3.49% - 4.59%
Dividend rate	0.00%

Activity related to stock options for the three months ended March 31, 2025 (unaudited), is summarized as follows:

	Number of Shares	Weighted Average Exercise Price	Weighted Average Contractual Term (Yrs.)	Aggregate Intrinsic Value
Outstanding at December 31, 2024	2,147,402	\$ 20.89	6.3	\$ 1,146,540
Granted	30,000	\$ 5.89	10.0	\$ -
Exercised	0	\$ 0.00	-	\$ -
Forfeited/cancelled	(41,417)	\$ 35.15	5.2	\$ -
Outstanding as of March 31, 2025	<u>2,135,985</u>	<u>\$ 20.39</u>	6.2	<u>\$ 596,584</u>
Exercisable as of March 31, 2025	<u>1,429,485</u>	<u>\$ 24.05</u>	5.1	<u>\$ 458,944</u>

The following table summarizes stock option information as of March 31, 2025 (unaudited):

<b>Exercise Price</b>	<b>Outstanding</b>	<b>Weighted Average Contractual Term (Yrs.)</b>	<b>Exercisable</b>
\$2.64 – \$5.00	344,375	8.0	268,380
\$5.01 – \$10.00	898,902	8.8	452,564
\$10.01 – \$15.00	42,578	1.6	42,578
\$15.01 – \$20.00	252,084	0.5	252,084
\$20.01 – \$121.28	498,046	2.9	413,879
	<u>2,135,985</u>	6.2	<u>1,429,485</u>

During the three months ended March 31, 2025, the Company recognized approximately \$0.45 million of stock option-based compensation expense. As of March 31, 2025, there was approximately \$2.5 million of unrecognized compensation costs related to stock options outstanding that will be expensed through 2027.

#### **NOTE 8 – COMMITMENTS AND CONTINGENCIES**

##### *Legal Matters*

From time to time the Company is a party to various legal or administrative proceedings arising in the ordinary course of our business. While any litigation contains an element of uncertainty, we have no reason to believe that the outcome of such proceedings will have a material adverse effect on the financial condition or results of operations of the Company.

#### **NOTE 9 – SEGMENT INFORMATION**

Operating segments are defined as components of an enterprise for which separate financial information is available and which is evaluated regularly by the chief operating decision maker ("CODM") in deciding how to allocate resources and in assessing performance. The Company's chief operating decision maker ("CODM") is the Chief Executive Officer. The CODM is the highest level of management responsible for assessing the Company's overall performance, and making operational decisions such as resource allocations related to operations, product prioritization and delegations of authority. The CODM has determined that the Company operates in a single operating and reportable segment and manages segment profit (loss) based upon consolidated net income (loss). The measure of segment assets is reported on the consolidated balance sheet as total consolidated assets.

#### **NOTE 10 – SUBSEQUENT EVENT**

On April 1, 2025, pursuant to Securities Purchase Agreements, the Company issued 1,811,120 shares of common stock to existing and new stockholders in a registered direct offering, for cash gross proceeds of approximately \$8.2 million and approximately \$7.0 million, net of offering costs. Approximately \$215,000 of offering costs related to the common stock offering in April 2025 were incurred during the three months ended March 31, 2025. Those costs are deferred and presented as other current assets in the Company's Condensed Consolidated Balance Sheet as described in Note 2.

On May 7, 2025, pursuant to Securities Purchase Agreements, the Company issued 373,060 shares of common stock to existing and new stockholders in a registered direct offering, for cash gross proceeds of approximately \$2.1 million and approximately \$1.6 million, net of offering costs.

Except as noted above, the Company has concluded that no events or transactions have occurred that may require disclosure in the accompanying financial statements.

## ITEM 2. MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The discussion and analysis of our financial condition and results of operations are based on our financial statements, which we have prepared in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”). The preparation of these financial statements requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements, as well as the reported revenues and expenses during the reporting periods. On an ongoing basis, we evaluate estimates and judgments, including those described in greater detail below. We base our estimates on historical experience and on various other factors that we believe are reasonable under the circumstances, the results of which form the basis for making judgments about the carrying value of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions.

As used in this “Management’s Discussion and Analysis of Financial Condition and Results of Operation,” except where the context otherwise requires, the term “we,” “us,” “our,” “authID” or “the Company,” refers to the business of authID Inc.

### Overview

authID Inc. (together with its subsidiaries, the “Company”, “authID”, “we” or “our”) ensures enterprises “Know Who’s Behind the Device”™ for every customer or employee login and transaction. Through its easy-to-integrate, patented, biometric identity platform, authID quickly and accurately verifies a user’s identity, eliminating any assumption of ‘who’ is behind a device and preventing cybercriminals from taking over accounts. authID combines digital onboarding, biometric passwordless authentication and account recovery, with a fast, accurate, user-friendly experience – delivering identity verification in 700ms. Establishing a biometric root of trust for each user that is bound to their accounts, or provisioned devices, authID stops fraud at onboarding, eliminates password risks and costs, and provides the faster, more accurate and privacy preserving user identity experience demanded by operators of today’s digital ecosystems.

### Our Platform

Our Verified™ cloud-based platform was developed with internally developed software as well as acquired and licensed technology and provides the following core services:

- Biometric Identity Verification – Proof™
- Biometric Identity Authentication – Verified™
- PrivacyKey™ Privacy Preserving Biometrics
- Account Access and Recovery

#### *Biometric Identity Verification - Proof*

Biometric identity verification establishes the trusted identity of a user based on a variety of ground truth sources, including government-issued identity documents such as national IDs, driver’s licenses and passports or electronic machine-readable travel documents (or eMRTDs). Our Verified™ platform detects presentation attack and spoofing threats, evaluates the authenticity of security features present on a government-issued identity document, and biometrically matches the reference picture of the document with a live user’s selfie (a photograph that the user has taken of themselves). Usually occurring at account opening or onboarding, identity verification ensures that the enterprise knows that the person interacting with the enterprise is who they say they are, in real time. authID’s Proof™ identity verification product eliminates the need for costly and less accurate face-to-face, in-person ID checks and instead provides a verified identity in seconds. Additionally, authID’s PrivacyKey technology enables customers to perform biometric verification through the use of Public/Private Keys that is performed without storing any biometric data, which ensures individual data privacy. In a digital, online world of increasing fraud and security threats, Proof speeds up onboarding and offers our customers confidence in the identities of consumers, employees or third-party vendors.

### *Biometric Identity Authentication - Verified*

Biometric identity authentication provides any organization with a secure, convenient solution to validate that an individual is the verified account owner for various purposes including passwordless login and performing specific transactions, or functions. The authID Verified product allows users to confirm their identity with their facial biometric by simply taking a selfie on a mobile phone or device of their choosing (as opposed to dedicated hardware). The solution includes a patented audit trail created for each transaction, containing the digitally signed transaction details, with proof of identity authentication and consent.

### *PrivacyKey Privacy Preserving Biometrics*

authID's PrivacyKey solution provides biometric authentication without the requirement to store any biometric or derivative of biometric data. The technology transforms biometric verification into Public/Private Key cryptography whereby the facial image of the person is converted into an elliptical public/private key pair where only the public key is stored and the private key only exists during authentication and is deleted immediately after. The solution is compliant to the ISO30136 Privacy Biometric standard and provides a False Match Rate accuracy of 1:1 Billion at a False Rejection Rate of 0.3%, as confirmed by independent tests conducted by The Commonwealth Scientific and Industrial Research Organization ("CSRIO").

### *Account Access and Recovery*

authID's Verified biometric identity authentication solution allows users to recover, via a facial biometric, account access that is lost or blocked due to expired credentials, lockouts, lost or stolen devices, or compromised accounts. Because the account owner's root of trust is established in the cloud, recovery is independent of any device or hardware. In this way, account recovery is instant, portable, and does not require the presence of or access to a previously provisioned device in order to secure access from a different device.

### **Key Customer Benefits**

Our solution allows our enterprise customers to:

- *Verify and Authenticate users.* Customers can use the authID platform not only to verify the identity of new users, but also to authenticate those users seamlessly on an ongoing basis to enable quick, secure logins and transaction authentications.
- *Benefit from high-speed processing.* Our solution returns a very low-latency response, key to enabling high-volume use cases (such as logins and high-value transactions) and providing a frictionless user experience.
- *Precisely and accurately identify their consumers and employees, giving the enterprise complete confidence in who is accessing their digital assets.*
- *Provide a seamless user experience in terms of speed and self-guided flow, so that even users who are not tech-savvy are easily able to complete the identity verification and authentication processes.*
- *Support a wide variety of devices.* Our cloud-based service is device agnostic and may be used to verify or authenticate users on any device with a camera, including shared devices, digital kiosks, etc.
- *Integrate quickly and easily.* We offer pre-integrated OIDC connections as well as integrations with several leading Identity and Access Management solutions.

- *Offer broad identity document coverage.* We can verify identities using a wide spectrum of government-issued documents from around the world.
- *Perform secure biometric verification & authentication without the need to store biometric data.* Our PrivacyKey technology removes the need to store any biometric data in order to perform verification or authentication transactions. PrivacyKey verification and authentication is seamlessly delivered thru either a web or mobile applications with a response time of less than 700ms.

## Key Trends

We believe that our financial results will be impacted by several market trends in the identity verification and authentication markets, as well as expanding digital transformation efforts across a wide range of market segments. These trends include:

- growing concerns over identity theft, fraud and account takeover, resulting from the acceleration of digital transformation, for example online shopping and remote working and the growth in AI assisted fraud;
- the growth in the sharing economy; and
- the increase in electronic payments and alternative money transfer solutions provided by both bank and non-bank entities. The key drivers for these alternative payment methods are consumer demands for safe, convenient payment transactions, with less friction.

Our results are also impacted by the changes in levels of spending on identity verification, management and security methods, and thus, negative trends in the global economy and other factors which negatively impact such spending may negatively impact the growth in our revenue from those products. The global economy has been undergoing a period of political and economic uncertainty and stock markets are experiencing high levels of volatility, and it is difficult to predict how long this uncertainty and volatility will continue.

We plan to grow our business by increasing the use of our services by our existing customers, by adding new customers through our direct salesforce, channel partners and by expanding into new markets and innovation. If we are successful in these efforts, we would expect our revenue to continue to grow.

The Company was incorporated in the State of Delaware on September 21, 2011, and changed our name from Ipsidy Inc. to authID Inc. on July 18, 2022. Our corporate headquarters is located at 1580 North Logan Street, Suite 660, Unit 51767, Denver, CO 80203 and our main phone number is (516) 274-8700. Our website address is [www.authid.ai](http://www.authid.ai). The information contained on, or that can be accessed through, our website is not incorporated by reference into this Form 10-Q and you should not consider information on our website to be part of this Form 10-Q.

## Going Concern

The Company's unaudited condensed consolidated financial statements included in this Quarterly Report have been prepared in accordance with United States GAAP assuming the Company will continue on a going concern basis, which implies the Company will continue to meet its obligations and continue its operations for the next year following the issuance date of these financial statements.

As of March 31, 2025, the Company had an accumulated deficit of approximately \$178.1 million. For the three months ended March 31, 2025, the Company earned revenue of approximately \$0.3 million, used approximately \$5.4 million to fund its operations, and incurred a net loss of approximately \$4.3 million.

The continuation of the Company as a going concern is dependent upon financial support from the Company's stockholders, the ability of the Company to obtain additional debt or equity financing to continue operations, the Company's ability to generate sufficient cash flows from operations, successfully locating and negotiating with other business entities for potential acquisition, and acquiring new clients to generate revenues and cash flows. In April and May 2025, the Company raised approximately \$8.6 million after expenses from existing and new stockholders through the sale of Common Stock pursuant to registered direct offerings. Going forward, the Company plans to raise additional funds to support its operations and investments as it seeks to create a sustainable organization. Our growth-oriented business plan to offer products to our customers will require continued capital investment and there is no guarantee that such financing will be available, or available on acceptable terms.

There is no assurance that the Company will ever be profitable. These unaudited condensed consolidated financial statements do not include any adjustments to reflect the possible future effects on the recoverability and classification of assets or the amounts and classifications of liabilities that may result should the Company be unable to continue as a going concern. As there can be no assurance that the Company will be able to achieve positive cash flows (become cash flow positive) and raise sufficient capital to maintain operations, there is substantial doubt about the Company's ability to continue as a going concern.

### **Subsequent Events**

On April 1, 2025, pursuant to Securities Purchase Agreements, the Company issued 1,811,120 shares of common stock to existing and new stockholders in a registered direct offering, for cash gross proceeds of approximately \$8.2 million and approximately \$7.0 million, net of offering costs. Approximately \$215,000 of offering costs related to the common stock offering in April 2025 were incurred during the three months ended March 31, 2025. Those costs are deferred and presented as other current assets in the Company's Condensed Consolidated Balance Sheet as described in Note 2.

On May 7, 2025, pursuant to Securities Purchase Agreements, the Company issued 373,060 shares of common stock to existing and new stockholders in a registered direct offering, for cash gross proceeds of approximately \$2.1 million and approximately \$1.6 million, net of offering costs.

Except as noted above, the Company has concluded that no events or transactions have occurred that may require disclosure in the accompanying financial statements.

### **Critical Accounting Policies and Estimates**

Our significant accounting policies are more fully described in the notes to our consolidated financial statements. Those material accounting estimates that we believe are the most critical to an investor's understanding of our financial results and condition are discussed immediately below and are particularly important to the portrayal of our financial position and results of operations and require the application of significant judgment by our management to determine the appropriate assumptions to be used in the determination of certain estimates.

### **Use of Estimates**

In preparing these consolidated financial statements in conformity with U.S. GAAP, management is required to make estimates and assumptions that may affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the consolidated financial statements and the reported amount of revenues and expenses during the reporting periods. Actual results could differ from those estimates.

### **Adjusted EBITDA**

This discussion includes information about Adjusted EBITDA that is not prepared in accordance with GAAP. Adjusted EBITDA is not based on any standardized methodology prescribed by GAAP and is not necessarily comparable to similar measures presented by other companies. A reconciliation of this non-GAAP measure is included below. Adjusted EBITDA is a non-GAAP financial measure that represents GAAP net income (loss) adjusted to exclude (1) interest expense and debt discount and debt issuance costs amortization expense, (2) interest income, (3) depreciation and amortization, (4) stock-based compensation expense (stock options) and certain other items management believes affect the comparability of operating results.

Management believes that Adjusted EBITDA, when viewed with our results under GAAP and the accompanying reconciliations, provides useful information about our period-over-period results. Adjusted EBITDA is presented because management believes it provides additional information with respect to the performance of our fundamental business activities and is also frequently used by securities analysts, investors and other interested parties in the evaluation of comparable companies. We also rely on Adjusted EBITDA as a primary measure to review and assess the operating performance of our company and our management, and it will be a focus as we invest in and grow the business.

Adjusted EBITDA has limitations as an analytical tool, and you should not consider it in isolation from, or as a substitute for, analysis of our results as reported under GAAP. Some of these limitations are:

- Adjusted EBITDA does not reflect our cash expenditures or future requirements for capital expenditures or contractual commitments;
- Adjusted EBITDA does not reflect changes in, or cash requirements for, our working capital needs;
- Although depreciation and amortization are non-cash charges, the assets being depreciated and amortized will often have to be replaced in the future, and Adjusted EBITDA does not reflect any cash requirements for such replacements;
- Adjusted EBITDA does not include the impact of certain charges or gains resulting from matters we consider not to be indicative of our ongoing operations.

Because of these limitations, Adjusted EBITDA should not be considered as a measure of discretionary cash available to us to invest in the growth of our business. We compensate for these limitations by relying primarily on our GAAP results and using Adjusted EBITDA only as a supplement to our GAAP results.

**Reconciliation of Loss from Continuing Operations to Adjusted EBITDA Continuing Operations:**

	<b>Three Months Ended March 31,</b>	
	<b>2025</b>	<b>2024</b>
Loss from continuing operations	\$ (4,339,467)	\$ (3,057,577)
<b>Addback:</b>		
Interest expense, net	12,712	13,138
Other income	(51,544)	(108,920)
Depreciation and amortization	30,192	43,408
Stock compensation	454,339	722,971
Adjusted EBITDA continuing operations (Non-GAAP)	<u>\$ (3,893,768)</u>	<u>(2,386,980)</u>

**Results of Operations and Financial Condition for the Three Months Ended March 31, 2025 as Compared to the Three Months Ended March 31, 2024**

**Revenues, net**

During the three months ended March 31, 2025, the Company's revenues were approximately \$296,000, compared to approximately \$157,000 in the three months ended March 31, 2024, principally due to the recognition of revenue from new customer contracts.

**General and administrative expenses**

During the three months ended March 31, 2025 compared to the three months ended March 31, 2024, general and administrative expenses increased by approximately \$0.6 million. The increase for the three-month period was driven by increases in employee related expenses, primarily resulting from the investment in client-facing sales resources.

**Research and development expenses**

During the three months ended March 31, 2025 compared to the three months ended March 31, 2024, research and development expenses increased by approximately \$0.8 million. The increase was due to continued investment in employees and contractors to deliver required product capabilities and performance for existing customers and sales prospects.

**Depreciation and amortization expense**

During the three months ended March 31, 2025 compared to March 31, 2024, depreciation and amortization expense remained flat during the three months ended March 31, 2025 compared to March 31, 2024.

**Interest expense**

Interest expense includes interest expense, debt issuance and discount amortization expense. Interest expense remained flat during the three months ended March 31, 2025 compared to March 31, 2024.

**Macro-Economic Conditions**

The global economy has been undergoing a period of political and economic uncertainty and stock markets are experiencing high levels of volatility, and it is difficult to predict how long this uncertainty and volatility will continue. The current increase in international tariffs and uncertainty over international trading conditions, continuing wars in Ukraine and the Middle East, inflationary pressures, rising energy prices and increases in interest rates have impacted the United States and other major economies and have created uncertainty regarding a possible recession. As a result, many businesses, especially in the technology sector, have made significant cut-backs in expenditure, including reductions in force and investment freezes. Our sales and results are also impacted by the changes in levels of spending on identity verification, management and security methods, and thus, negative trends in the global economy and other factors which negatively impact such spending may negatively impact the growth of our revenue from those products.

**Liquidity and Capital Resources**

The Company has approximately \$2.9 million of cash on hand and approximately \$3.0 million of working capital as of March 31, 2025.

Cash used in operating activities was approximately \$5.4 million and \$2.9 million in the three months ended March 31, 2025 and 2024, respectively.

Cash used in investing activities for the three months ended March 31, 2025 was approximately \$2,000, compared with \$0 for the three months ended March 31, 2024, for purchases of intangible assets.

Cash used in financing activities in the three months ended March 31, 2025 consisted of approximately \$0.2 million in for offering costs related to the repayment of the March 2025 Convertible Notes.

In April and May 2025, the Company raised approximately \$8.6 million after expenses from existing and new stockholders through the sale of Common Stock pursuant to registered direct offerings. Going forward, the Company will need to raise additional funds to support its operations and investments as it seeks to create a sustainable organization. Our growth-oriented business plan to offer products to our customers will require continued capital investment and there is no guarantee that such financing will be available, or available on acceptable terms.

There is no guarantee that our current business plan will not change, and as a result of such change, we will need additional capital to implement such business plan. Further, assuming we achieve our expected growth plan, of which there is no guarantee, we will need additional capital to implement growth beyond our current business plan.

**Off-Balance Sheet Arrangements**

The Company has no off-balance sheet arrangements that are reasonably likely to have a current or future effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that is deemed by our management to be material to investors.

**Recent Accounting Policies**

The recent material accounting policies that may be the most critical to understanding of the financial results and conditions are discussed in Note 1 of the unaudited financial statements.

### **ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK.**

As a smaller reporting company, we are not required to include disclosure under this item.

### **ITEM 4. CONTROLS AND PROCEDURES.**

#### **Evaluation of Disclosure Controls and Procedures**

As of the end of the period covered by this Quarterly Report, our Chief Executive Officer and Chief Financial Officer performed an evaluation of the effectiveness of our disclosure controls and procedures as defined in Rules 13a-15(e) and 15d-15(e) of the Exchange Act. Based on the evaluation, the Chief Executive Officer and Chief Financial Officer concluded that, as of March 31, 2025, the Company's disclosure controls and procedures are effective to ensure that the information required to be disclosed by the Company in the report that it files or submits under the Exchange Act is recorded, processed, summarized, and reported within the time periods specified in SEC rules and forms.

#### **Changes in Internal Control over Financial Reporting**

There were no changes in our internal control over financial reporting (as that term is defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) that occurred during the three months ended March 31, 2025 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

## PART II

### ITEM 1. LEGAL PROCEEDINGS

From time to time, the Company is a party to various legal or administrative proceedings arising in the ordinary course of business. While any litigation contains an element of uncertainty, we have no reason to believe the outcome of such proceedings will have a material adverse effect on the financial condition or results of operations of the Company.

### ITEM 1A. RISK FACTORS

Risk factors describing the major risks to our business can be found under Item 1A, "Risk Factors", in our Annual Report on Form 10-K for the year ended December 31, 2024. There has been no material change in our risk factors from those previously discussed in the Annual Report on Form 10-K.

### ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

During the three months ended March 31, 2025, the Company granted 30,000 options to a new employee at an exercise price of \$5.89 per share.

During the three months ended March 31, 2024, the Company granted a total of 100,000 options to certain new employees at exercise prices ranging from \$9.05 to \$9.61 per share.

The issuance of the above securities is exempt from the registration requirements under Rule 4(a)(2) of the Securities Act of 1933, as amended, and/or Rule 506 as promulgated under Regulation D.

### ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

### ITEM 4. MINE SAFETY DISCLOSURES

Not applicable to our operations.

### ITEM 5. OTHER INFORMATION

None.

## ITEM 6. EXHIBITS

<b>Exhibit Number</b>	<b>Description</b>
3.1 (1)	<a href="#"><u>Amended &amp; Restated Certificate of Incorporation</u></a>
3.2 (6)	<a href="#"><u>Amended &amp; Restated Bylaws as of July 18, 2022</u></a>
3.3 (2)	<a href="#"><u>Certificate of Amendment dated June 1, 2021</u></a>
3.4 (6)	<a href="#"><u>Certificate of Amendment to Amended and Restated Certificate of Incorporation as of July 18, 2022</u></a>
3.5 (7)	<a href="#"><u>Certificate of Amendment to Amended and Restated Certificate of Incorporation as of September 21, 2022</u></a>
3.6 (14)	<a href="#"><u>Certificate of Amendment to the Amended and Restated Certificate of Incorporation dated June 26, 2023</u></a>
3.7(22)	<a href="#"><u>Certificate of Amendment to the Certificate of Incorporation</u></a>
4.1 (2)	<a href="#"><u>Form of Stock Option</u></a>
4.2 (10)	<a href="#"><u>Description of the Registrant's Securities</u></a>
10.1 (2)	<a href="#"><u>Form of Director Agreement</u></a>
10.2 (2)	<a href="#"><u>Form of Indemnification Agreement</u></a>
10.3 (3)	<a href="#"><u>2017 Incentive Stock Plan</u></a>
10.4 (2)	<a href="#"><u>Executive Retention Agreement entered between the Company and Thomas L. Thimot dated June 14, 2021</u></a>
10.5 (2)	<a href="#"><u>Executive Retention Agreement entered between the Company and Cecil N. Smith III dated June 14, 2021</u></a>
10.6 (4)	<a href="#"><u>AuthID Inc. 2021 Equity Incentive Plan</u></a>
10.7 (5)	<a href="#"><u>Letter Agreement between Annie Pham and AuthID Inc. dated April 25, 2022</u></a>
10.8 (8)	<a href="#"><u>Amended and Restated Faculty Agreement between the Company and Stephen J. Garchik dated March 8, 2023.</u></a>
10.9 (8)	<a href="#"><u>Promissory Note between the Company and Stephen J. Garchik dated March 9, 2023.</u></a>
10.10 (8)	<a href="#"><u>Guaranty Agreement by FIN Holdings Inc., Innovation in Motion, Inc. and ID Solutions, Inc. in favor of Stephen J. Garchik dated March 9, 2023.</u></a>

10.11 (8)	<a href="#">Release Agreement between the Company and Stephen J. Garchik dated March 9, 2023.</a>
10.12 (9)	<a href="#">Letter Agreement between Rhoniel Daguro and AuthID Inc. dated March 23, 2023</a>
10.13 (9)	<a href="#">Executive Retention Agreement between Rhoniel Daguro and AuthID Inc. dated March 23, 2023</a>
10.14 (9)	<a href="#">Confidential Separation Agreement and General Release between Thomas Thimot and authID Inc. Dated March 23, 2023</a>
10.15 (11)	<a href="#">Letter Agreement between Thomas Szoke and AuthID Inc. dated April 12, 2023</a>
10.16 (11)	<a href="#">Executive Retention Agreement between Thomas Szoke and AuthID Inc. dated April 12, 2023</a>
10.17 (12)	<a href="#">Executive Retention Agreement between Annie Pham and AuthID Inc. dated May 11, 2023</a>
10.18 (13)**	<a href="#">Form of Securities Purchase Agreement dated as of May 23, 2023 between the Company and accredited investors</a>
10.19 (13)	<a href="#">Engagement Agreement dated as of April 20, 2023 between the Company and Madison Global Partners LLC</a>
10.20 (13)	<a href="#">Stock Purchase Warrant dated May 26, 2023 issued to Madison Global Partners LLC</a>
10.21 (13)**	<a href="#">Form of Exchange Agreement dated as of May 23, 2023 between the Company and certain Holders</a>
10.22 (15)	<a href="#">Letter Agreement between Edward Sellitto and authID Inc. dated July 31, 2023</a>
10.23 (16)	<a href="#">Agreement dated October 25, 2023 between The Pipeline Group, Inc. and authID Inc.</a>
10.24 (18)	<a href="#">Form of Securities Purchase Agreement dated as of November 20, 2023 between the Company and accredited investor</a>
10.25 (18)	<a href="#">Engagement Agreement dated as of November 2, 2023 between the Company and Madison Global Partners, LLC</a>
10.26 (18)	<a href="#">Stock Purchase Warrant dated November 22, 2023 issued to Madison Global Partners, LLC</a>
10.27 (19)**	<a href="#">Agreement dated December 19, 2023 between The Pipeline Group, Inc and authID Inc.</a>
10.28 (20)	<a href="#">Letter Agreement between Kunal Mehta and authID Inc.</a>
10.29(22)**	<a href="#">Form of Securities Purchase Agreement dated as of June 24, 2024 between the Company and accredited investors</a>
10.30(22)	<a href="#">Engagement Agreement, dated as of June 24, 2024 between the Company and Madison Global Partners, LLC</a>
10.31(22)	<a href="#">Stock Purchase Warrant issued to Madison Global Partners LLC</a>
10.32(24)**	<a href="#">Agreement dated August 26, 2024 between The Pipeline Group, Inc. and authID Inc.</a>
10.33 (23)	<a href="#">Letter Agreement between Erick Soto and authID Inc. dated September 10, 2024</a>
10.34(23)	<a href="#">Executive Retention Agreement between Erick Soto and AuthID Inc. dated September 10, 2024</a>
10.35 (25)**	<a href="#">Form of Securities Purchase Agreement dated as of March 31, 2025 between the Company and accredited investors</a>
10.36 (25)	<a href="#">Form of Pre-Funded Warrant dated April 1, 2025</a>
10.37 (25)	<a href="#">Engagement Agreement dated as of March 12, 2025 between the Company and Madison Global Partners LLC</a>
10.38 (25)	<a href="#">Amendment to the Engagement Agreement dated as of March 26, 2025 between the Company and Madison Global Partners LLC</a>
10.39 (25)	<a href="#">Placement Agency Agreement between the Company and Dominari Securities LLC dated March 31, 2025</a>
10.40 (25)	<a href="#">Stock Purchase Warrant issued to Madison Global Partners LLC</a>
10.41 (25)	<a href="#">Stock Purchase Warrant issued to Dominari Securities LLC</a>
10.42 (26)	<a href="#">Form of Securities Purchase Agreement, dated as of May 6, 2025, between the Company and accredited investors</a>
10.43 (26)	<a href="#">Placement Agency Agreement between the Company and Dominari Securities LLC dated May 6, 2025</a>
10.44 (26)	<a href="#">Stock Purchase Warrant issued to Madison Global Partners, LLC</a>
10.45 (26)	<a href="#">Stock Purchase Warrant issued to Dominari Securities LLC</a>
14.1 (17)	<a href="#">Code of Ethics</a>
19 (24)	<a href="#">Insider Trading Policy</a>
21.1 (24)	<a href="#">List of Subsidiaries</a>
31.1*	<a href="#">Certification of Chief Executive Officer pursuant to Rule 13a-14(a)/15d-14(a) of the Securities Exchange Act</a>
31.2*	<a href="#">Certification of Chief Financial Officer pursuant to Rule 13a-14(a)/15d-14(a) of the Securities Exchange Act</a>
32.1*	<a href="#">Certification of Chief Executive Officer and Chief Financial Officer pursuant to 18 U.S.C. §1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002</a>
97.1 (17)	<a href="#">Policy for the Recovery of Erroneously Awarded Compensation adopted October 6, 2023</a>
99.1 (21)	<a href="#">Policy on Granting Equity Awards</a>
101.INS*	Inline XBRL Instance Document
101.SCH*	Inline XBRL Taxonomy Extension Schema Document
101.CAL*	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF*	Inline XBRL Taxonomy Extension Definition Linkbase Document
101.LAB*	Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE*	Inline XBRL Taxonomy Extension Presentation Linkbase Document
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101).

\* Filed herewith

\*\* Certain confidential portions of this exhibit were omitted by means of marking such portions with asterisks because the identified confidential portions (i) are not material and (ii) would be competitively harmful if publicly disclosed. A copy of any omitted portions will be furnished to the SEC upon request.

(1) Incorporated by reference to the Form 8-K Current Report filed with the Securities Exchange Commission on March 23, 2021.

- (2) Incorporated by reference to the Form 8-K Current Report filed with the Securities Exchange Commission on June 15, 2021.
- (3) Incorporated by reference to the Form 10-Q Quarterly Report filed with the Securities Exchange Commission on May 4, 2018.
- (4) Incorporated by reference to the Form S-8 Registration Statement filed with the Securities Exchange Commission on February 1, 2022.
- (5) Incorporated by reference to the Form 8-K Current Report filed with the Securities Exchange Commission on April 27, 2022.
- (6) Incorporated by reference to the Form 8-K Current Report filed with the Securities Exchange Commission on July 19, 2022.
- (7) Incorporated by reference to the Form 8-K Current Report filed with the Securities Exchange Commission on September 21, 2022.
- (8) Incorporated by reference to the Form 8-K Current Report filed with the Securities Exchange Commission on March 10, 2023.
- (9) Incorporated by reference to the Form 8-K Current Report filed with the Securities Exchange Commission on March 28, 2023.
- (10) Incorporated by reference to the Form 10-K Annual Report filed with the Securities Exchange Commission on March 30, 2023.
- (11) Incorporated by reference to the Form 8-K Current Report filed with the Securities Exchange Commission on April 18, 2023.
- (12) Incorporated by reference to the Form 8-K Current Report filed with the Securities Exchange Commission on May 16, 2023.
- (13) Incorporated by reference to the Form 8-K Current Report filed with the Securities Exchange Commission on May 26, 2023.
- (14) Incorporated by reference to the Form 8-K Current Report filed with the Securities Exchange Commission on June 27, 2023.
- (15) Incorporated by reference to the Form 8-K Current Report filed with the Securities Exchange Commission on August 3, 2023.
- (16) Incorporated by reference to the Form 8-K Current Report filed with the Securities Exchange Commission on October 26, 2023.
- (17) Incorporated by reference to the Form 10-Q Quarterly Report filed with the Securities Exchange Commission on November 8, 2023.
- (18) Incorporated by reference to the Form 8-K Current Report filed with the Securities Exchange Commission on November 27, 2023.
- (19) Incorporated by reference to the Form 8-K Current Report filed with the Securities Exchange Commission on December 21, 2023.
- (20) Incorporated by reference to the Form 8-K Current Report filed with the Securities Exchange Commission on March 26, 2024.
- (21) Incorporated by reference to the Form 10-Q Quarterly Report filed with the Securities Exchange Commission on May 15, 2024.
- (22) Incorporated by reference to the Form 8-K Current Report filed with the Securities Exchange Commission on June 27, 2024.
- (23) Incorporated by reference to the Form 10-Q Quarterly Report filed with the Securities Exchange Commission on November 7, 2024.
- (24) Incorporated by reference to the Form 10-K Annual Report filed with the Securities Exchange Commission on March 13, 2025.
- (25) Incorporated by reference to the Form 8-K Current Report filed with the Securities Exchange Commission on April 2, 2025.
- (26) Incorporated by reference to the Form 8-K Current Report filed with the Securities Exchange Commission on May 7, 2025

**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 thereunto duly authorized.

**authID Inc.**

By: /s/ Rhoniel Daguro  
Rhoniel A. Daguro  
Chief Executive Officer  
(Principal Executive Officer)

By: /s/ Ed Sellitto  
Ed Sellitto  
Chief Financial Officer,  
(Principal Financial and Accounting Officer)

Dated: May 13, 2025

**CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER  
PURSUANT TO SECTION 302 OF THE  
SARBANES-OXLEY ACT OF 2002**

I, Rhoniel A. Daguro, Chief Executive Officer certify that:

1. I have reviewed this quarterly report on Form 10-Q of authID Inc;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal controls over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant) and have:
  - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal year that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting;
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal controls over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function):
  - a) All significant deficiencies and material weaknesses in the design or operation of internal controls over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial data information; and
  - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls over financial reporting.

Date: May 13, 2025

/s/ Rhoniel A. Daguro  
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Rhoniel A. Daguro  
Chief Executive Officer  
(Principal Executive Officer)

**CERTIFICATION OF PRINCIPAL FINANCIAL AND ACCOUNTING OFFICER  
PURSUANT TO SECTION 302 OF THE  
SARBANES-OXLEY ACT OF 2002**

I, Edward Sellitto, Chief Financial Officer, certify that:

1. I have reviewed this quarterly report on Form 10-Q of authID Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal controls over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant) and have:
  - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal year that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting;
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal controls over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function):
  - a) All significant deficiencies and material weaknesses in the design or operation of internal controls over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial data information; and
  - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls over financial reporting.

Date: May 13, 2025

/s/ Ed Sellitto

Ed Sellitto

Chief Financial Officer

(Principal Financial and Accounting Officer)

**CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350,  
AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of authID Inc. (the "Company") on Form 10-Q for the quarter ended March 31, 2025 as filed with the Securities and Exchange Commission (the "Report"), We, Rhoniel A. Daguro, Chief Executive Officer of the Company, and, Edward Sellitto, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. SS. 1350, as adopted pursuant to SS. 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

May 13, 2025

/s/ Rhoniel A. Daguro  
Rhoniel A. Daguro  
Chief Executive Officer  
(Principal Executive Officer)

May 13, 2025

/s/ Ed Sellitto  
Ed Sellitto, Chief Financial Officer  
(Principal Financial and Accounting Officer)