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BIOMETRIC AUTHENTICATION

NASDAQ: AUID

Investor Presentation
January 2025

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Artificial Intelligence is producing the most realistic, inauthentic content the world has ever seen.

The only way to allow companies to ensure authenticity is to give them the capability to trust the physical presence of an individual human being.

This is what authID delivers.

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New Leadership w/ $100M+ ARR Expertise in ID Verification

Rhon Daguro
CHIEF EXECUTIVE OFFICER & DIRECTOR

Rhon brings proven success in building multiple profitable software and professional services firms, and over 20 years of sales, marketing, technology, and venture capital experience. With extensive identity domain knowledge from Oracle and Persistent, Rhon served most recently as the Chief Revenue Officer of Socure Inc. where he helped the company attain 'unicorn' status, growing annual recurring revenue to over $100 million at a $4.5B valuation.

Ed Sellitto
CHIEF FINANCIAL OFFICER

Mr. Sellitto is a seasoned financial executive, with over 15 years of experience in revenue optimization roles supporting high-growth B2B, and SaaS organizations that needed to build and optimize their go-to-market operations. Ed has worked at Zero Hash, NYSE-listed Sprinklr, Socure, American Express and NewsCorp/Dow Jones. Ed earned his MBA in corporate finance and strategy from the Stern School of Business at New York University.

Erick Soto
CHIEF PRODUCT OFFICER

Mr. Soto has over fifteen years in product management, with heavy focus on SaaS, financial services, and identity management and fraud prevention. He has overseen identity and payments solution development at companies such as Socure, BBVA, Oxygen, and Capital One, and serves as a cybersecurity adviser.

Thomas Szoke
CHIEF TECHNOLOGY OFFICER & DIRECTOR

Mr. Szoke has over 25 years of engineering, global sales, and operations management experience. He previously served as Chief Solutions Architect of authID. Prior to that he served as President and CEO of the Company, and Chief Operating Officer of Innovation In Motion Inc. Mr. Szoke is also the inventor of IIM Global Corps HDR Intelligent Accessory product lines, and held various sales and management positions with Motorola, Inc. for over 20 years.

Our team has deep domain expertise and experience building a $100M+ ARR ID Verification business within 3.5 years

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The Current Identity Authentication Flow

- Passwords
- Multi-Factor
- One Time Password
- Device-specific Passkeys (e.g. Apple Face ID, Google Face Unlock)

Companies believe the user is legitimate

Login

Wire Transfers

Employees

Benefits

Contractors

Account Recovery

Call Center/Help Desk

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Fraud Exists Because Current Security is Not Enough

Fraudsters compromise devices

AI "Deepfakes" fool existing biometric solutions

ORIGINAL DEEPFAKE

Companies <u>incorrectly</u>
assume the user is legitimate

Login

Wire Transfers

Employees

Benefits

Contractors

Account Recovery

Call Center/Help
Desk

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authID Aims to Eliminate Fraud Completely

authID looks beyond the device and can detect and stop Deep Fakes

ORIGINAL   DEEPFAKE

🚫

🚫

✓
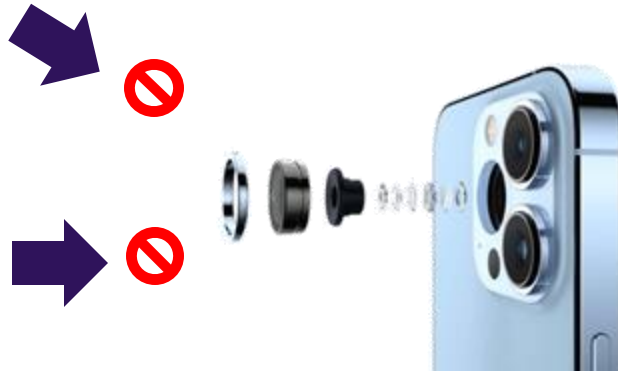
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authID will match on the "live" person to the biometric record in 700 milliseconds

Login

Wire Transfers

Employees

Benefits

Contractors

Account Recovery
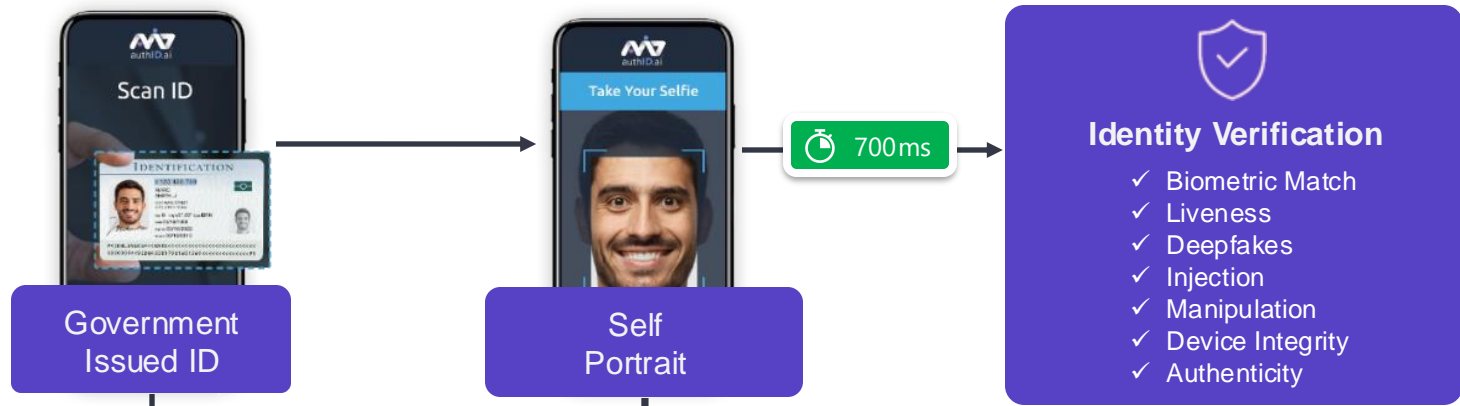
Call Center/Help Desk

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authID Biometric Proof and Authentication

Proof™

Identity Verification (IDV)
Use authID's Proof for identity verification to ensure the applicant's identity exists, and the person asserting the identity is the person named in the ID.

Scan ID

Take Your Selfie

700 ms

Government Issued ID

Self Portrait

Identity Verification
- ✓ Biometric Match
- ✓ Liveness
- ✓ Deepfakes
- ✓ Injection
- ✓ Manipulation
- ✓ Device Integrity
- ✓ Authenticity

Verified™

Protect the User Account
Biometric captured during identity proofing binds a user to their account, creating a completely private and portable authenticator that can be utilized on any device without ever storing biometrics.

Easily & Securely Authenticate
Biometric protects the user account eliminating the need for passwords. Offer the highest assurance of the identity combined with the simplest and most efficient user experience.

+

Create Encrypted Biometric Signature verified against authentic government credential.

OR

Enroll Encrypted Biometric Signature for existing users without government credential

Protect high risk transactions

Account Recovery

Issue new FIDO2 passkey

Call Center Remote Authentication
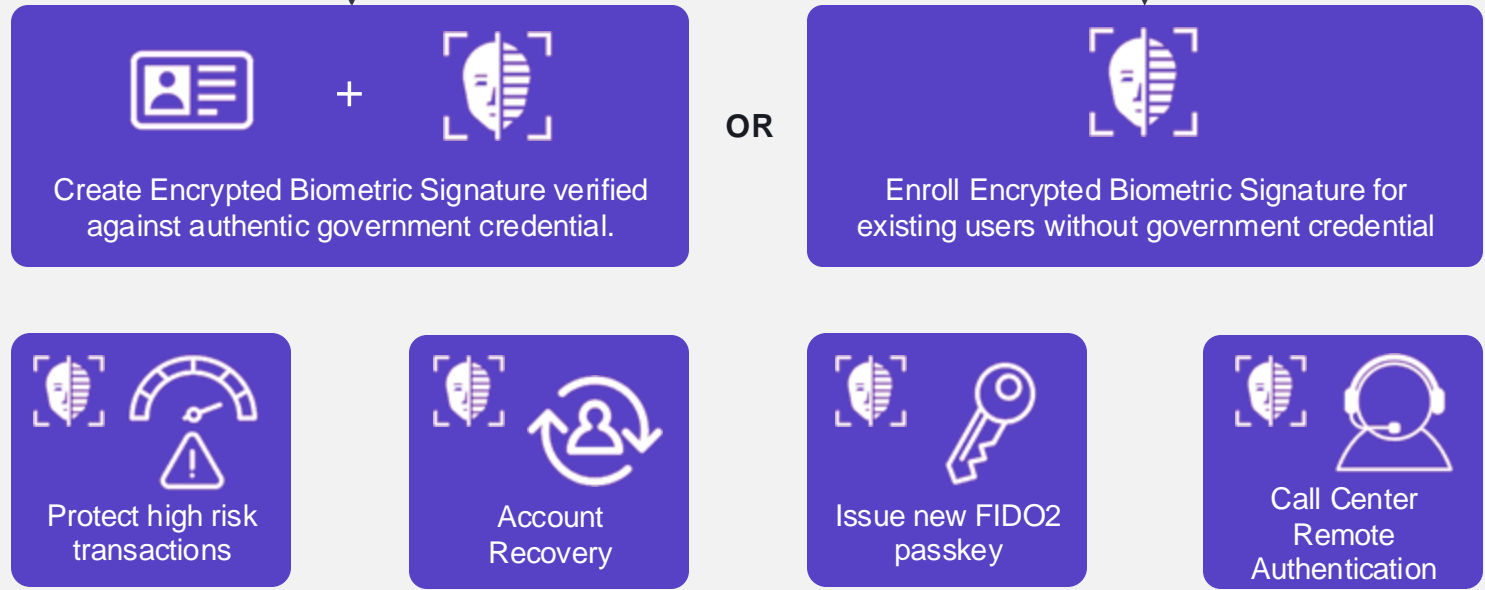
Full Audit Trail

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Why Customers Choose authID

authID delivers what enterprises want through a combination of Speed, Accuracy, and Data Privacy

Enterprise Requirements		authID	Vs.	Others
1 **Speed**	Low friction Ease of use	**700ms** Delivers UX consistent with Apple Face ID and Google Face Unlock		**7-10s**
2 **Accuracy**	Eliminate fraud attacks	**1 to 1 Billion** Biometric accuracy that guarantees knowing who is behind the device		**1 to 100,000**
⭐ **Key Barrier to Large Enterprise Adoption**				
3 **Privacy & Data Protection**	Regulatory compliance Mitigate liability from data breaches	**No Biometrics Stored** Compliance to global biometric data privacy standards		**Stored Biometric Data** Images & encrypted Biometric templates stored in Cloud Servers

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Go-to-Market Strategy & Momentum

Explosive Growth Effect of AI On ID Security Market

Every Dimension of Fraud Has Increased on existing applications and new applications are being created at a faster rate than ever before

More New Fraudsters Born

Higher Quality of Fraud with AI

Higher Frequency of Fraud

Increased Deepfake Fraud

Increase in Applications Developed

More Identity Database Breaches

Social Engineering

cnn.com

Casino giant MGM expects $100 million hit from hack that led to data breach

Reuters

2 minute read · Published 9:4

Deepfake Conference Call

cnn.com

CNN World   Watch   Listen   Live TV   Sign

Finance worker pays out $25 million after video call with deepfake 'chief financial officer'

By Heather Chen and Kathleen Magramo, CNN

2 minute read · Published 2:31 AM EST, Sun February 4, 2024

SMS Scam

fox13seattle.com

Chase customers outraged after reports of scams continue

By Alejandra Guzman |
| FOX 13 Seattle

Chase customers out

Body Double / Shared Credentials

Some Uber drivers use bogus identities and shared accounts

Turns out that unauthorized drivers using fake identification isn't just a London problem.

Dara Kerr
Nov. 26, 2019 7:12 a.m. PT

4 min read

All PII Data is Already Compromised

DIGITAL PRIVACY
2 min read

Data breaches affected over 422 million people in 2022, Identity Theft Resource Center says

Alina BÎZGĂ
January 30, 2023

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Timing is Right for Biometric ID Verification & Authentication

Global Biometric Technology Market*
USD Billion

20.4% CAGR

151.3

34.3

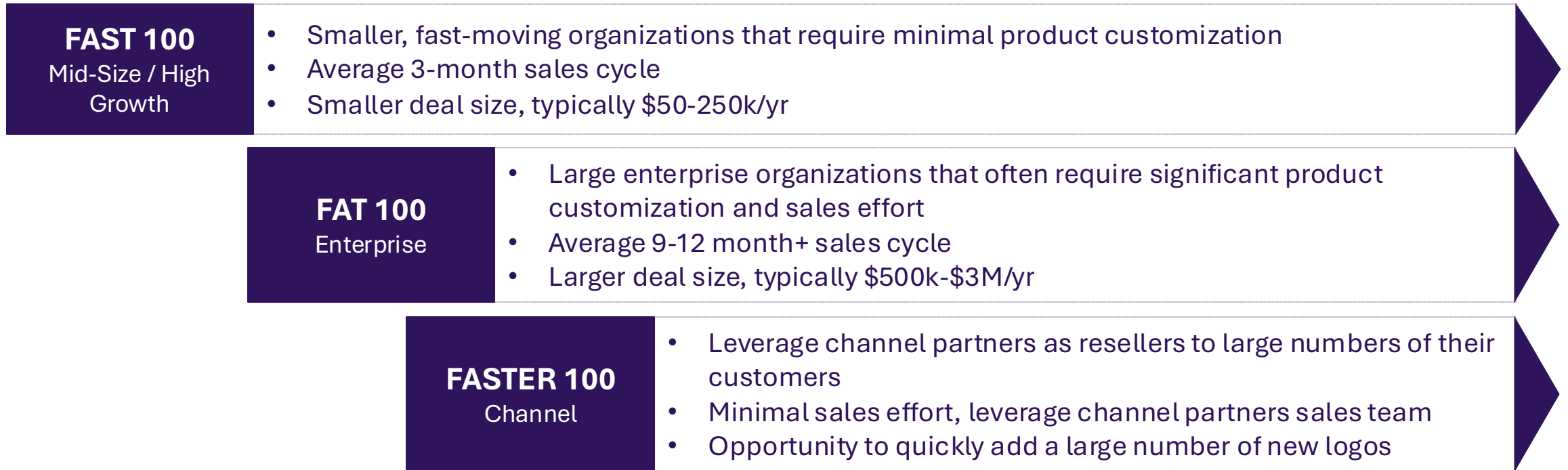2022   2023   2024   2025   2026   2027   2028   2029   2030
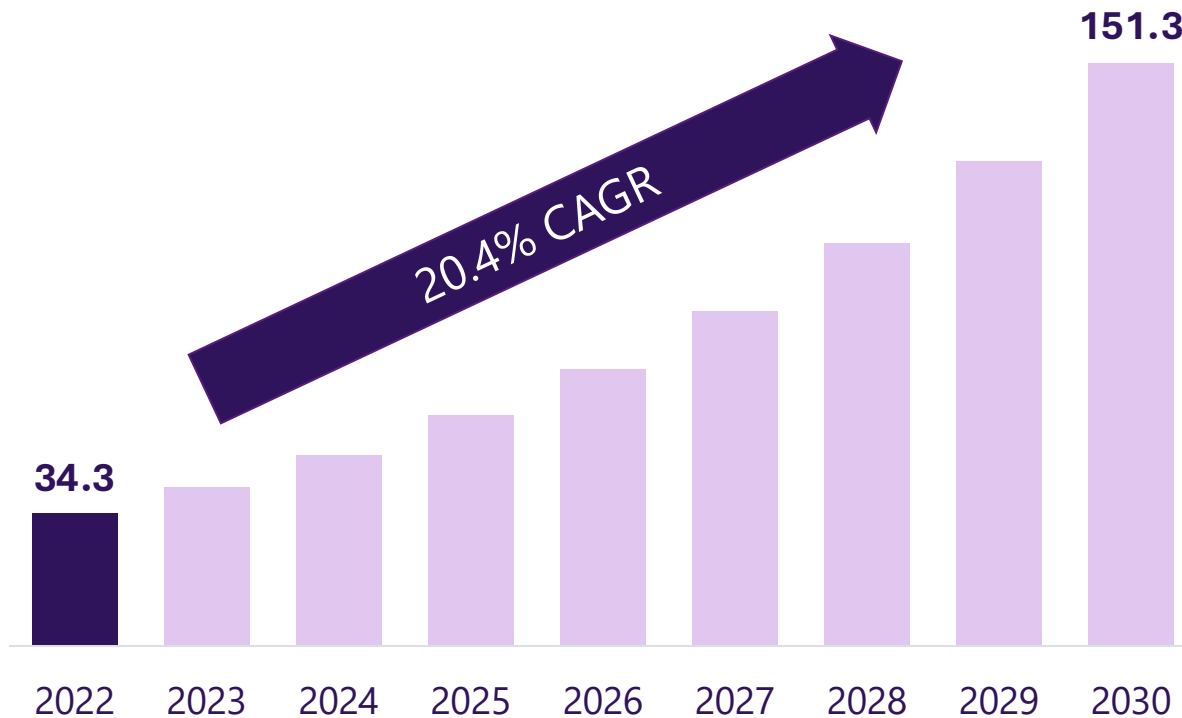
* Grand View Research, Biometric Technology Market Size, Share & Trends Analysis Report, 2023 - 2030

- **Market adoption of biometrics has arrived**, driven by Apple FaceID, CLEAR, TSA, Global Entry, & Aadhaar.

- **The emergence of generative AI** is contributing to explosive growth in fraud.

- Digital transformation is driving **massive growth in applications** that require authentication security.

- Regulation is driving increased shift to **privacy-compliant biometric technologies.**

- **No clear leader** in a fast-growing biometric id verification and authentication market.

We believe that <u>every</u> digital organization will ultimately add biometrics to their stack
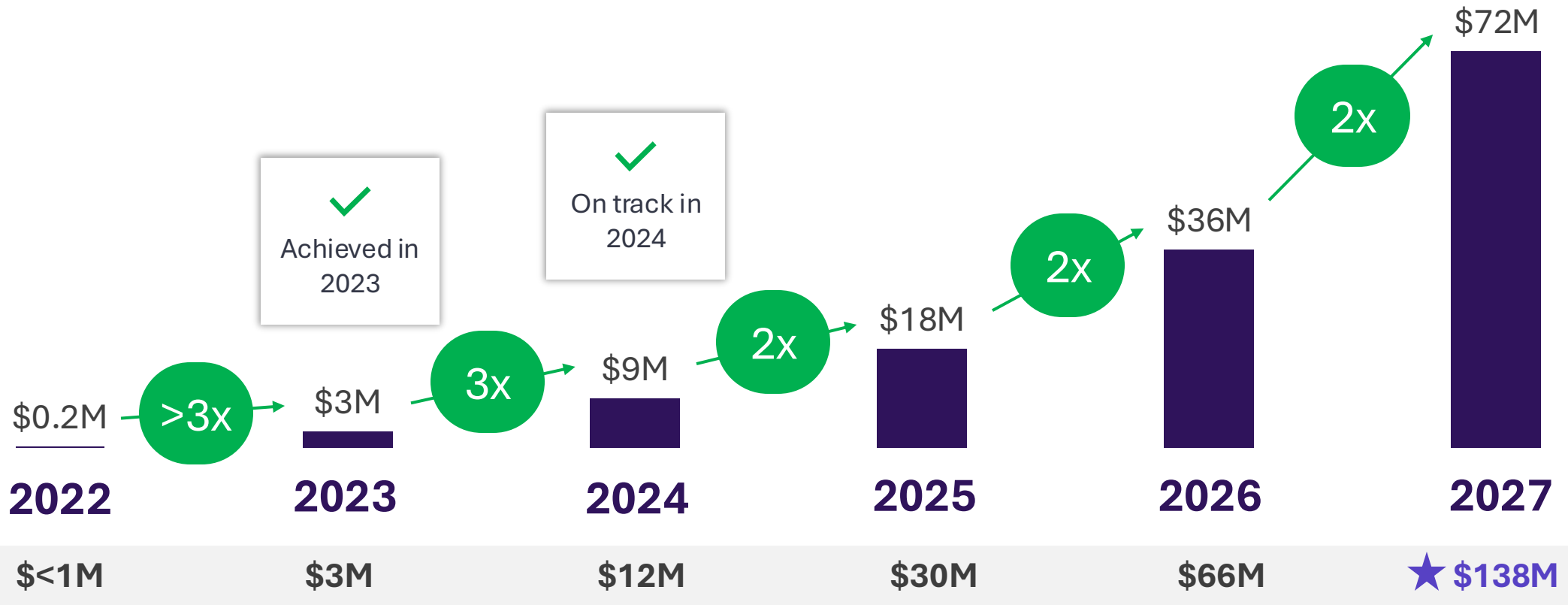
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Our Go-To-Market (GTM) Approach

Our Go-To-Market approach leverages a mix of customer profiles that position us to achieve early wins and accelerate growth through the first 2-3 years

FAST 100
Mid-Size / High Growth

- Smaller, fast-moving organizations that require minimal product customization
- Average 3-month sales cycle
- Smaller deal size, typically $50-250k/yr

FAT 100
Enterprise

- Large enterprise organizations that often require significant product customization and sales effort
- Average 9-12 month+ sales cycle
- Larger deal size, typically $500k-$3M/yr

FASTER 100
Channel

- Leverage channel partners as resellers to large numbers of their customers
- Minimal sales effort, leverage channel partners sales team
- Opportunity to quickly add a large number of new logos

2023 — Q1 — Q2 — Q3 — Q4 — 2024 — Q1 — Q2 — Q3 — Q4

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Our Path to Achieving $100M+ in Bookings

A bookings growth pattern of T2D3 (3x/3x/2x/2x/2x) from 2023-2027 would put us a path to $100M+ in cumulative bookings

	2022	2023	2024	2025	2026	2027
	$0.2M	$3M	$9M	$18M	$36M	$72M
Cumulative Bookings	$<1M	$3M	$12M	$30M	$66M	★ $138M

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How our Bookings Convert to Revenue

- Contract bookings are expected to convert to Revenue over a 3-year period as customers go-live with the service and ramp usage to their full volume expectations.
- For example, $100 in Year 0 bookings translate into approximately $20-50 in revenue in Year 1 from recognition of contractual commitments, ramping to $100/yr by year 3 as the customer achieves full volume ramp.

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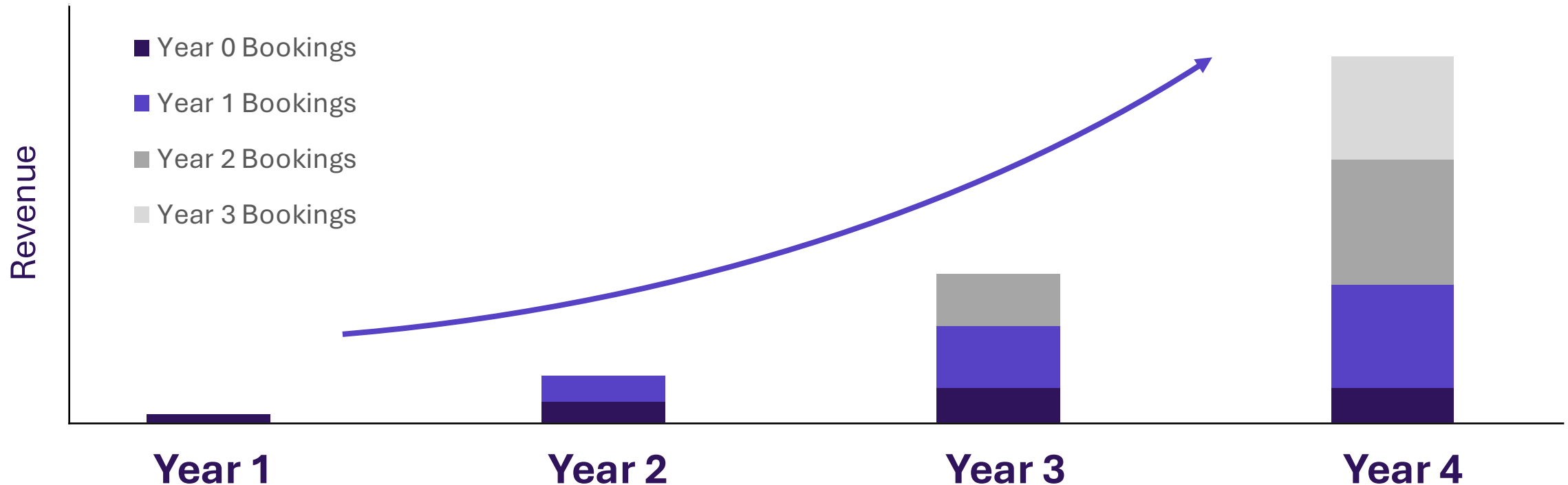
How We Measure Success

1 **Sales Pipeline**
- Total annual value of deals in an active sales stage
- Rate of addition of new deals to the pipeline

2 **Booked Annual Recurring Revenue (bARR)**
- Annual value of signed deals
- Comprised of annual customer commitments (cARR) + estimated annual usage fees above commitment measured 18 months after the month of signature (UAC)

3 **Remaining Performance Obligation (RPO)**
- Total value of customer commitments over the term of each contract
- Future revenue to be recognized under customer contracts

4 **Revenue & Annual Recurring Revenue (ARR)**
- Recognized in accordance with GAAP
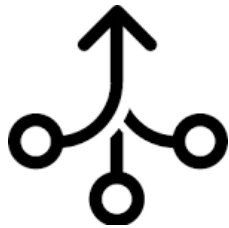- ARR represents annualized run rate of recognized revenue

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Capital Allocation Priorities

Investment in Organic Business Growth

- Investing to scale our Sales & Go-to-Market engine
- Investing in our technology & engineering to support our product roadmap, unlock enterprise use cases and scale usage
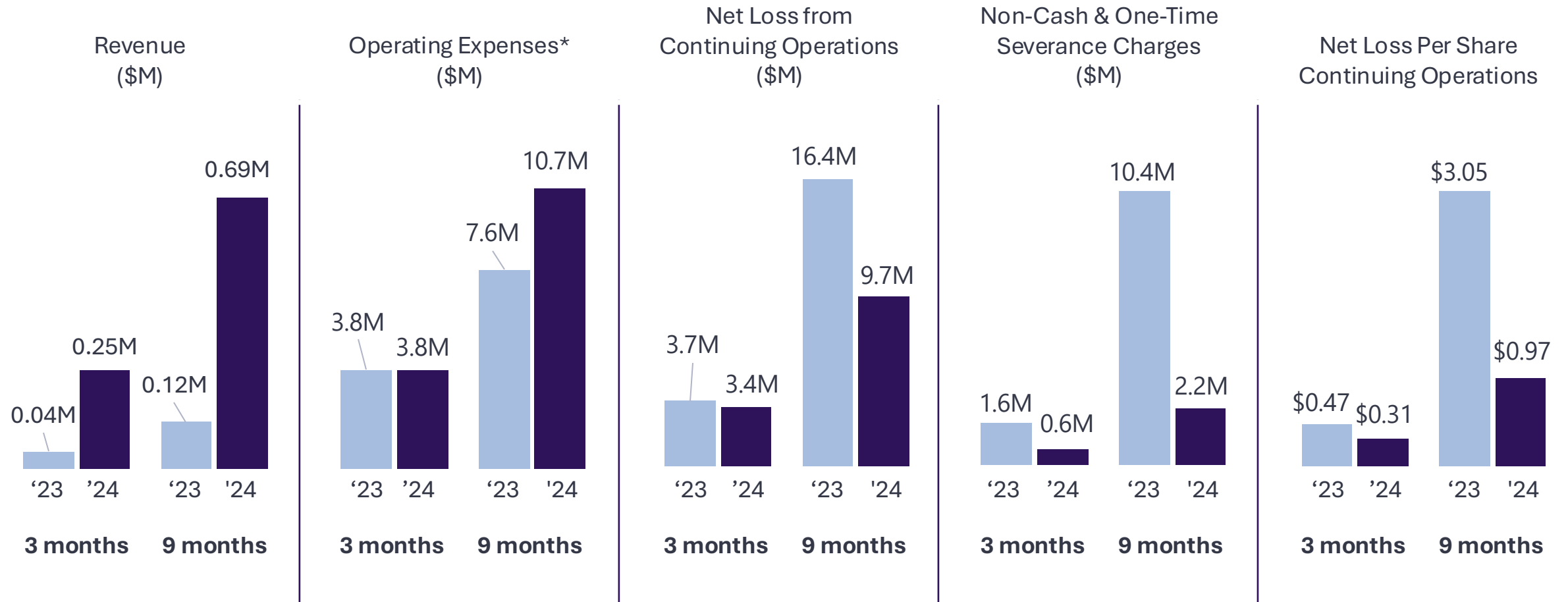
Strategic M&A to Accelerate Growth

- **Accelerated Revenue Growth** through acquisition of revenue generating businesses
- **Technology Alignment** with product roadmap vision and business objectives
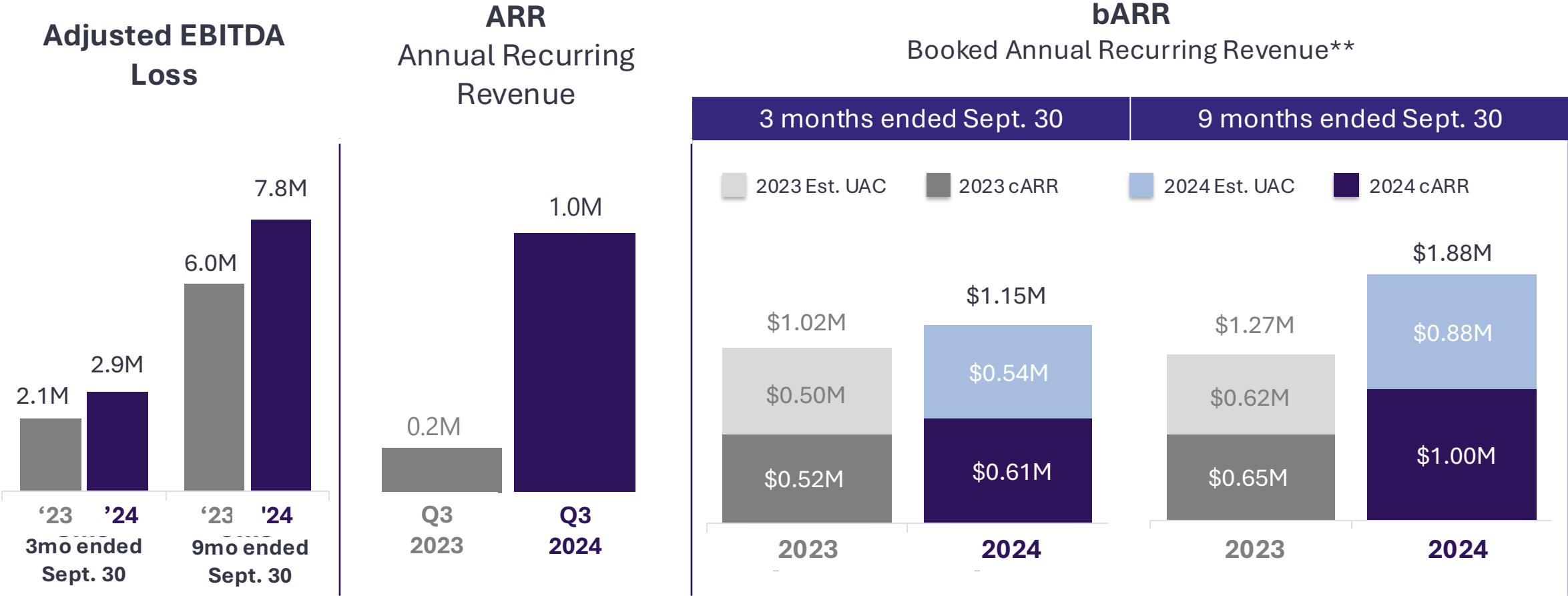- **Expanded Customer Base** for future cross-sell / upsell growth

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Financial Highlights

Q3 2024 GAAP Financial Results

3 and 9 months Ended September 30, 2024

Revenue ($M)

	3 months		9 months	
	'23	'24	'23	'24
	0.04M	0.25M	0.12M	0.69M

Operating Expenses* ($M)

	3 months		9 months	
	'23	'24	'23	'24
	3.8M	3.8M	7.6M	10.7M

Net Loss from Continuing Operations ($M)

	3 months		9 months	
	'23	'24	'23	'24
	3.7M	3.4M	16.4M	9.7M

Non-Cash & One-Time Severance Charges ($M)

	3 months		9 months	
	'23	'24	'23	'24
	1.6M	0.6M	10.4M	2.2M

Net Loss Per Share Continuing Operations

	3 months		9 months	
	'23	'24	'23	'24
	$0.47	$0.31	$3.05	$0.97

* 2023 Operating Expenses reflect a $3.4M one-time, non-cash reversal of stock-based compensation from Q1'23 terminations

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Q3 2024 Non-GAAP* Financial Results

Adjusted EBITDA Loss

2.1M | 2.9M
'23 | '24
3mo ended Sept. 30

6.0M | 7.8M
'23 | '24
9mo ended Sept. 30

ARR
Annual Recurring Revenue

0.2M | 1.0M
Q3 2023 | Q3 2024

bARR
Booked Annual Recurring Revenue**

| 3 months ended Sept. 30 | 9 months ended Sept. 30 |

2023 Est. UAC | 2023 cARR | 2024 Est. UAC | 2024 cARR

3 months ended Sept. 30:
$1.02M — $0.50M / $0.52M (2023)
$1.15M — $0.54M / $0.61M (2024)

9 months ended Sept. 30:
$1.27M — $0.62M / $0.65M (2023)
$1.88M — $0.88M / $1.00M (2024)

* See Q3 2024 Earnings Press Release for important information about Non-GAAP Measures
**cARR = Committed Annual Recurring Revenue, Est. UAC = Estimated Usage Above Commitment

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Revenue Growth Stages

Progressing through our growth stages to build a sustainable, recurring revenue stream

	Stage		Measurement	2023 FY Results	Q3 '24 YTD Progress
1	Bookings	Secure new customer contracts with booked Annual Recurring Revenue	Booked Annual Recurring Revenue (bARR)	$2.94M	**$1.88M** (+$0.61M vs. Q3 '23 YTD)
2	Financial Commitments	Establish contractual commitments from customers	Remaining Performance Obligation (RPO)	$4.03M	**$3.83M** (+$1.90M vs. Q3 '23 YTD)
3	Revenue	• Implement new customers and recognize revenue • Ramp usage and exceed minimum commitments	GAAP Revenue	$0.19M	**$0.69M** (+$0.57M vs. Q3 '23 YTD)
4	Retention and Expansion	Retain customer contracts and expand relationships with upsells and cross-sells	Retention Rate Net Revenue Retention		*2025 Focus*

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