authID Reports Financial and Operating Results for the Third Quarter 2026

November 12, 2026

DENVER, Nov. 12, 2026 (GLOBE NEWSWIRE) -- authID® (Nasdaq: AUID) (“authID” or the “Company”), a leading provider of biometric identity verification and authentication solutions, today reported financial and operating results for the quarter ended September 30, 2026.

> "This quarter we focused on putting our capital to work more efficiently and bringing in revenue and cash faster," said Thomas Szoke, Chief Executive Officer of authID. "We reduced operating expenses significantly while using AI to maintain our output and make our team more productive. We are also launching new standalone services that are billed monthly on usage, giving us a faster path to revenue. These efforts are already showing results. In October alone, we collected $1.0 million in cash from customers, and we have visibility into additional collections this quarter that will strengthen our balance sheet. Each step moves us closer to breakeven and builds the value of the Company."

Recent Business and Operational Highlights

- Entered into a $2 million technology licensing, services and support agreement with the EinStrong Charitable Foundation. EinStrong has paid $1 million for a non-exclusive license to authID’s biometric identity technology and has committed an additional $1 million for new biometric de-duplication functionality and related engineering support.
- Closed new customer deals including:
  - Top global retailer to deploy biometric authentication for more than 100,000 employees across more than 1,000 locations.
  - Multinational manufacturing automation company to strengthen workforce security for tens of thousands of employees and contractors.
  - A UK-based provider of compliance solutions to the financial services industry, for biometric identity verification of employees of financial organizations.
- Channel Partner Successes:
  - Achieved Microsoft Entra Verified ID Identity Verification Partner certification;
  - Expanded our partnership with MajorKey Technologies through an OEM agreement embedding Verified, PrivacyKey and Proof across MajorKey’s identity security portfolio; and
  - Announced a strategic partnership with SynerComm, a cybersecurity value-added reseller, to expand biometric identity security across highly regulated enterprises.
- Reduced operating expenses by over 30% year over year, while increasing productivity through utilization of agentic engineering and a newly launched 24/7 customer support AI agent.
- Closed a private placement of $1.35 million of senior secured convertible debentures and warrants subsequent to quarter end, with proceeds to be used for working capital and general corporate purposes. Holders of the April 2026 senior secured debentures also agreed to extend the maturity to February 28, 2027.

Financial Results for the Third Quarter Ended September 30, 2026

Total gross revenue for the quarter was $0.3 million, compared to $0.6 million in gross revenue a year ago.

Net revenue for the quarter was $0.3 million, compared to negative ($0.1) million a year ago.

Operating expenses for the three months ended September 30, 2026, were $3.4 million, compared to $5.1 million a year ago. The 33% year-over-year decrease was driven by headcount and vendor-related expense reductions from the Q2 Cost Reduction Initiative and other cost reduction measures undertaken subsequently.

Net loss for the three months ended September 30, 2026 was $4.1 million, of which non-cash charges were $1.1 million, compared with a net loss of $5.2 million a year ago, of which non-cash charges were $1.0 million.

Loss per share for the three months ended September 30, 2026 was $0.24, compared with $0.38 a year ago.

Adjusted EBITDA loss (a non-GAAP measure, as defined below) was $2.1 million for the three months ended September 30, 2026, compared with a loss of $4.1 million a year ago. The decrease in adjusted EBITDA loss is primarily driven by the decrease in operating expenses from the Q2 Cost Reduction Initiative. Please refer to Table 1 for reconciliation of net loss to adjusted EBITDA (a non-GAAP measure).

Remaining Performance Obligation (RPO) as of September 30, 2026 was $3.0 million, of which $1.4 million is recorded as deferred revenue and $1.7 million is related to other non-cancellable contracted amounts. The Company expects approximately 74% of the RPO to be recognized as revenue over the twelve months ending September 30, 2027, based on contractual commitments and expected usage patterns.

The gross amount of Booked Annual Recurring Revenue or bARR, (a non-GAAP measure, as defined below), signed in the third quarter of 2026 was $0.10 million, down from $0.23 million of gross bARR last quarter and $0.19 million a year ago. The net amount of bARR was $0.10 million, compared to $0.23 million last quarter and negative $6.8 million of net bARR signed in the comparable period in 2025. The Q3 bARR is comprised of $0.05 million in Committed Annual Recurring Revenue (cARR) and $0.05 million in estimated Usage Above Commitments (UAC).

The net amount of bARR reflects the deduction of the bARR of contracts previously included in reported bARR, due to certain customers experiencing delays in Production Go-Live timing, volume ramping and challenges meeting their contractual obligations.

The amount of Annual Recurring Revenue or ARR, (a non-GAAP measure, as defined below) as of Q3 2026 was $1.1 million, compared to $1.7 million of ARR as of Q3 2025.

See below for further definition and explanation of ARR and bARR, non-GAAP measures.

Conference Call

In light of the Company's ongoing review of strategic and financing alternatives, the Company has determined not to hold a conference call to discuss its third quarter results at this time.

About authID Inc.

authID® (Nasdaq: AUID) 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, leveraging a 1-in-1-billion False Positive Rate for the highest level of assurance, coupled with industry-leading speed and privacy-preserving technology. authID's platform secures the distributed workforce of employees and contractors, while enforcing authorization and accountability for AI agents. By creating a biometric root of trust for each user, authID stops fraud at onboarding, prevents account takeover, detects and stops deepfakes, eliminates password risks and costs, and provides the fastest, frictionless, and most accurate user identity experience in the industry. For more information, visit www.authID.ai

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Forward-Looking Statements

This Press Release includes "forward-looking statements." All statements other than statements of historical facts included herein, including, without limitation, those regarding the future results of operations, growth and sales, potential contract signings, booked Annual Recurring Revenue (bARR) (and its components cARR and UAC), Annual Recurring Revenue (ARR), cash flow, cash position and financial position, business strategy, plans and objectives of management for future operations of both authID Inc. and its business partners, as well as any potential strategic or financing alternatives are forward-looking statements. Such forward-looking statements are based on a number of assumptions regarding authID's present and future business strategies, and the environment in which authID expects to operate in the future, which assumptions may or may not be fulfilled in practice. Actual results may vary materially from the results anticipated by these forward-looking statements as a result of a variety of risk factors, including the Company's ability to attract and retain customers; successful implementation of the services to be provided under new customer contracts and their adoption by customers' users; the Company's ability to compete effectively; changes in laws, regulations and practices; the increase in international tariffs and uncertainty over international trading conditions, changes in domestic and international economic and political conditions, the impact of the wars in Ukraine and the Middle East, inflationary pressures, changes in interest rates, and others. See the Company's Annual Report on Form 10-K for the Fiscal Year ended December 31, 2025 filed at www.sec.gov and other documents filed with the SEC for other risk factors which investors should consider. These forward-looking statements speak only as to the date of this release and cannot be relied upon as a guide to future performance. authID expressly disclaims any obligation or undertaking to disseminate any updates or revisions to any forward-looking statements contained in this release to reflect any changes in its expectations with regard thereto or any change in events, conditions, or circumstances on which any statement is based.

Non-GAAP Financial Information

The Company provides certain non-GAAP financial measures in this statement. These non-GAAP key business indicators, which include Adjusted EBITDA, bARR and ARR should not be considered replacements for and should be read in conjunction with the GAAP financial measures.

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.

Adjusted EBITDA is a non-GAAP financial measure that represents GAAP net income (loss) adjusted to exclude (1) interest expense, expenses related to warrants issued in connection with financing arrangements, debt issuance costs and changes in fair value, (2) interest income, (3) severance cost, (4) amortization, (5) stock-based compensation expense and certain other items management believes affect the comparability of operating results.

Please see Table 1 below for a reconciliation of Adjusted EBITDA – continuing operations to net loss – continuing operations, the most directly comparable financial measure calculated and presented in accordance with GAAP.

TABLE 1

Reconciliation of Loss from Continuing Operations to Adjusted EBITDA Continuing Operations.

	Three Months Ended September 30,	Nine Months Ended September 30,

	2026	2025	2026	2025
Loss from continuing operations	$ (4,079,350)	$ (5,173,321)	$ (13,299,772)	$ (13,897,567)
Addback:				
Interest expense, net	5,881	1,959	15,968	14,842
Interest income	(1,952)	(61,657)	(33,332)	(200,047)
Debt issuance costs	55,292	-	952,207	-
Change in fair value of senior secured debt	285,234	-	90,050	-
Commitment fee warrants	221,250	-	221,250	-
Warrants modification	347,407	-	347,407	-
Severance cost	183,939	-	183,939	-
Amortization	10,315	16,034	33,711	76,475
Stock compensation	915,274	1,092,982	3,184,125	2,625,502
Adjusted EBITDA continuing operations (Non-GAAP)	$ (2,056,710)	$ (4,124,003)	$ (8,304,447)	$ (11,380,795)

Management believes that bARR and ARR, when viewed with our results under GAAP, provide useful information about the direction of future growth trends of the Company's revenues. We also rely on bARR as one of several primary measures to review and assess the sales performance of our Company and our management team in connection with our executive compensation. The Company defines Booked Annual Recurring Revenue or bARR, as the amount of annual recurring revenue represented by the estimated amounts of annual recurring revenue we believe will be earned under contracted orders, looking out eighteen months from the date of signing of each customer contract. This estimate is comprised of two components (1) Committed Annual Recurring Revenue (cARR), which represents the minimum amounts that customers are contractually committed to pay each year over the life of the contract and (2) Usage Above Commitments (UAC), which represents our estimate of the rate of annual recurring revenue arising from actual usage of our services above the contractual minimums, that we believe the Customer will achieve after 18 months. The net amount of bARR reflects the deduction of the bARR of contracts previously included in reported bARR, which were subject to attrition, or other downward adjustments during the quarter.

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

bARR may be distinguished from ARR, as bARR does not take specifically into account the time to implement any contract for authID's services, nor for any ramp in adoption, or seasonality of usage of our biometric products but is based on the assumption that 18 months after signing these matters will have been generally resolved. Furthermore, bARR is based on estimates of future revenues under particular contracts, whereas ARR, whilst also forward-looking, is based on historical revenues recognized in accordance with GAAP during the relevant period. A reconciliation of bARR and ARR to a GAAP measure is not provided as there are no comparable GAAP measures and we believe that any attempt at such reconciliation may be confusing to investors. bARR and ARR have limitations as analytical tools, and you should not consider them in isolation from, or as a substitute for, analysis of our results as reported under GAAP. Some of these limitations are:

- bARR & ARR should not be considered as predictors of future revenues but only as indicators of the direction in which revenues may be trending. Actual revenue results in the future as determined in accordance with GAAP may be significantly different to the amounts indicated as bARR or ARR at any time.
- bARR and ARR are to be considered "forward-looking statements" and subject to the same risks, as other such statements (see note on "Forward-Looking Statements" above).

authID INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
Revenues, net	$ 279,155	$ 596,337	$ 1,249,925	$ 2,337,192
Discount and concessions	(16,000)	(702,483)	(16,000)	(702,483)
Total revenue, net	263,155	(106,146)	1,233,925	1,634,709
Operating Expenses:				
General and administrative	2,075,155	3,325,452	7,401,689	9,878,085
Research and development	1,343,923	1,785,387	5,504,747	5,762,921
Amortization	10,315	16,034	33,711	76,475
Total operating expenses	3,429,393	5,126,873	12,940,147	15,717,481
Loss from operations	(3,166,238)	(5,233,019)	(11,706,222)	(14,082,772)

Other Income (Expense):				
Interest income	1,952	61,657	33,332	200,047
Interest expense, net	(5,881)	(1,959)	(15,968)	(14,842)
Warrants modification	(347,407)	-	(347,407)	-
Commitment fee warrants	(221,250)	-	(221,250)	-
Debt issuance costs	(55,292)	-	(952,207)	-
Change in fair value of senior secured debt	(285,234)	-	(90,050)	-
Other income / (expense), net	(913,112)	59,698	(1,593,550)	185,205
Net loss before income taxes	(4,079,350)	(5,173,321)	(13,299,772)	(13,897,567)
Income tax expense	-	-	-	-
Net loss	$ (4,079,350)	$ (5,173,321)	$ (13,299,772)	$ (13,897,567)
Net Loss Per Share - Basic and Diluted	$ (0.24)	$ (0.38)	$ (0.81)	$ (1.11)
Weighted Average Shares Outstanding - Basic and Diluted:	16,720,339	13,443,740	16,458,134	12,538,275

authID INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS

	September 30, 2026 (unaudited)	December 31, 2025
ASSETS		
Current Assets:		
Cash	$ 954,483	$ 4,608,073
Accounts receivable	222,549	238,800
Contract assets	-	9,362
Deferred contract costs	86,305	199,380
Other current assets	529,820	595,692
Total current assets	1,793,157	5,651,307
Intangible Assets, net	113,680	147,391
Goodwill	4,183,232	4,183,232
Total assets	$ 6,090,069	$ 9,981,930
LIABILITIES AND STOCKHOLDERS' (DEFICIT) EQUITY		
Current Liabilities:		
Accounts payable and accrued expenses	$ 836,320	$ 876,168
Commission liability	15,690	4,934
Deferred revenue	1,382,574	477,058
Senior secured debt, at fair value	4,395,098	-
Total current liabilities	6,629,682	1,358,160
Total liabilities	$ 6,629,682	$ 1,358,160
Commitments and Contingencies (Note 9)		
Stockholders' (Deficit) Equity:		
Common stock, $0.0001 par value, 150,000,000 shares authorized as of September 30, 2026 and December 31, 2025 respectively; 16,720,339 and 16,132,487 shares issued and outstanding as of September 30, 2026 and December 31, 2025, respectively.	1,672	1,613
Additional paid-in capital	204,489,844	200,353,514
Accumulated deficit	(205,041,181)	(191,741,409)
Accumulated comprehensive income	10,052	10,052
Total Stockholders' (Deficit) Equity	(539,613)	8,623,770
Total liabilities and Stockholders' (Deficit) Equity	$ 6,090,069	$ 9,981,930

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

	Nine Months Ended September 30,	
	2026	**2025**
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	$ (13,299,772)	$ (13,897,567)
Adjustments to reconcile net loss with cash flows from operations:		
Stock-based compensation	3,184,123	2,625,522
Non-cash severance expense	-	206,000
Amortization expense	33,711	76,475
Provision for expected credit losses	-	795,900
Credit losses write-off	-	(896,620)
Debt issuance costs	910,207	-
Fair value adjustment on senior secured debt	90,050	-
Commitment fee warrants	221,250	-
Warrant modification expense	347,407	-
Amortization of debt discounts and issuance costs	-	4,116
Changes in operating assets and liabilities:		
Accounts receivable	16,251	7,279
Contract assets	9,362	325,510
Deferred contract costs	113,075	387,374
Other current assets	65,872	(524,160)
Accounts payable and accrued expenses	(39,848)	(765,064)
Commissions liability	10,756	(450,573)
Deferred revenue	905,516	316,343
Net cash flows from operating activities	(7,432,040)	(11,789,465)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of intangible assets	-	(1,700)
Net cash flows from investing activities	-	(1,700)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from issuance of senior secured debt	4,305,048	-
Proceeds from sale of fee shares	21,854	-
Proceeds from sale of warrants	138,098	-
Proceeds from sale of common stock	-	10,239,136
Payment of financing and offering costs	(686,550)	(1,774,809)
Repayment of convertible notes	-	(245,000)
Net cash flows from financing activities	3,778,450	8,219,327
Effect of Foreign Currencies	-	(65)
Net Change in Cash	(3,653,590)	(3,571,903)
Cash, Beginning of the Period	4,608,073	8,471,561
Cash, End of the Period	$ 954,483	$ 4,899,658
Supplemental Disclosure of Cash Flow Information		
Cash paid for interest	$ 10,053	$ 10,370
Placement-agent warrants issued at fair value	$ 279,477	$ 864,165
Allocation of proceeds from sr. secured debt to investor warrants and fee shares	$ 159,952	$ -
Cashless option and warrant exercises	$ -	$ 438,000