

Alicante, 13th of October 2020

COMMUNICATION - MARKET NOTICE – FACEPHI BIOMETRIA, S.A.

Dear Sirs,

On the 20th of December 2019, the Company published a corporate action notice adopted by the Extraordinary General Meeting of Shareholders held on that date, including, as a third point, the delegation to the Board of Directors of the power to issue warrants convertible into shares of the Company in favor of Nice & Green, S.A., excluding pre-emptive subscription rights, for a maximum amount of €3,500,000, as well as to increase share capital by the amount necessary to allow the conversion of such warrants.

Last September, the Board of Directors' resolution adopted on May 8th, 2020, under the delegation of the Company's General Shareholders' Meeting held on December 20th (2019), was made public, consisting of a third issue of 26,923,077 warrants convertible into shares of the Company for a maximum conversion amount of €1,400,000 (the "Equity Warrants (SEPTEMBER 2020)"), being Nice & Green S.A. ("Nice & Green") the sole addressee of the issue of the Equity Warrants (SEPTEMBER 2020).

Today, the 13th of October 2020, Nice & Green, under the terms of the investment agreement communicated to the market by means of a Significant Event dated 18 September 2019, informed the Company and exercised its right to convert 98.139 Equity Warrants (SEPTEMBER 2020) for a total conversion amount of €500,000.

After this third conversion of the third tranche, Nice & Green has entirely completed its right to convert EWs of the SEPTEMBER 2020 tranche.

As a result of the above, FacePhi will grant a deed of capital increase in order to cover the issue of the equity warrants issued. The new shares of the Company to be issued in execution of the conversion of the 98.139 Equity Warrants (SEPTEMBER 2020) and will be issued with share premium of €5.0548 per share, being the issuing price of these shares €5.0948 Euros per share (€0.04 nominal value plus €5,0548 issue premium). Consequently, the Company's share capital will be increased by a nominal amount of €3.925,56 (98.139 * €0.04).

After the aforementioned capital increase, Article 5 of the Company's Articles of Association will be worded as follows: "The share capital is set at the sum of FIVE HUNDRED SEVENTY SEVEN THOUSAND ONE HUNDRED AND FORTY EUROS AND SEVENTY SIX CENTS (€577.140,76), which is fully subscribed and paid up, divided into FOURTEEN MILLION FOUR HUNDRED TWENTY EIGHT THOUSAND FIVE HUNDRED NINETEEN (14.428.519) shares, represented by book entries, of FOUR CENTS OF EURO (0.04 euros) par value each, of the same class, equal, accumulative and indivisible".

The newly issued shares are denominated in euros and will be represented by book entries and will be registered in the corresponding accounting records held by Sociedad de Gestión de los

Sistemas de Registro, Compensación y Liquidación de Valores, S.A.U., (Iberclear), with registered office in Madrid, Plaza Lealtad nº 1 and its authorized participating entities.

All the shares, including those issued at the time of the capital increase, are ordinary shares and confer the same political and economic rights as the currently outstanding shares.

We remain at your disposal for any clarification you might deem necessary.

Sincerely,

Salvador Martí Varó
Chairman of the Board of Directors

About Facephi

FacePhi Biometría, S.A. specializes in multi-factor biometric solutions and in particular in the banking sector. The company commercializes a combination of biometric and other security systems that creates a complete digital onboarding and identity authentication solution that allows to access, verify and operate different services and products in mobile and web applications.