

BME - GROWTH

Palacio de la Bolsa
Plaza de la Lealtad, 1
28014 Madrid

Alicante, 1st February 2021

COMUNICACION- PRIVILEGED INFORMATION- FACEPHI BIOMETRIA, S.A.

Dear Sirs,

Under the provisions of article 17 of the Regulation (EU) No. 596/2014 on market abuse, and article 228 of the consolidated text of the Spanish Securities Market Law, approved by the Royal Legislative Decree 4/2015, of 23rd October, and related provisions, as well as in the Circular 3/2020 of BME Growth, we inform you about the following information related to the company FACEPHI BIOMETRIA, S.A. (hereinafter "FacePhi" or "the Company", interchangeably).

During the 2020 financial year the FacePhi Group has been constituted with the incorporation of the Spanish company Ecertic and the creation of the South Korean subsidiary, reason for which the financial information presented of the 2020 financial year is consolidated, while the one from the previous financial year was exclusively from the dominating company. In this regard, the information between financial years is not comparable.

Additionally, at the date of publication of this financial information, the consolidated annual accounts of FacePhi Biometria, S.A. and subsidiary companies are being audited. However, significant changes in the main financial figures are not expected once this process is completed.

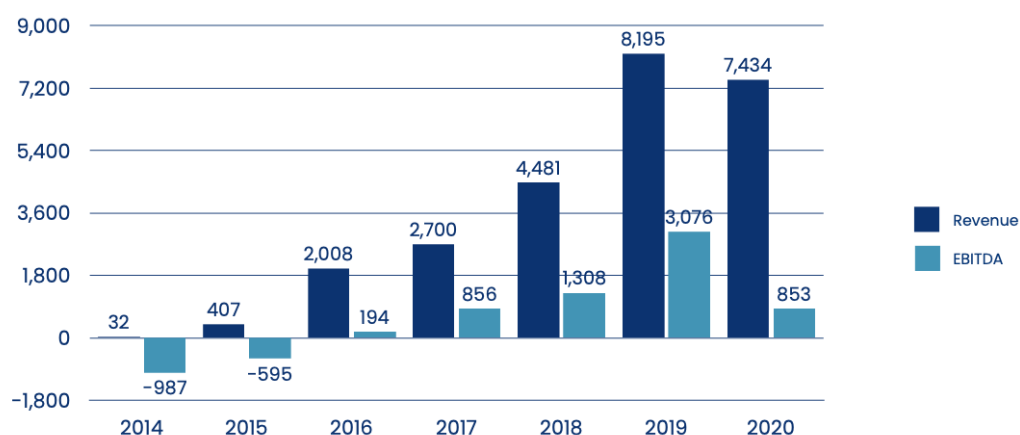
During the 2020 financial year, the FacePhi Group has obtained a revenue from the sale of licenses of 7.27 million euros, which translates in a decrease of 11.34% compared to the turnover of 8.2 million euros from the 2019 financial year. The company presents a positive EBITDA in the 2020 financial year of 903,822 euros, it being 70.61% lower in relation to the previous financial year.

Likewise, the result before taxes also decreases a 98,86% between financial years, reaching the figure of 22,119 euros.

The table below shows FacePhi Group's consolidated unaudited Profit and Loss account, at 31st December 2020, together with the individual audited Profit and Loss account from the previous financial year.

P&L ('000)			
	2020 Unaudited (CONSOLIDATED)	2019 Audited (INDIVIDUAL)	%
Total REVENUES	8,374 €	8,790 €	-4.73%
Net Revenue	7,266 €	8,195 €	-11.34%
Tasks performed by the company for assets	1,108 €	595 €	86.22%
Total EXPENSES	-7,470 €	-5,714 €	30.73%
CoGS	-1,388 €	-1,096 €	26.64%
Payroll and personnel	-3,154 €	-1,945 €	62.16%
Other operating expenses	-3,019 €	-2,757 €	9.50%
Other operating revenues & subsidies	91 €	84 €	8.33%
EBITDA	904 €	3,076 €	-70.61%
D&A&P	-678 €	-458 €	48.03%
Impairment and variations in provisions	-204 €	-688 €	-70.35%
EBIT	22 €	1,930 €	-98.86%

Revenue & EBITDA ('000)



The press release corresponding to the results preview is attached.

Pursuant to the requirements established by Circular 3/2020 from the segment BME Growth of BME MTF Equity, it is expressly stated that the information hereby communicated has been elaborated under the exclusive responsibility of the Company and its management.

We remain at your disposal for any clarifications you may require.

Yours sincerely

Salvador Martí Varó
Chairman of the Board of Management

Alicante, 1st February 2021

The Spanish company FacePhi releases a results preview for the financial year 2020

FacePhi closes 2020 with 22 new clients and revenues of 7.2 million euros

The company reaches an EBITDA of 903,822 € and increases its workforce by 135%

In a health crisis context produced by Covid-19, which has resulted in a global paralysis of the economy and has forced companies to reduce their budget items, FacePhi has obtained a revenue figure from the sale of licenses of 7,266,240 euros, 11.34% less compared to 2019. In addition, the company has managed to make a deal with 22 new clients, a 69% increase compared to the 13 agreements concluded in 2019. Very positive data, according to company sources, taking into account that since March last year they have not been able to make business trips.

Likewise, the Alicante-based technology company closed the year with a gross operating profit of 903,822 euros, which indicates a significant drop compared to 2019, where its EBITDA reached 3.07 million euros. This significant reduction in gross profit is attributed, mainly, to the increase in personnel in the company, which has increased by 135%.

Growth, client portfolio expansion and new markets

During 2020, FacePhi has continued to boost its client portfolio and international presence, hand in hand with a growing demand for biometric solutions for contactless access and 100% digital onboarding systems. This significant upsurge of interest in digital onboarding solutions has led FacePhi to acquire the Ecertic technology, allowing the Alicante company to boost its activity in this segment. 2020 has also been the year in which the company has consolidated its headquarters in South Korea through large projects with giants in the banking sector, such as KB Securities, Hanwha Investment & Securities, Daegu Bank or HancomWITH, as well as with its entry in the health sector thanks to the project developed for the Kangbuk Samsung Hospital.

In addition, the firm maintains its leadership in the Latin American market, where it has carried out projects with significant social impact, such as the remote life certificate system for collecting pensions developed for Banco Supervielle or the app for fast and secure advances of payroll together with the fintech TuSueldoYa!

On the other hand, in order to verify the maximum safety of its products, FacePhi has obtained the iBeta certificate from NIST, ISO 30107-3. Likewise, the company has initiated the change in the marketing model, going from a direct-sales-to-clients model to a sales-through-partners model.

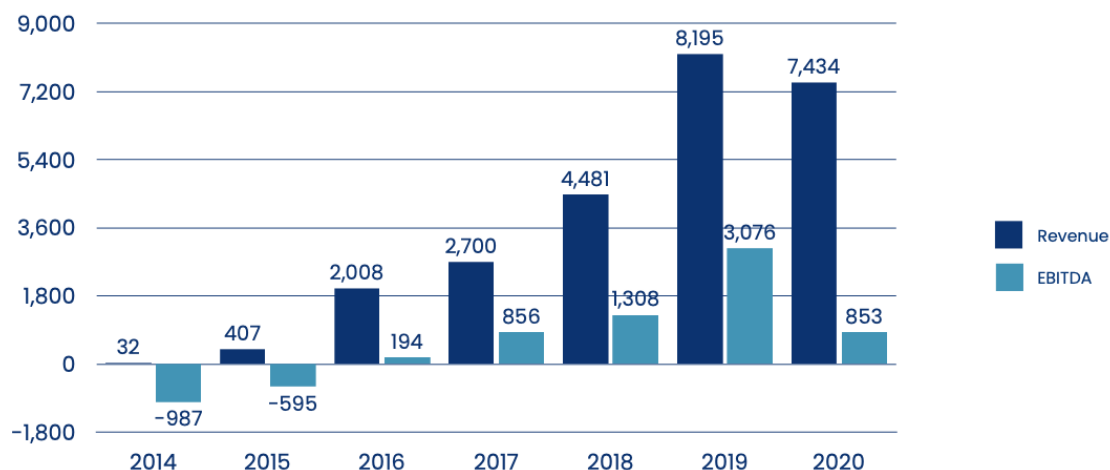
To address all this evolution, the company has continued to focus on the professionalization and growth of the organizational structure, which has meant the hiring, during 2020, of 35 new employees, reaching a human team of 61 people.

According to Javier Mira, CEO of FacePhi “in a situation of generalized economic paralysis due to the health crisis of Covid-19, these financial results show the great effort that the company is making to continue being a benchmark firm in the field of biometric solutions, with a growing presence among large banks, financial groups and the health sector”. Mira continues explaining that, “from FacePhi, we have worked with an eye on the future, ensuring the funds and liquidity necessary so that in 2021 we continue to grow in Asia, maintain our leadership in the Latin American market and, of course, continue adding business, stock and financial milestones, without forgetting the development of new innovative technological solutions”, concludes the CEO of the company.

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Source: FacePhi

Revenue & EBITDA ('000)



Source: FacePhi

About FacePhi

FacePhi is the leading Spanish company in biometric solutions for identity verification, specialized in facial recognition systems, digital onboarding and safe work environments. Based in Alicante and worldwide visibility, the company has a presence in more than 25 countries, has performed more than 21 million access programs and has a strong presence in the banking sector. The drive of biometrics to improve customer experience and protect data from citizens and entities is the hallmark of the firm.

More info

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ΦFacePhi
Beyond Biometrics

Results Preview Report

A Year of Change

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01

Management Report



CEO General Note



**Javier
Mira**

Despite the great health crisis produced by Covid-19 that we are globally experiencing and that has forced companies to reduce their budget items, FacePhi has obtained a total of 22 new clients, compared to 13 in 2019, with whom we are working on different projects.

Still, FacePhi has continued to drive the business, while developing and improving its technology solutions. The market increased interest in digital onboarding, which led us to acquire the Ecertic technology, thereby boosting this segment. In addition, in order to certify the safety of our products, we have obtained the iBeta certificate from NIST, ISO 30107-3. 2020 has also been the year in which the Asian market has been opened and consolidated, where we closed large projects in South Korea, among which the launching of the health sector stands out. In addition, we increased our presence in Europe and established the business in the Latin American market. Likewise, the change in the marketing model has also been commenced, going from direct sales to a sales-through-partners model.

As a company, FacePhi has focused on the professionalization and growth of the organizational structure, in order to prepare ourselves to tackle all the opportunities and challenges ahead in the coming years, which has led to the end of the year with 35 new employees, thus forming a human team of 61 people.

The consolidation in the Asian and Latin American markets has made FacePhi register a revaluation of the share value close to 63% at the end of December 31, 2020. With the aim of increasing our visibility in the European market and having greater access to institutional investors, last February we began our journey at Euronext Growth in Paris. With this dual listing we gain transparency and trust towards our clients and investors.

This trust and transparency with our stakeholders has allowed us to close a new investment agreement with Nice & Green for an amount of up to 20 million euros and a syndicated loan of up to 13 million euros. Funds that will allow us to obtain the necessary liquidity to continue growing in Asia in 2021, consolidate ourselves in the Latin American market and, of course, continue adding business, stock and financial milestones, without forgetting the development of new innovative technological solutions.

In short, reap in 2021 what we have sown in 2020.

Company Development Overview

Highlights 2020

The year 2020 has been a period of evolution and progress as a company in FacePhi, despite not having been able to attend our clients in person and develop and implement the technology on site.

The company has grown inorganically with the acquisition of Ecertic, it has consolidated the Korean market from the new subsidiary, it has opened new sectors in which to apply its technology and it has increased the number of contracts.

In addition, there has been a substantial change in the structure of the company and it has made progress at product and marketing model level.



New Agreements

This 2020, despite the difficulties that the pandemic has caused, FacePhi has obtained about **twenty new contracts**.



Obtained ISO Certifications

FacePhi has **achieved the highest security compliance** in the industry by iBeta (NIST).



Inorganic Growth

The company has grown inorganically with the acquisition of the **Ecertic** company, which has helped boost the digital onboarding segment.



New Health Sector

FacePhi has managed to **open up the health sector** with the signing of several agreements.



Korean Subsidiary Consolidation

During the **first year** in the Asian market, the subsidiary was consolidated, closed 6 contracts and obtained turnover.



Product Evolution

Extensive work has been done on **improving technology**, implementing passive liveness and increasing the capacity to read documents in more countries.



Growth and Professionalization

This 2020 there has been a **splitting of departments** and the number of employees has increased in order to enhance professionalization.



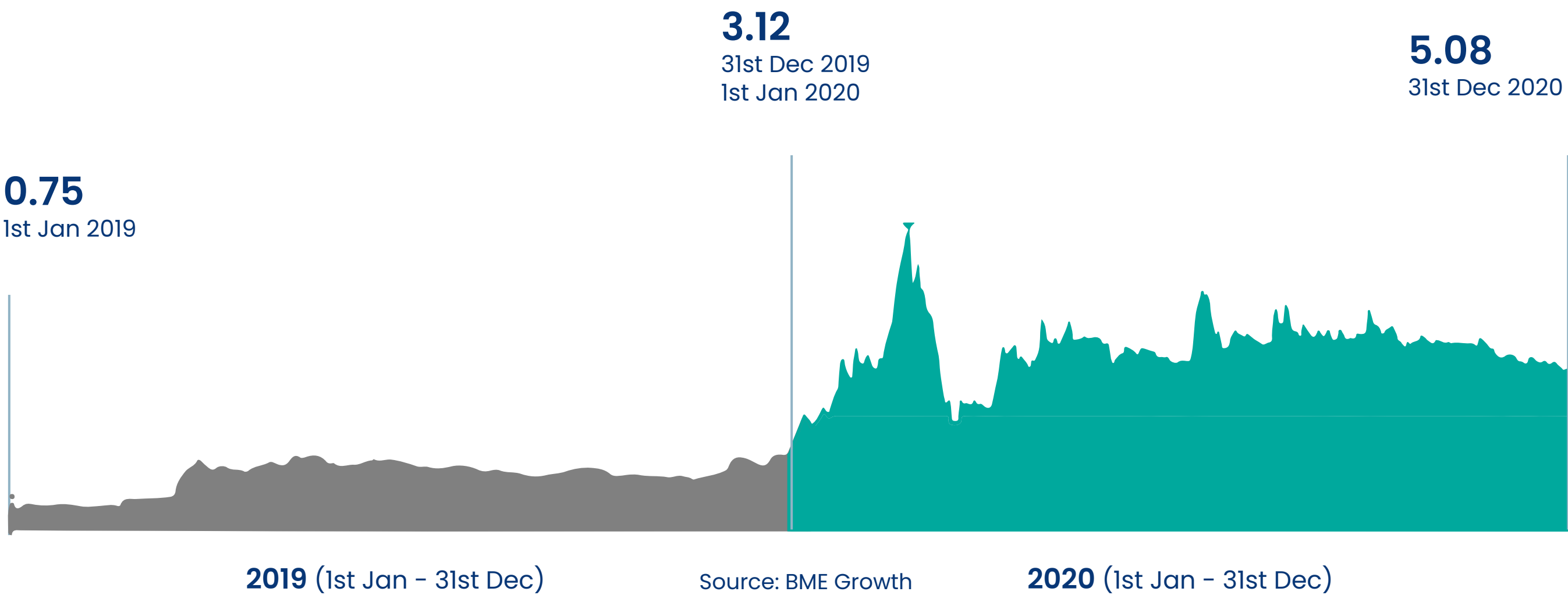
Business Evolution

The company has started a process of change in the marketing model, from direct sales to **sales through partners**.

Share Development Overview

Highlights 2020

Share performance



Number of shares: 13,277,083*
*Until December 2019

Number of shares: 14,428,519*
*Until December 2020

2020 share price growth

+62.82%

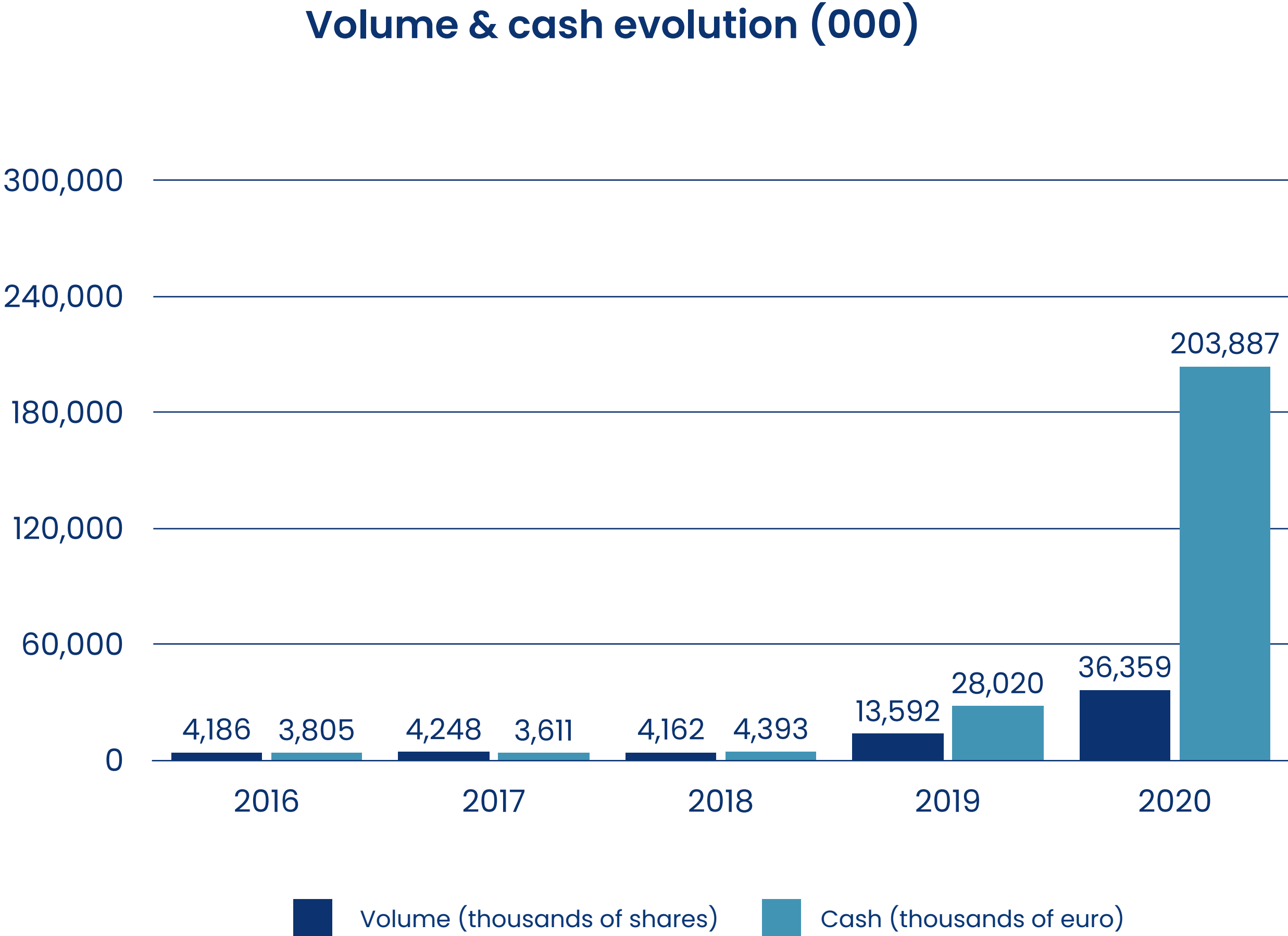


Dual listing



Share Development Overview

Highlights 2020



Source: FacePhi

2020
VOLUME
INCREASE
+628%

2020
CASH
INCREASE
+168%

02

Human Capital – Headcount

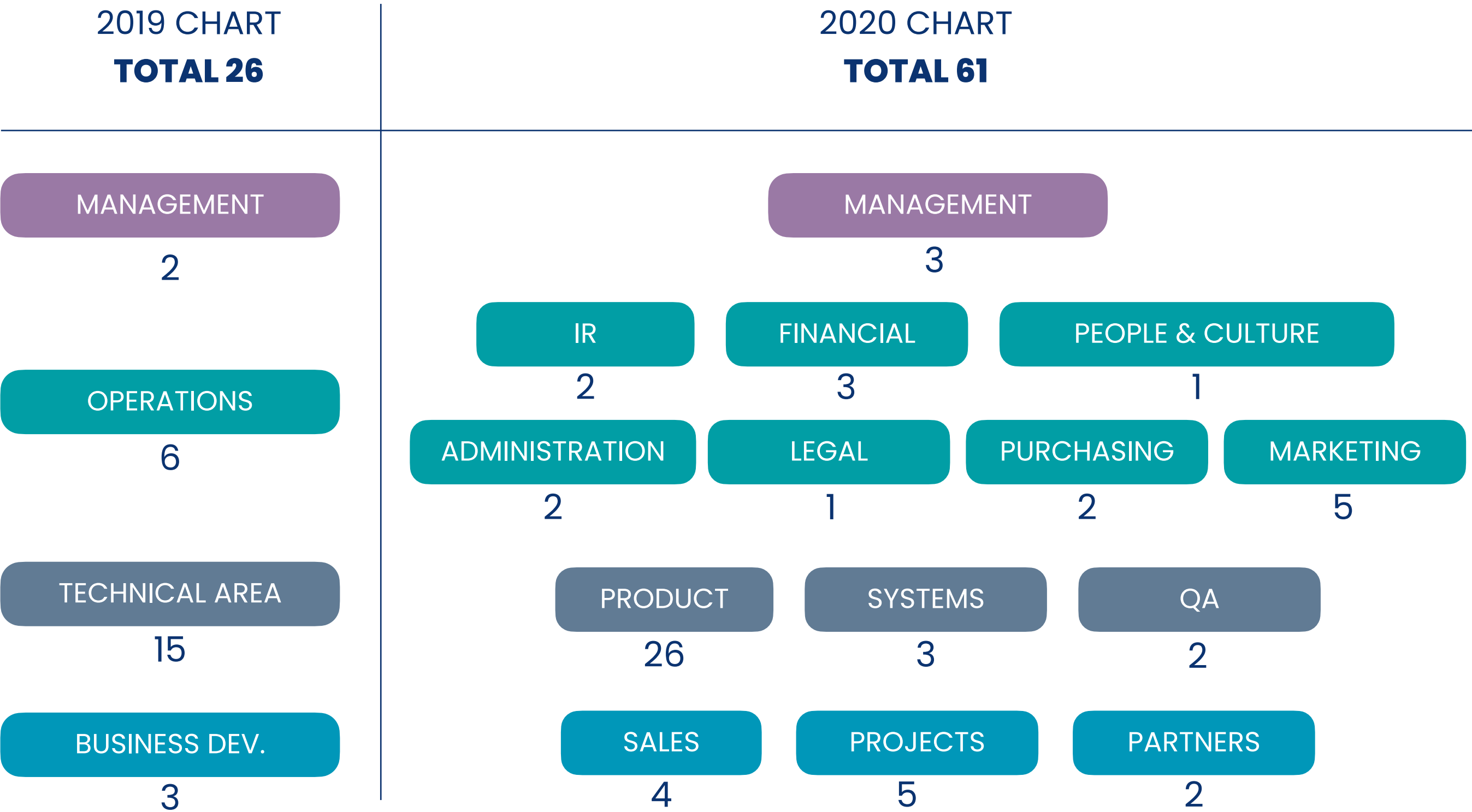
Human Capital – Headcount

More departments – More personnel

During 2020, the company has gone from having three general blocks as main departments, to diversifying and professionalizing itself in much more specific departments with better prepared managers.

In addition, and due to this, the number of people who make up these new departments has grown, achieving greater specialization.

** These data include the Alicante (Spain) office and the South Korean subsidiary.*



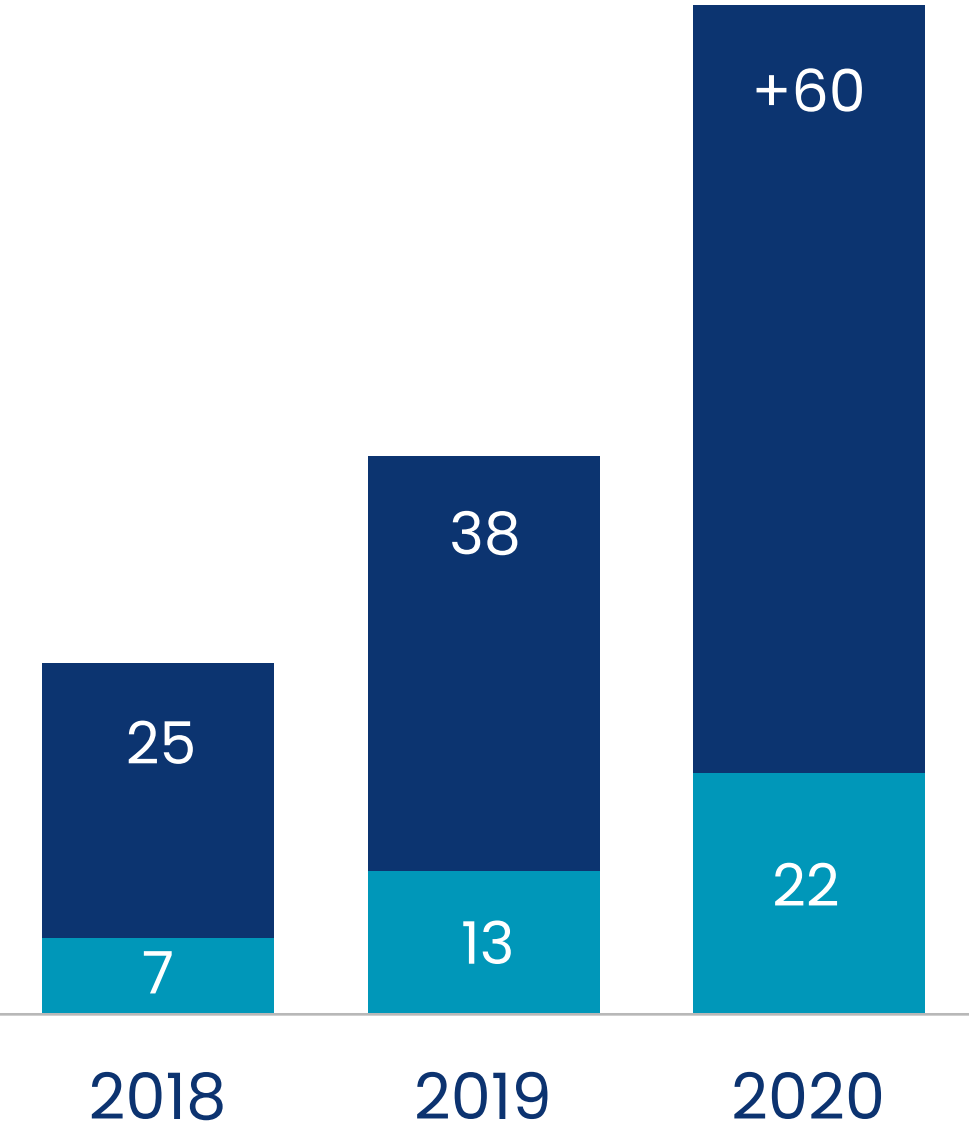
03

Business Metrics

ϕ FacePhi
Beyond Biometrics

Business Metrics

Clients information

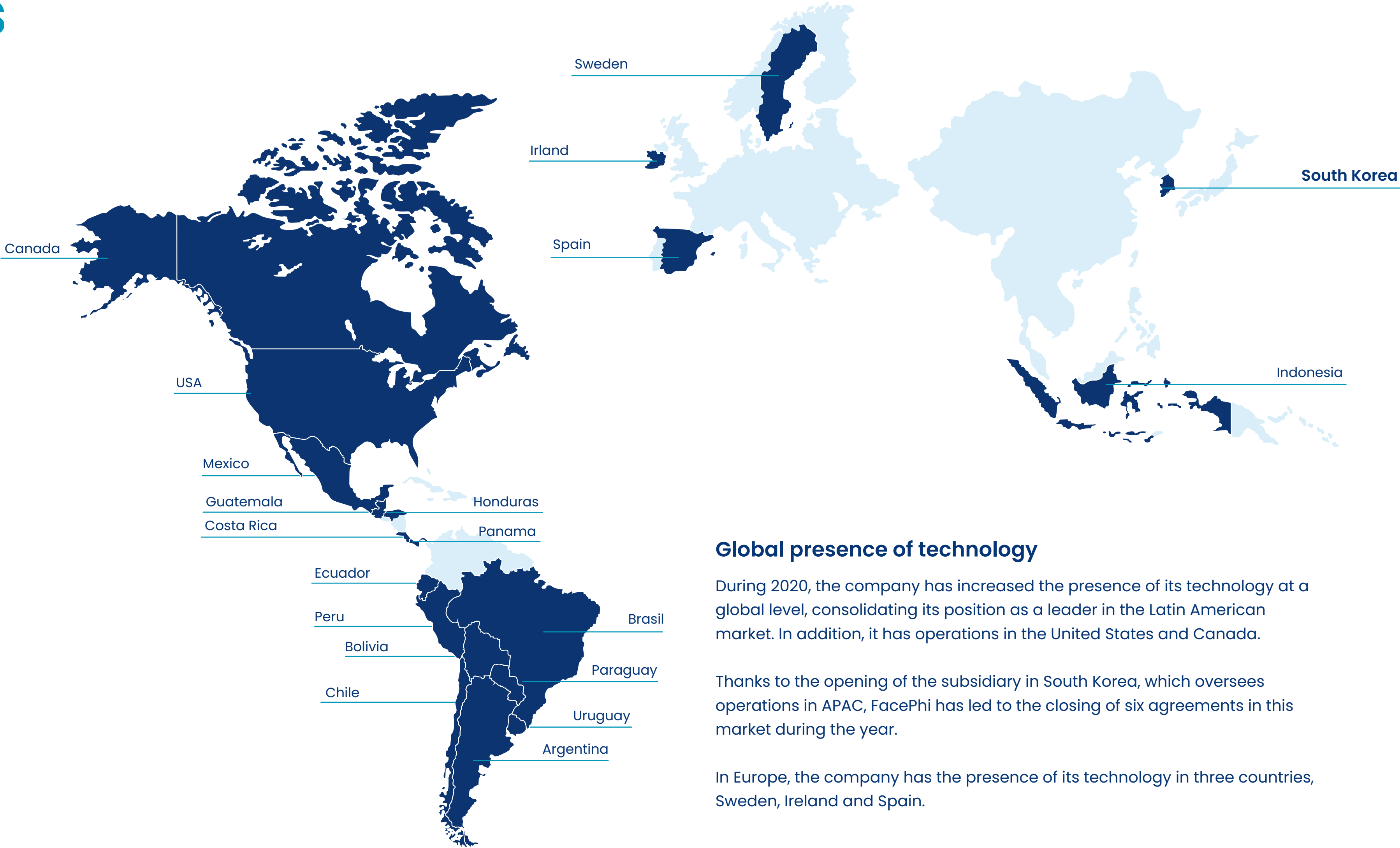


Number of clients evolution

The graph represents the number of clients since 2018. During 2020, the company has managed to close 22 clients, which has led us to gather +60.

■ Clients per year ■ Cumulative clients

Source: FacePhi



Global presence of technology

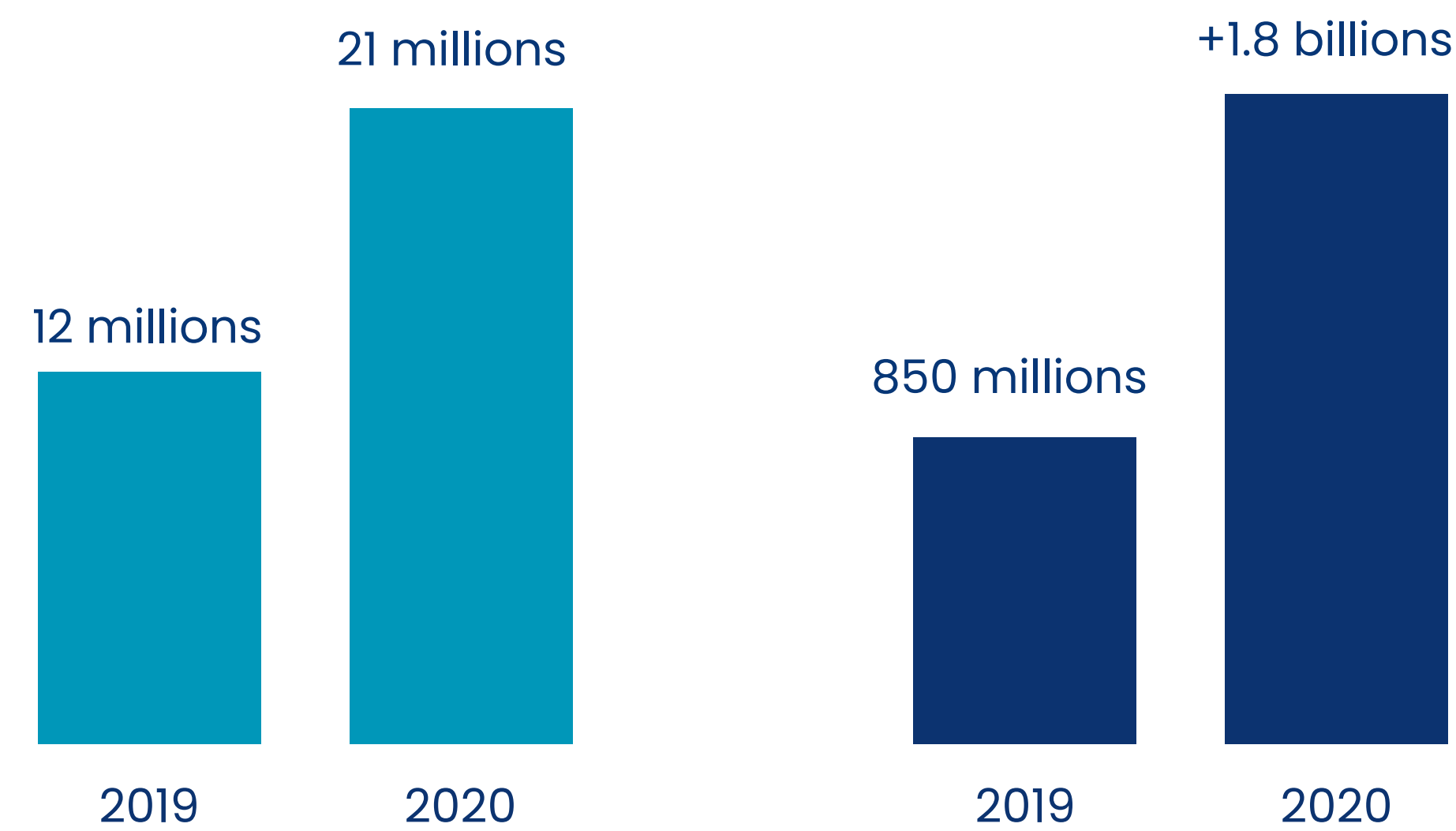
During 2020, the company has increased the presence of its technology at a global level, consolidating its position as a leader in the Latin American market. In addition, it has operations in the United States and Canada.

Thanks to the opening of the subsidiary in South Korea, which oversees operations in APAC, FacePhi has led to the closing of six agreements in this market during the year.

In Europe, the company has the presence of its technology in three countries, Sweden, Ireland and Spain.

Business Metrics

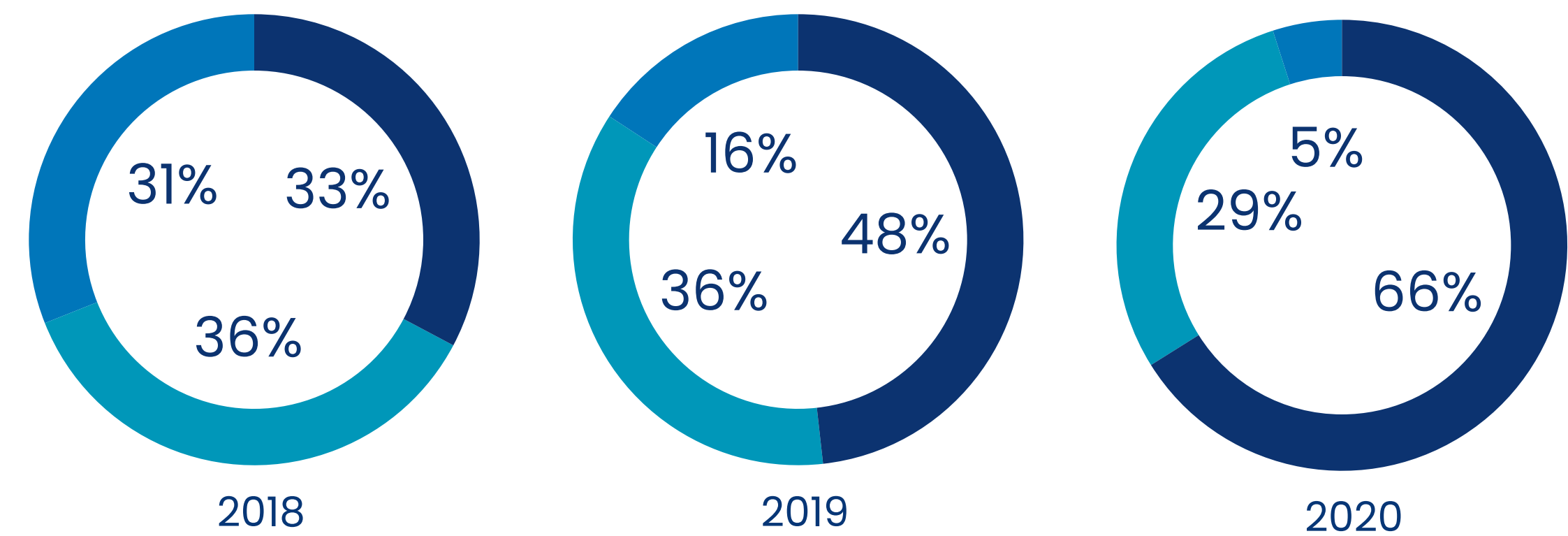
Uses information



Number of onboarding and authentications evolution

During 2020, the company has experienced a growth in the number of onboarding and authentications.

Onboardings Authentications Source: FacePhi



Turnover record as per products

The growing popularity of digital onboarding is reflected in the increase in demand for SelphID, which has followed a growing trend in recent years, reaching up to 66% of the total invoiced in 2020.

SelphID Selphi Other products Source: FacePhi

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Financial Metrics



Financial Metrics

Data Summary

Net income
7,266,240€

Gross margin
12.44%

EBITDA
903,822€

Source: FacePhi

Financial Metrics

2020 consolidated unaudited vs. 2019 individual audited

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The table shows the comparison between the Company's Audited and Non-Consolidated Statement for 2019 vs. the Pre-Audit of Consolidated Accounts for 2020.

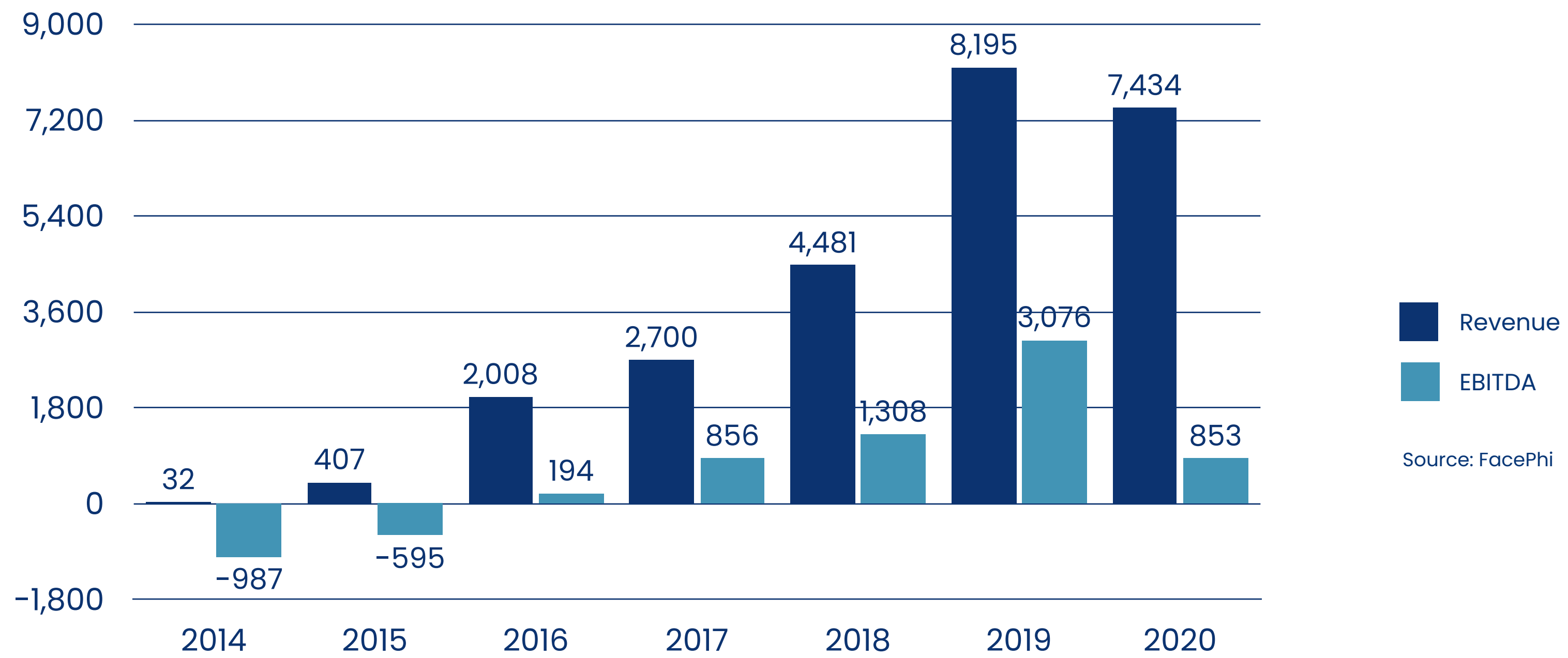
The 11.34% drop on the total net business figure is due to a delay in the billing of new customers for 2020, thus increasing the potential for revenue during the following year.

The 62.16% increase in personnel expenses stands out, with which we lay the foundations to maintain the high level of growth experienced by the company.

Source: FacePhi

Financial Metrics

Revenue & EBITDA



Thank you!

Results Preview Report

A Year of Change