

BME - GROWTH
Palacio de la Bolsa
Plaza de la Lealtad, 1
28014 Madrid

Alicante, 7 February 2022

COMMUNICATION- 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).

Today FacePhi has organised an Investor Day at the Palacio de la Bolsa de Madrid, where it will present and analyse the unaudited results for the financial year 2021, as the market was informed through other relevant information on BME's website and on its own website (www.facephi.com) on 7 January 2022.

The consolidated annual accounts of FacePhi Biometría, S.A. and Subsidiaries are in the process of being audited. However, no significant changes are expected in the main financial figures once this process is completed.

During the financial year 2021, the FACEPHI Group has obtained a revenue figure for sales of licenses of 13.17 million euros, which translates into an increase of 81.3% compared to the 7.26 million euros invoiced at the end of the financial year 2020. The Group will have a positive EBITDA in 2021 of €860,445.02, which is 0.14% higher than in the previous year. Likewise, the result before taxes is -526,166.64 €.

The unaudited consolidated profit and loss account of the FACEPHI Group as at 31 December 2021 is shown below, together with the audited consolidated profit and loss account for the previous year.

	2021 UNAUDITED CONSOLIDATED	2020 AUDITED CONSOLIDATED	VAR. %
TOTAL REVENUE	€15,348	€8,377	83.2%
Net revenue	€13,172	€7,266	81.3%
Tasks performed by the company for assets	€2,175	€1,110	96.0%
TOTAL EXPENSES	€-14,485	€-7,518	92.7%
Procurements	€-1,819	€-1,404	29.6%
Personnel expenses	€-7,130	€-3,186	123.8%
Other operating expenses	€-5,619	€-3,040	84.9%
Other results	€84	€113	-25.5%
EBITDA	€860	€859	0.1%
Depreciation of Fixed Assets	€-1,327	€-840	57.9%
Losses, impairment and variation in provisions	€-60	€-384	-84.4%
EBIT	€-526	€-365	44.3%

In compliance with Circular 3/2020 of the segment BME Growth of BME MTF Equity, it is expressly stated that the information hereby communicated has been produced under the sole responsibility of the company and its administrators.

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

Sincerely,

Javier Mira Miró

Chairman of the Board of Directors

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ϕ FacePhi
Beyond Biometrics

BEYOND EXTRAORDINARY

FROM STARTUP
TO **SCALEUP**

2021 Results preview



NOTE FROM CEO

Javier Mira —

2021 has been, without a doubt, our best year. A year of **fundamental development for FacePhi** in which we have surpassed ourselves at all levels.

The investment we have made in structure, added to our incessant international commercial expansion, has made FacePhi take the leap **from startup to scaleup**; a company with a proven business model that advances at great strides to continue growing unstoppably.

At FacePhi we work every day to improve and make our technology excellent. This is the way we achieve that any company and industry in the world can have our products, becoming their **best ally to verify the identity of their users** with the highest level of security.

Our determined commitment to innovation has earned us the **conquest of new international markets** such as Vietnam, with Pinetree Securities, Chile, with Cencosud Scotiabank, or Nigeria, entering the **public administration sector** with Afrilight Technologies. In addition, it has allowed us to close important contracts in new industries, such as **travel and transport** with the most important airline in Latin America and Aena or **sporting events** with Valencia C.F.

In addition, we have revolutionized the **Digital Identity** sector with the launch of the most complete solution in the market for identity verification. In this way, we make **our technology the most accessible** to companies regardless of their size or the type of industry, reducing implementation time and allowing us to reach more customers faster.

Actions like these are what have led the Ministry of Industry and Tourism of Spain to recognize us as a Strategic Company, a concession that will allow us **to incorporate highly qualified professionals from anywhere in the world**. This distinction guarantees that FacePhi can count on the best talent, which now has more than 175 professionals, to continue developing and implementing our technology.

2021 has been the best year in our history, but at FacePhi we are prepared for a **2022 full of challenges, evolution and commitment to innovation**. I am convinced that, if we follow the route we have set, we will be able to challenge our own dreams.

BEYOND EXTRAORDINARY

FROM **STARTUP** TO **SCALEUP**

#**1** TECHNOLOGICAL ADVANCE

#**2** GROWTH IN STRUCTURE

#**3** BUSINESS

#**4** RESULTS

#**5** PERSPECTIVES 2022-2024



BEYOND EXTRAORDINARY
FROM **STARTUP**
TO **SCALEUP**

TECHNOLOGICAL ADVANCE

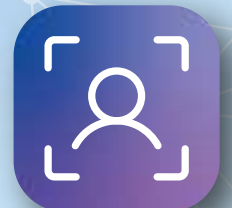
Since our creation we are leaders in technology for the verification of user identity and we always seek to be at the forefront of this market that is constantly evolving. We close what has been the best year in our history with the launch of a new Digital Identity platform that encompasses all our solutions, an advance that this will allow us to accelerate our expansion to new customers, industries and regions.

TECHNOLOGICAL ADVANCE

We were born in 2012 as a small group of engineers and mathematicians looking to develop an **authentication algorithm**. In this way we become pioneers in entering the world of **biometrics**, an innovative and developing market. With our **facial recognition** technology, we started a path that led us to be pioneers in **access to online banking** by facial recognition around the world.

BEYOND EXTRAORDINARY
FROM **STARTUP**
TO **SCALEUP**

AUTHENTICATION 2012 – 2016



FACIAL BIOMETRICS



APPLICATIONS OF OUR TECHNOLOGY IN THE FINANCIAL INDUSTRY

- **FIRST IN THE WORLD** IN ACCESS TO ONLINE BANKING BY FACIAL RECOGNITION
- TRANSACTION APPROVAL

TECHNOLOGICAL ADVANCE

To continue this trend and stay at the forefront of a sector that is constantly evolving, we became **leaders in authentication technologies and digital onboarding**. In this period we develop more biometrics such as voice, fingerprint and periocular, and we reach new industries and countries offering **the fastest, safest solutions with the best user experience**.

IDENTITY VERIFICATION

2017 - 2021



DIGITAL ONBOARDING



FACIAL BIOMETRICS



VOICE BIOMETRICS



FINGERPRINT BIOMETRICS



PERIOULAR BIOMETRICS

APPLICATIONS OF OUR TECHNOLOGY

FINANCIAL INDUSTRY

- **FIRST IN THE WORLD** IN ACCESS TO ONLINE BANKING BY FACIAL RECOGNITION
- **FIRST IN THE WORLD** TO APPLY FACIAL RECOGNITION TO CASH WITHDRAWAL AT ATMS

- OPENING BANK ACCOUNTS
- PROOF OF LIFE IN PENSION COLLECTION
- TRANSACTION APPROVAL

SPORTS EVENTS INDUSTRY

- ACCESS TO FOOTBALL STADIUMS

INSURANCE INDUSTRY

- CONTRACTING POLICIES

HEALTHCARE INDUSTRY

- VERIFICATION OF PATIENT IDENTITY

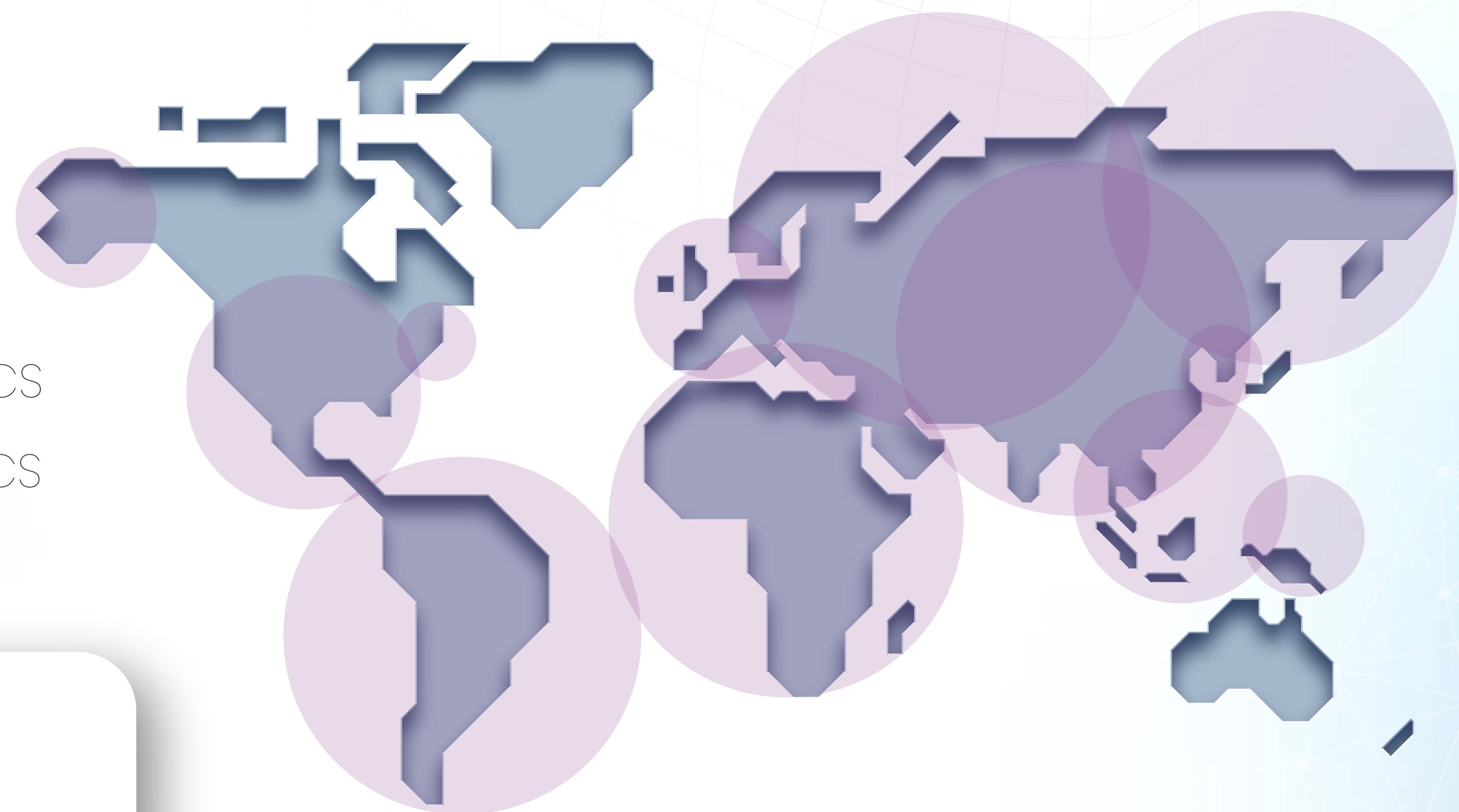
TRAVEL AND TRANSPORT INDUSTRY

- IDENTITY VERIFICATION IN ACCESS TO AIRPLANES AND CHECK-IN AT AIRPORTS

SMART CITIES

- IDENTITY VERIFICATION WITH A SINGLE REGISTRY FOR ACCESS TO ALL CITY SERVICES

BEYOND EXTRAORDINARY
FROM **STARTUP**
TO **SCALEUP**



WHAT SETS US APART FROM THE REST



FASTEST



SAFEST



WE DO NOT STORE
USER DATA



BETTER USER
EXPERIENCE

OCTOBER 2021

We launched the most complete Digital Identity verification platform on the market

In 2021 we have started the **transformation of our business model**, going from developing customized solutions for each client to an integrated and versatile solution that allows us to work with a **"Plug & Play"** model.

With our new **Digital Identity verification** platform we end our best year becoming precursors of the most complete solution in the market with which we will be able to reach **more customers, industries and regions**.

WHAT DOES OUR NEW PLATFORM OFFER?



FRAUD
CONTROL



ADVANCED USE OF
ARTIFICIAL
INTELLIGENCE



DATA PRIVACY
MANAGEMENT



BIOMETRIC
MULTIMODALITY



IMPROVED USER
EXPERIENCE



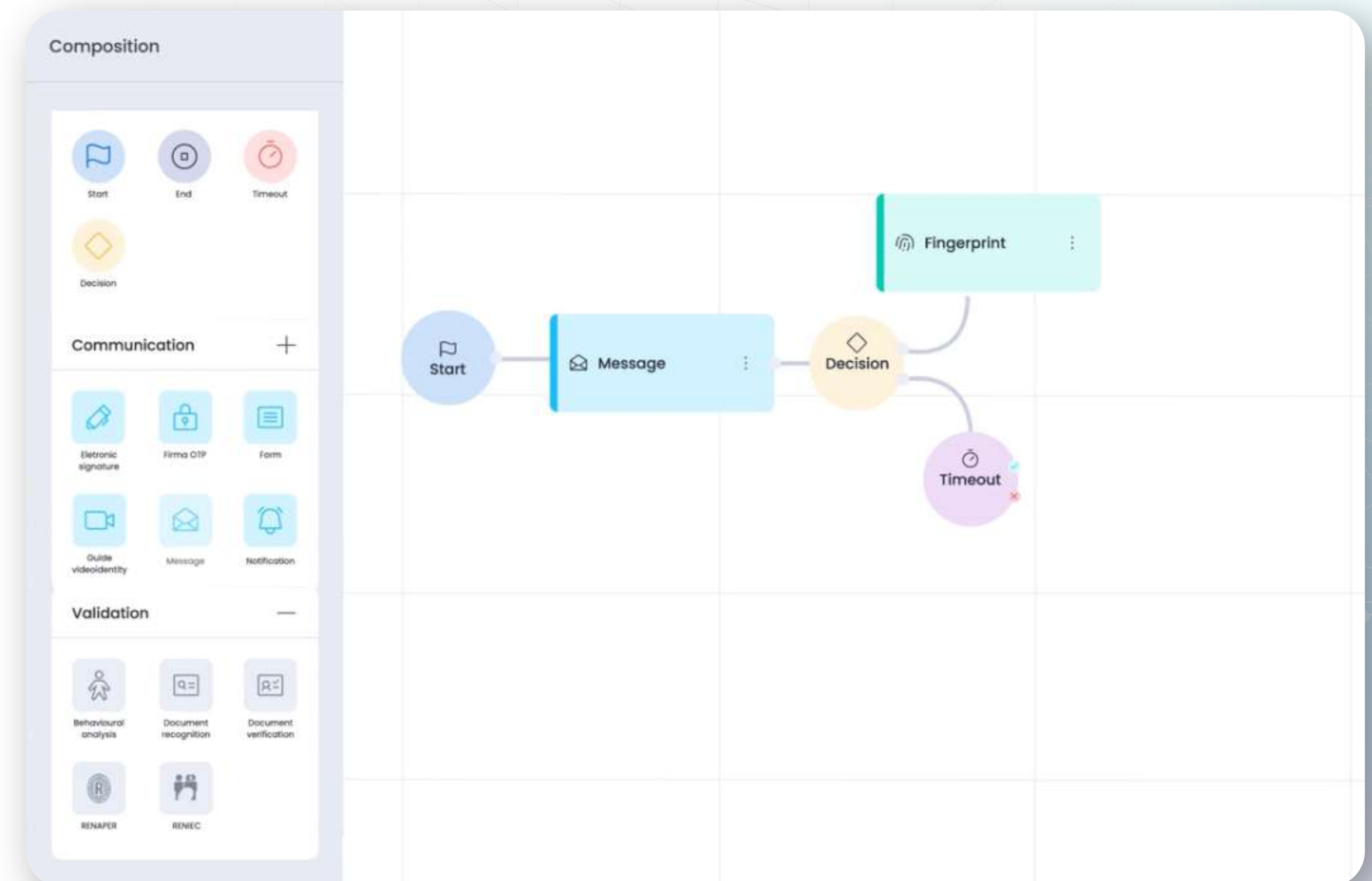
TRANSACTION
CONTROL



DESIGN OF
ONBOARDING AND
AUTHENTICATION
FLOWS



VIDEO SUPPORT
SOLUTION



For more information [click here](#)

Acquired certifications

Our **certifications** represent our ability to access different markets and our distinction within them. These certifications demonstrate our commitment to the industry's **superior quality standards** and are proof of our **commercial advantages** over the competition, recognizing us as a **reliable product** for our customers and consumers.



ISO 30107-3 Level 1

We received the compliance assessment in both the **Verification algorithm** and the **PAD** (Liveness) algorithm. This standard stipulates the methodology for evaluating the strength of our biometric algorithm against presentation attacks. It is the **most prestigious international certification**.



ISO 27001

Standard that allows us the assurance, confidentiality, integrity and availability of the information, as well as the systems that process it. The Information Security Management System **allows us to assess risks** and apply controls to mitigate or eliminate them.



Certification KISA K-NBTC

Our digital onboarding solution has obtained K-NBTC certification issued by KISA, the Internet and Security Agency of the South Korean government. With this prestigious certification we **reinforce our position as a provider** of biometric applications in the APAC market.



BEYOND EXTRAORDINARY
FROM **STARTUP**
TO **SCALEUP**

STRUCTURAL GROWTH

To maintain our high level of growth and remain at the forefront of technology, we continue to strengthen and optimize our organizational structure. In 2012 we began our journey as a team of engineers working on the development of our algorithm and, currently, our team is composed of more than 175 multidisciplinary professionals focused on continuing to offer our best product and service to our customers.

STRUCTURAL GROWTH



EMPLOYEES

2012

+10

ENGINEERING

BUSINESS

2017

+20

PRODUCT

R&D

SUPPORT

SYSTEMS

OPERATIONS

BUSINESS

COMMUNICATION

INVESTOR RELATIONSHIP

HR

LEGAL

2021

+175

SOLUTIONS

PLATFORM

R+D

SUPPORT

SYSTEMS

PROJECTS

QUALITY

UX

WORK SQUADS

ARCHITECTURES

FINANCIAL

SHOPPING

HR

BUSINESS

MARKETING

LEGAL

INVESTOR RELATIONSHIP

ANALYSIS

At FacePhi we started in 2012 as a small team of mathematicians, dedicated to developing the technology that would allow us to **securely verify the identity of users**. Thus, together with the business team, we managed to be the first in the world to apply our facial recognition technology in the **financial industry**, one of the most demanding in security.

Thanks to our great evolution as a company, from 2017 we **strengthen our engineers and mathematicians** by improving the organization of work in areas such as R&D, Product, Core or Support. In addition, we began to grow to form a team that not only housed developers, but also integrated areas such as **Operations, Legal and Investor Relations**.

In 2021 we have **consolidated our growth**, increasing our workforce by 207% to more than **175 employees**. An investment that has allowed us to form a **multidisciplinary team** capable of continuing to develop the best platform for the verification of Digital Identity and that grows at the same rate as our number of clients does.

STRUCTURAL GROWTH

*Our team is almost 70%
composed of **technical
profiles***

At FacePhi we continue to bet on the **development of in-house software** and, for this reason, our team is composed of almost **70% of technical profiles**, such as engineers or mathematicians, who work on the continuous improvement of our solutions and the development of **new innovative technologies**.

BEYOND EXTRAORDINARY
FROM **STARTUP**
TO **SCALEUP**

ENGINEERS

119

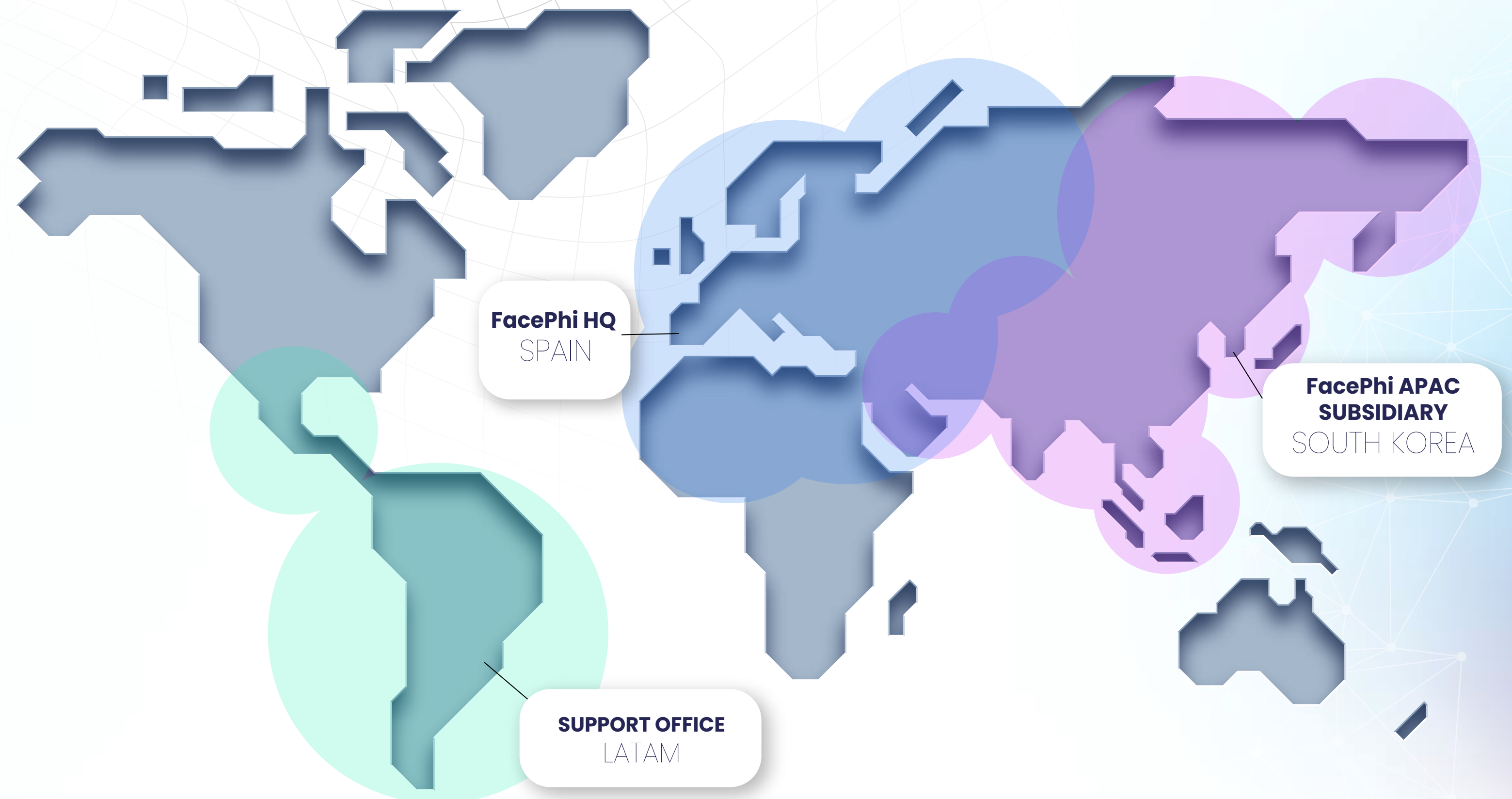
*** As of 31 December 2021**

STRUCTURAL GROWTH

We have our **headquarters in Spain**, an office that has been growing as the development of our product did and as increasing our presence in industries, customers and regions. Precisely, our great development and expansion in the **Asian market** has meant that since 2019 we have a **subsidiary in South Korea**, with a team dedicated to advancing our international growth. In addition, as an added value, and to give greater coverage to our **Latin American customers**, in 2020 we decided to establish a **support team** in this region to continue guaranteeing the best service.

BEYOND EXTRAORDINARY
FROM **STARTUP**
TO **SCALEUP**

OFFICES





BUSINESS

Since our creation, at FacePhi we have specialized in the financial industry, one of the most regulated and demanding sectors with user security. However, our technology is able to adapt to the needs of companies in any industry, so throughout our history we have continued to grow and expand to other sectors such as insurance and health.

The year 2021 gave us the opportunity to explore new industries, such as travel and transport, sporting events and smart cities, which demonstrates the different applications and the great security of our solutions. Currently, and thanks to our new platform for the verification of Digital Identity, we are able to reach more companies faster.

Evolution number of customers

Since we started our journey in 2012 we have been working on the **development of our technology** and in 2014 we began to sign our first contracts. Since that time **our growth has been unstoppable** reaching in 2021 to have more than **120 customers**.

NUMBER
OF USERS
+ **300M**

CUSTOMERS
IN 2021
+ **120**

Thanks to the continuous growth of our technology, and the great adoption by users, we managed to grow exponentially.

NUMBER OF CUSTOMERS



Financial Insurance Healthcare Public Admin. Travels & Transport Sport Events

SOME OF OUR CLIENTS



The retention rate
of our customers is

+95%

Evolution and entry into new industries

During our beginnings in 2012 we decided **to bet on banking** and that led us to be the first in the world to implement our **facial recognition technology** in processes of access to online banking by the hand of clients such as Banco Pacífico or Banco Industrial. Our desire to move forward led us from 2017 to make our technology be applied for the first time in the **withdrawal of money at ATMs** or to carry out the **identification of patients in a hospital**, all thanks to facial recognition and the trust of customers such as CaixaBank or Kangbuk Samsung Hospital.

Currently, any company, regardless of its industry or size, can integrate our solutions to carry out processes of verifying the identity of a person safely. The trust placed in our technology by our customers has led us to be **reference suppliers of Banco Santander** in terms of identity verification, pioneers in access to sporting events with Valencia C.F and, together with Aena, we provide the **necessary digital solutions for the different phases through which a passenger passes in an airport**. In addition, we managed to enter the public administration industry with a project for the government of Nigeria and expanded our presence in Asia by participating with DGB Daegu Bank in the Korean Sandbox.

2012–2016

FINANCIAL



2017–2020

FINANCIAL



INSURANCE



HEALTHCARE



Evolution and entry into new industries



FINANCIAL

2021



We participated in the Korean Sandbox together with Daegu Bank to work together and **innovate in the country's banking sector**. Thanks to our technology, the government agreed to eliminate the need to carry out a video call to finish the onboarding process necessary for banking procedures.

More information here:

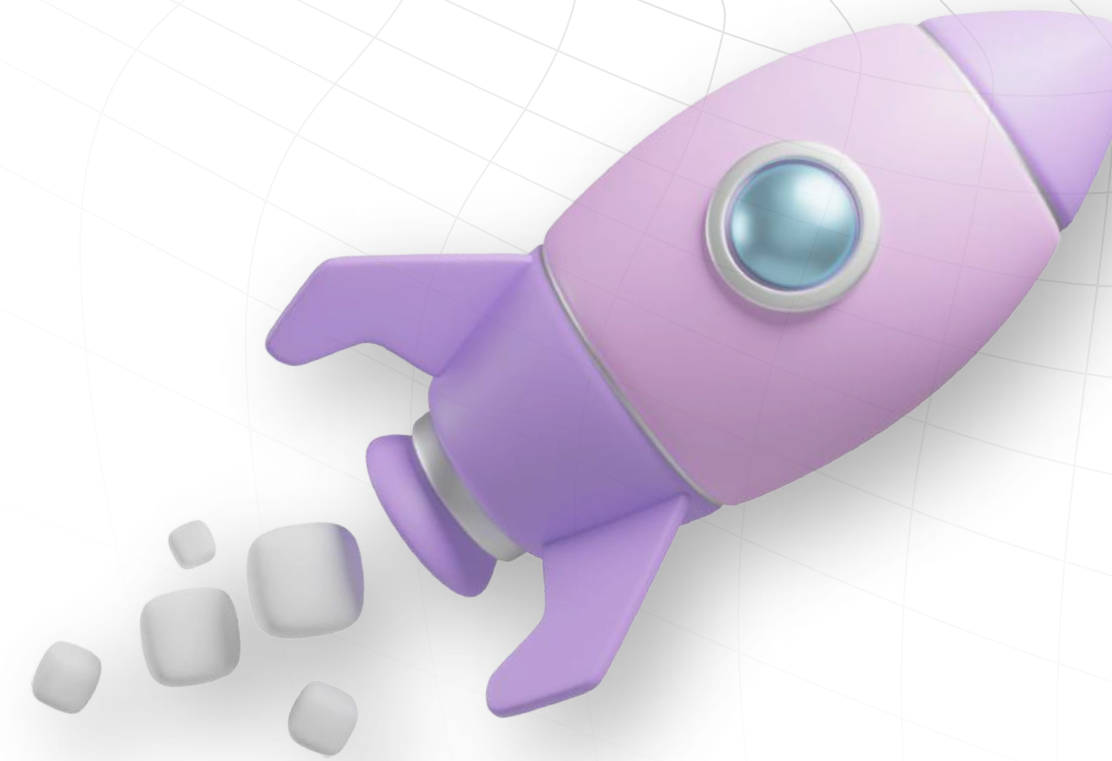
[Daegu Bank counts with FacePhi, the experts in biometrics](#)



This project represents a **strategic advance** since Cencosud Scotiabank is one of the largest retail conglomerates in the Americas.

More information here:

[FacePhi strengthens presence in Latin America alongside Cencosud Scotiabank](#)



BEYOND EXTRAORDINARY
FROM **STARTUP**
TO **SCALEUP**



We continue our expansion across the Asia-Pacific continent, with the entry of our technology into **Vietnam for the first time**.

More information here:

[FacePhi reaches Vietnam](#)



We became **reference providers for Banco Santander** in technology for identity verification in all subsidiaries of the group.

More information here:

[FacePhi offers its digital identity solutions to Banco Santander](#)

Evolution and entry into new industries



SPORT EVENTS

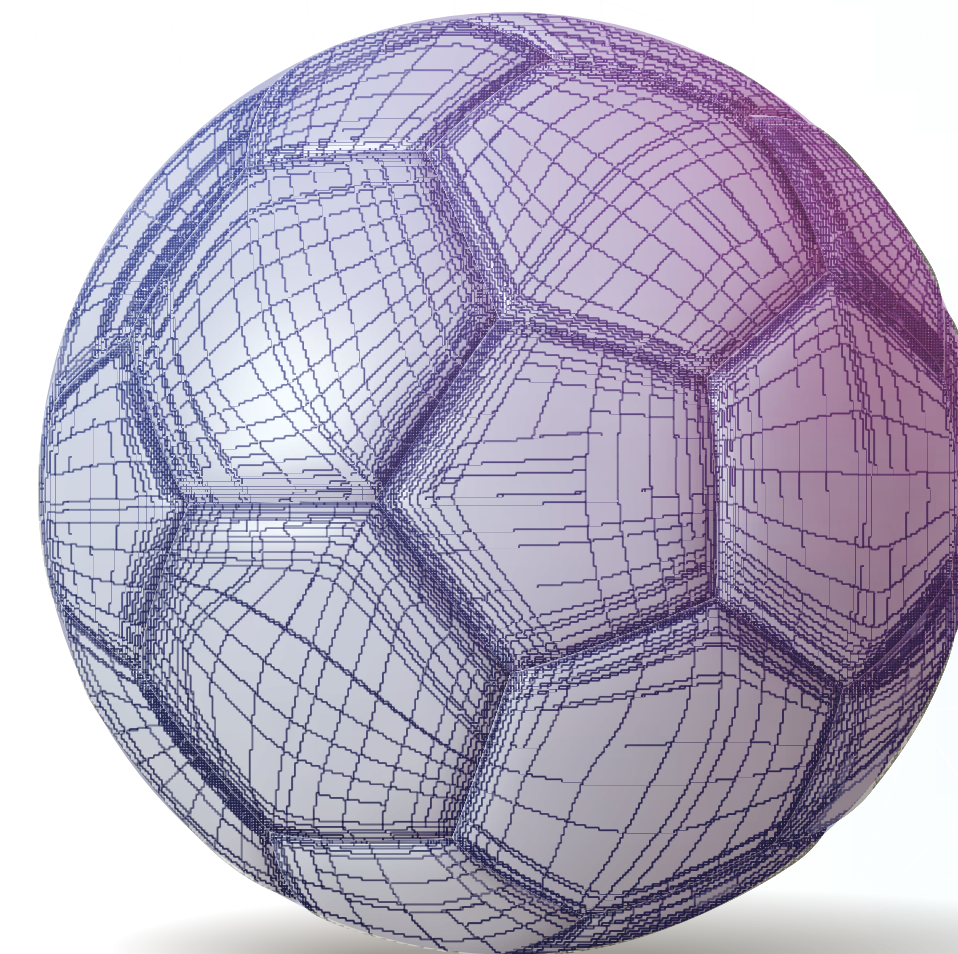
2021



It is our **leap into the world of sporting events**. In addition, Valencia C.F. has become an **ambassador of our technology**, promoting access and contact with other sports entities nationally and internationally.

More information here:

[FacePhi to implement biometric verification in Mestalla](#)



Evolution and entry into new industries



TRAVEL & TRANSPORTATION

2021



We got the world's leading airport operator to rely on our technology to **apply it at their airports.**

More information here:

[FacePhi signs a contract with Aena for identity verification at its airports](#)



The most important airline in Latin America will use our technology **to allow boarding on airplanes.**

More information here:

<https://facephi.com/download/39929/>

Evolution and entry into new industries



PUBLIC ADMINISTRATION

2021



A great project that represents our **entry into the African continent**. Through it, the Nigerian government relies on our technology to verify the identity of its retired military personnel and **facilitate the collection of pensions**.

More information here:

[FacePhi lands in Nigeria to facilitate the collection of pensions with biometric recognition](#)



Regions

Initially we focused on LATAM, due to the high rate of fraud in identity verification processes in the area. Thus, our customers have been able to verify the effectiveness of our technology driving our expansion into new markets around the world.





RESULTS

We reached a milestone:

our best turnover

RESULTS

BEYOND EXTRAORDINARY
FROM **STARTUP**
TO **SCALEUP**

Turnover and EBITDA

In 2021 we continued to transform our growing resources. This trend has allowed us to continue in our unstoppable international expansion to new markets, industries and customers and, therefore, this year we have obtained our best turnover in history, with an increase of 81,3% and with revenues of 13.17 million euros.

TURNOVER

€13.17M

↑81% VS 2020

EBITDA

€0.86M

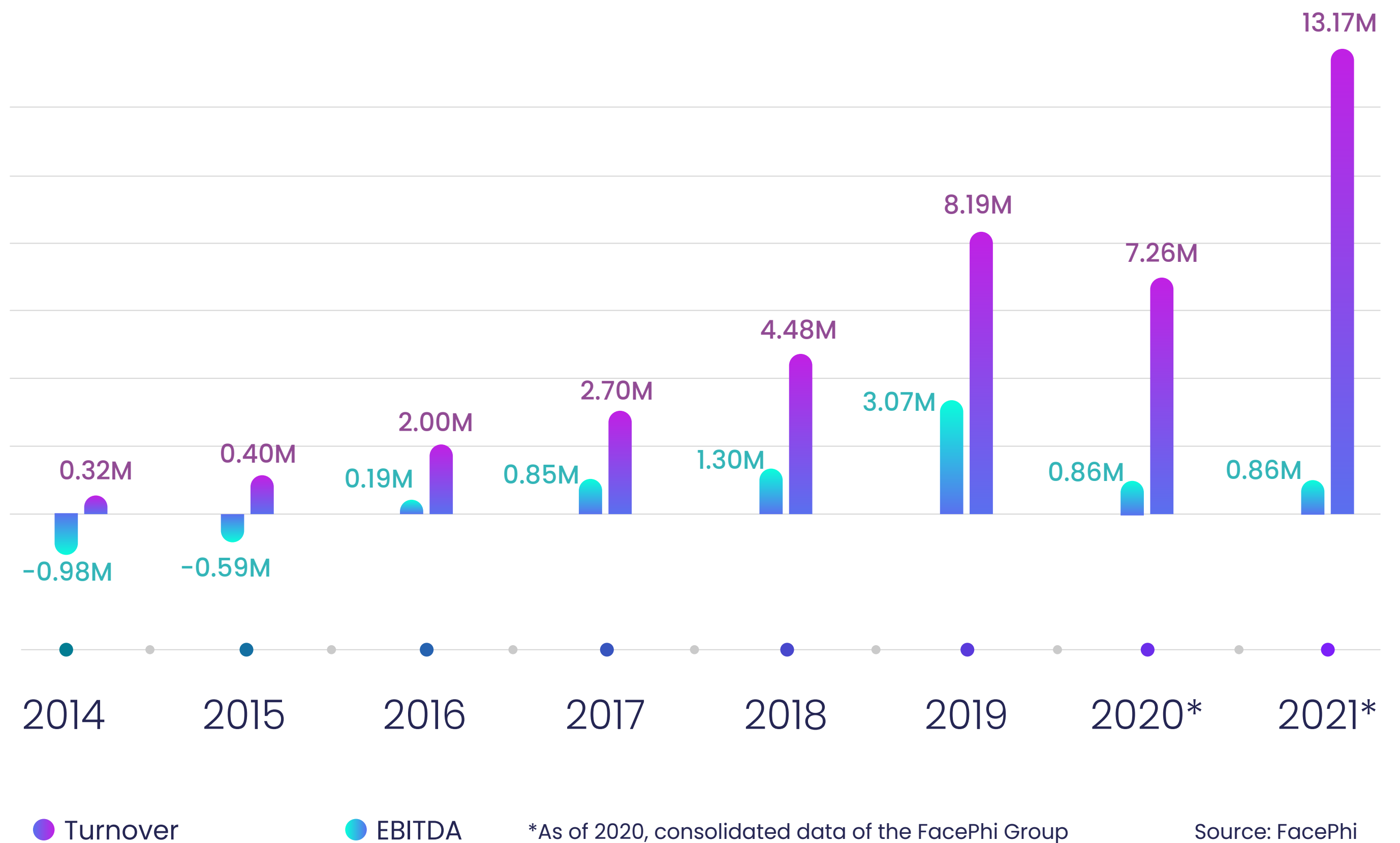
Turnover and EBITDA

The global changes that we have been experiencing for a few years has led many companies to accelerate their digitalization process and reduce physical interaction.

Therefore, we have continued working to develop the most secure and complete platform for the verification of Digital Identity on the market. A fact that has allowed us to reach more industries and regions, diversifying and expanding our client portfolio to more than 120 in 2021.

This increase in the number of customers has also meant a remarkable growth in our turnover that has increased by more than 81% this year, to 13.17 million euros, a milestone in our history.

EVOLUTION OF TURNOVER BY YEARS (MILLIONS)



Source: FacePhi

Profit and Loss (000)

In 2021 we increased our turnover by 81.3%, reaching €13.17M thanks to the increase in new contracts and the renewals and extensions of existing contracts.

In addition, to accelerate our growth, at FacePhi we have opted to increase our technical and commercial structure. This has been reflected in an increase in personnel costs of 123.8 per cent. On the other hand, we have increased the investment in commercial equipment, associated with the hiring of commercials in different countries, the growth of our support team in Latin America and the amount in sales commissions.

We maintain a positive EBITDA figure, this is due to the significant increase in revenue that offsets the increase in expenses to strengthen our structure.

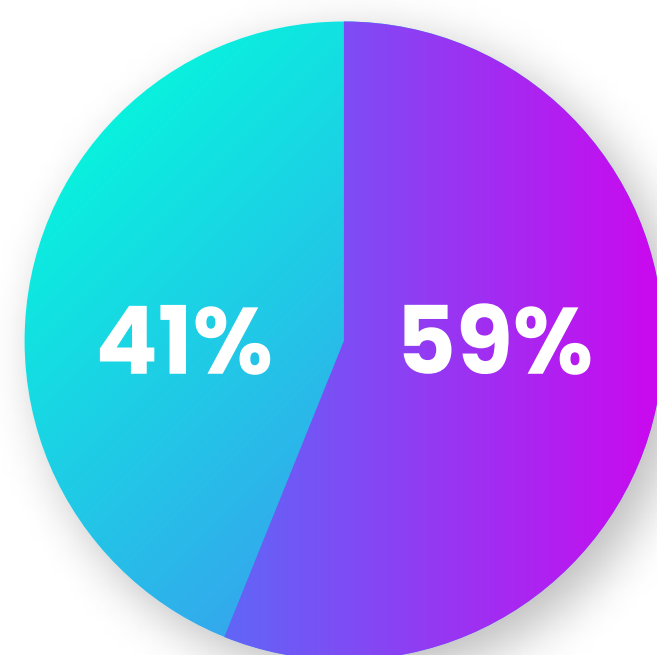
The investment in workers for the development of technology and its commercialization has led us to achieve a greatest turnover during this period. In this way we show how the positive effects that operating leverage has on the results.

In addition, at FacePhi we have invested in improving our production efficiency, managing to raise the gross margin to 86.19%, which represents an increase of 5.5 percentage points compared to 2020.

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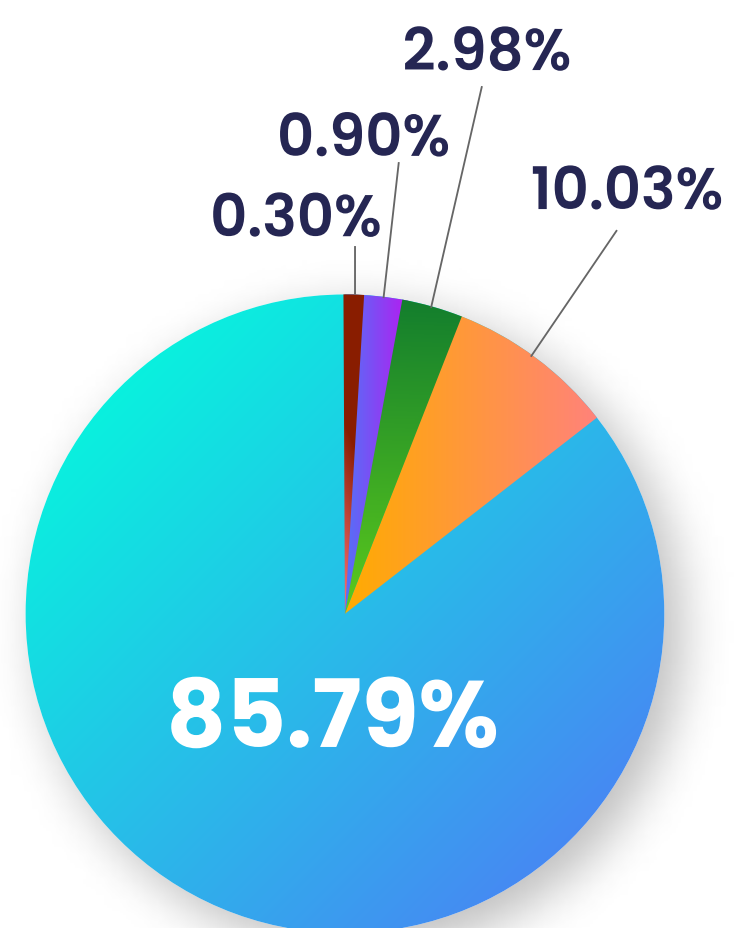
Business Metrics

RECURRING VS
NON-RECURRING INCOME



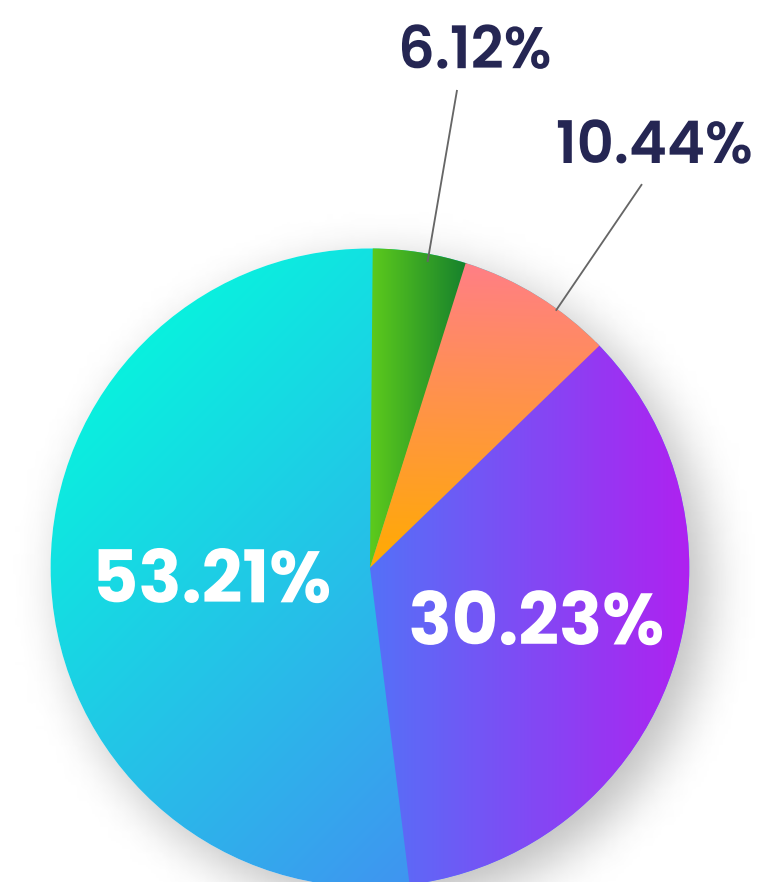
● NON-RECURRING INCOME
● RECURRING INCOME

REVENUE BY
GEOGRAPHICAL AREA



● LATAM ● AFRICA
● EU ● NORTHAMERICA
● APAC

REVENUE BY PRODUCT TYPE,
ONBOARDING AND
AUTHENTICATION



● PRODUCT
● DIGITAL ONBOARDING
● FACIAL RECOGNITION
● OTHER PRODUCTS



BEYOND EXTRAORDINARY
FROM **STARTUP**
TO **SCALEUP**

CONCLUSIONS

OUR BEST YEAR

CONCLUSIONS

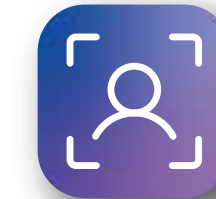
BEYOND EXTRAORDINARY
FROM **STARTUP**
TO **SCALEUP**

Our best year

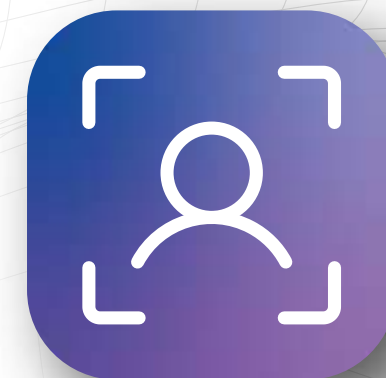
We went from commercializing individual products to **revolutionizing the Digital Identity** sector with the launch of the most **complete solution on the market** for identity verification, which will positively impact the business level from 2022.

With this new and groundbreaking solution, we will make our technology **the most accessible to companies** regardless of their size or the type of industry to which it belongs, reducing the implementation time and allowing us to reach more customers faster thus **increasing the volume of sales**.

FROM MONO PRODUCT



TO **PLATFORM**



CONCLUSIONS

BEYOND EXTRAORDINARY
FROM **STARTUP**
TO **SCALEUP**

Our best year

At FacePhi we started as a small team of engineers developing algorithms that sought to **obtain the best product** capable of securely verifying the identity of users.

Now we continue to advance in this goal thanks to the fact that we have a **multidisciplinary structure**, with highly qualified professionals, focused on the one hand on the development and implementation of cutting-edge technology, and on the other, supported by experts from other areas linked to the business and management of the company.

FROM A **SMALL TEAM**



TO A **MULTIDISCIPLINARY
STRUCTURE WITH
SPECIALIZED WORK
TEAMS**



CONCLUSIONS

BEYOND EXTRAORDINARY
FROM **STARTUP**
TO **SCALEUP**

Our best year

Our desire for growth and development of our technology has led us to demonstrate that **our technology is effective and adds value** to highly regulated sectors, such as finance. In this way, we have achieved that any company and industry in the world can have our products, becoming their **best ally to verify the identity** of the user with the highest level of security.

FROM LEADING THE
FINANCIAL INDUSTRY



TO REACHING
NEW INDUSTRIES



CONCLUSIONS

BEYOND EXTRAORDINARY
FROM **STARTUP**
TO **SCALEUP**

Our best year

This year has been fundamental at the development level for FacePhi and we have shown it by surpassing ourselves at all levels. The investment we have made, both in structure and in international commercial expansion, has made FacePhi make the leap **from startup to scaleup**; a company with a proven business model that advances at great strides to **continue growing unstoppably**.

FROM START UP

TO SCALE UP



PERSPECTIVES 2022-2024

Growth, growth, growth

New industries

New use cases

New regions

New technologies

Inorganic growth

Our 2021 has been a **year full of successes and good news**. For this reason, in the coming years we want to continue growing in three fundamental pillars.

In terms of product, we will continue to bet on innovation through **blockchain, decentralized digital identity, ensure data governance** and the development of **new technologies**, while continuing to invest in **Artificial Intelligence and Machine Learning**.

So far we have focused on the development of our product, and although we will continue to dedicate a great effort and resources, for us it is time **to create a stronger commercial team and alliances with partners** that allow us to better expand our technology.

We begin 2022 continuing as undisputed leaders in digital identity verification solutions for the financial industry and we want to continue working on our **inorganic growth** to accelerate our technological growth by reaching **more industries, regions and use cases** with more opportunities that add value.

BEYOND EXTRAORDINARY

*FROM **STARTUP***

TO

SCALEUP

2021 Results preview

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ϕ FacePhi
Beyond Biometrics