

## BME - GROWTH

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

Alicante, 29th September 2023

### 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).

The Company presents its advanced results for the first half of 2023, compared to the FacePhi Group revised consolidated profit and loss account’s as of 30 June 2022.

The Company presents its advanced results for the first half of 2023, with an increase in turnover of 22.8% compared to 2022, reaching EUR 9,651,108.90 million and a negative EBITDA of EUR 2,710,322.081.

Below is the unaudited profit and loss accounts of the FACEPHI Group as of December 31, 2022, together with the audited consolidated profit and loss account of the previous year.

	FIRST SEMESTER 2023 RESULTS PREVIEW	FIRST SEMESTER 2022 REVIEWED RESULTS	VAR. %
<b>TOTAL REVENUE</b>	<b>11.752 €</b>	<b>9.715 €</b>	<b>21,0%</b>
Net revenue	9.651 €	7.859 €	22,8%
Tasks performed by the company for assets	2.100 €	1.856 €	13,2%
<b>TOTAL EXPENSES</b>	<b>-14.462 €</b>	<b>-9.183 €</b>	<b>57,5%</b>
Procurements	-1.906 €	-1.427 €	33,6%
Personnel expenses	-6.633 €	-4.275 €	55,2%
Other operating expenses	-6.115 €	-3.617 €	69,0%
Other results	192 €	136 €	40,9%
<b>EBITDA</b>	<b>-2.710 €</b>	<b>532 €</b>	<b>-609,5%</b>
Depreciation of Fixed Assets	-1.352 €	-870 €	55,4%
Losses, impairment and variation in provisions	10 €	-60 €	-116,3%
<b>EBIT</b>	<b>-4.053 €</b>	<b>-398 €</b>	<b>918,3%</b>

As mentioned above, the above figures are in process of being reviewed by the Company's auditor. For this reason, the amounts published in the half-yearly financial information may differ from the data presented after completion of their work by the Company's auditor.



Last 29<sup>th</sup> of March, the Company published the decision of the Board of Directors to engage GP Bullhound to carry out a market survey to assess the possible interest of a third party in acquiring a majority stake in the Company.

After the expiry of the period indicated in that communication and given that the work by the aforementioned consultancy firm continues, Facephi informs that the said assignment is maintained, and a new period of three months is established since today.

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,

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Javier Mira Miró

**Chairman of the Board of Directors**

# Results Preview

First semester

2023

 facephi

# Message from CEO

Javier Mira

The first half of 2023 has been **a period of consolidation and expansion**. In addition to the results we have obtained in figures, with a growth in turnover of 22.8%, we have opened **new strategic markets** and taken the first steps towards creating a **new partner channel** that will allow us to accelerate our expansion into more markets and regions.

The fruits of the intense work that we have carried out in the last few months have been harvested at the beginning of 2023 with the signature of the first contract for our team in EMEA. This important milestone has meant the opening of two strategic markets in the **Middle East** through the company Qashio, which will allow our technology to be used by citizens of the **United Arab Emirates and Saudi Arabia** in the coming months. In addition to this important advance, during this half we have taken another step to better understand the US market with the signature of a new contract with the fintech company Orokii.

Another of our main initiatives, scaling our business and reaching more industries and countries in other areas, has also materialized in this period with the launch of our solutions in **leading companies in the Korean financial institution market**, such as People Fund and KIS.

The **dynamic market** in which we operate offers **many opportunities** and in order to seize them we have decided to launch a **powerful international partner channel**

which will allow us to **accelerate our expansion** to more regions and industries, the results of which we will likely be reflected in the coming years. This ambitious project of great strategic importance for the company is being led by **Alejandro Gómez de Cuenca**, an executive with more than 20 years of experience in leading multinationals in the sector.

Without a good engine there are no races we can win, and that is why we have increased our investment in R&D by 13.2%. Our team is constantly working to continue being world leaders in digital identity and developing our solutions. In this way, **we will continue to comply with the highest quality standards** and we have obtained two **important certifications** that open the doors to infinite possibilities. They are the certification for **AWS from Amazon**, which allows us to offer our solutions in its market place around the world, and the **DIATF certification**, obtained in the **United Kingdom** for the employment and housing market of Great Britain. In this way, **we are expanding our options** and reinforcing our business strategy directed towards a **more scalable model**.

**We are continuing to advance and grow** and the figures reflect it, always with the common goal of contributing to the creation of the future digital world and being one of the **players that contribute most to defining it**.



# Experts in user digital identity verification,

specialising in digital onboarding and biometric authentication solutions.

Our technology:

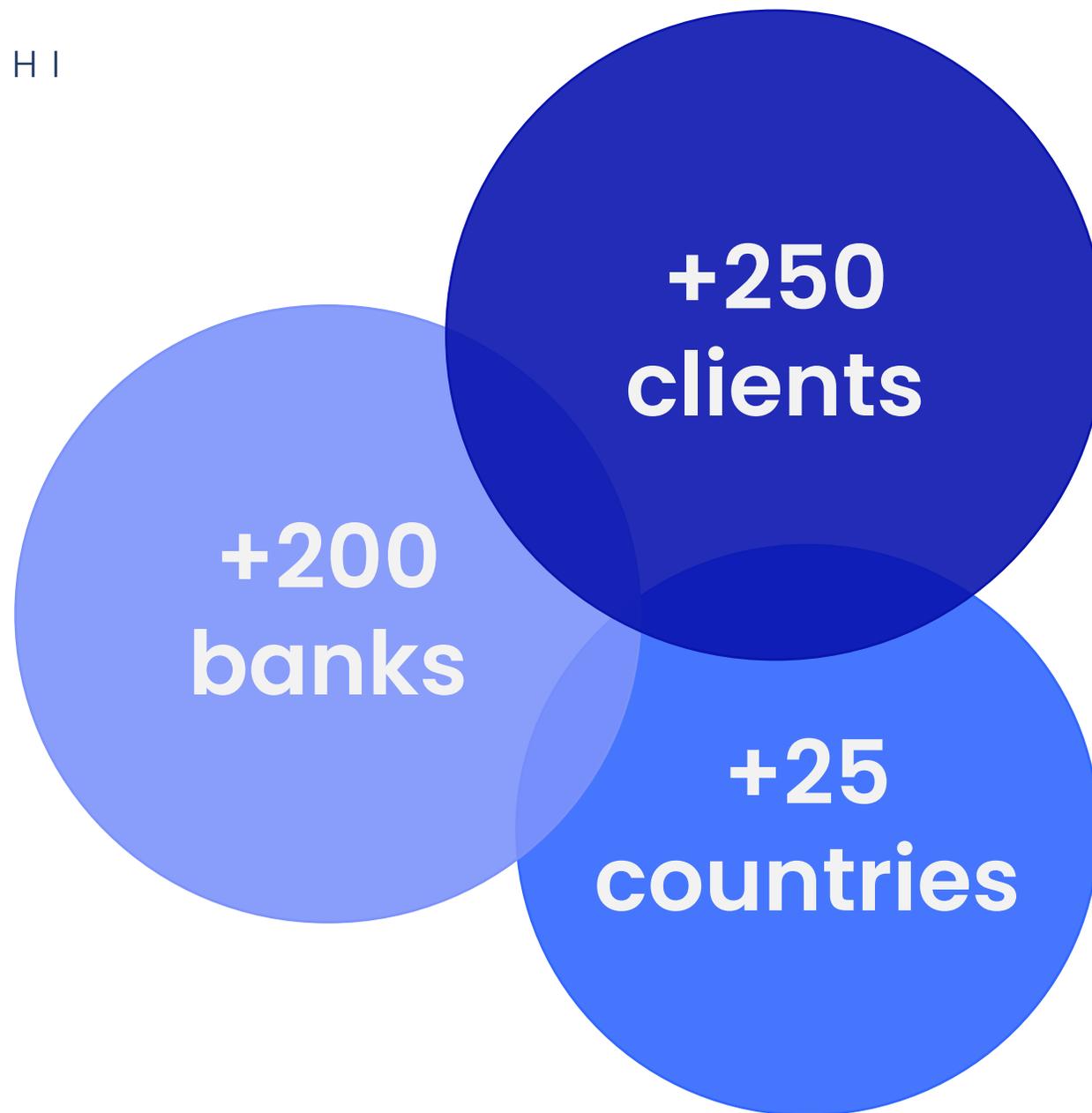


Digital onboarding



Authentication biometrics

ABOUT FACEPHI



# ABOUT FACEPHI

Some of our clients:



# ABOUT FACEPHI

*Dual-listing*

**BME Growth**

 **EURONEXT**



# ABOUT FACEPHI

Industries application:

 Financial services

 Crypto

 Fintech

 Shared mobility

 Aviation

 Telecommunications

 Gaming

 Public administration

 Health

 Sports events

 Legal

 Security

 Brokers

 Insurance

 E-commerce

 E-learning

 Hospitality

# CERTIFICATIONS AND PRIZES

## CERTIFICATIONS



## PRIZES



UK SPAIN Business Awards – Tech Excellence

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# 01 Management report

Our Strategy

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Business

Structure and people

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# 02 Financial report

Financial information

Revenue and EBITDA



# 01 Management report

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# Our Strategy

Facephi's long-term strategy to continue opening **new markets in a scalable way** around the world has been reinforced during the first six months of 2023.



# STRATEGIC OBJECTIVE

Open new markets and industries

Greater scalability

What have we been doing to achieve it?

## PRODUCTIVITY



Investment in technology



ISO 27001 certification

## BUSINESS



Launch of the international partner channel



Strengthen our commercial network

## FINANCING



Financing agreements

## OUR STRATEGY

Various initiatives have been launched in order to achieve our objectives.

### Increased investment in R&D

We develop innovative processes focused on adapting our offering to the needs of new industries and use cases.

### Obtaining international certifications

They allow us to explore new scenarios where we can apply our technology.

### New international partner channel

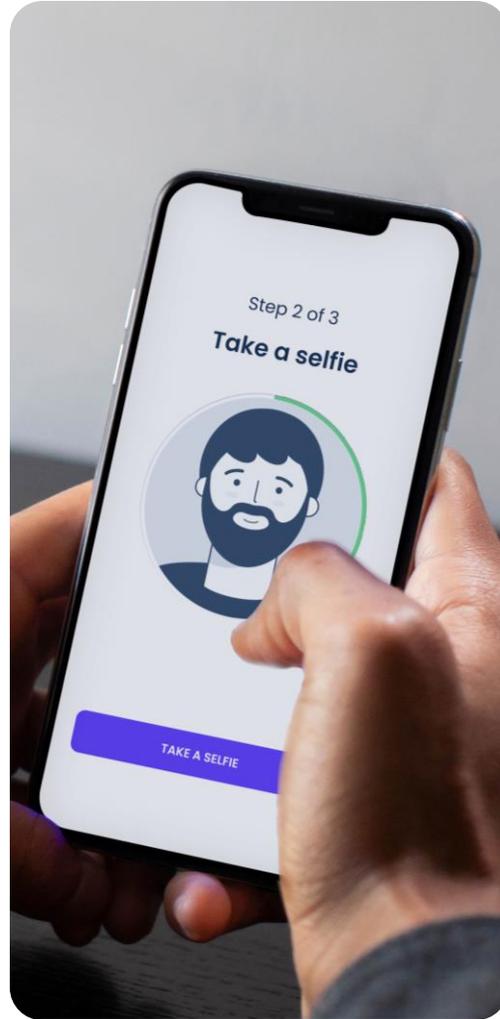
This will accelerate our presence in more countries and help us scale in more productive sectors.

### Strengthen our commercial network

We are recruiting new agents to strengthen the commercial structure and boost our expansion in LATAM and EMEA.

### New funding agreement with Nice & Green for up to €20M

We are obtaining the necessary resources to enhance the planned expansion with the guarantees of success that we have proposed.



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# Technology

The constant innovation that we implement in the development of our technology is also applied in the design of our products, which are structured to be implemented in any sector.

# OUR PRODUCTS

We adapt to the needs of the market and industries that demand our technology.

We work on the design of solutions that offer faster and more immediate implementation, with greater autonomy on the part of the client, giving us a clear competitive advantage.

FacePhi  
Identity Platform

Onboarding

Authentication  
Biometrics



Facial



Voice



Fingerprint



Behaviour



# TECHNOLOGICAL EVOLUTION

## New certifications

We are meeting the requirements to explore new markets.



We opened the year by obtaining **certification from Amazon**, which allows us to offer our solutions in their **AWS Marketplace**, where any company will be able to **contract our digital identification solutions** according to their needs.

In this way, we are expanding our options and reinforcing our business strategy towards a more **scalable** model.



Thanks to the fact that we have been certified as an **IDSP provider within the DIAF – Digital Identity Certification Scheme** – in the United Kingdom, **employers and landlords** can use our technology to verify the digital identity of a British or Irish citizen when signing an employment contract or renting a home in British territory.

A **major step** to enter the **dynamic market** of the United Kingdom, the country where we have established our subsidiary for EMEA.

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# Business

Our **turnover** in this period has been **very positive**, with the launch of new products and the **signing of contracts** that have allowed us to enter **strategic markets**.



## CLIENTS

Some major clients of the period:



### South Korea

Our technology is reaching **more Korean citizens** hand in hand with Fintech **People Fund**, who since the beginning of the year can open an account and operate safely.



### South Korea

The consultancy **KIS –Korea Investment & Security-**, considered the **best financial investment company in Korea**, already uses **our solutions** in its identity verification processes. KIS clients access their accounts quickly and easily to manage their investments with complete security.



### USA

Through the Fintech Orokii we have **opened the doors** to a **very interesting market** with **great potential**: the United States. Thanks to our digital onboarding and authentication solutions, your clients can now make payments and send money securely anywhere in the world.



### United Arab Emirates and Saudi Arabia

Our first contract in the region of **EMEA** with the company Qashio, has allowed us to open the market in **the United Arab Emirates and Saudi Arabia**. Your corporate clients will improve the onboarding and verification of their employees when they issue corporate credit and debit cards and authorise them to use them.

# USE CASES



## FINANCIAL SECTOR

First in the world in access to online banking through facial recognition.

First in the world in application in ATMs for cash withdrawal by facial recognition.

Account opening.

Proof of life in pension collection.

Transaction approval.



## SPORTS EVENTS

Football stadium access.



## HEALTHCARE

Patient identity verification.



## CRYPTO

Secure digital identity onboarding and verification that prevents identity theft and money laundering.



## INSURANCE AGENTS

Contracting of policies.



## AVIATION

Identity verification when accessing aircraft and check-in at airports.



## SMART CITIES

Identity verification with a single registration for access to all city services.



## GAMBLING

Onboarding and authentication solutions for players.

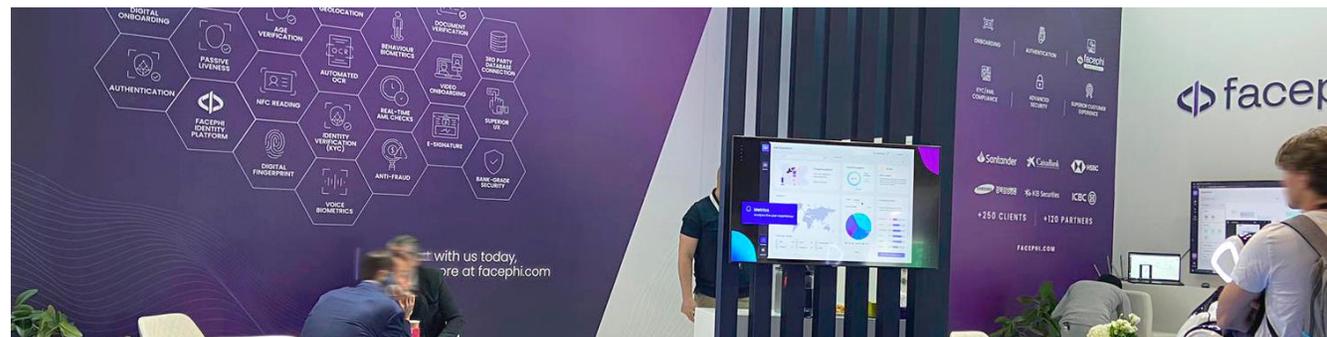
Preventing underage gambling.

AML detection.

## EVENTS

Our presence at the most important events in the world drives us to continue exploring opportunities in different sectors such as **gambling and crypto**.

This raises our profile, which enhances our introduction into these new verticals.



### London

International fair of **betting and games of chance** where we had the opportunity to meet with solution providers and professionals from the iGaming industry.



### Dubai

We were at the leading event in the **Middle East** where the latest developments in the **business, commerce and ecommerce** sectors are presented. We held **meetings** to publicize our digital identity protection solutions to companies in countries in the region.



### Brazil

We were at the **largest technology and innovation event in the financial sector in LATAM**, where **leaders** met from the financial, technological and sustainability sectors. We were there with our established sales team in the area, where we **contacted** key **regional players** in the financial sector and seized **new opportunities**.

## COMMERCIAL TEAM

In order to multiply actions that seize the opportunities of each region, we are continuing to strengthen our **commercial network**.

**We are strengthening** the existing position in LATAM with new commercial agents and continuing to promote our expansion in EMEA, while in APAC we are continuing to do interesting prospecting with the consolidated team in the region.

Facephi's sales team increased by 65% during these first six months of 2023. Highlights include the signing of Enrico Montagnino who is part of the EMEA commercial team as General Manager.



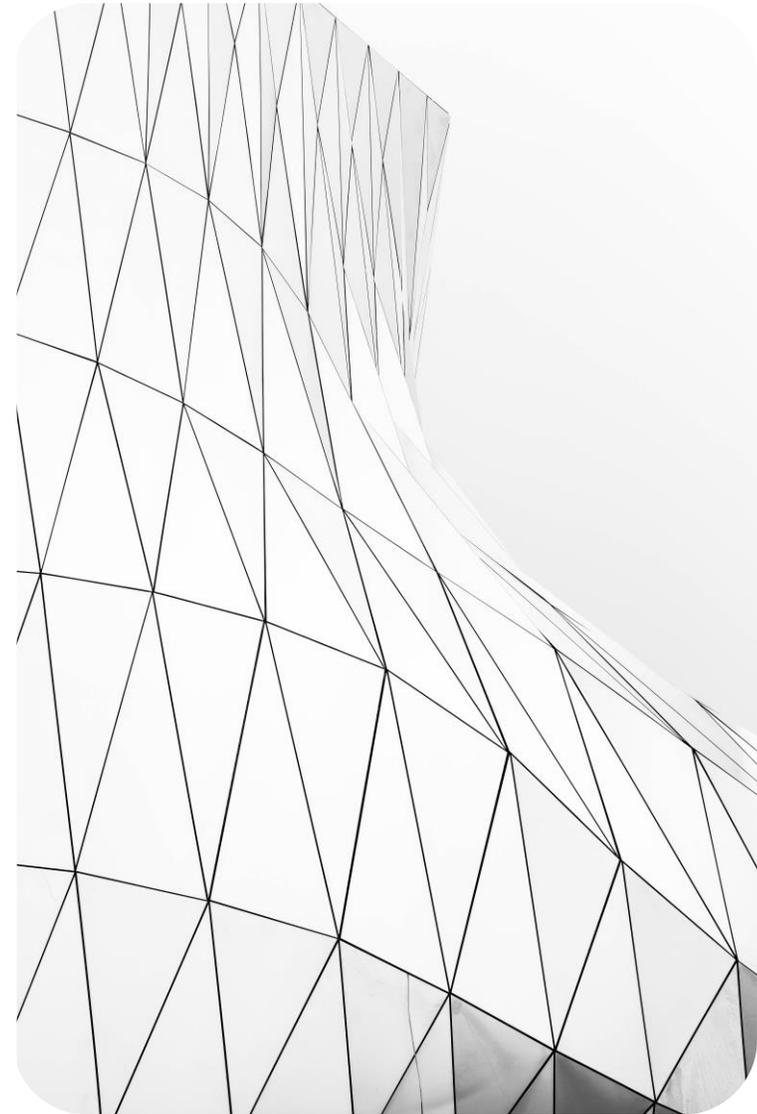
**+65%**  
**commercial**  
**team**

In the first 6 months of 2023.

## PARTNER STRATEGY

During the first half of the year we have opted to **strengthen our sales channel** with the incorporation of the **new Senior Vice President Partners Channel, Alejandro Gómez de Cuenca**. His extensive experience in multinationals in the digital identification and protection sector underpins a strategy focused on developing a **strong partner network** under his leadership across **five continents**.

Our **objective** is to turn this channel into Facephi's **business engine** in order to boost our expansion in various geographical areas and scale up in more productive sectors, which will accelerate our growth in coming years.



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# Structure and people

Facephi is continuing to increase its human assets to meet the needs of its growth.



## STRUCTURE AND PEOPLE

Our personnel continues to grow to meet Facephi's expansion needs. The sales team has been significantly reinforced in the various subsidiaries in LATAM, APAC and EMEA. Meanwhile at HQ we continue to strive to incorporate the best technical talent.

In this way we reinforce the innovation and excellence that marks us out and differentiates us as leaders in the sector, with the best team as the main guarantee.

227

\*at the end of 2022

+250  
employees

\* in the first half of 2023

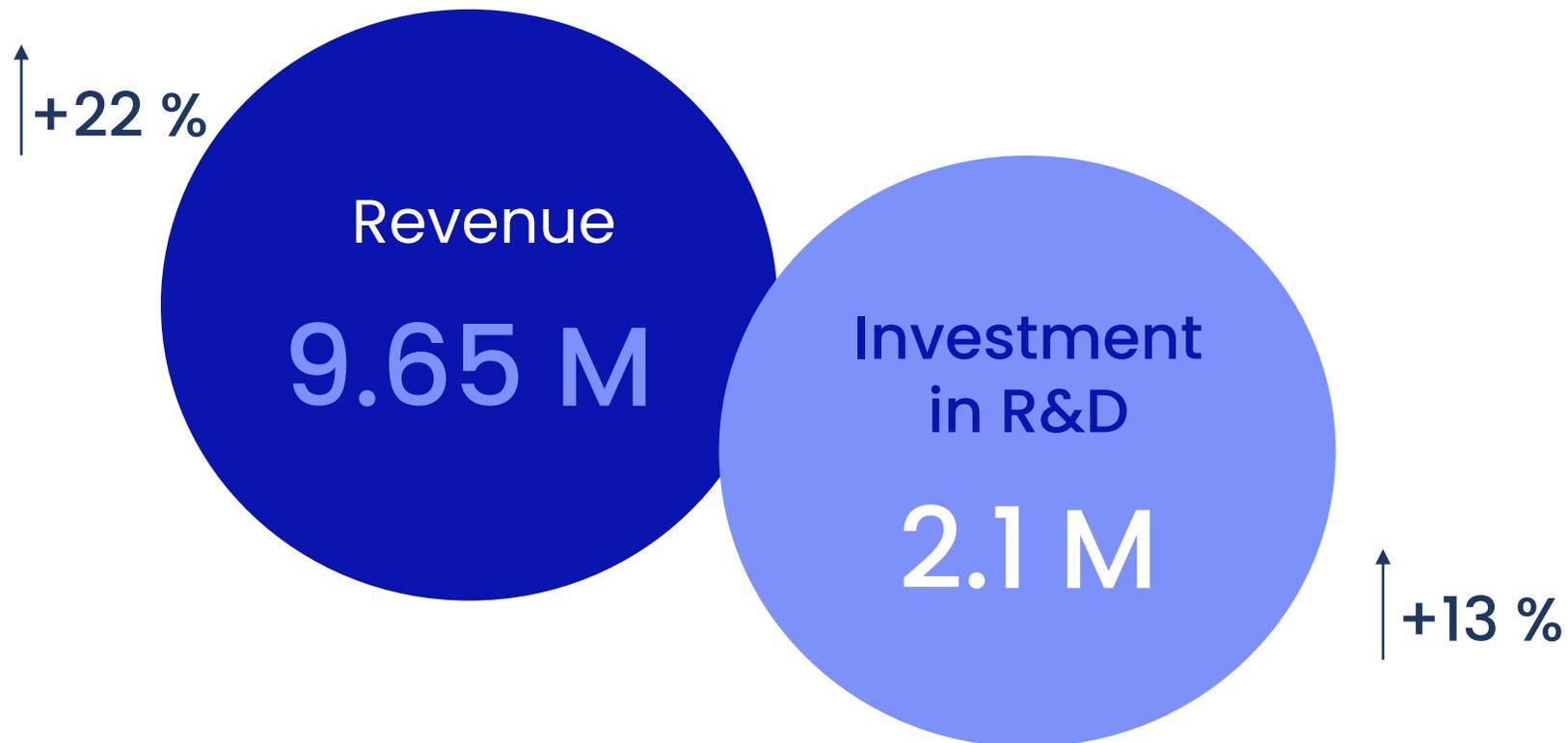
## CSR

The CSR actions that we have been carrying out during these first six months of the year reflect our firm commitment to meeting the UN Sustainable Development Goals.

Caring for the environment with waste collection in natural environments, and collaboration with associations such as ASPANION focus our actions, with the aim of building a more inclusive, democratic and free digital society.

# 02 Financial report

# FINANCIAL INFORMATION



\*Provisional semi-annual figures under review by the auditor

## Revenue and EBITDA

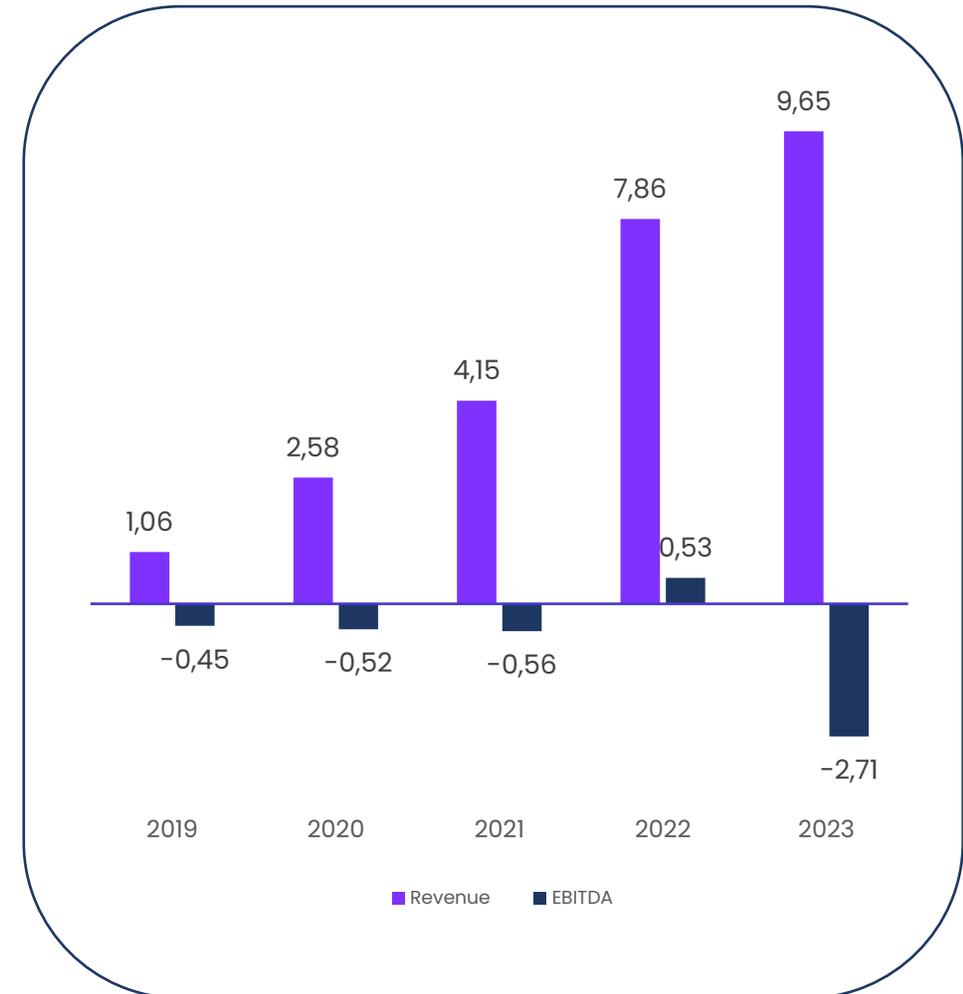
All the actions we have been undertaking in recent months have resulted in **very positive turnover** in the first half of 2023.

Turnover amounted to **€9.65M, 22.8%** more than in the same period of the previous year, confirming Facephi's **strong growth in recent years**.

Likewise, in this half of the year, we have increased our investment in R&D, which amounts to **€2.1M, 13.2%** more than in the first half of 2022, with the aim of being at the forefront of innovation and continuing to be world leaders in digital identity.

This result and the heavy investment in the international structure of the company, as well as in new hires and high profiles, have resulted in a negative EBITDA.

At Facephi we continue to grow and our goal is to continue being a competitive company and market leader. **So, due to the increase in revenues, Facephi is continuing to reinvest all its resources in its growth and expansion** in order to drive the estimated growth this year.



\*Provisional semi-annual figures under review by the auditor



facephi