

BME - GROWTH

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

Alicante, 1th February 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 consolidated annual accounts of Facephi Biometría, S.A. and subsidiaries are being audited. However, no significant changes are expected in the main financial magnitudes once said process is concluded.

During the financial year 2023, the FACEPHI Group has obtained a figure of income of 30,1 million euros from the sale of licenses, which means an increase of 35% with respect to the 22,2 million euros recognized at closing of the financial year 2022.

The Group presents a positive EBITDA in 2023 of 3,9 million euros.

Below is the unaudited profit and loss account of the FACEPHI Group as of December 31, 2023, together with the audited consolidated profit and loss account of the previous year.

Profit and Loss account ('000)			
	2023 AVANCED CONSOLIDATED	2022 AUDITED CONSOLIDATED	Var. %
Total Income	34.244 €	26.102 €	31,2%
Net amount of turnover	30.087 €	22.283 €	35,0%
Works carried out by The company for its assets	4.156 €	3.819 €	8,8%
Total Expenditure	-30.378 €	-21.662 €	40,2%
Provisions	-3.317 €	-3.185 €	4,2%
Employee expenses	-15.399 €	-11.032 €	39,6%
Other Operating expenses	-12.118 €	-7.713 €	57,1%
Otros profit and loss	456 €	268 €	70,3%
EBITDA	3.866 €	4.440 €	-12,9%
Amortisation of fixed assets	-4.718 €	-1.974 €	139,1%
Losses, impairment and variation in provisions	-432 €	-720 €	-40,1%
EBIT	-1.284 €	1.746 €	-173,5%

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

Facephi leads the digital revolution with exceptional performance in 2023

Summary: *Facephi has redefined standards in the digital identity sector in 2023, achieving a record turnover of 30,08 million euros and consolidating its leadership in the global market. This success is due to both expansion into new markets and strength in existing ones, demonstrating its commitment to innovation and sustainable growth.*

Alicante, 9 February 2024 - Facephi, a leader in digital identity verification solutions, has concluded the year 2023, marking a milestone in its history with outstanding financial performance. Recording **record turnover of €30.08 million and EBITDA of €3.87 million**, the company has experienced robust growth, reflecting its operational excellence and strategic vision in the global market.

The increase in turnover is attributed to Facephi's successful entry into new markets and the strengthening of its presence in existing ones, supported by outstanding customer retention. This sustained growth underscores the company's ability to adapt and lead in the dynamic world of digital technology.

In 2023, Facephi has focused many resources on strengthening its global reach, with a particular focus on LATAM and EMEA. The creation of new subsidiaries and the consolidation of offices in these regions have been decisive steps towards deeper global expansion. These actions have established a solid business foundation that supports Facephi's long-term growth strategy.

The expansion of the portfolio with new products and functionalities, such as behavioural biometrics and the identity wallet, are testimony to Facephi's commitment to innovation. These launches, along with the company's strategic investments, will continue to transform the digital landscape, offering cutting-edge solutions to users and businesses alike.

2023 has been a year of consolidation for Facephi, achieving once again a **positive EBITDA at the end of the year of 3.87 million euros**. This achievement demonstrates Facephi's strength in generating robust revenue and its ability to balance growth with profitability. The company is proud of its upward trajectory, marked by sustained growth and an expanding global presence, reaffirming its position as a **reference in digital identification technology**.

The market response has been extraordinarily positive, with an increase in the adoption of its technologies in various sectors, from banking to airport security. This success is not only reflected in its financial performance but also in industry recognition, consolidating Facephi as the undisputed leader in its field.

Looking ahead, Facephi is focused on maintaining its leadership in digital transformation, navigating new challenges and opportunities with a clear strategy and solid foundation. The company remains committed to innovation, safety, and sustainable growth, ready to advance its mission to redefine safety and convenience for users around the world.

Results **Preview**

2023

 facephi

CEO's note

Javier Mira

During 2023 we consolidated our profit and loss account and experienced growth that reflects our commitment to innovation and adaptation to the market.

Despite geopolitical challenges that have marked the business landscape in Europe and Latin America, we have maintained stability and growth, achieving a record business figure of €30,08 million. If we have to shape that growth, we know it has been thanks to our technological leadership, the talent of the team and adaptability to change.

It has been a year of great advances, including new products such as behavioural biometrics and the identity wallet.

Additionally, we are proud to announce the alliance with Gartner, leaders in market analysis and our inclusion in the leading technology reports in the identity verification sector that underscore the recognition and trust we have earned in this industry.

In terms of our strategic growth, the remarkable work of **our partner channel** allows us to scale the reach of our solutions and strengthen our commercial relationships and distribution networks at a global level.

At this stage, we have carried out a significant change in the leadership and management layer with the appointment of Jorge Sanz as General Director. This strategic milestone marks a new direction for the company and is aligned with the organisational evolution needs that we will face in 2024.

It is important to highlight that we have gained new clients, highlighting **Qasio and mBank from the United Arab Emirates** which represent the consolidation of Facephi in the Middle East market, strengthening our presence in a key region for expansion into new markets of the company.

In summary, 2023 has been a period of significant achievements and continued growth for Facephi. Our commitment to innovation, quality and excellence drives us to continue advancing in a dynamic and challenging business environment.

Together, we are undoubtedly building a better digital future and leaving a lasting legacy in the technology industry.

We continue forward with determination and passion, innovating and growing as a company.





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Company evolution

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Management report

Our Strategy
Technology
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Structure and people

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Financial report

Financial data
Turnover and EBITDA



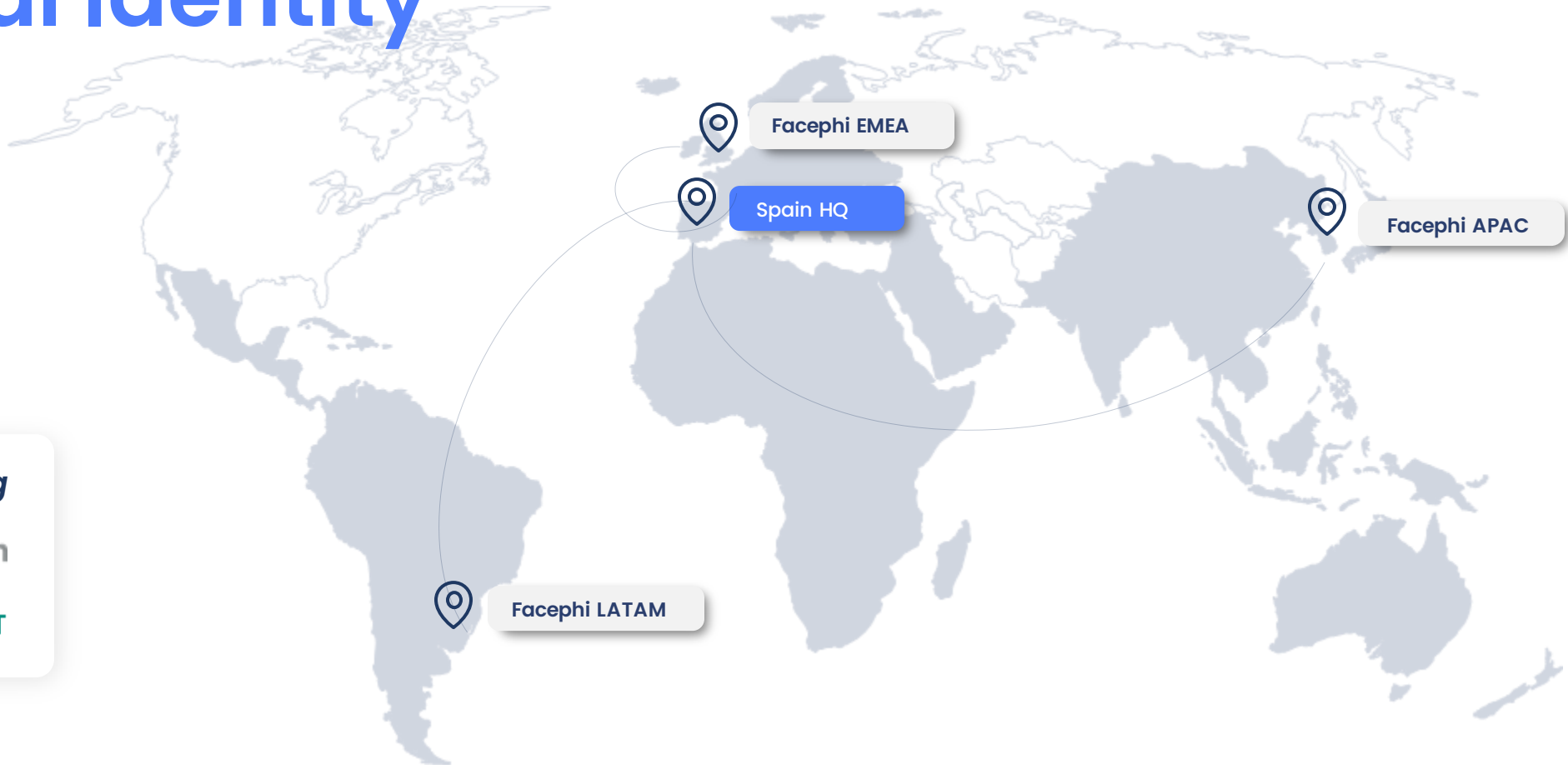
01 Company evolution

More than a decade of great milestones





World leaders in Digital Identity



Dual-listing

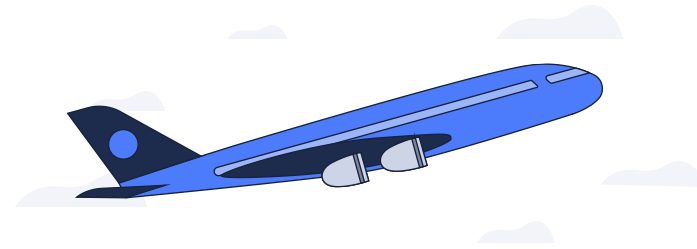
BME Growth



EURONEXT

Our technology

Digital identity, global trend in all agendas



Financial entities

- New banking models such as Open Banking or Open Fintech depend on the generation of ecosystems based on trust.
- New regulations will impact the sector and less regulated environments such as crypto.
- Fraud control and risk minimisation

Transportation and borders

- There are many initiatives to standardise the use of digital identities at airports, among them we highlight IATA's One ID.
- Facephi is already part of projects that improve the traveller experience in a secure way, based on identity verification technology

Public bodies

- ID Wallet in EU expected to be available before 2030
- United Nations and the world bank promoting a Digital identity with the ID4D project
- NIST promotes a Digital ID standardisation project

e-services

- *Digital first* customers who operate exclusively online need secure environments, subject to regulatory frameworks such as GDPR.
- KYC and the construction of qualified identities will become the cornerstone of the entire ecosystem on which CX is based.



Our technology

Towards the **comprehensive management** of digital identity

ONBOARDING



Passive liveness



Blacklist validation



Governmental Databases



Video onboarding



OCR Scanning



Document validation



Video recording



NFC Verification

AUTHENTICATION



Finger print



Facial



Behaviour



Voice



- ✓ Interoperable
- ✓ Hybrid
- ✓ User-centred



Operations



Anti-fraud



Design Studio



UX | UI



Security



AI



Behaviour

IDENTITY PLATFORM

Key data

Organisational changes

A crucial transformation in our team has seen the appointment of **Jorge Sanz as General Director**.

This strategic change represents a significant milestone for Facephi, setting a course that aligns with the demands of organisational evolution that we will face in 2024.



Key data

Change of enclave

The change to our **new offices** located in front of the sea in Alicante.

This transition is a step towards the future and reflects our commitment to excellence and sustainable growth.

The new facilities provide an inspiring environment for our team and **symbolise our vision of innovation and progress.**



Key data



+300 customers all over the world already trusting us



We are **the company with the most financial institutions** in the world

Key data



Some of our customers:



Certificates and awards



Our technology has been successfully evaluated again by NIST in 2023



Facephi named reference provider in the 2023 Identity Verification Market Guide

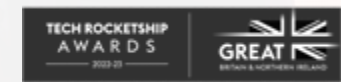


Organisations and programmes



Prizes

Business Innovation Award
From the Chamber of Commerce





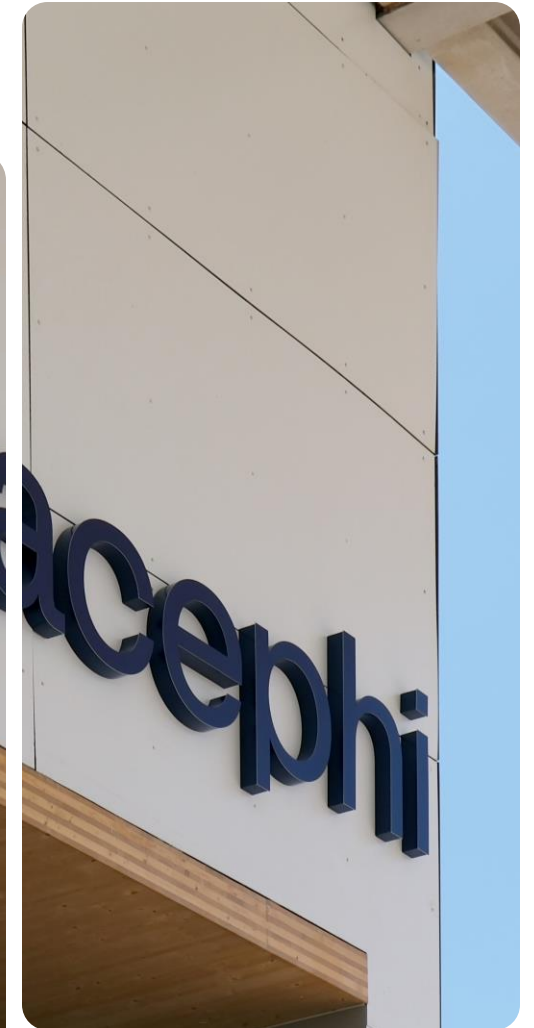
02 Management Report

Our Strategy

Consolidation and expansion

During 2023, Facephi maintained a firm strategy **focused on innovation and adaptation to change that has allowed us to grow turnover by 35%.**

The investment in disruptive technologies, the development of the partners channel and the strategic collaboration with Gartner have reinforced our position as leaders.





How do we achieve it?

Product



Investing in technology.



Development of new products and services

Alliances



Strategic alliances to generate and explore new channels

Structure



Organisational changes in search of efficiency



In order to achieve our objectives, different actions have been launched such as:

Consolidation of Partners Community

By promoting the scalability of our model, it is consolidated as a business channel to increase our presence in more countries

New alliances: Gartner

Gaining access to market analysis, recognition in technology reports and validating the company's position as a leader in identity verification

Investment in R+D

We obtain the necessary resources to enhance the planned expansion and meet our objectives with guarantees.

Growth of the portfolio of products and services

Identifying market demands and continuously developing innovative solutions that satisfy customer needs



Technology

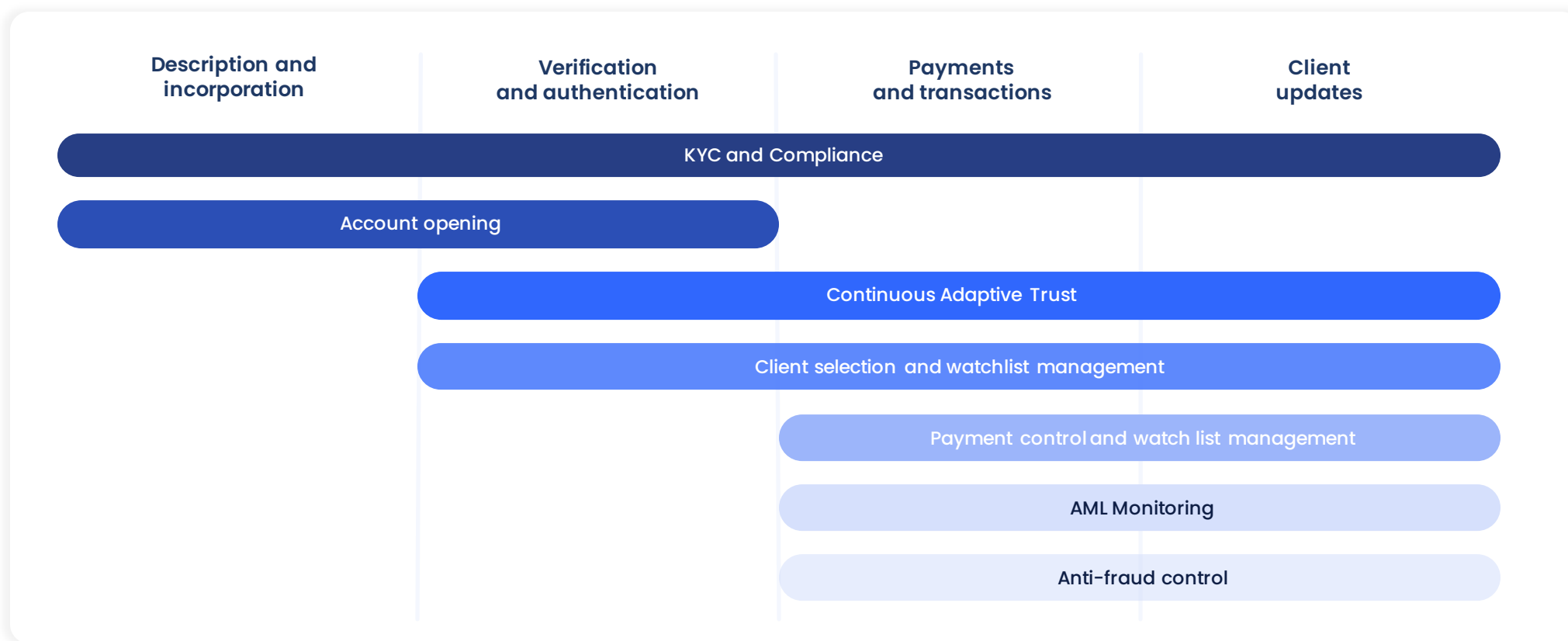
Innovating towards the future

Throughout 2023 **we have expanded our technological portfolio** with significant advances, including new functionalities such as behavioural biometrics, the identity wallet and UX consulting.

These achievements position us as pioneers in digital security and **we consolidate our global presence with recognition from NIST** and other international organisations.



We protect every step of the **customer journey**





Behavioural Biometrics

**We secure the entire
client session using
behavioural biometrics**

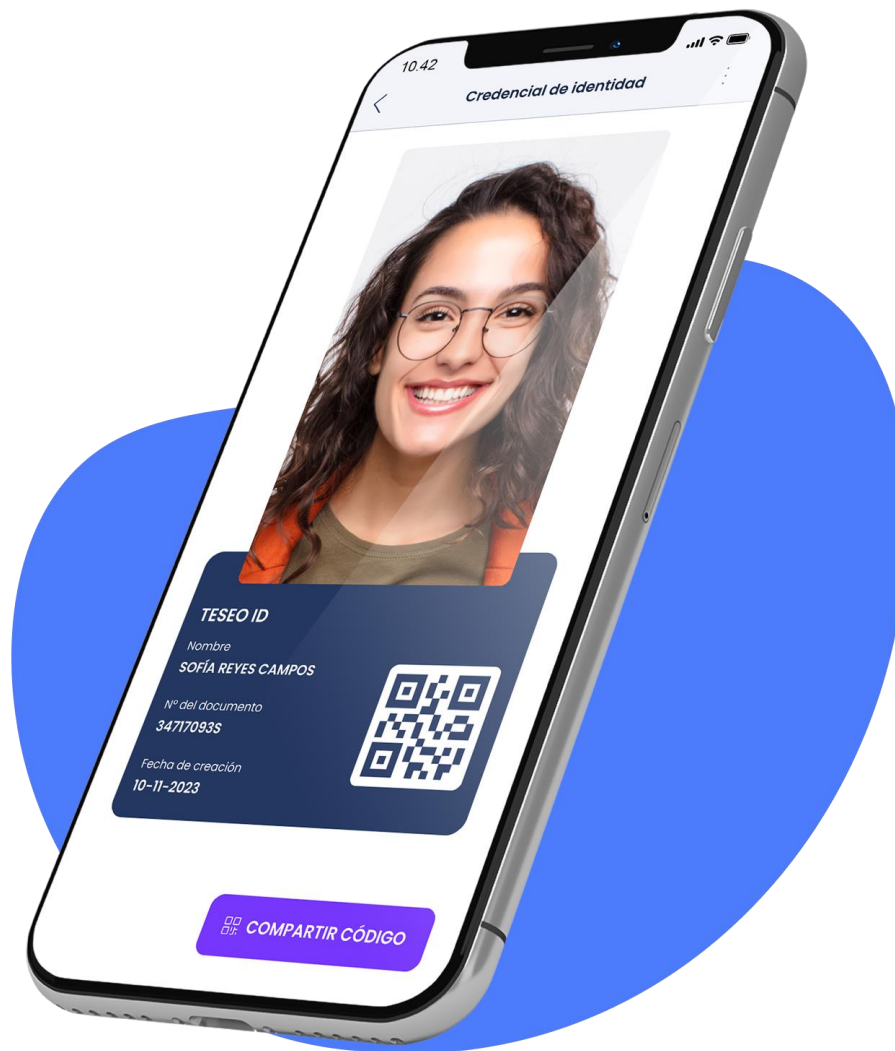




The future of Digital Identity

At Facephi we have consolidated a new product in 2023 that undoubtedly represents a firm step towards the future.

Teseo, the digital Identity Wallet, based on new technological paradigms.



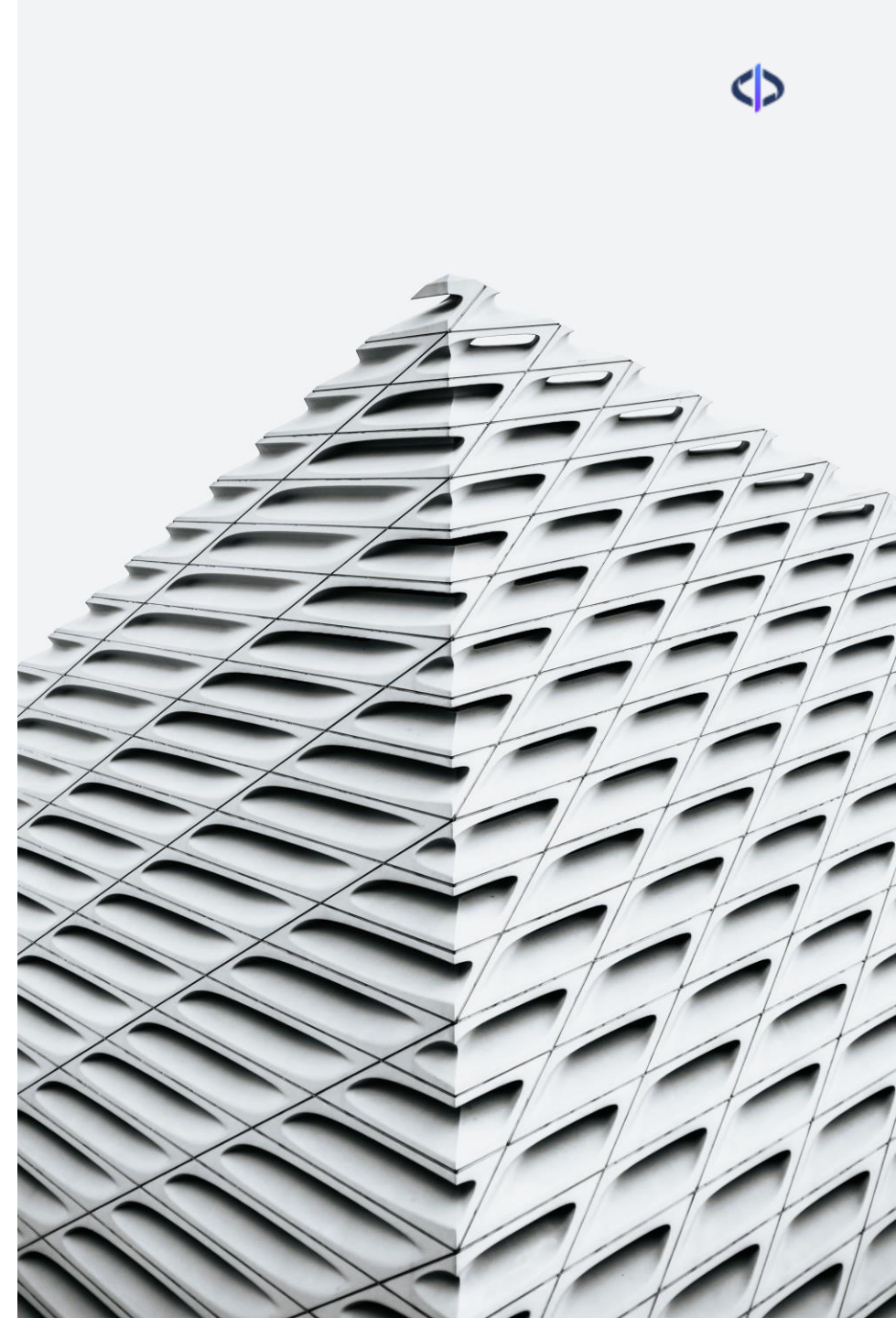


Business

Constant growth

During this period, we have experienced steady growth, increasing turnover by 35% compared to 2022 to over €30.08M, and recorded a positive ebitda of €3.87M.

We have established new strategic alliances and expanded our customer base with the addition of major accounts in all geographies, most notably the **consolidation of our presence in the Middle East.**





Some relevant customers of the period:



USA

The fintech Orokii has chosen **digital onboarding and authentication solutions** to offer its customers a secure and frictionless user experience in their money transfer and online payment operations.



United Arab Emirates

Our **identity verification and onboarding solutions** have optimised the processes of issuing corporate cards and authorising them for use by Qashio's corporate clients.



South Korea

The prominent financial investment company in Korea has opted for our **identity verification solution**, providing its clients with an easy and secure experience in accessing and managing their accounts.



United Arab Emirates

Al Maryah Community Bank is this country's first digital and community bank. Now you can offer your customers secure, frictionless digital banking with our **onboarding and** facial authentication solutions.



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

Money 2020 | Las Vegas



Money20/20 is the largest and most influential gathering of the global financial ecosystem, including banking, technology, financial services and more.

Our team took advantage of the space to make connections with potential clients and present our solutions.



Sigma Europe in Malta, is an event that is at the forefront of the evolution of iGaming.



Seamless Africa is one of the most relevant events in the financial sector in this region.

Structure and people

Corporate culture

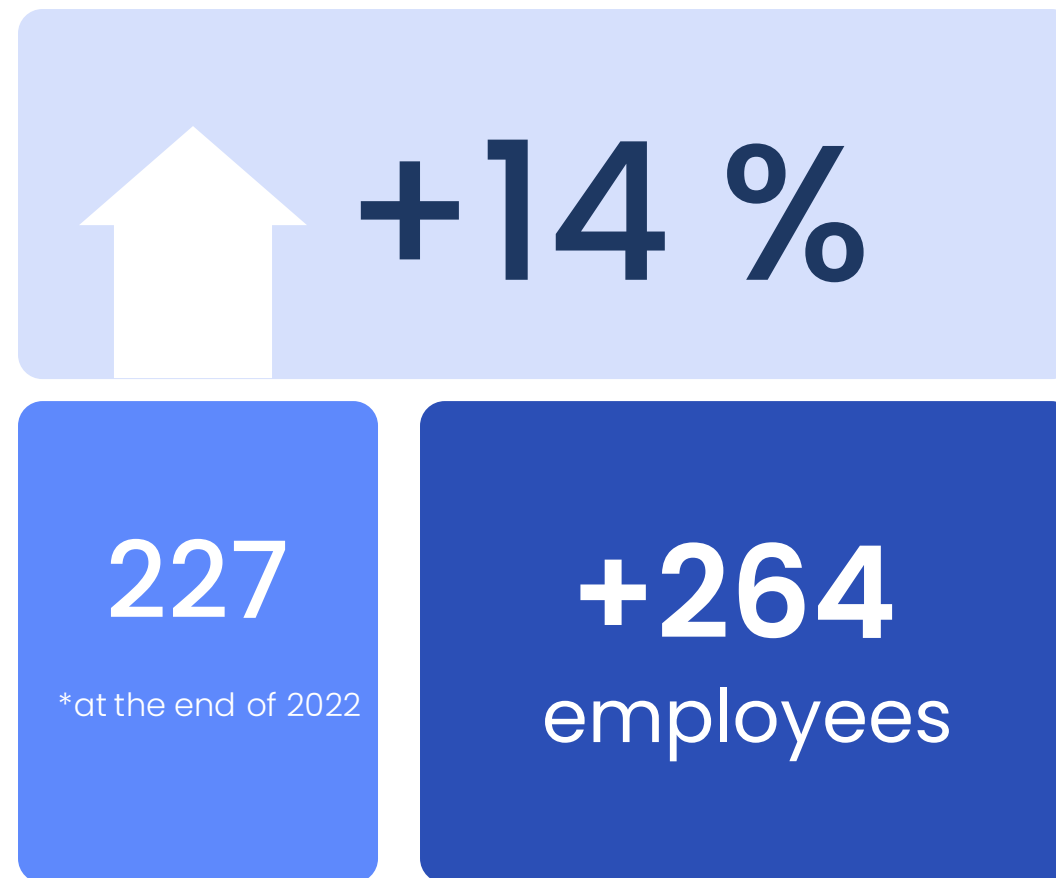
We have continued to invest in the development and professional growth of our team, attracting diverse and highly qualified talent to drive our business vision and strategy.



Structure and people

In line with our commitment to growth and expansion, we are pleased to report that last year we experienced a **14% increase in our workforce, reaching a total of 264** employees at the end of the year.

This increase reflects our continued drive and dedication to the development of our team in all areas of the company. Especially notable is the growth in **our technical team, which constitutes almost 70% of our workforce** and stands as the fundamental core of our company.



Structure and people

This 2023 we have strengthened our commitment to corporate social responsibility (CSR), highlighting close collaborations with associations such as **ASPANION** and the **University of Alicante**.

Our focus on concrete actions, aligned with the UN Sustainable Development Goals, has been evident in our activities.

We have demonstrated our commitment to building a more inclusive, democratic and free society. These collaborations are our commitment to core values that guide our actions in creating a positive impact on the world around us.

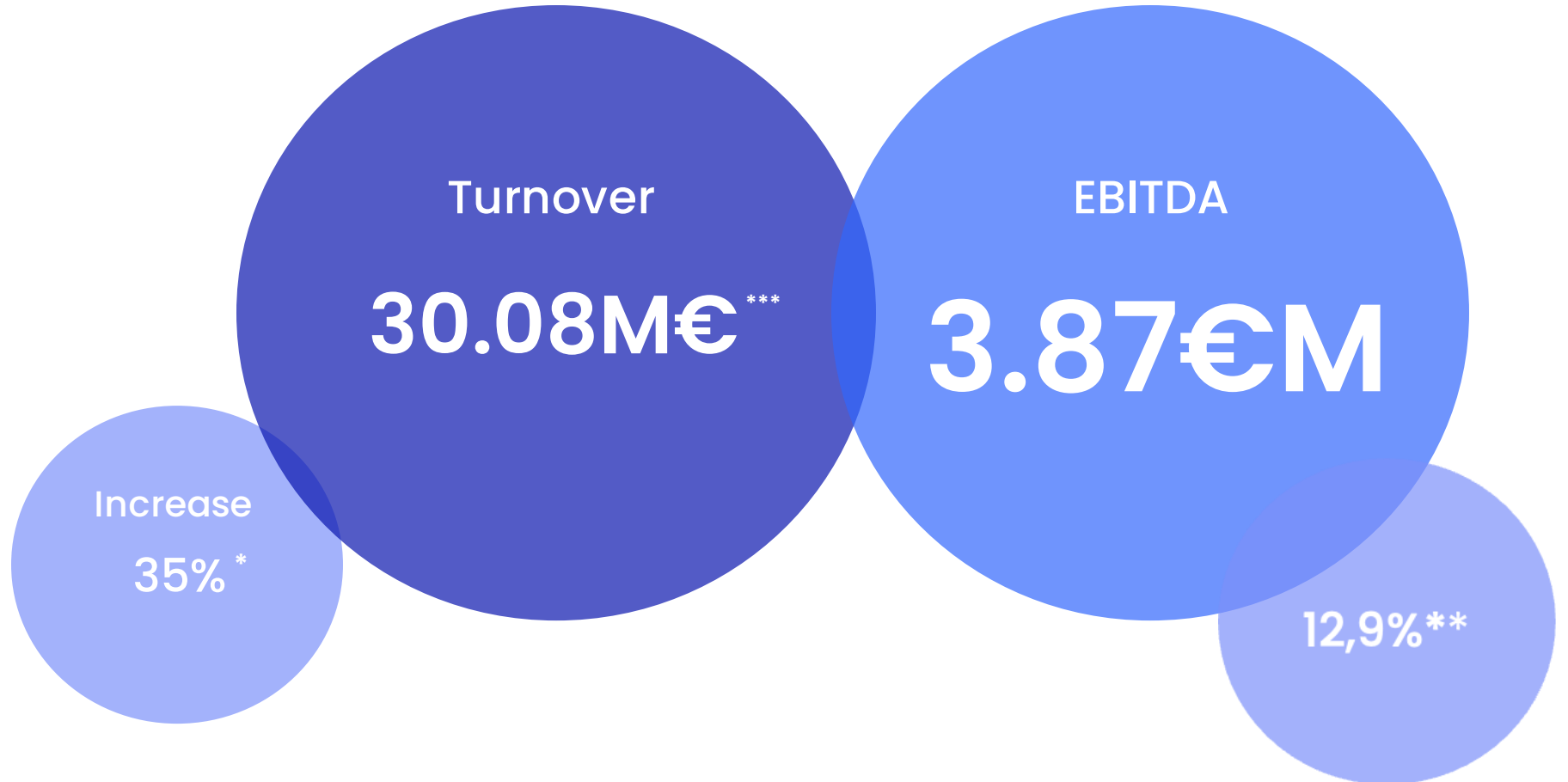




03 Financial Report



Turnover and EBITDA



*Vs 2021
** EBITDA versus Turnover
*** *Provisional figures under audit

Financial information

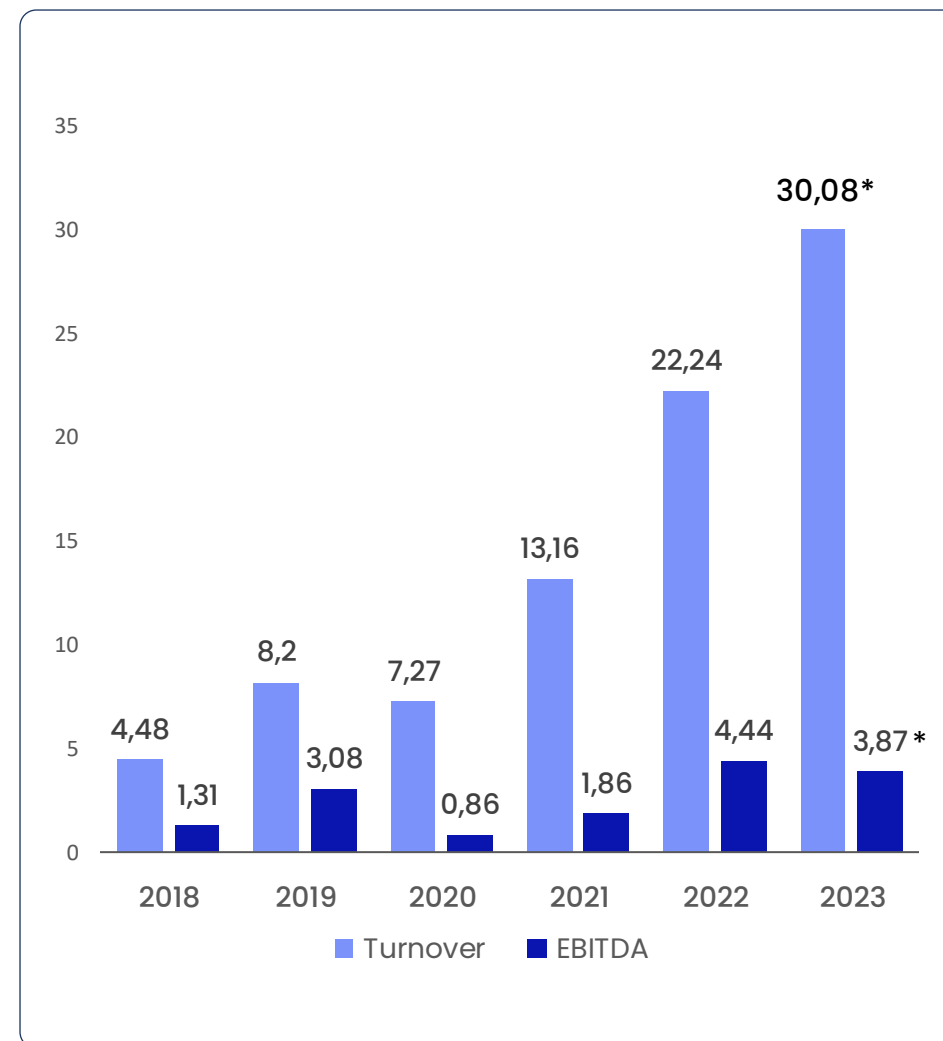
Turnover and EBITDA

At the end of the 2023 financial year, we have achieved a record turnover of **30.08 million euros**, which reflects a constant upward trend in recent years. This impressive increase is attributed to our successful expansion into new markets and renewals and expansions in existing markets, supported by high customer retention, a hallmark of our company.

During this year, we have made strategic investments to strengthen and expand our global presence, consolidating and developing new subsidiaries in LATAM and EMEA.

Additionally, we have expanded our technical and commercial structure to meet the demands of our projected growth. Proof of this is the increase in our investment in R&D&I by more than 8%, which drives us to improve our product and manage to improve the gross margin and reduce our dependence on third parties.

In order to cover the growth of our income, we have invested in the commercial team, increasing expenses by 40% due to these initiatives. With this, the company has once again achieved **positive EBITDA at the end of the year of 3.87 million euros**. This milestone is a testament to our continued commitment to excellence and sustainable growth.



*Provisional figures under audit

Financial information

Profit and Loss account ('000)

In 2023, Facephi achieved a historic milestone by achieving a record turnover of **30.08 million euros**, reflecting a constant upward trend in recent years. This achievement is due to our successful expansion into new markets and renovations in existing markets.

During this period, we have made strategic investments to strengthen our global presence, consolidating a structure that will drive growth in the next stage.

Profit and Loss account ('000)			
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