

# REDUCED EXPANSION DOCUMENT FOR BME MTF EQUITY'S BME GROWTH TRADING SEGMENT



## FACEPHI BIOMETRÍA, S.A.

April 2025

This Reduced Expansion Document has been drafted in accordance with the model established in Annex 2 of Circular 2/2020, of 30 July, on the requirements and procedure applicable to capital increases of entities whose shares are listed on the BME Growth segment of BME MTF Equity (hereinafter the "**Market**" or "**BME Growth**") and has been prepared on the occasion of the listing on the Market of the newly issued securities subject to the capital increase.

Investors in companies traded in the BME Growth segment should be aware that they are taking on a greater risk than investing in companies listed on the Stock Exchange. Investment in companies traded in the BME Growth segment must be advised by an independent professional.

Shareholders and investors are advised to read this Reduced Expansion Document in its entirety and carefully prior to any investment decision regarding the newly issued shares.

Neither the Governing Company of BME MTF Equity nor the Spanish National Securities Market Commission have approved or carried out any type of verification or verification in relation to the content of this Reduced Expansion Document (the "**Expansion Document**" or "**DAR**"). The responsibility for the information published corresponds, at least, to the Issuing Entity and its administrators. The Market limits itself to checking that the information is complete, consistent and understandable.

Deloitte Auditores, S.L., domiciled for these purposes at Plaza Pablo Ruiz Picasso, 1, 28020, Madrid and holder of C.I.F. number B-79104469, duly registered in the Mercantile Registry of Madrid, Volume 13,650, Section 8, Folio 188, Page M-54414, as Registered Advisor in the BME Growth segment of the BME MTF Equity market, acting in that capacity with respect to Facephi Biometrics, S.A., the entity that has requested the listing of the newly issued shares subject to the capital increase in the BME Growth segment, and for the purposes set out in Circular 4/2020, of 30 July, on the Registered Advisor in the BME Growth trading segment of BME MTF Equity ("**BME Growth Circular 4/2020**"),

#### **DECLARES**

**First.** That it has assisted and collaborated with Facephi Biométría, S.A. ("Facephi", the "**Company**", the "**Issuer**" or the "**Group**") in the preparation of this Reduced Expansion Document required by Circular 2/2020, of 30 July, on the requirements and procedure applicable to capital increases of entities whose shares are listed on the BME Growth trading segment of BME MTF Equity ("**BME Growth Circular 2/2020**").

**Second.** That it has reviewed the information that the issuing entity has gathered and published.

**Third.** That this Extension Document complies with the regulations and the requirements of content, precision and quality that are applicable to it, does not omit relevant data or mislead investors.

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## **1. INCORPORATION OF SECURITIES BY REFERENCE OF THE INCORPORATION INFORMATION DOCUMENT**

### **1.1. Mention of the existence of the Incorporation Information Document and that it is available on the websites of the issuing entity and the market**

On the occasion of the listing of its shares on BME Growth, which took place on 1 July 2014, Facephi Biometría, S.A. prepared the corresponding Market Listing Information Document (hereinafter "**DIIM**" or "**Information Document**"), in accordance with the model established in Annex I of Circular 2/2014, of 24 January, on the requirements and procedure applicable to the listing and delisting on the Alternative Stock Market of shares issued by Expansion Companies (replaced by the current Circular 1/2020, of 30 July, on the requirements and procedure applicable to the listing and delisting in the BME Growth trading segment of BME MTF Equity, as amended by Circular 2/2022, of 22 July (hereinafter, the "**BME Growth Circular 1/2020**")).

In addition, Facephi prepared Reduced Expansion Documents in March 2015 ("**DAR March 2015**"), in February 2016 ("**DAR February 2016**") and in July 2016 ("**DAR July 2016**") for trading on BME Growth, required by Circular 1/2011, in the case of the DAR March 2015 and DAR February 2016 and by Circular 9/2016 in the case of the DAR July 2016.

The aforementioned Documents can be consulted on the website of the <http://www.facephi.com> Company, as well as on the website of BME Growth [BME Growth | FACEPHI file](#) where you can also find the financial information, privileged information and other relevant information published relating to the Company and its business.

### **1.2 Person or persons, who must have the status of administrator, responsible for the information contained in the Document. A declaration on their part that the same, to their knowledge, is in accordance with reality and that they do not appreciate any relevant omission**

Mr. Javier Mira Miró, Chairman of the Board of Directors of the Company, on behalf of the Company, in exercise of the delegation expressly granted by the Board of Directors on 11 March 2025, assumes responsibility for the content of this Extension Document, the format of which is in accordance with Annex 2 of BME Growth Circular 2/2020.

The Chairman of the Board of Directors of the Company, Mr. Javier Mira Miró, as responsible for this Reduced Expansion Document, declares that, after behaving with reasonable diligence to ensure that this is the case, the information contained therein is, to his knowledge, in accordance with reality and that it does not incur in any relevant omission that could affect its content.

### **1.3 Full identification of the issuing entity**

FACEPHI BIOMETRIA, S.A. is a public limited company incorporated for an indefinite duration and domiciled at Avenida Perfecto Palacio de la Fuente, 6 – Edificio Panoramis, 03003 Alicante (Spain) and, with NIF A-54659313, and legal entity identifier (LEI) number 959800H5NST7QNR25786. The Company was incorporated on September 26, 2012 under the corporate name of FacePhi Biometría, S.L., being registered in the Mercantile Registry of Alicante, Volume 3,634, Folio 59, Page A-131,726. The commercial name of the Company is "FACEPHI".

The issuer's website is as follows: <https://facephi.com>

The Company's corporate purpose is set out in Article 2 of its Articles of Association ("**Articles of Association**"), the literal wording of which as of the date of this Information Document is as follows:

*"Article 2. CORPORATE PURPOSE*

*"The corporate purpose is:*

- *The research, development and marketing of all types of computer equipment, hardware, software, and appliances.*
- *Online sales through the internet and/or similar distribution channels, import, export, representation, marketing, distribution, intermediation, wholesale and retail sale, preparation, handling, manufacture and related provision of services of Hardware, Software in physical support and through the marketing of user licenses, electronic products and components, household appliances and telecommunications.*
- *Carrying out Internet activities, as well as providing information and training services.*
- *The promotion, construction, acquisition, transfer, intermediation, leasing (except financial leasing), subleasing, installation or operation directly or indirectly, advisory services, urban land management, consulting, administration, custody and management of all kinds of real estate, plots, plots of any type of urban classification, buildings, bungalows, apartments, chalets, urbanizations, sports fields, dwelling houses, industrial or business premises and facilities, hospitality establishments, all of them with or without furniture, on their own behalf and on behalf of third parties, and publicly or privately owned."*

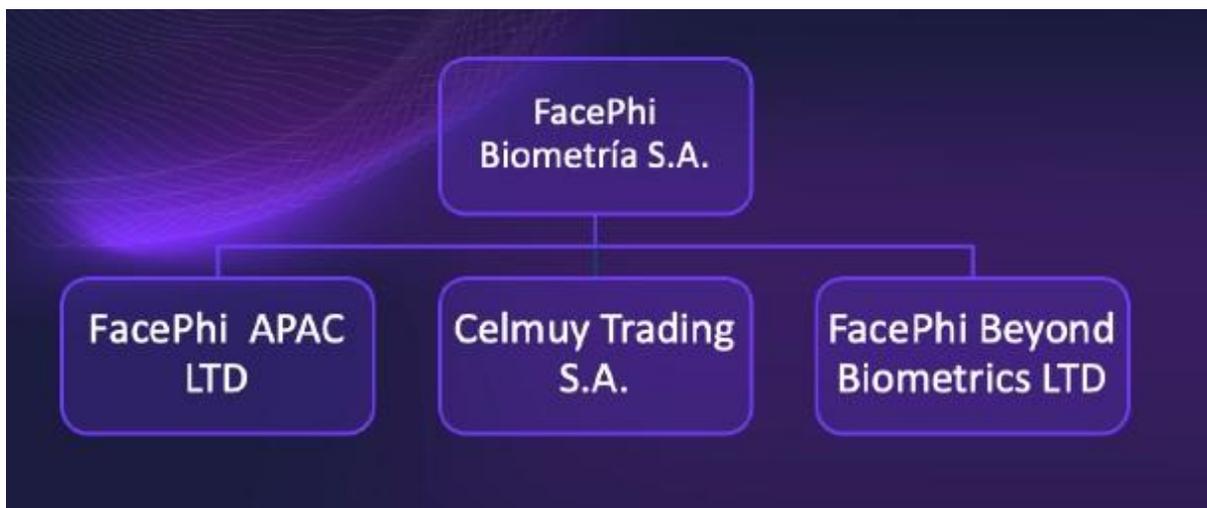
Facephi is a Spanish technology company specialized in the protection and verification of digital identity. Founded in 2012 and headquartered in Alicante, the company has established itself as a leader in digital onboarding solutions, biometric authentication and other services related to identity management. Its technology is applied in various verticals, with a primary focus on financial institutions, and growing expansion in healthcare, insurance, public administration, and transportation.

The Company has a significant international presence, with subsidiaries in South Korea, Uruguay and the United Kingdom. It serves more than 300 customers in more than 25 countries, and has managed identity verification processes for more than 300 million users worldwide.

Facephi has top-notch quality and security certifications, such as Beta Level 1 and Level 2 – ISO 30107-3, British Assessment Bureau Digital Identity Certification Scheme, Pinakes Cybersecurity Rating AAA, KISA (Korea Internet & Security Agency), FIDO Alliance, ENS – RD 311/2022 and ISO. These certifications support the high quality of its services, as evidenced by the results of evaluations conducted in 2025, including the U.S. Department of Homeland Security (DHS) RIVTD Track 3 and its prominent position in the NIST ranking, where it has surpassed leading biometric technology providers. Its technology guarantees a safety threshold of 1 in one million (99.9999%) and exceptional performance in challenging conditions, consolidating it as a benchmark in the sector.

The company has been recognized for its innovation and excellence in the technology sector, receiving awards such as the RegTech100 and the 2020 National SME of the Year Award.

The organizational chart of the Society is detailed below:



## 2. UPDATING THE INFORMATION IN THE ONBOARDING INFORMATION DOCUMENT

### 2.1 Purpose of the capital increase. Destination of the funds to be obtained as a result of the incorporation of the newly issued shares, broken down into each of the main uses planned in order of priority for each use. If the issuer becomes aware that the funds provided will not be sufficient for all the proposed uses, the amount and sources of the other funds required shall be declared

The purpose of the capital increase that is the subject of this DAR is to execute the resolutions of the Extraordinary General Meeting of Shareholders held on second call on December 23, 2024, where the capital increase by offsetting credits set out below was approved, among others.

The funds obtained from the aforementioned loans received by the Company have been used to provide the Company with the capital resources necessary to finance the current operating business and carry out its growth strategy in compliance with its corporate purpose.

It should also be noted that the Company plans to carry out other capital increases in the short term to finance the operating business and carry out its expansion and growth strategy.

The resolutions reached at the aforementioned Extraordinary General Meeting were published as Other Relevant Information on December 23, 2024.

Capital increase by offsetting credits with shareholders for a total effective amount of 1,834,163.01 euros.

The capital increase consists of the issuance of ONE MILLION ONE HUNDRED AND TWENTY-SIX THOUSAND EIGHT HUNDRED AND THIRTY-SEVEN (1,126,837) new shares for their par value of 0.04 euros per share with an issue premium of 1.5877 euros/share.

Therefore, the total effective value (nominal and share premium) of the increase amounts to 1,834,163.01 euros.

In this regard, and as reported by the Company through Other Relevant Information (hereinafter "OIR") on December 23, 2024, the Extraordinary General Shareholders' Meeting held on December 23, 2024 at second call approved the increase in the share capital of Facephi Biometría, S.A. currently set at NINE HUNDRED AND SEVENTY-ONE THOUSAND THREE HUNDRED AND EIGHTY-EIGHT EUROS AND THIRTY-SIX EURO CENTS (€971,388.36) to the figure of ONE ONE MILLION SIXTEEN THOUSAND FOUR HUNDRED SIXTY-ONE EUROS AND EIGHTY-FOUR EURO CENTS (€1,016,461.84), i.e., to increase it by the amount of FORTY-FIVE THOUSAND SEVENTY THREE EUROS AND FORTY-EIGHT EURO CENTS (€45,073.48) by means of the compensation of the credits that are detailed in the Board Report that has been made available to the shareholders together with the call for this General Shareholders' Meeting.

This agreement was made public by means of a public deed dated 16 January 2025, executed before the Notary Public of Castilla-La Mancha, Mr. Iván Castejón Fernández-Trujillo, number 45 of his protocol, and registered in the Mercantile Registry of Alicante on 6 February 2025, Page A-131726, Entry 69.

In accordance with article 301 of Royal Legislative Decree 1/2010, of 2 July, approving the Consolidated Text of the Capital Companies Act (hereinafter, "LSC"), the Board of Directors proceeded to issue the corresponding report on the nature and characteristics of the credits to be offset on 22 November 2024. and Ernst & Young, S.L., proceeded to issue the corresponding certification accrediting the data of the aforementioned credits on November 22, 2024.

Both the report of the Board of Directors and the certification issued by the Company's auditor (both attached as Appendix II to this DAR) have been made available to shareholders in compliance with the regulations applicable to debt capitalizations, both at the registered office and on the Company's website and on the BME Growth website. together with the call and publication of resolutions of the Extraordinary General Meeting of Shareholders in which the Capital Increase has been agreed.

As stated in the Inside Information published on August 23, 2024, the credit subject to capitalization was formalized on August 21, 2024 with maturity on November 21, 2024, being eligible to be capitalized on the date of the Extraordinary General Shareholders' Meeting held on December 23, 2024.

The disbursement of the aforementioned ONE MILLION ONE HUNDRED AND TWENTY-SIX THOUSAND EIGHT HUNDRED AND THIRTY-SEVEN (1,126,837) new shares have been carried out by the legal entity detailed below, by means of the contribution of the liquid, overdue and enforceable credits that they hold against the Company:

- NICE & GREEN, S.A.<sup>1</sup> subscribes 1,126,837 shares with a par value of €0.04 and a share premium of €1.5877 each, with the total share premium of the increase being ONE MILLION SEVEN HUNDRED EIGHTY-NINE THOUSAND EIGHTY-NINE EUROS AND FIFTY-THREE EURO CENTS (€1,789,089.53), through the offsetting of credits for a total amount of ONE MILLION EIGHT HUNDRED AND THIRTY-FOUR THOUSAND ONE HUNDRED AND SIXTY-THREE EUROS WITH ONE EURO CENT (€1,834,163.01).

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<sup>1</sup> Current majority shareholder of the Company

The total amount of the credits amounts to ONE MILLION EIGHT HUNDRED AND THIRTY-FOUR THOUSAND ONE HUNDRED SIXTY-THREE EUROS AND ONE EURO CENT (€1,834,163.01) (see section 3.1 of this Extension Document).

**2.2 Inside information and other relevant information available. Mention of the existence of the websites of the issuing entity and the Market on which the privileged information and other relevant information published since its incorporation into the Market is available**

In compliance with the provisions of Circular 3/2020, of 30 July, which has been amended by Circular 2/2022, on the information to be provided by companies listed on the BME Growth segment of BME MTF Equity (the "**BME Growth Circular 3/2020**"), all inside information and other relevant information, since its incorporation into the Market, is available on the Company's website <https://facephi.com/>, like this how in the webpage of [https://www.bmegrowth.es/esp/Ficha/FACEPHI\\_ES0105029005.aspx#ss\\_otraInfRelev](https://www.bmegrowth.es/esp/Ficha/FACEPHI_ES0105029005.aspx#ss_otraInfRelev).

Both websites, in compliance with the aforementioned BME Growth Circular 3/2020, include all the public documents that have been contributed to the Market since the listing of Facephi's shares.

**2.3 Financial Information. Reference to the latest accounts published by the issuing entity, whether audited annual accounts or interim financial information**

Pursuant to the provisions of BME Growth Circular 3/2020, Facephi published on October 21, 2024 the Consolidated Interim Financial Statements for the six-month period ended June 30, 2024, together with the corresponding Limited Review Report issued by its EY auditors on October 18, 2024, with a favorable opinion (see Appendix I of this DAR). Additionally, on that date, Facephi published the Individual Interim Financial Statements, which were not subject to review or audit.

These interim consolidated financial statements were prepared on September 30, 2024 by the Board of Directors of the Company, in accordance with the applicable commercial legislation, the rules established in Royal Decree 1514/2007, of November 16, 2007, which approves the General Accounting Plan, as well as its subsequent amendments, and in Royal Decree 1159/2010. of 17 September, as well as its subsequent amendments, approving the rules for the preparation of consolidated financial statements.

**2.4 Information on significant trends in production, sales and costs of the issuing entity, from the last periodic information made available to the Market to the date of the Extension Document.**

The Company's income statement for the year to 31 December 2024 is attached below. This information is currently under audit.

## Consolidated Profit and Loss Account

	Euros		
	Twelve-month period ended on 31/12/2024 (*)	Six-month period ended on 30/06/2024 (**)	Twelve-month period ended 12/31/2023 (***)
	Net turnover	28.978.192	11.694.187
Work performed by the company for its asset	4.584.481	2.366.543	4.170.850
Supplies	(4.782.928)	(2.144.126)	(3.377.271)
Other operating income	2.545.872	80.877	176.256
Personnel costs	(17.375.394)	(8.303.435)	(13.563.693)
Other operating expenses	(13.769.471)	(6.908.432)	(13.481.401)
Depreciation of fixed assets	(5.588.445)	(2.569.831)	(4.780.828)
Other extraordinary results	(966.786)	123.379	319.067
<b>OPERATING PROFIT</b>	<b>(6.374.479)</b>	<b>(5.760.839)</b>	<b>(5.384.035)</b>

(\*) Interim data under audit

(\*\*) Data subject to limited review

(\*\*\*) Audited data

### Net turnover

During 2024, Facephi maintained its trend of accelerated revenue growth, achieving an increase of 15.2% compared to the 2023 financial year. This growth is the result of a combination of strategic decisions, including the launch of new products and services, as well as continued diversification into new countries and business verticals.

During the 2024 fiscal year, Facephi implemented the following initiatives:

- New products and services:
  - IDV Suite: A pre-configured, end-to-end solution that makes it easy to install and use services. It integrates identity verification, multi-biometric authentication, anti-fraud intelligence, and other customizable services, enabling rapid deployment and reducing go-live times.
  - TESEO Wallet: A digital wallet for verifiable credentials that uses biometric authentication and integrates Zero Knowledge Proof, a cryptographic protocol that allows you to verify that a claim is true without revealing any data about the claim itself.
- Expansion to New Countries:

Through organic growth and its partners' alliance strategy, Facephi started operations in new markets, including Saudi Arabia, Iraq, Jordan, Pakistan, Poland, Uganda and South Africa. In addition, they have strengthened their presence in Canada and the U.S. through partnerships with the Digital Identity and Authentication Council of Canada (DIACC) and the Secure Technology Alliance of San Diego.

- Diversification into new verticals:

Historically, more than 94% of Facephi's revenue came from the financial sector. However, in 2024, the company has gradually increased its presence in other sectors, such as travel, gaming, cryptocurrencies and hospitality, broken down as follows and by sector: Banking (90.92%), Insurance (3.01), Fintech (2.56%), Security Services (2.46%), Health (0.39%), Logistics & Transportation (0.32%), Telecommunications (0.13%) and Others (0.20%).

A prominent example of this diversification is the alliance signed with IATA (International Air Transport Association) to promote 100% digital air travel. As part of this initiative, a pilot test was carried out in which two passengers traveled between Hong Kong and Narita (Tokyo) using a digital verification system that included seven processes: ePassport scanning, live biometric image, visa copy, corporate ID, frequent flyer membership, purchase reference and boarding pass.

In summary, the growth in revenue is due to the successful execution of the various initiatives of the management team.

#### **Work performed by the company for its asset**

This figure increased by 9.9%, compared to the 2023 financial year, as a result of Facephi's decisions to continue promoting the development and improvement of its IT applications, which has led to the activation of these works in intangible fixed assets. In this sense, investment in internal talent has been reinforced, increasing the resources allocated to the R+D+i team with the aim of promoting technological innovation and differentiation in the market.

This effort has resulted in the optimization and evolution of the solutions, allowing us to improve their performance, scalability and security, as well as incorporate new functionalities that respond to the emerging needs of our customers. Likewise, investment in R+D+i has facilitated the exploration of more advanced, efficient and safer technologies, ensuring that our solutions remain competitive in a constantly evolving technological environment.

#### **Supplies**

The 41.6% increase in this item compared to 2023 responds to the growth of the customer base and the need to acquire essential inputs for the operation and optimization of technology. This increase reflects both the expansion of operations and investment in key infrastructure and resources to ensure the quality and efficiency of services.

#### **Other operating income**

The growth of 1,344.4%, compared to 2023, in this item is mainly due to the incorporation of instruments such as the Tax Lease, but is also due to the income derived from corporate operations and distribution rights associated with the alliance with HANCOM. These factors have contributed to the growth of other operating income, diversifying the sources of cash flow and reinforcing Facephi's financial stability.

#### **Personnel costs**

The 28.1% increase compared to 2023 was a result of team expansion, and restructuring costs in some regions, such as the United Kingdom.

This milestone represents the culmination of years of strategic investment in the development of an exceptional corporate and technology structure. With the consolidation of an efficient operating structure and a robust technological environment, Facephi believes it is positioned to accelerate its growth and strengthen cash flow generation from 2025, maximizing profitability and operational efficiency.

### **Other operating expenses**

The 2.1% increase in other operating expenses compared to 2023 is a natural consequence of Facephi's growth in turnover and expansion. As revenue increases, so do associated expenses, such as fees tied to higher sales and transaction volumes. In addition, the corporate transactions carried out entail additional costs related to the execution and management of these transactions.

This heading includes, among other items, sales commission expenses amounting to €4,679 thousand (€4,091 thousand in 2023), expenses related to the organization of events, advertising and travel amounting to €2,225 thousand (€1,829 thousand in 2023), both items are increased by the growth in the Company's activity. In addition, it is worth highlighting the expenses associated with the establishments/offices that the Company maintains in other countries amounting to €1,669 thousand (€1,971 thousand in 2023), cloud, software and associated expenses amounting to €5,034 thousand (€4,312 thousand in 2023). Finally, this heading is completed by taxes amounting to €5 thousand (€9 thousand in 2023) and €158 thousand as impairment losses (€1,269 thousand in 2023).

### **Depreciation of fixed assets**

The increase in the depreciation of fixed assets of 16.9%, compared to the 2023 financial year, is due to the growth in the capitalization of intangible assets, which has led to an increase in depreciation. It also reflects the amortization of the contracts for the development of our technology, reflecting the investment made in its creation and improvement.

### **Other results**

Other income (Loss) decreased by 403% compared to 2023, mainly due to the increase in extraordinary expenses associated with the restructuring of the subsidiaries, as well as to a lesser extent expenses related to the operation of the entry of Hancom. Also noteworthy is the reduction in income from subsidies and other items, as a result of the conclusion of certain initiatives that previously generated additional income.

### **Operating profit**

The operating profit was negative at €6.4 million in 2024, compared to negative €5.4 million in 2023. This increase of €1 million is due to an increase of €0.8 million in Depreciation of Fixed Assets, and higher personnel expenses, an increase that culminates the size and structure necessary for growth in 2025 and subsequent years.

### **Description of any significant change in the issuer's financial position during that period or corresponding negative statement**

On May 14, 2024, the Company signed an agreement with Hancm Inc. that included the formalization of:

- A capitalizable loan in the amount of FIVE MILLION EUROS (5,000,000 €) with an interest rate of 0.2% per annum and maturing thirty (30) business days from the date of signing. Upon reaching this date, the approval of a capital increase by offsetting credits will be submitted to the General Shareholders' Meeting, having agreed an exchange value of 2.95 euros (0.04 euros per value and 2.91 euros share premium).
- An Exclusive Distribution agreement whereby HANCOM will act as the exclusive distributor in the APAC (Asia Pacific) territory of Facephi's products, solutions and technology. The licensing model will be based on a "revenue share" system. The agreement will have a duration of three years renewable by both parties.

In relation to the loan mentioned above, on August 20, 2024, the Ordinary and Extraordinary General Meeting of Shareholders of the Company approved a capital increase by offsetting credits, consequently, without pre-emptive subscription rights, for an effective amount (nominal plus premium) of 5,001,306.1 euros, through the issuance and circulation of 1,695,358 ordinary shares of the Company, of 0.04 euros of nominal value each. This agreement was made public by means of a public deed dated 24 October 2024, executed before the Notary Public of Castilla-La Mancha, Mr. Iván Castejón Fernández-Trujillo, number 1222 of his protocol, and registered in the Mercantile Registry of Alicante on 20 November 2024, Page A-131726, Entry 67.

On the other hand, on August 21, 2024, Facephi and Nice & Green signed a capitalizable loan for an amount of ONE MILLION EIGHT HUNDRED THOUSAND EUROS (€1,800,000), of which, as of the date of the agreement, THREE HUNDRED THOUSAND EUROS (€300,000) had been drawn. The conditions of the loan are as follows:

- The maturity date of the loan is three (3) months from the date of signing the loan.
- The parties may agree on or before the maturity date of the loan on the capitalization of the loan (through the figure of "compensation of credits"). In this agreement, the parties would determine the exchange rate of the shares to be issued.
- The loan will accrue interest of Euribor plus 2% and a formalisation fee of 7%.

This loan is subject to capitalization in this DAR.

Subsequently, on October 1, 2024, Facephi and Nice & Green signed a new loan for the amount of TWO MILLION EUROS (€2,000,000). The conditions of the loan are as follows:

- The maturity date of the loan is March 31, 2025, and it can be repaid in cash or capitalized. In the case of capitalization (conversion of the loan into shares of the Company) the parties would formalize a new agreement in which the exchange equation would be established.

- The loan will accrue an annual interest of Euribor plus 2%, payable at the maturity of the loan. Like the nominal interest, the parties may agree that the accrued interest is capitalized, adding to the principal balance.
- The loan has a formalization fee of 7%, in addition to the Euribor interest rate plus 2%, which is disbursed at once on the entire loan.

On July 21, 2023, the Extraordinary General Meeting of Shareholders of the Company approved the delegation to the Board of Directors of the power to issue bonds convertible into shares of the Company for a maximum amount of €20,000,000, to which convertible warrants will be linked. This agreement was modified by consensus between both parties, and communicated by IP dated January 19, 2024, in the following points:

- Reduce the maximum amount that the investor can invest from the 20 million euros initially agreed, to 11.1 million euros. The amount that at the date of signing the addendum was pending investment amounted to 4.2 million euros (420 bonds).
- Regarding that amount, it was agreed that Facephi would issue up to 7 tranches of 60 convertible bonds (600,000 euros) with intervals of one month. The rest of the circumstances and agreements agreed between the parties remained unchanged

In this regard, since 1 January 2024, the Board of Directors has issued the following issues:

- On April 24, 2024, Facephi published an OIR to inform that the Board of Directors of Facephi had made a new issue of 60 Bonds convertible into shares of the Company for a joint nominal conversion amount of 600,000 euros, with Nice & Green being the sole recipient of these issuances.

These bonds have been converted during the period as follows:

- On January 13, 2025, an OIR was published informing of the conversion of 60 debentures for a joint nominal amount of €600,000, resulting in a capital increase for a nominal amount of €250,609, through the issuance and circulation of 365,163 new shares of the Company, with an issue premium of €1.6031 per share. the issue rate of the shares being €1.6431 per share (€0.04 nominal plus €1.6031 share premium). As of the date of this DAR, the aforementioned shares are pending to be listed on BME Growth.

Following the completion of the above transactions by the Company and Nice & Green, there are no tranches pending disposal since, as published through Inside Information on May 13, 2024, the Company and Nice & Green signed an extinguishing addendum on May 10, 2024 in which it was agreed to cancel the financing through convertible bond instruments.

### **Description of the financing provided for the development of the issuer's activity**

In relation to the financing foreseen for the development of the issuer's activity, in addition to the flows generated by its own activity, Facephi has the financing obtained from the agreement signed with Nice&Green described above.

## **2.5 Numerical forecasts or estimates of future revenues and costs in the Incorporation Information Document regarding the degree of compliance therewith**

Not applicable

## **2.6 Working Capital Statement**

The Board of Directors declares that as of the date of this Reduced Extension Expansion Document, the Company's working capital is not sufficient to carry out its activity during the 12 months following the date of publication of this Document, as it requires the renewal of credit policies by the Company.

Management declares that, as of the date of this Reduced Extension Document, the Net Financial Debt at the end of 2024 improved very significantly and was reduced by more than half compared to 2023, to the extent that the working capital lines mature in December 2025, this circumstance will imply their renewal for what it estimates and is working to produce with better credit conditions and even before maturity.

## **2.7 Risk factors. Update of the risk factors included in the Incorporation Information Document**

The existing risk factors described below do not differ materially from those included in the Market Entry Information Document (DIIM) published on July 1, 2014, in the Reduced Expansion Document (DAR) published on March 13, 2015, in the Reduced Expansion Document (DAR) published on February 19, 2016 and in the Reduced Expansion Document (DAR) published on July 28, 2016 and addendum published on August 18, 2016. However, these risks cannot be taken as an exhaustive list, but are those identified by the Company as the most significant. Consequently, it may be the case that future risks, currently unknown or not considered to be relevant at the present time, could have an effect on the Company's business, results, prospects or financial, economic or equity situation.

The following are the risk factors that are currently considered most relevant:

### **Risks related to the sector in which Facephi operates**

#### **➤ Risks linked to excessive exposure to technological innovation**

The sector in which FACEPHI operates is characterized by an environment of constant research, development and technological innovation, which implies a continuous update of the products offered. This dynamism generates a high rate of obsolescence of technological solutions available on the market, which can jeopardize the competitiveness and relevance of the company's products if they do not keep up with the most recent advances. Innovation, although essential for growth and differentiation in the market, requires significant investments in both human and material resources, as well as strategic planning that encompasses the adaptation of technological solutions to the emerging needs of the market.

#### **➤ Emergence of new companies, or creation of new technologies that directly affect society**

The technology sector, and in particular the field of biometrics, is marked by constant growth and evolution. Technological innovation not only opens the door to new players in the market, but can also lead to the development of more advanced, efficient or more socially accepted technologies or biometrics that can displace existing solutions. These advances can come from emerging companies that, with a disruptive vision, manage to quickly capture the attention of consumers or even redefine market expectations and demands.

The risk for FACEPHI is that, in a scenario of intensified competition, the market share it currently holds could be reduced as these new companies gain ground, especially if their products have a superiority in terms of accuracy, speed, cost or ease of use. In this context, the company could face a decrease in its production levels, the loss of key customers and, consequently, a drop in profitability.

However, in this context of growing competition, FACEPHI maintains a proactive strategy of continuous research, which allows it to evolve and improve its own technological solutions. This commitment to constant innovation not only allows the company to adapt to advances in the sector but also gives it a competitive advantage by being one step ahead in terms of technological capacity.

➤ **Faulty algorithms and glitches in software systems**

The development of solutions based on artificial intelligence can carry the risk of errors in algorithms and failures in systems, which can affect their performance and, consequently, the operation and profitability of the business. To mitigate these risks, Facephi applies rigorous quality controls and continuous monitoring. The company carries out exhaustive tests to detect and correct possible errors in its algorithms, in order to guarantee, in an increasingly reliable way, their reliability.

At the same time, the systems are updated and optimized to adapt to the needs of the market. As part of this process, strategic backups of developments and adjustments to algorithms are made, minimizing the risk of lost progress and ensuring the continuity of technological improvements. All these processes are led by experienced engineers, who guarantee their precision and continuous evolution.

With these measures, Facephi protects the stability of its solutions and strengthens its operational capacity, ensuring efficient and sustainable operation in a constantly evolving environment.

➤ **Algorithm Registry Protection**

It should be noted that mathematical algorithms cannot be patented and, therefore, registration protection cannot be obtained from the Spanish Patent and Trademark Office, against possible competitors.

Although the authorship of the algorithm is protected by Royal Legislative Decree 1/1996 of April 12, which approves the revised text of the Intellectual Property Law, there is a certain risk of non-exclusivity of the software due to the fact that it is possible that an algorithm with similar characteristics will be developed.

➤ **Risks arising from the loss of key personnel**

The Company's ability to be competitive in a highly complex and demanding industry is due, in part, to having a very experienced management and technical staff with good knowledge of the sector. Although the aforementioned risk is not foreseen by voluntary cause to the extent that

that continue to be relevant shareholders, it cannot be excluded that it occurred for another reason that would obviously imply the aforementioned risk.

Likewise, the death or abandonment of key personnel could adversely affect the Company's business, results, prospects or financial, economic or equity situation.

➤ **Acts of theft or hacking of essential information and technology code**

Despite having a secure internal system, there is always a risk of possible hacker attacks. In the event that information is leaked and the internal data is made public, as well as the algorithms they use in their technology, there would be a danger that another company would plagiarize the source code and offer it to the public as its own product.

➤ **Risk of non-existence of multi-year sales contracts**

Given that the Group's activity is based on the sale of products and the signing of annual contracts with third parties, it is common for the percentage of guaranteed income (portfolio) to be insignificant at the beginning of each financial year. As of the date of this Reduced Expansion Document, contracts have been closed for approximately 5.1% of the expected revenues for the 2025 financial year.

➤ **Customer Concentration**

Due to the stage in which Facephi's products are, the number of customers is currently limited, with a certain concentration of these (the eight (8) main customers account for 53.75% of sales as of December 31, 2024). The commercialization of products currently under development and the launch of new products in other market segments will increase the number of customers, thereby reducing the concentration of revenue in a limited number of customers.

**Risks linked to actions**

➤ **Non-recovery of 100% of the investment in Facephi**

Investors in companies whose securities are traded on BME Growth should be aware that they are assuming a higher level of risk than that associated with investing in companies listed on the Stock Exchange. Therefore, it is recommended that investment in these companies be made under the appropriate advice of an independent professional. In addition, it is suggested that the investor read this Expansion Document carefully and in its entirety before making any decision to invest in the Company's shares.

➤ **Dilution**

The capital increases planned in the future will generate a dilution for shareholders who did not participate in it in proportion to their participation in the capital before the increase. In this regard, it should be noted that the pre-emptive subscription right is usually excluded in the increases carried out by the Company.

➤ **The distribution of dividends in the future cannot be assured**

The Company's ability to distribute dividends may be influenced by the risks described above. Dividends depend on income and financial situation, obligations assumed in financial contracts, liquidity requirements, regulatory requirements and other factors deemed relevant. It cannot be assured, therefore, that

dividends will be distributed in the future, although it should be noted that in the short and medium term the Company will not distribute results.

### **Risks relating to the financing of the Company**

#### **➤ Future financing capacity**

Facephi's Budget contemplates investments of approximately 4,500 thousand euros for the next (12) months, whose resources will be covered mainly by the cash generation of the business itself.

Likewise, to accompany the growth expected in 2025 and in its business plan as a whole, the company will need to renew the €7 million of working capital lines maturing in December 2025, as well as the last part of its Senior Debt, which will be zero. In addition, the €2 million loan that Nice & Green held at the end of 2024 will be capitalised in 2025. As of December 31, 2024, the Company's Net Financial Debt amounted to €4.4 million, compared to €10.1 million at the end of 2023.

#### **Risk of rising interest rates**

As a result of the current uncertainty in the macroeconomic environment, resulting from a combination of persistent effects, rising interest rates and geopolitical risks, there is widespread uncertainty about future developments in inflation and interest rates.

The possible scenario of an increase in interest rates, especially if this increase does not take place gradually, would have a significant impact on the Company's financing cost. As of the date of this Document, the Company has arranged variable-rate financing amounting to €10 million, with the reference interest rate being Euribor for 6 months plus a differential of 3%.

### **3. INFORMATION REGARDING THE CAPITAL INCREASE**

#### **3.1 Number of newly issued shares whose incorporation is requested and their nominal value. Reference to the corporate resolutions adopted to articulate the capital increase. Information on the share capital figure after the capital increase in the event of a full subscription of the issue. In the case of a capital increase charged to non-monetary contributions (including capital increases for offsetting credits), a brief description of the contribution, including mentions of the existence of valuation reports and an indication of their availability.**

The share capital of the Company prior to the capital increase subject to this Document amounted to NINE HUNDRED AND SEVENTY-ONE THOUSAND THREE HUNDRED AND EIGHTY-EIGHT EUROS AND THIRTY-SIX EURO CENTS (€971,388.36) represented by twenty-four million two hundred and eighty-four thousand seven hundred and nine (24,284,709) shares with a par value of €0.04 each.

As indicated in section 2.1 of this Expansion Document, the shareholders of Facephi have approved at the Extraordinary General Shareholders' Meeting held on December 23, 2024 the execution of the following capital increase: capital increase by compensation of credits with shareholders for a total nominal amount of FORTY-FIVE THOUSAND SEVENTY-THREE EUROS AND FORTY-EIGHT CENTS OF

EURO (€45,073.48), for this purpose, ONE MILLION ONE HUNDRED AND TWENTY-SIX THOUSAND EIGHT HUNDRED AND THIRTY-SEVEN (1,126,837) shares are issued, of FOUR CENTS OF EURO (€0.04) par value each, and with an issue premium of €1.5877 per share.

Therefore, the total effective value (nominal and share premium) of the increase amounts to 1,834,163.01 euros.

This agreement was made public by means of a public deed dated 16 January 2025, executed before the Notary Public of Castilla-La Mancha, Mr. Iván Castejón Fernández-Trujillo, number 45 of his protocol, and registered in the Mercantile Registry of Alicante on 6 February 2025, Page M-131726, Entry 69.

In the aforementioned section 2.1. this Expansion Document details the contributions subject to capitalization in this capital increase.

New shares enjoy the same political and economic rights as those currently in circulation.

#### Capital resulting from the increase

After the non-monetary capital increase described, the share capital of the Company amounts to ONE MILLION SIXTEEN THOUSAND FOUR HUNDRED SIXTY-ONE EUROS AND EIGHTY-FOUR EURO CENTS (€1,016,461.84), represented by 25,411,546 shares, fully subscribed and paid up.

As discussed in section 2.1 of this Extension Document, in accordance with article 301 of the Capital Companies Act, the Board of Directors issued a report on the nature and characteristics of the credits to be offset on November 22, 2024, and EY, in its capacity as auditors of the Company, proceeded to issue the corresponding certification accrediting the data of the aforementioned credits dated 22 November 2024 (see Annex II of this Extension Document). Both the report of the Board of Directors and the certification issued by the Company's auditor in compliance with the regulations applicable to debt capitalizations have been made available to shareholders, in addition to the registered office, on the Company's website and on the BME Growth website. together with the call and the resolutions of the Extraordinary General Meeting of Shareholders in which the Capital Increase has been agreed, and which are attached as Annex II to this DAR.

#### Joining the negotiation

The Company will request the listing of the new shares in the BME Growth trading segment of BME MTF Equity from the capital increase by offsetting credits in the shortest possible time from the publication of this Reduced Expansion Document .

### **3.2 Description of the start date and subscription period of the newly issued shares with details, where applicable, of the preferential, additional and discretionary subscription periods, as well as an indication of the forecast of incomplete subscription of the capital increase**

Capital increases due to the offsetting of credits do not entail pre-emptive subscription rights in accordance with the applicable commercial legislation. The new shares have been fully subscribed at the time of the adoption of the increase agreement by the Extraordinary General Shareholders' Meeting.

**3.3 To the extent that the issuing entity is aware of this, information regarding the intention of the main shareholders or members of the Board of Directors to participate in the capital increase**

The agreed capital increase, including the share premium, has been fully paid up under the terms provided for by offsetting the claims held by the company with the company NICE & GREEN, S.A., a company duly incorporated under the laws of Switzerland, with registered office at Avenue Reverdil 12, 1260 Nyon, Switzerland, with registration number (N° du registre de commerce) CH.550.1.057.729-3, and with Spanish Tax Identification Number (N.I.F.) N0395244. The stake of NICE & GREEN, S.A. prior to the increase subject to this DAR was 19.23%, which stood at 22.8% after the increase.

**3.4 Main characteristics of newly issued shares and the rights they incorporate, describing their type and the dates from which they will be effective. Update if different from those described in the Incorporation Information Document**

The legal regime applicable to the new shares of the Company is that provided for in Spanish law and, specifically, in the provisions included in the Consolidated Text of the Capital Companies Act; Law 6/2023 on Securities Markets and Investment Services; Regulation (EU) 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse ("Market Abuse Regulation"), and Royal Decree 814/2023 of 8 November 2023 on financial instruments, admission to trading, registration of negotiable securities and market infrastructures, as well as their respective implementing regulations that may be applicable.

The newly issued shares resulting from the capital increase are represented by means of book entries entered in the corresponding accounting records held by the Management Company of the Securities Registration, Clearing and Settlement Systems. S.A.U. ("Iberclear"), with registered office in Madrid, Plaza Lealtad n°1 and its authorised participating entities. The shares are denominated in euros.

All the shares issued on the occasion of the capital increases subject to this Expansion Document are ordinary and confer the same political and economic rights as the shares currently outstanding from the date on which the capital increase has been declared subscribed and paid up.

**3.5 If any, a description of any statutory conditions for the free transferability of newly issued shares, compatible with trading in the BME Growth segment**

The shares issued under this capital increase may be transferred freely, without being subject to restrictions or conditions of any kind.

#### **4. OTHER INFORMATION OF INTEREST**

Not applicable.

## **5. REGISTERED ADVISOR AND OTHER EXPERTS OR ADVISORS**

### **5.1 Information regarding the registered advisor, including possible relationships and links with the issuer**

On December 15, 2014, the Company appointed Deloitte Auditores, S.L. as Registered Advisor, thereby complying with the requirement established in Circular 2/2014 of the MAB, which establishes that a company with securities incorporated in said segment must at all times have a Registered Advisor appointed who is registered in the Register of Registered Advisors of the aforementioned Market.

As a result of this appointment, since that date, Deloitte Auditores, S.L. assists the Company in complying with the list of obligations that correspond to it in accordance with BME Growth Circular 4/2020.

Deloitte Auditores, S.L. was authorised by the Board of Directors of BME Growth as a Registered Advisor on 2 June 2008 in accordance with BME Growth Circular 4/2020, and is duly registered in the Register of Registered Advisors of BME Growth.

Deloitte Auditores, S.L. was incorporated on April 6, 1989 and is registered in the Mercantile Registry of Madrid, Volume 13,650, Section 8, Folio 188, Page M-54414 with C.I.F. B-79104469 and registered office at Plaza Pablo Ruiz Picasso, 1, 28020 Madrid.

Deloitte Auditores, S.L. acts at all times, in the performance of its function as Registered Advisor, following the guidelines established in its Internal Code of Conduct.

The Company and Deloitte Auditores, S.L. declare that there is no relationship or link between them beyond that constituted by the appointment of Registered Advisor described above.

### **5.2 In the event that the Extension Document includes any statement or report issued by a third party in an expert capacity, it must be stated, including name, professional address, qualifications and, where applicable, any relevant interest that the third party has in the issuing entity**

In accordance with article 301 of the Capital Companies Act, the Board of Directors proceeded to issue the corresponding report on the nature and characteristics of the credits to be offset, and ERNST & YOUNG, S.L., in its capacity as auditors of the Company, domiciled at Calle Raimundo Fernández Villaverde, 65 Madrid (28003), proceeded to issue the corresponding certification accrediting the data of the aforementioned credits dated 22 November 2024 (see Annex II of this Extension Document).

### **5.3 Information relating to other advisors who have collaborated in the process of listing the newly issued shares on the Market**

No entity has provided services to the Company in relation to the capital increase subject to this Expansion Document, with the exception of Deloitte Auditores, S.L. as its Registered Advisor.

**ANNEX I: INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2024, TOGETHER WITH THE CORRESPONDING LIMITED REVIEW REPORT ISSUED BY THE AUDITOR**

**ANNEX II: REPORT OF THE BOARD OF DIRECTORS TOGETHER WITH THE CERTIFICATION ISSUED BY THE COMPANY'S AUDITOR ON THE DATA OF THE AFOREMENTIONED CREDITS**





## **REPORT OF THE BOARD OF DIRECTORS IN RELATION TO THE PROPOSAL FOR A CAPITAL INCREASE BY OFFSETTING CREDITS, CONSEQUENTLY, WITHOUT PRE-EMPTIVE SUBSCRIPTION RIGHTS, AND AMENDMENT OF THE BYLAWS.**

### **1. Purpose of the report**

This report is prepared by the Board of Directors of FACEPHI BIOMETRÍA, S.A. ("Facephi" or the "**Company**") in relation to the proposed resolution to increase capital by offsetting credits, consequently, without pre-emptive subscription rights, and amendment of the Company's Bylaws.

In this regard, in accordance with the provisions of Articles 286, 296 and 301 of the Capital Companies Act approved by Royal Legislative Decree 1/2010, of 2 July (the "**Capital Companies Act**") and concordant with the Regulations of the Commercial Registry approved by Royal Decree 1784/1996, of 19 July, the aforementioned proposal for a resolution to the General Meeting requires the formulation by the Board of Directors of the following justifying report.

### **2. Context, description and justification of the proposal**

The capital increase by offsetting credits that is the subject of this report, which is proposed to the General Shareholders' Meeting for approval, is part of the need to continue providing the company with the financial and cash capacity to face with guarantee and achieve the aspirations and objectives of Facephi.

In particular, this operation is structured to comply with the agreement reached by the Company with the entity Nice & Green S.A. ("Nice & Green") by which the latter has invested 1,800,000 euros in the Company's capital through a loan whose capitalization is proposed to the General Meeting of shareholders and which is the cause of this report.

The funds received from Nice & Green will allow Facephi to incorporate new talent, develop new solutions and boost commercial actions and business development.

Likewise, the financial support from Nice & Green will favor the penetration of the technology company in the dynamic EMEA (Europe & Middle East) market, thus expanding its expansion strategy to this new market.

The Operation aims, therefore, to provide the Company with an adequate level of own resources that will allow it to meet its corporate needs in general and those derived from its organic and non-organic growth, as well as to develop its activity and advance in the research, development and commercialization of the ecosystem developed by the Company for processes for the verification of user identity. Specialized in digital onboarding and biometric authentication solutions.

In view of the foregoing, the Board of Directors understands that the Transaction and, consequently, the proposed capitalization agreement of the loan presented to the General Shareholders' Meeting, are fully in accordance with the corporate interest and are motivated by the convenience of providing the Company with the necessary equity for the development, in an effective and competitive manner, of its corporate purpose.

### **3. Nature and characteristics of the credit to be offset**

The credit to be offset corresponds to the loan in the amount of 1,800,000 euros that was granted by Nice & Green SA to the Company through the signing of the corresponding loan agreement on August 21, 2024 and with an end date of November 21, 2024. The interest agreed was 2% per annum (365) plus the 3-month Euribor.

In this regard, as a result of the Loan, Nice & Green holds a claim against the Company in the amount of €1,834,163.01, of which €1,800,000 corresponds to the principal of the Loan and €34,163.01 to the interest accrued (the "**Loan**").

In accordance with the terms of the loan, Facephi and Nice & Green agreed that all credit rights arising from the Loan (including principal and interest) would be offset by the issuance, circulation and subscription by Nice & Green of 1,126,837 shares of the Company, an amount resulting from dividing the principal and interest of the Loan by the conversion value agreed between the parties. This agreed value is the result of adding 3% to the value of the volume-weighted average price of the five days prior to the date of the call (€1.5803 per share + 3% = 1.6277).

The Credit, in accordance with the agreement between the parties, as set out in the previous paragraph, will be fully offset by the issuance, circulation and subscription by Nice & Green of 1,126,837 newly issued shares of the Company.

It is expressly stated that the Credit, as of the date of signing this Report, is due, liquid and payable and that it is duly recorded in the Company's accounts.

### **4. Certification of the auditor**

In accordance with the provisions of article 301.3 of the Capital Companies Act, at the time of the call to the General Meeting, a certification from the Company's auditor will be made available to shareholders at the registered office attesting that, once the company's accounts have been verified, the data provided by the directors on the Credit to be offset are accurate.

### **5. Identity of the contributor**

The contributor of the Credit is Nice & Green SA, an existing entity duly incorporated in accordance with the laws of Switzerland, with registered office at Avenue Reverdil 12, 1260, Nyon, Switzerland, registered in the Swiss Trade and Companies Register under number CH-550.1.057.729-3 and with a Spanish Tax Identification Number (N.I.F.) N0395244G 49.

### **6. Capital increase**

The purpose of the proposed transaction is to increase the Company's share capital by an effective amount of €45,073.48, through the issuance and circulation of 1,126,837 ordinary shares of the Company, with a par value of €0.04 each. The new shares will be issued at an issue rate (nominal plus premium) of €1.6277 per share, corresponding to €0.04 to the nominal rate and €1.5877 to the share premium.

The aforementioned increase will be carried out by offsetting the Loan, with Nice & Green SA assuming the new shares issued in the capital increase.

## **7. Proposed agreement**

The following is the proposal for a capital increase agreement by offsetting credits, consequently, without pre-emptive subscription rights, for an effective amount (nominal plus premium) of 1,800,000 euros of principal plus 34,163.01 euros of interest:

**"Capital increase by offsetting credits, consequently, without pre-emptive subscription rights, for a nominal amount of 45,073.48 euros through the circulation of 1,126,837 ordinary shares with a par value of 0.04 euros each and a total share premium of 1,789,089.53 euros. Amendment of Article 5 of the Bylaws."**

It is agreed to increase the share capital of FACEPHI BIOMETRÍA, S.A. ("Facephi" or the "**Company**") in the amount of 45,073.48 euros, and by offsetting the principal and interest of the loan granted by Nice & Green SA to the Company, dated August 21, 2024. As a result of the aforementioned loan, Nice & Green SA has a credit against the Company in the amount of 1,834,163.01 euros, of which 1,800,000 euros correspond to the principal of the loan and 34,163.01 euros to the interest accrued (the "**Loan**"). It is expressly stated that the Credit is due, liquid and payable and that it is duly recorded in the Company's accounts.

### **A. Identity of the contributor**

The contributor of the Credit is Nice & Green SA, an existing entity duly incorporated in accordance with the laws of Switzerland, with registered office at Avenue Reverdil 12, 1260, Nyon, Switzerland, registered in the Swiss Trade and Companies Register under number CH-550.1.057.729-3 and with a Spanish Tax Identification Number (N.I.F.) N0395244G.

### **B. Capital increase**

It is agreed to increase the Company's share capital by a nominal amount of €45,073.48, through the issuance and circulation of 1,126,837 new ordinary shares of the Company, with a par value of €0.04 each. The new shares will be issued at an issue rate (nominal plus premium) of €1.6277 per share, corresponding to €0.04 to the nominal rate and €1.5877 to the share premium.

The increase will be made by offsetting the Credit, assuming and paying up in full the new Nice & Green SA shares.

### **C. Amendment of Article 5 of the Company's Bylaws**

It is agreed to amend Article 5 of the Company's Bylaws, which, hereinafter and with express repeal of its previous wording, will read as follows:

*"Article 5.- SHARE CAPITAL*

*The share capital is set at the sum of ONE MILLION SIXTEEN THOUSAND FOUR HUNDRED SIXTY-ONE EUROS AND EIGHTY-FOUR EURO CENTS (€1,016,461.84), the which is fully subscribed and paid up, divided into TWENTY-FIVE MILLION FOUR HUNDRED ELEVEN THOUSAND FIVE HUNDRED FORTY-SIX (25,411,546) shares,*

*represented by book entries, of FOUR EURO CENTS (€0.04) of nominal value each of them, of the same class, equal, cumulative and indivisible."*

**D. *Rights of the new shares***

The new shares will give their holders the same voting and economic rights as the Company's shares currently outstanding from the date on which they are registered in their name in the corresponding accounting records. In particular, with regard to economic rights, the new shares will give the right to the social dividends, on account or definitive, whose distribution is agreed from that date.

**E. *Representation of new shares***

The newly issued shares will be represented by book entries whose accounting record will be attributed to Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A.U. (IBERCLEAR).

**F. *Application for admission to trading***

It is agreed to request the incorporation of the new shares into BME GROWTH (Expansion Companies segment) in which the Company's shares currently outstanding are listed, expressly subject to the rules that exist or that may be issued in this area and, especially, on hiring, permanence and exclusion from the official listing.

**G. *Exclusion of the right of pre-emption***

In accordance with the provisions of article 304 of the Capital Companies Act approved by Royal Legislative Decree 1/2010, of 2 July, and the doctrine of the General Directorate of Registries and Notaries regarding capital increases by offsetting credits, as it is not a capital increase through monetary contributions, There will be no pre-emptive subscription right over the new shares. Consequently, when the meeting agrees to a capital increase by offsetting credits, as is the case, the pre-emptive subscription right must be considered automatically excluded.

**H. *Delegation of powers***

It is agreed to empower the Board of Directors, with all the breadth required by law and with express powers of substitution in the members of the Board that it deems appropriate, including the secretary, so that any of them, indistinctly and with their sole signature, may carry out all the necessary or convenient actions for the good purpose of this agreement and, In particular, by way of indication and not limitation, for:

- to adopt as many agreements as may be necessary or convenient in order to comply with current legal regulations, execution and good completion of this agreement, including the performance of any procedures and the signing of any public or private documents;
- to declare the capital increase executed, issuing and putting into circulation the new shares that have been subscribed and paid up, as well as to redraft the article of the Bylaws relating to capital, leaving without effect the part of said capital increase that has not been subscribed and paid up in the established terms;
- draft, subscribe and submit, where appropriate, to the governing body of the MAB or any other supervisory authorities that may be appropriate, in relation to the issuance and incorporation into the MAB

negotiation of the new shares issued under this agreement, the full extension document or Reduced Expansion Document and any supplements thereto that may be necessary or convenient, assuming responsibility for them, as well as the other documents and information that are required in compliance with the provisions of the applicable regulations; and

- to execute on behalf of the Company as many public or private documents as may be necessary or convenient for the successful completion of this agreement and, in general, to carry out as many procedures as may be necessary, as well as to correct, clarify, interpret, specify or supplement this resolution adopted by the General Shareholders' Meeting and, in particular, any defects, omissions or errors, of substance or form, resulting from the verbal or written classification, prevent access to the agreements and their consequences to the Commercial Registry, or any others."

This report has been formulated and approved by the Board of Directors of the Company, in Alicante, at its meeting on November 22, 2024.

VºBº The President  
Javier Mira Miró

The Secretary  
Juan Alfonso Ortiz Company

**INFORME ESPECIAL SOBRE AUMENTO DE CAPITAL  
POR COMPENSACIÓN DE CRÉDITOS, SUPUESTO  
PREVISTO EN EL ARTÍCULO 301 DEL TEXTO  
REFUNDIDO DE LA LEY DE SOCIEDADES DE CAPITAL**

**FACEPHI BIOMETRIA S.A.**

## INFORME ESPECIAL SOBRE AUMENTO DE CAPITAL POR COMPENSACIÓN DE CRÉDITOS, SUPUESTO PREVISTO EN EL ARTÍCULO 301 DEL TEXTO REFUNDIDO DE LA LEY DE SOCIEDADES DE CAPITAL

A los accionistas de FACEPHI BIOMETRIA S.A.

A los fines previstos en el artículo 301 del Texto Refundido de la Ley de Sociedades de Capital, emitimos el presente Informe Especial sobre la propuesta de aumentar el capital en 45.073,48 euros, con una prima de emisión de 1.789.089,53 euros, por compensación de créditos que ascienden a 1.800.000,00 euros, más sus correspondientes intereses devengados y pendientes de pago que ascienden a 34.163,01 euros, formulada por los Administradores de FACEPHI BIOMETRIA S.A. el 22 de noviembre de 2024 que se presenta en el Informe adjunto. Hemos verificado, de acuerdo con normas de auditoría generalmente aceptadas, la información preparada bajo la responsabilidad de los Administradores en el Informe antes mencionado, respecto a los créditos destinados al aumento de capital y que los mismos, al menos en un 25% son líquidos, vencidos y exigibles, y que el vencimiento de los restantes no es superior a cinco años.

En nuestra opinión, el Informe adjunto preparado por los Administradores ofrece información adecuada respecto a los créditos a compensar para aumentar el capital social de FACEPHI BIOMETRIA S.A., los cuales, al menos en un 25% son líquidos, vencidos y exigibles, y que el vencimiento de los restantes no es superior a cinco años.

Este Informe Especial ha sido preparado únicamente a los fines previstos en el artículo 301 del Texto Refundido de la Ley de Sociedades de Capital, por lo que no debe ser utilizado para ninguna otra finalidad.

ERNST & YOUNG, S.L.



Amparo Ruiz Genovés  
Socia

COLEGIO OFICIAL DE  
CENSORES JURADOS  
DE CUENTAS DE LA  
COMUNIDAD VALENCIANA

ERNST & YOUNG SL

2024 Núm. 30/24/01243

SELLO CORPORATIVO: 30,00 EUR

Informe sobre trabajos distintos  
a la auditoría de cuentas

22 de noviembre de 2024