



Alicante, October 30, 2025

COMMUNICATION – MARKET NOTICE – FACEPHI BIOMETRIA, S.A.

Dear Sirs,

Pursuant to Article 17 of Regulation (EU) No. 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse (Market Abuse Regulation), and section 4.5.1 of Euronext Growth Markets Rule Book Part I: Harmonized Rules, on ongoing obligations of companies listed on Euronext, (hereinafter “FacePhi” or “the Company”) hereby notifies the following:

FINANCIAL INFORMATION FOR THE FIRST HALF OF 2025

- Limited Review Report of Consolidated Interim Financial Statements as of June 30, 2025
- Consolidated interim financial statements as of June 30, 2025, together with the accompanying explanatory notes
- Individual financial statements as of June 30, 2025
- First-half results report for fiscal year 2025

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

Sincerely,

Javier Mira Miró

Chairman of the Board of Directors



Facephi Reports Solid 1H25 Results, Expects Strong Acceleration in 2H25, and Provides 2025–2026 Financial Guidance

- Positive Free Cash Flow (+€0,01 mm) over the last 12 months in terms of constant currency (CC); representing an unprecedented milestone in the Company’s history.
- EBITDA near break-even, with a result of -€0,2 mm or +€0,1 mm in CC; showing a significant improvement compared to -€2,7 mm in H1 2024.
- Financial Projections 2025–2026: Revenue and EBITDA are expected to grow by +26% and +232% CAGR 2024–2026, respectively, with an estimated Free Cash Flow/EBITDA ratio of 39% for 2026.

Alicante, October 30, 2025 - Facephi Biometría, SA (BME Growth: FACE; Euronext Growth Paris: ALPHI) (“Facephi” or the “Company”), a global leader in AI/ML-powered digital identity verification and anti-fraud protection solutions, today released its financial results for the first half of 2025, and provides financial guidance for full-year 2025 and 2026.

FINANCIAL PERFORMANCE 1H25			
€ million	1H24	1H25	Change
TOTAL CONTRACT VALUE	43.6 €	65.4 €	+50.0%
NET REVENUE	11.7 €	12.6 €	+ 7.9%
<i>Excluding FX changes</i>		13.0 €	+ 11.3%
EBITDA NORMALIZED	- 2.7 €	- 0.2 €	+ €2.5
<i>Excluding FX changes</i>		0.1 €	+ €2.8
FREE CASH FLOW (*)	- 8.8 €	- 4.4 €	+ €4.4
<i>Excluding FX changes</i>		- 4.3 €	+ €4.5

(*): Excluding FX changes, free cash flow for the past 12 months was +€0.01 million.

FINANCIAL GUIDANCE 2025-2026				
€ million	FY 2024A	FY 2025E	FY 2026E	CAGR
				2024-2026
NET REVENUE	28,9 €	36,4 €	46,2 €	26,4%
EBITDA NORMALIZED	1,0 €	7,4 €	11,0 €	231,7%
FREE CASH FLOW	- 4,5 €	- 1,0 €	4,3 €	+€8.8

Javier Mira, CEO of Facephi, commented: “We are pleased with the progress made in executing our strategy to deliver **strong revenue growth with free cash flow generation**, driven by **GEOGRAPHIC, SECTOR** and **PRODUCT** diversification.

Our performance during the first half of 2025 underscores our ability to sustain solid top-line growth with lower capital expenditures. Revenue grew 7,9%, while operating and

personnel expenses increased only 3,0%, reflecting greater business efficiency and scalability. Excluding exchange rate fluctuations, Revenue would have increased by 11,3%, and EBITDA would have been positive at €0.1 million.

More importantly, for the first time in the Company's history, on a 12 months' basis free cash flow is positive.

These results further reaffirm our confidence in the corporate, strategic, and technological foundations built over the past 13 years, enabling profitable growth across the pillars of our strategy:

1. **GEOGRAPHIC expansion:** we now serve clients in over 30 countries, with notable momentum in the EMEA region, which now represents 4.6% of revenues (up from 1.3% in FY24). In the near term, we will focus on deepening our presence in existing markets to strengthen our position and optimize free cash flow generation before entering new countries.
2. **SECTOR diversification** is progressing in line with our strategic framework, with insurance, pensions, and fintech experiencing the largest growth, now accounting for 5.1% of revenues (up from 3.0%). We will concentrate on consolidating our footprint in travel, hospitality, and gaming, alongside the financial sector, before exploring opportunities in additional industries.
3. Most importantly, from a **PRODUCT** perspective, in 2025 Facephi evolved from offering digital identity verification and protection products to a ***comprehensive Identity & Anti-Fraud platform, providing clients with a holistic, end-to-end solution.***

Our modular, AI/ML-powered Identity & Anti-Fraud platform features multi-biometric authentication, is compliance-ready, and can be deployed within weeks thanks to our proprietary technology. With the addition of our advanced fraud prevention solutions—such as behavioral biometrics and mule account detection—combined with Eastnet's financial crime prevention and compliance capabilities, Facephi now delivers a full-spectrum platform covering identity verification, protection, fraud detection, and regulatory compliance — **providing a true 360° end-to-end solution.**

These achievements strengthen our confidence in Facephi's outlook. We anticipate strong acceleration in 2H25 and 2026, supported by robust Revenue, EBITDA, and Free Cash Flow generation.”

The Company will host a webcast to discuss the results on Tuesday, November 4th, 2025, at 10:00 a.m. CT.

The live webcast will be accessible via [Webcast | Facephi's 1H25 Earnings Review | Facephi](#) or through Facephi's Investor Relations website at [Invest in Facephi](#). A replay of the webcast will be made available on the same website shortly after its conclusion.

About Facephi

Facephi is a technology company specializing in digital identity verification, fraud prevention, and regulatory compliance solutions. It delivers an AI/ML-powered Identity & Anti-Fraud platform that provides a comprehensive 360° end-to-end approach to digital protection. Renowned for its strong focus on security and data integrity, Facephi develops solutions that make digital processes safer, more accessible, and fraud-free. Its technologies help prevent identity theft while ensuring the ethical management and protection of personal data.

With over a decade of experience in developing technologies aimed at safeguarding digital identity, Facephi is headquartered in Spain, with subsidiaries in APAC, EMEA, and LATAM. The company serves the needs of clients across 30+ countries, delivering innovative solutions that address security challenges in an ever-evolving digital landscape.

Forward-Looking Statements

This press release may contain forward-looking statements regarding Facephi's future plans, objectives, and financial performance. Actual results may differ materially due to various risks and uncertainties. Please refer to the company's filings for a discussion of these risks.

Earnings 1H25

facephi

Sustainable Revenue growth
with **Cash Flow generation**,
driven by **Geographic, Product**
and **Sector** diversification

October 2025

Dual-listing at

BME Growth

 **EURONEXT**





H1 2025 has allowed us to validate the foundations of our strategy, consolidating 13 years of trajectory built on solid pillars of technological innovation and international vision. Our performance reflects Facephi's structural transformation toward a profitable, efficient, and sustainable business model.

For the first time, we have generated positive 12-month free cash flow (FCF), which represents the materialization of years of effort in operational optimization, financial discipline, and strategic management. As a result of these achievements, we are now in a position to estimate growth in Revenue and EBITDA for 2024–2026 of 26% and 232% (CAGR) resp., and strong cash generation, expecting to reach a FCF / EBITDA ratio of approximately 40% in 2026. These fundamental indicators demonstrate the strength of our strategic execution.

We are moving beyond the traditional offering of standalone products to become providers of a unique, end-to-end holistic solution in the market, powered by AI/ML. This delivers a differentiated value proposition to our clients — one that competitors cannot replicate and that anticipates market needs.

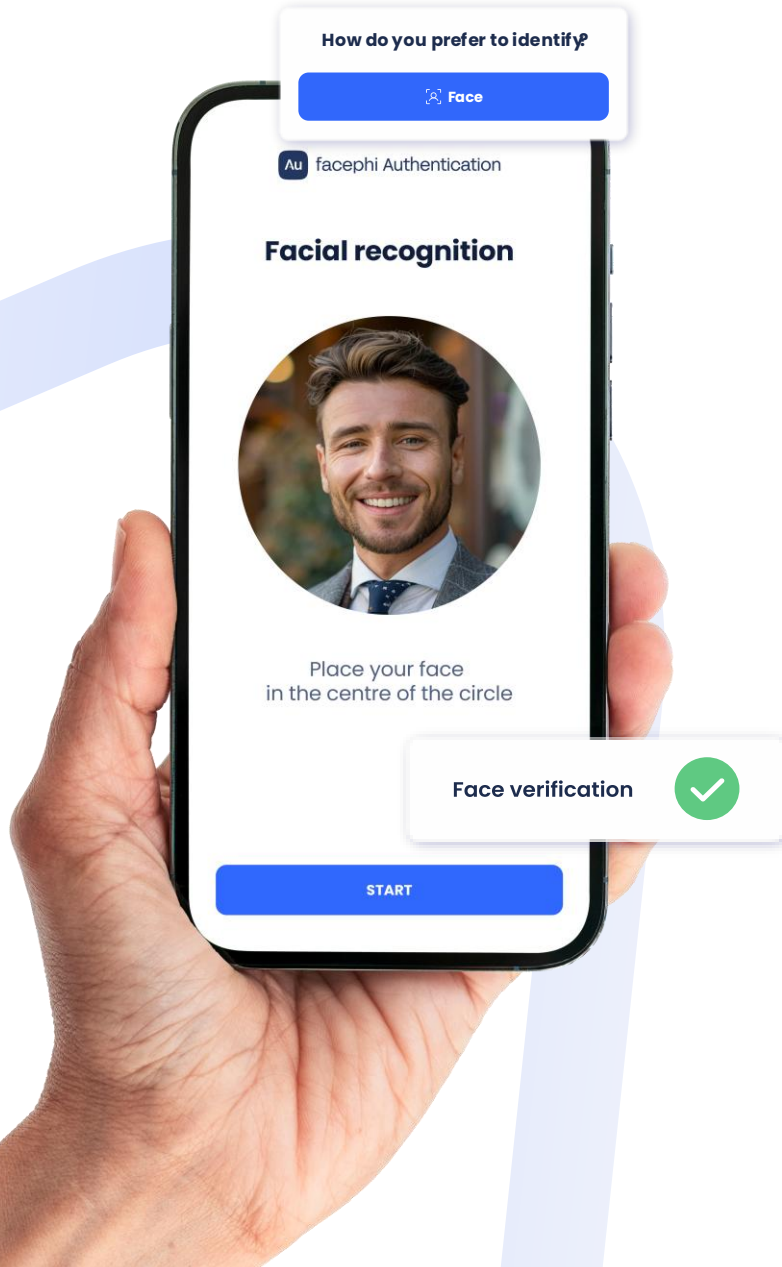
Likewise, continuous improvements in user experience and the optimization of our cost structure allow us to maintain solid margins without compromising quality or innovation.

2025 will mark a turning point in our geographic and sector expansion. Our footprint now extends to more than 30 countries, with particularly strong growth in the EMEA region, which has evolved from 1.3% of Revenue in 2024 to 4.6% in H1 2025, and is expected to grow to +10% for FY2025. At the same time, we have diversified our sector mix toward high-growth verticals such as insurance, pensions, and fintech, which represented 6.1% of Revenue compared to 3.0% in 2024. We will continue strengthening our presence in banking, fintech, and travel.

Our partnership with Eastnets serves as a strategic growth lever toward 2026, combining complementary strengths and multiplying our reach in regulatory compliance and financial fraud detection.

I deeply appreciate the commitment and dedication of the Facephi team, which continues to demonstrate execution capability and adaptability. I also thank our clients — many of whom have remained loyal for over ten years — our investors, and partners who believe in our vision of a safer, more transparent, and trustworthy digital future.

The coming months will be decisive in consolidating a trajectory of profitable growth and sustainable value creation, with confidence backed by the expected acceleration in H2 2025 and a fantastic 2026, supported by robust generation of Revenue, EBITDA, and FCF.



facephi At a Glance

- ✓ **Digital Protection 360°**
- ✓ Comprehensive solutions for **identity verification, fraud prevention, and regulatory compliance** through **advanced biometrics, AI, and ML.**
- ✓ Organic and inorganic growth strategy through strategic alliances
- ✓ Proprietary technology and intellectual property developed in-house..

Market CAP	€70 mm	YTD 25 Stock Return	+64%
TCV	+€65 mm	Churn Rate	<3%
Countries	+30	Clients	+350
		Sectors	+10

Note: Figures as of June 30, 2025

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A market
leader in a
growing sector

A market leader in a growing sector

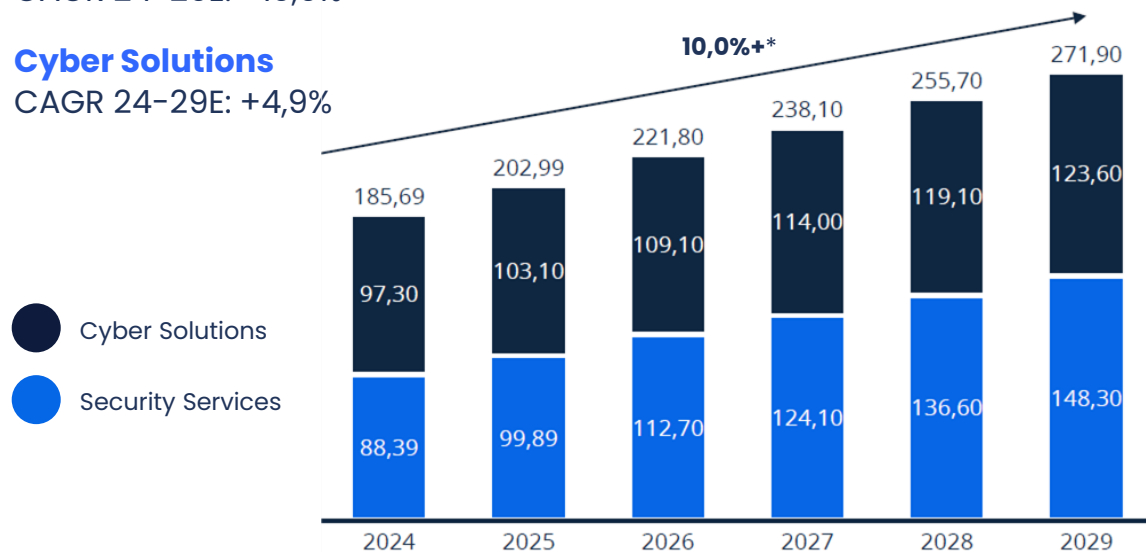
Cybersecurity 's worth 2024:
US\$185bn **CAGR 24-29e: 10,0%+***

Security Services

CAGR 24-29E: +10,9%

Cyber Solutions

CAGR 24-29E: +4,9%

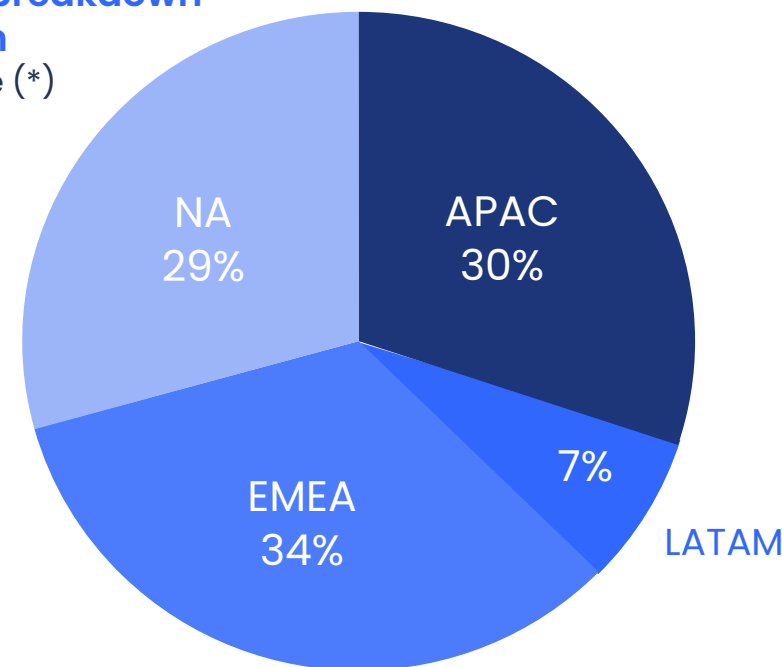


(* Cybersecurity: market data & analysis (Market Insights by statista - August2024)

Regional revenue trends & Facial recognition market size

Revenue breakdown per region

2023-2028e (*)



(* 2024 Biometric Digital Identity Flagship Prism report)

A market leader in a growing sector

Biometric Systems Market

47,210

USD Million 2024

84,490

USD Million 2029

CAGR

12.3%

The biometric systems market is estimated to grow from US\$47.210 billion in 2024 to US\$84.490 billion by 2029, registering a CAGR of 14.1%.

Identity Verification Market

14,342

USD Million 2025

29,324

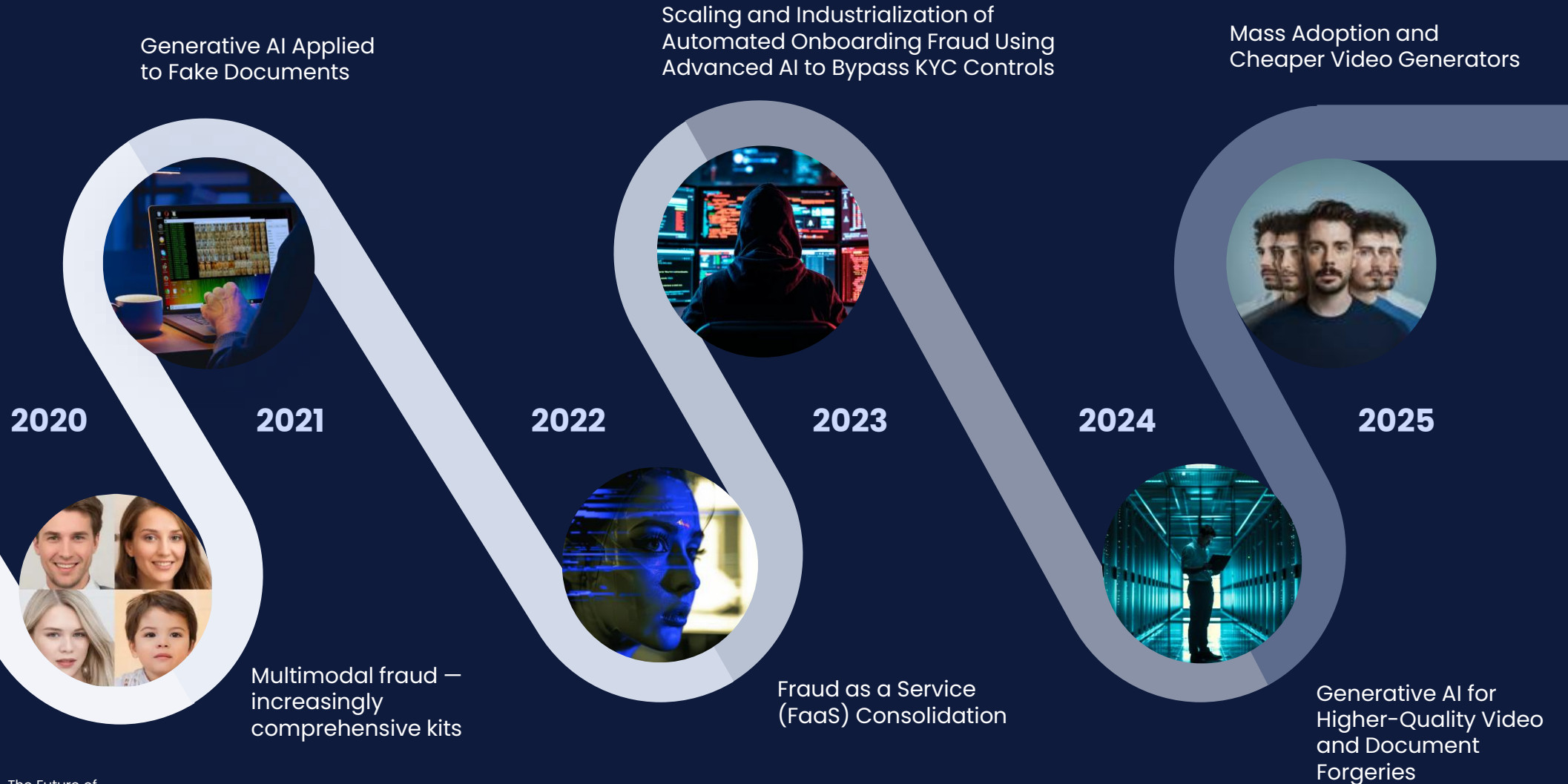
USD Million 2030

CAGR

15.4%

The global identity verification market is projected to reach US\$29.324 billion by 2030, growing at a CAGR of 15.4% over the forecast period.

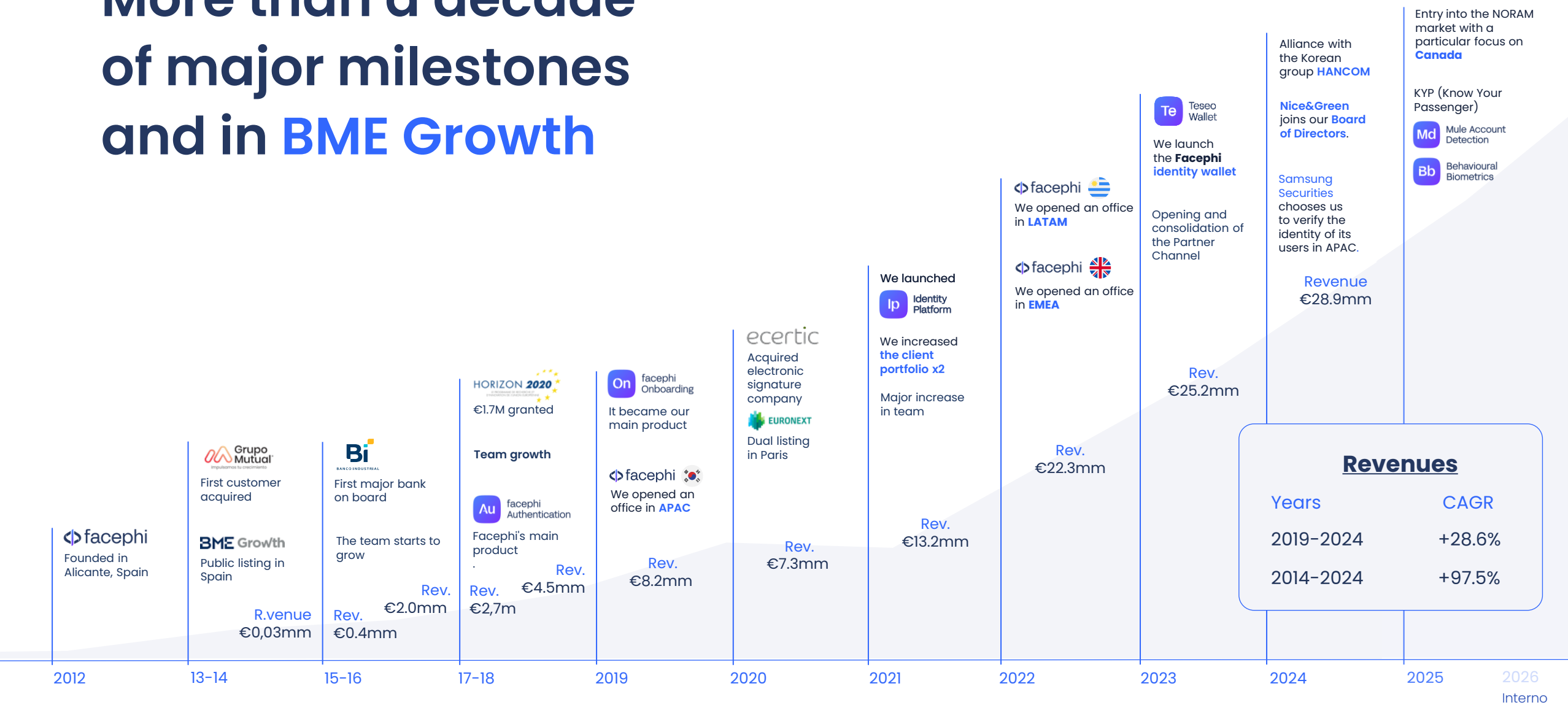
Digital fraud trends



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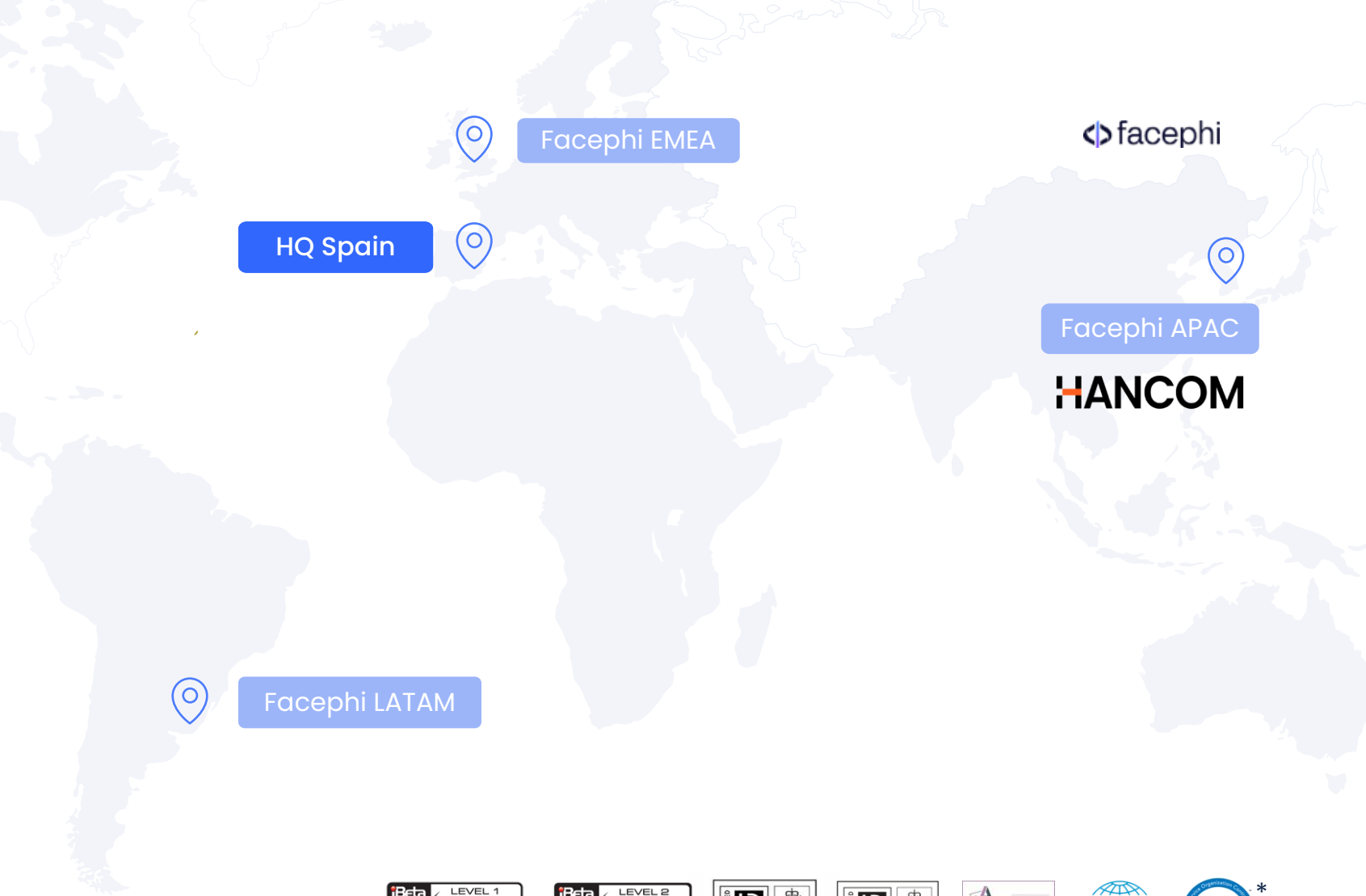
 facephi
Evolution

More than a decade of major milestones and in **BME Growth**



Global reach, maximum security & recognition

Trusted by leading
institutions worldwide



Gartner



*Starts after Anexo FII presentation. 12k + 6m

Three-Level Security

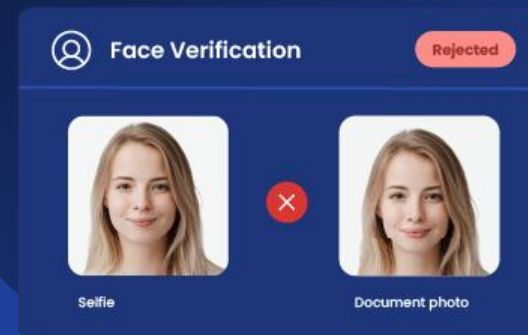
Using end-to-end solutions for holistic digital identity protection and fraud prevention.

Lvl 02

How do you respond?

Unauthorized Fraud Detection

Behavioral biometrics, injection attacks



Lvl. 01

Who are you?

Prevent identity theft

Liveness, deepfakes detection



Lvl 03

How is your network structured?

Prevention of Authorized Fraud
Mule Account Detection, transaction analysis

Solving the challenges of Online Security

Is IDV Suite

Ultra-scalable, embeddable and ready to use **identity verification**.

On facephi Onboarding

Verify your customers' identity in less than **10 seconds**

Au facephi Authentication

Confirm that users are genuine, reducing fraud and securing user interactions

Ip Identity Platform

Improve the security process by centralising, monitoring, and orchestrating user verification.

Bb Behavioural Biometrics

Analyses **behavioural patterns** and secures all interactions.

Md Mule Account Detection

Minimises risk and **protects transactions** from mule accounts

Te Teseo Wallet

It allows you to generate a **reliable, verified and guaranteed digital identity**, 100% fraud-free.

Facephi & Eastnets

A Transformative Partnership

Eastnets provides compliance excellence to over 800 financial institutions in more than 120 countries, backed by over 40 years of experience in financial crime prevention.

Facephi extends the scope of the partnership to the APAC, EMEA, and LATAM regions, with a technology delivering industry-leading conversion rates of 95% and accuracy above 99.8%

Together, Eastnets and Facephi now have the infrastructure to serve financial institutions, fintech companies, and payment providers across all five continents, offering localized expertise on an unprecedented global scale.



We have the trust
of the leading
global banks
and **companies**

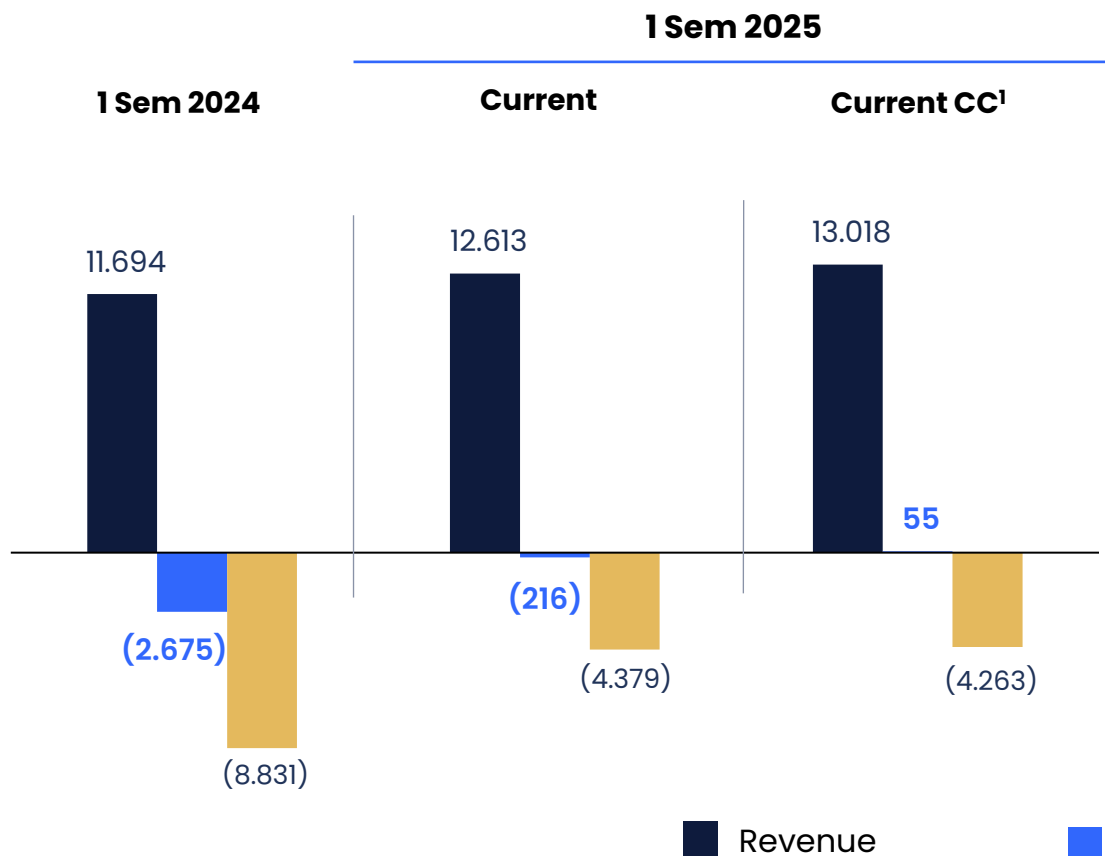


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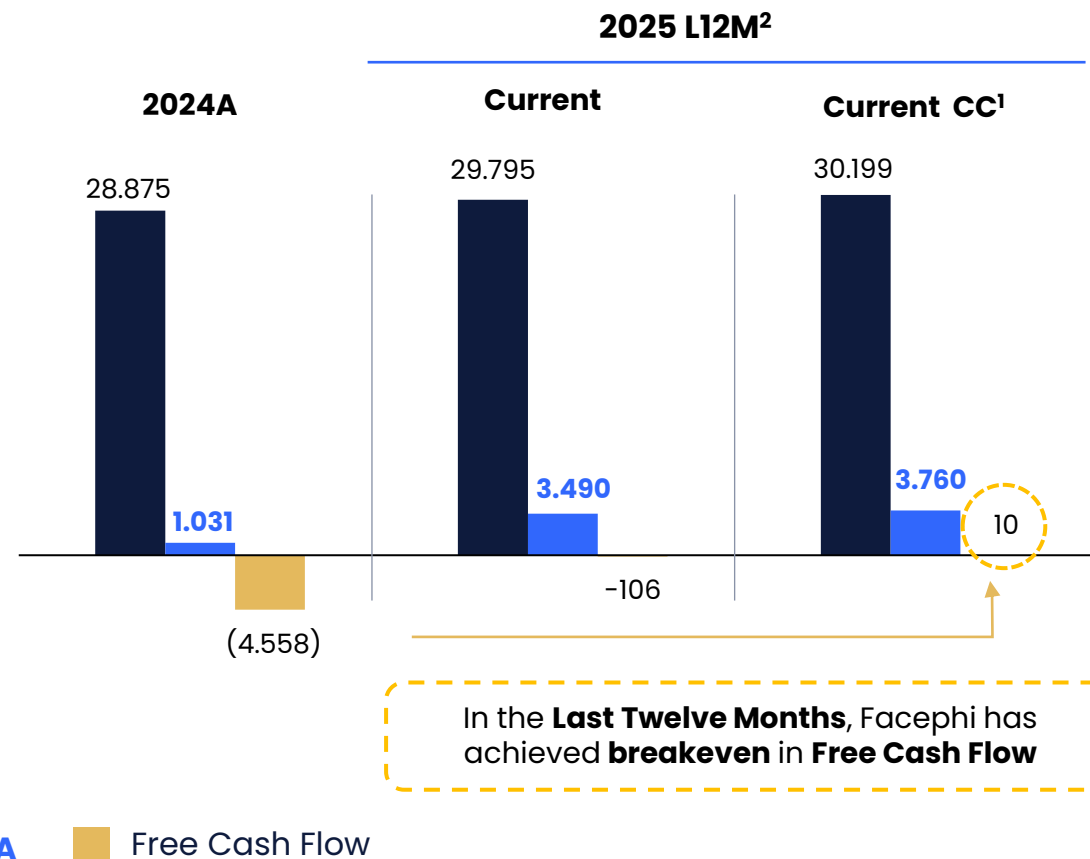
Financial Report H1 25

Current business 2025

Semester Comparison

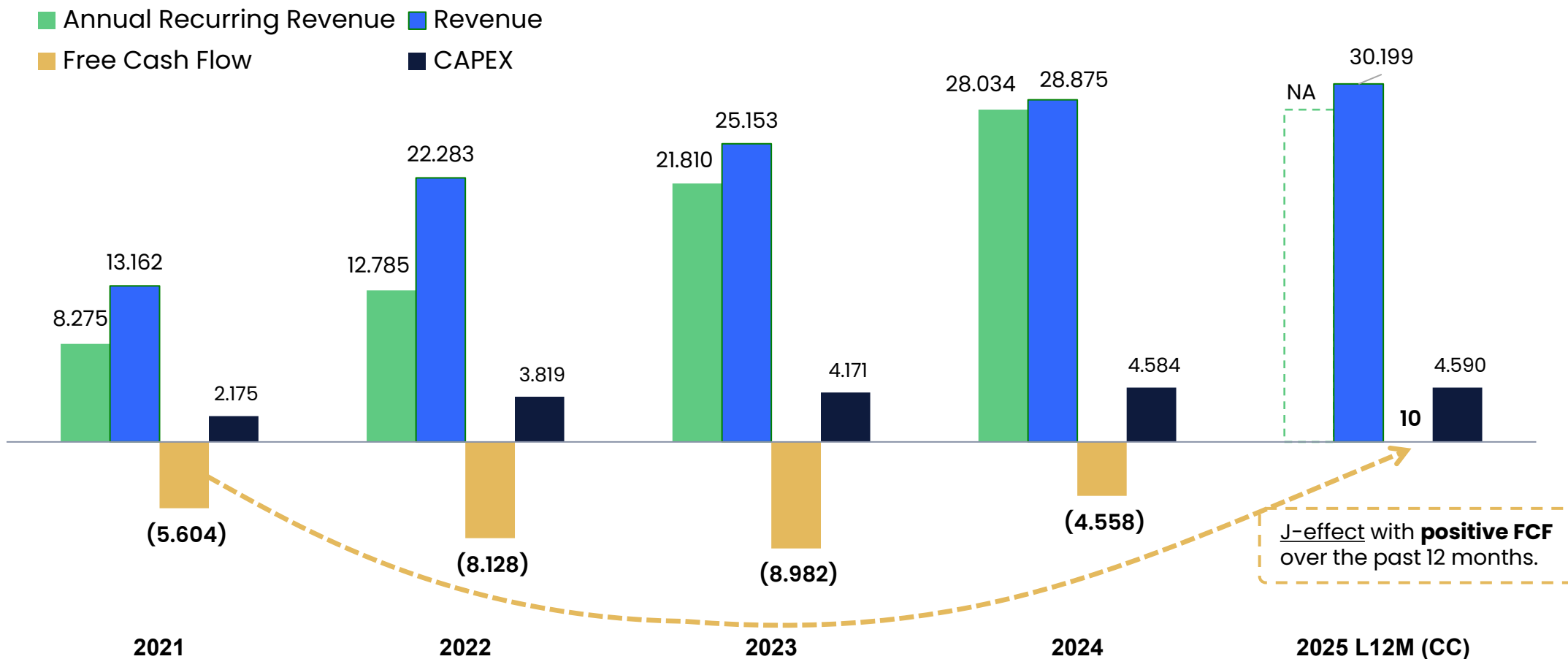


Annual Comparison



Notes: Figures in thousands of euros (1) Constant Currency Basis with USD/EUR 1,08 AVG in 2024 vs 1,13 AVG in 2025. (2) Last Twelve Months (Jul'24-Jun'25)
Source: Company information.

Key Financial Indicators



Note: Figures in thousands of euros. (1) ARR will be reliably updated at the Year-End. (CC) Constant Currency Basis with USD/EUR 1,08 AVG in 2024 vs 1,13 AVG in 2025
 Source: Company information.

Facephi – Guidance 2025–2026(I/II)

Current Business 2025 and Forecast FY25

Key Indicators

- ✓ Using the information from H1 2025, the Company updates its FY25 forecast monthly. The last figures show significant improvements compared to 2024.
- ✓ Achieving breakeven in cash flow in June 2025–LTM, underscores the company's true capacity to grow while generating sustainable cash and earnings.
- ✓ Excluding currency effects, Free Cash Flow estimated for FY2025 would be nearly positive.

	2024A	2025 L12M ^{CC}	2025e ¹	2025e ^{CC}	2025e vs 2024
Revenue	28,875	30,199	36,400	38,054	+26%
EBITDA	1,031	3,760	7,405	8,513	+618%
% Revenue	3.5%	12.5%	20.3%	22.4%	
Free Cash Flow	(4,558)	10	(995)	(33)	+3,563

Note: Figures in thousands of euros. (1) FY Forecast made at the beginning of October. (CC) Constant Currency Basis with USD/EUR 1,08 AVG in 2024 vs 1,13 AVG in 2025
Source: Company information

Facephi – Guidance 2025–2026 (II/II)

Key Financials 2025–2026

Facephi has developed a **preliminary and conservative scenario for 2026** based on:

- 
Maintaining significant growth in the EMEA region where 2025e revenue is expected to increase by 10x compared to 2024.
- 
Drive growth in behavioral biometrics as a technological solution to prevent complex fraud cases with several success cases in Facephi's portfolio.
- 
Leveraging partnerships with companies offering complementary products to achieve substantial differential results through *upselling* and *cross-selling*.

Key Financials	2025e	2026e
Revenue	36,400	46,161
EBITDA	7,405	11,012
Free Cash Flow	(995)	4,304
Net Financial Debt (NFD)	6,597	2,764
NFD / EBITDA	0.9 x	0.3 x

Note: Figures in thousands of € | Source: Company

2025 Currency Risk



Revenue Breakdown

By Solution	2022	2023	2024	HI 25
Onboarding	43.1%	62.1%	60.4%	58.3%
Authentication	37.9%	30.2%	31.0%	34.0%
Digital Platform	3.2%	1.3%	1.0%	1.2%
Consulting, Support and others	15.8%	6.4%	7.6%	6.5%

By Region	2022	2023	2024	HI 25
LATAM	95.5%	94.0%	94.7%	94.5%
EMEA	2.2%	4.2%	1.3%	4.6%
APAC	2.3%	1.7%	4.0%	0.9%
Others	0.0%	0.1%	0.0%	0.0%

On Premise / SaaS	2023	2024	HI 25
On Premise	53%	52%	15%
SaaS	47%	48%	85%

By Sector	2022	2023	2024	HI 25
Banking	94.4%	93.5%	90.9%	91.2%
Insurance / Pensions / etc.	3.5%	2.4%	3.0%	6.1%
Software consulting, Integration & Services	0.2%	1.0%	1.2%	1.5%
Others	1.9%	3.1%	4.9%	1.2%

Facephi / Partners	2024		HI 25
	Facephi	75%	81%
Partners	25%	19%	

Final Remarks



Why invest in facephi

1

Leader in a Growing Industry

Biometrics and Digital Identity
Market CAGR 2025–2030e: +12%
and +15%, resp.

2

Facephi's Historical Growth Above Industry Average

CAGR 2014–24: +28,6%.

3

Dominant Player in Banking and LATAM, Expanding into EMEA and APAC

- LATAM is expected to represent ~7% of sector revenues by 2028e;
- EMEA and APAC will account for ~64% of the market by 2028e

4

360° Holistic Platform

Comprehensive solution combining identity management, verification, fraud prevention, and regulatory compliance.

6

Attractive and Profitable Growth Outlook for 2024–2026

- Revenue and EBITDA CAGR 2024–2026e: +26% and 232% resp.
- FCF/EBITDA 2026e: 39%

5

Profitable Growth Strategy

Combination of organic and inorganic growth through strategic

7

Compelling Valuation

EV / EBITDA 2026e:	P / Revenue 2026e:
6.6x	1.5x



Forward-Looking Statements

This presentation may contain forward-looking statements regarding Facephi's future plans, objectives, and financial performance. Actual results may differ materially due to various risks and uncertainties. Please refer to the company's filings for a discussion of these risks

FACEPHI BIOMETRÍA, S.A. y sociedades dependientes

The Board of Directors of FacePhi Biometría, S.A., on September 30, 2025, and in compliance with the requirements established in BME Growth CIRCULAR 3/2020, the Capital Companies Act, and the Commercial Code, proceeds to prepare the attached consolidated interim financial statements of FacePhi Biometría, S.A. and its subsidiaries, documents annexed hereto, corresponding to the six-month period ended June 30, 2025.

Furthermore, the Board of Directors authorizes Mr. Juan Alfonso Ortiz Company as Secretary to sign the aforementioned documents on all pages.

SIGNATORIES

Javier Mira Miró
Chairman – Joint Chief Executive Officer

Juan Alfonso Ortiz Company
Secretary – Director

Pablo Reig Boronat
Independent Director

David J. Devesa Rodríguez
of Deputy Secretary

Manuel Lanfossi, in representation
of Nice & Green, S.A.
Member - Director



FACEPHI BIOMETRÍA, S.A. and subsidiaries

Consolidated interim financial statements for the six-month period ended June
30, 2025



June 30, 2025

Index of the consolidated interim financial statements and the explanatory notes

	Page
• Consolidated Balance Sheet	2
• Consolidated Income Statement	4
• Consolidated Statement of Changes in Net Equity	5
• Consolidated Cash Flow Statement	7
• Explanatory Notes to the Consolidated Interim Financial Statements	8
1 Nature and main activities of the Facephi Group	8
2 Reporting criteria	11
3 Valuation rules	14
4 Intangible Fixed Assets	31
5 Tangible Fixed Assets	36
6 Information on the nature and risk level of financial instruments	40
7 Financial Assets	42
8 Net Equity	46
9 Financial Liabilities	57
10 Position with respect to the tax agencies	63
11 Income and Expenditure	67
12 Remuneration of members of the Board of Directors and senior management	72
13 Provisions and Contingencies	73
14 Sundry information	73
15 Events subsequent to the end of the financial year	74

June 30, 2025

Consolidated Balance sheet			
30th June 2025			
(In Euros)			
ASSETS	NOTES TO THE FINANCIAL STATEMENTS	30/06/2025	31/12/2024
A) NON-CURRENT ASSETS		17.735.297	20.629.725
I. Intangible fixed asset	4	12.399.469	11.795.565
9. Other fixed intangible		12.399.469	11.795.565
II. Tangible fixed assets	5	2.221.020	2.363.073
1. Land and buildings		1.742.694	1.851.223
2. Technical installations and other tangible fixed assets		478.326	511.850
IV Non-current investments in group and associated companies		0	8.032
V. Non-current financial investments	7	164.835	166.727
5. Other financial investments		164.835	166.727
VI. Deferred tax assets	10.4	426.312	1.800.197
VII. Commercial debtors	7	2.523.662	4.496.132
B) CURRENT ASSETS		21.771.934	29.080.897
II. Prepayments to suppliers	7	37.500	0
III. Trade and other receivables	7	19.893.849	22.482.314
1. Clients from sales and provision of services		16.716.588	18.731.510
5. Other debtors	10	5.453	2.050
6. Other receivables from Public Administrations	10	3.171.808	3.748.754
V. Current financial investments	7	386.530	179.833
4. Short term derivative Assets	7.1	260.667	0
5. Other financial investments		125.863	179.833
VI. Short term accruals		701.280	682.453
VII. Cash and cash equivalents	7.4	752.775	5.736.296
1. Cash and banks		752.775	5.736.296
TOTAL ASSETS		39.507.232	49.710.622

(*) Unaudited figures.

Explanatory notes 1 to 15 attached are part of the consolidated financial statements as of June 30, 2025.

June 30, 2025

Consolidated Balance sheet			
30th June 2025			
(In Euros)			
EQUITY AND LIABILITIES	NOTES TO THE FINANCIAL STATEMENTS	30/06/2025	31/12/2024
A) EQUITY		16.597.641	19.192.653
A-1) Shareholders' equity	8	16.197.034	18.784.925
I. Capital	8.1	1.064.963	1.016.462
1. Issued capital		1.064.963	1.016.462
II. Share premium		33.708.316	31.045.346
III. Reserves		(14.067.033)	(5.445.435)
IV. (Treasury stock and shares)		(351.095)	(341.646)
V. Result attributed to the parent company		(5.260.530)	(8.884.362)
IX. Other instruments of equity		1.102.412	1.394.560
A-2) Adjustments for changes in value	8.2	(195.238)	(281.668)
IV. Conversion difference		(195.238)	(281.668)
A-3) Grants, donations and legacies received	8.3	595.846	689.397
B) NON-CURRENT LIABILITIES		1.367.289	3.487.545
I. Non-current provisions		36.904	36.904
1. Non-current provisions		36.904	36.904
II. Non-current debt	9	764.299	920.430
2. Debt with financial institutions		749.456	905.151
3. Finance Lease Liabilities		14.843	15.279
IV. Pasivos por impuesto diferido	10.4	566.086	694.652
V. Non-current creditors		0	1.835.559
C) CURRENT LIABILITIES		21.542.302	27.030.425
I. Current provisions	9	40.350	90.350
1 Current provisions		40.350	90.350
III. Current debt	9	8.410.875	11.406.069
2. Debts with financial institutions		8.289.289	9.171.315
3. Financial lease creditors		36.204	83.907
5. Other financial liabilities		85.383	2.150.847
V. Trade and other payables	9.3	12.436.435	14.798.418
1. Suppliers		4.930.437	6.290.459
4. Other payables		7.505.998	8.507.959
VI. Short term accruals	11.a	654.642	735.589
TOTAL EQUITY AND LIABILITIES		39.507.232	49.710.622

(*) Unaudited figures.

Explanatory notes 1 to 15 attached are part of the consolidated financial statements as of June 30, 2025.

June 30, 2025

Consolidated Profit and loss account			
30th June 2025*			
(In Euros)			
	NOTES TO THE FINANCIAL STATEMENTS	(Debits) Credits	
		30/06/2025	30/06/2024
A) CONTINUED OPERATIONS			
1. Net Revenue	11.a	12.613.482	11.694.187
b) Services provided		12.613.482	11.694.187
3. Work undertaken by the Company on its own assets	11.c	2.371.165	2.366.543
4. Supplies	11.b	(1.423.903)	(2.144.126)
c) Work undertaken by third party companies		(1.423.903)	(2.144.126)
5. Other operating income		1.568.452	80.877
a) Non-Core and Other Current Operating Revenues		1.568.452	40.629
b) Operating subsidies integrated in financial year profit / loss		0	40.247
6. Staff expenses	11.d	(8.727.697)	(8.303.435)
a) Salaries, remunerations and similar expenses		(7.306.047)	(6.971.575)
b) Social contributions		(1.477.620)	(1.331.861)
c) Provisions		55.970	0
7. Other operating expenses	11.e	(6.940.653)	(6.908.432)
a) External services		(7.042.212)	(6.609.830)
b) Taxes		(94)	(912)
c) Loss, impairment and variation in provisions for trade operations	6	101.653	(297.691)
8. Fixed assets depreciation	4 - 5	(3.074.853)	(2.669.831)
9. Allocation of grants related to non-financial fixed assets and other	8.3	124.735	124.388
11. Impairment losses and gains or losses on disposal of fixed assets		(1.754)	0
13. Other profit / loss		(13.726)	(1.009)
A.1) OPERATING PROFIT/ LOSS		(3.504.752)	(5.760.839)
15. Financial expenses		215.607	270.584
b) From trade securities and other equity instruments		215.607	270.584
15. Financial expenses		(529.485)	(829.077)
b) On debts to third parties		(324.947)	(829.077)
c) Other financial expenses		(204.538)	0
16. Variations in the fair value of financial instruments		260.667	0
a) Trading portfolio and other	7.1	260.667	0
17. Adjustments for changes	11.f	(1.581.799)	241.350
A.2) FINANCIAL PROFIT/ LOSS		(1.635.010)	(317.142)
A.3) PROFIT/ LOSS BEFORE TAX		(5.139.762)	(6.077.981)
20. Income tax	10.3	(120.768)	(209.917)
A.4) PROFIT/LOSS FROM CONTINUED OPERATIONS		(5.260.530)	(6.287.898)
A.5) PROFIT/LOSS FOR FINANCIAL YEAR		(5.260.530)	(6.287.898)

(*) Unaudited figures.

Explanatory notes 1 to 15 attached are part of the consolidated financial statements as of June 30, 2025.

June 30, 2025

STATEMENT OF CHANGES IN EQUITY FOR THE SIX-MONTH PERIOD ENDED JUNE 30TH, 2025 (Expressed en euros)			
A) STATEMENT OF RECOGNIZED INCOME AND EXPENSES			
	Notas de la memoria	30/06/2025	30/06/2024
A) RESULT OF THE INCOME STATEMENT		(5.260.530)	(6.287.898)
INCOME AND EXPENSES DIRECTLY ATTRIBUTED TO EQUITY			
<i>III. Grants, donations, and bequests received</i>	11.2	--	101.719
<i>VII. Tax effect</i>	13.4	--	(25.430)
B) TOTAL INCOME AND EXPENSES DIRECTLY ATTRIBUTED TO EQUITY (I + II + III + IV + V + VI + VII)		76.289	274.586
TRANSFERS TO THE INCOME STATEMENT			
<i>X. Grants, donations, and bequests received</i>	11.2	(124.735)	(124.388)
<i>XIII. Tax effect</i>	13.4	31.184	31.097
C) TOTAL TRANSFERS TO THE INCOME STATEMENT (VIII + IX + X + XI + XII + XIII)		(93.552)	(93.291)
TOTAL INCOME AND EXPENSES RECOGNIZED (A + B + C)		(5.354.081)	(6.304.900)

(*) Unaudited figures.

Explanatory notes 1 to 15 attached are part of the consolidated financial statements as of June 30, 2025.

June 30, 2025

B) Consolidated statement of Changes Equity for the six-month period ended June, 2025*										
(Expressed in euros)										
	Capital	Share premium	Other reserves of the Parent Company		reserves in cons companies By global integration	Assigned profit and loss	LCA - Conversion Difference	Grants, donations and legacies	TOTAL	
			Other reserves	Other equity instruments						(Own shares)
Opening balance as of 01.01.2024	851.585	24.231.301	289.461		(393.976)				20.043.049	
I. Total recognized consolidated income and expenses						(8.884.362)		59.555	(8.824.808)	
II. Transactions with partners or owners				1.394.560					1.394.560	
1. Capital increases.	164.274	6.814.045	(21.975)						6.956.344	
3. Conversion of financial liabilities into equity										
5. Transactions involving shares or interests of the Parent Company (net).			(118.778)		52.330				(66.448)	
III. Other changes in Equity			(206.328)		(4.309.547)	4.309.547	(104.319)		(310.646)	
Closing balance as of 31.12.2024	1.016.462	31.045.346	(57.620)	1.394.560	(341.646)	(5.387.816)	(8.884.362)	(281.668)	689.398	19.192.654
Opening balance as of 01.01.2025	1.016.462	31.045.346	(57.620)	1.394.560	(341.646)	(5.387.816)	(8.884.362)	(281.668)	689.398	19.192.654
I. Total recognized consolidated income and expenses						(5.260.530)		(93.552)	(5.354.081)	
II. Transactions with partners or owners				(292.147)					(292.147)	
1. Capital increases.	48.502	2.662.970							2.711.472	
4. Transactions involving shares or interests of the Parent Company (net)					(9.448)				(9.448)	
V. Other changes in Equity			262.765		(8.884.362)	8.884.362	86.429		349.194	
Closing balance as of 30.06.2025	1.064.964	33.708.316	205.145	(2.327.198)	(351.095)	(14.272.178)	(5.260.530)	(195.238)	595.846	13.168.032

(*) Unaudited figures.

Explanatory notes 1 to 15 attached are part of the consolidated financial statements as of June 30, 2025.

June 30, 2025

CONSOLIDATED STATEMENT OF CASH FLOW		
FOR THE SIX-MONTH PERIOD		
ENDED JUNE 30TH, 2025*		
(Expressed en euros)		
	30/06/2025	30/06/2024
A) Cash Flow from Operating Activities		
1. Profit for the year before taxes	(5.139.762)	(6.077.981)
2. Adjustments to profit.	4.433.475	2.943.513
a) Depreciation of fixed assets (+)	3.074.853	2.669.831
b) Impairment adjustments (+/-)	(101.653)	297.691
c) Changes in provisions (+/-)	(50.000)	(197.819)
d) Allocation of subsidies (-)	(124.735)	(124.388)
g) Financial income (-)	(215.607)	(270.584)
h) Financial expenses (+)	529.485	829.077
i) Exchange differences (+/-)	1.581.799	(241.350)
j) Change in fair value of financial instruments (+/-)	(260.667)	(18.945)
3. Changes in working capital	1.604.335	(2.634.231)
b) Receivables and other accounts receivable (+/-)	4.065.979	(2.829.454)
c) Other current assets (+/-)	18.827	(75.152)
d) Payables and other accounts payable (+/-)	(2.399.524)	466.250
e) Other current liabilities (+/-)	(80.947)	(195.875)
4. Other cash flow from operating activities.	(313.878)	(605.286)
b) Receivables and other accounts receivable (+/-)	(529.485)	(834.250)
c) Interest receipts (+)	215.607	0
d) Payments (receipts) for income taxes (+/-)	0	228.964
5. Cash flow from operating activities (+/-1 +/-2 +/-3 +/-4)	584.170	(6.373.985)
B) Cash flow from Investing Activities		
6. Payments for investments (-)	(3.538.458)	(2.698.218)
b) Intangible fixed assets.	(3.400.236)	(2.588.148)
c) Tangible fixed assets.	(138.222)	(110.070)
7. Receipts from divestments(+)	1.754	0
c) Tangible fixed assets.	1.754	0
8. Cash flow from investing activities (7-6)	(3.536.704)	(2.698.218)
C) Cash flow from financing activities (7-6)		
9. Receipts and payments for equity instruments.	636.675	2.449.874
a) Issuance of equity instruments.	646.123	2.472.700
c) Acquisition of own equity instruments.	(740.143)	(206.908)
d) Disposal of own equity instruments.	730.695	184.082
10. Receipts and payments for financial liability instruments.	(1.085.863)	4.277.451
a) Issuance.		
2. Debts with financial institutions (+).	0	509.796
5. Others (+).	0	5.600.000
b) Return and amortization of		
2. Debts with financial institutions (+).	(1.085.862)	(932.344)
4. Others (+).	0	(900.000)
11. Payments for dividends and remuneration of other equity instruments.	0	0
12. Cash flow from financing activities (+/-9 +/-10 +/-11)	(449.188)	6.727.325
D) Effect of changes in exchange rates.	(1.581.799)	241.350
E) Net increase/decrease in cash or cash equivalents (+/-A +/-B +/-C +/-D)	(4.983.521)	(2.103.528)
Cash or cash equivalents at the beginning of the year.	5.736.296	2.733.267
Cash or cash equivalents at the end of the year.	752.776	629.739

(*) Unaudited figures.

Explanatory notes 1 to 15 attached are part of the consolidated financial statements as of June 30, 2025.

June 30, 2025

1. Nature and main activities of the Group

a) Parent Company

FACEPHI BIOMETRIA S.A. (hereinafter the Parent Company) was incorporated for an indefinite period on September 26, 2012, before the notary Mr. Ignacio J. Torres López. Its registered and tax address is located in Alicante, at Avenida Perfecto Palacio de la Fuente 6, Panoramis building

According to the Articles of Association, its corporate purpose is the following:

- Research, development and marketing of all kinds of information technology material: hardware, software and home appliances.
- Online sales on the Internet and/or similar distribution channels, import, export, representation, marketing, distribution, dealership, wholesale and retail sale, assembly, handling, manufacture and provision of related hardware, software services on physical support and through the sale of licenses for use, electronic products and components, electrical home appliances and telecommunications.
- Performance of Internet-based activities and provision of information and training services.
- Development, construction, acquisition, conveyancing, representation, leasing (except financial leasing), subleasing, installation or direct or indirect operation of consultancy services, urban land management, administration, custody and management of all kinds of real property, plots classified in any zoning category, buildings, single-family dwellings, apartments, condominiums, sports fields, residential buildings, premises and industrial or business facilities, hospitality establishments. All the above furnished or unfurnished, acting on its own behalf or that of third parties and with property of public and private ownership.

Currently, the main activity of FacePhi Biometría S.A. and subsidiaries (hereinafter the FacePhi Group or the Group) consists of marketing and implementation of biometric facial recognition software developed by the Group itself and classified in category 845 for the purposes of the Tax on Economic Activity.

The Group has been listed on BME Growth in the expanding enterprise segment since 1 July 2014 and on Euronext Growth in Paris since 25 February 2020.

Therefore, the Group is subject to the control and supervision regime provided for under Regulation (EU) 596/2014 on market abuse, the consolidated text of the Securities Market Act approved by Royal Legislative Decree 4/2015 of 23 October and concordant provisions and by the Circulars issued by BME Growth.

b) Subsidiary and associated companies

Consolidation was performed by the full consolidation method on all subsidiaries, i.e., companies in which the Parent Company directly or indirectly exercises – or may exercise – its control, understood as the power to direct the financial and operating policies of a company in order to obtain economic benefits from its activities. This circumstance is evidenced (in general, but not exclusively) by direct or indirect ownership of more than 50% of the voting rights of the company in question. Subsidiaries are consolidated from the date on which control is transferred to the Group and are excluded from the consolidation perimeter on the date on which said control is relinquished.

June 30, 2025

The following table shows details, including the main activity and the registered address, of the companies that form part of the FacePhi Group:

Group Trading Company (Art. 42 Com. Code)	% Holding	Reg. address:	Main activity
FacePhi Biometría, S.A.	Parent Company	Alicante (Spain)	Marketing of biometric facial-recognition systems
FacePhi APAC, LTD	100%	Pangyo (South Korea)	Marketing of biometric facial-recognition systems
Celmuy Trading, S.A.	100%	Montevideo (Uruguay)	Marketing of biometric facial-recognition systems
Facephi Beyond Biometrics, LTD	100%	London (UK)	Marketing of biometric facial-recognition systems
FacePhi Biometric Solutions Brasil Softwares Ltda	100%	Sao Paulo (Brazil)	Marketing of biometric facial-recognition systems

The following was the equity position of the subsidiaries obtained from the unaudited accounting records as at 30 June 2025 and 31 December 2024 (as appropriate):

	FacePhi Biometric Solutions Brasil Softwares Ltda.		FacePhi APAC, LTD (*)		Celmuy Trading, S.A (*)		Facephi Beyond Biometrics LTD (*)	
	30.06.25	31.12.24	30.06.25	31.12.24	30.06.25	31.12.24	30.06.25	31.12.24
Subscribed Capital	8,032	8,032	516,390	516,390	187	187	116	116
Share Premium	---	---	---	---	---	---	---	---
Reserves	---	---	(421,716)	(196,221)	317,587	154,537	(4,618,308)	(3,018,934)
Profit for the Year	(8,064)	---	(91,551)	(144,231)	68,007	163,007	(454,464)	(1,599,374)
Translation Differences	(7,985)	---	(27,566)	(107,757)	(30,318)	(3,394)	(59,012)	(176,410)
Grants	---	---	---	---	---	---	---	---
Equity	(8,018)	8,032	(24,443)	68,181	355,463	314,336	5,131,668	(4,794,602)
% of participation	100%	100%	100%	100%	100%	100%	100%	100%
Theoretical Value of Shareholding	(8,018)	8,032	(24,443)	68,181	355,463	314,336	5,131,668	(4,794,602)

(*) Exchange value of the South Korean Won (KRW) and Uruguayan Peso (UYU) and Pound Sterling (GBP) to Euro according to the conversion criteria set forth in Note 3.1.

c) Changes in the scope of consolidation

During the six-month period ended June 30, 2025, the Brazilian subsidiary was included within the scope of consolidation. It was not included in the scope of consolidation in fiscal year 2024 due to its limited significance, as it was newly established and registered on July 10, 2024.

d) Joint ventures

Since 2023, the Parent Company has been part of the Temporary Joint Venture "UTE DH Healthcare Provider Software Spain, S.L.U – Facephi Biometría, S.A.", based in Madrid, in which it holds a 21,08% interest. The joint venture was established to execute the contract awarded by the Directorate of the National Institute of Health Management (INGESA) for the integration and installation of a master patient system with biometric identification for the Comarcal Hospital of Melilla, the University Hospital of Ceuta, and the primary care centers in Ceuta and Melilla.

The estimated value of the contract amounts to €711,490, to be executed over a period of 38 months from December 2021. In fiscal year 2024, activities commenced, with the integration entry as of December 31, 2024, recorded according to the following percentage of participation:

June 30, 2025

Items	€	
	Debe	Haber
Trade debtors and other accounts receivable	110,909	
Deferred tax liabilities	477	
Others	1,789	
Treasury	340	
Purchases	110,090	
Bank commissions	76	
Professional Services	809	
Interest on debt	3	
Revenue from Services		110,767
Trade Payables		110,662
Shares or Equity Interests		3,063
Total	224,493	224,493

Additionally, in 2024, the elimination entry for provisions (expenses) and trade payables (liabilities) was recorded in the amount of €110,090 due to reciprocal balances with the parent company.

In December 2024, the Company derecognized the joint venture from its financial statements due to the completion of its activity. Therefore, as its balance is not material in 2025, it has been decided not to include it in the interim consolidated financial statements.

June 30, 2025

2. Reporting criteria of the Consolidated Interim Financial Statements

a) Regulatory financial reporting framework applicable to the Group

These Consolidated Interim Financial Statements have been drawn up by the Parent Company's Board of Directors in accordance with the regulatory financial reporting framework for applicable to the Group as set forth in the following legislation:

- the Commercial code,
Royal Decree 1514/2007 of 16 November that adopts the General Accounting Plan and its subsequent modifications incorporated by Royal Decrees 1159/2010 of 17 September, 602/2016 of 17 December and 1/2021 of 12 January;
- Royal Decree 1159/2010 of 17 September that approves the rules for drafting consolidated annual financial statements in all aspects that do not contradict other provisions of the applicable financial information regulatory framework
- and other provisions of the applicable regulatory financial reporting framework.

b) True and fair image

These Consolidated Interim Financial Statements have been drawn up on the basis of the Group's accounting records in accordance with the regulatory financial reporting framework set forth above and with the accounting principles and criteria contained in the same and in particular with the accounting rules and criteria contained in the same, in order to provide a true image of the Group's consolidated equity, financial position, accounting outcomes and the accuracy of the flows contained in the Consolidated Cash Flow Statement for the period under review.

The attached Consolidated Interim Financial Statements have been drawn up in order to comply with the requirement to report interim financial information as at 30 June 2025 to the BME Growth as set forth in circular 3/2020 of the same.

These Consolidated Interim Financial Statements are presented in euros – the Group's functional and reporting currency – rounded up or down to the nearest whole number.

There are no exceptional reasons why accounting-related legal provisions have not been applied to show the true and fair view.

c) Non-mandatory accounting principles

No non-mandatory accounting principles have been applied. The Parent Company's Board of Directors has also drawn up these Consolidated Interim Financial Statements taking all the mandatory accounting principles and standards that have a significant effect on the same into consideration. No mandatory accounting criterion has been ignored.

d) Critical aspects of valuation and uncertainty estimates

The information contained in these interim consolidated financial statements is the responsibility of the Directors of the Parent Company.

The preparation of the interim consolidated financial statements requires the Group's Directors and Management to make judgments, estimates, and assumptions that affect the application of accounting policies and the amounts of assets, liabilities, income, expenses, and commitments. The estimates and assumptions are based on historical experience and other factors considered reasonable under the current circumstances.

In this regard, the following provides a breakdown of the matters that involved a higher degree of judgment or complexity, or for which assumptions and estimates are significant in the preparation of the interim consolidated financial statements:

June 30, 2025

- *Recognition of R&D*: The valuation of research and development (R&D) projects involves considering multiple variables subject to uncertainty, arising from both the technical feasibility and the economic viability of such projects. In this context, the estimates regarding the economic and technical feasibility of the projects involve a significant degree of judgment by the Directors of the Parent Company.
- *Impairment of non-current assets*: valuation of non-current assets other than financial assets requires making estimations to determine their recoverable value for the purposes of assessing their potential impairment. To determine this recoverable value, the Parent Company's directors estimate the expected future cash flows of the assets or the cash-generating units of which they form part and use an appropriate discount rate to calculate the present value of said cash flows. The cash flows depend on fulfilment of the projections included in the business plan for the next five financial years while the discount rates depend on the interest rate plus the risk premium (see note 3.5).
- *Deferred tax assets* are recognised for all deductible temporary differences, negative tax bases pending compensation and deductions pending application for which it is probable that the Group will have future taxable earnings that enable application of these assets. Taking the amounts and dates on which future taxable profits will be obtained and the reversal period of taxable temporary differences into account, the Group's directors must make significant estimates to determine the amount of deferred tax assets that can be recognised. As at 30 June 2025, the Group has recognised deferred tax assets for a total of 426,312 € (1,7 million € at 31 December 2024) mainly regarding the recognition of the R&D&I deduction not yet monetized from previous fiscal years, for which the Group expects to request the monetization of said amount.

These estimates are made on the basis of the best information available on the events under analysis on the drafting date of the Consolidated Interim Financial Statements. Nevertheless, it is possible that future events may make it necessary to change them (upwards or downwards) in coming financial years. Said changes, if any, will always be made in a prospective manner in accordance with the provisions of Rule 22 of the General Accounting Plan, recognising the effects of any changes in the estimates in the associated Consolidated Income Statement.

During fiscal year 2024, the Group wrote off deferred tax assets related to tax loss carryforwards and unused tax credits due to losses in the past two fiscal years, and as a matter of prudence, since the likelihood of their recoverability depends on the achievement of the business plan, which involves estimates. However, the Management and the Board of Directors of the parent company expect to generate taxable profits in the very near future against which these credits and deductions can be applied, and therefore plan to re-evaluate their carrying amount on the balance sheet.

e) Going Concern

During the six-month period ended June 30, 2025, the Group reported a negative result before taxes amounting to 5,140 thousand € (6,078 thousand € negative as of June 30, 2024) and an EBITDA (calculated from operating profit and excluding amortization) of 430 thousand € negative (3,091 thousand € negative at the end of the first half of 2024).

The Group's equity at the end of the first half of 2025 amounts to 16,598 (19,193 thousand € at year-end 2024).

Working capital at the end of the first half of 2025 is positive at 230 thousand € (negative at June 2024 by 8,520 thousand € and positive at year-end 2024 by 2,050 thousand €). Operating cash flow before financing activities generated in the first half of 2025 improved significantly compared to the first half of 2024 (despite the depreciation of the US dollar) and amounted to 4,290 thousand € negative, compared to 8,831 thousand € negative in the first half of 2024. Considering the last twelve months, from July 2024 to June 2025, operating cash flow generation reached breakeven levels. Based on the approved budgets, the Directors of the

June 30, 2025

Parent Company anticipate that the fiscal year ending December 31, 2025, will close at breakeven.

In December of the current fiscal year 2025, the maturity of the Syndicated Financing facility will occur, with a balance at the end of the semester consisting of 780 thousand € from Senior Debt tranche A, as well as 5,000 thousand € and 2,000 thousand € from revolving credit lines. This facility was granted in December 2020 for a total amount of 13 million € when the company's revenue was only 7 million € in 2020, that is, almost twice its revenue.

As of the date of preparation of these interim consolidated financial statements, the Group is in discussions with various financial institutions, including those represented by Santander on behalf of the aforementioned Syndicated Debt, and estimates that the new liability structure will represent around 25% of the company's current revenue (compared to 200% in 2020), and will be less than 2 times the expected normalized EBITDA for the current year.

Furthermore, as stated in April of the current fiscal year 2025 in the 2024 Annual Accounts, the Group has the formal support and commitment of its main shareholder (Nice & Green) to ensure the continuity of its operations and that the Group can meet its obligations, if necessary.

Based on these circumstances, the Board of Directors of the parent company believes that the expected cash flows from operating activities, together with ongoing negotiations for new financing, will enable the Group to meet its current liabilities and expansion plans. Therefore, the accompanying interim consolidated financial statements have been prepared on a going concern basis, that is, assuming the Group will continue its operations.

f) Comparison of information

The period under review consists of the six months between 1 January 2025 and 30 June 2025. The Consolidated Balance Sheet and the Consolidated Statement of Changes in Net Equity as at 31 December 2024 are included herein for comparative purposes and the six-month period from 1 January 2024 to 30 June 2025 is also included as a comparative period in the Consolidated Income Statement and the Consolidated Statement of Cash Flows.

g) Changes in accounting criteria and correction of errors

As at 30 June 2025 the Group has not made any restatement for changes of accounting criteria with respect to those applied to the 2024 financial year.

June 30, 2025

3. Recognition and valuation rules

The following are the main recognition and valuation standards employed by the Facephi Group when drawing up these Consolidated Interim Financial Statements:

3.1 Consolidation principles

The following are the main criteria used in consolidation.

Acquisition of control

Acquisitions by the Parent Company (or any other Group company) to obtain a controlling interest in a subsidiary constitutes a business combination that is accounted for using the acquisition method. This method requires the acquiring company to recognise the acquired identifiable assets and liabilities at full fair value on the acquisition date in a business combination and, as required, the associated goodwill or negative difference. Subsidiaries are consolidated from the date on which control is transferred to the Group and are excluded from the consolidation perimeter on the date on which said control is relinquished.

The acquisition cost is deemed to be the sum of the fair values at the acquisition date of the acquired assets, liabilities, the equity instruments issued by the acquirer and the fair value of any contingent consideration that depends on future events or fulfilment of certain conditions, which must be recognised as an asset, a liability or as net equity according to their nature.

Expenses related to the issuance of equity instruments or the financial liabilities assumed do not form part of the price of the business combination and are recognised in accordance with the regulations applicable to financial instruments. Fees paid to legal counsel or other professional persons involved in the business combination are recognised as expenses as they are incurred. Neither do internal costs incurred for these items or any other applicable expenditure that the acquired entity would have incurred in any case form part of the cost of the business combination.

The excess of the price of the business combination on the acquisition date over the proportional part of the value of the identifiable assets acquired minus that of the liabilities assumed that represents the holding in the acquired group's capital is recognised as goodwill. In the exceptional event that this amount exceeds the cost of the business combination, the excess shall be recognised as revenue in the Income Statement.

Since there is effective control, the assets, liabilities, income, expenditure, cash flows and other items in the Group companies' Individual Interim Financial Statements are included in the Group's Consolidated Interim Financial Statements using the full consolidation method.

Effective control is understood to exist in relation to subsidiaries in which the Parent Company has a direct or indirect holding in excess of 50% that entails control of the majority of the voting rights in the associated governing bodies.

This method requires the following:

Temporal homogenisation

The subsidiaries' Individual Interim Financial Statements are drawn up on the same date and for the same period as the Consolidated Interim Financial Statements of the Group company required to consolidate.

Valuation homogenisation

Assets, liabilities, income, expenditure and other items in the Group companies' Interim Financial Statements have been valued by applying identical methods. The valuation of any asset, liability, income or expenditure assessed according to criteria different from those applied for consolidation have been valued again and the required restatements have been made for the sole purpose of consolidation.

June 30, 2025

Aggregation

Items of the previously-harmonised Individual Interim Financial Statements are aggregated according to their nature.

Elimination of investment - net equity

The book values representing the subsidiary's equity instruments directly or indirectly owned by the Parent Company are offset with the proportional part of the equity items of the aforesaid subsidiary attributable to these holdings. In general, this compensation is made on the basis of the values resulting from applying the acquisition method as set forth above. In consolidations subsequent to the financial year in which the Parent Company acquired control, the excess or shortfall of the equity generated by the subsidiary from the acquisition date shall be reported in the Consolidated Balance Sheet under the head of *Reserves* or *Restatements due to value changes* in accordance with their nature. The part attributable to the external partners is entered under the head of "External partners".

Holdings by external partners

There were no external partners as at 30 June 2025 or during the 2024 financial year.

Elimination of intragroup items

Credits and debts, income and expenditure and cash flows between Group companies have been totally eliminated. Furthermore, all outcomes produced by internal transactions are eliminated and deferred until they are charged to third parties outside the Group.

Conversion of the Consolidated Interim Financial Statements of companies incorporated under the laws of foreign countries

All assets and liabilities of companies the functional currency of which is different from the euro and that are included in the consolidation are converted to euros using the exchange rate at the end of each year.

Items in the Income Statement have been converted at the exchange rates on the dates on which the associated transactions were performed.

Once the portion of the difference pertaining to non-controlling interests that appears under the head of Non-controlling interests in Net Equity on the consolidated balance sheet has been subtracted, the difference between the amount of equity of foreign companies including the Income Statement balance calculated in accordance with the previous section, converted at the historical exchange rate and the net equity resulting from conversion of assets and liabilities in accordance with the first paragraph, are entered with a positive or negative sign, as required, to Net Equity on the Consolidated Balance Sheet under the head of Conversion Differences.

Goodwill and restatement of fair value of Balance Sheet items that arise when acquiring a holding in a foreign undertaking are treated as assets and liabilities of the acquired entity and are therefore converted at the interest rate at year's end and the exchange differences that arise in the aforesaid account are entered to Conversion Differences.

3.2 Business combinations

Business combinations are considered to consist of transactions in which a company gains control of one or more undertakings, understood as an integrated group of activities and assets that can be managed to provide earnings or to lower costs or provide the owners with other benefits.

The merger, spin-off and non-monetary contribution transactions of a business between Group companies are recognised by valuing the equity instruments acquired at their book values in the Consolidated Financial Statements of the last Spanish parent company on the date on which the

June 30, 2025

transaction was performed. Any differences that may arise are entered against reserves. The effective accounting date is the start date of the financial year in which the transaction is approved.

Merger or spin-off transactions other than the above and business combinations arising from acquisition of all the equity components of an undertaking or of a party that constitutes one or more businesses, are recognised by valuing the acquired equity components by the acquisition method. This means that these assets and liabilities will be valued as a general rule at their fair value on the date of the transaction provided that this can be reliably measured and, as required, the difference between the cost of the business combination and the value of said assets and liabilities will be entered as goodwill if it is positive or as income in the Income Statement if it is negative. The acquisition date is the date on which the acquiring company gains control of the target enterprise or enterprises.

3.3 Joint ventures

In accordance with the currently applicable commercial legislation, for integration and accounting recognition of transactions carried out with temporary consortiums (UTE) of which the Group is a member, the proportional part of the UTE's balances shall be accounted for in the Consolidated Balance Sheet and Income Statement as a function of the percentage Group's holding. This addition shall be performed once the required homogenisation and elimination of the transactions between the Group and the UTE have been carried out in proportion to the associated holding, the asset and liability balances and the reciprocal income and expenditure.

3.4) Intangible fixed assets

Assets entered under the head of Intangible Fixed Assets are recognised at their acquisition price or production cost. Intangible fixed assets are reported at cost minus depreciation and, as appropriate, minus any accumulated value restatements due to impairment.

Intangible fixed assets are assets with a defined useful life and therefore must be written off over their useful economic life defined as the time during which it is reasonably expected that the financial benefits inherent to the asset will produce returns for the company.

These assets are amortised over a period of ten years when their useful life cannot be estimated.

a) Software development expenses

The development expenses of the information technology applications that are subsequently marketed are capitalised at the time all the following conditions are met:

- there is a specific, individualised project that enables reliable assessment of the disbursement attributable to completion of the same;
- allocation, attribution and distribution over time of the costs of each project are clearly established;
- there are well-founded reasons for a technically successful conclusion to the project at all times, whether the Company intends to operate it directly or to sell resulting product to a third party if there is a market for the same once the project is concluded;
- the financial-commercial profitability of the project is reasonably assured;
- financing to complete the projects in question is reasonably well assured; in addition to the availability of suitable technical or other resources to complete the project and to use or sell the intangible fixed asset, financing to enable completion of the projects is reasonably assured;
- the Group intends to finish the intangible fixed asset in question in order to use or sell it.

Fulfilment of all the above conditions is verified over all the financial years during which the project is developed. The amount capitalised is that applicable the moment all the aforesaid conditions are fulfilled.

June 30, 2025

Own personnel expenses and the costs of the services acquired from third parties that have participated in development of the applications and computer software are included as increased costs of the same with payment under the head of "Work carried out by the Group for its fixed assets" in the Consolidated Income Statement.

Other development expenses are recognised as expenses when they are incurred. Development costs previously recognised as expenses are not restated as assets in subsequent years. In accordance with the conditions indicated above in this section, capitalised development costs are amortised on a straight-line basis during their estimated useful life – which shall not exceed five (5) years – for each project.

In the event of a change in the favourable project circumstances that enabled development expenses to be capitalised, the portion pending amortisation will be charged to income for the financial year in which said circumstances changed.

Estimates of impairment of intangible assets are based on calculation of the future cash flows derived from fulfilment of the business plan drawn up by Group management and updated at a market discount rate. Said plan supports the commercial success of capitalised development spending and the expectation that it will be recovered.

As at 30 June 2025 the Parent Company estimates that there is no indication of impairment of intangible assets since the directors are reasonably sure that the business plan will be fulfilled, which means that on the basis of their forecasts, all the intangible assets and tax credits will be fully recovered in coming financial years.

b) Software

Computer program licenses acquired from third parties are capitalised on the basis of the costs incurred for acquisition of the programs and for configuring them for use in specific applications. These costs are written off over their estimated useful lives on a straight-line basis over a period of between four (4) and six (6) years.

Expenses related to maintenance of computer programs are recognised as expenses when they are incurred. Costs directly related to the production of unique and identifiable computer programs controlled by the Group and which are likely to generate earnings in excess of costs for more than one year are recognised as computer programs in Intangible Assets. Direct costs include the personnel costs of the software development and an appropriate percentage of overheads.

Computer program development costs recognised as assets are written off over their estimated useful lives (not exceeding 5 years).

c) Intellectual property

Intellectual property is valued at its acquisition cost or that of the right to use or to assign the use of the various versions of the program provided that, due to the contractual monetary conditions, said assets are posted to the inventory of the acquiring company. Intellectual property includes but is not limited to: patents for inventions, utility model protection certificates, industrial design and other modalities consistent with the applicable legislation.

Intellectual property rights are valued at the acquisition price or production cost. The book value of development expenses capitalised at the time the associated patent or similar right is obtained – including the cost of registration and formalisation of the intellectual property – are recognised as such provided that the legal conditions required for registration in the appropriate registry are met and without prejudice to the amounts that could also be recognised for acquisition of the associated rights from third parties. Research expenses continue to be written off at the same rate and under no circumstances shall they be posted to the book value of the intellectual property. The useful life is estimated at between 3 and 20 years.

3.5 Tangible fixed assets

June 30, 2025

Property, plant and equipment are recognised at acquisition price or production cost minus accumulated depreciation and the accumulated cost of recognised impairment losses.

The costs of the extension, modernisation or improvement of tangible fixed assets are incorporated within the asset as an increase in its value only if they represent an increase in its capacity, productivity or an extension to its useful life, and wherever it is possible to calculate or estimate the book value of the elements cancelled from the inventory having been replaced.

Major repair costs are capitalised and written off over their estimated useful life. Recurring maintenance expenses are charged to the Income Statement for the financial year in which they are incurred.

With the exception of land, which is not depreciated, depreciation of property, plant and equipment is calculated on a straight-line basis depending on the nature of the asset and taking the wear and tear actually suffered due to its operation, use and enjoyment into account.

The following are the estimated depreciation data of the main items:

Item	Annual percentage	Years of useful life	Method
Buildings (*)	10%	10	Straight-line
Other facilities	10%-20%	10	Straight-line
Furnishings	10% - 20%	10 - 20	Straight-line
I.T. equipment	13% - 25%	4 - 7	Straight-line
Other tangible fixed assets	10% - 20%	5 - 10	Straight-line

(*) 10 years taking the leasing period of the property into account.

The residual value and useful life of assets are reviewed and, if necessary, restated on the date of each Consolidated Balance Sheet.

The value of an asset is immediately reduced to its recoverable amount whenever its book value is higher than its estimated recoverable amount.

Income and losses from the sale of property, plant and equipment are calculated by comparing the income obtained from the sale with the book value and are recorded in the Consolidated Income Statement.

3.6 Impairment of non-financial assets

The directors assess whether there are indications of impairment of non-current assets at least at the close of each financial year. Their recoverable values are estimated if such evidence is found.

The recoverable amount is the fair value minus the cost of sale or the value in use, whichever is higher. A loss by impairment is recognised if the book value is higher than the recoverable amount. Value in use is the net present value of expected future cash flows using risk-free market interest rates adjusted for the specific risks associated with the asset. The recoverable value of assets that do not generate cash flows largely independent of those derived from other assets or groups of assets is determined by the cash-generating units to which said assets belong.

Valuation restatements for impairment and reversal of the same are recognised in the Consolidated Income Statement. Except for those associated with goodwill, valuation restatements for impairment are reverted when the circumstances that gave rise to them cease to exist. Reversion of impairment is limited to the book value of the asset that would be applicable if the associated impairment had not been previously recognised.

June 30, 2025

The Parent Company's directors have updated their five-year business plan that forms the basis on which a new impairment test for non-financial assets will be conducted.

3.7 Financial assets

Classification of financial instruments

The Group classifies financial instruments at initial recognition as a financial asset, a financial liability, or an equity instrument, in accordance with the economic substance of the contractual arrangement and the definitions of financial asset, financial liability, or equity instrument.

The Group recognizes a financial instrument when it becomes a party to the contract or legal arrangement under its terms, either as issuer, holder, or acquirer of the instrument.

For measurement purposes, the Group classifies financial instruments into the following categories: financial assets and liabilities at fair value through profit or loss, separating those initially designated from those held for trading and those mandatorily measured at fair value through profit or loss; financial assets and liabilities measured at amortized cost; financial assets at fair value through other comprehensive income, distinguishing equity instruments designated as such from other financial assets; and financial assets measured at cost. The Group classifies financial assets at amortized cost and at fair value through other comprehensive income, except for designated equity instruments, based on the business model and the characteristics of the contractual cash flows. The Group classifies financial liabilities at amortized cost, except for those designated at fair value through profit or loss and those held for trading.

Compensation criteria

Financial assets and liabilities are subject to compensation only when the creditor has an enforceable right to compensate the amounts recognised and intends to settle the net amount or to simultaneously liquidate the asset and cancel the liability.

Assets at amortised cost

If the Group holds an investment solely for the purpose of receiving cash flows arising from execution of the contract and the contractual conditions of the financial asset entail cash flows that are exclusively payments of capital and interest on the outstanding principal on specific dates, the financial asset shall be recognised in said category even when it is listed for trade on an organised market.

As a general rule, this category includes debits for both trade and non-trade transactions:

- a. credits for trade transactions: these are financial assets that originate in the disposal of goods and provision of services for the Group's trade transactions with deferred payment, and
- b. credits for non-trade transactions: these are financial assets which – not being equity instruments or derivatives do not originate in trade transactions and the collection of which is a specific or specifiable amount – arise from transactions involving loans or credits granted by the Group.

Initial valuation

Financial liabilities classified in this category are initially recognised at fair value which, unless there is evidence to the contrary, will be the transaction price which in turn is equal to the fair value of the consideration plus any transaction costs directly imputable to the liability in question.

Notwithstanding the above, credits for trade transactions with maturity at no more than one year that do not have a contractual interest rate, credits to personnel, dividends pending collection and demand disbursements on equity instruments may be valued at their face value when the effect of not updating the cash flows is not significant.

June 30, 2025

Subsequent valuation

Financial assets recognised in this category are valued at their amortised cost. Accrued interest is charged to the Income Statement on the basis of the effective interest rate method.

Nevertheless, credits with a maturity of no more than one year which – in accordance with the provisions of the above section are initially recognised at par – will continue to be valued at said amount unless they have been impaired.

The Group will consider whether an impairment loss should be recognised if the contractual cash flows of a financial asset change due to the issuer's financial difficulties.

Value impairment

The required valuation restatements must be made at least at the end of each financial year if there is objective evidence that the value of a financial asset or a group of financial assets with similar collectively-assessed risk characteristics has suffered impairment as a result of one or more events having occurred after their initial recognition and which cause a reduction or delay – that may be due to the debtor's insolvency – in the estimated future cash flows.

Losses due to value impairment of these financial assets shall be the difference between their book value and the net present value of their estimated future cash flows, including any flows originating in the estimated outcome of execution of real or personal guaranties, discounted at the effective interest rate at the time of initial recognition of the asset. The effective interest rate on the closing date of the Consolidated Financial Statements shall be used for financial assets with variable interest rates in accordance with the contractual conditions. Models based on statistical formulas or methods may be used to calculate impairment losses on a group of financial assets.

Impairment losses and reversal of the same shall be recognised as expenses or revenue respectively in the Consolidated Income Statement if the amount of such losses decreases for reasons related to a subsequent event. Reversal of the impairment is recognised as income and is limited to the book value of the financial asset that would be recognised on the reversal date if the impairment had not been posted.

Notwithstanding the above, provided there is a sufficiently reliable estimate of the recoverable amount, the Group may take the market value of instruments traded on an open market as a substitute for calculation of the present value of future cash flows.

Recognition of interest on financial assets with credit impairment will follow the general rules, without prejudice to the fact that at the same time the Group must assess whether said amount will be recovered and, if necessary, account for the associated impairment loss.

Financial assets at fair value through profit or loss

The Group may designate a financial asset at initial recognition at fair value through profit or loss if doing so eliminates or significantly reduces an accounting mismatch or asymmetry that would otherwise arise, in cases where the measurement of assets or liabilities, or the recognition of their gains or losses, would be based on different accounting bases.

Initial valuation

The Group initially recognizes financial assets at fair value through profit or loss at their fair value. Transaction costs directly attributable to the purchase or issuance are recognized as an expense when incurred.

The fair value of a financial instrument at initial recognition is usually the transaction price, unless that price includes components other than the instrument itself, in which case the Group determines its fair value. If the Group determines that the fair value of an instrument differs from the transaction price, the difference is recognized in profit or loss to the extent that the fair value was obtained with

June 30, 2025

reference to a quoted price in an active market for an identical asset or liability or derived using a valuation technique that only uses observable data. In other cases, the Group recognizes the difference in profit or loss to the extent that it arises from a change in a factor that market participants would consider when determining the price of the asset or liability.

Subsequent valuation

Subsequent to initial recognition, they are measured at fair value, with changes recognized in profit or loss. Changes in fair value include interest and dividend components. Fair value is not reduced by transaction costs that may be incurred upon a possible sale or other disposal.

Financial assets at cost

The following securities shall be included in this category:

- a) Investments in the equity of non-consolidated group, multi-group and associated companies as defined in rule 13 on drafting of annual financial statements in the Spanish General Accounting Plan;
- b) all other investments in equity instruments the fair value of which cannot be determined by reference to a quoted price on an active market for an identical instrument or cannot be estimated reliably and all derivatives for which said instruments are the underlying security;
- c) hybrid financial assets the fair value of which cannot be reliably estimated unless the requirements for their recognition at amortised cost are met;
- d) contributions made as a consequence of an equity account or similar contract;
- e) equity loans the interest of which is contingent in nature, either because a fixed or variable interest rate is conditional upon the borrowing company achieving a milestone (for example, making a profit) or because said interest is calculated exclusively by reference to variations in the activity of the company in question;
- f) all other financial assets that would initially be classified in the fair value portfolio with changes in the income statement when a reliable estimate of their fair value cannot be obtained.

Initial Recognition

Investments included in this category are initially measured at cost, which corresponds to the fair value of the consideration given plus any directly attributable transaction costs. In the case of group companies, the criteria set out in Section 2 of Accounting Standard 19 of the Spanish General Accounting Plan regarding transactions between group companies should be applied, as well as the criteria for determining the cost of a business combination established in the standard on business combinations.

However, if there was a prior investment before it was classified as a group, multi-group, or associate company, the cost of that investment will be considered as the carrying amount it should have immediately before the company acquired that classification.

The initial measurement also includes the amount of any preemptive subscription rights or similar rights acquired, if applicable.

Subsequent Valuation

Equity instruments included in this category are measured at cost, less any accumulated impairment adjustments, if applicable.

When these assets need to be valued for derecognition or other purposes, the weighted average cost method will be applied by homogeneous groups, understood as securities with equal rights.

June 30, 2025

In the case of the sale or segregation of preemptive subscription rights or similar rights to exercise them, the cost of the rights will reduce the carrying amount of the respective assets. This cost will be determined using a generally accepted valuation method.

Contributions made under a joint venture or similar agreement are measured at cost, adjusted for the profit or loss attributable to the entity as a non-managing participant, and less any accumulated impairment adjustments, if applicable.

The same approach applies to participative loans whose interest is contingent, either because a fixed or variable interest rate is conditioned on the achievement of a milestone in the borrowing company (e.g., profit generation), or because it is calculated solely based on the performance of the said company. If an irrevocable fixed interest is agreed upon in addition to a contingent interest, the fixed interest is recognized as financial income over its accrual period. Transaction costs are charged to profit or loss on a straight-line basis over the life of the participative loan.

Value impairment

The required valuation restatements must be made at least at the end of each financial year if there is objective evidence that the book value of an investment will not be recovered.

The amount of the valuation restatement will be the difference between the carrying value and the recoverable amount understood as the fair value minus cost of sale or the present value of the future cash flows from the investment, whichever is greater. In the case of equity instruments, the amount of the restatement shall be calculated either by estimating the expected cash flows as a result of allocation of dividends by the investee and disposal or write-off of the investment in the same or by estimating the Company's share of the cash flows expected to be generated by the investee from both its ordinary activities and from disposal or write-off of the same.

In the absence of better evidence of the recoverable amount of investments in equity instruments, the impairment loss estimate for this class of assets will be calculated on the basis of the equity of the investee and the tacit capital gains existing at the valuation date net of tax effect. Provided that the investee has invested in another company in turn, this value shall be calculated by taking the net equity set forth in the Consolidated Financial Statements into account and applying the criteria of the Commercial Code and its development rules.

If the investee company is domiciled outside Spanish territory, the net equity to be taken into account will be annotated according to the rules set forth in the General Accounting Plan. However, if high inflation rates are involved, the values to be considered will be those resulting from the restated financial statements as set forth in the foreign currency rule.

As a general rule, the indirect equity-based estimation method may be used in cases where it can be applied to demonstrate a minimum recoverable amount without the need for a more complex analysis when it can be inferred that no impairment has occurred.

Recognition of value impairment restatements and their reversal, if any, will be entered respectively as an expense or as revenue in the Consolidated Income Statement. Reversal of the impairment will be limited to the carrying value of the investment that would have been recognised on the reversal date if the impairment had not occurred.

However, in the event of an investment in the company prior to its classification as a group, multigroup or associate company, and if valuation restatements have been made directly attributable to the equity resulting from said investment prior to the aforesaid classification, these restatements shall be maintained after the classification until the investment is disposed of or written off – at which time they shall be recognised in the Consolidated Income Statement – or until the following circumstances occur:

- a) In the case of prior valuation restatements for increases in value, valuation impairment restatements will be entered against the item of equity that includes the previously-made valuation restatements up to the amount of the same and the excess, if any, will be recognised

June 30, 2025

in the Consolidated Income Statement. Value impairment restatements imputed directly to Net Equity shall not be reversed.

- b) In the case of prior valuation restatements due to write-downs that result in a recoverable amount greater than the carrying value of the investments, the latter will be increased up to the limit of the write-down against the item to which the valuation restatements were imputed. From that point on the resulting balance will be considered to constitute the cost of the investment. However, in the event of objective evidence of impairment in the value of the investment, the losses accumulated directly in net equity will be recognised in the Consolidated Income Statement.

Interest and dividends

Interest and dividends on financial assets accrued after acquisition are recognised as revenues in the Consolidated Income Statement. Interest from financial assets valued at amortised cost must be recognised on the basis of the effective interest rate method, and dividends when they are allocated to the shareholder entitled to receive them.

For these purposes, taking into account the maturity of the financial assets, the sum of the explicit interest accrued and not due at that moment and the sum of the dividends agreed by the competent body up to the time of acquisition are independently recognised in the initial valuation of said assets. "Explicit interest rate" is understood to mean that obtained by applying the contractual interest rate of the financial instrument.

Deregistration of financial assets

The Group will write off a financial asset, or part of it, when the contractual rights to the cash flows of the financial asset expire or have been assigned. For this to happen, the risks and benefits inherent in ownership of the asset must have been substantially transferred. Said risks and benefits are assessed by comparing the exposure of the Company to variation in the amounts and timing of the net cash flow schedules of the assigned asset before and after transfer of the same.

The risks and benefits of ownership of the financial asset shall be understood to have been substantially assigned when their exposure to said variation is no longer significant with respect to the total variation in the present value of the future net cash flows associated with the financial asset.

If the Group has not substantially assigned or retained the risks and benefits of ownership, the financial asset will be deregistered when the Group has failed to retain control of it. Occurrence of this circumstance will depend on the capacity of the transferee to unilaterally transfer the entire asset to an unrelated third party without imposing conditions. The transferring company will continue to recognise the transferred asset for the amount to which the Company is exposed to variations in the value of the same (i.e., the company is still involved with the asset) and will recognise an associated liability if the former retains control of it.

When the financial asset is derecognized, the difference between the consideration received, net of any directly attributable transaction costs—taking into account any new asset obtained less any liability assumed—and the carrying amount of the financial asset, shall determine the gain or loss arising from the derecognition of that asset, and shall be included in the consolidated profit or loss for the period in which it occurs.

The above criteria shall also be applied to transfers of a group of financial assets or a part of the same.

3.8 Financial liabilities

Financial liabilities are classified into the following valuation categories: amortised cost financial liabilities and fair value financial liabilities with changes in the Income Statement.

Financial liabilities measured at amortised cost

June 30, 2025

The Group classifies financial liabilities into the following valuation categories: amortised cost financial liabilities and fair value financial liabilities with changes in the Income Statement.

As a general rule, this category includes debits for both trade and non-trade transactions:

- a) Debits for trade transactions: these are financial liabilities that originate in acquisition of goods and services for the Group's trade transactions with deferred payment, and
- b) Debits for non-trade transactions: these are financial liabilities which – not being derivative instruments – do not originate in trade transactions but in transactions involving loans or credits received by the Group.

Initial valuation

Financial liabilities classified in this category are initially recognised at fair value which, unless there is evidence to the contrary, will be the transaction price which in turn is equal to the fair value of the consideration plus any transaction costs directly imputable to the liability in question.

Notwithstanding the above, debits for trade transactions with maturity at no more than one year that do not have a contractual interest rate and disbursements required by third parties on holdings the amount of which is expected to be paid in the short term, may be valued at their face value when the effect of not updating cash flows is negligible.

Subsequent valuation

These financial liabilities are subsequently valued at their amortised cost. Accrued interest is charged to the Consolidated Income Statement on the basis of the effective interest rate method.

Nevertheless, debits with a maturity of no more than one year which – in accordance with the provisions of the above section are initially recognised at face value – will continue to be valued at said amount.

Deregistration and modification of financial liabilities

The Group will deregister a financial liability, or part of it, when the associated obligation has extinguished; i.e., when it has been settled, cancelled, or has expired. It will also write off any of its own financial liabilities that it may acquire even when the intention is to reallocate them in the future.

The difference between the book value of the financial liability – or the part of it that has been written off – and the consideration paid including directly-attributable transaction costs that also include any assigned asset different from the cash or liability assumed, is recognised in the Consolidated Income Statement for the financial year in which it occurs.

3.9 Net equity

The share capital is represented by ordinary shares. Incremental costs directly attributable to the issuance of new shares or options are reported in Consolidated Net Equity as a deduction, net of taxes, from the amounts obtained.

- a) Treasury stock instruments held by the Parent Company (own shares)

Acquisition of equity instruments by the Parent Company is recognised separately at the acquisition cost as a reduction of the equity on the Consolidated Balance Sheet. No result is recognised in the Consolidated Income Statement for transactions capitalised with treasury stock.

Transaction costs related to treasury stock are recorded as a reduction in reserves once any tax effect has been considered.

- b) Capital increases by issuance of options convertible into treasury stock instruments

June 30, 2025

The Parent Company uses the stock option issuance method (equity warrants (EW)) in order to obtain financing for its expansion plans. A financial derivative is created if the fixed-for-fixed swap rule is not observed in accordance with the conditions of the options issue. The fixed-for-fixed swap rule is met if the only possible settlement of the instrument is by delivery of a fixed number of treasury shares for a fixed price.

Since the financial derivative created is not considered to constitute a hedging instrument, it is recognised at its fair value in the Consolidated Income Statement at its valuation time at each accounting closure date.

The fair value of the derivative is determined using option pricing models that take the life of the option, the market price of the underlying assets, the expected volatility of the shares and the risk-free interest rate during the life of the option into account.

Variations in the fair value of the derivative during its life (that is, from the date of signature to exercise of the option), are recognised in the Consolidated Income Statement as a financial cost/revenue. The derivative is written off the Consolidated Balance Sheet on the conversion date of the options into shares and the cash received for the conversion – plus/minus the accumulated fair value of the derivative until that moment – is charged to capital and reserves (plus issue premium).

3.10 Cash and cash equivalents

Cash and cash equivalents include cash on hand and demand bank deposits with credit institutions. Other highly-liquid short-term investments are also included under this head provided that they are easily convertible into specified amounts of cash and that their time to maturity does not exceed three months.

The Group reports payments and receipts from high-turnover financial assets and liabilities for their net value in the Consolidated Cash Flow Statement. For these purposes, the rotation period is considered high when the period between the acquisition and the expiration dates does not exceed six months.

3.11 Classification of assets and liabilities as current or non-current

The Group classifies assets and liabilities reported on the Consolidated Balance Sheet into current or non-current. For these purposes, current assets or liabilities are those that meet the following criteria:

- assets are classified as current when they are expected to be capitalised, are held for sale or consumption in the course of the normal operating cycle, are held fundamentally for trading purposes, are expected to be capitalised within the twelve months following the accounting closure date or are composed of cash and cash equivalents except in cases where they cannot be exchanged or used to settle a liability within at least the twelve months following the closure date;
- liabilities are classified as current when they are expected to be settled within the normal operating cycle, are held primarily for trading, must be settled within twelve months of the closing date or there is no unconditional right to postpone cancellation of the liabilities during the twelve months following the closing date;
- financial liabilities are classified as current when they must be settled within the twelve months following the closure date even if the original term is for a longer period and there is a refinancing or restructuring agreement for long-term payments that has concluded after the closure date and before the Consolidated Financial Statements are drawn up.

All other assets and liabilities that fail to meet the conditions set forth above are classified as “non-current”.

June 30, 2025

3.12 Subsidies, donations and bequests

Reimbursable grants are recognised as liabilities until they meet the conditions to be considered non-reimbursable, while non-reimbursable subsidies are recognised directly in net equity as income on a systematic, rational basis in a manner correlated with expenses deriving from the subsidy. Non-refundable grants received from partners are recognised directly in capital and reserves.

For these purposes, a grant is considered non-refundable when there is an individualised agreement to grant the subsidy, all the conditions established for its award have been met and there are no reasonable doubts that it will be collected.

Monetary grants are valued at the fair value of the amount granted and non-monetary grants at the fair value of the asset received. These values are referenced to the recognition date.

Non-reimbursable grants related to the acquisition of intangible fixed assets, property, plant and equipment and real estate investments are charged as income for the financial year in proportion to the amortisation of the associated assets or, as appropriate, on disposal, restatement of their value due to impairment or when they are written off the Balance Sheet. Non-refundable grants related to specific expenses and those granted to compensate for the operating deficit in the financial year in which they are granted are recognised in the Consolidated Income Statement in the same year in which the associated expenses are accrued, except when they are used to compensate for operating deficits in future financial years, in which case they are allocated in said years.

3.13 Corporation tax

In view of the fact that the companies included within the consolidation perimeter are taxed individually for corporation tax, the consolidated tax expense is obtained by adding the expenses that the consolidated companies have estimated for said item corrected by the consolidation restatements. Said expenses are calculated on the companies' individual economic results corrected by tax criteria and taking any applicable bonuses and deductions into account.

Therefore, the corporation tax expense (income) for the financial year is calculated as the current tax – calculated by applying the tax rate to the taxable base for the financial year – minus any rebates and deductions and the variations produced in the deferred tax assets and liabilities recognised during the financial year in question.

Corporation tax is recognised in the Consolidated Income Statement except when it refers to transactions recognised directly in Net Equity (in which case the associated tax is also recognised in Consolidated Net Equity) and in business combinations (in which case it is recognised in the same accounts as the other assets of the acquired undertaking).

Deferred taxes are recorded for the temporary differences existing on the date of the Consolidated Balance Sheet between the tax base of assets and liabilities and their book values. The taxable base of an asset is considered to be the amount attributed to it for tax purposes.

The tax effect of temporary differences is posted under the heads of "deferred tax assets" and "deferred tax liabilities" on the Consolidated Balance Sheet.

Deferred tax liabilities are recognised for all taxable temporary differences except those derived from initial recognition of goodwill or other assets and liabilities in a transaction that does not affect fiscal or accounting outcomes and is not a business combination.

Deferred tax assets, on the other hand, are only recognised to the extent that it is considered probable that each individual company will have future taxable profits against which the deferred asset can be used.

The Group assesses the recognised deferred tax assets and any that have not been previously recognised on the closing date of each financial year. On the basis of this assessment the Group will then write off a previously-recognised asset if its recovery is no longer probable or enter any

June 30, 2025

previously-unrecognised deferred tax asset provided that it is probable that future taxable earnings are available against which it can be applied.

Deferred tax assets and liabilities are valued at the expected tax rates at the time of their reversal in accordance with the currently applicable regulations and with the manner in which the deferred tax asset or liability is rationally expected to be recovered or paid.

Deferred tax assets and liabilities originating in transactions with direct charges or credits in equity accounts are also accounted for with a balancing entry in Consolidated Net Equity.

Deferred tax assets and liabilities are not discounted and are classified as non-current assets and liabilities regardless of their expected capitalisation or settlement date.

3.14 Employee benefits

a) Severance payments

Severance payments are paid to employees as a result of Group management's decision to terminate their employment contracts before the normal retirement age. These benefits are recognised when a demonstrable commitment has been made to dismiss workers in accordance with a detailed regulatory plan of mandatory compliance. Benefits that will not be paid during the twelve months following the Balance Sheet date are discounted to their current value.

b) Non-Compete Agreements

The Group has entered into various employment contracts containing non-compete clauses. The Directors consider that the conditions for recognizing a liability and an expense are not met, as the likelihood of occurrence is very low or almost nil.

3.15 Transactions with payments based on equity instruments

Transactions which, in exchange for receiving goods or services including services provided by employees, are settled by the Parent Company using its treasury stock instruments or with an amount based on the value of its treasury stock instruments (such as share options or share appreciation rights) are considered to constitute payments based on equity instruments.

Recognition

On the one hand, the Group will recognise goods or services received as assets or as expenses depending on their nature at the time of receipt, and on the other, the associated increase in equity if the transaction is settled using equity instruments or the associated liability if the transaction is settled with a sum based on the value of equity instruments.

If the Group can choose between making the payment with equity instruments or in cash, it shall recognise a liability to the extent to which it has incurred a present obligation to settle in cash or with other assets. Otherwise, it will recognise an entry in Net Equity. If it is the goods or services supplier that exercises the option, the Group will recognise a compound financial instrument that will include a liability component due to the other party's right of to demand payment in cash, and a net equity component, due to the holder's right to receive remuneration with treasury stock instruments.

Transactions that require provision of services within a certain period will be recognised as these services are provided throughout said period.

Valuation

Transactions with employees settled using equity instruments will be recognised on the date of the agreement to grant said instruments. Both the services rendered and the increase in equity to be recognised shall be valued at the fair value of the equity instruments so assigned.

June 30, 2025

Transactions settled with equity instruments the consideration of which consists of goods or services other than those provided by employees will be valued at the fair value of the goods or services on the date they are received provided that said value can be reliably estimated. If the fair value of the goods or services received cannot be reliably estimated, the goods or services received and the increase in equity will be valued at the fair value of the equity instruments assigned on the date on which the Group obtains the goods or the other party provides the services.

Pursuant to the provisions of the preceding paragraphs, no additional restatements will be made to net equity after the vesting date once the goods and services received and the associated increase in net equity have been recognised.

The goods or services received and the liability to be recognised in transactions settled in cash will be valued at the fair value of the liability on the date on which the requirements for their recognition are met.

Subsequently, the associated liability will be valued at fair value on the closing date of each financial year until settlement and any valuation change that occurs during the financial year will be charged to the Consolidated Income Statement.

The Parent Company's General Meeting held on 21 June 2022 approved the Stock Option Plan for directors, managers, employees and business partners. The aim of this Plan is to achieve and control the Group's corporate objectives, stimulate its expansion and improve its management by focusing on optimising all aspects required to enhance its long-term value, align the interests of employees and shareholders and to ensure that the Group's key employees are retained.

As at 30 June 2025 and of the previous financial year, the plan has not met any of its goals and therefore no provision has been recognised on the Consolidated Balance Sheet at said date.

3.16 Provisions and contingencies

Provisions for responsibilities, restructuring costs and litigation are recognised when they arise from a present legal or implicit obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions for future operating losses are not recognised.

Provisions are valued at the present value of the disbursements expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the specific risks of the obligation. Restatements of the provision as a result of updating are recognised as a financial expense as they accrue.

Provisions with maturities of less than or equal to one year, with an insignificant financial effect, are not discounted.

When it is expected that part of the disbursement required to settle the provision will be reimbursed by a third party, the reimbursement is recognised as an independent asset, provided collection is practically ensured.

Potential obligations arising as a result of past events the occurrence of which is conditioned by the occurrence or not of one or more future events beyond the Group's control are considered to constitute contingent liabilities.

Said contingent liabilities are not subject to accounting records and details concerning them are set forth in the Explanatory Notes of the Consolidated Financial Statements.

3.17 Recognition of revenue

Operating revenue derived from contracts with customers are posted at the time transfer of control of the goods and services committed to said customers occurs. Control of goods or services refers to the ability to fully decide on the use of the item involved and to substantially obtain all its remaining benefits.

June 30, 2025

A process consisting of the following stages is implemented to apply this criterion:

- identification of the contract with the customer;
- identification of the contractual obligation to be met;
- determination of the transaction price;
- allocation of the transaction price to the obligations to be fulfilled based on the sale price of each good or service or by estimating the sale price when it cannot be otherwise ascertained;
- recognition of the revenue from ordinary activities at the time the Company fulfils each acquired commitment.

Income from the sale of goods or services is recognised at the fair value of the consideration received or to be received deriving from the same. Discounts for prompt payment, volume or other kinds of discount and interest added to the face value of the loans are posted as a reduction thereof. Notwithstanding the above, the Group includes interest added to trade credits with maturity at no more than one year that do not have a contractual interest rate when the effect of not updating the cash flows is not significant.

Revenue is recognised when its value can be reliably measured, it is probable that future economic benefits will accrue to the Group and the specific conditions for each activity are met as set forth below. The amount of the income cannot be reliably valued until all contingencies related to the sale have been resolved. The Group bases its estimates on historical results taking the type of customer, the kind of transaction and the specific terms of each agreement into account.

The Group recognises income derived from sale of the right to use and enjoy software (licensing) for biometric facial recognition technology once all the risks and benefits of ownership of the product have been transferred to the purchaser and the conditions set forth in the above paragraph have been met. It is usually charged to the Income Statement at the time the licence is delivered, regardless of the term of the agreement (which may be in perpetuity or for periods defined in the associated contract). Income from services not yet provided is represented in the Balance Sheet as short-term accruals.

Income from maintenance, support services and SaaS (Cloud) is recognised on the basis of accrual of provision of the service.

3.18 Leases

The contracts are classified as financial leases insofar as it can be ascertained from their conditions that the risks and benefits inherent to ownership of the asset object of the contract are substantially transferred to the lessee. Otherwise, these contracts are classified as operating leases.

When the Group is the lessee – Financial lease

Assets acquired by means of financial leasing are recognised in accordance with their nature at the fair value of the assets or the current value of the agreed minimum payments – including the purchase option – at the beginning of the lease, whichever is lower, and a financial liability is entered for the same amount. Contingent fees, the cost of services and output taxes collected by the lessor are not included in calculation of the agreed minimum payments. Leasing payments are distributed between financial expenses and reduction of liabilities. The total financial burden of the contract is charged to the Consolidated Income Statement for the financial year using the effective interest rate method. The assets are subject to the same amortization, impairment and write-off criteria as other assets of the same nature.

When the Group is the lessee – Operating lease

Leases in which the lessor retains a significant proportion of the risks and benefits derived from ownership of the leased asset are classified as operating leases. Operating lease payments (net

June 30, 2025

of any incentives received from the lessor) are charged to the Consolidated Income Statement for the financial year in which they accrue on a straight-line basis over the lease period.

3.19 Transactions in foreign currency

Transactions in foreign currency are converted to the functional currency using the current exchange rates at the transaction date. Gains and losses in foreign currency resulting from settlement of these transactions and from conversion of the monetary assets and liabilities denominated in foreign currency at the spot rates at the close of the fiscal year are recognised in the Consolidated Income Statement.

3.20 Equity items of an environmental nature

Assets used on a long-term basis in the Group's activities, the main purpose of which is to prevent, reduce or repair the damage that its activities may cause to the environment are considered to constitute assets of an environmental nature. Expenses deriving from environmental activities are recognised as *Other operating expenses* during the financial year in which they are incurred.

The directors consider that as at 30 June 2025 there are no contingencies of an environmental nature that could significantly affect the Group's equity, financial situation or consolidated outcomes and therefore no provisions or contingencies have been recognised under this head.

3.21 Transactions between related parties

The Group performs all its transactions with related parties at market values. The transfer prices are properly substantiated and therefore the Parent Company's Directors consider that there are no significant risks from which substantial liabilities may arise in the future due to these transactions.

June 30, 2025

4. Intangible fixed assets

The following are the breakdown and movement of the items included under the head of *Intangible Fixed Assets*:

Costs:

Item	€								
	Cost at 31.12.23	Additions	Disposals	Transfers	Cost at 31.12.24	Additions	Disposals	Transfers	Cost at 30.06.25
Development	825,136	4,936,212	(1,077,421)	12,083,246	16,767,173	2,573,118	---	---	19,340,291
Intellectual property	114,462	485	(10,029)	---	104,918	---	---	---	104,918
Software	17,065,561	69,511	(829,007)	(12,083,246)	4,222,819	827,118	---	---	5,049,937
Total cost	18,005,159	5,006,208	(1,196,457)	---	21,094,910	3,400,236	---	---	24,495,146

Amortization:

Item	€								
	Cost at 31.12.23	Additions	Disposals	Transfers	Cost at 31.12.24	Additions	Disposals	Transfers	Cost at 30.06.25
Development	149,294	1,865,740	(1,077,421)	5,282,210	6,219,823	1,824,849	---	---	8,044,672
Intellectual property	40,843	13,446	(10,029)	---	44,259	6,034	---	---	50,293
Software	5,969,328	3,177,151	(829,007)	(5,282,210)	3,035,262	965,450	---	---	4,000,712
Total amortization	6,159,465	5,056,337	-1,916,458	---	9,299,344	2,796,333	---	---	12,095,677

Net Book Value:

Item	€	
	Cost at 30.06.25	Cost at 31.12.24
Development	11,295,619	10,547,350
Intellectual property	54,625	60,658
Software	1,049,225	1,187,557
Net Book Value	12,399,470	11,795,565

The cost value of 12,083,319 € and accumulated amortisation of 5,282,210 € which was restated in 2023 was transferred from the Computer Applications account to Development considering that development of the product and internal technology ought to be included in the Development section.

a) Development and Industrial Property

The Group continues to implement its investment policy and to improve its current facial biometric applications. The capitalised expenses during the half year ended on 30 June 2025 and the financial year ended 31 December 2024 are associated with the following milestones:

June 30, 2025

	€	
Description:	30.06.2025	31.12.2024
Improvements Software Development Kit (SDK)	2,338,001	4,346,523
Identity Platform	33,164	237,958
Total internal development	2,371,165	4,584,481
Development acquired from third parties	205,519	351,731
Total	2,576,684	4,936,212

Said expenses are recognised under the head of Development since there are good reasons to foresee commercial success on completion, at which time they are reclassified under the head of Intangible Assets in accordance with their nature. If there were well-substantiated reasons to consider that the project will not be successful, the Company would write off these expenses and recognise them as losses in Intangible Fixed Assets. Almost all the activity involved in development of new applications or improvements to current ones has been performed internally (except for the sum of 205.519 €) and recognised by capitalisation of production costs under the head of “Works performed by the Group for its own Assets” in the Consolidated Income Statement.

Developments activated as at 30 June 2025 and 31 December 2024 consisted mainly of anti-fraud security improvements, interactive user guides during registration and tools for integrating technology into multi-platform applications.

b) Intellectual property

FacePhi Biometría S.A. is the holder of the *Selphi* and *FacePhi Beyond Biometrics* trademarks (MUE 015106354 and MUE 015114853 respectively) that are thus protected in both the European Union and in the United States of America pursuant to trademarks registered with the USPTO (United States Patent and Trademark Office) by certificates no. 79190080 and 79190126.

European Union trademark protection is also provided by European trademark certificates with registration numbers MUE 017896710 *Look&Phi*; MUE 017948110 *inPhinite*; MUE 017948113 *4Phingers*; MUE 017948116 *Phivox*; MUE 017948119 *SignPhi* and MUE 017948878 *SelphiID*.

The Group currently holds the following registered trademarks:

- FACEPHI BEYOND BIOMETRICS
- PHIVOX
- SELPHI, YOU BLINK, YOU´RE IN
- SELPHI ID
- LOOK & PHI
- SIGNPHI
- INPHINITE

The international expansion and activity in LATAM have prompted the Group’s governing body to extend the geographical coverage of trademark protection. Consequently, the *FacePhi Beyond Biometrics* and *SelphiID Identity Validation* trademarks are duly registered either as international trademarks with territorial designation or as domestic trademarks in all markets in which the Group carries out commercial activity: APAC, LATAM and EMEA.

The Company still protects the aforesaid registered trademarks in spite of the fact that the Group is currently undergoing a rebranding process.

By virtue of this update, the registration of the updated trademarks has been obtained before the European Union, as well as with the World Intellectual Property Organization (WIPO) and the national industrial property offices of various Latin American countries.

June 30, 2025

The new registered trademarks are:

MUE 018762534 FACEPHI (Mixta)
 MUE 018762535 FACEPHI (denominativa)
 MUE 018779488 FACEPHI IDENTITY PLATFORM (Mixta)
 4184138 FACEPHI PROTECTING IDENTITY TO BUILD THE FUTURE (OEPM)
 MUE 18823854 FACEPHI PROTECTING IDENTITY TO BUILD THE FUTURE
 MUE 18948018 FACEPHI TESEO ID WALLET (Mixta)

An international expansion project was carried out regarding the FACEPHI trademarks, both in their wordmark version and FACEPHI with the updated logo, to protect both versions of FACEPHI in the NORAM, APAC, EMEA, and LATAM regions.

Intellectual property rights

Entry into force of Act 1/2019 of 20 February, the Business Secrets Act, technology companies find themselves in a scenario where legal certainty regarding knowledge considered to constitute business secrets (algorithms, know-how, etc.) is greater than before and consequently provides stronger protection against potential breaches of business secrets.

Nevertheless, the legal doctrine and jurisprudence in the field agree that application of the Act will not be really effective unless the companies are equipped with tools capable of configuring an environment of security, protection, reliability and traceability.

Adoption of Standards

- Legal compliance and data protection:

- **Data protection and criminal compliance:** We comply with the following regulations: Facephi's Criminal Risk Prevention Plan (CRP), the General Data Protection Regulation (GDPR), Organic Law on the Protection of Personal Data and Guarantee of Digital Rights (Spanish acronym LOPDGDD) backed by information security certifications.

Technical Certifications

- Governance, risk and corporate compliance

- **ISO/IEC 27001** (ISMS). A standard for information security management systems (ISMS) to ensure the confidentiality, integrity and availability of the information and the systems that process it.
- **ISO 22301** Business continuity management system.
- **ISO 27017** Security controls for cloud services.
- **ENS** High-level certification by the **Spanish National Security Scheme** (ENS).
- **Pinakes certification** (framework designed to manage and monitor the cybersecurity controls of technology suppliers supporting Spanish financial entities).

Product and technology certification

- **ISO 30107-3 iBeta Level 1:** both Facephi's facial recognition algorithm (matcher) and its PAD algorithm with passive liveness comply with this level of the ISO 30107 standard.
- **ISO 30107-3 iBeta Level 2:** certification at this level represents compliance with the highest standard in of presentation attack detection (PAD) using facial biometric technologies that any company in the sector has achieved to date.
- **KISA K-NBTC certification:** certification that validates the performance of the Company's identity verification algorithm issued by the National Biometric Testing Centre (K-NBTC) of the Korea Internet Security Agency (KISA).
- **UK Digital Identity and Attributes Trust Framework (UK DIATF):** Facephi is certified as an identity service provider (IDSP) within the UK Digital Identity framework for provision of secure, reliable digital identity services by means of its products and services.
- **SEPBLAC video-identification circulars:** Facephi is a certified supplier of onboarding and remote digital identity services within the compliance framework established by the

June 30, 2025

Executive Service of the Commission for the Prevention of Money Laundering and Monetary Offences (Sepblac).

- Biometric information interchange:

- **ANSI/NIST-ITL 1-2011:** data format for storage and interchange of biometric information for system interoperability.
- **ISO/IEC 19794-5:** specifies a format for storing, recording, and transmitting information of facial images, scene constraints, photographic properties and digital image attributes of the facial images and provides best practices

c) Software

The Group, in accordance with the identifiability criteria for intangible asset elements, transfers, according to their nature (software applications), the production cost of improvements and software utilities developed by the Group's companies that have entered the commercialization phase for generating revenue from their own operations.

d) Fully-amortised intangible fixed assets

The Group held the following fully-amortised tangible fixed assets as at 30 June 2025 and 31 December 2024

	€	
	30.06.2025	31.12.2024
Development	---	---
Intellectual property	---	---
Software	---	---
Total cost	---	---

e) Sundry information

In previous fiscal years, the Parent Company was the beneficiary of grants related to intangible assets for development expenses, some of which were incurred in 2023, 2024, and 2025, as indicated in Note 10.3.

No financial expenses have been capitalized, and there are no intangible assets held abroad. All intangible assets are used in operations, and there are no restrictions or guarantees over them. Likewise, no impairment adjustments have been recognized or reversed for any intangible asset.

f) Non-current asset impairment test

As indicated in Note 2(d), the determination of the recoverable amount of non-current assets other than financial assets involves the use of assumptions and judgments by Management and the Directors of the Parent Company. The recoverable amount of non-current assets has been assessed considering a single Cash-Generating Unit (CGU), developing a single product type, by estimating its value in use using cash flow projections based on the business plan and Management's estimates for a five-year period. The discount rate applied to the cash flow projections was 11%, and the cash flows for the five-year period were extrapolated using a growth rate of 1%. It has been concluded that there is no impairment of the assets.

Key assumptions for calculating value in use

Calculation of value in use was based on the following hypotheses:

June 30, 2025

- Revenue Growth: For the purposes of calculating value in use, the Group applies a conservative growth scenario of 17.1% as a constant annual growth rate for the financial projection period (2024–2029).
- EBITDA: the group estimates that its EBITDA will grow progressively as it obtains new contracts and optimises its human resource structure.
- Discount rate: as noted above, a WACC of 11,0% has been applied in accordance with that calculated by analysts who follow the Group as mentioned previously.
- CAPEX: The Group estimates that its investments in intangible assets—mainly in the development and improvement of its technology—will continue to grow in absolute terms, although they will decrease in relative terms as a percentage of revenue.

Sensitivity to changes in hypotheses

Management considers it unlikely that a significant change in any of the assumptions indicated (e.g., an increase in WACC and/or a decrease in the growth rate) would result in the carrying amount exceeding its recoverable amount. However, at the end of each fiscal year, the Company reassesses its business plan, adjusting the assumptions based on the current environment and updated expectations.

June 30, 2025

5. Tangible fixed assets

The following is the breakdown and movement of the items that comprise Tangible Fixed Assets:

Cost:

Item								
	Cost at 31.12.23	Additions	Cancellations	Transfers	Cost at 31.12.24	Additions	Cancellations	Cost at 30.06.25
Land and buildings	2,145,668	40,867	---	---	2,186,535	---	---	2,186,535
Technical facilities	---	---	---	---	---	646	---	646
Other facilities	58,706	10,701	(3,366)	---	66,041	---	(711)	65,330
Furnishings	128,644	38,717	(22,096)	---	145,265	---	(1,361)	143,904
I.T. equipment	900,955	154,746	(96,639)	---	959,062	142,602	(33,013)	1,068,650
Transport vehicles	---	---	---	---	---	---	---	---
Other tangible fixed assets	4,780	---	(2,324)	---	2,456	2,324	---	4,780
Total coste	3,238,753	245,031	(124,425)	---	3,359,359	145,572	(35,085)	3,469,846

Amortisation:

Item	€						
	Balance as at 31.12.22	Provs. Fin. year	Cancellations	Balance as at 31.12.23	Provs. Fin. year	Cancellations	Balance as at 30-06.25
Land and buildings	120,637	214,675	---	335,312	108,530	---	443,842
Technical facilities	---	---	---	---	377	---	377
Other facilities	16,204	9,326	(3,366)	22,164	4,689	(711)	26,142
Furnishings	45,132	14,594	(22,096)	37,630	17,112	(1,361)	53,381
I.T. equipment	403,647	291,960	(96,639)	598,968	156,679	(33,013)	722,634
Other tangible fixed assets	2,983	1553	(2,324)	2,212	239	---	2,451
Total amortisation	588,603	532,108	(124,425)	996,286	287,625	(35,085)	1,248,827

Net book value:

Item	€	
	Balance as at 30.06.25	Balance as at 31.12.24
Land and buildings	1,742,694	1,851,223
Technical facilities	269	---
Other facilities	39,188	43,877
Furnishings	90,523	107,635
I.T. equipment	346,015	360,094
Other tangible fixed assets	2,329	244
Net book value	2,221,019	2,363,073

June 30, 2025

Additions from investments in property, plant, and equipment during the six-month period ended June 30, 2025, and during the fiscal year 2024, respectively, relate to the purchase of information processing equipment for new personnel hires.

Under the “Buildings” category, the Group has recognized the fit-out costs of the offices in which it conducts its operations.

a) Fully written-off assets

As of June 30, 2025, the Group does not hold any fully depreciated property, plant, and equipment items that are still in use, as detailed below::

Item	€	
	2025	2024
Furnishings	---	---
I.T. equipment	---	---
Other tangible fixed assets	---	---
Total	---	---

b) Insurance

The Group has taken out insurance policies to cover the risks to which its property, plant and equipment are subject. The coverage of these policies is considered sufficient.

c) Sundry information

No financial expenses have been capitalised and there are no encumbrances or liens on the items under this head. Neither has the Group made or reversed value restatements for impairment of any item of its intangible fixed assets.

d) Operating leases

The following is the sum of the minimum future payments for the Group’s non-cancellable operating leases:

Minimum future payments	€			
	Facephi		Rest of Group	
	30.06.25	31.12.24	30.06.25	31.12.24
Up to one year	545,091	669,536	46,075	44,374
Between one and five years	1,640,535	1,433,677	11,519	33,280
More than five years	610,680	1,221,360	---	---
Total	2,796,306	3,324,573	57,594	77,654

June 30, 2025

The amount of lease payments recorded as an expense for the period in the consolidated income statement, as well as the most significant characteristics of the lease agreements in force, are as follows:

Description of the lease	Expenses until 30.06.2025	Expense 2024 fin. year	Due date	Renewal	Price update criteria
Offices, garages and storage	150,824	278,693	30/06/2033	N/A	YES (CPI)
Madrid Office	54,841	147,201	30/06/2026	N/A	NO
Branch offices	29,653	87,078	30/06/2026	N/A	NO
I.T.	830	1,462	01/06/2029	N/A	NO
Furnishings	19,358	38,716	17/07/2028	N/A	NO
Transport vehicles	37,968	74,121	08/01/2027	N/A	NO
Sundry rentals	134,253	155,683	N/A	N/A	N/A
Total	427,727	782,955			

On January 8, 2023, two additional vehicle operating lease contracts were signed, intended for use by members of the Board of Directors. The monthly payment amounts to €2,223 per vehicle, with a term of 3 years. These contracts ended in January of the current fiscal year, and two new vehicle lease contracts have been signed, initially intended for use by members of Management and Executive teams. The expiration dates of these contracts are January and April 2026, respectively. The monthly payments are €2,726 for the first vehicle and €2,168 for the second.

Additionally, as part of the Parent Company's efforts to modernize its working model, on March 4, 2022, a new lease agreement was signed for office space in a business center in the city of Alicante. The lease term is 10 years, starting from the completion of renovation works or from December 31, 2022—whichever comes first—with a mandatory commitment period of 3 years. The landlord granted a 12-month rent-free period starting from the completion of the works or from December 31, 2022. A deposit of €34,000 was paid, equivalent to two monthly payments. The renovation works were completed in June 2023.

a) *Financial leasing*

During the 2022 financial year the Group acquired an I.T. server by entering into a financial leasing contract for a total amount of 275,000 €. In connection with the aforesaid financing contract, in order to comply with the conditions of substantial transfer of the risks and benefits inherent in ownership of the asset, the asset was entered under the head of "I.T. Equipment" in the Tangible Fixed Assets account in accordance with the recognition and valuation rule set forth in Note 3.4.

The following is a breakdown of the most important conditions of the financial loan contract in effect during the financial year and its position as at 30 June 2025 and 31 December 2024:

June 30, 2025

2025:

€								
Object of the contract	Start	Term (months)	Cost Asset	Instalments paid s at 30.06.25	Amount pending de payment al 30.06.25			Purchase Option
					Capital		Interest pending	
					S/T	L/T		
I.T. processing equip.	15/11/2022	36	275,000	238,796	36,204	---	372	---

2024:

€								
Object of the contract	Start	Term (months)	Cost Asset	Instalments paid s at 31.12.24	Amount pending de payment al 30.06.24			Purchase Option
					Capital		Interest pending	
					S/T	L/T		
I.T. processing equip.	15/11/2022	36	275,000	191,092	83,908	---	1,798	---

During the half year ended 30 June 2025, the Company paid the sums of 47,704 € and 1,427 € in principal and interest respectively under said contract (92,287 € and 5,975 € respectively in the 2024 financial year).

The financial lease transaction in effect as at 30 June 2025 and during the previous financial year accrued interest at an average rate of 4.54%.

Accordingly, the following is the breakdown of the book value of the asset acquired under the financial lease contract as at 30 June 2025 and 31 December 2024:

€						
Item	30.06.25			31.12.24		
	Cost	Accumulated amortisation	Net book value	Cost	Accumulated amortisation	Net book value
I.T. processing equip	275,000	238,796	36,204	275,000	191,092	83,908
Total	275,000	238,796	36,204	275,000	191,092	83,908

June 30, 2025

6. Information on the nature and risk level of financial instruments

Risk management is aimed at establishing the required mechanisms to control the Group's exposure to different types of risk: market risk (including exchange rate risk, interest rate risk and price risk), credit risk and liquidity risk. Risk management is monitored by the Parent Company's Board of Directors with the support of the Management Control Departments.

Credit risk

Credit risk arises from potential losses caused by infringement of contractual obligations by the Group's counterparties, i.e., by failure to collect financial assets in compliance with the established amounts and timeframes. To minimise this risk, the Group only works with credit institutions of recognised solvency and reputation.

Due to their excellent credit standing, the Group's main debtors do not pose specific credit risks of cancellation of the balances pending collection at the end of the financial year. The following is the breakdown by seniority of the trade debtors and other accounts receivable as at 30 June 2025 and 31 December 2024:

	€	
	30.06.25	31.12.24
Long-term debts not due	2,523,662	4,496,132
Short-term debts not due	14,575,770	10,464,582
Past due but not doubtful	1,944,814	8,266,948
Doubtful	3,147,051	3,123,991
Total	22,191,297	26,351,553
Restatements due to impairment (note 8.3)	(3,147,051)	(3,123,911)
Total	19,044,246	22,815,376

Liquidity risk

Prudent management of liquidity risk entails maintaining sufficient cash and highly-liquid securities, the availability of financing through a sufficient number of committed credit facilities and the ability to liquidate market positions. Management considers the liquidity risk to be sufficiently mitigated by the series of factors mentioned in Note 2.e.

Market-related financial risks

a. Interest-rate risk

The interest-rate risk arises from long-term borrowings. Debt instruments issued at variable rates expose the Group to the cash flow interest rate risk. Debt instruments at fixed interest rates expose the Company to fair-value interest-rate risk.

b. Exchange rate risk

The Company operates internationally and is therefore exposed to exchange rate risks due to its foreign currency transactions. The exchange rate risk arises from recognised assets and liabilities. The breakdown of financial assets and liabilities and transactions denominated in foreign currency is reported in Note 9.

The Group's financial management cannot predict the effects of exchange rates on future operating results due to the potential volatility of the foreign exchange markets. The Group does not currently use hedging derivatives to cover its exposure to other currencies.

June 30, 2025

c. Interest rate risk on cash flows

Income and cash flows from operating activities are for the most part independent of changes in market interest rates.

There are no significant interest rate risks on cash flows.

d. Price risks

There are no significant price risks.

Estimation of fair value

The Group assumes that the book value of credits and debits for trade transactions is close to their fair value. The fair value of financial liabilities for financial reporting purposes is estimated by discounting future contractual cash flows at the current market interest rate available to the Group for similar financial instruments.

June 30, 2025

7. Financial assets

7.1 Analysis by categories

The following is the book value of the categories of financial instruments established in the registration and valuation rules of the Spanish General Accounting Plan (PGC) in accordance with the information contained in Note 3.7 except for cash and cash equivalents (see section 7.4):

	€			
	Loans, derivatives and others			
	Short-term		Long-term	
	30.06.25	31.12.24	30.06.25	31.12.24
• Assets at amortised cost				
• Trade debtors and other accounts receivable (*)	16,718,795	18,731,510	2,523,662	4,496,132
• Loans to personnel	2,050	2,050	1,700	1,700
• Other financial assets	125,863	179,833	163,135	165,027
Financial assets at fair value through profit or loss::				
• Derivatives	260,667	---	---	---
Total	17,107,375	18,913,393	2,688,497	4,662,859

(*) Does not include balances with government agencies.

There are no significant differences between the book value and the fair value of financial assets recognised at cost or amortised cost.

As of June 30, 2025, the company has recorded several derivatives valued at 260,667 €, corresponding to two forward foreign exchange contracts signed with MONEX at a fixed exchange rate for three months from the date of each contract. This agreement was signed on July 11, 2025, in which the company set the exchange rate at 1.14 dollars per euro. The management of the parent company considers that the contracted derivative is not a hedging instrument.

7.2 Analysis by maturity

The following are the amounts of financial assets with a determined or determinable maturity classified by year of maturity:

June 30, 2025

As at 30 June 2025:

	Activos financieros					
	30.06.26	30.06.2027	30.06.2028	30.06.2029	Años posteriores	Total
Financial asset						
• Debtors and other accounts receivable (*)	16,718,795	1,106,935	667,923	748,804	---	19,242,457
• Derivatives	260,667	---	---	---	---	260,667
• Employee Loans	2,050	1,700	---	---	---	3,750
• Other Financial Assets	125,863	42,506	74,329	---	46,300	288,998
Total	17,107,375	1,151,141	742,252	748,804	46,300	19,795,872

(*) Does not include balances with government agencies.

As at 31 December 2024:

	Activos financieros					
	2025	2026	2027	2028	Años posteriores	Total
Financial asset						
• Debtors and other accounts receivable (*)	18,731,510	2,847,197	804,158	844,777	---	23,227,641
• Other Financial Assets	181,883	56,698	1,700	---	108,329	348,611
Total	18,913,393	2,903,895	805,858	844,777	108,329	23,576,252

(*) Does not include balances with government agencies.

7.3 Debtors and other accounts receivable

	€	
	06.2025	2024
Loans and accounts receivable a length deadline		
• Loans to personnel	1,700	1,700
• Other financial assets	163,135	165,027
• Trade debtors, invoices pending issuance	2,523,662	4,496,132
Total	2,688,497	4,662,859

June 30, 2025

	€	
	06.2025	2024
Short-term debts and accounts receivable:		
• Loans to personnel	2,050	2,050
• Other financial assets	125,863	179,833
• Derivatives	260,667	---
Total	388,580	181,883
• Trade debtors and other accounts receivable a c/p		
➤ Trade receivables for provision of services	6,815,899	8,504,154
➤ Trade invoices pending issuance	9,900,688	10,227,355
➤ Doubtful trade receivables	3,147,051	3,123,911
➤ Impairment of trade credits	(3,147,051)	(3,123,911)
➤ Sundry debtors	2,207	---
➤ Personnel	1,197	---
➤ Other credits with govt. agencies (Note 13.1)	3,171,808	3,748,755
Total	19,891,799	22,480,264

Loans to personnel

On 11 November 2020 the Group entered into a loan contract with one of its employees for the sum of 6,500 € with maturity at a maximum of 33 months, reimbursable in monthly instalments of 200 €. Therefore, the sums of 2,400 € and 4,100 € were recognised in the short and long-term respectively. On 30 June 2025 the amount pending collection stood at 3,850 €, of which 2,626 € are due in the short term and 1,700 in the long term.

Impairment of trade credits

The following is the breakdown of losses for value impairment of trade receivables:

	€	
	30.06.25	31.12.24
Initial balance	3,124,885	2,769,079
Provision for impairment of accounts receivable	22,165	354,832
Reversal of unused amounts	---	---
Final balance	3,147,051	3,123,911

The Group's collection conditions allow its customers up to one year to pay for goods and services. This is normal business practice in the sector in which it operates and particularly in technology assignment and licensing agreements. The Group recognises the consideration at amortised cost under the head of non-current trade debts in Assets on the Balance Sheet in cases where the invoicing period is longer than one year.

Group management considers that the credit risk is sufficiently guaranteed in view of the solvency of the debtors with whom it works (mainly financial institutions).

June 30, 2025

Other short and long-term financial assets

As at 30 June 2025 the Other long-term financial assets account includes the rental bonds for the Group's offices for the sum of 69,680 (same amount as of December 31, 2024), as well as €74,329 (same amount as of December 31, 2024) as final guarantees for the public tender awarded by AENA in fiscal year 2021, for the supply and upgrade of a facial biometrics solution.

These guarantees have not been measured at amortized cost due to the minimal impact they would have on the Group's equity.

Additionally, as of June 30, 2025, the "Other current financial assets" line includes an amount of €30,290 (€31,344 as of December 31, 2024) corresponding to a fixed-term deposit of US\$35,500 pledged as collateral to a client for the provision of licensing, support, and consulting services. This also includes other minor guarantees for various rental agreements and payment guarantees.

7.4 Cash and Cash Equivalents

The following is the breakdown of the Cash and Cash Equivalents account on the attached Consolidated Balance Sheet:

:

	€	
	30.06.25	31.12.24
Cash, €	1,375	3,560
Cash, foreign currency	712	711
Banks and credit inst, demand c/c, €	679,913	2,046,563
Banks and credit inst. demand c/c, f.c. (note 11.f)	70,775	3,685,462
Total	752,775	5,736,296

The treasury item under the head of *Banks and financial institutions* includes an entry of 341,563 € (219,229 € at 31 December 2024) for financial deposits in the securities trading and settlement entities Euronext and BME Growth, the funds of which are not freely available to the Group unless the liquidity provider estimates that the cash or shares at its disposal are excessive.

With the exception mentioned above, as at the close of the period under review these are no restrictions on the availability of the funds in demand bank accounts.

As a result of the financial restructuring agreement entered into on 14 December 2020, the Parent Company had established a pledge right over the current accounts and other available liquid assets for the sum of 288,526 € (5,347,865 € as at 31 December 2024) (see Note 9.3.a).

June 30, 2025

8 Net equity

8.1 Capital and reserves

The attached Consolidated Statement of Changes in Net Equity shows the breakdown and movement of the Company's Capital and Reserves during the financial periods ended on 30 June 2025 and 31 December 2024.

a) Share capital and issue premium

The following is the composition of the Parent Company's share capital and issue premium as at 30 June 2025 and at the end of the previous financial year:

	€			
	30.06.2025		2024	
	Capital	Issue premium	Capital	Issue premium
Authorised	1,064,963	33,708,316	1,016,462	31,045,346
Total	1,064,963	33,708,316	1,016,462	31,045,346

The following is a breakdown of movements of authorised share capital and issue premiums recognised as at 30 June 2025 and 31 December 2024:

2025

	Number of shares	Par value	Share capital	Issue premium
Opening balance as at 1 January 2025	25,411,546	0,04	1,016,461	31,045,346
Capital increase 16.01.2025	365,163	0,04	14,607	637,567
Capital increase 17.06.2025	847,378	0,04	33,895	2,025,403
Final balance as at 30 June 2025	26,624,087	0,04	1,064,963	33,708,316

2024

	Number of shares	Par value	Share capital	Issue premium
Opening balance as at 1 January 2025	21,289,623	0,04	851,585	24,231,301
Capital increase 11.01.2024	264,368	0,04	10,575	532,904
Capital increase 29.02.2024	334,057	0,04	13,362	638,812
Capital increase 27.05.2024	701,303	0,04	28,052	1,276,296
Capital increase 24.10.2024	1,695,358	0,04	67,814	2,576,944
Capital increase	1,126,837	0,04	45,073	1,789,090
Final balance as at 30 June 2025	25,411,546	0,04	1,016,461	31,045,346

June 30, 2025

Financing contract – Convertible warrants

On 14 December 2020 the Parent Company entered into a new financing agreement with similar conditions and features as the previous one with Nice & Green S.A: (signed in September 2019), for which reason the Extraordinary General Meeting held on 25 January 2021 agreed, in compliance with article 297.1.b of the Corporate Enterprises Act (LSC), to delegate the power to issue convertible equity warrants (EW) in Parent Company shares for a maximum conversion sum of 20 million € to the Board of Directors and to increase the share capital by the amount required to address conversion of said warrants. In accordance with art 417 of the LSC, the pre-emptive subscription rights were disabled for this transaction since the only recipient of the issue was Nice & Green S.A. Said delegated power was limited by the condition that the total amount of the increases in share capital agreed on one or more occasions may not exceed the equivalent of half the share capital at the time, i.e., 288,570.38 €, under any circumstances.

The price of conversion into shares considered in the financing agreement may not be lower than 130% of the par value of the Parent Company's shares (i.e., at a lower price per equity warrant than 0.052 €) or higher than the conversion price resulting from 92% of the lowest weighted average price during the three trading days prior to the date on which the conversion right is exercised. The investment commitment ended on 31 December 2022 and the last conversion to increase capital in January 2023.

The sum of 1,500,000 € was still pending conversion at the beginning of 2023. On 10 and 23 January 2023 Nice & Green requested conversion into shares of the amount pending execution under the following conditions:

Notification date	Amount	Conversion of EW	Exercise price	Par value	Issue premium	Capital	Issue premium
10/01/2023	500,000	196,448	2.5452	0.04	2.5052	7,858	492,141
23/01/2023	1,000,000	394,104	2.5374	0.04	2.4974	15,764	984,235
Totals	1,500,000	590,552				23,622	1,476,376

With respect to the aforesaid notifications, the associated capital conversion and increase agreement was formalised on 16 and 23 January 2023 pursuant to instruments executed before the notary public of Castilla-La Mancha Iván Castejón Fernández-Trujillo under numbers 62 and 95 of his journal record and registered in the Companies Registry of Alicante on 13 and 24 February 2023 respectively.

Impact of the conversion on the Consolidated Income Statement

Since the fixed-for-fixed swap rule was not met in accordance with the valuation criteria and standards set forth in note 3.8.b according to the EW issuance conditions, a financial derivative is created during the life of the warrant issue until the time it is converted into shares.

After conversion of the pending amount of 1,500,000 € with the aforesaid two capital increases in January 2023, the actual loss at the time of these two conversions amounted to 368,255 € as increased value of the share premium. A loss was there for recognised under head 17, *Variation in the Fair Value of Financial Instruments* in the Consolidated Income Statement.

Variations in the fair value of the derivative during its life (that is, from the signature date to exercise of the option) are recognised under head 17. *Variation in the Fair Value of Financial Instruments* in the Consolidated Income Statement as a financial cost and reflected in the reciprocal entry in Consolidated Net Equity as increased value of the issue premium. The increase in the premium in 2023 amounted to 368,255 €, the equivalent of the treasury inflow received for the conversion minus the fair value accumulated by the derivative to said date.

The following is the breakdown of the above movements

June 30, 2025

As at 31 December 2023

	Number of shares	Conversion price	Fair value	Issue premium/cost
Capital increase 19.01.2023	196,448	2.5452	2.93	75,593
Capital increase 26.01.2023	394,104	2.5374	3.28	292,662
				368,255
Derived value recognised in the previous financial year at 12/12/2022				(99,093)
Total recognised under head 17. <i>Variations in the Fair Value of Financial Instruments</i> in the Income Statement for the financial year (loss).				269,162

Financing contract – Convertible bonds

On 27 April 2023 the Parent Company entered into a third financing agreement with similar conditions and features as the previous one with Nice & Green. The financing instruments, however, were different, taking the form of issuance of convertible bonds on this occasion. The Parent Company's Extraordinary General Meeting held on 20 June 2023 agreed, in compliance with article 297.1.b of the Corporate Enterprises Act (LSC) to delegate the power to issue convertible equity warrants (EW) in Parent Company shares for a maximum conversion sum of 20 million € to the Board of Directors and to increase the share capital by the amount required to address conversion of said warrants. In accordance with art 417 of the LSC, the pre-emptive subscription rights were disabled for this transaction since the only recipient of the issue was Nice & Green S.A. Said delegated power was limited by the condition that the total amount of the increases in share capital agreed on one or more occasions may not exceed the equivalent of half of the share capital at the time, i.e., 360,466.40 €, under any circumstances.

The number of new shares to be issued on conversion of each convertible bond shall be determined by application of the following formula:

$$N = V_n / P$$

Where:

“N” represents the number of new shares to be issued

“Vn” is the call price of the convertible bonds.

“P”: is (i) the issue price rounded to 4 decimal places; or (ii) the nominal share price, whichever is the higher.

The “issue price” shall be calculated as follows:

$$\text{Issue price} = \text{Reference VWAP} * 92\%$$

“Reference VWAP” means (i) the VWAP published on the trading day preceding the conversion date or (ii) the VWAP of the last three (3) trading days immediately preceding a conversion date, whichever is the lower. For the purposes of calculating the reference VWAP, the VWAP of trading days on which the bond-holder has sold more than 15% of the daily trading volume of the shares shall not be taken into account.

Issuances and conversions under the convertible bond contract

The Parent Company requested the first issuance for conversion of convertible bonds on 21 July 2023 for the sum of 5,000,000 € (500 bonds with a par value of 10,000 € each). The transaction was notarised on 24 July 2023.

On 27 July 2023 and 5 October 2023, Nice & Green notified conversion of 2,800,000 € (280 bonds at 10,000 € par value each) and 2,200,000 € (220 bonds of 10,000 € par value each) respectively in accordance with the following conditions:

Notification date	Amount	Conversion (shares)	Exercise price	Par value	Issue premium	Capital	Issue premium
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June 30, 2025

27/07/2023	2,800,000	1,214,655	2.2648	0.04	2.3048	48,594	2,751,404
5/10/2023	2,200,000	1,214,855	1.7003	0.04	1.6603	51,756	2,148,244

The first of the aforesaid conversions was notarised on 2 August 2023 and registered in the Companies Registry on 12 September 2023. The second conversion was notarised on 17 October 2023 and registered in the Companies Registry on 6 November 2023.

The Parent Company requested the second issuance for conversion of convertible bonds on 6 October 2023 for the sum of 1,900,000 € (190 bonds with a par value of 10,000 € each). The transaction was notarised on 24 July 2023.

On 6 October 2023 and 8 November 2023, Nice & Green notified conversion of 800.000 € (80 bonds at 10,000 € par value each) and 600.000 € (60 bonds of 10,000 € par value each) respectively in accordance with the following conditions:

Notification date	Amount	Conversion (shares)	Exercise price	Par value	Issue premium	Capital	Issue premium
6/10/2023	800,000	470,506	1.7003	0.04	1.6603	18,820	781,181
8/11/2023	600,000	287,053	2.0902	0.04	2.0502	11,482	588,516

The first of the aforesaid conversions was notarised on 17 October 2023 and registered in the Companies Registry on 11 November 2023. The second conversion was notarised on 16 November 2023 and registered in the Companies Registry on 20 December 2023.

The differences between the par value of the amounts converted into shares and the value of said debt at amortised cost gave rise to a financial expense under head 15. *Financial Expenses in the Consolidated Income Statement* for the sum of 556,525 € (recognised in the second half of the 2023 financial year), this causing an increase in the premium of the same amount.

As at 31 December 2023, 500,000 € of the aforesaid 1,900,000-euro issue. On 3 January 2024, Nice & Green notified conversion of said 500,000 € (50 bonds at 10,000 € par value each) in accordance with the following conditions:

Notification date	Amount	Conversion (shares)	Exercise price	Par value	Issue premium	Capital	Issue premium
3/01/2024	500,000	264,368	1.8913	0.04	1.8513	10,575	489,424

The first of the aforesaid conversions was notarised on 17 October 2023 and registered in the Companies Registry on 11 November 2023. The second conversion was notarised on 5 November 2023 and registered in the Companies Registry on 20 December 2023.

The differences between the par value of the amounts converted into shares and the value of said debt at amortised cost gave rise to a financial expense under head 15. *Financial Expenses* in the Consolidated Income Statement for the sum of 43,479 €, resulting in an increase in the premium by the same amount.

Amendment of the financing – convertible bonds contract

The aforesaid financing by convertible bonds contract entered into on 27 April 2023 with Nice & Green, S.A. was for a maximum amount of 20 million €. This agreement was contractually amended in a new addendum on 17 January 2024 with the following features:

- the maximum amount the investor may invest is reduced from the initially agreed 20 million € to 11.1 million €, and the amount that was pending investment at the signature date of the addendum was 4.2 million € (420 bonds);
- with respect to this amount, it has been agreed that FacePhi would issue up to seven tranches of 60 convertible bonds (600,000 €) at intervals of one month;
- the parties shall agree to extend the maturity of the loan contract between the Parent

June 30, 2025

Company and Nice & Green, S.A. for the sum of € 700,000 due on 31 December 2023 (note 9.3.b), setting a repayment schedule of € 100,000 per month over the same period as issuance of the seven tranches set forth in the previous paragraph.

The Parent Company requested the first issuance for conversion of convertible bonds on 22 January 2024 for the sum of 600.000 € (60 bonds with a par value of 10,000 € each). The transaction was notarised on 19 February 2024.

On 23 February 2024, Nice & Green notified conversion of said 600,000 € (60 bonds at 10,000 € par value each) in accordance with the following conditions:

Notification date	Amount	Conversion (shares)	Exercise price	Par value	Issue premium	Capital	Issue premium
23/02/2024	600,000	334,057	1.7961	0.04	1.7561	13,362	586,637

The second conversion was notarised on 29 February 2024 and registered in the Companies Registry on 5 March 2024.

The Parent Company requested the first issuance for conversion of convertible bonds on 20 February 2024 for the sum of 600.000 € (60 bonds with a par value of 10,000 € each). The transaction was notarised on 28 March 2024.

The Parent Company requested the first issuance for conversion of convertible bonds on 18 March 2024 for the sum of 600.000 € (60 bonds with a par value of 10,000 € each). The transaction was notarised on 16 April 2024.

On 15 May 2024, Nice & Green notified conversion of said 600,000 € (120 bonds at 10,000 € par value each) in accordance with the following conditions:

Notification date	Amount	Conversion (shares)	Exercise price	Par value	Issue premium	Capital	Issue premium
15/05/2024	1,200,000	701,303	1.7111	0.04	1.6711	28,052	1,171,947

The first of the aforesaid conversions was notarised on 27 May 2024 and registered in the Companies Registry on 12 June 2024.

The differences between the par value of the amounts converted into shares and the value of said debt at amortised cost gave rise to a financial expense under head 15. *Financial Expenses in the Consolidated Income Statement* for the sum of 156,522 €, resulting in an increase in the premium by the same amount.

The Parent Company requested the first issuance for conversion of convertible bonds on 22 April 2024 for the sum of 600.000 € (60 bonds with a par value of 10,000 € each). The transaction was notarised on 2 May 2024. As at 30 June 2025, said issue is pending conversion and has been entered to Current Liabilities on the Consolidated Balance Sheet (note 9.3.b).

Financing Agreement – Nice & Green Convertible Loan

On August 22, 2024, a new loan agreement was signed with Nice & Green, S.A. for an amount of €1,800,000, which replaces the three undrawn tranches from the previously mentioned convertible bond agreement.

On December 23, 2024, the Parent Company approved, in an Extraordinary General Meeting, a capital increase through debt-to-equity conversion for said loan:

Notification date	Amount	Conversion (shares)	Exercise price	Par value	Issue premium	Capital	Issue premium
22/11/2024	1,800,000	1,126,837	1,6277	0,04	1,5877	45,073	1,789,079

June 30, 2025

Regarding the above conversion, the public deed was executed on January 16, 2025, and registered with the Mercantile Registry on February 6, 2025.

Financing Agreement – Convertible Loan

On May 14, 2024, the Parent Company simultaneously signed two agreements with Hancom Inc.: one investment agreement and one collaboration agreement. The investment agreement consisted of:

- An investment by HANCOM of €5,000,000, which was executed through a capitalizable loan. The loan accrued an annual interest rate of 0.2%, and was converted into equity through a capital increase by offsetting credits, with a conversion price of €2.95 per share.
- On August 19, 2024, the Parent Company approved, in an Extraordinary General Meeting, a capital increase by offsetting credits for the loan amount of €5,001,306.

Notification date	Amount	Conversion (shares)	Exercise price	Par value	Issue premium	Capital	Issue premium	Other Equity Instruments
19/08/2024	5,001,306	1,695,358	2,95	0,04	2,91	67,814	2,576,944	2,356,548

- Additionally, the share premium resulting from the difference between the exercise price and the share price at the time of the capital increase was recorded in the company's equity as other equity instruments for €2,356,548, and allocated to the income statement over the useful life of the agreement. The remaining amount in equity was recognized as a deferred tax liability (Note 11). Furthermore, the income recognized in the profit and loss account for the year amounted to €497,135 (Note 13.d).

a.2) Share capital and issue premium notarised in previous financial years

The conditions of the share capital issues executed and notarised in previous financial years and implemented pursuant to the financing framework agreement entered into with Nice & Green S.A. were reported in detail in the reports to the Parent Company's Individual Annual Financial Statements for the respective financial years. Section a.1) above also contains a breakdown of the impact on equity of the share issues and capital increases in the first six months of 2025 and in the 2024 financial year.

a.3) Significant holdings

Pursuant to the provisions of Regulation (EU) 596/2014 on market abuse, Article 227 of Act 6/2023 of 17 March on Securities Markets and Investment Services and related provisions and Circular 3/2020 of the BME Growth segment of BME MTF Equity, on 30 June 2025 and 31 December 2024, you are hereby informed of the shareholders who directly or indirectly control five percent (5%) or more of the Parent Company's share capital:

June 30, 2025

	%	%
	06.2025	12.2024
Nice & Green S.A.	26,15%	19,10%
Hancom	6,58%	6,98%
Javier Mira Miró*	3,04%	3,23%
Juan Alfonso Ortiz Company**	2,78%	3,15%

* 4.77% (5.06% in 2024), taking into account the 141,470; 35,196; 33,000; and 235,001 shares pledged as collateral to Nice & Green.

** 4.55% (4.83% in 2024), taking into account the 150,586; 26,080; 43,666; and 235,001 shares pledged as collateral to Nice & Green.

All shares issued are fully paid up. Except for those deposited with Nice & Green in guaranty, there are no restrictions on their free transferability.

b) Treasury stock

The total amount of the Parent Company's treasury stock held as at 30 June 2025 is 351,094 € (341,646 € at 31 December 2024) represented by 147,065 shares (198,147 shares at the end of the previous financial year), the equivalent of 0.59% (0.82% as at 31 December 2024) of the Parent Company's share capital. This is well below the maximum limit of 10% provided for in article 509 of the Corporate Enterprises Act.

On June 17, 2025, the General Shareholders' Meeting approved authorizing the Board of Directors to acquire treasury shares under the following terms:

- For a maximum of five (5) years from adoption of the agreement.
- Up to a maximum of 10% of the share capital.
- When the shares are acquired for a consideration, the price may vary by +/- 10% of the market value on the acquisition date.

The following are the treasury share movements during the half year ended on 30 June 2025 and the financial year ended 31 December 2024:

	<u>31.12.24</u>	Purchases	Sales	<u>30.06.2025</u>
Cost of treasury shares	341,646	740,143	730,695	351,094

The movement during the fiscal year 2024 is as follows:

	<u>31.12.23</u>	Purchases	Sales	<u>31.12.24</u>
Cost of treasury sharesCoste	393,976	379,559	431,889	341,646

During the six-month period ended June 2025, treasury shares were sold, resulting in a net loss of €131,783 (€118,778 in 2024), which was recorded against the "Voluntary Reserves" account.

June 30, 2025

c) Parent Company's Reserves

The following is a breakdown of reserves in the periods under study:

	€	
	30.06.25	2024
Legal reserve	139,462	139,462
Voluntary reserves	585,349	233,376
Ecercic merger reserves	(592,985)	(592,985)
Negative results from previous fiscal years	(14,707,445)	(2,327,198)
Total	(14,575,619)	(2,547,345)

Legal reserve

In accordance with the provisions of article 274 of the Corporate Enterprises Act, companies that obtain liquid profits net of taxes during the financial year shall be obliged to allocate 10% of said profit to a reserve fund that shall reach an amount equal to at least one fifth of the share capital. This reserve may only be used to cover a debit balance on the Income Statement (if any) and must be replenished when it falls below the stipulated level.

Voluntary reserves

Voluntary reserves, as at 30 June 2025 and 31 December 2024 include profits from previous years that were neither distributed nor assigned to mandatory reserves.

These reserves are freely available.

As set forth in the attached Consolidated Statement of Changes in Net Equity, during the six-month period ended on 30 June 2025 the sum of 27,300 € (21,975 € in the previous financial year) net of taxes has been recognised against these reserves for the cost of issuance and expenses incurred as a result of the capital increases carried out during said period. A loss of 56,496 € (50,206 € during the 2023 financial year) was also recognised for the losses suffered in the aforesaid treasury stock sale-purchase transactions (see Note 8.1.b).

Restrictions on allocation of dividends

Once the legal provisions and those of the articles of association have been met, only dividends charged to profit for the financial year and voluntary reserves may be allocated:

- If the value of Net Equity is not less than that of shareholder's equity or will not become so as a result of the allocation. Consequently, profits assigned directly to Net Equity may not be directly or indirectly allocated. In the event that losses from previous financial years cause the value of the Parent Company's Net Equity of to fall below that of shareholders' equity, the profits shall be assigned to compensation for said losses.
- If the Parent Company's assets include intangible assets derived from capitalisation of R&D and/or goodwill. In this case, profits may only be allocated if the amount of voluntary reserves is at least equal to the net value of the non-amortised intangible assets.

d) Reserves in consolidated companies

In accordance with the criteria set forth in note 3.1, this entry in Capital and Reserves on the Consolidated Balance Sheet represents undistributed profits generated by the subsidiaries from the date of their incorporation into the Group. The following is a breakdown of this item as at 30 June 2025 and 31 December 2024:

June 30, 2025

	€	
	06.25	2024
By full consolidation::		
Facephi APAC	(340,452)	(196,221)
Celmuy	317,544	154,537
Facephi Beyond UK	(4,618,308)	(3,018,934)
Total	(4,641,216)	(3,060,618)

e) Contribution to consolidated outcome

The following table shows the contribution of each company in the consolidation perimeter to the consolidated outcome:

Subsidiary	Profit / (Loss)	
	06.25	06.24
Facephi – Parent Company	(4,759,392)	(5,751,378)
Facephi APAC – Subsidiary	(91,551)	310,558
Celmuy – Subsidiary	68,007	77,514
Facephi Beyond UK – Subsidiary	(454,464)	(924,592)
FacePhi Biometric Sol. Brasil – Subsidiary	(8,065)	---
Consolidation restatements	(15,064)	---
Total	(5,260,530)	(6,287,898)

8.2 Restatements for value changes-conversion differences

In compliance with the conversion criteria for annual financial statements of foreign companies that use a functional currency other than the euro set forth in note 3.1, the Group has recognised a negative conversion difference in Net Equity on the Consolidated Balance Sheet as at 30 June 2025 amounting to 195,355 € net of the associated tax effect (-281,668 € in the 2024 financial year). Said amount represents the difference between the amount of the subsidiaries' net equity converted at the historical exchange rate and the net equity position deriving from the conversion of assets, rights and debentures at the closing exchange rate of all local currencies in which Group company operates.

8.3 Subsidiaries

The following are the amounts and features of the subsidiaries that appear on the Consolidated Balance Sheet as at 30 June 2025 and 31 December 2024 under the head of *Subsidiaries, donations and bequests* and movements during this and the previous financial year:

June 30, 2025

As of June 30, 2025

Granting body	Year granted	Amount granted	Balance as at 31.12.24	Additions in the financial year	Transferred to Profit (Loss) 30.06.25	Tax effect	Restatements (note 2.g)	Balance as at 30.06.25
IMIDCA	2021	110,884	41,581	---	(2,515)	2,772	---	33,265
IMINOD	2021	25,154	7,546	---	(11,088)	629	---	5,660
Red,es	2022	1,270,090	596,986	---	(111,132)	27,783	---	513,637
PIDI2024_FREQ	2024	50,725	19,038	---	---	---	---	19,038
INNOVATEiC	2024	43,723	8,728	---	---	---	---	8,728
PIDI2024	2024	50,859	15,517	---	---	---	---	15,517
		1,551,435	689,396	---	(124,735)	31,184	---	595,846

As of December 31, 2024

Granting body	Year granted	Amount granted	Balance as at 31.12.23	Additions in the financial year	Transferred to Profit (Loss) 31.12.24	Tax effect	Balance as at 31.12.24	Granting body
CDTI	2018	180,390	6,799	---	(9,065)	2,266	---	---
IMIDCA	2021	110,884	58,214	---	(22,177)	5,544	---	41,581
IMINOD	2021	25,154	11,319	---	(5,031)	1,258	---	7,546
Red,es	2022	1,270,090	553,510	76,289	(212,851)	53,214	126,825	596,986
PIDI2024_FREQ	2024	50,725	---	27,117	(1,733)	(6,346)	---	19,038
INNOVATEiC	2024	43,723	---	12,415	(777)	(2,910)	---	8,728
PIDI2024	2024	50,859	---	21,800	(1,111)	(5,172)	---	15,517
		1,731,825	629,842	137,621	(252,745)	47,854	126,825	689,397

With a budget of nearly 80,000 million € for the 2014 to 2020 period, H2020 is the largest European funding program for research and innovation projects. The SME Instrument program was specifically designed to foster highly-innovative SMEs with a strong appetite for growth and international projection in order to drive their success in the market.

The Parent Company entered into an agreement with the European Commission at the end of the 2016 financial year to obtain aid over a period of two years to finance investment in its development of a facial identification project known as Facial Recognition in Bank Security (FACCES).

This agreement contained a clause whereby the subsidy would be awarded for a maximum of 1,692,600 €, the equivalent of 70% of the development budget of 2,418,000 €.

The costs incurred associated with the eligible project corresponded, on the one hand, to personnel costs that were capitalised in Intangible Assets and, on the other, to operating costs. Therefore, the subsidy has both a capital component and an operations component that were distributed between the two in proportions of 19.81% and 80.19% respectively in accordance with the costs incurred by the Parent Company in previous years.

Furthermore, in the 2020 financial year, due to acquisition of the subsidiary Ecertic Digital Solutions, S.L.U., the Group recognised the net sum of 116,168 € for a subsidy granted during the 2018

June 30, 2025

financial year for a gross total of 180,390 € to finance the project to develop a digital identity accreditation platform using biometric technology.

The Group received the following subsidies in the 2021 financial year:

- On 30 November 2021 the Valencian Institute of Business Competitiveness (IVACE) approved a subsidy of 70,663 € for *SME Innovation Projects: Innovation in EICTs (INOVATEiC-CV) 2021* for an eligible cost of 162,500 €. The eligible expenses period was from 1 January 2021 to December 31 2022. The project was fully executed during the first half of the 2022 financial year.
- On 23 December 2021, the Valencian Institute of Business Competitiveness (IVACE) approved a subsidy of 141,369 € for *R&D Projects in Cooperation (PIDCOP-CV) 2021* for eligible costs totalling 235,615 €. The project execution period was from 11 March 2021 to 31 December 2022.

Moreover, during the 2022 financial year the Parent Company has benefitted from a RED.ES, M.P subsidy under the 2021 call for aid aimed at design engineering for research and development in artificial intelligence and other digital technologies and their integration into value chains for the sum of 1,270,090 € for investment in personnel costs and a collaboration grant amounting to 1,587,519 €. In 2024, the Group transferred the costs incurred in the financial year that were capitalised for the gross sum of 199,220 € to a capital subsidy and transferred directly under the head of *Operating Subsidies Added to Profit for the Financial Year* and subsidised costs totalling 40,247 € allocated directly as an expense for the year to the Consolidated Income Statement (note 13.d).

Lastly, during fiscal year 2024, the Parent Company was awarded three grants by the Valencian Institute of Business Competitiveness (IVACE), corresponding to the 2023 call for aid for research and development projects:

- On December 13, 2024, IVACE approved a grant for “SME Innovation Projects (PIDI-CV) 2024” with eligible costs of €162,523.50 and a granted subsidy of €50,725.42. The eligible expense period runs from January 1, 2025 to December 30, 2025.
- On December 13, 2024, IVACE approved another grant for “SME Innovation Projects (PIDI-CV) 2024” with eligible costs of €160,944.50 and a granted subsidy of €50,859. The eligible expense period also runs from January 1, 2025 to December 30, 2025.
- On November 7, 2024, IVACE approved a grant for “SME Innovation Projects – Innovation in ICTs (INOVATEiC-CV) 2024” with eligible costs of €124,939 and a granted subsidy of €43,729. The eligible expense period runs from January 1, 2024 to June 30, 2025.

June 30, 2025

9 Financial liabilities

9.1 Analysis by categories

The following is the book value of the categories of financial instruments established in the registration and valuation rules of the Spanish General Accounting Plan (PGC) in accordance with the information contained in Note 3.8:

	€			
	Debt with credit institutions		Derivatives and others	
	30.6.25	2024	30.6.25	2024
Long-term financial liabilities:				
Valued at amortised cost:				
- Bank loans and credit lines	749,456	905,151	---	---
- Financial leasing creditors (note 6)	14,843	15,279	---	---
- Other financial liabilities	---	---	---	---
- Trade payables and other accounts payable**	---	---	---	1,835,559
Total long-term	764,299	920,430	---	1,835,559
Short-term financial liabilities				
Valued at amortised cost:				
- Bank loans and credit lines	8,134,617	9,171,315	---	---
- Financial leasing creditors (note 6)	36,204	83,908	---	---
- Trade creditors and other accounts payable (*)	---	---	11,694,690	12,080,279
- Other financial liabilities	---	---	85,383	2,150,847
Entered at fair value with restatement in the IS:				
- Derivatives (note 10.1.a.3)	---	---	---	---
Total short-term	8,170,820	9,255,223	11,780,072	14,231,126

(*) Does not include balances with public administrations

(**) These refer to long-term payables to agents associated with non-current customer balances

9.2 Analysis by maturity

The following are the amounts of financial liabilities with a determined or determinable maturity classified by year of maturity:

As at 30 June 2025:

	Non-current financial liabilities				
	30.06.26	30.06.27	30.06.28	Subsequent years	Total
Debt with credit institutions	8,134,617	585,500	147,505		8,867,622
Creditors for fin, leasing	36,204	14,843	---	---	51,047
Other financial liabilities	---	---	---	---	---
Total	8,170,820	600,343	147,505		8,918,669

June 30, 2025

As at 31 December de 2024

	Non-current financial liabilities				
	2025	2026	2027	Subsequent years	Total
Debt with credit institutions	518,315	327,511	59,351	---	905,151
Creditors for fin, leasing	15,279	---	---	---	15,279
Other financial liabilities	1,835,559	---	---	---	1,835,559
Total	2,369,153	327,511	59,351	---	2,755,989

9.3. Debits and accounts payable

	€	
	30.06.24	2024
Long-term debts	764,299	2,755,989
• Debt with credit institutions	749,456	905,151
• Creditors for financial leases	14,843	15,279
• Other financial liabilities		---
• Other long-term creditors		1,835,559
Short-term debt:	8,410,875	11,406,070
• Debt with credit institutions	8,289,289	9,171,315
• Creditors for financial leases	36,204	83,908
• Other financial liabilities	85,383	2,150,847
Trade payables and other accounts payable::	12,436,434	14,798,418
• Suppliers	4,930,437	6,290,459
• Sundry creditors	5,420,606	3,668,447
• Trade advances	17,965	17,248
• Personnel (remunerations pending payment)	1,343,647	2,103,094
• Liabilities per current tax	-1105	---
• Other debts with government agencies (Note 12,1)	724,885	2,719,170
Debits and accounts payable	21,611,606	28,960,475

The following is a breakdown of the debts with credit institutions as at 30 June 2025 and 31 December 2024:

	€		€	
	30.06.25		31.12.24	
	Short-term	Long-term	Short-term	Long-term
Bank loans	8,134,617	749,456	8,843,657	905,151
Credit cards	92,601	---	34,223	---
Uncollected accrued interest	62,071	---	293,435	---
Total	8,289,289	749,456	9,171,315	905,151

June 30, 2025

a) Loans with credit institutions

The following is a breakdown of the most important conditions of the financial loans in effect as at 30 June 2025 and 31 December 2024:

Type of transaction	Maturity	Limit	€			
			30.06.25		31.12.24	
			Short-term	Long-term	Short-term	Long-term
Loan (1)	03.04.28	1,000,000	169,174	320,696	167,188	405,782
Syndicated loan A	12.12.25	6,000,000	770,633	---	1,532,035	---
Syndicated loan B	12.12.25	5,000,000	5,000,000	---	5,000,000	---
Syndicated loan C	12.12.25	2,000,000	1,693,376	---	1,488,258	---
COFIDES loan	21.07.26	500,000	166,667	83,333	333,333	---
Loan (2)	08.05.26	1,000,000	334,767	328,950	322,843	499,369
Total			8,134,617	732,979	8,843,657	905.151

⁽¹⁾ ICO PYMES loan: on 3 May 2021 the Company obtained an extension of the grace period for repayment of the principal and extension of maturity.

⁽²⁾ An ICO loan executed on 8 May 2023 with a grace period of one year.

The interest rate on debts with credit institutions is the Euribor plus a margin considered to be consistent with market rates. As at 30 June 2025, the Group has recognised the sum of 62,071 € as accrued interest pending settlement (293,435 € at the end of the previous year).

The average interest rate on long-term debts with credit institutions as at 30 June 2025 is 5.03% (5.81% in the previous financial year).

Syndicated financial restructuring agreement

On 14 December 2020 the Parent Company entered into an agreement for a syndicated financing line with a limit of 13 million €. The following credit institutions took part in said agreement: Banco Santander, CaixaBank, Banco Sabadell and Deutsche Bank, and it is structured in three tranches:

- TRANCHE A, nominal sum of € 6 million for 5 years with half-yearly amortisation.
- TRANCHE B, Ordinary revolving credit. Nominal sum of 5 million € for three years plus two potential 1-year renewals. Since it is subject to annual renewal, the current drawn-down balance of this tranche is classified as short-term debt.
- TRANCHE C, revolving credit (bilateral contracts). Nominal sum of € 2 million over 3 years with two annual renewals up to 5 years. Since it is subject to annual renewal, the current drawn-down balance of this tranche is classified as short-term debt.

The interest rate applicable to each settlement period will be Euribor + an initial 3% margin. This margin will vary depending on the variation in the net financial debt/EBITDA ratio at the end of each established review period.

Without prejudice to the Parent Company's unlimited personal liability deriving from its participation in the contracts set forth above, on the same date the subsidiary Ecertic Digital Solutions, S.L. placed a joint and several guarantee on first demand for all obligations arising from said contracts. Furthermore, pledge rights in rem have been constituted over the Parent Company's operating current account credit rights and the temporary amortisation account

June 30, 2025

associated with the loan. Finally, as a guarantee for the aforesaid obligations the Parent Company has constituted a movable property mortgage on the Group's trademarks, which are valued at 2,244,829 €.

On the bases of the estimates of its future cash flows included in its business plan, Group management considers that it will be able to meet all its contractual obligations arising from its current loans and financial credits on time.

The terms of issuance of the debt related to the syndicated loan compare the compliance with various annual ratios determined based on net financial debt and financial expenses, both in relation to EBITDA, calculated on the basis of the Parent Company's financial statements. As of December 31, 2024, the Parent Company did not meet the ratios established in the aforementioned financing agreements and therefore requested a waiver from the Agent financial institution, which was requested on December 13, 2024, and granted on February 5, 2025.

COFIDES loan

On 26 June 2023 the Parent Company entered into a financing agreement with Compañía Española de Financiación del Desarrollo, COFIDES, S.A. for development of an investment project in the U.K. consisting of commercial establishment in said country by means of its subsidiary Facephi Beyond Biometrics, Ltd (the Project Company), an entity included in the Group's consolidation perimeter. The contract set up a financing facility in the form of a three-year loan of a maximum of 500,000 €. On 5 July 2023 the Parent Company requested withdrawal of the total amount, which was received on 21 July 2023. The principal will be amortised in six identical payments per half year.

The interest rate applicable to each settlement period will be Euribor + a margin. This margin consists of a fixed rate of 2.5% + a variable rate of +/- 5% depending on the net turnover of the Project Company.

The conditions related to this loan require compliance with certain ratios applicable to the Parent Company on an annual basis, determined based on net financial debt in relation to equity, net financial debt in relation to EBITDA, and the co-financing ratio, all calculated based on the Parent Company's financial statements.

b) Other short-term financial liabilities

The following is a breakdown of other short-term financial liabilities as at 30 June 2025 and 31 December 2024:

Type of transaction	€			
	Short-term		Long-term	
	30.06.2025	2024	30.06.2025	2024
Debts convertible to subsidies (note 8.3)	83,980	83,980	---	---
Nice & Green loans	---	2,066,540	---	---
Others	1,403	326	---	---
Total	85,383	2,150,846	---	---

The Group has recorded under the heading "Debts convertible into grants," both short and long term, the amount considered repayable from capital grants awarded (see Note 11.3), as the investment had not been executed as of the end of H1 2025.

As of the end of the first half of 2025, the amount granted in subsidies and considered repayable, pending justification, is €83,980 recorded as short-term (same amount as at year-end 2024, recorded between short and long term).

June 30, 2025

During 2025, the Parent Company capitalized the outstanding amounts as of year-end 2024 with Nice & Green for two operations totalling €2.6 million, as detailed below:

- €1,500,000 recorded on the balance sheet as of December 31, derived from disbursements made by the investor on October 2, October 29, and November 29, 2024. As this is a financial instrument measured at amortized cost, the Parent Company recorded implicit financial expenses over 12 months from each cash disbursement, since the conversion date by the investor was unknown at the time of issuance. The implicit interest recognized as of December 31, 2024, on amounts pending conversion amounted to €19,366. This disbursement of €1,500,000, along with an additional €500,000 disbursed on January 3, 2025, formed part of a loan granted by the main shareholder, Nice & Green. The Parent Company capitalized the loan and accrued interest under the following conditions: the VWAP of the five (5) trading days immediately preceding April 2, 2025, resulting in a conversion price of €2.43 per share (Note 18). On June 17, 2025, the transaction was formalized by public deed and registered in the Mercantile Registry on July 1, 2025, with a total of 847,378 shares issued. The implicit interest accrued as of June 30 amounted to €179,932.
- €600,000 corresponding to the fourth and final conversion of 60 bonds with a nominal value of €10,000 each, pending from the €2,400,000 issuance. On January 10, 2025, Nice & Green notified this fourth and final conversion of €600,000 (60 bonds of €10,000 nominal each), which was formalized by public deed on January 16, 2025, and registered in the Mercantile Registry on February 11, 2025, resulting in 365,163 shares issued at a conversion price of €1.64 per share.

c) Information on the average period of payment to suppliers. Additional provision three "Duty of Information" of Act 15/2010 dated 5 July.

In compliance with the duty of information provided for in Act 15/2010 (amended by Final Provision Two of Act 31/2014 of 3 December) that sets up measures to combat late payment in trade transactions, the following is a breakdown of the information on average supplier payment interval for trade transactions drawn up in accordance with the resolution of the Accounting and Auditing Institute (ICAC) dated 29 January 2016:

Item	30.06.25	2024
	Days	Days
Average period of payment to suppliers	87	68
Ratio of paid transactions	66	64
Ratio of transactions pending payment	132	101
	€	
Total payments made	11,491,674	15,691,819
Total outstanding payments	5,611,663	6,461,303

June 30, 2025

	30.06.25	2024
Number of invoices		
Total number of invoices paid	2,638	3,890
Number of invoices paid before the legal deadline	2,523	3,403
%	96%	87%
Amount in €		
Total amount of paid invoices	11,491,674	15,691,819
Value of invoices paid within the legal deadline	7,860,861	10,617,069
%		
Number of invoices	68%	68%

For these purposes only, the Trade Creditors account encompasses items from suppliers and sundry creditors for debts with suppliers of goods or services included within the scope of the regulations on legal payment terms. The Net Purchases and External Services Expenses item encompasses the amounts recognised as such in the Spanish General Accounting Plan.

June 30, 2025

10. Position with respect to the tax agencies

10.1) Current balances with government agencies

The composition of receivable and payable balances held with Public Administrations as of June 30, 2025 and December 31, 2024 is as follows:

	€			
	30.06.2025		31.12.24	
	Assets	Liabilities	Assets	Liabilities
Deferred tax assets (note 12.4)	426,312		4,901,032	
Deferred tax asset for:				
• VAT	242,066		627,497	
• Withholdings and other payments on account	18,346		80,956	
Other govt. agencies:	1,415,403		1,415,403	
Subsidies granted				
Monetization I+D	1,495,994		1,624,899	
Other credits with public authorities	3,171,808		3,748,755	
Deferred tax liabilities (Note 10.4)		566,086		694,652
Debts with Social Security bodies		317,618		443,559
Deferred tax liability for:				
• VAT		92,991		1,525,387
• Personal income tax withholdings		314,276		750,224
Other debts with public authorities		724,885		2,719,170

* The directors believe there are no doubts regarding the recoverability of this balance, as the conditions set out in the grant have been met and the justification has been submitted, with the payment expected during fiscal year 2025.

10.2 Financial years pending verification and inspection

In compliance with the currently applicable legislation, taxes are not considered finally settled until the returns have been inspected by the tax agency within the four-year limitation period. As at 30 June 2025, none of the Group's main tax returns since 30 June 2021 have been inspected and are therefore open to examination by the tax agencies.

Group management considers that it has properly settled all applicable taxes. However, in the event of an inspection, discrepancies could arise between Company management and the tax inspectorate on the interpretation of the regulations with respect to the fiscal treatment of certain transactions that could entail additional tax-related liabilities. Notwithstanding the above, management does not expect such liabilities, even if they do arise, to significantly affect the Group's Consolidated Interim Financial Statements.

10.3 Reconciliation of the accounting outcome and current expense for corporation tax

The Group has not accrued any corporation tax provision whatsoever since these are Consolidated Interim Financial Statements and because it has generated losses during the six-month period ended 30 June 2025. Nevertheless, the sum of 120.768 € (209.917 € as at 30 June 2024) is recognised in this section of the Consolidated Income Statement for withholdings at source

June 30, 2025

exercised by the tax agencies of third countries, the deduction for double taxation of which is pending recognition at the end of the period under review.

10.4 Deferred tax assets and liabilities

Deferred tax assets

The Group only recognises deferred tax assets for deductible temporary differences, negative tax base and deductions and other unused tax rebates will to the extent that it is probable that the Group will have future taxable profits that enable application of these assets.

Tax rebates pending application

The following is a breakdown of the Group's deferred tax assets on the Consolidated Balance Sheet as at 30 June 2025 and 31 December 2024:

Item	Year of origin	2023	Gen.	Applied	Estimate changes	2024	Applied	Estimate changes	30.06.2025
Cross-border double tax.	2018	57,862	---	---	-57,862	---	---	---	---
ECERTIC merger R&D	2018	97,364	---	---	---	97,364	---	---	97,364
Research and development	2019	90,089	---	---	---	90,089	---	---	90,089
Cross-border double tax	2020	205,158	---	---	-205,158	---	---	---	---
Research and development	2020	208,398	---	-208,398	---	---	---	---	---
Film production	2020	126,632	---	---	-126,632	---	---	---	---
Cross-border double tax	2021	316,078	---	---	-316,078	---	---	---	---
Research and development	2021	245,391	---	-230,484	26,150	41,057	---	---	41,057
Cross-border double tax	2022	97,648	---	---	-97,648	---	---	---	---
Rebate for donations (35%)	2022	998	---	---	---	998	---	---	998
Research and development *	2022	1,657,744	---	---	-32,845	1,624,899	(1,624,899)	---	0
Cross-border double tax	2023	579,375	---	---	-579,375	---	---	---	---
Donation Deduction (35%)	2023	4,480	---	---	---	4,480	---	---	4,480
Research and development	2023	---	1,561,857	---	---	1,561,857	---	16,466	1,578,323
Research and development	2024	---	---	---	---	---	---	66,076	66,076
Cross-border double tax	2024	---	507,142	---	-507,142	---	---	---	---
Rebate for donations (35%)	2024	---	---	---	---	8,965	---	---	8,965
Total		3,687,217	2,068,999	(438,882)	(1,896,590)	3,420,744	(1,624,899)	82,542	1,887,352

All deductions mentioned above are generated by the Parent Company. Additionally, the subsidiary Celmuy has recognized €34,956 in local tax credits.

- In fiscal year 2023, the Group recognized the R&D&I deduction for 80% of the value of the IMV and the amount recognized in the corporate income tax settlement for deductions from fiscal year 2022. The Group recorded 80% of these deductions in the consolidated balance sheet, amounting to €1,657,744, as it expects to request monetization of this amount. Additionally, based on the same criteria, the Group reduced the R&D&I deductions generated in fiscal years 2020 and 2021 by €109,720 in 2023, which were initially recognized at 100%, due to their inclusion in the corporate income tax return for fiscal year 2022.

June 30, 2025

- In fiscal year 2024, the Group recognized the R&D&I deduction for 80% of the value of the IMV and the amount recognized in the corporate income tax settlement for deductions from fiscal year 2023. The Group recorded 80% of these deductions in the balance sheet, amounting to €1,561,856, as it expects to request monetization of this amount.
- As of December 31, 2024, the Parent Company has recognized deferred tax assets totaling €1.7 million (€4.9 million as of December 31, 2023) based on the recognition of the R&D&I deduction for 80% of the value of the Binding Motivated Report, given that the Parent Company plans to request monetization of this amount. In fiscal year 2023, it also recognized negative taxable bases and deductions pending application, which were derecognized in fiscal year 2024 (see Note 13).
- These estimates are made based on the best information available as of June 30, 2025, regarding the analyzed facts. However, future events may require adjustments (upward or downward) in subsequent fiscal years, which would be made prospectively in accordance with Standard No. 22 of the General Accounting Plan, recognizing the effects of the change in estimate in the corresponding income statement.
- During fiscal year 2024, the Group derecognized deferred tax assets related to negative taxable bases (as shown in the following section) and deductions pending application due to losses in the last two fiscal years, and as a prudence measure, since their recoverability depends on the achievement of the business plan estimates. Nevertheless, Management and the Board of Directors expect to generate taxable profits in the near future against which these credits and deductions can be applied, and therefore will reassess their recognition in the balance sheet.

Tax credits for negative taxable bases

30 June 2025:

Year of origin	€				
	Pending tax bases 2023	Generated in 2024	Offset in 2024	Pending bases 2024	Tax credit
2024 financial year		5,228,564		5,228,564	---
2023 financial year	4,873,183	--	---	4,873,183	---
Total	4,873,183	5,228,564	---	10,101,747	---

31 December 2024:

Year of origin	€				
	Pending tax bases 2023	Generated in 2024	Offset in 2024	Pending bases 2024	Tax credit
2024 financial year		5,228,564		5,228,564	---
2023 financial year	4,873,183	--	---	4,873,183	---
Total	4,873,183	5,228,564	---	10,101,747	---

The Directors have not recognised the negative taxable bases of the subsidiary FacePhi Beyond Biometrics Ltd on the Consolidated Balance Sheet since the objective conditions for doing so have not been met.

Deferred tax liabilities

The Group consigns temporary tax differences derived from the subsidies received and transferred to the outcome for the financial year to this section.

The following is the breakdown of movements under this head for the first half of 2024 and the 2023 financial year:

June 30, 2025

	€	
	30.06.2025	2024
Initial balance	679,652	209,947
Temporary differences created / (reversed) for:		
-Capital grants awarded (Note 8.3)		25,763
-Capital grants transferred to profit or loss (Note 8.3)	(31,184)	(63,186)
-Others	(97,382)	464,853
- Capital grants adjustment	15,000	42,275
- Translation Differences	---	---
Final balance	566,086	679,652

June 30, 2025

11. Income and Expenditure

a) Net turnover

The following is the geographic spread of the consolidated net turnover for the Group's ordinary activities:

Market	%	
	30.06.25	30.06.24
EMEA	4,51	0,87
LATAM	94,71	94,13
APAC	0,78	5
Total	100,00	100,0

Furthermore, net turnover can be analysed by business line as follows:

Line	%	
	30.06.25	30.06.24
Provision of services	100,00	100,00
Total	100,00	100,0 0

As of June 30, 2025, an amount of €654,642 has been recorded under the heading "Short-term accruals" in the current liabilities section of the attached consolidated balance sheet (€735,589 as of December 31, 2023), corresponding to the estimated revenue from support and maintenance services, as well as SaaS (cloud) service provision, which will be accrued in the following period.

b) Supplies

Under this heading of the consolidated income statement, the accrued costs for the licensed use of certain programs and computer software—necessary for the development of products that the Group will later commercialize under license—are included. As of June 30, 2025, this amounts to €1,423,903 (€2,144,126 as of June 30, 2024).

c) Work performed by the Group for its own assets

	%	
	30.06.25	30.06.24
Work performed by the Company for its own assets:		
• Facephi	2,371,165	2,366,543
Total	2,371,165	2,366,543

The amounts set forth in the above table, capitalised in Intangible Assets, originate in the improvements and new versions of its software that the Group has continued to make and are recognised in intangible fixed assets (see note 4).

c) Other operating income

- Incidental income and other current management income

June 30, 2025

	€	
	30.06.25	30.06.24
Income from staff services	50,087	40,629
Income from sale of tax deductions (TAXLEASE)	1,128,835	---
Income from royalties	389,530	---
Total	1,568,452	40,629

In September 2024, the Parent Company signed a series of contracts with an investor that resulted in the temporary transfer of R&D activity for the development of a project to an Economic Interest Group (AIE) established by the investor. The transfer of R&D activity was structured in such a way that it generated remuneration for the Parent Company in relation to the project developed in 2024, resulting in revenue of €1,922 thousand in 2024. Additionally, under the aforementioned contracts, the Parent Company retains the right to recover the transferred R&D activity, so the development costs incurred to generate that R&D are recorded as intangible assets of the Parent Company as of December 31, 2024, and are subject to amortization (see Note 4). No revenue was recognized in the first half of 2024 as the agreement was reached in September.

In May 2025, the Parent Company signed a series of contracts with an investor that resulted in the temporary transfer of R&D activity for the development of a project to an Economic Interest Group (AIE) established by the investor. The transfer of R&D activity was structured so that it generated remuneration for the Parent Company in relation to the project developed in 2025, resulting in revenue of €1,129 thousand in the first half of 2025. Additionally, under the aforementioned contracts, the Parent Company retains the right to recover the transferred R&D activity, so the development costs incurred to generate that R&D are recorded as intangible assets of the Parent Company as of June 30, 2025, and are subject to amortization.

Separately, income accrued over time during the term of the HANCOM distribution agreement is included, originating from the difference in value between the conversion price and the fair value at the time of the agreement. As of June 30, 2025, Group Management has recognized €389,530 in the income statement (€497,135 as of December 31, 2024)..

Operating grants recognized in profit or loss

In accordance with the criteria described in note 3.10, as of June 30, 2025, Group Management has not recognized any amount in the income statement (40,247 € as of December 31, 2024) (see note 8.3).

d) Personnel expenses

The following is a breakdown of personnel expenses as at 30 June 2025 and 2024:

	€			
	30.06.25		30.06.24	
	Facephi	Rest of the Group	Facephi	Rest of the Group
Wages, salaries and others	6,347,951	726,336	5,682,198	1,010,482
Severance payments	215,226	16,534	70,208	208,687
Company's Social Security contribution	1,234,729	95,878	1,054,430	145,878
Other employee benefits	126,434	20,578	95,344	36,208

June 30, 2025

Provisions,	(55,970)	---	---	---
Total	7,868,371	859,326	6,902,181	1,401,255

The following is the average number of employees in the financial year by category:

	€			
	30.06.25		30.06.24	
	Facephi	Resto del Grupo	Facephi	Resto del Grupo
Senior management	2	-	2	-
Scientific, intellectual and support technicians and professionals	156	27	149	23
Clerical workers	34	3	36	4
Sales force and similar	15	2	16	3
Average total employees	207	32	203	30

These employees were distributed by gender as follows at the end of the financial year:

	30.06.25			30.06.24		
	Men	Women	Total	Men	Women	Total
Executive directors	2	-	2	2	-	2
Scientific, intellectual and support technicians and professionals	158	29	187	146	26	172
Clerical workers	20	33	53	12	28	40
Sales force and similar	12	5	17	14	5	19
	192	67	259	174	59	233

As at 30 June 2025 and 2024 the Company employs two workers with a disability equal to or greater than 33%.

e) Other operating expenses

The following is a breakdown of Other Operating Expenses as at 30 June 2025 and 2024:

	€	
	30.06.25	30.06.24
External services:		
Leases and fees	429,966	366,833
Repairs and upkeep	31,277	28,837
Freelance professional services	3,904,722	3,965,929
Transport	2	101
Insurance premiums	146,947	117,923
Banking and similar services	30,180	29,906

June 30, 2025

Advertising, promotion and public relations	909,503	601,012
Supplies	27,346	22,988
Others services	1,562,269	1,476,350
Taxes	94	912
Loss, impairment and variation of provisions for uncollectible trade transactions. (nota 8)	(101,653)	297,691
Other operating expenses	6,940,653	6,908,432

e) Foreign currency: Exchange differences

The total amount of asset items included in the consolidated balance sheet and denominated in foreign currency amounts to €6,588,184. The breakdown of the most significant items is as follows:

Elemento	Currency	€	
		30.06.2025	31.12.2024
Trade accounts (foreign currency)	USD	6,481,401	21,430,315
Treasury (c/c in f.c.)	USD	70,775	3,587,576
Treasury (c/c in f.c.)	USD	712	678
Advance trade payments (f.c.)	USD	35,295	34,017
Total		6,588,183	25,052,586

The following is a breakdown of liabilities denominated in foreign currency:

Elemento	Currency	€	
		30.06.2025	31.12.2024
Creditors (f.c.)	USD	4,938,686	4,910,777
Creditors (f.c.)	GBP	23,604	23,412
Total		4,962,290	4,934,189

Transactions in foreign currency:

	€	
	2025	2024
Services received (USD)	(4,927,176)	(9,665,039)
Services received (GBP)	(95,101)	(238,438)
Sales of services provided (USD)	12,082,543	27,603,715
Total	7,060,266	17,700,238

June 30, 2025

The following table shows the amounts of the exchange rate differences recognised in the Consolidated Income Statement for the period. The figures for transactions settled during the period are reported separately from those pending settlement as at 30 June 2025 and 2024:

Financial instrument	Currency	Exchange rate differences	
		30.06.2025	30.06.2024
Negative cash differences	USD	82,978	117,703
Positive cash differences	USD	---	(528)
Negative differences from trade collections	USD	331,172	27,576
Positive differences from trade collections	USD	(37,965)	(42,111)
Negative differences in payments to suppliers	USD	75,947	16,403
Positive differences in supplier payments	USD	(50,320)	(37,683)
Positive diffs for financial instr. balances	USD	(9,342)	6,413
Negative cash differences	GBP	560	(78)
Positive cash differences	GBP	---	1,177
Negative cash differences	KRW	565	1,078
Positive cash differences	KRW	---	(2,930)
Negative differences for financial instr. balances	USD	19,201	(6,579)
Positive differences due to implicit exchange rate	USD	71,229	---
Positive differences from implicit exchange rate adjustments	USD	(653)	---
Total transactions settled in the financial year		483,372	80,441

Financial instrument	Currency	Exchange rate differences	
		30.06.2025	30.06.2024
Positive differences due to trade balances	USD	725,579	(758,062)
Negative differences due to trade balances	USD	750,050	94,941
Positive differences due to financial inv. balances	USD	---	---
Negative differences for financial inv. balances	USD	---	---
Positive differences for supplier balances	USD	(629,861)	---
Negative differences for supplier balances	USD	252,660	341,330
Total for transactions pending maturity		1,098,428	(321,791)
T Total exchange rate differences allocated to the fin. year		1,581,799	(241,351)

June 30, 2025

12. Remuneration of members of the Board of Directors and senior management

In accordance with the proposal of the Appointments and Remuneration Committee on 23 May 2024, subsequently ratified by the General Meeting held on 28 June 2024, the Governing Bodies and the Board of Directors received the following remuneration for the 2024 financial year:

- For senior management remuneration (CEO): a total of 743.203 € plus a special bonus of 150,000 € and a variable payment subject to the variation in net turnover.
- Remuneration of the Board of Directors: the sum of 440.000 € for remuneration of the Audit Committee and the Appointments and Remuneration Committee.

In addition, although not included in the Appointments and Remuneration Committee, the tasks carried out by the General Manager is considered to pertain to senior management and endowed with a fixed salary of 440.000 € in 2024 plus a variable component subject to variation in net turnover.

Pursuant to these agreements, the following remuneration has accrued as at 30 June 2025 and 2023

a) Remuneration of members of the Board of Directors and senior management.

The members of the Board of Directors – some of whom are also senior managers – received the following statutory and salary remuneration including Board expenses and per diem allowances, remuneration in kind and insurance premiums of civil responsibility for managers and directors:

	€	
	6.2025	6.2024
Fixed remuneration - Senior Management:	591,615	603,359
Accrued variable remuneration - Senior Management	500,000	---
Other remuneration	---	465,000
Allowances for the Board and the Audit and Remuneration Committee	220,000	186,667
Insurance premiums	6,884	6,780
Total Retribution	1,318,499	1,261,806

No advances or loans have been granted to the Directors, nor are there any pension obligations in relation to members of the Board of Directors or senior management. There are no obligations on their behalf as guarantors, nor any debit or credit balances, nor any obligations related to life insurance.

b) Directors and conflict of interest

In compliance with the duty of avoiding situations that could entail a conflict of interest with the Group, all directors who have held offices on the Board of Directors have fulfilled the obligations set forth in article 228 of the consolidated text of the Corporate Enterprises Act during the financial year. Furthermore, both the Directors and persons related to the same have refrained from incurring in the cases of conflict of interest which may be authorised by the governing body provided for in article 229 of said Act.

June 30, 2025

13) Provisions and contingencies

The Parent Company has placed bonds to guarantee compliance with the service and licensing contracts entered into with some of its clients. The following is a breakdown said guarantees as at 30 June 2025 and 31 December 2024:

Issue	Maturity	F.C.	€	
			30.06.25	31.12.24
08/07/2021	20/09/2026	USD (*)	30,154	34,017
08/05/2020	02/10/2025	EUR	5,005	5,005
22/02/2024	indefinido	USD	8,532	9,626
10/09/2024	10/09/2025	USD	63,993	72,192
02/07/2024	29/07/2025	USD	73,632	83,065
09/04/2025	15/04/2027	USD	126,036	---
Totales			307,352	203,905

(*) Said surety is pledged in a fixed-term deposit for USD 35,500 (Note 9).

14. Sundry information

a) Auditing fees

On June 16, 2025, the appointment of KPMG Auditores S.L. as the auditor of the Parent Company for the fiscal years ending December 31, 2025, 2026, and 2027 was approved at the General Shareholders' Meeting.

The estimated fees for fiscal year 2025 for the various services contracted with the auditors, as well as the fees invoiced in fiscal year 2024, are shown in the table below:

Figures expressed in €	2025	2024
Audit services:		
Audit of individual annual financial statements	57,000	55,536
Audit de consolidated annual financial statements	---	16,000
Other services related to audits:		
Review of the Consolidated Interim Financial Statements as at 30.06	23,000	23,504
Other accounting verification services	---	12,496
Total	80,000	107,536

As of June 30, 2025, no additional fees have been accrued by other firms belonging to the same network as the statutory auditor (nor as of December 31, 2024, for the previous auditor).

b) Off-balance-sheet agreements

Provided that the information involved would be significant or helpful in determining the Group's financial position, there are no agreements or contracts or their potential financial impact that have not been included in the Balance Sheet and/or concerning which, information has not been provided in other notes to the Report.

June 30, 2025

15. Events subsequent to the end of the period under review

On September 2, 2025, Facephi and Nice & Green, the Company's main shareholder, formalized a loan to meet working capital needs for a maximum amount of €1,500 thousand, of which €1,000 thousand was made available on the date of the agreement. The remaining €500 thousand remains at the Company's disposal for use if desired. The loan accrues variable interest at 1-month Euribor plus 3.50%, with a maximum maturity of January 31, 2026.

The Company emphasizes that this loan is not convertible into shares and is therefore structured solely as a short-term financial operation to support the significant growth expected in the business in 2025.

During August, the Company received from Red.es the grant for which it was a beneficiary, corresponding to the 2021 call for aid aimed at research and development projects in artificial intelligence and other digital technologies. The amount was €1,270 thousand and, simultaneously upon receipt, was used to fully repay the ICO Loan arranged through BBVA, originally totaling €1,000 thousand.

On September 29, Facephi, a leader in biometric digital identity verification and authentication, and Eastnets, a global leader in regulatory compliance and payment security, announced a strategic partnership to combat financial crime worldwide. This alliance aims to create the first comprehensive anti-fraud defense ecosystem to help banks and financial institutions strengthen trust, meet regulatory requirements, and protect their customers across all markets. This partnership will expand their combined reach across major financial centers worldwide, providing clients with local expertise and unprecedented global coverage.

As of the date of preparation of these interim consolidated financial statements, no other significant subsequent events have occurred.

Alicante, September 30, 2025

* * * * *

June 30, 2025

Individual Balance sheet		
30th June 2025		
(in Euros)		
ASSETS	30/06/2025	30/06/2024
A) NON-CURRENT ASSETS	18.031.091	30.754.467
I. Intangible fixed asset	12.391.675	12.018.270
II. Tangible fixed assets	2.115.855	2.417.187
IV. Non-current investments in group and associated companies	462.834	3.925.417
V. Non-current financial investments	145.709	131.709
VI. Deferred tax assets	391.356	4.462.150
VII. Commercial debtors	2.523.662	7.799.734
B) CURRENT ASSETS	21.679.797	18.807.330
III. Prepayment suppliers	37.500	0
III. Trade and other receivables	19.677.059	16.605.625
1. Clients from sales and provision of services	16.489.478	14.772.681
2. Customers, group companies and associates	29.862	0
3. Other debtors	4.257	3.315
5. Assets for current assets	1.495.994	0
6. Other credits with Public Administration	1.657.468	1.829.629
IV. Current Investments in Group Companies	237.332	1.035.282
V. Current financial investments	371.412	52.940
VI. Short term accruals	670.182	638.726
VII. Cash and cash equivalents	686.312	474.757
TOTAL ASSETS	39.710.888	49.561.798
EQUITY AND LIABILITIES	30/06/2025	30/06/2024
A) EQUITY	16.866.695	19.868.694
A-1) Shareholders' equity	16.270.849	19.129.028
I. Capital	1.064.963	903.574
II. Share premium	33.708.316	26.679.312
III. Reserves	213.090	(14.975)
IV. (Treasury stock and shares)	(351.095)	(360.306)
V. Gains retained	(14.707.445)	(2.327.198)
VI. Result attributed to the parent company	(4.759.392)	(5.751.378)
IX. Other equity instruments	1.102.412	0
A-3) Grants, donations and legacies received	595.846	739.665
B) NON-CURRENT LIABILITIES	1.335.969	2.244.469
I. Non-current provisions	36.904	36.904
II. Non-current debt	732.979	1.961.010
2. Debt with financial institutions	732.979	1.924.806
3. Financial lease creditors	0	36.204
IV. Deferred tax liabilities	566.086	246.555
C) CURRENT LIABILITIES	21.508.224	27.448.635
II. Short term provisions	40.350	90.350
III. Current debt	8.409.472	15.274.793
2. Debts with financial institutions	8.289.289	9.283.264
3. Financial lease creditors	36.204	94.360
5. Other financial liabilities	83.980	5.897.168
IV. Current debts in Group companies	0	89.162
V. Trade and other payables	12.403.760	11.054.698
1. Suppliers	4.826.646	3.849.563
2. Suppliers, group companies and associated	496.119	237.102
3. Other creditors	5.314.640	6.045.292
4. Other payables	1.111.436	513.332
6. Other debts with Public Administration	637.671	409.409
8. Customer advances	17.248	0
VI. Short term accruals	654.642	939.632
TOTAL EQUITY AND LIABILITIES	39.710.888	49.561.798

June 30, 2025

Individual Profit and loss account		
30th June 2025		
(in Euros)		
	(Debit) Credit	
	30/06/2025	30/06/2024
A) CONTINUED OPERATIONS		
1. Net Revenue	12.484.375	11.074.650
b) Services provided	12.484.375	11.074.650
3. Work undertaken by the Company on its own assets	2.371.165	2.366.543
4. Supplies	(2.640.446)	(3.241.667)
c) Work undertaken by third party companies	(2.640.446)	(3.241.667)
5. Other operating income	1.670.346	80.877
a) Ancillary income and other current income	1.670.346	40.629
b) Operating subsidies included in the result for the financial year		40.247
6. Staff expenses	(7.868.371)	(6.902.181)
a) Salaries, remunerations and similar expenses	(6.563.178)	(5.752.406)
b) Social contributions	(1.361.163)	(1.149.775)
c) Provisions	55.970	0
7. Other operating expenses	(6.095.709)	(6.103.597)
a) External Services	(6.197.361)	(5.805.907)
b) Other expenses	0	0
c) Loss, impairment and variation in provisions for trade operations	101.652	(297.691)
8. Fixed assets depreciation	(3.052.422)	(2.652.353)
9. Allocation of grants related to non-financial fixed assets and other	124.735	124.388
11. Impairment losses and gains or losses on fixed assets	(1.754)	0
14. Other profit / loss	(8.780)	1.593
A.1) OPERATING PROFIT/ LOSS	(3.016.861)	(5.251.747)
14. Financial income	215.588	270.584
15. Financial expenses	(529.485)	(829.077)
b) Others	(529.485)	(829.077)
16. Variations in the fair value of financial instruments	260.667	0
17. Adjustments for changes	(1.568.533)	246.769
A.2) FINANCIAL PROFIT/ LOSS	(1.621.763)	(311.723)
A.3) PROFIT/ LOSS BEFORE TAX	(4.638.624)	(5.563.470)
24. Income tax	(120.768)	(187.908)
A.4) PROFIT/LOSS FROM CONTINUED OPERATIONS	(4.759.392)	(5.751.378)
A.5) PROFIT/LOSS FOR FINANCIAL YEAR	(4.759.392)	(5.751.378)