Alicante, October 30, 2026

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 2026

- First-half results for fiscal year 2026
- Limited Review Report on the Consolidated Interim Financial Statements as of 30 June 2026
- Consolidated Interim Financial Statements as of 30 June 2026, together with the accompanying explanatory notes
- Individual Financial Statements as of 30 June 2026
- Degree of compliance with the review of projections

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

Sincerely,

Javier Mira Miró
Chairman of the Board of Directors

Facephi increases TCV and ARR by 16% and 6% in H1 2026 and delivers positive LTM free cash flow for the first time in its 14-year history

- TCV increased 16% and ARR grew 6% versus H1 2025.
- Positive FCF of €1.1 million generated during the twelve months ended June 2026, a first in the Company's history.
- Revenues for H1 26 declined 8.2%; while on an LTM basis grew by 17.3%.
- Facephi updates its 2026 outlook, now expecting revenue of €32.5M, 9.7% lower than in 2025, and positive FCF of €0.9 million, compared with negative FCF of €2.4M in 2025.

Alicante, October 30, 2026 - Facephi (BME Growth: FACE; Euronext Growth Paris: ALPHI), a global leader in digital identity verification and fraud prevention, today released its financial results for the first half of 2026, and updated its financial guidance for full-year 2026.

	FINANCIAL PERFORMANCE - H1 2026			FINANCIAL PERFORMANCE - LTM JUNE 2026		
€ 000's	**H 1 26**	**H1 25**	**Change**	**LTM June 2026**	**LTM June 2025**	**Change**
Revenues	11,575	12,613	-8.2%	34,942	29,794	+17.3%
EBITDA	- 1,248	- 216	-1,032	9,408	3,490	+5,918
Pre-Tax Profit	- 6,112	- 5,140	-972	- 694	- 6,393	+5,699
FCF	- 781	- 4,379	+3,754	1,109	- 106	+1,215
ARR	29,801	28,034	+6.3%	29,801	28,034	+6.3%
TCV	76,100	65,403	+16.4%	76,100	65,403	+16.4%

Javier Mira, CEO of Facephi, commented: "*H1 2026 has been a period of continued transformation for Facephi, in an industry that is evolving at an unprecedented pace.*

As a result, Facephi has accelerated the evolution of its business model towards a comprehensive platform-based SaaS model, which now accounts for over 90% of our business. This evolution is also reflected in our revenue model, as our contracting mix is increasingly shifting from multi-year prepaid agreements towards post-consumption arrangements, consistent with a SaaS model.

Current contract terms provide for a more gradual allocation of contractual amounts over the life of the agreements, rather than the upfront recognition associated with certain multi-year prepaid contracts. This results in a lower contribution to revenue recognised upfront and, consequently, to our expected revenue for 2026. ***Under this model, revenue and ARR should become increasingly aligned over time****. ARR reflects the annualised value of our contracts, irrespective of their timing of revenue recognition.*

This effect is already reflected in our H1 2026 figures: revenue declined by 8% compared with H1 2025, while Total Contract Value (TCV) and Annual Recurring Revenue (ARR) increased by 16% and 6%, respectively, further strengthening the quality and visibility of our revenues.

Most importantly, Facephi generated positive Free Cash Flow (FCF) of €1.1M during the twelve months ended June 2026, a significant milestone in the Company's financial evolution. This figure reflects actual cash generation without adjustments for foreign exchange effects, reinforcing the sustainability of the progress achieved in profitability and financial discipline.

In parallel, we continued to strengthen our balance sheet, reducing financial liabilities from €7.2 million at year-end 2025 to €6.6 million by June 2026, a 8.3% reduction.

The continued growth of TCV and ARR, together with sustainable FCF generation and a stronger balance sheet, provides an increasingly solid foundation for the future development of our business.

For 2026, we now expect revenue to be 9.7% lower than in 2025, an EBITDA margin of 22.8% compared with 28.9% in 2025, and positive FCF of €0.9M, compared with negative FCF of €2.4M in 2025.

Beyond our financial performance, we are taking an important step forward with the launch of Facephi Intelligence Platform (FIP). The digital identity and fraud prevention industry is changing rapidly, driven by increasingly sophisticated fraud, the acceleration of AI and growing demand from organisations for integrated, scalable solutions. FIP is our response to this evolution and represents the next stage in Facephi's transformation, bringing our capabilities together within a unified platform designed to address our customers' identity challenges throughout the user lifecycle.

We see this transformation of the industry as a significant opportunity. FIP strengthens our value proposition and positions Facephi to address our customers' evolving needs in a more comprehensive, integrated and secure way.

Our updated 2026 revenue outlook reflects the ongoing transition towards a SaaS-based model rather than a change in our expectations for the underlying performance of the business. In this context, we believe that revenue and ARR, considered together, provide a more comprehensive view of our business performance. Our ***strategic direction remains unchanged****. We remain focused on* ***sustainable growth, profitability and cash generation****, while continuing to strengthen our capabilities and maintain our leadership in digital identity and fraud prevention.*

As we approach the end of 2026, we do so with greater revenue visibility, positive free cash flow and a stronger strategic proposition through FIP. Together, these elements provide a solid foundation for building a more scalable, profitable and sustainable Facephi.

I would like to thank the entire Facephi team for their continued commitment and execution, as well as our customers, partners and shareholders for their continued trust and support.

The digital identity landscape is changing rapidly, and Facephi is evolving with it."

The Company will host a webcast to discuss the results on Wednesday, November 4th, 2026, at 10:00 a.m. CET.

The live webcast will be accessible via Webcast | Facephi's 1H26 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, LATAM and NORAM. 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.

Limited Review

Consolidated Accounts

H1 2026

- Solid growth in ARR and TCV
- Positive LTM Free Cash Flow
- Lower Debt



October 2026

Dual-listing at

BME Growth EURONEXT

Javier Mira



CEO Letter

Dear stakeholders,

2026 has been a year of continued transformation for Facephi, in an industry that is evolving at an unprecedented pace.

Facephi has accelerated the **evolution of its business model towards a comprehensive platform-based SaaS model**, which now accounts for over 90% of our business. This evolution is also reflected in our revenue model, as our contracting mix increasingly shifts from multi-year prepaid agreements towards post-consumption arrangements.

Under this model, contractual amounts are recognised more gradually over the life of the agreements, resulting in a lower contribution to revenue recognised upfront. **Over time, revenue and ARR should become increasingly aligned**, with ARR reflecting the annualised value of our contracts irrespective of the timing of revenue recognition.

This effect is already reflected in our H1 2026 figures: revenue declined by 8% compared with H1 2025, while **Total Contract Value (TCV) and Annual Recurring Revenue (ARR) increased by 16% and 6%,** respectively, further strengthening the quality and visibility of our revenues.

Most importantly, **Facephi generated positive €1.1M Free Cash Flow (FCF)** during the twelve months ended June 2026, **a significant milestone in the Company's financial evolution**.

For 2026, we now expect revenue to be 9.7% lower than in 2025, an EBITDA margin of 22.8%, compared with 28.9% in 2025, and positive FCF of €0.9M, compared with negative FCF of €2.4M in 2025. **The revised revenue outlook reflects the transition towards a SaaS-based model and the resulting change in the timing of revenue recognition, rather than a change in our expectations for the underlying performance of the business.**

Beyond our financial performance, we are taking an important step forward with the **launch of Facephi Intelligence Platform (FIP).** As digital identity and fraud prevention evolve rapidly, driven by increasingly sophisticated fraud and the acceleration of AI, FIP brings our capabilities together within a unified platform designed to address our customers' identity challenges throughout the user lifecycle.

We see this transformation as a significant opportunity. FIP strengthens our value proposition and positions Facephi to address our customers' evolving needs in a more comprehensive, integrated and secure way.

We enter the second half of 2026 with greater revenue visibility, positive free cash flow and a stronger strategic proposition through FIP. Our strategic direction remains unchanged, with a continued focus on sustainable growth, profitability and cash generation.

I would like to thank the entire Facephi team for their continued commitment and execution, as well as our customers, partners and shareholders for their continued trust and support.

The digital identity landscape is changing rapidly, and Facephi is evolving with it.

Javier Mira

CEO

facephi

at a glance

- Solid growth in ARR and TCV
- Positive LTM Free Cash Flow
- Lower Debt

Revenue 2020-H1 26	+33.0% CAGR
Revenue LTM*-H1 26	€ 34.9M (+17.3% vs. LTM H1 25)
Normalized EBITDA LTM-H1 26	€ 9.4M (€3.5M L12M H1 25)
FCF LTM-H1 26	+€1.1M (-€0.1M in LTM H1 25)

Revenue 2026e	€32.5M
EBITDA margin 2026e	22.8%
FCF 2026e	+€0.9M

MKT CAP	€53M
P/Sales	1.5x
EV/EBITDA	6.3x
Rule of 40 (EBITDA)	44.2%

(*) LTM: Last twelve months ended June 30, 2026.

Note: Figures as of June 30, 2026

01

New challenges in 2026

Evolution of facephi

Financial Report H1 26

facephi

Fraud intelligence for regulated industries

We are experts in **digital identity protection** and **fraud prevention,** ***powered by AI-First*** technology

+30 Countries

+400 Clients

+10 Sectors

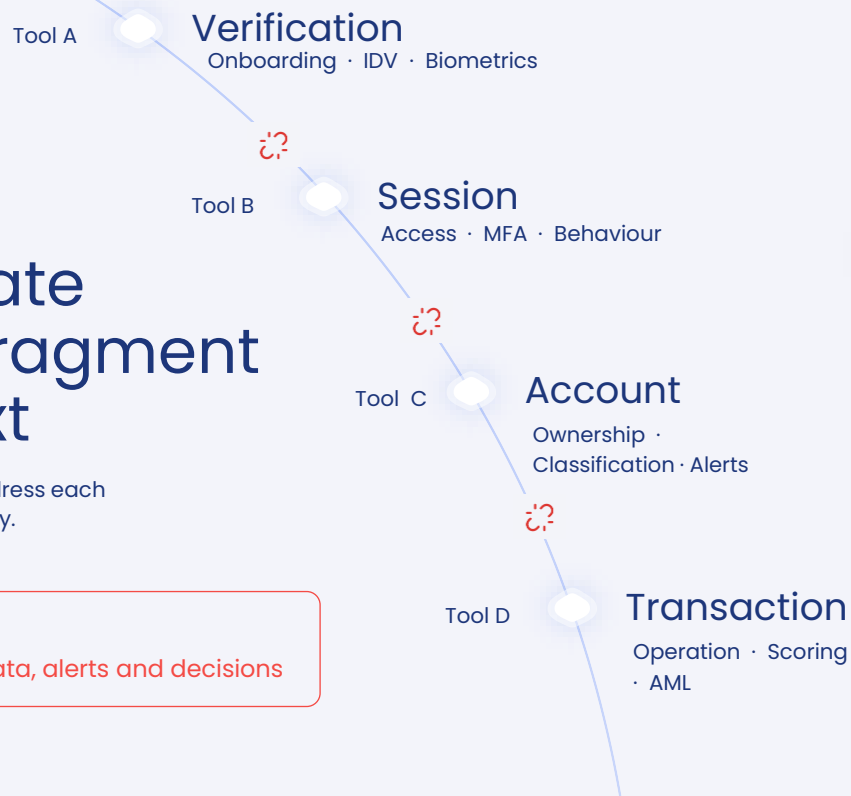
Recognised by

Certified by

facephi

Separate tools fragment context

Separate tools address each stage of the journey.



The gap
Disconnected data, alerts and decisions

& fraud keeps evolving

- AI-powered threats
- Deepfakes
- Account takeover
- Synthetic identities
- Mule account networks
- Specialized malware

As attacks become more automated and harder to detect, connected context across the identity journey becomes essential.

facephi

Connecting signals: Identity

needs continuous context across the entire journey



It is not enough to verify who a person is during onboarding.

It's not enough to authenticate a user when accessing an application

Nor is it enough to analyze only a specific transaction.

New challenges in 2026

02

Evolution of facephi

Financial Report H1 26

facephi

More than **a decade** of major milestones, including **BME Growth**

2012

facephi

Founded in Alicante, Spain

13-14

Grupo Mutual

Acquired first customer

BME Growth

Went public in Spain

15-16

Bi

Signed first major bank

17-18

Au facephi Authentication

HORIZON 2020

Received €1.7M grant

19-20

On facephi Onboarding

ecertic

Acquired an electronic signature company

EURONEXT

Dual-listed in Paris

facephi

Opened an office in APAC

2021

Id Identity Platform

+81%

Doubled the client portfolio

2022

+69%

facephi

Opened an office in LATAM

facephi

Opened an office in EMEA

2023

Te Teseo Wallet

+13%

Launched the Partner Channel

2024

+15%

SAMSUNG 삼성증권

chose Facephi to verify the identity of its users in APAC

HANCOM becomes 2nd largest shareholder with 6%+

2025

Md Mule Account Detection

Bb Behavioural Biometrics

+25%

KYP (Know Your Passenger)

Entered NORAM, starting with Canada

2026

Fip facephi Intelligence Platform

Launched its continuous protection model

H1 2026: FCF L12M positive for the first time in the Company's history

"We are ambitious with regard to the future. We started small, but thanks to the markets we have the capacity today to be the leader in digital identity verification.

Javier Mira, CEO of Facephi

facephi Intelligence Platform

facephi

Identity
is the axis



Identity Verification
Who is the person?

Account Risk
What is this account and does it represent enough risk to alert?

AML & transaction monitoring
Is this transaction suspicious or non-compliant?

Behavioural intelligence
Can we trust this interaction?

Identity isn't built just once. It's built episodically (during onboarding, an authentication, a reverification) and from then on, it's continuously referenced throughout the entire relationship with the user. That history feeds the rest of the platform.

facephi

Product portfolio 2026

facephi Intelligence Platform

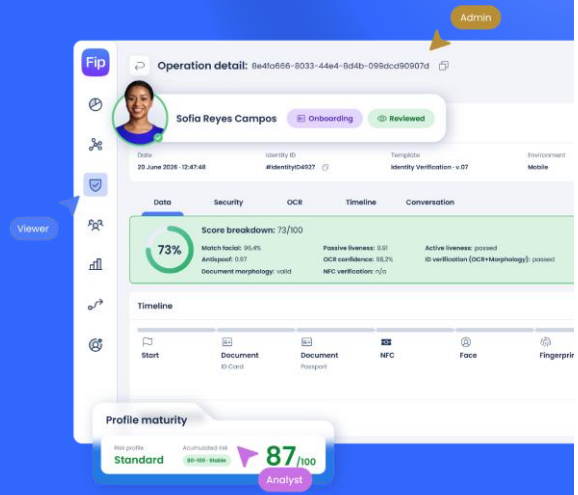
Continuous identity and contextual risk intelligence across the customer lifecycle.

What it is

Four connected capabilities: Verification, Session, Account and Transaction.

How it integrates

Central control plane with flexible deployment: SaaS, private cloud or on-premise.



Commercial fit

Tier-1 banks and regulated institutions.
Land on verification, expand by capability.

Two product propositions addressing different identity needs.

facephi IDV Suite

Fast deployment of onboarding and authentication journeys.

What it is

SaaS solution with visual flows, templates and no-code / low-code configuration.

How it integrates

Web and mobile experience, operations console, antifraud capabilities and role management.

Commercial fit

Fintechs and smaller companies that need fast, plug-and-play deployment.

facephi

We are trusted by the

world's leading

banks and companies



BANRURAL
El amigo que te ayuda a crecer

"Innovation solves the identified problem, by providing the user with access to financial services in a simple, secure and convenient way"

Namutek
Fintech

"We needed an extra layer of security in the identity validation process and that's why we sought Facephi's involvement"

cencosud

"The integration was simple, and little by little, together with Facephi, we have been learning from our users to improve their experience"

New Challenges in 2026

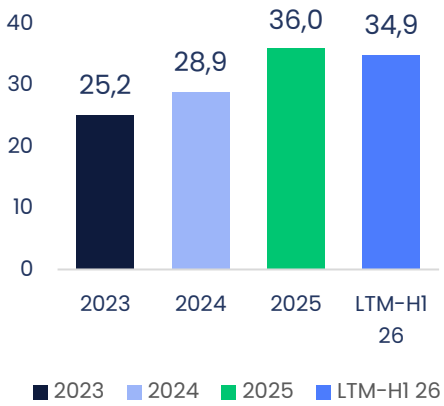
Evolution of facephi

03

Financial Report H1 · 26

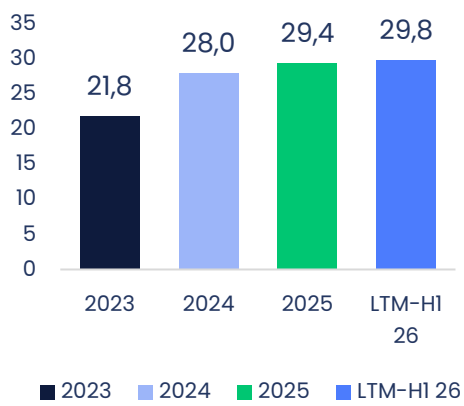
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Revenue*



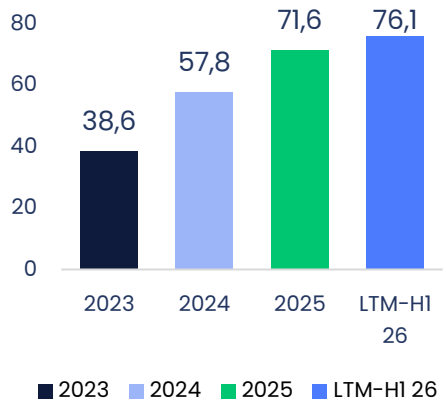
+14% CAGR 2023-H1 26

ARR
(Annual Recurring Revenue)



+13% CAGR 2023-H1 26

TCV
(Total Contract Value)

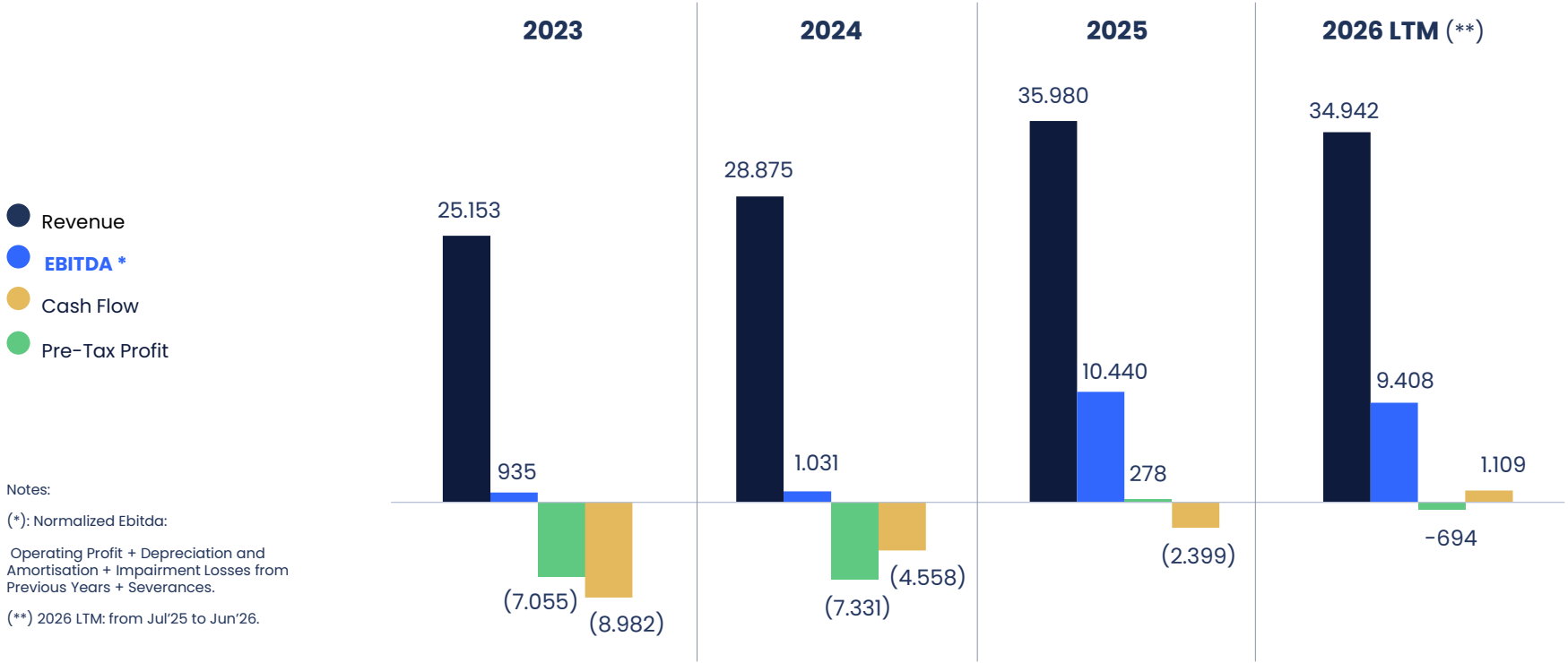


+31% CAGR 2023-H1 26

*: **Revenue**: The H1 26 figure does not include any multi-year contracts.

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Key Financial Metrics *(000€)*



Notes:

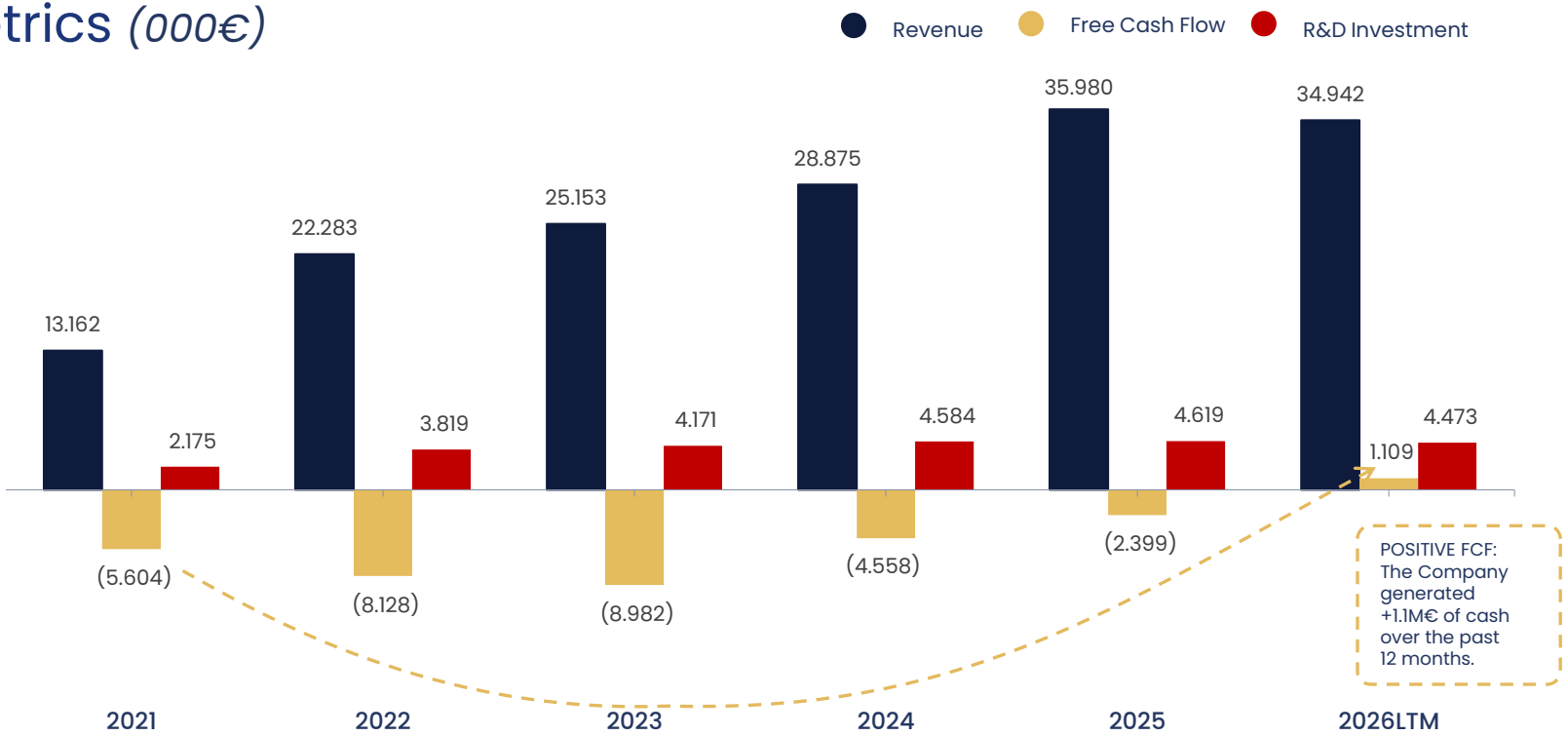
(*): Normalized Ebitda:

Operating Profit + Depreciation and Amortisation + Impairment Losses from Previous Years + Severances.

(**) 2026 LTM: from Jul'25 to Jun'26.

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Key Financial Metrics *(000€)*



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Financial Structure

Debt Profile and Needs

Working Capital Credit Facilities

Financing to handle Business Seasonality

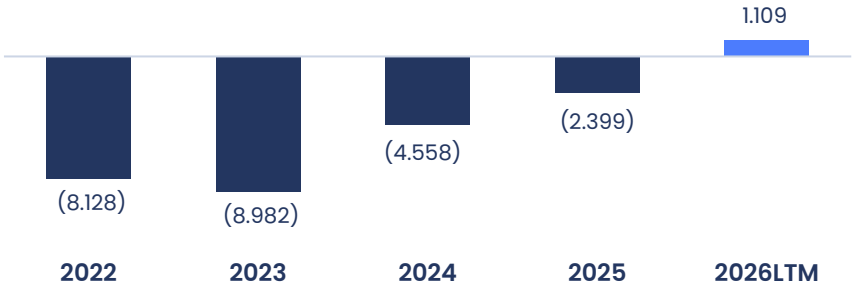
Senior Debt

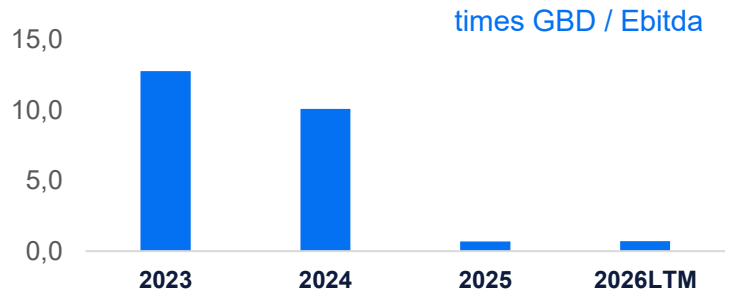
Financing for Annual R&D Investment and International Expansion

Gross Banking Debt (GBD) / EBITDA

million €	2023	2024	2025	2026 LTM
GBD	11.5	10.1	7.2	6.6
Ebitda	0.9	1.0	10.4	9.4
GBD / Ebitda	**13 x**	**10 x**	**0.7 x**	**0.7 x**

Free Cash Flow *(000€)*





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2026 Performance and Forecast

Guidance and Key Drivers

- Free Cash Flow continues its strong trajectory, generating positive operating cash flow.
- The revenue level achieved in 2025 is being consolidated as the scale needed to deliver profitability and cash generation, supported by new technology solutions linked to behavioral biometrics as a way to prevent complex fraud scenarios.
- The target is to return to double-digit growth in 2027, driven by these technologies, growth in the EMEA region, and partnerships with companies offering complementary products, creating additional opportunities through *upselling* and cross-selling.

figures in 000€	2023	2024	2025	2026 LTM	2026e
Revenue	25,153	28,875	35,980	34,942	32,500
EBITDA	935	1,031	10,440	9,408	7,400
Free Cash Flow	-8,982	-4,558	-2,399	+1,109	+875
Gross Banking Debt	11,531	10,076	7,190	6,568	6,452
GBD / EBITDA	13 x	10 x	0.7 x	0.7 x	0.9 x

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Revenue breakdown

By Solution

	2023	2024	2025	H1 26
Onboarding	62.1%	60.4%	59.8%	70.8%
Authentication	30.2%	31.0%	34.2%	19.8%
Digital Platform	1.3%	1.0%	0.8%	1.1%
Consulting, Support and others	6.4%	7.6%	5.2%	8.3%

On Premise | Cloud

	2024	2025	H1 26
On Premise	52%	14%	9%
Cloud	48%	86%	91%

Facephi | Partners

	2024	2025	H1 26
Facephi	75%	65%	70%
Partners	25%	35%	30%

By Region

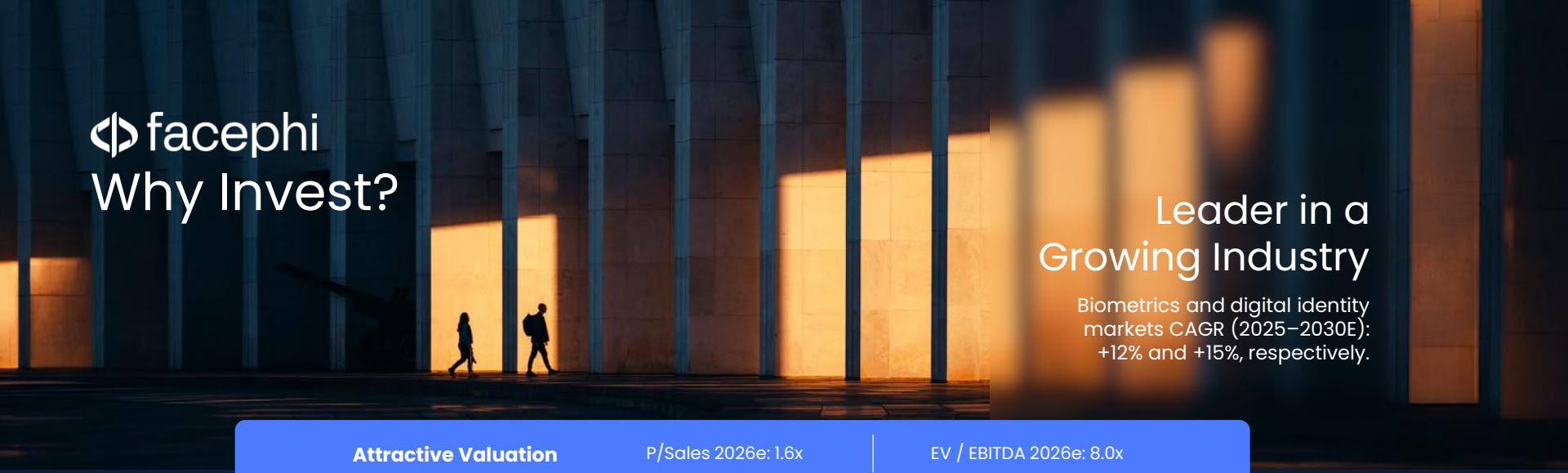
	2023	2024	2025	H1 26
LATAM	94.0%	94.7%	96.6%	97.1%
EMEA	4.2%	1.3%	2.7%	1.6%
APAC	1.7%	4.0%	0.8%	0.4%
Others	0.1%	0.0%	0.0%	0.9%

By Sector

	2023	2024	2025	H1 26
Banking	93.5%	90.9%	91.1%	87.6%
Insurance / Pensions / etc.	2.4%	3.0%	4.8%	1.5%
Software consulting, Integration & Services	1.0%	1.2%	1.1%	3.0%
Others	3.1%	4.9%	3.0%	7.9%

04

Conclusions



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Why Invest?

Leader in a Growing Industry

Biometrics and digital identity markets CAGR (2025–2030E): +12% and +15%, respectively.

Attractive Valuation	P/Sales 2026e: 1.6x	EV / EBITDA 2026e: 8.0x

Historical Growth Above the Industry Average

CAGR 2020-H1 26: +33.0%

Profitable Growth Strategy

Combination of organic and inorganic growth through strategic partnerships that accelerate growth with lower capital investment.

Holistic Platform

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

Dominant player in banking and LATAM, expanding into EMEA and APAC.

LATAM is expected to account for ~7% of industry revenues by 2028, while EMEA and APAC will represent ~64% of the market.

facephi

Limited Review

Consolidated Accounts

H1 2026



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 BIOMETRIA, S.A. and Subsidiaries

Limited Review Report on the Consolidated Interim Financial Statements for the six-month period ended 30 June 2026

CONTENTS

- Limited review report on the consolidated interim financial statements for the six-month period ended 30 June 2026.
- Consolidated interim financial statements for the six-month period ended 30 June 2026.
- Notes to the consolidated interim financial statements for the six-month period ended 30 June 2026.

Interno

LIMITED REVIEW REPORT ON THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

To the Shareholders of FACEPHI BIOMETRIA, S.A., at the request of the Board of Directors

Introduction

We have performed a limited review of the interim financial statements of FACEPHI BIOMETRIA, S.A. (hereinafter, the "Company") and its subsidiaries, comprising the consolidated balance sheet as at 30 June 2026, the consolidated income statement, the consolidated statement of changes in equity, the consolidated statement of cash flows and the related consolidated explanatory notes for the six-month period then ended.

The Directors of the Company are responsible for the preparation of these consolidated interim financial statements in accordance with the financial reporting framework applicable to the Company (identified in accompanying Note 2) and, in particular, with the accounting principles and criteria contained therein. Our responsibility is to express a conclusion on these consolidated interim financial statements based on our limited review.

Scope of the Review

We conducted our limited review in accordance with International Standard on Review Engagements 2410,"Review of Interim Financial Information Performed by the Independent Auditor of the Entity." A limited review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying certain analytical and other review procedures.

A limited review is substantially less in scope than an audit conducted in accordance with the regulations governing statutory audits in force in Spain and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on the accompanying consolidated interim financial statements.

Conclusion

As a result of our limited review, which under no circumstances may be understood as an audit, nothing has come to our attention that causes us to conclude that the accompanying consolidated interim financial statements and related explanatory notes do not present fairly, in all material respects, the equity and financial position of FACEPHI BIOMETRIA, S.A. and its Subsidiaries as at 30 June 2026, as well as their consolidated results and consolidated cash flows for the six-month period then ended, in accordance with the applicable financial reporting framework and, in particular, with the accounting principles and criteria contained therein.

Other Matter

Interno

This Report has been prepared at the request of the Board of Directors of Facephi Biometría, S.A. in connection with the publication of the half-year financial report and the corresponding limited review report on the consolidated financial statements required under Article Two, section 2.1(a), of Circular 3/2020, as amended by Circular 2/2022, issued by BME MTF Equity regarding the information to be provided by companies admitted to trading on the BME Growth segment of BME MTF Equity.

A WORLDWIDE AUDIT ASSURANCE ESPAÑA, S.L.

(ROAC: S2500)

Luis Marigómez Rodríguez

ROAC 21,424

Madrid, 30 October 2026

Interno

FACEPHI BIOMETRÍA, S.A. y sociedades dependientes

On September 30, 2026, the Board of Directors of Facephi Biometría, S.A., in compliance with the requirements established in BME Growth Circular 3/2020, the Spanish Companies Act and the Spanish Commercial Code, hereby prepares the accompanying consolidated interim financial statements of Facephi Biometría, S.A. and its subsidiaries, attached hereto, for the six-month period ended June 30, 2026.

The Board of Directors also authorises Mr Juan Alfonso Ortiz Company, in his capacity 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

Manuel Lanfossi, representing
de Nice & Green, S.A.
Member - Director

FACEPHI BIOMETRÍA, S.A. and subsidiaries

Consolidated interim financial statements for the six-month period ended June 30, 2026

PROTECTING IDENTITY
TO BUILD THE FUTURE

FACEPHI BIOMETRÍA, S.A. and subsidiaries

30 June 2026

Consolidated Balance sheet
30th June 2026

(In Euros)

ASSETS	NOTES TO THE FINANCIAL STATMENTS	6/30/2026	12/31/2025
A) NON-CURRENT ASSETS		**19.050.594**	**19.946.111**
I. Intangible fixed asset	**4**	**13.737.736**	**14.070.599**
1. Development		12.426.276	11.883.408
3. Patents, licences, trademarks and similar		45.185	49.792
5. Computer software		1.266.274	2.137.399
II. Tangible fixed assets	**5**	**1.852.422**	**1.971.153**
1. Land and buildings		1.525.635	1.634.164
2. Technical installations and other tangible fixed assets		326.787	336.989
V. Non- current financial investments	**7**	**173.481**	**174.660**
5. Other financial investments		173.481	174.660
VI. Deferred tax assets	**10.4**	**1.563.565**	**1.209.211**
VII. Commercial debtors	**7**	**1.723.391**	**2.520.488**
B) CURRENT ASSETS		**19.951.420**	**28.062.674**
II. Prepayments to suppliers	**7**	**38.974**	**37.500**
III. Trade and other receivables	**7**	**18.440.826**	**24.750.948**
1. Clients from sales and provision of services		17.878.053	22.742.630
2. Sundry debtors	**10**	0	2.207
4. Personnel	**10**	2.207	4.382
5. Current tax assets		0	1.467.092
6. Other receivables from Public Administrations		560.566	534.639
V. Current financial investments	**7**	**118.778**	**323.998**
5. Other financial investments		118.778	323.998
VI. Short term accruals		**633.222**	**776.846**
VII. Cash and cash equivalents	**7.4**	**719.620**	**2.173.382**
1. Cash and banks		719.620	2.173.382
TOTAL ASSETS		**39.002.014**	**48.008.786**

(*) Unaudited figures.

The accompanying explanatory notes 1 to 15 form an integral part of the consolidated financial statements as at June 30, 2026.

Consolidated Balance sheet
30th June 2026

(In Euros)

EQUITY AND LIABILITIES	NOTES TO THE FINANCIAL STATMENTS	6/30/2026	12/31/2025
A) EQUITY	8	**15.391.667**	**21.791.467**
A-1) Shareholders' equity	8.1	**15.338.108**	**21.447.418**
I. Capital		**1.064.963**	**1.064.963**
1. Issued capital		1.064.963	1.064.963
II. Share premium		**33.708.316**	**33.708.316**
III. Reserves		**(4.671.601)**	**(4.432.085)**
1. Legal and statutory reserves		180.800	139.462
2. Other reserves		198.224	77.743
3. Reserves in fully or proportionally consolidated companies		(5.050.625)	(4.649.290)
IV. (Treasury stock and shares)		**(434.406)**	**(436.934)**
V. Prior years' results		**(8.736.010)**	**(9.630.961)**
V. Result attributed to the parent company		**(6.106.431)**	**368.696**
IX. Other instruments of equity		**513.275**	**805.423**
A-2) Adjustments for changes in value	8.2	**(359.783)**	**(251.797)**
IV. Conversion difference		**(359.783)**	**(251.797)**
A-3) Grants, donations and legacies received	8.3	**413.342**	**595.846**
B) NON-CURRENT LIABILITIES		**4.115.123**	**1.185.504**
I. Non-current provisions		**36.904**	**36.904**
1. Non-current provisions		36.904	36.904
II. Non-current debt	9	**160.171**	**248.232**
2. Debt with financial institutions		147.407	234.634
3. Finance Lease Liabilities		12.764	13.598
IV. Pasivos por impuesto diferido	10.4	**302.739**	**467.089**
V. Non-current creditors		**3.615.309**	**433.279**
C) CURRENT LIABILITIES		**19.495.223**	**25.031.815**
I. Current provisions	9	**10.309**	**10.309**
1 Current provisions		10.309	10.309
III. Current debt	9	**8.136.168**	**8.542.589**
2. Debts with financial institutions		6.420.183	6.955.465
5. Other financial liabilities		1.715.985	1.587.124
V. Trade and other payables	9.3	**10.846.636**	**15.832.019**
1. Suppliers		6.293.337	6.925.771
3. Sundry creditors		1.890.721	4.628.372
4. Personnel (remuneration pending payment)		554.412	1.544.038
7. Other payables to Public Administrations		2.090.279	2.715.933
8. Customer advances		17.887	17.905
VI. Short term accruals	11.a	**502.110**	**646.898**
TOTAL EQUITY AND LIABILITIES		**39.002.014**	**48.008.786**

(*) Unaudited figures.

The accompanying explanatory notes 1 to 15 form an integral part of the consolidated financial statements as at June 30, 2026.

Consolidated Profit and loss account for the six-month period ended June 30th, 2026 (In Euros)	NOTES TO THE FINANCIAL STATMENTS	(Debits) Credits	
		6/30/2026	6/30/2025
A) CONTINUED OPERATIONS			
1. Net Revenue	**11.a**	**11.575.006**	**12.613.482**
b) Services provided		11.575.006	12.613.482
3. Work undertaken by the Company on its own assets	**11.c**	**2.224.899**	**2.371.165**
4. Supplies	**11.b**	**(1.709.560)**	**(1.423.903)**
c) Work undertaken by third party companies		(1.709.560)	(1.423.903)
5. Other operating income		**1.696.373**	**1.568.452**
a) Non-Core and Other Current Operating Revenues		1.696.373	1.568.452
6. Staff expenses	**11.d**	**(8.529.355)**	**(8.727.697)**
a) Salaries, remunerations and similar expenses		(6.920.428)	(7.306.047)
b) Social contributions		(1.608.927)	(1.477.620)
c) Provisions		0	55.970
7. Other operating expenses	**11.e**	**(8.246.242)**	**(6.940.653)**
a) External services		(7.042.879)	(7.042.212)
b) Taxes		0	(94)
c) Loss, impairment and variation in provisions for trade operations	**6**	(1.203.363)	101.653
8. Fixed assets depreciation	**4 - 5**	**(3.298.959)**	**(3.074.853)**
9. Allocation of grants related to non-financial fixed assets and other	**8.3**	**130.869**	**124.735**
11. Impairment losses and gains or losses on disposal of fixed assets		**1.177**	**(1.754)**
13. Other profit / loss		**(34.036)**	**(13.726)**
A.1) OPERATING PROFIT/ LOSS		**(6.189.829)**	**(3.504.752)**
15. Financial expenses		**128.241**	**215.607**
b) From trade securities and other equity instruments		128.241	215.607
15. Financial expenses		**(350.435)**	**(529.485)**
a) Impairment and losses		(3.750)	0
b) On debts to third parties		(346.685)	(324.947)
c) Other financial expenses		0	(204.538)
16. Variations in the fair value of financial instruments		**0**	**260.667**
a) Trading portfolio and other		0	260.667
17. Adjustments for changes	**11.f**	**299.888**	**(1.581.799)**
A.2) FINANCIAL PROFIT/ LOSS		**77.693**	**(1.635.010)**
A.3) PROFIT/ LOSS BEFORE TAX		**(6.112.136)**	**(5.139.762)**
20. Income tax	**10.3**	**5.705**	**(120.768)**
A.4) PROFIT/LOSS FROM CONTINUED OPERATIONS		**(6.106.431)**	**(5.260.530)**
A.5) PROFIT/LOSS FOR FINANCIAL YEAR		**(6.106.431)**	**(5.260.530)**

(*) Unaudited figures.

The accompanying explanatory notes 1 to 15 form an integral part of the consolidated financial statements as at June 30, 2026.

STATEMENT OF CHANGES IN EQUITY FOR THE SIX-MONTH PERIOD ENDED JUNE 30TH, 2026

(Expressed in euros)

A) STATEMENT OF RECOGNIZED INCOME AND EXPENSES

	Notas de la memoria	6/30/2026	6/30/2025
A) RESULT OF THE INCOME STATEMENT		**(6.106.431)**	**(5.260.530)**
INCOME AND EXPENSES DIRECTLY ATTRIBUTED TO EQUITY			
III. Grants, donations, and bequests received	11.2	--	--
VII. Tax effect	13.4	--	--
B) TOTAL INCOME AND EXPENSES DIRECTLY ATTRIBUTED TO EQUITY (I + II + III + IV + V + VI + VII)		**--**	**--**
TRANSFERS TO THE INCOME STATEMENT			
X. Grants, donations, and bequests received	11.2	(130.869)	(124.735)
XIII. Tax effect	13.4	32.717	31.184
C) TOTAL TRANSFERS TO THE INCOME STATEMENT (VIII + IX + X + XI + XII + XIII)		**(98.152)**	**(93.552)**
TOTAL INCOME AND EXPENSES RECOGNIZED (A + B + C)		**(6.204.582)**	**(5.354.081)**

(*) Unaudited figures.

The accompanying explanatory notes 1 to 15 form an integral part of the consolidated financial statements as at June 30, 2026.

B) Consolidated statement of Changes in Equity for the six-month period ended June 30th, 2026

(Expressed in euros)

			Other reservs of the Parent Company			Reserves in cons companies				
	Capital	Share premium	Other reserves	Other equity instruments	(Own shares)	By global integration	Assigned profitt and loss	LCA - Conversion Difference	Grants, donations and legacies	TOTAL
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				**(589.137)**			**368.696**		**(93.552)**	(313.993)
II. Transactions with partners or owners						**(8.073)**				(8.073)
1. Capital increases.	**48.502**	**2.662.970**	**(3.023)**							2.708.449
5. Transactions involving shares or interests of the Parent Company (net).					**(95.288)**					(95.288)
III. Other changes in Equity			**277.847**			**(8.884.362)**	**8.884.362**	**29.871**		307.718
Closing balance as of 31.12.2025	**1.064.964**	**33.708.316**	**217.205**	**805.423**	**(436.934)**	**(14.280.251)**	**368.696**	**(251.797)**	**595.846**	**21.791.467**
I. Adjustments for changes in criteria 2025										
II. Adjustments for errors 2025										
Opening balance as of 01.01.2026	**1.064.964**	**33.708.316**	**217.205**	**805.423**	**(436.934)**	**(14.280.251)**	**368.696**	**(251.797)**	**595.846**	**21.791.467**
I. Total recognized consolidated income and expenses				**(292.147)**			(6.106.431)		**(182.504)**	(6.581.082)
II. Transactions with partners or owners			41.307			124.920				166.227
1. Capital increases.										
5. Transactions involving shares or interests of the Parent Company (net).					2.528					2.528
V. Other changes in Equity			120.513			368.696	(368.696)	(107.986)		12.527
Closing balance as of 30.06.2026	**1.064.964**	**33.708.316**	**379.024**	**513.275**	**(434.407)**	**(13.786.635)**	**(6.106.431)**	**(359.783)**	**413.342**	**15.391.667**

(*) Unaudited figures.

The accompanying explanatory notes 1 to 15 form an integral part of the consolidated financial statements as at June 30, 2026.

CONSOLIDATED STATEMENT OF CASH FLOW FOR THE SIX-MONTH PERIOD ENDED JUNE 30TH, 2026 (Expressed in euros)	6/30/2026	6/30/2025
A) Cash Flow from Operating Activities		
1.Profit for the year before taxes	**(6.112.136)**	**(5.139.762)**
2.Adjustments to profit.	**4.100.355**	**4.433.475**
a) Depreciation of fixed assets (+)	3.298.959	3.074.853
b) Impairment adjustments (+/-)	1.203.363	(101.653)
c) Changes in provisions (+/-)	0	(50.000)
d) Allocation of subsidies (-)	(130.869)	(124.735)
e) Gains/losses on derecognition and disposal of fixed assets (+/-)	(1.177)	0
g) Financial income (-)	(128.241)	(215.607)
h) Financial expenses (+)	378.502	529.485
i) Exchange differences (+/-)	(299.888)	1.581.799
j) Change in fair value of financial instruments (+/-)	0	(260.667)
k) Other income and expenses (-/+)	(220.295)	0
3.Changes in working capital	**2.762.993**	**1.604.335**
a) Inventories (+/-)	(1.474)	
b) Receivables and other accounts receivable (+/-)	4.550.834	4.065.979
c) Other current assets (+/-)	143.624	18.827
d) Payables and other accounts payable (+/-)	(1.785.202)	(2.399.524)
e) Other current liabilities (+/-)	(144.788)	(80.947)
4.Other cash flow from operating activities.	**1.012.351**	**(313.878)**
b) Receivables and other accounts receivable (+/-)	(367.846)	(529.485)
c) Interest receipts (+)	128.241	215.607
d) Payments (receipts) for income taxes (+/-)	1.051.476	0
e) Other payments (receipts) (+/-)	200.480	0
5.Cash flow from operating activities (+/-1 +/-2 +/-3 +/-4)	**1.763.564**	**584.170**
B) Cash flow from Investing Activities		
6. Payments for investments (-)	**(2.847.364)**	**(3.538.458)**
b) Intangible fixed assets.	(2.730.027)	(3.400.236)
c) Tangible fixed assets.	(117.338)	(138.222)
7. Receipts from divestments(+)	**3.347**	**1.754**
c) Tangible fixed assets.	1.177	1.754
e) Other financial assets.	2.170	0
8. Cash flow from investing activities (7-6)	**(2.844.017)**	**(3.536.704)**
C) Cash flow from investing activities (7-6)		
9.Receipts and payments for equity instruments.	**(47.058)**	**636.675**
a) Issuance of equity instruments.	0	646.123
c) Acquisition of own equity instruments.	(667.134)	(740.143)
d) Disposal of own equity instruments.	620.076	730.695
10.Receipts and payments for financial liability instruments.	**(626.138)**	**(1.085.862)**
b) Return and amortization of	(626.138)	(1.085.862)
2. Debts with financial institutions (+).	(622.509)	(1.085.862)
4. Others (+).	(3.629)	0
11. Payments for dividends and remuneration of other equity instruments.	**0**	**0**
12. Cash flow from financing activities (+/-9+/-10-11)	**(673.196)**	**(449.187)**
D) Effect of changes in exchange rates.	**299.888**	**(1.581.799)**
E) Net increase/decrease in cash or cash equivalents (+/-A +/-B +/-C +/-D)	**(1.453.762)**	**(4.983.520)**
Cash or cash equivalents at the beginning of the year.	2.173.382	5.736.297
Cash or cash equivalents at the end of the year.	719.620	752.778

1. NATURE AND MAIN ACTIVITIES OF THE GROUP

a) Parent Company

Facephi Biometría, S.A. (hereinafter, the Parent Company) was incorporated for an indefinite period on September 26, 2012, before Notary Public Mr Ignacio J. Torres López. Its registered office and tax address are located at Avenida Perfecto Palacio de la Fuente 6, Edificio Panoramis, Alicante, Spain.

According to the Parent Company's Articles of Association, its corporate purpose is as follows:

- The research, development and marketing of all types of computer equipment, hardware, software and household appliances.

- Online sales through the internet and/or similar distribution channels; the import, export, representation, marketing, distribution, intermediation, wholesale and retail purchase and sale, preparation, handling and manufacture of, and the provision of services relating to, hardware, software in physical format and software marketed through user licences, electronic products and components, household appliances and telecommunications equipment.

- The performance of internet-related activities and the provision of information and training services.

- The promotion, construction, acquisition, transfer, intermediation, leasing (other than finance leases), subleasing, installation or direct or indirect operation of real estate; advisory services, urban land management, consulting, administration, custody and management of all kinds of real estate, land, plots under any urban-planning classification, buildings, bungalows, apartments, villas, residential developments, sports facilities, dwellings, commercial premises and industrial or business facilities, and hospitality establishments, whether furnished or unfurnished, for its own account or for third parties, and whether publicly or privately owned.

The principal activity of Facephi Biometría, S.A. and its subsidiaries (hereinafter, the Facephi Group or the Group) consists of marketing and implementing proprietary facial-recognition biometric software, under heading 845 of the Spanish Business Activities Tax.

The Group has been listed on the growth companies segment of BME Growth since July 1, 2014, and on Euronext Growth Paris since February 25, 2020.

Accordingly, the Group is subject to the control and supervision regime established by Regulation (EU) No 596/2014 on market abuse, the consolidated text of the Spanish Securities Market Act approved by Royal Legislative Decree 4/2015 of October 23, and related provisions, as well as the Circulars issued by BME Growth.

b) Subsidiaries and associates

All subsidiaries have been fully consolidated. Subsidiaries are entities over which the Parent Company exercises, or may exercise, direct or indirect control, understood as the power to direct an entity’s financial and operating policies in order to obtain economic benefits from its activities. This is generally, though not exclusively,

evidenced by direct or indirect ownership of more than 50% of the voting rights. Subsidiaries are consolidated from the date control is transferred to the Group and cease to be consolidated when control is lost.

The following table provides information on the companies comprising the Facephi Group, including their principal activities and registered offices:

Group company (Artº42 C. Com.)	**% participation**	**Registered office**	**Principal activity**
FacePhi Biometría, S.A.	Parent Company	Alicante (España)	Marketing of facial biometric solutions
FacePhi APAC, LTD	100%	Pangyo (Corea del Sur)	Marketing of facial biometric solutions
Celmuy Trading, S.A.	100%	Montevideo (Uruguay)	Marketing of facial biometric solutions
Facephi Beyond Biometrics, LTD	100%	Londres (UK)	Marketing of facial biometric solutions
FacePhi Biometric Solutions Brasil Softwares Ltda	100%	Sao Paulo (Brasil)	Marketing of facial biometric solutions
Facephi Beyond Biometrics Canada Inc.	100%	Vancouver (Canadá)	Marketing of facial biometric solutions

The financial position of the subsidiary companies, based on unaudited accounting records as of 30 June 2026 and, where applicable, 31 December 2025, is as follows:

	FacePhi Biometric Solutions Brasil Softwares Ltda.		**FacePhi APAC, LTD (*)**		**Celmuy Trading, S.A (*)**	
	30.06.26	**31.12.25**	**30.06.26**	**31.12.25**	**30.06.26**	**31.12.25**
Subscribed capital	8.208	8.208	516.390	516.390	187	187
Reserves	(28.224)	(8.044)	(293.345)	(340.452)	481.803	317.587
Profit/(loss) for the period	(11.214)	(20.183)	2.245	(70.764)	132.821	164.215
Diferencias conversión	(2.353)	(1)	(224.055)	(106.229)	(5.374)	(13.249)
Patrimonio neto	**(33.583)**	**(20.020)**	**1.232**	**(1.055)**	**609.438**	**468.741**
% de participación	100%	100%	100%	100%	100%	100%
Valor teórico de participación	(33.583)	(20.020)	1.232	(1.055)	609.438	468.741

	Facephi Beyond Biometrics LTD (*)		**Facephi Beyond Biometrics Canada Inc. (*)**	
	30.06.26	**31.12.25**	**30.06.26**	**31.12.25**
Subscribed capital	116	116	1	---
Reserves	(5.259.139)	(4.618.308)	---	---
Profit/(loss) for the period	(353.460)	(640.830)	---	---
Diferencias conversión	13.540	71.010	---	---
Equity	**(5.598.943)**	**(5.188.012)**	**1**	---
Ownership percentage	100%	100%	100%	---
Equity Investment Carrying Amount	(5.598.943)	(5.188.012)	1	---

(*) Consideration of the South Korean Won (KRW), the Uruguayan Peso (UYU), the Pound Sterling (GBP), the Brazilian Real (BRL) and the Canadian Dollar (CAD) into Euros in accordance with the foreign currency conversion criteria described in Note 3.1.

c) Changes in the scope of consolidation

During the six-month period ended 30 June 2026, the Canadian subsidiary was included in the scope of consolidation. On 6 April 2026, the company was incorporated in Vancouver, British Columbia, to support market expansion in North America. The Company's investment was made through a contribution of CAD 1, representing the subsidiary's total share capital as of the date of preparation of these financial statements. This amount is recognised in the subsidiary's equity.

d) Joint ventures

During the six-month period ended 30 June 2026, the Group was not involved in any joint ventures with external companies.

The Group's 21.08% interest in the joint venture UTE DH Healthcare Provider Software Spain, S.L.U. – Facephi Biometría, S.A., domiciled in Madrid, was established to perform the contract awarded by the National Institute of Health Management (INGESA) for the integration and installation of a master patient system with biometric identification for Melilla Regional Hospital, Ceuta University Hospital, and primary healthcare services in Ceuta and Melilla. This interest was included in the 2024 financial statements but was derecognised in 2025 due to its lack of material significance.

2. BASIS OF PRESENTATION OF THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

a) Financial reporting framework applicable to the Group

The Consolidated Interim Financial Statements have been prepared by the Board of Directors of the Parent Company in accordance with the financial reporting framework applicable to the Group, which is established in the Spanish Commercial Code;

- Royal Decree 1514/2007 of 16 November, approving the Spanish General Accounting Plan, as subsequently amended by Royal Decrees 1159/2010 of 17 September, 602/2016 of 2 December and 1/2021 of 12 January;
- Royal Decree 1159/2010 of 17 September, approving the rules for the preparation of consolidated annual accounts, insofar as they do not conflict with the provisions of the aforementioned commercial law reform; and
- Other provisions of the financial reporting framework applicable to the Group.

b) True and fair view

The consolidated interim financial statements have been prepared from the accounting records of all companies comprising the Group and are presented in accordance with the financial reporting framework described above and, in particular, the accounting principles and standards contained therein, in order to present a true and fair view of the consolidated equity, consolidated financial position and consolidated results, and of the cash flows reported in the consolidated statement of cash flows for the period.

The accompanying consolidated interim financial statements have been prepared to comply with the requirement to report interim financial information to BME Growth as at June 30, 2026, pursuant to BME Growth Circular 3/2020.

The consolidated interim financial statements are presented in euros, rounded to the nearest euro, which is the Group's functional and presentation currency.

There are no exceptional reasons why any statutory accounting provisions have not been applied in order to present a true and fair view.

c) Non-mandatory accounting principles

No non-mandatory accounting principles have been applied. In preparing these consolidated financial statements, the Board of Directors of the Parent Company has considered all mandatory accounting principles and standards having a significant effect thereon. No mandatory accounting principle has been omitted.

d) Critical accounting estimates and judgements

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

The preparation of the consolidated interim financial statements requires the Directors and Group management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income, expenses and commitments. The estimates and assumptions adopted are

based on historical experience and other factors considered reasonable under the circumstances.

The areas involving a higher degree of judgement or complexity, or in which assumptions and estimates are significant to the preparation of the consolidated interim financial statements, are detailed below:

- Recognition of R&D: the measurement of research and development projects involves the consideration of several variables subject to uncertainty, relating both to their technical feasibility and economic viability. Accordingly, the relevant estimates concerning the economic and technical viability of projects involve a significant degree of judgement by the Directors of the Parent Company.

- Impairment of non-current assets: measuring non-current non-financial assets requires estimates to determine their recoverable amount and assess potential impairment. Recoverable amount is the higher of fair value less costs to sell and value in use. To determine recoverable amount, the Directors estimate expected future cash flows from the assets or cash-generating units and apply an appropriate discount rate. These cash flows depend on achievement of the projections included in the five-year business plan and on the appropriate estimation of the discount rate (see Note 3.5).

- Deferred tax assets: this heading includes deductible temporary differences, tax-loss carryforwards and tax deductions available for offset, where it is probable that the Company will generate sufficient future taxable profits to utilise such assets, taking into account their long period of availability.

These estimates are based on the best information available as at June 30, 2026 regarding the events analysed. Nevertheless, future events may require them to be revised upwards or downwards in subsequent years. Any such changes would be recognised prospectively in accordance with Measurement and Recognition Standard 22 of the Spanish General Accounting Plan, with the effect of the change recognised in the corresponding income statement.

e) Going concern

As is customary, the Company's business has a significant seasonal component in the monthly distribution of revenue, mainly due to post-consumption and renewals, and therefore the bulk of its business is generated in the second half of the year.

For the six-month period ended June 30, 2026, the Group reported revenue of € 11.6 million (€ 12.7 million in the first half of 2025) and a loss before tax of € 6.1 million (loss of € 5.1 million at June 30, 2025).

Group equity at the end of the first half of 2026 amounted to € 15.4 million (€ 16.6 million at the end of the first half of 2025).

Working capital at the end of the first half of 2026, including a € 1.5 million shareholder loan with a conversion right, was positive by € 0.5 million, compared with positive working capital of € 0.2 million at June 2025.

Cash flow before financing activities generated in the first half of 2026 improved for the third consecutive year and amounted to a negative € 0.8 million, compared with a negative € 4.5 million in the first half of 2025. Over the last twelve months, from July 2025 to June 2026, cash flow before financing activities remained above break-even and amounted to a positive € 1.0 million.

The syndicated financing facility matures in December 2026. At the reporting date, the outstanding balance comprised € 1.5 million of working-capital facilities under Tranche C and € 4.6 million under Tranche B. The facility was granted in December 2020 for an initial amount of € 13 million.

At the date these consolidated interim financial statements were authorised for issue, the Group had obtained € 600,000 of new financing (see Note 16) and was at an advanced stage in establishing a commercial paper programme on the Spanish Alternative Fixed-Income Market (MARF), with a maximum outstanding balance of € 20 million and a term running to October 2027. The Group expected to close an initial issuance by October 31, 2026. It had also applied to the ICO for two long-term financing facilities.

Based on these circumstances, the Board of Directors of the Parent Company considers that forecast cash flows from operations, together with ongoing negotiations to arrange new financing, will enable the Group to meet its current liabilities and fund its expansion plans. Accordingly, the accompanying consolidated interim financial statements have been prepared on a going-concern basis.

f) Comparative information

The current reporting period covers the six months from January 1 to June 30, 2026. For comparative purposes, the consolidated balance sheet and consolidated statement of changes in equity include comparative information as at December 31, 2025, while the consolidated income statement and consolidated statement of cash flows include comparative information for the six-month period from January 1 to June 30, 2025.

g) Changes in accounting policies and correction of errors

At June 30, 2026, the Group had made no adjustments arising from changes in accounting policies compared with those applied in 2025. The Group corrected prior-year errors by increasing reserves by € 218,454 (€ 133,733 at year-end 2025); this amount was not considered material enough to require restatement of the prior-year figures.

3. RECOGNITION AND MEASUREMENT POLICIES

The main accounting recognition and measurement policies applied by the Facephi Group in preparing these consolidated interim financial statements are as follows:

3.1 Consolidation principles

The main criteria applied in the consolidation process are as follows:

Acquisitions of control

Acquisitions by the Parent Company, or another Group company, of control over a subsidiary constitute business combinations and are accounted for using the acquisition method. This method requires the acquirer, at the acquisition date, to recognise the identifiable assets acquired and liabilities assumed and, where applicable, the related goodwill or bargain-purchase gain. Subsidiaries are consolidated from the date control is transferred to the Group and cease to be consolidated when control is lost.

The acquisition cost is determined as the aggregate of the acquisition-date fair values of the assets transferred, liabilities incurred or assumed and equity instruments issued by the acquirer, together with the fair value of any contingent consideration depending on future events or fulfilment of certain conditions, recognised as an asset, liability or equity according to its nature.

Costs relating to the issue of equity instruments or financial liabilities transferred are not included in the cost of the business combination and are recognised in accordance with the applicable financial-instrument standards. Fees paid to legal advisers and other professionals involved in the business combination are expensed as incurred. Internally generated costs of this nature and any costs incurred by the acquiree are likewise excluded from the cost of the combination.

Any excess, at the acquisition date, of the cost of the business combination over the Group's proportionate interest in the identifiable assets acquired less the liabilities assumed is recognised as goodwill. In the exceptional event that the latter amount exceeds the cost of the business combination, the excess is recognised as income in the income statement.

The assets, liabilities, income, expenses, cash flows and other items in the financial statements of Group companies are included in the Group's consolidated financial statements using the full consolidation method, as effective control exists.

Effective control is understood to exist over subsidiaries in which the Parent Company holds a direct or indirect interest exceeding 50%, enabling it to control the majority of voting rights in the relevant governing bodies.

This method requires the following:

Timing harmonisation

The individual interim financial statements of subsidiaries are prepared for the same reporting date and period as the consolidated interim financial statements of the Group company required to prepare consolidated financial statements.

Uniform accounting policies

The assets and liabilities, income and expenses, and other items comprising the interim financial statements of Group companies have been measured using uniform methods. Any assets, liabilities, income or expenses measured using criteria that differ from those applied for consolidation purposes have been remeasured and the necessary adjustments have been made solely for consolidation purposes.

Aggregation

The various items in the individual interim financial statements, after being made uniform, are included from the acquisition date.

Elimination of investment against equity

The carrying amounts of the equity instruments of subsidiaries held directly or indirectly by the Parent Company are offset against the proportionate share of the subsidiaries' equity attributable to those interests, generally on the basis of the amounts resulting from application of the acquisition method described above. In consolidations after the year in which control was obtained, any increase or decrease in equity generated by the subsidiary since the acquisition date that is attributable to the Parent Company is presented in the consolidated balance sheet under reserves or valuation adjustments, according to its nature. The portion attributable to non-controlling interests is recorded under "Non-controlling interests".

Non-controlling interests

There were no non-controlling interests at June 30, 2026 or during 2025.

Elimination of intragroup items

Receivables and payables, income and expenses, and cash flows between Group companies are eliminated in full. Likewise, all gains and losses arising from internal transactions are eliminated and deferred until they are realised with parties outside the Group.

Translation of the interim financial statements of foreign operations

All assets and liabilities of companies whose functional currency is not the euro and which are included in the consolidation are translated into euros at the exchange rate prevailing at the end of each reporting period. Income-statement items are translated at the exchange rates prevailing on the dates on which the related transactions took place.

After deducting the portion attributable to non-controlling interests, where applicable, the difference between the equity of the foreign companies, including the income-statement balance translated at historical exchange rates, and the equity resulting from translation of assets and liabilities at closing exchange rates is recognised, with the appropriate positive or negative sign, in consolidated equity under "Translation differences".

Goodwill and fair-value adjustments arising on the acquisition of an interest in a foreign operation are treated as assets and liabilities of the acquiree. They are therefore translated at the closing exchange rate, and the resulting exchange differences are recognised under "Translation differences".

3.2 Business combinations and joint ventures

Business combinations are transactions through which an entity obtains control of one or more businesses. A business is understood as an integrated set of activities and assets that can be managed to generate returns, reduce costs or provide other economic benefits to its owners.

Mergers, demergers and non-monetary contributions of businesses between Group companies are recognised by measuring the assets and liabilities acquired at their carrying amounts in the consolidated financial statements of the ultimate Spanish parent at the transaction date. Any resulting difference is recognised in reserves. The accounting effects are applied from the beginning of the financial year in which the transaction is approved.

Other mergers and demergers, and business combinations arising from the acquisition of all the equity components of an entity or a part constituting one or more businesses, are accounted for using the acquisition method. As a general rule, the acquired assets and liabilities are measured at fair value at the transaction date, provided that fair value can be measured reliably. Any positive difference between the cost of the business combination and the value of the assets and liabilities is recognised as goodwill; any negative difference is recognised as income in the income statement. The acquisition date is the date on which the acquirer obtains control of the acquiree.

3.3 Joint ventures

In accordance with applicable commercial legislation, transactions carried out through temporary joint ventures in which the Group participates are incorporated by recognising the Group's proportionate share of the joint venture's balances in the consolidated balance sheet and consolidated income statement.

The incorporation is made after applying the necessary uniformity adjustments and eliminating reciprocal assets, liabilities, income and expenses between the Group and the joint venture in proportion to the Group's interest.

3.4 Intangible assets

Intangible assets are recognised at acquisition price or production cost and are subsequently carried at cost less accumulated amortisation and, where appropriate, accumulated impairment losses.

Intangible assets have finite useful lives and are amortised over the period in which they are reasonably expected to generate economic benefits.

When their useful life cannot be estimated reliably, they are amortised over ten years.

a) Software development expenditure

Development expenditure on software applications that will subsequently be marketed is capitalised when all of the following conditions are met:

- a specific and individualised project exists and the expenditure attributable to its completion can be measured reliably;
- allocation and distribution over time of the costs of each project are clearly established;

- there are sound grounds to expect successful technical completion of the project, whether the Group intends to use it directly or sell the resulting product to a third party, and a market exists once the project is completed;
- the project's economic and commercial profitability is reasonably assured;
- adequate financing and sufficient technical and other resources are available to complete the project and use or sell the intangible asset; and
- the Group intends to complete the intangible asset and use or sell it.

Compliance with these conditions is assessed throughout the years in which the project is developed. Expenditure is capitalised from the date on which all the conditions are met.

Personnel costs and third-party services directly involved in developing applications and software are included in the cost of the asset, with the corresponding credit recognised under "Work performed by the Group and capitalised" in the consolidated income statement.

Other development expenditure is expensed as incurred. Development costs previously recognised as expenses are not subsequently recognised as assets. Capitalised development costs are amortised on a straight-line basis over the estimated useful life of each project, which may not exceed five years.

If the favourable circumstances that supported capitalisation change, the unamortised balance is charged to profit or loss in the year in which the circumstances change.

Impairment estimates for intangible assets are based on future cash flows derived from the business plan prepared by Group management and discounted at a market rate. The plan supports the expected commercial success and recoverability of capitalised development expenditure.

At June 30, 2026, the Parent Company considers that there are no indications of impairment because the Directors reasonably expect the business plan to be achieved.

b) Software

Licences for software acquired from third parties are capitalised on the basis of the costs incurred to acquire and prepare the software for use. These costs are amortised on a straight-line basis over their estimated useful lives, generally between four and six years. Software maintenance expenditure is recognised as an expense when incurred.

Costs directly attributable to the production of identifiable software controlled by the Group and expected to generate economic benefits in excess of cost for more than one year are recognised as software within intangible assets. Direct costs include software-development personnel costs and an appropriate allocation of overheads.

Capitalised software-development costs are amortised over their estimated useful lives, which may not exceed five years.

c) Intellectual property

Intellectual property is measured at acquisition cost or at the cost of obtaining the right to use or assign the use of the different versions of the software, provided that the contractual terms support recognition in the acquirer's assets. It includes patents, utility

models, industrial designs and other forms of protection permitted by applicable legislation.

Intellectual-property rights are measured at acquisition price or production cost. The carrying amount of development expenditure capitalised when the related patent or similar right is obtained, together with registration and formalisation costs, is recognised as intellectual property when the legal requirements for registration are satisfied. Research expenditure continues to be expensed and is not included in the carrying amount of intellectual property. Estimated useful lives range from three to twenty years.

3.5 Property, plant and equipment

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

Costs of expansion, modernisation or improvement are added to the asset only when they increase capacity or productivity or extend useful life, and when the carrying amount of replaced components can be identified or estimated.

Major repair costs are capitalised and depreciated over their estimated useful lives. Recurring maintenance is charged to the income statement in the period in which it is incurred.

Except for land, which is not depreciated, depreciation is calculated on a straight-line basis according to the nature of the asset and the wear and tear arising from its operation, use and enjoyment.

Estimated rates and useful lives include:

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

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

Residual values and useful lives are reviewed at each reporting date and adjusted when necessary.

An asset's carrying amount is reduced immediately to its recoverable amount when the carrying amount exceeds the estimated recoverable amount.

Gains and losses on disposal are determined by comparing sale proceeds with carrying amount and are recognised in the consolidated income statement.

3.6 Impairment of non-financial assets

At least at each year-end, the Directors assess whether there are indications that non-current assets may be impaired. If indications exist, recoverable amount is estimated.

Recoverable amount is the higher of fair value less costs to sell and value in use. An impairment loss is recognised when carrying amount exceeds recoverable amount.

Value in use is the present value of expected future cash flows, discounted using market risk-free rates adjusted for risks specific to the asset. For assets that do not generate cash flows largely independent of those from other assets, recoverable amount is determined for the cash-generating unit to which the asset belongs.

Impairment losses and reversals are recognised in the consolidated income statement. Except for goodwill, impairment losses are reversed when the circumstances giving rise to them cease to exist. A reversal is limited to the carrying amount that would have been recognised had no impairment loss previously been recorded.

The Directors have updated the five-year business plan used as the basis for impairment testing of non-financial assets.

3.7 Financial assets

Classification of financial instruments

At initial recognition, the Group classifies a financial instrument as a financial asset, financial liability or equity instrument according to the economic substance of the contractual arrangement and the applicable definitions. A financial instrument is recognised when the Group becomes a party to the contract or legal arrangement as issuer, holder or acquirer.

For measurement purposes, financial instruments are classified into financial assets and liabilities at fair value through profit or loss, distinguishing instruments designated at initial recognition, instruments held for trading and instruments mandatorily measured at fair value through profit or loss; financial assets and liabilities at amortised cost; financial assets at fair value through other comprehensive income; and financial assets at cost. Classification reflects the Group's business model and the contractual cash-flow characteristics.

Offsetting criteria

Financial assets and liabilities are offset only when the Group has a legally enforceable right to offset the recognised amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Financial assets at amortised cost

A financial asset is included in this category when it is held to collect contractual cash flows and those cash flows consist solely of payments of principal and interest on the principal outstanding on specified dates, even if the asset is admitted to trading on an organised market.

The category generally includes trade receivables arising from sales and services with deferred payment, and non-trade receivables arising from loans and credit granted by the Group.

a. Trade receivables: financial assets arising from the sale of goods and the provision of services in the course of the Group's ordinary business activities, where payment is deferred; and

b. Non-trade receivables: financial assets that are neither equity instruments nor derivatives, do not arise from commercial transactions, and whose cash flows are fixed or determinable, arising from loans or credit facilities granted by the Group.

Initial measurement

Financial assets in this category are initially measured at fair value, normally the transaction price, plus directly attributable transaction costs.

Trade receivables with a maturity of no more than one year and no contractual interest rate, employee loans, dividends receivable and amounts called on equity instruments may be measured at nominal amount when discounting would not have a material effect.

Subsequent measurement

These financial assets are subsequently measured at amortised cost. Accrued interest is recognised in profit or loss using the effective interest method.

Receivables with a maturity of no more than one year that were initially measured at nominal amount continue to be measured at that amount unless impaired.

The Group assesses whether an impairment loss must be recognised when contractual cash flows are modified because of the issuer's financial difficulties.

Impairment

At least at each year-end, valuation adjustments are recognised when there is objective evidence that a financial asset, or a group of assets with similar risk characteristics assessed collectively, has been impaired as a result of one or more events after initial recognition that cause a reduction or delay in estimated future cash flows, including debtor insolvency.

The impairment loss is the difference between carrying amount and the present value of estimated future cash flows, including cash flows expected from enforcement of collateral, discounted at the original effective interest rate. For variable-rate assets, the effective interest rate at the reporting date is used. Statistical models may be used for groups of financial assets.

Impairment losses and reversals are recognised respectively as expenses and income in the consolidated income statement. Reversals are limited to the carrying amount that would have been recognised at the reversal date had no impairment been recorded. A quoted market price may be used as a substitute for discounted cash flows when it provides a sufficiently reliable estimate of recoverable amount.

Financial assets at cost

In all cases, the following are included in this measurement category:

a) Investments in the equity of group companies, jointly controlled entities and associates that are not consolidated, as defined in Rule 13 on the preparation of annual accounts under the Spanish General Accounting Plan.

b) Other investments in equity instruments whose fair value cannot be determined by reference to a quoted price in an active market for an identical instrument, or cannot be reliably estimated, and derivatives whose underlying assets are such investments.

c) Hybrid financial assets whose fair value cannot be reliably estimated, unless the requirements for measurement at amortised cost are met.

d) Contributions made pursuant to joint venture agreements (cuentas en participación) and similar arrangements.

e) Participating loans whose interest is contingent, either because a fixed or variable interest rate is agreed subject to the achievement of a milestone by the borrower (for example, the generation of profits), or because interest is calculated exclusively by reference to the performance of the borrower's business activities.

f) Any other financial asset that would initially be classified in the fair value through profit or loss portfolio where a reliable estimate of its fair value cannot be obtained.

Initial measurement

Investments included in this category shall initially be measured at cost, equivalent to the fair value of the consideration transferred plus directly attributable transaction costs. Where applicable, in relation to group companies, the criteria set out in paragraph 2 of Accounting Recognition and Measurement Standard 19 of the Spanish General Accounting Plan, concerning transactions between group companies, and the criteria for determining the cost of a business combination established in the relevant standard on business combinations shall be applied.

However, where an investment was held before the investee was classified as a group company, jointly controlled entity or associate, the cost of that investment shall be the carrying amount it would have had immediately before the investee acquired that classification.

The initial measurement shall also include the amount paid for any pre-emptive subscription rights and similar rights acquired, where applicable.

Subsequent measurement

Equity instruments included in this category shall be measured at cost, less any accumulated impairment losses.

Where a value must be assigned to these assets upon derecognition or for any other reason, the weighted average cost method shall be applied to homogeneous groups, understood as securities carrying the same rights.

In the event of the sale of pre-emptive subscription rights and similar rights, or their separation for the purpose of exercising them, the cost attributable to those rights shall reduce the carrying amount of the respective assets. Such cost shall be determined using a generally accepted valuation method.

Contributions made pursuant to joint venture agreements (cuentas en participación) and similar arrangements shall be measured at cost, increased or decreased by the profit or loss attributable to the company in its capacity as a non-managing participant, respectively, and less any accumulated impairment losses, where applicable.

The same criteria shall apply to participating loans whose interest is contingent, either because a fixed or variable interest rate is agreed subject to the achievement of a milestone by the borrower (for example, the generation of profits), or because interest is calculated exclusively by reference to the performance of the borrower's business activities. If an irrevocable fixed interest rate is agreed in addition to contingent interest, the fixed interest shall be recognised as financial income on an accrual basis. Transaction costs shall be charged to the income statement on a straight-line basis over the life of the participating loan.

Impairment

At least at each financial year-end, the necessary impairment adjustments shall be recognised whenever there is objective evidence that the carrying amount of an investment will not be recoverable.

The impairment loss shall be the difference between the carrying amount and the recoverable amount, defined as the higher of fair value less costs to sell and the present value of the future cash flows arising from the investment. In the case of equity instruments, such cash flows shall be estimated either on the basis of the dividends expected to be received from the investee and the proceeds expected from the disposal or derecognition of the investment, or on the basis of the investor's share of the cash flows expected to be generated by the investee, both from its ordinary activities and from its disposal or derecognition.

Unless better evidence of the recoverable amount of investments in equity instruments is available, the impairment loss for these assets shall be estimated based on the investee's equity and any unrealised gains existing at the measurement date, net of the related tax effect. For this purpose, where the investee has itself invested in another entity, the equity included in the consolidated financial statements prepared in accordance with the Spanish Commercial Code and its implementing regulations shall be taken into account.

Where the investee is domiciled outside Spain, the equity to be considered shall be expressed in accordance with the rules set out in this provision. However, in the presence of high inflation rates, the values to be considered shall be those resulting from financial statements adjusted in accordance with the standard on foreign currency.

In general, the indirect method of estimating recoverable amount based on equity may be used where it provides sufficient evidence of a minimum recoverable amount without requiring a more complex analysis, provided that the resulting amount indicates that no impairment exists.

The recognition of impairment losses and, where applicable, their reversal shall be recorded as an expense or income, respectively, in the consolidated income statement.

The reversal of an impairment loss shall be limited to the carrying amount that the investment would have had at the reversal date had no impairment loss been recognised.

However, where an investment in an entity was held before that entity was classified as a group company, jointly controlled entity or associate, and valuation adjustments arising from that investment had been recognised directly in equity before such classification, those adjustments shall remain in equity after the classification until the investment is disposed of or derecognised, at which point they shall be recognised in the consolidated income statement, or until the following circumstances arise:

a) In the case of previous upward valuation adjustments, impairment losses shall be recognised against the equity item in which the previous valuation adjustments were recorded, up to the amount of those adjustments. Any excess shall be recognised in the consolidated income statement. Impairment losses recognised directly in equity shall not subsequently be reversed.

b) In the case of previous downward valuation adjustments, where the recoverable amount subsequently exceeds the carrying amount of the investments, the latter shall be increased, up to the amount of the previous decrease in value, against the equity item in which the previous valuation adjustments were recorded. From that point onwards, the resulting new amount shall be treated as the cost of the investment. However, where objective evidence of impairment exists, accumulated losses previously recognised directly in equity shall 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.

Derecognition of financial assets

The Group derecognises a financial asset, or part thereof, when the contractual rights to the cash flows from the financial asset expire or are transferred, provided that substantially all the risks and rewards inherent in ownership of the asset have been transferred. This is assessed by comparing the company's exposure, before and after the transfer, to the variability in the amounts and timing of the net cash flows of the transferred asset.

Substantially all the risks and rewards inherent in ownership of a financial asset are deemed to have been transferred when the company's exposure to such variability is no longer significant in relation to the total variability in the present value of the future net cash flows associated with the financial asset.

If the Group has neither transferred nor retained substantially all the risks and rewards, the financial asset shall be derecognised if the Group has not retained control over it. This is determined by assessing the transferee's unilateral ability to transfer the asset in its entirety, without imposing any conditions, to an unrelated third party. If the transferor retains control of the asset, it shall continue to recognise the asset to the extent of its continuing involvement, that is, the amount to which it remains exposed to changes in the value of the transferred asset, and shall recognise an associated liability.

Upon derecognition of a financial asset, the difference between the consideration received, net of attributable transaction costs and adjusted for any new asset obtained less any liability assumed, and the carrying amount of the financial asset shall determine the gain or loss arising on derecognition. Such gain or loss shall be recognised in the consolidated profit or loss for the financial year in which derecognition occurs.

The above criteria shall also apply to transfers of a group of financial assets, or part thereof.

3.8 Financial liabilities

Financial liabilities are classified as liabilities at amortised cost or liabilities at fair value through profit or loss. The amortised-cost category generally includes trade payables arising from purchases of goods and services with deferred payment and non-trade payables arising from loans and credit received by the Group.

Financial liabilities at amortised cost

The Group classifies all financial liabilities in this category, except where they are required to be measured at fair value through profit or loss.

In general, this category includes trade payables and non-trade payables:

a) Trade payables: financial liabilities arising from the purchase of goods and services in the course of the company's ordinary business activities, where payment is deferred; and

b) Non-trade payables: financial liabilities that are not derivative instruments and do not arise from commercial transactions, but rather from loans or credit facilities received by the company.

Initial measurement

Financial liabilities included in this category are initially measured at fair value, which, unless there is evidence to the contrary, shall be the transaction price, equivalent to the fair value of the consideration received, adjusted for directly attributable transaction costs.

However, trade payables with a maturity of no more than one year that do not bear a contractual interest rate, as well as amounts payable to third parties in respect of equity investments that are expected to be settled in the short term, may be measured at their nominal amount, provided that the effect of not discounting the cash flows is not significant.

Subsequent measurement

Financial liabilities included in this category are measured at amortised cost. Accrued interest shall be recognised in the consolidated income statement using the effective interest rate method.

However, liabilities with a maturity of no more than one year that are initially measured at their nominal amount in accordance with the preceding paragraph shall continue to be measured at that amount.

Derecognition and modifications of financial liabilities

The Group derecognises a financial liability, or part thereof, when the obligation is extinguished, that is, when it has been discharged, cancelled or has expired. The Group also derecognises its own financial liabilities that it repurchases, even if the intention is to reissue them in the future.

The difference between the carrying amount of the financial liability, or the portion thereof derecognised, and the consideration paid, including any costs or fees incurred and any non-cash asset transferred or liability assumed, shall be recognised in the consolidated income statement for the financial year in which derecognition takes place.

3.9 Equity

Share capital is represented by ordinary shares. Incremental costs directly attributable to the issue of new shares or options are recognised in consolidated equity as a deduction from proceeds, net of tax.

a) Treasury shares

Equity instruments acquired by the Parent Company are recognised separately at acquisition cost as a reduction of consolidated equity. No gain or loss is recognised in the consolidated income statement on transactions involving treasury shares.

Related transaction costs are recognised as a reduction in reserves after considering the tax effect.

b) Capital increases through options convertible into equity instruments

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 comprise cash on hand, demand deposits with credit institutions and other highly liquid short-term investments readily convertible into known amounts of cash and with original maturities of no more than three months.

High-turnover financial assets and liabilities are presented net in the consolidated statement of cash flows when the period between acquisition and maturity does not exceed six months.

3.11 Current and non-current classification

The Group presents the consolidated balance sheet, classifying assets and liabilities as current or non-current. For this purpose, assets and liabilities are classified as current if they meet the following criteria:

Assets are classified as current when they are expected to be realised, sold or consumed in the normal operating cycle; are held primarily for trading; are expected to be realised within twelve months after the reporting date; or comprise cash and cash equivalents not restricted from exchange or use to settle a liability for at least twelve months.

- Liabilities are current when expected to be settled in the normal operating cycle, held primarily for trading, due within twelve months, or where the Group has no unconditional right to defer settlement for at least twelve months.

- Financial liabilities due within twelve months are classified as current even when their original term exceeded twelve months and a long-term refinancing or restructuring agreement is completed after the reporting date but before authorisation of the consolidated financial statements.

All other assets and liabilities are classified as non-current.

3.12 Government grants, donations and bequests

Refundable grants are recognised as liabilities until the conditions for non-refundable treatment are met. Non-refundable grants are recognised directly in equity and transferred to income systematically and rationally in correlation with the related expenditure. Non-refundable grants received from shareholders are recognised directly in capital and reserves.

A grant is considered non-refundable when an individual award agreement exists, all conditions attached to the award have been met and there are no reasonable doubts regarding collection.

Monetary grants are measured at the fair value of the amount awarded and non-monetary grants at the fair value of the asset received, in both cases at the recognition date.

Non-refundable grants related to intangible assets, property, plant and equipment and investment property are recognised as income in proportion to depreciation or amortisation, or on disposal, impairment or derecognition. Grants related to specific expenditure and grants compensating operating deficits are recognised in the same period as the related expenditure, except when they compensate future operating deficits, in which case they are recognised in those future periods.

3.13 Corporate income 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 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) Termination benefits

Termination benefits are paid when Group management decides to terminate employment before the normal retirement date. They are recognised when the Group is demonstrably committed to terminating employment under a detailed formal plan that cannot be withdrawn. Benefits not expected to be paid within twelve months after the reporting date are discounted to present value.

b) Non-compete agreements

The Group has entered into several employment agreements containing non-compete clauses.

The Directors consider that the conditions for recognising a liability and an expense are not met because the probability of occurrence is very low or remote.

3.15 Share-based payment transactions

Transactions in which the Parent Company receives goods or services, including employee services, and settles them with its own equity instruments or for an amount based on the value of its own equity instruments, such as share options or share-appreciation rights, are treated as share-based payment transactions.

Recognition

The Group recognises the goods or services received as an asset or expense according to their nature when received, and recognises a corresponding increase in equity when the transaction is equity-settled or a liability when it is settled for an amount based on the value of equity instruments.

If the Group can choose settlement in equity instruments or cash, a liability is recognised to the extent that a present obligation to settle in cash or other assets exists; otherwise, the transaction is recognised in equity. If the supplier has the choice of settlement, a compound financial instrument is recognised, comprising a liability component for the right to demand cash and an equity component for the right to receive equity instruments.

Transactions requiring services over a specified period are recognised as those services are rendered.

Valoration

Equity-settled transactions in exchange for goods or services other than those provided by employees are measured, where their fair value can be estimated reliably, at the fair value of the goods or services on the date they are received. If the fair value of the goods or services received cannot be estimated reliably, the goods or services received and the corresponding increase in equity are measured at the fair value of the equity instruments granted, determined on the date on which the Group obtains the goods or the counterparty renders the services.

Once the goods and services received and the corresponding increase in equity have been recognised in accordance with the preceding paragraphs, no further adjustment is made to equity after the vesting date.

For cash-settled transactions, the goods or services received and the liability to be recognised are measured at the fair value of the liability on the date on which the recognition requirements are met.

Subsequently, and until settlement, the liability is remeasured at fair value at each reporting date, with any change in measurement recognised in the consolidated income statement for the period.

At the General Shareholders' Meeting of the Parent Company held on June 21, 2022, the definitive stock-option plan for directors, executives, employees and collaborators was approved. The purpose of the Plan was to support achievement and oversight of the Group's corporate objectives, foster its expansion, improve Group management with a focus on optimising the elements required to increase long-term value, align the interests of employees and shareholders, and encourage the retention of key Group employees.

Neither in the prior year nor at June 30, 2026 had any of the Plan objectives been achieved. Accordingly, no provision was recognised in the consolidated balance sheet at that date, and the Plan has expired.

3.16 Provisions and contingencies

Provisions for liabilities, restructuring costs and litigation are recognised when the Group has a present legal or constructive obligation as a result of past events, an outflow of resources is likely to be required to settle the obligation, and the amount can be estimated reliably. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of the expenditure 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 risks specific to the obligation. Adjustments arising from the unwinding of the discount are recognised as finance costs as they accrue.

Provisions maturing within one year for which the financial effect is not material are not discounted.

Where part of the expenditure required to settle a provision is expected to be reimbursed by a third party, the reimbursement is recognised as a separate asset when receipt is virtually certain.

Contingent liabilities are possible obligations arising from past events whose existence depends on the occurrence or non-occurrence of one or more future events not wholly within the Group's control.

Contingent liabilities are not recognised in the accounts; details are disclosed in the explanatory notes to the consolidated financial statements.

3.17 Revenue recognition

Operating revenue arising from contracts with customers is recognised as control of the goods or services promised to those customers is transferred. Control of a good or service refers to the ability to direct its use and obtain substantially all of its remaining benefits.

The following successive steps are applied:

- Identify the contract with the customer.
- Identify the performance obligations in the contract.
- Determine the transaction price.
- Allocate the transaction price to the performance obligations based on the stand-alone selling prices of each good or service, or estimate the selling price when it is not directly observable.
- Recognise revenue as the entity satisfies each promised performance obligation.

Revenue from the sale of goods or services is recognised at the fair value of the consideration received or receivable. Early-payment discounts, volume rebates and other discounts, together with interest embedded in the nominal amount of receivables, are recorded as a reduction in revenue. However, the Group includes interest embedded in trade receivables maturing within one year and bearing no contractual interest rate when the effect of discounting the cash flows is not material.

Revenue is recognised when its amount can be measured reliably, it is probable that future economic benefits will flow to the Group and the specific conditions applicable to each activity, as described below, have been met. Revenue is not considered capable of reliable measurement until all contingencies relating to the sale have been resolved. The Group bases its estimates on historical results, taking into account the type of customer, type of transaction and specific terms of each arrangement.

The Group recognises revenue from the sale of software rights of use and licences for facial-recognition biometric technology when all related risks and rewards have been transferred and the conditions described above have been met. Revenue is recognised in the income statement at a point in time, normally coinciding with delivery of the licence, irrespective of whether the licensing term is perpetual or for periods defined in the contract. Revenue relating to services not yet rendered is presented in the balance sheet as current accruals and deferred income.

Revenue from maintenance and support services and from SaaS or cloud services is recognised as the related services are rendered.

3.18 Leases

Leases under which the Group assumes substantially all the risks and rewards incidental to ownership of the leased asset are classified as finance leases. Assets acquired under

finance leases are recognised according to their nature at the lower of the asset's fair value and the present value, at lease commencement, of the agreed minimum lease payments, with a financial liability recognised for the same amount. Lease payments are allocated between finance costs and reduction of the liability. The same depreciation, impairment and derecognition criteria applying to assets of the same nature are applied to these assets.

Leases under which the lessor retains a significant portion of the risks and rewards of ownership are classified as operating leases. When the Group acts as lessee, lease expense is recognised on a straight-line basis in the income statement over the term of the agreement, regardless of the payment schedule established in the contract.

3.19 Foreign-currency transactions

Foreign-currency transactions are translated into the functional currency using the exchange rates prevailing on the transaction dates. Foreign-exchange gains and losses resulting from settlement of these transactions and from translation, at year-end spot rates, of monetary assets and liabilities denominated in foreign currencies are recognised in the consolidated income statement.

3.20 Environmental assets and matters

Environmental assets are assets used on a lasting basis in the Group's activities whose primary purpose is to prevent, reduce or remedy environmental damage that may result from those activities. Expenditure arising from environmental activities is recognised under "Other operating expenses" in the period in which it is incurred.

The Directors consider that, at June 30, 2026, there were no environmental contingencies that could be material to the Group's consolidated equity, financial position or results. Accordingly, no provisions or contingencies had been recognised in this respect.

3.21 Related-party transactions

The Group conducts all transactions with related parties at market values. Transfer prices are also adequately supported and, accordingly, the Directors of the Parent Company consider that there are no significant risks in this area that could give rise to material liabilities in the future.

4. INTANGIBLE ASSETS

The breakdown and movement of the items included under "Intangible assets" are as follows:

Costs:

	€								
Item	**Cost at 31.12.23**	**Additions**	**Disposals**	**Transfers**	**Cost at 31.12.24**	**Additions**	**Disposals**	**Transfers**	**Cost at 30.06.25**
Development	16,767,173	5,117,539	—	—	21,884,712	2,714,113	—	—	24,598,824
Intellectual property	104,918	—	(457)	—	104,461	—	(826)	—	103,635
Software	4,222,819	3,394,234	(427)	—	7,616,626	16,740	—	—	7,633,366
Total cost	21,094,910	8,511,772	(884)	—	29,605,799	2,730,852	(826)	—	32,335,825

Amortization:

	€								
Item	**Cost at 31.12.23**	**Additions**	**Disposals**	**Transfers**	**Cost at 31.12.24**	**Additions**	**Disposals**	**Transfers**	**Cost at 30.06.25**
Development	6,219,823	3,781,481	—	—	10,001,304	2,171,245	—	—	12,172,548
Intellectual property	44,259	10,410	—	—	54,669	3,780	—	—	58,450
Software	3,035,262	2,443,965	—	—	5,479,227	887,865	—	—	6,367,091
Total amortization	9,299,344	6,235,856	—	—	15,535,200	3,062,890	—	—	18,598,089

Net Book Value:

	€	
Item	**Cost at 30.06.25**	**Cost at 31.12.24**
Development	12.426.276	11.883.408
Intellectual property	45.185	49.792
Software	1.266.274	2.137.399
Net Book Value	**13.737.736**	**14.070.599**

a) Development and industrial property

The Group continues its policy of investment in and improvement of its existing facial-biometrics applications. Expenditure capitalised during the six-month period ended June 30, 2026 and the year ended December 31, 2025 related to the following milestones:

	€	
Description:	**30.06.2026**	**31.12.2025**
Improvements Software Development Kit (SDK)	1.939.160	4.619.329
Identity Platform	285.739	---

Total internal development	**2.224.899**	**4.619.329**
Development acquired from third parties	240.607	493.264
Total	**2.465.506**	**5.112.593**

This expenditure is recognised under “Development” because there are sound grounds to expect commercial success upon completion, at which point it is transferred to the intangible-asset heading corresponding to its nature. The projects are also considered technically feasible and economically viable. If there were sound grounds to conclude that a project would not be completed successfully, the related costs would be recognised as losses on intangible assets. Virtually all development work on new applications and improvements to existing applications was performed internally, except for € 240,607 acquired from third parties in the first half of 2026 (€ 493,264 in 2025). Internally generated production costs were capitalised with a corresponding credit to “Work performed by the Group and capitalised” in the consolidated income statement.

Development assets capitalised at June 30, 2026 and December 31, 2025 mainly comprised improvements in fraud-prevention security and tools for integrating the technology into multiplatform applications.

Industrial and intellectual property

Facephi Biometría, S.A. and the Group companies own various industrial-property rights associated with their principal brands and technology solutions. Registered trademarks include FACEPHI BEYOND BIOMETRICS, PHIVOX, SELPHI, YOU BLINK, YOU’RE IN, SELPHI ID, LOOK & PHI, SIGNPHI and INPHINITE, with protection covering the principal territories in which the Group operates.

Certain trademarks are protected in the European Union and the United States, as well as through international and national registrations in APAC, LATAM and EMEA, in line with the Group’s international expansion.

As part of the Group’s corporate-identity update and rebranding process, new trademarks and distinctive elements associated with FACEPHI have also been registered in word and figurative form, together with FACEPHI IDENTITY PLATFORM, FACEPHI PROTECTING IDENTITY TO BUILD THE FUTURE and FACEPHI TESEO ID WALLET. Protection has been extended, among other regions, to NORAM, APAC, EMEA and LATAM through the relevant registrations with the European Union Intellectual Property Office (EUIPO), the World Intellectual Property Organization (WIPO) and the competent national offices.

Previously registered trademarks remain protected and coexist with the new names adopted as a result of the rebranding process.

The Group also protects intangible assets and knowledge associated with its technology activities, including algorithms, know-how and other business information, through organisational, contractual and security measures designed to preserve confidentiality and ensure protection and traceability in accordance with applicable trade-secret legislation.

Adoption of standards

- ***Legal compliance and data protection:***

The Group has a regulatory-compliance framework covering, among other areas, the prevention of criminal risks and protection of personal data. It is subject to Regulation (EU) 2016/679, the General Data Protection Regulation (GDPR), and Spanish Organic Law 3/2018 on Personal Data Protection and the Guarantee of Digital Rights.

This framework is supplemented by measures and certifications implemented by the Group in relation to information security and protection of technology assets, with the aim of strengthening the organisation's control, security and risk-management mechanisms.

Technical certifications

- ***Corporate governance, risk and compliance:***

- ISO/IEC 27001 (ISMS): supports the security, confidentiality, integrity and availability of information and the systems that process it.
- ISO 22301: Business Continuity Management System.
- ISO 27017: security controls for cloud services.
- ENS: conformity certification under Spain's National Security Framework, High category.
- SOC 2 Type II: audit report attesting to the effectiveness of a service organisation's controls relating to security, availability, processing integrity, confidentiality and privacy.

- ***Product and technology certifications***

- ISO 30107-3 iBeta Level 1: compliance in both the facial-recognition matcher and the passive-liveness presentation-attack-detection algorithm.
- ISO 30107-3 iBeta Level 2: compliance with a higher level of presentation-attack detection testing for facial-biometric technology.
- UK Digital Identity and Attributes Trust Framework (UK DIATF): Facephi is certified as an identity service provider in connection with secure and reliable digital-identity services in the United Kingdom.
- SEPBLAC video-identification circulars: Facephi is certified as a remote-onboarding and digital-identity service provider within the applicable Spanish AML/CFT compliance framework.
- Pan-Canadian Trust Framework (PCTF) of the Digital Identification and Authentication Council of Canada (DIACC): requirements and criteria supporting secure identity verification, trust, interoperability and protection of personal information in Canada's digital ecosystem.
- Good Software (GS): GS Level 1 certification in Korea.
- Web Content Accessibility Guidelines (WCAG): a shared international standard for web-content accessibility.

- ***Exchange of biometric information***

- ISO/IEC 19794-5: specifies a format for storing, recording and transmitting facial-image information, together with scene constraints, photographic properties, digital-image attributes and good practices.
- ISO/IEC 19795-1: establishes principles and a framework for evaluating and reporting the performance of biometric systems.

b) Software applications

In accordance with the identifiability criteria applicable to intangible assets, the Group transfers, according to their nature, the production cost of software improvements and utilities developed by Group companies to "Software applications" when they enter the commercialisation phase and begin generating revenue from the Group's ordinary activities.

In addition, additions in 2025 mainly related to licensing agreements purchased from a biometric provider and integrated into the Group's marketed products. These assets are amortised on a straight-line basis over the contract term.

During 2026 and 2025, the Group derecognised software applications that were fully amortised.

c) Fully amortised intangible assets

At June 30, 2026 and December 31, 2025, the Group held the following fully amortised intangible assets that remained in use:

	€	
	30.06.2026	**31.12.2025**
Development	1.870.134	930.592
Intellectual property	22.383	22.383
Software	3.624.007	3.557.816
Total cost	**5.516.524**	**4.510.791**

d) Other information

In prior years, the Parent Company received grants related to intangible-asset development expenditure, including expenditure incurred in 2023, 2024, 2025 and 2026, as indicated in Note 10.3.

No finance costs were capitalised and there are no intangible assets located outside Spain. All intangible assets are used in operations and are not subject to restrictions or guarantees. No impairment losses were recognised or reversed for any intangible asset.

e) Impairment test of non-current assets

As indicated in Note 2(d), determining the recoverable amount of non-current non-financial assets requires assumptions and estimates by the Parent Company's management and Directors. Recoverable amount was assessed on the basis of a single cash-generating unit, as the Group develops a single type of product. Value in use was calculated using cash-flow projections based on the business plan and management estimates for five years. A discount rate of 15% was applied to the cash-flow projections, and cash flows beyond the five-year projection period were extrapolated using a perpetual growth rate of 2%. The assessment concluded that the assets were not impaired.

Key assumptions used to calculate value in use

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

- Revenue growth: the Group estimates a constant double-digit annual growth rate over the financial-projection period from 2026 to 2029. The Group continues to invest in product improvements and development, open new offices and build sales channels intended to support revenue growth.
- EBITDA: the Group expects progressive growth driven by new contracts and optimisation of its current structure.
- Discount rate: a 15% WACC was used, consistent with the average WACC applied by analysts following the Group.
- Capital expenditure: the Group expects annual investment in intangible assets, mainly R&D and innovation relating to development and improvement of its technology, to continue.

Sensitivity to changes in assumptions

Given the headroom between value in use and the carrying amount of the Group's net assets tested, management considers that a reasonably possible change in any of the assumptions, such as an increase in WACC and/or a decrease in the terminal growth rate, would not cause carrying amount to exceed recoverable amount.

5. PROPERTY, PLANT AND EQUIPMENT

The breakdown and movement of property, plant and equipment are as follows:

Cost:

	Euros							
Item	**Cost at 31.12.24**	**Additions**	**Cancellations**	**Transfers**	**Cost at 31.12.25**	**Additions**	**Cancellations**	**Cost at 30.06.26**
Land and buildings	2.186.535	---	---	---	2.186.535	---	---	2.186.535
Technical facilities	---	636	---	---	636	17	---	653
Other facilities	66.041	5.914	(711)	---	71.244	---	(5.914)	65.330
Furnishings	145.265	---	(1.470)	---	143.904	1.043		144.838
I,T. equipment	959.062	244.659	(47.244)	---	1.156.477	92.176	(12.832)	1.235.821
Other tangible fixed assets	2.456	2.324	---	---	4.780	---	---	4.780
Total cost	**3.359.359**	**253.532**	**(49.425)**	**---**	**3.563.467**	**92.193**	**(18.745)**	**3.637.958**

Amortización:

	Euros						
Item	**Balance as at 31.12.24**	**Provs. Fin. year**	**Cancellations**	**Balance as at 31.12.25**	**Provs. Fin. year**	**Cancellations**	**Balance as at 30.06.26**
Land and buildings	335.312	217.059	---	**552.371**	108.530	---	660.901
Technical facilities	---	435	---	435	64	13	512
Other facilities	22.164	8.670	---	30.834	4.692	(197)	35.329
Furnishings	37.630	24.585	---	62.215	9.670	302	72.187
I,T. equipment	598.968	344.801	---	943.769	112.876	(42.966)	1.013.679
Other tangible fixed assets	2.212	478	---	2.690	239	---	2.929
Total amortización	**996.286**	**596.028**	**---**	**1.592.314**	**236.071**	**(42.848)**	**1.785.537**

Net book value:

	€	
Item	**Balance as at 30.06.26**	**Balance as at 31.12.25**
Land and buildings	1.525.634	1.634.164
Technical facilities	141	201

Other facilities	30.001	40.410
Furnishings	72.651	81.580
I.T. equipment	222.142	212.708
Other tangible fixed assets	1.851	2.090
Net book value	**1.852.421**	**1.971.153**

Additions to property, plant and equipment during the six-month period ended June 30, 2026 and during 2025 mainly related to purchases of information-processing equipment for new employees. The "Buildings" heading includes fit-out costs for the offices from which the Group operates.

a) Fully depreciated assets

	€	
Item	**30.06.26**	**2025**
Furnishings	15.937	15.937
I.T. equipment	429.538	295.546
Total	**445.475**	**311.483**

b) Insurance

The Group has insurance policies covering the risks to which its property, plant and equipment are exposed. The coverage provided by these policies is considered sufficient.

c) Other information

No finance costs were capitalised and there are no restrictions or guarantees over property, plant and equipment. No impairment losses were recognised or reversed for any item. Determining the recoverable amount of non-current non-financial assets requires assumptions and estimates by the Parent Company's management and Directors.

6. LEASES AND OTHER SIMILAR TRANSACTIONS

a) Operating leases

Future minimum payments under the Group's non-cancellable operating leases are as follows:

	€			
	Facephi		**Rest of Group**	
Minimum future payments	**30.06.26**	**31.12.25**	**30.06.26**	**31.12.25**
Up to one year	482.970	451.471	62.591	34.556
Between one and five years	1.412.368	1.639.335	8.534	---
More than five years	610.680	458.010	---	---
Total	**2.506.018**	**2.548.816**	**62.591**	**34.556**

Lease instalments recognised as an expense for the period, together with the main terms of the 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	157.490	337.194	30/06/2033	N/A	SI (IPC)
Madrid Office	22.849	94.907	30/06/2027	N/A	NO
Branch offices	51.203	57.247	30/08/2027	N/A	NO
I.T.	971	1.661	01/06/2029	N/A	NO
Furnishings	19.358	38.716	17/07/2028	N/A	NO
Transport vehicles	54.141	75.937	08/01/2027	N/A	NO
Sundry rentals	33.070	183.183	N/A	N/A	N/A
Total	**339.082**	**788.845**			

On January 8, 2023, two additional vehicle operating-lease agreements were entered into for use by members of the Board of Directors. The monthly payment was € 2,223 per vehicle and the term was three years. Those agreements ended in January 2026 and two new vehicle leases were entered into, initially for members of management. Their stated maturities are January 2027 and April 2026, with monthly payments of € 2,726.04 and € 2,168.19, respectively. After the second agreement ended, a new four-year operating lease was entered into from April 2026 for the same Board member, with a monthly payment of € 2,823.

As part of the Parent Company's measures to modernise its working model, on March 4, 2022 it entered into a new lease for premises in a business centre in Alicante. The agreement has a ten-year term from completion of the fit-out work or December 31, 2022, whichever occurred first, and a mandatory three-year period. The lessor granted a twelve-month rent-free period from completion of the work or December 31, 2022. A deposit of € 34,000, equivalent to two monthly payments, was paid. The work was completed in June 2023.

a) Finance leases

In 2022, the Group acquired an item of information-processing equipment, specifically a server, by entering into a finance lease for a total amount of € 275,000. As the agreement transferred substantially all the risks and rewards incidental to ownership, the server was recognised under "Information-processing equipment" within property, plant and equipment, in accordance with the recognition and measurement policy described in Note 3.4.

The details of the most significant terms and conditions of the financial agreement in force during the period, as well as its position as at 30 June 2026 and 31 December 2025, are as follows:

2026:

There are no instalments in this respect during the first half of 2026.

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**			**Purcha se Option**
					Capital		**Interest pending**	
					S/T	**L/T**		
I.T. processing equip.	15/11/2022	36	275.000	275.000	---	---	---	---

During the year ended December 31, 2025, principal of € 92,287 and interest of € 5,975 were paid under this agreement, compared with € 88,276 and € 9,985, respectively, in 2024.

The finance lease ended on November 11, 2025. The asset was acquired for its residual value and the agreement accrued an average interest rate of 4.54%.

At June 30, 2026 and December 31, 2025, the asset acquired under the finance lease had the following carrying amount:

	€					
	30.06.25			**31.12.24**		
Item	Cost	Accumulated amortisation	Net book value	Cost	Accumulated amortisation	Net book value
I.T. processing equip	275.000	275.000	---	275.000	275.000	---
Total	**275.000**	**275.000**	**---**	**275.000**	**275.000**	**---**

7. INFORMATION ON THE NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS

Risk management is aimed at establishing the mechanisms required to control the Group's exposure to different types of risk: market risk, including foreign-exchange, interest-rate and price risk, credit risk and liquidity risk. Risk management is overseen by the Parent Company's Board of Directors, supported by management control departments.

Credit risk

Credit risk arises from potential losses caused by counterparties failing to meet their contractual obligations, including failure to collect financial assets in the agreed amounts and within the agreed periods. Only reputable and creditworthy banks and financial institutions are accepted.

The Group's principal debtors do not present specific collection risks due to their high creditworthiness. Trade and other receivables by ageing are as follows:

	€	
	30.06.26	**31.12.25**
Long-term debts not due	1.723.391	2.520.488
Short-term debts not due	15.100.363	16.393.602
Past due but not doubtful	2.777.690	6.349.027
Doubtful	6.410.042	5.192.670
Total	**26.011.486**	**30.455.787**
Restatements due to impairment (note 8.3)	(6.410.042)	(5.192.670)
Total	**19.601.444**	**25.263.117**

Liquidity risk

Prudent liquidity-risk management entails maintaining sufficient cash and marketable securities, access to funding through an adequate amount of committed credit facilities and the ability to close out market positions. Liquidity risk is considered sufficiently mitigated by the factors described in Note 2(e).

Market financial risks

a) Interest-rate risk

Interest-rate risk arises from long-term borrowings. Variable-rate borrowings expose the Group to cash-flow interest-rate risk, while fixed-rate borrowings expose it to fair-value interest-rate risk.

b) Foreign-exchange risk

The Group operates internationally and is therefore exposed to foreign-exchange risk arising from recognised assets and liabilities and foreign-currency transactions. Details are presented in Note 9. Group finance management cannot predict the effect of exchange rates on future operating results because of potential currency-market volatility. The Group currently does not use hedging derivatives to cover exposure to other currencies.

c) Cash-flow interest-rate risk

Income and operating cash flows are largely independent of changes in market interest rates. There are no significant cash-flow interest-rate risks.

d) Price risk

There are no other significant price risks.

Fair-value estimation

The Group assumes that the carrying amounts of trade receivables and payables approximate their fair values. For financial-reporting purposes, the fair value of financial liabilities is estimated by discounting future contractual cash flows at the current market interest rate available to the Group for similar instruments.

8. FINANCIAL ASSETS

8.1 Analysis by category

The carrying amount of each category of financial assets under Recognition and Measurement Standard 9 of the Spanish General Accounting Plan, excluding cash and cash equivalents, is as follows:

	€			
	Loans, derivatives and others			
	Short-term		Long-term	
	06.26	**31.12.25**	**06.26**	**31.12.25**
• Assets at amortised cost				
• Trade debtors and other accounts receivable (*)	17.878.053	22.742.629	1.723.391	2.520.488
• Loans to personnel	---	4.383	---	1.700
• Other financial assets	118.778	123.518	173.481	172.961
Financial assets at fair value through profit or loss::				
• Derivatives	---	200.480	---	---
Total	**17.996.831**	**23.071.010**	**1.898.572**	**2.695.149**

(*) Excludes balances with public authorities.

No significant differences exist between carrying amount and fair value for assets measured at cost or amortised cost.

At June 30, 2026 the Company had no derivatives recognised in connection with foreign-exchange insurance. At December 31, 2025, derivatives with a value of € 260,667 related to two MONEX foreign-currency forward contracts at a fixed exchange rate for three months. The agreements were entered into on July 11, 2025 at USD 1.14 per euro. Parent Company management considers that the derivative did not qualify as a hedging instrument. During 2026 it improved the exchange rate applied by the Company to its financial transactions.

8.2 Maturity analysis

Financial assets with fixed or determinable maturities are classified by year of maturity as follows:

	Finantial Assets				
	06.2027	**06.2028**	**06.2029**	**Subsequent years**	**Total**
Financial asset					
Trade receivables and other receivables (*)	17.878.053	1.094.773	628.618	---	20.830.224
Derivatives					
Loans to employees	---	---	---	---	---
Financial asset					
Trade receivables and other receivables (*)	---	---	---	---	---
Derivatives	118.778	139.481	---	34.000	292.259
Total	**17.996.831**	**1.234.254**	**628.618**	**34.000**	**21.122.483**

(*) Excludes balances with public authorities.

	Finantial Assets				
	2026	**2027**	**2028**	**Subsequent years**	**Total**
Financial asset					
Trade and other receivables (*)	22.742.629	1.761.714	758.774	---	25.263.117
Derivatives	200.480	---	---	---	200.480
Loans to employees	2.050	1.700	---	---	3.750
Other financial assets	123.518	54.490	---	118.470	296.478
Total	**23.068.677**	**1.817.904**	**758.774**	**118.470**	**25.763.825**

8.3 Loans and other receivables

	€	
	06.2026	**2025**
Loans and accounts receivable a length deadline		
• Loans to personnel	---	1.700
• Other financial assets	173.481	172.961
• Trade debtors, invoices pending issuance	1.723.391	2.520.488
Total	**1.896.872**	**2.695.149**

	Euros	
	06.2026	**2025**
Short-term debts and accounts receivable:		
Loans to personnel	---	4.382
Other financial assets	118.778	123.519
Derivatives	---	200.480
Subtotal	**118.778**	**328.381**
Trade debtors and other accounts receivable a c/p		
Trade receivables for provision of services	5.730.315	6.551.201
Trade invoices pending issuance	12.147.738	16.191.428
Doubtful trade receivables	6.410.042	3.054.673
Impairment of trade credits	-6.410.042	-3.054.673
Sundry debtors	2.207	2.207
Personnel	---	---
Current-tax asset	---	1.467.092
Other credits with govt. agencies (Note 13.1)	560.566	534.639
Subtotal	**18.440.826**	**24.746.567**
Total	**18.559.604**	**25.074.948**

The Group grants customers payment terms of up to one year, which is customary in the sector, particularly for technology-assignment and licensing agreements. Where the billing period exceeds one year, the consideration is recognised under non-current trade receivables at amortised cost.

Group management considers that credit risk is sufficiently covered by the solvency of its debtors, principally financial institutions.

Impairment of trade receivables

	Euros	
	06.26	**2025**
Initial balance	**5.192.670**	**3.123.911**
Provision for impairment of accounts receivable	1.216.390	2.096.012
Reversal of unused amounts	982	(27.253)
Final balance	**6.410.042**	**5.192.670**

The Group maintains payment terms with its customers allowing for deferred payment periods of up to one year, which is standard commercial practice in the sector in which it operates, particularly in technology assignment and licensing agreements. In those cases where the billing period exceeds one year, the Group recognises the consideration under “Non-current trade receivables” on the asset side of the balance sheet at amortised cost.

The Group's Management considers that credit risk is sufficiently covered given the creditworthiness of the debtors with which it operates (mainly financial institutions).

Other current and non-current financial assets

At June 30, 2026, "Other non-current financial assets" included office-lease deposits of € 69,680 and a definitive guarantee of € 74,329 relating to the AENA public tender awarded in 2021 for a facial-biometric solution. In September 2026, the Company received repayment of one office deposit amounting to € 21,680.

These deposits were not measured at amortised cost because the effect on Group equity would be minimal.

"Other current financial assets" included € 30,290 relating to a USD 35,500 fixed-term deposit pledged to a customer in connection with licensing, support and consulting services. The deposit matured in September 2026 and the Parent Company requested its release, together with other minor guarantees relating to leases and payments.

8.4 Cash and cash equivalents

The "Cash and other cash equivalents" line item in the accompanying consolidated balance sheet is broken down as follows:

	Euros	
	30.06.26	**31.12.25**
Cash, euros	1.554	1.375
Cash, foreign currency	713	712
Demand bank accounts, euros	440.479	2.056.510
Demand bank accounts, foreign currency	276.875	114.784
Total	**719.621**	**2.173.381**

Bank balances include € 242,109, compared with € 287,023 at December 31, 2025, held as financial deposits with the settlement institutions for Euronext and BME Growth.

These funds are not freely available unless the liquidity provider considers the cash or shares held to be excessive.

Following the financial restructuring completed on December 14, 2020, the Parent Company had pledged current accounts and other liquid funds amounting to € 384,411 at June 30, 2026, compared with € 1,800,800 at December 31, 2025.

9. EQUITY

9.1 Shareholders' equity

Movements in shareholders' equity for the periods ended June 30, 2026 and December 31, 2025 are shown in the accompanying consolidated statement of changes in equity.

a) **Share capital and share premium**

As at 30 June 2026 and at the end of the previous financial year, the share capital and share premium of the Parent Company were as follows:

	Euros			
	06.26		**2025**	
	Capital	**Issue premium**	**Capital**	**Issue premium**
Authorised	1.064.963	33.708.316	1.064.963	33.708.316
Total	**1.064.963**	**33.708.316**	**1.064.963**	**33.708.316**

The details of the movements in the share capital and share premium registered as at 30 June 2026 and 31 December 2025 are set out below:

	No of shares	**Nominal Value**	**Capital**	**Premium**
Opening balance 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
Closing balance at 30 June 2026	**26.624.087**	**0,04**	**1.064.963**	**33.708.316**

Financing Agreement – Nice & Green Convertible Loan

On August 22, 2024, a new € 1,800,000 loan agreement was entered into with Nice & Green, S.A., replacing the three undrawn tranches under the previous convertible-bond agreement.

On December 23, 2024, the Extraordinary General Shareholders' Meeting approved a capital increase by offsetting the related receivable.

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

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

Nice & Green convertible financing

In September 2025, the Parent Company entered into a € 1,500,000 loan with Nice & Green, its main shareholder, for working-capital requirements. The loan bears variable interest at one-month Euribor plus 3.50% and includes an option for the shareholder to capitalise it.

a.1) 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.2) Significant shareholdings

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:

	%	%
	06.26	**12.25**
Nice & Green S.A. *	28,16%	28,90%
Hancom	6,37%	6,37%
Javier Mira Miró	2,94%	2,94%
Juan Alfonso Ortiz Company*	2,69%	2,69%

**24.78% (25.52% in 2025), excluding the shares received as collateral by Nice & Green.*
4.61% (4.61% in 2025), taking into account the 141,470, 35,196, 33,000 and 235,001 shares pledged as collateral to Nice & Green.
4.4% (4.4% in 2025), taking into account the 150,586, 26,080, 43,666 and 235,001 shares pledged as collateral to Nice & Green.

b) Treasury shares

At June 30, 2026, Parent Company treasury shares amounted to € 434,406, corresponding to 203,790 shares and representing 0.76% of share capital. At December 31, 2025, they amounted to € 436,934, corresponding to 178,484 shares and representing 0.75% of share capital. The holding was therefore below the 10% maximum under Article 509 of the Spanish Companies 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:

	31.12.25	Purchases	Sales	30.06.2026
Cost of treasury shares	436.934	665.004	(667.532)	434.406

El movimiento habido durante el ejercicio 2025 es el siguiente:

	31.12.24	Purchases	Sales	31.12.25
Cost of treasury shares	341.646	1.782.361	(1.687.073)	436.934

During the six-month period ended June 2026, treasury shares were sold, resulting in a net loss of €2,528 (€95,288 in 2025), which was recognised as a charge to “Voluntary Reserves”.

e) Parent Company reserves

	Euros	
	06.26	**2025**
Legal reserve	180.768	139.462
Voluntary reserves	758.143	589.276
Ecertic merger reserves	(592.985)	(592.985)
Negative results from previous fiscal years	(14.335.686)	(14.707.445)
Total	**(13.989.760)**	**(14.571.692)**

Legal reserve

In accordance with the provisions of Article 274 of the Spanish Companies Act, companies that obtain net profits for the financial year, after tax, are required to allocate 10% of such profits to a legal reserve until it reaches at least one-fifth of the share capital. This reserve may only be used, where applicable, to offset a debit balance in the profit and loss account and must be replenished whenever it falls below the aforementioned level.

Voluntary reserves

As at 30 June 2026 and 31 December 2025, voluntary reserves include profits from previous years that were neither distributed nor allocated to mandatory reserves.

These reserves are freely distributable.

As reflected in the accompanying Consolidated Statement of Changes in Equity, during the six-month period ended 30 June 2026, no amount was charged to these

reserves, as no share capital increase took place (€3,023 in the previous year), in respect of issuance costs and expenses incurred as a result of the share capital increases carried out during the period. In addition, a negative amount of €2,584 (€56,496 during 2025) was recognised in respect of losses arising from transactions involving the purchase and sale of treasury shares (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.

f) 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:

	Euros	
Company	**06.26**	**2025**
Facephi APAC	(293.346)	(340.452)
Celmuy	481.803	317.587
Facephi Beyond UK	(5.259.139)	(4.618.308)
Facephi Brasil	(28.224)	(8.044)
Total	**(5.098.908)**	**(4.649.217)**

g) Contribution to consolidated results

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

	Profit / (Loss)	
Subsidiary	**06.26**	**06.25**
Facephi – Parent Company	(5.876.822)	(4.759.392)
Facephi APAC – Subsidiary	2.245	(91.551)
Celmuy – Subsidiary	132.821	68.007
Facephi Beyond UK – Subsidiary	(353.460)	(454.464)

FacePhi Biometric Sol. Brasil – Subsidiary	(11.214)	(8.065)
Consolidation restatements	-	(15.064)
Total	**(6.106.431)**	**(5.260.530)**

9.2 Translation differences

In accordance with the criteria for translating the financial statements of foreign companies whose functional currency is other than the euro, as described in Note 3.1, the Group recognised a negative translation difference of €359,783 in equity in the consolidated balance sheet as at 30 June 2026 (a negative amount of €251,797 in 2025). This amount corresponds to the difference between the equity of the subsidiaries translated at historical exchange rates and the net equity position resulting from the translation of their assets, rights and liabilities at the closing exchange rate of each of the local currencies in which each component of the Group operates.

	Euros	
	06.26	**2025**
Opening balance	**(251.797)**	**(281.668)**
Change in translation differences	(107.985)	29.871
Dif. Convs. incorporación perímetro consolidación	---	---
Closing balance	**(359.782)**	**(251.797)**

9.3 Government grants

The amounts and nature of the grants recognised in the consolidated balance sheet as at 30 June 2026 and 31 December 2025 under the heading "Grants, donations and bequests", together with the movements during the six-month period and the previous financial year, are as follows:

Six-month period ended 30 June 2026

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	33.265	---	(11.088)	2.772	(8.316)	16.632
IMINOD	2021	25.154	5.660	---	(2.515)	629	(1.887)	1.887
Red.es	2022	1.270.090	513.637	---	(111.132)	27.784	(83.349)	346.940
PIDI2024_FREC	2024	50.725	19.038	---	(2.712)	678	4.068	21.072
INNOVATeiC	2024	43.723	8.728	---	(1.242)	310	1.862	9.659
PIDI2024	2024	50.859	15.517	---	(2.180)	545	3.270	17.152
		1.731.825	**595.846**	---	**(130.869)**	**32.717**	**(84.352)**	**413.342**

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	---	(11.088)	629	2.143	33.265
IMINOD	2021	25.154	7.546	---	(2.515)	2.772	(2.143)	5.660
Red.es	2022	1.270.090	596.986	---	(111.132)	27.783	---	513.637
PIDI2024_FREC	2024	50.725	19.038	---	---	(6.346)	---	19.038
INNOVATeiC	2024	43.723	8.728	---	---	(2.910)	---	8.728
PIDI2024	2024	50.859	15.517	---	---	(5.172)	---	15.517
		1.731.825	**689.397**	---	(124.735)	**31.184**	---	**595.845**

During the 2021 financial year, the Group was awarded the following capital grants:

- On 30 November 2021, the Valencian Institute of Business Competitiveness (IVACE) approved a grant of €70,663 for "SME Innovation Projects. Innovation in ICT (INOVATeiC-CV) 2021", based on eligible costs of €162,500. The eligible expenditure period ran from 1 January 2021 to 31 December 2022. The project was fully completed during the first half of the 2022 financial year.

- On 23 December 2021, the Valencian Institute of Business Competitiveness (IVACE) approved a grant of €141,369 for "Collaborative R&D Projects (PIDCOP-CV) 2021", based on eligible costs of €235,615. The project implementation period ran from 11 March 2021 to 31 December 2022.

Furthermore, during the 2022 financial year, the Parent Company was awarded a grant from RED.ES, M.P. under the 2021 call for grants for research and development projects in artificial intelligence and other digital technologies and their integration into value chains.

The grant amounted to €1,270,090, corresponding to investments in personnel and collaboration costs totalling €1,587,519. In 2024, the Group transferred to capital grants the costs incurred during the year that had been capitalised, amounting to a gross total of €199,220. It also transferred directly to the "Operating grants recognised in profit or loss for the financial year" heading in the consolidated income statement the subsidised costs recognised directly as expenses during the year, amounting to €40,247 (Note 13.d).

Finally, during the 2024 financial year, the Parent Company was awarded three grants by the Valencian Institute of Business Competitiveness (IVACE) under the 2023 call for grants for research and development projects:

- On 13 December 2024, IVACE approved a grant for "SME Innovation Projects (PIDI-CV) 2024", based on eligible costs of €162,523.50, with a grant awarded of €50,725.42. The eligible expenditure period runs from 1 January 2025 to 30 December 2025.

- On 13 December 2024, IVACE approved a grant for "SME Innovation Projects (PIDI-CV) 2024", based on eligible costs of €160,9445, with a grant awarded of €50,859. The eligible expenditure period runs from 1 January 2025 to 30 December 2025.

- On 7 November 2024, IVACE approved a grant for "SME Innovation Projects. Innovation in ICT (INOVATeiC-CV) 2024", based on eligible costs of €124,939, with a grant awarded of €43,729. The eligible expenditure period runs from 1 January 2024 to 30 June 2025.

10. FINANCIAL LIABILITIES

10.1 Analysis by category

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:

	Euros			
	Debt with credit institutions		Derivatives and others	
	30.6.26	2025	30.6.26	2025
Long-term financial liabilities:				
Valued at amortised cost:				
- Bank loans and credit lines	147.407	234.634	---	---
- Financial leasing creditors (note 6)	12.764	13.598	---	---
- Other financial liabilities	---	---	---	---
- Trade payables and other accounts payable	---	---	3.615.309	433.279
Total Long-term	**160.171**	**248.232**	**3.615.309**	**433.279**
Short-term financial liabilities				
Valued at amortised cost:				
- Bank loans and credit lines	6.420.183	6.955.465	---	---
- Financial leasing creditors (note 6)	---	---	---	---
- Trade creditors and other accounts payable (*)	---	---	8.756.357	13.045.567
- Other financial liabilities	---	---	1.715.985	1.587.124
Entered at fair value with restatement in the IS:				
Total short-term	**6.420.183**	**6.955.465**	**10.472.342**	**14.632.691**

(*) Excludes balances with public authorities.

() Non-current trade payables comprise commissions payable in connection with non-current customer balances.

10.2 Maturity analysis

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

30 June de 2026:

	Non-current financial liabilities			
	30.06.27	30.06.28	Subsecuent Years	Total
Debt with credit institutions	6.420.183	147.407	--- ---	6.567.590
Creditors for fin, leasing	---	12.764	--- ---	12.764

Other financial liabilities	1.715.985	---	--- ---	1.715.985
Total	**8.136.168**	**160.171**	**---**	**8.296.339**

31 December 2025:

	Non-current financial liabilities				
	2026	**2027**	**2028**	**>2028**	**Total**
Debt with credit institutions	6.955.465	175.274	59.360	---	7.190.099
Creditors for fin, leasing	---	---	---	---	---
Other financial liabilities	1.587.124	433.279	---	---	2.020.403
Total	**8.542.589**	**608.553**	**59.360**	**---**	**9.210.502**

10.3 Payables

	Euros	
	30.06.26	**2025**
Long-term debts	**3.775.480**	**681.511**
· Debt with credit institutions	147.407	234.634
· Creditors for financial leases	12.764	13.598
· Other financial liabilities	---	---
· Other long-term creditors	3.615.309	433.279
Short—term debt:	**8.136.168**	**8.542.589**
• Debt with credit institutions	6.420.183	6.955.465
• Creditors for financial leases	---	---
· Other financial liabilities	1.715.985	1.587.124
Trade payables and other accounts payable::	**10.846.636**	**15.832.018**
• Suppliers	6.293.337	6.925.771
• Sundry creditors	1.890.720	4.628.371
• Trade advances	17.887	17.905
• Personnel (remunerations pending payment)	554.412	1.491.425
• Liabilities per current tax	---	52.613
• Other debts with government agencies (Note 12,1)	2.090.279	2.715.933
Debits and accounts payable	**22.758.284**	**25.056.118**

The breakdown of debt owed to credit institutions as of 30 June 2026 and 31 December 2025 is as follows:

	Euros		**Euros**	
	30.06.26		**31.12.25**	
	Short-term	Long-term	Short-term	Long-term
Bank loans	6.388.196	147.407	6.870.815	234.634
Credit cards	31.805	---	25.814	---
Uncollected accrued interest	181	---	58.836	---
Total	**6.420.183**	**147.407**	**6.955.465**	**234.634**

a) Loans from credit institutions

A summary of the key terms and conditions of the financial credit facilities and loans outstanding as at 30 June 2026 and 31 December 2025 is as follows:

			Euros			
			06.26		**2025**	
Type of transaction	Maturity	**Limit**	Short-term	Long-term	Short-term	Long-term
Loan (1)	03.04.28	1.000.000	173.289	147.407	171.148	234.634
Syndicated loan B	14.12.26	4.600.000	4.600.000	---	5.000.000	---
Syndicated loan C	14.12.26	2.000.000	1.531.574	---	1.533.000	---
COFIDES loan	21.07.26	500.000	83.333	---	166.667	---
Total			**6.388.196**	**147.407**	**6.870.815**	**234.634**

(1) ICO SME Loan. On 3 May 2021, an extension of the principal repayment grace period and the loan maturity date was agreed.

The interest rate on bank borrowings is Euribor plus a margin that is considered to be in line with market rates. As at 30 June 2026, the Group had recognised €181 in accrued interest payable (compared with €58,836 at the end of the previous financial year).

The average interest rate on long-term borrowings from credit institutions as at 30 June 2026 was 2.36%, unchanged from the end of 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 aforementioned Tranches (A, B and C) initially had a maturity date of 14 December 2025, on which date Tranche A was repaid in its final instalment and fully settled.

On 12 December 2025, the Parent Company and the financing institutions (Santander, CaixaBank, Sabadell and Deutsche Bank) signed an Amendment Agreement relating to Tranches B and C, under which they agreed to extend the term by an additional six (6) months beyond the periods originally stipulated in the Framework Agreement, setting the new maturity date as 14 June 2026. All other financial and economic terms applicable to the revolving syndicated credit facility comprising Tranche B and the bilateral loan agreements comprising Tranche C remained unchanged.

Furthermore, under the aforementioned Amendment Agreement, authorisation was granted for the Company to obtain additional financing to meet its working capital requirements, through any of the customary financing instruments, for a maximum aggregate amount of up to €10,000,000.

The terms of the syndicated loan require compliance with an annual financial covenant based on the ratio of net financial debt to EBITDA, calculated using the Company's financial statements. As at 31 December 2025, the Company WAS IN COMPLIANCE with the aforementioned financial covenant established under the financing agreement.

The interest rate applicable to each interest period shall be Euribor plus an initial margin of 2.5%. This margin will vary depending on the evolution of the Net Financial Debt/EBITDA ratio at the end of each specified review period.

Without prejudice to the Company's unlimited personal liability arising from its participation in the aforementioned agreements, security interests were created over the receivables held in the operating bank accounts and the temporary repayment account associated with the loan (see Note 10). In addition, the Company granted a non-possessory pledge over its trademarks, valued at €2,244,829, as security for the aforementioned obligations.

On 18 June 2026, the Parent Company and the financing institutions (Santander, CaixaBank, Sabadell and Deutsche Bank) signed an Amendment Agreement relating to Tranches B and C, under which they agreed to extend the term by an additional six (6) months, setting the new maturity date as 14 December 2026. A progressive reduction schedule for Tranche B was established over the additional six-month period, while all other financial and economic terms applicable to the bilateral loan agreements comprising Tranche C remained unchanged.

As at 30 June 2026, the outstanding debt owed to the financing institutions under Tranche B of the syndicated debt amounted to €4.6 million, while the outstanding amount under the bilateral loan agreements comprising Tranche C totalled €1.5 million.

COFIDES Loan

On 26 June 2023, the Parent Company entered into a financing agreement with the Spanish Development Finance Company (COFIDES) to fund an investment project in the United Kingdom involving the establishment of a commercial presence in that country through its subsidiary Facephi Beyond Biometrics, LTD (the “Project Company”), which is included in the consolidation perimeter.

The agreement provides for a loan with a three-year term and a maximum principal amount of €500,000. On 5 July 2023, the Parent Company requested drawdown of the full amount, which was received on 21 July 2023. The principal is repayable in six equal semi-annual instalments.

The interest rate applicable to each interest period shall be Euribor plus a margin comprising a fixed margin of 2.5% and a variable margin of +/- 5%, depending on the evolution of the Project Company's net sales.

The terms of this loan require the Company to comply annually with certain financial covenants based on the ratios of net financial debt to equity, net financial debt to EBITDA, and the co-financing ratio, calculated using the Company's financial statements. The loan was scheduled to mature in July 2026 and, as at the date of preparation of the financial statements, had been fully repaid.

b) Other current financial liabilities

	Euros			
	Short-term		Long-term	
Item	**06.2026**	**2025**	**06.2026**	**2025**
Liabilities convertible into grants	76.510	83.980	---	---
Nice & Green loan	1.500.000	1.500.000	---	---
Other	139.475	3.144	36.904	---
Total	**1.715.985**	**1.587.124**	**36.904**	**---**

The Group continues to recognise, under the heading “Liabilities convertible into grants”, both short-term and long-term, the amounts considered repayable in respect of capital grants awarded (see Note 11.3), as the grants had not been received as at the end of the first half of 2026. The Company has obtained financing by advancing these grants through a financing vehicle, recognising the repayment obligation in the event of non-compliance with the grant requirements under the “Other” heading in this section.

At the end of the first half of 2026, the amount of grants awarded, considered repayable and pending justification totalled €76,510, recognised as a short-term liability (€83,980 at the end of the 2025 financial year, recognised under both short-term and long-term liabilities).

In September 2025, the Parent Company entered into a loan agreement with Nice & Green, the Company's main shareholder, for €1,500,000 to meet working capital requirements. The loan bears variable interest at one-month Euribor plus 3.50% and includes an option for the shareholder to convert the loan into equity.

On 12 December 2025, the Parent Company and Nice & Green signed an amendment agreement under which the loan maturity was subordinated to the maturity of Tranches B and C of the syndicated debt, extending it to 30 June 2026 (or to 14 December 2026 if the syndicated debt had not been fully repaid by 30 June 2026). Nice & Green nevertheless retained the right to request conversion of the loan into equity at any time before 30 June 2026.

On 17 June 2026, in connection with the amendment extending the maturity of Tranches B and C of the syndicated debt to December 2026, the Parent Company agreed to amend the loan maturity to 30 December 2026, with all other terms and conditions of the loan remaining unchanged.

c) Information on the average payment period to suppliers. Third Additional Provision. "Disclosure Requirements" of Law 15/2010 of 5 July.

In compliance with the disclosure requirements established in the Third Additional Provision of Law 15/2010 (as amended by the Second Final Provision of Law 31/2014 of 3 December), which establishes measures to combat late payment in commercial transactions, the following information on the average payment period to suppliers in commercial transactions is provided, prepared in accordance with the ICAC Resolution of 29 January 2016:

Concept	**06.26**	**2025**
	Días	**Días**
Average period of payment to suppliers	93	88
Ratio of paid transactions	79	80
Ratio of transactions pending payment	113	117
	Euros	
Total payments made	8.445.003	21.787.117
Total outstanding payments	6.179.046	6.444.643

	06.26	**2025**
Number of invoices		
Total number of invoices paid	2.192	4.628
Number of invoices paid before the legal deadline	1.944	4.226
%	89%	91%
Amount in €		
Total amount of paid invoices	8.445.003	21.787.117
Value of invoices paid within the legal deadline	4.352.542	12.912.081
%	51%	59%

For the first half of 2026 and the 2025 financial year, the Group has included in the table above only payments made by the Parent Company, as its subsidiaries are domiciled abroad and are not subject to the aforementioned law.

For these purposes only, the term "trade payables" includes suppliers and other creditors in respect of amounts owed for goods and services, falling within the scope of the statutory payment period regulations. The term "net purchases and expenses for external services" includes the amounts recognised as such under the Spanish General Accounting Plan.

11. PUBLIC AUTHORITIES AND TAX POSITION

11.1 Current balances with public authorities

The breakdown of receivable and payable balances with public authorities at June 30, 2026 and December 31, 2025 is as follows:

	Euros			
	06.26		2025	
	Activos	Pasivos	Activos	Pasivos
Deferred tax assets (Note 11.4)	**1.563.565**		**1.209.211**	
Tax receivables from public authorities::				
VAT receivable	380.324		331.665	
Other tax receivables	---		33.661	
Other public authorities: grants awarded (*)	180.243		169.313	
Other receivables from public authorities	**560.566**		**534.639**	
Other receivables from public authorities		**302.739**		**694.652**
Social Security authorities payable		355.643		497.673
Social Security payable				
Personal income-tax withholdings payable		778.531		979.252
VAT payable		956.106		1.238.893
Other amounts payable to public authorities		**2.090.279**		**2.715.818**
Current tax assets / liabilities	**---**	**---**	**1.467.092**	**---**

(*) The Directors consider that there is no doubt as to recoverability of this balance because the conditions attached to the grant have been met and the supporting documentation has been filed, pending receipt of the funds in 2026.

11.2 Years open to tax inspection and tax audits

Under current legislation, taxes cannot be considered definitively settled until the relevant returns have been inspected by the tax authorities or the four-year statute-of-limitations period has expired. At June 30, 2026, the Group had all principal taxes applicable to it open to inspection from June 30, 2022.

Group management considers that all applicable taxes have been correctly settled. Nevertheless, an inspection could give rise to differences in interpretation of current tax legislation in relation to the tax treatment of certain transactions and could therefore result in additional tax liabilities. Management does not expect any such liabilities, if they arose, to have a material effect on the Group's consolidated interim financial statements.

11.3 Reconciliation of accounting result and current income-tax expense

As these are consolidated interim financial statements, the Group has not accrued an estimated income-tax expense because it generated losses during the six-month period ended June 30, 2026. However, the consolidated income statement includes € 345,722 under this heading, compared with € 120,768 at June 30, 2025, relating to withholding taxes levied by tax authorities in third countries, for which the related double-taxation credit had not yet been recognised at the period end.

11.4 Deferred tax assets and liabilities

Deferred tax assets

The Group recognises deferred tax assets arising from deductible temporary differences, tax-loss carryforwards, deductions and other unused tax benefits to the extent that it is probable that future taxable profits will be available against which those assets can be utilised.

Tax credits pending utilisation

At June 30, 2026 and December 31, 2025, the Group recognised deferred tax assets in the consolidated balance sheet relating to the following deductions:

Item	Year of origin	**2024**	Applied	Estimate changes	**31.12.2025**	Applied	Estimate changes	**06.25**
Cross-border double tax.	2018	97.364	—	—	97.364	—	—	97.364
ECERTIC merger R&D	2019	90.089	—	—	90.089	—	—	90.089
Research and development	2021	41.057	—	—	41.057	—	—	41.057
Cross-border double tax	2022	—	—	—	—	—	—	—
Research and development	2022	998	—	—	998	—	—	998
Film production	2022	1.624.899	(1.624.899)	—	—	—	—	—
Cross-border double tax	2023	—	—	—	—	—	—	—
Research and development	2023	4.480	—	—	4.480	—	—	4.480
Cross-border double tax	2023	1.561.857	(1.467.092)	16.465	111.230	—	—	111.230
Rebate for donations (35%)	2024	—	—	66.076	66.076	—	—	66.076
Research and development *	2024	—	—	—	—	—	—	—
Cross-border double tax	2024	8.965	—	—	8.965	—	—	8.965
Donation Deduction (35%)	2025	—	788.630	—	788.630	—	—	788.630
Research and development	2025	—	—	—	—	5705	—	5.705
Tax prepayments (Uruguay)	2026	—	—	—	—	3.248	—	3.248

International double taxation	2026	—	---	—	---	345.722	—	345.722
Total		**3.429.709**	**-2.303.361**	**82.541**	**1.208.889**	**8.953**	**—**	**1.563.565**

2025

=

Item	Year of origin	**2024**	Applied	Estimate changes	**31.12.2025**	Applied	Estimate changes	**06.25**	Item
Doble imp. internacional	2018	57.862	---	---	(57.862)	---	---	---	---
I+D fusión ECERTIC	2018	97.364	---	---	---	97.364	---	---	97.364
Investigación y desarrollo	2019	90.089	---	---	---	90.089	---	---	90.089
Doble imp. internacional	2020	205.158	---	---	(205.158)	---	---	---	---
Investigación y desarrollo	2020	208.398	---	(208.398)	---	---	---	---	---
Producciones cinematográficas	2020	126.632	---	---	(126.632)	---	---	---	---
Doble imp. internacional	2021	316.078	---	---	(316.078)	---	---	---	---
Investigación y desarrollo	2021	245.391	---	(230.484)	26.150	41.057	---	---	41.057
Doble imp. internacional	2022	97.648	---	---	(97.648)	---	---	---	---
Deducción por donativos (35%)	2022	998	---	---	---	998	---	---	998
Investigación y desarrollo	2022	1.657.744	---	---	(32.845)	1.624.899	(1.624.899)	---	---
Doble imp. internacional	2023	579.375	---	---	(579.375)	---	---	---	---
Deducción por donativos (35%)	2023	4.480	---	---	---	4.480	---	---	4.480
Investigación y desarrollo*	2023	---	1.561.857	---	---	1.561.857	(1.467.092)	16.465	111.230
Investigación y desarrollo	2024	---	---	---	---	---	---	66.076	66.076
Doble imp. Internacional	2024	---	507.142	---	(507.142)	---	---	---	---
Deducción por donativos (35%)	2024	---	---	---	---	8.965	---	---	8.965
Doble imp. Internacional	2025	---	---	---	---	---	788.630	---	788.630
Total		**3.687.217**	**2.068.999**	**(438.882)**	**(1.896.590)**	**3.429.709**	**(2.303.361)**	**82.541**	**1.208.889**

Amount included under "Current tax assets", as the Parent Company applied for a cash refund of this amount in its 2024 corporate income tax return, and the amount was received in January 2026.

All the deductions described above were generated by the Parent Company.

Double-taxation deductions relate to withholding taxes applied to collections from sales made mainly in Latin American countries.

In 2024, the Parent Company recognised an R&D&I deduction for 80% of the reasoned report amount and the amount recognised in the corporate-income-tax return for 2023 deductions, totalling € 1,561,857. € 1,467,092 was collected in January 2026, with the remaining amount retained as a potential future deduction that could not be monetised in the current year.

Although in 2024 the auditor requested derecognition of € 3.1 million of various tax assets after two consecutive loss-making years, Facephi began utilising them in 2025, in line with its 2025 Budget and Business Plan, and expects to complete their utilisation in 2026 and 2027.

Tax-loss carryforwards

The Parent Company has the following tax-loss carryforwards available for offset against future taxable profits:

30 June 2026:

	Euros				
	Pending tax bases 2023	**Generated in 2024**	**Offset in 2024**	**Pending bases 2024**	**Tax credit**
2025 financial year	**--**	731.777	---	731.777	**---**
2024 financial year	5.228.564	1.751.649	---	6.980.213	**---**
2023 financial year	4.873.183	2.109.845	(805.245)	6.177.783	---
2022 financial year	---	909.089	---	909.089	---
Total	**10.101.747**	**3.502.360**	**---**	**14.798.862**	**---**

(*) Amounts recognised in 2025 corresponding to losses incurred by subsidiaries in 2022, 2023 and 2024 that were not included in prior-year notes.

31 December 2025:

	Euros				
	Pending tax bases 2023	**Generated in 2024**	**Offset in 2024**	**Pending bases 2024**	**Tax credit**
Ejercicio 2025	**--**	731.777	---	731.777	**---**
Ejercicio 2024	5.228.564	1.751.649	---	6.980.213	**---**
Ejercicio 2023	4.873.183	2.109.845	(805.245)	6.177.783	---
Ejercicio 2022	---	909.089	---	909.089	---
Total	**10.101.747**	**3.502.360**	**---**	**14.798.862**	**---**

The Directors have not recognised the tax-loss carryforwards of Facephi Beyond Biometrics Ltd. in the consolidated balance sheet because they consider that the objective recognition criteria have not been met.

Deferred tax liabilities

This heading includes taxable temporary differences arising from grants received and transferred to profit or loss.

Movement during the first half of 2026 and during 2025 was as follows:

	Euros	
	30.06.2026	**2025**
Initial balance	**467.089**	**679.652**
Temporary differences created / (reversed) for:		
-Capital grants awarded (Note 8.3)	---	---
-Capital grants transferred to profit or loss (Note 8.3)	(66.968)	(31.184)
-Others	(97.382)	(196.379)
- Capital grants adjustment	---	15.000
Translation Differences	---	---
Final balance	**302.739**	**467.089**

12. INCOME AND EXPENSES

a) Revenue

Consolidated revenue from the Group's ordinary activities is distributed geographically as follows:

	%	
Market	**30.06.26**	**30.06.25**
EMEA	0,55	4,51
LATAM	98,63	94,71
APAC	0,82	5
Total	**100,00**	**100,0**

Revenue may also be analysed by business line as follows:

	%	
Line	**30.06.26**	**30.06.24**
Provision of services	100,00	100,00
Total	**100,00**	**100,0 0**

At June 30, 2026, € 502,110 was recognised under "Current accruals and deferred income" within current liabilities in the consolidated balance sheet, compared with € 646,898 at December 31, 2025. The balance relates to estimated support and maintenance revenue and SaaS or cloud services accruing in the following period.

b) Supplies

This consolidated-income-statement heading includes costs accrued for the licensed use of certain programs and software required to develop products that the Group subsequently markets under licence. The amount was € 1,709,560 at June 30, 2026, compared with € 1,423,903 at June 30, 2025.

c) Work performed by the Group and capitalised

	%	
	30.06.26	**30.06.25**
Work performed by the Company for its own assets: • Facephi	2.224.899	2.371.165
Total	**2.224.899**	**2.371.165**

The Group continued to develop improvements and new versions of its software applications. The amounts shown above were therefore capitalised as intangible assets; see Note 4.

d) Other operating income

- **Ancillary income and other current-management income**

	Euros	
	30.06.26	**30.06.25**
Income from staff services	56.747	50.087
Income from sale of tax deductions (TAXLEASE)	1.250.000	1.128.835
Income from royalties	389.530	389.530
Total	**1.696.277**	**1.568.452**

In May 2025, the Parent Company entered into a series of contracts with an investor involving the temporary assignment of R&D activity relating to a development project to an Economic Interest Grouping established by the investor. The assignment generated remuneration for the Parent Company in relation to the project developed in 2025 and gave rise to income of € 2.635 million in 2026. Under the agreements, the Parent Company retained the right to recover the assigned R&D activity. The development expenditure incurred is therefore recognised within the Parent Company's intangible assets and is subject to amortisation. That right was exercised in the current year.

In May 2026, the Parent Company entered into a similar series of contracts. It estimated that the value of assigning the deduction right at the end of 2026 would amount to € 2.5 million and therefore accrued 50% of that amount in the income statement because 50% of the project had been completed. The Parent Company retained the right to recover the assigned R&D activity, and the related development expenditure remained recognised within intangible assets at June 30 and subject to amortisation.

This heading also includes income accrued over the term of the HANCOM distribution agreement, arising from the difference between the conversion price and fair value when the agreement was entered into. At June 30, 2026, Group management recognised € 389,530 in the income statement, compared with € 785,516 at December 31, 2025.

Operating grants recognised in profit or los

In accordance with the accounting policies described in the notes, Group management recognised no amount in the income statement at June 30, 2026, compared with € 40,247 at December 31, 2025.

d) Personnel expenses

Personnel expenses at June 30, 2026 and 2025 were as follows:

Euros			
30.06.26		**30.06.25**	
Facephi	**Rest of the Group**	**Facephi**	**Rest of the Group**

Wages, salaries and others	5.919.332	826.796	6.347.951	726.336
Severance payments	110.458	63.842	215.226	16.534
Company's Social Security contribution	1.337.189	94.047	1.234.729	95.878
Other employee benefits	165.186	12.505	126.434	20.578
Provisions,	---	---	(55.970)	---
Total	**7.532.165**	**997.190**	**7.868.371**	**859.326**

The average number of employees by category was as follows:

	Euros			
	30.06.26		**30.06.25**	
	Facephi	**Rest of the Group**	**Facephi**	**Rest of the Group**
Senior management	2	-	2	-
Scientific, intellectual and support technicians and professionals	154	27	156	27
Clerical workers	50	3	34	3
Sales force and similar	13	-	15	2
Average total employees	**219**	**30**	**207**	**32**

The year-end workforce was distributed as follows:

	30.06.26			**30.06.25**		
	Men	**Women**	**Total**	**Men**	**Women**	**Total**
Executive directors	2	-	2	2	-	2
Scientific, intellectual and support technicians and professionals	151	30	181	158	29	187
Clerical workers	23	30	53	20	33	53
Sales force and similar	9	4	13	12	5	17
Total	**185**	**64**	**249**	**192**	**67**	**259**

At June 30, 2026 and June 30, 2025, the Company employed two employees with a recognised disability of at least 33%.

e) Other operating expenses

	Euros	
	30.06.26	**30.06.25**
External services:		
Leases and fees	314.571	403.166
Repairs and upkeep	29.262	31.277
Freelance professional services	4.004.997	3.904.722
Transport	---	2
Insurance premiums	160.196	146.947
Banking and similar services	224.338	30.180
Advertising, promotion and public relations	727.130	936.303
Supplies	28.002	27.346
Others services	1.554.382	1.562.269
Taxes	---	94
Loss, impairment and variation of provisions for uncollectible trade transactions. (nota 8)	1.203.362	(101.653)
Other operating expenses	**8.246.242**	**6.940.653**

f) Foreign currency: exchange differences

Foreign-currency assets included in the consolidated balance sheet amounted in aggregate to € 16,995,500. The most significant balances were as follows:

		Euros	
Item	**Currency**	**30.06.26**	**31.12.2025**
Trade receivables (foreign currency)	USD	15.602.291	20.995.714
Trade receivables (foreign currency)	KRW	18.642	18.642
Cash and cash equivalents (foreign currency current accounts)	USD	50.732	50.732
Cash and cash equivalents (foreign currency current accounts)	KRW	59.119	59.119
Cash and cash equivalents (foreign currency current accounts)	BRL	4.249	---
Cash and cash equivalents (foreign currency current accounts)	GBP	685	685
□ Cash on hand (foreign currency)	USD	712	712
□ Fixed-term deposits (foreign currency)	USD	30.290	30.290
Total		**15.766.720**	**21.155.894**

The liabilities denominated in foreign currencies are detailed as follows:

		Euros	
Item	**Currency**	**06.2026**	**31.12.2025**
Trade payables (foreign currency)	USD	3.552.353	10.058.539
Trade payables (foreign currency)	KRW	16.933	59.183
Trade payables (foreign currency)	GBP	71.866	16.452
Trade payables (foreign currency)	BRL	6.852	---
Customer advances (foreign currency)	KRW	---	657
Total		**3.648.004**	**10.134.831**

The amounts of transactions carried out in foreign currencies are as follows:

	Euros	
	06.2026	**2025**
Services received (USD)	(5.507.163)	(9.633.619)
Services received (GBP)	(291.844)	(841.867)
Services received (KRW)	(25.280)	(121.639)
Services received (BRL)	(11.142)	---
Services received (MX)	(10.863)	---
Services received (ZAR)	(1.903)	---
Sales from services given (USD)	11.444.202	38.457.595
Sales from services given (GBP)	24.301	---
Sales from services given (KRW)	74.316	191.401
Total	**5.694.624**	**28.051.871**

The amount of foreign exchange differences recognised in the consolidated income statement for the period, presented separately between those arising from transactions settled during the period and those arising from transactions outstanding as of 30 June 2026 and 2025, is as follows:

		Diferencia de cambio	
Financial instrument	**Moneda**	**06.2026**	**06.2025**
Negative exchange differences on cash and cash equivalents	USD	9.253	82.978
Positive exchange differences on cash and cash equivalents	USD	(19.625)	---
Negative exchange differences on customer receipts	USD	56.566	331.172
Positive exchange differences on customer receipts	USD	(65.987)	(37.965)
Negative exchange differences on supplier payments	USD	24.147	75.947
Positive exchange differences on supplier payments	USD	(33.338)	(50.320)

Positive exchange differences on financial instrument balances	USD	---	(9.342)
Negative exchange differences on cash and cash equivalents	GBP	3.023	560
Positive exchange differences on cash and cash equivalents	GBP	---	---
Negative exchange differences on cash and cash equivalents	KRW	---	565
Positive exchange differences on cash and cash equivalents	KRW	---	---
Positive exchange differences on cash and cash equivalents	BRL	(130)	---
Negative exchange differences on financial instrument balances	USD	---	19.201
Negative exchange differences arising from the implicit exchange rate	USD	27.413	71.229
Positive exchange differences arising from the implicit exchange rate	USD	(2.600)	(653)
Total por transacciones liquidadas en el ejercicio		**(1.278)**	**483.372**

		Diferencia de cambio	
Item	**Moneda**	**06.2026**	**06.2025**
Trade and other payables	USD	(118.979)	725.579
Trade and other payables	USD	(162.385)	750.050
Trade and other payables	USD	(230.711)	(629.861)
Trade and other payables	USD	213.467	252.660
Total por transacciones pendientes de vencimiento		**(298.608)**	**1.098.428**
Total diferencias de cambio del ejercicio imputadas		**(299.887)**	**1.581.799**

13. REMUNERATION OF MEMBERS OF THE BOARD OF DIRECTORS AND SENIOR MANAGEMENT

In accordance with the proposal of the Appointments and Remuneration Committee dated May 26, 2026, subsequently ratified by the General Shareholders' Meeting held on June 30, 2026, the remuneration of the governing bodies and the Board of Directors for 2026 is as follows:

- Senior-management remuneration for the Chief Executive Officer: fixed remuneration of € 764,756, plus variable remuneration linked to the performance of revenue.

- Remuneration of the Board of Directors: € 440,000 to remunerate the members of the Board.

In addition, although not included within the remit of the Appointments and Remuneration Committee, the duties performed by the General Manager are classified as senior-management duties. Fixed remuneration of € 500,000 was approved for 2026, plus variable remuneration linked to the performance of revenue.

Pursuant to those resolutions, remuneration accrued at June 30, 2026 and June 30, 2025 was as follows:

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

The members of the Board of Directors, some of whom also hold senior management positions, accrued the following amounts in respect of statutory and salary-based remuneration, including Board expenses and allowances, benefits in kind, and directors' and officers' liability insurance premiums:

	Euros	
	6.2026	**6.2025**
Fixed remuneration - Senior Management:	632.425	591.615
Accrued variable remuneration - Senior Management	---	500.000
Other remuneration	32.514	---
Allowances for the Board and the Audit and Remuneration Committee	220.000	220.000
Insurance premiums	11.833	6.884
Total Retribution	**896.772**	**1.318.499**

No advances or financial loans have been granted to the Directors, and no pension obligations have been assumed in respect of members of the Board of Directors or senior management.

b) Directors' conflicts of interest

In fulfilling their duty to avoid situations of conflict with the Group's interests, all persons who served on the Board of Directors during the period complied with the obligations laid down in Article 228 of the consolidated text of the Spanish Companies Act. They and their related parties also refrained from entering into the conflict-of-interest situations described in Article 229 of that Act, except where the corresponding authorisation had been obtained. No such exceptions arose during the current period.

14. BANK GUARANTEES AND OTHER GUARANTEES

The parent company has provided bank guarantees to secure the fulfilment of service and licensing agreements entered into with certain customers. The details of these guarantees as of 30 June 2026 and 31 December 2025 are as follows:

			Euros	
Issue date	**Maturity**	Currency	**30.06.26**	**31.12.25**
08/07/2021	20/09/2026	EUR (*)	31.016	30.077
04/01/2022	indefinite	EUR	8.777	8.511
09/04/2025	15/04/2027	EUR	129.642	125.714
26/08/2025	28/07/2026	EUR	109.706	106.383
04/11/2025	01/08/2026	EUR	4.823	4.677
19/01/2026	15/10/2026	EUR	65.824	---
02/02/2026	26/01/2027	EUR	27.250	---
Total			**377.038**	**275.362**

(*) Pignorado a una imposición a plazo fijo por importe de 35.500 USD (nota 9).

15. OTHER INFORMATION

a) Auditors' fees

The Board of Directors of the Parent Company resolved to appoint A Worldwide Audit Assurance España, S.L. as the new auditor for the 2026, 2027 and 2028 financial years. At the date of these consolidated interim financial statements, the appointment was pending ratification by the General Shareholders' Meeting.

A Worldwide Audit Assurance España, S.L. accrued fees of € 35,000 in connection with the review of the consolidated interim financial statements at June 30, 2026.

At June 30, 2026, no additional fees had accrued in favour of other companies belonging to the statutory auditor's network. Nor had any such fees accrued at December 31, 2025 in favour of companies in the previous auditor's network.

b) Off-balance-sheet arrangements

There are no arrangements or contractual commitments that are not recognised in the consolidated balance sheet and about which information has not been provided in another note, including their possible financial effect, where such information would be material and useful in assessing the Group's financial position.

16. EVENTS AFTER THE REPORTING PERIOD

On September 28, 2026, Facephi and BBVA entered into a three-year loan agreement for € 0.6 million, maturing on September 30, 2029. This was the only additional borrowing incurred by the Company as at the date on which these consolidated interim financial statements were authorised for issue.

During October, the Directors expect the Admissions and Suspensions Committee of the Spanish Alternative Fixed-Income Market to admit to MARF the Base Information Document relating to the "Facephi 2026 Commercial Paper Programme", with a maximum outstanding balance of € 20 million and an expiry date of October 15, 2027.

Alicante, September 30, 2026

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Individual Balance sheet 30th june 2026 (in Euros)		
ASSETS	**30/06/2026**	**30/06/2025**
A) NON-CURRENT ASSETS	**19.357.355**	**18.031.091**
I. Intangible fixed asset	**13.731.481**	**12.391.675**
II. Tangible fixed assets	**1.725.181**	**2.115.855**
IV. Non-current investments in group and associated companies	**462.835**	**462.834**
V. Non- current financial investments	**154.151**	**145.709**
VI. Deferred tax assets	**1.560.316**	**391.356**
VII. Commercial debtors	**1.723.391**	**2.523.662**
B) CURRENT ASSETS	**19.915.376**	**21.679.797**
III. Prepaiment suppliers	**37.500**	**37.500**
III. Trade and other receivables	**18.263.630**	**19.677.059**
1. Clients from sales and provision of services	17.719.998	16.489.478
2. Customers, group companies and associates	0	29.862
3. Other debtors	2.207	4.257
5. Assets for current assets	0	1.495.994
6. Other credits with Public Administration	541.425	1.657.468
IV. Current Investments in Group Companies	**209.181**	**237.332**
V. Current financial investments	**122.756**	**371.412**
VI. Short term accruals	**633.222**	**670.182**
VII. Cash and cash equivalents	**649.087**	**686.312**
TOTAL ASSETS	**39.272.731**	**39.710.888**
EQUITY AND LIABILITIES	**30/06/2026**	**30/06/2025**
A) EQUITY	**15.398.910**	**16.866.695**
A-1) Shareholders' equity	**14.985.567**	**16.270.849**
I. Capital	**1.064.963**	**1.064.963**
II. Share premium	**33.708.316**	**33.708.316**
III. Reserves	**345.926**	**213.090**
IV. (Treasury stock and shares)	**(434.406)**	**(351.095)**
V. Gains retained	**(14.335.686)**	**(14.707.445)**
VI. Result attributed to the parent company	**(5.876.822)**	**(4.759.392)**
IX. Other equity instruments	**513.275**	**1.102.412**
A-3) Grants, donations and legacies received	**413.342**	**595.846**
B) NON-CURRENT LIABILITIES	**4.102.360**	**1.335.969**
I. Non-current provisions	**3.652.213**	**36.904**
II. Non-current debt	**147.407**	**732.979**
2. Debt with financial institutions	147.407	732.979
3. Financial lease creditors	0	0
IV. Deferred tax liabilities	**302.739**	**566.086**
C) CURRENT LIABILITIES	**19.771.462**	**21.508.224**
II. Short term provisions	**10.309**	**40.350**
III. Current debt	**8.134.984**	**8.409.472**
2. Debts with financial institutions	6.420.002	8.289.289
3. Financial lease creditors	(0)	36.204
5. Other financial liabilities	1.714.982	83.980
IV. Current debts in Group companies	**0**	**0**
V. Trade and other payables	**11.124.059**	**12.403.760**
1. Suppliers	6.179.046	4.826.646
2. Suppliers, group companies and associated	933.327	496.119
3. Other creditors	1.742.686	5.314.640
4. Other payables	267.934	1.111.436
6. Other debts with Public Administration	1.983.818	637.671
8. Customer advances	17.248	17.248
VI. Short term accruals	**502.110**	**654.642**
TOTAL EQUITY AND LIABILITIES	**39.272.731**	**39.710.888**

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Individual Profit and loss account 30th june 2026 (in Euros)		
	(Debit) Credit	
	30/06/2026	30/06/2025
A) CONTINUED OPERATIONS		
1. Net Revenue	**11.476.389**	**12.484.375**
b) Services provided	11.476.389	12.484.375
3. Work undertaken by the Company on its own assets	**2.224.899**	**2.371.165**
4. Supplies	**(3.626.769)**	**(2.640.446)**
c) Work undertaken by third party companies	(3.626.769)	(2.640.446)
5. Other operating income	**1.730.439**	**1.670.346**
a) Ancillary income and other current income	1.730.439	1.670.346
b) Operating subsidies included in the result for the financial year	0	
6. Staff expenses	**(7.532.165)**	**(7.868.371)**
a) Salaries, remunerations and similar expenses	(6.029.790)	(6.563.178)
b) Social contributions	(1.502.375)	(1.361.163)
c) Provisions	0	55.970
7. Other operating expenses	**(7.067.477)**	**(6.095.709)**
a) External Services	(5.849.917)	(6.197.361)
b) Other expenses	0	0
c) Loss, impairment and variation in provisions for trade operations	(1.217.560)	101.652
8. Fixed assets depreciation	**(3.277.760)**	**(3.052.422)**
9. Allocation of grants related to non-financial fixed assets and other	**130.869**	**124.735**
11. Impairment losses and gains or losses on fixed assets	**1.177**	**(1.754)**
14. Other profit / loss	**(32.141)**	**(8.780)**
A.1) OPERATING PROFIT/ LOSS	**(5.972.540)**	**(3.016.861)**
14. Financial income	**128.229**	**215.588**
15. Financial expenses	**(350.249)**	**(529.485)**
b) Others	(350.249)	(529.485)
16. Variations in the fair value of financial instruments	**0**	**260.667**
17. Adjustments for changes	**312.033**	**(1.568.533)**
A.2) FINANCIAL PROFIT/ LOSS	**90.013**	**(1.621.763)**
A.3) PROFIT/ LOSS BEFORE TAX	**(5.882.527)**	**(4.638.624)**
24. Income tax	**5.705**	**(120.768)**
A.4) PROFIT/LOSS FROM CONTINUED OPERATIONS	**(5.876.822)**	**(4.759.392)**
A.5) PROFIT/LOSS FOR FINANCIAL YEAR	**(5.876.822)**	**(4.759.392)**

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DEGREE OF ACHIEVEMENT OF 2026 PROJECTIONS

On 30 October 2026, the Board of Directors of Facephi Biometría, S.A. updated the financial estimates for the 2026 financial year, which were communicated to BME Growth through the corresponding publication of Inside Information on the same date.

The degree of achievement of these estimates as of 30 June 2026 is presented below, based on the consolidated interim financial statements for the first half of the financial year.

These projections estimate net revenue of €32.5 million, normalized EBITDA of €7.4 million and positive Free Cash Flow of €0.9 million.

According to the consolidated interim financial statements for the six-month period ended 30 June 2026, the Company achieved the following results and degree of achievement:

€ million	**2026 Estimated**	**H1 2026**	**% Achievement**
REVENUE	32.5	11.6	35.70%
NORMALIZED EBITDA (*)	7.4	-1.2	n/c
FREE CASH FLOW (**)	0.9	-0.7	n/c
NET FINANCIAL DEBT (***)	4.1	5.8	n/c

(*) Normalized EBITDA: Operating profit plus amortization and depreciation, plus impairments from prior years, plus severance payments.

(**) Free Cash Flow: Calculated as the cash flow generated from the business's operating and extraordinary activities during the period.

(***) Net Financial Debt: Bank debt less cash and cash equivalents.

The Company considers its H1 2026 performance to be aligned with the projections for the full year and consistent with the seasonality of its business, with the second half of the year historically making a greater contribution in terms of revenue and cash generation, supporting the expected evolution of free cash flow and net financial debt.

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