

EURONEXT PARIS

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Alicante, 15th of December 2020

COMUNICACION – PRIVILEGED INFORMATION – FACEPHI BIOMETRÍA, S.A.

Dear Sir/Madam,

Under the provisions of article 17 of the Regulation (EU) No. 596/2014 on market abuse, and article 228 of the consolidated text of the Spanish Securities Market Law, approved by the Royal Legislative Decree 4/2015, of 23rd October, we inform you about the yearly financial report for 2019 related to the company FACEPHI BIOMETRIA, S.A. (hereinafter “FacePhi” or “the Company”, interchangeably).

PRIVILEGED INFORMATION

FACEPHI BIOMETRÍA, S.A. announces the signing of an investment agreement with Nice & Green, S.A. for a maximum amount of TWENTY MILLION EUROS (20,000,000 euros). This agreement will be brought to fruition through convertible warrants. The investment commitment ends on 31 December 2022.

The exercise price of the warrants will be equal to 92% of the weighted average share price in the 6 stock exchange sessions prior to the date on which the warrants are exercised. As a complement to the agreement reached, the directors Mr. Salvador Martí Varó, Mr. Javier Mira Miró and Mr. Juan Alfonso Ortiz Company have committed, each of them, to lend Nice & Green 176,666 shares of their ownership.

The funds obtained will be used to accelerate the organic growth that the company is experiencing in geographical areas such as Latin America, the United States and Asia. It will also be used to continue its international expansion and strengthen and expand the workforce to pursue excellence and commitment towards the company's objectives. That way, it will be possible to achieve product excellence in response to the increasingly demanding market.

The issuance of warrants is subject to the approval of the Company's General Shareholders' Meeting.

In addition, FacePhi has closed a syndicated loan of up to THIRTEEN MILLION EUROS ('13,000,000). This loan will be formalized with the following banks: Banco Santander, CaixaBank, Banco de Sabadell and Deutsche Bank. It will be structured in three tranches:

- TRANCHE A: nominal amount of 6 million euro at 5 years with half-yearly amortization.

- TRANCHE B: Ordinary revolving credit. Nominal amount of up to 5 million euro at 3 years plus two possible renewals of 1 year.
- TRANCHE C: Extraordinary revolving credit. Nominal amount of up to 2 million euro at 3 years with two annual renewals of up to 5 years.

The interest rate applicable to each Interest Period will be Euribor + an initial 3%. This margin will vary according to the evolution of the Net Financial Debt/EBITDA ratio. Likewise, the pledge of Credit Rights is established as a guarantee of repayment, as well as a Chattel Mortgage.

Finally, the Company's Board of Directors (at its meeting held on December 1, 2020) agreed to call an Extraordinary General Shareholders' Meeting to be held on January 25 and 26, 2021. It will be held at 5:00 p.m. at the Company's registered office located at 03008 Alicante, Avenida México, nº 20, Edificio Marsamar, 3ºC.

Attached is the announcement of the call for applications which has been published on this same date on the Company's web page.

In compliance with the provisions of "Circular 3/2020" of the segment BME Growth of MTF Equity, it is expressly stated that the information hereby communicated has been produced under the sole responsibility of the company and its administrators.

We remain at your disposal for any clarifications you may require.

Mr. Salvador Martí Varó

Chairman of the Board of Directors

FacePhi Biometría, S.A.

EXTRAORDINARY GENERAL SHAREHOLDERS' MEETING

The Board of Directors of FacePhi Biometría, S.A. (hereinafter, the Company), calls an Extraordinary General Shareholders' Meeting. The meeting will take place at the first call on January 25th, 2021, at 5:00 p.m. It will be held at the Company's registered office, that is, Avenida México, nº 20, Edificio Marsamar, 3ºC (03008), Alicante, Spain. In the event that a sufficient quorum is not reached, it will take place on second call, (the following day at the same place and time) for deliberation and, if necessary, approval of the next one.

MEETING AGENDA

FIRST - Delegation to the Board of Directors of the power to issue convertible warrants of the Company in favour of Nice & Green S.A.. It includes the exclusion of pre-emptive subscription rights (maximum amount of 20,000,000 euros) and the possibility to increase the share capital to execute the conversion of said warrants.

SECOND - Delegation of powers.

THIRD - Requests and questions

FOURTH - If applicable, drafting, reading and approval of the minutes of the General Meeting

RIGHT TO INFORMATION

In accordance with the provisions of Articles 287, 301.4, 414 and 417 of the Law on Corporations, the shareholders are informed that as of this call any of them may obtain from the Company (immediately and free of charge) the following documentation:

- The Report of the Board of Directors of the Company regarding point 1 of the Agenda.
- The Report of the Independent Expert regarding point 1 of the Agenda.

Additionally, any shareholder may examine the mentioned documentation at the Company's registered office, all without prejudice to the fact that they are available on the Company's web page (www.facephi.es) and may request that they be delivered or sent to them free of charge.

Likewise, in accordance with the provisions of Articles 197.1 and 197.2 of the Law on Corporations, it is hereby stated that from the publication of this notice of call (up to the seventh day prior to the date scheduled for the meeting at first call) the shareholders have the right to request in writing the information or clarifications regarding the agenda. They may also ask any questions they consider necessary. Moreover, during the celebration of the general meeting, the shareholders may verbally request the information or clarifications they consider convenient regarding the agenda. If the shareholder's right cannot be satisfied at that time, the directors will be obliged to provide the requested information in writing, within seven days after the conclusion of the meeting.

RIGHT OF ATTENDANCE AND REPRESENTATION

The General Meeting may be attended by all shareholders who appear as holders in the corresponding accounting register (at least five days before the meeting is held) and who have the attendance card at the company's registered office. This card may be replaced by the appropriate certificate of entitlement issued by the corresponding entity affiliated to IBERCLEAR.

Any shareholder who so requests and accredits his status may obtain the aforementioned attendance card, both nominative and personal, at the registered office. This card will allow the shareholder to exercise all his rights as a shareholder of the Company. Any shareholder who is entitled to attend the General Meeting but does not attend may be represented by another person. This person may not be a shareholder, but must comply with the requirements and formalities required by law. The representation must be conferred in writing or by any telematic or audiovisual means. In the latter case, it must be recorded on film, magnetic tape or computer, accompanied by an electronic copy of the attendance and proxy card duly signed by the shareholder. If it is not recorded in a public document, it must be special for each Meeting. The representation shall include all the shares held by the represented shareholder. The representation is always revocable. The attendance of the represented shareholder to the General Meeting will imply a revocation of the representation right.

The shareholders must be informed that it will not be possible to attend the meeting remotely as the Company does not have the technical means to recognize and identify those attending, the permanent communication between those present, and the intervention and issuance of the vote in real time.

DATA PROTECTION

The personal data that shareholders send to the Company for the exercise of their rights of attendance, delegation and vote at the General Meeting will be treated with the purpose of managing the development, compliance and control of the existing shareholder relationship. Also, the data provided by the banks, companies and securities agencies in which these shareholders have their shares deposited or through the entity legally authorized to keep the register of book entries: IBERCLEAR.

Likewise, the shareholders are informed that these data will be included in a computer file owned by the Company, and the shareholders will have the possibility to exercise their right of access, rectification, cancellation and opposition by means of a written communication sent to the Company (calle Méjico, 20, 3-C, 03008, Alicante) or to the email address dpo@facephi.com (in accordance with the provisions of Regulation 2016/679 of the European Parliament and the Council, on Data Protection)

In the event that the shareholder includes personal data in the representation card referring to other individuals, the shareholder must inform them of the points contained in the previous paragraphs and comply with any other requirements that may be applicable for the correct transfer of the personal data to the Company, requesting, if appropriate, expressed consent for the processing of their data.

FacePhi will apply the security levels established by the regulations according to the nature of the data being processed, adopting certain measures to guarantee a level of security appropriate to the risk. These measures include, among others, the pseudonymization and encryption of personal data, the ability to guarantee the confidentiality, integrity and availability of the processing systems and services, and the ability to restore access to personal data in the event of a physical or technical incident.

ADDITION TO THE AGENDA OF THE GENERAL MEETING

As from the publication of the announcement of this notice of the General Meeting, those shareholders representing at least 5% of the share capital may address to the Company suggestions they consider appropriate in order to promote the inclusion of new items in the agenda. Moreover, they may request the publication of a supplement to the notice of the General Meeting. The new points must be accompanied by a justification or a justified proposal for a resolution. The exercise of this right must be done by means of reliable notification that must be received at the registered office within five days of the publication of this notice of call.

Alicante, 15th December 2020

Mr. Salvador Martí Varó

Chairman of the Board of Directors