

ALTERNATIVE EQUITY MARKET (MAB)

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

Alicante, 24th July 2020

COMMUNICATION- PRIVILEGED INFORMATION- FACEPHI BIOMETRIA, S.A.

Dear Sir/ Madam:

Pursuant to Article 17 of Regulation (EU) No. 596/2014 on market abuse and article 228 of the consolidated text of the Securities Market Law, approved by Spanish Royal Legislative Decree 4/2015, of 23 October, and concordant provisions, as well as in Circulars 6/2018 and 4/2018 of the Alternative Equity Market (MAB), we inform you of the following Relevant Fact regarding the company FACEPHI BIOMETRIA, SA (hereinafter "Facephi" or "the Company" interchangeably).

PRIVILEGED INFORMATION

The Company then presents the preview of results for the first six months of 2020, setting the date of publication of interim financial statements at 30th June 2020 and the limited review of the semi-annual financial the next 5th of August of 2020.

During this period, FACEPHI **has obtained a revenue from the sale of licenses of € 2,585,991**, which translates into growth of **143%** compared to the turnover for the same period of the previous year and a negative EBITDA of € 534,034.

PROFIT AND LOSS				
	1 st Semester 2020 Pre-Audit	1 st Semester 2019 Pre-Audit	Var. %	Notes
Total REVENUE	3.035.009 €	1.367.922 €	121,87%	
Net amount of the turnover	2.585.991 €	1.063.863 €	143,08%	1*
Tasks performed by the company for assets	443.053 €	299.734 €	47,82%	
Other operating income	5.965 €	4.325 €	37,93%	
Total EXPENSES	-3.569.043 €	-1.817.887 €	96,33%	
Procurements	-920.951 €	-145.536 €	532,80%	2*
Personnel expenses	-1.461.765 €	-889.382 €	64,36%	3*
Other operating expenses	-1.213.921 €	-810.613 €	49,75%	4*
Allocation of grants relating to non-financial assets And others	33.532 €	33.532 €	0,00%	
Other results	-5.938 €	-5.888 €	0,85%	
EBITDA	-534.034 €	-449.965 €	18,68%	
Fixed asset amortization and allowances	-278.924 €	-224.454 €	24,27%	
EBIT	-812.958 €	-674.419 €	20,54%	

Notes:

1*. During the first six months of the fiscal year, FacePhi has undersigned a total of 10 new clients and/or contracts, while during the entire 2019, it obtained 13 in total.

2*. Increase in the acquisition of technology from strategic suppliers given the alliances with them.

3*. To meet the growth challenge, the company continues to focus on improving and growing the organizational structure, which has meant that during the first half of 2020 there have been 13 new incorporations to the company.

4*. The increase refers to several points: a) expansion and reform of the current office, b) sales commissions, c) costs associated with the IPO on Euronext last February d) costs related to capital increases subscribed by N&G and the commission for the study and opening of the Smart fund.

We here attach a press release corresponding to the preview of results.

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

Sincerely,

Salvador Martí Varó

Chairman of the Management Board

Preview of half-yearly results published today

FacePhi increases revenues by 143% in the first half of 2020

The Spanish company FacePhi, a world leader in biometric facial recognition technology with a strong presence in the financial sector and which is listed under the *dual listing* formula, listing both on the Euronext Growth market in Paris and on the Alternative Equity Market (MAB) in Spain, has introduced a preview of results for the first half of 2020. During this period, the company has obtained a revenue from the sale of licenses of 2.59 million euros, which translates into growth of 143% compared to the revenue for the same period of the previous year.

Likewise, the Fintech firm based in Alicante, has obtained a negative EBITDA of 0.53 million euros, a decrease of 18.68%, as a result of the growth and international expansion of the company that has required heavy investments. In this regard, it should be noted the costs associated with the IPO on Euronext last February or the costs related to the capital increases subscribed by Nice & Green.

During the first six months of the fiscal year, FacePhi has undersigned a total of 10 new clients and/or contracts, while during the entire 2019, it obtained 13 in total. To cope with this growth, the company continues to focus on improving and growing the organizational structure, which has meant that during the first half of 2020 there have been 13 incorporations of new employees to the company.

Likewise, it may be pointed out that last February, FacePhi began trading on Euronext Growth in Paris, a stock market specialized in small and mid-cap companies. This dual listing of the company aims to increase the company's visibility in the European market to attract new institutional investors.

According to Javier Mira, CEO of FacePhi "these financial results highlight the great challenge of the company, to continue internationally growing to become the benchmark partner in the field of facial biometrics in sectors such as banking and health". Mira adds that "all our resources are focused on consolidating our presence in the Asia-Pacific region, as well as expanding our network throughout the Americas," concluded the company's CEO.



The good behavior of the company and the announcement of a new international agreement in Argentina or the development of a new facial recognition algorithm with face masks, have caused FacePhi to register increases in the value of its shares of over 10%, reaching a revaluation of around 40%.

In 2019, FacePhi signed an investment agreement worth 4 million euros with the Swiss firm specialized in investments in small and medium-sized listed companies, Nice & Green. These funds are allowing to reinforce the growth of the company and it is intended to accelerate the business development of the company specialized in biometrics in the markets of America and Asia.

About FacePhi

FacePhi is the leading Spanish company in biometric solutions for identity verification, specialized in facial recognition systems, digital onboarding and safe work environments. Based in Alicante and worldwide visibility, the company has a presence in more than 25 countries, has performed more than 850 million authentications, 6 million access programs and has a strong presence in the banking sector. The drive of biometrics to improve customer experience and protect data from citizens and entities is the hallmark of the firm.

More info

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www.facephi.com