

BME – GROWTH

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

Alicante, 8th February 2023

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

Dear Sirs,

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, and related provisions, as well as in the Circular 3/2020 of BME Growth, we inform you about the following information related to the company FACEPHI BIOMETRIA, S.A. (hereinafter "Facephi" or "the Company", interchangeably).

The consolidated annual accounts of Facephi Biometría, S.A. and subsidiaries are being audited. However, no significant changes are expected in the main financial magnitudes once said process is concluded.

During the 2022 financial year, the FACEPHI Group has obtained a figure of income of 22,20 million euros from the sale of licenses, which means an increase of 68,66% with respect to the 13,16 million euros recognized at closing of the financial year 2021. The Group presents a positive EBITDA in 2022 of 4.31 million euros, being 131,97% higher than the previous year. Likewise, the operating result is 1,82 million euros.

Below is the unaudited profit and loss account of the FACEPHI Group as of December 31, 2022, together with the audited consolidated profit and loss account of the previous year.

PROFIT & LOSS ('000)			
	2022 RESULTS PREVIEW (Consolidated)	2021 AUDITED (Consolidated)	Var. %
Total REVENUE	€ 26,017	€ 15,337	69.64%
Net revenue	€ 22,198	€ 13,162	68.66%
Task performed by the company for assets	€ 3,819	€ 2,175	75.55%
Total EXPENSES	-€ 21,707	-€ 14,579	48.89%
Procurements	-€ 3,183	-€ 1,878	69.53%
Personnel expenses	-€ 11,066	-€ 7,265	52.32%
Other operating expenses	-€ 7,700	-€ 5,554	38.64%
Other results	€ 243	€ 118	105.29%
EBITDA	€ 4,310	€ 758	468.54%
Ajusted EBITDA	€ 4,310	€ 1,858	131.97%
Depreciation of Fixed Assets	-€ 1,960	-€ 1,285	52.60%
Losses, impairment and variation in provisions	-€ 527	-€ 75	600.41%
EBIT	€ 1,822	-€ 602	-402.77%

In compliance with Circular 3/2020 of the segment BME Growth of BME 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 clarification you might deem necessary.

Sincerely,

Javier Mira Miró

Chairman of the Board of Directors



RESULTS

Preview 2022

NOTE FROM THE CEO

Javier Mira —————

2022 has once again been a year of new **records**, and the figures that we present below indicate this. In the year of our tenth anniversary, we started with many expectations and challenges to meet, and we can say that **we have achieved our proposed objectives**.

First of all, we had a new product: **Facephi Identity Platform**, in which we have invested time and effort to make the most complete and competitive product on the market. Commercialisation **expectations** were **very high** and to meet them we have dedicated the appropriate resources, with the reinforcement of our international sales team and the development of new sales channels.

In this regard, Facephi's **international expansion** was consolidated with **a double commitment**: The opening of a **subsidiary office** in Montevideo to reinforce **LATAM** technical support, and another one in London to take advantage of all the commercial opportunities present in the wide **EMEA** market. The objectives were set, the means were available and we ended 2022 with both structures organised and running.

The great results obtained this year indicate that the strategy and the work carried out are adequate and that we are on the right path. Once again, we have obtained historical figures that show the **great growth** of the company and that give us room to set new goals and challenges in a constantly evolving market.

Today's society increasingly demands solutions that protect people's digital identity, and we have before us the challenge of responding to this. Since we started in 2012, we have been anticipating each step that digital society has taken and we will continue to do so. For this reason, without ceasing to be leaders in the banking sector, our roadmap is to reach new industries where biometric technology is increasingly in demand, such as the cryptocurrency and gambling sectors.

For yet another year, **I am grateful for the trust** that investors, customers and partners have in us. **We keep moving forward, innovating and leveraging** the opportunities that are presented in this exciting moment that our society is experiencing, with the **digitalisation of people's identity** and **protection of it** being the greatest challenge. Faithful to the spirit with which we started out a decade ago, we will continue to **grow without limits** in new, exciting and disruptive scenarios, anywhere on the planet.

COMPANY'S EVOLUTION

In 2022 we made a qualitative leap in our business trajectory, in accordance with the objectives set out and achieved in the roadmap of the last year. The positive results obtained support our strategy focused on three factors: The consolidation of our international presence with the opening of subsidiary offices in LATAM and EMEA; the constant innovation of our solutions with the obtaining of the most complete product in the sector; obtaining new certifications that guarantee reliability and make it the best on the market, and a solid commercial strategy. All of this has allowed us to significantly increase our number of new customers in 2022.

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TECHNOLOGY

Technology



We were born in 2012 as a small group of engineers and mathematicians looking to develop an **authentication algorithm**. In this way we become pioneers in entering the world of **biometrics**, an innovative and developing market. With our **facial recognition** technology, we started a path that led us to be pioneers in **access to online banking** by facial recognition around the world.

2012 - 2016

AUTHENTICATION



FACIAL BIOMETRICS



APPLICATIONS OF OUR TECHNOLOGY IN THE FINANCIAL INDUSTRY

- **FIRST IN THE WORLD** IN ACCESS TO ONLINE BANKING BY FACIAL RECOGNITION
- TRANSACTION APPROVAL








Technology

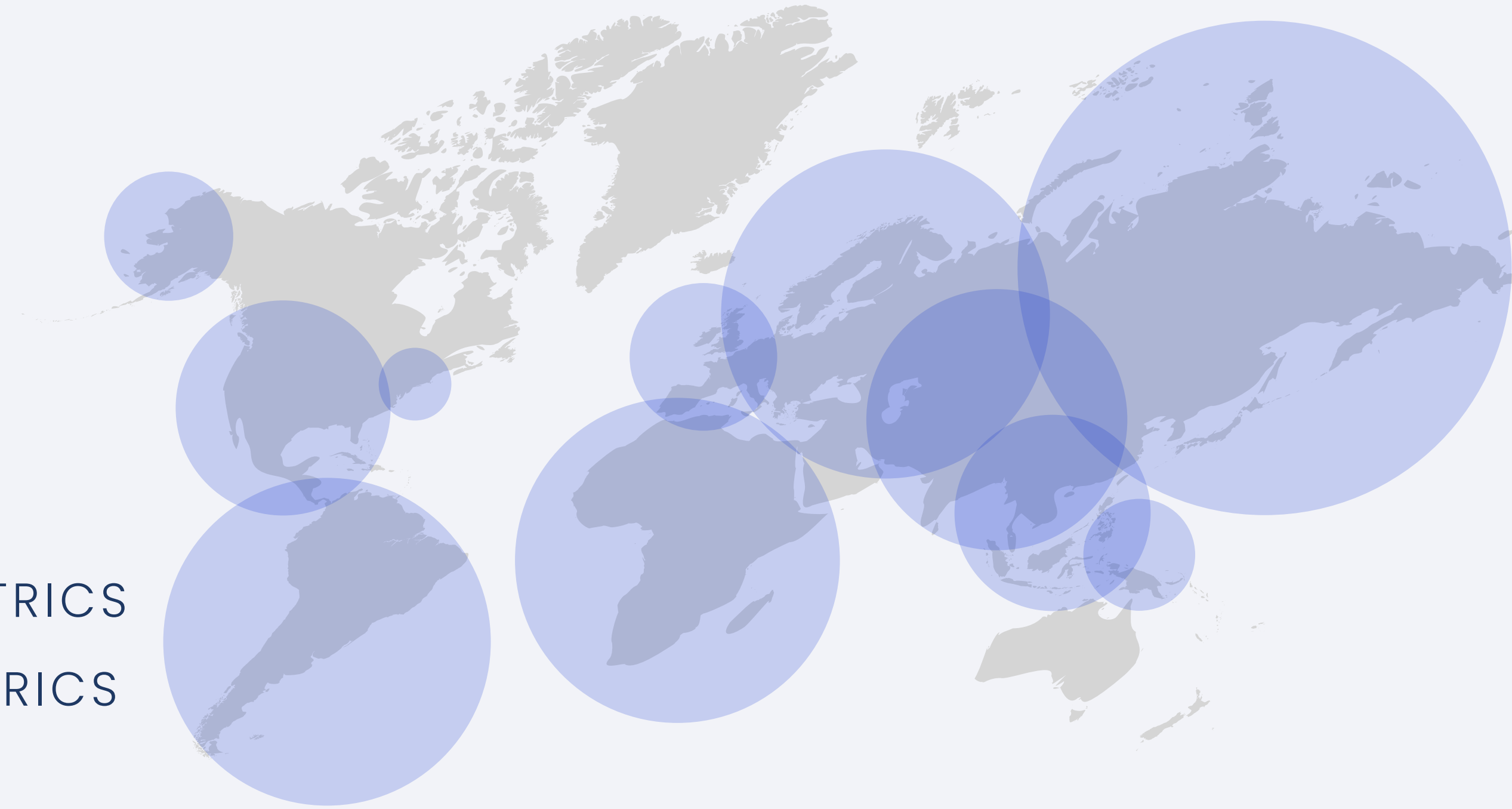


To continue this trend and stay at the forefront of a sector that is constantly evolving, we became **leaders in authentication technologies and digital onboarding**. In this period we develop more biometrics such as voice, fingerprint and periocular, and we reach new industries and countries offering **the fastest, safest solutions with the best user experience**.

2017 -2021

IDENTITY VERIFICATION

-  DIGITAL ONBOARDING
-  FINGERPRINT BIOMETRICS
-  FACIAL BIOMETRICS
-  PERIOCLULAR BIOMETRICS
-  VOICE BIOMETRICS



APPLICATIONS OF OUR TECHNOLOGY

-  **FINANCIAL INDUSTRY**
- **FIRST IN THE WORLD** IN ACCESS TO ONLINE BANKING BY FACIAL RECOGNITION



→ **FIRST IN THE WORLD** TO APPLY FACIAL RECOGNITION TO CASH WITHDRAWAL AT ATMS

→ OPENING **BANK ACCOUNTS**

→ PROOF OF LIFE IN **PENSION COLLECTION**

→ **TRANSACTION APPROVAL**

-  **SPORTS EVENTS INDUSTRY**
- ACCESS TO FOOTBALL STADIUMS
-  **INSURANCE INDUSTRY**
- **CONTRACTING** POLICIES
-  **HEALTHCARE INDUSTRY**
- VERIFICATION OF **PATIENT IDENTITY**

-  **TRAVEL AND TRANSPORT INDUSTRY**
- IDENTITY VERIFICATION IN ACCESS TO AIRPLANES AND CHECK-IN AT AIRPORTS
-  **SMART CITIES**
- IDENTITY VERIFICATION WITH A SINGLE REGISTRY FOR ACCESS TO ALL CITY SERVICES

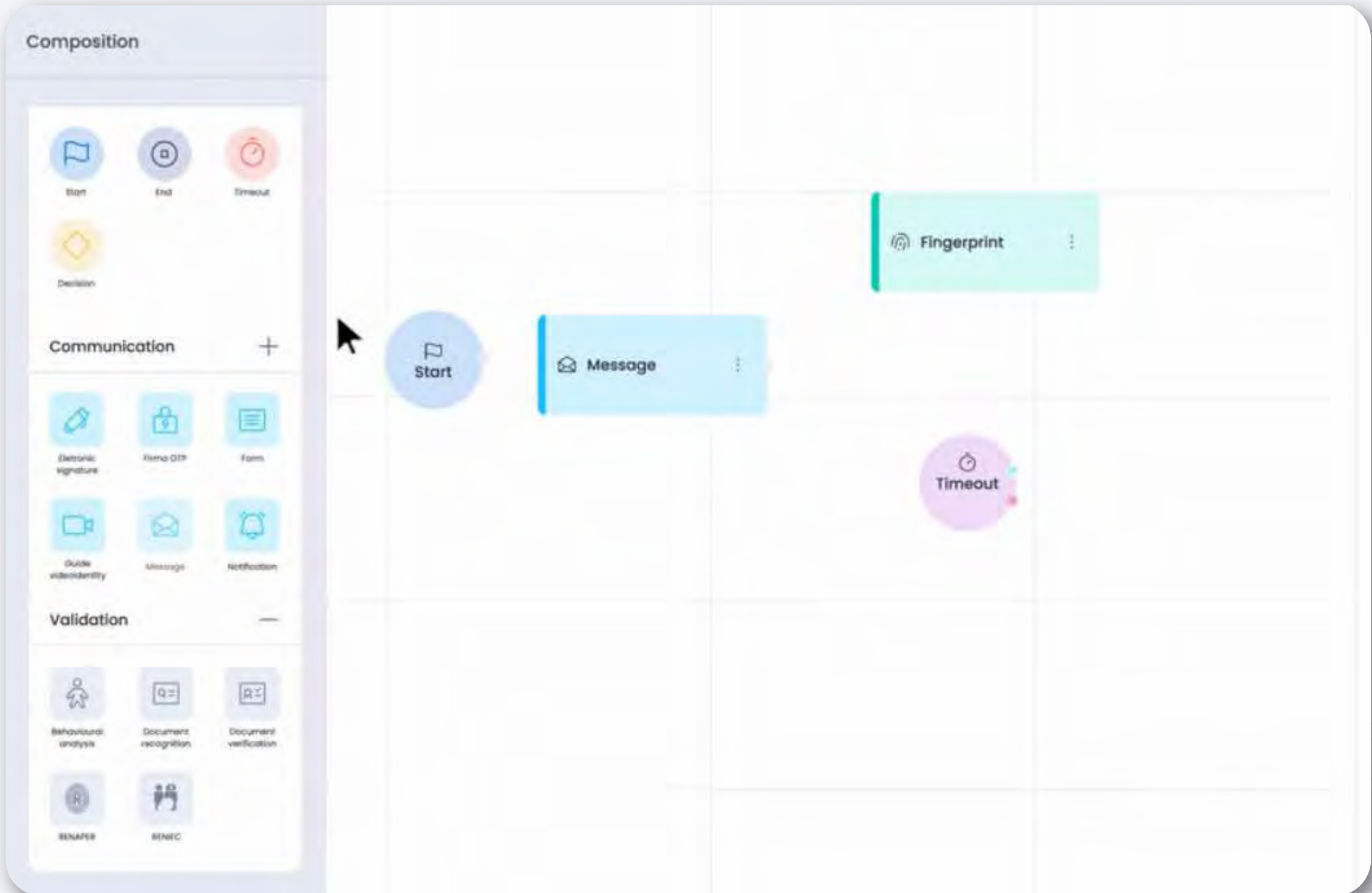
WHAT SETS US APART FROM THE REST

 FASTEST	 SAFEST
 WE DO NOT STORE USER DATA	 BETTER USER EXPERIENCE









The most complete Digital Identity verification platform on the market

In 2021 we started the **transformation of our business model**, going from developing customized solutions for each client to an integrated and versatile solution that allows us to work with a **"Plug & Play"** model.

With our new **Digital Identity verification** platform we end our best year becoming precursors of the most complete solution in the market with which we will be able to reach **more customers, industries and regions**.



WHAT DOES OUR NEW PLATFORM OFFER?

- | | | | |
|--|--|---|---|
| 
FRAUD
CONTROL | 
ADVANCED USE
OF ARTIFICIAL
INTELLIGENCE | 
DATA PRIVACY
MANAGEMENT | 
BIOMETRIC
MULTIMODALITY |
| 
IMPROVED USER
EXPERIENCE | 
TRANSACTION
CONTROL | 
DESIGN OF
ONBOARDING AND
AUTHENTICATION
FLOWS | 
VIDEO SUPPORT
SOLUTION |

For more information [click here](#)

Technology

New certifications



The certifications that we are obtaining guarantee the excellence of the Facephi product and attest to the security and confidence that our clients achieve when applying them in any sector. In 2022 we continued to obtain different certificates of recognition that demonstrate our commitment to the high-quality standards required by the industry. All of them guarantee our commercial advantages over the competition, establishing us as the most reliable provider of biometric solutions that protect people's digital identity.



KISA K-NBTC: Recognition issued by the National Biometric Testing Center (K-NBTC), belonging to the **Korea Internet & Security Agency** (KISA). It guarantees the **reliability** of our technology for use in the Korean market.



PINAKES: Distinguishes us as **an approved technology provider** for any Spanish banking entity and we become part of the supply chain of **the Interbank Cooperation Center** (ICC), dependent on the Bank of Spain.



ISO 30107-3 LEVEL 2: We demonstrate that our user **digital identity verification** technology meets the necessary requirements to prevent identity theft or fraud.



ENS: Certifies that our technology guarantees **the protection of the information and data of Spanish citizens**. The recognition endorses us as one of the safest companies for the **General State Administration**.



ISO 22301: International Standard for **Business Continuity, Security and Resilience Management** that helps companies plan strategies to ensure their clients **the uninterrupted provision of the services** they contract, even if a serious incident occurs.

STRUCTURE

Structure

Subsidiary offices



Our firm commitment to grow and to serve more industries in more countries has been reflected in the opening of two new subsidiary offices in 2022, in LATAM and EMEA, in addition to the one already set up in APAC.



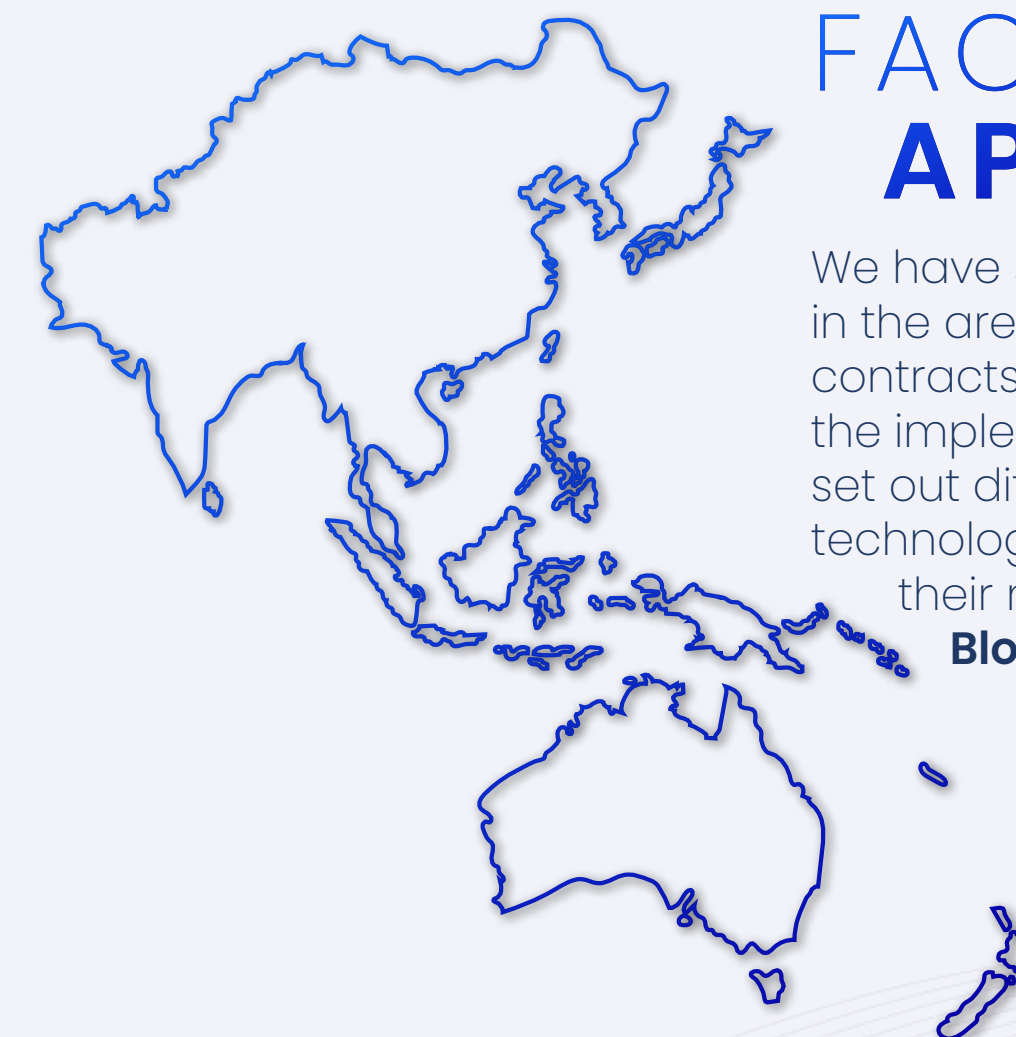
FACEPHI EMEA

During 2022 we have established a strong **commercial team** based in London, that works from different countries with the aim of taking advantage of the new market opportunities in this vast commercial area. **Cryptocurrencies** and **online gaming** stand out as new sectors where we can establish ourselves.



FACEPHI LATAM

Consolidated and new LATAM clients have a structure of local professionals that guarantee **effective technical support**. We continue to enter new markets such as the Dominican Republic and Nicaragua through **disruptive Fintech companies**.



FACEPHI APAC

We have strengthened our presence in the area with the signing of new contracts in the **Fintech sector** and the implementation of projects that set out different applications of our technology, such as **smart cities** and their management through the **Blockchain**.

Structure

Employees



In 2022 we have continued to grow at all levels. With a growing number of customers and a market where the demand for identity verification solutions is increasing, we have strengthened our team so that we can continue to take advantage of all the opportunities presented to us and offer the best solutions to our customers.

↑ 30%
IN 2022

+220
EMPLOYEES

70%
ENGINEERS

BUSINESS

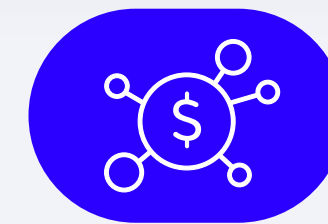
Business

New clients



Facephi was created 10 years ago, with the financial industry as a business strategy and the LATAM market as its main destination. During this time, we have specialised in banking, one of the most regulated and demanding sectors in terms of user security, while adapting to the needs of other industries. Thanks to this vision, we have continued to grow and entered other sectors such as insurance, health, travel, transportation, sports events and smart cities. In 2022 we have fully focused on promoting the commercialisation of our comprehensive and innovative **Facephi Identity Platform**, which has allowed us to expand our customer portfolio and reach more industries and countries with à la carte biometric solutions.

+100 NEW CLIENTS



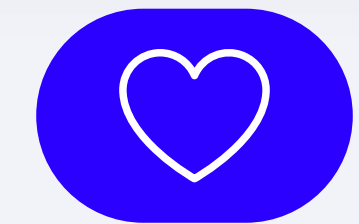
FINTECH



Onboarding and Authentication for Korea's Leading P2P Non-Bank Credit Fintech.



Onboarding and authentication for the main P2P in Central America through its Kash application.



HEALTH



Patient Identity verification system.



RETAIL



Onboarding and identity verification to obtain a credit card for the main retailer in Chile.



SHARED MOBILITY



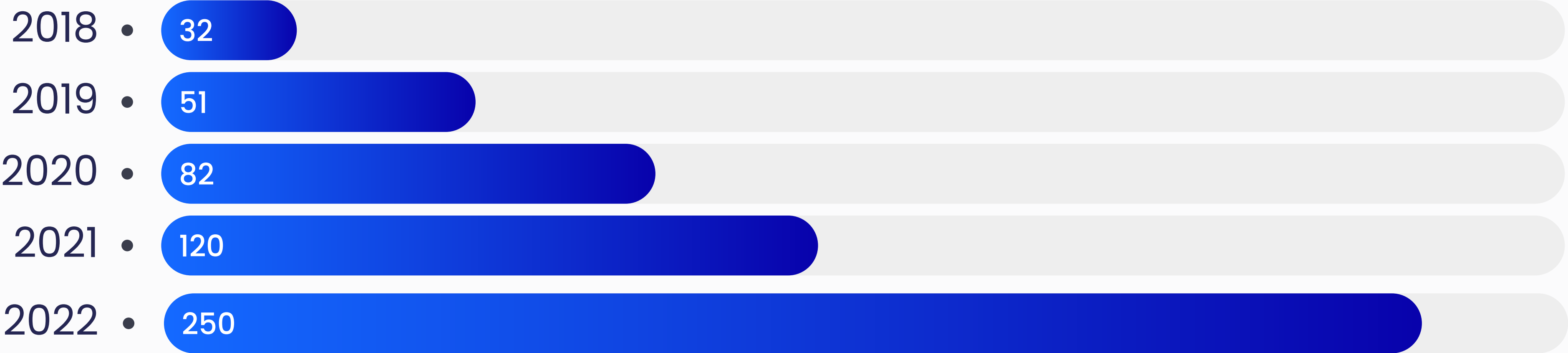
Digital onboarding for the carsharing service promoted by Repsol and Kia. New industry.



BANKING



Onboarding and authentication for one of the largest financial groups in Central America.



95%
CUSTOMER
RETENTION

Business

Some of our clients



RESULTS

Results

Revenue & EBITDA



REVENUE

€22.20M

↑ 68.66%*

EBITDA

€4.31M

↑ 131.97%*

Results

Revenue & EBITDA



During 2022, our business strategy focused on the commercialisation of the **Facephi Identity Platform**. This complete, innovative product has allowed us to have a more scalable business model, further **diversify** our **customer portfolio** and reach **more industries and countries**.

The record figures that we reached in 2022 have shown the success of our commitment. In 2022 we increased **turnover** by 68.66% compared to 2021, reaching €22.20M, while registering a **positive EBITDA** of €4.31M Of the total invoiced, 55.98% is due to the sale of the **Facephi Identity Platform**, a new way of bringing Facephi's biometric solutions to the market, which is very versatile and ready to apply our technology in many more sectors such as shared mobility, public administration and disruptive Fintech.



*From 2020 onwards, consolidated data from the Facephi group.

**Adjusted EBITDA, having deducted from the EBITDA the expenses incurred for compensation payments according to note 15.A and the expenses of item 14 of the Profit and Loss Account of the Financial Information published on 29th April 2022.

***Figures in the process of being audited

Source: Facephi

Results

Profit & Loss (000)



The end of the 2022 financial year provided **very positive results**, with **revenue** reaching €22.20M, another record figure in line with the upward trend of recent years. This increase is due to the significant rise in **new contracts** signed (more than 100) and the renewals and extensions of those already established, motivated by our characteristic high customer retention.

The commitment to internationalisation, with the opening of new subsidiary offices in LATAM and EMEA, as well as the necessary increase in our technical and commercial structure to accompany the expected growth, has been reflected in an **increase in expenses** by 48.89%. This figure has been **offset** thanks to the **large earnings** recorded, which has allowed us to reach a **positive EBITDA** of €4.31M at the end of the year.

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Source: Facephi

PERSPECTIVES FOR 2023

Perspectives for 2023



During 2022 we have continued to consolidate our international expansion strategy and prepared the necessary conditions to take advantage of the commercial opportunities that arise in any region and industry. In 2023 we will continue working to keep exploring new market niches such as new and disruptive Fintech, gambling, cryptocurrencies and the digitalisation of public administrations, sectors where biometric technology applied to digital identity protection is expected to have a long-term future.

Facephi is prepared to address the challenges and take advantage of the opportunities that 2023 presents. This year we will continue to boost our business strategy to ensure that the number of new customers continues to increase exponentially, and we will continue to invest in research to always offer the most innovative product on the market, adapt it to the needs of each customer and leverage opportunities that allow us to market our solutions in more territories and industries.



