

Alicante, October 21st, 2024

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

Dear Sirs,

Pursuant to the provisions of Article 17 of Regulation (EU) 596/2014 on market abuse, Article 227 of Act 6/2023 of March 17th on Securities Markets and Investment Services and related provisions and Circular 3/2020 of the BME Growth segment of BME MTF Equity, we hereby inform you of the following information relating to the trading company FACEPHI BIOMETRIA, S.A. (hereinafter "FacePhi" or "the Company" interchangeably).

FINANCIAL INFORMATION FOR THE FIRST HALF OF 2024

- Consolidated interim financial statements as of June 30th, 2024
- Individual financial statements as of June 30th, 2024
- Report on the outcome of the first half of the 2024

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

Sincerely,

Javier Mira Miró

Chairman of the Board of Directors

Facephi set a new record growth figure in the first half of 2024, increasing its turnover by 20%

- ***The Company achieved a turnover of € 11.7 million and continues to reach the targets inherent in execution of its business plan and international expansion goals.***
- ***Facephi continues to make progress in its internationalisation and geographical diversification plans:***
 - *the Company signed an agreement with Hancom to expand its business in APAC and entered into a new business alliance in Pakistan;*
 - *in EMEA it penetrated the Polish and South African markets by means of its Partner strategy, one of its main growth drivers.*
- ***The management team expressed its satisfaction at having already achieved the optimum operational and technological structure, one that will enable Facephi to achieve faster growth and strengthen its cash flow as of 2025.***

Alicante, October 21st, 2024.- Facephi Biometría, S.A. (**BME Growth: FACE; Euronext Growth Paris: ALPHI**) Today (“Facephi” or “the Company”), the Spanish world leader in the protection and authentication of digital identity, announced its financial results for the first half of the 2024 financial year.

The Company achieved a turnover of € 11.7 million, a 20.0% increase in comparison with 1H23. Taken together, variable and fixed costs only rose by 13.9% while extraordinary expenses amounted to € 1.0 million. These expenses are basically related to restructuring of subsidiaries and corporate capital transactions, which means that normalised EBITDA¹ improved by 10.0% compared to 1H23.

With respect to overheads, Management now considers that the operating structure has reached its target dimension. As is usual in the technology sector, the cost of acquiring new markets, niches and customers occurs before the resulting growth impacts turnover which, like EBITDA, will rise significantly in 2025.

With respect to the main parameters of the Balance Sheet, Restated Net Equity² grew by 6.2% in 1H24 mainly due to contributions of € 7.4 million from Hancom and Nice & Green, currently the main shareholders. Their contributions are expected to exceed an estimated € 11.0 million by the end of the financial year. Restated Working Capital increased by a noteworthy € 0.9 million in the first six months of the year and is now approaching break-even point.

In the words of Javier Mira, Chairman of the Board of Directors: “We are delighted with our performance during the first half of 2024 because it represents the culmination

¹ Without taking extraordinary expenses into account.

² Book Net Equity plus the called capital contributions by Hancom and Nice & Green of €5 million and €0.6 million respectively pending formal transfer at the end of 1H24.

of years of investment to develop an exceptional corporate and technological structure and implement international expansion strategies that should enable us to achieve more profitable growth and generate consistent cash flow as of 2025.

This confidence is particularly noticeable in the strong growth in the ARR figure³ that rose from € 12.7 million to € 21.8 million between the end of 2022 and the end of 2023 before surging to € 27.4 million in the first half of 2024; in other words, it has more than doubled in less than two years.

In addition to the significant advances in the operational and financial structure, we must not forget the progress we have made to strengthen the Company's value, image and relationship with the capital markets during this year. We have taken three measures on this front:

- One. - Having identified new modes of capital contribution as a driving force of growth, we decided not to issue any more convertible bonds in our relationship with *Nice & Green*, our main shareholder.
- Two. - Aitor D'Oxandabaratz – an executive with more than ten years' experience as corporate CFO in industrial companies – has joined our team with the mission of successfully and profitably leading our expansion while closely monitoring the profitability and cash-generation aspects of the business.
- Finally, we have recruited Antonio Jorge as Investor Relations Officer to send a renewed signal of our determination to strengthen communication with all our institutional and retail investors with the aim of safeguarding their interests and ensuring a fruitful and successful long-term relationship.

In short, we are entering a new phase in which we have the talent, tools and operational and financial resources we need not only to grow faster, but to do so in a more profitable and productive manner, the result of years of hard work but above all of innovation, Facephi's DNA.”

About Facephi

Facephi is a technology company specialising in digital identity protection and verification and noted for its focus on data security and integrity. Its products are designed to create safer, more accessible fraud-proof processes to prevent identity theft and ensure ethical processing of data of a personal nature.

Facephi has more than a decade of experience in the development of technologies aimed at protecting the digital identity of people. With head offices in Spain and subsidiaries in APAC, EMEA and LATAM, Facephi serves the needs of more than three hundred customers across twenty-five countries worldwide, providing innovative solutions that address security challenges in a constantly-evolving digital environment.

Further information and contact

Investors: Facephi – antoniojorge@facephi.com

Media: Evercom – facephi@evercom.es

³ ARR: Annual recurring revenue.



FACEPHI BIOMETRÍA, S.A.

Interim financial statements corresponding to the six-month period ending June 30th, 2024

| Individual Balance sheet 30th June 2024 (in Euros) | | |
|---|-------------------|-------------------|
| ASSETS | 30/06/2024 | 31/12/23 |
| A) NON-CURRENT ASSETS | 30.754.467 | 30.427.857 |
| I. Intangible fixed asset | 12.018.270 | 11.837.865 |
| II. Tangible fixed assets | 2.417.187 | 2.565.865 |
| IV. Non-current investments in group and associated companies | 3.925.417 | 3.925.417 |
| V. Non-current financial investments | 131.709 | 129.785 |
| VI. Deferred tax assets | 4.462.150 | 4.901.032 |
| VII. Commercial debtors | 7.799.734 | 7.067.893 |
| B) CURRENT ASSETS | 18.807.330 | 18.085.530 |
| III. Trade and other receivables | 16.605.625 | 14.762.253 |
| 1. Clients from sales and provision of services | 14.772.681 | 12.973.216 |
| 3. Other debtors | 3.315 | 433 |
| 5. Assets for current assets | 0 | (733) |
| 6. Other credits with Public Administration | 1.829.629 | 1.789.338 |
| IV. Current investments in Group Companies | 1.035.282 | 0 |
| V. Current financial investments | 52.940 | 49.414 |
| VI. Short term accruals | 638.726 | 675.239 |
| VII. Cash and cash equivalents | 474.757 | 2.598.624 |
| TOTAL ASSETS | 49.561.798 | 48.513.387 |
| EQUITY AND LIABILITIES | 30/06/2024 | 31/12/23 |
| A) EQUITY | 19.868.694 | 23.199.752 |
| A-1) Shareholders' equity | 19.129.028 | 22.569.909 |
| I. Capital | 903.574 | 851.585 |
| II. Share premium | 26.679.312 | 24.231.301 |
| III. Reserves | (14.975) | 208.198 |
| IV. (Treasury stock and shares) | (360.306) | (393.977) |
| V. Gains retained | (2.327.198) | 0 |
| VI. Result attributed to the parent company | (5.751.378) | (2.327.198) |
| A-3) Grants, donations and legacies received | 739.665 | 629.843 |
| B) NON-CURRENT LIABILITIES | 2.244.469 | 3.258.245 |
| I. Non-current provisions | 36.904 | 36.904 |
| II. Non-current debt | 1.961.010 | 3.011.394 |
| 2. Debt with financial institutions | 1.924.806 | 2.927.486 |
| 3. Financial lease creditors | 36.204 | 83.908 |
| IV. Deferred tax liabilities | 246.555 | 209.947 |
| C) CURRENT LIABILITIES | 27.448.635 | 22.055.391 |
| II. Short term provisions | 90.350 | 288.168 |
| III. Current debt | 15.274.793 | 10.162.350 |
| 2. Debts with financial institutions | 9.283.264 | 8.603.348 |
| 3. Financial lease creditors | 94.360 | 92.287 |
| 5. Other financial liabilities | 5.897.168 | 1.466.715 |
| IV. Current debts in Group companies | 89.162 | 0 |
| V. Trade and other payables | 11.054.698 | 10.473.072 |
| 1. Suppliers | 3.849.563 | 3.640.986 |
| 2. Suppliers, group companies and associated | 237.102 | 175.828 |
| 3. Other creditors | 6.045.292 | 5.478.887 |
| 4. Other payables | 513.332 | 620.918 |
| 6. Other debts with Public Administration | 409.409 | 556.453 |
| VI. Short term accruals | 939.632 | 1.131.801 |
| TOTAL EQUITY AND LIABILITIES | 49.561.798 | 48.513.387 |

Consolidated Profit and loss account
30th June 2024
(in Euros)

| | (Debit) Credit | |
|--|--------------------|--------------------|
| | 30/06/2024 | 30/06/2023 |
| A) CONTINUED OPERATIONS | | |
| 1. Net Revenue | 11.074.650 | 9.544.648 |
| b) Services provided | 11.074.650 | 9.544.648 |
| 2. Work undertaken by the Company on its own assets | 2.366.543 | 2.100.488 |
| 3. Supplies | (3.241.667) | (1.899.781) |
| c) Work undertaken by third party companies | (3.241.667) | (1.899.781) |
| 4. Other operating income | 80.877 | 84.878 |
| a) Ingresos accesorios y otros de gestión corriente | 40.629 | 29.187 |
| b) Operating grants deferred to the exercise | 40.247 | 55.691 |
| 5. Staff expenses | (6.902.181) | (5.565.767) |
| a) Salaries, remunerations and similar expenses | (5.752.406) | (4.705.619) |
| b) Social contributions | (1.149.775) | (858.673) |
| c) Provisions | 0 | (1.475) |
| 6. Other operating expenses | (6.103.597) | (5.998.433) |
| a) External Services | (5.805.907) | (5.081.288) |
| b) Other expenses | 0 | (615.319) |
| c) Loss, impairment and variation in provisions for trade operations | (297.691) | (301.826) |
| 7. Fixed assets depreciation | (2.652.353) | (1.337.593) |
| 8. Allocation of grants related to non-financial fixed assets and other | 124.388 | 141.124 |
| 11. Impairment losses and gains or losses on fixed assets | 0 | (142) |
| 14. Other profit / loss | 1.593 | 25.502 |
| A.1) OPERATING PROFIT/ LOSS | (5.251.747) | (2.905.076) |
| 14. Financial income | 270.584 | 20.644 |
| 15. Financial expenses | (829.077) | (402.389) |
| b) Others | (829.077) | (402.389) |
| 16. Variations in the fair value of financial instruments | 0 | (268.802) |
| 17. Adjustments for changes | 246.769 | 220.150 |
| A.2) FINANCIAL PROFIT/ LOSS | (311.723) | (430.397) |
| A.3) PROFIT/ LOSS BEFORE TAX | (5.563.470) | (3.335.473) |
| 24. Income tax | (187.908) | (182.034) |
| A.4) PROFIT/LOSS FROM CONTINUED OPERATIONS | (5.751.378) | (3.517.508) |
| A.5) PROFIT/LOSS FOR FINANCIAL YEAR | (5.751.378) | (3.517.508) |

Review of the Accounts

First half
2024



I would like to highlight everything that 2024 has shown us so far. It has been a year of consolidation, including important agreements such as the one reached with HANCOM, which marks a significant milestone in terms of our international footprint, especially in the APAC region, and new opportunities in the technology landscape.

Strategic partnerships and a new revenue recognition model are proving effective. The current €11.7 million turnover is already positive for growth.

We have strengthened leadership and management with a strategic focus by creating new positions for the CFO and Investor Relations, an Operations Directorate in LATAM, which has become a global customer support centre, and by incorporating Nice&Green into our Board of Directors.

Our adaptability is based on technological innovation with a strong focus on security, which has led us to include new functionalities such as behavioural biometrics, premium UX consultancy services and KYB Platform.

We positioned ourselves as an anti-fraud benchmark, organising proprietary events for the first time, such as the Digital Trust Meet, which took place in Spain and Mexico and included companies, institutions and leading individuals.

This year we celebrated our tenth anniversary on the BME Growth, the Spanish stock market.

I would like to thank all the Facephi team for their commitment and dedication, as well as the trust placed in us by each and every one of the entities that count on us.





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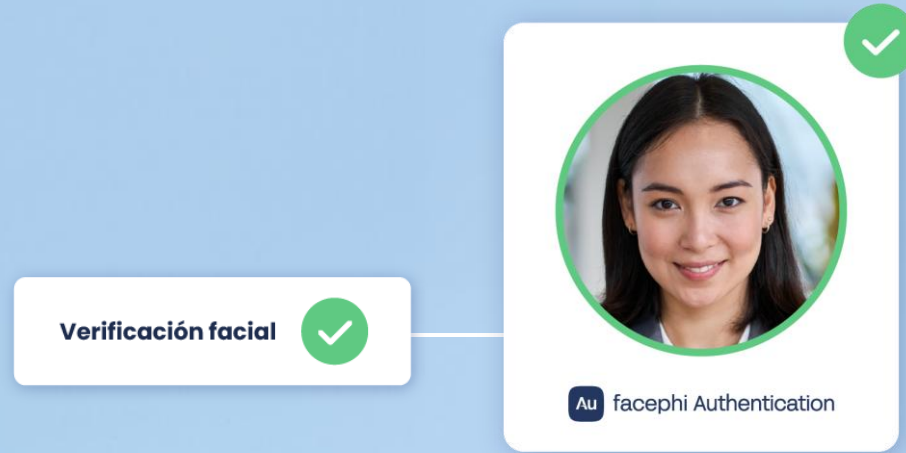
Financial data
Turnover and EBITDA

04 Insights



Business development





Digital identity protection and verification experts





Moving towards **integrated digital** identity management

On facephi Onboarding

Verifies your customer's identity **in less than 10 seconds**



Passive Liveness



Validation against exclusion lists



Government databases



Video onboarding



OCR scanning



Document validation



Onboarding video recording



NFC Verification

Au facephi Authentication

Ensures that users are genuine, **reducing fraud and securing** user interactions



Fingerprinting



Facial



Voice

Ip Identity Platform

Improves security processes by centralising, monitoring, and orchestrating user verification.



Transactions



Anti-fraud



Design Studio



UX | UI



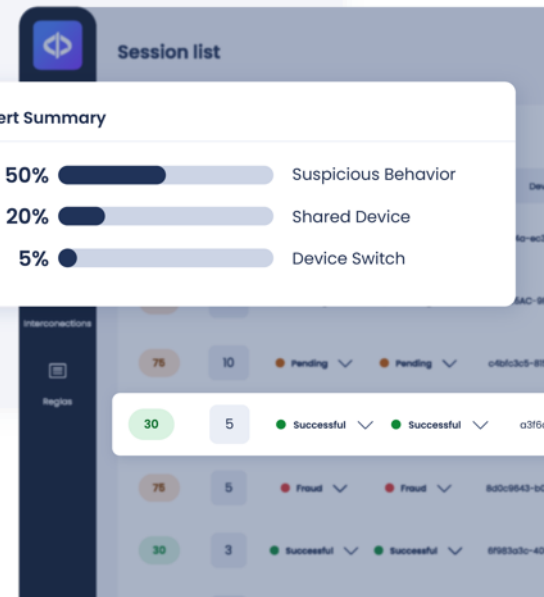
Compliance






















AI



Behaviour



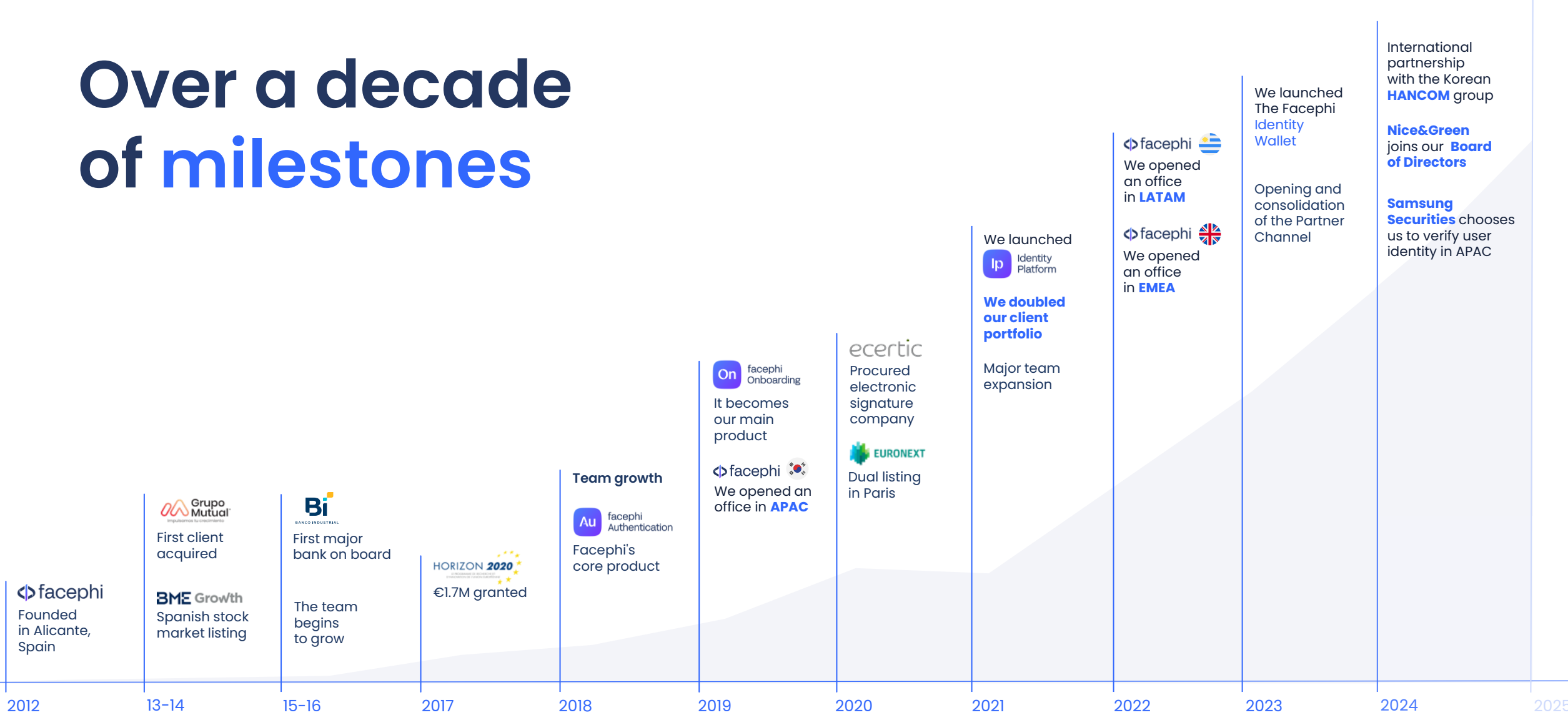


| | | | | | |
|--|---|--|---|--|--|
|  Services Financial |  Insurance |  Healthcare |  Airlines |  Telecoms |  Travel and Transport |
| |  Public Administration |  Hospitality |  Fintech |  E-Commerce |  Sports Events |
| | | |  Shared Mobility |  Crypto |  Investment |
| |  Security |  E-Learning |  Pensions |  Legal Services |  Online Gaming |

We adapt to **market needs and industries** that demand our technology.



Over a decade of milestones



2012 13-14 15-16 2017 2018 2019 2020 2021 2022 2023 2024 2025

Digital identity, a global trend across the board

Financial institutions

- New banking models such as Open Banking or Open Fintech hinge on generating ecosystems based on trust.
- New regulations will impact the sector and less regulated environments such as crypto.
- Fraud control and risk minimisation

Transport and borders

- Many initiatives are underway to standardise the use of digital identities at airports, including IATA's One ID.
- Facephi is already involved in projects that improve the traveller experience in a secure way, based on identity verification technology.

Public Institutions

- ID Wallet in EU expected to be available by 2030
- UN and World Bank promoting Digital identity with ID4D project
- NIST promotes Digital ID standardisation project

e-services

- Digital first customers operating exclusively online need secure environments, subject to regulatory frameworks such as GDPR.
- KYC and the construction of qualified identities will become the cornerstone of the entire ecosystem on which CX is built.

Our technology



Dual-listing

BME Growth



We celebrated our **tenth** **anniversary at** **BME Growth**

Since we joined, we have undergone significant growth and evolution, establishing ourselves as a global benchmark in digital identity.



"We have access to financing tools that have helped us go from being a Start Up to a Scale Up"

Javier Mira, Facephi CEO

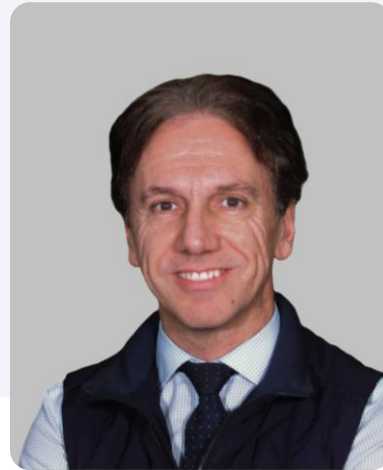
Organisational changes



Carlos Oderiz appointed as **Strategy Director**



Carlos Falero appointed as **Chief Operating Officer of Facephi LATAM** and General Manager LATAM.



Aitor D'Oxandabaratz joins our Board of Directors as **CFO** (Chief Financial Officer)



Nice&Green joins our **Board of Directors** represented by Manuel Lanfossi.



Antonio Jorge Gonzalez joins as **Investor Relations Director**



Organisational changes

Our steady growth and portfolio expansion, together with a customer centric strategy, has led us to focus on continuously improving our customer support.

This involves applying strategic measures that benefit our internal processes to improve operability and customer satisfaction for those who rely on our solutions.

Since 2022, Uruguay is Facephi's subsidiary in LATAM, offering a support service to all Latin America. Its development also makes it the new customer support headquarters for all regions.

Uruguayan subsidiary,
new **global customer**
support structure



+25

Countries

300M

Transactions

We are **trusted** by leading banks and **companies** worldwide.



Actinver



NaranjaX



Banco Promerica



Scotiabank



Claro



Maximum **security** and maximum **recognition**

Certificates



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

S1 2024 Milestone

ENS High Category Achievement



Associations



Awards



Gartner

Facephi named Sample Vendor in [Gartner's 2024 Hype Cycle for Financial Crime](#)



Our technology is regularly evaluated by NIST.



Member of IATA's Data & Technology Strategic Partnerships Program.

Management Report





Consolidation in LATAM and expansion in APAC

Facephi has pursued a firm strategy **focused on innovation and consolidation in international markets** so far in 2024.

The expansion in the APAC region is noteworthy thanks to the investment agreement with HANCOM, who becomes the exclusive distributor of our products in the region.

We have increased our positioning as a trust provider through the verification of digital identity, following the Digital Trust Meet events, of our own creation, in Madrid and Mexico City.

Structure and people

Our Strategy

Technology

Business

 facephi

Our strategy

Various measures have been implemented to reach our objectives, such as:



Community Partners

It will drive our business model's scalability by increasing our presence in more countries and productive sectors.

Strengthening our commercial network

We hired new team members to reinforce the commercial structure and boost our expansion in LATAM and EMEA.

International certifications

By obtaining international certifications, we can tap into new scenarios where we can apply our technology and comply with the highest quality standards.

Investment agreement with HANCOM

We signed a €5 million investment agreement with HANCOM, which consolidates the distribution of our solutions in Asia-Pacific.

Nice & Green financing agreement and joining the Board of Directors

The necessary resources were obtained to boost the planned expansion and to meet our objectives successfully. We finalised the convertible bond issue backed by Nice & Green, which became a member of our Board of Directors.

Investment in R&D

Increasing our investment in R&D is essential to continue developing innovative processes focused on customising our solutions to meet new industry needs and use cases.



We signed a **€5 million investment** agreement with **HANCOM**.

Following the investment agreement, HANCOM has become the company's second largest shareholder and exclusive distributor of Facephi products in the Asia-Pacific (APAC) region. This move marks a significant milestone in our international growth, being a direct route to expand our verification services in the region and strengthening HANCOM's product portfolio.



Strategic objective

Hosting **proprietary Digital Trust Meet** events, with editions in Spain and Mexico.



The Facephi Digital Trust Meet events held in 2024 for the first time, provide a meeting point to discuss the challenges of verified digital identity in the fight against fraud and the impact of generative artificial intelligence.

With one edition in Madrid and another in Mexico City, almost 300 people in total were able to share knowledge, demystify concepts and outline a joint future that ensures a trustworthy environment for companies and users.

Representatives from companies such as KPMG, Eviden, and institutions such as CNBV, PRODECON, etc. participated in the event.



Innovating into the future

Throughout 2024, **we have expanded our technology portfolio** with significant advances, establishing our position in digital identity authentication and verification.

We included new features such as behavioural biometrics, premium UX consulting service Facephi Integra and KYB Platform, focused on business.

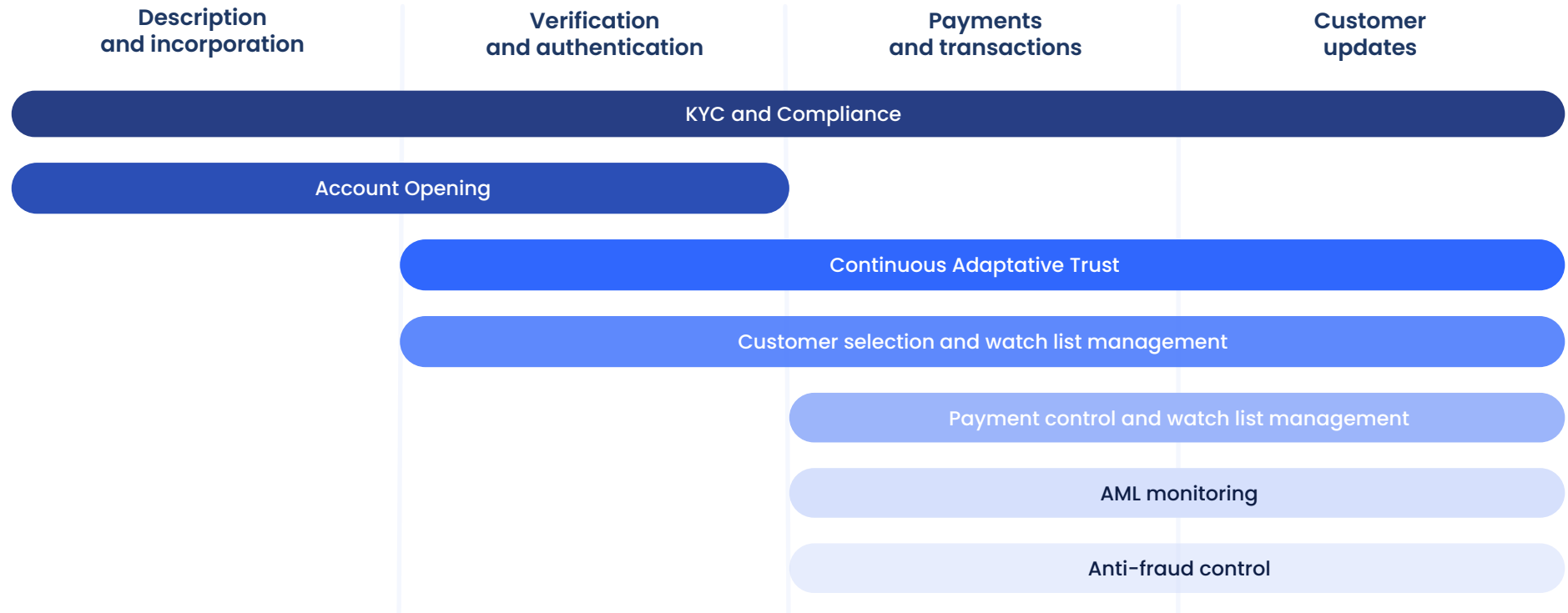
These achievements rank us as pioneers in digital, communications and financial crime security, and have been recognised by relevant international organisations, including **NIST**.

Our Strategy

Technology

Business

Structure and people



Protecting every step
of the **customer journey**



The screenshot displays the 'KYB Platform' interface. The main view is titled 'Accounts opening' and shows a progress bar with three steps: 1. Documentation, 2. Identity Verification, and 3. End. The 'Documentation' section lists items like 'Certificate of Registration' (Need review, Rejected, Successful) and 'Extended Company Profile' (Successful). The 'Identity Verification' section shows '1 Successful', '1 Rejected', and '1 Pending'.

The detailed view on the right shows the 'Case details' for 'Information'. The flow is as follows:

- Start** (Successful)
- Onboarding** (Successful)
 - Result capture
 - Document Front
 - Document Back
 - + 2 more results
- Authentication** (Rejected)
 - Authentication: NEGATIVE
 - Facial Liveness: LIVE
 - + 2 more results
- End**

Facephi KYB Platform

The **end-to-end verification**
platform for business



Facephi Integra

Premium consulting and support

Facephi Integra is a premium boutique consultancy and end-to-end support service.

Complete UX analytic

| | | |
|------------|-----|---------------------------------|
| Device | 90% | <div style="width: 90%;"></div> |
| Timing | 5% | <div style="width: 5%;"></div> |
| Difficulty | 40% | <div style="width: 40%;"></div> |



We secure the entire customer journey using **behavioural biometrics**



Consolidation and transparency

We brought turnover to **€11.7 million**.

The figures continue to reflect financial strength while maintaining the current strategic direction with a clear focus on market leadership.

We have established new strategic alliances and expanded our client base with the addition of major accounts in all regions.

Technology

Business

Structure and people

Our Strategy

Información financiera Pérdidas y Ganancias (000)

En 2023, Traspas ha logrado un año histórico al alcanzar una cifra de negocio récord de **35,28 millones de euros**, reflejando una sostenida y constante evolución en los últimos años. Este logro se debe a nuestra sólida capacidad de gestión comercial y a la consolidación de los mercados existentes.

Durante este período, hemos seguido fortaleciendo nuestra presencia global, con especial énfasis en el crecimiento de algunas de

| | 2023 (datos consolidados) | 2022 (datos consolidados) | Var. % |
|---|---------------------------|---------------------------|--------|
| Ventas | 35.280 | 30.000 | 17,6% |
| Impuesto sobre el valor de los negocios | 1.000 | 1.000 | 0,0% |
| Beneficio antes de impuestos | 34.280 | 29.000 | 18,9% |
| Beneficio neto | 24.000 | 20.000 | 20,0% |
| Amortización | 1.000 | 1.000 | 0,0% |
| Coste de personal | 1.000 | 1.000 | 0,0% |
| Impuestos de sociedades | 1.000 | 1.000 | 0,0% |
| Intereses | 1.000 | 1.000 | 0,0% |
| EBITDA | 24.000 | 20.000 | 20,0% |
| Impuestos de sociedades | 1.000 | 1.000 | 0,0% |
| Impuesto sobre el valor de los negocios | 1.000 | 1.000 | 0,0% |
| EBE | 22.000 | 18.000 | 22,2% |

Informe de Resultados 2023



Customers

Some relevant customers during the period:

Samsung Securities

South Korea

Samsung Securities chooses our technology to verify the identity of its users. We became part of Samsung Securities' financial platform, a financial services subsidiary of the Samsung Group, further consolidating our position in the Asia Pacific market.



Guatemala

We joined MovilMax Guatemala to improve authentication in advanced electronic signature processes. This integration will include video authentication and electronic signature, which will streamline the identification of users through their biometric data and identity documents, ensuring a faster and more efficient process.



LATAM

They choose our Onboarding in APP BHD for new clients, including OCR, capture, facial and liveness.



LATAM

Biometrics and document reading service with OCR for SME Mobile Credit (SME Digital Onboarding) and other processes in the segment. Solution to register customers using OCR technology, as well as to visualise all transactions carried out in real time.



EMEA

We initiated a proof of concept (POC) with Aafaq to improve onboarding of customers using a UAE ID card, optimising identity verification against government databases.



Events

Our presence at the world's most important events encourages us to continue to explore opportunities in different sectors.



MONEY 20/20
| USA | Europe | APAC

Money20/20 is the largest and most influential global financial ecosystem gathering, including banks, technology, financial services and more.

We attended the event in the US, Thailand and Europe where our team took advantage of the space to make connections with potential customers and present our solutions.

Identity Week | Amsterdam



Innovation Day IATA



Febraban | Sao Paulo



Seamless Middle East | Dubai



Revolution Banking | Madrid



América Digital | Mexico City



**Digital Finance Africa
Johannesburg**





Corporate culture

We continued to invest in the professional development and growth of our team, attracting diverse and highly skilled talent to drive our business vision and strategy.

The workforce increased by 4.5% to 233 employees at year-end.

Growth was particularly notable in our **technical team, which makes up almost 70%** of our workforce and is at the core of our company.

We are strongly committed to young talent, as the rate of incorporation into the workforce of students who carry out their internships at Facephi is 80%.

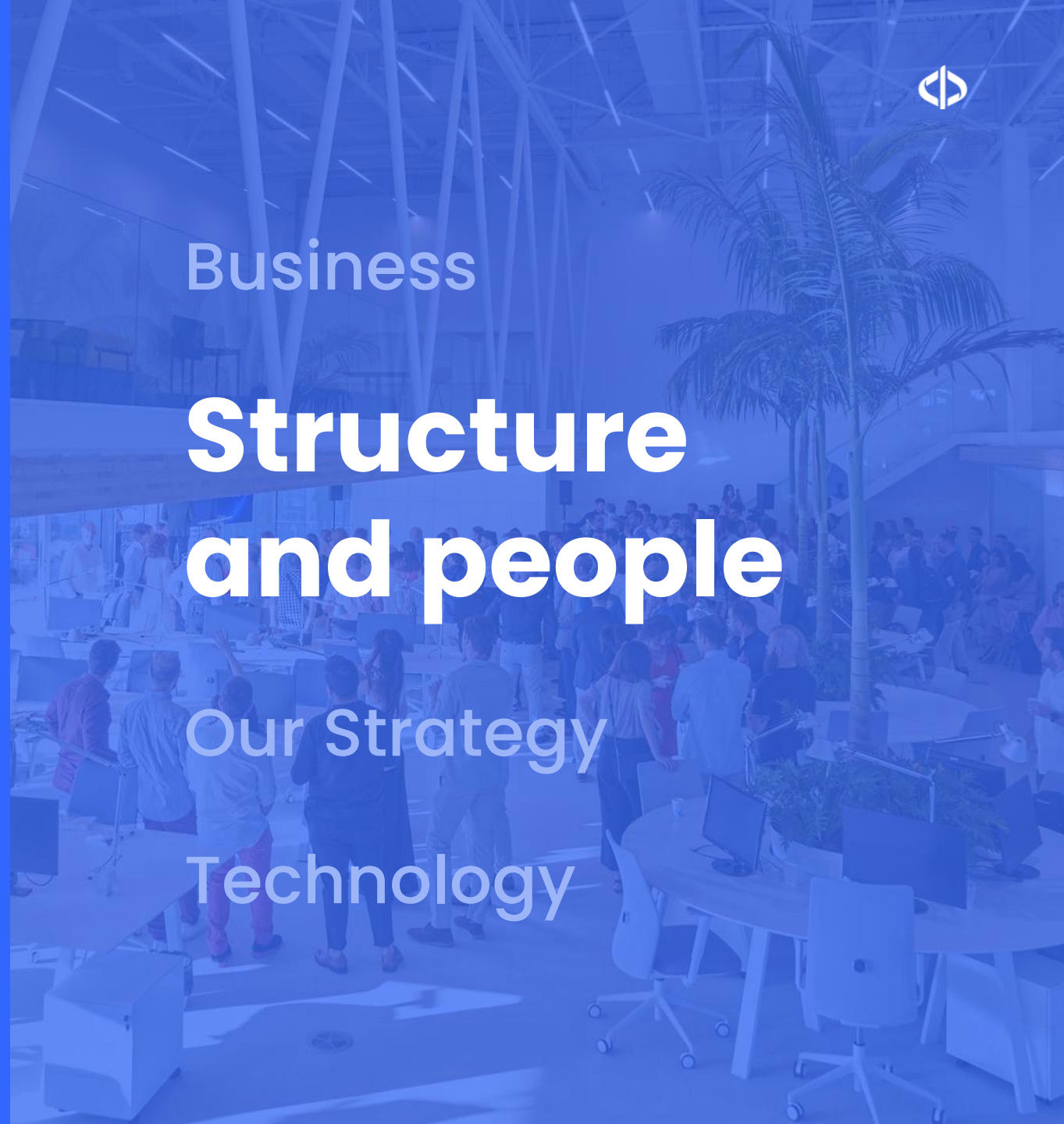
We have been awarded the **Impulso 2024 Awards**, which recognise the best innovative business initiatives of the university community.

Business

Structure and people

Our Strategy

Technology





In 2024, we have strengthened our commitment to corporate social responsibility (CSR), including close collaborations with associations such as the **Eurofirms Foundation**, **ASPANION** and the **Alicante Science Park**.

Our focus on tangible actions, aligned with the UN Sustainable Development Goals, has been evident in our activities.

With a view to creating a positive impact on our society, we celebrate the Sporphi Paddle Day by playing our team with professionals from the Spanish Federation of Sports for People with Physical Disabilities or our collaboration with training entities.



Financial Report



Turnover – ARR – CAPEX

Turnover


€11.7M 2024
€9.7M 2023

20% 

ARR

(Annual Recurring
Revenue)

€27.4M 2024
€21.8M 2023

26% 

CAPEX

(Capital investments)
(I+D+i)

€2.4M 2024
€2.1M 2023

13% 

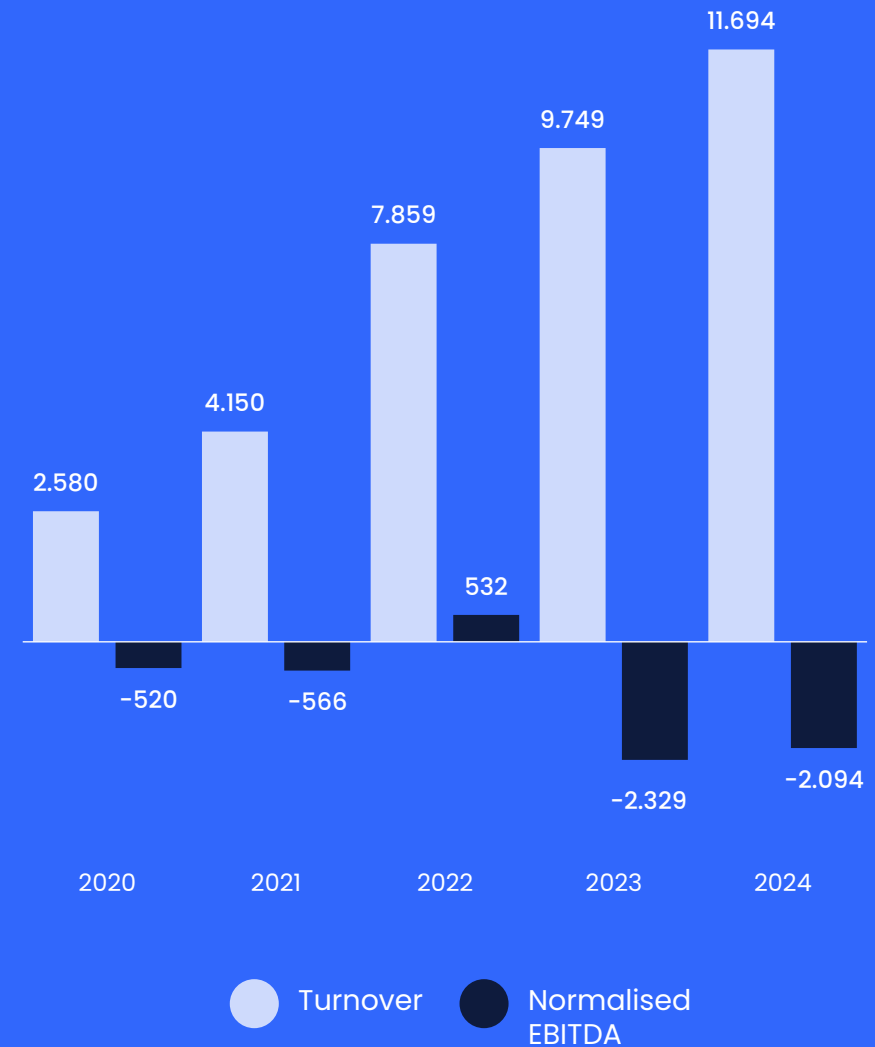


Turnover and Ebitda

Turnover grew again in the first half by 20% Year over Year, at €11.7m.

Normalized Ebitda (which excludes extraordinary expenses) improved by 10% to €2.1m compared to €2.3m in 2023, negative amounts due to the usual seasonality of revenues, with most of them falling in the second half of the year.

As usual in technology companies, growth and the acquisition of new markets, niches and customers, involves a J-effect with a previous period of huge investment and spending, where the Revenue comes later in time.





Profit and loss (thousand)

| Profit and Loss Account (thousand €) | January – June | | Best / Worst (-) |
|---|-----------------|------------------|------------------|
| | 2023 | 2024 | |
| Income | 11,850 € | 14,061 € | 19% |
| Net turnover | 9,749 € | 11,694 € | 20.00% |
| Activation of Expenditure | 2,100 € | 2,367 € | |
| Variable Costs | -4,759 € | -4,972 € | -4% |
| Procurements | -1,900 € | -2,145 € | |
| Other operating expenses | -2,860 € | -2,827 € | |
| Gross Margin (excluding Activations) | 4,990 € | 6,722 € | 35% |
| % of turnover | 51 % | 57% | |
| Fixed Costs | -9,419 € | -11,183 € | -18.70% |
| Staff costs | -6,592 € | -7,854 € | |
| Other operating expenses | -2,828 € | -3,329 € | |
| Extraordinary Expenses | -401 € | -997 € | -148% |
| Staff costs | -16 € | -449 € | |
| Other operating expenses | -385 € | -548 € | |
| Accounting EBITDA | -2,730 € | -3,092 € | -13% |
| Normalised EBITDA | -2,329 € | -2,095 € | 10% |

The significant growth in turnover by 20% underlines the scalability and good performance of the business in a constantly evolving environment. This represents a new record turnover for the first half of the year and underlines the fruits of the strong investment made to take new projects and markets.

Investment in R&D grew by 13%, maintaining the trend of investing in internal production capacity and improving product quality, in order to enter new markets and achieve customer satisfaction and loyalty.

Variable costs show the direct costs related to sales, such as commissions and direct commercial structure, as well as the supply of biometric products incorporated in our technology. As a result of their moderate evolution, the Gross Margin increased from 51% to 57%.

Fixed costs grew by 18.7%, slightly below the growth in revenues, and is mainly due to new hiring Staff during 2023, allowing to consolidate the optimal structure.

Balance Sheet

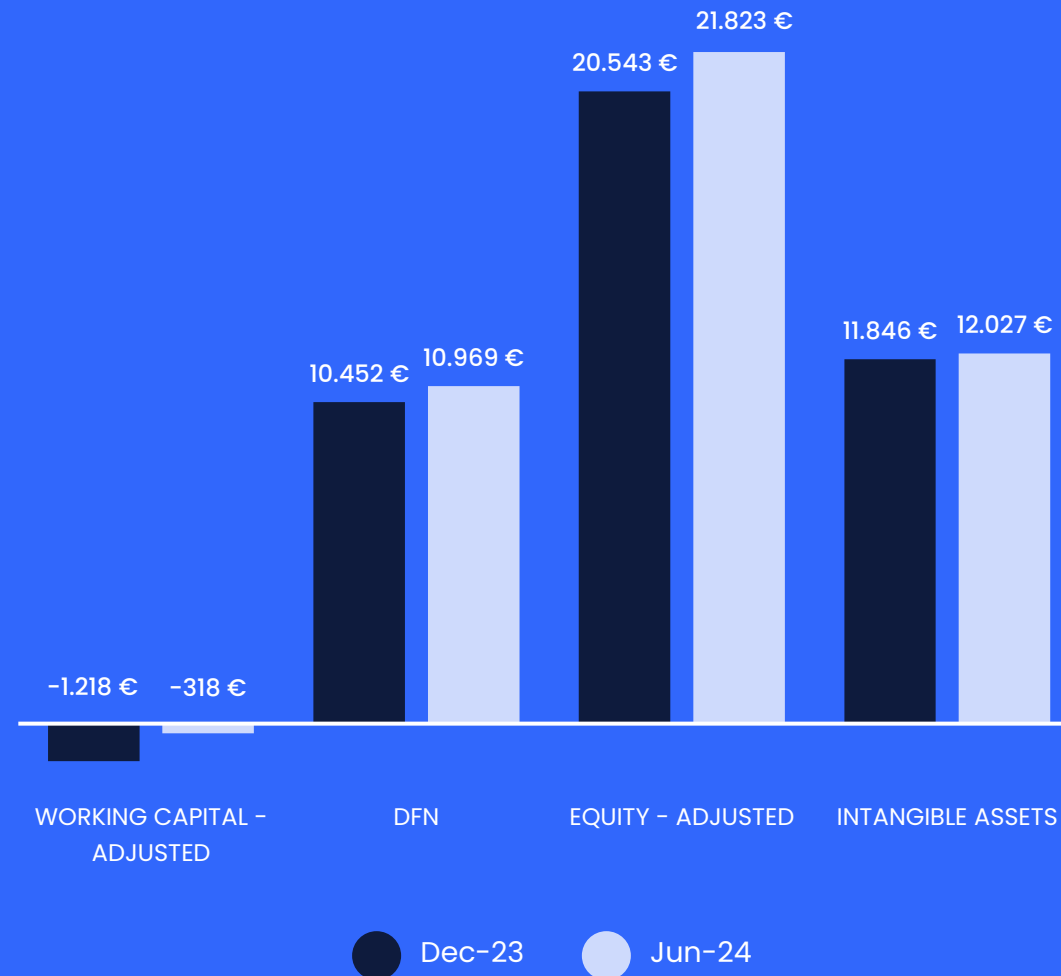
The main balance sheet indicators have improved in the first six months of 2024 in both absolute and relative terms:

1. Equity-adjusted: including Capital paid but pending to be formalized, has grown by €1.3 million. Capital contributions in the first half of 2024 reached €7.4 million.

2. Working Capital-adjusted: excluding the Capital paid but pending to be formalized and the Revenue to be allocated in the following period, and including those Deferred Tax Asset whose monetization the company expects to happen in the short term. It has improved in the first half of the year by almost €1 million and is close to breakeven.

3. Intangible Assets: indicator of the strong investments made over the last years, now shows a flat evolution and represents around 45% of the annual Revenue with a trend to keep going down its relative weight.

4. Net Financial Debt: excluding the Capital paid but pending to be formalized, it has hardly changed despite the strong growth of the business, and represents around 40% of the annual Turnover.



Insights





Turnover increased in the first half of 2024, 20% more than in the same period of the previous year, continuing the sustained growth.

R&D investment was the main driver, increasing by 13% to €2.4 million, with the result in new developments.

In addition to this, there is a strong investment that reinforces the international structure of the company and the great commitment to leadership with a human team that reaches 233 employees, 70% of the workforce being technical staff.

Our new capitalisation strategy will ensure our financial stability. HANCOM's €5 million investment agreement is a key part of our expansion strategy in emerging markets such as Asia-Pacific.

We secured a more transparent capital structure that protects shareholder engagement by no longer issuing convertible bonds, backed by Nice&Green, while maintaining our financial strength and strategic direction.

The continued growth is a further sign of our strength as a company, capable of achieving new milestones in the different markets, with a solid financial base supported by the different synergies with other entities and with the capacity to end 2024 in a positive way.



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