

MERCADO ALTERNATIVO BURSÁTIL (MAB)

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

Alicante, 18 September 2019

COMMUNICATION - MATERIAL EVENT - 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 6/2018 of Mercado Alternativo Bursátil (MAB), we inform you about the following Material Event concerning the company FACEPHI BIOMETRIA, S.A. (hereinafter "FacePhi" or "the Company", interchangeably).

MATERIAL EVENT

FACEPHI BIOMETRÍA, S.A. announces the signing of an investment agreement with Nice & Green, S.A. for an amount of FOUR MILLION EUROS (€ 4,000,000). This agreement will come to fruition through a capitalizable loan for an amount of 0.5 million euros and the issuance of warrants that are convertible into shares for an amount of 3.5 million euros. The investment obligation ends in September 2020.

The loan disbursed at the signing of the agreement accrues an interest rate of 3% and will be capitalized through a capital increase by conversion of loans at an amount less than 92% of the weighted average price of the share in the 6 stock market sessions prior to the signing of the investment agreement. Additionally, the strike price of warrants will be established in the same way as the capitalizable loan once the corresponding disbursements have been requested by the issuer.

As a security for the agreement reached, the directors Mr. Javier Mira Miró and Mr. Juan Alfonso Ortiz Company have committed to lend part of their shares to Nice & Green. In this respect, as of the date of this material event, they have lent Nice & Green 141,470 and 150,586 shares each respectively as a security for the loan to be capitalized.

The funds raised 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, among others.

Both the capital increase by conversion of loans and the issuance of warrants are subject to approval by the General Meeting of Shareholders of the Company, which will be called once the corresponding administrators reports have been drafted, and the certification of the Company accounts auditor for the purpose of the loan to be capitalized and the independent expert report for the purpose of issuing warrants convertible into shares have been received.



We are at your disposal for any clarifications you deemed appropriate.

Sincerely,

Salvador Martí Varó
Chairman of the Board of Directors

FacePhi receives a 4 million euros investment from Nice&Green to strengthen its growth

- The investment agreement will accelerate the growth of the company, specialized in biometrics for the fintech sector, in the American and Asian markets
- The operation will be carried out through the issuance of warrants for an amount of 3.5 million euros and a capitalizable loan of 500,000 euros

FacePhi, a leading company in biometrics recognition technologies applied to the financial sector, and Nice&Green, a Swiss firm specializing in investments in small and medium-sized listed companies, have signed an investment agreement worth 4 million euros that will strengthen the growth of the technology company. This financial movement also seeks to accelerate the business development of the company specialized in biometrics in the American and Asian markets.

In this respect, Javier Mira, FacePhi CEO, has outlined that “with this financial alliance our company has more capacity to expand its commercial network and accelerate its growth in high-potential markets such as Latin America, the United States and Asia, where just a few months ago we opened our first headquarters in South Korea.”

The agreement with Nice&Green will come into fruition with an issuance of warrants worth 3.5 million euros plus a capitalizable loan of 500,000 euros more. This financial alliance has an investment obligation for a total of 4 million euros up to September 2020.

Specifically, the funds received from Nice&Green will allow FacePhi to incorporate new talent, develop new solutions and boost commercial actions and business development, both in the South Korean-based Asian subsidiary, FacePhi APAC, and in the markets where the company already operates, especially in Latin America.

In turn, the financial support from Nice&Green will allow for the penetration of the technology company in the US dynamic market, thus extending its expansion strategy to this new market.

About Nice&Green

Nice&Green is an investment company based in Switzerland that has been operating since 2013 with small and medium-sized companies that are publicly traded and that require different sources of financing than those offered by conventional banks. This financial company offers flexible and innovative systems to thriving companies in different sectors.



About FacePhi

FacePhi is a worldwide leader company specialized in facial recognition and mobile biometrics based in Alicante (Spain). The company was created in 2012 and since then it has focused its operations on the financial sector. Likewise, FacePhi operates in the MAB (Alternative Stock Market) since 2014 and commercializes its technological products focused in security for financial entities.

For more information: <https://www.facephi.com/en/> / <http://inphinite-facephi.com>

Alicante, 18 September 2019