

Alicante, 2nd of April 2020

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

Dear Sirs,

On the 20th of December 2019, the Company published a corporate action notice adopted by the Extraordinary General Meeting of Shareholders held on that date, including, as a third point, the delegation to the Board of Directors of the power to issue warrants convertible into shares of the Company in favor of Nice & Green, S.A., excluding pre-emptive subscription rights, for a maximum amount of €3,500,000, as well as to increase share capital by the amount necessary to allow the conversion of such warrants.

On March 12th, the resolution of the Board of Directors adopted on March 6th, 2020, under the delegation of the Company's General Shareholders Meeting of December 20th, 2019, was made public, consisting of a first issuance of 20.192.308 convertible warrants into the Company's shares (the "Equity Warrants (MARCH 2020)"), being Nice & Green S.A. ("Nice & Green") the only recipient of the Equity Warrants (MARCH 2020). The first tranche of the equity warrants amounts to €1,050,000.

Nice & Green, under the terms of the investment agreement, made public through a Market Notice dated 18 September 2019, notified the Company and exercised its right to convert the 252,780 equity warrants on 20 March 2020, for a conversion amount of 700.000 euros.

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Following this partial conversion of the first tranche, Nice & Green still has the option to ask for the issuance of equity warrants to cover the remaining €350,000 of the first tranche, an option valid until 17 June 2020, the date on which the right to exercise the first tranche expires.

As a consequence of the above, FacePhi has granted a deed of capital increase to cover the issuance of the equity warrants. The new shares, to be issued in execution of the conversion of the 252,780 Equity Warrants (MARCH 2020) will be issued at a price of €2,7692 per share of which €2,7292 will correspond to share premium and €0.04 to par value. Consequently, the Company's share capital has been increased by €10,111.2 (par value 252,780 * €0.04)

Following the aforementioned capital increase, Article 5 of the Articles of Association is worded as follows: "The share capital is set at the sum of FIVE HUNDRED AND FIFTY-

TWO THOUSAND EIGHT HUNDRED AND SEVENTY-SIX EUROS AND SEVENTY-SIX CENTS (€552,876.76), which is fully subscribed and paid up, divided into THIRTEEN MILLION EIGHT HUNDRED AND TWENTY-ONE THOUSAND NINE HUNDRED AND NINETEEN (13,821,919) shares, represented by book entries, with a par value of FOUR CENTS (€0.04) each, of the same class, equal, accumulative and indivisible".

The legal regime applicable to the Company's shares is the one provided for in Spanish law and, specifically, in the provisions included in the Corporations Act and in Royal Legislative Decree 4/2015 of 23rd October, approving the revised text of the Securities Market Act, as well as in the respective applicable implementing regulations.

The newly issued shares are denominated in euros and will be represented by book entries and will be registered in the corresponding accounting records held by Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A.U., (Iberclear), with registered office in Madrid, Plaza Lealtad nº 1 and its authorized participating entities.

All the shares, including those issued at the time of the capital increase, are ordinary shares and confer the same political and economic rights as the currently outstanding shares.

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

Sincerely,

Salvador Martí Varó
Chairman of the Board of Directors

About Facephi

FacePhi Biometría, S.A. specializes in multi-factor biometric solutions and in particular in the banking sector. The company commercializes a combination of biometric and other security systems that creates a complete digital onboarding and identity authentication solution that allows to access, verify and operate different services and products in mobile and web applications.