

substrate **AI**

C/ María de Molina, 41 – Oficina nº 506
28006 Madrid

BME - GROWTH

Stock Exchange Palace
Loyalty Square, 1
28014 Madrid

Madrid, 21 July 2023

COMMUNICATION- OTHER RELEVANT INFORMATION - SUBSTRATE ARTIFICIAL INTELIGENCE, S.A.

Dear Sir, Madam

Pursuant to the provisions of Article 17 of Regulation (EU) No 596/2014 on market abuse and Article 227 of Law 6/2023, of 17 March, on Securities Markets and Investment Services, and concordant provisions, as well as BME Growth Circular 3/2020 of BME MTF Equity, We inform you of the following information relating to the company **SUBSTRATE ARTIFICIAL INTELIGENCE, S.A. (hereinafter ("Substrate AI" or "the Company" indistinctly))**.

OTHER RELEVANT INFORMATION

On the occasion of the listing on the London Aquis of the company's B shares, the Board of Directors of Substrate AI has commissioned a valuation of these B shares to an independent expert, Grant Thornton Advisory S.L.P., yielding a value range between 0.12 and 0.16 euros per share.

In addition, the company's management has carried out its own value analysis, adjusting the risk assumptions to the company's current situation, which yields a valuation of between 0.15 and 0.20 euros per share.

An executive summary of valuations is attached for further investor information.

We remain at your disposal for as many clarifications as you consider appropriate.

Kind regards

Lorenzo Serratosa Gallardo
Chairman

Page 1

Executive Summary - Valuation of Class B non-voting shares issued by Substrate Artificial Intelligence, S.A. in April 2023

July 14, 2023

IMPORTANT NOTE: This document is a summary of conclusions drawn from the report by Grant Thornton: Valuation of Class B non-voting shares issued in April 2023¹ and therefore the conclusions contained in this document can only be read in the context of the aforementioned full report.



Executive Summary (1/2)

Background

- Substrate Artificial Intelligence, S.A. (hereinafter "SUBSTRATE" or "the Company"), is a Spanish company focused on artificial intelligence with its own technology in biology and with presence in Spain, the United States, France and Portugal. The Company develops Saas AI solutions in sectors such as Health, Agritech and Human Resources.
- According to the information provided by you, in April 2023, SUBSTRATE carried out a capital increase for compensation of credits with shareholders for an amount of 963,161 Euros. This capital increase consisted of the issuance of 96,316,100 new non-voting Class B shares (hereinafter the "Preferred Shares" or the "Class B Shares") for a nominal value of 0.001 euros per share, plus an issue premium of 0.009 Euros per share.
- The characteristics of the Preferred Shares described are detailed exactly in the document provided to us by SUBSTRATE with the terms and conditions thereof (Reduced Extension Document for the BME GROWTH trading segment of BME WTF EQUITY), and are described in detail below in Section 3 "Description of the Preferred Shares issued" of this report.

Objective of our work

- In this context, the work of Grant Thornton Advisory, S.L.P. (hereinafter, "Grant Thornton" or "GT") has consisted of providing a valuation of the Preferred Shares on their issuance date, i.e. April 4, 2023 (the "Valuation Date").
- On the other hand, as requested by you, this report does not provide any type of accounting advice in reference to the Convertible Debentures, so none of our conclusions should be interpreted in that sense.

Description of Preferred Shares

- Based on the information provided by you, in April 2023, SUBSTRATE issued non-voting shares with the following characteristics:
 - **Emisor:** Substrate Artificial Intelligence, S.A.
 - **Issue Date:** April 4, 2023.
 - **Nominal value:** 96,316.1 euros.(0.001 Euros per preferred share).
 - **Share premium:** 866,844.9 Euros.(EUR 0.009 per silent voting share).
 - **Number of non-voting shares:** 96,316,100 non-voting shares.
 - **Economic rights:**
 - **Minimum dividend remuneration:** 0.01 Euros per non-voting share (payable annually).
 - **Redemption for ordinary dividend:** subject to the profit obtained by the company.
-

IMPORTANT NOTE: This document is a summary of conclusions drawn from the report by Grant Thornton: Valuation of Class B non-voting shares issued in

April 2023' and therefore the conclusions contained in this document can only be read by Substrate Artificial Intelligence, S.A. | © 2023 Grant Thornton Advisory SLP 2 read in the context of the aforementioned full report

Executive Summary(2/2)

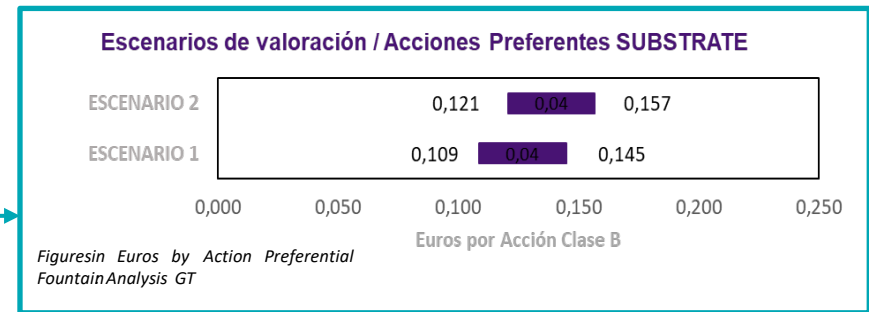
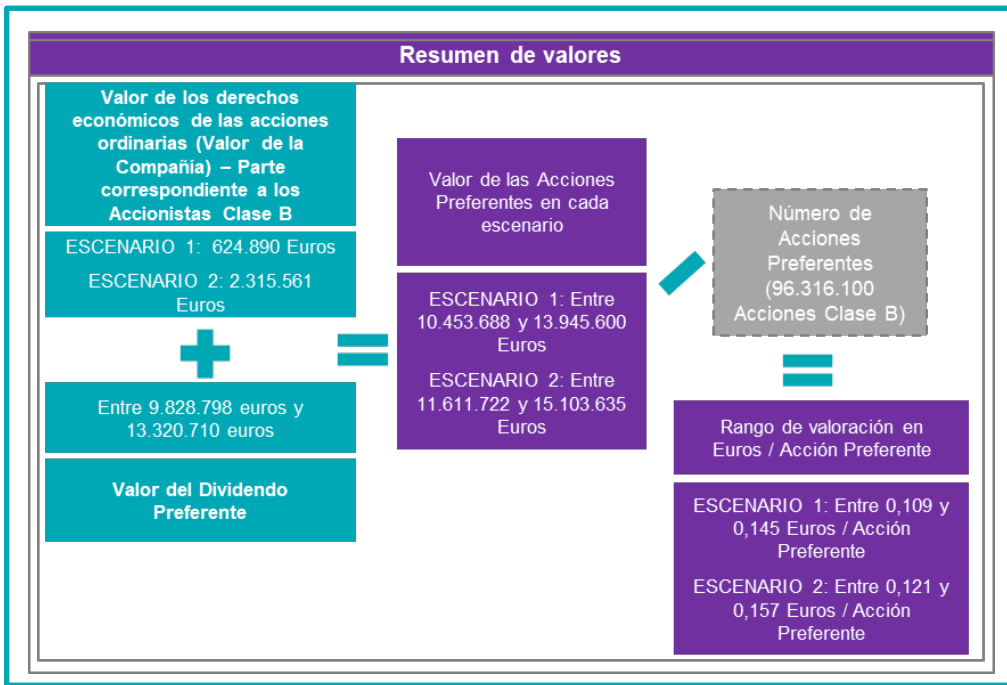
CONCLUSIONS

Results of the Preference Shares

- To obtain the result of the valuation of the Preferred Shares, the methodology described in this report has been applied and two valuation scenarios have been taken into account, which have been analyzed based on the information provided by SUBSTRATE. The scenarios analyzed for the valuation are the following:
- **SCENARIO 1: SUBSTRATE / WACC Business Plan: 19.8%:** Considering for valuation:
 - The analysis of what the value of SUBSTRATE would be if its Business Plan and a discount rate appropriate to the risk achieved thereof are assumed; and
 - Obtaining a range of value of the Preferred Dividend.
- **SCENARIO 2: SUBSTRATE Business Plan including ongoing new business acquisitions / WACC: 19.8%:** Considering for valuation:
 - The analysis of what would be the value of SUBSTRATE if its Business Plan is assumed, including the acquisitions that the Company is in the process of closing and a discount rate appropriate to the risk achieved thereof; and
 - Obtaining a range of value of the Preferred Dividend.

Conclusions

- Based on the application of the methodology described in this report, **the scenarios considered result in a valuation range of the Preferred Shares, as of the date of their issuance, April 6, 2023, of between 0.109 and 0.157 Euros for each Class B Share** (between 10,453,688 and 15,103,635 euros) as detailed in the following table:



Scenario alternative of assessment: The Company has requested the analysis of value of the Actions Preferred in an alternative scenario based on the use of one WACC of 12,7% (Provided by the Company) for the estimate of value corresponding to the rights Economic of the actions Ordinary. The result of the alternative scenario of value is the following (See in detail in Annex 3 (page 27)):

Escenario Alternativo / Acciones Preferentes SUBSTRATE



IMPORTANT NOTE: This document is a summary of conclusions extracted from Grant Thornton's report: Valuation of Class B non-voting shares issued in April 2023' and therefore the conclusions contained in this document can only be read by Substrate Artificial Intelligence, S.A. | © 2023 Grant Thornton Advisory SLP 3 read in the context of the aforementioned full report



www.grantthornton.es

© 2023 Grant Thornton Advisory SLP. All rights reserved.

'Grant Thornton' refers to the brand under which the Grant Thornton member firms provide assurance, legal, tax and advisory services to their clients and/or refers to one or more member firms, as the context requires.

Grant Thornton Advisory SLP is a member firm of Grant Thornton International Ltd (GTL). GTL and the member firms are not a worldwide partnership. GTL and each member firm is a separate legal entity. Services are delivered by the member firms. GTL does not provide services to clients. GTL and its member firms are not agents of, and do not obligate, one another and are not liable for another's acts or commissions.