SUBSTRATE ARTIFICIAL INTELIGENCE, S.A.

Auditor's report on
the consolidated annual accounts
for the year ended 31 December 2021

knowing you

AUDIT REPORT ON THE CONSOLIDATED ANNUAL ACCOUNTS ISSUED BY AN INDEPENDENT AUDITOR

To the shareholders of SUBSTRATE ARTIFICIAL INTELIGENCE, S.A.:

Opinion

We have audited the consolidated financial statements of SUBSTRATE ARTIFICIAL INTELIGENCE, S.A. (the Parent) and its subsidiaries (the Group), which comprise the consolidated balance sheet as at 31 December 2021, consolidated income statement, consolidated statement of changes in equity, consolidated cash flow statement and consolidated notes to the financial statements for the year then ended.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, a true and fair view of the Group's equity and financial position at 31 December 2021 and of its consolidated results and cash flows for the year then ended in accordance with the applicable financial reporting framework (as identified in note 2 to the consolidated financial statements) and, in particular, with the accounting principles and policies set out therein.

Basis of the opinion

We conducted our audit in accordance with Spanish auditing standards. Our responsibilities under those standards are described below in the section . *Auditor's responsibilities for the audit of the consolidated financial statements* of our report. in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report.

We are independent of the Group in accordance with the ethical requirements, including independence requirements, applicable to our audit of the consolidated annual accounts in Spain, as required by the regulations governing the audit activity. In this respect, we have not provided any services other than auditing of accounts, nor have there been any situations or circumstances which, in accordance with the provisions of the aforementioned regulations, have affected the necessary independence in such a way that it has been compromised.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Audit highlights

Key audit matters are those matters that, in our professional judgement, have been identified as the most significant risks of material misstatement in our audit of the consolidated financial statements for the current period. These risks have been addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we express no separate opinion on these risks.

Valuation of goodwill on consolidation (see notes 3.3 and 5 to the accompanying consolidated annual accounts)

The Group has recorded goodwill on consolidation amounting to Euros 23,483 thousand corresponding to the excess of the acquisition cost over the corresponding underlying book values of the subsidiaries at the date of first consolidation. The management of the parent company has prepared a Business Plan for the period 2022-2026 which requires the application of value judgements by the parent company. This Business Plan and other documentation has been analysed by an independent expert for the preparation of a report on the indicative value of Substrate Al's shares considering certain assumptions such as compliance with the business plan, compliance with the capital increase prior to the IPO of BME Growth, discount rate and long-term growth rate. Due to the materiality of the amounts, the estimates made by the management of the parent company and the independent expert, and the future evolution of the economic environment, which could affect the assumptions made, we have considered this area as a more relevant aspect of the audit.

Our audit procedures included, among other things, an understanding and review of the estimates, methodology and reasonableness of the financial information projected in the parent company's business plan, a review of the consistency and reasonableness of the methodology and assumptions used by the independent expert in determining the indicative value of Substrate Al's shares, as well as a review of his professional qualifications and independence, and an assessment of the appropriateness of the disclosures in the accompanying consolidated financial statements in accordance with the applicable financial reporting framework.

Other information: Consolidated management report

The other information comprises exclusively the consolidated management report for the financial year 2021, the preparation of which is the responsibility of the Parent's directors and does not form an integral part of the consolidated annual accounts.

Our audit opinion on the consolidated financial statements does not cover the consolidated management report. Our responsibility for the consolidated management report, as required by the regulations governing the audit of accounts, is to assess and report on the consistency of the consolidated management report with the consolidated annual accounts, based on our knowledge of the Group obtained during the audit of the consolidated annual accounts and not including information other than that obtained as evidence during the audit. In addition, our responsibility is to assess and report on whether the content and presentation of the consolidated management report are in accordance with the applicable regulations. If, based on the work we have done, we conclude that there are material misstatements, we are obliged to report them.

Based on the work performed, as described in the previous paragraph, the information contained in the consolidated management report is consistent with that in the consolidated annual accounts for the financial year 2021 and its content and presentation are in accordance with the applicable regulations.

Liability of the directors of the parent company in relation to the consolidated annual accounts

The Parent's directors are responsible for the preparation of the accompanying consolidated annual accounts so that they give a true and fair view of the Group's consolidated equity, financial position and results, in accordance with the regulatory financial reporting framework applicable to the Group in Spain, and for such internal control as they determine is necessary to enable the preparation of consolidated annual accounts that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors of the Parent are responsible for assessing the Group's ability to continue as a going concern, disclosing, as appropriate, going concern matters and using the going concern basis of accounting unless the directors intend to liquidate the Group or to cease operations, or there is no realistic alternative.

Auditor's responsibilities in relation to the audit of the consolidated annual accounts

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high degree of assurance but does not guarantee that an audit conducted in accordance with Spanish auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

As part of an audit in accordance with the regulations governing the auditing of accounts in Spain, we apply our professional judgement and maintain an attitude of professional scepticism throughout the audit. Also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement due to fraud is higher than for a material misstatement due to error because fraud may involve collusion, forgery, deliberate omissions, intentional misstatements, or the circumvention of internal control.

- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- We assessed the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Parent Company's management.

-• We conclude on the appropriateness of the Parent Company's management's use of the going concern basis of accounting and, based on the audit evidence obtained, we conclude on whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to express a modified opinion. Our conclusions are based on the evidence obtained up to the date of our audit report. However, future events or conditions may cause the Group to cease to be a going concern.

- We assessed the overall presentation, structure and content of the consolidated annual accounts, including the disclosures, and whether the consolidated annual accounts represent the underlying transactions and events in a manner that achieves a true and fair view.

- We obtain sufficient appropriate evidence regarding the financial information of entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We are solely responsible for our audit opinion.

We communicate with the Parent Company's management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, as well as any significant deficiencies in internal control that we identify during the course of the audit.

Among the significant risks that have been reported to the directors of the parent company, we have identified those that were of most significance in the audit of the consolidated annual accounts for the current period and which are, consequently, the risks considered to be the most significant.

We describe these risks in our audit report unless legal or regulatory provisions prohibit public disclosure.

KRESTON IBERAUDIT FRP, S.L.
No. R.O.A.C. S-1543

Esther Fernández Rama
No. R.O.A.C. 18.128
8 April 2022

AUDITORES
Official College Association of Chartered Accountants
LA COMUNIDAD VALENCIANA (VALENCIAN REGIONAL AUDIT OFFICE)

KRESTON IBERAUD1T FRP, S.L.

2022 No. 30/22701213
CORPORATE SEAL: 96,00 EUR

Auditor's report subject to the auditing of accounts regulations to Spanish or international auditing regulations.

Consolidated Financial Statements and Consolidated Directors' Report for the year ended 31 December 2021

SUBSTRATE GROUP

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Annual accounts

SUBSTRATE GROUP AI
BALANCE SHEET AS AT 31 DECEMBER 2021
(Expressed in Euro)

ASSETS	NOTES TO THE REPORT	2021
A) NON-CURRENT ASSETS		**32,034,371.48**
I. Intangible Fixed Assets		**30,631,135.75**
1. Goodwill on consolidation	**5**	23,483,951.58
2. Other intangible assets	**7**	7,147,184.17
II. Tangible Fixed Assets		**116,898.73**
1. Land and buildings		5,408.55
2. Technical installations and other tangible fixed assets	**8**	94,256.68
3. Fixed assets under construction and advances		17,233.50
IV. Long-term investments in group and associated companies		**30,000.00**
1. Equity instruments		30,000.00
V. Long-term financial investments		**954,346.39**
1. Equity instruments	**10.1**	800,000.00
2. Loans to third parties		140,024.75
5. Other financial assets		14,321.64
VI. Deferred tax assets	**13**	**301,990.61**
B) CURRENT ASSETS		**1,321,554.99**
II. Stocks		**198.44**
6. Advances to suppliers		198.44
III. Trade and other receivables		**638,118.90**
1. Customers for sales and services	**10.1**	247,652.28
3. Sundry debtors		5,207.41
4. Staff		3,707.52
5. Current tax assets		15,752.90
6. Other receivables from general government	**13**	365,798.79
IV. Short-term investments in group and associated companies		**6,636.08**
2. Loans to companies		6,636.08
V. Short-term financial investments		**407,890.43**
1. Equity instruments	**10.1**	336,500.00
2. Loans to companies		49,837.69
5. Other financial assets		21,552.74
VI. Short-term accruals		**1,000.00**
VII Cash and cash equivalents		**267,711.14**
1. Treasury		267,711.14
TOTAL ASSETS		**33,355,926.47**

SUBSTRATE GROUP AI
BALANCE SHEET AS AT 31 DECEMBER 2021
(Expressed in Euro)

LIABILITIES AND EQUITY	NOTES FROM THENOTES TO THE REPORT	2021
(A) NET ASSETS		**27,802,672.47**
A-1) Own funds	**11**	27,644,040.69
I. Capital		**2,028,976.80**
1. Assessed capital		2,028,976.80
2. (Uncalled capital)		0.00
II. Share premium		**26,655,923.20**
III. Reservations		**33,119.28**
1. Legal and statutory		600.00
2. Other reservations		32,519.28
IV. (Parent company's own shares and holdings)		**6,000.00**
V. Results of previous years		**-472,604.78**
2. (Negative results of previous years)		-472,604.78
VII. Result for the year		**-607,373.81**
A-3) Grants, donations and legacies received.	**15**	**178,841.25**
A-4) External Partners	**6**	**-20,209.47**
B) NON-CURRENT LIABILITIES		**429,964.00**
II. Long-term debts		**429,964.00**
5. Other financial liabilities	**10.2**	429,964.00
(C) CURRENT LIABILITIES		**5,123,290.01**
III. Short-term debts		**4,855,423.70**
2. Amounts owed to credit institutions		14,868.70
5. Other financial liabilities	**10.2**	4,840,555.00
IV. Short-term payables to group and associated companies		**1,585.73**
V. Trade and other payables		**266,280.58**
1. Suppliers	**10.2**	123,627.77
2. Suppliers, group companies and associates		500.10
3. Sundry creditors		33,640.84
4. Staff (outstanding salaries)		-286.63
5. Current tax liabilities		234.98
6. Other debts to public administrations		115,093.38
7. Advances to customers		-6,529.86
TOTAL LIABILITIES AND EQUITY		**33,355,926.48**

SUBSTRATE GROUP A!
Profit and loss accounts for the period 01/01/2021 to 31/12/2021
(Expressed in Euros)

RESULT FOR THE YEAR	NOTES	2021
(A) CONTINUING OPERATIONS		
1. Net turnover	**14**	**1,600,144.13**
a) Sales		9,221.33
(b) Provision of services		1,590,922.80
3. Work carried out by the company for its assets		**407,876.12**
4. Procurement	**14**	**-2,187.50**
c) Work carried out by other companies		-2,187.50
5. Other operating income		**26,985.37**
(a) Ancillary and other current operating revenue		26,985.37
b) Operating subsidies included in the profit or loss for the year		0.00
6. Staff costs		**-1,374,310.2**
a) Wages, salaries and similar		-1,145,923.63
b) Social charges		-228,386.60
7. Other operating expenses		**-1,352,733.0**
a) External services		-1,330,942.91
b) Taxes		-21,602.61
(d) Other current administrative expenditure		-187.52
8, Depreciation of fixed assets		**-304,520.58**
9. Allocation of grants for non-financial fixed assets and others		**5,612.00**
11. Impairment and gains/losses on disposal of fixed assets		**5,954.13**
b) Gains or losses on disposals and other.		5,954.13
13. Other results		**171.01**
14. Negative difference in business combinations.		**166,664.59**
(A-1) OPERATING PROFIT		**-820,344.00**
15. Financial expenses		**-6,206.44**
(b) For debts owed to third parties		-6,206.44
16. Change in value of financial instruments		**106,739.98**
a) Trading portfolio and other		106,739.98
17. Exchange rate differences	**12**	**-7,323.91**
18. Impairment and gain or loss on disposal of financial instruments		**8,247.79**
b) Gains or losses on disposals and other.		8,247.79
A.2) FINANCIAL RESULT		**101,457.42**
A.3) PROFIT BEFORE TAX		**-718,886.58**
20. Profit tax		90,703.30
A.4) PROFIT FOR THE YEAR FROM CONTINUING OPERATIONS		**-628,183.28**
(B) DISCONTINUED OPERATIONS		
21. Profit for the year from discontinued operations net of taxes		0.00
A.5) CONSOLIDATED RESULT FOR THE YEAR		**-628,183.28**
Profit attributable to the parent company		**-607,373.81**
Profit attributable to minority interests		**-20,809.47**

SUBSTRATE GROUP AI
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
(Expressed in Euro)

A) CONSOLIDATED STATEMENT OF RECOGNISED INCOME AND EXPENSE	NOTES	2021
A) Consolidated result for the year		-628,183.28
INCOME AND EXPENSES RECOGNISED DIRECTLY IN EQUITY		
I. For valuation of financial instruments		
1. Available-for-sale financial assets		
2. Other results		
II. By cash flow hedges		
III. A-3) Grants, donations and legacies received.	**15**	**178,841.25**
IV. For customs gains and losses and other adjustments		
V. Conversion differences		
VI. Tax effect		
B) Total income and expenses Charged directly to consolidated equity		178,841.25
TRANSFERS TO THE CONSOLIDATED PROFIT AND LOSS ACCOUNT		
VII. For valuation of financial instruments		
1. Available-for-sale financial assets		
2. Other income/expenses		
VIII. For cash flow hedges		
IX. Grants, donations and legacies received.		
X. Conversion differences		
XI. Tax effect		
C) Total transfers to the consolidated profit and loss account		
TOTAL RECOGNISED CONSOLIDATED INCOME AND EXPENDITURE		-449,342.03
Total income and expenses attributed to parent company		•428.532,56
Total income and expenses attributed to minority interests		-20,809.47

(B) CONSOLIDATED STATEMENT OF CHANGES IN TOTAL EQUITY	Capital	Share premium	Reservations	Own shares and participating interests	Results of previous years	Profit for the year attributable to the parent company	Sub-grants and legacies received	Exdemos partners	TOTAL
A. ADJUSTED BALANCE, BEGINNING 1 JANUARY 2021									
I. Total recognised income and expenses						-607,373,81	178,641.25		-423,532.66
II. Transactions with partners o owners									
1. Capital increases (reductions)									
2. *Conversion* of financial liabilities into equity net									
3. Dividend distribution (-)									
4. Transactions in shares of parent company (net)									
5. Increase (decrease) in equity resulting from a business combination									
6. Acquisitions (sales) of shares of former partners									
7. Other transactions with partners or owners									
III. Other changes in equity	2,028,976.80	26,655,923.20	33,119.28	6,000.00	-472,604.78			-20,209.47	23,231,205.03
(B. BALANCE, END AS AT 31 DECEMBER 2021	**2,080,976.80**	**26.655,923.20**	**33,119.28**	**6,000.00**	**-472,604,78**	**-607.373.81**	**178,641.25**	**-20,209.47**	**27,802,672.47**

SUBSTRATE GROUP AI
Statement of Cash Flows for the period 01/01/2021 to 31/12/2021
(Expressed in Euro)

FOR CASH FLOW HEDGESCASH FLOW STATEMENT	NOTES I	2021
(A) CASH FLOWS FROM OPERATING ACTIVITIES		
1. Result of the tax audit		-706,315.58
2. Adjustments to the result:		197,451.16
a) Depreciation of fixed assets (+)	7-8	304,520.58
b) Valuation allowances for impairment (+/-)		
c) Change in provisions (+/-)		
(d) Allocation of subsidies		-5,612.00
e) Gains/losses on disposal of fixed assets (+/-)		
impairment and gain or loss on disposal of financial instruments) Gains/losses on disposal of financial instruments (+/-)		-8,247.79
g) Financial income (-)		
financial expenses) Financial charges (+)		6,206.44
i) Exchange rate differences (+/-)		7,323.91
j) Change in fair value of financial instruments (+/-)		-106,739.98
k) Other Income and Expenses (-/+)		
3. Changes in current capital:		-385,842.74
a) Stocks (+/-)		-198.44
b) Debtors and other receivables (+/-)	10.1	-663,100.82
c) Other current assets (+/-)		-1,000.00
d) Creditors and other accounts payable (+/-)	10.1	278,456.52
e) Other current liabilities (+/-)		
0 Other non-current assets and liabilities (+/-)		
4, Other cash flow from operating activities		-13,530.35
a) Interest payments (-)		-13,530.35
b) Dividend receipts (+)		
(c) Interest income {+)		
d) Income tax receipts (payments) (+/-)		
e) Other receivables and payables (-/+)		
5. Cash flows provided by operating activities		**•908.237,51**
(B) CASH FLOWS FROM INVESTING ACTIVITIES		
6. Investment payments (-)		-1,132,684.79
a) Group companies and associates		
b) intangible fixed assets	**7**	690,778.07
(c) Property, plant and equipment(c) Tangible fixed assets	8	45,066.61
(d) Investment property		
e) Other financial assets	10.1	396,840.11
f) Non-current assets held for sale		
g) Other assets		
7. Two-tone charges (+)		254,610.13
a) Group companies and associates		
b) Intangible assets		
o) Tangible fixed assets		
(d) Investment property		
e) Other financial assets		254,610.13
0 Non-current assets held for sale		
q) Other assets		
8. Cash flows from investing activities		**-878,074.66**
(C) CASH FLOWS FROM FINANCING ACTIVITIES		
9. Proceeds and payments for equity instruments		2,025,526.80
(a) Issuance of equity instruments (+)	11	2 025 520 00
b) Amortisation of equity instruments (-)		
c) Acquisition of own equity instruments (-)		
d) Disposal of own equity instruments (+)		
e) Grants, donations and legacies received (+)		
10. Receivables and payments for financial liability instruments		28,496.51
a) Issue:		89,868.70
1. Bonds and other negotiable securities (+)		
2. Amounts owed to credit institutions (+)		14,868.70
3. Payable to group and associated companies (+)		1,585.73
4. Other debts (+)		75,000.00
(b) Repayment and amortisation of:		-61,372.19
1. Bonds and other negotiable securities (-)		
2. Amounts owed to credit institutions (-)		61,372.19
3. Payable to group and associated companies (-)		
4. Other debts (-)		
11. Dividend and remuneration payments on other equity instruments:		0.00
a) Dividends (-)		
b) Remuneration of other equity instruments (-)		
12. Cash flows from financing activities		**2,054,023.31**
D) Effect of exchange rate changes		
(E) NET INCREASE/DECREASE IN CASH OR CASH EQUIVALENTS		**267,711.14**

CONSOLIDATED ANNUAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2021 OF THE COMPANIES COMPRISING THE SUBSTRATE AI GROUP

Note 1. Constitution of the Group and activity.

1.1 Activity.

Substrate Artificial Inteligence, S.A., hereinafter "Parent Company", was incorporated as a limited company for an indefinite period of time on 9 December 2010, under the name Kau Finanzas, S.L., with its current registered office at Calle Colón, 4, 5-B, Valencia. The company is registered in the Mercantile Register of Valencia, Volume 9189, Book 6771, Folio 65, Page V-149162.

The Parent Company, by public deed, changed its initial corporate name on 23 March 2018, acquiring the name Zona Valué, S.L. On 20 July 2021 it changed its legal form to a public limited company, and on 28 July 2021 it changed its corporate name to Substrate Artificial Inteligence, S.A.

Substrate Artificial Inteligence, S.A. and its subsidiaries (hereinafter, the "Group" or "Substrate AI Group"), have as their corporate purpose:

- The provision of information society services aimed at providing knowledge tools in the financial area and other related areas, in order to facilitate access to third parties interested in acquiring financial culture and tools to interpret this information through the learning modality known as e-learning.
- Acquisition, holding and administration management of securities shares
- Acquisition, holding, commercialisation, leasing and exploitation of all types of rural or urban property
- Preparation of investment reports and financial analysis.
- Financial mediation services
- Computer programming activities, design of structures and content, writing of computer code to implement software for systems, computer applications, databases and web pages.
- Software customisation, including configuration and modification of existing software.

The Substrate Group's core business is the creation and development of state-of-the-art artificial intelligence systems and their application in various sectors. The company has developed proprietary technology to address the problems faced by companies in digitising and streamlining processes. This activity is supported by the study "Integrated Multi-Task Agent Architecture with Affect-Like Guided Behaviour", carried out by external collaborators of the Group, presented at the Biologically Inspired Cognitive Architectures 2021 and by the patents under development and registration detailed in section 5 of this report. The Substrate Group's current geographical scope of operation is Spain.

Substrate Artificial Inteligence, S.A. is the parent company of the Group. The directors of the parent company prepare the consolidated annual accounts of the Group in order to present a true and fair view of the financial position and results of the Group.

2. <u>Basis of presentation of the consolidated annual accounts</u>

a) True and fair view and normative frame of reference

The accompanying consolidated financial statements for the year ended 31 December 2021 have been obtained from the accounting records of the Parent Company and of the subsidiaries included in the scope of consolidation in accordance with the regulatory financial reporting framework applicable to the Company, which is set out in:

a) Commercial Code and other commercial legislation.

b) Rules for the preparation of consolidated accounts, approved by the Royal Decree 1159/2010 of 17 September, amended by Royal Decree 602/2016 of 2 December.

c) General Accounting Plan approved by Royal Decree 1514/2007 together with Royal Decree 1514/2007 Decree 1159/2010 amending certain aspects of the PGC, as amended by Royal Decree 602/2016 of 2 December and Royal Decree 1/2021 of 12 January.

d) The mandatory rules published by the Instituto de Contabilidad y Auditoría de Cuentas (Accounting and Auditing Institute) in development of the General Accounting Plan.

e) All other applicable Spanish accounting legislation.

The accompanying consolidated financial statements are presented in accordance with the applicable financial reporting framework and, in particular, the accounting principles and criteria contained therein, so as to present fairly the Group's equity and financial position at 31 December 2021 and the results of its operations, changes in equity and cash flows for the year then ended.

The consolidated annual accounts have been prepared by the Board of Directors of the Parent Company and will be submitted for approval by the General Meeting of Shareholders, and it is expected that they will be approved without any changes.

b) Non-mandatory accounting principles applied

The accounting policies and methods applied in the preparation of these consolidated annual accounts are summarised in Note 3 of these notes to the consolidated financial statements. All mandatory accounting principles with an impact on equity, financial position and results have been applied in the preparation of these consolidated financial statements.

c) Critical aspects of valuation and uncertainty estimation

The information contained in these annual accounts is the responsibility of the directors of the parent company.

In preparing these consolidated financial statements, estimates were made by the Parent Company's directors in order to measure certain of the assets, liabilities, income, expenses and commitments reported herein. Basically these estimates relate to:

The useful life of intangible and tangible assets (see Notes 3.3 and 3.4). Determination of the fair value of certain financial assets (See Note 3.7)

The Board of Directors has made these estimates on the basis of the best information available at 31 December 2021, although future events may make it necessary to change these estimates (upwards or downwards) in the coming years. Given the predictive nature of any estimate based on future expectations in the current economic environment and the Group's business activity, differences between projected and actual results could become apparent. The directors of the parent company have prepared these consolidated annual accounts, assuming the continuity of the group's activity, which is in a development phase, close to completion, noting that the group's results and working capital at 31 December 2021 are negative, which is characteristic of any start-up. In order to achieve and continue the activity, it is necessary to accelerate its growth and provide it with the necessary resources to develop its business strategy. To this end, and as a potential source of financing, they plan to carry out a Public Offering in the first half of 2022 with the aim of placing its shares on the BME Growth stock market. The Strategic Plan prepared by the Group for the period 2022-2026 is based on the effective application of the artificial intelligence systems developed by the Group, which are guaranteed by the satisfactory resolution of the process of development and registration of the patents described in Note 5 and their effective application to the artificial intelligence systems developed by the Group. Prior to the IPO, the Company carried out a capital increase of 7,606 thousand euros (see Note 17). Following this transaction, the firm Grant Thorton has valued the Agreed Price (price paid by shareholders in the capital increase prior to the exit to BME Growth) at 87,489 thousand euros for 100% of the pre-money Company. The directors of the parent company have considered that the success of the events described above will allow the consolidation of the growth and development of the group, with the aim of reaching a post-startup stage that ensures the continuity of the group.

The parent company has prepared its consolidated financial statements on a going concern basis.

d) Comparison of information

These consolidated financial statements are the Group's first consolidated financial statements and, consequently, no comparative data with the previous period are presented.

e) Correction of errors

No adjustment for error correction has been made.

f) Consolidation perimeter

In preparing these consolidated financial statements, the Group has combined the financial statements of the parent company and its subsidiaries by aggregating items representing assets, liabilities, equity, income and expenses of similar substance. In order for the consolidated financial statements to present group financial information, the carrying amount of the parent's investment in each subsidiary is eliminated and intra-group balances, transactions, income and expenses are eliminated in full.

The subsidiaries included in the scope of consolidation are as follows:

- ZONA VALUE GLOBAL, S.L.
    - Main activities:
        - Acquisition, holding and administration management of securities shares
        - Acquisition, holding, commercialisation, leasing and exploitation of all types of rural or urban property
    - Registered office: Calle Colón, 4-5 B°, 46004 Valencia (Spain)
    - Percentage of effective shareholding in Parent Company: 100%
    - Integration method: Global Integration
    - Date of deposit of Annual Accounts 2020: 29 December 2021

SUBSTRATE AL SPAIN, S.L.

o Main activities:

- Computer programming activities, design of structures and content, writing of computer code to implement software for systems, computer applications, databases and web pages.

- Software customisation, including configuration and modification of existing software.

o Registered office: Calle Colón, 4-5 B°, 46004 Valencia (Spain)

o Percentage of effective shareholding in Parent Company: 100%

o Integration method: Global Integration

o Date of deposit of Annual Accounts 2020: 24 January 2022

KAU MARKET EAFI, S.L.

o Main activities:

- Preparation of investment reports and financial analysis.
- Financial mediation services
- Purchase and sale of real estate and movable property for the realisation of the objects of the company

o Registered office: Calle Colón, 4-5 B°, 46004 Valencia (Spain) o Percentage of

effective shareholding in Parent Company: o Integration method:100% o

Integration method: O Global Integration or Deposit Date Annual Accounts

2020: 19 May 2021

AIREN AI FOR RENEWABLE ENERGY, S.L.

- Main activities:
  - Computer programming activities.
  - Designing structures and content, and/or writing the computer code necessary to create and implement programmes for computer systems and applications

o Registered office: Calle Colón, 4-5 B°, 46004 Valencia (Spain) o Percentage of

effective shareholding in Parent Company: 90% o Integration method: Global

Integration

o Date of deposit of Annual Accounts 2020: They have not been deposited, given that the date of incorporation has been during the year 2021

BOALVET AI, S.L.

o Main activities:

- Computer programming activities.

- Designing structures and content, and/or writing the computer code necessary to create and implement programmes for computer systems and applications

o Registered office: Calle de la plazuela 43, 41370 Seville (Spain) o Percentage of effective

shareholding in Parent Company: 90% o Integration method: Global Integration

o Date of deposit of Annual Accounts 2020: They have not been deposited, given that the date of incorporation has been during the year 2021

SUBSTRATE AI USA INC.

o Main activities:

- Legal business, activities or functions
- To carry out any other lawful activity in connection with, or incidental to, the foregoing as determined by the members in their discretion.

o Registered office: Gunsmoke Dr.Bailey, Colorado, 80421, USA

o Percentage of effective shareholding in Parent Company: 100%

o Integration method: Global Integration

Al SAIVERS LLC

o Main activities:

- Legal economic activities

o Registered office: SW 6th Terrace, Miami, FL 33130, USA. UU.

o Percentage of effective shareholding in Parent Company: 100%

o Integration method: Global Integration

TRANSACTIONS BETWEEN COMPANIES IN THE CONSOLIDATED GROUP ARE DETAILED BELOW:

	SUBSTRATE ARTIFICIAL INTELLIGENCE					SUBSTRATE AL SPAIN, S.L.				ZONA VALUE GLOBAL, S.L.		KAU MARKET EAFI		AI SAIVERS LLC		Substrate AI USA INC	
	ASSET ITEMS					ASSET ITEMS				ASSET ITEMS		ASSET ITEMS		ASSET ITEMS		ASSET ITEMS	
	Non-current investments	Clients	Debtors	Credits delivered	Immobilized	Non-current investments	Debtors	Credits delivered	Immobilized	Non-current investments	Immobilized	Clients	Credits delivered	Clients	Credits delivered	Non-current investments	Credits delivered
	2021	2021	2021	2021	2021	2021	2021		2021	2021	2021	2021	2021	2021	2021	2021	2021
SUBSTRATE ARTIFICIAL INTELLIGENCE									20.190,00			16.117,33			19.394.94		
SUBSTRATE AL SPAIN, S.L.	16.000.000,00			393.574,80	120.000,00												
ZONA VALUE GLOBAL, S.L.	1.800.000,00																
KAU MARKET EAFI					13.320,12					80.000,00							
SUBSTRATE AI USA INC	6.000.000,00		11.083,30	199.381,38											44.146,21		
AI SAIVERS LLC																16.731,41	
AIREEN AI FOR RENEWABLE ENERGY, SL		23.387,10		136.863,18		2.700,00		138.500,00					20.000,00				
BOALVETAI, S.L				9.687,12		2.700,00											

	354.061,97	94.401,63	-191.138,96	2.240,87	167.994,37

	SUBSTRATE ARTIFICIAL INTELLIGENCE			SUBSTRATE AL SPAIN, S.L.			ZONA VALUE GLOBAL, S.L.			KAU MARKET EAFI		N AI FOR RENEWABLE ENER		BOALVET AI, S.L		SUBSTRATE AI USA INC	
	LIABILITY ITEMS			LIABILITY ITEMS			LIABILITY ITEMS			LIABILITY ITEMS		LIABILITY ITEMS		LIABILITY ITEMS		LIABILITY ITEMS	
	Suppliers	Credits received			Creditors	Credits received	Creditors		Interim dividends	Creditors	Interim dividends	Suppliers	Credits received	Suppliers	Credits received	Suppliers	Credits received
	2021	2021	2021	2021	2021	2021	2021	2021	2021	2021	2021	2021	2021	2021	2021	2021	2021
SUBSTRATE ARTIFICIAL INTELLIGENCE					84.429,80	309.145,00						23.387,10	136.863,18		9.687,12		210.464,68
SUBSTRATE AL SPAIN, S.L.													138.500,00				
ZONA VALUE GLOBAL, S.L.																	
KAU MARKET EAFI	16.117,35												20.000,00				
SUBSTRATE AI USA INC																	
AI SAIVERS LLC		19.394,94															44.146,21
AIREEN AI FOR RENEWABLE ENERGY, SL																	
BOALVETAI, S.L																	

	SUBSTRATE ARTIFICIAL INTELLIGENCE	SUBSTRATE AL SPAIN, S.L.		AIREEN AI FOR RENEWABLE ENER			ZONA VALUE GLOBAL, S.L.			KAU MARKET EAFI	
	PYG	PYG		PYG			PYG			PYG	
	Net amount	Net amount	External services	Net amount	External services	Interim dividends	Creditors		Interim dividends	Net amount	External services
	2021	2021	2021	2021	2021	2021	2021	2021	2021	2021	2021
SUBSTRATE ARTIFICIAL INTELLIGENCE		120.000,00			20.062,89					13.320.12	
SUBSTRATE AL SPAIN, S.L.	20.190,00										30.000.00
ZONA VALUE GLOBAL, S.L.											
KAU MARKET EAFI		30.000,00									
SUBSTRATE AI USA INC											
AI SAIVERS LLC											
AIREEN AI FOR RENEWABLE ENERGY, SL	20.06289										
BOALVETAI, S.L											

(q) First application of the amendments to the PGC and the NOFCAC approved by Royal Decree 1/2021

As these are the Group's first consolidated financial statements, it has not been possible to make a comparative analysis of the information relating to the change in regulations for financial assets and liabilities.

Note 3. Accounting principles and valuation criteria.

3.1. Unification of items in the individual accounts of the companies included in the scope of consolidation

The financial year for all group companies runs from 1 January 2021 to 31 December 2021, therefore, there is homogenisation over time and the accounting principles and standards applied have been standardised. No adjustments or eliminations are applicable for homogenisation, except for those related to the functional currency.

3.2. Transactions between companies included in the scope of consolidation

Transactions between the parent company and subsidiaries relate to the provision of services and therefore reciprocal receivables and payables, lending of non-trade receivables, development and disposal of fixed assets.

These transactions have been eliminated from the consolidated profit and loss account and the consolidated balance sheet for the amount of these transactions.

Transactions between companies are carried out as follows:

- Intercompany expenses and income are accounted for in the same period and are incurred at the original cost to third parties of the company incurring the expense and income, thus not giving rise to internal unrealised profits outside the group.

- All significant accounts and transactions between the consolidated companies have been eliminated in the consolidation process

3.3 Intangible assets.

Computer applications.

Acquired software licences are capitalised on the basis of the costs incurred for their acquisition and for bringing the specific software into use.

Costs associated with the development or maintenance of computer software are recognised as an expense as incurred. Expenditure directly related to the production of unique and identifiable software controlled by the Group that is probable to generate economic benefits in excess of costs for more than one year is recognised as intangible assets. Direct costs include the costs of software development staff and an appropriate percentage of overheads.

Goodwill:

Goodwill represents the prepayment made by the acquirer for future economic benefits from assets that could not be individually identified and separately recognised.

Goodwill is amortised over a period of 10 years. At the end of each reporting period, the Group assesses the recoverability of goodwill and amortises in advance any goodwill that it considers not recoverable.

Goodwill is allocated to one or more cash-generating units ("CGUs") that are expected to benefit from the synergies arising from business combinations. CGUs represent the groups of identifiable assets that are the most the Group's cash flows from these small assets are mostly independent of the cash flows generated by other assets or other groups of assets of the Group.

Each CGU or CGUs to which goodwill is allocated:

- It represents the lowest level at which the entity manages goodwill internally.
- It is not larger than a business segment.

CGUs to which goodwill has been allocated are analysed (including the allocated goodwill in their carrying amount) to determine whether they are impaired. This analysis is performed at least annually, or whenever there is an indication of impairment, for the purpose of determining the impairment of a CGU to which goodwill has been allocated, the carrying amount of that unit - adjusted by the amount of goodwill attributable to minority interests, if no option has been made to measure minority interests at fair value - is compared with its recoverable amount.

The recoverable amount of a CGU is equal to the higher of fair value less costs to sell and value in use. The value in use is calculated as the discounted value of the cash flow projections estimated by the unit's management and is based on the latest available budgets for the coming years. The main assumptions used in its calculation are: the cash flows themselves, a growth rate to extrapolate the cash flows into perpetuity and a discount rate to discount the cash flows; which is equal to the cost of capital assigned to each cash-generating unit and is equal to the sum of the risk-free rate plus a premium reflecting the inherent risk of the business being evaluated.

If the carrying amount of a CGU exceeds its recoverable amount, the Group recognises an impairment loss, which is allocated firstly by reducing the carrying amount of goodwill attributed to that unit and, secondly, if impairment losses remain, by reducing the carrying amount of the remaining assets, allocating the remaining loss in proportion to the carrying amount of each of the assets in that CGU. If it had been decided to measure minority interests at fair value, the impairment of goodwill attributable to these minority interests would be recognised. Impairment losses related to goodwill shall never be reversed.

Development

An intangible asset arising from development (or from the development phase of an internal project) shall be recognised as an intangible asset if, and only if, the entity can demonstrate all of the following:

(a) Technically, it is possible to complete the production of the intangible asset so that it can be made available for use or sale.

(b) Its intention to complete the intangible asset in question for use or sale.

(c) Its ability to use or sell the intangible asset.

(d) How the intangible asset will generate probable future economic benefits. Among other things, an entity can demonstrate the existence of a market for the output of the intangible asset or for the asset itself, or, if it is to be used internally, the usefulness of the asset to the entity.

(e) The availability of adequate technical, financial or other resources to complete the development and to use or sell the intangible asset.

(f) Its ability to measure reliably the expenditure attributable to the intangible asset during its development.

An intangible asset shall be measured initially at cost, including import duties and non-recoverable taxes on acquisition, after deducting trade discounts and rebates; and any costs directly attributable to preparing the asset for its intended use.

Industrial property

Industrial property rights are valued at their acquisition price or production cost. The development costs capitalised when the corresponding patent or similar is obtained, including the cost of registration and formalisation of the industrial property, without prejudice to the amounts that may also be recorded for the acquisition of the corresponding rights from third parties, shall be entered in this item. This includes, among others, invention patents, utility model protection certificates, industrial design and introductory patents.

Other intangible assets

Other intangible assets In addition to the intangible items mentioned above, there are other intangible items that will be recognised as such in the balance sheet, provided that they meet the criteria contained in the Accounting Framework and the requirements specified in these recognition and measurement rules. Such elements may include administrative concessions, commercial rights, intellectual property or licences.

Subsequent assessment

Subsequent to initial recognition, an intangible asset is carried at cost less accumulated amortisation and accumulated impairment losses (see note 3.5).

The Group amortises its intangible assets using the straight-line method to allocate the difference between cost and their residual values over the estimated useful lives indicated below:

	% amortisation
Development	20%
Industrial property	10%
Goodwill	10%
Computer applications	33%
Other intangible assets	10%

3.4 Tangible fixed assets

Items of property, plant and equipment, all of which are for own use, are recognised at cost less accumulated depreciation and impairment losses, except in the case of land, which is presented net of impairment losses.

Historical cost includes expenditure directly attributable to the acquisition of the items and any other costs directly related to bringing the asset into use for its intended purpose. In the case of components included as technical installations, which require replacement in a different time period than the main asset, they are recorded and depreciated separately according to their specific useful life. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that the future economic benefits associated with the items will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. Other repair and maintenance expenses are expensed in the period in which they are incurred.

The Group depreciates its property, plant and equipment using the straight-line method to allocate the difference between cost and their residual values over the estimated useful lives indicated below:

TITLE	% AMORTISATION
Constructions	20%
Machinery	15%
Other facilities	10%-12%-15%
Furniture	10-12%
Eq. Proc. Other	25%
Other tangible fixed assets	10%

3.5 Impairment of value.

At the end of each reporting period (in the case of goodwill or intangible assets with indefinite useful lives) or whenever there are indications of impairment (for other assets), the Group performs an impairment test to estimate the possible existence of impairment losses that reduce the recoverable amount of these assets to an amount lower than their carrying amount. When it is not possible to estimate the impairment of assets, they are grouped under Cash Generating Units considering that this is the minimum unit of income generation.

The recoverable amount is the higher of market value less costs to sell and value in use, which is the present value of estimated future cash flows. For the calculation of value in use, the assumptions used include discount rates, growth rates and expected changes in selling prices and costs. Company directors estimate discount rates that reflect the time value of money and the risks associated with the asset. Growth rates and changes in prices and costs are based on internal and industry forecasts and future experience and expectations, respectively.

The Group also performs the corresponding sensitivity analyses on its projection studies, modifying the variables that have the greatest impact on cash flows, specifically discount rates and expected growth.

If the recoverable amount is lower than the carrying amount of the asset, an impairment loss is recognised for the difference with a charge to "Impairment and gains or losses on disposal of non-current assets" in the consolidated income statement and a credit to "Property, plant and equipment" or "Intangible assets", as appropriate, in the consolidated balance sheet.

Impairment losses recognised for an asset in prior years are reversed when there is a change in estimates of its recoverable amount, increasing the carrying amount of the asset up to the carrying amount that would have been determined had no impairment loss been recognised.

3.6. Operating Leases

In operating leases, ownership of the leased asset and substantially all the risks and rewards incidental to ownership remain with the lessor.

In the case of operating leases, income and expenses are treated as income and expenses in the year in which they accrue and are taken to the income statement. Lease payments or prepayments are recognised in profit or loss over the lease term as the economic benefits of the leased asset are transferred or received.

Where the Company acts as lessee, lease expenses are charged to the profit and loss account on a straight-line basis over the agreements and the life of the lease.

3.7 Financial instruments

<u>Financial assets</u>

1. Financial assets at amortised cost

A financial asset is included in this category, even when it is admitted to trading on an organised market, if the undertaking holds the investment for the purpose of receiving cash flows from the performance of the contract and the contractual terms of the financial asset give rise, at specified dates, to cash flows that are solely collections of principal and interest on the principal amount outstanding.

In general, trade and non-trade receivables are included in this category:

a) Trade receivables: these are financial assets arising from the sale of goods and the rendering of services in connection with the company's business transactions with deferred payment, and

b) Non-trade receivables: financial assets which, not being equity instruments or derivatives, do not have a commercial origin and whose proceeds are of a fixed or determinable amount and which derive from loans or credit operations granted by the company.

Financial assets classified in this category are initially measured at fair value, which, unless there is evidence to the contrary, is the transaction price, which is the fair value of the consideration given, plus directly attributable transaction costs.

However, trade receivables maturing within one year that do not have an explicit contractual interest rate, as well as receivables from staff, dividends receivable and payments due on equity instruments that are expected to be received in the near term, may be measured at nominal value when the effect of not discounting cash flows is not material.

Subsequent assessment: Financial assets included in this category shall be measured at amortised cost. Accrued interest shall be recognised in the profit and loss account using the effective interest method.

However, loans maturing in no more than one year which, in accordance with the provisions of the preceding paragraph, are initially valued at their nominal value shall continue to be valued at that amount, unless they have become impaired.

2. Financial assets at cost.

Equity investments in Group companies, jointly controlled entities and associates are initially measured at cost, which is the fair value of the consideration plus directly attributable transaction costs. They are subsequently measured at cost, less any accumulated impairment losses. The impairment loss is quantified as the difference between the carrying amount and the recoverable amount. Unless there is better evidence of the recoverable amount of the investments, the estimate of the impairment of this type of asset is based on the equity of the investee, adjusted for any unrealised gains existing at the measurement date. Impairment losses and, where applicable, reversals of impairment losses are recognised as an expense or income, respectively, in the income statement. The reversal of impairment is limited to the original carrying amount of the investment. Dividends accrued after the time of acquisition are recognised as income in the profit and loss account when the right to receive them is declared.

Impairment of value.

At least at the end of the reporting period, value adjustments shall be made whenever there is objective evidence that the value of a financial asset, or of a group of financial assets with similar risk characteristics measured collectively, has declined impaired as a result of one or more events occurring after initial recognition that result in a reduction or delay in estimated future cash flows, which may be caused by the debtor's insolvency.

The impairment loss on these financial assets is the difference between their carrying amount and the present value of future cash flows, including, where applicable, those arising from the real and personal guarantees, estimated to be generated, discounted at the effective interest rate calculated at the time of initial recognition. For floating rate financial assets, the effective interest rate at the reporting date in accordance with the contractual terms shall be used. Formula-based models or statistical methods may be used in the calculation of impairment losses for a group of financial assets.

Impairment losses, and reversals of impairment losses when the amount of the impairment decreases due to a subsequent event, are recognised as an expense or income, respectively, in the income statement. The reversal of the impairment shall be limited to the carrying amount of the asset that would have been recognised at the date of reversal had no impairment loss been recognised.

However, the market value of the instrument may be used as a proxy for the present value of future cash flows, provided that it is sufficiently reliable to be considered representative of the value that could be recovered by the company.

Cash and other liquid means

Cash and cash equivalents include cash on hand and at banks, demand deposits and other short-term, highly liquid investments that are readily realisable in cash and have no risk of changes in value.

Financial liabilities

1. Financial liabilities at amortised cost.

All financial liabilities shall be classified in this category except when they are to be measured at fair value through profit or loss. In general, trade and non-trade receivables are included in this category:In general, this category includes both trade and non-trade payables.

a) Trade payables: these are financial liabilities arising from the purchase of goods and services for business transactions with deferred payment,
and

b) Non-trade payables: financial liabilities which, not being derivative instruments, do not have a commercial origin, but arise from loans or credit operations received by the company.

Financial liabilities included in this category are initially measured at fair value, which, unless there is evidence to the contrary, is the transaction price, which is the fair value of the consideration received adjusted for directly attributable transaction costs.

However, trade payables falling due in less than one year and not bearing a contractual interest rate, as well as disbursements required by third parties on participations, the amount of which is expected to be paid in the short term, may be measured at their nominal value, when the effect of not discounting cash flows is not significant.

They are subsequently measured at amortised cost. Accrued interest shall be recognised in the profit and loss account using the effective interest method.

However, debts maturing in less than one year which, in accordance with the previous paragraph, are initially valued at their nominal value shall continue to be valued at that amount.

Derecognition of financial assets and liabilities

Group companies derecognise a financial asset, or part of a financial asset, when the contractual rights to the cash flows from the financial asset expire or have been transferred and the risks and rewards of ownership have been substantially transferred. When the financial asset is derecognised, the difference between the consideration received net of attributable transaction costs and the carrying amount of the financial asset, plus any cumulative amount that would have been recognised directly in equity, determines the gain or loss arising on derecognition and forms part of the profit or loss for the period in which the gain or loss arises.

Group companies derecognise a financial liability when the obligation is extinguished. The difference between the carrying amount of the financial liability or part of the financial liability derecognised and the consideration paid, including attributable transaction costs, is recognised in profit or loss in the period in which it arises.

Criteria used in the determination of income or expense from different categories of financial instruments:

Interest and dividends on financial assets and liabilities accrued after the time of acquisition have been recognised as income or expense in the profit and loss account. The effective interest method has been used for the recognition of interest. Dividends are recognised when the member's right to receive them is declared.

3.8. Foreign currency transactions

Transactions in foreign currencies are recorded in the Company's functional currency (euro) at the exchange rates prevailing at the time of the transaction. During the year, differences arising between the exchange rate recorded and the exchange rate prevailing at the date of collection or payment are recorded as financial results in the income statement. The company has not changed its functional currency, the euro, during the year.

At year-end foreign currency balances shall be valued at the closing rate of exchange prevailing at that date.

Exchange gains and losses arising in this process, as well as those arising on the settlement of these assets and liabilities, are recognised in the income statement in the year in which they arise.

3.9 Share capital.

Ordinary equity is classified as equity.

Incremental costs directly attributable to the issue of new units or options are presented in equity as a deduction, net of tax, from the proceeds.

When any Group entity acquires shares in the Company (treasury shares), the consideration paid, including any directly attributable incremental costs (net of income tax), is deducted from equity attributable to equity holders of the Company until cancellation, reissue or disposal. When these units are subsequently reissued, all amounts received, net of any directly attributable incremental transaction costs and related income tax effects, are included in equity attributable to equity holders of the Company.

3.10 Profit tax

The income tax expense or income comprises the portion relating to current tax expense or income and the portion relating to deferred tax expense or income.

Current tax is the amount payable by the Group as a result of income tax assessments in respect of a financial year. Deductions and other tax advantages on the tax liability, excluding withholdings and payments on account, as well as tax losses carried forward from previous years and effectively applied in the current year, result in a lower amount of current tax.

Deferred tax expense or income relates to the recognition and derecognition of deferred tax assets and liabilities. These include temporary differences which are identified as amounts expected to be payable or recoverable arising from differences between the carrying amounts of assets and liabilities and their tax bases, as well as tax loss carryforwards and tax credit carryforwards. These amounts are recorded by applying to the relevant temporary difference or credit the tax rate at which they are expected to be recovered or settled.

Deferred tax liabilities are recognised for all taxable temporary differences, except those arising from the initial recognition of goodwill or other assets and liabilities in a transaction that affects neither taxable profit nor accounting profit and is not a business combination.

Deferred tax assets are only recognised to the extent that it is considered probable that future taxable profit will be available against which the deferred tax asset can be utilised.

Differences between the consolidated value of an investee and its tax base are also taken into account at the consolidated level. In general, these differences arise from accumulated results generated since the date of acquisition of the investee, tax deductions associated with the investment and the translation difference in the case of investees with a functional currency other than the euro. Deferred tax assets and liabilities arising from these differences are recognised unless, in the case of taxable differences, the timing of the reversal of the difference is controlled by the investor and, in the case of deductible differences, the difference is expected to reverse in the foreseeable future and it is probable that sufficient future taxable profit will be available to the enterprise.

Deferred tax assets and liabilities arising from transactions charged or credited directly to equity accounts are also recognised with a balancing entry in equity.

Deferred tax assets are reviewed at each balance sheet date and adjusted if there are doubts as to their future recoverability. In addition, off-balance sheet deferred tax assets are assessed at each balance sheet date and recognised to the extent that it becomes probable that they will be recoverable against future taxable profits.

Deferred tax assets and deferred tax liabilities are offset if, and only if, there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred tax assets and deferred tax liabilities arise from income taxes levied by the same taxation authority on the same taxable entity or taxable person, or different taxable entities or taxable persons, who intend to settle the current tax assets and current tax liabilities on a net basis.

3.11. Income and expenditure

Income and expenses are recognised on an accruals basis, i.e. when the actual flow of the related goods and services occurs, regardless of when the resulting monetary or financial flow arises. Such revenues are measured at the fair value of the consideration received, net of discounts and taxes.

Sales revenue is recognised when the significant risks and rewards of ownership of the asset sold have been transferred to the buyer, but the buyer does not retain current management or effective control over the asset.

Revenue is measured at the fair value of the consideration received or receivable and represents the amounts receivable for goods delivered and services rendered in the ordinary course of business, less discounts, VAT and other sales-related taxes.

Revenue from the rendering of services is recognised when the outcome of the transaction can be estimated reliably based on the percentage of completion of the service at the reporting date.

The company will review and, if necessary, revise the estimates of revenue to be received as the service is provided. The need for such revisions does not necessarily indicate that the outcome or result of the service transaction cannot be reliably estimated. When the outcome of a transaction involving the rendering of services cannot be estimated reliably, revenue is recognised only to the extent that the expenses recognised are considered to be recoverable.

Interest received on financial assets and liabilities is recognised using the effective interest method and dividends are recognised when the shareholder's right to receive them is declared. In any case, interest and dividends on financial assets accrued after the time of acquisition are recognised as income in the profit and loss account.

3.12 Related party transactions.

Commercial or financial transactions with related parties are generally recognised initially at fair value and subsequently measured in accordance with the general accounting rules. In addition, the transfer prices are adequately supported and the board of directors considers that there are no significant risks in this respect that could give rise to material liabilities in the future. The Company conducts all its related party transactions at market values.

3.13 Grants, donations or legacies received

Non-refundable grants, donations and bequests shall, as a general rule, be initially recognised as income directly in equity and shall be recognised in the profit and loss account as income on a systematic and rational basis in a manner correlated with the expenses incurred as a result of the grant, donation or bequest.

Grants, donations and bequests of a monetary nature are measured at the fair value of the amount granted.

Grants, donations and legacies which are non-refundable shall be taken to the profit and loss account on the basis of their purpose.

For the purposes of recognition in the profit and loss account, a distinction is made between the following types of grants, donations and bequests:

a) Where they are granted to ensure a minimum return or to offset operating deficits: they shall be recognised as income in the year in which they are granted, unless they are intended to finance operating deficits in future years, in which case they shall be recognised in those years.

b) When they are granted to finance specific items of expenditure: they shall be booked as revenue in the same financial year in which the expenditure they are financing accrues.

c) When granted to acquire assets or settle liabilities, the following cases can be distinguished:

- Intangible assets, tangible fixed assets and investment property: these are recognised as income for the year in proportion to the depreciation charge made in that period for the aforementioned items or, where appropriate, when they are disposed of, adjusted for impairment or derecognised from the balance sheet.

- Inventories that are not obtained as a result of a trade: they are recognised as income in the year in which they are disposed of, impaired or derecognised.

- Financial assets: are recognised as income in the year in which they are disposed of, impaired or derecognised.

- Cancellation of debts: they shall be recognised as revenue in the year in which they are cancelled, except when they are granted in connection with specific financing, in which case they shall be recognised on the basis of the item financed.

d) Monetary amounts received without earmarking for a specific purpose shall be recognised as revenue in the year in which they are recognised.

Note 4. Consolidation of subsidiaries

The consolidated annual accounts have been prepared by applying the full consolidation method determined in Chapter III of Royal Decree 1159/2010 of 17 September, approving the Rules for the Preparation of Consolidated Annual Accounts and the amendments contained in Royal Decree 602/2016 of 2 December and Royal Decree 1/2021 of 12 January.

Note 5. Consolidation Goodwill

The goodwill on consolidation arises from the acquisition of the subsidiaries Zona Valué Global, S.L. and Substrate Al Spain, S.L. and Substrate AI USA Inc. in the amount of 23,800,000 euros, giving rise to goodwill on consolidation in the amount of 23,483,951.58 euros as a result of the elimination of investment-equity in these Consolidated Financial Statements, date of first consolidation.

The companies Kau Market EAFI, S.L. and AI Saivers LLC, have been acquired for the following amounts for an amount of 80.000 and 16,731.41 euros respectively, giving rise to a negative consolidation difference, which has been charged to the Profit and Loss account of these Consolidated Annual Accounts for an amount of 154,161.93 euros.
At year-end, the Group has analysed the financial projections of the subsidiaries for which goodwill was generated using the discounted cash flow method. No valuation adjustments were necessary.

The detail of the movement in the exercise is:

	Balance 01.01.21	**Additions**	**Casualties**	**Balance 31.12.21**
Goodwill on consolidation		23,483,951.58		23,483,951.58
Amortisation Accumulated				
Net				23,483,951.58

Note 6. **External Partners**

The balance of Minority interests at the date of first consolidation is -20,209.47 euros. Corresponds to their actual shareholding percentage, which amounts to 10% of the net assets of the companies Airen Ai For Renewable Energy, S.L. and Boalvet Al, S.L.

Note 7. Intangible assets

The movement in intangible assets in 2021 was as follows:

31/12/2021

Cost	Opening balance	Tickets	Exits	Closing balance
Development	379,293.60	457,768.50		837,062.10
Industrial property	44,395.53	157,782.32		202,177.85
Goodwill		6,100,000.00		6,100,000.00
Computer applications	134,282.87	98,796.80	-229.02	232,850.65
Other fixed assets		83,517.57		83,517.57
Total Cost	557,972.00	6,897,865.19	-229.02	7,455,608.17

Accumulated Depreciation	Opening balance	Additions	Retreat	Closing balance
A. Accumulated Development		-8,357.74		-8,357.74
A.Accumulated Industrial property		-11,087.05		-11,087.05
AAcumulated Trading fund		-203,333.00		-203,333.00
A.Accumulated Computer applications	-23,568.36	-57,900.26		-81,468.62
A.Accumulated Other fixed assets		-4,177.59		-4,177.59
Total depreciation	-23,568.bb	-284,855.64		-308,424.00
Net	534,403.64			7,147,184.17

There have been no investments outside the Spanish territory during the financial year 2021. During the year 2021 one of the Group companies has received a grant related to intangible assets amounting to EUR 170,423.24 as detailed in note 15.

In the financial year 2021, intangible fixed assets were acquired between group companies for an amount of 153,510.12 euros.

No impairment losses on property, plant and equipment were recognised or reversed in 2021.

Group companies have taken out insurance policies to cover the risks to which their property, plant and equipment are subject.

Group companies have no fully amortised intangible assets at 31 December 2021.

Goodwill arises from the acquisition Parent Company during the financial year 2021. has generated goodwill by respectively.

the acquisition of these production units amounts to EUR 5,500,000 and EUR 600,000, respectively

The patents in progress, which are pending registration as of 31 December 2021, are as follows:

Title	Status of the case
METHODS AND APPARATUS FOR AUTOMATING THE MANAGEMENT OF INTENSIVE DAIRY HERDS TO PRODUCE A CUSTOMISED PRODUCT BASED ON END-USE USING MACHINE LEARNING	Implementation prepared and under review
METHODS AND APPARATUS FOR ADAPTIVE OPTIMISATION OF FEED MIX AND DRUG SELECTION USING MACHINE LEARNING TO OPTIMISE ANIMAL REPRODUCTION RATE	Implementation prepared and under review
METHODS AND APPARATUS FOR ADAPTIVE OPTIMISATION OF FEED MIX AND DRUG SELECTION USING MACHINE LEARNING TO OPTIMISE MILK PRODUCTION AND ANIMAL HEALTH	Implementation prepared and under review
SYSTEMS AND METHODS FOR EFFICIENTLY IMPLEMENTING HIERARCHICAL STATES IN MACHINE LEARNING MODELS USING REINFORCEMENT LEARNING	Ongoing development
METHOD FOR AUTOMATICALLY ADJUSTING REINFORCEMENT LEARNING HYPERPARAMETERS BY MEANS OF HYPERPARAMETER MODELS THAT USE THE SHARPE RATIO REWARD SIGNAL TO OPTIMISE RISK-ADJUSTED AGENT RETURNS OVER TIME	Ongoing development
METHOD FOR LEARNING THE BEHAVIOURAL REPERTOIRE OF THE REINFORCEMENT LEARNING AGENT USING OPTIONS	Ongoing development
APPARATUS AND METHODS FOR AN INTEGRATED MULTI-MODEL STRATEGY LEARNING AGENT ARCHITECTURE WITH AFFECT-DRIVEN BEHAVIOUR	Ongoing development
METHOD FOR PRE-TRAINING THE REINFORCEMENT LEARNING AGENT FROM TABULAR DATA AND EXAMPLES OF IMPERFECT EXPERT ACTIONS WHEN THE SIMULATED ENVIRONMENT IS UNAVAILABLE	Ongoing development
METHOD FOR CREATING A REINFORCEMENT LEARNING IMAGINATION SYSTEM THROUGH SYNTHETIC STATE-ACTION TRANSITIONS AND THEIR ASSOCIATED REWARD SIGNALS AND FACILITATING AGENT PLANNING AND THE CREATION OF OPTION CANDIDATES	Ongoing development
METHOD FOR AUTOMATICALLY DETECTING AND ADJUSTING THE BEHAVIOUR OF THE REINFORCEMENT LEARNING AGENT BASED ON A MULTIPLE OBJECTIVE SIGNAL INCLUDING THE VALUE OF THE BIAS SIGNAL	Ongoing development
METHOD FOR EXTRACTING OPTIONS FROM DEMONSTRATION EXPERIENCE AND INITIALISING AGENTS WITH THE OPTIONS LEARNED TO SUPPORT THE TRANSFER LEARNING OF THE DEMONSTRATOR	Ongoing development
METHOD FOR REDUCING MODEL DATA FOR INCLUSION IN THE DON APPROXIMATOR BY CONSTRUCTING A STATISTICAL ESTIMATE OF EMPTY VALUES	Ongoing development

Note 8. Tangible fixed assets

The movement in intangible assets in 2021 was as follows:

31/12/2021

Cost	Opening balance	Tickets	Exits	Closing balance
		5,500.00		5,500.00
	1,152.14			1,152.14
	90,290.98			90,290.98
	26.495.23	6,109.07	-23,311.00	9,293.30
	23,277.46	13.340.49	-1,759.86	34,858.09
Constructions Machinery Other installations Furniture	566.95	2,883.55		3,450.50
Equipment for ^formation Processes Other Fixed Assets Fixed Assets in Progress		17.233.50		17,233.50
Total Cost	141,782,76	45,066.61	-25,070.86	161,778.51

Depreciation	Opening balance	Additions	Retreats	Closing balance
Constructions		-91.45		-91.45
A.Acumulated Machinery	-477.27	-173.29		-650.56
A.Acumulated Other facilities	-10,665.56	-12,291.83		-22,957.39
A.Acumuiada Furniture	-13,989.02	-581.09	13,182.79	-1,387.32
A.Acumulated Information processing equipment	-13,258.74	-6,285.47	330.93	-19,213.28
Accumulated Other Fixed Assets	-566.95	-12.83		-579.78
Total depreciation	-38,957.54	-19,435.96	13,513.72	-44,879.78
Net	102,825.22			116,898.73

There have been no investments outside the Spanish territory during the financial year 2021. There have been no reversals or grants related to property, plant and equipment in 2021.

In the financial year 2021, tangible fixed assets were purchased between group companies for an amount of 13,320.12 euros.

No impairment losses on property, plant and equipment were recognised or reversed in 2021.

Group companies have taken out insurance policies to cover the risks to which their property, plant and equipment are subject.

Group companies have no fully depreciated property, plant and equipment at 31 December 2021.

Note 9. Operating Leases

Operating leases correspond to rental contracts for the offices in which the group operates, amounting to 48,645.48 euros in 2021.

Future minimum payments for offices and firms are broken down as follows:

	1 year	1 to5 years	+ 5 years
Minimum future payments	63.650,00	64.800,00	0,00

This information is obtained from the contracts in our possession and taking into account the current expiry dates and the rents agreed, and it is the intention of the company and the lessors to renew these contracts for periods similar to those initially contracted, provided that there is no cause that prevents this.

Note 10. Financial instruments

10.1 Categories of financial assets

Details of current and non-current financial assets at 31 December 2021, classified by category and maturity, are as follows (excluding receivables from tax authorities):

Categories N. / Classes	Long-term financial instruments		Short-term financial instruments	TOTAL
	2021		2021	
	Equity instruments	Loans, derivatives and other	Loans, derivatives and other	2021
Financial assets at amortised cost		154,346.39	671,093.72	825,440.11
Financial assets at cost	830,000.00			830,000.00
Total	**830,000.00**	**154,346.39**	**671,093.72**	**1,655,440.11**

The financial assets at amortised cost category consists of:

	2021 Non-current	2021 Current
Loans delivered	140,024.75	392,973.77
Customers for sales and services		247,652.28
Sundry debtors		5,207.41
Staff		3,707.52
Bonds and deposits	14,321.64	21,552.74
TOTAL	**154,346.39**	**671,093.72**

Long-term bonds and deposits mature in 2024. The credits provided mature in 202G.

There are no receivables for which there are doubts as to their collectability.

The financial assets at cost correspond to the foundational endowment contributed for the constitution of the Zona Valué Foundation for an amount of 30,000 euros and the purchase of 10% of the company Assistacasa S.L. for an amount of 3,600,000 euros, of which 2,800,000 euros are pending payment.

Cash and cash equivalents at 31 December 2021 amounted to 267,711.14 euros.

10.2 Categories of financial liabilities

Details of current and non-current financial liabilities at year-end, classified by category and class, are as follows (excluding amounts owed to the tax authorities):

Categories \ Classes	Financial instruments			Total	
	Long-term financial instruments 2021	Short-term financial instruments 2021			
	Loans, derivatives and other	Amounts owed to credit and financial institutions	Loans, derivatives and other	Amounts owed to credit and financial institutions	Loans, derivatives and other
Financial liabilities at amortised cost	429,964.00	14,868.70	4,993,092.95	14,868.70	5,423,056.95
ToUI	429,964.00	14,868.70	4,993,092.95	14,868.70	5,423,056.95

The derivatives and others class is broken down as follows:

	Non-current 2021	Current 2021
Deposits received for capital increases	75.000,00	80.000,00
Appropriations received	354.964,00	4.562.140,73
Grants awarded		200.000,00
Suppliers for purchases and services		124.127,87
Other sundry creditors		33,640.84
Staff		-286,63
Advances from customers		-6.529,86
Total	**429.964,00**	**4.993.092,95**

Long-term loans received have a fixed maturity date of 2026 while long-term deposits received do not have an estimated realisation date.

The financial expenses from financial liabilities in the financial year 2021 amounted to 6,206.44 euros.

10.3 Information on the nature and level of risk arising from financial instruments:

- Credit risk: Credit risk represents the losses that the group would suffer in the event of a counterparty defaulting on its contractual payment obligations to the counterparty. This risk is low due to the collection method required from its customers.

- Liquidity risk: Liquidity risk in the group's financial assets would exist in the event that the group invests in small-cap securities or in financial markets with small size and limited trading volume, which could result in the investments being illiquid. Due to the composition of the financial assets, the group is not exposed to this risk, however, the exposure to this risk is determined by the successful IPO.

- Market risk: Market risk represents the Company's losses resulting from adverse movements in market prices. The most significant risk factors could be grouped into the following:

- Interest rate risk due to low interest rates on the group's borrowings, the interest rate risk is minimal.
- Exchange rate risk: the group at year-end has no financial assets or liabilities in currencies other than the euro and is therefore not exposed to the risk of exchange rate fluctuations.
- Equity or stock index price risk: Investing in equity instruments means that the group's performance may be affected by the volatility of the markets in which it invests. As the Company does not invest significantly in listed equity instruments it is not exposed to this price risk.

10,4 Information on payment deferrals made to suppliers

In accordance with Law 15/2010, of 5 July, there is a "Duty of disclosure" in the annual accounts, on the deferral of payment to suppliers and by Resolution of 29 January 2016 of the Spanish Accounting and Audit Institute (Instituto de Contabilidad y Auditoría de Cuentas), it is resolved on the information to be included in the notes to the annual accounts in relation to the average period of payment to suppliers in commercial transactions.

This information is detailed below:

	2021
	Days
Average supplier payment period	11
Ratio of paid transactions	11
Ratio of transactions outstanding	12
	Amount (EUR)
Total payments made	16,892,432.55
Total outstanding payments	157,768.71

Note 11. Consolidated equity and shareholders' equity.

The share capital of the parent company is 2,028,976.80 euros, divided into 20,289,768 shares of 0.1 euros par value each, fully subscribed and paid up. All shares are of the same class, confer the same rights and are not listed on the stock exchange.

The reserves consist of the legal reserve amounting to 600 euros, the entity's reserves of 32,519.28 euros.

The item Negative results from previous years, amounting to -472,604.78 euros, corresponds to the parent company's losses from previous years.

The share premium, both in the financial year 2021 26,655,923.20 euros.

In accordance with the Consolidated Text of the Spanish Companies Act, an amount equal to 10% of the profit for the year must be transferred to the legal reserve until it reaches at least 20% of the share capital. The legal reserve may be used to increase the capital to the extent of the balance of the legal reserve that exceeds 10% of the increased capital.

The legal reserve, up to the limit specified above, may be used to offset losses only if sufficient other reserves are not available for this purpose.

During the financial year 2021, the Parent Company has carried out capital increases by means of cash contributions and capitalisation of debts for a total amount of 2,025,526.86 euros of capital and 25,656,223.20 euros of share premium.

As at 31 December 2021 the legal reserve is not fully constituted in accordance with the previous paragraph.

The eliminations in this section in the financial year 2021 correspond to the eliminations of the equity, both capital and reserves of Airen Al For Renewable Energies, S.L. for an amount of 3,000 euros, Boalvet Ai, S.L. for an amount of 3,000 euros, Substrate Spain S.L. in the amount of 354,061.97 euros, Ai Saivers LLC in the amount of 94,401.63 euros, Substrate Al USA Inc. in the amount of -191,138.96 euros, Zona Valué Global, S.L. in the amount of 2,240.87 euros and Kau Market Eafi, S.L. in the amount of 167,994.37 euros respectively.

Note 12. Foreign Currency

At year-end the Group had foreign currency expenses of $187,772.41 equivalent to 165,788.81 euros. As at 31/12/2021, foreign currency credit balances amount to $1,876.26, equivalent to 1,656.60 euros. The Group's total foreign currency sales amounted to $4,140.10 or 3,418.58 euros.

Exchange losses of EUR 7,323.91 have been recognised in the result for the year.

Note 13.Fiscal situation

13.1. Balances with general government in financial years 2021:

	2021	
	Non current	**Current**
Deferred tax assets	301,990.61	
Current tax assets		15,752.90
Other receivables from public authorities		365,798.79
TOTAL	**301,990.61**	**381,551.69**
Deferred tax liabilities	-	
Current tax liabilities		234.98
TOTAL	-	**234.98**
Other debts to public administrations		115,093.38
TOTAL	-	115.093.38

a) Profit tax

The reconciliation of the net amount of income and expenses for the year to the taxable income for income tax purposes is as follows:

RECONCILIATION OF THE NET AMOUNT OF INCOME AND EXPENDITURE FOR THE YEAR TO THE BASIS FOR THE YEAR

	Financial year 2021		
	Profit and loss account		
	Increases	Decreases	Net effect
Balance of income and expenditure for the year	65,671.88	791,562.75	-725,890.87
Permanent differences	1,204.49		1,204.49
Temporary differences	108,863.54		108,863.54
Originating in the exercise	108,863.54		
Arising from previous years			
Corporate taxation	141,620.27	50,916.97	90,703.30
Compression of tax loss carryforwards from previous years		50,681.99	-50,681.99
Tax base (taxable income)	704.95	649,942.48	-649,237.53

13.2 The numerical reconciliation between the income tax expense and the result of multiplying the tax rate to total recognised income and expense is as follows:

	2021
Tax base	-615,822.84
Tax rate	25%
Quota	-90,878.30
Deductions or incentives for activities	-175.00
Withholdings and prepayments	
Withholdings and payments on account	15,752.90
TOTAL	-74,950.40

a. Details of deferred taxes and movement during the year are as follows:

	Balance 31/12/2021
Deferred tax assets	301,990.61
A) Assets for deductible temporary differences	108,863.54
(b) Rights of deduction	
C) Credits for losses to be offset	193,127.07
TOTAL	301,990.61
Deferred tax liabilities	
Temporary differences	
TOTAL	

b. The only deduction made relates to deductions for donations amounting to 175 euros.

14. Income and expenditure

Procurement

100% of the supplies come from work carried out by other companies, for a full amount of 2,187.50 euros.

Staff costs

The breakdown of this item in the profit and loss account for the last two years is as follows:

Description	**Amount 2021**
Wages, salaries and similar	1,145,923.63
Company social security and other social security costs	228,386.60
Total	**1,374,310.23**

Net turnover

Description	**Amount 2021**
National services	1.079.542,84
Provision of intra-Community services	459.197,21
Provision of export services	61.404,08
Total	**1,600,144.13**

Note 15. Grants, donations and legacies

The group companies have obtained subsidies during the current financial year amounting to 170,423.24 euros and 14,030 euros granted by the Instituto de Coineiciu Exterior and the Consellería de Hacienda y Modelo Económico de la Generalitat Valenciana respectively. At the date of preparation of these Consolidated Financial Statements, a group company has been awarded a grant of 200,000 euros from the Instituto de Comercio Exterior pending justification, and the directors, based on their experience, consider that they will comply with all the conditions established in the grant regulations for the payment of the grant.

Note 16. Related parties.

All significant balances at year-end between the consolidated entities and the effect of transactions between them during the period have been eliminated on consolidation.

However, the Group has relevant balances in the consolidated balance sheet as at 31 December 2021 with related parties. Related parties are considered to be the shareholders and direct partners of the Group (including minority shareholders), as well as the Directors of the Parent Company and key management personnel of the Group and close relatives of the aforementioned and companies related to them, and those companies in the case of subsidiaries or joint ventures that the directors of the Parent Company have not included in the consolidated financial statements, these are consolidated using the equity method.

SUBSTRATE ARTIFICIAL INTEUGENCE, S.A.

DEBTOR BALANCES •7 A

	Equity instruments	Credits delivered	Clients	Capital increase appropriations
	31/12/2021	31/12/2021	31/12/2021	31/12/2021
FUN DATION ZONA VALUE (Group Company) SUBSTRATE	30,000.00			
UNIPESSOAL (Other Related Party)		68,989.93	60,000.00	
UANA FILMS (Other related party)		11,000.00	26,504.00	
KAU SPECIAL SITUATIONS (Other related party) KAU		50,034.82		
SPECIAL SITUATIONS (Other related party)				336,500.00
TOTAL	30,000.00	130,024.75	86,504.00	336,500.00

KAU MARKET EAFI, S.L.

DEBTOR BALANCES

	Credits delivered	Debtors
	31/12/2021	**31/12/2021**
KAU SPECIAL SITUATIONS (Other related party) 46.004,00 Members of the council		2,400.00
TOTAL 46.004,00		**2,400.00**

AIREN Al FOR RENEWABLE ENERGY S.L.

DEBTOR BALANCES

	Credits delivered
	31/12/2021
Board members	3,000.00
TOTAL	**3.000,00**

SUBSTRATE ALSPAIN,S.L.

DEBTOR BALANCES

	Credits delivered
	31/12/2021
SUBSTRATE UNIPESSOAL (Other related party)	10.000,00
TOTAL	**10,000.00**

SUBSTRATE ARTIFICIAL INTEUGENCE, S.A.

DEBTOR BALANCESCREDITOR BALANCES

	Receivables	Trade payables
	31/12/2021	**31/12/2021**
UANA FILMS (Other related party)		-9,120.96
SUBSTRATE EU (Other related party)	20,000.00	
TOTAL	20.000.00	**-9,120.96**

SUBSTRATE ALSPAIN,S.L.

DEBTOR BALANCESCREDITOR BALANCES

	Appropriations received
	31/12/2021
SUBSTRATE USA LLC (Other related party)	334.964,00
Board members	2.700,00
KAU SPECIAL SITUATIONS (Other related party)	2.700,00
TOTAL	**340.364,00**

ZONA VALUE GLOBAL S.L

DEBTOR BALANCESCREDITOR BALANCES

	Capital increase appropriations
	31/12/2021
IJANA FILMS (Other related party)	80.000,00
TOTAL	**80.000,00**

KAU MARKET EAFI, S.L.

DEBTOR BALANCESCREDITOR BALANCES

	Appropriations received
	31/12/2021
KAU SPECIAL SITUATIONS (Other related party)	55.000,00
TOTAL	**55.000,00**

SUBSTRATE ARTIFICIAL INTELIGENCE , S.A.

CONTINUING OPERATIONS

	Served Received	Services Provided
	31/12/2021	**31/12/2021**
SUBSTRATE UNIPESSOAL (Other related party)		60,000.00
IJANA FILMS (Other related party)	83,517.57	
TOTAL	**83,517.57**	**60,000.00**

SUBSTRATE AL SPAIN, S.L.

CONTINUING OPERATIONS

	Services Received
	31/12/2021
KAU SPECIAL SITUATIONS (Other related party)	6.750,17
TOTAL	**6.750,17**

AIREN AI FOR RENEWABLE ENERGY S.L.

CONTINUING OPERATIONS

	Services Received
	31/12/2021
KAU SPECIAL SITUATIONS (Other linked party)	14,000.00
TOTAL	**14,000.00**

Note 17. Post-closure events

Since the end of the financial year, no relevant facts, circumstances and/or information have come to light or occurred that would make it necessary to amend the Consolidated Financial Statements for the year ended 31 December 2021 and/or to include additional disclosures or explanations, except as described below:

> In March 2022, the Parent Company carried out a capital increase by offsetting receivables in the amount of EUR 5 million and a cash capital increase in the amount of EUR 2,600,000, pending registration in the Commercial Register. Consequently, at the date of these consolidated financial statements, the group's financial liabilities have decreased by 5 million euro, increasing the parent company's share capital by this amount.

Note 18. Other information:

Average number of employees

The average number of employees by category and gender in 2021 was as follows:

	AVERAGE WORKFORCE 2021		
	MEN	**WOMEN**	**TOTAL**
ANALYST	2	0	2
AUXADM	1	7	8
COMMERCIAL	5	2	7
DRAFTWER	1	0	1
GRAPHIC DESIGNER	1	0	1
ENCARGADAMKT	0	1	1
HEAD OF PROGRAMMING	1	0	1
PROJECT MANAGER	0	1	1
ING. INFORMATICO	1	0	1
OF. ADM	1	0	1
OF. FIRST	i	2	3
OF. SECOND	0	1	1
PROGRAMMERS	2	1	3
PROJECT MANAGER	0	1	1
TELEPHONIST	0	1	1
ADVANCED GRADUATE	1	0	1
TOTAL	17	17	34

Staffing table at the end of the financial year

	AVERAGE WORKFORCE 2021STAFF CLOSING 2021		
	MEN	WOMEN	TOTAL
ANALYST	3	1	4
AUXADM	1	9	10
COMMERCIAL	4	1	5
DRAFTWER	1	0	1
GRAPHIC DESIGNER	1	0	1
MKT MANAGER	0	2	2
HEAD OF PROGRAMMING	1	0	1
PROJECT MANAGER	0	1	1
ING. INFORMATICO	1	0	1
OF.ADM	1	1	2
OF. FIRST	1	3	4
OF. SECOND	0	1	1
PROGRAMMERS	2	1	3
PROJECT MANAGER	0	1	1
TELEPHONIST	0	1	1
ADVANCED GRADUATE	1	0	1
TOTAL	17	22	39

At the end of the year, the group had one person with a disability of more than 33%.

The auditors' fees for the financial year 2021 are as follows:

Audit fees	2021
For audit services	20.150,00
For other services*	9.400,00

☐Special reports on capital increase

The amount indicated in the above table for audit services includes the entire audit fee for the 2021 audit irrespective of the time of invoicing.

Valencia,14 May 2022

Mr Lorenzo Serratosa Gallardo

Mr Salvador Martí Varo

Mr Perfecto Palacio López

Mr José Iván García Braulio

Mr Christopher Nicolas Dembik

MANAGEMENT REPORT YEAR 2021

1. EVOLUTION OF SOCIETY

The Company faces no uncertainties about its future. During the financial year 2021, there has been continuity in the Company's activities with normal business relations.

There are no claims from third parties.

The Parent Company, in 2021, incurred extraordinary expenses arising from the consolidation of the Group and the preparation of the Group to exit to BME Growth, which has led to losses exceeding those of the natural activity of the business.

The Company has achieved the following results for the financial year 2021:

	2021
Net turnover	1,600,144.13
Operating results	-820,344.00
Financial result	101,457.42
Profit before tax	-718,886.58
Result for the year	-628,183.28

2. SIGNIFICANT EVENTS FOR THE COMPANY OCCURRING AFTER THE END OF THE FINANCIAL YEAR

In March 2022, the Parent Company carried out a capital increase by offsetting receivables in the amount of EUR 5 million and a cash capital increase in the amount of EUR 2,600,000, pending registration in the Commercial Register. Consequently, at the date of these consolidated financial statements, the group's financial liabilities have decreased by 5 million euro, increasing the parent company's share capital by this amount.

3. RESEARCH AND DEVELOPMENT

The group has developed two R&D projects through its subsidiaries Substrate AL SL Spain and Airen Al SL, these projects are related to the development of two of the products currently marketed through Boalvet Al and Airen Al SL.

The first of these is an AI dairy farm manager that improves the quality and quantity of milk produced per animal and has improved the results obtained on the farms where it is active by 30%. This project received an ICEX grant of 170,000 euros

The second is a productive maintenance system for solar plants that monitors inverters to detect anomalies and thus improve the plant's energy production and avoid unnecessary shutdowns. This project has received a grant of 200,000 euros from ICEX.

4. TREASURY SHARES

During the year the company did not acquire any treasury shares.

5. RISKS AND UNCERTAINTIES

The company does not face any uncertainties about its future and does not see any risks in its activities.

The company has sufficient liquidity available to cover the demand for financing required for normal business development.

Risk assessment:

- Credit risk: Credit risk represents the losses that the group would suffer in the event of a counterparty defaulting on its contractual payment obligations to the counterparty. This risk is low due to the collection method required from its customers.
- Liquidity risk: Liquidity risk in the group's financial assets would exist in the event that the group invests in small-cap securities or in financial markets with small size and limited trading volume, which could result in the investments being illiquid. Due to the composition of the financial assets, the group is not exposed to this risk, however, the exposure to this risk is determined by the successful IPO.
- Market risk: Market risk represents the Company's losses resulting from adverse movements in market prices. The most significant risk factors could be grouped into the following:
  - Because interest rates on the group's borrowings are low, interest rate risk is minimal.
  - Exchange rate risk: at year-end the group has no financial assets or liabilities in currencies other than the euro and is therefore not exposed to the risk of exchange rate fluctuations.

- Equity or stock index price risk: Investing in equity instruments means that the group's performance may be affected by the volatility of the markets in which it invests. As the Company does not invest significantly in listed equity instruments it is not exposed to this price risk.

Valencia, 14 May 2022

Mr Lorenzo Serratosa Gallardo

Mr Salvador Martí Varo

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