

SUBSTRATE ARTIFICIAL INTELLIGENCE SOCIEDAD ANONIMA

("Substrate AI" or the "Company")

Issue of Convertible Bonds and Warrants

Substrate AI (AQUIS: SAI.B) announces its twelfth issuance of 50 Bonds convertible into class A shares of the Company for an aggregate nominal amount of €500,000 (the "Convertible Bonds (October 2023)"), as well as the issuance of 384,615 warrants (the "Warrants T12"), with Global Corporate Finance Opportunities 15 ("GCFO15" or the "Investor") being the sole recipient of such securities.

This issuance relates to the investment agreement dated 15 June 2022 (the "Investment Agreement") entered into with GCFO15, a financial vehicle managed by Alpha Blue Ocean ("ABO"), by which the Investor committed to providing a facility of up to €20,000,000 to the Company (the "Commitment"), by subscribing to interest-free mandatory convertible bonds (obligaciones convertibles en acciones), each with a par value of €10,000 and with a duration of 12 months from their respective date of issuance (each, a "Convertible Bond"). By means of the Investment Agreement, the Investor undertook the Commitment in 39 sequential tranches (each, a "Tranche"), with an aggregate nominal value of (i) €1,000,000 for the first Tranche and (ii) € 500,000 for the following 38 Tranches. The conversion price of each Convertible Bond is the higher of (i) the theoretical conversion price and (ii) the nominal value of the class A share. The theoretical conversion price means 95% of the lowest closing volume weighted average price of the class A shares on the BME Growth Market as published by Bloomberg (the "Daily VWAP"), during the period of five (5) consecutive trading days expiring on the trading day immediately preceding the conversion date. The conversion price will be determined by rounding down to the nearest 1/100th.

Following this issuance, The Company has issued 580 Convertible Bonds under the Investment Agreement.

On 17 May 2023, the Extraordinary General Meeting of Shareholders passed the resolution to delegate to the Board of Directors the power to issue convertible bonds into shares of the Company for a maximum nominal amount of €17,200,000, as well as to increase the share capital as necessary to cover the conversion of said bonds.

Under the Investment Agreement, the Company also approved a warrant program through which GCFO15 can acquire up to a number of shares equivalent to 20% of the nominal value of each Tranche. The warrants are exercisable within a period of 3 years and the exercise price is equal to:

- (i) with respect to Warrants issued in relation to the first Tranche, the lowest of both:
 - EUR 4.12; and
 - 120% of the lowest closing VWAP of the ten (10) trading days immediately preceding the date of signing of the Investment Agreement;

- (ii) with respect to Warrants issued in relation to each subsequent Tranche, 120% of the lowest Daily VWAP over the ten 10 trading Days' period immediately preceding the date the drawdown notice to issue a new subsequent Tranche is deemed sent.

The Directors of the Company accept responsibility for the contents of the announcement.

For further information, please contact:

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About Substrate AI: Substrate AI is an artificial intelligence company based in Spain that creates, buys and scales companies around AI in diverse sectors such as fintech, agritech, energy, human resources, or health. All of them sell products and services built on the bio-inspired reinforced learning technology developed and patented by Substrate AI.

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