

SUBSTRATE ARTIFICIAL INTELIGENCE SOCIEDAD ANONIMA

("Substrate AI" or the "Company")

FORECAST UPDATE

Substrate AI (AQUIS: SAI/SAI.B) announces that, due to the new acquisitions made by the Company during the last half of 2023, the Board of Directors, at its meeting held on 22 December 2023, approved new projections for 2023 based on its organic growth as a result of the development of its current businesses and inorganic growth with the incorporation of the new acquisitions into the Group.

In this regard, the projections approved for the 2023 financial year are as follows:

	Euros	
	2023 original	2023 new
Revenues	5.937.770	6.500.000
Other revenues	2.250.000	4.000.000
Total revenues	8.187.770	10.500.000
Staff costs	(4.800.348)	(3.366.942)
OPEX	(3.993.975)	(10.160.369)
Other results	-	-
EBITDA	(606.554)	(3.027.311)
Amortization	(3.330.547)	(2.269.074)
Financial result	(63.371)	(1.012.006)
EBT	(4.000.472)	(6.308.391)

Revenue

Consolidated turnover is projected to increase due to the integration of new businesses acquired during the current year, in addition to the organic growth projected for 2023.

Total revenues are also growing due to the increase in work on the development of new solutions and products in the field of R&D.

Expense

Personnel expenditure is significantly reduced compared to previous forecasts due to the Company's ability to generate more revenue with lower expense.

On the other hand, the rest of the operating expenses exceed those previously published in these forecasts, taking into account, above all, the cost of acquisitions of new businesses and the sharp increase in the development of AI products and solutions.

EBITDA

In terms of EBITDA, despite the increase in revenues and the reduction in personnel expenses, EBITDA is projected to worsen compared to previous projections due to the increase in other operating expenses derived from new acquisitions.

Amortizations

Finally, it should be noted that the new projections include a lower amortization due to the impairment of goodwill recorded in 2022, which will allow the Group to obtain a positive result earlier than expected.

This announcement contains information which, prior to its disclosure, was inside information as stipulated under Regulation 11 of the Market Abuse (Amendment) (EU Exit) Regulations 2019/310 (as amended). Upon the publication of this announcement via a Regulatory Information Service, this inside information is now considered to be in the public domain.

DISCLAIMER

This announcement may contain forward-looking statements. The forward-looking statements include, but are not limited to, statements regarding the Company's, or the Directors' expectations, hopes, beliefs, intentions or strategies regarding the future. In addition, any statement that refers to projections, forecasts or other characterisations of future events or circumstances, including any underlying assumptions, is a forward-looking statement. The words "anticipate", "believe", "continue", "could", "estimate", "expect", "intend", "may", "might", "plan", "possible", "potential", "predict", "project", "seek", "should", "would" and similar expressions, or in each case their negatives, may identify forward-looking statements, but the absence of these words does not mean that a statement is not forward-looking.

Forward-looking statements include all matters that are not historical facts. Forward-looking statements are based on the current expectations and assumptions regarding the Company, the business, the economy and other future conditions. Because forward-looking statements relate to the future, by their nature, they are subject to inherent uncertainties, risks and changes in circumstances that are difficult to predict. Forward-looking statements are not guarantees of future performance and the Company's actual financial condition, actual results of operations and financial performance, and the development of the industries in which it operates or will operate, may differ materially from those made in or suggested by the forward-looking statements contained in this announcement. In addition, even if the Company's financial condition, results of operations and the development of the industries in which it operates or will operate, are consistent with the forward-looking statements contained in this announcement, those results or developments may not be indicative of financial condition, results of operations or developments in subsequent periods. Important factors that could cause actual results to differ materially from those in the forward-looking statements include regional, national or global, political, economic, social, business, technological, competitive, market and regulatory conditions.

Any forward-looking statement contained in this announcement applies only as of the date of this announcement and is expressly qualified in its entirety by these cautionary statements. Factors or events that could cause the Company's actual results to differ may emerge from time to time, and it is not possible for the Company to predict all of them. The Company expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements contained

in this announcement to reflect any change in its expectations or any change in events, conditions or circumstances on which any forward-looking statement contained in this announcement is based, unless required to do so by applicable law, the Aquis Rules, the Disclosure Guidance and Transparency Rules of the FCA or the UK Market Abuse Regulation.