REDUCED EXTENSION DOCUMENT FOR BME GROWTH TRADING SEGMENT OF BME MTF EQUITY

SUBSTRATE ARTIFICIAL INTELIGENCE, S.A.

December 2023

This Reduced Extension Document has been drafted in accordance with the model set out in Annex 2 of Circular 2/2020, of 30 July, on the requirements and procedure applicable to capital increases of entities whose shares are listed on trading in the BME Growth segment of BME MTF Equity (hereinafter the "**Market**" or the "**BME Growth**"") and has been prepared on the occasion of the listing on the market of the newly issued securities subject to the capital increase.

Investors in companies traded in the BME Growth segment should be aware that they are taking on a greater risk than investing in companies listed on the stock exchange. Investing in companies traded in the BME Growth segment must be advised by an independent professional.

Shareholders and investors are advised to read this Reduced Extension Document in its entirety and carefully prior to any investment decision relating to the newly issued shares.

Neither BME's MTF Equity Governing Body nor the National Securities Market Commission have approved or carried out any type of verification or verification in relation to the content of this Reduced Extension Document (the "**Extension Document" or "DAR**"). The responsibility for the information published rests, at least, with the Issuing Entity and its administrators. The Market merely reviews that the information is complete, consistent and understandable.

Deloitte, S.L., domiciled for these purposes at Plaza Pablo Ruiz Picasso, 1, 28020, Madrid and provided with the C.I.F. number B-79104469, duly registered in the Mercantile Registry of Madrid, Volume 13,650, Section 8, Folio 188, Page M-54414, as Registered Advisor in the BME Growth segment of the BME MTF Equity market, acting in such capacity with respect to Substrate Artificial Intelligence, S.A., the entity that has requested the incorporation of the newly issued shares subject to the capital increase in the BME Growth segment, and for the purposes set out in Circular 4/2020, of 30 July, on the Registered Advisor in the BME Growth trading segment of BME MTF Equity ("**BME Growth Circular 4/2020"**),

DECLARES

First. That it has assisted and collaborated with Substrate Artificial Inteligence, S.A. ("**Substrate AI**", the "**Company**", the "**Issuer**" or the **"Group")** in the preparation of this Reduced Extension Document required by Circular 2/2020, of July 30, 2020, on requirements and procedure applicable to capital increases of entities whose shares are incorporated into the BME Growth trading segment of BME MTF Equity (**"BME Growth Circular 2/2020").**

Second. That it has reviewed the information that the issuing entity has gathered and published.

Third. That this Extension Document complies with the regulations and the requirements of content, precision and quality that are applicable to it, does not omit relevant data or mislead investors.

INDEX

1. INCORPORATION OF THE VALUES BY REFERENCE OF THE INCORPORATION INFORMATION DOCUMENT

1. Mention of the existence of the Incorporation Information Document and that it is available on the websites of the issuing entity and the market

On the occasion of the listing of its shares on BME Growth, which took place on 17 May 2022, Substrate Artificial Inteligence, S.A. prepared the corresponding Informative Document for Incorporation into the Market (hereinafter "**DIIM**" or "**Information Document**"), in accordance with the model established in the Annex to Circular 1/2020, of 30 July, on the requirements and procedure applicable to the inclusion and delisting in the BME Growth trading segment of BME MTF Equity, as amended by Circular 2/2022, of 22 July, on the amendment of Circular 1/2020 of 30 July, on the requirements and procedure applicable to the inclusion and delisting in the BME Growth trading segment of BME MTF Equity (the "**BME Growth Circular 1/2020**").

In addition, Substrate Artificial Inteligence, S.A. prepared the corresponding Reduced Extension Document (hereinafter "**DAR class B shares**") required by BME Growth Circular 2/2020 on the occasion of the listing of its class B shares on BME Growth, which took place on 6 April 2023.

The aforementioned DIIM and DAR can be consulted on the website of the https://substrate.ai/es/ Company, as well as on the website of the BME Growth BME Growth | SUBSTRATE ARTIFICIAL INTELLIGENCE file where you can also find the financial information, privileged information and other relevant information published relating to the Company and its business.

1.2 Person or persons, who must have the status of administrator, responsible for the information contained in the Document. A declaration by them that the same, to their knowledge, is in accordance with reality and that they do not notice any relevant omission

Mr. Lorenzo Serratosa, Chairman of the Board of Directors of the Company, in the name and on behalf of the Company, in exercise of the delegation expressly granted by the Board of Directors on 1 December 2023, assumes responsibility for the content of this Extension Document, the format of which is in accordance with Annex 2 of BME Growth Circular 2/2020.

The Chairman of the Board of Directors of the Company, Mr. Lorenzo Serratosa, as responsible for this Reduced Extension Document, declares that, after behaving with reasonable diligence to ensure that this is the case, the information contained therein is, to the best of his knowledge, in accordance with reality and that he does not incur any relevant omission that could affect its content.

1.3 Full identification of the issuing entity

Substrate Artificial Inteligence, S.A. is a public limited company incorporated for an indefinite term and domiciled at c/María de Molina, 41 – Oficina nº 506, 28006 Madrid (Spain) and, with C.I.F. A-98306228, and Legal Entity Identifier (LEI) number 959800K3URS2BMHE3P84. The Company is registered in the Mercantile Registry of Madrid in Volume 43321, Folio 89. The Company's trade name is "SUBSTRATE AI".

Substrate AI is a group of companies whose head office is Substrate Artificial Inteligence, S.A.

The Company was incorporated under the name of KAU Finanzas, S.L. on December 9, 2010 with registered office in Cazalla de la Sierra (Seville), by virtue of a public deed granted, on that same date, before the Notary Mr. Alfonso Maldonado Rubio, with number 646 of his protocol, rectified by another authorized by the same notary. on 5 January 2011, protocol number 7 and registered on 16 February 2011 in the Mercantile Registry of Seville, Volume 5333 of Companies of the General Section, Folio 218, Page SE-88.602, Entry 1.

On 3 May 2012, the General Meeting of Shareholders agreed to transfer the registered office of the company to c/ Convento Santa Clara número 8 puerta 7ª 46002 Valencia by virtue of a public deed granted on 4 May 2012 before the Notary of Valencia Mr. Alfonso Maldonado Rubio, with number 448 of its protocol and registered in the Mercantile Registry of Valencia on 26 June 2012. Volume 9489, Book 6771, Folio 64, Page v-149162, Inscription 2. Subsequently, the Sole Administrator agreed to transfer the registered office of the company to c/Colon número 4 5ºB Valencia by virtue of a public deed granted, on January 10, 2018, before the Notary of Valencia Mr. Alejandro Cervera Taulet, with number 40 of his protocol and registered in the Mercantile Registry of Valencia on June 5, 2018, Volume 9489, Book 6771, Folio 65, Page V-149162, Inscription 6.

On March 23, 2018, the Universal Shareholders' Meeting agreed to change its previous corporate name to Zona Value, S.L. by virtue of a public deed granted, on that same date, before the Notary of Valencia Mr. Alejandro Cervera Taulet, with number 973 of its protocol and registered on May 10, 2018 in the Mercantile Registry of Valencia. Volume 9489, Book 6771, Folio 65, Section 8, Page V-149.162, Entry 5.

On June 30, 2021, the Universal General Meeting of Shareholders agreed to transform the Company into a public limited company by virtue of a public deed granted on July 20, 2021, before the Notary of Valencia Mr. Alejandro Cervera Taulet, with number 5,054 of its protocol and registered in the Mercantile Registry of Valencia, Volume 9489, Book 6771, Folio 66, Section 8, Page V-149,162, Entry 11. This deed was rectified by another authorized by the same notary on August 26, 2021, protocol number 5697 and registered on September 29, 2021 in the Mercantile Registry of Valencia, Volume 9489, Book 6771, Folio 66, Page V-149,162, Entry 11.

On July 27, 2021, the Universal General Meeting of Shareholders agreed to change its previous corporate name to the current one of Substrate Artificial Inteligence, S.A. by virtue of a public deed granted, on July 28, 2021, before the Notary of Valencia Mr. Alejandro Cervera Taulet, with the number 5,300 of its protocol and registered on September 29, 2021 in the Mercantile Registry of Valencia, Volume 11040, Book 8318, Folio 162, Section 8, Page V-149162, Entry 12.

On February 8, 2022, the Board of Directors agreed to transfer the registered office of the company to c/María de Molina, 41 – Office no. 506 Madrid by virtue of a public deed granted on February 24, 2022.

2022, before the Notary of Valencia Mr. Alejandro Cervera Taulet, with the number 949 of his protocol and registered on March 29, 2022 in the Mercantile Registry of Madrid, Volume 43321, Book 0, Folio 80, Page M- 765355, Inscriptions 1 and 2.

The issuer's website is as follows: www.substrate.ai

The corporate purpose of the Company is set out in Article 2 of its Articles of Association ("**Articles of Association**"), the wording of which at the date of this Information Document is as follows:

'Article 2. CORPORATE PURPOSE

1.- The purpose of the Company shall be:

a) Computer programming activities.

b) The design of structures and the content and/or writing of the computer code needed to create and implement:

- *System programs (including patches and updates).*
- *Computer applications (including patches and updates).*
- *Databases.*
- *Websites.*

c) Customization of computer programs, including modifying and configuring an existing application to work in the customer's computer system environment.

d) The preparation of investment reports and financial analysis or other forms of general and non-personalized recommendation, relating to transactions in financial instruments, as well as advice on capital structure, industrial strategy and related issues, and other services in relation to mergers and acquisitions of companies.

e) Financial mediation services include the channelling of the same, carrying out all the necessary procedures before the authorities, entities, financial intermediaries and notaries that must intervene, including the control and subsequent monitoring of the actions.

f) The purchase and sale of movable and immovable property necessary for the realization of the

corporate purpose. 2.- CNAE main activity: 6201 - Computer programming activities.

3.- Exceptions are made to the activities expressly reserved by the Law to Collective Investment Schemes, as well as those expressly reserved by the Securities Market Law to Securities and Stock Exchange Agencies and/or Companies.

4.- Excluded from the corporate purpose are those activities that, by means of specific legislation, are attributed exclusively to specific persons or entities or that need to meet requirements that the Company does not meet, in particular, all activities that the laws reserve to securities companies and agencies and other entities referred to in Royal Legislative Decree 4/2015 are excluded. of 23 October, approving the revised text of the Securities Market Law and the Real

Decree 217/2008, of February 15, 2008, on the legal regime of investment firms, which must be carried out, where appropriate, with the participation of such entities in the manner required by current legislation. To this end, the Company may act as an agent or representative of investment firms, complying with the regulations applicable at any given time.

In the same way, the activities of the corporate purpose will not affect the activities reserved for Collective Investment Schemes referred to in Law 35/2003, of 4 November, on Collective Investment Schemes, and the regulations that develop it. Nor will it include the activities of financial institutions or those reserved to Law 2/2007, of 15 March, on Professional Companies.

5.- If the law requires any type of professional qualification, license or registration in special registers for the commencement of some operations, such operations may only be carried out by a person with the required professional qualification, and only as long as these requirements are met. With regard to these activities, the service will be provided under a mediation or intermediation regime.

6.- The activities that make up the corporate purpose may be carried out by the Company in whole or in part indirectly, through the ownership of shares or shares in companies with the same or similar purpose, or in collaboration with third parties.'

2. UPDATING THE INFORMATION IN THE ONBOARDING INFORMATION

2.1 Purpose of the capital increase. Destination of the funds to be obtained as a result of the incorporation of the newly issued shares, broken down into each of the main intended uses in order of priority of each use. If the issuer becomes aware that the intended funds will not be sufficient for all the proposed uses, the amount and sources of the other funds required shall be declared

The purpose of the capital increase subject to this DAR is to execute the resolutions of the Extraordinary General Meeting of Shareholders held on September 19, 2023, where the capital increase by offsetting credits set out below was approved, among others.

The funds obtained in the capital increase will be used to provide the Company with the necessary capital resources to continue with its expansion and growth strategy, as well as for the acquisition of the companies YAMRO Holding, Ltd., PsVet DairyQuality, S.L. and the Hospital Equipment production unit described in section 2.4. of this Enlargement Document.

The resolutions reached at the aforementioned Extraordinary General Meeting were published as Other Relevant Information on September 19, 2023.

Capital increase by offsetting loans to shareholders for a total effective amount of €11,748,427

The capital increase consists of the issuance of: (i) twenty-seven million three hundred and sixty-five (27,000,365) new class A shares with a par value of €0.10 each, plus an issue premium of €0.10 per share, making a total effective amount between nominal and premium of five million four hundred thousand seventy-three euros (€5,400,073), and (ii) forty-two million three hundred and twenty-two thousand three hundred and sixty (42,322,360) new non-voting class B shares for a par value of €0.001 each, plus an issue premium of €0.149 per share, making a total effective amount between nominal and premium of six million three hundred and forty-eight thousand three hundred and fifty-four euros (€6,348,354).

This agreement was made public by means of a public deed dated September 27, 2023, granted before the Notary of Valencia, Mr. Alejandro Cervera Taulet, number 5,178 of its protocol, corrected on November 20, 2023 and registered in the Mercantile Registry of Madrid on December 4, 2023, in Volume 45,500, Folio 29, Page M-765355, Entry 35.

In accordance with Article 301 of the Consolidated Text of the Capital Companies Act, the Board of Directors issued the corresponding report on the nature and characteristics of the credits to be offset on August 9, 2023, and ERNST & YOUNG, S.L. ("**EY"),** in their capacity as auditors of the Company, It proceeded to issue the corresponding certification accrediting the data of the aforementioned credits on August 10, 2023.

Both the report of the Board of Directors and the certification issued by the Company's auditor (both attached as Annex II to this DAR) have been made available to the shareholders in compliance with the regulations applicable to debt capitalisations, both at the registered office and on the Company's website and on the BME Growth website, together with the call for the Extraordinary General Shareholders' Meeting at which the Capital Increase has been agreed.

The loans subject to capitalization were formalized between the months of July and August 2023, and all of them were eligible to be capitalized on the date of the Extraordinary General Meeting of Shareholders held on September 19, 2023.

The disbursement of the aforementioned twenty-seven million three hundred and sixty-five (27,000,365) new class A shares and the forty-two million three hundred and twenty-two thousand three hundred and sixty (42,322,360) new class B shares, both in their nominal value and in the amount of the premium, has been carried out by the natural or legal persons referred to below, through the contribution of the liquid, overdue and payable credits that they hold against the Company:

- **Yaro Investment Holding, Ltd.,** subscribes 13,012,865 newly created class A shares with a par value of TEN EURO CENTS (€0.10) par value and TEN EURO CENTS (€0.10) issue premium each, and 10,485,693 newly created class B shares with a nominal value of ONE THOUSANDTH OF A EURO (€0.001) and ONE HUNDRED AND FORTY-NINE THOUSANDTHS OF A EURO (€0.001) of nominal value. EURO (€0.149) issue premium each, through the compensation of credits for a total amount of four million one hundred and seventy-five thousand four hundred and twenty-seven euros (€4,175,427).

- **Mr. Luis Daniel Fernández Pérez,** subscribes 5,000,000 newly created class A shares with a par value of TEN EURO CENTS (€0.10) and TEN EURO CENTS (€0.10) of issue premium each, and 4,000,000 newly created class B shares of ONE THOUSANDTH OF A EURO (€0.001) par value and ONE HUNDRED AND FORTY-NINE THOUSANDTHS OF A EURO (€0.001) of nominal value. EURO (€0.149) issue premium each, through the compensation of credits totalling one million six hundred thousand euros (€1,600,000).

- **Mr. Andrés Martínez Antón,** subscribes 500,000 newly created class A shares with a par value of TEN EURO CENTS (€0.10) and TEN EURO CENTS (€0.10) share premium each, and 2,000,000 newly created class B shares with a nominal value of ONE THOUSANDTH OF A EURO (€0.001) and ONE HUNDRED AND FORTY-NINE THOUSANDTHS OF A EURO
(€0.149) of issue premium each, through the offsetting of credits for a total amount of four hundred thousand euros (€400,000).

- **United General, Ltd.,** subscribes 6,500,000 newly created class A shares with a par value of TEN EURO CENTS (€0.10) and TEN EURO CENTS (€0.10) issue premium each and 13,000,000 newly created class B shares with a nominal value of ONE THOUSANDTH OF A EURO (€0.001) and ONE HUNDRED AND FORTY-NINE THOUSANDTHS OF A EURO (€0.149) of issue premium each, through the offsetting of credits for a total amount of three million two hundred and fifty thousand euros (€3,250,000).

- **Indico Investments And Managements, S.L.,** subscribes 10,486,667 newly created class B shares with a par value of ONE THOUSANDTH OF A EURO (€0.001) and ONE HUNDRED AND FORTY-NINE THOUSANDTHS OF A EURO (€0.149) issue premium each, through the compensation of credits totalling one million five hundred and seventy-three thousand euros (€1,573,000).

- **Mr. Iván Cid Salgado,** subscribes 973,875 newly created class A shares with a par value of TEN EURO CENTS (€0.10) and TEN EURO CENTS (€0.10) of issue premium each, and 1,151,500 newly created class B shares of ONE THOUSANDTH OF A EURO (€0.001) par value and ONE HUNDRED AND FORTY-NINE THOUSANDTHS OF A EURO (€0.149) issue premium each, through the compensation of credits for a total amount of three hundred and sixty-seven thousand five hundred euros (€367,500).

- **Ms. Alejandra de la Barrera Martorell,** subscribes 1,013,625 newly created class A shares with a par value of TEN EURO CENTS (€0.10) and TEN EURO CENTS (€0.10) of issue premium each, and 1,198,500 newly created class B shares with a nominal value of ONE THOUSANDTH OF A EURO (€0.001) and ONE HUNDRED AND FORTY-NINE THOUSANDTHS OF A EURO (€0.001) of nominal value.
  EURO (€0.149) of issue premium each, through the compensation of credits for a total amount of three hundred and eighty-two thousand five hundred euros (€382,500).

The total amount of the credits amounts to eleven million seven hundred and forty-eight thousand four hundred and twenty-seven euros (€11,748,427).

2.2 Insider information and other relevant information available. Mention of the existence of the websites of the issuing entity and the Market on which the inside information and other relevant information published since its incorporation into the Market is available

In compliance with the provisions of Circular 3/2020, of July 30, 2020, on the information to be provided by companies listed for trading in the BME Growth segment of BME MTF Equity (the "**BME Growth Circular 3/2020**"), all inside information and other relevant information, since its incorporation into the Market, is available on the Company's website https://substrate.ai/es/, as well as on the BME Growth website BME Growth | SUBSTRATE ARTIFICIAL INTELLIGENCE data sheet.

Both websites, in compliance with the aforementioned BME Growth Circular 3/2020, include all the public documents that have been submitted to the Market since the listing of Substrate AI's shares on trading.

2.3 Financial information. Reference to the latest accounts published by the issuing entity, whether they are audited annual accounts or interim financial information

Pursuant to the provisions of BME Growth Circular 3/2020, Substrate AI published on October 30, 2023, the Consolidated Interim Financial Statements for the six-month period ended June 30, 2023, together with the corresponding Limited Review Report issued by its EY auditors on October 26, 2023, with a favourable opinion (see Annex I to this RAG).

In addition, on that date, Substrate AI published the Individual Interim Financial Statements, which were not subject to review or audit.

These interim consolidated financial statements were prepared on 24 October 2023 by the Board of Directors of the Company, in accordance with the applicable commercial legislation, the rules established in the General Chart of Accounts approved by Royal Decree 1514/2007, of 16 November and the amendments made thereto by Royal Decree 1159/2010, of 17 September, Royal Decree 602/2016, of 2 December and Royal Decree 1/2021, of 12 January, as well as the rules for the preparation of the annual accounts approved by Royal Decree 1159/2010, of 17 September, amended by Royal Decree 602/2016, of 2 December.

2.4 Information on significant trends in terms of production, sales and costs of the issuing entity, from the last periodic information made available to the Market until the date of the Extension Document.

Description of any significant change in the issuer's financial position during that period or corresponding negative disclosure. Likewise, a description of the financing planned for the development of the issuer's activity.

Attached below is the Company's income statement for the 9-month period ended September 30, 2023. This information has not been subject to audit or limited review by the auditor.

Consolidated Profit and Loss Statement

	Euros		
	Nine-month period ended 30 September 2022 (b)	**Twelve-month period ended 31 December 2022** (a)	**Nine-month period ended 30 September 2023** (b)
[illegible]	[illegible]	[illegible]	[illegible]
Work carried out by the company for its asset	88.848	1.580.643	749.878
Personnel costs	(2.111.221)	(3.202.184)	(2.314.353)
Other operating expenses	(1.721.837)	(3.556.876)	(3.483.181)
EBITDA	**(1.799.644)**	**(2.042.567)**	**(1.611.397)**
Depreciation of fixed assets	(2.567.513)	(2.616.166)	(1.698.055)
Allocation of non-financial fixed assets and other subsidies	-	42.503	-
Impairment and profit on disposal of fixed assets	-	(11.649.392)	-
OPERATING RESULT	**(4.367.157)**	**(16.265.622)**	**(3.309.452)**

(a) Audited Figures
(b) Unaudited and unrevised figures

Net turnover-

During these first nine months of the 2023 financial year, the revenues generated at the Group level have increased, especially in the Agritech and Health activity verticals, and in digitalization projects for third parties. The increase in Agritech's activity corresponds mainly to the growth in sales of the PAM solution, an AI-powered dairy farm manager. The Health area has grown due to the boost in sales of hardware for diagnostic imaging and the consolidation of its subsidiary Cuarta Dimensión Médica, S.L. in the Group. Finally, it should be noted that the income corresponding to digitization projects for third parties comes mainly from the activity carried out by Substrate AI.

Of the rest of the verticals, it is worth highlighting the Human Resources area, which, although it has maintained the revenues obtained in the last months of the 2022 financial year, has managed to complete the development of the Fleebe Corporate platform for talent detection in large organizations, already having its first users.

Work carried out by the company for its asset-

This heading includes revenues related to developments made by Substrate AI for its Artificial Intelligence products, either internally or through collaborations with other entities interested in investing in R+D. In the 2022 financial year, these developments took place during the second half of the year, while in the 2023 financial year they are being developed since the beginning of the year.

Personnel costs-

The Group continues with a policy of hiring highly qualified employees, who can promote the implementation of its own technology in the various verticals of activity.

Other Operating Expenses-

During the first nine months of the 2023 financial year, expenses for "Supplies" have increased, going from 291 thousand euros as of September 30, 2022 to 778 thousand euros, due to: (a) the expenses of the subsidiary Cuarta Dimensión Médica, S.L., incorporated in May 2022, and (b) the expenses corresponding to the Agritech line of activity, which are directly related to the increase in their activity.

"Leases and royalties" expenses have also increased, going from 92 thousand euros as of September 30, 2022 to 108 thousand euros, mainly due to: (a) increase in rented spaces, in 2022 there was only one office and to date there are three leased spaces, (b) incorporation into the perimeter of the company Fourth Medical Dimension.

The increase in the item "Services for independent professionals" during the first nine months of financial year 2023 (€1,350 thousand) compared to the same period of financial year 2022 (€416 thousand) is mainly related to: (a) the development of new products; in particular the costs associated with the second layer of development, which has to do with the usability of the solutions (see section 2.7 of this Extension Document). The latter amounted to €523 thousand at 30 September 2023 and €378 thousand at 30 September 2022, (b) the expenses of the Due Diligence contracted for the acquisition of companies, and (c) the costs associated with the incorporation of class B shares into the Access segment of the AQSE Growth Market.

Finally, it should be noted that "Advertising and propaganda" expenses have decreased during the first nine months of the 2023 financial year compared to the 2022 financial year, going from 257 thousand euros at 30 September 2022 to 105 thousand euros, due to the reduction in the number of events held.

The remainder of the increase is related to the operating expenses corresponding to the months of August and September of the acquired companies (see section 2.4 of this Reduced Extension Document) and, to a lesser extent, to travel, courses, subsistence allowances, supplies.

Depreciation of fixed assets

The decrease in depreciation expense during the first nine months of 2023, compared to the same period of the previous year, is caused by the reduction in the net book value of goodwill subject to amortization after the impairment recorded at the end of 2022.

Impairment and profit on disposal of fixed assets

The variation in the heading "Impairment and profit on disposal of fixed assets" between 2023 and 2022 is due to the impairment recorded in 2022 amounting to 11,649,392 on goodwill arising from the creation of the Substrate AI group and other acquisitions made by the Group. The progressive deterioration of general economic conditions resulting from persistently high inflation rates, rising interest rates, tensions in supply chains and rising energy costs prompted the group to temporarily halt acquisitions in accordance with the principle of prudence. Based on this, the general financial projections were updated to take into account only organic growth, which resulted in the impairments recorded in the financial statements.

Description of any significant change in the issuer's financial position during that period or related negative disclosures

On August 1, 2022, the Extraordinary General Meeting of the Company's shareholders approved delegating to the Board of Directors the power to issue bonds convertible into shares of the Company itself for a maximum amount of €20,000,000, to which convertible warrants will be linked.

On May 17, 2023, the Company's Ordinary and Extraordinary General Shareholders' Meeting approved delegating to the Board of Directors the power to issue debentures convertible into shares of the Company itself for a maximum amount of €17,200,000, to which convertible warrants will be linked. In this regard, the Board of Directors has issued the following issues:

1. On June 2, 2023, Substrate published an OIR to inform that Substrate's Board of Directors had made a seventh issuance of 50 Bonds convertible into shares of the Company for a joint nominal conversion amount of €500,000, as well as the issuance of 256,410 convertible warrants, with Global Corporate Finance Opportunities being the sole recipient of such issues.
2. On June 20, 2023, Substrate published an OIR to inform that Substrate's Board of Directors had made an eighth issuance of 50 Bonds convertible into shares of the Company for a joint nominal conversion amount of €500,000, as well as the issuance of 285,714 convertible warrants, with Global Corporate Finance Opportunities being the sole recipient of such issues.
3. On June 23, 2023, Substrate published an OIR to inform that Substrate's Board of Directors had made a ninth issuance of 50 Bonds convertible into shares of the Company for a joint nominal conversion amount of €500,000, as well as the issuance of 285,714 convertible warrants, with Global Corporate Finance Opportunities being the sole recipient of such issuances.

4. On August 2, 2023, Substrate published an OIR to inform that Substrate's Board of Directors had made a tenth issuance of 50 Bonds convertible into shares of the Company for a joint nominal conversion amount of €500,000, as well as the issuance of 294,117 convertible warrants, with Global Corporate Finance Opportunities being the sole recipient of such issues.
5. On September 21, 2023, Substrate published an OIR to inform that Substrate's Board of Directors had made the eleventh issuance of 50 Bonds convertible into shares of the Company for a joint nominal conversion amount of €500,000, as well as the issuance of 333,333 convertible warrants, with Global Corporate Finance Opportunities being the sole recipient of such issues.
6. On November 10, 2023, Substrate published an OIR to inform that the Board of Directors of Substrate had made the twelfth issuance of 50 Bonds convertible into shares of the Company for a joint nominal amount of conversion of
   €500,000, as well as the issuance of 384,615 convertible warrants, with Global Corporate Finance Opportunities being the sole recipient of these issues.

These bonds have been converted during the period as follows:

- On June 6, 2023, an OIR was published informing of the conversion of 50 bonds for a joint nominal amount of €500,000, resulting in a capital increase of €177,339.70, through the issuance and circulation of 1,773,397 new class A shares and a total issue premium of €322,659.72. These shares were listed on the BME Growth segment of BME MTF Equity on July 17, 2023. The converted bonds corresponded to the seventh issue.
- On June 23, 2023, an OIR was published reporting the conversion of 50 bonds for a joint nominal amount of €500,000, resulting in a capital increase of €172,413.70, through the issuance and circulation of 1,724,137 new class A shares and a total issue premium of €327,586.03. These shares were listed on the BME Growth segment of BME MTF Equity on July 26, 2023. The converted bonds corresponded to the eighth issue.
- On July 17, 2023, an OIR was published informing of the conversion of 50 bonds for a joint nominal amount of €500,000, resulting in a capital increase of €183,246.40, through the issuance and circulation of 1,832,464 new class A shares and a total issue premium of €316,752.85. These shares were listed on the BME Growth segment of BME MTF Equity on September 11, 2023. The converted debentures corresponded to the ninth issue.
- On September 20, 2023, an OIR was published informing of the conversion of 50 bonds for a joint nominal amount of €500,000, resulting in a capital increase of €206,727.50, through the issuance and circulation of 2,067,275 new class A shares and total issue premium

of €293,271.39. These shares were listed on the BME Growth segment of BME MTF Equity on 6 October 2023. The converted bonds corresponded to the tenth issue.

- On October 24, 2023, an OIR was published informing of the conversion of 50 bonds for a joint nominal amount of €500,000, resulting in a capital increase for a nominal amount of €221,100.30, through the issuance and circulation of 2,211,003 new class A shares and a total issue premium of €278,899.03. The converted bonds corresponded to the eleventh issue. As of the date of this DAR, the aforementioned shares have not been included in the BME Growth.

Following the completion of the above transactions by Global Corporate Finance Opportunities, all the convertible bonds of the eleventh and previous issues have been repaid, with the bonds relating to the twelfth issue still to be converted.

On 4 April 2023, Substrate published a Reduced Extension Document with the aim of incorporating the shares from the capital increase approved by the Extraordinary General Meeting of Shareholders held on 30 January 2023 into the BME Growth segment of BME MTF Equity. It was a capital increase by offsetting credits for a total effective amount of €963,161 through the issuance of 96,316,100 new non-voting class B shares for a par value of €0.001 each, plus an issue premium of €0.009 per share, making a total effective amount between nominal and premium of nine hundred and sixty-three thousand one hundred and sixty-one euros (€963,161). corresponding to ninety-six thousand three hundred and sixteen euros and ten euro cents (€96,316.10) to the total nominal amount and eight hundred and sixty-six thousand eight hundred and forty-four euros and ninety euro cents (€866,844.90) to the total issue premium. These shares were listed on the BME Growth segment of BME MTF Equity on April 4, 2023. On October 10, 2023, Substrate announced that these shares had been admitted to the Access segment of the AQSE Growth Market operated by the Aquis Stock Exchange ("AQSE").

Additionally, on December 7, 2023, Substrate has published an OIR informing that the Class A Shares have been admitted to the Access segment of the AQSE Growth Market operated by the Aquis Stock Exchange ("AQSE").

During the 2023 financial year, the Group made the following acquisitions of companies:

- As published by Substrate on August 1, 2023 through Inside Information, on July 31, 2023, the Group acquired from Yaro Investment Holding, Ltd. 100% of the share capital of the company YAMRO Holding, Ltd, an English company that in turn encompasses various companies that make up the Ifit Solutions business. The business is focused on hiring talent for large companies and has a presence in the UK, USA, Mexico, Costa Rica and Spain. The Group's management has estimated that YAMRO Holding, Ltd. will contribute to the Group in its first 12 months 4 million euros in revenues and an EBITDA of more than 400 thousand euros. The purchase price was $4,602,573 and is paid in full in a combination of class A and B shares, through the capital increase by offsetting credits subject to this DAR.

- As published by Substrate on August 2, 2023 through Privileged Information, on August 1, 2023, the Group formalized the acquisition from Mr. Luis Daniel Fernández Pérez of 100% of the production unit called Hospital Equipment, responsible for marketing all types of medical equipment for hospitals and veterinary clinics. Equipos Hospitalarios has a consolidated client portfolio and presence throughout Spain, providing a perfect platform for the market launch of the diagnostic imaging software solutions that Substrate AI is developing. Equipos Hospitalarios has been integrated into the company Diagximag, S.L., 100% owned by Substrate AI. The group's management estimates that Hospital Equipment will provide Substrate AI with 500,000 euros in revenue and an EBITDA of 40,000 euros in the first 12 months. The acquisition price was €2,600,000 and is paid in full in a combination of class A and B shares, through the capital increase by offsetting credits subject to this DAR. In addition, the purchase and sale agreement includes the obligation to pay an additional amount to the sellers, the calculation of which is linked to the turnover of the production unit and the profitability of a certain contract (for more details, see Insider Information dated August 2, 2023).
- As published by Substrate on August 4, 2023 through Privileged Information, on August 2, 2023, the Group formalized the acquisition from Mr. Iván Cid Salgado and Ms. Alejandra de la Barrera Martorell of 100% of the company PsVet DairyQuality, S.L., dedicated to the commercialization of veterinary solutions for dairy farms in Spain and Portugal. The company will be integrated into the structure of Boalvet, S.L. (90% owned by Substrate AI). The Group's management estimates that PsVet DairyQuality, S.L. will contribute 230,000 euros in revenue and an EBITDA of 40,000 euros to the Group in the first 12 months. The acquisition price was €1,250,000 and is paid in full in a combination of class A and B shares, through the capital increase to offset the claims subject to this DAR.
- As published by Substrate on November 3, 2023 through Inside Information, on October 31, 2023, the Group formalized the acquisition of 70% of the companies Binit, S.R.L. and Deltanova, S.A., parent companies of the BINIT Group. The BINIT Group (hereinafter "Binit") is dedicated to software development consulting in Spain, the UK and Latin America; It has more than 100 employees in these markets and a consolidated client portfolio, including firms such as John Deere, Holcim and Charles Taylor. Binit will complement the capabilities of the Substrate group and function as a software developer for the companies of the Substrate AI group and for other customers, helping to turn Substrate's proprietary AI technology developed by Bren Worth into products and solutions. The Group's management estimates that Binit will bring the Group €3,500,000 in revenue and an EBITDA of €350,000 to the Group in the first 12 months. The acquisition price of €6,000,000 will be paid in a combination of Substrate AI's A and B shares through a capital increase under the credit offset formula.

Description of the financing envisaged for the development of the issuer's business

In relation to the financing planned for the development of the issuer's activity, Substrate has the financing obtained from the agreement signed with Global Corporate Finance Opportunities 15 described above, and additionally plans to carry out various capital increases of class A and B shares, under the modality of compensation of receivables, in which current or new shareholders will participate.

In addition, it should be noted that on December 19, 2023, the Company published IP informing of the formalization of an agreement with the venture capital investment fund IMPULSE TECH TRANSFER CLM FCR on December 18, 2023 for the materialization of the investment of the aforementioned fund in the share capital of Susbtrate AI. The agreement involves the entry of IMPULSE into the Company's share capital through a monetary contribution of two million euros (€2,000,000) at a value of €0.5 per share.

2.5 Numerical forecasts or estimates of future revenues and costs in the Incorporation Information Document regarding the degree of compliance therewith

The Company included in the Information Document certain estimates and forecasts regarding the future evolution of certain financial measures (section 2.17 of the Information Document). These forecasts corresponded to a period of 2 years (2022-2023) and were based, among other factors, on the knowledge and expected development of the various verticals in which the Group operates and will operate and on expectations for its future evolution. On July 18, 2022, the group updated its estimates by temporarily halting new acquisitions as a result of the macroeconomic risks arising from the war in Ukraine, the escalation in prices worldwide and the rate hike initiated by central banks. Substrate published the updated guidance through an insider disclosure, which took into account only organic growth. Additionally, Substrate AI's Board of Directors decided to delay any new acquisitions and postpone inorganic growth, which it has restarted in 2023.

Below, we detail the degree of compliance as of June 30, 2023:

	Euros		
	2023 Forecasts	June 30 2023 Real (*)	Degree of Advancement
Net turnover	5.937.770	1.797.510	30%
Other Income	2.250.000	755.687	34%
Total Revenue	**8.187.770**	**2.553.197**	**31%**
Personnel costs	(4.800.348)	(1.520.338)	32%
Other operating expenses	(3.993.975)	(1.806.869)	45%
EBITDA	**(606.554)**	**(774.010)**	**128%**
Other results	-	(49.952)	0%
Amortization	(3.330.547)	(1.134.537)	34%
Financial result	(63.371)	(506.003)	798%
Profit before tax	**(4.000.472)**	**(2.464.502)**	**62%**

(*) Revised figures

As of June 30, 2023, the company has complied with approximately 30% of the budgeted business plan for the 2023 financial year, in line with the 2022 financial year and with the seasonality of the Substrate AI businesses, with higher growth expected in the second half of the year. Other operating expenses and, therefore, EBITDA include expenses incurred that will have their counterpart at a later date. The increase in these is mainly due to the development of new products subcontracting to Plain Concepts, the expenses of the advisors hired for the incorporation of the class B shares into the Access segment of the AQSE Growth Market, and the expenses related to the purchases of the companies (Due Diligence, etc.). It is expected that during the second part of the year, expenditure of this nature will be balanced with the rest of the items in the profit and loss account.

The increase in financial expenses with respect to those expected is due to the expenses related to the bond program through which the company is financed.

The decrease in depreciation expenses is mainly due to the impairment of goodwill in 2022, thus reducing the annual amortization expense.

In relation to the trends detailed in section 2.4 above, it should be noted that the degree of compliance with the Net Amount of Turnover, Other Income, Personnel Expenses, Other Operating Expenses and EBITDA as of September 30, 2023 is 58%, 34%, 48%, 87% and 166%[1], respectively. In this regard, it should be noted that since operating expenses, EBITDA and

[1] It should be noted that the expected EBITDA for the 2023 financial year was -606,554 euros, and the figure as of September 30, 2023 is -1,611,397 euros.

Profit before tax for the 2023 financial year will deviate significantly from those included in the forecasts, the Company will soon publish new forecasts, once this is approved by the Board of Directors.

2.6 Working Capital Statement

The Company declares that as of the date of this Document of Increase, its working capital is not sufficient to carry out its activity during the 12 months following the date of publication of this Document.

In order to obtain the necessary resources and meet the working capital requirements, the Company will have to carry out a series of capital increases and issue convertible bonds in the 12-month period.

2.7 Risk factors. Update of the risk factors included in the Incorporation Information Document

The existing risk factors described below do not differ materially from those included in the Market Entry Information Document (DIIM) published on May 11, 2022 and the Reduced Extension Document (DAR) published on April 4, 2023. However, these risks cannot be taken as an exhaustive list, but are the ones identified by the Company as the most significant. Consequently, it may be the case that future risks, currently unknown or not considered relevant at the present time, could have an effect on the Company's business, results, prospects or financial, economic or equity condition.

The following are the risk factors that are currently considered most relevant:

Risks related to the financing of the Company

- **Future Financing Capacity**

Substrate AI's business forecasts include investment needs for the coming years that will involve resource needs that will be covered through capital increases or debt subscriptions. Failure to obtain such financing could condition compliance with the business plan and, therefore, the growth and economic evolution of Substrate AI.

In this case, the future ability of the Issuer to meet the obligations committed under the financing agreements, to meet the payment of the principal and interest on the derived debt or to be able to refinance it if necessary, is conditioned by the results of the business and by other economic factors specific to the sectors in which the Company operates. Failure to comply with the obligations assumed by the Issuer vis-à-vis the various financial institutions could lead to the early maturity of the payment obligations and the said financial institutions to demand early payment of the principal of the debt and its interest and, where appropriate, to enforce the guarantees that may have been granted in its favour. which could adversely affect the financial, economic and equity situation of the Company.

In this regard, it should be noted that on June 15, 2022, the Company signed an investment agreement with Global Corporate Finance Opportunities 15 that materializes through the issuance of debentures convertible into shares for a maximum amount of €20 million, divided into tranches of €500,000. This financing mechanism has caused and may continue to cause a dilution of the Company's shareholders, given that they do not have the capacity to subscribe to the aforementioned obligations. To date, the Company has had twelve (12) tranches of
€500,000, with the 100 bonds corresponding to tranches (11) and (12) pending conversion into shares.

➢ **Risk of rising interest rates**

As a result of the current uncertainty in the macroeconomic environment, resulting from a combination of lingering pandemic-related effects, rising interest rates and geopolitical risks, there is a broad-based rise in inflation and interest rates.

The possible scenario of an increase in interest rates, especially if this increase does not take place gradually, would have a significant impact on the Company's cost of financing. As of the date of this document, the Company has arranged floating rate financing amounting to €600,421, with the reference interest rate being Euribor for 12 months.

Issuer's own Operational Risks

The inherent complexity linked to artificial intelligence and reliance on data may pose operational risks and eventually affect the Company's business due to several factors explained below.

➢ **Recoverability risk Goodwill**

The recoverability of the Group's goodwill of €11,460 thousand as of June 30, 2023 is linked to compliance with the business plan for the period 2023-2024 and subsequent periods.

In the event that the Group's income and expenses do not evolve in accordance with the assumptions adopted, this could have an impact on the recoverability of the aforementioned Goodwill.

➢ **Risk of non-existence of multi-year sales contracts**

Given that the Group's activity is based on the sale of products and the signing of annual contracts with third parties, it is common for the percentage of guaranteed income (portfolio) to be insignificant at the beginning of each financial year. As of the date of this reduced Extension Document, contracts have been closed for approximately 95% of the expected revenues for the 2023 financial year.

- **Risk of incorporation of non-AI-related companies into the Group**

The Group's business model includes the acquisition of companies in sectors other than AI, with the aim of incorporating their solutions into verticals in which it did not previously have a presence, providing the Group with reinvestment capacity from the cash flows generated by the acquired entities.

During the 2023 financial year, the Group acquired four companies (YAMRO Holding LTD, PsVet DairlyQuality, S.L., Binit, S.R.L. and Deltanova, S.A.) and the Hospital Equipment Production Unit described in section 2.4 of this Reduced Expansion Document.

The recovery of the investment made in these acquisitions may pose a risk to the Group, since the management team does not have proven experience in the management of businesses in sectors other than technology, and this is conditional on compliance with the business plan that supports the price paid in each of the acquisitions.

- **Risk associated with a part of the final product being developed by external companies**

As detailed in Section 2.6.1.3 of the Onboarding Disclosure Document published on May 11, 2022, Substrate AI's products ("the Solutions") have two layers of development. The first layer has to do with the design of the product and the programming of the AI according to the specific problem to be solved, and the second layer has to do with the usability of that product, with how the end customer consumes that solution.

The Substrate AI development team focuses its efforts on what really adds value, the first layer, while everything related to the second layer, which has to do with the usability of the solutions (app development, platforms, etc.), is outsourced to other companies that have more experience and more capacity to do a high-level job.

Although the objective of this work system is that each layer of development is executed by the one who knows how to do it best, it also generates a series of risks that any outsourcing of services entails. In particular, the outsourcing of the second layer of product development to a third party may have an impact on the quality of the products and on the start times for the commercialization of the solutions, all of which may have an impact on the achievement of the objectives set out in the Group's Business Plan.

- **Unwanted departure of key personnel**

The Company's ability to be competitive in a highly complex and demanding industry is due, in part, to having a highly experienced management and technical staff with good knowledge of the sector. In particular, Lorenzo Serratosa and José Iván García have played a crucial role in the growth of the Society since its founding, and Bren Worth, Chief Technology Officer, is the creator of the technology on which the products developed by the Society are based. These people are essential both to the present and, above all, to the future of the Company, so their loss could have a negative effect on the business and its operations.

- **Faulty algorithms and flaws in software systems**

  The increasing complexity of algorithms can lead to glitches and errors within the process, mostly related to human intervention. Software development companies continue to create more complex algorithms to remain competitive and reach new markets, which intensifies the risk of failure and therefore a greater risk of potential losses to the business.

  It is important to note that this data relies heavily on software platforms and systems that are also exposed to failures, restricting companies' ability to continue operating normally. To mitigate this risk, Substrate AI implements quality controls and robust procedures for testing the algorithms, all of which are led by experienced software engineers. On the other hand, the systems are continuously updated and the processed data is saved daily to minimize the risk of information loss.

- **Risk of non-compliance with the business plan and financial estimates included in the Information Document**

  The Company included in the Information Document certain estimates and forecasts regarding the future evolution of certain financial measures (section 2.7 of the Information Document). These forecasts were updated through the publication of Inside Information on July 18, 2022. These forecasts correspond to a period of 2 years (2022-2023) and have been based, among other factors, on the knowledge and expected development of the various verticals in which the Group operates and will operate and on expectations of its future evolution.

  In the event that, due to external or internal causes, the Group's actual results differ materially from the estimates and forecasts made, the results, the financial, economic or equity situation of the Company or the trading price of the Company's shares could be adversely affected.

- **Difficulty accessing and processing data**

  The product that Substrate AI offers is based on the identification of patterns through which forecasting models are generated. Such patterns are built from massive and continuous data processing. Therefore, not having sufficient data with adequate quality can lead to bias errors in the models.

  The risk would increase in the case of Substrate AI, since the Company's strategy includes, among others, the development of products within the banking, insurance and hotel sectors, where it could be difficult to access the appropriate databases, and in which even the use of historical information could not be useful to build models of future forecasts.

➢ **Exposure to security breaches and confidentiality of information**

The reliance on information technology systems to store data implies a certain degree of vulnerability to potential security breaches. While Substrate AI has security measures in place to protect confidential information, data loss or breaches, there is no guarantee that in the future the Company will be able to avoid the adverse consequences of hacker access to its computer systems and misappropriation of customer information. Any breach of security could adversely affect the Company's reputation among current and potential customers, lead to a loss of trust and litigation or fines, and would require diverting financial and management resources from other, more beneficial uses.

➢ **Risk of delayed delivery times for products**

Due to the complexity of the products developed by Substrate AI, there may be a risk of not finalizing them within the set deadlines. These delays could damage customer relationships, raise reputational issues, and lose competitive advantage over competitors.

➢ **Strategic Alliances**

Substrate AI's business plan is based on the progressive incorporation of its Artificial Intelligence solution to different markets and segments of activity. To achieve this objective, the Company's strategy is based on developing strategic alliances with companies from different segments (partners) that allow it to develop new products for these markets through its technology. If Substrate AI fails to close new strategic alliances, the fulfillment of its business plan, and therefore its financial situation, could be compromised.

➢ **Customer Concentration**

Due to the development phase of Substrate AI products, the number of customers is currently limited, with a certain concentration of customers (the top eight (8) customers account for more than 42% of sales as of June 30, 2023). The commercialization of products currently under development and the launch of new products in other market segments will increase the number of customers, thereby reducing the concentration of revenue in a limited number of them.

➢ **Competence**

The existence of companies with the same business model as Substrate AI and developing similar technologies could impact access to new customers, and limit the growth of Substrate AI. It should be noted, however, that the market segments targeted by Substrate AI's strategy are under-exploited, and the Company could become a pioneer in those technologies before other companies start operating in those sectors.

- ➢ **Reputational risk**

The fact that any of Substrate AI's employees did something or was accused of doing something that could be the subject of public criticism or other negative publicity, or that could lead to investigations, litigation or sanctions, could have an adverse effect on the Company by association, even if the cited criticism or publicity were inaccurate or unfounded.

The Company may also be harmed if its reputation suffers. In particular, litigation, allegations of misconduct or operational failures or any other negative publicity and speculation in the press about the Company whether accurate or not, may damage the Company's reputation, which in turn could result in potential counterparties and other third parties, such as shareholders, lenders, public administrations or investors, among others, are less willing or not at all willing to contract with the Company. This may have a material adverse effect on the Company's business, prospects, results or economic, financial and equity situation.

Risks related to the Artificial Intelligence sector

- ➢ **Risk of regulatory changes and legal framework in the Artificial Intelligence sector**

The AI sector has grown substantially, and with it the need to increase the regulatory burden in this rapidly evolving field. There may be changes in the legal framework of the EU, USA or other countries where the Company may establish business that could affect the way technologies and solutions are developed, and/or the way data is handled.

The need to comply with these standards may entail an additional financial burden for Substrate AI from penalties related to non-compliance or costs related to implementing additional procedures to ensure compliance with the regulation.

- ➢ **Risk of not being able to patent proprietary technologies**

There is a risk that the process of obtaining patents will be delayed in time and/or even that some of the AI-related solutions will not be able to be patented because the regulator interprets that similar solutions already patented exist. This could make it difficult for Substrate AI to monetize new technologies, as there would be a risk that other companies would develop a similar solution.

Although under Spanish and American legislation algorithms alone cannot be patented, this fact does not affect the Issuer, since the patents that are in the process of obtaining are on the steps that the algorithms take to perform their functions, being this a patentable product.

- ➢ **Staff turnover**

The Artificial Intelligence sector currently has a high level of employee turnover, when compared to other traditional sectors of activity. The continuous output of

Employees can lead to a process of loss of knowledge and/or generation of obstacles in the operational functioning of the business, having to dedicate resources to the recruitment and/or replacement of personnel.

- **Risk of Exposure to Internet Connectivity and Access**

When carrying out its activity, Substrate AI requires a communications and electricity infrastructure according to its data processing volume. Such processing will be determined, among others, by equipment, different connections and relationship with suppliers. The paralysis, technical failure or errors of such connectivity in the course of the Company's activity could make it difficult to achieve the returns expected by the Issuer in the year.

- **Risk associated with the current economic climate.**

The evolution of the activities carried out by Substrate AI is related, in general, to the economic cycle of the countries and regions in which the Company is present, impacting the investment plans of the different companies in these territories to develop their Artificial Intelligence objectives. The economic situation can promote, to a greater or lesser extent, that companies decide to invest and develop this type of service.

Risks linked to stocks

- **No 100% return on investment in Substrate AI**

Investors in companies listed on BME Growth should be aware that they are taking on a greater risk than investing in listed companies. In this regard, investment in companies traded on BME Growth must be advised by an independent professional and investors are advised to read this Extension Document in its entirety and properly prior to any investment decision relating to the Company's shares.

- **Liquidity of class B shares**

As of the date of this Document, the Company has a small number of shareholders holding class B shares, which has meant and may mean that the aforementioned shares have reduced liquidity.

- **Dilution**

Planned capital increases in the future could result in dilution for shareholders who did not participate in the capital in proportion to their share of the capital prior to the increase. In particular, this risk, as indicated above in the "Future financing capacity" risk, will materialise in the capital increases resulting from the conversion into shares of the bonds associated with the investment agreement with Global Corporate Finance Opportunities 15.

➢ **Dividend distribution cannot be assured in the future**

The Company's ability to distribute dividends may be influenced by the risks described above. Dividends depend on income and financial condition, obligations assumed in financial contracts, liquidity requirements, regulatory requirements and other factors deemed relevant. Therefore, there can be no assurance that dividends will be distributed in the future, although it should be noted that in the short and medium term the Company will not distribute results (see section 2.12.3 of the Information Document).

Other Risks

➢ **Risk of Conflict of Interest**

Mr. Lorenzo Serratosa, President of Substrate AI, is a shareholder of Ijana Films, S.L.[2], which is also a service provider for Substrate AI, and a shareholder of Valpisan, S.L., a company dedicated to the agricultural sector, which is one of the verticals in which Substrate AI carries out its activity. These facts could give rise to situations in which, directly or indirectly, voluntarily or involuntarily, some of Mr. Lorenzo Serratosa's actions are in conflict with the interests of other potential shareholders of Substrate AI.

[2] Mr. Lorenzo Serratosa owns 50% of the capital

3. INFORMATION REGARDING THE CAPITAL INCREASE

3.1 Number of newly issued shares requested to be incorporated and their par value. Reference to the corporate resolutions adopted to articulate the capital increase. Information on the amount of share capital after the capital increase in the event of full subscription of the issue. In the case of a capital increase charged to non-monetary contributions (including capital increases due to offsetting of loans), a brief description of the contribution, including mentions of the existence of valuation reports and an indication of their availability.

The share capital of the Company prior to the capital increase subject to this Document amounted to FOUR MILLION ONE HUNDRED TWENTY-FOUR THOUSAND SEVEN HUNDRED AND ELEVEN EUROS AND TEN CENTIMOS (€4,124,711.10), represented by forty million two hundred and eighty-three thousand nine hundred and fifty (40,283,950) class A shares with a par value of €0.10 each, and ninety-six million three hundred and sixteen thousand one hundred (96,316,100) class B shares with a par value of €0.001 each.

As indicated in section 2.1 of this Extension Document, the shareholders of Substrate AI approved at the Extraordinary General Shareholders' Meeting held on September 19, 2023, the execution of the following capital increase: capital increase by offsetting credits with shareholders for a total effective amount of ELEVEN MILLION SEVEN HUNDRED FORTY-EIGHT THOUSAND FOUR TWENTY-SEVEN EUROS (€11,748,427), for

To this end, twenty-seven million three hundred and sixty-five (27,000,365) class A shares are issued, with a par value of TEN EURO CENTS (€0.10) each, with a total nominal amount of TWO MILLION SEVEN HUNDRED THOUSAND THIRTY-SIX EUROS AND FIFTY EURO CENTS

(€2,700,036.5) and with an issue premium per share of €0.10, with the joint issue premium being TWO MILLION SEVEN HUNDRED THOUSAND THIRTY-SIX EUROS AND FIFTY CENTS

(€2,700,036.50) and the issuance of forty-two million three hundred and twenty-two thousand three hundred and sixty (42,322,360) class B shares without voting rights, with a par value of ONE THOUSANDTH OF A EURO (€0.001) each, the total nominal amount amounting to FORTY-TWO THOUSAND THREE HUNDRED AND TWENTY-TWO EUROS AND THIRTY-SIX EURO CENTS (€42,322.36) and

share premium of €0.149, with the joint issue premium of SIX MILLION THREE HUNDRED AND SIX THOUSAND THIRTY-ONE EUROS AND SIXTY-FOUR CENTS (€6,306,031.64).

This agreement was made public by means of a public deed dated September 27, 2023, granted before the Notary of Valencia, Mr. Alejandro Cervera Taulet, number 5,178 of its protocol, corrected on November 20, 2023 and registered in the Mercantile Registry of Madrid on December 4, 2023, in Volume 45,500, Folio 29, Page M-765355, Entry 35.

In section 2.1. This Increase Document details the contributions subject to capitalization in this capital increase.

The new shares are class "A" shares with a par value of €0.10 and class "B" shares, with a par value of €0.001. The new shares shall enjoy the same political and economic rights as those currently outstanding from the date on which the enlargement is enlarged is declared subscribed and paid up, and once the shares have been registered in the name of the shareholders in the register of the Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidacion de Valores, S.A.U. ("Iberclear") and its Participating Entities. All of them will be represented by book entries.

Capital resulting from the increase

After the capital increase by offsetting of credits described, the share capital of the Company amounts to SIX MILLION EIGHT HUNDRED SIXTY-SEVEN THOUSAND SIXTY-NINE EUROS WITH NINETY-SIX CENTS (€6,867,069.96), represented by 205,922,775 shares, fully subscribed and paid up, belonging to two different classes:

1) SIXTY-SEVEN MILLION TWO HUNDRED EIGHTY-FOUR THOUSAND THREE HUNDRED AND FIFTEEN (67,284,315) shares belonging to class "A" of TEN EURO CENTS (€0.10) par value each, belonging to the same class and series, and which are the ordinary shares of the company; and

2) ONE HUNDRED AND THIRTY-EIGHT MILLION SIX HUNDRED THIRTY-EIGHT THOUSAND FOUR HUNDRED
   SIXTY (138,638,460) shares belonging to class "B" of ONE THOUSANDTH OF A EURO (€0.001) par value, each belonging to the same class and series, which are non-voting shares of the company with the legal regime and preferential rights established in article 9 bis of the articles of association.

As discussed in section 2.1 of this Extension Document, in accordance with Article 301 of the Companies Act, the Board of Directors issued a report on the nature and characteristics of the receivables to be offset on August 9, 2023, and EY, in its capacity as the Company's auditors, proceeded to issue the corresponding certification accrediting the data of the aforementioned credits on August 10, 2022 (see Annex II of this Extension Document). Both the report of the Board of Directors and the certification issued by the Company's auditor in compliance with the regulations applicable to debt capitalizations have been made available to shareholders, in addition to the registered office, on the Company's website and on the BME Growth website. together with the call and resolutions of the Extraordinary General Meeting of Shareholders at which the Capital Increase has been agreed, and which are attached as Annex II to this DAR.

Incorporation into negotiation

The Company will request the incorporation into trading of the new shares in the BME Growth trading segment of BME MTF Equity resulting from the capital increase by offsetting credits in the shortest possible period of time from the publication of this Reduced Increase Document.

3.2 Description of the start date and subscription period of the newly issued shares with details, if any, of the preferred, additional and discretionary subscription periods, as well as an indication of the forecast of incomplete subscription of the capital increase

Capital increases by offsetting receivables do not entail pre-emptive subscription rights in accordance with the applicable commercial law. The new shares have been fully subscribed at the time of the adoption of the increase resolution by the Extraordinary General Shareholders' Meeting.

3.3 To the extent that the issuer is aware of this, information regarding the intention of the main shareholders or the members of the Board of Directors to participate in the capital increase

No member of the Board of Directors or main shareholder has participated in the capital increase subject to this DAR.

After the capital increase subject to this DAR, the shareholders with a stake (direct and indirect) of more than 5% are:

Class A Shares

Shareholder	Participation direct	Participation innuendo	Total participation
Yaro Investment Holding, LTD.	19,34%		19,34%
JMSAN Agentes Financieros Globales S.L. (a)	18,15%	-	18,15%
United General, LTD.	9,66%		9,66%
Mr. Luis Daniel Fernandez Perez	7,43%		7,43%
Mr. Lorenzo Serratosa Gallardo (b)	2,54%	4,91%	7,45%
Mr. Jose Iván García (c)	2,46%	4,53%	6,99%
Mr. Francisco Javier Muñoz Sanfeliu (r)	0,06%	4,53%	4,59%
Mr. Fernando Villar del Prado (r)	0,05%	4.53%	4,58%

(a) The company is 25% owned by Mr. Lorenzo Serratosa Gallardo, 25% by Mr. José Iván García Braulio, 25% by Mr. Francisco Javier Muñoz Sanfeliu and 25% by Mr. Fernando Villar del Prado. The turnout is now 8.12% taking into account the 1,500,000 and 2,500,000 shares lent as collateral by JMSAN Agentes Financieros Globales S.L. to GLOBAL CORPORATE FINANCE OPPORTUNITIES 15 according to OIR of 04/08/2022 and OIR of 10/07/2023, and 2,500,000 and 250,000 shares lent as collateral to a series of investors who granted loans to the company (OIR 4/08/2022), according to OIR of 08/08/2022 and 10/07/2023, respectively. Although on 13/09/2023 and 22/09/2023, OIRs were published indicating the cancellation of these last loans, given that to date there has been no change of ownership of the same, we made the above calculations considering the 2,500,000 and 250,000 shares.

(b) Member of the Board of Directors of the Company, who, in addition to his indirect participation through JMSAN Agentes Financieros Globales S.L., holds 256,018 shares (0.38%) through the company Ijana Films, S.L., of which he holds 50% of the capital. The stake becomes 2.72% taking into account shares lent as collateral by JMSAN Agentes Financieros Globales S.L. to GLOBAL CORPORATE FINANCE OPPORTUNITIES 15 and a series of investors who granted a loan to the Company and the 1,500,000 shares lent as collateral by Mr. Lorenzo Serratosa Gallardo to GLOBAL CORPORATE FINANCE OPPORTUNITIES 15 according to OIR of 23/12/2022.

(c) Member of the Board of Directors of the Company, which, in addition to its direct participation, maintains an indirect stake in the Company through JMSAN Agentes Financieros Globales S.L. The turnout is now 4.49% taking into account the shares lent by JMSAN Agentes Financieros Globales S.L. to GLOBAL CORPORATE FINANCE OPPORTUNITIES 15 and to a number of investors who granted a loan to the Company.

(d) Shareholders who, in addition to their direct participation, maintain an indirect stake in the Company through JMSAN Agentes Financieros Globales S.L. The stake is now 2.09% and 2.08%, respectively, taking into account the shares lent by JMSAN Agentes Financieros Globales S.L. to GLOBAL CORPORATE FINANCE OPPORTUNITIES 15 and to a series of investors who granted a loan to the Company.

Class B Shares

Shareholder	**Direct Participation**
Mr. Juan José Esteve Pous	27,04%
United General, LTD.	9,37%
Mr. Francesc Xavier Ramos	9,04%
Indico Investments and Managements, S.L.	7,56%
Yaro Investment Holding, LTD.	7,56%

This information was published by OIR on December 19, 2023.

3.4 Main characteristics of newly issued shares and the rights they incorporate, describing their type and the dates from which they will be effective. Update if different from those described in the Incorporation Information Document

The legal regime applicable to the new shares of the Company is that provided for in Spanish law and, specifically, in the provisions included in the Consolidated Text of the Capital Companies Law; Law 6/2023 on Securities Markets and Investment Services; Regulation (EU) 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse ("Market Abuse Regulation"), and Royal Decree 814/2023 of 8 November 2023 on financial instruments, admission to trading, registration of negotiable securities and market infrastructures, as well as their respective implementing regulations that are applicable.

The newly issued shares resulting from the capital increase will be represented by book entries recorded in the corresponding accounting registers held by the Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidacion de Valores, S.A.U. ("Iberclear"), with registered office in Madrid, Plaza Lealtad nº1 and its authorised participating entities. The shares are denominated in euros.

In this capital increase subject to this Increase Document, two classes of shares are issued. First of all, class A shares. These are ordinary shares that confer on their holders the following rights provided for in the Articles of Association or in the applicable regulations:

- Right to participate in the distribution of dividends
- Attendance and voting rights at the General Shareholders' Meeting
- Pre-emptive subscription rights and free allocation in the subscription offer of securities of the same class

- Right to information

Secondly, Class B shares are issued on the occasion of this increase. These are non-voting shares, and confer different political and economic rights than the Class A shares mentioned above. From the date on which the capital increase has been declared subscribed and paid up, the new class B shares are entitled to receive a minimum annual dividend of €0.01 for each class B share. Once this minimum dividend has been agreed, holders of Class B shares will be entitled to the same dividend as Class A shares. The minimum dividend is conditional on the existence of distributable profits, excluding the share premium. The amount of the minimum dividend not paid against one financial year shall not be carried over to successive financial years. At the same time, class B shares do not confer any pre-emptive subscription rights on their holders in relation to voting capital increases. Successive issuances of Class B shares shall not require the approval by special meeting or separate vote of the holders of pre-existing Class B shares. Finally, class B shares will not regain this right when the company has not paid the minimum dividend in full for five consecutive years. The legal status and preferential rights of class B shares are set out in article 9 bis of the articles of association (the "Non-Voting Shares"):

'ARTICLE 9.- TRANSFER OF SHARES.

1.- The shares and the economic rights deriving from them, including the right of pre-emption and free allocation, are freely transferable by all the means permitted by law. New shares may not be transferred until the corresponding capital increase has been registered in the Commercial Register.

1. - The person who is going to acquire a shareholding that allows him or her to hold a percentage of more than 50% of the share capital must at the same time make a purchase offer, under the same terms and conditions, addressed to all the shareholders of the Company.

2. - A shareholder who receives, from a shareholder or a third party, an offer to purchase its shares by virtue of which, by virtue of its formulation conditions, the characteristics of the acquirer and the other concurrent circumstances, it must reasonably be inferred that its purpose is to attribute to the acquirer a shareholding of more than 50% of the share capital, It may only transfer shares that determine that the acquirer exceeds the aforementioned percentage if the potential acquirer proves that it has offered all shareholders the purchase of its shares under the same terms and conditions

ARTICLE 9. BIS- NON-VOTING SHARES

The Company may issue non-voting shares for a nominal amount not exceeding half of the paid-up share capital. In such a case, the non-voting shares will form a new class, referred to as 'non-voting'.

Holders of non-voting shares will enjoy the rights recognised by Royal Legislative Decree 1/2010, which approves the Revised Text of the Capital Companies Act, and will be entitled to receive a minimum annual dividend of 0.01 euros for each non-voting share. Once this minimum dividend is agreed, holders of non-voting shares will be entitled to the same dividend as ordinary shares.

The minimum dividend is conditional on the existence of distributable profits, excluding the share premium. The amount of the minimum dividend not paid against one financial year shall not be carried over to successive financial years.

Non-voting shares shall not confer on their holders any pre-emptive subscription rights in relation to voting capital increases.

Successive issuances of non-voting shares shall not require the approval, by special meeting or separate vote, of the holders of pre-existing non-voting shares.

Non-voting shares will not regain this right when the company has not paid the minimum dividend in full for five consecutive years.'

3.5 If any, a description of any statutory condition for the free transferability of newly issued shares, compatible with trading in the BME Growth segment

The shares issued under this capital increase may be transferred freely, without being subject to restrictions or conditions of any kind.

3. OTHER INFORMATION OF INTEREST

Not applicable.

4. REGISTERED ADVISOR AND OTHER EXPERTS OR ADVISORS

4.1 Information relating to the registered advisor, including possible relationships and linkages with the issuer

On January 17, 2022, the Company appointed Deloitte, S.L. as Registered Advisor, thereby complying with the requirement established in BME Growth Circular 1/2020, which establishes that a company with securities incorporated in this segment must at all times have a Registered Advisor appointed who is registered in the Register of Registered Advisors of the aforementioned Market.

As a result of this appointment, as of that date, Deloitte S.L. assists the Company in complying with the list of obligations that correspond to it in accordance with BME Growth Circular 4/2020.

Deloitte, S.L. was authorised by the Board of Directors of BME Growth as a Registered Adviser on 2 June 2008 in accordance with BME Growth Circular 4/2020, and is duly registered in the Register of Registered Advisers of BME Growth.

Deloitte, S.L. was incorporated on April 6, 1989 and is registered in the Mercantile Registry of Madrid, Volume 13,650, Section 8, Folio 188, Page M-54414 with C.I.F. B-79104469 and registered office at Plaza Pablo Ruiz Picasso, 1, 28020 Madrid.

Deloitte, S.L. acts at all times, in the performance of its function as Registered Advisor, following the guidelines established in its Internal Code of Conduct.

The Company and Deloitte, S.L. declare that there is no relationship or link between them beyond that constituted by the appointment of Registered Advisor described above.

4.2 In the event that the Extension Document includes any statement or report issued by a third party issued in an expert capacity, it must be stated, including name, professional address, qualifications and, where applicable, any relevant interest that the third party has in the issuing entity

In accordance with article 301 of the Capital Companies Act, the Board of Directors proceeded to issue the corresponding report on the nature and characteristics of the credits to be offset, and ERNST & YOUNG, S.L., in its capacity as auditors of the Company, domiciled at Calle Raimundo Fernandez Villaverde, 65, Madrid, proceeded to issue the corresponding certification accrediting the details of the aforementioned credit on August 10, 2023 (see Annex II to this Extension Document).

4.3 Information relating to other advisors who have collaborated in the process of incorporating newly issued shares into the Market

No entity has provided services to the Company in relation to the capital increase subject to this Increase Document, with the exception of Deloitte, S.L. as Registered Advisor of the Company.

APPENDIX I: CONSOLIDATED AND INDIVIDUAL INTERIM FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2023, TOGETHER WITH THE CORRESPONDING LIMITED REVIEW REPORT ISSUED BY THE AUDITOR

Limited Review Report

SUBSTRATE ARTIFICIAL INTELIGENCE, S.A.
AND DEPENDENT SOCIETIES
Consolidated Interim Financial Statements for the six-month period ended June 30, 2023

Ernst & Young, S.L.
C/ Raimundo Fernández Villaverde,
65 28003 Madrid

Tel: 902 365 456
Fax: 915 727 238
ey.com

Building a better working world

LIMITED REVIEW REPORT ON CONSOLIDATED INTERIM FINANCIAL STATEMENTS

To the shareholders of SUBSTRATE ARTIFICIAL INTELLIGENCE, S.A., on behalf of the Board of Directors:

Introduction

We have conducted a limited review of the accompanying consolidated interim financial statements of SUBSTRATE ARTIFICIAL INTELIGENCE, S.A. (the Parent Company) and Subsidiaries (the Group), comprising the consolidated balance sheet as of June 30, 2023, the consolidated profit and loss account, the consolidated statement of changes in equity , the consolidated statement of cash flows and the explanatory notes, for the six-month period then ended . The directors are responsible for the preparation of these consolidated interim financial statements, in accordance with the regulatory framework for financial reporting applicable to the entity in Spain, which is identified in note 2 of the notes and internal control as they deem necessary to enable the preparation of consolidated interim financial statements free from material misstatement due to fraud or error. Our responsibility is to express a conclusion on these interim financial statements based on our limited review.

Scope of the review

We have conducted our limited review in accordance with International Standard of Review Work 2410, "Review of Interim Financial Information by the Entity's Independent Auditor ." A limited review of interim financial statements consists of the provision of questions, primarily to staff responsible for financial and accounting matters, and the application of analytical and other review procedures.A limited review has a substantially smaller scope than an audit carried out in accordance with the regulations governing the audit of accounts in force in Spain and, therefore, does not allow us to ensure that all the documents have come to our attention.important issues that may have been identified in an audit. Therefore, we do not express an audit opinion on the accompanying interim financial statements .

Conclusion

As a result of our limited review, which at no time can be construed as an audit of accounts, we have not been brought to our attention by any matter that would lead us to conclude that the accompanying consolidated interim financial statements do not express, in all material respects, a true and fair view of the financial position of SUBSTRATE ARTIFICIAL INTELIGENCE, S.A. and Subsidiaries as of June 30, 2023, as well as their results and cash flows for the six-month period ended on that date, in accordance with the applicable financial reporting regulatory framework and, in particular, with the accounting principles and criteria contained therein.

Building a better
working world

Other Information: Consolidated Management Report

The accompanying consolidated interim management report for the six-month period ended June 30, 2023 contains the explanations that the directors of the Parent Company consider appropriate regarding the material events that occurred in this period and their impact on the consolidated interim financial statements presented, of which it is not a part. We have verified that the accounting information contained in the aforementioned management report is consistent with the consolidated interim financial statements for the six-month period ended June 30, 2023. Our work is limited to the verification of the consolidated interim management report with the scope mentioned in this paragraph and does not include the review of information other than that obtained from the accounting records of SUBSTRATE ARTIFICIAL INTELIGENCE, S.A. and subsidiaries.

Other issues

This report has been prepared at the request of SUBSTRATE ARTIFICIAL INTELIGENCE, S.A. in connection with the publication of the half-yearly financial report required by Circular 3/2020 of Bolsas y Mercados Españoles Sistemas de Negociación, S.A. (BME Growth) on "Information to be provided by companies listed for trading in the BME Growth segment of BME MTF Equity.

ERNST & YOUNG, S.L.

This report corresponds to the hallmark **no.** 01/23/20576

issued by the Institute of Chartered Accountants of Spain

51556863V **MARIA** FLORENCIA KRAUSS **(A:** B78970506)

D!)lSftJ50'"9Clti 515561l6lVMA.ffiA FlOOEtl™ l<RAUS:S Y.,: B7897Q506j l:»t ar-6-166t!i863V l.lARJA FlOROIC1A KRAUSS B109'1l.' &16 c=ES, o=amsr.svcu,Je,.s L,ou=A.SSUJ; H E. @mall= fln,je_ &f.OOfll Dale:l02l.10:21fi 1-4.l4:62...0:ro)'

Maria Florencia Krauss Padoani

October 26, 2023

SUBSTRATE ARTIFICIAL INTELIGENCE, S.A. And

SUBSIDIARIES

(SUBSTRATE GROUP AL)

CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2023

INDEX

Consolidated Interim Financial Statements for the six-month period ended June 30 , 2023

SUBSTRATE ARTIFICIAL INTELIGENCE, S.A. AND SUBSIDIARIES (SUBSTRATE AL GROUP)

Consolidated balance sheet as of June 30 , 2023

(expressed in euros)

ACTIVE	Notes to the Financial Statements Intermediate	30/06/2023	31/12/2022
NON-CURRENT ASSETS		**19.211.089,31**	**19.129.172,09**
Intangible fixed assets		**17.270.367,34**	**17.820.051,66**
Consolidation Goodwill	5	11.459.929,30	12,257. 097.54
Other intangible fixed assets	7	5.810.438,04	5.562.954,12
Property, plant and equipment	**8**	**157.174,97**	**141.286,78**
Land & Buildings		1.097,38	4,308.51
Technical installations and other property, plant and equipment		156,077.59	136,978.27
Long-term investments in group companies and associates	**10.1&16**	**30.000,00**	**30.000,00**
Equity Instruments		30.000,00	30.000,00
Long-term financial investments	**10.1**	**835.668,33**	**221.468,72**
Third-party receivables		212.585,33	189.985,72
Other Financial Assets		623,083.00	31,483.00
Deferred tax assets	**13**	**917.878,67**	**916.364,93**
CURRENT ASSET		**2.498.810,61**	**3.188.835,30**
Stock		**341.489,88**	**283.667,75**
Commercial		300.724,20	283.667,75
Raw materials and other supplies		39,61	
Advances to suppliers		40,726.07	
Trade receivables and other accounts receivable		**1.553.195,85**	**1.266.184,62**
Sales and service customers	**10.1**	1.254.681,56	483.168,23
Miscellaneous debtors	**10.1**	1.168,04	6.162,72
Personnel	**10.1**	8.000,02	500.00
Other credits with the Public Administrations	**13**	289,346.23	776,353.67
Short-term financial investments	**10.1**	**17.054,00**	**14.554,00**
Loans to companies		5.500,00	3.000,00
Other Financial Assets		11.554,00	11.554,00
Short-term accruals and accruals	**10.1**	**1.000,00**	**1.000,00**
Cash and cash equivalents	**10.1**	**1.036.070,89**	**1.623.428,93**
Treasury		1.036.070,89	1.623.482,93
TOTAL ASSETS		**22.159.899,92**	**22.318.007,39**

Notes 1 to 19 attached are part of the consolidated balance sheet as of June 30, 2023.

SUBSTRATE ARTIFICIAL INTELIGENCE, S.A. AND SUBSIDIARIES (SUBSTRATE AL GROUP)

Consolidated balance sheet as of June 30 , 2023
(expressed in euros)

LIABILITIES AND EQUITY	Notes to the Interim Financial Statements	30/06/2023	31/12/2022
H E R I T A G E NET		17.620.611,39	17.587.124,55
Equity	11	17.144.688,99	17,287,328.53
Capital		3.638.421,26	2.451.022,80
Issue premium		36,510,725, 16	34.548.123,83
Reserves		(1.490.803,23)	(1.352.337,53)
Legal & Statutory		600,00	600,00
Other Bookings		(1,491,403.23)	(1.352 937,53)
(Own shares and participations of the company **dominant)**		(1.854.317,17)	(1.116.288,60)
Results of previous years		(17,703,031.83)	(1.643.405,05)
Other Partner Contributions		6.000,00	
Profit or loss for the year attributable to the company dominant		(2.628.587,21)	(15.950.454,93)
Other Equity Instruments		666.282,01	350.668,00
Grants, donations, and bequests received.	15	314.472,21	216.463,95
External Partners	6	161.450,19	83.332,08
NON-CURRENT LIABILITIES		2.377.007,38	2.288.657,64
Long-term provisions	3.16	70.760,44	
Long-term debts	10.2	2.198.485,36	2.213.565,46
Debts to credit institutions		513.615,19	557.179,76
Debts with special characteristics	11	956.703,73	
Other financial liabilities		728.166,44	1.656.385,70
Deferred tax liabilities	13	107.761,58	75.092,18
CURRENT LIABILITIES		2.162.281,16	2,442,225.19
Short-term provisions	3.16	289.496,48	357.380,84
Short-term debts	10.2	989.690,37	1.295.173,69
Debts to credit institutions		98.357,76	93.226,24
Lease creditors		958,38	3.795,71
Other financial liabilities		890.374,23	1,198,151.74
Trade Creditors and Other Payables	10.2	870.212,69	789.670,66
Suppliers		406.811,99	269,319.82
Miscellaneous creditors		55.352,41	79.592,90
Staff (unpaid wages)		23.022,94	49.368,12
Current tax liabilities	13	25.738,07	29.010,36
Other debts with Public Administrations	13	328.251,65	344,427.09
Advances to customers		31.035,63	17,952.37
Short-term accruals and accruals	3.16	12.881,62	
TOTAL LIABILITIES AND EQUITY		22.159.899, 92	22.318.007,39

Notes 1 to 19 attached are part of the consolidated balance sheet as of June 30 , 2023.

SUBSTRATE ARTIFICIAL INTELIGENCE, S.A. AND SUBSIDIARIES (SUBSTRATE AL GROUP)

Consolidated Profit and Loss Statement
for the six-month period ended June 30, 2023
(expressed in euros)

PROFIT FOR THE YEAR	Notes to the Interim Financial Statements	30/06/2023	30/06/2022
CONTINUED OPERATIONS			
Net turnover	14	**1.797.509,98**	**1.245.762,77**
Sales		858.558,71	Article 265.Sec. 827.10
Provision of services		938.951,27	Sec. 979.Phone: 935.67
Work carried out by the company for its asset	7	**736.459,04**	
Supplies	14	**(451.145,89)**	**(118.565,73)**
Consumption of goods		(424.511,30)	
Consumption of raw materials and other consumables		(8,475.24)	
Work carried out by other companies		(18,159.35)	(118.565,73)
Other Operating Income		**2.186,05**	**6.292,41**
Ancillary and other revenue under current management		2.186,05	6.292,41
Personnel costs	14	**(1.520.338,22)**	**(1.293.100, 53)**
Wages, salaries and the like		(1.250.430,66)	(1.103.821,55)
Social security contributions		(269.907,56)	(189.278,98)
Other operating expenses		**(1,355,723.14)**	**(1.028,433.45)**
External services	14	(1,404,832.60)	(1 004.249,29)
Tributes		(14,952.18)	(9.682,07)
Losses, impairment and changes in provisions for operations Commercial		64.120,86	
Other current management costs		(59,22)	(14.502,09)
Depreciation of fixed assets		**(1,134,537.19)**	**(1.830,647.25)**
Allocation of subsidies for non-financial fixed assets and others		**17.042,34**	**25.460,35**
Impairment and profit or loss on disposals of fixed assets		**-**	**(11.534.130,74)**
Other results		**(49.952,17)**	**(48,06)**
OPERATING RESULT		**(1.958.499,20)**	**(14.527.410,24)**
Financial Income		**3,27**	
Financial Expenses	10.2	**(466.102,00)**	**(7.092,33)**
Change in fair value in financial instruments			**(3.145,09)**
Exchange Differences	12	**(39.895,89)**	**25.622,22**
Impairment and profit or loss on disposals of instruments Financial		**(8,85)**	**7.405,63**
FINANCIAL RESULT		**(506.003,47)**	**22.790,44**
RESULT BEFORE TAXATION		**(2.464.502,67)**	**(14.504.619,80)**
Tax envelope proceeds	**13**	(85.966,43)	(99.430,26)
PROFIT FOR THE YEAR FROM CONTINUED OPERATIONS		**(2.550.469,1O)**	**(14.604.050,06)**
CONSOLIDATED PROFIT FOR THE YEAR		**(2.550.469,1O)**	**(14.604.050,06)**
Result Attributed to The Dominant Society		**(2.628.587,21)**	**(14.622.340,93)**
Result Attributed to external partners		**78.118,11**	**18.290,87**

Notes 1 to 19 attached are part of the consolidated income statement for the six-month period ended June 30, 2023.

SUBSTRATE ARTIFICIAL INTELIGENCE, S.A. AND SUBSIDIARIES (SUBSTRATE AL GROUP)

Statement of Changes in Consolidated Equity
for the six-month period ended June 30, 2023
(expressed in euros)

a) Consolidated Statement of Recognized Income and Expenses for the six-month period ended June 30, **2023**

	Notes to the Financial Statements Intermediate	30/06/2023	30/06/2022
Profit and loss statement result		(2.550.469.1O)	(14.604.050.06)
Income and expenses charged directly to equity			
Grants, Donations and Bequests Received		150.00.00	
Tax effect		(37,500)	
Total income and expenses charged directly to equity Consolidated		**(112.500,00)**	
Transfers to the consolidated profit and loss account			
Grants, Donations and Bequests Received		(17.042.34)	(25.460,35)
Tax effect		4,260.59	
Total transfers to the consolidated profit and loss account		(12.781.76)	(25.460.35)
TOTAL REVENUE AND RECOGNIZED CONSOLIDATED EXPENSES		(2.450.750.86)	(14.629.510.41)
Total income and expenses attributable to the parent company		(2.528.868,97)	(14.647.801,28)
Total income and expenses attributed to external partners		78,118.11	18.290,87

Notes 1 to 19 attached are part of the consolidated statement of recognized income and expenses as at June 30 , 2023

SUBSTRATE ARTIFICIAL INTELIGENCE, S.A. AND SUBSIDIARIES (SUBSTRATE GROUP AL}

Statement of Changes in Consolidated Equity
for the years ended June 30 , 2023 and December 31 , 2022
(expressed in euros)

b) Total Consolidated Statement of Changes in Equity for the Six Months Ended June 30, **2023**

	C11¡; :1ital deeded	Issue premium	Re,:i;ervas	Ac,c.ionli5y participi!llcion0s own.	ot= instrumr; mtos d9 heritage	R.esulhrdo:s,of 9fliilrcic:ios 11nfliilrior&S	Re!turtado I'.lelejerc:k::lo alribuido a la s.ociedad dominante	Subit9ntions, dom1tionv ler¡Jados rliilcibidos	'¦'▮▮ aport11t:i009S dliilsot:ios	TOTAL
Adjusted balance, start of the year 2D22	2..D28.97Ei,i!IO	26.655.923,20	33,119.28	6.oaa,oo		(47::i!. 604.78F	{1,777,571.39)	17B. B41,:i!5	(2D.::i!0!3,47)	26.632.474,89
Tot::il Ingre os - !} 3':Il'M reconocldo::l							(15.950.45 ,00)		11.170,58.	(15.8f:,(U)..'"1:38)
Ampliacicr1c::.dt'! c inl (r10La 11)	177.906,00	7,486.344.00								7.The 642W.OO
Olrd ·,-:riai:.:K:ll of heritage Oeta			(71U ,12)			(1,170)100.27)	1,777.571.39		Article 92.370,m	(12...":..:1:3.0r:-:)
CCNW, rslCJnder.<1slvosnnanderos enp8trmonloneto 1ra::i 11)	24.:1.1'1□,aa	,1(15..Bf . B:-:;			:Or. BBB,00					7-'IO.ffl:1,B:-:;
OTMS Oper::ir one! I-1001::.i 16)					2(-IO.Dl) D,DD					2(-!0.CO'.)DD
Oper lone with; 10::h:irie prapl8s (net.ls)(Nora 11)			(1170.<1<1/l,!":i.."))	(1.122.2fül,6i))						(1Sif2. T'. .(p. 15)
Olro rr.o\'Ilrlir.::nlcs			(203.:J.27.(p. 14)					(44,710.29)		{248.037,43))
Balance as of 31 December 2022	2.451,022,:90	Article 34..5- W.123,133	(1,3,52,L37,5L)	(1,116.2S0.60)	3.50.15158,00	11.00.-05)	(15.9!50.454.93)	2115,4(13,95	133,332,00	17.ML7.124.55
Aiusl cr crrcrr.:: 2022 (No'ln 2.(c)						(109.,71.85)				(109.171.(p. 65)
sa100 aJustsoo si Start 2023	2..451.022,i!IO	34,548,123.83	(1.3S.::i!. 3S7.53f	(1,116,28B,60}	350,668,DD	(1.7S.::i!. 576.9Df	[15.95D.454.93)	216,463.95	B3.33::i!,OO	17,477,952.70
Total ir1Q1t'! o 'í u sla-srccu1ociths							F2.620.587.21L	96,008.2B	78,118.11	(2.452.400,84)
Ampliacicm.: dt'! C 1AL (R10LA 11) otms"3r1. Jchlii!-Sdelr,8trlmonlo Oeta						(15.850.<lf:,cl,F.L:)	15.95D.·S5			
canw; rslCJnder.<1slvosnn; 1nderos r.::n pallmon nt.' =lo fr,...,,tn 11)	1,167,398.46	1,002.001.33			Ji:5.614.01					:J466.Article 613.60
0lrdsopr.::ra;;lom::;.{IJO'!n16) Oper lone i::on 8c::lorie prapl; 1s (net8s)(nDm 11¡				(732.(Yli:1,57)						(732.028.57)
Olrosrr.o\'imir.::nlcs			(138.4(]6.70)	(6,000.00)					6.00:,,00	(138.4-35.70)
Balance as of 30.00.2023,	3.153.8.421,2(1	315,.510.725.16	(1,400.00L,23)	(1.:EIM.317.17)	600.282,01	(17,703.031,83,)	{2,628:.587,21)	314.472,21	(1,000.00 1151,450.19	17.fi20,611.39

Notes 1 to 19 attached are part of the consolidated statement of changes in equity as of June 30 , 2023

SUBSTRATE ARTIFICIAL INTELIGENCE, S.A. AND SUBSIDIARIES (SUBSTRATE AL GROUP)

Consolidated Statement of Cash Flows
for the six-month period ended June 30 , 2023
(Expressed in euros)

	Notes to States Financial Intermediate	30/06/2023 (6 months)	30/06/2022 (6 months)
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax for the year		**(2,464,502.67)**	**(14.504.619,80)**
Result Adjustments		**1.562.253,54**	**13.316.527,21**
Depreciation of fixed assets	5, 7 and 8	1,134,537, 19	1.830.647,25
Valuation adjustments for impairment	5y7	64.120,86)	11.534.130,74
Change in provisions		2.876,08	
Allocation of subsidies		(17.042,34)	(25.460,34)
Profit or loss on retirements and disposals of fixed assets(+/-)			(7.405,63)
Financial Income		(3,27)	
Financial Expenses		466.102,00	7.092,33
Exchange Differences		39.895,89	(25,622.22)
Change in fair value in financial instruments		8,85	3.145,09
Other income and expenses			
Changes in current capital		**(805.485,76)**	**(213.899,44)**
Stock		(57,822.13)	(298.649,68)
Accounts receivable and other accounts receivable		(822.890,37)	(456.088,47)
Accounts payable and other accounts payable		62,345.12	499.837,88
Other current liabilities		(57,840.07)	41.000,83
Other non-current assets and liabilities		Article 12.Set at 881.62	
Other cash flows from operating activities		**(110.095,21)**	**(7.092,33)**
Interest Payments		(110.095,21)	(7.092,33)
Cash flows from operating activities		**(1.817.830,10)**	**(1.409.084,37)**
CASH FLOWS FROM INVESTING ACTIVITIES			
Investment Payments		**(660.685,97)**	**(1.172.064,52)**
Intangible fixed assets	7	(597.407,93)	(7.449,80)
Property, plant and equipment	8	(40,678.43)	(64.614,72)
Other Financial Assets	5	(22,599.61)	(1.100.000,00)
Investment Charges		**8.400,00**	
Other Financial Assets		8.400,00	
Cash flows from investing activities		**(652.285,97)**	**(1.172.064,52)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Collections and payments for equity instruments		**2.417.971,22**	**2.660.350,00**
Issuance of equity instruments	11	3.149.999,79	2.660.350,00
Acquisition of equity instruments		(738.028,57)	
Other Partner Contributions		6.000,00	
Grants, Donations and Bequests Received			
Receipts and payments for financial liability instruments		**(535.267,19)**	**685.114,75**
Emission:			**700.000,00**
Debts to credit institutions			700.000,00
Return and amortization of:		**(535.267,19)**	**(14.885,25)**
Debts to credit institutions		(38,433.05)	(14.885,25)
Finance Leases		(2.837,33)	
Other debts		(496.834,14)	
Cash flows from financing activities		**1.882.704,03**	**3.345.464,75**
NET INCREASE AND DECREASE IN CASH OR CASH EQUIVALENTS		**(587.412,04)**	**764.315,88**
Cash or equivalent at the beginning of the financial year		1.623.482,93	267.711,14
Effect or equivalents at the end of the year		1.036.070,89	1.032.027,00

Notes 1 to 19 attached are part of the consolidated statement of cash flows as of June 30, 2023

SUBSTRATE ARTIFICIAL INTELIGENCE, S.A. AND SUBSIDIARIES
(SUBSTRATE GROUP AL)

Explanatory Notes to the Consolidated Interim Financial Statements for the Six-Month Period Ended June 30, 2023

1. CONSTITUTION OF THE GROUP AND ACTIVITY

Activity

Substrate Artificial Inteligence, S.A., hereinafter "Parent Company", was incorporated as a limited company, for an indefinite period of time on December 9, 2010, with the name "Kau Finanzas, S.L.", with its current registered office at Calle María de Malina nº41 Oficina 503, Madrid. The company is registered in the Mercantile Registry of Madrid, Volume 43321, Book O, Folio 89, Page M-765355.

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

In May 2022, the Parent listed 100% of the Company's shares on the BME Growth trading segment . This entry into the market gives you valuable tools to obtain the necessary financing based on your growth plan.

Substrate Artificial Inteligence, S.A. and Subsidiaries (hereinafter, the "Group" or " Substrate Al Group"), have the following corporate purpose:

- The provision of the Society of the information intended to provide knowledge tools in the financial area and others related to it, in order to facilitate access to third parties interested in acquiring culture financial and instruments that allow us to interpret this information through the learning modality called e-learning.
- Acquisition, holding and administration management of securities, shares
- Acquisitiontenure Marketing, leasing and operation of all types of rural or urban properties
- Preparation of investment reports and financial analysis.
- Financial Mediation Services
- Computer Programming Activities, Structure and Content Design, Code Writing IT to implement Software for systems, computer applications, databases and web pages.
- Customization of computer programs, including configuration and modification of existing programs.
- Marketing and after-sales service of diagnostic imaging machinery (radiology, MRIs and tomography computerized).

The main activity of the Substrate Group consists of the creation and development of state-of-the-art artificial intelligence systems and their application in various sectors, such as energy, livestock, health, human resources and finance, among others. **The** Group has developed its own technology to address the problems faced by companies in the digitalisation and streamlining of processes. This activity is supported by the study "lntegrated Multi-Task Agent Architecture with Affect-Like Guided Behavior", carried out by external collaborators of the Group, presented in the Biologically lnspired Cognitive Architectures and by the patents in the process of development and registration detailed in section 7 of the explanatory notes. The geographical area of operation of the Substrate Group is currently mainly Spain.

Substrate Artificial lnteligence, S.A. is the parent company of the Group. The Directors of the parent company prepare the consolidated interim financial statements of the Group, in order to present a true and fair view of the financial position and results of the same for the 6-month period and to comply with the requirement established by BME Growth.

2. BASIS FOR PRESENTATION OF CONSOLIDATED INTERIM FINANCIAL STATEMENTS AND PRINCIPLES OF CONSOLIDATION

a) True image and regulatory framework of reference

The consolidated interim financial statements as of June 30, 2023 have been obtained from the accounting records of the Parent Company and the Subsidiaries included in the scope of consolidation in accordance with the regulatory framework for financial reporting applicable to the Group, which is established in:

- Commercial Code and other commercial legislation.
- Rules for the preparation of consolidated accounts, approved by Royal Decree 1159/201O, of 17 September, amended by Royal Decree 602/2016 of 2 December.
- General Chart of Accounts approved by Royal Decree 1514/2007 together with Royal Decree 1159/201O amending certain aspects of the PGC, modified by the Royal Decree 602/2016 of 2 December and Royal Decree 1/2021 of 12 January.
- The mandatory standards published by the Institute of Accounting and Auditing of Accounts in development of the General Chart of Accounts.
- **The** rest of the Spanish accounting regulations that are applicable.

The accompanying consolidated interim financial statements are presented in accordance with the applicable financial reporting regulatory framework and, in particular, the accounting principles and criteria contained therein, so as to give a true and fair view of the consolidated equity and financial position of the Group as of June 30, 2023 and the consolidated results of its operations, changes in consolidated equity and consolidated cash flows for the six-month period ended on that date.

The accompanying consolidated interim financial statements have been prepared by the Board of Directors of the Parent Company.

b) Non-Mandatory Accounting Principles Applied

The accounting principles and criteria applied for the preparation of these consolidated interim financial statements are summarized in Note 3 to these explanatory notes. All mandatory accounting principles that have an impact on consolidated equity, financial position and consolidated results have been applied in the preparation of these consolidated interim financial statements .

c) Critical aspects of valuation and estimation of uncertainty

The information contained in these consolidated interim financial statements is the responsibility of the directors of the Parent Company.

In the preparation of these consolidated interim financial statements, estimates made by the directors of the Parent Company have been used to measure some of the assets, liabilities, income, expenses and commitments recorded therein. Basically, these estimates refer to:

The useful life of intangible and tangible assets (see Notes 3.3 and 3.4).

Recoverable value of consolidation goodwill and other intangibles (see Notes 5 and 7).

The Board of Directors makes these estimates at the end of the financial year, unless they identify signs of impairment in interim closings, and it is possible that events that may take place in the future may require them to be modified (upwards or downwards).in future years. Given the predictive nature of any estimate based on future expectations in the current economic environment and the activity carried out by the Group, differences between projected and actual results could become apparent.

Preparation of the financial projection

The Directors of the Parent Company, in order to carry out the corresponding impairment test on consolidation goodwill and other intangible assets, prepared a financial projection for the coming years in 2022 based on the context of the increase in the rate inflation and interest rates, rising energy prices and the possibility of a recession due to the war in Ukraine and its consequences.

These projections reflect an estimate based on the fulfillment of certain milestones, variables and assumptions, which, despite being based on the worst-case scenarios, are subject to uncertainty and could be substantially modified based on the occurrence of future events considered in such estimates. Any changes in the main future assumptions may materially affect the recoverable value of certain assets (see notes 5 and 7). The main features are:

- Value in use has been used based on Flows the future and not the value of the company's market, taking into account the short period of time in which it is listed and its high volatility as a result of the low liquidity and the adverse economic environment.
- The projections have a duration of 5 years, until 2027.
- The development or sale of various products is at an incipient stage.

- Forecasts based, among other factors, on the knowledge and expected development of the various verticals in which the Group operates and will operate and on expectations of its future evolution.

- Expectation of obtaining new relevant contracts with clients in a reasonable period of time (2 years).

- Increase in average selling prices with the application of artificial intelligence.

- Average EBITDA considered based on estimates and comparables, as historical information is not available for a portion of revenues .

- Increase in the number of customers in lines of business that are already active.

During the first six months of 2023, there have been no significant changes in the methodology of the estimates, compared to those made during the 2022 financial year, and no significant new judgments and estimates have been identified for the preparation of these financial statements consolidated intermediates.

Going Concern Principle

The directors of the Parent Company have prepared these consolidated interim financial statements, assuming the continuity of the Group's activity, stating that the Group's results are negative as of June 30 , 2023, values characteristic of any startup. The Strategic Plan drawn up by the Group until 2027 is based on the effective application of the artificial intelligence systems developed by the Group.

On the basis of the foregoing, the Directors of the Parent Company have prepared the consolidated interim financial statements under the going concern principle.

d) Comparison of information

In accordance with commercial law, for comparison purposes with each of the items in the consolidated balance sheet and the statement of change in consolidated equity, in addition to the figures for the six-month period ended June 30 , 2023, the corresponding figures are presentedfor the year ended December 31, 2022, which correspond to the Audited Financial Statements consolidated in that year. In the case of the consolidated interim Statement of Cash Flows and the interim consolidated Income Statement, the six-month period ended June 30 , 2022 is included as comparative information. The same criteria have been applied with respect to the breakdowns included in the Notes to this document relating to these consolidated interim financial statements.

e) Bug fixes

At the interim close of the consolidated as of June 30 , 2023, the Company detected that expenses corresponding to the 2022 financial year and an error in the calculation of the accumulated amortization of the fund were pendingof consolidation trade from previous years. The expenses of the previous year identified amount to 27,297.00 euros and the amortization of previous years amounts to 81 euros.€874.85

The Company has corrected the error retroactively, modifying the result of previous years, in the equity for the 2022 financial year, as well as the initial reserves for the 2023 financial year.

f) Consolidation Perimeter

In preparing the consolidated interim financial statements, the Group has aggregated the interim financial statements of the parent company and its subsidiaries, adding the items representing assets, liabilities, equity, income and expenses of similar content. In order for the consolidated interim financial statements to present the Group' s financial information, the carrying amount of the parent company's investment in each of the subsidiaries has been eliminated, in addition to the balances, transactions, income and expenses having been eliminated in their entiretyintra-group.

The subsidiaries included in the scope of consolidation are the following:

- **ZONA** VALUE GLOBAL, S.L.

  Main activities:

  Acquisition, holding and administration management of securities , shares

  Acquisition, possession, marketing, lease and operation of all types of rural or urban real estate

  Registered office: Calle Colón, 4-5 Bº, 46004 Valencia (Spain)

  Percentage of effective shareholding in Parent Company : 100%

  Integration Method : Global Integration

  Unaudited

  Financial Information:

(expressed in euros)	Total Assets	Total Equity	Result	Dividends distributed
30.06.2023	859,803.16	(111.580,86)	(200,744.36)	
31.12.2022	197.399,67	83.000,00	7.151,00	

- SUBSTRATE AL SPAIN, S.L.

  Main activities:

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

  Customization of computer programs, including configuration and modification of existing programs.

  Registered office: Calle Colón, 4-5 Bº, 46004 Valencia (Spain)

  Percentage of effective shareholding in Parent Company : 100%

  Integration Method : Global Integration

  Unaudited

Financial Information:

(expressed in euros)	Total Assets	Total Funds Own	Result	Dividends Distributed
30.06.2023	1.212,715.57	148.385,86	(63.445,51)	
31.12.2022	1.221,948.28	185.863,38	49.109,40	

- KAU MARKET EAFI, S.L.

Main activities:

Preparation of investment reports and financial analysis.

Financial Mediation Services

Purchase and sale of real estate and movable property for the realization of the

corporate purpose Registered office: Calle Colón, 4-5 Bº, 46004 Valencia (Spain)

Effective shareholding in Parent Company : 100% Integration Method

: Global Integration

Company regulated by the CNMV

Audited by Capital Auditors and Consultants, S.L. Financial

Information:

(expressed in euros)	Total Assets	Total Funds Own	Result	Dividends distributed
30.06.2023 (*)	126,642.63	32.536,95	(165.014,54)	
31.12.2022	271.367,09	192.075,55	7.904,47	

(*) Unaudited

- AIREN Al FOR RENEWABLE ENERGY, S.L.

Main activities:

Computer programming activities.

Design of structures and content, and/or the writing of the computer code necessary to create and implement programs for systems. and computer applications

Registered office: Calle Colón, 4-5 Bº, 46004 Valencia (Spain)

Percentage of effective shareholding in Parent Company : 90%

Integration Method : Global Integration

Unaudited

Financial Information:

(expressed in euros) Assets	Total	Total Funds Own	Result	Dividends Distributed
30.06.2023	75.890.60	(402.289,03)		
31.12.2022	75.890.60	(215.389,94)	(189.899,09	

- BOALVET Al, S.L.

Main activities:

Computer programming activities.

Design of structures and content, and/or the writing of computer code necessary to create and implement programs for computer systems and applications

Registered office: Calle de la plazuela 43, 41370 Seville (Spain)

Percentage of effective shareholding in Parent Company : 90%

Integration Method : Global Integration

Unaudited

Financial Information:

(expressed in euros)	Total Assets	Total Equity	Result	Dividends distributed
30.06.2023	226,767.09	(34.471, 70)	(7,483.16)	
31.12.2022	252,298.31	3.000,00	(45.659.81)	

- **SUBSTRATE Al USA INC.**

Main activities:

Miscellaneous Businesses, Activities, or Functions

Engage in any other lawful activity in connection with, or incidental to, the foregoing.

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

Effective Percentage of Interest in Parent Company: 100% Integration

Method : Global Integration

Unaudited

Financial Information:

(expressed in euros) Assets	Total	Total Funds Own	Result	Dividends distributed
30.06.2023	428,409.36	(95.600,33)	(1,833.26)	
31.12.2022	309.693,32	(128.439,98)	(151,864.11)	

- AI SAIVERS LLC

Main activities:

Miscellaneous economic activities

Registered Office: SW 6th Terrace, Miami, FL 33130, USA

Percentage of effective interest in Parent Company: 100% Integration

Method : Global Integration

Unaudited Financial

Information:

(expressed in euros) Assets	Total	Total Funds Own	Result	Dividends Distributed
30.06.2023	24.329,89	23.995,76	(78.421,59)	
31.12.2022	30.015,53	27.120,65	(275.412,75)	

- CUARTA DIMENSIÓN MÉDICA, S.L. (integrated for the first time in 2022 - see note 5)

Main activities:

Marketing and after-sales service of diagnostic imaging machinery (radiology, MRIs, and CT scan).

Registered office: Carrer Baronessa Santa Bárbara, 28, 46740 Carcaixent, Valencia (Spain)

Effective shareholding in Parent Company: 70% Integration method :

Global Integration

Audited by EY in 2022

Financial Information:

(expressed in euros) Assets	Total	Total Funds Own	Result	Dividends distributed
30.06.2023(')	1.312.820,64	692.173,79	257.899,32	
31.12.2022	1,025,337.37	409.496,50	149,457.90	

(*) Unaudited

- FLEEBE AI S.L. (This company was incorporated during the 2023 financial year and has acquired a production unit managed by the Parent Company, which has no impact on the interim consolidated financial statements)

Main activities:

Electronic exploitation by third parties

Registered office: Calle Cronista Carreres nº10 bajo, Valencia, Spain

Percentage of effective shareholding in Parent Company: 100%

Integration Method: Global Integration

Unaudited

Financial Information:

(expressed in euros) Assets	Total	Total Funds Own	Result	Dividends distributed
30.06.2023	2.604.374,21	(163.115,98)	(166.115,98)	

3. ACCOUNTING PRINCIPLES AND VALUATION CRITERIA

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

The period of all the companies of the group covers from January 1, 2023 to June 30, 2023, therefore, there is temporal homogeneity and homogenization has been carried out in the accounting principles and standards applied. It is not appropriate to apply any adjustments or eliminations for its homogenization, with the exception of those relating to the functional currency.

3.2. Transactions between companies included in the scope of consolidation

The transactions between the parent company and subsidiaries correspond to the provision of services and therefore reciprocal credits and debits, the lending of non-commercial credits and the development of fixed assets.

These transactions have been removed from the consolidated income statement and the consolidated balance sheet for the amount of the transactions .

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

3.3. Intangible assets

Computer Applications

Purchased software licenses are capitalized on the basis of the costs incurred for their acquisition and for making the specific software usable.

Costs associated with the development or maintenance of software are recognized as an expense as they are incurred. Expenses directly related to the production of unique and identifiable software controlled by the Group, and which are likely to generate economic benefits in excess of costs for more than one year, are recognized as intangible assets. Direct costs include the costs of staff developing the software and an appropriate percentage of overheads.

Goodwill

Goodwill represents the advance payment made by the acquiring entity for future economic benefits from assets that could not be individually identified and recognized separately after a business combination.

Goodwill is amortized over a period of 1O years, which ends on June 30, 2031. At the end of each financial year, or earlier if an indication of impairment is identified, the Group carries out an assessment of the recoverability of goodwill, amortizing in advance the part of goodwill that, where appropriate, it does not consider recoverable.

Goodwill is allocated to one or more cash-generating units ("CGUs") that are expected to benefit from the synergies arising from the business combinations . CGUs represent the smallest groups of identifiable assets that generate cash flows in favour of the Group and are mostly independent of the flows generated by other assets or other groups of assets of the Group.

Each CGU(s) to which goodwill is assigned :

- It represents the lowest level at which the entity manages goodwill internally.

- It's not bigger than a business segment.

The CGUs to which goodwill has been attributed are analysed (including the portion of goodwill allocated in their carrying amount) to determine whether they have been impaired. This analysis is carried out at least annually, or whenever there are indications of deterioration. For the purpose of determining the impairment of a CGU to which goodwill has been assigned, the carrying amount of that unit is compared - adjusted by the amount of goodwill attributable to the external partners, in the case where there is no goodwillIt has been decided to value the minority interests at their fair value - with their recoverable amount.

The recoverable amount of a CGU is equal to the greater of the fair value minus costs of sale and its value in use. Value in use is calculated as the discounted value of the cash flow projections estimated by unit management and is based on the latest available budgets for the next few years. The main assumptions used in its calculation are: the cash flows themselves , a growth rate to extrapolate cash flows in perpetuity and a discount rate to discount cash flows; which is equal to the cost of capital allocated to each cash-generating unit and is equal to the sum of the risk-free rate plus a premium reflecting the risk inherent in the assessed business.

If the carrying amount of a CGU is greater than its recoverable amount, the Group recognises an impairment loss, which is distributed by reducing, firstly, the carrying amount of goodwill attributed to that unit and, secondly , and if there are any losses to be allocated, by reducing the carrying amount of the CGUthe carrying amount of the remaining assets; allocating the remaining loss in proportion to the carrying amount of each of the assets in that CGU. In the event that the minority interests have been valued at fair value, the impairment of goodwill attributable to these external partners would be recognized. Impairment losses related to goodwill will never be reversed.

Development

An intangible asset arising from the development (or development phase of an internal project) will be recognized as such 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) Your intent to complete the intangible asset in question, to use or sell it.

c) Your ability to use or sell the intangible asset.

d) The way in which the intangible asset will generate likely economic benefits in the future. Among other things, the entity may demonstrate the existence of a market for the production that generates the intangible asset or for the asset itself, or, in the case that it is to be used internally, the usefulness of the market for 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 reliably value the outlay attributable to the intangible asset during its development.

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

Industrial property

Industrial property rights are valued by their acquisition price or cost of production. Capitalized development expenses will be accounted for when the corresponding patent or similar is obtained, including the cost of registration and formalization of industrial property, without prejudice to the amounts that may also be accounted for by reason of the acquisition of the corresponding rights from third parties. These include, but are not limited to, invention patents, utility model protection certificates , industrial design, and introductory patents.

Other intangible fixed assets

In addition to the intangible items mentioned above, there are others that will be recognized as such in the balance sheet, provided that they meet the criteria contained in the Conceptual Framework of Accounting and the requirements specified in these recording and valuation standards.Such elements include: administrative concessions, commercial rights, intellectual property or licenses.

Subsequent assessment

After initial recognition, an intangible asset will be accounted for at cost less accumulated depreciation and accumulated impairment losses (see note 3.5).

The Group depreciates its intangible assets using the straight-line method to allocate the difference between the cost and its residual values over the estimated useful lives, applying the following coefficients:

	% Amortization
Development	20%
Industrial property	10%
Goodwill	10%
Computer Applications	33%
Other intangible fixed assets	10%

3.4. Property, plant and equipment

Property, plant and equipment, all of which are for own use, are recognised at cost less the corresponding accumulated depreciation and impairment losses.

The historical cost includes the expenses directly attributable to the acquisition of the items, as well as any other costs directly related to the commissioning of the asset for the use for which it is intended. In the case of components included as technical installations, which require their replacement in a different period of time from that of the main good, they are registered and depreciated separately according to their specific useful life. Subsequent costs are included in the carrying amount of the asset or recognized as a separate asset, as appropriate, only when it is likely that the future economic benefits associated with the items will flow to the Group and the cost of the item can be reliably determined. **The** carrying amount of the replaced part is derecognized in the accounts. **The** rest of the expenses for repairs and maintenance are charged to the income statement during 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 the cost and its residual values over the estimated useful lives, applying the following coefficients:

	% Amortization
Constructions	20%
Machinery	15%
Other Facilities	10% - 12% - 15%
Furniture	10-12%
Information Processing Equipment	25%
Other property, plant and equipment	10%

3.5. Impairment

At the end of each period, the Group analyses whether there are any indications of impairment of its assets or cash-generating units to which goodwill or other intangible assets have been allocated and, if so, it verifies the existence of losses in value that reduce the existence of any impairment lossesthe recoverable value of those assets at an amount less than their carrying amount. When it is not possible to estimate the impairment of assets, they are grouped under Cash Generating Units, considering that it is the minimum unit of income generation.

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

The Group also carries out 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.

In the event that the recoverable amount is less than the net carrying amount of the asset, the corresponding impairment loss for the difference would be recorded under the heading "Impairment and profit on disposal of fixed assets" in the consolidated income statement and credited to the heading "Property, plant and equipment" or "Fixed assetsintangible", in each case, of the consolidated balance sheet.

Impairment losses recognized on an asset in previous years are reversed, except for goodwill, when there is a change in the estimates of its recoverable amount, increasing the value of the asset with the limit of the carrying amount that the asset would have had if the write-down had not been carried out.

3.6. Operating Leases

In operating lease transactions, ownership of the leased asset, and substantially all of the risks and benefits of the asset, remain with the lessor.

In operating lease agreements, income and expenses will be considered as income and expense for the year in which they are accrued, and will be charged to the profit and loss account. Advance lease receipts or payments will be charged to profit or loss over the lease period as the economic benefits of the leased asset are transferred or received.

When the Company acts as lessee, the lease costs are charged on a straight-line basis to the profit and loss account depending on the agreements and the life of the contract.

3.7. Financial Instruments

Financial Assets

1. Financial assets at amortised cost

A financial asset will be included in this category, even when it is admitted to trading on an organized market, if the company holds the investment for the purpose of receiving the cash flows derived from the performance of the contract, and the contractual terms of the financial asset give rise, at specified dates, to cash flows that are only charges of principal and interest on the principal amount earring.

In general, this category includes receivables for commercial transactions and receivables for non-commercial transactions:

a) Receivables from commercial operations: these are those financial assets that originate from the sale of goods and the provision of services for traffic operations of the company with deferred collection, and

b) Receivables for non-commercial transactions: these are financial assets that, not being equity instruments or derivatives, are not of commercial origin and whose receipts are of a determined or determinable amount, which come from loan or credit operations granted by the company.

Financial assets classified in this category shall initially be measured at their fair value, which, unless otherwise evidenced, shall be the transaction price, which shall be equal to the fair value of the consideration paid, plus any transaction costs directly attributable to them.

However, receivables for commercial transactions with a maturity of no more than one year and which do not have an explicit contractual interest rate , as well as loans to personnel, dividends receivable and disbursements required on equity instruments, the amount of which is expected to be received in the short term, may be valued at their value nominal when the effect of not updating cash flows is not significant.

Subsequent valuation: Financial assets included in this category will be measured at their amortised cost. Accrued interest shall be recorded in the profit and loss account, applying the effective interest rate method.

However, loans with a maturity of 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 been impaired.

Impairment

At least at the end of the financial year, the necessary valuation adjustments should 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 collectively valued, has deteriorated as a result of one or more events that have occurred after their initial recognition and that cause 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 shall be the difference between their carrying amount and the present value of future cash flows, including, where applicable, cash flows from the enforcement of security interests and personal guarantees, which are estimated to be generated, discounted at the rate of Effective interest calculated at the time of initial recognition. For financial assets at a variable interest rate, the effective interest rate corresponding to the closing date of the annual accounts will be used in accordance with the contractual conditions. Models based on formulas or statistical methods may be used in the calculation of impairment losses for a group of financial assets.

Impairment adjustments , as well as their reversal when the amount of such loss decreases due to causes related to a subsequent event, shall be recognized as an expense or an income, respectively, in the profit and loss account. The impairment reversal shall be limited to the carrying amount of the asset that would have been recognized on the reversal date if the impairment had not been recognized.

However, the market value of the instrument may be used as a substitute for the present value of future cash flows, provided that it is reliable enough to be considered representative of the value that the company may recover.

2. Financial assets at cost.

Investments in the equity of group companies , multi-group companies and associates will initially be measured at cost, which will be equal to the fair value of the consideration plus any transaction costs directly attributable to them. Subsequently, they will be valued at cost, reduced, where appropriate, by the accumulated amount of impairment adjustments. This valuation adjustment is quantified as the difference between its carrying amount and the recoverable amount. Unless there is better evidence of the recoverable amount of the investments, the estimation of the impairment of this asset class takes into account the equity of the investee, corrected by the tacit capital gains existing at the valuation date. Impairment adjustments and, where applicable, their reversal, are recorded as an expense or an income, respectively, in the profit and loss account. The impairment reversal is limited to the original carrying amount of the investment. Dividends accrued after the time of acquisition are recognized as income in the profit and loss account when the right to receive them is declared.

Cash and other liquid media

This heading includes cash on hand and banks, demand deposits and other highly liquid short-term investments that are quickly realizable in cash and have no risk of changing in value.

Financial liabilities

1. Financial liabilities at amortised cost.

All financial liabilities shall be classified in this category except where they are to be measured at fair value through changes in the profit and loss account. In general, debits for commercial transactions and debits for non-commercial transactions are included in this category.

a) Debits for commercial operations: these are those financial liabilities that originate in the purchase of goods and services for traffic operations of the company with deferred payment, and

b) Debits for non-commercial transactions: these are financial liabilities that, not being derivative instruments, do not have a commercial origin, but come from loan or credit operations received by the company.

Financial liabilities included in this category shall initially be measured at their fair value, which, unless otherwise demonstrated, shall be the transaction price, which shall be equal to the fair value of the consideration received adjusted for transaction costs directly attributable to them.

However, debits for commercial transactions with a maturity of no more than one year and which do not have a contractual interest rate, as well as disbursements required by third parties on shares, the amount of which is expected to be paid in the short term, may be valued at their nominal value, when the effect of not updating the cash flows are not significant.

They will then be valued at their amortized cost. Accrued interest shall be recorded in the profit and loss account, applying the effective interest rate method.

However, debits with a maturity of no more than one year which, in accordance with the provisions of the previous section, are initially valued at their nominal value, will continue to be valued at that amount.

Assets and financial liabilities

The Group derecognizes a financial asset, or part thereof, when contractual rights to the cash flows of the financial asset expire or have been assigned, and the risks and rewards inherent in its ownership have been substantially transferred. When the financial asset is derecognized, the difference between the consideration received net of attributable transaction costs and the carrying amount of the financial asset, plus any accrued amount that would have been recognised directly in equity, determines the gain or loss arising from the derecognition of the financial asset and forms part of the profit or loss for the period in which the asset is derecognized and forms part of the profit or loss for the period in which the asset is derecognized and is part of the profit or loss for the period in which the write-off occurs.

The Group derecognizes a previously recognised financial liability from the balance sheet when any of the following circumstances occur:

The obligation has been extinguished because payment has been made to the creditor to cancel the debt (through payments in cash or other goods or services), or because the debtor is legally relieved of any liability for the liability.

Own financial liabilities are acquired, even if it is with the intention of relocating them in the future.

There is an exchange of debt instruments between a lender and a borrower, provided that they have substantially different terms, and the new financial liability that arises is recognized; In the same way, there is a substantial change in the current conditions of a financial liability, as indicated for debt restructurings.

The accounting for the retirement of a financial liability is carried out as follows: the difference between the carrying amount of the financial liability (or the part of it that has been derecognized) and the consideration paid, including attributable transaction costs, and which must also include any assets transferred other than the cash or liabilities assumed; It is recognised in the profit and loss account for the year in which it occurs.

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

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

3.8. Foreign Currency Operations

Transactions carried out in foreign currencies are recorded in the functional currency of the Group companies (euros) at the exchange rates prevailing at the time of the transaction. During the financial year, any differences between the posted exchange rate and the exchange rate in force on the date of collection or payment are recorded as financial results in the income statement.

As of June 30, 2023, monetary assets and liabilities determined in foreign currency will be measured at the closing exchange rate, existing on that date. Exchange differences, both positive and negative, arising from this process shall be recognised in the profit and loss account for the year in which they occur.

3.9. Own shares

The derivative acquisition of treasury shares classified as equity instruments shall be recorded in equity at fair value, as a change in equity.

3.10. Stock

Inventories are valued at their purchase price. **The** purchase price includes the amount invoiced by the seller, after deducting any discounts, price reductions or other similar items, and all additional expenses incurred until the goods are placed for sale, such as transportation, customs duties, insurance, and others directly attributable to the purchase of stocks.

Since the Group's inventories do not need a period of more than one year to be in a position to be sold, no financial expenses are included in the purchase price.

The Group uses weighted average cost to assign value to inventories.

When the net realisable value of inventories is lower than their purchase price, appropriate valuation adjustments are made, recognising them as an expense in the profit and loss account.

3.11. Income tax

Income tax expense or income includes the portion relating to current tax expense or income and the portion corresponding to deferred tax expense or income.

Current tax is the amount paid by the Group as a result of the income tax assessments relating to a financial year. Deductions and other tax advantages in the amount of tax, excluding withholdings and payments on account, as well as tax losses that can be offset from previous years and actually applied in this year, result in a lower amount of current tax.

Deferred tax expense or income is the recognition and write-off of deferred tax assets and liabilities. These include temporary differences, which are identified as those amounts that are expected to be payable or recoverable arising from differences between the carrying amounts of assets and liabilities and their taxable value, as well as tax losses pending offsetting and tax deduction credits not applied fiscally. These amounts are recorded by applying to the corresponding temporary difference or credit the tax rate at which they are expected to be recovered or settled.

Deferred tax liabilities are recognized for all taxable temporary differences, except those arising from the initial recognition of goodwill or other assets and liabilities in a transaction that does not affect either the tax result or the accounting result and is not a combination of business.

Deferred tax assets , on the other hand, are only recognised to the extent that it is considered likely that the Group will have future taxable gains against which it can recredit them.

Likewise. At the consolidated level, any differences that may exist between the consolidated value of an investee and its tax base are also considered. In general, these differences arise from the cumulative results generated since the date of acquisition of the investee, from tax deductions associated with the investment and from 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 recogni zed unless, in the case of taxable differences, the investor can control the timing of the reversal of the difference and, in the case of deductible differences, if the difference is expected to reverse in the foreseeable future and the company is likely to have sufficient future taxable profits.

Deferred tax assets and liabilities, arising from transactions with direct debits or credits to equity accounts, are also accounted for as a counterpart entry in equity.

At each accounting closing, the deferred tax assets recorded are reconsidered, and the appropriate corrections are made to them to the extent that there are doubts about their future recovery. In addition, deferred tax assets not recorded on the balance sheet are valued at each closing and are recognized to the extent that they are likely to be recovered with future tax benefits.

Deferred tax assets and deferred tax liabilities are offset if, and only if, there is a legally recognized right to offset current tax assets against current tax liabilities and when deferred tax assets and deferred tax liabilities are derived from deferred tax liability.Profits corresponding to the same tax authority, which fall on the same entity or tax person, or different entities or tax subjects, which intend to settle current tax assets and liabilities for their net amount.

Deferred tax assets and liabilities are not discounted and are classified as non-current assets and liabilities, regardless of the expected date of realization or settlement.

3.12. Income and Expenses

The Group recognises income from the ordinary development of its business when there is a transfer of control of the goods or services committed to customers.

For the accounting recording of revenues, the Group follows a process consisting of the following successive stages:

a) Identify The contract (or contracts) with the client, understood as an agreement between two or more parties that creates enforceable rights and obligations for them.

b) Identify the obligation(s) to be fulfilled in the contract, representative of the commitments to transfer goods or provide services to a customer.

c) Determine the price of the transaction, or consideration of the contract, to which the Group expects to be entitled in exchange for the transfer of goods or the provision of services committed to the client.

d) Assign the price of the transaction to the obligations to be fulfilled, which must be carried out on the basis of the individual sales prices of each different good or service that have been committed in the contract, or, where appropriate, following an estimate of the sale price when it is not independently observable.

e) Recognize income from ordinary activities when the Group fulfills an obligation committed through the transfer of a good or the provision of a service; fulfillment that takes place when the customer obtains control of that good or service, so that the amount of income from ordinary activities recognized will be the amount assigned to the obligation satisfied.

Recognition

The Group recognises the income derived from a contract when control over the goods or services committed (i.e. the obligation(s) to be fulfilled is transferred to the customer.

For each obligation to be fulfilled that is identified, the Group determines at the beginningof the contract whether the commitment assumed is fulfilled over time or at a certain time.

Revenue derived from commitments that are fulfilled over time is recognized based on the degree of progress or progress towards full compliance with contractual obligations, provided that the Group has reliable information to mediate the degree of progress. With regard to income from training courses, as most of them are recorded courses, they are recognized at the initial moment regardless of when they are viewed.

In the case of contractual obligations that are fulfilled at a particular point in time, the revenue derived from their performance is recognized on that date.

Fulfilment of the obligation over time

The Group transfers control of an asset over time when one of the following criteria is met:

a) **The** customer Receives and consumes of form simultaneous the Benefits Provided by the activity of the Group as the entity the Develops.

b) **The** Group Produces or improvement An asset What The customer controls measure that the activity takes place.

c) **The** Group elaborates one specific asset for the customer with no alternative use and the Group Has one right enforceable for the collection of The Activity that has been completed by the date.

Indicators of compliance with the obligation at a point in time

To identify the specific moment at which the client gains control of the asset, the Group considers the following indicators:

a) **The** client assumes the significant risks and rewards inherent in owning the asset.

b) **The** Group transfers physical possession of the asset.

c) **The** client receives the asset in accordance with the contractual specifications.

d) **The** Group has a right of collection for transferring the asset.

e) **The** customer has ownership of the asset.

Assessment

Ordinary income from the sale of goods and the provision of services is measured at the monetary amount or, as the case may be, at the fair value of the consideration, received or expected to be received. The counterpart is the agreed price for the assets to be transferred to the client, deducted: the amount of any discounts, price reductions or other similar items that the Group may grant, as well as the interest incorporated into the nominal amount of the loans.

According to the accrual principle, revenue is recorded with the transfer of control and expenses are recorded when they occur, regardless of the date of collection or payment. Overall, the Panel has concluded that it acts on its own account in its revenue arrangements, because it normally controls the goods or services before transferring them to the customer.

3.13. Transactions with affiliates

Commercial or financial transactions with related parties are generally accounted for at the initial time at their fair value, and their subsequent measurement is carried out in accordance with the provisions of the general accounting rules. In addition, transfer pricing is adequately supported, so the Board of Directors considers that there are no significant risks in this regard from which significant liabilities may arise in the future. The Group carries out all its transactions with linked market securities.

3.14. Grants, donations, or bequests received

Non-refundable grants, gifts and bequests shall initially generally be accounted for as income directly charged to 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 expenditure arising from the grant, gift or bequest.

Grants, donations and bequests of a monetary nature will be valued at the fair value of the amount awarded.

Grants , donations and legacies that are non-refundable will be charged to profit or loss in accordance with their purpose.

For the purposes of their allocation in the profit and loss account, a distinction must be made between the following types of grants, donations and bequests:

a) When granted to ensure a minimum return or to compensate the Operating deficits: these will be charged as income for the year in which they are granted, unless they are intended to finance operating deficits in future years, in which case they will be allocated in those years.

b) When granted to finance specific expenditure: they shall be charged as revenue in the same financial year in which the expenditure being financed is accrued.

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

Intangible fixed assets , tangible assets and real estate investments : they will be charged as income for the year in proportion to the provision for depreciation made in that period for the aforementioned items or, where appropriate, when they are disposed of, adjusted for impairment or derecognized from the balance sheet.

Inventories that are not obtained as a result of a commercial rebate: they will be charged as income for the year in which they are disposed of, a valuation adjustment for impairment or a write-off from the balance sheet.

Financial assets: these will be charged as income for the year in which they are disposed of, an impairment adjustment or a write-off from the balance sheet.

Cancellation of debts: they will be charged as income for the year in which such cancellation occurs, except when they are granted in relation to specific financing, in which case the allocation will be made according to the element financed.

d) Monetary amounts received without earmarking shall be charged as revenue for the year in which they are recognized.

3.15. Business Combination

In business combinations, the acquisition method is applied. The acquisition date is the date on which the Group gains control of the acquired business.

The cost of the business combination is determined at the acquisition date by the sum of the fair values of the assets delivered, the liabilities incurred or assumed, the equity instruments issued and any contingent consideration that depends on future events or the fulfillment of certain conditions in exchange for control of the acquired business.

The cost of the business combination excludes any outlay that is not part of the exchange for the acquired business. Costs related to acquisition are known as expense as they are incurred.

At the acquisition date, the Group recognises the assets acquired and the liabilities assumed at fair value. Therefore, the initial capital gains and losses of the consolidated company are incorporated in the terms set out above, without being limited to the amount attributable to the group's shareholding. Assumed liabilities include contingent liabilities to the extent that they represent present obligations arising from past events and their fair value can be reliably measured.

Revenues, expenses and cash flows from the acquired business are included in the consolidated financial statements from the date of acquisition. The excess between the cost of the business combination, plus the value assigned to the external partners, over the corresponding value of the identifiable net assets of the acquired business is recorded as goodwill , if the acquisition has been recognized in the individual annual accounts of consolidated companies or as consolidation goodwill, if the acquisition has been made in the consolidated financial statements.

External Partners

External shareholders in subsidiaries acquired as of the transition date are recorded at the acquisition date by the percentage of interest in the fair value of identifiable net assets. External shareholders are presented in the equity of the consolidated balance sheet separately from the equity attributable to the Parent Company. The share of external partners in the profit or loss for the year is also presented separately in the consolidated income statement.

The participation of the Group and the external shareholders in the profits or losses and in the changes in the equity of the subsidiaries, after taking into account the adjustments and eliminations resulting from the consolidation, is determined on the basis of the percentages of participation existing at the end of the financial year, without considering the possible exercise or conversion of potential voting rights and a after deducting the effect of dividends, agreed or not, on preferred shares with cumulative rights that have been classified in equity accounts.

The results and the income and expenses recognized in equity of the subsidiaries are allocated to the equity attributable to the Parent Company and the external shareholders in proportion to their shareholding, even if this implies a debit balance of external partners. Agreements entered into between the Group and external partners are recognised as a separate transaction.

3.16. Provisions and contingencies

Liabilities that are indeterminate as to their amount or the date on which they will be cancelled are recognised in the balance sheet as provisions when the Group has a current obligation (whether by a statutory or contractual provision or by an implied obligation or obligation).tacit), arising as a result of past events, which is considered likely to result in an outflow of resources for liquidation and which is quantifiable.

Provisions are measured at the present value of the best possible amount necessary to cancel or transfer the obligation to a third party, with adjustments arising from the updating of the provision being recorded as a financial expense as they accrue. In the case of provisions with a maturity of less than or equal to one year, and the financial effect is not significant, no discount is applied. Provisions are revised at the closing date of each balance sheet and are adjusted to reflect the best current estimate of the corresponding liabilities at any given time.

Compensation to be received from a third party at the time of settling provisions is recognised as an asset, without reducing the amount of the provision, provided that there is no doubt that such repayment will be received, and without exceeding the amount of the obligation recorded. Where there is a legal or contractual relationship for the externalisation of risk, by virtue of which the Group is not obliged to be liable for it, the amount of such compensation is deducted from the amount of the provision.

On the other hand, contingent liabilities are considered to be those possible liabilities arising as a result of past events, the materialization of which is conditional on the occurrence of future events that are not entirely under the control of the Group, and those present obligations, arising as a result of past events, for which there is no liability for the Group.It is likely that there is an outflow of resources for liquidation or that they cannot be valued reliably enough. These liabilities are not subject to accounting records, and are detailed in the report, except when the output of resources is remote.

The provisions recorded in the consolidated balance sheet as of June 30 , 2023 correspond mainly to the risk associated with the products sold by the subsidiary dedicated to the health business (Cuarta Dimensión Médica S.A.), which are subject to a two-year warranty period.

3.17. Heritage elements of an environmental nature

Expenditure relating to the decontamination and restoration of contaminated sites, waste disposal and other expenditure arising from compliance with environmental legislation is recorded as expenditure for the year in which it occurs, unless it corresponds to the cost of purchasingelements incorporated into the assets of the Group in order to be used on a long-term basis, in which case they are accounted for under the corresponding items under the heading "Property, plant and equipment", being depreciated according to the same criteria.

3.18. Transactions with payments based on equity instruments

The Group recognizes, on the one hand, the goods and services received as an asset or as an expense, according to their nature, at the time they are obtained and, on the other hand, the corresponding increase in equity, if the transaction is settled with equity instruments , or the corresponding liability if the transaction isIt is settled with an amount that is based on the value of the equity instruments.

In the case of transactions that are settled with equity instruments, both the services provided and the increase in equity are measured at the fair value of the equity instruments transferred, as of the date of the concession agreement. If, on the other hand, they are settled in cash, the goods and services received and the corresponding liabilities are recognized at the fair value of the latter, referring to the date on which the requirements for their recognition are met.

3.19. Classification of current and non-current assets and liabilities

Assets and liabilities are presented in the consolidated balance sheet as current and non-current. For these purposes, assets and liabilities are classified as current when they are linked to the Group's normal operating cycle and are expected to be sold, consumed, realized or liquidated within a year.

4. CONSOLIDATION OF SUBSIDIARIES

The consolidated interim financial statements have been prepared by applying the global integration method determined in Chapter 111 of RD 1159/201O of 17 September, which approves the Standards for the Preparation of the Consolidated Financial Statements and the amendments contained in RD 602/2016 of 2 December and RD 1/2021 of 12 January.

5. CONSOLIDATION GOODWILL

The consolidation goodwill arose from the acquisition in 2021 of the subsidiaries Zona Value Global, S.L., Substrate Al Spain, S.L. and Substrate Al USA lnc. amounting to €23,800,000.00, resulting in consolidation goodwill of €23,483.€951.58, and the acquisition on 25 February 2022 of 70% of Cuarta Dimensión Médica, S.L. for €1,400,000.00, giving rise to consolidation goodwill of €1,182,930.01.

During the first six months of FY1c10 2022, there was a progressive deterioration in overall economic conditions as a result of high inflation rates, progressively rising interest rates, supply chain tensions and rising energy costs, circumstances in many cases cases arising from the war in Ukraine.

For this reason and following the principle of prudence, the Parent Company decided, based on the update of the financial projections, to deteriorate the goodwill arising from these corporate operations by €9,324,072.01 despite the fact that prior to the IPO, in March 2022, the firm Grant Thornton Advisory. S.L.P. prepared a valuation report on the shares of Substrate Al as of December 31, 2021 for an amount of 95,153 thousand euros, including in said valuation the capital increase for amount 7.664 thousand euros carried out in March 2022.

During the first 6 months of the 2023 financial year, there were no signs of impairment , so the Group has not recorded any amount for this item.

Based on the above, the movement for the first six months of 2023 and the 2022 financial year, as well as the net book value of the consolidation goodwill, is as follows:

(Euros)	Balance 31.12.22	Additions	Low	Balance 30.06.23
Consolidation Goodwill	24.586.881,59			24.586.881,59
Accumulated Depreciation	(3,005,712.08)	(797.166,79)		(3,802.878.88)
Deterioration	(9.324.072.01)			(9.324.072.01)
Net Book Value	**12.257.097,54**	**(797.166,79)**		**11.459.929,30**

(Euros)	Balance 31.12.21	Additions	Low	Balance 30.12.22
Consolidation Goodwill	23.483.951,58	1.182.930,01	(80.000,00)	24.586.881,59
Accumulated Depreciation	(1.170.197,58)	(1.835.514,50)		(3,005,712.08)
Deterioration		(9 324.072,01)		(9.324.072.01}
Net Book Value	**22.313.754,00**	**(9.976.656,50)**	**(80.000,00)**	**12,257,097.54**

6. EXTERNAL PARTNERS

The balance of External Partners as of June 30 , 2023 corresponds to the percentage of their real participation that amounts to 10% of the net assets of the Airen Ai For Renewable Energy Companies, S.L. and Boalvet Al, S.L. as well as 30% of Cuarta Dimensión Médica, S.L. The movement of external partners is as follows:

(Euros)	30.06.2023	31.12.2022
Beginning Balance	83.332,08	(20.209,47)
Business combination effect (note 5)		92.370,97
Results for the period attributable to external partners	78.118,11	11.170,58
Ending Balance	**161.450,19**	**83.332,08**

7. INTANGIBLE ASSETS.

The movement in this chapter of the accompanying balance sheet is as follows:

(Euros¡	Beginning Balance	Tickets	Outputs	Ending Balance
30.06.2023				
Cost				
Development	1.937.390,84	377.310.80	(20,703.58)	2.293.998,06
Industrial property	163.263,37	1.027,80	(1.027,80)	163.263,37
Goodwill	6,100,000.00			6,100,000.00
Computer Applications	114.572,57	23.732,17	(29.853,08)	108,451.66
Other Immobilized	509.000,92	239.868.12		748.869,04
Total Cost	**8.824.227,70**	**641.938,69**	**(51.584,46)**	**9.414.582,13**
Accumulated depreciation				
Development	(212,958.02)	(211.688, 16)	20,703.58	(403.942.60)
Industrial property	(27.538,05)	(9.190,98)	1.027,80	(35.701,23)
Goodwill	(692.787,56)	(129.083,64)		(817.102,87)
Computer Applications	(109.023,53)	(41.820,51)	29.853,08	(120,990.96)
Other Immobilized	(8,966.42)	(2.671,68)		(11.638.1O)
Total amortization	**(1.051.273,58)**	**(394.454,97)**	**51.584,46**	**(1.394.144,09}**
Total deterioration	**(2.210.000,00)**			**(2.210.000,00}**
NET BOOK VALUE	**5.562.954,12**			**5.810.438,04**

(Euros)	Beginning Balance	Tickets	Outputs	Ending Balance
31.12.2022				
Cost				
Development	837.062,10	1.108.437,31	(8.108,57)	1,937,390.84
Industrial property	202.177,85	5.481,05	(44.395,53)	A total of 163,263.37
Goodwill	6.100.000,00			6.100.000,00
Computer Applications	232.850,65		(118.278,08)	114,572.57
Other Immobilized	83.517,57	509.000,00	(83.516,65)	509.000,92
Total Cost	**7,455,608.17**	**1.622.918,30**	**(254.298,83)**	**8.824.227,70**
Accumulated depreciation				
Development	(8.357,74)	(217.965,28)	13.365,00	(212.958,02)
Industrial property	(11.087,05)	(22.370,40)	5.919,40	(27.538,05)
Goodwill	(203.333,00)	(489.454,56)		(692,787.56)
Computer Applications	(81,468.62)	(30.589,44)	3,034.53	(109,023.53)
Other Immobilized	(4,177.59)	(4,788.83)		(8,966.42)
Total amortization	**(308,424.00)**	**(765.168,51)**	**22.318,93**	**(1.051.273,58}**
Total deterioration		**{2.210.000,00)**		**(2.210.000,00)**
VALUE NET ACCOUNTANT	**7.147.184,17**			**5.562.954,12**

There have been no investments outside Spanish territory during the first six months of the 2023 financial year, nor during the 2022 financial year. During the 2022 financial year, one of the Group's companies received a RED.ES subsidy relating to intangible fixed assets amounting to €600,000, with a total of €225,000.00 in equity up to June 2023, net of taxes, as detailed in note 15 and the remainder as non-current liabilities (see note 10.2). As of June 30, 2023, the entire subsidy is outstanding (see notes 13 and 15).

In the first six months of 2023, acquisitions of intangible fixed assets amounting to €641,938.69 were made, mainly corresponding to work carried out by the Group's companies for their assets and to investments of the parent company and Zona Value Global. In fiscal year 2022, acquisitions of intangible fixed assets were made, for amount of €1,622,918.30, of which €1,494,578.71 corresponds to work carried out by the Group's companies for their assets.

The goodwill arose from the acquisition of two production units by the Parent Company in May 2021.

The Parent Company carried out an impairment test in 2022 in accordance with the business plans and updated information on the performance of the businesses and decided to record an impairment of 2.21O thousand euros in line with the performance of the business acquired from Summon Press and with the claims opened against the selling company, Summon Press SL whose breach of contract has caused damage to the value of goodwill.

As of June 30 , 2023, there are no indications of additional impairment, so no amount has been recorded in this regard.

The patents in progress, which are pending registration as of June 30, 2023 and December 31, 2022, are as follows:

2023

Title	Cal5io Status
M=fü[X)S AND PARAPTS TO AUTOMATE THE MANAGEMENT OF DAIRY CATTLE IN INTENSIVE REGlvIEN TO PRODUCE A CUSTOMIZED PRODUCT BASED ON THE END USE OF AFGHANIZING AUTCJI,MTICO	Application prepared and under review.
M=fü[X)S AND APPARATUS TO OPTIMIZE ADAPTIVE DEFORMATION OF THE I\IEZa.A OF Breeding and Drug Selection Using AUTCJI,MTIC LEARNING TO OPTIMIZE THE REPRODUCTION RATE OF ANlvIALES	Application prepared and under review.
M=fü[X)S AND DEVICES TO OPTIMIZE ADAPTIVE DEFORMATION OF THE I\IEZa.A OF FLENSOS and the selection of drugs by means of AUTCJI,MTIC LEARNING TO OPTIMIZE MILK PRODUCTION AND THE HEALTH OF THE PATIENTS. ANIMALS	Application prepared and under review.
SISTIM/I,S AND METHODS FOR EFFICIENTLY READING STATES HIERARCHICAL MODELS OF SELF-LEARNING I.ITLIZING REINFORCEMENT LEARNING	Ready-made application and in tevlslon.
METHODS FOR AUTOMATICALLY ADJUSTING THE HYPERPARAMETERS OF REINFORCEMENT LEARNING USING MODELS OF PARAMETERS THAT L.LTIZ THE S8'1AL OF REOOM'-ENSA OF THE SW RELATIONSHIP>. RPE TO OPTIlv'IZE THE AGENT'S RISK-ADJUSTED RETURNS OVER THE COURSE OF THE TIB\JFO	Ready-made application and in tevlslon.
I\,METHOD FOR AFIRENDER THE REFERRAL OF THE =MBEHAVIOR OF THE AGENT OF AFIRB'IDIZAJE POR REINFORCEMENT I.ITLIZANDO OPTIONS	Application in preparation
TO AND METHODS FOR LEARNING AGENT ltt\ AROUrTECTURE OF INTEGRATED MULTI-DIMENSIONAL STRATEGIES WITH =I,AFFECT-GUIDED FDRTATION	Provisional Expired
M=FODE TO RETRAIN THE REINFORCEMENT LEARNING AGENT TO TABULAR DATA PAIR AND AHEM. EXPERT LVLPERFECT ACTION OS WHEN THE SIMJLADO ENVIRONMENT IS NOT AVAILABLE	Application prepared and under review.
M=fODE TO CREATE I-"I SYSTEM OF IMAGERY"°'TION OF REINFORCEMENT LEARNING THROUGH TRANSITIONSThe Sentient Lots of Action-Action and Their Associated Reward <Signs and PHACLrTAR THE FLATIONATION OF THE AGENT AND THE CREATION OF GANDIDA TOS OPTION	Application in preparation
METHOD FOR AUTOMATICALLY DETECTING AND ADJUSTING THE BEHAVIOR OF THE REFLUSHING AGENT BASED ON A Sffill.I OBJECTrvA LVÚLTREQUENC:HNETHE VALUE OF THE SEJ<LAL OF BIAS	Application in preparaclan
METHOD FOR EXTRACTING OPTIONS FROM THE DEMONSTRATION EXPERIENCE TO PROVIDE AGENTS WITH THE OPTIONS AVAILABLE TO SUPPORT THE DEMONSTRATOR'S TRANSFER LEARNING	Application in preparaclan
METHOD FOR REDUCING MODEL DATA FOR INCLUSION IN THE DON'S Oximator by constructing a statistical estimate of VAcbs values	Application in preparaclan
M=FODO TO RETRAIN A REINFORCEMENT LEARNING AGENT TO TABULAR DATA PAIRS AND AHEM. EXPERT ACTIONS IIIJFERFECTOS CUAJ\IXI NO SIMULATED ENVIRONMENT IS AVAILABLE	Application in preparation
TO AND METHOD FOR MANAGING MODEL DATABASES MACHINE LEARNING	Prepared provisional application

*Despite being expired, it is recoverable in the future

2022

Title	Case Status
METHODS AND APPARATUS FOR AUTOMATING THE MANAGEMENT OF INTENSIVE DAIRY CATTLE TO PRODUCE A PRODUCTINDIVIDUALIZED ACCORDING TO THE END USE USING LEARNING AUTOMATIC	Application Prepared and Under Review
METHODS AND DEVICES FOR ADAPTIVELY OPTIMISING FEED MIXING AND DRUG SELECTION THROUGH LEARNING AUTOMATIC TO OPTIMIZE THE REPRODUCTION RATE OF ANIMALS	Application prepared and under review
METHODS AND APPARATUS FOR ADADA>TATATIVE OPTIMISATION OF FEED MIXING AND DRUG SELECTION USING MACHINE LEARNING TO OPTIMISE MILK PRODUCTION AND THE HEALTH OF THE ANIMALS. ANIMALS	Application Prepared and Under Review
SYSTEMS AND METHODS FOR EFFICIENTLY IMPLEMENTING STATES HIERARCHICAL IN MACHINE LEARNING MODELS USING REINFORCEMENT LEARNING	Application prepared and under review
METHODS FOR AUTOMATICALLY TUNING REINFORCEMENT LEARNING HYPERPARAMETERS USING HYPERPARAMETER MODELS THAT USE THE REWARD SIGNAL OF THE SHARPE RATIO TO OPT FOR AGENT-ADJUSTED RISK-ADJUSTED **RETURNS** OVER TIME. LENGTH OF TIME	Application Prepared **and** Under Review
METHOD FOR LEARNING THE BEHAVIOR REPERTOIRE OF THE REINFORCEMENT LEARNING AGENT USING OPTIONS	Application in preparation
APPARATUS AND METHODS FOR AN INTEGRATED MULTI-MODEL LEARNING AGENT ANDLEARNING ARCHITECTURE WITH GUIDED BEHAVIOR FOR AFFECTION	Provisionally expired •
METHOD FOR PRETRAINING THE REINFORCEMENT LEARNING AGENT STARTING FROM TABULAR DATA **AND** EXAMPLES OF IMPERFECT EXPERT ACTIONS WHEN THE ENVIRONMENT IS NOT AVAILABLE	Application in preparation
METHOD TO CREATE AN IMAGINATION SYSTEM OF REINFORCEMENT LEARNING THROUGH SYNTHETIC STATE-ACTION TRANSCRIPTIONS **AND** THEIR ASSOCIATED REWARD CUES **AND** TO FACILITATE THE PLANNING OF THE AGENT **AND** THE CREATION OF OPTION CATEGORIES	Application in preparation
METOOO TO AUTOMATICALLY DETECT AND ADJUST BEHAVIOR REINFORCEMENT LEARNING AGENT BASED ON A SIGNAL OR MULTIPLE OBJECTIVE THAT INCLUDES THE VALUE OR THE BIAS SIGNAL	Application in preparation
METHOD FOR EXTRACTING OPTIONS FROM THE DEMO EXPERIENCE AND INITIALIZING AGENTS WITH LEARNED OPTIONS TOSUPPORT THE DEMONSTRATOR TRANSFER LEARNING	Application in preparation
METHOD FOR REDUC1R MODEL DATA FOR INCLUSION IN THE DQN APPROXIMATOR BY CONSTRUCTING A STATISTICAL ESTIMATE OF EMPTY VALUES	Application in preparation
METHOD FOR PRE-TRAINING A REINFORCEMENT LEARNING AGENT FROM TABULAR DATA AND EXAMPLES OF ACTIONS BY EXPERTS WHEN A SIMULATED ENVIRONMENT IS NOT AVAILABLE	Application in preparation
APPARATUS AND METHOD FOR THE MANAGEMENT OF DATABASES OF MACHINE LEARNING	Ready-made professional application

• Despite being expired, it is recoverable in the future

8. PROPERTY, PLANT AND EQUIPMENT.

The movement in this chapter of the accompanying consolidated balance sheet is as follows:

(Euros)	Beginning Balance	Additions	Retreats	Ending Balance
30.06.2023				
Cost				
Constructions	5.500.00			5.500,00
Machinery	8.357,14	4.850,00		13.207,14
Other Facilities	46.951,65	33.089,14		80,040.79
Furniture	20.764,93	2.159,89	(908,60)	22,016.22
Information Processing Equipment	Article 40.890.92	579,40	(712,38)	40.757,94
another immobilized	114.870,87			114.870,87
Fixed assets in progress	8,270.14			8.270,14
Total Cost	**245.605,65**	**40.678,43**	**(1.620.98)**	**284.663,10**
Accumulated depreciation				
Constructions	(1.191,49)	(3,211.13)		(4.402,62)
Machinery	(2.192,79)	(1.156,66)		(3.349,45)
Other Facilities	(19,693.29)	(3.301,20)	712.38	(22,282.11)
Furniture	(6,372.92)	(1.692,21)	Phone: 908.60	(7,156.53)
Information Processing Equipment	(11,221.41)	(3.505,48)		(14,726.89)
Other Immobilized	(63,646.97)	(11.923,56)		(75,570.53)
T o t a l a m o r t i z a t i o n	**(104,318,87)**	**(24.790,24)**	**1,620,98**	**(127.488,13)**
V A L U E NET ACCOUNTANT	**141.286,78**			**157.174,97**

(Euros)	Balance initial	Additions	Retreats	Variation of Perimeter	Balance final
31.12.2022					
Cost					
Constructions	5,500.00				5.500,00
Machinery	1.152,14			7.205,00	8,357.14
Other Facilities	90,290.98	54.649,41	(97.988,74)		46.951,65
Furniture	9.293,30	9.724,43		1.747,2	20.764,93
Equipment for Processes of information	34,858.09	6.308,78	(1.390,83)	1 114,88	40.890,92
Other Immobilized	3,450.50			111.420,37	114.870,87
Fixed assets in progress	17.233,50		(8 963,36)		8,270.14
T o t a l C o s t	**161.778,51**	**70.682,62**	**(108.342,93)**	**121.487,45**	**245.605,65**
Accumulated depreciation					
Constructions	(91,45)	(1,100.04)			(1.191,49)
/Machinery	(650,56)	(1.037,88)		(504.35)	(2.192,79)
Other Facilities	(22.957,39)	(9,673.64)	12,937.74		(19,693.29)
Furniture	(1.387,32)	(3,326.11)		(1.659,49)	(6.372,92)
Equipment for Processes of information	(19.213,28)	(6 485 51)	15,230.25	(752.87)	(11.221,41)
Other Immobilized	(579,78)	(4 538,22)		(58,528.97)	(63,646.97)
T o t a l a m o r t i z a t i o n	**(44.879,78)**	**(26.161,40)**	**28.167,99**	**(61.445,68)**	**(104.318,87)**
NET BOOK VALUE	**116.898,73**				**141.286,78**

During the first six months of 2023 and during the 2022 financial year, there have been no investments outside Spanish territory or subsidies related to property, plant and equipment.

During the first six months of 2023 and during fiscal year 2022, no valuation adjustment for impairment of property, plant and equipment has been recognised or reversed.

The companies of the group have taken out insurance policies to cover the risks that are subject to property, plant and equipment.

As of June 30, 2023 and December 31, 2022, the companies of the group did not have fully depreciated property, plant and equipment.

9. OPERATING LEASES

The operating leases correspond to contracts for the rental of the offices in which the Group carries out its activity for an amount of €54,697.96 as of June 30, 2023. As of June 30 , 2022, the Group's leases amounted to 60. €745.26.

The minimum future payments for offices and offices are broken down as follows:

(Euros)	1 year	Ages 1 to 5	+5 years
Payments Minimum Futures	140.207,00	753.220,00	

This information is obtained from the lease agreements, taking into account the current maturities and the agreed rents, and it is the intention of the Group and the lessors to renew these contracts for periods similar to those initially contracted, provided that there is no cause to prevent it.

10. FINANCIAL INSTRUMENTS

10.1 Categories of financial assets

The breakdown of current and non-current financial assets as of June 30, 2023, classified by category and maturities, is as follows (loans with the Treasury are not included):

(Euros) Tuition	Long-term financial instruments		Financial Instruments Short Term	
Categories	Instrument of heritage	Credits derivatives and other	Credits derivatives and other	Total
30.06.2023				
Financial assets at amortised cost		835.668,33	1.280.903,62	2.116.571,95
Financial assets at cost	30.000,00			30.000,00
Total	**30.000,00**	**835.668,33**	**1.280.903,62**	**2.146.571,95**
31.12.2022				
Financial assets at amortised cost		221.468,72	504.384,95	725.853,67
Financial assets at cost	Article 30.000,00			Article 30.000 00
Total	**30.000,00**	**221.468,72**	**504.384,95**	**755.853,67**

The category of financial assets at amortised cost is composed of:

(Euros)	30.06.2023 Non-current	30.06.2023 Stream	31.12.2022 Non-current	31.12.2022 Stream
Loans granted	212.585,33	5.500,00	189,985.72	3.000,00
Customers by Sales and benefit of services		1.254.681,56		483.168,23
Miscellaneous debtors		1.168,04		6.162,72
Personnel		8.000,02		500,00
Grants awarded	600.000,00			
Surety bonds and deposits and others	23.083,00	11.554,00	31,483.00	11,554.00
Total	**835.668,33**	**1.280.903,62**	**221,468.72**	**504.384,95**

The increase in the heading "customers for sales and provision of services" compared to December 31, 2022 is mainly due to the increase in activity in L+D projects. Long-term bonds and deposits correspond mainly to deposits as a result of Group rentals. These claims are mainly from related parties and third parties. The loans granted are due in 2026.

There are no credits that are doubtful of their collection.

A subsidiary company has a subsidy outstanding at 30 June 2023 as at 31 December 2022 in the amount of €600,000. This grant is expected to be collected at the end of the project at the end of the financial year 2024 (see note 15).

The financial assets at cost as of June 30 , 2023 and December 31, 2022 correspond to the foundation endowment contributed for the constitution of the Zona Value Foundation in the amount of 30.000 euros.

Cash and cash equivalents as of June 30, 2023 amounted to 1,036.070.89 euros, with no restriction on its availability.

10.2 Categories of financial liabilities

The breakdown of current and non-current financial liabilities at the end of the year, classified by category and class, is as follows (not including debts to the Treasury, which are broken down in Note 13, or debts with special characteristics, which are broken down in Note 11.):

(Euros) Clases	Financial Instruments					
	Financial Instruments long-term		Financial Instruments Short Term		TOTAL	
Categories	Derivatives & other	Debts to entities of credit and Entities Financial	Derivatives & other	Debts to entities of credit and Entities Financial	Derivatives & other	Debts to entities of credit and Entities Financial
30.06.2023						
Financial liabilities at amortised cost	728.166,44	513.615,19	1,407,555.58	98.357,76	2.135.722,02	611.972,95
Total	**728.166,44**	**513.615, 19**	**1,407.555.58**	**Article 98.357.76**	**2.135.722,02**	**611.972,95**
31.12.2022						
Financial liabilities at amortised cost	1,656,385.70	557.179,76	1,618,180.66	93.226,24	3.274.566,36	650.406,00
Total	**1.656,385.70**	**557.179,76**	**1,618.US$180. 66**	**Article 93.226.24**	**3.274.566,36**	**650.406,00**

In 2022, the Parent Company entered into a loan with a financial institution for an amount of €700,000.00, maturing in 2029 and at an interest rate of Euribor 12 months + 3.25%. Such a loan is not subject to compliance with financial ratios. The maturity per year as of June 30 , 2023 and December 31, 2022 is as follows:

2023

Euros)	2023	2024 (1st semester)	2024 (:ZO semester)	2025	2026	2027 and Yes	Total
Debts to credit institutions	43.241,08	43.564,57	45.192,57	95.515,71	102.788,75	270.117,98	600.420,84
other debts owed to Credits	11.552,11						11.552,11

2022

(Euros)	2023	2024	2025	2026	2027 and Subsequent	Totals
Debts to credit institutions	84.702,71	90.154,46	96.293,73	102.851,06	267.880,51	641.882,47
Other debts owed to credits	8.523,53					8.523,53

Under the heading "other financial liabilities", a loan taken out in 2022, with a crowdfunding platform (Fondo October), maturing in 2026, and at an interest rate of 6.60%, is included.This loan is not subject to compliance with financial ratios and has the following table of maturities as of June 30, 2023 and December 31, 2022:

2023

(Euros¡	2023	2024 (1st semester	2024 (2" semester	2025	2026	2027 and Yes	Total
Other debts	23.983,80	24.775,09	25 592.47	53.745,89	52.428,08		180.525,33

2022

(Euros)	2023	2024	2025	2026	2027 and If you want	Total
Other debts	47.201,58	50.367,56	53.745,89	52.428,08		203.743,11

The class Derivatives and Others presents the following detail:

	30.06.2023		31.12.2022	
(Euros)	Non-current	Stream	Non-current	Stream
Loans Received	Article 428.166.44	890.374,23	1.208.665,70	1.198.151,74
Grants awarded	300.000,00		447.720,00	
Finance Leases		Phone:		3.795,71
Suppliers for purchases and provision of services		406.851,98		269.319,82
Other Miscellaneous Creditors		55.352,41		79.592,90
Personnel		23.022,94		49.368,12
Customer Advances		31.035,63		17.952,37

The Group has signed a three-year contract for bonds compulsorily convertible into shares within a period of one year, for up to €20 million, signed with the Alpha Blue Ocean (ABO) fund, which ensures that thethe company with the necessary financing for the development of its business plan. This point is key to ensuring the achievement of the objectives set out in the company's business plan.

The loans received reflected in current liabilities in the first 6 months of 2023 correspond mainly to bonds issued under the contract with ABO pending conversion into equity for an amount of €441,612.94 and to two fixed assets suppliers for an amount of €393,669.60 (€564,777.66) and to two suppliers of fixed assets for Amount of

€577,259.00 at the end of 2022).

The bonds are associated with a certain number of equity warrants that are determined according to the price of the Company's shares and that may or may not be exercised by the fund over a period of 3 years. The bonds issued are recorded as debt instruments at amortized cost by the difference between the amount received for the issuance of the different tranches and the fair value of the warrants issued together with the convertible debentures. The amount of the warrants is recorded in an equity account . Within one year, the fund can convert this debt at any time and if the bonds have not been converted within that period, they become compulsorily convertible. At the time of conversion, the liabilities generated will be reclassified as equity as share capital and share premium.

The breakdown of these bonuses in the first six months of 2023 and the 2022 financial year is as follows:

Emission	Date Emission	Date Conversion	Nominal	Capital	Issue premium	Warrants	Balance Debt
T-1	2022	2022	500,000,00	152,607,00	297.390,01	52,910,00	
T-2	2022	2022	150.000,00	91.533,00	108.466,62	41.666,00	
	ACCUMULATED BALANCE AS OF DECEMBER 31 , 2022			**244.140,00**	**405.856,63**		**564.777,66**
T-2	2022	2023	150,000,00	65.476,10	84.523,69	41.667,00	
T-3	2022	2023	500,000,00	157,575,60	342.423,90	476.190,00	
T-4	2023	2023	500,000,00	203,302,90	296.696,41	285,714,00	
T-5	2023	2023	500.000,00	250.000,00	250.000,00	285.714,00	
T-6	2023	2023	500.000,00	161.290,30	338.709,63	312.500,00	
T-7	2023	2023	500,000,00	177.339,70	322.659,72	256.410,00	
T-8	2023	2023	500,000,00	172.413,70	327.586,03	285,714,00	
T-9	2023		500,000,00			285,714,00	
	CUMULATIVE BALANCE AS OF JUNE 30, 2023			1,187,398.30	**1.962.599,38**		**441.612,94**

Long-term loans have a fixed maturity of 2026.

The balance under the heading "loans received" as at 30 June 2023, amounting to €452,941.53, corresponds mainly to loans received from related parties (see note 16) and the debt to the October fund described above. At the end of the 2022 financial year, this balance amounted to €1,208,665.70, and the variation corresponds mainly to debts to third parties that were capitalised during the first six months of 2023 (see note 11).

Financial expenses from financial liabilities in the 6-month period ended June 30 , 2023 amounted to €466,102.00 (€138,400.36 as of December 31, 2022). Interest accrued and outstanding as of June 30, 2023 and December 31, 2022 amounted to €426,449.08 and €70,442.29 respectively.

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 that a counterparty defaulted on its contractual payment obligations to the group. This risk is reduced, due to the collection method required of 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 a small size and limited trading volume, which could result in investments being deprived of liquidity. Management regularly monitors the Group's liquidity forecasts based on expected cash flows.

Market risk: Market risk represents the Group's losses as a result of adverse movements in market prices. The most significant risk factors could be grouped into the following:

- Interest rate risk: Because both debts and interest rates on group borrowing are low, interest rate risk is minimal.

- Exchange rate risk: the group does not have any financial assets or liabilities in currencies other than the euro at the end of the year, so it is not exposed to the risk of exchange rate fluctuations.

- Price risk of shares or stock market indices: Investing in equity instruments means that the group's profitability could be affected by the volatility of the markets in which it could be invested. As the Group does not invest significantly in listed equity instruments, it is not exposed to this price risk.

10.4 Information on deferrals of payment made to suppliers

In accordance with Law 15/201O, of July 5, 2016, there is a "Duty of Information" in the annual accounts, on deferrals of payment to suppliers and by Resolution of January 29, 2016 of the Institute of Accounting and Auditing of Accounts it is resolved on the information to Incorporate in the annual accounts report in relation to the average period of payment to suppliers in commercial transactions.

The following is a detailed description of this information:

	30.06.2023 **Days**	**31.12.2022** **Days**
Average Period of Payment to Suppliers	31	31
Ratio of Transactions Paid	30	30
Ratio of outstanding transactions	33	39

	Amount (euros)	**Amount (euros)**
Total payments made	3.666.115,46	3,349,269.24
Total outstanding payments	852,748.28	628.874,60

Likewise, the amount of payments made during the first half of the 2023 financial year in a period below the established maximum is 3,188,239.83 euros (87% of the total), corresponding to 95% of the total invoices amounting to 1,880 invoices. The amount of payments made during the 2022 financial year in a period below the established maximum is 3.€316,659.48 (87% of the total), corresponding to 98% of the total invoices amounting to 3.234 invoices.

11. CONSOLIDATED EQUITY AND EQUITY

The share capital of the Parent Company as of June 30, 2023 is €3,638,421.26, divided into €36,384.211 ordinary shares of O.1 euros par value each, fully subscribed and paid up. As of December 31 , 2022, the share capital of the Parent Company amounted to €2,452,022.80 (24,519,228 ordinary shares with a par value of €0.1 each one of them)tags. All shares are of the same class, grant the same rights and are subject to listing on the BME Growth.

During 2021, the Parent Company carried out several capital increases through the monetary contribution and capitalisation of debts in the amounts of €500,000 and €27.€181,750, respectively. These extensions represented a total increase of 2.€025,526.80 in capital and €25,656,223.20 in share premium.

In March 2022, prior to the IPO, the shareholders of the Parent Company carried out a capital increase of €177,906.00, with an issue premium of €7,486,344.00, of which €5,004.€000.00 was for compensation of credits and the rest, €2,660,250.00 for monetary contribution.

In relation to the contract with ABO described in note 10.2 of the accompanying consolidated report, as of June 30, 2023, ABO has converted the amounts described in said note, reflecting in the section on the conversion of financial liabilities into equity the concepts of written capital and share premium for a value of €1,187,398.46 and €1,962,601.33 respectively; Likewise, 315 warrants have been capitalized.614.01 euros.

Taking into account the capital increases described above, the share premium amounts to 36,510 as of June 30, 2023.€725.16 (€34,548,123.83 as of December 31, 2022).

The capital increases described above areregistered in the Commercial Register.

Non-Voting Shares

The Extraordinary General Meeting of Shareholders of the Parent Company held on January 30, 2023 approved a capital increase by offsetting receivables through the creation of 96,316,100 new non-voting Series B shares with a par value of €0.001 each and an issue premium of €0.009.

The Group has classified this issue as a composite financial instrument and has estimated that the liability component of this instrument corresponds mainly to the amount issued, which amounts to €963,161, classifying this amount under the heading "debts with characteristics".of the non-current liabilities of the consolidated balance sheet reduced by the nominal value of the shares of this type held by the company as treasury stock (€6,457.27).

Own shares

The breakdown of the Group's own shares as of June 30, 2023 and December 31, 2022 is as follows:

	30.06.2023			31.12.2022		
	Euros			Euros		
	N!! actions	Acquisition price	Market Value	N!! actions	Acquisition price	Market Value
Ordinary	300.347	1.641.917,17	86.499,94	633.546	1.122.288,60	181.194,15
No Vote	645.727	212.400,00	306.074,60	-	-	-
Total	946.074	1.854.317,17	392.574,54	633.546	1.122.288,60	181.194,15

Subsidiaries and other reserves

The composition of the reserves is as follows:

(Euros)	30.06.2023	31.12.2022
Legal reserve of the Parent Company	600,00	600,00
Other reserves of the Parent Company	(877.750,63)	(739,284.93)
Reserves of subsidiaries	(613.652,60)	(613.652,60)
Total	**(1.490.803,23)**	**(1.352.337,53)**

The composition of the reserves of subsidiaries is as follows:

(Euros)	30.06.2023	31.12.2022
Airen Al far renewable energy, S.L..	(188.028,83)	(188,028.83)
Substrate AL Spain, S.L.	(215.939,89)	(215,939.89)
Al Saivers, LLC	(114.147,05)	(114,147.05)
Substrate Al USA, Inc.	(110.630,12)	(110.630, 12)
Zona Value Global, S.L.	(304,50)	(304,50)
Kau Markets EAFI, S.L.	(14.652,65	(14.652,65
Boalvet Al, S.L.	745,14	Items 745.14
Total	**(613.652,60)**	**(613.652,60)**

Negative results from previous years amounting to 17,703.€031.83 (negative €1,643,405.05 as of December 31, 2022), corresponds to losses attributable to the Parent Company from previous years.

In accordance with the Consolidated Text of the Capital Companies Act, an amount equal to 10% of the profit for the year must be allocated to the legal reserve until it reaches at least 20% of the share capital. The legal reserve maybe used to increase the capital in the part of its balance that exceeds 10% of the capital already increased.

The legal reserve, as long as it does not exceed the limit indicated, may only be used to offset losses in the event that there are no other sufficient reserves available for this purpose.

As of June 30 , 2023 and 2022, the legal reserve of the Parent Company is not fully constituted in accordance with the previous paragraph.

Profit by company

The contribution of each company included in the scope of consolidation to the profit attributable to the parent company is as follows:

(Euros)	30.06.2023	31.12.2022
Substrate Artificial Intelligence, SA (including consolidation)	(2.140.276,34)	(15.383.540,74)
Airen Al for renewable energy, S.L..		(170.909,18)
Substrate AL Spain, S.L.	(63.445,51)	49.109,40
Al Saivers, LLC	(78.421,59)	(275.412,75)
Fleebe Al, S.L.	(166115,98)	
Substrate Al USA, Inc.	(1.833,26)	(151,864.79)
Zona Value Global, S.L.	(200.744,36)	7.151,00
Kau Markets EAFI, S.L.	(165.014,54)	2.483,53
Boalvet Al, S.L.	(6.734,84)	(132.091,93)
Cuarta Dimensión Médica, S.L.	180.529,52	104.620,53
Total	**(2.628.587,21)**	**(15.950.454,93)**

12. FOREIGN CURRENCY

As of June 30 , 2023, the Group had expenses in foreign currency of 125,366.07 US dollars, equivalent to 117,694.68 euros, being 149,995.99 US dollars, equivalent to 143,512.00 euros, as of June 30, 2022.**As** of June 30, 2023, the total foreign currency sales made by the group amounted to 784.27 US dollars and 37,692.60 Colombian pesos, equivalent to 710.29 euros, being as of June 30, 2022, the total foreign currency sales made by the group of 10,889.01 US dollars, 937.08 Mexican dollars and 248,911, 39 Colombian pesos, which is equivalent to 10,519.78 euros.

Negative exchange differences in profit for the year amounting to €39,895.89 have been recognized.

13. TAX SITUATION

The general government balances as of June 30 , 2023 and December 31, 2022 are as follows:

	30.06.2023		31.12.2022	
(Euros)	**Non-current**	**Stream**	**Non-current**	**Stream**
Deferred tax assets Current tax assets	917.878,67		916,364.93	
Other credits with the Administrations Public		289.346,23		776.353,67
Total	**917.878,67**	**289.346,23**	**916.364,93**	**776.353,67**
Deferred tax liabilities	107.761,58		75,092.18	
Current tax liabilities		25.738,07		29.010,36
other debts to the Public Administrations		328.251,65		344.427,09
Total	**107.761,58**	**353.989,72**	**75.092,18**	**373.434,45**

The balance reflected as "other receivables with the General Administrations" of current assets corresponds mainly to the concept of VAT.

The balance reflected as "other debts to the Public Administrations" of current liabilities corresponds mainly to Personal Income Tax and Social Security.

In relation to deferred taxes, the breakdown and movement produced during the year is as follows:

(Euros)	**30.06.2023**	**31.12.2022**
Deferred tax assets		
Deductible Temporary Difference Assets	640.952,22	638.168,05
Right of deduction	175,00	175,00
Receivables for losses to be offset	276.751,45	278.021,88
Total	**917.878,67**	**916.364,93**
Deferred tax liabilities	2,937.57	
Temporary Differences	104.824,01	75.092,18
Total	**107.761,58**	**75.092,18**

The corporate income tax expense corresponds mainly to the subsidiary company Cuarta Dimensión Médica, S.L. for the positive tax base. The corporate income tax payable corresponds to the current tax of this subsidiary, minus the payments on account made during the first six months of the financial year. Negative tax bases generated by the Group

In the first six months of 2023 and in the 2022 financial year, due to a prudential criterion , they have not been capitalized, as it is considered that the conditions for this are not met.

14. INCOME AND EXPENSES

Business Segments

The Group is developing the implementation of artificial intelligence in different business lines, but it is currently at an incipient stage, so the information by segment is not relevant.

Net turnover

The breakdown of this heading of the consolidated income statement for the six-month period ended June 30 , 2023 and 2022 is as follows:

(Euros)	30.06.2023	31.12.2022
Domestic Businesses	1.610.757,57	974.649,35
Intra-Community business	79,836.77	252.961,22
Export Business	106,915.64	18.152,20
Total	**1,797,509.98**	**1.245.762,77**

Personnel costs

The breakdown of this heading of the consolidated income statement for the six-month period ended June 30 , 2023 and 2022 is as follows:

(Euros)	30.06.2023	31.12.2022
Wages, salaries and the like	1,250,430.66	1,103,821.55
Social security to be paid by the company and other social expenses	269.907,56	189.278,98
Total	**1.520.338,22**	**1.293.100,53**

External services

The breakdown of this heading of the consolidated income statement for the six-month period ended June 30 , 2023 and 2022 is as follows:

(Euros)	30.06.2023	31.12.2022
Leases and royalties	112,003.49	62.117,82
Repairs & Maintenance	9,785.72	10.249,86
Independent Professional Services	823,174.83	346.780,79
Transport	11,242.16	8.412,02
Insurance premiums	4.259,84	2.457,36
Bank fees	4,248.67	5.947,94
Advertising, Advertising & Public Relations	83,348.37	204.708,77
Supplies	Budget: 20,629.82	21.316,04
Other Operating Expenses	336.139,70	342.258,69
Total	**1.404.832,60**	**1.004.249,29**

15. GRANTS, DONATIONS AND BEQUESTS

During the 2022 financial year, it obtained subsidies amounting to 152,280.31 euros granted by the Institute of Foreign Trade. In addition, he was granted another subsidy of €600,000 per RED.ES, with €225,000.00 of the same net of taxes on net wealth (25% of it in 2022 and another 25% in 2023). As milestones are met in the following years, the Group will receive 100% of the subsidy (See note 13). This subsidy, which is financing a development project, will be charged to the profit and loss account annually based on the depreciation criterion of the associated asset when the project ends in 2024. The amount of the subsidies as of 30 June 2023 amounts to €314,472.21 (€216,463.95 as of 31 December 2022).

16. RELATED PARTIES

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

However, the Group maintains significant balances in the consolidated balance sheet 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 the key management staff of the Group and close family members of the aforementioned and related companies, and those investee companies consolidated by the method of participation.

	DEBIT BALANCES			
(Euros)	**Instrument of heritage**	**Credits Delivered**	**Clients**	**Extension Credit of capital**
30.06.2023				
ZONA VALUE FOUNDATION (Group Company)	30.000,00			
SUBSTRATE UNIPESSOAL (Other Related Party)				
KAU SPECIAL SITUATIONS (Other related party)		80.434,82		
OTHER RELATED PARTIES				
TOTAL	**30.000,00**	**80.434,82**		
31.12.2022				
ZONA VALUE FOUNDATION (Group Company)	30.000,00			
SUBSTRATE UNIPESSOAL (Other Related Party)				
KAU SPECIAL SITUATIONS (Other related party)		79.934.82		
OTHER RELATED PARTIES			26.504,00	
TOTAL	**30.000,00**	**79.934,82**	**26.504,00**	

	CREDIT BALANCES			
(Euros)	**Equity Instrument**	**Credits received**	**Suppliers**	**Capital Increase Credit**
30.06.2023				
ZONA VALUE FOUNDATION (Group Company)		29.000,00		
SUBSTRATE UNIPESSOAL (Other Related Party)				
KAU SPECIAL SITUATIONS (Other related party)		212.400,00	3.251,74	
OTHER RELATED PARTIES				
TOTAL		**241.400,00**	**3.251,74**	
31.12.2022				
ZONA VALUE FOUNDATION (Group Company)		29.000,00		
SUBSTRATE UNIPESSOAL (Other Related Party)				
KAU SPECIAL SITUATIONS (Other related party)		219.155,00		
OTHER RELATED PARTIES				
TOTAL		**248.155,00**		

There have been no relevant income and expense transactions with related parties as of June 30, 2023.

Administrators and senior management

The breakdown of the remuneration accrued by the members of the Board of Directors and senior management of the Parent Company is as follows:

{Euros)	30.06.23	30.06.22
Administrators		
Salaries	239.124,55	217.096,01
Diets		
Senior Management		
Salaries	172.464,89	172.648,99
Option Plans		
Ar:iortaciones a r:ilanes de r:iensiones		
Total	**411.589,44**	**390.096,00**

As of 30 June 2023 and 31 December 2022, the Group had no pension and life insurance obligations owed to former or current members of the Board of Directors.

The company maintains an incentive plan for workers and investors approved by the shareholders' meeting on March 14, 2022, which, in any case, does not exceed 4% of the company's capital , the limit imposed by the aforementioned shareholders' meeting. The incentive plan accrued as of December 31, 2022 amounts to 260,000 euros, which to date is pending settlement. As of June 30, 2023, the directors have not estimated any significant impact given that the plan is subject to the achievement of certain milestones that will be determined at the end of the year.

As of 30 June 2023 and 31 December 2022, there were no advances or credits granted to senior management staff or members of the Board of Directors, nor were there any obligations assumed on their behalf by way of guarantee.

During the period of the first six months of 2023 and 2022, directors' civil liability insurance premiums have not been paid .

In relation to article 229 of the Capital Companies Act, the directors of the Parent Company have communicated that they do not have situations of conflict with the interest of the Company.

The amount reflected in the salaries of Directors includes both the remuneration for the position they hold in the administrative body and their remuneration for their employment relationship .

17. OTHER INFORMATION

Average number of employees

The average number of workers by category and sex was as follows:

	AVERAGE WORKFORCE AS OF 30.06.2023		
	MEN	WOMEN	TOTAL
Analyst	2		2
Administrative Assistant		3	4
Commercial	4		4
Board of Directors			
Graphic Designer	2		2
Management	2		2
Project Manager			2
Senior Boss			2
Cleaning			
First Officer	3	6	9
Second Class Officer			
Veterinary Staff - Administrative Assistant			
Veterinary Staff - Generalist			2
Veterinary Staff - Director			
Official Professional 1°	2		2
Programmer	3	2	5
Deputy director			
Telephonist		2	2
Bachelor's degree	3	3	6
Via·ante	2	0r	2
TOTAL	**29**	**23**	**52**

	AVERAGE SQUAD 31.12.2022		
	MEN	WOMEN	TOTAL
Analyst	2	1	3
Administrative Assistant	4	6	10
Commercial	8		8
Draughtsman	1		1
Graphic Designer	1		1
Marketing Manager		2	2
Head of Programming	1		1
Project Manager	2		3
Lng. computer scientist	1		1
Administration Officer	3	10	13
First Officer	2		2
Second Class Officer		1	1
Programmers	2	2	4
Project manager		1	1
Telephonist		6	6
Bachelor's degree	1		1
TOTAL	**28**	**30**	**58**

Template at the end of the period

	SQUAD CLOSING 30.06.2023 MEN	WOMEN	TOTAL
Analyst	3	1	4
Administrative Assistant	1	6	7
Commercial	4		4
Board of Directors	1		1
Graphic Designer	2		2
Management	2		2
Project Manager	1	3	4
Senior Boss	2	2	4
Cleaning		1	1
First Officer		8	9
Second Class Officer		1	1
Veterinary Staff - Administrative Assistant		1	1
Veterinary Staff - Generalista	1		1
Veterinary Staff - Directr	1		1
Official Professional 1°	2		1
Programmer	4	2	6
Deputy director		1	5
Telephonist		1	3
Bachelor's degree	3	3	6
Via·ante	2	or	2
TOTAL	**30**	**31**	**61**

	TEMPLATE END 31.12.2022 MEN	WOMEN	TOTAL
Analyst	4	1	5
Administrative Assistant	3	8	11
Commercial	6		6
Draughtsman	1		1
Graphic Designer	1		1
Marketing Manager		2	2
Head of Programming	1		1
Project Manager	3		4
LNG Computer	1		1
Administration Officer	4	10	14
First Officer	3		3
Second Class Officer			1
Programmers			2
Project manager			1
Telephonist		2	2
Bachelor's degree	2		2
TOTAL	**31**	**26**	**57**

As of June 30 , 2023, the Group does not have any persons with disabilities in its workforce (at the end of the 2022 financial year there was one person with a disability of 33%).

The total fees accrued for audit and related services and other services for the six-month periods ended June 30 , 2023 (6 months) are broken down below:

(Euros)	**2023 (6 months)**	**2022 (6 months)**
Issuance of Consolidated Intermediate EEFF	20.360,00	19,500.00

18. ENVIRONMENTAL INFORMATION

Given the activities to which the Group is engaged, it has no significant liabilities, expenses, assets or provisions or contingencies of an environmental nature. For this reason, specific breakdowns are not included in these consolidated half-yearly interim financial statements.

19. POST-CLOSING EVENTS

Since June 30 , 2023, no relevant facts, circumstances and/or information have been disclosed or occurred that would require the Consolidated Interim Financial Statements for the year ended June 30, 2023 to be amended and/or to include breakdowns or explanations except as described below:

Up to the date of formulation, 2 additional tranches of the contract signed with ABO (see note 10.2) have been executed for a value of €500,000 each: one in July and one in September 2023, and 627,450 equity warrants associated with the convertible bonds have also been issued.

During the 2023 financial year, the Substrate Group has resumed its inorganic growth strategy through the search for and acquisition of businesses that present synergies with the Group's current lines of activity and to which artificial intelligence can be applied in order to improve process efficiency and increase profitability. In this regard, after the end of the six-month period ended June 30, 2023, the Substrate Group has made the following business combinations in the Human Resources, Health, and Agriculture and Livestock business lines, respectively:

- Dated 31 July of 2023, the Society Matrix of the Group, Artificial Substrate lnteligence, S.A. acquired The Totality of the shares of the company domiciled in London, United Kingdom, called Yamro Holding company Limited by a price Purchase of 4,602.573 U.S. dollars (US $), to be paid as follows :

  - US$290,573 through the issuance of Class A shares (with voting rights) of the purchaser, Substrate Artificial lnteligence S.A. and

  - US$4,312,000 through the issuance of Class A and B shares (non-voting) in such proportion as may be determined by the purchaser.

  Yamro Holding Limited is the head of a group of companies (IFIT Group) with a presence in the United Kingdom, the United States, Spain, Mexico and Costa Rica whose activity consists mainly of:

  - Provision of personnel selection services, mainly with a technical profile for consulting and consulting work .

  - Provision of subcontracting services in such a way that the IFIT Group hires personnel with a basically technical profile and makes them available to its clients on a temporary basis.

The IFIT Group has a portfolio of clients with a multinational presence to whom it provides services in the geographical areas where it operates. During the 2022 financial year, the Group had a turnover of approximately €4,500,000 with a positive EBITDA of around €500,000.

- On the other hand, on August 1, 2023, the Group, through its subsidiary Diaximag, S.L., acquired a Production Unit called Hospital Equipment dedicated to the distribution, marketing, repair, rental of equipment and diagnostic imaging (Ultrasound Specialization), made up of a series of elements of a material and immaterial nature, for the following consideration:

  - one part Fixed by amount €2,600,000 of the What 600,000 are paid through the delivery of equivalent Fourth Medical Dimension shares to the 8% of the capital of this Company, and the remainder Generates one credit that is offset in actions by means of a capital increase of the parent company Substrate Artificial Inteligence, S.A. and

  - one Variable Part What It will be the result of multiply for five the benefit net resulting from the Agreement Mater-Dealer with Samsung, included in the Unit Productive During your first year of validity, which Be payable to the 25 months of the signature of the contract of sale, and that can be Minor: in one Scaling of different amounts if the amount net of the figure of Businesses of the Productive Unit Acquired less than one million euros for the year 2024.

  The acquired production unit has historically had an annual turnover of more than 500,000 euros, generating positive EBITDA.

- Finally, on August 2, 2023, the company of the Boalvet Al, S.L. Unipersonal Group acquired all the shares of the Spanish company PSVET DAIRYQUALITY, S.L., whose corporate purpose is veterinary consultation and clinic, training for the food and livestock sector, food hygiene services, trade in medicines for animal use and advice on quality and food safety, for a total amount of 1,250,000 euros payable from the next way:

  - 250,000 euros are paid through the delivery of shares in Boalvet Al, S.L. Sole proprietorship, representing 12.5% of the capital of the Company.

  - 750,000 euros generated one Credit to be offset in shares by means of an expansion of Capital of the Society Womb Substrate Artificial Inteligence, S.A.

  - The 250.000 Euros Remaining will be paid to the 18 months since the signature of the contract, conditional on reach The average of billing during the twelve months following the sale and which, therefore, may be reduced by Invoicing real during that period if it is less than the stocking.

  The company PSVET DAIRYQUALITY, S.L. has an average annual turnover of around 250,000 euros and generates positive EBITDA.

Grupo Substrate is currently in the process of valuing the assets and liabilities acquired in the business combination to determine, where appropriate, the value of goodwill, as well as in a process of estimating the contingent consideration corresponding to the business combinations detailed above.

On the other hand, in order to meet the commitments arising from the aforementioned purchase and sale agreements, on September 19, 2023, the General Meeting of Shareholders of the company Substrate Artificial Inteligence, S.A. approved a capital increase by offsetting credits for a total amount of 11.€748,427 through the creation of €27,004.365 Series A voting shares with a par value of €0.10 per share and an issue premium of the same value, and the creation of 42,322.360 Series B shares (non-voting) with a par value of €0.001 per share each and an issue premium of €O.149 per share. After this increase, the share capital rises to 6.Sec. 867.€079.96 made up of 205,922,775 shares, of which
Article 67.284,315 are Class A with a nominal value of €0.10 per share, and 138.638,460 are class B with a nominal value of €0.001 per share.

Finally, with regard to the mandatory convertible bonds described in note 1O,
After the close as of June 30, 2023, the following transactions have taken place:

• The issuance of the tenth and eleventh tranche of the contract with ABO for a total amount of
€1,000,000 par value associated with the issuance of a total of 627,450 warrants.

• The conversion into capital of the ninth and tenth tranches of the bonds under the contract with ABO, which has involved the issuance of 3,899,739 new class A shares, which has meant a capital increase of 389,973.90 euros and an increase in the issue premium of 610,024.24 euros.

Madrid, 24 October 2023

DocuSigned by:
28CD4EB00A8342A...
Don Lorenzo Serratosa Gallardo

DocuSigned by:
B7422D753A024AA...
Don Christopher Nicolas Dembik

DocuSigned by:
3CD37729098B4F3...
Don José Iván García Braulio

DocuSigned by:
Tawhid CHTIOUI
598B19619609469...
Don Tawhid Chtioui

MANAGEMENT REPORT 30.06.2023

1. EVOLUTION OF THE GROUP

During the first 6 months of 2023, the Group grew 100% in revenue , reaching total revenues of €2.55 million, in line with the company's growth plans. This growth was mainly driven by the areas of Agritech, health and third-party projects.

The Agritech area boosted its sales in this quarter thanks to the expected growth in sales of the **PAM solution,** the AI-powered dairy farm manager **, and** the boost ofdigitalization projects for third parties.

The Healthcare area has grown compared to the same period of the previous year, boosting its sales of diagnostic imaging hardware and thanks to its consolidation in the group a few months more than in the first half of 2022. Fourth Medical Dimension SL, the group's subsidiary in the health area, continues to promote the application of Artificial Intelligence to diagnostic imaging.

On the other hand, in the area of services for third parties, 836 contracts have been signed.000 euros that represent an exponential growth compared to the results harvested during the first half of 2022.

Among the other business areas, it is worth highlighting the human resources area, which also remained stable compared to the last months of 2022, but which completed the development of the Fleebe Corporate platform for talent detection in large organizations, already having its first "early adopters"

With all this, the picture of the Group's accounts as of June 30 , 2023 and June 30 , 2022 is as follows:

	2023	2022
1Total Revenue	2,553,197.41	1,277,515.53
EBITDA	- 774.009,84	-1.162,584.18
Financial result	-506.003,47	22,790.44
Earnings before tax	-2.464,502.67	-14,504.US$619.80
Results of the year	-2,550.469.10	-14.604,050.06

Total income is the result of the sum of: (i) net turnover, (ii) work carried out by the company for its assets, (iii) other operating income and (iv) allocation of non-financial fixed assets and other subsidies.

EBITDA is the operating income excluding depreciation, impairment and other results in the consolidated income statement for the six-month period ended June 30, 2023 and 2022.

These accounts highlight the strong commitment to investment in personnel and development, necessary to carry out the group's business plan by promoting the implementation of its own technology in the various business areas, an investment that should begin to pay off over the next fewquarters.

Also noteworthy is the improvement in EBITDA compared to the Group's projections and the increase in expenses below EBITDA due to the costs derived from the financing of the company in the line of financial expenses and the heavy depreciation expense related to the purchase of companies that has resulted in the creation of the Substrate AI group.

With all this, the group maintains its expectation of meeting the business plan published for the year 2023.

CREATING B-ACTIONS

During the first half of 2023, the group created and listed non-voting shares of the company. These shares have a preferential dividend of €0.01 per share and have been designed to give international investors entry into the company 's capital.

For this reason, in addition to being listed on the BME Growth, the company is working to list these shares in London and the US.

The company expects these shares to become a stable source of funding for both inorganic growth and any other purpose.

2. SIGNIFICANT EVENTS FOR THE GROUP THAT OCCURRED AFTER THE END OF THE FINANCIAL YEAR

As of June 30, 2023, no relevant facts, circumstances and/or information have been disclosed or occurred that would require the Consolidated Interim Financial Statements for the year ended June 30, 2023 to be amended and/or to include additional breakdowns or explanations, except for those described below:

During the 2023 financial year, the Substrate Group has resumed its inorganic growth strategy through the search for and acquisition of businesses that present synergies with the Group's current lines of activity and to which artificial intelligence can be applied in order to improve the process efficiency and increase your profitability. In this regard, after the end of the six-month period ended June 30, 2023, the Substrate Group has made the following business combinations in the Human Resources, Health, and Agriculture and Livestock business lines, respectively:

- Dated 31 July 2023, the Group Parent Company, Artificial Substrate lnteligence, S.A. acquired the totality of the shares of the company established in London, United Kingdom, named Yamro Holding Limited for a purchase price of
4,602.573 U.S. dollars (US$), to be paid as follows:

  US$290,573 through the issuance of Class A shares (with voting rights) of the buyer, Substrate Artificial lnteligence S.A. and

  US$4,312,000 through the issuance of Class A and B shares (non-voting) in such proportion as may be determined by the purchaser.

  Yamro Holding Limited is the head of a group of companies (IFIT Group) with a presence in the United Kingdom, the United States, Spain, Mexico and Costa Rica whose activity consists mainly of:

  Provision of personnel selection services, mainly with a technical profile for consulting and consulting work.

Provision of subcontracting services in such a way that the IFIT Group hires personnel with a basically technical profile and makes them available to its clients on a temporary basis.

The IFIT Group has a portfolio of clients with a multinational presence to whom it provides services in the geographical areas where it operates. During the 2022 financial year, the Group had a turnover of approximately €4,500,000 with a positive EBITDA of around €500,000.

- On the other hand, on August 1, 2023, the Group, through its subsidiary Diaximag, S.L., acquired a Production Unit called Hospital Equipment dedicated to the distribution, marketing, repair, rental of equipment and diagnostic imaging (Ultrasound Specialization), made up of a series of elements of a material and immaterial nature, for the following consideration:

  a fixed part amounting to €2,600,000, of which €600.000 are paid through the delivery of shares of Cuarta Dimension Médica equivalent to 8% of the capital of this Company, and the remainder generates a credit that is offset in shares through a capital increase of the parent company Substrate Artificial lnteligence, S.A. and

  a variable part that will be the result of multiplying by five the net profit resulting from the Mater-Dealer agreement with Samsung, included in the Production Unit, during its first year of validity, which will be payable 25 months after the signing of the contract of purchase and sale, and which may be reduced by a scale of different amounts if the net turnover of the acquired Productive Unit does not reach one million euros in the financial year 2024.

  The acquired production unit has historically had an annual turnover of more than 500,000 euros, generating positive EBITDA.

- Finally, on August 2 , 2023, the company of the Boalvet Al, S.L. Unipersonal Group acquired all the shares of the Spanish company PSVET DAIRYQUALITY, S.L., whose corporate purpose is veterinary consultation and clinic, training for thefood and livestock sector, food hygiene services, trade in medicines for animal use and advice on quality and food safety, for a total amount of 1,250,000 euros payable from the following way:

  250,000 euros are paid through the delivery of shares in Boalvet Al, S.L. Sole proprietorship, representing 12.5% of the capital of the Company.

  €750,000 generates a credit to be offset in shares through a capital increase of the parent company Substrate Artificial lnteligence, S.A.

  The remaining €250,000 will be paid 18 months after the signing of the contract, subject to reaching the average annual turnover during the twelve months following the sale and which, therefore, may be reduced by the actual turnover during that period if it is less than the stocking.

  The company PSVET DAIRYQUALITY, S.L. has an average annual turnover of around 250,000 euros and generates positive EBITDA

Grupo Substrate is currently in the process of valuing the assets and liabilities acquired in the business combination to determine, where appropriate, the value ofthe assets.

goodwill, as well as in a process of estimating the contingent consideration corresponding to the business combinations detailed above .

On the other hand, in order to meet the commitments arising from the aforementioned purchase and sale agreements, on September 19 , 2023, the General Meeting of Shareholders of the Company Substrate Artificial lnteligence, S.A. approved a capital increase by compensation of appropriations for a total amount of 11.EUR 748,427 through the creation of 27,004,365 Series A voting shares with a par value of O.1 O per share and an issue premium of the same value, and the creation of 42,322,360 Series B shares (non-voting) with a par value of EUR 0.001 per share each and an issue premium of O; €149 per share. After this increase, the share capital amounts to 6,867,079.96 euros, consisting of 205 euros. 922,775 shares, of which 67,284,315 are Class A with a par value of O.1O euros per share, and 138,638,460 are Class B with a par value of 0.001 euros per share.

Finally, in relation to the mandatory convertible bonds described in note 1O, after the close of June 30, 2023, the following transactions took place:

• The issuance of the tenth and eleventh tranche of the contract with ABO for a total amount of €1,000,000 par value associated with the issuance of a total of 627,450 warrants.

• The conversion into capital of the ninth and tenth tranches of the bonds under the contract with ABO, which has involved the issuance of 3,899,739 new class A shares. This has led to a capital increase of €389,973.90 and an increase in the share premium of €610,024.24

3. RESEARCH & DEVELOPMENT

The Group is developing an L+D project called "the farm of the future" for a third party, which aims to create an AI system capable of managing a farm by treating animals independently , prescribing them the necessary supplements to maintain their health, thus helping the improvement of profitability on livestock farms and reduction in the use of medicines.

In 2022, the Group received a grant for the development and implementation Red.es of its energy saving system in hotels in 2022. The project continues to be successfully developed in the Poseidon hotel chain in Alicante.

The Group is working on the preparation of a report for a new I+D project planned for 2023 and 2024 that has to do with AI diagnostic imaging. Its goal is to apply our technology to the diagnostic imaging of animal and human diseases.

In addition, the Group continues to be immersed in the development of various AI solutions:

- Fleebe Corporate: Solution for talent detection and retention in large organizations.
- The group has developed for its training vertical and Financial Information a chat trained with all of Warren Buffett's financial knowledge that can be used for free on the news page SerenityMarkets.COM
- Cicero. The HA Group initiate the development of the virtual lawyer Zicero, a company with which it has an acquisition commitment of 11.76%.

In addition, the group continues to work on improving its own technology based on the developments made by Bren Worth, whose patents are pending approval in the US.

4. OWN ACTIONS

The breakdown of the Group's own shares as of June 30, 2023 and December 31, 2022 is as follows:

	30.06.2023			31.12.2022		
	Euros			Euros		
	N!! actions	Acquisition price	Market Value	N!! actions	Acquisition price	Market Value
Ordinary	300.347	1.641.917,17	86.499,94	633.546	1.122.288,60	181.194,15
No Vote	645.727	212.400,00	306.074,60	-	-	-
Total	946.074	1.854.317,17	392.574,54	633.546	1.122.288,60	181.194,15

5. RISKS AND UNCERTAINTIES

The Group does not face any uncertainties about its future and does not see any risks in its business.

The Group has sufficient liquidity available to cover the demand for financing implied by the normal evolution of the business.

Risk Assessment :

Credit risk: Credit risk represents the losses that the group would suffer in the event that a counterparty defaulted on its contractual payment obligations to the group. This risk is reduced, due to the collection method required of 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 a small size and limited trading volume, which could result in investments being deprived of liquidity. Management regularly monitors the Group's liquidity forecasts based on expected cash flows.

Market risk: Market risk represents the Group's losses as a result of adverse movements in market prices. The most significant risk factors could be grouped into the following:

- Interest rate risk: Because both debts and interest rates on group borrowing are low, interest rate risk is minimal.

- Exchange rate risk: the group does not have any financial assets or liabilities in currencies other than the euro at the end of the year, so it is not exposed to the risk of exchange rate fluctuations.

Price risk of shares or stock market indices: Investing in equity instruments means that the group's profitability could be affected by the volatility of the markets in which it could be invested. As the Group does not invests significantly in listed equity instruments is not exposed to this price risk.

Madrid, 24 October 202

DocuSigned by:
28CD4EB00A8342A...
Don Lorenzo Serratosa Gallardo

DocuSigned by:
B7422D753A024AA...
Don Christopher Nicolas Dembik

DocuSigned by:
3CD37729098B4F3...
Don José Iván García Braulio

DocuSigned by:
Tawhid CHTIOUI
598B19619609469...
Don Tawhid Chtioui

Consolidated Interim Financial Statements for the Six-Month Period Ended June 30, 2023

Profit and loss account (in euros)

PROFIT FOR THE YEAR	Jun-23	Jun-22
(A) CONTINUING OPERATIONS	**30/06/2023 (*Not audited)**	**30/06/2022 (*Not audited)**
1. Net turnover	**437.196,56**	**506.240,50**
(a) Sales	0,00	0,00
(b) Provision of services	437.196,56	506.240,50
3. Work carried out by the company for its asset	**736.459,04**	**0,00**
4. Procurement	**-1.654,63**	**-873,35**
(a) Consumption of goods	-1.654,63	0,00
(c) Work carried out by other companies	0,00	-873,35
5. Other Operating Income	**100.680,31**	**2.064,63**
(a) Ancillary and other revenue under current management	100.680,31	2.064,63
6. Personnel costs	**-634.201,37**	**-592.980,50**
(a) Wages, salaries and the like	-543.048,79	-491.465,32
(b) Social security contributions	-91.152,58	-101.515,18
7. Other operating expenses	**-1.467.401,32**	**-809.736,90**
(a) External services	-1.465.376,32	-790.493,76
(b) Taxes	-2.025,00	-10.277,48
(d) Other day-to-day management costs	0,00	-8.965,66
8. Depreciation of fixed assets	**-184.296,29**	**-355.352,71**
9. Allocation of non-financial fixed assets and other subsidies	0,00	**8.418,00**
11. Impairment and profit or loss on disposals of fixed assets	**0,00**	**-11.534.130,74**
(a) Impairment and loss	0,00	-11.534.130,74
13. Other results	**-36,83**	**0,00**
A-1) OPERATING RESULT	**-1.013.254,53**	**-12.776.351,07**
14. Financial Income	**34.280,48**	**0,00**
b1) From group companies and associates	34.280,48	0,00
15. Financial Expenses	**-467.135,25**	**-7.046,53**
a) For debts with group companies and associates	-6.155,75	0,00
b) For debts to third parties	-460.979,50	-7.046,53
17. Exchange Differences	**-90,81**	**21,99**
18. Impairment and profit or loss on disposals of financial instruments	**-8,85**	**-323.160,80**
b) Results from disposals and others.	-8,85	-
A.2) FINANCIAL RESULT	**-432.954,43**	**-330.185,34**
A.3) PROFIT BEFORE TAX	**-1.446.208,96**	**-13.106.536,41**
20. Income Tax	0,00	0,00
A.4) PROFIT OR LOSS FROM OPERATIONS FOR THE YEAR CONTINUED	**-1.446.208,96**	**-13.106.536,41**
(B) INTERRUPTED OPERATIONS	-	-
A.5) PROFIT FOR THE YEAR	**-1.446.208,96**	**-13.106.536,41**

Balance sheet (in euros)

ACTIVE	30/06/2023 (*Not audited)	30/06/2022 (*Not audited)
(A) NON-CURRENT ASSETS	**25.445.660,57**	**21.767.981,33**
I. Intangible fixed assets	**2.134.703,04**	**4.060.690,26**
1. Intangible fixed assets	2.134.703,04	4.060.690,26
II. Property, plant and equipment	**84.693,65**	**95.264,04**
1. Land and buildings	3.758,49	4.858,53
2. Technical installations and other property, plant and equipment	80.935,16	73.172,01
3. Fixed assets under construction and advances	0,00	17.233,50
IV. Long-term investments in group companies and associates	**21.709.915,45**	**17.234.609,62**
1. Equity Instruments	16.420.769,60	15.905.926,59
2. Loans to companies	5.289.145,85	1.328.683,03
V. Long-term financial investments	**757.189,72**	**256.426,75**
2. Third-party claims	147.531,72	242.768,75
5. Other financial assets	609.658,00	13.658,00
VI. Deferred tax assets	**759.158,71**	**120.990,66**
(B) CURRENT ASSETS	**2.160.289,97**	**1.043.411,02**
III. Trade Receivables and Other Accounts Receivable	**1.389.504,93**	**379.363,74**
1. Customers for sales and services	778.793,82	131.657,34
2. Customers, group companies and associates	423.701,92	12.690,40
3. Miscellaneous debtors	2.867,12	14.508,83
4. Personnel	6.000,00	735,74
6. Other credits with the Public Administrations	178.142,07	219.771,43
V. Short-term financial investments	**0,00**	**15.096,90**
2. Loans to companies	0,00	15.096,90
VI. Short-term accruals and accruals	**1.000,00**	**1.000,00**
VII. Cash and cash equivalents	**769.785,04**	**647.950,38**
1. Treasury	769.785,04	647.950,38
TOTAL ASSETS	**27.605.950,54**	**22.811.392,35**

LIABILITIES AND EQUITY	30/06/2023 (*Not audited)	30/06/2022 (*Not audited)
(A) NET WORTH	**22.891.371,63**	**20.342.359,99**
A-1) Own funds	**22.666.371,63**	**20.342.359,99**
I. Capital	**3.638.421,26**	**2.206.882,80**
1. Deeded capital	3.638.421,26	2.206.882,80
II. Issue premium	**36.510.725,16**	**34.142.267,20**
III. Reservations	**-1.445.497,24**	**-856.267,66**
1. Legal & Statutory	600,00	600,00
2. Other Bookings	-1.446.097,24	-856.867,66
IV. (Shares and participations of the parent company)	**-1.854.317,17**	**-1.570.778,47**
V. Results of previous years	**-13.403.033,43**	**-473.207,47**
2. (Negative results from previous years)	-13.403.033,43	-473.207,47
VII. Profit or loss for the year	**-1.446.208,96**	**-13.106.536,41**
IX. Other Equity Instruments	**666.282,01**	**0,00**
A-3) Grants, donations and bequests received.	**225.000,00**	**0,00**
(B) NON-CURRENT LIABILITIES	**3.097.499,67**	**1.728.723,60**
II. Long-term debts	**2.211.825,02**	**822.439,75**
1. Bonds and other negotiable securities	0,00	4.000,00
2. Debts to credit institutions	557.179,76	685.114,75
5. Debts with special characteristics	956.703,73	0,00
6. Other financial liabilities	697.941,53	133.325,00
III. Debts to group companies and associates	**810.674,65**	**906.283,85**
IV. Deferred Tax Liabilities	**75.000,00**	**0,00**
(C) CURRENT LIABILITIES	**1.617.079,24**	**740.308,76**
III. Short-term debts	**911.202,41**	**305.222,93**
2. Debts to credit institutions	51.317,45	14.604,31
5. Other financial liabilities	859.884,96	290.618,62
V. Trade Creditors and Other Payables	**705.876,83**	**435.085,83**
1. Suppliers	187.661,28	255.358,35
2. Suppliers, group companies and associates	352.763,07	16.117,35
3. Miscellaneous creditors	37.513,39	52.096,62
4. Personnel (unpaid remuneration)	0,00	68,22
6. Other debts owed to Public Administrations	127.939,09	116.905,15
7. Advances to customers	0,00	-5.459,86
TOTAL LIABILITIES AND EQUITY	**27.605.950,54**	**22.811.392,35**

ANNEX II: REPORT OF THE BOARD OF DIRECTORS TOGETHER WITH THE ACCREDITING CERTIFICATE ISSUED BY THE COMPANY'S AUDITOR ON THE DATA OF THE AFOREMENTIONED CREDITS

Special report on capital increase by offsetting credits, as provided for in article 301 of the revised text of the Capital Companies Act

SUBSTRATE ARTIFICIAL INTELLIGENCE S.A.

Building a better working world

Building a better
working world

Ernst & Young, S.L.
C/ Raimundo Fernández Villaverde,
65 28003 Madrid

Tel: 902 365 456
Fax: 915 727 238
ey.com

SPECIAL REPORT ON CAPITAL INCREASE BY OFFSETTING CREDITS, AS PROVIDED FOR IN ARTICLE 301 OF THE CONSOLIDATED TEXT OF THE CAPITAL COMPANIES ACT

To the shareholders of SUBSTRATE ARTIFICIAL INTELLIGENCE S.To.

For the purposes set forth in Article 301 of the Consolidated Text of the Capital Companies Act, we issue this Special Report on the proposal to increase the capital by 2,742,358.86 euros, with an issue premium of 9,006,068.14 euros, for compensation of credits amounting to 11. EUR 7 48,427, including interest accrued and unpaid, formulated by the Administrators of SUBSTRATE ARTIFICIAL INTELLIGENCE S.A. on August 9, 2023, which is presented in the attached Report. We have verified, in accordance with generally accepted auditing standards, the information prepared under the responsibility of the Directors in the aforementioned Report, regarding the loans intended for the capital increase and that at least 25% of them are liquid, due and payable, and that the maturity of the remaining loans is not more than five years.

In our opinion, the attached report prepared by the Directors provides adequate information regarding the credits to be offset to increase the share capital of SUBSTRATE ARTIFICIAL INTELLIGENCE S.A., at least 25% of which are liquid, due and payable, and that the maturity of the remainder is not more than five years.

This Special Report has been prepared solely for the purposes provided for in Article 301 of the Consolidated Text of the Capital Companies Act, so it should not be used for any other purpose.

ERNST & YOUNG, S.L.

This report corresponds to the distinctive seal n° **01/23/17962 issued by the Institute of Chartered Accountants of Spain**

____
Maria Florencia Krauss Padoani

August 10, 2023

Registered office: Calle de Raimundo Fernández Villaverde, 65. 28003 Madrid - Registered in the Mercantile Registry of Madrid, volume 9.364 generall, 8.130 of section 3 of the Companies Book, folio 68, page no. 87,690-1. 1st Inscription. C.I.F. B-78970506.

A member firm of Ernst & Young Global Limited.

substrate AI

REPORT OF THE BOARD OF DIRECTORS OF SUBSTRATE ARTIFICIAL INTELLIGENCE SA FOR THE PURPOSES OF THE PROVISIONS OF ARTICLE 301 OF ROYAL LEGISLATIVE DECREE 1/2010, WHICH APPROVES THE REVISED TEXT OF THE CAPITAL COMPANIES ACT.

We, the undersigned, in their capacity as members of the Board of Directors of the entity **SUBSTRATE ARTIFICIAL INTELLIGENCE SA**, for the purpose of its presentation to the Extraordinary General Meeting of Shareholders, and as a budget for approving the capital increase by offsetting credits,

INFORM & CERTIFY

I. That, after examining the company's accounts, the following credits are payable by the company, which are liquid, overdue and payable, corresponding to the following creditors:

CREDITOR	AMOUNT (EUROS)	DATE CONSTITUTION
YARO INVESTMENT HOLDING LTD (*)	4.175.427	31/07/2023
Luis Daniel Fernandez Perez	1.600.000	01/08/2023
Andrés Martínez Antón	400.000	01/08/2023
UNITED GENERAL LTD	3.250.000	31/07/2023
INDICO INVESTMENTS AND MANAGEMENTS SL	1.573.000	31/07/2023
Iván Cid Salgado	367.500	02/08/2023
Alejandra de la Barrera Martorell	382.500	02/08/2023

(*) Dollar credit converted to euros at the European Central Bank's current exchange rate of $1.1023 per euro on July 31, 2023.

II. That this Board of Directors unanimously considers it appropriate to propose to the General Meeting a capital increase, by means of the method of compensation of credits provided for in Article 301 of Royal Legislative Decree 1/2010, which approves the Consolidated Text of the Capital Companies Act, by offsetting the balance of the aforementioned loans payable by the company, which will be totally extinguished as a result of the increase.

III. To this end, it is proposed:

1. The creation of 27,000,365 new Series A voting shares, with the same par value and rights content, with a par value of €0.10 each and an issue premium of €0.10, which would amount to a global par value of €2,700,036.50 and a global issue premium of €2,700,036.50.

2. The creation of 42,322,360 new non-voting Series B shares, of equal par value and rights content with a par value of €0.001 each and an issue premium of €0.149, which would amount to a total nominal value of €42,322.36 and a global issue premium of €6,306,031.64.

IV. The new shares would be created at par value, and would be fully paid up at the time of their adjudication by offsetting the credits, being assumed, in proportion, by the aforementioned creditors.

V. In accordance with the provisions of Article 304 of Royal Legislative Decree 1/2010, this capital increase is excluded from the right of pre-emption with respect to current shareholders.

VI. Likewise, this Administrative Body certifies that the data of the credits described above are exactly in accordance with those reflected in the social accounts.

And for the purposes provided for in article 301 of the current Capital Companies Law, and for its availability to the shareholders of the entity, it issues this Report-certification in Madrid, on August 9, 2023.

DocuSigned by:
28CD4EB00A8342A...
Mr. Lorenzo Serratosa Gallardo

DocuSigned by:
3CD37729098B4F3...
Mr. José Iván García Braulio

DocuSigned by:
B7422D753A024AA...
Mr. Christopher Nicolas Dembik

DocuSigned by:
Tawhid CHTIOUI
598B19619609469...
Don Tawhid Chtioui