

30 April 2024

## SUBSTRATE ARTIFICIAL INTELLIGENCE SOCIEDAD ANONIMA

("Substrate AI" or the "Company")

### Annual Results

Substrate AI (AQUIS: SAI/SAI.B) announces its audited consolidated financial statements for the year ended December 31, 2023. A copy of the financial results will be uploaded to the company's website:

<https://substrate.ai/en/informacion-financiera/>

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

This announcement may contain "forward-looking" statements and information relating to the Company. These statements are based on the beliefs of Company management, as well as assumptions made by and information currently available to Company management. The Company does not undertake to update forward-looking statements or forward-looking information, except as required by law.

#### For further information, please contact:

<b>Substrate AI</b>	
<b>Lorenzo Serratosa</b> Chairman	<a href="mailto:info@substrate.ai">info@substrate.ai</a>
<b>First Sentinel Corporate Finance</b>	
<b>Brian Stockbridge</b>	+44 (0) 7858 888 007

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

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

#### Consolidated Statement of Financial Position as of 31/12/2023

(Expressed in euros)

<b>ASSETS</b>	<b>Notes</b>	<b>31.12.2023</b>	<b>31.12.2022</b>	<b>01.01.2022</b>
<b>NON-CURRENT ASSETS</b>		<b>34,393,169</b>	<b>20,529,104</b>	<b>30,865,734</b>
<b>Intangible assets</b>		<b>30,646,626</b>	<b>18,699,210</b>	<b>29,460,938</b>
Goodwill	4, 6	22,534,076	16,333,464	28,204,523
Other intangible fixed assets	6	8,112,550	2,365,746	1,256,415
<b>Property, plant and equipment</b>	<b>7</b>	<b>235,379</b>	<b>141,287</b>	<b>116,900</b>

Land & Buildings		3,888	4,309	5,409
Technical Installations & Other Property, Plant & Equipment		231,491	128,707	94,257
Fixed assets under construction and advances		-	8,271	17,234
<b>Right of use</b>	<b>8</b>	<b>551,384</b>	<b>522,812</b>	<b>-</b>
<b>Holdings in associated companies</b>		<b>151,000</b>	<b>30,000</b>	<b>30,000</b>
Equity Instruments	10	151,000	30,000	30,000
<b>Non-current financial assets</b>	<b>10</b>	<b>840,073</b>	<b>214,194</b>	<b>954,347</b>
Equity Instruments		120	-	800,000
Third-party receivables		221,289	189,986	140,025
Other Financial Assets		618,664	24,208	14,322
<b>Deferred tax assets</b>	<b>14</b>	<b>1,968,707</b>	<b>921,601</b>	<b>303,549</b>

<b>CURRENT ASSETS</b>		<b>10,066,749</b>	<b>3,163,041</b>	<b>1,315,323</b>
<b>Stock</b>		<b>783,787</b>	<b>283,668</b>	<b>198</b>
Commercial		781,287	283,668	-
Advances to suppliers		2,500	-	198
<b>Trade receivables and other accounts receivable</b>		<b>4,794,066</b>	<b>1,249,922</b>	<b>631,887</b>
Sales and service customers	10	4,707,027	466,905	241,420
Miscellaneous debtors	10	7,188	6,163	5,207
Personal	10	4,400	500	3,708
Current tax assets	14	1,594	-	15,753
Other credits with public administrations	14	73,857	776,354	365,799
<b>Shareholdings in associated companies 10,1</b>		<b>-</b>	<b>-</b>	<b>6,636</b>
Loans to associated companies		-	-	6,636
<b>Current financial assets</b>	<b>10</b>	<b>34,594</b>	<b>14,554</b>	<b>407,891</b>
Loans to companies		12,111	3,000	386,338
Other Financial Assets		22,483	11,554	21,553
<b>Short-term accruals and accruals</b>		<b>32,959</b>	<b>(8,532)</b>	<b>1,000</b>
<b>Cash and cash equivalents</b>		<b>4,421,343</b>	<b>1,623,429</b>	<b>267,711</b>
Treasury		4,421,343	1,623,429	267,711
<b>TOTAL ASSETS</b>		<b>44,459,918</b>	<b>23,692,145</b>	<b>32,181,057</b>

EQUITY AND LIABILITIES	Notes	31.12.2023	31.12.2022	01.01.2022
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<b>EQUITY</b>		<b>23,861,280</b>	<b>18,234,440</b>	<b>26,448,960</b>
<b>EQUITY</b>	<b>12</b>	<b>34,546,710</b>	<b>33,233,109</b>	<b>28,246,740</b>
Capital		7,335,246	2,451,023	2,028,977
Issue premium		45,159,547	34,548,124	26,655,923
<b>Reserves</b>		<b>(1,432,300)</b>	<b>(1,357,012)</b>	<b>28,445</b>
Legal & Statutory		600	600	600
Other Bookings		(1,427,443)	(1,357,612)	27,845
<b>Shares and holdings of the parent company</b>		<b>(1,837,416)</b>	<b>(1,116,289)</b>	<b>6,000</b>
<b>Negative results from previous years</b>		<b>(16,469,079)</b>	<b>(1,643,405)</b>	<b>(472,605)</b>
<b>Other Equity Instruments</b>		<b>1,784,712</b>	<b>350,668</b>	<b>-</b>
<b>Profit for the year attributable to the Parent Company</b>		<b>(8,732,037)</b>	<b>(15,081,519)</b>	<b>(1,777,571)</b>
<b>EXTERNAL PARTNERS</b>	<b>5</b>	<b>935,848</b>	<b>82,850</b>	<b>(20,209)</b>
<b>CONVERSION DIFFERENCES</b>		<b>(2,888,698)</b>	<b>-</b>	<b>-</b>
<b>NON-CURRENT LIABILITIES</b>		<b>7,632,195</b>	<b>2,937,581</b>	<b>608,805</b>
<b>Long-term provisions</b>	<b>10,2</b>	<b>4,782</b>	<b>-</b>	<b>-</b>
<b>Long-term debts</b>	<b>10,2</b>	<b>6,000,228</b>	<b>2,646,024</b>	<b>429,964</b>
Debts to credit institutions		483,732	557,180	-
Debts with special characteristics		2,359,483	-	-
Other financial liabilities		2,700,572	1,656,386	429,964
Lease liabilities	<b>8</b>	456,441	432,458	-
<b>Deferred tax liabilities</b>	<b>14</b>	<b>1,074,931</b>	<b>2,938</b>	<b>-</b>
<b>Income to be distributed over several years</b>	<b>16</b>	<b>552,254</b>	<b>288,619</b>	<b>178,841</b>
<b>CURRENT LIABILITIES</b>		<b>12,966,443</b>	<b>2,520,124</b>	<b>5,123,292</b>
<b>Short-term provisions</b>	<b>10,4</b>	<b>264,407</b>	<b>357,381</b>	<b>-</b>
<b>Short-term debts</b>	<b>10,2</b>	<b>7,022,205</b>	<b>1,373,073</b>	<b>4,855,424</b>
Debts to credit institutions		173,950	93,226	14,869
Lease liabilities	<b>8</b>	116,000	81,695	-
Other financial liabilities		6,732,255	1,198,152	4,840,555
<b>Debts to associated companies and joint ventures</b>	<b>10,2</b>	<b>9,300</b>	<b>-</b>	<b>1,586</b>
<b>Trade Creditors and Other Payables</b>		<b>5,670,531</b>	<b>789,670</b>	<b>266,282</b>
Suppliers	10,2	2,438,459	269,320	123,628
Suppliers, group companies and associates	10,2	-	-	500
Miscellaneous creditors	10,2	706,247	79,593	33,641
Staff (unpaid wages)	10,2	119,681	49,368	(285)
Current tax liabilities	<b>14</b>	53,914	29,010	235
Other debts owed to the Public Administrations	<b>14</b>	2,252,751	344,427	115,093
Customer Advances	<b>10,2</b>	99,479	17,952	(6,530)
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>44,459,918</b>	<b>23,692,145</b>	<b>32,181,057</b>

Consolidated Income Statement for the year ended December 31, 2023:

	Notes	31.12.2023	31.12.2022
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**CONTINUED OPERATIONS**

<b>Net turnover</b>	<b>15.1</b>	<b>8.608.797</b>	<b>3.135.850</b>
Sales		5.194.161	993.650
Provision of services		3.414.636	2.142.200
<b>Supplies</b>	<b>15.2</b>	<b>(2.852.102)</b>	<b>(486.343)</b>
Consumption of goods		(2.787.791)	(457.243)
Consumption of raw materials and other consumables		(17.838)	(14.271)
Work carried out by other companies		(46.473)	(14.829)
<b>Other Operating Income</b>		<b>5.214.123</b>	<b>1.580.643</b>
Ancillary and other revenue under current management		3.454	6.785
Operating subsidies included in profit or loss for the year		9.399	79.279
Other Operating Income	<b>6</b>	5.201.270	1.494.579
<b>Personnel costs</b>	<b>15.2</b>	<b>(3.963.276)</b>	<b>(3.202.184)</b>
Wages, salaries and the like		(3.414.142)	(2.770.130)
Social security contributions		(549.134)	(432.054)
<b>Other operating expenses</b>		<b>(10.708.129)</b>	<b>(3.013.859)</b>
External services	<b>15.2</b>	(10.751.799)	(2.775.607)
Taxes		(28.925)	(15.734)
Losses, impairments and changes in provisions for commercial operations		74.054	(89.431)
Other current management costs		(1.459)	(133.087)
<b>Depreciation of fixed assets</b>	<b>6, 7 and 8</b>	<b>(1.122.175)</b>	<b>(333.159)</b>
<b>Allocation of fixed assets subsidies</b>	<b>16</b>	<b>34.085</b>	<b>31.877</b>
<b>Impairment and profit or loss on disposals of fixed assets</b>	<b>6 and 7</b>	<b>(2.608.578)</b>	<b>(13.095.146)</b>
<b>Other results</b>		<b>(77.862)</b>	<b>(8.187)</b>
<b>INCOME FROM OPERATIONS</b>		<b>(7.475.117)</b>	<b>(15.390.508)</b>
<b>Financial Income</b>		<b>7.255</b>	<b>1.231</b>
Negotiable securities and other financial instruments		7.255	1.231
<b>Financial Expenses</b>	<b>10.2</b>	<b>(806.365)</b>	<b>(156.017)</b>
For debts to third parties		(806.365)	(156.017)
<b>Change in fair value in financial instruments</b>		<b>-</b>	<b>(3.145)</b>
For debts to third parties		-	(3.145)
<b>Exchange Differences</b>	<b>13</b>	<b>(1.952)</b>	<b>(1.070)</b>
<b>Impairment and profit or loss on disposals of financial instruments</b>		<b>1.877</b>	<b>(93.584)</b>

<b>FINANCIAL RESULT</b>		<b>(799.185)</b>	<b>(252.585)</b>
<b>Hyperinflationary Economy Net Position</b>		88.411	
<b>PROFIT BEFORE TAX</b>		<b>(8.185.891)</b>	<b>(15.643.093)</b>
<b>Income tax</b>		<b>(256.403)</b>	<b>572.264</b>
<b>PROFIT FOR THE YEAR FROM CONTINUING OPERATIONS</b>		<b>(8.442.294)</b>	<b>(15.070.829)</b>
<b>PROFIT FOR THE YEAR</b>		<b>(8.442.294)</b>	<b>(15.070.829)</b>

Profit attributable to the parent company	12	(8.709.061)	(15.081.519)
Profit attributable to external partners	5	266.767	10.690
	Notes	31.12.2023	31.12.2022
<b>CONTINUED OPERATIONS</b>			
Net turnover	15,1	8,608,797	3,135,850
Sales		5,194,161	993,650
Provision of services		3,414,636	2,142,200
Supplies	15,2	(2,852,102)	(486,343)
Consumption of goods		(2,787,791)	(457,243)
Consumption of raw materials and other consumables		(17,838)	(14,271)
Work carried out by other companies		(46,473)	(14,829)
Other Operating Income		5,214,123	1,580,643
Ancillary and other revenue under current management		3,454	6,785
Operating subsidies included in profit or loss for the year		9,399	79,279
Other Operating Income	6	5,201,270	1,494,579
<b>Personnel costs</b>	<b>15,2</b>	<b>(3,963,276)</b>	<b>(3,202,184)</b>
Wages, salaries and the like		(3,414,142)	(2,770,130)
Social security contributions		(549,134)	(432,054)
<b>Other operating expenses</b>		<b>(10,708,129)</b>	<b>(3,013,859)</b>
External services	15,2	(10,751,799)	(2,775,607)
Taxes		(28,925)	(15,734)
Losses, impairments and changes in provisions for commercial operations		74,054	(89,431)
Other current management costs		(1,459)	(133,087)
<b>Depreciation of fixed assets</b>	<b>6, 7 and 8</b>	<b>(1,122,175)</b>	<b>(333,159)</b>
<b>Allocation of fixed assets subsidies</b>	<b>16</b>	<b>34,085</b>	<b>31,877</b>

Impairment and profit or loss on disposals of fixed assets	6 and 7	(2,608,578)	(13,095,146)
Other results		(77,862)	(8,187)
<b>INCOME FROM OPERATIONS</b>		<b>(7,475,117)</b>	<b>(15,390,508)</b>
Financial Income		7,255	1,231
Negotiable securities and other financial instruments		7,255	1,231
Financial Expenses	10,2	(806,365)	(156,017)
For debts to third parties		(806,365)	(156,017)
Change in fair value in financial instruments		-	(3,145)
For debts to third parties		-	(3,145)
Exchange Differences	13	(1,952)	(1,070)
Impairment and profit or loss on disposals of financial instruments		(21,099)	(93,584)
<b>FINANCIAL RESULT</b>		<b>(822,161)</b>	<b>(252,585)</b>
Hyperinflationary Economy Net Position	3, 1	88,411	
<b>PROFIT BEFORE TAX</b>		<b>(8,208,867)</b>	<b>(15,643,093)</b>
Income tax		(256,403)	572,264
<b>PROFIT FOR THE YEAR FROM CONTINUING OPERATIONS</b>		<b>(8,465,270)</b>	<b>(15,070,829)</b>
<b>PROFIT FOR THE YEAR</b>		<b>(8,465,270)</b>	<b>(15,070,829)</b>
Profit attributable to the parent company	12	(8,732,037)	(15,081,519)
Profit attributable to external partners	5	266,767	10,690

Consolidated comprehensive income statement for the year ended December 31, 2023.

	Notes	31.12.2023	31.12.2022
<b>CONSOLIDATED RESULT FOR THE YEAR</b>		<b>(8,465,270)</b>	<b>(15,070,829)</b>
Conversion Differences		(2,888,698)	-
Tax effect		-	-
<b>Total income and expenses charged directly to equity</b>		<b>(2,888,698)</b>	<b>-</b>
<b>Total transfers to the profit and loss account</b>		<b>(11,353,968)</b>	<b>(15,070,829)</b>

<b>TOTAL CONSOLIDATED INCOME AND EXPENSES RECOGNIZED</b>	<b>(11,353,968)</b>	<b>(15,070,829)</b>
<b>Total income and expenses attributable to the parent company</b>	<b>(11,087,201)</b>	<b>(15,081,519)</b>
<b>Total income and expenses attributed to external partners</b>	<b>266,767</b>	<b>10,689</b>

## Consolidated Statement of Changes in Equity for the year ended December 31, 2023

	Deeded capital	Issue premium	Reserves	Own shares and holdings	Other Equity Instruments	Results of previous years	Profit or loss for the year	Other Partn Contributions
<b>Adjusted balance, beginning of the year 2022</b>	<b>2,028,977</b>	<b>26,655,923</b>	<b>28,445</b>	<b>6,000</b>	-	<b>(472,605)</b>	<b>(1,777,571)</b>	
Total Recognized Income and Expenses	-	-	-	-	-	-	(15,081,519)	
Capital increases (note 11)	177,906	7,486,344	-	-	-	-	-	
Other Changes in Equity	-	-	(711,685)	-	-	(1,170,800)	1,777,571	
Conversion of financial liabilities into equity (note 11)	244,140	405,857	-	-	90,668	-	-	
Other transactions (note 16)	-	-	-	-	260,000	-	-	
Transactions in treasury shares (net) (note 11)	-	-	(470,441)	(1,122,289)	-	-	-	
Other Moves	-	-	(203,331)	-	-	-	-	
<b>Year-end balance 2022</b>	<b>2,451,023</b>	<b>34,548,124</b>	<b>(1,357,012)</b>	<b>(1,116,289)</b>	<b>350,668</b>	<b>(1,643,405)</b>	<b>(15,081,519)</b>	
Adjustments for errors for the 2022 financial year (Note 2,e)	-	-	-	-	-	-	-	
<b>Adjusted balance at the beginning of the 2023 financial year</b>	<b>2,451,023</b>	<b>34,548,124</b>	<b>(1,357,012)</b>	<b>(1,116,289)</b>	<b>350,668</b>	<b>(1,643,405)</b>	<b>(15,081,519)</b>	
Total Recognized Income and Expenses	-	-	-	-	-	-	(8,732,037)	
Capital increases (note 11)	2,838,676	7,512,825	-	-	-	-	-	
Other Changes in Equity	-	-	(566,969)	-	-	(14,514,550)	15,081,519	
Conversion of financial liabilities into equity (note 11)	2,045,547	3,098,598	-	-	434,044	-	-	
Other transactions (note 16)	-	-	-	-	1,000,000	-	-	
Transactions in treasury shares (net) (note 11)	-	-	(38,355)	(721,127)	-	-	-	
Other Moves	-	-	535,493	-	-	(311,124)	-	
<b>Balance as of 31.2023</b>	<b>7,335,246</b>	<b>45,159,547</b>	<b>(1,432,300)</b>	<b>(1,837,416)</b>	<b>1,784,712</b>	<b>(16,469,079)</b>	<b>(8,732,037)</b>	

## Consolidated Statement of Cash Flows for the year ended December 31, 2023

STATEMENT OF CASH FLOWS	NOTES	2023	2022
<b>(A) CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>1, Profit before tax for the year</b>		<b>(8,208,867)</b>	<b>(15,643,093)</b>

<b>2, Result Adjustments:</b>		<b>4,425,854</b>	<b>13,856,046</b>
a) Depreciation of fixed assets (+)	6, 7, 8	1,122,175	333,159
b) Valuation adjustments for impairment (+/-)	6	2,615,057	12,979,885
c) Change in provisions (+/-)	10,4	(92,974)	217,600
(d) Allocation of subsidies		(34,085)	(42,503)
e) Profit or loss on retirements and disposals of fixed assets (+/-)		(6,480)	115,320
f) Profit or loss on deregistration and disposal of financial instruments (+/-)		(21,099)	93,584
(g) Financial income (-)		(7,255)	(1,231)
(h) Financial expenditure (+)		806,365	156,017
(i) Exchange rate differences (+/-)		1,952	1,070
j) Change in fair value in financial instruments (+/-)		-	3,145
<b>3, Changes in current capital:</b>		<b>380,764</b>	<b>(683,794)</b>
(a) Stocks (+/-) (*)		(500,119)	(92,473)
(b) Accounts receivable and other accounts receivable (+/-) (*)	10,1	(3,544,144)	(355,474)
(c) Other current assets (+/-)	10,1	(61,531)	-
(d) Accounts payable and other payables (+/-) (*)	10,1	4,890,161	348,640
(e) Other current liabilities (+/-)		(403,603)	(584,487)
<b>4, Other cash flows from operating activities</b>		<b>(237,541)</b>	<b>(154,786)</b>
a) Interest payments (-)		(244,796)	(156,017)
c) Interest charges (+)		7,255	1,231
<b>5, Cash flows generated from operating activities</b>		<b>(3,639,790)</b>	<b>(2,625,627)</b>
<b>(B) CASH FLOWS FROM INVESTING ACTIVITIES</b>			
<b>6, Investment payments (-)</b>		<b>(632,994)</b>	<b>(936,690)</b>
(a) Group companies and associates		-	-
(b) Intangible fixed assets	6 and 8	(853,328)	(5,481)
(c) Property, plant and equipment	7	(58,364)	(70,683)
(e) Other financial assets		278,698	(860,526)
<b>8, Cash flows from investing activities</b>		<b>(632,994)</b>	<b>(936,690)</b>
<b>(C) CASH FLOWS FROM FINANCING ACTIVITIES</b>			
<b>9, Collections and payments for equity instruments</b>		<b>5,144,146</b>	<b>2,844,939</b>
a) Issuance of equity instruments (+)	11	5,144,146	2,660,350
c) Acquisition of equity instruments (-)		-	-
e) Grants, donations and bequests received (+)		-	184,589
<b>10, Receipts and payments for financial liability instruments</b>		<b>1,926,552</b>	<b>2,073,096</b>
<b>a) Issuance:</b>		<b>2,000,000</b>	<b>2,135,006</b>
2, Debts to credit institutions (+)		-	700,000
4, Other debts (+)		2,000,000	1,435,006
<b>(b) Repayment and amortization of:</b>		<b>(73,448)</b>	<b>(61,910)</b>
2, Debts to credit institutions (-)		(73,448)	(58,117)
4, Other debts (-)		-	(3,793)
<b>12, Cash flows from financing activities</b>		<b>7,070,698</b>	<b>4,918,035</b>



D) Effect of exchange rate changes		-	-
<b>(E) NET INCREASE/DECREASE IN CASH OR CASH EQUIVALENTS</b>		<b>2,797,914</b>	<b>1,355,718</b>
Cash or cash equivalents at the beginning of the financial year		1,623,429	267,711
Cash or cash equivalents at the end of the year		4,421,343	1,623,429