

substrate AI

C/ María de Molina, 41 – Office nº 506
28006 Madrid

BME - GROWTH

Stock Exchange Palace
Plaza de la Lealtad, 1
28014 Madrid

Madrid, July 29, 2024

COMMUNICATION - OTHER RELEVANT INFORMATION - SHAREHOLDERS' GENERAL MEETING RESOLUTIONS - SUBSTRATE ARTIFICIAL INTELLIGENCE, S.A.

Dear Sirs,

Pursuant to the provisions of Article 17 of Regulation (EU) No 596/2014 on market abuse and Article 227 of Law 6/2023 of 17 March 2023 on Securities Markets and Investment Services, and related provisions, as well as Circular 3/2020 of BME Growth of BME MTF Equity, We hereby inform you of the following information regarding the company **SUBSTRATE ARTIFICIAL INTELLIGENCE, S.A. (hereinafter "Substrate AI" or "the Company" indistinctly).**

During the Extraordinary General Meeting of Shareholders of SUBSTRATE ARTIFICIAL INTELLIGENCE, S.A. (hereinafter, "Substrate" or the "Company"), held on July 26, 2024, at first call, with the attendance of a total of 66 shareholders, present or represented, representing a total of 54.33% of the share capital, all the resolutions submitted to the vote have been approved in accordance with the notice of the General Meeting published at the time. The agreements adopted are as follows:

- I. Distribution of reserve for share premium in kind in a maximum amount of €1,500,000.00 through the delivery of ordinary shares of the share capital of the wholly-owned subsidiary Subgen AI Limited, or alternatively, the cash payment equivalent to the reserve distribution for share premium in kind proposed, at the choice of the shareholders; as well as any acts necessary for its complete execution.**

The following proposed resolution is submitted for approval by the shareholders:

'To approve the partial distribution of the existing reserve in the Company's balance sheet corresponding

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C/ María de Molina, 41 – Office nº 506
28006 Madrid

to the share issue premium for a maximum amount of 1,500,000 euros, through, at the option of the Company's shareholders: (i) the transfer and delivery of ordinary shares of the share capital of the wholly owned subsidiary Subgen AI Limited, or alternatively, (ii) the cash payment equivalent to the proposed in-kind share premium reserve distribution (the 'Apportionment').

It is proposed to carry out the Distribution under the terms and conditions set out below, in accordance with the report of the Board of Directors dated 24 June 2024 in relation to it.

- 1. Amount of share premium reserve to be distributed, shares of the Subsidiary to be delivered and cash alternative.*

Subgen AI Limited is an English private company limited by shares, with its registered office at 100 Avebury Boulevard Milton Keynes, United Kingdom, MK9 1FH, and registered in the United Kingdom Companies House under number United Kingdom 15374966 (the "Subsidiary"). The share capital of the Subsidiary consists of 150,000,000 ordinary shares, fully paid-up, with a nominal unit value of £0.01 each, i.e. with a share capital of £1,500,000.

In accordance with the valuation report issued on 21 June 2024 by Checkpoint Partners S.L.U. on the shares of the Subsidiary, and on the basis of generally accepted valuation criteria, the maximum value of the shares of the Subsidiary subject to the Distribution is €1,500,000 (€0.01 for each share of the Subsidiary, the "Reference Price").

The Distribution will be made in favour of the shareholder of the Company on the cut-off date to be established, and including those shareholders who on that date have such status (without prejudice to the fact that their shares are not yet registered in the registers of the Management Company of the Registration Systems, Compensación y Liquidación de Valores S.A.U.) (the "Reference Date"), which is scheduled to be July 31, 2024. In accordance with Article 148 of the Capital Companies Act, the economic rights inherent in the Class A Shares and Class B Shares (as defined below) owned by the Company on the Reference Date shall be attributed proportionally to the rest of the Company's shares. In this regard, the Company's shareholders will receive the cash amount corresponding to these shares in treasury stock.

Both the Class A Shares and the Class B Shares of the Company participate in the Distribution, and will receive shares of the Subsidiary in proportion to the nominal

substrate AI

C/ María de Molina, 41 – Office nº 506
28006 Madrid

value of their participation in the share capital of the Company, with the ratio of the Class A Shares being 1:1 and taking into account that the nominal value of the Class B Shares is 100 times lower than that of the Class A Shares. Thus, the number of shares of the Company, for each class, that it will be necessary to hold in order to be entitled to receive one share of the Subsidiary (the "Distribution Ratio") will be:

1 share of the Subsidiary for every 1 Class A Share; and

1 share of the Subsidiary for every 100 Class B Shares.

The shares of the Subsidiary that are not distributed will remain under the ownership of the Company.

The exact distribution amount of the issue reserve will be set by the Board of Directors in accordance with the above Distribution Ratio within the maximum amount, based on the number of Class A Shares and Class B Shares of the Company outstanding on the Reference Date and taking the Reference Price as a reference.

It is also approved to provide an alternative so that shareholders of the Company who consider that the shares of the Subsidiary are potentially a less liquid asset than their current stake in the Company, may choose to receive in cash the amount equivalent to the reserve distribution for share premium in kind, which would amount to an amount per share of the Subsidiary equivalent to the Reference Price. The Company's shareholders will have a period of time to choose between the receipt of shares in the Subsidiary or the equivalent amount in money, based on the valuation determined by Checkpoint Partners S.L.U. in its valuation report.

2. Liquidation of the 'peaks':

In application of the Distribution Ratio, shareholders of Class B Shares who hold shares in a number that do not reach this proportion or their multiples, will generate surplus shares, called "peaks". In this case, the Company will pay in cash the amount equivalent to the fraction resulting from dividing the remaining Class B Shares by the aforementioned multiple, and multiplying said fraction by the Reference Price, rounding the result to the nearest euro cent.

3. Procedure.

An option period is granted to shareholders of the Company who are entitled to participate in the two-month Distribution (the "Option Period"), which is scheduled

substrate AI

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28006 Madrid

to take place from August 1, 2024 to September 30, 2024, inclusive. During the Option Period, the Company's shareholders may contact the Company and its depositary institution and communicate their option to receive the Distribution that corresponds to them in shares of the Subsidiary or, instead, the value of the shares in cash or for the cash alternative.

The option mechanism will be articulated through a form for this purpose that will be made available to the shareholders of the Company, and which must be sent completed, in which it is stated that you are aware of the adoption of the Distribution agreement and its terms, which confirms either your choice to receive cash or shares from the Subsidiary. as well as any other data that is necessary for the formalization of the delivery of the shares of the Subsidiary.

After the end of the Option Period, payment will be made by transfer to those shareholders who have opted to receive the equivalent amount in cash, in accordance with the bank details they have provided, which is expected to take place on or before October 14, 2024. At that time, the payment to the Company's shareholders in cash of the "peaks", as appropriate, and of the amount derived from the right of accrual of the treasury stock existing in the Company will also be made, regardless of whether or not the receipt of the amount of the cash distribution has been chosen, in the same way.

Likewise, after the end of the Option Period, for those other shareholders who have chosen to receive shares of the Subsidiary, the transfer and delivery in their favour of the shares of the Subsidiary will be formalised, through the subscription of any documents that may be necessary or convenient in accordance with the law applicable to the transfer of shares. which is expected to take place on or before October 31, 2024.

Shareholders entitled to participate in the Distribution who do not complete and submit the form within the previous Option Period may, for an additional period of approximately one month after the end of the Option Period, contact the Company to formalise the transfer and delivery of the shares of the Subsidiary if they so wish. After this period, the Company will make available to the shareholder the equivalent amount in money that would have corresponded to him at the time.

Subsequently, the market will be notified of the effective amount of the Distribution, including the final number of shares of the Subsidiary that are distributed to the Company's shareholders, as well as the equivalent cash amount that is paid, as part of the final result.

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C/ María de Molina, 41 – Office nº 506
28006 Madrid

4. Tax treatment.

From a tax point of view, there will be no obligation for the Company to withhold or pay on account in the distribution of share premium to shareholders, regardless of whether it chooses to receive shares or cash and the tax residence and nature of the shareholder. This is established by the regulations governing Personal Income Tax, Corporation Tax and Non-Resident Income Tax.

Shareholders who are tax residents in Spain for the purposes of Personal Income Tax and Corporation Tax, which are applicable to them under the regulations of the common territory, will generally reduce their acquisition value and, once exhausted, the excess will be taxed as income from movable capital or income depending on whether they are natural or legal persons. For the purposes of Non-Resident Income Tax, it will also reduce the acquisition value, taxing the excess at 19%, unless the exemption provided for in article 14.1.h) of Royal Legislative Decree 5/2004, of 5 March, approving the revised text of the Law on Non-Resident Income Tax or any reduced rate provided for in an agreement to avoid double taxation is applicable signed by Spain.

It should be noted that this analysis of the tax regime does not make explicit all the possible tax consequences of the distribution of the share premium for shareholders. The consequences that may occur in their countries of residence for those shareholders who are not residents in Spain for tax purposes are not detailed, nor is the possible application of exemptions or reduced rates provided for in Spanish regulations and agreements to avoid double taxation. Nor are any particularities that may be applicable to shareholders resident in the Historical Territories of the Basque Country or the Autonomous Community of Navarre analysed. It is recommended that shareholders consult with their tax advisors on the specific tax impact, taking into account the particular circumstances of each shareholder.

5. Delegation of powers.

Each of the members of the Board of Directors of the Company is jointly and severally empowered, with express powers of substitution in the Legal Advisor of the Board and his Professional Firm, to the fullest extent that is necessary in law, to execute this agreement, and that any of them may carry out any legal acts or transactions that are necessary or convenient for the fullest execution thereof. In particular, and

substrate AI

C/ María de Molina, 41 – Office nº 506
28006 Madrid

without limitation, the following may be included:

- *To develop, extend, clarify, specify, interpret, complete and correct this agreement, setting the terms and conditions thereof in all matters not provided for in this agreement and, in particular and without limitation, to establish, within the maximum amount agreed by the Extraordinary General Meeting of shareholders, the amount of the share premium reserve that will be the subject of the Distribution, the number of shares of the Subsidiary that will be part of it and that correspond to each shareholder of the Company in accordance with the Distribution Ratio, and the relevant dates of the Distribution and the details of its procedure.*
- *Carry out on behalf of the Company any action, declaration or management that is required before any public or private, Spanish or foreign body or entity or registry in relation to the Distribution.*
- *To execute on behalf of the Company as many public or private documents as may be necessary or convenient for the better execution of the Distribution and this agreement, as well as to correct any omissions, defects or errors, in substance or form, contained in said documents.*
- *Determine all other circumstances that may be necessary, adopting and executing the necessary agreements, formalising the necessary documents and completing all the appropriate procedures, proceeding to comply with all the requirements necessary for the fullest execution of the agreement.*

Vote on the agreement: It is approved unanimously.

Consequently, this resolution is approved with the favorable vote of the entire share capital present and represented, thereby complying with the requirement established by article 18 of the Bylaws in force

II. Delegation of powers.

The following proposed resolution is submitted to the shareholders:

substrate AI

C/ María de Molina, 41 – Office nº 506
28006 Madrid

'To specially and expressly empower the Managing Directors, on behalf of the company, indistinctly and jointly and severally, to carry out and grant the public and/or private acts or documents that are necessary for the full formalization, execution and good completion of the agreements adopted, being able to appear before a Notary Public and make public, in whole or in part, the corporate resolutions adopted until they are registered in the Commercial Registry, may also grant as many public or private documents as may be necessary for the correction, rectification, ratification or clarification of the same, and to carry out any procedures and declarations necessary for their registration in the relevant registers.

Without prejudice to the delegations of specific powers contained in the preceding paragraphs, it is agreed to empower and authorise both Mr JOSE IVAN GARCIA BRAULIO and Mr LORENZO SERRATOSA, in their respective capacity as Secretary and Chairman of the Board of Directors, as broadly as the law corresponds, to authorise and authorise without distinction, as broadly as is applicable by law, so that they can execute the above agreements, carrying out all the actions and procedures for this purpose and granting the public or private documents that are necessary or convenient, being also empowered for this purpose to complete, clarify, correct or correct said documents, if they suffer from any error, imprecision or omission, especially if this is cause to suspend or prevent their registration or effectiveness in the Commercial Registry or in any other public Registry; and, in particular, by way of indication and not limitation, for:

- *Draft, subscribe and submit, as the case may be, to BME Growth (or to any governing bodies of those markets, national or foreign, official or not, in which the Company's shares may be admitted to trading) or any other supervisory authorities that may be appropriate, in relation to the issuances and listings to trading of the new shares issued under this agreement, as many supplements as may be necessary or convenient, assuming responsibility for them, as well as the other documents and information that are required in compliance with the provisions of the applicable regulations; and*
- *To execute on behalf of the Company as many public or private documents as may be necessary or convenient for the successful completion of this agreement and, in general, to carry out as many procedures as may be necessary, as well as to correct, clarify, interpret, specify or supplement this resolution adopted by the General Shareholders' Meeting and, in particular, any*

substrate AI

C/ María de Molina, 41 – Office nº 506
28006 Madrid

defects, omissions or errors, of substance or form, resulting from the verbal or written classification, prevent access to the agreements and their consequences to the Commercial Registry, or any other'

Vote on the agreement: It is approved unanimously.

Consequently, this resolution is approved with the favorable vote of the entire share capital present and represented, thereby complying with the requirement established by Article 18 of the Bylaws in force.

III. Drafting, reading and, where appropriate, approval of the Minutes of the session, or delegation for signature.

As the Minutes of the General Shareholders' Meeting have been drawn up by the Secretary, the following proposal for resolution is submitted to the shareholders:

'Approval in its entirety of the Minutes of this Extraordinary General Meeting of Shareholders'

Vote on the agreement: It is approved unanimously.

In compliance with the provisions of Circular 3/2020 of the BME Growth segment of BME MTF Equity, it is expressly stated that the information communicated herein has been prepared under the sole responsibility of the Company and its directors.

We remain at your disposal for any clarifications you may deem appropriate.

Kind regards

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Lorenzo Serratosa Gallardo

Chairman

OPTION FORM FOR THE PAYMENT OF SHARE PREMIUM IN KIND

FOR: SUBSTRATE ARTIFICIAL INTELIGENCE S.A.

Calle María de Molina, 41, Oficina 506, 28006, Madrid

The form shall be sent duly completed and signed in writing to the following address to the following e-mail address: accionistas@substrate.ai.

[●] of [●] 2024

Dear Sirs:

Re. Extraordinary General Shareholder's Meeting of SUBSTRATE ARTIFICIAL INTELIGENCE S.A. (the "Company") - Distribution in kind of share premium reserve by delivery of ordinary shares in the share capital of wholly owned subsidiary Subgen AI Limited, or alternatively, payment in cash equivalent to the proposed distribution of share premium reserve in kind, at the option of the shareholders.

[●] [*insert full name of shareholder*] (the "**Shareholder**"), domiciled at [●] [*insert full address of shareholder including country*], hereby informs the Company of the following:

- (i) that the shareholder holds [●] [*insert number of shares*] shares of the Company of [*class A / class B*] (the "**Shares**");
- (ii) that the Shares are registered in the Shareholder's name in [●] [*insert full corporate name of the relevant depositary entity*];
- (iii) that the Shareholder is aware that the Extraordinary General Shareholder's Meeting of the Company of the Company held on 26 July 2024 resolved, under agenda item one, to distribute in kind the share premium reserve on a maximum amount of EUR 1,500,000 through the delivery of ordinary shares in the share capital of the wholly-owned subsidiary Subgen AI Limited ("**Subgen AI**"), or alternatively, the cash payment equivalent to the proposed share premium reserve in kind distribution, at the election of the shareholders (the "**Distribution**");
- (iv) that the Shareholder is aware that both Class A Shares and Class B Shares of the Company participate in the Distribution, the ratio of Class A Shares being 1:1 (and taking into account that the nominal value of Class B Shares is 100 times lower than that of Class A Shares.), the number of shares of the Company, for each class, which must be held in order to be entitled to receive one Sub-Gen IA Share (the "**Distribution Ratio**"), is (a) 1 Sub-Gen IA Share for every 1 Class A Share; and (b) 1 Sub-Gen IA Share for every 100 Class B Shares.
- (v) that the Shareholder understands that there are a total of 121.934.307 Class A Shares and 138.638.460 Class B Shares in the Company, whereby, taking into account the Distribution Ratio,

a maximum of 123.320.691 Subgen IA Shares are subject to distribution and that the remaining Subgen IA Shares (26.679.309 Shares of Subgen AI) will be held by the Company;

- (vi) that the Shareholder is aware that, according to the valuation report issued on 21 June 2024 by Checkpoint Partners S.L.U. (the "**Valuation Report**"), a valuation per Subgen AI share of EUR 0.01 per share (the "**Reference Price**") is established;
- (vii) that the Shareholder understands that, taking into account the Reference Price, the amount of share premium reserve to be effectively distributed pursuant to the Distribution is EUR 1.233.206,9; and
- (viii) that you have read and are aware of the contents of the communication of other relevant information published on 26 July 2024 on the website of BME Growth (www.bmegrowth.es) and on the Company's website (www.substrate.ai), which contains detailed information on the procedure, formalities and timetable of the Distribution.

Hereby the Shareholder:

1. elects to receive payment of the Distribution due to him in respect of the Shares, in full discharge of the Company, [*in kind, by delivery of ordinary shares in the share capital of the wholly owned subsidiary Subgen AI Limited / in cash, in the equivalent amount in accordance with the Reference Price*];
2. therefore waives the right to receive payment of the Distribution due to it in respect of the Shares [*in kind, by way of delivery of ordinary shares in the share capital of the wholly-owned subsidiary Subgen AI Limited / in cash*]; [*choose the option not chosen in the previous point*]
3. acknowledges that it will in any event receive cash for the payment of the Distribution:
 - a. if the Shares are Class B Shares, if it holds Shares in a number which falls below the proportion of the Distribution Ratio or multiples thereof and surplus Shares are generated, by the Company calculating and paying in cash the amount equal to the fraction resulting from dividing the surplus Class B Shares by such multiple and multiplying such fraction by the Reference Price, rounding the result to the nearest euro cent; and
 - b. in accordance with the Reference Price, for the cash amount corresponding to the Subgen AI shares or equivalent cash amount corresponding in accordance with the Distribution Ratio to the Class A Shares and Class B Shares held in treasury of the Company as at 31 July 2024, which will be distributed among the remaining shareholders in proportion to the nominal value of their interest in the share capital of the Company;
 - c. unless you tick the following box, if the cash payment is less than one euro, you choose not to receive it; and

5. announces that the details of the bank account associated with the securities account in the Shareholder's name to which he wishes any cash transfer to be made to him under the Distribution in full discharge of the Company's liabilities will be as follows:

- Name of the entity: [to be completed].
- Country of destination: [to be completed].
- Name of addressee: [to be completed].
- IBAN code: [to be completed]
- BIC code: [to be completed].

Yours sincerely,

[●]

for and on behalf of [●] [full name of shareholder].

OPTION FORM FOR THE PAYMENT OF SHARE PREMIUM IN KIND¹

(form for registered shareholders who are intermediary custodian entities)

FOR: **SUBSTRATE ARTIFICIAL INTELIGENCE S.A.**

Calle María de Molina, 41, Oficina 506, 28006, Madrid

The form shall be sent duly completed and signed in writing to the following address to the following e-mail address: accionistas@substrate.ai.

[●] of [●] 2024

Dear Sirs:

Re. Extraordinary General Shareholder's Meeting of SUBSTRATE ARTIFICIAL INTELIGENCE S.A. (the "Company") - Distribution in kind of share premium reserve by delivery of ordinary shares in the share capital of wholly owned subsidiary Subgen AI Limited, or alternatively, payment in cash equivalent to the proposed distribution of share premium reserve in kind, at the option of the shareholders.

[●] [insert full name of shareholder] (the "**Shareholder**"), domiciled at [●] [insert full address of shareholder including country], hereby informs the Company of the following:

- (i) that the shareholder holds [●] [insert number of shares] shares of the Company of [class A / class B] (the "**Shares**");
- (ii) that the Shares are registered in the Shareholder's name in [●] [insert full corporate name of the relevant depositary entity];
- (iii) that the Shareholder is aware that the Extraordinary General Shareholder's Meeting of the Company of the Company held on 26 July 2024 resolved, under agenda item one, to distribute in kind the share premium reserve on a maximum amount of EUR 1,500,000 through the delivery of ordinary shares in the share capital of the wholly-owned subsidiary Subgen AI Limited ("**Subgen AI**"), or alternatively, the cash payment equivalent to the proposed share premium reserve in kind distribution, at the election of the shareholders (the "**Distribution**");

¹ Pursuant to article 497 bis in relation to the Thirteenth Additional Provision of the Capital Companies Act, the ownership and exercise of the economic and political rights over the shares of SUBSTRATE ARTIFICIAL INTELIGENCE S.A. correspond to the person entitled as shareholder by virtue of the accounting registration of its shares, which may be an intermediary entity that holds such shares on behalf of beneficial owners or another intermediary entity. The Company does not intervene in or control the relationship between the beneficial owner and the intermediary entity or entities forming part of the chain of intermediary entities. The beneficial owner is not considered a shareholder and the obligations established with respect to the beneficial owner are solely the responsibility of the intermediary entity or entities, which are responsible for the fulfilment of such obligations.

- (iv) that the Shareholder is aware that both Class A Shares and Class B Shares of the Company participate in the Distribution, the ratio of Class A Shares being 1:1 (and taking into account that the nominal value of Class B Shares is 100 times lower than that of Class A Shares.), the number of shares of the Company, for each class, which must be held in order to be entitled to receive one Sub-Gen IA Share (the "**Distribution Ratio**"), is (a) 1 Sub-Gen IA Share for every 1 Class A Share; and (b) 1 Sub-Gen IA Share for every 100 Class B Shares.
- (v) that the Shareholder understands that there are a total of 121.934.307 Class A Shares and 138.638.460 Class B Shares in the Company, whereby, taking into account the Distribution Ratio, a maximum of 123.320.691 Subgen IA Shares are subject to distribution and that the remaining Subgen IA Shares (26.679.309 Shares of Subgen AI) will be held by the Company;
- (vi) that the Shareholder is aware that, according to the valuation report issued on 21 June 2024 by Checkpoint Partners S.L.U. (the "**Valuation Report**"), a valuation per Subgen AI share of EUR 0.01 per share (the "**Reference Price**") is established;
- (vii) that the Shareholder understands that, taking into account the Reference Price, the amount of share premium reserve to be effectively distributed pursuant to the Distribution is EUR 1.233.206,9; and
- (viii) that you have read and are aware of the contents of the communication of other relevant information published on 26 July 2024 on the website of BME Growth (www.bmegrowth.es) and on the Company's website (www.substrate.ai), which contains detailed information on the procedure, formalities and timetable of the Distribution.

Hereby the Shareholder:

1. elects to receive payment of the Distribution due to him in respect of the Shares, in full discharge of the Company, *[in respect of [•] Shares, in kind, by way of the delivery of ordinary shares in the share capital of the wholly-owned subsidiary Subgen AI Limited / in cash, for the equivalent amount in accordance with the Reference Price and in respect of [•] Shares, in kind, by way of the delivery of ordinary shares in the share capital of the wholly-owned subsidiary Subgen AI Limited / in cash, for the equivalent amount in accordance with the Reference Price]*;
2. therefore waives the right to receive payment of the Distribution due to it in respect of the Shares *[in respect of [•] Shares, in kind, by way of the delivery of ordinary shares in the share capital of the wholly-owned subsidiary Subgen AI Limited / in cash, for the equivalent amount in accordance with the Reference Price and in respect of [•] Shares, in kind, by way of the delivery of ordinary shares in the share capital of the wholly-owned subsidiary Subgen AI Limited / in cash, for the equivalent amount in accordance with the Reference Price]*; *[choose the option not chosen in the previous point]*
3. acknowledges that it will in any event receive cash for the payment of the Distribution:
 - a. if the Shares are Class B Shares, if it holds Shares in a number which falls below the proportion of the Distribution Ratio or multiples thereof and surplus Shares are

generated, by the Company calculating and paying in cash the amount equal to the fraction resulting from dividing the surplus Class B Shares by such multiple and multiplying such fraction by the Reference Price, rounding the result to the nearest euro cent; and

b. in accordance with the Reference Price, for the cash amount corresponding to the Subgen AI shares or equivalent cash amount corresponding in accordance with the Distribution Ratio to the Class A Shares and Class B Shares held in treasury of the Company as at 31 July 2024, which will be distributed among the remaining shareholders in proportion to the nominal value of their interest in the share capital of the Company;



c. declares that it has been instructed by beneficial owners on whose behalf it has, directly or indirectly directly or indirectly registered the Shares, to renounce a cash amount of EUR [to be completed]; and

7. announces that the details of the bank account associated with the securities account in the Shareholder's name to which he wishes any cash transfer to be made to him under the Distribution in full discharge of the Company's liabilities will be as follows:

- Name of the entity: [to be completed].
- Country of destination: [to be completed].
- Name of addressee: [to be completed].
- IBAN code: [to be completed]
- BIC code: [to be completed].

Yours sincerely,

[●]

for and on behalf of [●] [full name of shareholder].

OPTION FORM FOR THE PAYMENT OF SHARE PREMIUM IN KIND²

(template for beneficial owners whose shares are registered through intermediary custodian entities)

TO: **[insert full corporate name of the relevant custodian intermediary entity]** TO: **[insert full corporate name of the relevant custodian intermediary entity]**.

[insert full address of the relevant custodian intermediary] **[insert full address of the relevant custodian]**.

[●] of **[●]** 2024

Dear Sirs:

Re. Extraordinary General Shareholder's Meeting of SUBSTRATE ARTIFICIAL INTELIGENCE S.A. (the "Company") - Distribution in kind of share premium reserve by delivery of ordinary shares in the share capital of wholly owned subsidiary Subgen AI Limited, or alternatively, payment in cash equivalent to the proposed distribution of share premium reserve in kind, at the option of the shareholders.

[●] **[insert full name of the ultimate beneficial owner]** (the "**Ultimate Beneficial Owner**"), domiciled in **[●]** **[insert full address of the ultimate beneficial owner including country]**, informs its intermediary entity of the following:

- (i) that the Beneficial Owner holds **[●]** **[insert number of rights to shares]** rights to shares of the Company of **[class A / class B]** (the "**Shares**");
- (i) that the Shares are registered in the name of the Beneficial Owner in **[●]** **[insert full corporate name of the relevant depositary entity]** **[and that the above depositary entity in turn has the Shares registered, either directly or through another custodian intermediary entity/entities, in [●]]** who is the shareholder by virtue of the book-entry registration of the Company's shares;
- (ii) that the Beneficial Owner is aware that the Extraordinary General Shareholder's Meeting of the Company of the Company held on 26 July 2024 resolved, under agenda item one, to distribute in kind the share premium reserve on a maximum amount of EUR 1,500,000 through the delivery of ordinary shares in the share capital of the wholly-owned subsidiary Subgen AI Limited

² Pursuant to article 497 bis in relation to the Thirteenth Additional Provision of the Capital Companies Act, the ownership and exercise of the economic and political rights over the shares of SUBSTRATE ARTIFICIAL INTELIGENCE S.A. correspond to the person entitled as shareholder by virtue of the accounting registration of its shares, which may be an intermediary entity that holds such shares on behalf of beneficial owners or another intermediary entity. The Company does not intervene in or control the relationship between the beneficial owner and the intermediary entity or entities forming part of the chain of intermediary entities. The beneficial owner is not considered a shareholder and the obligations established with respect to the beneficial owner are solely the responsibility of the intermediary entity or entities, which are responsible for the fulfilment of such obligations.

("Subgen AI"), or alternatively, the cash payment equivalent to the proposed share premium reserve in kind distribution, at the election of the shareholders (the "Distribution");

- (i) that the Beneficial Owner knows that both Class A Shares and Class B Shares of the Company participate in the Distribution, the ratio of Class A Shares being 1:1 (and taking into account that the nominal value of Class B Shares is 100 times lower than that of Class A Shares.), the number of shares of the Company, for each class, which must be held in order to be entitled to receive one Sub-Gen IA Share (the "Distribution Ratio"), is (a) 1 Sub-Gen IA Share for every 1 Class A Share; and (b) 1 Sub-Gen IA Share for every 100 Class B Shares;
- (ii) that the Beneficial Owner understands that there are a total of 121.934.307 Class A Shares and 138.638.460 Class B Shares in the Company, whereby, taking into account the Distribution Ratio, a maximum of 123.320.691 Subgen IA Shares are subject to distribution and that the remaining Subgen IA Shares (26.679.309 Shares of Subgen AI) will be held by the Company;
- (iii) that the Beneficial Owner is aware that, according to the valuation report issued on 21 June 2024 by Checkpoint Partners S.L.U. (the "Valuation Report"), a valuation per Subgen AI share of EUR 0.01 per share (the "Reference Price") is established;
- (iv) that the Beneficial Owner understands that, taking into account the Reference Price, the amount of share premium reserve to be effectively distributed pursuant to the Distribution is EUR 1.233.206,9;
- (v) that it has read and is aware of the contents of the communication of other relevant information published on 26 July 2024 on the website of BME Growth (www.bmegrowth.es) and on the Company's website (www.substrate.ai), which contains detailed information on the procedure, formalities and timetable of the Distribution.
- (vi) that the Beneficial Owner also acknowledges that the deadline for completing and sending this form may be different from that indicated in the communication referred to in section (vii) above, and that the intermediary entity may set an earlier deadline in order to facilitate the processing by the intermediary entity of the choices relating to the Distribution.

Hereby the Beneficial Owner:

1. instructs its intermediary custodian entity, either directly or indirectly (through instruction down the chain to the shareholder by virtue of the book entry of the Company's shares), to elect to receive payment of the Share Distribution, [*in kind, by delivery of ordinary shares in the share capital of the wholly owned subsidiary Subgen AI Limited / in cash, in the equivalent amount in accordance with the Reference Price*];
2. therefore waives that its intermediary custodian entity, either directly or indirectly (through the chain to the shareholder by virtue of the book entry of the Company's shares), elects to receive the Share Distribution payment [*in kind, by way of delivery of ordinary shares in the share capital of the wholly owned subsidiary Subgen AI Limited / in cash*]; [*choose the option not chosen in the previous point*]

3. acknowledges that its intermediary custodian, will in any event, either directly or indirectly (through the chain to the shareholder by virtue of the book-entry of the Company's shares receive cash for the payment of the Distribution:
 - a. if the Shares are Class B Shares, if it holds Shares in a number which falls below the proportion of the Distribution Ratio or multiples thereof and surplus Shares are generated, by the Company calculating and paying in cash the amount equal to the fraction resulting from dividing the surplus Class B Shares by such multiple and multiplying such fraction by the Reference Price, rounding the result to the nearest euro cent; and
 - b. in accordance with the Reference Price, for the cash amount corresponding to the Subgen AI shares or equivalent cash amount corresponding in accordance with the Distribution Ratio to the Class A Shares and Class B Shares held in treasury of the Company as at 31 July 2024, which will be distributed among the remaining shareholders in proportion to the nominal value of their interest in the share capital of the Company;
 - c. unless you tick the following box, if the cash payment is less than one euro, you choose not to receive it; and
4. in case it has opted for payment of the Share Distribution in kind by delivery of ordinary shares in the share capital of the wholly owned subsidiary Subgen AI, it instructs its depositary intermediary entity, either directly or indirectly (through the instruction in turn through the chain to the shareholder by virtue of the accounting record of the shares of the Company), to update its records to reflect the Share Rights; and
5. instructs its depositary entity, either directly or indirectly (through the instruction in turn through the chain from the shareholder by virtue of the book-entry of the Company's shares), to transfer the cash amount corresponding to the Shares that are due to the Beneficial Owner under the Distribution, to the bank account associated to the securities account in the name of the Beneficial Owner where the Shares are registered, whose details are set out below:
 - Name of the entity: *[to be completed]*.
 - Country of destination: *[to be completed]*.
 - Name of addressee: *[to be completed]*.
 - IBAN code: *[to be completed]* IBAN code: *[to be completed]* IBAN code: *[to be completed]*
 - BIC code: *[to be completed]*.

Yours sincerely,

for and on behalf of *[full name of the ultimate beneficial owner]*.