

29 July 2024

SUBSTRATE ARTIFICIAL INTELLIGENCE SOCIEDAD ANONIMA

("Substrate AI" or the "Company")

EXTRAORDINARY GENERAL MEETING RESOLUTIONS

Substrate AI (AQUIS: SAI/SAI.B) is pleased to announce that the resolutions put to shareholders at the Extraordinary General Meeting held on 26 July 2024 were duly passed, as detailed below.

- 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 was submitted for approval by the shareholders:

"To approve the partial distribution of the existing reserve in the Company's balance sheet corresponding to the share issue premium for a maximum amount of €1,500,000, 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 "Distribution")."

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 31 July 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 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 to take place from 1 August 2024 to 30 September 2024, inclusive. During the Option Period, the Company's shareholders may contact the Company and its depository 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 on the website to the shareholders of the Company, and which must be sent completed, in which it is stated that the respective shareholder is aware of the adoption of the Distribution agreement and its terms, which confirms either the choice to receive cash or shares from the Subsidiary, as well as any other data that is necessary for 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 14 October 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 effected through the subscription of any documents that may be required in accordance with the laws applicable to the transfer of shares, which is expected to take place on or before 31 October 2024.

Shareholders entitled to participate in the Distribution who do not complete and submit the form within the Option Period may, for an additional period of approximately one month after the end of the Option Period, contact the Company to complete 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 the respective shareholder 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.

4. Tax treatment in Spain.

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 in Spain.

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 in Spain, 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, dated 5 March 2004, approving the revised text of the Law on Non-Resident Income Tax is applicable or any reduced rate provided for in an agreement signed by Spain to avoid double taxation.

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 herein, nor is the possible application of exemptions or reduced rates provided for in Spanish regulations and agreements to avoid double taxation. Equally, any particularities that may be applicable to shareholders resident in the Historical Territories of the Basque Country or the Autonomous Community of Navarra are not analysed herein. Shareholders should consult their tax advisors on the tax consequences specific to their own circumstances.

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 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 appropriate for the 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 was approved unanimously.

Consequently, this resolution was approved with the favourable 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:

"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 allows, 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 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 was approved unanimously.

Consequently, this resolution was approved with the favourable 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 was submitted to the shareholders:

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

Vote on the agreement: It was approved unanimously.

The option forms for shareholders are available on the Company's website at <https://substrate.ai/en/detalles-corporativos/>

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

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.

For further information, please contact:

Substrate AI	
Lorenzo Serratosa Chairman	info@substrate.ai
First Sentinel Corporate Finance Corporate Advisors	
Brian Stockbridge	+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.