

# substrate AI <sup>PI</sup>

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28006 Madrid

## **BME - GROWTH**

Stock Exchange Palace  
Plaza de la Lealtad, 1  
28014 Madrid

Madrid, October 31, 2024

## **COMMUNICATION- OTHER RELEVANT INFORMATION - SUBSTRATE ARTIFICIAL INTELLIGENCE, S.A.**

Dear Sirs,

By virtue of the provisions of Article 17 of Regulation (EU) No. 596/2014 on market abuse and Article 227 of the consolidated text of the Securities Market Act, approved by Royal Legislative Decree 4/2015, of 23 October, 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" interchangeably).

- I. Limited Review Report for the Interim Consolidated Financial Statements for the six-month period ended June 30, 2024.
- II. Interim Consolidated Financial Statements for the six-month period ended June 30, 2024.
- III. Individual Interim Financial Statements for the six-month period ended June 30, 2024.
- IV. Degree of compliance with the forecasts for the 2024 financial year.

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 of the Board of Directors**

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Report on Limited Review

SUBSTRATE ARTIFICIAL INTELIGENCE, S.A. Y SOCIEDADES  
DEPENDIENTES  
Interim Consolidated Condensed Financial Statements  
for the six-month period ended  
June 30, 2024

## REPORT ON LIMITED REVIEW OF INTERIM CONSOLIDATED CONDENSED FINANCIAL STATEMENTS

Translation of a report and financial statements originally issued in Spanish. In the event of discrepancy, the Spanish-language version prevails

To the Shareholders of SUBSTRATE ARTIFICIAL INTELIGENCE, S.A., at the request of the Board of Directors

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### Introduction

We have carried out a limited review of the accompanying interim consolidated condensed financial statements of SUBSTRATE ARTIFICIAL INTELIGENCE, S.A. and its subsidiaries, which consists of the balance sheet at June 30, 2024, the income statement, statement of other comprehensive income, the statement of changes in equity, the cash flow statement and the explanatory notes thereto (all of them consolidated and condensed) for the six-month period then ended. The directors are responsible for the preparation of the Company's interim financial statements in accordance with International Accounting Standard (IAS) 34, Interim Financial Reporting, as adopted by the European Union, for the preparation of interim condensed financial information and for such internal control as they determine is necessary to enable the preparation of interim financial statements that are free from material misstatement, whether due to fraud or error. Our responsibility is to express a conclusion on said interim financial statements based on our limited review.

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### Scope of review

We conducted our limited review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A limited review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A limited review is substantially less in scope than an audit conducted in accordance with prevailing audit regulations in Spain and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on the accompanying interim financial statements.

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### Conclusion

As a result of our limited review, which under no circumstances should be considered an audit of financial statements, nothing came to our attention that would lead us to conclude that the accompanying interim consolidated condensed financial statements for the six-month period ended at June 30, 2024 are not prepared, in all material respects, in conformity with International Accounting Standard (IAS) 34, Interim Financial Reporting, as adopted by the European Union, for the preparation of interim condensed financial statements.

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Other information: interim consolidated management report

The attached interim consolidated management report for the six-month period ended June 30, 2024 contains the explanations that the directors of the Parent Company consider appropriate on the material events that occurred in this period and their impact on the interim consolidated condensed financial statements presented, of which it is not part, as well as on the information required in accordance with the provisions of Article 15 of Royal Decree 1362/2007. We have verified that the accounting information contained in the aforementioned interim consolidated management report is consistent with the interim consolidated condensed financial statements for the six-month period ended June 30, 2024. Our work is limited to the verification of the interim consolidated management report with the scope mentioned in this same paragraph and does not include the review of information other than that obtained from the accounting records of SUBSTRATE ARTIFICIAL INTELLIGENCE, S.A. and its subsidiaries.

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Emphasis of matter

We draw attention to the matter described in accompanying explanatory note 2.1, which indicates that the abovementioned interim consolidated condensed financial statements do not include all the information that would be required for complete financial statements prepared in accordance with International Financial Reporting Standards, as adopted by the European Union and therefore, the accompanying interim consolidated condensed financial statements should be read in conjunction with the consolidated financial statements for the year ended December 31, 2023. This matter does not modify our conclusion.

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Other issues

This report has been prepared at the request of SUBSTRATE ARTIFICIAL INTELIGENCIA, S.A. exclusively for the purpose of 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 on the BME Growth segment of BME MTF Equity.

ERNST & YOUNG, S.L.

(Signed in the original version in Spanish)

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María Florencia Krauss Padoani

October 30, 2024

SUBSTRATE ARTIFICIAL INTELIGENCE, S.A.  
AND SUBSIDIARIES

Condensed consolidated interim comprehensive balance sheet corresponding to the

Six-month period ended June 30, 2024

(Expressed in euros)

ASSETS	Notes	30.06.2024	31.12.2023 (restated)
<b>Non-current assets</b>		<b>38,365,886</b>	<b>35,542,054</b>
<b>Intangible assets and goodwill</b>		<b>33,966,561</b>	<b>31,795,511</b>
Goodwill	4 y 5	20,501,079	20,813,502
Other intangible assets	5	13,465,482	10,982,009
<b>Tangible fixed assets</b>	<b>6</b>	<b>384,263</b>	<b>235,379</b>
Freehold land and buildings		2,658	3,888
Plant, machinery and other equipment		331,605	231,491
Property, plant and Equipment in progress		50,000	-
<b>Right-of-use assets</b>		<b>546,656</b>	<b>551,384</b>
<b>Investment in an associated and a joint venture</b>		<b>251,657</b>	<b>151,000</b>
Share in equity	7.1	250,996	151,000
Other financial assets		661	-
<b>Non-current financial assets</b>	<b>7.1</b>	<b>1,226,760</b>	<b>840,073</b>
Share in equity		31,488	120
Debt instruments		555,284	221,289
Other financial assets		639,988	618,664
<b>Deferred tax assets</b>	<b>10</b>	<b>1,989,991</b>	<b>1,968,707</b>
<b>Current assets</b>		<b>9,663,081</b>	<b>9,716,646</b>
<b>Inventories</b>		<b>2,190,586</b>	<b>783,787</b>
Inventories	12.2	1,848,599	781,287
Advance to suppliers		341,987	2,500
<b>Trade receivables and contract assets</b>		<b>3,561,100</b>	<b>4,357,235</b>
Receivables from third-party customers	7.1	2,872,321	4,270,196
Other debtors	7.1	4,234	7,188
Personnel	7.1	2,424	4,400
Income tax assets	10	85	1,594
Other current tax assets	10	682,035	73,857
<b>Current Financial assets</b>	<b>7.1</b>	<b>1,600,947</b>	<b>27,415</b>
Debt instrumnets		1,553,581	12,111
Other financial assets		47,366	15,304
<b>Prepayments</b>		<b>75,371</b>	<b>32,959</b>
<b>Cash and other equivalent assets</b>		<b>2,235,076</b>	<b>4,515,250</b>
Cash and other equivalent assets		2,204,682	4,515,250
Other equivalent liquid assets		30,394	-
<b>TOTAL ASSETS</b>		<b>48,028,967</b>	<b>45,258,700</b>

SUBSTRATE ARTIFICIAL INTELIGENCE, S.A.  
AND SUBSIDIARIES

Condensed consolidated interim comprehensive balance sheet corresponding to the  
Six-month period ended June 30, 2024  
(Expressed in euros)

EQUITY AND LIABILITIES	Notes	30.06.2024	31.12.2023 (restated)
<b>Equity</b>		<b>29,432,807</b>	<b>23,753,061</b>
<b>Shareholders' Equity</b>	<b>9</b>	<b>31,558,489</b>	<b>25,710,791</b>
<b>Issued Capital</b>		<b>10,199,814</b>	<b>7,335,246</b>
<b>Share Premium</b>		<b>50,554,980</b>	<b>45,159,547</b>
<b>Reserves</b>		<b>(5,094,726)</b>	<b>(1,426,843)</b>
Legal & statutory reserves		600	600
Other reserves		(5,095,326)	(1,427,443)
<b>Treasury shares and own equity investments</b>		<b>(2,279,950)</b>	<b>(1,837,416)</b>
<b>Retained earnings</b>		<b>(23,446,979)</b>	<b>(16,469,079)</b>
<b>Net income for the period attributable to the parent</b>		<b>17,683</b>	<b>(8,835,376)</b>
<b>Other equity instruments</b>		<b>1,607,666</b>	<b>1,784,712</b>
<b>Non-controlling interests</b>		<b>1,344,803</b>	<b>931,477</b>
<b>Foreign currency translation reserve</b>		<b>(3,470,485)</b>	<b>(2,889,207)</b>
<b>Non current liabilities</b>		<b>5,952,609</b>	<b>8,361,125</b>
<b>Provisions</b>	<b>7.3</b>	<b>552</b>	<b>4,782</b>
<b>Non current financial liabilities</b>	<b>7.2</b>	<b>3,503,182</b>	<b>6,000,228</b>
Interest-bearing loans and borrowings		444,092	483,732
Debt with special characteristics		2,359,483	2,359,483
Other financial liabilities		247,067	2,700,572
Leasing Liabilities		452,540	456,441
<b>Deferred tax liabilities</b>	<b>10</b>	<b>1,762,629</b>	<b>1,803,861</b>
<b>Income to be distributed over several years</b>	<b>14</b>	<b>686,246</b>	<b>552,254</b>
<b>Current Liabilities</b>		<b>12,643,552</b>	<b>13,144,514</b>
<b>Provisions</b>	<b>7.3</b>	<b>202,036</b>	<b>264,407</b>
<b>Short-term liabilities</b>	<b>7.2</b>	<b>7,633,746</b>	<b>7,022,205</b>
Interest-bearing loans and borrowings		1,408,201	173,950
Leasing Liabilities		156,465	116,000
Other financial liabilities		6,069,080	6,732,255
<b>Liabilities with an associate and joint venture</b>	<b>7.2</b>	<b>9,300</b>	<b>9,300</b>
<b>Trade and other payables</b>		<b>4,742,803</b>	<b>5,848,602</b>
Suppliers	7.2	1,885,765	2,616,530
Other Creditors	7.2	121,317	706,247
Personnel	7.2	216,055	119,681
Income tax liabilities	10	535,214	53,914
Other tax liabilities	10	1,908,181	2,252,751
Client advances	7.2	76,272	99,479
<b>Short-term accruals</b>		<b>55,666</b>	<b>-</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>48,028,967</b>	<b>45,258,700</b>

SUBSTRATE ARTIFICIAL INTELIGENCE, S.A.  
AND SUBSIDIARIES

Condensed consolidated interim income statement corresponding to the

Six-month period ended June 30, 2024

(Expressed in euros)

	Notes	30.06.2024	30.06.2023 (restated)
<b>CONTINUING OPERATIONS</b>			
<b>Revenues</b>	<b>12.1</b>	6,892,973	1,797,510
Revenue from sales		2,621,187	858,559
Revenue from services		<b>4,271,786</b>	<b>938,951</b>
<b>Cost of Sales</b>	<b>12.2</b>	<b>(2,426,938)</b>	<b>(451,146)</b>
Cost of products		(1,424,845)	(424,511)
Cost of raw materials and others		(34,752)	(8,475)
Other costs of sales		<b>(967,341)</b>	<b>(18,159)</b>
<b>Other operating incomes</b>		2,542,036	738,645
Other current income		4,386	2,186
Other operating income		2,537,650	736,459
<b>Personnel costs</b>	<b>12.2</b>	<b>(2,498,964)</b>	<b>(1,520,338)</b>
Salary and others		(2,065,449)	(1,250,431)
Government funds		<b>(433,514)</b>	<b>(269,908)</b>
<b>Other operating expenses</b>		(2,812,913)	(1,300,425)
Operating expenses	12.2	(2,834,509)	(1,352,777)
Taxes		(41,898)	(11,709)
Expected credit losses of trade receivables and contract assets		63,631	64,121
Other operating expenses		<b>(138)</b>	<b>(59)</b>
<b>Depreciation</b>	<b>5 &amp; 6</b>	<b>(920,908)</b>	<b>(258,438)</b>
<b>Government funds for assets</b>	<b>13</b>	<b>17,042</b>	<b>17,042</b>
<b>Excess provisions</b>		<b>(3,426)</b>	-
<b>Impairment, gain and losses from non current assets</b>		(216,551)	-
Impairment and losses		<b>(216,551)</b>	-
<b>Other expenses</b>		<b>(23,490)</b>	<b>(49,952)</b>
<b>OPERATING PROFIT</b>		<b>548,862</b>	<b>(1,027,102)</b>
<b>Finance incomes</b>		<b>205,108</b>	<b>253</b>
		28,567	-
Interest income from debt instruments and other		176,541	253
<b>Finance expenses</b>		<b>(536,698)</b>	<b>(485,692)</b>
Interest cost from debt instruments and other		(536,698)	(485,692)
<b>Financial instrimnts fair value</b>		-	-
Third party dbt		-	-
<b>Exchange differences</b>		<b>428,904</b>	<b>(39,896)</b>
<b>Impairment, gain and losses from financial instruments</b>		<b>(139)</b>	<b>(9)</b>
<b>FINANCE PROFIT</b>		<b>97,175</b>	<b>(525,344)</b>
<b>Net position in hyperinflationary economy</b>	<b>3.1</b>	166,844	-
<b>Profit before tax from continuing operations</b>		<b>812,881</b>	<b>(1,552,446)</b>
<b>Income tax expense</b>		(439,802)	<b>(85,966)</b>
<b>Profit for the year from continuing operations</b>		<b>373,078</b>	<b>(1,638,412)</b>
<b>Profit for the year</b>		<b>373,078</b>	<b>(1,638,412)</b>
Equity holders of the parent		17,683	(1,715,465)
Non-controlling interests		355,395	77,053



SUBSTRATE ARTIFICIAL INTELIGENCE, S.A.  
AND SUBSIDIARIES

Condensed consolidated interim comprehensive income statement corresponding to the  
Six-month period ended June 30, 2024  
(Expressed in euros)

Consolidated condensed interim comprehensive income statement for six-month period ending  
30 June 2024 (expressed in euros):

Notes	30.06.2024	30.06.2023 (restated)
<b>Consolidated income for the year</b>	<b>373.078</b>	-
Conversion differences	(581.279)	-
Tax effect	-	-
<b>Total income and expenses recognized directly in shareholders' equity</b>	<b>(581.279)</b>	-
<b>Total transfers to the profit and loss account</b>	<b>(208.201)</b>	-
<b>TOTAL CONSOLIDATED REVENUES AND EXPENSES RECOGNIZED</b>	<b>(208.201)</b>	-
<b>Total income and expenses attributable to the parent company</b>	<b>(563.596)</b>	-
<b>Total income and expenses attributed to minority interest</b>	<b>355.395</b>	-

SUBSTRATE ARTIFICIAL INTELLIGENCE, S.A.  
AND SUBSIDIARIES

Consolidated condensed statement of changes in interim equity for the six-month period ended June 30, 2024 (Expressed in euros)

Consolidated condensed statement of changes in interim equity for the six-month period ended June 30, 2024 (expressed in euros):

	Deeded capital	Issue premium	Reserves	Treasury stock and shares	Other equity instruments	Results of prior years	Profit for the year attributable to the parent company	Conversion differences	External partners	TOTAL
<b>ended balance beginning of fiscal year 2023</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>	<b>-</b>	<b>82,850</b>	<b>18,234,440</b>
Recognized income and expenses	-	-	-	-	-	-	(8,732,037)	(2,888,698)	266,767	(11,353,968)
Increases (note 11)	2,838,676	7,512,825	-	-	-	-	-	-	267,180	10,618,681
Changes in shareholders' equity	-	-	(566,969)	-	-	(14,514,550)	15,081,519	-	-	-
Extinction of financial liabilities into equity (note 11)	2,045,547	3,098,598	-	-	434,044	-	-	-	-	5,578,189
Transactions (note 16)	-	-	-	-	1,000,000	-	-	-	-	1,000,000
Buyback transactions (net) (note 11)	-	-	(38,355)	(721,127)	-	-	-	-	-	(759,482)
Transactions	-	-	535,493	-	-	(311,124)	-	-	319,051	543,420
	-	-	-	-	-	-	-	-	-	-
<b>ended balance for the year 2023</b>	<b>7,335,246</b>	<b>45,159,547</b>	<b>(1,426,843)</b>	<b>(1,837,416)</b>	<b>1,784,712</b>	<b>(16,469,079)</b>	<b>(8,732,037)</b>	<b>(2,888,698)</b>	<b>935,848</b>	<b>23,861,280</b>
Adjustment for fiscal year 2023 (note 4.2)	-	-	-	-	-	-	(103,339)	(509)	(4,371)	-
<b>ended balance as of 12.31.2023 (restated)</b>	<b>7,335,246</b>	<b>45,159,547</b>	<b>(1,426,843)</b>	<b>(1,837,416)</b>	<b>1,784,712</b>	<b>(16,469,079)</b>	<b>(8,835,376)</b>	<b>(2,889,207)</b>	<b>931,478</b>	<b>23,753,061</b>
Recognized income and expenses	-	-	-	-	-	-	17,683	(581,278)	355,395	(208,200)
Increases (note 11)	400,000	1,600,000.00	-	-	-	-	-	-	-	2,000,000
Changes in shareholders' equity	-	-	(1,953,499)	-	-	(6,881,877)	8,835,376	-	-	0
Extinction of financial liabilities into equity (note 11)	2,464,568	3,535,433	-	-	82,954	-	-	-	-	6,082,955
Transactions (note 16)	-	260,000	-	-	(260,000)	-	-	-	-	-
Buyback transactions (net) (note 11)	-	-	-	(442,534)	-	-	-	-	-	(442,534)
Transactions	-	-	(1,714,384)	-	-	(96,023)	-	-	57,930	(1,752,477)
	-	-	-	-	-	-	-	-	-	-
<b>ended balance as of 06/30/2024</b>	<b>10,199,814</b>	<b>50,554,980</b>	<b>(5,094,726)</b>	<b>(2,279,950)</b>	<b>1,607,666</b>	<b>(23,446,979)</b>	<b>17,683</b>	<b>(3,470,485)</b>	<b>1,344,803</b>	<b>29,432,807</b>

SUBSTRATE ARTIFICIAL INTELIGENCE, S.A.  
AND SUBSIDIARIES

Consolidated condensed interim cash flow statement for the six-month period ended 30 June  
2024 (Expressed in euros)

Consolidated condensed interim cash flow statement for the six-month period ended 30 June  
2024 (expressed in euros):

STATEMENT OF CASH FLOWS	NOTES	30.06.2024 (6 months)	30.06.2023 (6 months restated)
<b>(A) CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>1, Profit before tax for the year</b>		<b>812,881</b>	<b>(2,464,503)</b>
<b>2, Result Adjustments:</b>		<b>859,823</b>	<b>1,562,254</b>
a) Depreciation of fixed assets (+)	5-6	920,908	1,134,537
b) Valuation adjustments for impairment (+/-)		216,551	(64,121)
c) Change in provisions (+/-)		3,426	2,876
(d) Allocation of subsidies		(17,042)	(17,042)
f) Profit or loss on deregistration and disposal of financial instruments (+/-)		139	-
(g) Financial income (-)		(205,108)	(3)
(h) Financial expenditure (+)		536,698	466,102
(i) Exchange rate differences (+/-)		(428,904)	39,896
j) Change in fair value in financial instruments (+/-)		-	9
k) Otros ingresos y gastos (-/+)		(166,844)	-
<b>3, Changes in current capital:</b>		<b>(1,758,876)</b>	<b>(805,486)</b>
(a) Stocks (+/-) (*)		(1,406,799)	(57,822)
(b) Accounts receivable and other accounts receivable (+/-) (*)	7.1	796,135	(822,890)
(c) Other current assets (+/-)		(42,412)	-
(d) Accounts payable and other payables (+/-) (*)	7.2	(1,105,799)	62,345
(e) Other current liabilities (+/-)		-	(57,840)
f) Otros activos y pasivos no corrientes (+/-)		-	12,882
<b>4, Other cash flows from operating activities</b>		<b>(323,706)</b>	<b>(110,095)</b>
a) Interest payments (-)		(284,393)	(110,095)
d) Income tax receivable (payable) (+/-)		(17,994)	-
e) Other receivables and payables (-/+)		(21,319)	-
<b>5, Cash flows generated from operating activities</b>		<b>(409,878)</b>	<b>(1,817,830)</b>
<b>(B) CASH FLOWS FROM INVESTING ACTIVITIES</b>			
<b>6, Investment payments (-)</b>		<b>(2,925,978)</b>	<b>(660,686)</b>
(b) Intangible fixed assets	5	(2,664,109)	(597,408)
(c) Property, plant and equipment	6	(261,869)	(40,678)
(e) Other financial assets	7.1	-	(22,600)
<b>7, Proceeds from divestments (+)</b>		<b>-</b>	<b>8,400</b>
(e) Other financial assets		-	8,400
<b>8, Cash flows from investing activities</b>		<b>(2,925,978)</b>	<b>(652,286)</b>
<b>(C) CASH FLOWS FROM FINANCING ACTIVITIES</b>			
<b>9, Collections and payments for equity instruments</b>		<b>(517,484)</b>	<b>2,417,971</b>
a) Issuance of equity instruments (+)	11	-	3,150,000
c) Acquisition of equity instruments (-)		(517,484)	(738,029)
Other member contributions		-	6,000
<b>10, Receipts and payments for financial liability instruments</b>		<b>1,573,166</b>	<b>(535,267)</b>
a) Issuance:		3,176,002	-
2. Debts to credit institutions (+)		1,176,002	-
4. Other debts (+)		2,000,000	-
(b) Repayment and amortization of:		(1,602,836)	(535,267)
2, Debts to credit institutions (+)		(36,569)	(38,433)
4. Other debts (-)		(1,566,267)	(496,834)
<b>12, Cash flows from financing activities</b>		<b>1,055,682</b>	<b>1,882,704</b>
D) Effect of exchange rate changes		0	-
<b>(E) NET INCREASE/DECREASE IN CASH OR CASH EQUIVALENTS</b>		<b>(2,280,174)</b>	<b>(587,412)</b>
Cash or cash equivalents at the beginning of the financial year		4,515,250	1,623,483
Cash or cash equivalents at the end of the year		2,235,076	1,036,071

SUBSTRATE ARTIFICIAL INTELIGENCE, S.A.  
AND SUBSIDIARIES

Explanatory notes to the condensed consolidated interim financial statements for the six-month period ended June 30, 2024 (Expressed in euros)

Explanatory notes to the condensed consolidated interim financial statements for the six-month period ended June 30, 2024 (expressed in euros).

## **1. Group Formation and Activity**

### **1.1 Activity**

Substrate Artificial Intelligence, S.A., hereinafter "Parent Company", was incorporated as a limited company, for an indefinite period of time, on December 9, 2010, under the name "Kau Finanzas, S.L.", with its current registered office, at Calle María de Molina nº41 Oficina 503, Madrid.

The company is registered in the Mercantile Registry of Madrid, Volume 43321, Book 0, 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 Intelligence, S.A.

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

Substrate Artificial Intelligence, S.A. and Subsidiary Companies (hereinafter, the "Group" or "Substrate AI Group"), have the following corporate purpose:

- The provision of information society services aimed at providing knowledge tools in the financial area and others related to it, in order to facilitate access to third parties interested in acquiring financial culture and instruments that allow interpreting such information through the learning modality called e-learning.
- Acquisition, holding and administration management of share securities
- Acquisition, holding, marketing, lease and exploitation of all types of rural or urban properties
- Preparation of investment reports and financial analysis.
- Financial Mediation Services
- 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.
- Marketing and after-sales service of animal and human diagnostic imaging machinery (radiology, MRIs and computed tomography).
- Human resources services.
- Creation and development of state-of-the-art artificial intelligence systems and their application in various sectors

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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 a proprietary technology that allows us to address the problems faced by companies in the digitization and rationalization of processes. This activity is supported by the study "Integrated Multi-Task Agent Architecture with Affect-Like Guided Behavior", carried out by external collaborators of the Group, presented at the Biologically Inspired Cognitive Architectures and by patents in the process of development and registration (see note 6).

The operational geographical scope of the Substrate Group extends to countries such as the United Kingdom, the United States, several Latin American countries and the European Union.

These financial statements are presented in euros as this is the functional and presentation currency of the Parent Company.

## **2. Basis for presentation of condensed consolidated interim financial statements and consolidation principles**

### **2.1 True image and regulatory framework of reference**

The condensed consolidated interim financial statements have been prepared based on the accounting records of Substrate Artificial Intelligence, S.A. and Subsidiaries. These consolidated interim financial statements have been presented in accordance with International Accounting Standard (IAS) 34 on Interim Financial Reporting. The Group prepares its consolidated financial statements in accordance with the International Financial Reporting Standards adopted by the European Union (EU-IFRS).

These condensed consolidated interim financial statements for the 6-month period ended June 30, 2024 do not include all the additional information and disclosures required in the consolidated financial statements and, for their correct interpretation, should be read together with the consolidated financial statements of the Substrate Group for the financial year 2023 that are available on the Substrate website ([www.](http://www.)). These condensed consolidated interim financial statements have been prepared by the Board of Directors at its meeting on 29 October 2024, in order to present a true image of the financial situation and results of the same six-month period and comply with the requirement established by BME Growth.

Due to the activity of the companies integrated into the Group, the transactions carried out by the Group are not subject to seasonality or relevant cyclical components. The recognition of revenue from contracts with customers depends, fundamentally, on the fulfilment of the performance obligations contained therein.

### **2.2 Non-mandatory accounting principles applied**

The accounting principles and criteria applied for the preparation of these condensed consolidated financial statements are those summarized in Note 3 of the consolidated financial statement. All mandatory accounting principles with an impact on consolidated equity, financial position and consolidated results have been applied in the preparation of these condensed consolidated financial statements.

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### **2.3 Critical aspects of valuation and estimation of uncertainty**

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

In the preparation of these condensed consolidated 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.  
Recoverable value of consolidation goodwill and other intangibles.

The management body has made these estimates based on the best information available as of June 30, 2024, and it is possible that events that may take place in the future may force 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 Group's activity, differences between projected and actual results could be revealed.

#### Going concern principle

The directors of the Parent company have prepared these condensed interim consolidated financial statements, assuming the continuity of the Group's activity, stating that the result as of June 30, 2023 has been positive at 373,078 euros (negative result of 1,638,412 euros at 30 June 2023) characteristic values of any startup. The working capital as of June 30, 2024 has been negative in the amount of 2,980,473 euros (negative 3,427,868 euros as of December 31, 2023), however the company has sufficient liquidity to meet its payments described in the next paragraph. The Strategic Plan prepared by the Group until 2028 is based on the effective application of the artificial intelligence systems developed by the Group.

As of June 30, 2024, the Group has a financing agreement of up to 20,000,000 euros with the ABO fund (see note 7), a financing agreement with the company INDICO INVESTMENTS of up to 2,000,0000 euros and a final financing agreement with the company UNITED GENERAL for an amount of 2,000,000 euros (see note 15).

Based on all of the above, the Directors of the Parent Company prepared the consolidated financial statements condensed under the going concern principle.

### **2.4 Comparison of information**

These condensed consolidated interim financial statements and explanatory notes thereto relate to the six-month period ended June 30, 2024 ("the six-month period ended June 30, 2024" or "the first half of 2024"). For its part, the information relating to the year ended December 31, 2023 restated (note 4.2) (hereinafter, "the 2023 financial year") as well as the information referring to the six-month period ended June 30, 2023 (hereinafter, "the six-month period ended June 30, 2023" or "the first half of 2023") is included, solely and exclusively, for comparative purposes with the information as of June 30, 2024 and is presented in accordance with IFRS-EU.

During the first half of 2024, Management has completed the business combinations of YAMRO HOLDING LIMITED (IFIT SOLUTIONS GROUP), PSVET DAIRYQUALITY, S.L., DIAGXIMAG S.L. and BINIT, SRL and DELTANOVA S.A. (as a SUGEN AI LTD subgroup), all of them integrated for the first time in 2023, see Note 4 of the consolidated annual accounts for the year 2023. As a consequence of the facts and circumstances that have become apparent after

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December 31, 2023 and having completed the price allocation process, the Group has adjusted the value of the identifiable net assets acquired in the business combination of the IFIT SOLUTIONS GROUP, of the company PSVET DAIRIQUALITY, S.L. and the DELTANOVA group, modifying the value of the consolidation goodwill, which has been carried out, as established by IFRS 3, retrospectively, being within the period of 1 year from the initial valuation of the business combination ( see note 4.2). For its part, no differences have been revealed in the values of the business combination DIAGXIMAG S.L. nor of the rest of the companies belonging to SUBGEN AI LTD.

During fiscal year 2023, the company decided to prepare its consolidated financial statements in accordance with IFRS, preparing its first consolidated financial statements as of December 31, 2023. The interim consolidated financial statements as of June 30, 2024, were presented in accordance with the General Accounting Plan (PGC, Spanish acronym) approved in Royal Decree 1514/3007. That is why the interim consolidated profit and loss account as of June 30, 2023, and the consolidated statement of cash flows as of that date have been restated applying IFRS, for comparison. See the main impacts broken down in note 3.16 of the consolidated financial statements as of December 31, 2023.

### 2.5 Bug fixes

In the preparation of the condensed consolidated interim financial statements and the accompanying explanatory notes, no significant error has been detected that has led to the restatement of the amounts included in the consolidated financial statements for the financial year 2023.

### 2.6 Consolidation Perimeter

In preparing the condensed consolidated financial statements, the Group has aggregated the financial statements of the parent and its subsidiaries, adding the items representing assets, liabilities, equity, income and expenses of similar content. In order for the condensed consolidated 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 having eliminated in their entirety the intra-group balances, transactions, income and expenses.

The subsidiaries included in the consolidation perimeter are the following:

Company Name	Country	Percentage of direct ownership	Effective owner	Activity
ZONA VALUE GLOBAL, S.L	Valencia/ España	100,00%	100,00%	Acquisition, holding and administration management of securities and leasing of real estate
KAU MARKET EAF, S.L	Valencia/ España	-	100,00%	Preparation of investment reports and financial analysis
AIREN AI FOR RENEWABLE ENERGY, S.L	Valencia/ España	90,00%	90,00%	Computer programming activities
BOALVET AI, S.L	Sevilla/ España	78,76%	78,76%	Computer programming activities
PSVET DAIRYQUALITY, S.L	Boqueixon/ España	-	78,76%	Veterinary practice and clinic, training for the livestock sector
SUBSTRATE AI USA, INC	Colorado/ USA	100%	100%	Businesses, activities or various functions of technological development and AI
AI SAIVERS LLC	Miami/ USA	-	100%	Various activities related to AI
CUARTA DIMENSION MÉDICA, S.L	Valencia/ España	65,12%	65,12%	Marketing and after-sales service of diagnostic imaging equipment
DIAXIMAG, S.L	Gijón/ España	-	65,12%	Miscellaneous business, activities or functions, including sales of diagnostic imaging
SAVE THE PLANET, S.L.U	Valencia/ España	100,00%	100,00%	Energy efficiency business, activities or functions
YAMRO HOLDING LIMITED (*)	Londres/ UK	100%	100%	Provision of personnel selection services
SUBGEN AI, LTD (**)	Londres/ UK	100%	-	Software development

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(\*) This Company is the head of a subgroup made up of the following Companies with similar activity:

Company Name	Country	Effective
IFIT Solutions LTD UK (Includes Permanent establishment Spain)	UK	100,00%
CRIFIT Solutions SLR (costa rica)	Costa rica	100,00%
IFIT Solutions LLC (EEUU)	EEUU	100,00%
IFIT Solutions SRLCV (Mexico)	México	99,50%
FLEEBE AI, S.L.	SPAIN	100%

(\*\*) This Company is the head of a subgroup made up of the following Companies with similar activity:

Company Name	Country	ownership
SUBSTRATE AI SPAIN SL	Spain	100%
BINIT SRL	Argentina	91,00%
DELTANOVA SA	Uruguay	91,00%
BINIT Brasil Holding LTDA	Brazil	91,00%
DELTANOVA Tech SL	Spain	91,00%

### 3. Accounting Principles and Valuation Criteria

#### 3.1 Consolidation Basis

The condensed consolidated financial statements comprise the financial statements of the Parent and its subsidiaries as of June 30, 2024. Dependent companies are considered to be those over which the Company exercises control. The Group has control over a subsidiary if, and only if, the Group has at the same time:

Power of attorney through existing rights that give you the power to direct the relevant activities of the dependent

Exposure, or rights to variable returns derived from their involvement

He can influence such income by exercising his power over the dependent

The subsidiaries have been consolidated by applying the full integration method from the date of acquisition, which is the date on which the Group acquires control, and they continue to be consolidated until the date on which such control ceases.

The result of a subsidiary company, as well as other results in equity, is attributed to external partners, even if it involves recording a debit balance with them. A change in the percentage of interest in a subsidiary company, which does not imply a loss of control, is reflected as an equity transaction.



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The items in the balance sheet and profit and loss account of the companies included in the condensed consolidated interim financial statements and whose functional currency is different from the presentation currency, are translated into euros by applying the closing exchange rate method according to which the conversion involves:

All assets, rights and liabilities are translated using the exchange rate in effect as of the closing date of the condensed consolidated financial statements.

Items in the income statement are translated using the average exchange rate, provided that such average is a reasonable approximation of the cumulative effect of the rates existing at the dates of the transactions, except for the company present in Argentina whose economy was declared hyperinflationary and therefore in accordance with IAS 29 its consolidated statement of comprehensive income has been converted by applying the closing exchange rate of the exercise.

The difference between the amount of the net assets of foreign companies, including the balance of the profit and loss account in accordance with the previous paragraph, converted at the historical exchange rate, and the net equity position resulting from the conversion of the assets, rights and obligations in accordance with the first paragraph above, is recorded, with the corresponding negative or positive sign, in the Equity of the Consolidated Balance Sheet Condensed under the heading of translation differences.

In 2018, Argentina was declared a hyperinflationary economy due, among other causes, to the fact that the accumulated inflation rate of its economy exceeded 100% in a continuous period of 3 years. As a result of the above and the acquisition in 2023 of the Argentine company Binit Srl (see Note 4), the Group applies IAS 29 to the financial statements of this company, i.e., the financial statements that were at historical values have been restated at current values, applying the corresponding general price index and have been converted into the Group's presentation currency, considering the closing exchange rate of the euro with the Argentine peso.

For the restatement of the financial statements at current values, the general price index generally accepted in Argentina has been used. In relation to the conversion to presentation currency, a closing exchange rate of 970.899 Argentine pesos per Euro has been applied.

The impact for the six months of the period as of June 30, 2024, of the hyperinflation adjustment on assets, equity and income statement is 608,338,332 (lower assets), 464,632,411 (lower equity) and 18,956,202 (more income) Argentine pesos, respectively (626,572, 478,559 and 19,524 euros, respectively).

There are no other companies in the Group's consolidation perimeter, except for those mentioned above, that have been considered hyperinflationary economies.

### **3.2 Criteria used in transactions between related parties**

In general, transactions between group companies are recognized at fair value at the outset. Where appropriate, if the agreed price differs from its fair value, the the difference is recorded according to the economic reality of the operation. The subsequent valuation is carried out in accordance with the provisions of the corresponding regulations.

All debit and credit balances and transactions between the Group's companies, as well as the results not yet realized with third parties, have been eliminated in the consolidation process.

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### 3.3 Accounting policies

The accounting policies used in the preparation of these interim condensed consolidated financial statements are the same as those applied in the consolidated annual accounts for the year ended December 31, 2023, since none of the standards, interpretations or modifications that are applicable by for the first time this year it has had an impact on the Group's accounting policies.

The Group intends to adopt the standards, interpretations and amendments to standards issued by the IASB, which are not mandatory in the European Union, when they come into force, if applicable. Although the Group is currently analyzing its impact, based on the analysis carried out to date, the Group estimates that its initial application will not have a significant impact on its consolidated annual accounts or interim condensed consolidated financial statements.

## 4. Business Combinations

### 4.1 ACQUISITIONS

#### *Acquisitions as of December 31, 2023*

##### IFIT Group

On July 31, 2023, the Group's parent company, Substrate Artificial Inteligence, S.A., acquired all the shares of the company domiciled in London, United Kingdom, called Yamro Holding Limited. This company 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

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.

These services are mostly provided to clients in the USA and the United Kingdom.

The cost of the business combination was 4,602,573 US dollars (US\$), recorded at the exchange rate on the day of the transaction for 4,175,427 euros, which must be paid as follows:

- US\$290,573 through the issuance of Class A shares (with voting rights) of the buyer, Substrate Artificial Inteligence S.A. and
- US\$4,312,000 through the issuance of Class A and B shares (non-voting) in the proportion determined by the buyer.

The purchased shares of Yamro Holding Limited are equivalent to 100 ordinary shares at £1 each, representing the entire share capital of the company. The purchased shares have the following guarantees:

If the total sum received by the seller YARO INVESTMENT HOLDING LTD is less than US\$4,312,000, the seller may:

Elect to recover a portion of the sold shares (the 100 common shares of Yamro Holding Limited) to cover the missing value; or

Demand immediate payment to Substrate Artificial Inteligence, S.A. of the missing amount

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The IFIT Group acquired by Substrate was composed of the following companies:

**Parent company**

Yamro Holding Limited (located in England)

**Subsidiaries**

IFIT Solutions Limited (located in England) (100% owned by the parent)  
 CRIFIT Solutions (located in Costa Rica) (100% owned by the parent company)  
 IFIT Solutions SRL de CV (located in Mexico) (99.5% owned by the parent company)  
 IFIT Solutions LLC (located in the USA) (100% owned by CRIFIT Solutions)  
 IFIT Solutions LTD (Spain) (permanent establishment of Ifit Solutions LTD located in Spain) (100% owned by IFIT Solutions Ltd)

The IFIT Group's transaction scope includes: IFIT Solutions LLC, IFIT Solutions LTD and its permanent establishment in Spain, IFIT Solutions S.R.L.C.V. and CRIFIT Solutions SRL. The IFIT group does not prepare consolidated financial statements for the transaction perimeter.

For the purpose of the business combination, the Group's management prepared a consolidated balance sheet and income statement in U.S. dollars, aggregating the individual financial statements of the transaction perimeter and eliminating the balance sheets and intercompany transactions. Individual financial statements are reported in their local currency, so management converted them into the income statement at the average rate for each fiscal year and the balance sheet at the closing rate.

In accordance with IFRS 3 as of December 31, 2023, the parent company used the possibility of carrying out provisional accounting for one year from the date of acquisition for acquisitions made during that year.

As a result, the parent company has recorded the assets and liabilities acquired at the date of acquisition of the IFIT Group. The provisional accounting and the definitive accounting are presented below:

	<u>Provisional accounting</u>	<u>1</u>	<u>2</u>	<u>Definitive accounting</u>	<u>Definitive accounting</u>
	Fair value registered in the acquisition (U.S. dollars) 31/07/2023	Adjustment accounting Definitive (U.S. dollars) 31/07/2023	Adjustment accounting Definitive (U.S. dollars) 31/07/2023	Fair value registered in the acquisition (U.S. dollars) 31/07/2023	Fair value registered in the acquisition (Eur) 31/07/2023
<b>ASSETS</b>					
<b>Non-current assets</b>	5,973	-	2,644,179	2,650,152	2,404,856
Tangible fixed assets	4,196	-	-	4,196	3,808
Intangible fixed assets	-	-	2,644,179	2,644,179	2,399,436
Long-term financial investments	1,777	-	-	1,777	1,613
<b>Current assets</b>	<b>1,570,392</b>	<b>(385,814)</b>	<b>-</b>	<b>1,184,578</b>	<b>1,074,935</b>
Trade receivables and contract assets	666,963	(481,388)	-	185,575	168,398
Short-term financial investments	7,911	(7,911)	-	-	-
Cash and other equivalent assets	895,518	103,486	-	999,003	906,537
<b>TOTAL ASSETS</b>	<b>1,576,365</b>	<b>(385,814)</b>	<b>2,644,179</b>	<b>3,834,730</b>	<b>3,479,791</b>
<b>LIABILITIES</b>					
<b>Non current liabilities</b>	20,386	-	661,045	681,431	618,358
<b>Current Liabilities</b>	<b>257,213</b>	<b>195,134</b>	<b>-</b>	<b>452,347</b>	<b>411,478</b>
Provisions	-	-	-	-	-
Short-term payables to group companies	39,686	-	-	39,686	36,012
Trade and other payables	217,528	195,134	-	412,661	375,465
<b>TOTAL LIABILITIES</b>	<b>277,599</b>	<b>195,134</b>	<b>661,045</b>	<b>1,133,778</b>	<b>1,029,836</b>
Total fair value of identifiable net assets acquired	1,298,766	(580,947)	1,983,134	2,700,952	2,449,956
Minority interest at fair value	-	-	-	-	-
Goodwill arising from the acquisition	3,303,807	580,947	(1,983,134)	1,901,621	1,725,471
<b>Consideration transferred</b>	<b>4,602,573</b>	<b>-</b>	<b>-</b>	<b>4,602,573</b>	<b>4,175,427</b>

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The previous table shows the adjustments made to record the definitive accounting of this business combination: The first of the adjustments corresponds to the definitive value given to the current assets at the date of acquisition. On the other hand, the parent company has estimated that, according to IFRS 3, there is an intangible asset called customer portfolio whose value at the date of acquisition has been estimated at 2,644,178.65 USD (2,399,436.16 euros), and that will be amortized over the next 12 years. The tax impact of the value of this intangible at the date of acquisition amounts to 661,044.66 USD (599,859.04 euros).

As a result of these adjustments, the consolidation goodwill arising from the acquisition of the IFIT Group has finally amounted to USD 1,901,620.23 (€1,725,471.48).

Finally, the net amount of turnover and profit attributable to the combination from the acquisition date to December 31, 2023 amounted to €2,005 and €259 thousand (€4,811 and €621 thousand if it had been acquired since January 1, 2023).

PSVET DAIRYQUALITY

On August 2, 2023, the company of the Boalvet AI, 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 material.

The cost of the business combination has been 1,250,000 euros, which must be paid as follows:

250,000 euros are paid through the delivery of shares of Boalvet AI, S.L. Unipersonal, which represent 12.5% of the capital of said Company.

750,000 euros generate a credit to be offset in shares through a capital increase of the parent company Substrate Artificial Intelligence, S.A.

The remaining 250,000 euros will be paid 18 months after the signing of the contract, conditional on reaching the average annual turnover (270,000 euros) during the twelve months following the sale and which, therefore, may be reduced by the actual turnover during that period if it is lower than the average, by the application of the ratio of 5 times the real turnover of those twelve months.

In accordance with IFRS 3 as of December 31, 2023, the parent company used the possibility of carrying out provisional accounting for one year from the date of acquisition for acquisitions made during that year.

As a result, the parent company has recorded the assets and liabilities acquired at the date of acquisition of PSVET. The provisional accounting and the final accounting are presented below:

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	<b>Provisional accounting</b>		<b>Definitive accounting</b>
	Fair value registered in the acquisition (Euros) 08/02/2023	Adjustment accounting Definitive (Euros) 08/02/2023	Fair value registered in the acquisition (Euros) 08/02/2023
<b>ASSETS</b>			
<b>Non-current assets</b>	<b>95,194</b>	<b>582,016</b>	<b>677,211</b>
Tangible fixed assets	73,232	-	73,232
Intangible fixed assets	20,548	582,016	602,564
Long-term financial investments	1,415	-	1,415
Deferred tax assets	-	-	-
<b>Current assets</b>	<b>222,373</b>	<b>-</b>	<b>222,373</b>
Trade receivables and contract assets	131,377	-	131,377
Short-term financial investments	-	-	-
Cash and other equivalent assets	90,996	-	90,996
<b>TOTAL ASSETS</b>	<b>317,567</b>	<b>582,016</b>	<b>899,583</b>
<b>LIABILITIES</b>			
<b>Non current liabilities</b>	<b>253,478</b>	<b>145,504</b>	<b>398,982</b>
<b>Current Liabilities</b>	<b>49,594</b>	<b>-</b>	<b>49,594</b>
Provisions	-	-	-
Short-term liabilities	-	-	-
Trade and other payables	49,594	-	49,594
<b>TOTAL LIABILITIES</b>	<b>303,072</b>	<b>145,504</b>	<b>448,576</b>
Total fair value of identifiable net assets acquired	14,495	436,512	451,007
Minority interest at fair value	-	-	-
Goodwill arising from the acquisition	1,235,505	(436,512)	798,993
<b>Consideration transferred</b>	<b>1,250,000</b>		<b>1,250,000</b>

The parent company has estimated that, in accordance with IFRS 3, there is, on the one hand, a higher fair value of the PSVET computer applications in an amount of 395,105.29 euros which will be amortized over the next 3 years and, on the other hand, an intangible asset that it has called the customer portfolio, whose value at the date of acquisition has been estimated at 187,001 euros and which will be amortized over the next 10 years. The tax impact of the value of these intangibles at the date of acquisition amounts to 145,504.07 euros.

As a result of these adjustments, the consolidation goodwill arising from the acquisition of PSVET has finally amounted to 798,992.69 euros.

The net amount of turnover and profit attributable to the combination from the acquisition date to December 31, 2023 amounted to €285 thousand and €47 thousand (€683 and €112 thousand if it had been acquired since January 1, 2023).

### DIAGXIMAG

On May 10, 2023, Substrate AI SL has acquired 100% of the shares of Diagximag, S.L. for an amount of 3,300 euros.

Diagximag's services are the acquisition and sale, as well as the intermediation in the purchase and sale of hospital equipment.

The cost of the business combination amounts to 3,300 euros, with the net assets acquired equal to this amount.

### Hospital Equipment Production Unit

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On August 1, 2023, the Group, through the subsidiary Diaximag, S.L. mentioned above, 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 intangible nature.

The cost of the business combination is made up of the following:

A fixed part for an amount of 2,600,000 euros, of which 600,000 are paid through the delivery of shares of Cuarta Dimensión Médica equivalent to 8% of the capital of this Company, and the rest generates a credit that is offset in shares through a capital increase of the parent company Substrate Artificial Inteligence, S.A; and

A variable part that will be the result of multiplying by five the net profit resulting from the Master-Dealer agreement with Samsung, included in the Production Unit, during its first year of validity, and which can be reduced in a scale of different amounts if the net amount of the turnover of the acquired Production Unit does not reach one million euros in the 2024 financial year.

In short, the cost of the business combination amounts to €2,687,500, with the value of the integrated assets corresponding to the business inventories being €487,875, generating goodwill of €2,199,625.

The net amount of turnover and profit attributable to the combination from the acquisition date to December 31, 2023 amounted to €697 thousand and €51 thousand (€1,672 and €121 thousand if it had been acquired since January 1, 2023).

Shot SRL y Deltanova SA

On October 31, 2023, the Group acquired 70% of the shares in Binit Srl and Deltanova, S.A.

The Subgroup includes 5 legal entities located in different countries: Binit Holding (Deltanova, S.A), Binit S.R.L (Argentina), Binit Brasil Holding, Ltda. (Brazil) (company to which CIBIT Tecnologia Ltda belongs) and Deltanova Tech, S.L. (Spain)).

The services of Binit Srl and the subgroup Deltanova SA are:

Consulting services and custom software development, provided to both private companies and government entities.

Their core business is carried out by using IGNITE, a high-quality development code, to create the platforms and software they offer to their clients.

- CIBIT es la única empresa del grupo BINIT con una actividad diferente. CIBIT presta servicios a empresas del sector de la producción de proteína animal, ofreciendo una plataforma de gestión personalizada para optimizar esta producción de proteína

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The transaction scope of the BINIT Group includes: BINIT SRL and Deltanova SA, which in turn is the holding company of BINIT Brasil Holding Ltda (a company that in turn has a stake in CIBIT Tecnologia Ltda) and Deltanova Tech, S.L.. This group of companies does not prepare consolidated financial statements for the transaction perimeter, although consolidated financial statements of the Deltanova SA. group as of 10/31/2023 have been prepared in U.S. dollars, aggregating the individual financial statements of the transaction perimeter and taking into consideration the percentages of participation in each company (100% in all except CIBIT Brazil, 32,66%).

The consideration paid was €5,400,000 for 70% of the shares of BINIT, S.R.L. (Argentina), equivalent to 1,998,864 thousand Argentine pesos at the date of acquisition and €600,000 for 70% of the shares of Deltanova, S.A. (Uruguay) equivalent to 637,200 USD at the date of acquisition, totaling €6,000,000.

In accordance with IFRS 3 as of December 31, 2023, the parent company used the possibility of carrying out provisional accounting for one year from the date of acquisition for acquisitions made during that year. As a result of the final evaluation that has been carried out, the values initially posted for Binit SRL have not been modified.

The fair value of the identifiable assets and liabilities of Binit SRL at the acquisition date was:

	<b>Fair value registered in the acquisition</b> <small>(thousands of Pesos)</small> 31/10/2023	<b>Fair value registered in the acquisition</b> <small>(thousands of Euros)</small> 31/10/2023
<b>ASSETS</b>		
<b>Non-current assets</b>	<b>497,019</b>	<b>1,342</b>
Tangible fixed assets	9,545	25.8
Intangible fixed assets	486,146	1,313
Long-term financial investments	1,328	3.6
<b>Current assets</b>	<b>87,818</b>	<b>237</b>
Trade receivables and contract assets	36,000	97
Short-term financial investments	13,891	38
Cash and other equivalent assets	37,927	102
<b>TOTAL ASSETS</b>	<b>584,837</b>	<b>1,579</b>
<b>LIABILITIES</b>		
<b>Non current liabilities</b>	<b>201</b>	<b>0.54</b>
<b>Current Liabilities</b>	<b>311,504</b>	<b>842</b>
Provisions		
Short-term liabilities	212,606	574
Trade and other payables	98,898	267
<b>TOTAL LIABILITIES</b>	<b>311,705</b>	<b>842</b>
Total fair value of identifiable net assets acquired	<b>191,192</b>	<b>516</b>
Minority interest at fair value		
Goodwill arising from the acquisition	1,807,671	4,883
<b>Consideration transferred</b>	<b>1,998,864</b>	<b>5,400</b>

The net amount of turnover and profit attributable to the combination from the acquisition date to December 31, 2023 amounted to €436 thousand and €218 thousand (€1,047 and €524 thousand if it had been acquired since January 1, 2023).

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On the other hand, after the definitive assessment, the fair values of the identifiable assets and liabilities of Grupo Deltanova SA at the acquisition date and the difference with the provisional accounting that was carried out as of 31.12.2023 are:

	Provisional accounting Fair value registered in the acquisition ( U.S. dollars) 31/10/2023	Adjustment accounting Definitive ( U.S. dollars) 31/10/2023	Definitive accounting Fair value registered in the acquisition ( U.S. dollars) 31/10/2023	Definitive accounting Fair value registered in the acquisition (Eur) 31/10/2023
<b>ASSETS</b>				
<b>Non-current assets</b>	5,185	37,216	42,401	39,926
Tangible fixed assets	4,537	-	4,537	4,272
Intangible fixed assets	-	37,216	37,216	35,043
Long-term financial investments	648	-	648	610
Deferred tax assets	-	-	-	-
<b>Current assets</b>	344,739	-	344,739	324,613
Trade receivables and contract assets	216,031	-	216,031	203,419
Short-term financial investments	-	-	-	-
Cash and other equivalent assets	128,708	-	128,708	121,194
<b>TOTAL ASSETS</b>	<b>349,924</b>	<b>37,216</b>	<b>387,140</b>	<b>364,539</b>
<b>LIABILITIES</b>	-	-	-	-
<b>Non current liabilities</b>	-	9,304	9,304	8,761
<b>Current Liabilities</b>	21,258	-	21,258	20,017
Provisions	-	-	-	-
Short-term liabilities	-	-	-	-
Trade and other payables	21,258	-	21,258	20,017
<b>TOTAL LIABILITIES</b>	<b>21,258</b>	<b>9,304</b>	<b>30,562</b>	<b>28,778</b>
Total fair value of identifiable net assets acquired	328,666	27,912	356,578	335,761
% ACQUIRED (70%)	230,066	19,538	249,605	235,033
Minority interest at fair value	-	-	-	-
Goodwill arising from the acquisition	407,134	(19,538)	387,595	364,967
<b>Consideration transferred</b>	<b>637,200</b>	<b>-</b>	<b>637,200</b>	<b>600,000</b>

The parent company has estimated that in accordance with IFRS 3 there is an intangible asset that it has called the customer portfolio whose value at the date of acquisition has been estimated at USD 37,217 (35,043.31 euros) and that it will be amortized over the next 10 years. The tax impact of the value of this intangible as of the date of acquisition amounts to USD 9,304 (EUR 8,760.83).

As a result of these adjustments, the consolidation goodwill arising from the acquisition of Deltanova, SA has finally amounted to USD 387,595.40 (EUR 364,967.43.)

The net amount of turnover and profit attributable to the combination from the acquisition date to December 31, 2023 amounted to €1,465 thousand and €386 thousand (€3,515 and €926 thousand if acquired from January 1, 2023).

### SUBGEN AI, LTD

Subsequently, on December 29, 2023, the Company has incorporated the company Subgen AI, LTD with headquarters at Avebury Boulevard nº 100, Milton Keynes (United Kingdom), a company to which on December 30, 2023 and March 8, 2024, Substrate Ai SI has transferred the participants it had in Binit SRL, Deltanova SA (and its subgroup) and Substrate AI Spain, S.L., forming the SUBGEN AI Subgroup.

These transactions have no impact on the consolidated financial statements.

## **4.2 FINAL ACCOUNTING BUSINESS COMBINATION**



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At the end of 2023, the parent had not completed the valuation process of the assets and liabilities acquired in the 2023 business combinations mentioned above, so the values reported were provisional.

As described above, in each of the acquisitions, as of June 30, 2024, the valuation exercise of the assets and liabilities acquired during the 2023 financial year has concluded, recording their final values with the following impact on the financial statements of December 31, 2023, which has been explained above:

ASSETS	Notes	31.12.2023	Grupo Ifit	PsVet	Deltanova	-	31.12.2023
<b>Non-current assets</b>		<b>34,393,169</b>	<b>1,050,567</b>	<b>82,883</b>	<b>15,435</b>	<b>0</b>	<b>35,542,054</b>
<b>Current assets</b>		<b>10,066,749</b>	<b>-350,103</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>9,716,646</b>
<b>TOTAL ASSETS</b>		<b>44,459,918</b>	<b>700,463</b>	<b>82,883</b>	<b>15,435</b>	<b>0</b>	<b>45,258,700</b>
EQUITY AND LIABILITIES	Notes	31.12.2023	Grupo Ifit	PsVet	Deltanova	-	31.12.2023
<b>Equity</b>		<b>23,861,280</b>	<b>(58,473)</b>	<b>(56,561)</b>	<b>6,815</b>	<b>-</b>	<b>23,753,061</b>
Shareholders' Equity	12	34,546,167	-	-	-	-	34,546,167
<i>Net income for the period attributable to the parent</i>		<i>(8,732,037)</i>	<i>(58,452)</i>	<i>(44,548)</i>	<i>(340)</i>	<i>-</i>	<i>(8,835,376)</i>
Non-controlling interests	5	935,848	-	(12,014)	7,643	-	931,477
Foreign currency translation reserve		(2,888,698)	(21)	-	(488)	-	(2,889,207)
<b>Non current liabilities</b>		<b>7,632,195</b>	<b>580,865</b>	<b>139,445</b>	<b>8,620</b>	<b>-</b>	<b>8,361,125</b>
<b>Current Liabilities</b>		<b>12,966,443</b>	<b>178,071</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>13,144,514</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>44,459,918</b>	<b>700,463</b>	<b>82,883</b>	<b>15,435</b>	<b>-</b>	<b>45,258,700</b>

Therefore, the parent company has presented as comparative figures those resulting from these modifications.

## 5. Intangible Asset

The breakdown and movement in the accounts included in intangible assets were as follows as of June 30, 2024, and 2023:

**2023:**

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(Euros)	31/12/2022	Tickets	Business combination (note 4)	Conversion differences	Outputs	31/12/2023 (restated)
<b>Cost</b>						
Research	-	-	-	-	-	-
Development	1,937,211	240,953	1,927,201	(261,567)	(80,000)	3,763,798
Administrative Concessions	-	-	-	-	-	-
Industrial property	163,263	-	-	-	-	163,263
Goodwill	30,686,882	-	9,971,277	(2,876,182)	-	37,781,977
Transfer rights	-	-	-	-	-	-
Computer Applications	114,574	396,501	187,914	-	(5,085)	693,904
Other Immobilized	-	2,613,602	-	-	-	2,613,602
Advances for intangible assets Intangible assets and work in progress	509,001	5,236,027	-	(254,340)	-	5,490,688
<b>Total cost</b>	<b>33,410,931</b>	<b>8,487,083</b>	<b>12,086,392</b>	<b>(3,392,089)</b>	<b>(85,085)</b>	<b>50,507,232</b>
<b>Accumulated depreciation</b>						
Development	(212,958)	(529,889)	(608,015)	71,849	23,058	(1,255,955)
Administrative Concessions	-	-	-	-	-	-
Industrial property	(27,537)	(16,309)	-	-	-	(43,846)
Goodwill	(1,373,531)	-	-	-	-	(1,373,531)
Transfer rights	-	-	-	-	-	-
Computer Applications	(109,022)	(59,109)	(187,107)	-	5,085	(350,153)
Other Immobilized	(8,967)	(84,326)	-	-	-	(93,293)
Advances for intangible assets Intangible assets and work in progress	(12,979,885)	(2,615,059)	-	-	-	(15,594,944)
<b>Total depreciation</b>	<b>(14,711,900)</b>	<b>(3,304,692)</b>	<b>(795,122)</b>	<b>71,849</b>	<b>28,143</b>	<b>(18,711,722)</b>
<b>NET WORTH</b>	<b>18,699,031</b>	<b>5,182,391</b>	<b>11,291,270</b>	<b>(3,320,240)</b>	<b>(56,942)</b>	<b>31,795,510</b>

**2024:**

(Euros)	31/12/2023 (restated)	Tickets	Business combination (note 4)	Conversion differences	Outputs	30/06/2024
<b>Cost</b>						
Research	-	-	-	-	-	-
Development	3,763,798	121,639	-	943,009	-	4,828,446
Administrative Concessions	-	-	-	-	-	-
Industrial property	163,263	-	-	-	-	163,263
Goodwill	37,781,977	-	-	(95,872)	-	37,686,105
Transfer rights	-	-	-	-	-	-
Computer Applications	693,904	4,820	-	(1,970)	(117,430)	579,324
Other Immobilized	2,613,602	-	-	78,204	-	2,691,806
Advances for intangible assets Intangible assets and work in progress	5,490,688	2,537,550	-	(12,700)	(8,967)	8,006,571
<b>Total cost</b>	<b>50,507,232</b>	<b>2,664,009</b>	<b>-</b>	<b>910,671</b>	<b>(126,397)</b>	<b>53,955,515</b>
<b>Accumulated depreciation</b>						
Development	(1,255,955)	(673,524)	-	(553,850)	-	(2,483,329)
Administrative Concessions	-	-	-	-	-	-
Industrial property	(43,846)	(8,163)	-	-	5,024	(46,985)
Goodwill	(1,373,531)	-	-	-	-	(1,373,531)
Transfer rights	-	-	-	-	-	-
Computer Applications	(350,153)	(92,695)	-	243,803	117,430	(81,615)
Other Immobilized	(93,293)	(104,249)	-	(3,424)	8,967	(191,999)
Advances for intangible assets Intangible assets and work in progress	(15,594,944)	(216,551)	-	-	-	(15,811,495)
<b>Total depreciation</b>	<b>(18,711,722)</b>	<b>(1,095,182)</b>	<b>-</b>	<b>(313,471)</b>	<b>131,421</b>	<b>(19,988,954)</b>
<b>NET WORTH</b>	<b>31,795,510</b>	<b>1,568,827</b>	<b>-</b>	<b>597,200</b>	<b>5,024</b>	<b>33,966,561</b>

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The additions to the Development in Operation line, which amount to 121,639 euros during the 6-month period ended June 30, 2024, correspond to projects developed by the company Binit Srl, an amount that includes the impact due to hyperinflation (see Note 3.1).

On the other hand, during the same period, the developments of projects carried out mainly in Spain "AI FOR ENERGY MANAGEMENT OF HOTELS" have continued to be recorded in the line of fixed assets in progress, activating an amount of 396,716.40 euros in the first half of 2024. (304,511 euros in 2023), a project that comes from the subsidy received by the parent company from the Public Business Entity RED.ES., equivalent to 600,000 euros (see note 14), and the "DEVELOPMENT OF A NEW RADIOMICS SYSTEM" project being activated in the first half of 2024 an amount of 2,140,833.75 euros (3,868,413 euros in 2023), made for the AIE (Spanish acronym) Trinity 2022.

For the purposes of obtaining recoverability, cash-generating units represent the smallest assets or groups of assets and liabilities which can generate cash flows that are independent of other CGUs. The Group has proceeded to define the following Cash Generating Units:

- HEXENEDEL / SUMMON: this CGU includes income from financial training courses and income obtained from advertising on certain internet portals.
- KAU: this CGU includes income from financial advice.
- IFIT / FLEEBE: this CGU includes income from the provision of recruitment services and outsourcing of temporary skilled workers who perform certain jobs in global clients, as well as the application of artificial intelligence to talent management within organizations through tools such as the Fleebe platform.
- SAVE THE PLANET: this CGU includes income from the provision of energy saving and efficiency services.
- PSVET/ BOALVET: this CGU includes income from the provision of services to improve the quality and efficiency of the livestock and agricultural industry through the application of artificial intelligence.
- 4D / DIAGXIMAG: this CGU includes income from the sale of radiodiagnostic equipment and from the provision of related services in both the human and veterinary fields, as well as the application of artificial intelligence to these areas.
- SUBGEN AI: This CGU includes income from the provision of IT consulting services and income generated from the performance of R+D activities.

During the first six months of 2024 some of the uncertainties mentioned above have eased, however, the Group remains conservative in its business plan estimates and expects to deliver on its strategic plan in the future.

Group Management has assessed the existence of factors that could indicate impairment of the value of consolidation goodwill (such as continued losses on cash-generating units or losses on relevant contracts). Based on this analysis, the Group's Management considers that there are factors that continue to negatively affect the business of SUMMON's CGU, such as the repeated failure to comply with the agreements reached in the purchase of said business or the current

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litigation of the same, which keep the return of the business below the estimated plan for the period 2024 to 2028. and therefore, it has decided to completely impair the associated goodwill of said CGU, thus providing an additional impairment of 216,550.70 euros.

There are no factors indicating the existence of impairment of the remaining consolidation goodwill as of the date of the accompanying condensed consolidated interim balance sheet.

## 6. Property, plant and equipment

The composition and movement in the accounts included in property, plant and equipment have been as follows for the years 2023 and 2022:

### 2023:

(Euros)	Opening balance	Business combination (note 4)	Tickets	Exits	Closing balance
<b>31/12/2023</b>					
<b>Cost</b>					
Constructions	5,500	679,00			6,179
Machinery	8,357	-	4,850	-	13,207
Other Facilities	46,951	14,582	26,519	-	88,052
Furniture	20,764	18,924	4,347	(1,257)	42,778
Information Processing Equipment	40,890	136,740	4,073	(3,026)	178,677
Fixed assets in progress	114,871	113,868	21,883	-	250,622
Fixed assets under construction	8,271	-	-	(8,271)	-
<b>Total cost</b>	<b>245,604</b>	<b>284,793</b>	<b>61,672</b>	<b>(12,554)</b>	<b>579,515</b>
<b>Accumulated depreciation</b>					
Constructions	(1,191)		(1,100)		(2,291)
Machinery	(2,192)	-	(1,388)	-	(3,580)
Other Facilities	(19,694)	(7,413)	(7,739)	-	(34,846)
Furniture	(6,372)	(10,495)	(3,269)	909	(19,227)
Information Processing Equipment	(11,221)	(110,832)	(7,195)	3,068	(126,180)
Fixed assets in progress	(63,647)	(77,172)	(17,193)	-	(158,012)
<b>Total depreciation</b>	<b>(104,317)</b>	<b>(205,912)</b>	<b>(37,884)</b>	<b>3,977</b>	<b>(344,136)</b>

### 2024:

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(Euros)	31/12/2023	Tickets	Business combination (note 4)	Conversion differences	Outputs	30/06/2024
Land and natural assets	-	-	-	-	-	-
Constructions	6,179	-	-	(679)	-	5,500
Technical Facilities	13,427	10,711	-	-	-	24,138
Machinery	13,207	33,051	-	-	-	46,258
Tools	1,704	-	-	-	(1,274)	430
Other Facilities	88,052	-	-	1,857	-	89,909
Furniture	42,778	6,973	-	11,419	(297)	60,873
Information Processing Equipment	178,677	73,191	-	(8,625)	(20,420)	222,823
Other Immobilized	199,703	86,665	-	8,243	-	294,611
Fixed assets in progress	35,788	1,278	-	-	(15,290)	21,776
	-	50,000	-	-	-	50,000
<b>Total Cost</b>	<b>579,515</b>	<b>261,869</b>	<b>-</b>	<b>12,215</b>	<b>(37,281)</b>	<b>816,318</b>
<b>Accumulated depreciation</b>						
Land and natural assets	-	-	-	-	-	-
Constructions	(2,291)	(550)	-	(1)	-	(2,842)
Technical Facilities	(6,826)	(7,084)	-	603	-	(13,307)
Machinery	(3,580)	(859)	-	-	-	(4,439)
Tools	(1,532)	1,274	-	(108)	54	(312)
Other Facilities	(26,488)	(4,472)	-	13,572	-	(17,388)
Furniture	(19,227)	(3,966)	-	(1,700)	297	(24,596)
Information Processing Equipment	(126,180)	(30,758)	-	(34,205)	3,662	(187,481)
Other Immobilized	(118,117)	(10,392)	-	(26,216)	-	(154,725)
Fixed assets in progress	(39,895)	14,531	-	(3,205)	1,603	(26,966)
<b>Total amortization</b>	<b>(344,136)</b>	<b>(42,276)</b>	<b>-</b>	<b>(51,260)</b>	<b>5,616</b>	<b>(432,056)</b>
<b>NET WORTH</b>	<b>235,379</b>	<b>219,593</b>	<b>-</b>	<b>(39,045)</b>	<b>(31,665)</b>	<b>384,262</b>

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There have been no significant investments outside Spanish territory during the first six months of the 2024 and 2023 financial years. There have been no subsidies related to property, plant and equipment.

As of June 30, 2024, no acquisitions of property, plant and equipment have been made between the group companies.

As of June 30, 2024, and in 2023, no valuation adjustment for impairment on property, plant and equipment has been recognized or reversed.

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

In addition, it should be noted that there are no tangible fixed assets subject to guarantees in loan contracts.

## 7. Financial instruments

### 7.1 Financial asset categories

The breakdown of current and non-current financial assets as of June 30, 2024 and 2023 classified by category and maturities is as follows (loans with the Public Treasury are not included):

Categories	Long-term financial instruments		Short-term financial instruments	
	Equity Instruments	Credits, derivatives and others	Credits, derivatives and others	Total
<b>31/12/2023</b>				
Financial assets at amortised cost	-	839,953	4,309,199	5,149,152
Financial assets at cost	151,120	-	-	151,120
<b>Total</b>	<b>151,120</b>	<b>839,953</b>	<b>4,309,199</b>	<b>5,300,272</b>
<b>30/06/2024</b>				
Financial assets at amortised cost	-	1,195,933	4,479,927	5,675,860
Financial assets at cost	282,484	-	-	282,484
<b>Total</b>	<b>282,484</b>	<b>1,195,933</b>	<b>4,479,927</b>	<b>5,958,344</b>

As of December 31, 2023, the stake in the company DIGITAL LAWYER CICERO, S.L., corresponding to 11.76% of its capital is included in the financial assets at cost, in addition to the foundational endowment provided for the constitution of the Zona Value Foundation amounting to 30,000 euros.

As of June 30, 2024, in addition to the above, the stake in the company SOY GUIRI corresponding to 7.3% of its capital is included in the financial assets at cost.

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There are no credits whose collection is doubted.

## 7.2 Categories of financial liabilities

The breakdown of current and non-current financial liabilities at the end of the year classified by categories and classes is as follows (debts with the Public Treasury are not included):

(Euros)	Long-term financial instruments		Short-term financial instruments		TOTAL	
Categories	Derivatives & Others	Debts to credit institutions and financial institutions	Derivatives & Others	Debts to credit institutions and financial institutions	Derivatives & Others	Debts to credit institutions and financial institutions
<b>31/12/2023</b>						
Financial liabilities at amortised cost	5,516,496	483,732	10,399,492	173,950	15,915,988	657,682
<b>Total</b>	<b>5,516,496</b>	<b>483,732</b>	<b>10,399,492</b>	<b>173,950</b>	<b>15,915,988</b>	<b>657,682</b>
<b>30/06/2024</b>						
Financial liabilities at amortised cost	3,059,090	444,092	8,534,254	1,408,201	11,593,344	1,852,293
<b>Total</b>	<b>3,059,090</b>	<b>444,092</b>	<b>8,534,254</b>	<b>1,408,201</b>	<b>11,593,344</b>	<b>1,852,293</b>

The main loans with credit institutions correspond to a loan with a financial institution for an amount of 700,000 euros, maturing in 2029 and at an interest rate of Euribor 12 months + 3.25%, and a credit policy for an amount of 300,000 euros, with an annual nominal interest of 2.50%, with the financial institution Banco Sabadell. S.A. The expiration of this policy is September 1, 2024. Such loans are not subject to compliance with financial ratios.

As of June 30, 2024, in addition to the loans with credit institutions mentioned above, the increase in this heading corresponds mainly to a loan with a financial institution for an amount of 1,156,000 euros maturing in the first half of 2025 and to a fixed annual interest of 6.00%.

As of 31.12.2023, the maturity by years is as follows:

(Euros)	2024	2025	2026	2027	2028 and onwards	Total
Debts to credit institutions	170,879	103,869	110,618	103,507	165,738	654,611
Other debts owed to credit institutions	3,071					3,071
<b>Total</b>	<b>173,950</b>	<b>103,869</b>	<b>110,618</b>	<b>103,507</b>	<b>165,738</b>	<b>657,682</b>

As of June 30, 2024, the maturity by years of the loan is as follows:

(Euros)	2024	2025	2026	2027	2028 and onwards	Total
Debts to credit institutions	97,429	64,391	110,862	110,660	158,179	541,521
Other debts owed to credit institutions	1,310,772	-	-	-	-	1,310,772
<b>Total</b>	<b>1,408,201</b>	<b>64,391</b>	<b>110,862</b>	<b>110,660</b>	<b>158,179</b>	<b>1,852,293</b>

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The class of derivatives and others is detailed as follows:

(Euros)	31.12.2023		30.06.2024	
	Non-current	Current	Non-current	Current
Deposits received for capital increases	2,000,000	-	-	1,000,000
Credits received	3,060,055	6,732,255	2,606,550	5,069,080
Debts to group companies and associates	-	9,300	-	9,300
Finance Leases	456,441	116,000	452,540	156,465
Suppliers for purchases and provision of services	-	2,616,530	-	1,885,765
Other miscellaneous creditors	-	706,247	-	121,317
Personal	-	119,681	-	216,055
Customer Advances	-	99,479	-	76,272
<b>Total</b>	<b>5,516,496</b>	<b>10,399,492</b>	<b>3,059,090</b>	<b>8,534,254</b>

The credits received reflected in the current liabilities as of June 30, 2024 correspond, mainly, to debts for the acquisition of participations during 2023 that will be settled through capital increases in the amount of 4,600,326 euros in 2024 (mainly 6,000,000 euros in 2023) (see Note 15). For their part, the credits received that are reflected in the non-current liabilities correspond, mainly, to the liability component linked to the B shares issued during 2023 for an amount of 2,359,483 euros (same amount as of December 31, 2023).

Likewise, also in relation to the loans received, in 2023 the Group formalized a loan with a participatory financing platform, maturing in 2026 and at an interest rate of 6.60%. This loan is not subject to compliance with financial ratios. This loan is recognized under the heading "other financial liabilities" of the consolidated balance sheet, with the maturity:

**2023:**

(Euros)	2024	2025	2026	2027	2028 and onwards	Total
Other debts	50.368	53.746	52.428	-	-	156.542

**2024:**

(Euros)	2024	2025	2026	2026	2028 and onwards	Total
Other debts	50.222	29.094	52.428	-	-	131.744

The rest of the credits received reflected in current liabilities as of June 30, 2024, correspond to debts with shareholders amounting to 400,350 euros (see note 11) and the rest to other liabilities. For its part, the rest of the credits received in the non-current liabilities correspond to an animal welfare CDTI with an interest rate of 0% that amounts to 136,545 euros, 1,000,000 euros from ABO and the rest are other liabilities.

Finally, and in relation with the previous explanations related to the loans received, in 2022 the Company signed a three-year contract for bonds that are mandatorily convertible into shares within a period of one year, of up to €20 million, signed with the Alpha Blue Ocean (ABO) fund, which ensures the company the necessary financing for the development of its business plan.



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This point is key to ensuring the achievement of the objectives set out in the Group's business plan.

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 for the difference between the amount received for the issuance of the different 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 for 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 bonds. The amount of the warrants is recorded in an equity account. Within a 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 into equity as share capital and share premium. During the first six months of 2024, two tranches of bonds have been issued (T13 and T14) for an amount of €500,000 each, totaling €1,000,000 (during the 2023 financial year, nine tranches of bonds amounting to €500,000 each, totaling €4,500,000). As of June 30, 2024, ABO has converted all the tranches issued as at 31 December 2023, increasing the share capital and share premium (see note 9), leaving an outstanding debt on the balance sheet for the tranches issued in 2024 of 1,000,000 euros, included in the amount described above as credits received from current liabilities.

Likewise, during the first six months of 2024, 787,036 warrants associated with these convertible bonds were issued with exercise prices ranging from €0.21 to €0.34 per share (2,715,894 warrants in 2023 with exercise prices between €0.26 and €0.39), totaling 3,328,327 warrants at the end of the year.

The deposits received in non-current liabilities as of June 2024 correspond, mainly, to a deposit received by the Company UNITED GENERAL of 1,000,000, to go towards an increase for said amount, which is expected to be capitalized in the next 12 months. (see Note 15). As of December 31, 2023, it corresponded mainly to a deposit of 2,000,000 received from the Company IMPULSE TECHNO-LOGY TRANSFER MANAGEMENT TEAM, S.L. to resort to a capital increase for said amount, capitalized in the first half of 2024 (see note 9).

### **7.3 Provisions**

The breakdown of provisions as of June 30, 2024, and at the end of 2023 is as follows:

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(Euros)	Long-term	Short-term	Total
<b>Year 2024</b>			
Provision for warranties	-	199,796	199,796
Provision for maintenance and other	-	-	-
Other provisions	552	2,240	2,792
	-	<b>202,036</b>	<b>202,588</b>
<b>Year 2023</b>			
Provision for warranties	-	-	-
Provision for maintenance and other	-	254,316	254,316
Other provisions	4,782	10,091	14,873
	<b>4,782</b>	<b>264,407</b>	<b>269,189</b>

The movements under these headings are as follows:

(Euros)	Opening balance	Perimeter Change	Endowments	Reversions	Applications	Closing balance
<b>Year 2024</b>						
Provision for warranties	254,316	-	199,796	(254,316)	-	199,796
Provision for maintenance and other	-	-	-	-	-	-
Other provisions	14,873	-	-	(12,633)	-	2,240
	<b>269,189</b>	-	<b>199,796</b>	<b>(266,950)</b>	-	<b>202,036</b>
<b>Year 2023</b>						
Provision for warranties	319,908	-	-	(65,592)	-	254,316
Provision for maintenance and other	37,473	-	-	(37,473)	-	-
Other provisions	-	10,091	4,782	-	-	14,873
	<b>357,381</b>	<b>10,091</b>	<b>14,873</b>	<b>(103,065)</b>	-	<b>269,189</b>

### Provision for guarantees

The products sold by the Company are subject to a two-year warranty period, so a provision for guarantees is made annually for the estimated costs that will be incurred for the projects and products with a guarantee in force at the end of the year. The calculation of this provision is determined on the basis of the available historical information on the guarantee costs incurred and their relationship to the volume of sales subject to guarantees.

## **8. Information on the nature and level of risk from financial instruments.**

Credit risk: Credit risk represents the losses that the group would suffer in the event that any counterparty defaulted on its contractual payment obligations to it. This risk is reduced, due to the collection method required of its customers.

The Group carries out periodic checks on its portfolio of invoices pending collection, with a high degree of certainty in considering the correct collection of invoices recorded under this heading. In those invoices in which there are well-founded reasons to doubt the customer's payment, this asset is reclassified and the corresponding provision for expenses is recorded as losses due to impairment of trade receivables. In addition, the Group makes provisions for collection insolvency based on the age of the credit and the expected credit loss in accordance with the simplified method.

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**Liquidity risk:** The liquidity risk in the Group's financial assets would exist in the event that the Group invested in small-cap securities or in financial markets with a small size and limited trading volume, which could deprive the investments of liquidity. Management regularly monitors the Group's liquidity forecasts based on expected cash flows. The Group is seeking alternative ways to obtain additional sources of funding where necessary.

**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 the debts and interest rates of the group's debt are low, the interest rate risk is minimal.
- Exchange rate risk: the group at the closing, except for goodwill, has no significant financial assets or liabilities in currencies other than the euro, so it is not exposed to the risk of exchange rate fluctuations.
- Stock price or stock index risk: 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.

## 9. Consolidated equity and equity

### Subscribed capital

Date	Type of Action	Number of shares	Nominal value (Euros)	Description	Capital paid-in (Euros)
31/12/2023	A	71,966,074	0,1	Ordinaries	7,196,607
	B	138,638,460	0,001	Preferential	138,638
30/06/2024	A	100,611,739	0,1	Ordinaries	10,061,174
	B	138,638,460	0,001	Preferential	138,638

The share capital of the Parent Company as of June 30, 2024 is €10,199,814, divided into 100,611,739 class A shares with a par value of €0.1 each, fully subscribed and paid up, and 138,638,460 non-voting class B shares with a par value of €0.001. As of December 31, 2023, it was €7,335,245, divided into 71,966,074 class A shares with a par value of €0.1 each, fully subscribed and paid up, and 138,638,460 non-voting class B shares with a par value of €0.001. All shares are subject to listing on the BME Growth and the Aquis London market.

During 2021, the Parent Company carried out several capital increases through the monetary contribution and capitalization of debts for amounts of €500,000 and €27,181,750, respectively. Of the capitalization of debts, a large part was due to the acquisition described in Note 4. Business combinations. These increases entailed a total increase of €2,025,527 in capital and €25,656,223 in share premium.

In March 2022, prior to the IPO, the shareholders of the Parent Company carried out a capital increase of €177,906, with an issue premium of €7,486,344, of which €5,004,000 were for offsetting of loans and the rest for €2,660,250 in monetary contribution.

On January 30, 2023, the Company's Extraordinary General Meeting approved the amendment to the bylaws in order to incorporate the legal regime for non-voting shares (B shares). Holders of non-voting shares will enjoy the rights recognised by Royal Legislative Decree 1/2010, which

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approves the Consolidated Text of the Capital Companies Act, and will be entitled to receive a minimum annual dividend of €0.01 for each non-voting share.

At the same Extraordinary Meeting, the issue of 96,316,100 new series B non-voting shares was approved, with a par value of €0.001 each and an issue premium of €0.009, which would amount to an overall par value of €96,316.1 and a premium of €866,844.90. Increase in share capital through the modality of credit compensation.

On the other hand, at the Extraordinary General Meeting held on 19 September 2023, the issue of 27,000,365 new shares with voting rights of series A, with the same par value and content of rights, with a nominal value each of 0.10 euros of par value and an issue premium of 0.10 euros, was approved. amounting to a global par value of €2,700,036.50 and a global share premium of €2,700,036.50, and 42,322,360 new Series B non-voting shares, of the same 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 global nominal value of 42,322.36 euros and a global share premium of 6,306,031.64 euros.

In relation to the preferred shares without voting rights approved at the two aforementioned Shareholders' Meetings, the company has distributed the initial carrying amount of the shares issued, assigning a value of 2,359,483.23 euros to the liability component and the difference to the equity component, always recording the capital at the nominal amount of the shares issued

The capital increases described above are registered in the Mercantile Registry.

In relation to the contract with ABO, as of June 2024 neither of the two tranches unblocked to date, five hundred thousand euros (500,000) each, has been converted. At the end of the 2023 financial year, ABO converted tranches 2 to 12 in their entirety, increasing the share capital and share premium in 2023 by €2,045,548.1 and €3,098,598.35, respectively.

As of June 30, 2024, the share capital and the share premium have increased by 2,864,568 and 5,395,433 euros, respectively, raising the share capital to 10,199,814 euros and the share premium to 50,554,980 euros. . These increases come from the following: i) capital increase in the amount of 2,000,000 euros (400,000 euros share capital and 1,600,000 euros share premium) from the Extraordinary General Meeting that was approved on January 16, 2024, ii ) increase for compensation of credits for the acquisition of 70% of BINIT and DELTANOVA for an amount of 6,000,000 euros (2,464,568 euros of capital and the rest as share premium) which was approved at the Extraordinary General Meeting of January 19 of 2024 and iii) for the delivery of incentives for the year 2022 approved at the Extraordinary Meeting of January 19, 2024 in the amount of 260,000 euros.

#### Share premium

<b>(In Euros)</b>	<b>Opening balance</b>	<b>Capital increase</b>	<b>Closing balance</b>
<b>31/12/2023</b>			
Share Premium	34,548,124	10,611,423	45,159,547
<b>30/06/2024</b>			
Share Premium	45,159,547	5,395,433	50,554,980

#### Own shares

The Group's own shares as of June 30, 2024 and December 31, 2023 are as follows:

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	30.06.2024			31.12.2023		
	No. of shares	Euros		No. of shares	Euros	
		Acquisition price	Market value		Acquisition price	Market value
Ordinaries	2,317,983	2,072,339	333,790	266,438	1,629,805	60,481
No vote	704,772	207,611	167,736	704,922	207,611	173,411
<b>Total</b>	<b>3,022,755</b>	<b>2,279,950</b>	<b>501,525</b>	<b>971,360</b>	<b>1,837,416</b>	<b>233,892</b>

## 10. Tax Situation

### Balances with public administrations

The balances with general government as of 30 June 2024 and 31 December 2023 are as follows:

(Euros)	31.12.2023		30.06.2024	
	Non-current	Current	Non-current	Current
Deferred tax assets	1,968,707	-	1,989,991	-
Current tax assets	-	1,594	-	85
Other credits with the Public Administrations	-	73,857	-	682,035
<b>Total</b>	<b>1,968,707</b>	<b>75,451</b>	<b>1,989,991</b>	<b>682,120</b>
Deferred tax liabilities	1,803,861	-	1,762,629	-
Current tax liabilities	-	53,914	-	535,214
Other debts owed to the Public Administrations	-	2,252,751	-	1,908,181
<b>Total</b>	<b>1,803,861</b>	<b>2,306,665</b>	<b>1,762,629</b>	<b>2,443,395</b>

The balance reflected as "Other debts with the Public Administrations" of the current liabilities corresponds mainly to balances payable for VAT, Personal Income Tax and Social Security.

The reconciliation of the taxable base with the profit tax result is as follows:

(Euros)	30.06.2024
Taxable income (*)	812,881
Tax rate	25%
Quota	439,802
Offsetting tax loss carryforwards	-
Temporary differences	-
Deductions or incentives for activities	-
Others	-
Withholdings and payments on account	-
<b>Total</b>	<b>439,802</b>

(\*) It corresponds to the aggregate prior taxable base of all subsidiaries that file tax settlements at an individual level, with the tax being the average of the taxes borne by them. Negative tax bases are not activated, so the tax is the result of those Companies that have positive bases.

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

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**2023:**

(Euros)	31.12.2022	Variations	31.12.2023 (restated)
Deferred tax assets			
Deductible Temporary Difference Assets	643,404	1,047,106	1,690,510
Deduction rights	175	-	175
Credits for losses to be offset	278,022	-	278,022
Deferred tax liabilities			
Temporary differences (subsidies)	2,938	1,071,993	1,074,931

**2024:**

(Euros)	30.06.2023	Variations	30.06.2024
Deferred tax assets			
	<b>1,968,707</b>	<b>21,284</b>	<b>1,989,991</b>
Deductible Temporary Difference Assets	1,690,510	94,650	1,785,160
Deduction rights	175	-	175
Credits for losses to be offset	278,022	(73,366)	204,656
Other deferred tax assets	-	-	-
Deferred tax liabilities			
	<b>1,803,861</b>	<b>(41,232)</b>	<b>1,762,629</b>
Temporary differences (subsidies)	12,200	13,363	25,563
Other deferred tax liabilities	1,791,661	(54,595)	1,737,066

All the changes have been reflected in the consolidated income statement.

The Company has made an estimate of the tax benefits that it expects to obtain in the next five years (period for which it considers that the estimates are sufficiently reliable) in accordance with the budgets. It has also analyzed the reversal period of taxable temporary differences, identifying those that revert in the years in which the negative tax bases pending compensation can be used. Based on this analysis, the Company has recorded the deferred tax assets corresponding to the negative tax bases pending offset and the deductible temporary differences for which it considers probable the generation of sufficient future tax benefits.

Income tax

The conciliation between the consolidated profit / loss for the year and the tax base is detailed below:

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(Euros)	31.12.2023	30.06.2024
Profit before tax from continuing operations	(8,349,997)	812,881
Ajustes de consolidación	(230,716)	(439,802)
Consolidation adjustments	(8,580,713)	373,078
Positive permanent differences	-	-
Negative permanent differences	-	-
Positive temporary differences	4,265,379	-
Negative temporary differences	(4,419,818)	-
Taxable income (tax result) (*)	(8,735,152)	373,078

(\*) It corresponds to the aggregate prior tax base of all subsidiaries that file tax settlement at the individual level,

#### Years pending verification and inspection actions

Under current legal provisions, tax assessments cannot be considered final until they have been inspected by the tax authorities or the statute of limitations, currently set at four years, has elapsed. The Group has the last four years open for inspection for all taxes that apply to it. In the opinion of the Directors of the Parent Company, as well as its tax advisors, there are no tax contingencies of significant amounts that could arise, in the event of an inspection, from possible different interpretations of the tax regulations applicable to the operations carried out by the Group.

## 11. Related Parties

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

However, the Group maintains 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 personnel of the Group and close relatives of the aforementioned and companies related to them, and those investee companies consolidated by the equity method.

(Euros)	DEBIT BALANCES			
	Equity Instrument	Credits Delivered	Clients	Capital Increase Credit
<b>30/06/2024</b>				
ZONA VALUE FOUNDATION (Group Company)	30,000	-	-	-
SHAREHOLDERS	-	250,000	-	-
<b>Total</b>	<b>30,000</b>	<b>250,000</b>	-	-
<b>31/12/2023</b>				
ZONA VALUE FOUNDATION (Group Company)	30,000	-	-	-
<b>Total</b>	<b>30,000</b>	-	-	-

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(Euros)	CREDIT BALANCES			
	Equity Instrument	Credits received	Suppliers	Capital Increase Credit
<b>30/06/2024</b>				
ZONA VALUE FOUNDATION (Group Company)	-	29,000	-	-
SHAREHOLDERS	2,100,000	389,847	-	-
<b>Total</b>	<b>2,100,000</b>	<b>418,847</b>	-	-
<b>31/12/2023</b>				
ZONA VALUE FOUNDATION (Group Company)	-	29,000	-	-
<b>TOTAL</b>	-	<b>29,000</b>	-	-

There have been no relevant income and expense transactions with related parties as of June 30, 2024. The interest rates accrued on credits delivered and received with related parties are market rates.

*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)	30.06.24	30.06.23
<b>Administrators</b>		
Salaries and social charges	318,857	239,125
Diets	-	-
Option Plans	-	-
<b>Senior Management</b>		
Salaries and social charges	204,840	172,465
Option Plans	-	-
Contributions to pension plans	-	-
<b>Totales</b>	<b>523,696</b>	<b>411,590</b>

As of June 30, 2024 and December 31, 2023, the Group had no pension and life insurance obligations to former or current members of the Board of Directors.

As of 30 June 2024 and 31 December 2023, 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 covered by these accounts, no civil liability insurance premiums have been paid to the directors.

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.



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## 12. Income and expenses

### 12.1 Revenue

Net turnover

The distribution of the net turnover for the first six months of 2023 and 2024 by geographical markets is as follows:

(Euros)	30.06.2024	30.06.2023
SPAIN	2,711,593	1,610,758
USA	1,636,113	82,604
SOUTH AMERICA	1,270,621	22,044
UK	492,733	2,527
REST OF EUROPE	388,359	76,739
REST OF NORTH AMERICA	374,992	-
Oceania	16,359	504
Asia	2,201	1,965
Africa	-	369
<b>Total</b>	<b>6,892,971</b>	<b>1,797,510</b>

### 12. 2 Expenses

#### a) Supplies

The breakdown of the supplies corresponding to the first six months of 2023 and 2024 is as follows:

(Euros)	30.06.2024	30.06.2023
Consumption of goods	1,424,845	424,511
Consumption of raw materials and other consumables	34,752	8,475
Work carried out by other companies	967,341	18,159
<b>Total</b>	<b>2,426,938</b>	<b>451,146</b>

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The inventories detail as of June 30, 2024, and at the end of 2023 are as follows:

(Euros)	30.06.2024	31.12.2023
Raw materials (at cost)	-	-
Work in progress (at cost)	18,999	-
Finished goods (at lower of cost an net real	1,829,600	781,287
<b>Total</b>	<b>1,848,599</b>	<b>781,287</b>

As of June 30, 2024, the Group's total inventory amounts to 1,848,599 euros (781,287 euros as of December 31, 2023), of which 1,829,600 euros correspond to 54 ultrasound machines and the rest to software development.

b) Personnel costs

The breakdown of social security contributions for the first six months of 2023 and 2024 is as follows:

(Euros)	30.06.2024	30.06.2023
Wages, salaries and the like	2,065,449	1,250,431
Social security to be paid by the company and other sc	433,514	269,908
<b>Total</b>	<b>2,498,963</b>	<b>1,520,339</b>

c) External services

The breakdown of external services for the first six months of 2023 and 2024 is as follows:

(Euros)	30.06.2024	30.06.2023 (restated)
Leases and royalties	99,810	59,948
Repairs & Maintenance	20,985	9,786
Independent Professional Services	1,721,620	823,175
Transport	41,847	11,242
Insurance premiums	13,879	4,260
Bank fees	44,798	4,248
Advertising, Advertising & Public Relations	171,128	83,348
Supplies	83,380	20,630
Other operating expenses	637,062	336,140
<b>Total</b>	<b>2,834,509</b>	<b>1,352,777</b>

**SUBSTRATE ARTIFICIAL INTELIGENCE, S.A.  
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Explanatory notes to the condensed consolidated interim financial statements for the six-month period ended June 30, 2024 (Expressed in euros)

**13. Segments of operations**

The Group has been organized into strategic business units that offer different products and services, thus determining six operating segments on which it must report. These segments are detailed below:

- The FINTECH segment, which includes activities related to financial education courses, advertising on internet portals and financial advice.
- The HUMAN RESOURCES segment, which includes activities related to recruitment services and subcontracting of temporary skilled workers who perform certain jobs in global clients.
- The ENERGY segment, which includes activities related to the provision of energy saving and efficiency services
- The AGRITECH segment, which includes activities related to the provision of services to improve the quality and efficiency of the livestock and agricultural industry through the application of artificial intelligence
- The HEALTH segment, which includes activities related to the sale of radiodiagnostic equipment and the provision of services related to both the human and veterinary fields.
- The ARTIFICIAL INTELIGENCE TECHNOLOGY segment, which includes activities related to the provision of IT consulting services carried out by the SUBGEN AI Group, and the performance of R+D activities, mainly executed by the company Holding Substrate

No operating segments have been added to form the aforementioned segments.

The performance of the segment is evaluated based on the income statement and is measured in a manner consistent with the consolidated income statement.

**2023:**

31.12.2023 (restated)	FINTECH	HUMAN RESOURCES	ENERGY	AGRITECH	HEALTH	CONSULTING	MATRIZ	Total segments	Adjustments and deletions	Consolidated
<b>Income</b>										
Customers	762,945	2,115,561	0	1,062,254	2,132,837	549,597	1,985,604	8,608,797		8,608,797
Between segments	409,134	1,167,819	0	514,533	1,054,041	1,436,373	804,981	5,386,881	-5,386,881	0
<b>Total income</b>	<b>1,172,079</b>	<b>3,283,380</b>	<b>0</b>	<b>1,576,787</b>	<b>3,186,877</b>	<b>1,985,970</b>	<b>2,790,585</b>	<b>13,995,678</b>	<b>-5,386,881</b>	<b>8,608,797</b>
<b>Income / (expenses)</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
Work performed by the company for its assets	0.00	0.00	0.00	0.00	0.00	0.00	165,614.96	165,614.96	-165,614.96	0.00
Cost of Sales	-3,000	-18,058	0	-121,703	-1,343,403	-1,048,294	-317,644	-2,852,102		-2,852,102
Other operating incomes	72	0	0	9,399	2,702	0	5,301,950	5,314,123	-100,000	5,214,123
Personnel costs	-888,895	-285,051	0	-222,122	-463,566	-160,470	-1,943,171	-3,963,276		-3,963,276
Depreciation and amortization	0	0	0	0	0	0	0	0		0
Operating expenses	-349,987	-2,468,508	-885	-1,035,466	-1,093,385	-136,246	-11,110,528	-16,195,007	5,486,881	-10,708,125
Depreciation	-152,900	-372,023	0	-84,854	-113,126	-167,046	-373,355	-1,263,305		-1,263,305
rent funds for assets	0	0	0	0	0	34,085	0	34,085		34,085
Impairment, gain and losses from non current assets	-2,615,057	6,480	0	0	0	0	0	-2,608,578		-2,608,578
Other expenses	-18,998	0	0	250	5,797	-64,874	-37	-77,862		-77,862
Finance incomes	1,229	167	0	0	16,644	11,953	142,281	172,273	-165,019	7,255
Finance expenses	-64,468	-21,405	-17,378	-26,129	-26,319	-53,968	-765,961	-975,628	169,260	-806,368
Exchange differences	-486	-952	0	2	1	69	-585	-1,952		-1,952
ant, gain and losses from financial instruments	0	-21,090	0	0	0	0	-9	-21,099		-21,099
lation adjustment	0	0	0	0	0	88,411	0	88,411		88,411
tax expense	-3,472	-77,351	0	-9,688	-72,911	-28,683	-38,610	-230,717		-230,717
<b>Segment income</b>	<b>-2,923,884</b>	<b>25,588</b>	<b>-18,263</b>	<b>86,474</b>	<b>99,311</b>	<b>460,904</b>	<b>-6,149,469</b>	<b>-8,419,340</b>	<b>-161,373</b>	<b>-8,580,713</b>
<b>Total assets</b>	<b>1,971,232</b>	<b>4,248,779</b>	<b>80,074</b>	<b>2,834,766</b>	<b>5,790,937</b>	<b>25,495,811</b>	<b>54,485,465</b>	<b>94,907,063</b>	<b>-49,648,363</b>	<b>45,258,700</b>
<b>Total liabilities</b>	<b>4,116,408</b>	<b>2,064,895</b>	<b>516,948</b>	<b>2,523,920</b>	<b>4,543,684</b>	<b>24,003,931</b>	<b>19,771,847</b>	<b>57,541,633</b>	<b>-36,035,994</b>	<b>21,505,640</b>

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**2024:**

30.06.2024 Euros	FINTECH	HUMAN RESOURCES	ENERGY	AGRITECH	HEALTH	CONSULTING	MATRIZ	Total segments	Adjustments and deletions	Consolidated
<b>Income</b>										
Customers	257,477.15	2,655,465.89	0.00	280,955.78	2,219,685.20	1,197,937.14	281,451.81	6,892,972.96		6,892,972.96
Between segments	<u>396,682.74</u>	<u>1,461,146.87</u>	<u>0.00</u>	<u>454,967.00</u>	<u>987,474.95</u>	<u>1,298,656.86</u>	<u>1,501,706.34</u>	<u>6,100,634.76</u>	<u>-6,100,634.76</u>	
<b>Total income</b>	<u><b>654,159.89</b></u>	<u><b>4,116,612.75</b></u>	<u><b>0.00</b></u>	<u><b>735,922.78</b></u>	<u><b>3,207,160.15</b></u>	<u><b>2,496,594.00</b></u>	<u><b>1,783,158.15</b></u>	<u><b>12,993,607.72</b></u>	<u><b>-6,100,634.76</b></u>	<u><b>6,892,972.96</b></u>
<b>Income / (expenses)</b>										
Work performed by the company for its assets							2,537,650.15	2,537,650.15		2,537,650.15
Cost of Sales	-9,037.80	-354.43		-2,789.17	-759,576.80	-1,454,624.02	-200,556.00	-2,426,938.22		-2,426,938.22
Other operating incomes				0.00	4,385.74			4,385.74		4,385.74
Personnel costs	-326,340.72	-150,739.77		-58,607.23	-375,391.72	-742,383.01	-845,501.10	-2,498,963.55		-2,498,963.55
Depreciation and amortization				0.00	0.00			0.00		
Operating expenses	-433,856.56	-3,567,482.46		-325,541.45	-701,817.83	-416,153.14	-3,468,696.48	-8,913,547.92	6,100,634.76	-2,812,913.16
Depreciation	-74,575.65	-124.20		-25,283.29	-122,985.21	-379,336.51	-318,602.86	-920,907.73		-920,907.73
Government funds for assets						17,042.34		17,042.34		17,042.34
Impairment, gain and losses from non current assets	-216,550.70							-216,550.70		-216,550.70
Excess provisions						-3,425.85		-3,425.85		-3,425.85
Other expenses		-6,772.56		-5,974.06	-10,743.35			-23,489.97		-23,489.97
Finance incomes	403.86	4.99		1,401.12	23,469.02	40,150.07	363,245.94	428,674.99	-223,566.72	205,108.27
Finance expenses	-105,036.75	-4,019.39	-12,739.85	-21,644.80	-70,317.77	-117,531.11	-428,975.50	-760,265.17	223,566.72	-536,698.45
Exchange differences	16,278.09	-63,804.20				480,701.11	-4,271.18	428,903.83		428,903.83
Impairment, gain and losses from financial instruments		-138.72						-138.72		-138.72
Hyperinflation adjustment						166,843.56		166,843.56		166,843.56
Income tax expense		-107,671.94		-67,859.62	-288,941.58		24,670.92	-439,802.22		-439,802.22
<b>Segment income</b>	<u><b>-494,556.35</b></u>	<u><b>215,510.07</b></u>	<u><b>-12,739.85</b></u>	<u><b>229,624.28</b></u>	<u><b>905,240.65</b></u>	<u><b>87,877.45</b></u>	<u><b>-557,877.96</b></u>	<u><b>373,078.29</b></u>		<u><b>373,078.29</b></u>
<b>Total assets</b>	<u><b>2,470,102.08</b></u>	<u><b>3,485,221.58</b></u>	<u><b>83,073.75</b></u>	<u><b>2,442,891.47</b></u>	<u><b>8,469,958.47</b></u>	<u><b>27,584,257.07</b></u>	<u><b>56,096,706.15</b></u>	<u><b>100,632,210.57</b></u>	<u><b>-52,603,243.26</b></u>	<u><b>48,028,967.31</b></u>
<b>Total liabilities</b>	<u><b>4,864,972.44</b></u>	<u><b>1,457,072.68</b></u>	<u><b>532,687.91</b></u>	<u><b>1,845,860.00</b></u>	<u><b>5,567,465.03</b></u>	<u><b>25,858,318.97</b></u>	<u><b>17,924,593.90</b></u>	<u><b>58,050,970.93</b></u>	<u><b>-39,454,810.23</b></u>	<u><b>18,596,160.69</b></u>

**14. Income to be distributed over several years**

The movement of the Subsidies as of 30 June 2024 and 31 December 2023 was as follows:

(Euros)	Beginning balance	Additions	Transfer to income	Retirements	Other mov.	Ending balance
<b>jun-24</b>						
Income to be distributed		552,254	151,034	(17,042)	-	686,246
<b>Total</b>		<b>552,254</b>	<b>151,034</b>	<b>(17,042)</b>	<b>-</b>	<b>686,246</b>
<b>2023</b>						
Income to be distributed		288,619	297,720	(34,085)	-	552,254
<b>Total</b>		<b>288,619</b>	<b>297,720</b>	<b>(34,085)</b>	<b>-</b>	<b>552,254</b>

In June 2024, an amount of 17,042 euros (34,085 euros in 2023) from the subsidies of the Institute of Foreign Trade has been charged to the income statement, leaving 102,254 euros in income to be distributed pending to be allocated to the result.

During the 2022 financial year, the Public Business Entity RED.ES awarded SUBSTRATE ARTIFICIAL INTELLIGENCE, S.A. a grant of 600,000 euros to finance an experimental artificial intelligence project for the energy management of hotels. Of this subsidy, an amount of 152,280 euros in income to be deferred over several years was recorded in 2022, increasing this amount to 450,000 euros in 2023 remaining the same as June 2024. The amount recognized in income to be deferred in several years corresponds to 100% of the project that has been executed during the first six months of 2024.

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As of June 2024, the assets associated with the subsidy were recorded as fixed assets in progress and were not depreciated. For this reason, no carry-over was made as a result of the subsidy.

### 15. Subsequent events

Since the closing of these condensed consolidated financial statements, no relevant facts, circumstances and/or information have been revealed or occurred that require modifying interim condensed consolidated financial statements corresponding to the period ending June 30, 2024 and/or including additional breakdowns or explanations, except as described below:

- On June 14, 2024, the parent company has publicly submitted a capital increase deed in 5 tranches approved by the respective Boards of Directors and which in summary comprise 3 tranches totaling 1,500,000 euros subscribed and disbursed by the company INDICO INVESTMENTS AND MANAGERMENTS SL through the issuance of 8,790,204 class A shares and 2 tranches totaling 1,000,000 euros subscribed and paid by the company by the company UNITED GENERAL LTD through the issuance of 6,998,120 class A shares. This The deed is pending entry in the Commercial Registry at the date of issuance of these condensed interim consolidated financial statements, so as of June 30, 2024, these disbursements are included as credits received reflected in current liabilities (see Note 7.2).
- The Extraordinary General Shareholders' Meeting of July 26, 2024, approved the distribution of the reserve for share premium in kind in a maximum amount of 1,500,000 euros through the delivery of ordinary shares of the share capital of the wholly owned subsidiary Subgen AI Limited or alternatively, the equivalent cash payment. According to the approved calendar, the final result of the distribution will be published in November.
- On July 26, 2024, the company signed an investment agreement with the company AULAVIRTUALCTP SERVICIOS DIGITALES, S.L., domiciled in Fuenlabrada, Madrid, for an amount of up to 130,000 euros that will be capitalized in the future.
- On July 30, 2024, the company reached an investment agreement of up to two million euros (2,000,000) with UNITED GENERAL LTD, domiciled in Blenheim Road, England. This agreement will materialize through two capital increases of one million euros (1,000,000) each.
- On August 29, 2024, the company reached an agreement with INDICO INVESTMENTS AND MANAGERMENTS S.L. to acquire 7,407,407 series A shares listed on BME GROWTH for treasury stock for the purpose of paying incentives to employees.
- On September 1, 2024, one of the Group's dependent companies has renewed the credit policy for the amount of 300,000 euros, with a nominal annual interest of 2.50%, with the financial institution Banco Sabadell, S.A. whose expiration is September 1, 2025.

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Explanatory notes to the condensed consolidated interim financial statements for the six-month period ended June 30, 2024 (Expressed in euros)

Audit fees

The auditors' fees as of June 2024 and December 31, 2023 are as follows:

(Euros)	2024	2023
For corporate audit services (individual and consolidated)	-	47,830
For auditing services to subsidiaries	1,648	9,400
Review of consolidated interim financial statements	28,932	20,360
For other services (*)	-	39,500

\* *Special report on capital increase and analysis and training for the implementation of IFRS*

## 16. Environmental Information

Given the activities to which the Group is engaged, it has no liabilities, expenses or assets or provisions or contingencies of an environmental nature that could be related to the Group's financial and results. For this reason, the breakdowns are not included in this report.

## 17. Additional explanation regarding the translation of the financial statements into English

This document is a translation of the consolidated financial statements originally issued in Spanish. In the event of a discrepancy, the Spanish language version prevails.

SUBSTRATE ARTIFICIAL INTELIGENCE, S.A.  
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Explanatory notes to the condensed consolidated interim financial statements for the six-month  
period ended June 30, 2024 (Expressed in euros)

Madrid, 29 October 2024

Mr. Lorenzo Serratosa Gallardo

Mr. José Iván García Braulio

Mr. Christopher Nicolas Dembik

Mr. Tawhid Chtioui

Mr. Jesús Hidalgo Quesada as an individual appointed by the Director IMPULSE TECHNOLOGY  
TRANSFER MANAGEMENT TEAM SL

Attending, in his capacity as legal advisor, Don Manuel Vera Revilla

SUBSTRATE ARTIFICIAL INTELIGENCE, S.A.  
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Condensed consolidated interim annual report for the six-month period ended June 30, 2024  
(Expressed in euros)

## 1. EVOLUTION OF THE SUBSTRATE GROUP

At the end of the first half of 2024, the Group grew its revenue by 270% compared to the same period of the previous year, reaching total revenue of 9,452 thousand euros, an enormous growth that is in line with the Group's published plans.

What stands out in these results is the fact of having achieved not only a positive EBITDA of 1,713 thousand euros but also having obtained a positive result for the year of 373 thousand euros compared to the negative 1,638 thousand euros of the same period of the previous year, which corroborates the chosen path and certifies the strong growth and good development of the businesses acquired and the strategy implemented by the group.

During these six months Substrate AI was focused on the integration of all the acquired businesses and on the preparation and development of the strategy that should drive them in the coming years, working, as usual, on the creation of value through the implementation of artificial intelligence solutions in the sectors in which its investee companies operate.

In this strategy, three subsidiaries stand out compared to the others:

- Subgen AI, the English subsidiary of Deep Tech that has developed and markets Serenity Star under the direction of Leandro Harillo based on all the patents and developments of Bren Worth and that in September of this year launched its first “domain specific” LLM on the market. focused on compliance.
- Fourth medical dimension SL. The Spanish Health subsidiary that has built on Serenity Star technology various developments focused on the use of AI in imaging diagnosis, both for its software and hardware division.
- Fleebe AI. The English Human Resources subsidiary that is applying Serenity Star technology to the world of recruitment and talent management in large companies.

The company published its intention to list these three subsidiaries as a way to boost its growth and show the value created in them with the work carried out. The teams in charge of its realization focus on this objective every day.

<b>In euros</b>	<b>30.06.2024</b>	<b>30.06.2023</b>
Total income (*)	9,452,051	2,553,197
EBITDA (**)	1,713,236	-718,711
Financial income (loss)	97,175	-525,344
Income before taxes	812,881	-1,552,446
Profit for the year	373,078	-1,638,412

(\*) Total income includes the following profit and loss accounts: i) revenues, ii) other operating income and iii) government funds for assets.

(\*\*) EBITDA is calculated as follows: Total income minus i) cost of sales, ii) personnel cost and iii) other operating expenses.



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## 2. SUBSEQUENT EVENTS

Since the closing of these condensed consolidated financial statements, no relevant facts, circumstances and/or information have been revealed or occurred that require modifying interim condensed consolidated financial statements corresponding to the period ending June 30, 2024 and/or including additional breakdowns or explanations, except as described below:

- On June 14, 2024, the parent company has publicly submitted a capital increase deed in 5 tranches approved by the respective Boards of Directors and which in summary comprise 3 tranches totaling 1,500,000 euros subscribed and disbursed by the company INDICO INVESTMENTS AND MANAGERMENTS SL through the issuance of 8,790,204 class A shares and 2 tranches totaling 1,000,000 euros subscribed and paid by the company by the company UNITED GENERAL LTD through the issuance of 6,998,120 class A shares. This The deed is pending entry in the Commercial Registry at the date of issuance of these condensed interim consolidated financial statements, so as of June 30, 2024, these disbursements are included as credits received reflected in current liabilities (see Note 7.2).
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- On July 30, 2024, the company reached an investment agreement of up to two million euros (2,000,000) with UNITED GENERAL LTD, domiciled in Blenheim Road, England. This agreement will materialize through two capital increases of one million euros (1,000,000) each.
- On August 29, 2024, the company reached an agreement with INDICO INVESTMENTS AND MANAGERMENTS S.L. to acquire 7,407,407 series A shares listed on BME GROWTH for treasury stock for the purpose of paying incentives to employees.
- On September 1, 2024, one of the Group's dependent companies has renewed the credit policy for the amount of 300,000 euros, with a nominal annual interest of 2.50%, with the financial institution Banco Sabadell, S.A. whose expiration is September 1, 2025.

## 3. RESEARCH & DEVELOPMENT

The Group has continued with the development for third parties of the R&D project started in 2023, which aims to:

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- The creation of a new radiology system for humans and animals managed with artificial intelligence capable of reducing the radiation that animals and humans receive in the diagnosis process and improving it and making it faster, especially focused on human heart diseases.

#### 4. OWN SHARES

As of December 31, 2023, the Parent Company's own shares held by the Group amount to 3,022,755 divided into 2,317,983 class A shares and 704,772 class B shares.

#### 5. RISK AND UNCERTAINTIES

Credit risk: Credit risk represents the losses that the group would suffer in the event that any counterparty defaulted on its contractual payment obligations to it. This risk is reduced, due to the collection method required of its customers.

The Group carries out periodic checks on its portfolio of invoices pending collection, with a high degree of certainty in considering the correct collection of invoices recorded under this heading. In those invoices in which there are well-founded reasons to doubt the customer's payment, this asset is reclassified and the corresponding provision for expenses is recorded as losses due to impairment of trade receivables. In addition, the Group makes provisions for collection insolvency based on the age of the credit and the expected credit loss in accordance with the simplified method.

Liquidity risk: The liquidity risk in the Group's financial assets would exist in the event that the Group invested in small-cap securities or in financial markets with a small size and limited trading volume, which could deprive the investments of liquidity. Management regularly monitors the Group's liquidity forecasts based on expected cash flows. The Group is seeking alternative ways to obtain additional sources of funding where necessary.

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 the debts and interest rates of the group's debt are low, the interest rate risk is minimal.
- Exchange rate risk: the group at the closing, except for goodwill, has no significant financial assets or liabilities in currencies other than the euro, so it is not exposed to the risk of exchange rate fluctuations.
- Stock price or stock index risk: 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.

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Mr. Jesús Hidalgo Quesada as an individual appointed by the Director IMPULSE TECHNOLOGY  
TRANSFER MANAGEMENT TEAM SL

Attending, in his capacity as legal advisor, Don Manuel Vera Revilla

### III. Individual Interim Financial Statements for the six-month period ended June 30, 2024.

#### P&L

<b>RESULT OF THE YEAR</b>	<b>jun-24</b>	<b>jun-23</b>
	<b>30/06/2024</b>	<b>30/06/2023</b>
	<b>(*Unaudited)</b>	<b>(*Unaudited)</b>
<b>CONTINUING OPERATIONS</b>		
<b>1. Revenues</b>	<b>1,783,158</b>	<b>437,197</b>
a) Revenue from sales	23,150	0
b) Revenue from services	1,760,008	437,197
<b>3. Work performed by the company for its assets.</b>	<b>2,537,650</b>	<b>736,459</b>
<b>4. Procurements</b>	<b>-200,556</b>	<b>-1,655</b>
a) Consumption of goods	-75,556	-1,655
c) Work performed by other companies	-125,000	0
<b>5. Other operating income</b>	<b>0</b>	<b>100,680</b>
a) Ancillary and other operating income	0	100,680
<b>6. Personnel expenses</b>	<b>-845,501</b>	<b>-634,201</b>
a) Wages, salaries and similar	-730,018	-543,049
b) Social security costs	-115,483	-91,153
<b>7. Other operating expenses</b>	<b>-3,570,797</b>	<b>-1,467,401</b>
a) Outside services	-3,570,797	-1,465,376
b) Taxes	0	-2,025
d) Other operating expenses	0	0
<b>8. Depreciation of fixed assets</b>	<b>-234,323</b>	<b>-184,296</b>
<b>9. Government funds for assets</b>	<b>0</b>	<b>0</b>
<b>11. Impairment and gain or loss on disposal of fixed assets</b>	<b>0</b>	<b>0</b>
a) Impairment and losses	0	0
<b>13. Other results</b>	<b>0</b>	<b>-37</b>
<b>A-1) OPERATING INCOME</b>	<b>-530,369</b>	<b>-1,013,255</b>
<b>14. Financial income</b>	<b>361,975</b>	<b>34,280</b>
b1) From group and associated companies	361,975	34,280
<b>15. Financial expenses</b>	<b>-407,493</b>	<b>-467,135</b>
a) Debts with group and associated companies	-8,363	-6,156
b) Debts with third parties	-399,130	-460,980
<b>16. Changes in fair value of financial instruments</b>	<b>0</b>	<b>0</b>
a) Trading portfolio and others	0	0
b) Imputation to income for the year for available-for-sale financial assets	0	0
<b>17. Exchange differences</b>	<b>-4,250</b>	<b>-91</b>
<b>18. Impairment and gains or losses on disposal of financial instruments</b>	<b>0</b>	<b>-9</b>
b) Gains or losses on disposals and others.	0	-9
<b>A.2) FINANCIAL RESULT</b>	<b>-49,768</b>	<b>-432,954</b>
<b>A.3) INCOME BEFORE TAXES</b>	<b>-580,137</b>	<b>-1,446,209</b>
20. Income tax		
<b>A.4) INCOME FOR THE YEAR FROM CONTINUING OPERATIONS</b>	<b>-580,137</b>	<b>-1,446,209</b>
<b>B) DISCONTINUED OPERATIONS</b>	<b>-</b>	<b>-</b>
21. Profit for the year from discontinued operations net of taxes		
<b>A.5) PROFIT FOR THE YEAR</b>	<b>-580,137</b>	<b>-1,446,209</b>

ASSETS	30/06/2024 (*Unaudited)	31/12/2023
<b>A) Non-current assets</b>	<b>47,744,242</b>	<b>44,315,779</b>
<b>I. Intangible Fixed Assets</b>	<b>9,151,234</b>	<b>6,839,540</b>
1. Research and Development	989,352	1,200,483
2. Administrative Concessions	0	-
3. Patents and Licenses	4,062	4,341
4. Goodwill	0	-
5. Computer Applications	-14,446	-
6. Other Immobilized	8,172,266	5,634,716
<b>II. Tangible Fixed Assets</b>	<b>120,474</b>	<b>77,802</b>
1. Freehold land and buildings	2,658	3,208
2. Plant, machinery and other equipment	67,816	74,593
3. Property, plant and Equipment in progress	50,000	-
<b>III. Investment Properties</b>	-	-
1. Land	-	-
<b>IV. Long-term investments in group and associated companies</b>	<b>35,788,810</b>	<b>34,838,996</b>
1. Share in equity	6,583,922	5,741,126
2. Loans to companies	29,204,888	29,097,871
3. Debt securities	0	-
4. Derivatives	0	-
5. Other financial assets	0	-
<b>V. Long-term financial investments</b>	<b>900,444</b>	<b>776,161</b>
1. Share in equity	30,000	-
2. Debt instruments	248,290	166,503
5. Other financial assets	622,154	609,658
<b>VI. Deferred tax assets</b>	<b>1,783,280</b>	<b>1,783,280</b>
<b>B) CURRENT ASSETS</b>	<b>4,850,224</b>	<b>6,569,096</b>
<b>III. Trade receivables and contract assets</b>	<b>2,477,018</b>	<b>3,732,351</b>
1. Receivables from third-party customers	769,804	2,682,935
2. Customers, group companies and associates	1,367,890	1,041,736
3. Other debtors	1,374	5,280
4. Staff	0	2,400
6. Other current tax assets	337,949	-
<b>V. Short-term financial investments</b>	<b>1,543,325</b>	-
1. Share in equity	0	-
2. Loans to companies	1,539,729	-
3. Debt securities	0	-
4. Derivatives	0	-
5. Other financial assets	3,596	-
<b>VI. Prepayments</b>	<b>1,000</b>	<b>1,000</b>
<b>VII. Cash and other equivalent assets</b>	<b>828,881</b>	<b>2,742,411</b>
1. Cash and other equivalent assets	828,881	2,742,411
<b>TOTAL ASSETS</b>	<b>52,594,467</b>	<b>50,791,540</b>

EQUITY AND LIABILITIES	30/06/2024 (*Unaudited)	31/12/2023
<b>A) Equity</b>	<b>38,172,112</b>	<b>31,064,235</b>
<b>A-1) Shareholders' Equity</b>	<b>37,722,112</b>	<b>30,726,735</b>
<b>I. Issued Capital</b>	<b>10,199,814</b>	<b>7,335,247</b>
1. Deeded capital	10,199,814	7,335,247
<b>II. Issue premium</b>	<b>50,554,980</b>	<b>45,159,547</b>
<b>III. Reserves</b>	<b>-1,515,191</b>	<b>-1,450,286</b>
1. Legal & statutory reservas	600	600
2. Other reserves	-1,515,791	-1,450,886
<b>IV. (Net income for the period attributable to the parent)</b>	<b>-2,279,950</b>	<b>-1,837,416</b>
<b>V. Results of prior years</b>	<b>-20,265,070</b>	<b>-13,419,883</b>
2. (Retained earnings)	-20,265,070	-13,419,883
<b>VI. Other member contributions</b>	<b>0</b>	<b>0</b>
<b>VII. Profit for the year</b>	<b>-580,137</b>	<b>-6,845,186</b>
<b>VIII. (Interim dividend)</b>	<b>0</b>	<b>0</b>
<b>A-3) Grants, donations and legacies received.</b>	<b>450,000</b>	<b>337,500</b>
<b>A-4) External Partners</b>	<b>-</b>	<b>-</b>
<b>IX. Other equity instruments</b>	<b>1,607,666</b>	<b>1,784,712</b>
<b>B) NON-CURRENT LIABILITIES</b>	<b>4,672,789</b>	<b>6,919,500</b>
<b>I. Long-term provisions</b>	<b>0</b>	<b>-</b>
1. Long-term employee benefit obligations	0	-
2. Environmental actions	0	-
3. Restructuring provisions	0	-
4. Other provisions	0	-
<b>II. Long-term debt</b>	<b>2,898,285</b>	<b>5,324,977</b>
1. Bonds and other marketable securities	0	-
2. Payable to credit institutions	428,280	467,920
5. Debt with special characteristics	2,359,483	-
6. Other financial liabilities	110,522	4,857,057
<b>III. Payable to group and associated companies</b>	<b>561,773</b>	<b>419,292</b>
<b>IV. Deferred tax liabilities</b>	<b>1,212,731</b>	<b>1,175,231</b>
<b>C) CURRENT LIABILITIES</b>	<b>9,749,565</b>	<b>12,807,806</b>
<b>I. Liabilities related to non-current assets held for sale</b>	<b>0</b>	<b>-</b>
<b>II. Short-term provisions</b>	<b>0</b>	<b>-</b>
<b>III. Short-term liabilities</b>	<b>5,687,869</b>	<b>6,454,285</b>
1. Bonds and other marketable securities	0	-
2. Debts with credit institutions	96,078	93,525
3. Payable under finance leases	0	0
4. Derivatives	0	0
5. Other financial liabilities	5,591,791	6,360,760
<b>IV. Short-term payables to group and associated companies</b>	<b>6,300</b>	<b>9,300</b>
<b>V. Trade and other accounts payable</b>	<b>4,055,396</b>	<b>6,344,221</b>
1. Suppliers	961,053	1,317,046
2. Suppliers, group and associated companies	2,315,459	3,052,418
3. Sundry creditors	39,755	640,021
4. Personnel (remunerations pending payment)	1,200	6,256
5. Current tax liabilities	0	0
6. Other payables to public authorities	737,929	1,328,480
7. Advances to customers	0	-
<b>VI. Short-term accruals and deferrals</b>	<b>0</b>	<b>-</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>52,594,467</b>	<b>50,791,540</b>

#### IV. Degree of compliance with the forecasts for the 2024 financial year.

In euros	Euros		%
	Forecast 2024	30 june 2024 real	Completion
Revenues	15,400,500	6,892,973	45%
Other revenues	5,171,000	2,559,078	49%
<b>Total revenues</b>	<b>20,571,500</b>	<b>9,452,051</b>	46%
Cost of goods	(5,494,000)	(2,426,938)	44%
Staff cost	(6,987,646)	(2,498,964)	36%
Other operating expenses	(4,064,027)	(2,812,913)	69%
<b>EBITDA</b>	<b>4,025,827</b>	<b>1,713,236</b>	43%
Other results	-	(26,916)	0%
Amortization	(2,238,265)	(920,908)	41%
Depreciation	-	(216,551)	0%
Financial result	(785,752)	264,018	34%
<b>Profit before taxes</b>	<b>1,001,810</b>	<b>812,881</b>	81%

As of June 30, 2024, the company has fulfilled 46% of the business plan budgeted for fiscal year 2024, improving the degree of compliance achieved during the first half of both 2023 and 2022, which stood at around 30%. %.

In terms of supplies and personnel expenses, the Group is below budget, which represents savings, but, nevertheless, it is above budget. In all operating expenses, the Group expects to be in line with what was budgeted.

Compared to other years, the achievement of positive ebitda and positive net result stands out with compliance of 43% and 81%, respectively, compared to the forecast for the entire year.

Other highlights:

1. The extraordinary negative result of 26 thousand euros is due to the recording of various provisions in the group's subsidiaries.

2. A positive financial result compared to the negative forecast for the entire year as a result of the operations carried out and the positive adjustments due to hyperinflation of the operations that the group has in Argentina

3. The impairment of 216 thousand euros is related to the impairment of 100% of the assets purchased from the company Summon Press, S.L. due to failure to comply with the terms established in the contract. This issue has been filed judicially and the Company is waiting for it to be resolved positively for Substrate AI during the 2025 financial year.