

31 October 2024

SUBSTRATE ARTIFICIAL INTELIGENCIA SOCIEDAD ANONIMA

("Substrate AI" or the "Company")

Interim Results

Substrate AI (AQUIS: SAI/SAI.B) announces its unaudited interim results for the six months ended 30 June 2024, which include:

- I. Limited Review Report corresponding to the Consolidated Interim Financial Statements for the six-month period ending on June 30, 2024.
- II. Consolidated Interim Financial Statements for the six-month period ending on June 30, 2024.
- III. Individual Interim Financial Statements for the six-month period ending on June 30, 2024.
- IV. Progress status of the forecasts for the year 2024.

A copy of the interim financial results can be found on the company's website <https://substrate.ai/en/informacion-financiera/>

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

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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)
Non-current assets		38,365,886	35,542,054
Intangible assets and goodwill		33,966,561	31,795,511
Goodwill	4 y 5	20,501,079	20,813,502
Other intangible assets	5	13,465,482	10,982,009
Tangible fixed assets	6	384,263	235,379
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	-
Right-of-use assets		546,656	551,384
Investment in an associated and a joint venture		251,657	151,000
Share in equity	7.1	250,996	151,000
Other financial assets		661	-
Non-current financial assets	7.1	1,226,760	840,073
Share in equity		31,488	120
Debt instruments		555,284	221,289
Other financial assets		639,988	618,664
Deferred tax assets	10	1,989,991	1,968,707
Current assets		9,663,081	9,716,646
Inventories		2,190,586	783,787
Inventories	12.2	1,848,599	781,287
Advance to suppliers		341,987	2,500
Trade receivables and contract assets		3,561,100	4,357,235
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
Current Financial assets	7.1	1,600,947	27,415
Debt instrumnets		1,553,581	12,111
Other financial assets		47,366	15,304
Prepayments		75,371	32,959
Cash and other equivalent assets		2,235,076	4,515,250
Cash and other equivalent assets		2,204,682	4,515,250
Other equivalent liquid assets		30,394	-
TOTAL ASSETS		48,028,967	45,258,700

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)
Equity		29,432,807	23,753,061
Shareholders' Equity	9	31,558,489	25,710,791
Issued Capital		10,199,814	7,335,246
Sahre Premium		50,554,980	45,159,547
Reserves		(5,094,726)	(1,426,843)
Legal & statutory reservas		600	600
Other reserves		(5,095,326)	(1,427,443)
Treasury shares and own equity investments		(2,279,950)	(1,837,416)
Retained earnings		(23,446,979)	(16,469,079)
Net income for the period attributable to the parent		17,683	(8,835,376)
Other equity instruments		1,607,666	1,784,712
Non-controlling interests		1,344,803	931,477
Foreign currency translation reserve		(3,470,485)	(2,889,207)
Non current liabilities		5,952,609	8,361,125
Provisions	7.3	552	4,782
Non current financial liabilities	7.2	3,503,182	6,000,228
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
Deferred tax liabilities	10	1,762,629	1,803,861
Income to be distributed over several years	14	686,246	552,254
Current Liabilities		12,643,552	13,144,514
Provisions	7.3	202,036	264,407
Short-term liabilities	7.2	7,633,746	7,022,205
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
Liabilities with an associate and joint venture	7.2	9,300	9,300
Trade and other payables		4,742,803	5,848,602
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
Short-term accruals		55,666	-
TOTAL EQUITY AND LIABILITIES		48,028,967	45,258,700

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

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

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):

	NOTES	30.06.2024 (6 months)	30.06.2023 (6 months restated)
STATEMENT OF CASH FLOWS			
(A) CASH FLOWS FROM OPERATING ACTIVITIES			
1, Profit before tax for the year		812,881	(2,464,503)
2, Result Adjustments:		859,823	1,562,254
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)	-
3, Changes in current capital:		(1,758,876)	(805,486)
(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
4, Other cash flows from operating activities		(323,706)	(110,095)
a) Interest payments (-)		(284,393)	(110,095)
d) Income tax receivable (payable) (+/-)		(17,994)	-
e) Other receivables and payables (-/+)		(21,319)	-
5, Cash flows generated from operating activities		(409,878)	(1,817,830)
(B) CASH FLOWS FROM INVESTING ACTIVITIES			
6, Investment payments (-)		(2,925,978)	(660,686)
(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)
7, Proceeds from divestments (+)		-	8,400
(e) Other financial assets		-	8,400
8, Cash flows from investing activities		(2,925,978)	(652,286)
(C) CASH FLOWS FROM FINANCING ACTIVITIES			
9, Collections and payments for equity instruments		(517,484)	2,417,971
a) Issuance of equity instruments (+)	11	-	3,150,000
c) Acquisition of equity instruments (-)		(517,484)	(738,029)
Other member contributions		-	6,000
10, Receipts and payments for financial liability instruments		1,573,166	(535,267)
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)
12, Cash flows from financing activities		1,055,682	1,882,704
D) Effect of exchange rate changes		0	
(E) NET INCREASE/DECREASE IN CASH OR CASH EQUIVALENTS		(2,280,174)	(587,412)
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

