substrate AI

Avda. Real Fábrica de las Sedas 28

45600 Talavera de la Reina (Toledo)

BME - GROWTH

Stock Exchange Palace

Plaza de la Lealtad, 1

28014 Madrid

Madrid, July 22, 2025

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

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

OTHER RELEVANT INFORMATION

Substrate AI has upgraded its financial rating to BB- thanks to its 2024 results and improved profitability, according to EthiFinance, the rating firm that has followed the company since it launched its first promissory note program in December 2024.

"We want to reduce as much as possible the dilutive capital increases for the shareholder and the best way is to be able to open the fixed income market to the company, that is what we are working for and, on that path, this rating improvement is great news," says José Iván García, CEO of Substrate AI See EthiFinance report attached to this OIR.

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.

substrate AI

Avda. Real Fábrica de las Sedas 28

45600 Talavera de la Reina (Toledo)

Kind regards

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Lorenzo Serratosa Gallardo

Chairman of the Board of Directors

A98306228   CORPORATE

BB-
ISSUER RATING
LongTerm

OUTLOOK
Stable

BB+
INSTRUMENT RATING
Senior Secured 10 M €

| Initiation date | 14/01/2025 |
| Rating Date | 22/07/2025 |

Contacts

Lead analyst
Claudia Berrios
claudia.berrios@ethifinance.com

Committee chair
Antonio Madera del Pozo
antonio.madera@ethifinance.com

Rating Action and Rationale

- EthiFinance Ratings upgrades the rating of Substrate Artificial Inteligence S.A., from "B+" to "BB-", maintaining the Stable trend. In addition, EthiFinance Ratings upgrades the rating of the secured note program from "BB" to "BB+."

- The group's core business consists of the creation and development of state-of-the-art artificial intelligence systems as well as investing in companies in different sectors.

- The rating upgrade is based on the positive evolution of the group during 2024, reaching the first year with positive profitability levels compared to losses in previous years. This has made it possible to reduce the impact of previous years on the final rating.

- The rating is based on the characteristics of the sector (high profit margins with a certain predictability and good growth prospects) together with an excellent level of capitalization (PN/DFT above 200%).

- On the other hand, the rating is limited by the current size of the group in a context of high competitiveness and competitive advantages that are still in the process of consolidation. The startup's nature and its reflection in the company's historical ratios weigh down our view of coverage and leverage ratios. The 'high volatility' scale has been applied to the Software & Services business in order to reflect the fluctuations of a highly disruptive business, with technologies still in the initial adoption phase, where product cycles are generally short and competition is intense.

- In line with our methodology, the information technology industry has a medium ESG risk (heatmap score between 3.0 and 3.5). This results in a neutral impact on the sector's rating due to industry-related ESG considerations. Regarding the company's ESG analysis, it should be noted that the group's policies are considered appropriate (ESG score between 1.5 and 3.5), with this having a neutral effect on the rating.

- The rating of the promissory note program improves by two notches with respect to the corporate rating based on its secured nature and the corresponding recoverability analysis. The guarantees are represented by pledges on the shares of Fleebe AI Ltd (wholly owned 100%) and Cuarta Dimensión Médica, S.L (owned by 65.27% of the share capital). Unlisted companies whose last assessment was carried out in September 2024. The structure of the financing with clauses of 'negative pledge', so that the guarantees subscribed may not be used against other types of indebtedness.

Company Description

Substrate AI is a Spanish company that is dedicated to the creation and development of artificial intelligence systems and their application in different sectors for third parties and its own, as well as the purchase of small companies with the aim of promoting them with the digitalization and integration of artificial intelligence.

Substrate AI operates under a model with several lines of business, organized by segments and specific subsidiaries:

1. Enterprise AI (Subgen AI / Serenity Star)

- Serenity Star is the core product, it is a suite of AI solutions for enterprises. It includes Serenity AI Chat (secure business chat), Serenity Compliance (regulatory compliance) products.
- Ability to generate and manage multiple agents over 100 LLMs.
- Cross-cutting application in regulated industries, ensuring privacy, traceability and compliance.

1. Smart Clinics and Health (4D Medical, DIAGXIMAG)

- Commercialization of diagnostic imaging hardware (Rx, MRI) and medical software with AI modules for clinical management, diagnosis and compliance.
- Application in human and veterinary hospitals (smart hospitals & smart vet clinics).

3. Human Resources (Fleebe AI, IFIT Group)

- Software and services for talent management, selection and time control.
- AI applied to HR processes for large clients in Europe, Latam and the USA.

4. Infrastructure (Sovereign AI Factories / Substrate Cloud)

- Development of computer centers (e.g. Talavera de la Reina, 5+5 MW).
- GPU-as-a-Service service for sovereign AI, aligned with EU technological autonomy strategies.

5. Other investments transformed with AI

- Startups in various sectors with the aim of transforming them through the integration of intelligence artificial.

The operational geographical scope of the Substrate AI Group is mainly Spain, the United Kingdom, the United States and several Latin American countries.

Corporate Rating Solicited
A98306228

Grupo Substrate AI is listed on the BME Growth and OTC Market. The stock price as of 16/07/2025 stood at €15.7m (vs €10.9m in 2024).

Business structure

Business structure in 2023
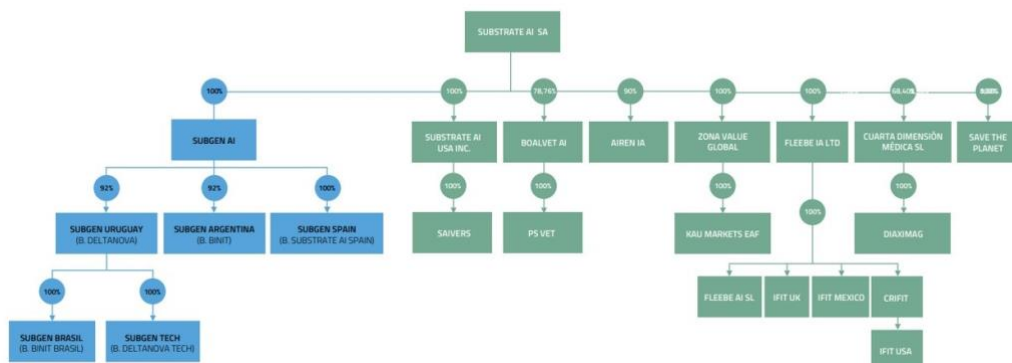
Business Structure in 2024

On December 3, 2024, Subgen AI Ltd acquired 26.78% of the shares of Substrate Artificial Inteligence, S.A. All this resulted in the reorganization of the group, with Subgen AI Ltd becoming the parent company of the same group with control of 52.29% of Substrate Artificial Inteligence, S.A. and an effective stake of 26.78%.
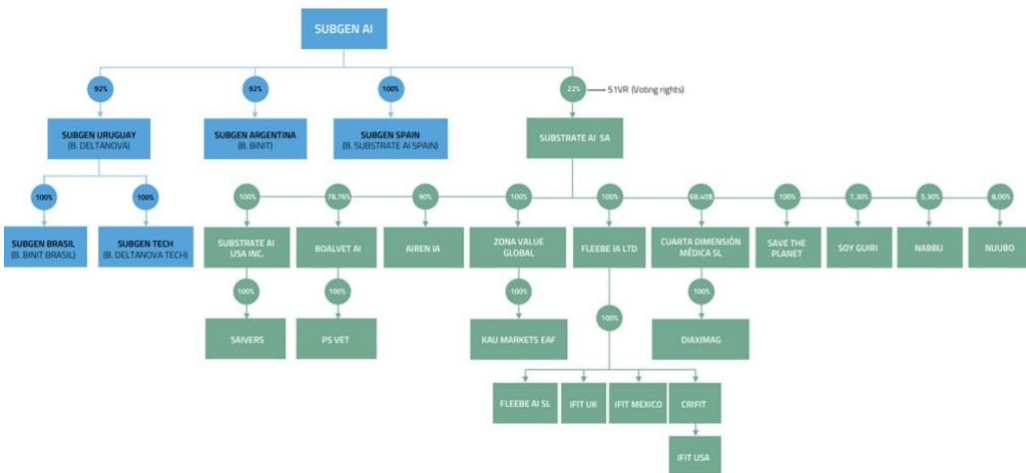
Fundamentals

Business Profile

Sector Analysis

- High profit margins with some predictability, low barriers to entry and good growth prospects.

Substrate AI is classified in the information technology sector, especially in the software and services subsector with the development and commercialization of artificial intelligence solutions applied to various sectors such as health, energy, fintech, human resources, etc. The profitability margins of the sector are considered high (EBIT mg between 13% and 18%) although they vary according to the business model and the degree of maturity of the company. The recurrence and predictability of revenues: business models based on SaaS – Software as a Service and AIaaS – Artificial Intelligence as a Service" work under monthly or annual subscriptions, so revenues are quite stable over time.

The barriers to entry in the artificial intelligence sector are considered low given that AI tools and cloud infrastructure are widely accessible and often open source, allowing new competitors to enter the market without the need for large investments. In addition, if the company does not have its own technology, patents or solid competitive advantages, its business model can be easily replicated by other actors, which further reduces the barriers to entry. However, those competitors looking to differentiate themselves and achieve better profit margins generally must make significant investments in robust technological infrastructure and comply with strict privacy and security regulations.

The Information Technology sector, and especially artificial intelligence, has very solid growth prospects at a global level. The growing demand for automation and optimization of business operations, the advancement of generative AI, the digitization of businesses, and the expansion of cloud software are driving its adoption across multiple industries such as healthcare, finance, logistics, and education. Although the industry faces challenges such as regulation, accuracy of responses, cybersecurity, privacy, and talent shortages, this sector is expected to continue to expand rapidly in the next decade.

- The sector has a neutral impact due to ESG factors.

The information technology industry has medium ESG risks according to our methodology (heatmap industry score between 3.0 and 3.5). This results in an assessment of the sector that is not affected by industry-related considerations. The sector has a medium impact on the climate, but rapid growth in both infrastructure and IT use increases energy use and related GHG emissions. However, the impact in terms of pollution and biodiversity is limited, despite some growing problems related to waste generation and recycling. The industry is moderately dependent on consumer choices, while it can suffer cybersecurity breaches with a significant impact on the disclosure of personal data. The IT industry benefits from a supportive environment as states and regions compete to be home to a tech hub, and regulation is favorable, except for a few dominant corporations that may be penalized by states for anti-competitive practices.

Competitive Positioning

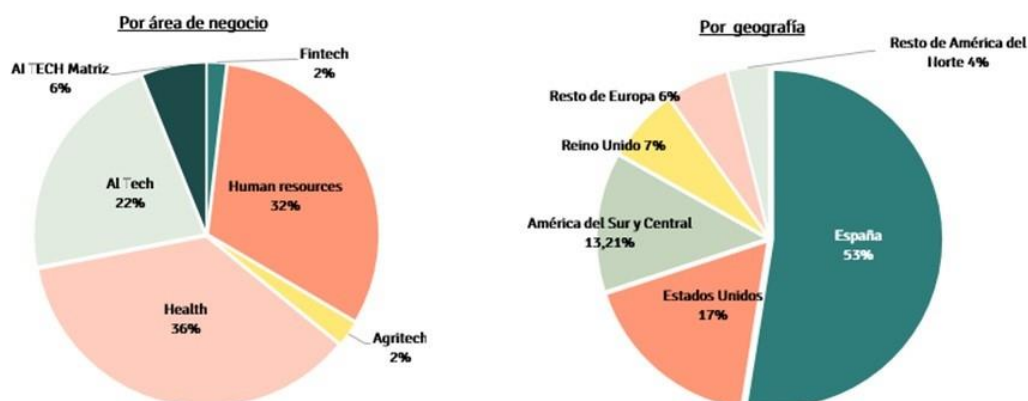- Small-sized company in a growth phase.

Substrate is a young group in a growth phase that operates in a very competitive global environment of artificial intelligence. Its competitors include the multinationals Microsoft, Amazon and Google that offer AI services and other European startups such as Alep Alpha, Mistral AI or Hugging Face. The main advantages of the group are focused on:

- Differentiating technology property with protected intangible assets: Subgen AI has developed a suite of generative artificial intelligence solutions called Serenity Star, supported by more than 17 patents registered in the U.S., reinforcing its position against the competition. This technology, in addition to giving access to more than 100 LLMs, also includes tools such as Serenity Compliance, focused on regulatory compliance, which reinforces its alignment with regulatory frameworks and sensitive sectors such as legal and financial.

- Vertical integration through proprietary infrastructure (Sovereign AI): highlights the development of AI solutions for companies and public sector entities, along with AI infrastructure to serve their customers. It includes the development of its own data centers (such as the 50 MW project in Talavera de la Reina), in collaboration with companies such as Lenovo, Dell, Nvidia and Acciona, and with the support of local administrations; as well as the Substrate Cloud platform to offer computing as a service (GPUaaS). This positions Subgen AI in a situation of technological independence from external providers and responds to the growing demand for "technological sovereignty" by European public administrations. Active participation in pilot projects with regional administrations, such as the case of Castilla-La Mancha, is expected to position the group as a benchmark for the digitalisation of the public sector, with potential access to recurring contracts and greater institutional funding.

- Hybrid growth model: the group invests in and transforms traditional companies by incorporating AI technologies. This strategy not only diversifies operational risk, but also amplifies the scalability of the model and consolidates its position as a comprehensive provider of AI solutions in sectors such as healthcare, HR and financial services. This approach allows Substrate AI to adapt technologies to different industries and validate its AI solutions directly at its subsidiaries before making significant investments in development.

Although the group has certain competitive advantages, it should be noted that the company's youth and current size, together with recently created AI products and commercialization in a dynamic sector of high competitiveness, maintain uncertainties about the future evolution of the group, which will be conditioned by continued access to capital, product validation in large customers, and its ability to close relevant contracts in the short term.

- Business model diversified by business areas and geographies, although with a certain concentration at the customer level.

Substrate AI is growing rapidly by investing in companies or startups, transforming them with its artificial intelligence technology and serving clients in different sectors such as health or human resources, these being the most representative, concentrating 69% of revenues in 2024. This diversification by sector allows the group to adapt technologies to different industries quickly, mitigating specific risks and generating operational synergies between its own software, technological infrastructure and sectoral application services. Diversification of FY24 turnover

Por área de negocio

- AI TECH Matriz 6%
- Fintech 2%
- AI Tech 22%
- Human resources 32%
- Health 36%
- Agritech 2%

Por geografía

- Resto de América del Norte 4%
- Resto de Europa 6%
- Reino Unido 7%
- América del Sur y Central 13,21%
- España 53%
- Estados Unidos 17%

Geographically, although Spain is consolidated as the group's main market, the generation of 48% of revenues in other geographies stands out: the USA, South America and Centras, the United Kingdom, the Rest of Europe. However, diversification is penalized by a medium concentration at the customer level, with the top 20 representing 48.5% of revenues and the top 1 16.1%.

Shareholder Structure and Governance

- Shareholder structure with openness to capital markets.

As of December 31, 2024, the majority shareholder of the Substrate AI Group is the company Subgen AI, Ltd, which as of December 31, 2023 was a subsidiary of the Substrate AI Group, holding 20.07% of the class A shares of the Substrate AI Group. The following are those shareholders whose percentage of direct and/or indirect participation in the Company as of June 20, 2025 is equal to or greater than 5%:

Clase A		Clase B	
Nombre	% (directo)	Nombre	% (directo e indirecto)
Subgen AI Ltd[1]	20,07%	Indico Investments and Managements, S.L.	18,13%
		JMSAN Agentes Financieros SL[2]	12,17%
		Fernando Villar del Prado	10,63%
		Francesc Xavier Ramos	9,04%
		United General, LTD	9,37%
		Fco. Javier Muñoz Sanfeliu	10,40%
		Yaro Investment Holding, LTD	7,57%

[1]Entity 19.93% owned by Substrate AI, 8.07% owned by Yaro Investment Holding, Ltd (100% owned by Mr. Yann Roche), 5.66% owned by Jmsan Agentes Financieros Globales, S.L. (50% owned by D.
Lorenzo Serratosa Gallardo and 50% by Mr. José Iván García Braulio). The entity's stake becomes 7.78% taking into account the 18,758,919 shares lent as collateral by Subgen AI Ltd to Atlas Capital Markets according to OIR of 19/06/2025.[2] Entity 50% owned by Mr. Lorenzo Serratosa Gallardo, 50% by Mr. José Iván García Braulio.

Grupo Substrate AI is listed on the BME Growth and OTC Market. All shares are subject to listing on BME Growth (during 2024 the management has taken the shares off the Aquis market in London). Entering the market makes it easier for you to access capital to finance your growth plan.

- Management team whose financial policy is marked by controlled indebtedness based on the continuous capitalization of debts.

Substrate AI is in a strong phase of technological development and acquisitions. This phase is being financed via equity, equity exchanges or convertible debt, which is considered adequate given that it allows controlled levels of indebtedness to be maintained. However, the group's expansion via equity contributions and debt-to-equity conversion, rather than recurring operating cash flows or structured finance, reflects a business model dependent on market confidence, with the risk of dilution and less visibility into financial sustainability if markets do not accompany.

The company plans to list some of the companies that are part of the group, such as Subgen AI, Fleebe.ai and 4D Médica, before 2028, with the aim of boosting its growth and increasing its market value. In this regard, the company announced at the end of May 2025 that it will list its health subsidiary Cuarta Dimensión Médica SL (4D Médica) on the British London Stock Exchange (LSE). The IPO is expected to take place within approximately three months. For its part, Subgen AI, a company in which Substrate AI has a 20% stake, has signed an LOI (letter of interest) to be listed in Sweden, on the Nasdaq First North Growth Market.

- Neutral ESG policy at company level.

The Substrate Group's strategies in terms of corporate governance are highlighted, with the presence of a Board of Directors that has independent members, as well as the separation of functions (CEO and President). However, the company has a lower score at the level of social and environmental policies, where the lack of reporting of the main ESG metrics and external certifications (e.g. ISO 14001, 9001 and 45001) penalize the score. The combination of these factors results in an average score (between 1.5 and 3.5), which has a neutral effect on the score.

Financial Profile

This analysis is based on figures as of December 31, 2024 from Subgen AI Ltd and subsidiaries. Unaudited figures.

The General Meeting of Shareholders of Substrate AI SA approved the distribution of an issue premium reserve in kind through the delivery of ordinary shares of its subsidiary Subgen AI Ltd or the payment in equivalent effect. This transaction ended with the delivery of 115,276,486 shares of Subgen AI, LTD representing 76.85% of its capital and €80.4k in cash. The reorganization of the group included the acquisition of 26.78% of the shares of Substrate AI SA by Subgen AI LTD for an amount of €4.2m. All this led Subgen AI Ltd to be the parent company, which carries out the global consolidation and therefore the subject of this financial analysis.

Sales & Profitability
- The group doubles its turnover and registers positive profit margins in 2024.

Rentabilidad. Miles de €.	FY22	FY23	FY24	24vs23
Facturación	3.136	8.609	17.823	107,0%
Mg Bruto	84,5%	66,9%	76,7%	9,8pp
EBITDA	-1.986	-3.701	5.945	260,7%
Mg EBITDA	-63,3%	-43,0%	33,4%	76,3pp
EBIT	-15.390	-7.616	3.207	142,1%
Mg EBIT	-490,8%	-88,5%	18,0%	106,5pp
Gastos Financieros	156	806	837	3,8%
EBT	-15.643	-8.350	3.643	143,6%

The company has doubled its turnover in the last two years (+174.5% 23vs22 and +107% 24vs23) benefiting in 2024 from the 12-month consolidation of the companies acquired during 2023: Diagximag (May 2023), IFIT Group (July-2023), Psvet Dairyquality (August-2023), and Binit and Deltanova (October-2023) along with the launch of Serenity Star at the beginning of the year.

In 2024, the group reached a significant milestone by achieving positive profit margins. The company achieved an EBITDA of €5.9m (vs -€3.7m) based on turnover growth against a cost structure that remained more stable (personnel expenses of €5.9m in 2024 vs €4m in 2023 and operating expenses of €9.9m in 2024 vs €10.7m in 2023).

EBIT stood at €3.2m vs -€7.6m in the previous year. It should be noted that the group had significant impairments on its goodwill that increased the negative EBIT balance in the previous year. In 2022, given the inflationary and rising interest rate context, the group reviewed the recoverability of goodwill and recorded an impairment of €13m while, in 2023, the group recorded an impairment of €2.6m from its stake in Summon Press.
During the 2024 financial year, some of the uncertainties mentioned above have been eased, so no significant deterioration was recorded.

The financial result stood at €0.2m. This balance includes the gain on the result of disposals of financial instruments for a balance of €0.9m as a result of the group's restructuring operation. Financial expenses remained relatively stable, standing at €0.8m (+3.8% year-on-year). The company includes a hyperinflation adjustment in the consolidated income statement of +€0.3m (+€0.1m in 2023) derived from the restatement of the financial statements of the Argentine company Binit Srl at current values by applying the corresponding general price index (IAS 29). Consequently, the group managed to achieve positive EBT, standing at €3.6m vs -€8.4m in the previous year.

Indebtedness and Hedging

- Controlled indebtedness and good interest coverage at the end of 2024.

The group's financial debt includes the presence of other financial liabilities (86% s/DFT), which mainly includes: i) the parent company's debt from the acquisition of 26.78% of the shares of Substrate AI SA (amounting to €4.3m classified as other debts), ii) debts from acquisitions of companies that will be settled mainly through capital increases (€2.1m at the end of 2024) and for the tranches pending conversion in capital related to the Alpha Blue Ocean (ABO) fund (€0.5m at the end of December-2024). In 2022, the Group signed a three-year contract for bonds mandatorily convertible into shares within a period of one year, of up to €20m signed with the Alpha Blue Ocean (ABO) fund for the development of its business plan; and iii) liabilities linked to B shares issued during 2023 amounting to €2.4m. The rest of the financial debt refers to debt with credit institutions (€1m), mainly associated with a loan received in 2024 to finance the acquisition of ultrasound equipment supplied to the Health Service of the Principality of Asturias (balance as of December 31, 2024 of €0.8m, being paid in February 2025); and financial leases for €0.7m.

Cálculo DFN/EBITDA. Miles de €.		FY23	FY24
Deudas con entidades de crédito		658	1.033
Acreedores por arrendamiento financiero		572	668
Otros pasivos financieros		11.792	10.473
	Deudas con características especiales[1]	2.359	2.359
	Deuda de adquisición de empresas[2]	6.000	2.600
	Deuda Impulse	2.000	-
	Otras deudas[2]	1.433	5.513
DFT Reportada		13.022	12.174
Caja		4.515	1.489
DFN		8.507	10.685
EBITDA		-3.701	5.945
DFN/EBITDA		-2,3x	1,8x

The increase in adjusted net financial debt in 2024 (+25.6 y-o-y) is mainly due to the reduction in the cash and cash equivalents position (see 'Cash Flow Analysis'). Despite this increase, the first year of generation stands out positively in terms of EBITDA, which has allowed the group to report a very controlled leverage (DFN/Adjusted EBITDA of 1.8x in 2024).

The favorable level of EBITDA allowed it to report a high interest coverage, standing at 7.1x (interest rate estimated at 6.6% on average).

Cash Flow Analysis

- Good operating cash generation derived from the scope observed in EBITDA.

Cash flow. Miles de €.	FY23	FY24	24vs23
FFO	-4.068	4.959	221,9%
+/- variación WK	381	-804	-311,3%
CF Operativo	-3.687	4.154	212,7%
CF Inversión	-492	-12.268	-2394,1%
Arrendamientos operativos	-548	-298	45,7%
CF Libre	-4.727	-8.411	-77,9%
+/- variación patrimonio	4.500	4.000	-11,1%
- Dividendos	-	-	-
CF Final Generado Internamente	-227	-4.411	-1839,9%
+/- variación deuda	3.119	1.385	-55,6%
Variación neta en caja	2.892	-3.026	-204,7%
Caja inicial	1.623	4.515	178,2%
Caja final	4.515	1.488	-67,0%

The group's EBITDA generation capacity during 2024 allowed the generation of positive FFO of €4.9m (vs -€4.1m in 2023) and CFO of €4.1m after working capital movements. The company achieved a CFI of -€12.3m, mainly divided between i) registrations in the development projects carried out internally by the group, mainly highlighting the

design and development project of a new artificial intelligence system for the health sector, and ii) other financial assets mainly related to investments in startups. These investments made by the company have been covered through a capital increase (+€4m), debt variation (+€1.4m) and existing cash flow. All this resulted in a cash reduction of €3m, closing at €1.5m (-67% vs. the previous year)

Capitalization

- Excellent levels of capitalization supported by the significant dependence on debt capitalization to finance growth.

Total assets amounted to €52.8m, +16.6% year-on-year, showing a significant increase in non-current assets (+27% year-on-year) mainly associated with the increase in intangible assets (+22.8% year-on-year), explained by the development projects carried out internally by the group (+€7.5m), with the main project being the design and development of a new artificial intelligence system for the healthcare sector (€7.1m). Current assets decreased by 21.4%, mainly following the reduction in the cash and cash equivalents position. The company maintains a high volume of intangible assets (74% s/total assets) mainly associated with the goodwill of the acquired companies (€20.4m) and the intangible assets (€18.7m) described above. The remaining volume of assets is distributed in different items, individually representing less than 10% of the total assets.

During 2024, the group completed a series of transactions including: i) capital increase by €5m, ii) debt capitalization (+€7.1m, mainly associated with the outstanding balance as of December 31, 2023 of the ABO fund amounting to €6m, which have been capitalized during the 2024 financial year), and iii) reorganization of the group (+€8.4m). All this allowed assets to stand at €30.1m, +26.6% above the previous year. Consequently, the company maintains an excellent level of capitalization, being reinforced during 2024 (PN/DFT of 247%). The relevance of intangible fixed assets poses a significant risk in the face of potential impairments that may affect the group's equity situation.

Liquidity

- High liquidity coupled with a satisfactory refinancing profile.

Based on figures at the end of 2024, the company reported a balance of financial debt maturing in the CP of €8.6m. However, there are debts amounting to €2.6 in short-term liabilities that are to be settled in treasury shares of the company Substrate AI S.A, together with the capitalization of another €4.3m referring to the debt for the acquisition of 26.78% of the shares of Substrate AI S.A, with no impact on the group's cash. All this, together with the cash and cash equivalents position (€1.5m at the end of 2024), the estimated generation of CFOs (€3.7m in 2025), would keep the group with sufficient liquidity to meet the financial commitments required as well as the maintenance CAPEX.

Modifiers

Controversies

- Currently the group does not present any controversy.

Country Risk

- It has not been determined that there is a relevant country risk.

Financial Projections

Projections made by EthiFinance Ratings that take into account the company's own estimates, as well as market dynamics. They are based on the following premises:

1. The increase in turnover is estimated under the combination of organic and inorganic growth. The growth of all business lines driven by Serenity Star stands out, which is expected to allow accelerated revenue growth.
2. Profitability margins are expected to further stabilise between 2025-2026, with an adjusted EBITDA margin of 25% in 2025 and growing to 27.7% in 2026. The progress achieved in the first four months of 2025 stands out, reaching 25.5% of the estimated total with an EBITDA margin of 25.5%.
3. Maintenance CAPEX is around 5%-10% of sales.
4. In terms of equity, during the 2025 financial year the company has completed the issuance and conversion to capital of tranches 15, 16, 17 and 18 with the Alpha Blue Ocean (ABO) fund. The end of this financing contract took place in June 2025. In addition, on June 9, 2025, Substrate AI has reached an investment agreement with Atlas Capital Markets, with the issuance of convertible bonds for a maximum amount of €10m. The company estimates the issuance and conversion of €3m by the end of 2025.

5. No dividends are estimated for the coming years.
6. In 2025, at the level of financial debt, the capitalization of debts is estimated at an amount close to €7m (includes €4.3m referring to the debt for the acquisition of 26.78% of the shares of Substrate AI S.A). In addition, an estimate of €0.4m is included for new bank financing signed in the first quarter of the year, as well as an estimate of funds via the promissory note program of €0.8m. In 2026, it is estimated that funds will be acquired via the promissory note program for €1.8m.

Growth from data center operations is excluded from the projections, given its current difficulty in estimating it.

Based on the premises described, the Substrate Group would maintain controlled leverage, high interest coverage and excellent capitalization.

Broadcast profile

Principales términos y condiciones	
Emisor	Substrate Artificial Inteligence SA
Instrumento	Programa de Emisión de Pagarés Substrate AI 2024
Monto	Hasta €10m. Cada Pagaré tendrá un valor nominal de cien mil euros, por lo que el número máximo de pagarés vivos en cada momento no podrá exceder de cien (100).
Plazo	Hasta 2 años.
Garantía	Pignoración de acciones de las distintas compañías: - Derecho real de prenda de primer rango sobre el 100% de las participaciones sociales que Substrate AI ostenta de la sociedad Fleebe AI Ltd, que actualmente representan la totalidad del capital social de dicha sociedad. Fleebe AI Ltd es una sociedad filial de Substrate AI, íntegramente participada por ésta - Derecho real de prenda de primer rango sobre el 100% de las participaciones sociales que Substrate AI ostenta de la sociedad Cuarta Dimensión Médica, S.L., que actualmente representan el 65,27% del capital social de dicha sociedad. Cuarta Dimensión Médica, S.L. es una sociedad filial de Substrate AI, participada en un 65,27% por ésta. Para las filiales cuyas acciones son pignoradas están sujetas a cláusulas de 'negative pledge'.
Interés	El interés nominal anual se fijará en cada emisión.

The recoverability analysis is based on stressing the valuation of the companies carried out by an independent third party of recognized prestige in September 2024, to simulate a default scenario. This exercise, added to the hypothesis that these will be free of financial debt and intra-group debt, has resulted in a recoverability rate of 86% of the promissory note program in a hypothetical default scenario. Based on this, the valuation of the instrument in relation to the corporate rating has been improved by two notches.

The value of the pledged guarantees must be valued annually in order to maintain the 150% coverage with respect to the promissory note programme prior to our collection exercise (last valuation carried out in September 2024).

Main Financial Figures

Principales magnitudes. Miles de €.	FY23	FY24	FY25e	FY26e	24vs23
Facturación	8.609	17.823	35.715	66.003	107,0%
EBITDA	-3.701	5.945	8.925	18.305	260,7%
Margen EBITDA	-43,0%	33,4%	25,0%	27,7%	76,3pp
EBIT	-7.616	3.207	6.303	15.353	142,1%
Margen EBIT	-88,5%	18,0%	17,6%	23,3%	106,5pp
EBT	-8.350	3.643	6.181	15.243	143,6%
Total Activo	45.259	52.757	70.121	85.737	16,6%
Patrimonio Neto	23.753	30.065	45.847	56.482	26,6%
Deuda Financiera Total	13.022	12.174	11.897	13.731	-6,5%
Deuda Financiera Neta	8.507	10.685	9.641	8.451	25,6%
PN/DFT	182,4%	247,0%	385,4%	411,3%	64,6pp
DFN/EBITDA	-2,3x	1,8x	1,1x	0,5x	4,1x
FFO	-4.068	4.959	6.505	13.586	221,9%
FFO/DFN	-47,8%	46,4%	67,5%	160,8%	94,2pp
EBITDA/Intereses	-4,6x	7,1x	11,2x	21,5x	11,7x

SUBSTRATE ARTIFICIAL INTELIGENCE SA

Credit Rating

Credit Rating	
Perfil Negocio	**BB-**
Análisis Sectorial	*BBB*
Ajuste ESG	Neutral
Posicionamiento Competitivo	*B-*
Gobierno corporativo	*BB-*
Perfil Financiero	**B+**
Cash flow y endeudamiento	*B-*
Capitalización	*A+*
ESG Compañía	Neutral
Anchor Rating	**BB-**
Modificadores	*No*
Rating Corporativo	**BB-**
Rating Instrumento	**BB+**

Sensitivity Analysis

- Long-term positive factors - corporate rating (↑)

Consolidation in results of the group's strategies during 2025, with a significant improvement in revenues and the maintenance of good profit margins, under a reduced debt structure.

- Negative factors in the long term - corporate rating (↓)

Non-compliance with projections. Commercial difficulty in expanding the business in other segments and customers; a shift in financial policy towards more debt-focused financing and a consequent deterioration in debt and capitalisation ratios. Difficulty in integrating acquired companies. Exposure to security breaches and confidentiality of information.

- Long-term positive factors - instrument rating (↑)

The rating upgrade of the promissory note program depends on the corporate rating upgrade.

- Negative factors in the long term – instrument rating (↓)

The downgrade of the rating of the promissory note program would occur immediately with the deterioration of the corporate rating, and/or if the deterioration of the instrument's guarantees occurs.

Sources of information

The credit rating assigned in this report has been requested by the rated entity, which has also taken part in the process. It is based on private information as well as public information. The main sources of information are:

1. Annual Audit Reports.
2. Corporate Website.
3. Information published in the Official Bulletins.
4. Rating book provided by the Company.

The information was thoroughly reviewed to ensure that it is valid and consistent, and is considered satisfactory. Nevertheless, EthiFinance Ratings assumes no responsibility for the accuracy of the information and the conclusions drawn from it.

Additional information

The rating was carried out in accordance with Regulation (EC) N°1060/2009 of the European Parliament and the Council of 16 September 2009, on credit rating agencies. Principal methodology used in this research are :
Corporate Rating Methodology - General : https://www.ethifinance.com/download/corporate-ratingmethodology-general/?wpdmdl=35203
Corporate Rating Methodology - General : https://www.ethifinance.com/download/corporate-ratingmethodology-general/?wpdmdl=35203

- The rating scale used in this report is available at https://www.ethifinance.com/en/ratings/ratingScale.
- EthiFinance Ratings publishes data on the historical default rates of the rating categories, which are located in the central statistics repository CEREP, of the European Securities and Markets Authority (ESMA).
- In accordance with Article 6 (2), in conjunction with Annex I, section B (4) of the Regulation (EC) No 1060/2009 of the European Parliament and of the Council of 16 September 2009, it is reported that during the last 12 months EthiFinance Ratings has not provided ancillary services to the rated entity or its related third parties.
- The issued credit rating has been notified to the rated entity, and has not been modified since.