

6m Results 2025

 Opinion ⁽¹⁾: In line

 Impact ⁽¹⁾: We will maintain our estimates

Alfredo Echevarría Otegui – alfredo.echevarria@institutodeanalistas.com

+34 915 631 972

Business description

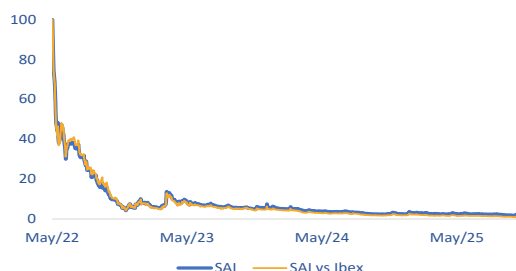
Substrate AI (SAI), is a Spanish startup tech company focused on AI and its applications incorporated in Talavera de la Reina (Toledo). SAI develops and sells its own products and solutions under a SaaS model. Listed on BME Growth since May 2022.

Market Data

Market Cap (Mn EUR and USD)	15.7	18.2
EV (Mn EUR and USD) ⁽²⁾	16.5	19.2
Shares Outstanding (Mn)	167.6	
-12m (Max/Med/Mín EUR)	0.15 / 0.11 / 0.06	
Daily Avg volume (-12m Mn EUR)	0.20	
Rotation ⁽³⁾	327.9	
Refinitiv / Bloomberg	SAI.MC / SAI SM	
Close fiscal year	31-Dec	

Shareholders Structure (%) ⁽⁵⁾

SUBGEN AI LTD	12.1
Treasury stock	7.5
SUBGEN AI Foundation	1.5
Free Float	77.9

Relative performance (Base 100)

Stock performance (%)

	-1m	-3m	-12m	-5Y
Absolute	15.0	-6.6	-0.8	n.a.
vs Ibex 35	9.8	-17.4	-26.6	n.a.
vs Ibex Small Cap Index	11.1	-9.1	-21.2	n.a.
vs Eurostoxx 50	10.9	-12.6	-13.6	n.a.
vs Sector benchmark ⁽⁴⁾	8.3	-12.8	-10.1	n.a.

(1) The opinion regarding the results is on reported EBITDA with respect to our estimate for the year (12m). The impact reflects whether, due to the results, we envisage a significant revision (>5% - 10%, depending on the sector) of our EBITDA estimate (for any of the estimated years).

(2) Please refer to table 2.

(3) Rotation is the % of the capitalisation traded - 12m.

(4) vs Stoxx Europe 600 Technology.

(5) Others: Lorenzo Serratosa 0.5%, José Iván García Braulio 0.5%

(*) Unless otherwise indicated, all the information contained in this report is based on: The Company, Refinitiv and Lighthouse.

1H25 results: gross margin improvement has to convert into cash generation

REVENUE RISES 17% TO EUR 8.1MN... vs. EUR 6.9Mn in 1H24, which is in line with our 2025e estimate of EUR 16.8Mn (a decline of approx. 4% over 2024 due to perimeter changes) and approx. 7% lower than the 1H25 sales advance communicated in mid-July.

...WITH SIGNIFICANT GROSS MARGIN IMPROVEMENT. The gross margin reached 87.8% (+23 p.p. vs. 1H24). The improved gross margin and good performance in personnel expenses (-43%) were not enough to offset the EUR 4Mn increase in other operating expenses, negatively impacting Recurring EBITDA (EUR -1.2Mn versus EUR -0.8Mn in 1H24). SAI continues to invest in growth (EUR 4.5Mn in CAPEX and capitalized expenses in 1H25 vs. EUR 2.9Mn in 1H24), which is financed by successive capital increases via conversion of mandatory convertible bonds and by higher indebtedness (Net Debt increased from EUR 6.6Mn in December 2024 to EUR 8.4Mn in June 2025).

RECURRING EBITDA BREAK-EVEN AND LONG-TERM FINANCING. SAI recently announced (Regulatory Disclosure on 10/23/2025) its decision to cancel the convertible bond financing program and opt for long-term financing from investors in both equity and debt (without neglecting its commercial paper program). We believe that (i) confirmation of this long-term financing with less dilution for current shareholders and (ii) progress in the processes to "list" Subgen AI on the Nasdaq First North Growth Market (Regulatory Disclosure today communicating the prospectus registration) and 4D Medical on the LSE will reduce SAI's execution risk (reaching Recurring EBITDA break-even), reversing the stock's underperformance in recent years (as seen with the positive reaction to the announcement of the cancellation of the mandatory convertibles program).

Table 1. Results table

EUR Mn	6m25	6m24	6m25 vs 6m24	2025e	2025e vs 2025
Total Revenues	8.1	6.9	17.3%	16.8	-52.0%
Gross Margin	7.1	4.5	58.9%	12.2	-42.0%
Gross Margin / Revenue	87.8%	64.8%	23.0 p.p.	72.7%	15.1 p.p.
Recurrent EBITDA ⁽¹⁾	(1.2)	(0.8)	-40.9%	-1.5	18.4%
Rec. EBITDA/Revenues	n.a	n.a	n.a.	-8.7%	n.a.
EBIT	1.0	0.5	81.1%	-2.0	149.9%
PBT	0.5	0.8	-36.1%	-2.4	121.4%
NP	0.3	0.4	-27.6%	-2.4	111.2%
Net Debt	8.4	7.9	6%	7.9	87%

(1) EBITDA "Cash," which excludes income from the capitalization of expenses.

Table 2. EV breakdown at the date of this report

EUR Mn	Source
Market Cap	15.7
+ Minority Interests	(3.1)
+ Provisions & Other L/T Liabilities	1.8
+ Net financial debt	8.4
- Financial Investments	6.3
+/- Others	
Enterprise Value (EV)	16.5

Report issued by IEAF Servicios de Análisis, S.L.U. Lighthouse is a project of IEAF Servicios de Análisis, S.L.U.

This report has been prepared on the basis of information available to the public. The report includes a financial analysis of the company covered. The report does not propose any personalised investment recommendation. Investors should consider the contents of this report as just another element in their investment decision-making process. The final two pages of this report contain very important legal information regarding its contents.

Substrate Artificial Intelligence (SAI) is a BME Growth company

BME Growth is the segment of BME MTF Equity aimed at small and medium sized companies, directed and managed by the Spanish stock market and is subject to the CNMV supervision. BME MTF Equity is not a Regulated Market but instead falls within the classification of a Multilateral Trading Facility (MTF) as defined under the Markets in Financial Instruments Directive (MiFID). In July 2020, BME Growth obtained the status of SME Growth Market, a new category of EU regulations, which in Spain is called Mercado de Pymes en Expansión.

BME Growth is the Spanish equity market for companies of reduced capitalization which aim to grow, with a special set of regulations, designed specifically for them, and with costs and process tailored to their particular features. Operations in BME Growth (former MAB) started in July 2009. There are currently c.140 companies listed on it. Companies listed on the MAB can choose to present their financial statements under IFRS or the General Accounting Plan (PGC) and Royal Decree 1159/2010 (NOFCAC).

Appendix 1. Main peers (2025e)

	EUR Mn	Europe			Average	United States		Average	SAI
		Sidetrade	Median Technologies	Lectra		C3.ai	Palantir Technologies		
Market data	Ticker (Factset)	ALBFR.PA	ALMDT.PA	LECS.PA		AI	PLTR.O		SAI.MC
	Country	France	France	France		USA	USA		Spain
	Market cap	344.2	98.1	890.4		2,141.7	385,927.9		15.7
	Enterprise value (EV)	324.4	125.7	968.2		1,530.6	380,860.3		16.5
Basic financial information	Total Revenues	61.8	23.4	512.4		258.5	3,579.6		16.8
	Total Revenues growth	12.4%	2.0%	-2.7%	3.9%	-22.6%	45.5%	11.5%	-4.2%
	2y CAGR (2025e - 2027e)	17.0%	33.7%	7.1%	19.3%	23.1%	35.0%	29.0%	15.0%
	EBITDA	8.9	(15.6)	85.5		(150.5)	1,657.0		0.5
	EBITDA growth	25.6%	24.1%	-7.8%	14.0%	43.8%	464.5%	254.1%	-90.5%
	2y CAGR (2025e - 2027e)	15.2%	68.0%	17.2%	33.5%	41.6%	38.3%	40.0%	26.3%
	EBITDA/Revenues	14.3%	n.a.	16.7%	15.5%	n.a.	46.3%	46.3%	3.2%
	EBIT	9.2	(17.2)	43.5		(169.0)	1,598.7		(2.0)
	EBIT growth	58.4%	23.7%	-11.8%	23.5%	39.3%	500.0%	269.7%	-153.7%
	2y CAGR (2025e - 2027e)	16.1%	37.3%	34.6%	29.3%	32.6%	35.6%	34.1%	-9.4%
	EBIT/Revenues	14.9%	n.a.	8.5%	11.7%	n.a.	44.7%	44.7%	n.a.
	Net Profit	8.4	(19.0)	34.2		(141.7)	1,396.8		(2.4)
	Net Profit growth	5.0%	24.7%	15.4%	15.0%	42.8%	247.8%	145.3%	-124.2%
	2y CAGR (2025e - 2027e)	14.5%	43.6%	31.3%	29.8%	48.0%	37.5%	42.8%	-15.0%
	CAPEX/Sales %	1.8%	6.0%	1.4%	3.0%	1.6%	0.7%	1.1%	5.9%
Multiples and ratios	Free Cash Flow	10.0	(19.0)	52.5		(76.5)	1,521.1		(3.7)
	Net financial debt	7.3	17.9	53.5		(410.0)	(5,212.8)		7.9
	ND/EBITDA (x)	0.8	n.a.	0.6	0.7	n.a.	n.a.	n.a.	n.a.
	Pay-out	0.0%	0.0%	41.4%	13.8%	0.0%	0.0%	0.0%	0.0%
	P/E (x)	39.3	n.a.	26.2	32.7	n.a.	n.a.	n.a.	n.a.
	P/BV (x)	6.8	n.a.	2.4	4.6	3.7	n.a.	3.7	0.4
	EV/Revenues (x)	5.2	5.4	1.9	4.2	5.9	n.a.	5.9	1.0
	EV/EBITDA (x)	36.7	n.a.	11.3	24.0	n.a.	n.a.	n.a.	n.a.
	EV/EBIT (x)	35.3	n.a.	22.3	28.8	n.a.	n.a.	n.a.	n.a.
	ROE	18.5	65.8	8.3	30.8	n.a.	24.4	24.4	n.a.
	FCF Yield (%)	2.9	n.a.	5.9	4.4	n.a.	0.4	0.4	n.a.
	DPS	0.00	0.00	0.37	0.12	0.00	0.00	0.00	0.00
	Dvd Yield	0.0%	0.0%	1.6%	0.5%	0.0%	0.0%	0.0%	0.0%

Note 1: Financial data, multiples and ratios based on market consensus (Refinitiv).

Note 2: All ratios and multiples on EBITDA refer to total EBITDA (not to recurrent EBITDA).

LIGHTHOUSE

Calle Núñez de Balboa, 108 1ª Planta
28006 Madrid
T: +34 91 563 19 72
institutodeanalistas.com/lighthouse

Head of research

Alfredo Echevarría Otegui
alfredo.echevarria@institutodeanalistas.com

Analysts who contributed to this report:

Pablo Victoria Rivera, CESGA
Equity research
pablo.victoria@institutodeanalistas.com

Daniel Gandoy López
Equity research
lighthouse@institutodeanalistas.com

Miguel Medina Sivilotti
Equity research
lighthouse@institutodeanalistas.com

Jesús López Gómez, CESGA
ESG Analyst & Data analytics
jesus.lopez@institutodeanalistas.com

All Lighthouse research documents are available simultaneously on the Lighthouse website (institutodeanalistas.com/lighthouse) and via third-party aggregators such as Bloomberg, Factset, Capital IQ and Refinitiv.

IMPORTANT LEGAL INFORMATION REGARDING THIS REPORT

LIGHTHOUSE

Lighthouse is a project of IEAF Servicios de Análisis S.L.U. Lighthouse is a research project funded by Bolsas y Mercados Españoles S.A. Lighthouse aims to improve the research coverage of the "orphan stocks" of the Spanish market: those which lack real and continuous research coverage. Lighthouse reports will not include valuation and target price. Lighthouse does not seek to provide investment advice to any natural or legal person. For this reason, Lighthouse will not provide a valuation, target price or investment recommendation for any of the securities analysed.

IEAF Servicios de Análisis S.L.U. is a Spanish company whose corporate purpose is:

- 1º) To provide information and financial analysis regarding securities issued by any class of legal person traded or not on official secondary markets, and especially (but not exclusively) those securities which are not the object of the recurrent provision of information and analysis by financial analysts who participate in the markets.
- 2º) To publicise and update the aforementioned financial reports and analysis, in addition to the monitoring and following of the securities on which the information and analysis is provided.
- 3º) To prepare studies and projects aimed at proposing and implementing measures to improve the information and financial analysis of securities traded on official secondary markets.

IEAF Servicios de Análisis S.L.U. is a company whose sole shareholder is the Instituto Español de Analistas Financieros, a professional, not for profit association.

DISCLAIMER

The Instituto Español de Analistas Financieros hereby certifies that the analyst of IEAF Servicios de Análisis S.L.U. whose name figures as the author of this report, expresses views that reflect their personal and independent opinion of the company analysed without these implying, either directly or indirectly, a personalised recommendation of the company analysed for purposes of providing investment advice. This report is based on the preparation of detailed financial projections from information available to the public and following traditional fundamental research methodology (i.e. it is not a technical or quantitative analysis report). For the analysis methodology used in the preparation of this report, please contact the analyst directly; contact details are included on the front page of this report.

The report includes basic information regarding the main parameters to be used by an investor when making their own valuation (whether by discounted cash flows or multiples). These parameters are the personal opinion or estimate of the analyst. The person receiving this report should use their own judgement when using these parameters and should consider them as another element in their decision-making process in respect of investment. These parameters do not represent a personalised investment recommendation.

Rules governing confidentiality and conflicts of interest

None of the following rules governing confidentiality and conflicts of interest (12) is applicable to this report:

1. This report is non-independent research as it has been commissioned by the company analysed (issuer).
2. In the last 12 months, the Instituto Español de Analistas Financieros or its subsidiary, IEAF Servicios de Análisis S.L.U., has had Investment Banking mandates or has managed or co-managed a public offering of the securities of the issuer, or has received compensation from said issuer for Investment Banking services, that exclude brokerage services for prepaid fees.
3. In the next 6 months, the Instituto Español de Analistas Financieros or its subsidiary, IEAF Servicios de Análisis S.L.U., expects to receive or intends to obtain compensation for Investment Banking services provided to this company that exclude brokerage services for prepaid fees.
4. The Investment Analyst or a member of the Research Department or a member of their household has a long position in the shares or derivatives of the corresponding issuer.
5. The Investment Analyst or a member of the Research Department or a member of their household has a short position in the shares or derivatives of the corresponding issuer.
6. At the date of publication, the Instituto Español de Analistas Financieros or its subsidiary, IEAF Servicios de Análisis S.L.U. held a long position of over 0.5% of the issuer's capital.
7. At the date of publication, the Instituto Español de Analistas Financieros or its subsidiary, IEAF Servicios de Análisis S.L.U. held a short position of over 0.5% of the issuer's capital.
8. At the end of the month immediately prior to the publication of this report, or of the previous month if the report is published in the ten days following the end of the month, the company analysed (the issuer) or any of its subsidiaries held 5% or more of any class of equity security of the Instituto Español de Analistas Financieros or its subsidiary, IEAF Servicios de Análisis S.L.U.
9. A senior director or officer of the Instituto Español de Analistas Financieros or its subsidiary, IEAF Servicios de Análisis S.L.U., or a member of their department is a director, officer, advisor or member of the Board of Directors of the issuer and/or one of its subsidiaries.
10. The Instituto Español de Analistas Financieros or its subsidiary, IEAF Servicios de Análisis S.L.U., acts as broker for the Issuer for the corresponding prepaid fees.
11. The contents of this report related to the financial analysis, financial projections, valuation, investment summary and opinion of the analyst have been reviewed by the issuer prior to its publication.
12. The issuer has made changes to the contents of this report prior to its distribution.

The Investment Analysts who have prepared this Investment Analysis are employees of IEAF Servicios de Análisis S.L.U. These analysts have received (or will receive) compensation according to the general earnings of IEAF Servicios de Análisis S.L.U. To obtain a copy of the Code of Conduct of IEAF Servicios de Análisis S.L.U. (in respect of the Management of Conflicts of Interest in the research department), please use the e-mail address secretaria@institutodeanalistas.com or consult the contents of this Code at <https://institutodeanalistas.com>.

IEAF Servicios de Análisis S.L.U. is compensated by Bolsas y Mercados Españoles, S.A. for the preparation of this report. This report should be considered as just another element in the taking of investment decisions.

A report issued by IEAF servicios de análisis S.L.U.

All rights reserved. The unauthorised use or distribution of this report is prohibited. This document has been prepared and distributed, according to the provisions of the MiFID II by IEAF Servicios de Análisis S.L.U. Its corporate activity is regulated by the CNMV (the Spanish Securities Exchange Commission). The information and opinions expressed in this document do not represent nor are they intended to represent an offer or a solicitation to buy or sell the securities (in other words, the securities mentioned in this report and related warrants, options, rights or interests). The information and opinions contained in this document are based upon information available to the public and have been obtained from sources believed to be reliable by IEAF Servicios de Análisis S.L.U., but no guarantee is given regarding their accuracy or completeness. All comments and estimates reflect solely the opinion of IEAF Servicios de Análisis S.L.U. and do not offer any implicit or explicit guarantee. All the opinions expressed are subject to change without prior warning. This document does not take into account the specific investment objectives, financial position, risk profile or other specific aspects of the person who receives this document, and accordingly they should exercise their own judgement in this respect. Neither the Instituto Español de Analistas Financieros nor its subsidiary, IEAF Servicios de Análisis S.L.U., assumes any responsibility for direct or indirect

losses arising from the use of the published research, except in the event of negligent conduct by IEF Servicios de Análisis S.L.U. The information contained in this report is approved for distribution to professional clients, eligible counterparties and professional advisers, but not for distribution to private individuals or retail clients. Its reproduction, distribution or publication for any purpose without the written authorisation of IEF Servicios de Análisis S.L.U. is prohibited. The Instituto Español de Analistas Financieros and/or its subsidiary IEF Servicios de Análisis S.L.U., their employees and directors, may hold a position (long or short) in an investment knowing that this issuer will be the object of analysis and that this analysis will be distributed to institutional investors. Any further information regarding the contents of this report will be provided upon request. IEF Servicios de Análisis S.L.U. intends to publish (at least) one quarterly report or note updating the information on the company analysed.

United States. IEF Servicios de Análisis S.L.U. is not registered in the United States and, consequently, is not subject to the regulations of that country governing the preparation of research and the independence of analysts. This report is distributed solely to major US institutional investors, in reliance on the exemption from registration provided by Rule 15a-6 of the US Securities Exchange Act of 1934, as amended (the "Exchange Act"), and interpretations of this made by the US Securities Exchange Commission.

Major US Institutional Investors. This report will be distributed to "major US institutional investors", as defined by Rule 15a-6 of the US Securities Exchange Commission and of the US Securities Exchange Act of 1934.

Notes and Reports History

Date of report	Recommendation	Price (EUR)	Target price (EUR)	Period of validity	Reason for report	Analyst
29-Oct-2025	n.a.	0.093	n.a.	n.a.	6m Results 2025	Alfredo Echevarría Otegui
17-Jun-2025	n.a.	0.110	n.a.	n.a.	Small & Micro Caps (Spain)	Alfredo Echevarría Otegui
05-May-2025	n.a.	0.120	n.a.	n.a.	12m Results 2024	Alfredo Echevarría Otegui
04-Nov-2024	n.a.	0.101	n.a.	n.a.	6m Results 2024	Alfredo Echevarría Otegui
27-May-2024	n.a.	0.166	n.a.	n.a.	Small & Micro Caps (Spain)	Alfredo Echevarría Otegui
02-May-2024	n.a.	0.161	n.a.	n.a.	12m Results 2023	Enrique Andrés Abad, CFA
29-Dec-2023	n.a.	0.233	n.a.	n.a.	Estimates downgrade	Enrique Andrés Abad, CFA
06-Nov-2023	n.a.	0.220	n.a.	n.a.	Important news	Enrique Andrés Abad, CFA
25-Sep-2023	n.a.	0.224	n.a.	n.a.	Important news	Enrique Andrés Abad, CFA
03-Aug-2023	n.a.	0.276	n.a.	n.a.	Important news - Estimates upgrade	Enrique Andrés Abad, CFA
19-Jul-2023	n.a.	0.310	n.a.	n.a.	6m 2023 Preliminary results	Enrique Andrés Abad, CFA
12-Jun-2023	n.a.	0.320	n.a.	n.a.	Small & Micro Caps (Spain)	David López Sánchez
14-Apr-2023	n.a.	0.397	n.a.	n.a.	12m Results 2022 - Estimates downgrade	Enrique Andrés Abad, CFA
03-Feb-2023	n.a.	0.288	n.a.	n.a.	Important news	Enrique Andrés Abad, CFA
23-Jan-2023	n.a.	0.340	n.a.	n.a.	12m 2022 Preliminary results	Enrique Andrés Abad, CFA
22-Dec-2022	n.a.	0.235	n.a.	n.a.	Initiation of Coverage	Enrique Andrés Abad, CFA

