SubgenAI

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SUBGEN AI HAS RESOLVED ON TWO DIRECTED SHARES ISSUES OF A TOTAL OF APPROXIMATELY SEK 12.7 MILLION

Subgen AI AB (“Subgen AI” or the “Company”) today announces that the Board of Directors has, pursuant to the authorization from the annual general meeting 2026, resolved on two directed share issues: (i) a share issue of a total of 173,611,111 ordinary shares to Ascent Partners Fund LLC (“Ascent Partners”) with payment by set-off of an assumed debt of EUR 800,000 at a subscription price of SEK 0.05 per share (the “Set-off Issue”), and (ii) a directed issue of a total of 80,000,000 ordinary shares to Assured Mind S.L. (“Assured Mind”), corresponding to SEK 4,000,000 at a subscription price of SEK 0.05 per share, in accordance with the investment agreement of up to SEK 33 million announced on 9 December 2025 (the “Directed Issue”). In total, the Set-off Issue and the Directed Issue corresponds to approximately SEK 12.7 million. The Set-off Issue is made to settle a debt of EUR 800,000 assumed by Subgen AI from Substrate Artificial Intelligence S.A. (“Substrate AI”) pursuant to a debt assumption agreement entered into on 10 August 2026 (the “Debt Assumption Agreement”). The assumed debt relates to Substrate AI’s outstanding obligation to Ascent Partners. The assumption of the EUR 800,000 debt has been set off against Subgen AI’s EUR 2,000,000 debt towards Substrate AI, created in connection with the acquisition of Link Securities Capital S.L. as announced on 5 May 2026, which, following the set-off, now amounts to EUR 1,200,000. The Directed Issue is made pursuant to the Board of Directors’ request on 6 August 2026 for an investment of SEK 4,000,000 from Assured Mind under the investment agreement, which provides for investments of up to SEK 33,000,000 in total (the “Investment Agreement”). All shares in the Set-off Issue and the Directed Issue have been subscribed for and allotted.

The Set-off Issue

Subgen AI entered into a Debt Assumption Agreement with Substrate AI on 10 August 2026. According to the Debt Assumption Agreement, Subgen AI assumes an EUR 800,000 debt that Substrate AI had towards Ascent Partners. The assumption of the EUR 800,000 debt has been set off against the EUR 2,000,000 debt that Subgen AI has towards Substrate AI, created in connection with the acquisition of Link Securities Capital S.L. as announced on 5 May 2026. The EUR 2,000,000 debt owed by Subgen AI in connection with the acquisition of Link Securities Capital S.L. was originally owed to ZonaValue Global S.L., a subsidiary of Substrate AI, and was subsequently transferred to Substrate AI. Following the set-off, Subgen AI's remaining debt towards Substrate AI in connection with the acquisition of Link Securities Capital S.L. amounts to EUR 1,200,000. To settle the debt, in accordance with the Debt Assumption Agreement, the Board of Directors of Subgen AI has today resolved on the Set-off Issue consisting of a total of 173,611,111 ordinary shares, pursuant to the authorization from the annual general meeting 2026.

The Directed Issue

The Board of Directors of Subgen AI has today, pursuant to the authorization from the annual general meeting 2026, resolved on the Directed Issue of a total of 80,000,000 ordinary shares to Assured Mind. The Directed Issue is carried out in accordance with the Investment Agreement entered into between Subgen AI and Assured Mind in December 2025 as Subgen AI calls on an investment of SEK 4,000,000 from Assured Mind. Pursuant to the first investment call by the Company, Subgen AI and Assured Mind agreed on a share loan agreement whereby Subgen AI lent 48,547,347 security shares of Substrate AI to Assured Mind as a security for the Investment Agreement. The Company maintains the voting and economic rights of the security shares during the loan period, which has a term of three years, after which Assured Mind shall return the shares to Subgen AI. In accordance with the Investment Agreement, the investment will take place in the form of a directed issue of ordinary shares in Subgen AI to Assured Mind. The subscription price in the Directed Issue is the greater of (i) 90 percent of the closing price of the Company's ordinary share on the trading day immediately prior to the Company calling on the investment, and (ii) the quota value of the Company's share, rounded up to the nearest whole öre. The subscription price has been determined at SEK 0.05. Subgen AI called on the investment from Assured Mind on 6 August 2026. The proceeds will be used to strengthen the Company's working capital and support its ongoing operations as it continues to execute its growth strategy across the European AI market.

In total, the Investment Agreement, which expires on 15 January 2029, allows Subgen AI to request investments of up to SEK 33,000,000 from Assured Mind. After the current request of SEK 4,000,000, a total of SEK 29,000,000 remains available under the Investment Agreement.

Considerations

Set-off Issue

The subscription price in the Set-off Issue is SEK 0.05, corresponding to the closing price of the Company's shares on the trading day preceding the day the Company entered into the Debt Assumption Agreement, rounded to the nearest whole öre. The terms of the Set-off Issue in accordance with the Debt Assumption Agreement, including the subscription price and the method for calculating it, have been determined through arm's length negotiations with Ascent Partners, using the SEK/EUR exchange rate of 10.9655 from the Riksbank on the date of the Debt Assumption Agreement, and are considered to be market-based. The Board of Directors has taken into account all the possibilities at hand, including the market conditions and the financing situation for the Subgen AI group. The purpose of the Set-off Issue, and the reason for the deviation from the shareholders' preferential rights, is that the Company sees an opportunity to decrease the group's debt burden and strengthen the group's financial position for continued operations. Having made an overall assessment, the Board of Directors concludes that a rights issue would have entailed higher costs and/or additional dilution depending on the type of consideration paid for any guarantee commitments. The Board of Directors has therefore concluded that the Set-off Issue is in the interests of both the shareholders and the Company and therefore also justifies a deviation from the shareholders' preferential rights.

Directed Issue

The subscription price in the Directed Issue has been determined in accordance with the Investment Agreement as the greater of (i) 90 percent of the closing price of the Company's ordinary shares on the trading day immediately prior to the Company's request for the investment, and (ii) the quota value of the Company's shares, rounded up to the nearest whole öre. The terms of the Directed Issue in accordance with the Investment Agreement, including the procedure for determining the subscription price, have been determined in arm's length negotiations with Assured Mind and are considered to be market-based. The Board of Directors has considered the Directed Issue as an alternative to a rights issue, taking into account all available alternatives, the market conditions and the necessity of securing the financing. The purpose of the investment and the Directed Issue, and the reason for the deviation from the shareholders' preferential rights, is that the Company sees a need to secure the financing to continue the expansion in Europe, scale the Company's organization in strategic markets and accelerate the adoption and implementation of Serenity Star as a leading AI implementation platform. Securing the financing through the Directed Issue is considered the most prudent approach to funding the expansion, as it limits dilution to what is strictly necessary. Having made an overall assessment, the Board of Directors concludes that a rights issue would have entailed greater costs and/or additional dilution depending on the type of consideration paid for the guarantee commitments. The Board of Directors has therefore concluded that the Directed Issue is the most favorable financing alternative for Subgen AI and in the interests of both the shareholders and the Company and justifies a deviation from the shareholders' preferential rights.

Shares and share capital

Through the Set-off Issue, a total of 173,611,111 new ordinary shares in the Company will be issued, bringing the total number of shares from 1,981,438,752 shares to 2,155,049,863 shares, whereby 1,656,062,257 are ordinary shares and 498,987,606 are class A shares. The share capital will increase with SEK 451,523.765692, from SEK 5,153,280.119208 to SEK 5,604,803.8849.

Through the Directed Issue, a total of 80,000,000 new ordinary shares in the Company will be issued, bringing the total number of shares from 2,155,049,863 shares to 2,235,049,863 shares, whereby 1,736,062,257 are ordinary shares and 498,987,606 are class A shares (after the increase of ordinary shares following the Set-off Issue). The share capital will increase with SEK 208,062.151364, from SEK 5,604,803.8849 to SEK 5,812,866.036264 (after the increased share capital following the Set-off Issue).

The Set-off Issue and the Directed Issue entail a total dilution of approximately 11.35 percent of the capital and approximately 3.77 percent of the votes for the Company's existing shareholders.

Advisors

Moll Wendén Law AB acts as legal advisor to the Company. Eminova Fondkommission AB acts as the issue agent.

For further information, please contact:

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About Subgen AI

Subgen AI (Nasdaq First North: SUBGEN) is a Stockholm-headquartered enterprise AI company serving clients in healthcare, financial services, energy, and the public sector across Europe, the United States, and Latin America. Its flagship platform, Serenity Star, enables organisations to deploy, govern, and scale generative AI with full EU AI Act compliance and data sovereignty. For more information, visit **https://subgen.ai**.

The Company's Certified Adviser is Eminova Fondkommission AB | **adviser@eminova.se**.

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This press release is not a prospectus within the meaning of Regulation (EU) No 2017/1129 (the "**Prospectus Regulation**") and has not been approved or reviewed by any regulatory authority in any jurisdiction. A prospectus will not be prepared in connection with the Set-off Issue or the Directed Issue.

This press release does not identify or purport to identify any risks (direct or indirect) that may be associated with an investment in new shares. The information contained in this press release is for the sole purpose of describing the background to the Set-off Issue and the Directed Issue and does not purport to be complete or exhaustive.

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Forward-looking statements

This press release contains forward-looking statements that reflect the Company's intentions, beliefs or expectations regarding the Company's future results of operations, financial condition, liquidity, performance, prospects, anticipated growth, strategies and opportunities and the markets in which the Company operates. Forward-looking statements are statements that are not historical facts and can be identified by the use of words such as "believes", "expects", "anticipates", "intends", "estimates", "will", "may", "anticipates", "should", "could" and, in each case, the negatives thereof, or similar expressions. The forward-looking statements in this press release are based on various assumptions, many of which are based on additional assumptions. Although the Company believes that the assumptions reflected in these forward-looking statements are reasonable, there can be no assurance that they will materialise or that they are accurate. Because these statements are based on assumptions or estimates and are subject to risks and uncertainties, actual results or outcomes could differ materially from those in the forward-looking statements for a variety of reasons. Such risks, uncertainties, contingencies and other important factors could cause actual events to differ materially from the expectations expressed or implied in this press release by the forward-looking statements. The Company does not guarantee that the assumptions underlying the forward-looking statements contained in this press release are accurate and any reader of this press release should not place undue reliance on the forward-looking statements contained in this press release. The information, opinions and forward-looking statements expressed or implied herein are made only as of the date of this press release and are subject to change. Neither the Company nor anyone else undertake to review, update, confirm or to release publicly any revisions to any forward-looking statements to reflect events that occur or circumstances that arise in relation to the content of this press release, except as required by law or the rules of Nasdaq First North Growth Market.

This information is information that Subgen AI is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact persons set out above, at 2026-09-01 10:15 CEST.