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SUBGEN AI ANNOUNCES OUTCOME OF DIRECTED ISSUE OF ORDINARY SHARES AND WARRANTS WITH PAYMENT IN KIND CONSISTING OF A SHARES IN SUBSTRATE AI

Subgen AI AB ("Subgen AI" or the "Company") today announces the outcome of the directed issue of ordinary shares and warrants series 2026/2029 resolved by the Board of Directors on 5 June 2026 pursuant to the authorization from the annual general meeting 2026 (the "Directed Issue"). Through the Directed Issue, the Company has issued 671,717,301 ordinary shares against payment in kind of approximately SEK 59.5 million, comprising 54,699,000 A shares in its controlled Spanish subsidiary Substrate Artificial Inteligence S.A. ("Substrate AI") as well as issued 105,000,000 warrants series 2026/2029 free of charge. The subscribers in the Directed Issue are Assured Mind S.L., Yann Roche and Loft Capital Limited. All ordinary shares and warrants series 2026/2029 have been subscribed for and allotted. Through the Directed Issue and the related payment in kind, Subgen AI holds approximately 58.6 percent of the capital and approximately 58.8 percent of the votes in Substrate AI.

The Directed Issue

Subgen AI announces the outcome of the Directed Issue which was resolved by the Board of Directors on 5 June 2026 pursuant to the authorization from the annual general meeting 2026. Through the Directed Issue, the Company has issued 671,717,301 ordinary shares as well as 105,000,000 warrants series 2026/2029. The subscribers in the Directed Issue are Assured Mind S.L., Yann Roche and Loft Capital Limited (Assured Mind S.L., 312,520,039 ordinary shares and 50,000,000 warrants series 2026/2029, Yann Roche, 294,725,959 ordinary shares and 50,000,000 warrants series 2026/2029, and Loft Capital Limited, 64,471,303 ordinary shares and 5,000,000 warrants series 2026/2029) and, as payment for the new ordinary shares, the subscribers have contributed A shares in Substrate AI to the Company as payment in kind, whereby approximately 12.3 ordinary shares in the Company are issued for each (1) contributed A share in Substrate AI (12.3:1). The new warrants are issued free of charge. In total, 671,717,301 new ordinary shares have been issued by the Company in exchange for the



payment in kind, consisting of a total of 54,699,000 A shares in Substrate AI. All ordinary shares and warrants series 2026/2029 have been subscribed for and allotted. The Board of Directors has assessed the value of the payment in kind, taking into account, inter alia, the subscription price in Substrate AI's issue of A shares of EUR 0.10 as announced by Substrate AI on 4 May 2026, and has determined the value to be in total EUR 5,469,900, corresponding to in total SEK 59,514,152.8686 based on the Riksbank's EUR/SEK exchange rate on 4 June 2026 and following rounding of issued ordinary shares in the Directed Issue. The closing price of Substrate AI's A share on BME Growth was EUR 0.0322 on each of 4 and 5 June 2026. The valuation of Substrate AI's A share of EUR 0.10 in the Directed Issue represents a premium of approximately 210.6 percent relative to these closing prices.

The subscription price per ordinary share in the Directed Issue with payment in kind was SEK 0.0886, corresponding to the closing price of Subgen AI's ordinary share on 4 June 2026. The subscription price was determined through arm's-length negotiations together with a financial adviser. The Board of Directors considered the subscription price to be in line with market conditions and to reflect the demand for the Company's ordinary shares.

One (1) warrant series 2026/2029 entitles the holder to subscribe for one (1) new ordinary share in the Company. The subscription price upon exercise of the warrants series 2026/2029 was determined through arm's-length negotiations with the investors and amounts to SEK 0.25, corresponding to a premium of approximately 182.2 percent compared to the subscription price per ordinary share in the Directed Issue of SEK 0.0886. In view of this, the Board of Directors considered that the subscription price upon exercise of the warrants series 2026/2029 was in line with market conditions. The warrants may be exercised during three separate periods, the first running from and including 14 June 2027 up to and including 28 June 2027, the second from and including 12 June 2028 up to and including 26 June 2028 and the third from and including 11 June 2029 up to and including 25 June 2029. The warrants are issued free of charge and are not intended to be admitted to trading. 105,000,000 warrants series 2026/2029 have been issued in connection with the Directed Issue. Upon full exercise of the warrants series 2026/2029, the Company may receive proceeds of a maximum of SEK 26.25 million before deduction of transaction costs.

Considerations

The reasons for deviating from shareholders' pre-emptive rights were as follows. The Directed Issue was carried out as an issue with payment in kind, where the consideration consisted of A shares in Substrate AI contributed by certain shareholders of Substrate AI. The purpose of the Directed Issue is to enable the Company to acquire these shares and thereby increase its ownership and degree of control in Substrate AI, an entity which the Board considers to be of strategic importance to the Subgen AI group, particularly given the Board's assessment of Substrate AI's future revenue-generating potential. As the consideration was to be paid in kind through the contribution of A shares in Substrate AI held by these shareholders, a directed issue to the contributing shareholders was considered the appropriate structure for the transaction. A rights issue would not enable the Company to acquire the specific A shares in Substrate AI



concerned in a corresponding manner. Against this background, the Board considered that the Directed Issue, on the terms proposed, was in the best interests of the Company and all its shareholders.

Share capital, shares and dilution

Through the Directed Issue, the total number of shares in Subgen AI will increase with 671,717,301 ordinary shares, from a total of 1,309,721,451 shares (of which 498,987,606 A shares and 810,733,845 ordinary shares) to a total of 1,981,438,752 shares (of which 498,987,606 A shares and 1,482,451,146 ordinary shares), and the share capital will increase by approximately SEK 1,746,986.83, from approximately SEK 3,406,293.28 to approximately SEK 5,153,280.12. All shares issued in the Directed Issue are ordinary shares. The Directed Issue implies a dilution for existing shareholders in the Company of approximately 33.9 percent of the capital and approximately 10.4 percent of the votes, following registration of the new shares with the Swedish Companies Registration Office.

Should all warrants series 2026/2029 issued in the Directed Issue be exercised for subscription of new ordinary shares, the total number of shares in Subgen AI may increase with an additional 105,000,000 ordinary shares and the share capital may increase with approximately SEK 273,081.57, which corresponds to an additional dilution of approximately 5.0 percent of the capital and approximately 1.6 percent of the votes in the Company following registration of any such new ordinary shares with the Swedish Companies Registration Office.

Ownership in Substrate AI

Through the Directed Issue and the related payment in kind comprising a total of 54,699,000 A shares in Substrate AI, Subgen AI will directly hold approximately 58.6 percent of the capital and approximately 58.8 percent of the votes in Substrate AI.

Advisors

Eminova Partners Corporate Finance AB acts as financial advisor and Moll Wendén Law AB acts as legal advisor in connection with the Directed Issue. Eminova Fondkommission AB acts as the issue agent.

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About Subgen AI

Subgen AI is an enterprise artificial intelligence company that develops both infrastructure and proprietary agent-centric AI-as-a-Service software, branded as Serenity Star. Its solutions are designed to scale and accelerate the adoption of AI across organizations. Subgen AI is experiencing rapid growth, building data centers and delivering services to clients in sectors such as healthcare, energy, legal, and human resources. Subgen AI operates across Europe, Latin America, and the United States. For more information, see Subgen AI's website <https://subgen.ai/>.

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This press release does not constitute a prospectus within the meaning of the Prospectus Regulation and has not been approved by any regulatory authority in any jurisdiction.

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This press release neither identifies nor purports to identify risks (direct or indirect) that may be associated with an investment in new shares. An investment decision to acquire or subscribe for new shares in the Company may only be made on the basis of publicly available information, which has not been verified by Subgen AI's financial advisers. The Company's financial advisers are acting on behalf of the Company in connection with the transaction and not on behalf of any other party. The Company's financial advisers are not liable to any other party for providing the protection afforded to their clients or for providing advice in connection with the transaction or in relation to any other matter mentioned herein.

Forward-looking statements

This press release contains forward-looking statements relating to the Company's intentions, assessments or expectations regarding the Company's future results, financial position, liquidity, development, prospects, expected growth, strategies and opportunities, as well as the markets in which the Company operates. Forward-looking statements are statements that do not relate to historical facts and can be identified by the use of terms such as “believes”, “expects”, “anticipates”, “intends”, “estimates”, “will”, “may”, “assume”, “should”, “could” and, in each case, the negations thereof, or similar expressions. The forward-looking statements in this press release are based on various assumptions, which in several cases are based on further assumptions. Although the Company believes that the assumptions reflected in these forward-looking statements are reasonable, there can be no guarantee that they will materialise or that they are correct. As these assumptions are based on estimates and are subject to risks and uncertainties, the actual results or outcomes may, for a variety of reasons, differ materially from those indicated in the forward-looking statements. Such risks, uncertainties, contingencies and other material factors may cause actual events to differ materially from the expectations expressly or implicitly set out in this press release through the forward-looking statements. The Company does not guarantee that the assumptions underlying the forward-looking statements in this press release are correct, and readers of the press release should not unduly rely on the forward-looking statements contained herein. The information, views and forward-looking statements expressly or implicitly contained herein are provided only as of the date of this press release and are subject to change. Neither the Company nor any other party undertakes to



review, update, confirm or publicly announce any revision of any forward-looking statement to reflect events that occur or circumstances that arise regarding the content of this press release, unless required by law or the rules of Nasdaq First North Stockholm.

Information for distributors

Solely for the purposes of the product governance requirements contained within: (a) EU Directive 2014/65/EU on markets in financial instruments, as amended (“**MiFID II**”); (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II; and (c) local implementing measures (together, the “**MiFID II Product Governance Requirements**”), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any “manufacturer” (for the purposes of the MiFID II Product Governance Requirements) may otherwise have with respect thereto, the shares in Subgen AI have been subject to a product approval process, which has determined that such shares are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in MiFID II; and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II (the “**Target Market Assessment**”). Notwithstanding the Target Market Assessment, Distributors should note that: the price of the shares in Subgen AI may decline and investors could lose all or part of their investment; the shares in Subgen AI offer no guaranteed income and no capital protection; and an investment in the shares in Subgen AI is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Directed Issue.

For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MiFID II; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the shares in Subgen AI.

Each distributor is responsible for undertaking its own target market assessment in respect of the shares in Subgen AI and determining appropriate distribution channels.