

Subgen AI AB | 559222-2953

ANNUAL REPORT 2025



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Transforming the economy with AI

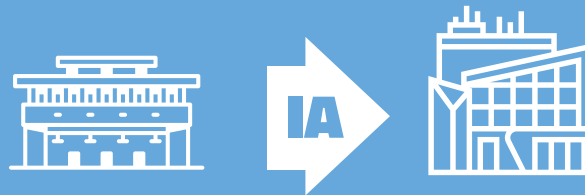
This is Subgen AI

We invest in AI companies to gain full access to the entire AI lifecycle. In addition, we invest in other businesses and transform them using our proprietary technology, creating value through this process.



Invest in AI

We invest in AI companies to gain full access to the entire AI lifecycle from software to infrastructure.



We multiply the value and the growth possibilities in every company

AI Economy

We invest in other businesses (from 5% to 100%) and transform them using our proprietary technology, creating value through this process and multiplying ROI

AI companies



Transformed companies



100%



80.03%



100%



5.30%



90%



7.30%



5.00%



78.76%



8.00%

Highlights

2017

Founded in 2017 in USA

by Bren Worth, Lorenzo
Serratos, and Iván García

126% CARG

Revenue Growth

2022–2025



15.4%

Revenue Growth 2025

Constant Currency

251

Employees

In Europe, USA and LATAM

500

Clients

We served more than 500
clients in 2025

Sectors

Multiple sectors

HR, healthcare,
education, finance, etc.

Financial Overview

Strong growth with less impact than expected in the cost of the RTO

At constant exchange rates Net Sales amounted to SEK 235,2 (203.7) million, an increase of 15,4% compared to the previous year.

Net sales at current exchange rates amounted to SEK 204,38 (203.76) million showing an impact of 13,1% for the exchange ratios of the Dollar, SEK and other currencies.

Serenity Star has been the biggest growth driver with a percentage increase 40%, while the Substrate AI business has remained more stable sifting resources to the IA infrastructure business.

Led by the increase in sales of Serenity Star, the company shows and increase of profitability with the Gross Profit growing to SEK 168,11 (156.28) million, an improvement of SEK 10.79 million, and the Gross Margin growing to 82% (77%) in the whole year.

EBITDA amounted to SEK -6,5 (64.25) million impacted by the expenses related to the RTO closed in november that show costs of SEK 30,1 million led by accounting rules.

EBITDA excluding non recurring costs amounted to SEK 37,7 (68.36) million, continuing to show the profitability of the business but a bit lower than in 2024 as a consequence of the efforts to develop, launch and commercialize new products, internationalize the company, and listing Subgen AI in Sweden and 4D in UK Operating loss amounted to SEK -31,2 (36.6) million.

Earnings after tax per share are -0.41 (0.42), and after full dilution -0.41 (0.26).

Multi Year Overview

* Revenues - cost of sales ** EBITDA less non recurring costs

TSEK		2025	2024	2023	2022
Revenues at constant exchange rates	TSEK	235.207	203.756	98.819	33.333
Revenues	TSEK	204.386	203.756	98.819	33.333
Gross Profit *	TSEK	168.112	156.284	66.080	28.163
Gross margin	%	82%	77%	67%	84%
EBITDA	TSEK	(6.456)	64.252	(42.087)	(21.173)
Adjusted EBITDA **	TSEK	37.953	68.362	(42.087)	(20.146)
Operating Profit / Loss	TSEK	(31.242)	36.664	(87.425)	(172.897)
Operating margin	%	-15,3%	18,0%	-88,5%	-518,7%
Profit/Loss after tax	TSEK	(50.492)	41.653	(95.848)	(175.398)
Earnings per share	SEK	(0,05)	0,42	(0,47)	(7,64)
Earnings per share after full dilution	SEK	(0,05)	0,36	(0,47)	(7,64)
Return on total capital	%	-11,9%	7,6%	-37,4%	-92,2%
Equity per share	SEK	(0,41)	5,56	1,27	8,29
Equity per share after full dilution	SEK	(0,41)	4,78	1,27	8,29
Equity Ratio	%	67,6%	57,2%	52,5%	77,5%
Number of shares		1.018.437	62.339	208.134	22.173
Number of shares after full dilution		1.020.484	72.589	208.134	22.173
Average number of shares before full dilution		154.578	40.876	163.311	22.121
Average number of shares after full dilution		156.625	51.126	163.311	22.121

Finally the impact of the RTO in Subgen accounts was:

	TSEK
RTO costs	
Value of shares held by Magnasense AB former shareholders	26.196
Net Assets/Debt Acquired	3.925
Total	30.121

Historical Financials

Subgen AI has seen out-of-the-ordinary growth since 2021 inside or as a parent company of Substrate AI.

By turnover:

In the last 3 years (2022 – 2024) _____ X10.0
and in the last 4 years (2021 – 2024) ___ X24.7

Only a few dozen companies in the world achieve this level of extreme growth



According to figures from **McKinsey**, we are talking about less than 20 companies in an analysis of 3,000 technology companies with a scalable approach. And they call it **hyper-growth**.

The percentage is in the order of 0.5 –1 % (ultra-rare, but not impossible).



Some examples of high growth in listed small caps

Company	Initial - final year	Sales start	Final Sales	% Growth approx.	Funding used
Subgen AI	2020 – 2024 (4 years)	€0,7 millones	€25 millones	+3.470 %	Yes – Equity + Convertibles
Plug Power	2017 – 2022 (5 years)	\$100 millones	\$701 millones	+600 %	Yes – Equity + Convertibles
Solaria	2019 – 2022 (3 years)	€34 millones	€140 millones*	+310 %	Yes – Equity
Hims & Hers	2020 – 2024 (est.) (4 years)	\$149 millones	\$1.477 millones	+890 %	Yes – Equity (SPAC + follow-ons)
Nel ASA	2017 – 2022 (5 years)	NOK 400 millones	NOK 1.600 millones	+300 %	Yes – Equity + Convertibles
Sunrun	2016 – 2021 (5 years)	\$529 millones	\$2.300 millones	+335 %	Yes – Equity + Convertible Debt
Enphase Energy	2017 – 2022 (5 years)	\$286 millones	\$2.330 millones	+715 %	Yes – Equity + Convertible Debt

CEO Letter

2025 was the year Subgen AI finalized a path of building the company we imagined long time ago. We completed our listing on Nasdaq FirstNorth Growth Market in Stockholm and continued to grow revenues and expand margins. This gave us the strength to enter 2026 with greater scale, stronger infrastructure, and a clearer way to accelerate the next phase of growth.

A New Chapter as a Listed European AI Company

In November 2025, Subgen AI began trading on Nasdaq First North Growth Market under the ticker SUBGEN. This was a deliberate and strategic choice to build Subgen AI as a publicly listed European enterprise AI company, with the governance, transparency, and access to capital markets that comes with it. The transaction carried one-off costs that impacted reported results for the year, but these were non-recurring in nature and they were finally less than expected in March. Excluding them, the underlying business delivered positive EBITDA and continued to improve. In 2026, without the impact of the RTO, we return to a clean financial baseline, and the full benefit of the listing structure and the future possibilities is available to Subgen AI.

Consistent Growth Across the Business

The commercial momentum of underlying businesses in 2025 was strong. Revenues grew, with SerenityStar continuing to lead as our primary growth engine, delivering particularly strong performance over the year. Gross margins expanded meaningfully, reflecting the increasing contribution of higher-margin software and platform revenues to our overall mix. This is the direction of travel we intend to sustain: a company that though its subsidiaries grows recurring revenues, improves profitability, becomes more capital-efficient and extracts value from the investments made. Currency movements mainly



Lorenzo Serratosa
Chief Executive Officer
Subgen AI AB

related with dollar and Swedish kronor were a headwind across the year, compressing reported growth when results were translated. This is a familiar reality for any multinational with revenues spread across euros, dollars, and other currencies, and it does not change our view of the underlying business trajectory.

Deepening the Infrastructure Layer

In early 2026 we completed our voluntary public offer to the shareholders of Substrate AI, our Spanish subsidiary and the infrastructure backbone of our platform. This is a significant step. Substrate AI provides the cloud infrastructure, services platform, and operational capabilities that underpin everything we do across the group. By increasing our ownership and control we create a more integrated and vertically aligned business, with clearer visibility over costs, capacity, and the deployment of AI capabilities at scale across Europe. The offer also provided an attractive entry point for Substrate AI shareholders to participate directly in SubgenAI's broader and more diversified growth story. Substrate AI infrastructure business and Serenity Star must work together to extract all

the value that they have and, with the control of Substrate AI, new doors are open to think how to go deeper in this combination to create value for our shareholders.

Positioned for the Opportunity Ahead

We have been executing the same strategy since 2017: transforming companies through our platform and services across Europe, the United States, and Latin America, whether as direct clients, through our partner network, or through companies in which we invest. The consistency of that approach is what has driven strong compound growth over the past four years and it is what gives us confidence in the period ahead. Europe needs strong, profitable AI companies that can deliver at scale, meet European regulatory standards, and support digital sovereignty. Serenity Star now supports thousands of agents serving enterprise clients across healthcare, energy, legal, and human resources. Our partner network continues to grow, our infrastructure is expanding, and our invested businesses are using all this technology to expand and succeed. We have built the hardest part. The opportunity in front of us is significant, and we intend to capture it.

Our AI companies

Enterprise AI Supercharged for Success

Subgen AI invest in enterprise AI companies that builds the infrastructure, governance, and tools organisations need to deploy Generative AI at scale

Through Serenity Star, Substrate Cloud, and 4DAI Core, we provide a fully integrated stack that enables enterprises to successfully navigate AI transformation — covering:

- Agents
- Infrastructure
- Security
- Sovereignty,
- And scalability end-to-end.

Our product portfolio combines enterprise-grade GenAI management, sovereign cloud infrastructure, and AI agent solutions, delivering scalable innovation across key industries such as healthcare, finance, insurance, energy, agritech, and foodtech.

Our platforms



Serenity Star

Enterprise GenAI management platform. Deploy, govern, and scale AI across your workforce, products, and operations. 300+ language models, full deployment flexibility, and EU AI Act compliance by design.



Substrate Cloud

Substrate Cloud is Europe's Sovereign AI Cloud. Deploy, train, and scale AI workloads with enterprise-grade security, GPU compute, and full European data sovereignty.



AI4D Core

AI software for smart clinics and hospitals. Centralise and automate clinical operations with AI-powered diagnostics, universal system compatibility, and secure data management.

Our AI companies

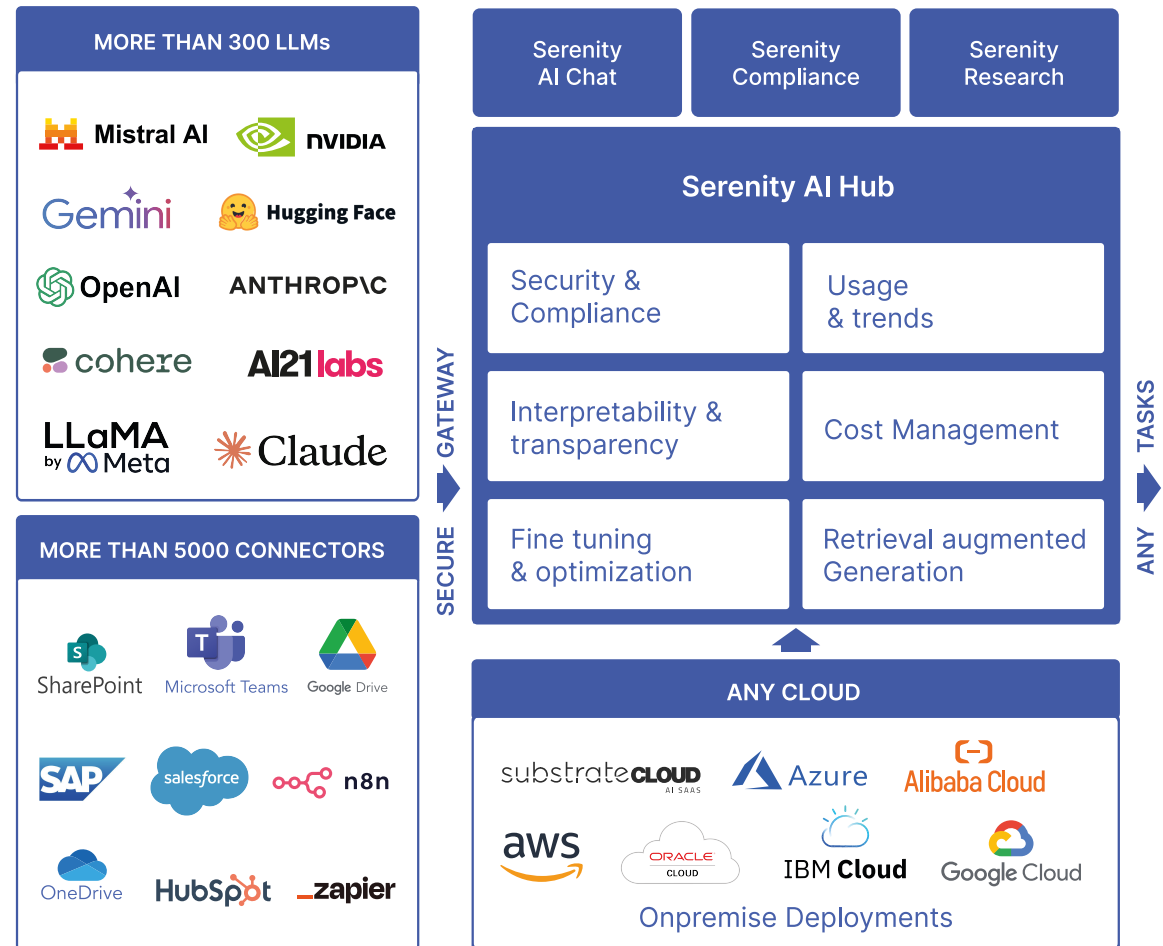


The best ecosystem for scaling and managing AI

All the LLMS from the most important vendors with agent and LLM studio for creating the better architecture for your company. More than 5000 connections for using AI everywhere, cloud agnostic, and with the most needed enterprise solutions already created for using AI just in one click. Intuitive dashboards and many more.

One platform, a new world of possibilities

www.serenitystar.ai





Key Capabilities



Agent Orchestration

Creates, coordinates, and manages multiple specialized agents that dynamically collaborate to solve complex tasks based on context and objective.



Persistent Memory and Context

Maintains short- and long-term memory, conversation state, and business context to ensure continuity, coherence, and personalized interactions.



Model Abstraction Layer

Enables seamless use and combination of diverse AI models—proprietary or open-source—without modifying application logic. Technological flexibility without sacrificing control or performance.



Execution Layer (Real Action)

Goes beyond generating responses: executes real-world actions. Integrates with APIs, enterprise systems, databases, and services to transform intelligence into tangible outcomes.



Intelligent Data Layer (Semanticdata)

Connects, structures, and semantically enriches organizational data—providing the foundational knowledge for agents to understand information and make precise, relevant decisions.



Enterprise Security and Governance

Advanced security controls, privacy safeguards, granular permissions, and comprehensive audit capabilities—ensuring compliance with the highest standards of enterprise data and AI governance.



Flexible Deployment (Cloud, On-Premise & Hybrid)

Deploys seamlessly across public cloud, private VPC, on-premise infrastructure, or edge appliances. Enables organizations to meet the strictest data residency and regulatory requirements without compromising performance or functionality.

Use Cases



AI Assistants and Copilots



Process Automation



Content Analysis and Generation



Intelligent Customer Support



Research and Data Analysis



Enterprise System Integration

Partners



Our AI companies



Europe's Sovereign AI Cloud & Compute Infrastructure

Substrate AI builds the sovereign foundation for artificial intelligence combining high-density AI infrastructure powered by NVIDIA's latest AI compute architectures, multi-region cloud services, and next-generation AI factories that allow enterprises, governments, and innovators to deploy AI securely, sustainably, and at scale within European jurisdiction.

Secure | Sovereign | Scalable | Sustainable

www.substrate.ai





Key Capabilities



Optimized AI Infrastructure

State-of-the-art GPUs, low-latency networking, and high-performance storage—enabling seamless training and inference without bottlenecks.



Managed Platform

Deploy, monitor, and operate your AI workloads with intuitive tools and powerful APIs.



Elastic Scalability

Scale resources automatically and efficiently on demand—pay only for what you use.



Global Availability

Strategically located regions to deliver low latency and high availability where your business operates.



Enterprise-grade Security

Isolation, end-to-end encryption, granular access control, and continuous monitoring to protect your data and applications.



Compliance and Data Sovereignty

Meets the most stringent regulatory standards and ensures full control over your data—guaranteeing clear data residency and governance policies.

Use Cases



AI Model Training



Scalable AI Inference



AI Platforms and SaaS Applications



Large-Scale Data Processing



Enterprise Applications



Research and Development (R&D)

Partners



Our AI companies

Two companies: One platform



Our AI companies Solutions



Agentic AI Platform

Serenity Star is an enterprise-grade generative AI ecosystem that lets organizations build, deploy and govern intelligent AI agents, workflows and solutions with security, scale and flexibility.

Mission: We serve our clients with a one shop platform for creating and manage agents to transform companies and governments with AI.

Jurisdictions: Europe, USA, Latam

Go to market: Direct selling and partners, through AI company products (IA in a box, Agents Set)

Clients:



Teams as a Service

AI ready teams to empower organizations around the globe.

Mission: We serve IT teams to companies that need IT people around the world.

Jurisdictions: Latam, USA, Europe

Go to market: Direct selling

Clients:



On Premise (Edge)

AI solutions for edge situations, boosting security and real-time decision-making at the network Edge.

Mission: We sell a hardware and software product (IA in a box) for SME and edge necessities.

Jurisdictions: Europe

Go to market: Direct selling and partners

Clients: In pilot projects.



AI Data Intelligence

AI agent to organize all the company data for the AI use

Mission: We sell an agent to manage structured and unstructured data bases as a IA base infrastructure.

Jurisdictions: Europe, USA, Latam

Go to market: Direct selling and partners, through AI company products (IA in a box, Agents Set)

Clients: In pilot projects.



GPUs as a Service

AI infrastructure Cloud platform to commercialize compute power, run AI workloads, and deploy AI factories.

Mission: We serve Sovereign AI computing power to companies in Europe and abroad.

Jurisdictions: Europe

Go to market: Direct selling, through AI company products.

Clients:



Special Propose LLM

A family of state-of-the-art large language models powered by Qwen technology

Mission: We develop domain specific LLMs for compliance and edge AI solutions based in Qwen models.

Jurisdictions: Europe, USA, Latam

Go to market: Direct selling and partners. Through AI company products (IA in a box, Agents Set)

Clients: In pilot projects.



Substrate AI Healthcare

AI for healthcare AI-assisted imaging and diagnostics. Sustainable hardware, radiomics, and AI workflows

Mission: We sell medical hardware and IA software in the healthcare sector

Jurisdictions: Europe

Go to market: Direct selling

Clients:



Our AI companies Competitors

The AI Competitive Landscape

Substrate AI is the only player that combines AI infrastructure, diversified models, an agent platform, and Edge AI capabilities within a single offering.

Hyperscalers (Google, Microsoft, AWS) dominate in infrastructure and user base, but none delivers Edge AI.

Model-first players (OpenAI, Anthropic) lack proprietary infrastructure and existing profitability.

Substrate AI does not compete on frontier models or custom silicon. It orchestrates and governs the capabilities of all these providers, delivering the enterprise management layer the market demands and no hyperscaler provides independently.

Company	Frontier Model	AI Infra	Diversified Models	Custom Silicon	Existing Profit	Agent Platform	Edge AI	Large User Base	Proprietary Data	Integrations
 SubgenAI.	✗	✓	✓	✗	✓	✓	✓	✗	✗	✓
 Google	✓	✓	+	✓	✓	✗	✗	✓	✓	✓
 Microsoft	✗	✓	✓	+	✓	✓	✗	✓	✓	✓
 Meta	+	✓	✗	+	✓	✗	✗	✓	✓	✗
 aws	✗	✓	✓	✓	✓	+	✗	✓	✓	+
 Apple	✗	✓	✗	✓	✓	✗	✓	✓	✓	+
 OpenAI	✓	+	✗	+	✗	✓	✗	✓	+	✓
ANTHROPIC	✓	+	✗	✗	✗	✓	✗	✗	+	✓

Our AI companies

Competitors

The AI Competitive Landscape In Europe








Substrate AI is the only platform that fulfils every dimension evaluated: proprietary LLM, public pricing, diversified models, existing profitability, agent platform, Edge AI, large user base, and integrations.

Mistral AI and Aleph Alpha offer proprietary models but lack Edge AI and have not reached profitability.

Maisa competes on agents but has no proprietary model or public pricing. Dataiku presents a similar profile but without Edge AI or a proprietary LLM.

Infrastructure providers (Scaleway, OVHcloud) offer neither an agent platform, diversified models, nor integrations.

Substrate AI stands as the most complete enterprise AI solution in Europe

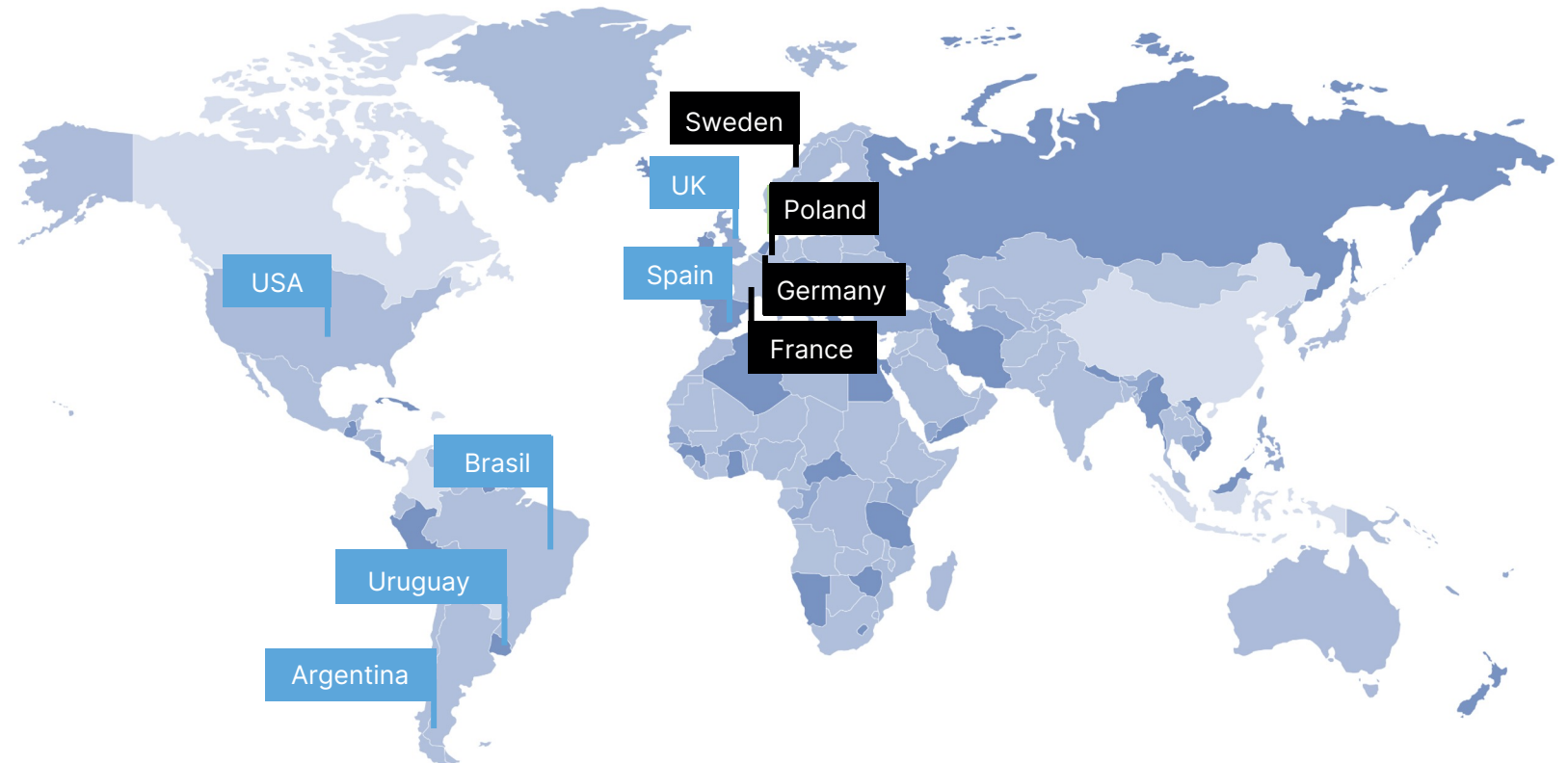
Company	Proprietary LLM	Public Pricing	Diversified Models	Existing Profit	Agent Platform	Edge AI	Large User Base	Integrations
 SubgenAI.	✓	✓	✓	✓	✓	✓	✓	✓
 Mistral AI	✓	+	✓	✗	+	✗	✓	+
 ALEPH ALPHA	✓	+	✓	✗	+	✗	✓	+
 maisa	✗	✗	✓	✗	✓	✗	✓	✓
 dataiku	✗	✓	✓	✓	✓	✗	✓	✓
 Scaleway	✗	✓	✗	✓	✗	✗	✓	✗
 OVHcloud	✗	✓	✗	✓	✗	✗	✓	✗

Our AI companies

Strategic Partners

We have established a network of more than 29 partners across key international markets.

Priority markets for 2026 include Germany, the USA, France, Sweden, and Poland.



Other transformed companies


www.nabbu.es

The software that digitizes training centers to improve efficiency, with a personalized vision per student so that the objective of learning and teaching is reinforced with continuous evaluation, technology and AI.


www.tomorrowfoods.com.ar

Tomorrow Foods focuses on the research, development and production of plant-based solutions for the global food industry.



decarbonizing the world

AI application focused on hotel savings.


www.soyguiri.com

Learn Spanish talking with our TickedTalk method, no matter your level or your languages abilities. Speak in 8 months or your money back.


www.psvet.es

Veterinary consultancy specialising in the control of the hygienic-sanitary quality of milk.


www.boalvet.ai

Boalvet is an Agritech services company specialized in sustainability, artificial intelligence and veterinary phytotherapy. It offers AI tools to dairy farms, supporting managers and technicians.


www.fleebe.ai

Fleebe AI's main objective is to implement happiness in organizations through the satisfaction of their employees. As a result, and thanks to AI, you get a thriving work environment with high talent retention and high employability.



AI FOR HEALTHCARE

www.4dmedica.ai

4D Médica is an AI healthcare technology company developing integrated software and hardware solutions to improve medical diagnostics, patient safety, and clinical operations

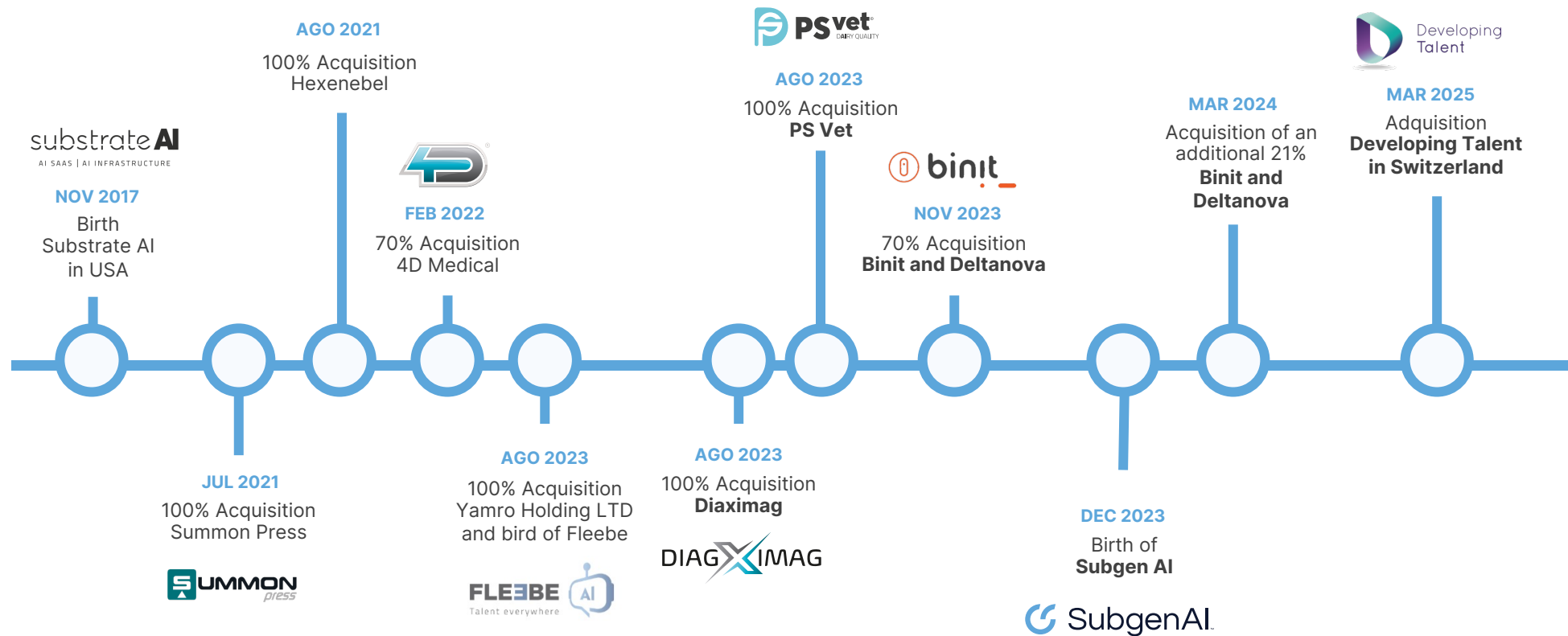


WEARABLE MEDICAL TECHNOLOGIES

www.nuubo.com

Nuubo is a cardiac monitoring system that records electrocardiograms. It is indicated for the detection and diagnosis of cardiac arrhythmias and has been prescribed to hundreds of patients.

Company Milestones



Case Study



AI FOR HEALTHCARE

Specialists in AI solutions for the healthcare sector

4D Médica is an AI healthcare technology company developing integrated software and hardware solutions to improve medical diagnostics, patient safety, and clinical operations.

www.4dmedica.ai

We are transforming 4D into the healthcare subsidiary of the group, operating under Substrate AI, providing AI solutions to clinics and hospitals in both the veterinary and human healthcare sectors.

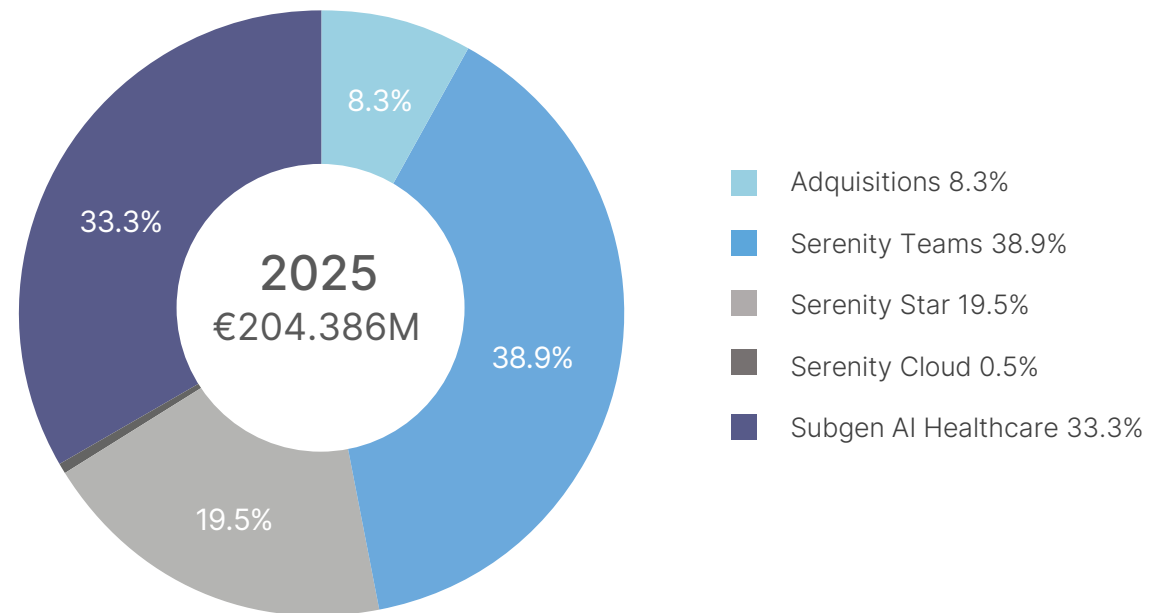
	TSEK
Purchase of 4D Medica	21.640
Purchase of Diagximag	28.132
Investment in R+D	37.870
Total investment	87.642
RTO IPO (in process)	313.780
Value attributable	219.646
Potential gross return	150,6%

With its listing on the AIM in the UK, we unlock value for the company while retaining control for the future.

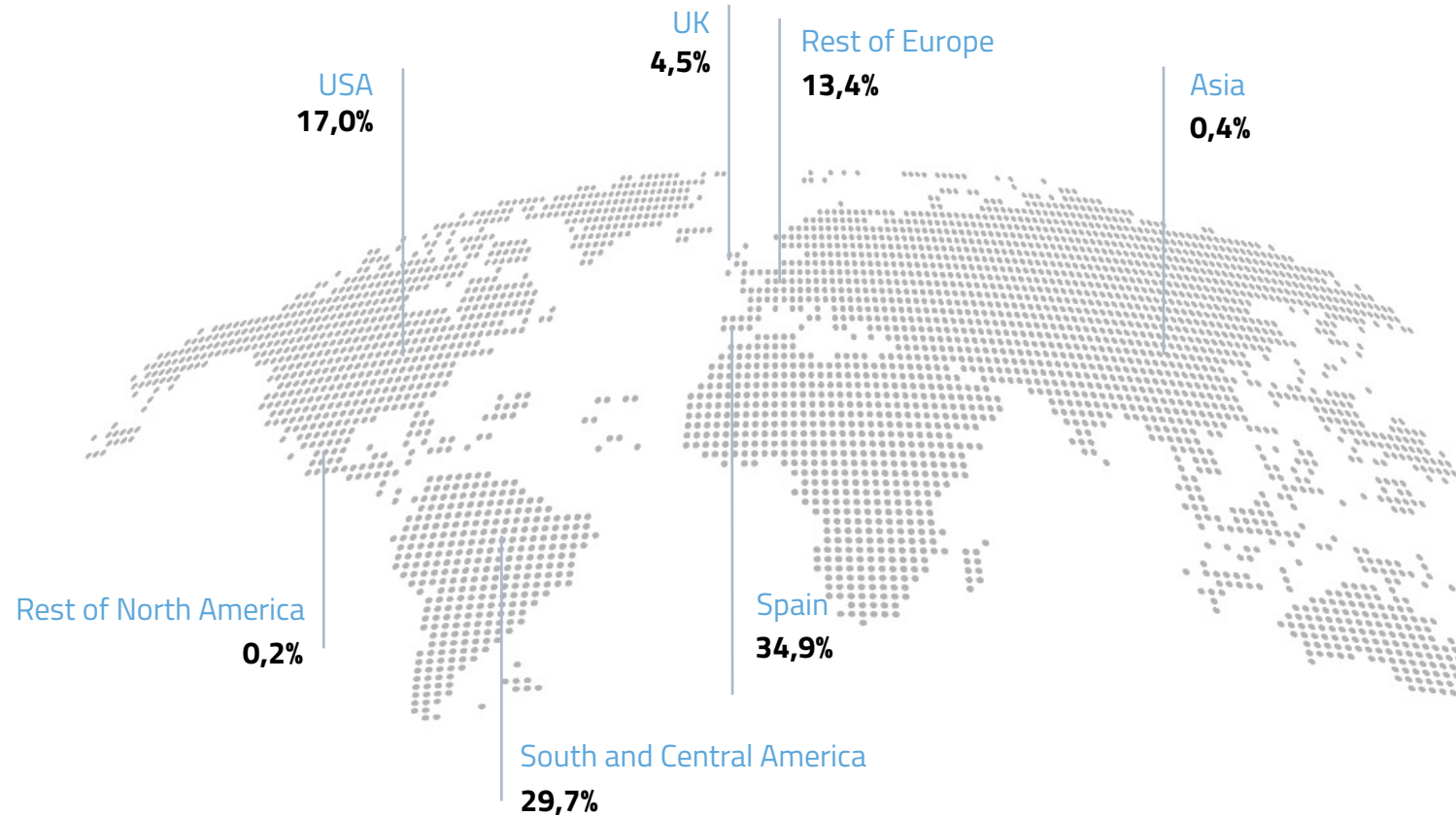
Year End Revenue Summary

	2025	2024
CONTINUING OPERATIONS		
Revenues	204,386	203,756
Revenue from sales	49,892	54,734
Revenue from services	154,494	149,023
Cost of Sales	(36,275)	(47,472)
Cost of products	(34,438)	(45,670)
Cost of raw materials and others	(1,589)	(774)
Other costs of sales	(248)	(1,029)
Other operating incomes	59,299	88,090
Internally generated assets (capitalised)	59,067	-

Revenue: Distribution by product (2025)



Revenue by Geography 2025



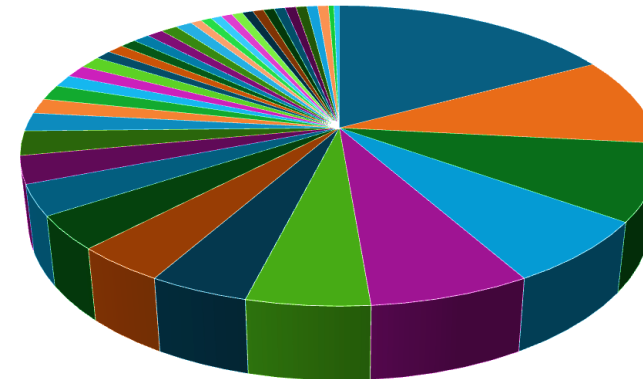
Diversification by Customers 2025

Highly diversified customer base, with no single customer accounting for more than 5.2% of total revenue.

Strong revenue diversification, with the top 10 customers representing only 21% of total revenues.

High proportion of recurring customers, who continuously contract products and services across the Substrate AI group.

Top Clients



Top 1	5.20%
Top 5	14.80%
Top 10	21.00%

The Share

Subgen AI is Listing on Nasdaq First North Growth Market

ISIN code: SE0026820854
Ticker: SUBGEN
LEI-code: 549300MWGS283WZLY110
Currency: SEK
Market: Nasdaq First North Growth Market in Stockholm

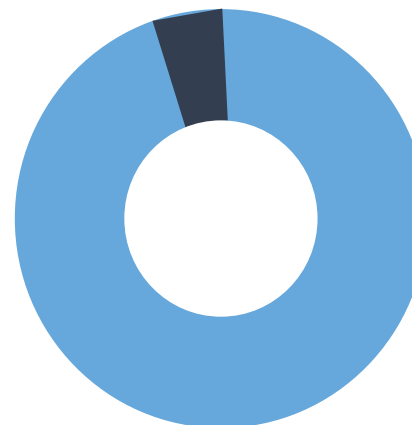
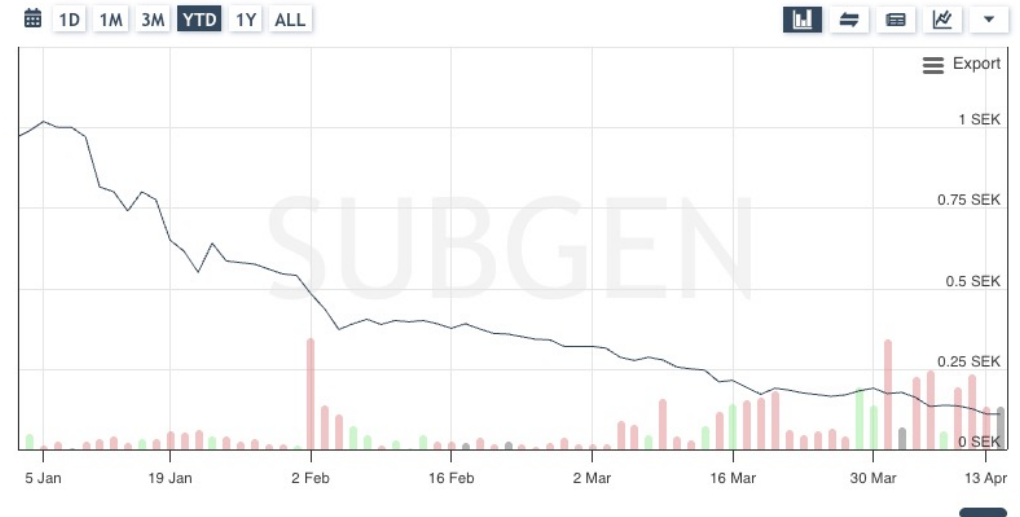
Certified Adviser

Every company on First North Growth Market has a Certified Adviser to ensure that companies comply with all requirements and rules. Subgen AI's Certified Adviser is Eminova Fondkommission



Eminova Fondkommission AB
Adviser@eminova.se
Tel +468 – 684 211 10

Stock Market Chart

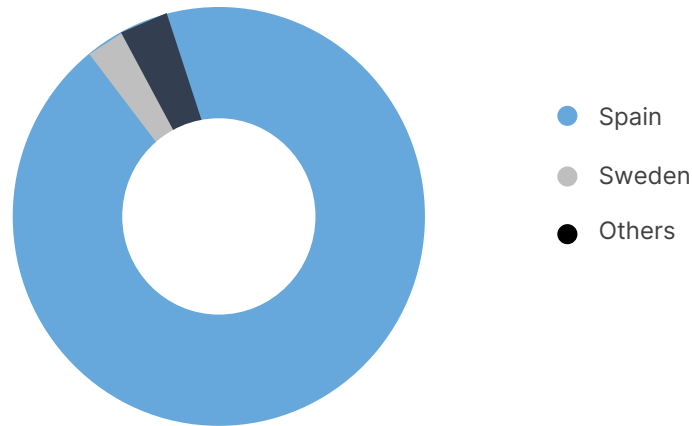


Owner concentration

- The 10 biggest owners
- Others

The Share

Owner Country Distribution



Country	Capital	Votes	Num. of shares	Num. of known owners
Spain	93.88%	98.87%	956,134,350	4
Sweden	2.48%	0.46%	25,220,065	17,442
Denmark	0.00%	0.00%	8,198	3
Norway	0.00%	0.00%	3,006	1
United States	0.00%	0.00%	254	1
Others	0.00%	0.00%	25	1
Unknown country	3.64%	0.67%	37,071,471	-
Total	100.00%	100.00%	1,309,721,451	17,977

Owner List (31.12.2025)

Name	Num. of shares	Capital	Votes	Verified
Subgen Ai Foundation	396,437,172	38.93%	71.96%	2026-03-27
Shareholders Of Subgen Ai	325,007,373	31.91%	5.90%	2025-11-07
Substrate Artificial Intelligence S.A.	132,139,371	17.10%	3.2%	2026-01-16
Jzman Agentes Financieros Globales	102,550,434	10.07%	18.61%	2026-03-27
Avanza Pension	2,717,587	0.27%	0.05%	2026-03-27
Contranect AB	1,275,001	0.13%	0.02%	2026-03-27
JGM Invest AB	457,525	0.04%	0.01%	2026-03-27
Swedbank Insurance	251,523	0.02%	0.00%	2026-03-27
Fredrik Häglund	159,790	0.02%	0.00%	2025-09-26
Delling Holding AB	150,000	0.01%	0.00%	2026-03-27

Board of Directors



José Iván García

Chairman

Born in 1978. With **over 23 years of experience**, he is an experienced entrepreneur and executive who has been President of Subgen since June 2024 and CEO of Substrate AI since 2021. In addition, he holds the position of non-executive chairman of 4D Médica, supporting the company's vision for AI-powered healthcare solutions.



Lorenzo Serratosa

CEO

Born in 1969. **More than 30 years of experience** in the financial world as a manager and investor. Lorenzo Serratosa is currently CEO of Subgen AI, president of Substrate AI and advisor to 4D Médica, among other positions.



Eduardo Montes

Independent Director

He is one of the greatest pioneers in business innovation issues in Spain. With an **extensive professional career**, he joined the Technological and Industrial Development Center of the Ministry of Industry as Deputy Director and between 1988 and 1993 he was General Director and member of the Management Committee of Alcatel and President and CEO of GEC Alstom Transporte. In 2002 he became Presidency of the Siemens Group in Spain. Currently, he is President of the Sociedad General Española de Librería (SGEL).



Leandro Harillo

CPO

Born in 1981. Leandro has **over 20 years of experience** as a technological entrepreneur, co-founding and scaling companies in agritech, shared economies, medical education, and retail automation. At Subgen AI, he leads product strategy and AI-powered solution development, including Serenity Star—enabling generative AI adoption for companies and governments.



Christopher Dembik

Independent Director

Born in 1987. A French economist with **more than 20 years of experience** in the financial sector and public policy, he has been a macro analyst for the French Treasury and an economic advisor to Emmanuel Macron's presidential campaign. He is currently Senior Investment Adviser at Pictet AM.



Fredrik Häglund

Independent Director

Fredrik Häglund holds an MSc in Business Administration and a BSc Financial Economics from Lund University. He is a board member for several companies including Skansporten Fastighetsförvaltning AB, Starfast Fastighetsförvaltning AB and EllingTofta Jordbruks AB.

Executive Management



Lorenzo Serratos
CEO

Born in 1969. **More than 30 years of experience** in the financial world as a manager and investor. Lorenzo Serratos is currently CEO of Subgen AI, president of Substrate AI and advisor to 4D Médica, among other positions.



David Jiménez
CFO

With over 30 years of experience, Mr. Jiménez has served as our Chief Financial Officer since January 1st, 2024. Before joining the company, he served as regional Chief Financial Officer for UAE, Qatar and Oman for FCC Aqualia Group from January 2019 to December 2023. Prior to this role, served as Audit Partner from 2012 to 2018 at Baker Tilly and a small audit firm, and before that held several roles (Junior to Audit Manager) at Deloitte from 2000 to 2012. Mr. Jiménez holds a doble degree in Law and Business.



Leandro Harillo
CPO

Born in 1981. CPO at Subgen AI. Leandro has **over 20 years of experience** as a technological entrepreneur, co-founding and scaling companies in agritech, shared economies, medical education, and retail automation. At Subgen AI, he leads product strategy and AI-powered solution development, including Serenity Star—enabling generative AI adoption for companies and governments.



Bren Worth
CTO

CTO at Subgen AI. Senior software engineer **with 15 years of experience** in application development. Areas of expertise include aerospace engineering, mechanical engineering, investment banking, energy trading, military intelligence and law enforcement.



Marta Gómez
Head of administration

20+ years of experience as labour, tax and accounting advisory. Marta is administration manager in Substrate AI from 2021.



FINANCIAL INFORMATION

Director's Report

A New Chapter as a Listed European AI Company

In November 2025, Subgen AI began trading on Nasdaq First North Growth Market (ticker: SUBGEN), marking a strategic move to become a transparent, governance-strong, publicly listed European enterprise AI company. One-off RTO costs impacted 2025 results but were non-recurring and lower than initially expected. Excluding them, the underlying business delivered positive EBITDA and continued to improve. In 2026, we operate from a clean financial baseline — fully leveraging the benefits of public listing.

Consistent Growth Across the Business

2025 saw strong commercial momentum: revenues grew, led by SerenityStar — our primary growth engine. Gross margins expanded significantly, driven by higher-margin software and platform revenues. This reflects our clear direction: building recurring, profitable, capital-efficient businesses that extract value from investments. Currency headwinds — mainly USD/SEK fluctuations — compressed reported growth but do not alter our confidence in the underlying trajectory.

Deepening the Infrastructure Layer

In early 2026, we completed a voluntary public offer for Substrate AI, our Spanish infrastructure subsidiary. As the backbone of our platform — providing cloud infrastructure, services, and operational scale across Europe — full integration strengthens vertical alignment, cost visibility, and AI deployment efficiency. The offer also gave Substrate AI shareholders direct exposure to Subgen AI's broader, diversified growth story. With full control, we can now accelerate synergies between Substrate AI and SerenityStar to unlock greater shareholder value.

Positioned for the Opportunity Ahead

Since 2017, we've pursued one consistent strategy: transforming enterprises across Europe, the US, and Latin America — via direct clients, partners, and portfolio companies. That discipline has driven strong compound growth and underpins our confidence today. Europe needs scalable, compliant, sovereign AI companies — and SerenityStar already powers thousands of agents for enterprise clients in healthcare, energy, legal, and HR. Our partner network and infrastructure are expanding, and our invested businesses are scaling with our technology. We've built the hardest part. Now, we're poised to capture the significant opportunity ahead.

Multi Year Overview

* Revenues - cost of sales ** EBITDA less non recurring costs

TSEK		2025	2024	2023	2022
Revenues at constant exchange rates	TSEK	235.207	203.756	98.819	33.333
Revenues	TSEK	204.386	203.756	98.819	33.333
Gross Profit *	TSEK	168.112	156.284	66.080	28.163
Gross margin	%	82%	77%	67%	84%
EBITDA	TSEK	(6.456)	64.252	(42.087)	(21.173)
Adjusted EBITDA **	TSEK	37.953	68.362	(42.087)	(20.146)
Operating Profit / Loss	TSEK	(31.242)	36.664	(87.425)	(172.897)
Operating margin	%	-15,3%	18,0%	-88,5%	-518,7%
Profit/Loss after tax	TSEK	(50.492)	41.653	(95.848)	(175.398)
Earnings per share	SEK	(0,05)	0,42	(0,47)	(7,64)
Earnings per share after full dilution	SEK	(0,05)	0,36	(0,47)	(7,64)
Return on total capital	%	-11,9%	7,6%	-37,4%	-92,2%
Equity per share	SEK	(0,41)	5,56	1,27	8,29
Equity per share after full dilution	SEK	(0,41)	4,78	1,27	8,29
Equity Ratio	%	67,6%	57,2%	52,5%	77,5%
Number of shares		1.018.437	62.339	208.134	22.173
Number of shares after full dilution		1.020.484	72.589	208.134	22.173
Average number of shares before full dilution		154.578	40.876	163.311	22.121
Average number of shares after full dilution		156.625	51.126	163.311	22.121

Multi Year Overview Parent Company

		2025	2024	2023	2022
Revenues	TSEK	-	-	41	-
Operating Profit / (Loss)	TSEK	(1.258.249)	(4.771)	(12.403)	(165.767)
Profit before taxes	TSEK	(1.275.301)	(5.987)	(24.139)	(267.845)
Balance sheet total	TSEK	1.001.426	62.363	42.677	15.569
Solidity		97%	14%	8%	55%

Financial Overview

Strong growth with less impact than expected in the cost of the RTO

At constant exchange rates Net Sales amounted to SEK 235,2 (203.7) million, an increase of 15,4% compared to the previous year.

Net sales at current exchange rates amounted to SEK 204,38 (203.76) million showing an impact of 13,1% for the exchange ratios of the Dollar, SEK and other currencies.

Serenity Star has been the biggest growth driver with a percentage increase 40%, while the Substrate AI business has remained more stable sifting resources to the IA infrastructure business.

Leaded by the increase in sales of Serenity Star, the company shows and increase of profitability with the Gross Profit growing to SEK 168,11 (156.28) million, an improvement of SEK 10.79 million, and the Gross Margin growing to 82% (77%) in the whole year.

EBITDA amounted to SEK -6,5 (64.25) million impacted by the expenses related to the RTO closed in november that show costs of SEK 30,1 million leaded by accounting rules.

EBITDA excluding non recurring costs amounted to SEK 37,7 (68.36) million, continuing to show the profitability of the business but a bit lower than in 2024 as a consequence of the efforts to develop, launch and commercialize new products, internationalize the company, and listing Subgen AI in Sweden and 4D in UK
Operating loss amounted to SEK -31,2 (36.6) million.

Earnings after tax per share are -0.41 (0.42), and after full dilution -0.41 (0.26).

Finally the impact of the RTO in Subgen accounts was:

	TSEK
Value of shares held by Magnasense AB former shareholders	26.196
Net Assets/Debt Acquired	3.925
Total	30.121

Significant event during the year

On July 14 th, Subgen AI AB (former Magnasense AB) filed an appeal with the Administrative Court in Stockholm against the decision by the Swedish Financial Supervisory Authority (Finansinspektionen) dated 25 June 2025 regarding an administrative fine related to alleged violations of EU market abuse regulations.

On July 16 th, Subgen AI AB (former Magnasense AB) announced that the board of directors based on the authorization from the annual general meeting 2025, resolved on a directed issue to Atlas Special Opportunities, LLC ("Atlas") of a total of 784,095,000 shares at a subscription price of SEK 0.002 per share.

On 6 November 2025, Subgen AI AB (former Magnasense AB) completed the divestment of its subsidiaries and the acquisition of SUB GEN AI through a reverse takeover.

On 9 December 2025, Subgen AI AB entered into an investment agreement with Assured Mind for an amount of SEK 33 million, aimed at supporting its expansion in Europe.

Significant event after the year

On January 15 th, Subgen AI AB announced that its Spanish subsidiary, Substrate Artificial Intelligence, SA. ("Substrate AI"), will use 41,850,820 existing ordinary shares in Subgen AI to settle obligations related to the Company's previously completed reverse takeover on 6 November 2025 (the "RTO") and other outstanding liabilities.

On 16 January 2026, the subsidiary Substrate AI entered into an agreement with Ascent Partners LLC pursuant to which, in January 2026, a loan was received in the United States through its subsidiary SUBSTRATE AI USA in the amount of TSEK 10,246 (USD 1,111,111) bearing interest at a rate of 10%.

On January 2026, the subsidiary Substrate entered into a convertible loan agreement with Loft Capital Limited, which includes the issuance of warrants. To date, the Company has received proceeds amounting to TSEK 10,947 (€1,025).

On 4 March 2026, Subgen AI AB announced a voluntary public offer to the shareholders of its listed Spanish subsidiary, Substrate Artificial Intelligence, S.A. ("Substrate AI"), to acquire up to 162,426,300 Class A shares. In connection with the Offer, the company has published an offer document in accordance with Spanish regulations. On April 3rd 2026, the Board of Directors of Subgen AI, pursuant to the authorization granted at the annual general meeting held on 30 June 2025, resolved on a directed issue of a maximum of 291,284,082 ordinary shares with payment in kind for the purpose of delivering the consideration upon completion of the Offer.

On 9 April 2026, Assured Mind exercised its conversion right in respect of a total of 5,000,000 warrants of Substrate AI for a nominal amount of TSEK 5,440 (€500,000), at a conversion price of €0.10 per share in Substrate AI.

On 9 April 2026, Loft Capital Limited exercised its conversion right in respect of a total of 5,000,000 warrants of Substrate AI for a nominal amount of TSEK 5,440 (€500,000), at a conversion price of €0.10 per share in Substrate AI

The Share

The closing price on December 30, 2025, the final trading day of 2025, was SEK 0.97. During the financial year 2025, the lowest share price was approximately SEK 0.97 and the highest SEK 210.50 on a 52-week basis. The average price during the financial year was highly volatile due to the reverse split and corporate restructuring. An average daily trading volume was in the hundreds of thousands of shares, with several sessions exceeding 2 million shares traded.

Proposed appropriation of profits

The following profits are available to the Annual General Meeting:

SEK	31/12/2025
Retained earnings	2,249,210,579
Profit for the year	-1,275,300,275
Total	973,910,304
The Board proposes that profits be distributed such that:	
To be carried forward	973,910,304
Total	973,910,304

Consolidated Statement of Income (TSEK)

	Notes	2025	2024
Revenues	17.1	204.386	203.756
Cost of products	17.2	(34.438)	(45.670)
Cost of raw materials and others	17.2	(1.589)	(774)
Other costs of sales		(248)	(1.029)
Other operating incomes		59.300	88.090
Personnel costs	17.2	(67.266)	(67.585)
Other operating expenses		(167.539)	(112.927)
Depreciation	9&10	(24.574)	(24.117)
Government funds for assets	18	938	390
Impairment, gain and losses from non current assets		0	(3.091)
Other expenses		(212)	(379)
OPERATING (LOSS)/PROFIT		(31.243)	36.664
Finance incomes	12	855	2.901
Finance expenses	12	(16.716)	(9.568)
Exchange differences	13	(1.944)	(1.486)
Impairment, gain and losses from financial instruments	2.6.1&12	(1.912)	9.918
FINANCE (LOSS) / PROFIT		(19.717)	1.765
Net position in hyperinflationary economy	3.1&12	467	3.224
(Loss) / Profit before tax from continuing operations		(50.493)	41.653
Income tax expense		877	(15.408)
Result for the year from continuing operations		(49.617)	26.245
Equity holders of the parent		(50.921)	3.931
Non-controlling interests		1.306	22.314
Earnings per share		(0,41)	0,00

Consolidated statement of comprehensive income

	Notes	31.12.2025	31.12.2024
Consolidated loss for the year		(49.617)	26.245
Translation differences		(14.489)	153
Income Tax effect		-	-
Total recognised income and expense directly to the shareholders 'equity		(64.106)	153
Translation differences		-	-
Income Tax effect		-	-
Total transfers to the income statement		-	-
TOTAL RECOGNISED INCOME AND EXPENSES		(64,106)	26,399
Total income and expenses attributable to the equity holders of the parent		3,457	4,085
Total income and expenses attributable to non-controlling interest		(67,563)	22,314

Consolidated Balance Sheet

TSEK	Notes	31/12/2025	31/12/2024
ASSETS			
Non-current assets			
Intangible assets and goodwill	9	465.563	447.366
Tangible fixed assets	10	4.419	8.972
Right-of-use assets	11	5.681	7.113
Non-current financial assets	13.1	35.689	39.301
Deferred tax assets	14	15.943	14.305
Current assets			
Inventories	15.2	19.774	8.713
Trade receivables and contract assets	13.1	39.276	48.963
Current Financial assets	10.1	11.010	10.272
Prepayments		2.875	2.483
Cash and other equivalent assets	10.4	18.744	17.061
TOTAL ASSETS		618.972	604.548

TSEK	Notes	31/12/2025	31/12/2024
Equity			
Issued Capital		2.649	-
Share Premium		-	-
Other Equity		415.704	344.520
Non current liabilities			
Provisions	14	13.411	6
Non current financial liabilities	13.2	44.371	40.931
Deferred tax liabilities		15.548	20.232
Income to be distributed over several years		5.399	7.674
Current Liabilities			
Provisions	14	1.302	2.484
Short-term liabilities	10.2	58.038	98.568
Trade and other payables	10.2&17	60.866	84.568
Short-term		1.685	5.565
TOTAL EQUITY AND LIABILITIES		618.972	604.548

Consolidated change in Shareholders' Equity

TSEK	Issued Capital	Share Premium	Other Equity	Total
Balance as of 1 January 2024	81.392	501.090	(318.918)	263.564
Total recognized incomes and expenses	-	-	26.398	26.398
Capital increases	27.444	29.718	-	57.162
Other changes in shareholders' equity		(14.098)	57.577	43.479
Conversion of financial liabilities into equity	34.514	45.513	948	80.975
Transactions in treasury shares (net)	-	-	-	-
Other transactions	(143.350)	(562.223)	579.342	(126.231)
Balance as of 31 December 2024	873	-	345.347	346.220
Total recognized incomes and expenses	-	-	(49.617)	(49.617)
Other movements			1.309	1.309
New shares	1.013.052	-	-	1.013.052
Other changes in shareholders' equity	(1.032.222)	-	(94.162)	(1.126.384)
Conversion of financial liabilities into equity	20.946	-	0	20.946
Transactions in treasury shares (net)	-	-	258.516	258.516
Other transactions	-	-	(45.689)	(45.689)
Balance as at 31 December 2025	2.649	-	415.703	418.352

Consolidated Statement of Cash Flow

TSEK	2025	2024
Operating activities		
Operating profit / loss after depreciation	(49.615)	41.653
Reversal of depreciation	24.574	24.117
Reversal of non-cash items	57.978	(2.880)
a) Fixed asset depreciation (+/-)	-	-
b) Impairment adjustments (+/-)	-	2.421
c) Change in provisions (+/-)	11.180	(593)
d) Recognition of grants	(938)	(390)
e) Gains and losses on disposals of fixed assets (+/-)	(0)	670
f) Gains and losses on disposals of financial instruments (+/-)	588	(9.918)
g) Financial income (-)	(1.322)	(6.125)
h) Financial expenses (+)	16.716	9.568
i) Exchange differences (+/-)	1.944	1.486
j) Other expenses	29.811	-
Financial payments received	-	(5.992)
Financial disbursements	(36)	32
Tax paid	(7.212)	(1.167)
Cash from operating activities before changes in working capital	25.689	55.764
Changes in working capital:		
Inventories (+/-) (*)	(11.545)	269
Accounts receivable and other accounts receivable (+/-) (*)	6.963	969
Other current assets (+/-)	-	-
Accounts payable and other payables (+/-) (*)	(17.147)	(10.478)
Other current liabilities (+/-)	-	-
Changes in working capital	(21.729)	(9.240)

TSEK	2025	2024
Cash from Operating activities		
Investment Activities		
Acquisition of intangible assets	(44.646)	(78.117)
Acquisition of tangible assets	(9.167)	(15.700)
Cash from investment :	(53.813)	(93.817)
Financing activities		
New Issue	80.420	22.037
Change in short-term credit facilities	-	-
Non-current liabilities	(14.906)	(5.550)
Cash from financing activities	65.515	16.487
Translation difference	(8.590)	(2.192)
Cash Flow	7.072	(32.999)
Opening cash and cash equivalent	17.102	50.101
Closing cash and cash equivalent	18.744	17.102



NOTE 1. INCORPORATION OF THE GROUP AND ACTIVITY

Reverse acquisition

On July 22, 2025, it was announced that Magnasense AB announced its intention to carry out a reverse acquisition of Subgen AI. On November 5, 2025, Magnasense AB issued 499,081,015,965 of new ordinary shares and 498,987,606,931 of new class A shares at a subscription price of SEK 0,0021865230 per share, in exchange for all the shares in Subgen AI. The total amount raised was SEK 2,182,300,000, Magnasense AB changed its name to Subgen AI AB.

On November 25, 2025, it was resolved to carry out a reverse share split whereby 1,000 existing shares were consolidated to 1 share (1:1,000). As a result, the number of ordinary shares issued was reduced from 519,449,763,052 to 519,449,763 and the number of class A shares from 498,987,606,931 to 498,987,606. Each share has a quota value of approximately SEK 0,002601.

Through the transaction, the former main owners of Subgen AI became the majority shareholders of Magnasense AB. From a Group accounting perspective, the transaction is treated as a reverse acquisition because the shareholders of Subgen AI hold a larger ownership share in Magnasense AB than the previous owners after the completion of the transaction. Therefore, the transaction is accounted for as if Subgen AI has acquired Magnasense AB, even though Magnasense AB is the legal parent company. The future consolidated financial statements of Subgen AI AB will be a continuation of Subgen AI's accounts and its subsidiaries.

On November 21, 2025, Subgen AI AB's ordinary shares started to be listed on Nasdaq Stockholm First North Growth market under its new ticker ISIN code SE0026820854 (previously ISIN code SE0014401121). The corporate identity number 559222-2953, after the reverse takeover merger the previous Board was replaced by Subgen AI AB's existing Board of Directors.

NOTE 2. BASIS OF PREPARATION AND CONSOLIDATION

2.1. True and fair presentation and regulatory framework

The consolidated financial statements have been prepared from the accounting records of Subgen AI AB and its subsidiaries.

The consolidated financial statements of Subgen AI for the year ended December 31, 2025 has been prepared in accordance with International Financial Reporting Standards (IFRS) and interpretations from the IFRS Interpretations Committee (IFRIC) as adopted by the European Commission for use in the European Union (IFRS-EU). In addition, the Group applies the Swedish Financial Reporting Board's recommendation RFR 1 Supplementary Accounting Regulations for Groups, which specifies the additions to IFRS disclosures required by the provisions of the Swedish Annual Accounts Act. The comparative figures in the consolidated financial statements thus refer to the former Subgen AI Ltd. Group.

These consolidated financial statements were prepared by the Board of Directors of Subgen AI at its meeting on April 29, 2026, which will be presented for adoption to the Annual general

Meeting (AGM).

These financial statements are presented in Swedish krona, which is the functional and presentation currency of the Group and rounded to the nearest thousands (TSEK), except otherwise indicated. These financial statements have been prepared using the historical cost principle, except for certain financial assets and liabilities measured at fair value and for earnings per share. The Group prepared the financial statements under the assumption that it will continue to operate as a going concern.

NOTE 3. ACCOUNTING POLICIES

3.1. Basis of consolidation

The consolidated financial statements comprise the financial statements of the Subgen AI and its subsidiaries as of December 31, 2025. Subsidiaries are defined as entities over which the Parent Company exercises control. The Group is deemed to control a subsidiary if, and only if, it simultaneously possesses:

- Power through existing rights that give it the current ability to direct the relevant activities of the subsidiary
- Exposure, or rights, to variable returns from its involvement with the subsidiary
- The ability to use its power over the subsidiary to affect its returns subsidiary

Subsidiaries are fully consolidated from the date of acquisition; i.e., the date on which the Group acquires control, until the Group

ceases to control the subsidiary.

Subsidiaries are profit or loss and each component of OCI are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance..

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. These are presented under the caption "Non-Controlling Interests" within the "Equity" section of the consolidated statement of financial position and under "Profit Attributable to Non-Controlling Interests" in the consolidated statement of profit or loss, respectively.

The balance sheet and the profit and loss account of the companies included in the Consolidated Financial Statements whose functional currency differs from the presentation currency are translated into SEK using the closing rate method, under which the translation involves:

- All assets, rights, and obligations are translated using the exchange rate prevailing at the closing date of the Consolidated Financial Statements.
- Profit and loss account items are translated using the average exchange rate, provided that such average is a reasonable approximation of the cumulative effect of the rates existing at the dates of the transactions, except for the company located in Argentina, whose economy was declared hyperinflationary; therefore, in accordance with IAS 29, its consolidated statement of comprehensive income has been translated using the closing exchange rate of the period.

The difference arising between the translated amount of the foreign subsidiary's equity including the balance of its profit or loss account as determined above using historical exchange rates, and the net equity resulting from translating assets, liabilities, and equity at the closing exchange rate, is recognized in equity within the consolidated statement of financial position under the heading "Foreign Currency Translation Differences."

In 2018, Argentina was declared a hyperinflationary economy, primarily due to its cumulative inflation rate exceeding 100% over a continuous three-year period. The Group applies IAS 29 to Binit SRL's financial statements. Accordingly, its historical-cost-based financial statements have been restated to current values using the generally accepted Argentine general price index and subsequently translated into the Group's presentation currency (Swedish krona) using the closing exchange rate.

For the restatement to current values, the generally accepted Argentine general price index was applied. Regarding translation into the functional currency of the group, a closing exchange rate of ARS 157,23 per SEK was used (compared to ARS 93,11 per SEK in 2024).

The impact of the hyperinflationary adjustment for the year 2025 on the consolidated statement of profit or loss amounted to TSEK 467 (TSEK 3,224 in 2024).

No other entities within the Group's consolidation perimeter have been classified as operating in hyperinflationary economies.

3.2 Business combination

Business combinations are accounted for using the acquisition

method. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at acquisition date fair value, and the amount of any non-controlling interests in the acquiree.

Acquisition of control

Transactions in which the parent (or another company) obtains control of a subsidiary constitute a business combination and are accounted for by applying the acquisition method. This method requires the acquirer to recognise, at the acquisition date, the identifiable assets acquired and liabilities assumed in a business combination and any goodwill or gain from a bargain purchase. Consolidation of a subsidiary begins when control is transferred to the Group and ceases when the Group loses control of the subsidiary.

The acquisition cost is determined as the sum of the acquisition-date fair values of the assets transferred by the acquirer, the liabilities incurred or assumed and the equity interests issued by the acquirer, and the fair value of any consideration contingent on future revenues or meeting certain conditions that must be recognised as an asset, a liability or as an equity instrument in accordance with its nature.

The costs to issue equity instruments or financial liabilities given as consideration that do not form part of the cost of the business combination are recognised in accordance with the accounting standards applicable to financial instruments.

Fees paid to legal advisers or other professionals involved in the business combination are accounted for in the period in which the costs are incurred. The cost of a business combination also

does not include costs incurred internally in this connection or any costs incurred by the acquirer.

The excess, as of the acquisition date, of the cost of the business combination over the net identifiable assets acquired and liabilities assumed, representing the equity interest in the acquiree, is recognized as goodwill. In the exceptional case that this amount is higher than the cost of the business combination, the excess is recognised as income in profit or loss.

After initial recognition, goodwill is measured at acquisition cost less any accumulated impairment losses. For the purposes of impairment testing, goodwill acquired in a business combination is allocated, from the acquisition date to each of the Group's cash-generating units (CGUs) that are expected to benefit from the combination, regardless of whether other assets or liabilities of the acquiree are assigned to those units.

When goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. In these circumstances, the disposed goodwill is measured based on the relative values of the operation disposed of and the portion of the cash-generating unit retained.

Consolidation method

The assets, liabilities, income, expenses, cash flows and other items of Group companies' financial statements are incorporated into the Group's consolidated financial statements using the full consolidation method.

This method requires:

1. Uniformity of timing, consolidated financial statements are drawn up as at the same date and for the same period as the annual financial statements of the parent undertaking. Where a subsidiary has a different reporting period-end, that subsidiary is consolidated based on interim financial statements drawn up as at the same date as the consolidated financial statements.
2. Uniformity of measurement. The assets and liabilities, income and expenses, and other items of the financial statements of Group companies were measured on a uniform basis. Any assets or liabilities, or any income or expense items measured by criteria that are not consistent with those applied on consolidation were re-measured, with the appropriate adjustments made exclusively for purposes of consolidation.
3. Aggregation. The various items of the previously standardized separate financial statements are aggregated in accordance with their nature.
4. Investment-equity elimination. The carrying amounts representing the equity instruments of subsidiaries owned, directly or indirectly, by the parent are offset against the proportional part of the items of equity of that subsidiary attributable to those equity interests. This offsetting is performed generally on the basis of the values resulting from the application of the acquisition method, as described above. In subsequent consolidations after control is obtained, any excess or deficit of net equity generated by the subsidiary from the acquisition date attributable to the parent is presented in the consolidated statement of financial

position under an item of reserves or valuation adjustments, depending on the nature. The share attributable to non-controlling interests is recorded in "Non-controlling interests".

5. Share of non-controlling interests. The measurement of non-controlling interests is carried out based on the effective interest in the equity of the subsidiary after the previous adjustments, Goodwill is not attributed to non-controlling interests. When the losses attributable to non-controlling interests of a subsidiary exceed the portion of equity proportionately corresponding to them, this excess is attributed to the non-controlling interests, even if this means that the related line item has a debit balance.
6. Intra-group item eliminations. Intragroup loans and receivables, income and expenses, and cash flows are eliminated in full. In addition, all gains and losses on intra-group transactions are eliminated and deferred until they are carried out with third parties outside the Group.

Changes in ownership interest that do not result in the loss of control

When control of a subsidiary has been obtained, subsequent transactions that give rise to a change in a parent's ownership interest in the subsidiary that do not result in the loss of control are accounted for in the consolidated financial statements as equity transactions, applying the following rules:

- a. The amount of goodwill or gain on a bargain purchase recognised is not modified, nor is the amount of the other recognised assets and liabilities.

b. Any previously recognised gain or loss in the separate financial statements is eliminated on consolidation, with a related adjustment to reserves of the company whose ownership interest decreases.

c. The amounts of "valuation adjustments" are adjusted to reflect the equity interest in the subsidiary retained by Group companies.

d. The share of non-controlling interests in the equity of the subsidiary is shown based on the percentage ownership of non-Group companies in the subsidiary after the transaction, including the share of goodwill accounted for in the consolidated financial statements related to the change; and

e. The necessary adjustment resulting from a), b) and c) above is accounted for in reserves.

Loss of control

If a parent loses control of a subsidiary, the parent:

a. Adjusts the gain or loss recognised in the separate annual financial statements for the purposes of consolidation.

b. If the subsidiary becomes classified as a jointly controlled entity or associate, it is accounted for initially using the equity method, considering the fair value of the investment retained at the date of reclassification for the initial measurement;

c. The investment retained after the loss of control of a subsidiary that the parent ceases to consolidate is measured in accordance with the policies applied to financial assets, taking

as the initial value the fair value at the date on which it ceases to belong to the scope of consolidation.

d. An adjustment is recognised in the consolidated statement of profit or loss to show the share of non-controlling interests in the income and expenses generated by the subsidiary up to the date of the loss of control, and the transfer to the income statement of the income and expenses recognised directly in equity.

3.3. Criteria applied in related-party transactions

Related parties are defined as individuals or legal entities that may exercise control, joint control, or significant influence over the Company, including key management personnel. Transactions with related parties are conducted on an arm's length basis and are carried out in the ordinary course of the Company's business.

All debit and credit balances, intercompany transactions, and unrealized gains or losses with third parties have been eliminated in the consolidation process.

Investments in associates

Associated companies are recorded using the equity method. These are entities over which the Group exerts significant influence. Significant influence is deemed to exist when the Group holds an ownership interest in the entity and possesses the power to intervene in its financial and operating policy decisions, without reaching the level of control.

The equity method consists of incorporating the value of the

net assets and goodwill, if any, corresponding to the ownership interest held in the associate under the consolidated balance sheet line item "Investments in associates." The net profit or loss for each fiscal year corresponding to the percentage of ownership in these companies is reflected in the consolidated income statement as "Share of profits (losses) of associates".

3.4. Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value is determined without any deduction for transaction costs that may be incurred on sale or other disposal. Fair value is not the amount resulting from a forced transaction, a distress sale or involuntary liquidation.

Fair value is estimated for a specific date and given that market conditions can vary over time, that value might not be valid for another date. In addition, in estimating fair value the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

As a general rule, fair value is calculated by reference to a reliable market input. The fair value of financial assets and liabilities for which there is an active market is determined using valuation models and techniques. Those models and valuation techniques include referencing recent arm's length transactions between knowledgeable, willing parties, if available, and the

fair value of substantially identical assets, discounted cash flow methodology and the models widely used to value options.

In all instances the valuation techniques used must be consistent with the methodologies widely accepted by and used in the market to set prices, using to the extent possible the methodology that has proven the most reliable estimator of prices. The calculations rely on observable market data and other factors market participants would take into account when pricing the asset, minimising the use of subjective judgements or unobservable or unverifiable data.

The Group assesses the effectiveness of the valuation techniques it uses regularly using observable prices in recent transactions in the same asset class as is being measured and prices based on data or indices that are observable in the market that are available and applicable.

In that manner it is possible to glean the hierarchy of the inputs used to determine fair value, articulated around the three required hierarchy levels:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at the measurement date.
- Level 2: estimates based on quoted prices in active markets for similar instruments or by means of other valuation techniques for which all of the significant inputs are based on market data that are observable either directly or indirectly.
- Level 3: estimates in which at least one significant input is not based on observable market data.

An estimate of fair value is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. To that end a significant input is one that has a decisive influence on the outcome of the measurement. In assessing the importance of a given input to the measurement, the Company takes into account the specific characteristics of the asset or liability being measured.

For assets and liabilities that are recorded at fair value in the financial statements on a recurring basis, the Group determines whether transfers have occurred between hierarchy levels by re-assessing their categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Group's finance team performs valuations of financial items for financial reporting purposes, including Level 3 fair values, consulting third-party valuation specialists for complex assessments. Valuation techniques are selected based on the characteristics of each instrument, with the overall objective of maximizing the use of market-based information. The finance team reports directly to the Chief Financial Officer (CFO). Valuation processes and changes in fair value are discussed by the CEO and the valuation team at least once a year, in accordance with the Group's financial reporting dates.

External valuers are utilized for the valuation of significant assets and liabilities, such as investment properties, unquoted financial assets, and contingent consideration. The involvement of external valuers is determined annually by the Valuation Committee, following discussion and approval by the Audit Committee. Selection criteria include market knowledge, reputation, independence, and professional competence. These valuers are

typically rotated every three years. The Valuation Committee, after consultation with the external valuers, decides which valuation techniques and inputs are to be used in each case.

At each closing date, the Valuation Committee analyzes the movements in the values of assets and liabilities that require ongoing monitoring under the Group's accounting policies. For this analysis, the Committee verifies the primary input used in the latest valuations against updated information available from contracts and other relevant documentation.

The Valuation Committee also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the variances are reasonable.

At an interim date, the Valuation Committee and the Group's external valuers present the valuation results to the CEO and the Group's independent auditors. This presentation includes a discussion of the key assumptions used in the valuations. For the purposes of the required fair value disclosures, the Group has determined classes of assets and liabilities based on their nature, characteristics, risks, and fair value hierarchy levels, as previously explained.

3.5. Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

An intangible asset is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising upon derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss.

1. Computer software

Licences for computer programs acquired are capitalised at the costs incurred to acquire the licences and use the specific software.

Costs associated with maintaining computer software programmes are recognised as an expense as incurred. Costs related directly with the production of separate and identifiable computer software controlled by the Group when it is probable that the software will generate economic benefits above costs over a period of more than one year are recognised as intangible assets. Direct costs include costs of employees developing the computer programs and the appropriate proportion of overheads.

2. Goodwill

Goodwill represents a payment by an acquirer in anticipation of the future economic benefits from assets that are not capable of being individually identified and separately recognised after a business combination.

Goodwill is measured initially, upon acquisition, at cost, being the excess of the cost of the business combination over the fair value of the identifiable assets acquired less the liabilities assumed.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's

cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Goodwill is allocated to one or more cash-generating unit (CGUs) expected to benefit from the synergies of the business combination, CGUs are the smallest groups of identifiable assets that generate cash inflows for the Group that are largely independent of the cash inflows from the Group's other assets or groups of assets.

Each CGU or group of CGUs to which the goodwill is allocated shall:

- Represent the lowest level within the entity at which the goodwill is monitored for internal management purposes; and
- Not be larger than the operating segment.

CGUs to which goodwill has been allocated are tested (with the portion of goodwill allocated included in their carrying amount) for impairment. This test is performed at least annually, and whenever there is an indication that the unit may be impaired. Impairment of a CGU to which goodwill has been allocated is tested by comparing the unit's carrying amount—adjusted for the amount of goodwill attributable to non-controlling interests where non-controlling interests have not been measured at fair value—with its recoverable amount.

A CGU's recoverable amount is the higher of its fair value less costs of disposal and its value in use. Value in use is measured using discounted cash flow projections estimated by the unit's

management based on the most recent budgets for the coming periods. The main assumptions used in calculating value in use are: cash flow projections, a growth rate used to extrapolate cash flows to perpetuity and a discount rate applied to cash flows; which is equal to the cost of capital allocated to each cash-generating unit and is equal to the sum of the risk-free rate of interest plus a risk premium reflecting the risk inherent in the business assessed.

When the carrying amount of a CGU exceeds its recoverable, an impairment loss is recognised, first, to reduce the carrying amount of goodwill allocated to the unit, and then, if any losses are left to recognise, by reducing the carrying amount of other assets of the unit pro rata on the basis of the carrying amount of each assets in the CGU. Where non-controlling interests are measured at fair value, the impairment loss on goodwill is attributable to these non-controlling interests. An impairment loss recognised for goodwill may not be reversed in a subsequent period.

3. Development

An intangible asset arising from development (or from the development phase of an internal project) shall be recognised if, and only if, an entity can demonstrate all of the following:

- a) The technical feasibility of completing the intangible asset so that the asset will be available for use or sale.
- b) Its intention to complete the intangible asset and use or sell it.

- c) Its ability to use or sell the intangible asset.
- d) How the intangible asset will generate probable future economic benefits. Among other things, the entity can demonstrate the existence of a market for the output of the intangible asset or the intangible asset itself or, if it is to be used internally, the usefulness of the intangible asset.
- e) The availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset.
- f) Its ability to measure reliably the expenditure attributable to the intangible asset during its development.

Intangible assets are measured initially at cost, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates; and any directly attributable cost of preparing the asset for its intended use.

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete, and the asset is available for use. It is amortised over the period of expected future benefit. Amortisation is recorded in cost of sales. During the period of development, the asset is tested for impairment annually.

4. Industrial property

Industrial property rights are measured at purchase price or production cost. This item includes capitalised development expenditure when the related patent or similar right is obtained

and the cost incurred on registration or formalisation of the industrial property, as well as any amounts that could be recognised for acquiring the relevant rights from third parties. These include invention patents, utility model certificates, industrial designs and plant patents.

5. Other intangible assets

In addition to the intangible assets described above, there are others recognized as such in the statement of financial position. These include administrative concessions, commercial rights, intellectual property or licences.

6. Subsequent measurement

After initial recognition, an intangible asset is carried at its cost less any accumulated amortization (finite useful life) and any accumulated impairment losses (see Note 3.5).

The Group amortises its intangible assets with a finite useful life using the straight-line method to allocate the difference between their cost and their residual values over the estimated useful lives, applying the following rates:

	Amortisation rate %
Development	20-33%
Industrial property	10%
Computer software	20-33%
Other intangible assets	10%

3.6. Goodwill impairment test

Goodwill is tested for impairment at each reporting date and whenever events and circumstances occur that significantly affect recoverable amount. The amount of impairment is the difference between recoverable amount and carrying amount. For the purposes of impairment testing, the assets are grouped at the lowest level of separate identifiable cash flows (i.e., cash-generating units). An impairment loss recognised for goodwill may not be reversed in a subsequent period.

Impairment tests are based primarily on estimated future cash inflows of the various cash-generating units (value in use) to which the assets tested relate. This requires Group management to make significant judgements and estimates.

For the purposes of impairment testing of goodwill, the parent's directors have prepared financial projections for subsequent periods based on current economic conditions. These projections reflect an estimate based on delivery of certain milestones, variables and assumptions, which are subject to uncertainty and could change considerably (upwards or downwards) depending on the occurrence of future events. The main characteristics include:

- Value in use has been determined based on future cash flows, rather than the Company's market value giving its limited trading history, high share price volatility arising from low liquidity, and the adverse economic environment.
- The projections cover a period of 5 years; i.e., until 2029. For purposes of impairment testing, a terminal value is applied with a discount rate and growth in perpetuity rate,

as disclosed in Note 6.

- Discount rates reflect the risk-free interest rate and risk premium specific to each cash-generating unit.
- Forecasts are based, among other things, on the knowledge and expected performance of the Group's current and future business verticals and of the Group.
- This includes expectations of obtaining new customer contracts within a reasonable period of time (two years).
- Also included are average selling prices.
- Average EBITDA is considered based on estimates and peers, as historical information is not available for a portion of revenue.

Note 6 discusses the variables and assumptions used by the Group in determining its cash-generating units.

3.7. Property, plant and equipment

1. Initial recognition

Property, plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Cost corresponds to the purchase price or, in the case of enhancements, the capitalisation of the related costs in "Other operating income".

The value of an item of property, plant and equipment includes the initial estimate of the present value of obligations for dismantling or removing the item, as well as other obligations associated with the asset, such as restoring the site on which it is located, provided that these obligations give rise to the recognition of provisions in accordance with the applicable standards.

2. Residual value

The residual value of an asset is the estimated amount the Company would currently obtain from sale or disposal of the asset, after deducting the estimated costs of disposal, if the asset were already of the age and in the condition expected at the end of its useful life.

The directors estimate that the residual value of items of property, plant and equipment is not material.

3. Useful life and depreciation

The depreciable amount of an item property, plant and equipment is allocated on a systematic basis over its useful life. For these purposes, depreciable amount is understood to be the acquisition cost less the residual value.

The Group depreciates property, plant and equipment using the straight-line method to allocate the difference between their cost and their residual values over the estimated useful lives, applying the following rates:

	Depreciation rate %
Buildings	20%
Machinery	15%
Other plant	10-20%
Furniture	10-12%
Information technology equipment	25%
Other PP&E	10%

3.8. Impairment of non-financial assets

The Group assesses whether there are indications of possible impairment losses on non-financial assets subject to amortisation or depreciation to verify whether the carrying amount of these assets exceeds the recoverable amount, understood as the higher of fair value less costs of disposal and value in use.

The Group tests intangible assets with indefinite useful lives for impairment at least annually, irrespective of whether any indication of impairment exists.

For the purpose of impairment testing, goodwill arising from business combination is allocated to each cash-generating unit (CGU) or groups of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount is the higher of the fair value less costs to sell and value in use, understood as the present value of the estimated future cash flows. In calculating value in use, the assumptions used include discount rates, growth rates and

expected changes in selling prices and costs. The companies' directors estimate the discount rates, which reflect the time value of money and the risks specific to the assets, Growth rates and expected changes in selling prices and direct costs are based on internal and industry forecasts, experience and future expectations, respectively.

Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. If this is the case, recoverable amount is determined for the cash-generating unit (CGU) to which the asset belongs.

The Group also prepares sensitivity analyses on its projection studies, showing the impact of changes in the variables with the greatest impact on cash flows; i.e., discount and expected growth rates.

Where an asset's recoverable amount is below its carrying amount, an impairment loss for the difference is recognised in the consolidated statement of profit or loss under "Impairment and gains/(losses) on disposal of non-current assets" with a credit to "Property, plant and equipment" or "Intangible assets" as appropriate in the consolidated statement of financial position.

Impairment losses for cash-generating units are allocated, first, to reduce the carrying amount of any goodwill allocated to the CGU, and then, to the other assets of the CGU pro rata on the basis of the carrying amount of each asset in the unit up to the limit of the highest of fair value less costs of disposal, value in use and zero.

The Group assesses at each reporting date whether there is any indication that an impairment loss recognised in prior

periods may no longer exist or may have decreased. Impairment losses relating to goodwill cannot be reversed in future periods. Impairment losses recognised for other assets are reversed if there has been a change in the estimates used to determine the asset's recoverable amount.

A reversal of an impairment loss is recognised in profit or loss by increasing the carrying amount of the asset up to the carrying amount that would have been determined, net of amortisation or depreciation, had no impairment loss been recognised.

For assessing recoverability, cash-generating units represent the smallest group or groups of assets and liabilities that generate cash inflows that are largely independent of the cash inflows from other CGUs. In defining CGUs and future flows, Group management considers potential synergies between the various assets.

The Group has defined the following CGUs:

- **Subgen AI:** This CGU includes revenue from the provision of AI systems integration services, MaaS platform services and the performance of R&D activities.
- **Substrate AI:** This company is the most important subsidiary of Subgen AI and includes this CGU:
 - **Save the Planet:** This CGU includes revenue from the energy business of the group focus in AI energy saving and efficiency services.
 - **IFIT / Fleebe:** This CGU includes revenue from the application of AI to talent management within organisations using tools such as the Fleebe AI

platform and the provision of personnel selection services and outsourcing of temporary skilled workers to perform certain jobs for global customers.

- **4D / Diagximag:** This CGU includes revenue from the healthcare business of the group including IA software applications and sales of diagnostic imaging equipment and the provision of related services for both human and veterinary use.
- **PS Vet/ Boalvet:** this CGU includes revenue from agritech business of the group the provision of quality and efficiency improvement services in the livestock and agricultural industry by applying AI.
- **Hexenebel/Summon:** this CGU includes revenue from financial and e. learning business of the group including literacy courses and advertising internet portals.
- **Kau:** this CGU includes revenue from the financial business of the group in consultancy services.

The assumptions used for assessing the recoverability of goodwill are disclosed in Note 6.

For assessing impairment of goodwill, the Group performs individual impairment tests for goodwill of each business combination and one for total goodwill. The CGUs may be allocated to each business combination except Kau and Save the Planet, to which no significant specific assets are allocated.

3.9. Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Leases under which there is not an asset identified in the lease contract or any substitution right are not treated for accounting purposes as leases but rather are recognised in profit or loss as an expense in accordance with their nature.

1. Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets (which reflects the

shorter of the lease terms and the useful life of the underlying assets), as follows:

	Depreciation method	Years
Commercial premises	Straight-line	2-10
Machinery	Straight-line	1
Offices	Straight-line	4-5
Industrial warehouse	Straight-line	2-11
Furniture	Straight-line	8

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The lease term reflects the Group's reasonable expectation of the period during which the underlying asset will be used.

2. Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the Group's best estimate at the transition date reflects the Group exercising the option to terminate.

Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the earlier of the lease commencement date and the transition date.

After the lease commencement date, the Group using amortised cost method. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Short-term leases and leases of low-value assets

The Group applies the lease of low-value assets recognition exemption to its leases of printers that are considered to be low value. It also applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option), although it does not have any such leases currently. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

3.10. Financial instruments

Financial assets

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income, and fair value through profit or loss.

Financial assets at amortised cost

This category includes financial assets, even if they are admitted to trading on an exchange, if the Group holds the investment in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

These contractual cash flows, which are solely payments of principal and interest on the principal amount outstanding, are inherent to a basic lending arrangement, but the loan agreed could be interest-free or at a below-market interest rate.

This category includes trade and non-trade receivables:

- a. Trade receivables: financial assets arising on the sale of goods and rendering of services in the course of the Company's trade operations with deferred payment, and
- b. Non-trade receivables: financial assets that are neither equity instruments nor derivatives not arising on trade transactions with fixed or determinable payments arising from loans or credit transactions granted by the Company.

1. Initial measurement

Financial assets classified in this category are measured initially at fair value. In the absence of evidence to the contrary, this is presumed to be the transaction price, which is equivalent to the fair value of the consideration given plus directly attributable transaction costs.

Nonetheless, trade receivables falling due within one year for which there is no contractual interest rate and loans to personnel, dividends receivable and receivables on called-up equity instruments expected to be collected in the short term are measured at their nominal amount to the extent that the effect of not discounting the cash flows is not material.

2. Subsequent measurement

Financial assets included in this category are subsequently measured at amortised cost. Accrued interest is recognised in profit or loss using the effective interest method.

However, receivables falling due within one year initially measured at the nominal amount, in accordance with the preceding section, continue to be measured at that amount, unless they are impaired.

When the contractual cash flows from a financial asset are modified due to financial difficulty of the issuer, the company tests the asset for impairment.

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised.

3. Security deposits

Security deposits given for leases are measured at nominal amount, as the difference between the amount received and fair value is insignificant.

Financial assets at cost

Interests in entities over which the Group does not have control or significance influence are classified as equity instruments in accordance with IFRS 9.

These investments are measured at cost only when their fair value cannot be measured reliably, in accordance with IFRS 9, due to the absence of active markets and the impossibility of estimating reliable fair values through valuation techniques. Subsequently, these investments are measured at amortized cost less, if applicable, the accumulated amount of recognized impairment losses (see Note 10.1).

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- The rights to receive cash flows from the financial asset have expired, or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR

amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss.

In general, this category includes trade and non-trade payables:

- a) Trade payables: financial liabilities arising on the purchase of goods and services in the course of the Company's trade operations with deferred payment, and
- b) Non-trade payables: financial liabilities that are not derivatives and have no commercial substance, but arise from loans or credit received by the Company.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Criteria used to determine revenue or expenses from the different categories of financial instruments:

Interest and dividends accrued on financial assets and liabilities after acquisition are recognised as revenue and expenses in the statement of profit or loss. Interest is recognised using the effective interest method. Dividends are recognised when

the shareholder's right to receive payment of the dividend is established.

3.11. Share capital

Ordinary shares are classified as equity,

Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Treasury shares

Own equity instruments that are reacquired (treasury shares) are recognised at cost and deducted from equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments. Any difference between the carrying amount and the consideration, if reissued, is recognised in the share premium.

Convertible preference shares

Convertible preference shares are separated into liability and equity components based on the terms of the contract.

On issuance of the convertible preference shares, the fair value of the liability component is determined using a market rate for an equivalent non-convertible instrument. This amount is classified as a financial liability measured at amortised cost (net of transaction costs) until it is extinguished on conversion or redemption.

The remainder of the proceeds is allocated to the conversion option that is recognised and included in equity. Transaction costs are deducted from equity, net of associated income tax. The carrying amount of the conversion option is not remeasured in subsequent years.

Transaction costs are apportioned between the liability and equity components of the convertible preference shares, based on the allocation of proceeds to the liability and equity components when the instruments are initially recognised.

Preference shares

The initial carrying amount of the shares issued is distributed by allocating to the liability component the fair value of a similar liability that does not have an associated equity component. The difference between the initial carrying amount and the amount allocated to the liability component is allocated to the equity component. The transaction costs are allocated in the same proportion (see Note 17).

3.12. Revenue from customer contracts

The platform is a comprehensive Generative Artificial Intelligence (GAI) ecosystem designed to facilitate the adoption and scaling of GAI solutions in enterprises and organizations, offering advanced tools tailored to the specific needs of each industry

The Group is in the business of creating and developing state-of-the-art artificial intelligence systems and their application in various sectors, such as energy, health, livestock, human resources and finance, among others. Revenue from contracts

with customers is recognized at the time control of the goods or services is transferred to the customer in an amount that reflects the consideration to which the Group expects to be entitled in exchange for such goods or services. The Panel has concluded that it acts as principal in its revenue contracts.

For the accounting of revenues, the Group follows a process that consists of the following successive stages:

- Identify the contract (or contracts) with the client, understood as an agreement between two or more parties that creates enforceable rights and obligations for them.
- Identify the obligation or obligations to be fulfilled in the contract, representative of the commitments to transfer goods or provide services to a customer.
- Determine the transaction price, or consideration of the contract to which the Group expects to be entitled in exchange for the transfer of goods or the provision of services committed to the customer.
- Assign the transaction price to the obligations to be fulfilled, which must be made based on the individual sales prices of each different good or service that have been committed in the contract, or, where appropriate, following an estimate of the sale price when it is not independently observable,
- Recognize income from ordinary activities when the Group fulfills an obligation committed through the transfer of an asset or the provision of a service; compliance that takes place when the customer obtains control of that good

or service, so that the amount of income from ordinary activities recognized will be the amount assigned to the contractual obligation satisfied.

Recognition

The Group recognizes the income derived from a contract when control over the goods or services committed (i.e, the obligation(s) to be fulfilled is transferred to the customer.

For each obligation to be fulfilled that is identified, the Group determines at the beginning of the contract whether the commitment assumed is fulfilled over time or at a specific time.

Revenue from commitments that are fulfilled over time is recognized based on the degree of progress or progress towards full compliance with contractual obligations, provided that the Group has reliable information to measure the degree of progress. In relation to income from training courses, as they are mostly recorded courses, they are recognized at the initial moment regardless of the time in which they are viewed.

In the case of contractual obligations that are performed at a particular time, the revenue derived from their performance is recognized on that date.

Fulfilment of the obligation over time

The Group transfers control of an asset over time when one of the following criteria is met:

- The customer simultaneously receives and consumes the benefits provided by the Group's activity as the entity carries it out.

- The Group produces or improves an asset that the client controls as the activity develops,
- The Group develops a customer-specific asset with no alternative use and the Group has an enforceable right to charge for the activity that has been completed to date.

Indicators of compliance with the obligation at a point in time

To identify the specific moment when the customer gains control of the asset, the Group considers the following indicators:

- The client assumes the significant risks and rewards inherent in the ownership of the asset.
- The Group transfers physical possession of the asset.
- The customer receives the asset in accordance with the contractual specifications.
- The Group has a right to collect for transferring the asset.
- The customer has ownership of the asset.

Rating

Ordinary income from the sale of goods and the provision of services is measured at the monetary amount or, where appropriate, at the fair value of the consideration, received or expected to be received. The consideration is the agreed price for the assets to be transferred to the customer, deducting: the amount of any discount, price reduction or other similar items that the Group may grant, as well as the interest incorporated into the nominal value of the loans.

In accordance with the accrual principle, revenue is recorded with the transfer of control and expenses are recorded when they occur, regardless of the date of their collection or payment. In general, the Group has concluded that it acts on its own behalf in its revenue arrangements, because it typically controls the goods or services before transferring them to the client.

Obligations for guarantees

It normally gives guarantees for the general repair of defects that existed at the time of sale, as required by law. Such assurance guarantees are recognized as provisions for guarantees. Consult the accounting policy related to guarantee provisions in section w) Provisions.

Contractual liabilities --- maintenance services

A contractual liability is recognised when the customer makes the payment or when such payment is due (whichever occurs first) before the Group transfers the goods or services to the customer. Contractual liabilities are recognized as income when the Group meets its performance obligations (i.e, when control over goods or services is transferred to the customer).

3.13. Grants, donations and bequests received

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended

to compensate, are expensed. When the grant relates to an asset, it is recognised as income based on the amortisation of underlying asset to which the grant relates.

When the Group receives grants of non-monetary assets, the asset and the grant are recorded at nominal amounts and released to profit or loss over the expected useful life of the asset, based on the depreciation of the underlying asset to which the grant relates.

3.14. Income tax

Tax expense (tax income) comprises current tax expense (current tax income) and deferred tax expense (deferred tax income).

Current tax is the amount of income tax payable (recoverable) by the Group as a result of tax settlements for a period. Deductions and other tax relief applicable to payable taxes, excluding withholdings and payments on account, and the carry forward of tax losses applied in the current reporting period are accounted for as a reduction in current tax.

Deferred tax expense or income relates to the recognition and settlement of deferred tax assets and liabilities. These include the temporary differences, measured at the amount expected to be payable or recoverable, between the carrying amounts of assets and liabilities and their tax bases, as well as the carry forward of unused tax credits and tax losses. These amounts are measured by applying to the relevant temporary difference or tax credit the tax rate at which they are expected to be realised or settled.

Deferred tax liabilities are recognised for all taxable temporary differences, except for those arising from the initial recognition of goodwill or of other assets and liabilities in a transaction that is not a business combination and affects neither accounting profit/(loss) nor taxable income/(tax loss).

Deferred tax assets are only recognised to the extent that it is probable that taxable profit will be available against which these assets can be utilised. At consolidated level, also considered are any differences between the consolidated value of an investee and its tax base.

Generally, these differences arise from retained earnings generated since the date of acquisition of the investee, tax deductions associated with the investment and any translation differences in the case of investees with a functional currency other than the TSEK. Deferred tax assets and liabilities arising from these differences are recognised unless, in the case of taxable differences, the investor is able to control timing of the reversal and, in the case of deductible differences, if this difference is expected to reverse in the foreseeable future and it is probable that sufficient taxable profit will be available.

Deferred tax assets and liabilities arising from transactions charged or credited directly to equity accounts are also recognized within equity.

At each reporting date, the recognized deferred tax assets are reviewed, and appropriate adjustments are made to the extent that doubts exist regarding their future recovery.

Furthermore, at each closing, unrecognized deferred tax assets are evaluated and subsequently recognized to the extent that it

becomes probable that future taxable profits will allow for their recovery.

Deferred tax assets and liabilities are measured at the tax rates expected to apply in the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the reporting date.

Deferred tax relating to items recognized outside of the income statement is also recognized outside of the income statement. Deferred tax items are recognized in correlation to the underlying transaction, either in Other Comprehensive Income (OCI) or directly in equity.

Tax benefits acquired as part of a business combination that do not meet the criteria for recognition at the acquisition date are recognized subsequently if new information regarding changed facts and circumstances is obtained. The adjustment is recorded as a reduction in goodwill (provided it does not exceed the carrying amount of the goodwill) if it occurs within the measurement period; otherwise, it is recognized in the income statement.

Deferred tax assets and liabilities are offset if, and only if, a legally enforceable right exists to set off current tax assets against current tax liabilities and when the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend to settle current tax assets and liabilities on a net basis.

Deferred tax assets and liabilities are not discounted and are classified as non-current assets and liabilities, regardless of the expected date of realization or settlement.

3.15. Foreign currency transactions

The financial statements for the group and the parent company are presented in SEK. Each entity in the Group determines its own functional currency and the items included in each entity's financial statements are measured using that functional currency. The Group uses the direct consolidation method and for the conversion of a foreign business, the gains or losses that are reclassified to profit or loss reflect the amount that arises when the previous conversion is made using this method.

1. Transactions and balances

Initially, the Group's companies record transactions in foreign currency at the exchange rate in force on the date of the transaction in their respective functional currency. Monetary assets and liabilities denominated in foreign currency are translated into the functional currency at the exchange rate in effect on the closing date.

All differences arising from the settlement or conversion of currency items are recognized in the income statement, with the exception of monetary items designated as part of the coverage of the Group's net investment in a foreign business. These differences are recorded in other comprehensive income until the net investment is disposed of, at which time they are reclassified to the income statement. Tax adjustments attributable to exchange rate differences in these currency items are also recognized in other comprehensive income.

Non-cash items that are recognized at historical cost in foreign currency are translated using the exchange rate on the transaction date. Non-monetary items recognized at fair value,

denominated in foreign currency, are translated at the exchange rates in effect on the date on which fair value was determined. Gains or losses arising from the conversion of non-monetary items measured to fair value are recognized in accordance with the recognition of gains or losses arising from the change in the fair value of the relevant item (i.e, the exchange difference arising from items whose fair value gains or losses are recognized in other profit or loss or profit or loss are also recognized in other profit or loss, respectively).

In determining the exchange rate to be used in the initial recognition of the asset, expense or income (or part thereof) arising from the write-off of an asset or non-cash liability related to an anticipated consideration, the transaction date is the date on which the Group initially recognized such non-cash asset or liability arising from the anticipated consideration. If there are multiple advance payments, the Panel must determine the date of the transactions for each payment or collection of the advance consideration.

2. Group companies

At the time of consolidation, all assets and liabilities of Group companies that are in a functional currency other than the Group's presentation currency (SEK) are translated into SEK at the exchange rate in effect on the closing date, while all transactions are translated at the average exchange rate during the reporting period. Exchange differences arising in translation for consolidation are recognized in Other Comprehensive Income ("OCI") and recognized in equity in the "Translation Difference Reserve". At the time of disposal of a foreign transaction, the accumulated translation effects recognized in capital are reclassified to profit or loss and recognized as part of the gain or

loss on the disposition.

Goodwill arising from the acquisition of a foreign transaction and any fair value adjustments to the carrying amounts of the assets and liabilities assumed in such acquisition are recognized as assets and liabilities of the foreign transaction and are translated at the exchange rate on the closing date.

3.16. Provisions and contingencies

Liabilities for which the amount and settlement date are uncertain are recognised as provisions when the Company has a present obligation (legal, contractual, constructive or tacit) arising from past events, the settlement of which is expected to result in an outflow of resources and the amount of which can be measured reliably.

Provisions are measured at the present value of the best estimate of the expenditure required to settle the obligation or transfer it to a third party. Adjustments arising from the discounting of the provision are recognised as a finance expense when accrued. Provisions expiring within one year are not discounted where the financial effect is not material. Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate.

Reimbursements receivable from a third party on settlement of the obligation do not reduce the amount of the debt. The related receivable is recognised as an asset provided that there is no doubt as to its collection. Where a risk is externalised by means of a legal or contractual agreement, provision is only made for

the part of the risk assumed by the Group.

In addition, contingent liabilities are considered to be possible obligations that arise from past events whose materialisation depends on the occurrence of future events not wholly within the Group's control, as well as present obligations arising from past events regarding which it is not probable that an outflow of resources will be required to settle them or which cannot be reliably measured. Contingent liabilities are not recognised, but are disclosed in the notes, unless the possibility of an outflow of resources is considered remote.

3.17. Transactions with payments based on equity instruments

Certain employees of the Group receive remuneration in the form of share-based payments, under which employees provide services as consideration for equity instruments (transactions with share-based payments settled through equity instruments) or share-based plans that are settled in cash.

The Stock Incentive Plan is settled using equity and accounted for accordingly. Therefore, they are recognized as an employee benefit expense, with a corresponding increase in equity during the vesting period.

This cost is recognized as personnel costs together with the corresponding increase under "Reserves", during the period in which the conditions of service are met. The cumulative expense recognized for transactions with share-based payments settled by equity instruments at each closing date and up to the award

date reflects the portion of the vesting period that has accrued and the Group's best estimate of the equity instruments that will ultimately be allocated.

The Group recognizes, on the one hand, the goods and services received as an asset or as an expense, taking into account their nature, at the time they are obtained and, on the other hand, the corresponding increase in equity, if the transaction is settled with equity instruments, or the corresponding liability if the transaction is settled with an amount that is based on the value of the equity instruments.

In the case of transactions that are settled with equity instruments, the services provided and the increase in equity are measured at the fair value of the equity instruments transferred, referring to the date of the concession agreement.

3.18. Earnings per share

Basic earnings per share is calculated by dividing the net income for the year attributable to the controlling entity's common interest by the weighted average of the common shares outstanding during the year.

Diluted earnings per share is obtained by dividing the net income attributable to the controlling entity's common interest (after adjusting to reflect interest on convertible preferred stock) by the weighted average of common shares outstanding during the year, plus the weighted average of common shares that would be issued at the time of converting all potential diluted common shares into common shares.

3.20. Significant accounting judgments and estimates

The preparation of the Group's consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported figures of income, expenses, assets and liabilities and related disclosures, as well as the disclosure of contingent liabilities. Uncertainty about the assumptions and estimates used could result in results that require a material adjustment to the carrying amount of the affected assets or liabilities in future periods.

The following describes the key forward-looking assumptions, as well as other key sources of uncertainty in the estimates at the closing date, which pose a significant risk of generating material adjustments to the carrying amount of assets and liabilities during the following period. The Group based its assumptions and estimates on parameters available at the time the consolidated financial statements were prepared. However, existing circumstances and assumptions about future events may be altered due to changes in the market or circumstances beyond the control of the Group. These changes are reflected in the assumptions when they occur. In the process of applying the Group's accounting policies, management has applied the following judgments, which have had a more significant effect on the amounts recognized in the consolidated financial statements:

Impairment on non-financial assets

Impairment exists when the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, which is fair value less costs to sell, or its value in use, whichever is greater. The calculation of fair value less costs to sell is based on

information available on similar sales transactions, made under conditions between independent parties for like goods, or on observable market prices, less the incremental costs of disposal of the asset. The calculation of the value in use is based on a discounted cash flow model. Cash flows arise from the budget for the next five years and do not include restructuring activities to which the Group has not yet committed, nor significant future investments that will increase the return on the asset or cash-generating unit being tested. The recoverable amount is very sensitive to the discount rate used for the discounted cash flow model, and to the expected future fund income at the growth rate used for extrapolation purposes. These estimates are more appropriate for goodwill and other intangible assets with indefinite useful lives recognized by the Group. The key assumptions used in determining the recoverable amount of the different cash-generating units, including the sensitivity analysis, are presented and explained in greater detail in Note 8.

Useful life and residual values of intangible and tangible fixed assets

The Group reviews, at least once a year, the estimated residual values and expected useful lives of intangible and tangible fixed assets. In particular, the Group considers the impact that health, safety and environmental legislation will have on its assessment of expected useful lives and estimated residual values. In addition, the Panel considers climate-related issues, including physical and transition risks. Specifically, the Group determines whether climate legislation and regulations could affect useful life or residual values, for example, by prohibiting or restricting the use of the Group's machinery and equipment that operates on fossil fuels or by imposing additional energy efficiency requirements on buildings and offices.

Leases – Estimating the Incremental Rate of Financing

The Group cannot easily determine the interest rate implied by the lease, so it uses its incremental rate of financing (IBR) to measure lease liabilities. The IBR is the interest rate that the Group would have to pay to borrow over a similar period of time, and with a similar value, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. Therefore, this rate reflects what the Group would ‘have to pay’, which requires an estimate when there are no observable rates available (such as for subsidiaries that do not engage in financial transactions) or when they need to be adjusted to reflect the terms and conditions of the lease (e.g., when the leases are not in the subsidiary’s functional currency). The Panel estimates the incremental rate of funding using observable data (such as market interest rates) where available and is required to make certain entity-specific estimates (such as the independent credit rating of a subsidiary).

Income tax

Deferred tax assets are recognized to the extent that it is probable that there are future taxable gains against which temporary differences can be used or if there are taxable temporary differences that can support any DTA. To determine the amount of deferred tax assets that may be recognized, the amounts and dates on which future taxable tax gains will be realized and the period of reversal of taxable temporary differences are considered.

In this way, the key area of judgment is to assess whether there are likely to be adequate future tax gains against which deferred tax assets can be used. The Group operates in various

international tax jurisdictions.

The Group is subject to income tax in numerous jurisdictions and there are transactions for which the final tax determination cannot be assessed with certainty in the ordinary course of business. An uncertain tax position is recognized as a benefit only if it is “more likely than not” that such position will be sustained in a tax inspection, presumably that such an inspection will take place. The amount recognised is the highest tax benefit that has a greater than 50% probability of being accepted in the inspection. For tax positions that do not meet this “more likely than not” criterion, no tax benefit is recorded. Penalties and interest incurred related to underpayment of income tax are classified as income tax expense in the period in which they are incurred.

3.19. Comparative information

In accordance with company law, for comparative purposes the Group presents, for each item in the consolidated statement of financial position, the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and consolidated statement of cash flow, in addition to the figures for the year ended December 31, 2025, the figures corresponding to the previous year.

Subsidiaries included the scope of consolidation are:

NOTE 4. SCOPE OF CONSOLIDATION

4.1. Changes in the scope of consolidation

In 2024, the Group carried out a corporate reorganization through which Subgen AI became the parent company of the consolidated group.

During 2025, took place the reverse acquisition of Subgen AI. Through the transaction, the former main owners of Subgen AI became the majority shareholders of Magnasense AB and consequently the transaction is accounted for as if Subgen AI acquired Magnasense AB, even though Magnasense AB was the legal acquirer (For more details see Note 1.2)

4.2. Disclosures on the scope of consolidation

In the preparation of the consolidated financial statements, the Group included the financial statements of the parent and its subsidiaries, aggregating like items representing assets, liabilities, equity, revenue and expenses. For the consolidated financial statements to present the Group's financial information, the carrying amount of the parent's investment in each subsidiary, as well intragroup balances, transactions, revenue and expenses, were eliminated in full.

Name of the subsidiary	Proportion of ownership interests 31.12.2025	Proportion of ownership interests 31.12.2024	Country	Principal activity
Subgen AI	100%	100%	United Kingdom	AI Services and consulting
Binit SRL	91%	91%	Argentina	AI Services and consulting
Deltanova Tech.S.L.U	100%	100%	Spain	AI Services and consulting
Binit Brasil Holding Ltda	100%	100%	Brazil	AI Services and consulting
Deltanova.S.A.	91%	91%	Uruguay	AI Services and consulting
Subgen Spain SA	100%	100%	Spain	AI Services and consulting
Substrate AI SA	100%	100%	Spain	IA services, Infrastructure and Cloud

Subsidiaries under Substrate AI SA are:

Name of the subsidiary	Proportion of ownership interests 31.12.2025	Proportion of ownership interests 31.12.2024	Country	Principal activity
Airen	90%	90%	Spain	Computer programming and software development for systems and applications.
Boalvet AI (Ps Vet holding)	78,76%	78,76%	Spain	Computer programming and software development for systems and applications, applied to livestock farming
Psvet Dairyquality, S.L	100%	100%	Spain	Veterinary Consulting & Clinic, AI Technology developments
Substrate Usa, Inc	100%	100%	United States	Development of IT solutions and AI-related activities.
Saivers	100%	100%	United States	Various economic activities related to artificial intelligence.
Cuarta Dimension (Diagximag holding)	80.03%	64.32%	Spain	Marketing and after-sales service of diagnostic imaging equipment
Save The Planet SLU	100%	100%	Spain	Activities focused on energy efficiency
Diagximag SL	100%	100%	Spain	Marketing of diagnostic imaging equipment
YAMRO HOLDING (LIMITED *)	100%	100%	United Kingdom	Recruitment of technical staff for consultancy
FLEEBE AI, S.L.	100%	100%	Spain	Consulting Service
IFIT Solutions LTD UK	100,00%	100,00%	United Kingdom	Consulting Service
CRIFIT Solutions SLR (costa rica)	100,00%	100,00%	Costa Rica	Consulting Service
IFIT Solutions LLC (EEUU)	100,00%	100,00%	United States	Consulting Service
IFIT Solutions SRLCV (Mexico)	99,50%	99,50%	Mexico	Consulting Service
Developing Talent	100%	100%	Switzerland	Coaching service
Zona Value	100%	100%	Spain	Securities Management and Administration
Kau	100%	100%	Spain	Investment reporting and financial analysis

The following financial information relates to the Group's subsidiaries at 2025 and 2024:

31.12.2025				
Name of the subsidiary	Total Assets	Equity	Results	Dividends
Airen	44	(6,078)	(274)	-
Boalvet	16,097	2.448	(794)	-
Psvet	9,682	3.931	1.207	-
Substrate Usa	28,675	(5.796)	(4.184)	-
Saivers	1.913	1.640	(423)	-
Cuarta Dimension	234.523	168.851	3.679	-
Save The Planet	45	22	-	-
Diagximag	45.254	1.616	687	-
Yamro	10.099	10.777	(2)	-
Fleebe	36.135	3.477	1.051	-
Ifit Solutions Ltd	10.587	6.008	2.978	-
Crifit Solutions Slr (Costa Rica)	3.069	2.728	(260)	-
Ifit Solutions Llc (Usa)	11.439	10.586	2.943	-
Ifit Solutions Srlcv (Mexico)	268	(97)	193	-
Developing Talent	7.201	5.008	(1.560)	-
Zona Value	705.399	326.158	81.519	-
Kau	4.299	3.497	110	-
Binit Srl	19458	9840	-4280	-
Subgen Ai Spain. Sl	20303	3129	1813	-
Deltanova. S.A.	20438	15072	7052	-
Deltanova Tech. S.L.U.	31567	-1677	-1675	-
Binit Brasil Holding Ltda	293	240	78	-

31.12.2024				
Name of the subsidiary	Total Assets	Equity	Results	Dividends
Airen	47	(5,327)	(2,964,284)	-
Boalvet	16,706	3,423	(834,768)	-
Psvet	10,844	2,929	22,208,290	-
Substrate Usa	5,400	(1,667)	800,244	-
Saivers	2,642	2,012	(653,956)	-
Cuarta Dimension	76,848	27,134	48,530,538	-
Save The Planet	48	23	(9,083)	-
Diagximag	59,200	992	3,740,948	-
Yamro	12,565	12,523	(44,100)	-
Fleebe	27,732	2,429	43,396,618	-
Ifit Solutions Ltd (Uk)	8,946	3,455	11,533,026	-
Crifit Solutions Slr (Costa Rica)	4,056	3,477	11,861,092	-
Ifit Solutions Llc (Usa)	12,169	8,816	19,817,835	-
Ifit Solutions Srlcv (Mexico)	30	(355)	(4,324,855)	-
Developing Talent	-	-	-	-
Zona Value	450,813	207,969	10,417	-
Kau	8,083	3,737	9,319,670	-
Binit Srl	11,796	7,466	2,504	-
Subgen Ai Spain. Sl	8,757	1,785	(1,521)	-
Deltanova. S.A.	15,122	7,766	2,504	-
Deltanova Tech. S.L.U.	11,501	9	13	-
Binit Brasil Holding Ltda	572	536	282	-

4.1. New rules, interpretations and amendments adopted by the Group

The Group has not adopted in advance any published rules, interpretations or modifications that are not yet in force. In this way, as of 2025, the Group applies the following rules and interpretations approved by the European Union:

Amendments to IAS 21 – Lack of currency convertibility

This amendment specifies the recording of transactions in foreign currency and the conversion of the financial statements of subsidiaries into the group's presentation currency. The modification applicable from 2025 clarifies what to do when there is no free exchange rate, and the most representative official or alternative rate available must be used. The amendments will take effect for annual periods beginning on or after January 1, 2025. When applying the modifications, the comparative information cannot be restated.

The Group intends to adopt the standards, interpretations and amendments to the standards issued by the IASB, which are not mandatory in the European Union, when they enter into force, if applicable. Although the Group is currently analyzing its impact, based on the analyses conducted to date, the Group determined that it does not have a material impact on these annual consolidated financial statements.

The Group has not been affected by the application of this amendment

Standards and interpretations issued by the IASB, but not applicable in this exercise, or not approved by the EU

Rule, interpretation or modification	Date of application of the IASB
Classification and measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7)	January 1, 2026
Renewable Electricity Contracts (Amendments to IFRS 9 and IFRS 7)	January 1, 2026
IFRS 18 Presentation and disclosure in the financial statements	January 1, 2027
NIIF 19, Subsidiaries without the obligation to public sin obligación pública de rendir cuentas: Information to disclosure (*)	January 1, 2027

(*) Not yet adopted by the European Union as of the date of these financial statements

The group's management is assessing the impact and does not expect the first application of these standards to have a significant impact on the Consolidated Financial Statements,

4.2. Going concern principle

As of December 31, 2025, the Group has a working capital in the amount of:

	31/12/2025	31/12/2024
Working Capital	(30,213)	(103,693)

Included in short term liabilities that will be settled in shares for an amount of TSEK 36,144 in 2025, and deducting these obligations the working capital totals is TSEK 6,196 in 2025.

As part of its financial strategy, as of December 31, 2025, the Group maintained several credit facilities, and the following revealed the available balance of the main facilities:

Atlas Capital Tsek 70,340

Assured Mind Tsek 6,926

Promissory note program active on the MARF Tsek 94,239

Ascent Partners Tsek 24,048

These financing sources are sufficient to cover short and medium-term requirements. However, considering the maturity stage of its businesses, the Group is currently seeking other long-term financing options, either through equity or debt, such as bank financing or via the promissory note program active on the MARF (Alternative Fixed Income Market).

Based on the foregoing, the Directors of Subgen AI prepared the consolidated financial statements under the going concern principle.

NOTE 5. ACCOUNTING POLICIES AND MEASUREMENT BASES

Related party transactions

A related party is a person or entity that is related to the entity that is preparing its financial statements.

(a) A person or a close member of that person's family is related to a reporting entity if that person:

- has control or joint control of the reporting entity;
- has significant influence over the reporting entity; or
- is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.

(b) An entity is related to a reporting entity if any of the following conditions applies:

- (i) The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
- (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
- (iii) Both entities are joint ventures of the same third party.
- (iv) One entity is a joint venture of a third entity, and the other entity is an associate of the third entity.

- (v) The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity, If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity.
- (vi) The entity is controlled or jointly controlled by a person identified in (a).
- (vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
- (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

In general, intragroup transactions are accounted for initially at fair value. Where the agreed-upon price differs from fair value, the difference is recognised taking into account the economic substance of the transaction. Subsequent measurement is performed in accordance with the applicable standards.

All significant balances and transactions between consolidated companies and the unrealised results of transactions with third parties were eliminated on consolidation.

Revenue recognition

Subgen AI is engaged in creating a group of companies that create and use artificial intelligence to improve productivity and the profitability in their industries. the company is working in sectors like energy, livestock, health, human resources and

finance. The Group recognises revenue when control over the promised goods or services has been transferred to the customer.

The Group recognises revenue following a five-step process:

- a) Identify the contract(s) with the customer, understood as an agreement between two or more parties that creates enforceable rights and obligations.
- b) Identify the performance obligation or obligations in the contract, i.e., the promise to transfer goods or provide services to the customer.
- c) Determine the transaction price, or the amount of consideration to which the Group expects to be entitled from the contract in exchange for transferring promised goods or services to a customer.
- d) Allocate the transaction price to the performance obligations on a relative stand-alone selling price basis of each distinct good or service promised in the contract or, where applicable, based on an estimate of the stand-alone selling price when it is not directly observable.
- e) Recognise revenue when (or as) the Group satisfies a performance obligation by transferring a promised good or service. A good or service is considered to be transferred when the customer obtains control, so the amount of revenue recognised is the amount allocated to the performance obligation satisfied.

Recognition

The Group recognises revenue from a contract when it transfers to the customer control of the promised goods or services (i.e., the performance obligation or obligations).

For each performance obligation identified, the Group determines at contract inception whether it satisfies the performance obligation over time or at a point in time.

Revenue from performance obligations satisfied over time is recognised by measuring the progress towards complete satisfaction of the contractual obligations provided that the Group has reliable information for measuring progress. Regarding revenue from training courses, as most of these courses are pre-recorded, the revenue is recognised at the initial point in time, regardless of when they are viewed.

For contractual obligations satisfied at a point in time, the contract revenue is recognised on satisfaction at that date.

Satisfaction of the performance obligation over time

The Group transfers control of an asset over time if one of the following criteria are met:

- The customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs.
- The Group creates or enhances an asset that the customer controls as the asset is created or enhanced.

- The Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

Performance obligations satisfied at a point in time

To identify the point in time at which a customer obtains control of the asset, the Group considers the following indicators:

- The customer assumes the significant risks and rewards of ownership of the asset.
- The Group transfers physical possession of the asset.
- The customer receives the asset in accordance with the agree-upon specifications.
- The Group is entitled to collect consideration for transferring the asset.
- The customer has title to the asset.

Measurement

Revenue from the sale of goods and the rendering of services is measured at the monetary amount or, where applicable, the fair value of the consideration received or receivable. The consideration is the agreed price for the assets transferred to the customer less: the amount of any trade discount, rebates or similar items granted by the Group and interest on the nominal amount.

In accordance with the accruals principles, revenue is recognised on the transfer of control and expenses when they are incurred, regardless of when actual payment or collection

occurs. The Group considers that it generally acts on its own account in its revenue arrangements, since it normally controls the goods or services before transferring them to the customer.

Share-based payments

The Group recognises the goods or services received or acquired as an asset or expense, depending on their nature, when it obtains the goods or receives the services, and the corresponding increase in equity if the transaction is an equity-settled share-based transaction, or a liability if the transaction is settled for an amount based on the value of the equity instruments.

In the case of equity-settled share-based transactions, both the services provided and the related increase in equity are measured at the fair value of the equity instruments granted with reference to the date of their grant. If, on the other hand, they are settled in cash, the goods and services received and the corresponding liability are recognised at the fair value of the latter, with reference to the date on which the vesting conditions are met.

NOTE 6. BUSINESS COMBINATIONS

6.1. Transactions as of December 31, 2025

DEVELOPING TALENT SARL

On March 31, 2025, the company SUBSTRATE AI USA, INC acquired 100% of the stake in the Swiss company DEVELOPING

TALENT SARL with registered office at Chemin de la Tuilière9, 1805 Jongny (VD), with which control over said company was obtained, its corporate purpose is to provide coaching to executive and team building services. In this way, the Group acquired Developing Talent because through this acquisition, the Group significantly increases the quality of its clients, the geographical diversification and the cross selling possibilities.

The cost of the business combination has been TSEK 19,177 (1,910,055 USD), which will be paid as follows:

- Cash transfers in the amount of TSEK 13,153 (1,310,055 USD) were made to the previous owners in equal parts in August 2025 and February 2026.
- The last part of the purchase price for an amount of TSEK 6,024 (600,000 USD) will be paid via non-monetary contribution (delivery of shares through a capital increase) exercisable up to one year after the acquisition date.

Subsequently, the outstanding balance of TSEK 6,943 (USD 680,027).

Assets acquired and liabilities assumed

The fair value of Developing Talent's identifiable assets and liabilities as of the acquisition date were:

	Fair value registered in The Acquisition (CHF) 31/03/2025	Fair value registered in The Acquisition (EUR) 31/03/2025	Fair value registered in The Acquisition (SEK) 31/03/2025
ASSETS			
Non-current assets:			
Property, plant and equipment	1,030	1,081	12,284
Current Assets:			
Trade receivables and other receivables	767,636	805,410	9,152,679
Cash and other cash equivalents	193,078	202,579	2,302,108
TOTAL ASSETS	961,744	1,009,069	11,467,060
LIABILITIES			
Non-current liabilities:			
	-	-	-
Current Liabilities:			
Short-term provisions	18,850	19,778	224,757
Trade Receivables and Other Payables	363,877	381,783	4,338,582
TOTAL LIABILITIES	382,727	401,560	4,563,339
Total fair value of identifiable net assets acquired (100%)	579,017	607,509	6,903,732
External partners at fair value	-	-	-
Clients' portfolio	-	73,899	839,788
Goodwill derived from the acquisition	1,104,296	1,084,737	12,326,951
Total Consideration	1,683,313	1,766,145	20,070,472

Final accounting of the business combination:

Goodwill of TSEK 12,326 comprises the value of the synergies expected to arise from the acquisition and the customer list, which was not separately recognized. Goodwill was allocated entirely to the human resources segment. Due to the contractual terms imposed on the acquisition, the customer list cannot be divided and therefore does not meet the criteria for recognition as an intangible asset under IAS 38. No recognized capital gains are expected to be deductible for income tax purposes. Additionally, it had been recognized the clients portfolio for an amount of TSEK 840.

Since the acquisition date, at March 31, 2023, Developing Talent has contributed to the Group revenues of TSEK 9,294 euros and a negative result before tax derived from the continuing operations of TSEK 1,390.

If the business combination had been completed at the beginning of the financial year, the revenues would have amounted to TSEK14,448 and the profit before tax derived from the Group's continuing operations would have amounted to TSEK -1,390

6.2. Transactions as of December 31, 2024

SUBGEN AI, LTD

On 8 March 2024, the Company acquired an additional 21% of the companies Binit SRL and Deltanova SA for an amount of TSEK 21,100 and TSEK 2,344 respectively, which meant a total adjustment between the carrying amount of the controlling and non-controlling interests of TSEK 3,032, with the difference of TSEK 20,412 being recorded with the fair value of the consideration paid against equity. This stake was subsequently transferred on 30 June 2024 to Subgen AI as mentioned in the previous paragraph.

On July 26, 2024, the General Shareholders' Meeting of the Company approved the "Distribution of reserve for share premium in kind in a maximum amount of TSEK 16,956 through the delivery of ordinary shares of the share capital of the wholly owned subsidiary Subgen AI LTD, resulting in the reorganization group.

NOTA 7. NON-CONTROLLING INTERESTS

The shareholding of external Shareholders as of December 31, 2025 and 2024 corresponds to the effective percentage of their participation, which amounts to:

Entity	31,12,2025	31,12,2024
Binit SRL	9%	9%
Deltanova SA	9%	9%
Deltanova Tech SA	9%	9%
Binit Brazil	9%	9%
Substrate Artificial Intelligence SA	84,16%	73,23%
Substrate USA Inc	73,23%	73,23%
Saivers LLC	73,23%	73,23%
Fleebe AI Ltd (formerly Yamro Holding Limited) and its subsidiaries	73,23%	73,23%
Boalvet AI and its dependents	78,92%	78,92%
Value Global Zone and its dependents	73,23%	73,23%
Cuarta Dimensión Médica S,L, and its dependents (Diagximag)	82,53%	64,34%
Airen AI for Renewable Energy S,L,	75,91%	75,91%
Save the Planet	81,26%	81,26%

NOTE 8. CAPITAL MANAGEMENT

For the purposes of the Group's capital management, capital includes issued capital, convertible preferred shares, share subscription premium and any other capital reserves attributable to the shareholders of the parent entity. The primary objective of the Group's capital management is to maximize the shareholder value.

The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of financial covenants. In order to maintain or adjust its capital structure, the Group may request from its shareholders variations to previously agreed dividends and capital returns and, if necessary, increases in capital contributions.

The Group monitors capital using a gearing ratio, which is 'net debt' divided by total capital plus net debt. The Group's policy is to keep the gearing ratio between 20% and 40%. The Group includes within net debt, interest bearing loans and borrowings, trade and other payables, less cash and cash equivalents, excluding discontinued operations.

	31.12.2025	31.12.2024
Interest bearing loans and borrowings other than convertible preference shares	96,309	131,842
Trade and other payables	60,866	84,568
Less: cash and cash equivalents	18,744	17,061
Net debt	138,431	199,349
	31.12.2025	31.12.2024
Convertible preference shares	-	-
Equity	418,352	338,592
Total capital	418,352	338,592
Capital and net debt	556,783	537,941
Gearing ratio	25%	37%

No changes were made in the objectives, policies or processes for managing capital during the years ended December 31 2025 and 2024.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group's core business is currently nominated in euro (Group's functional currency) and the exposure to foreign exchange risk mainly relates to goodwill and to certain assets and liabilities

denominated in other foreign currencies, primarily the US dollar and the Argentine peso. However, main financial assets or liabilities are denominated in euro and, therefore, is not significantly exposed to the risk arising from fluctuations in foreign exchange rates.

Nevertheless, in order to mitigate any potential exposure to foreign exchange risk, the Group closely monitors cash flows denominated in currencies other than the euro.

The Group does not use derivatives or other foreign currency hedging instruments, as the potential impact of changes in exchange rates was not material as of December 31, 2025 and 2024.

The table below presents the sensitivity of equity to a reasonably possible change in the exchange rates of the US dollar (USD) and Argentine Peso (AR\$), rates, with all other variables held constant. The Group's exposure to foreign currency changes to all other currencies is not material.

Tsek	Change AR\$ / SEK		Change USD / SEK	
	10%	10%	10%	10%
31,12,2025	847.141	- 1.035.395	31.593	(38.613)

NOTE 9. INTANGIBLE ASSETS

The reconciliation of the carrying amount of the various items of intangible assets at the beginning and end of 2025 and 2024:

2025:

	31/12/2024	Additions	Business combination (note 6)	Translation differences and others	Tranfers	Retirements	31/12/2025
Cost							
Development	67.778	22.562	-	(9.066)	56.394	(1.526)	136.141
Administrative Concessions	-	-	-	-	-	-	-
Industrial property	1.871	543	12.327	(12.437)	-	-	2.304
Goodwill	414.305	3.334	-	(20.918)	-	-	396.721
Transfer rights	-	-	-	-	-	-	-
Computer Applications	4.708	-	-	(262)	-	-6	4.440
Other Immobilized	31.675	-	840	(1.802)	-	-	30.713
Advances for intangible assets	148.938	39.732	-	(8.311)	(56.394)	24	123.990
Intangible assets and work in progress							
Total cost	669.275	66.172	13.167	(52.797)	-	(1.508)	694.309
Accumulated depreciation							
Development	(34.506)	(17.170)	-	5.876	-	-	(45.800)
Administrative Concessions	-	-	-	-	-	-	-
Industrial property	(694)	(218)	-	41	-	-	(871)
Goodwill	-	-	-	-	-	-	-
Transfer rights	-	-	-	-	-	-	-
Computer Applications	(2.440)	(2.937)	-	167	-	1	(5.208)
Other Immobilized	(3.457)	(2.881)	-	223	-	-	(6.114)
Impairment	(180.813)	-	-	10.059	-	-	(170.754)
Total depreciation + impairment	(221.909)	(23.205)	-	16.367	-	1	(228.747)
NET VALUE	447.366	42.967	13.167	(36.431)	-	(1.507)	465.562

2024:

	31/12/2024	Additions	Business combination (note 6)	Translation differences and others	Transfers	Retirements	31/12/2025
Cost							
Development	67.778	22.562	-	(9.066)	56.394	(1.526)	136.141
Administrative Concessions	-	-	-	-	-	-	-
Industrial property	1.871	543	12.327	(12.437)	-	-	2.304
Goodwill	414.305	3.334	-	(20.918)	-	-	396.721
Transfer rights	-	-	-	-	-	-	-
Computer Applications	4.708	-	-	(262)	-	(6)	4.440
Other Immobilized	31.675	-	840	(1.802)	-	-	30.713
Advances for intangible assets							
Intangible assets and work in progress	148.938	39.732	-	(8.311)	(56.394)	24	123.990
Total cost	669.275	66.172	13.167	(52.797)	-	(1.508)	694.309
Accumulated depreciation							
Development	(34.506)	(17.170)	-	5.876	-	-	(45.800)
Administrative Concessions	-	-	-	-	-	-	-
Industrial property	(694)	(218)	-	41	-	-	(871)
Goodwill	-	-	-	-	-	-	-
Transfer rights	-	-	-	-	-	1	-
Computer Applications	(2.440)	(2.937)	-	167	-	-	(5.208)
Other Immobilized	(3.457)	(2.881)	-	223	-	-	(6.114)
Impairment	(180.813)	-	-	10.059	-	-	(170.754)
Total depreciation + impairment	(221.909)	(23.205)	-	16.367	-	1	(228.747)
NET VALUE	447.366	42.967	13.167	(36.431)	-	(1.507)	465.562

During the 2025 financial year, in the "Inputs" line, the Group has continued to invest in the development projects carried out internally, the additions to intangible assets amounted to TSEK 66,172, primarily relating to the developments of the project entitled "Fleebe Platform Project" that arise to TSEK 32,576, to the project called "Proyecto IA think Pacs" for an amount of TSEK 29,777 and TSEK 1,318 correspond to the Cloud BC Platform project that starts during the 2025 financial year, and TSEK 2,501 from the ongoing IA Ventas project.

In 2024, several development projects in progress were capitalised for an amount of TSEK 99,165 and including Intangible assets under development as they were in progress during 2024. The main project was the design and development of a new AI system for the health industry, named "Medical Science", for TSEK 81,265, carried out as part of the Trinity 2022 EIG, The offsetting entry for certain of the capitalized development costs is recognized in profit or loss under the caption "Other operating income" as internally generated intangible assets.

The balances presented in the column "Business combinations" for the financial year 2025 arise from the acquisitions of the subsidiary Developing Talent that it was completed during the year (see Note 6).

Translation differences and others include the impact of hyperinflation on assets from Binit Argentina and the conversion

at the closing exchange rate of assets in foreign currency, mainly goodwill in foreign companies, amounting to TSEK 36,431 in 2025 (TSEK 12,551 in 2024).

As of December 31, 2025, and 2024, the most significant investments outside Spanish territory are mainly in Argentina and Uruguay, providing developments for a gross amount of approximately TSEK 3,339 (TSEK 31,165 in 2024).

“Retirements” in 2024 featured the derecognition of old computer software that was almost fully amortised.

Impairment of goodwill

Group Management reviews the recoverability of goodwill based on the Group’s activities. To do so, it performs an impairment test, considering as evidence of impairment the following situations:

- Losses for several consecutive periods.
- Significant deviations from the budget.
- Discontinuation of business with significant customers that may have a material impact on the activity of the cash-generating unit (CGU).
- Changes in the macroeconomic environment with a significant adverse effect on the CGU.

During the 2025 financial year, some of the uncertainties mentioned above have been eased, however, the Group remains conservative in its business plan estimates and expects to

comply with its strategic plan in the future. Based on the analysis carried out by the Management of the Parent Company, no additional impairment was recorded to those mentioned above.

In general, the assumptions used by the Group to calculate the present value of the estimated cash flows were as follows:

	2025	2024
Projection period	5 years	5 years
Discount rate	11-18%	11-13%
Perpetuity growth rate	1-3%	1-3%

Specifically, the key assumptions used for the value-in-use calculation were as follows:

- No further M&A.
- Sales/market share: the SaaS businesses are cumulative, i.e., sales of one year generate revenue in subsequent years through monthly user licences. In other words, they are ultimately subscription businesses. Some businesses will be developed by the Company and others through sales of licences, making it easier to obtain customers quickly. Low market shares are projected for all businesses.
- EBITDA (operating profit less amortisation and depreciation, and impairment): EBITDA margins over the medium term are expected to be in line with SaaS industry average.

- Discount rate: The discount rates reflect management’s estimate of sector-specific risk. This is the starting point used by management to assess the operating trends and future investment proposals.

The CGUs identified by Company management were as follows:

- Hexenebel/Summon
- Ifit / Fleebe
- Kau
- Save the Planet
- PS Vet / Boalvet
- 4D / Diagximag
- Subgen AI

As mentioned above, during the 2025 and 2024 financial years, no deterioration of the CGUs analyzed was identified.

The patents in progress, which are pending registration as of December 31, 2025 are as follows:

2025

TITLE	CASE STATUS / TIMING
METHODS AND APPARATUS TO ADAPTIVELY OPTIMIZE FEED BLEND AND MEDICINAL SELECTION USING MACHINE LEARNING TO OPTIMIZE ANIMAL MILK PRODUCTION AND HEALTH	Issued
METHODS AND APPARATUS TO ADAPTIVELY OPTIMIZE FEED BLEND AND MEDICINAL SELECTION USING MACHINE LEARNING TO OPTIMIZE ANIMAL MILK PRODUCTION AND HEALTH	Issued
SYSTEMS AND METHODS FOR EFFICIENTLY IMPLEMENTING HIERARCHIAL STATES IN MACHING LEARNING MODELS USING REINFORCEMENT LEARNING	Response to Office Action due 1/28/2026 (extendable to 4/28/26)
METHODS AND APPARATUS TO AUTOMATICALLY TUNE REINFORCEMENT LEARNING HYPERPARAMETERS ASSOCIATED WITH AGENT BEHAVIOR	Pending
APPARATUS AND METHODS TO PROVIDE A LEARNING AGENT WITH IMPROVED COMPUTATIONAL APPLICATIONS IN COMPLEX REAL-WORLD ENVIRONMENTS USING MACHINE LEARNING	Issued
APPARATUS AND METHODS TO PROVIDE A LEARNING AGENT WITH IMPROVED COMPUTATIONAL APPLICATIONS IN COMPLEX REAL-WORLD ENVIRONMENTS USING MACHINE LEARNING	Response to missing parts due 12/3/2025 (extendable to 5/3/26)
APPARATUS AND METHOD FOR DATABASE MANAGEMENT OF MACHINE LEARNING MODELS	Issued
APPARATUS AND METHOD FOR DATABASE MANAGEMENT OF MACHINE LEARNING MODELS	Response to missing parts due 12/2/2025 (extendable to 5/2/26)
AGENT-BASED PROCESSING SYSTEM FOR DYNAMIC GRAPHICAL USER INTERFACE (GUI) COMPOSITION	Drafted. Not yet filed.

NOTE 10. PROPERTY, PLANT AND EQUIPMENT

Reconciliation of the carrying amount of the various items of property, plant and equipment at the beginning and end of 2025 and 2024:

2025:

(SEK)	31/12/2024	Additions	Business combination (note 6)	Translation difference	Retirements	31/12/2025
Constructions	63	-	-	(3)	-	60
Technical Facilities	301	-	-	(92)	-	222
Machinery	6,877	1,427	13	(317)	(7,509)	478
Tools	5	-	-	-	(5)	-
Other Facilities	1,030	-	-	(57)	-	973
Furniture	714	1	-	(83)	(6)	626
Information Processing Equipment	2,650	151	-	(296)	(77)	2,428
Transport	3,012	164	-	(168)	(107)	2,900
Other Immobilized	212	-	-	(11)	(17)	184
Fixed assets in progress	573	973	-	(42)	-	1,504
Total Cost	15,438	2,716	13	(1,069)	(7,722)	9,375
Accumulated depreciation						
Constructions	(39)	(12)	-	2	-	(49)
Technical Facilities	(183)	(0)	-	47	-	(149)
Machinery	(1,641)	(1,183)	-	76	2,594	(153)
Tools	(4)	(1)	-	-	5	-
Other Facilities	(254)	(98)	-	16	-	(337)
Furniture	(316)	(48)	-	32	(33)	(365)
Information Processing Equipment	(2,346)	(203)	-	404	87	(2,057)
Transport	(1,643)	(362)	-	94	107	(1,804)
Other Immobilized	(40)	(27)	-	3	22	(42)
Total amortization	(6,466)	(1,934)	(13)	674	2,783	(4,956)
NET VALUE	8,972	781	-	(370)	(4,939)	4,419

2024:

(SEK)	31/12/2023	Additions	Business combination (note 6)	Translation difference	Retirements	31/12/2024
Cost						
Constructions	61	-	-	2	-	63
Technical Facilities	-	342	-	(41)	-	301
Machinery	147	7,617	-	20	(907)	6,877
Tools	19	-	-	1	(15)	5
Other Facilities	998	-	-	32	-	1,030
Furniture	546	202	-	(9)	(25)	714
Information Processing Equipment	1,979	1,279	-	(147)	(461)	2,650
Transport	2,307	991	-	77	(363)	3,012
Other tangible assets	397	154	-	12	(351)	212
Fixed assets in progress	-	572	-	1	-	573
Total cost	6,453	11,156	-	(51)	(2,121)	15,437
Accumulated depreciation						
Constructions	(25)	(206)	-	192	-	(39)
Technical Facilities	-	(1,742)	-	1,559	-	(183)
Machinery	(40)	(1)	-	(1,746)	146	(1,641)
Tools	(17)	(133)	-	131	15	(4)
Other Facilities	(118)	(149)	-	13	1	(253)
Furniture	(212)	(1,770)	-	1,627	39	(316)
Information Processing Equipment	(1,419)	(417)	-	(510)	-	(2,346)
Transport	(1,529)	(59)	-	(55)	-	(1,643)
Other tangible assets	(467)	(4,529)	-	4,956	-	(40)
Total depreciation	(3,827)	(9,007)	-	6,168	202	(6,465)
NET VALUE	2,626	2,149	-	6,117	(1,920)	8,972

During the financial year 2025, additions to property, plant and equipment were recognized, mainly relating to machinery and assets in progress, amounting to TSEK 2,716 (130 EUR) respect to 2024 that the additions of machinery raised to TSEK 7,617 (666 EUR) acquired by the parent for the design and development of a new AI system for the healthcare industry (see Note 6).

There have been no significant investments outside Spanish territory during the 2025 and 2024 financial years. No subsidies related to property, plant and equipment have been received in the 2025 and 2024 financial years,

In 2025 and 2024, no valuation adjustment for impairment of property, plant and equipment has been recognized or reversed,

The companies in the group have taken out insurance policies to cover the risks to which property, plant and equipment are subject.

In addition, it should be noted that there are no tangible fixed assets subject to guarantees in loan contracts.

NOTE 11. RIGHT-OF-USE ASSETS

Group as a lessee

The Group has entered into leases, primarily on commercial premises, offices, industrial buildings, furniture and machinery, Leases of commercial premises and industrial buildings generally have terms between 2 and 10 years of offices between 4 and 5 years, and of other equipment between 1 and 8 years. The Group's obligations under its leases are secured by the lessor's title to the leased assets, There are several lease contracts that include extension and termination options and variable lease payments.

Set out below are the carrying amounts of right-of-use assets recognised and the movements during 2025 and 2024:

2025:

TSEK	Balance 31.12.2024	Additions	Business combination	Disposals	Balance 31.12.2025
Cost					
Warehouses	491	310	-	(632)	169
Machinery	0	-	-	-	0
Offices	7,358	278	-	(412)	7,224
Industrial Warehouse	2,250	-	-	(125)	2,125
Total Cost	10,100	588	-	(1,170)	9,518
Amortization					
Warehouses	(99)	(119)	-	608	390
Machinery	-	-	-	-	-
Offices	(2,271)	(1,138)	-	139	(3,270)
Industrial Warehouse	(618)	(379)	-	38	(958)
Total Amortization	(2,987)	(1,635)	-	785	(3,837)
Net Value	7,113	(1,047)	-	(385)	5,681

2024:

TSEK	Balance 31.12.2023	Additions	Business combination	Disposals	Balance 31.12.2024
Cost					
Warehouses	698	-	(208)	491	698
Machinery	4,646	-	(4,646)	-	4,646
Offices	4,666	4,141	(1,857)	6,950	4,666
Industrial Warehouse	2,254	-	(129)	2,125	2,254
Total Cost	12,264	4,141	(6,840)	9,565	12,264
Amortization					
Warehouses	(193)	(70)	169	(94)	(193)
Machinery	(4,633)	(13)	4,645	-	(4,633)
Offices	(1,188)	(1,651)	694	(2,144)	(1,188)
Industrial Warehouse	(331)	(287)	34	(583)	(331)
Total Amortization	(6,344)	(2,020)	5,543	(2,821)	(6,344)
Net Value	5,920	2,121	(1,297)	6,744	5,920

Set out below are the carrying amounts of lease liabilities (included under financial liabilities) and the movements during the period:

(TSEKs)	2025	2024
As of 1 January,	7,309	6,544
Additions	399	3,850
Interest generated	268	648
Exchange differences	-	-1
Translation differences	(52)	-
Payments	(2,089)	(3,403)
As of December 31,	5,835	7,639
Non-current portion	4,445	5,867
Current portion	1,391	1,790

Maturity of non-current lease liabilities (TSEK):

Minimum Payments 2025			
Type of asset	up to 1 year	1 to 4 years	+ 4 years
Warehouses	121	375	122
Machinery	-	-	-
Offices	1,050	1,958	171
Industrial Warehouse	218	1,052	766
Furniture	-	-	-
Total	1,39	3,386	1,059

Minimum Payments 2024			
Type of asset	up to 1 year	1 to 4 years	+ 4 years
Warehouses	59	187	149
Machinery	167	369	-
Offices	1,418	3,612	-
Industrial Warehouse	146	686	863
Furniture	-	-	-
Total	1,790	4,855	1,012

The following are the amounts recognised in profit or loss:

TSEK	2025	2024
Right-of-use asset amortization and depreciation expense	1,544	2,020
Interest expense on lease liabilities	268	648
Variable lease payments	-	-
Total amount recognized in profit or loss	1,812	2,668

During the year 2025, the Grupo have new agreements related to the rent of the office in Buenos Aires and Sweden and other contract related to an industrial warehouse for the business of health,

The Group had total cash outflows for leases of TSEK 2,089 in 2025 and TSEK 3,403 (297 EUR) in 2024,

The Group has several lease agreements that include extension and early termination options, These options are negotiated by management to provide flexibility in the management of the leased asset portfolio and to align with the Group's business needs, Management exercises significant judgment in determining whether it is reasonably safe for these extension and termination options to be exercised (see note 3.9)

NOTE 12. OPERATING SEGMENTS

Subgen AI Group has defined as operating segments those a) from which it earns revenue and incurs expenses (including revenue and expenses relating to transactions with external customers or other components of the same entity), b) for which discreet financial information is available and c) whose operating results are regularly reviewed by the chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance,

Consequently, in the 2025 financial year, the Suben AI Group has defined the following segments:

- Serenity Star (SaaS and Integrations)
- Serenity Teams: which includes activities related to recruitment services and outsourcing of temporary skilled workers who perform certain jobs for global clients and the AI application to this sector,
- AI Health: includes activities related to the sale of radiodiagnostic equipment and the provision of artificial intelligence services related to both the human and veterinary fields,
- AI Infrastructure and Hardware (Substrate Cloud and Data Centers)
- Holding
- Others (Investment Vehicle)

Within the “Other” segment (investment vehicle), the Group offers various products and services across different sectors, Therefore, for the sole purpose of providing more detailed and relevant information about the Group, the sectors comprising this segment are as follows:

- The FINTECH sector, which includes activities related to financial training courses, advertising on internet portals and financial advice,
- The ENERGY sector, which includes activities related to the provision of energy saving and efficiency services,

- The AGRITECH sector, which includes activities related to the provision of services to improve the quality and efficiency of the livestock and agricultural industry through the application of artificial intelligence,
- The AI TECH sector, which includes activities related to the provision of artificial intelligence consulting services and MaaS platform services,

No operating segments have been added to form the aforementioned segments,

Segment performance is assessed based on profit or loss and measured consistently with the profit or loss in the consolidated financial statements, Transactions between Subgen AI Group companies and, therefore inter-segment transactions, are carried out on an arm’s length basis, These transactions are eliminated in the “Adjustments and eliminations” column in the following tables:

31.12.2025	Serenity Star	AI Health	Serenity Teams	AI Infrastructure and Cloud	Others	Total segments	Adjustments and eliminations	Total Consolidated
Revenues								
Revenues	71,035	66,024	55,977	2,561	8,788	204,386	-	204,386
Between segments	56,439	12,708	24,248	60,897	1,571	155,863	(155,863)	-
Total revenues	127,474	78,731	80,225	63,458	10,359	360,248	(155,863)	204,386
Other operating incomes	10,107	34,904	25,940	3,259	1,160	297,944	(16,303)	59,067
Expenses								
Cost of Sales	(61,645)	(28,287)	-	-	(110)	(90,042)	53,769	(36,274)
Personnel costs	(31,407)	(13,561)	(4,851)	(12,489)	(5,006)	(67,314)	(44)	(67,358)
Other operating expenses	(26,723)	(61,572)	(120,104)	(41,407)	(15,151)	(264,957)	65,321	(199,636)
Depreciation and amortization	(7,086)	(4,158)	(732)	(8,723)	(1,877)	(22,576)	(1,997)	(24,574)
Government Grants	373	-	-	565	-	938	-	938
Assets disposal and impairments	-	-	-	2,648	-	2,648	(2,647)	0
Other income	(167)	(215)	138	(161)	193	(212)	(0)	(212)
Financial Income	974	1,761	101	3,376	222	6,434	(5,579)	855
Financial expenses	(2,730)	(1,811)	(19)	(11,733)	(3,003)	(19,296)	2,582	(16,714)
Exchange differences	(2,525)	170	336	150	(75)	(1,945)	(1)	(1,946)
Financial assets disposal and impairments	173	-	(0)	(1,333)	-	(1,160)	(752)	(1,912)
Hyperinflation adjustment	(317)	-	-	-	-	(317)	784	467
Income tax expense	(460)	(1,596)	(922)	3,334	1,232	1,588	768	2,356
Net loss / income	6,040	4,365	(19,887)	945	(12,057)	201,979	(59,962)	(80,557)
Total assets	133,421	279,778	83,019	449,663	59,050	1,004,929	(509,944)	494,986
Total liabilities	99,762	109,310	70,403	145,352	109,049	533,875	(163,591)	370,284

31.12.2024	Serenity Star (Maas)	Integrations	Others	Total segments	Adjustments and eliminations	Total Consolidated
Revenues	-	12,443	159,007	171,451	-	171,451
Between segments	1	70,283	146,490	216,773	(181,882)	34,891
Total Revenues	1	82,726	305,497	388,225	(181,882)	206,343
Work performed by the company for its assets	-	95,086	97,341	192,426	(9,250)	183,176
Expenses						
Cost of Sales	-	(6,430)	(48,999)	(55,429)	34,775	(20,654)
Personnel costs	-	(20,599)	(42,385)	(62,985)	-	(62,985)
Other operating expenses	(1,368)	(118,456)	(247,538)	(365,994)	147,717	(218,277)
Depreciation	-	(8,201)	(12,657)	(22,226)	(2,805)	(25,030)
Government funds for assets	-	-	-	-	-	-
Impairment, gain and losses from non-current assets	-	(726)	(1,040)	(1,766)	(2,051)	(3,817)
Other expenses	-	(50)	(384)	(434)	-	(434)
Finance incomes	-	5,939	6,358	12,298	(4,074)	8,223
Finance expenses	-	(5,596)	(9,845)	(15,442)	3,233	(12,209)
Exchange differences	-	(6)	(750)	(757)	-	(756)
Impairment, gain and losses from financial instruments	-	9,919	9,918	19,837	-	19,837
Hyperinflation adjustment	-	-	-	-	-	-
Income tax expense	-	(10,417)	(16,091)	(26,508)	644	(25,864)
Net loss / income	(1,367)	23,189	39,424	61,246	(13,692)	47,554
Total assets	6,890	718,403	938,453	1,299,808	(695,260)	604,548
Total liabilities	-	226,502	417,409	795,356	(535,328)	260,028

NOTE 13. FINANCIAL INSTRUMENTS

13.1. Categories of financial assets

The breakdown of current and non-current financial assets as of December 31, 2025 and 2024 classified by category and maturity is as follows (credits with the Public Treasury are not included):

Type	Long-term financial instruments		Short-term financial instruments		Total	
Categories	Equity Instruments	Credits, derivatives and others	Credits, derivatives and others	Equity Instruments	Credits, derivatives and others	
31.12.2024						
Financial assets at amortized cost	-	22,642	57,472	-		80,115
Financial assets at cost	16,658	-	-	16,658	-	
Total	16,658	22,642	57,472	16,658		80,115
31.12.2025						
Financial assets at amortized cost	0	11,529	47,575	0		59,104
Financial assets at cost	24,159	-	-	24,159	-	
Total	24,159	11,529	47,575	24,159		59,104

Financial assets at amortised cost

Breakdown of financial assets:

TSEK	31.12.2025		31.12.2024	
	Current	Non-Current	Current	Non-Current
Trade receivables	35,318	-	44,631	-
Loans to third parties	486	-	-	-
Loans to companies	10,264	67	9,459	-
Loans to third parties	-	11,144	-	15,249
Other financial assets	746	318	813	7,394
Other receivables	33	-	86	-
Personnel	1,214	-	2,483	-
Total	47,575	11,529	57,472	22,642

The most significant item relates to a receivable from the public business entity RED,ES respect of a government grant amount TSEK 6,875 approximately (€600) in 2024 (see Note 16).

Within current assets, trade receivables from customers amounted to TSEK 35,318 (TSEK 44,631 in 2024). There are no specific warranties associated with it.

- Loan granted to Link Securities Capital in a first tranche of TSEK 10,822 in December 2025 and a second tranche for the same amount that will disburse in January 2026. This loan will be convertible into equity shares of Link Securities. The closing balance amounts to 10,647

Non-current loans to third-party loans mainly include:

- Loan to Luis Daniel Fernández Pérez, manager of Diagximag S.L. for 7,276 carrying annual interest of 3,25% with repayment at five years from signing of the loan agreement. At 2024 was TSEK 6,522.
- Loan to Andrés Martínez Antón manager of Diagximag S.L. for TSEK 1,708 carrying annual interest of 3,25% with repayment at five years from signing of the loan agreement. At 2024 was TSEK 1,51.
- SESPA Tender Guarantee Credit for TSEK 760 with the public administration (Asturias Public Health Service) that will be collected over 5 years.

There are no specific guarantees associated with the loans.

There are no credits whose collection is doubted. All credits that are of a financial nature accrue market interest.

Financial assets at fair value

Breakdown of financial assets at fair value:

TSEK	31.12.2025		31.12.2024	
	Current	Non-Current	Current	Non-Current
Investment in share capital	24,159	-	16,658	-
Total	24,159	-	16,658	-

Equity instruments as of December 31, 2025 and 2024 include primarily the cost of non-controlling interests in startups:

Company	2025	%	2024	%
DIGITAL LAWYER CICERO, SL	-	-	1,387	11,76%
LAS DOS ROSAS ARA SL	1,407	7,30%	1,407	7,30%
Total	1,407		2,794	

The following investments through investment agreements that will be capitalized in the near future are included in this section:

Company	2025	%	2024	%
AULA VIRTUALCTP SERVICIOS DIGITALES	1,407	-	1,490	-
NUUBO INVESTMENTS, F,C,R,E,	18,938	-	11,459	-
TOMORROW FOODS Corporation	376	-	398	-
GUIPUP SL	844	-	-	-
Bilemon	54	-	-	-
Substrate Ventures Fund	1,083	-	-	-
Proactics	4,260	-	-	-
CIBIT TECNOLOGIA LTDA	431	-	-	-
Others	689	-	435	-
Total	22,752		13,782	

Subgen AI does not have significant influence on these investments, so they are not material investments. These investments are valued at cost as they cannot be reliably measured (see Note 3.7), These operations are part of the Group strategy to invest in start-ups to boost its business by implementing artificial intelligence for which it provides services

to them,

During the 2025 financial year, the Group signed investment agreements with Guipup for an amount of up to TSEK 5,469 with a contribution of TSEK 844 and BiLemon Hospitality Services & Technology SL for an amount of up to SEK 5,470 with a contribution of TSEK 54. Additionally in the year, it made a contribution of SEK 8,116 to Nuubo Investments and in Tomorrow Food for SEK 376 as part of the investment's agreement signed in 2024..,

Respect to the financial year 2024, the investment agreements signed by the Group were with AULAVIRTUAL CTP SERVICIOS DIGITALES, S.L. for an amount of SEK 1,486 with NUUBO INVESTMENTS F,C,R,E for an amount of TSEK 11,432 and TOMORROW FOODS Corporation for an amount of SEK 398.

During the financial year 2025, the Group as part of the impairment test of the investments, accounted an impairment on Digital Lawyers Cicero`s investment for SEK 1,636. There were no indications that these investments may be impaired in 2024.

13.2. Categories of financial liabilities

Current and non-current financial liabilities at December 31 by category and classis as follows (excluding amounts due to Public Administrations):

Type Categories	Long-term financial instruments		Short-term financial instruments		TOTAL	
	Derivatives & Others	Borrowings and Loans	Derivatives & Others	Borrowings and Loans	Derivatives and loans	Borrowings
31.12.2024						
Financial liabilities at amortized cost	40,925	6	134,205	11,831	175,130	11,837
Total	40,925	6	134,205	11,831	175,130	11,837
31.12.2025						
Financial liabilities at amortized cost	44,371	-	76,720	5,265	121,091	5,263
Total	44,371	-	76,720	5,265	121,091	5,263

a. Borrowings and loans

The main loans with credit institutions correspond to a loan received on June, 2024 from Santander Bank by Cuarta Dimension to finance the acquisition of an ultrasound equipment that has been supplied to the Health Service of the Principality of Asturias in the same year, with an outstanding amount with the bank as of December 31, 2024 of TSEK 9,519 with a fixed nominal interest rate of 6%. This loan was repaid in February 2025 (see note 18).

On the other hand, the Group has a credit policy for a maximum amount of TSEK 3,374 renewed on August 2024, and a balance as of December 31, 2024, of TSEK 968, with the rest being available, with an annual nominal interest of 2,50%, with the financial institution Sabadell Bank, S.A. This epolicy was renewal until is September 2026.5 These loans are not subject to compliance with financial ratios. The balance at December 31, 2025 is.

Additionally, Binit received funds for an amount of SEK1,454 from Argentinians banks to finance the operation of the subsidiary.

Financial expenses from financial liabilities for the year ended December 31, 2025, amounted to TSEK 9,419 as of December 31, 2024). Financial expenses from financial liabilities for the year ended December 31, 2025, amounted to TSEK 9,419 as of December 31, 2024).

As of December 31, 2025, the maturity by year of the loan is as follows:

	2026	2027	2028	2029	2030 and forwards	Total
Debts to credit institutions	5,263	-	-	-	-	5,263
Total	5,263	-	-	-	-	5,263

As of December 31, 2024, the maturity by year of the loan is as follows:

	2026	2027	2028	2029	2030 and forwards	Total
Debts to credit institutions	11.831	6	-	-	-	11.837
Other debts owed to credit institutions	-	-	-	-	-	-
Total	11.831	6	-	-	-	11.837

b. Derivatives and other

“Derivatives and other” includes:

	31.12.2025		31.12.2024	
	Non-Current	Current	Non-Current	Current
Other financial liabilities	14,393	39,880	8,021	84,947
Debt securities	-	13,976	-	-
Leases liabilities	4,445	1,655	5,867	1,790
Trade payables	-	30,683	-	21,216
Other payables	-	7,984	-	16,761
Payables to employees	-	3,460	-	3,825
Advance from customers	-	3,041	-	5,667
Total	44,371	100,679	40,925	134,205

b.1. Other financial liabilities (credits received)

	Current		Non-Current	
	31.12.2025	31.12.2024	31.12.2025	31.12.2024
Ascent Partners	14,344	-	-	-
Developing Talent acquisition debt	11,405	-	-	-
Wealth up Capital Investment	-	-	-	2,807
Acquisition debt	-	24,064	-	-
October Fund	567	616	-	601
ABO Capital Fund	-	5,739	-	-
Assured Mind	6,926	-	-	-
CDTI Debt	-	120	1,364	1,565
Related parties' debts	2,933	5,470	1,673	-
Other debts	3,705	179	11,356	3,048
Total	39,880	84,947	14,393	8,021
Total	36,346	36,188	14,393	5,748

Ascent Partners

Substrate USA entered into a financing agreement on September 2025 with Ascent Partners LLC for an amount of USD 2,222,222, (approximately TSEK 24,552) which may be increased by an additional USD 2,222,22, with an interest rate of 10%. As of December 31, 2025, the outstanding amount is TSEK 14,344.

Alpha Blue Ocean (ABO)

In relation to the financing received, in 2022, Substrate Artificial Intelligence, S.A. signed a three-year contract with investment firm Alpha Blue Ocean (ABO) for up to 20,000,000 EUR that represent approximately TSEK 216,430 of bonds mandatorily convertible into shares within one year, assuring that the Company has the funding required to execute its business plan.

The bonds include a series of equity warrants, the number of which depends on the market price of the Company's shares and which the fund may exercise, or not, over a three-year period.

The bonds issued were recognised as debt instruments at amortised cost at the difference between the proceeds received in each tranche and the fair value of the warrants issued together with the convertible bonds. The amount attributable to the warrants is recognized within equity. Three tranches of bonds were issued in 2024, for TSEK 5,716.25 each, for a total of TSEK 17,148.75 leaving an amount of SEK 145,529 available as of December 31, 2024. By year-end 2024, ABO had converted two of the three tranches mentioned above, resulting in an increase in share capital and share premium (see Note 12) and leaving a current balance outstanding and pending conversion as of December 31, 2024 of TSEK 5,729 in the short term.

During the year 2025, three more tranches of SEK 5,470 each were issued and subsequently converted, amounting to a total of SEK 16,409. In addition, several tranches issued previously

were converted, resulting in total conversions of approximately SEK 21,643 during the year, Consequently, as of December 31, 2025, there is no outstanding debt related to this agreement. The contract was terminated in June 2025.

Furthermore, during 2025, a total of SEK 2,337,660 warrants associated with these bonds were issued, with exercise prices ranging between €0,06 and €0,16 per share, bringing the total number of warrants outstanding to SEK 3,051,945 at the end of the year.

Atlas Capital Markets

In June 2025, Substrate Artificial Intelligence S,A, entered into an investment agreement with Atlas Capital Markets for a maximum amount of €10,000,000, with a maturity date in June 2029. This agreement includes a certain number of equity warrants, the quantity of which depends on the market price of the subsidiary shares.

The bonds issued under this agreement are accounted for as debt instruments measured at amortized cost, based on the difference between the proceeds received in each tranche and the fair value of the warrants issued together with the convertible bonds. The portion attributable to the warrants is recognized within equity. During the first year, the fund may convert the debt at any time. If conversion does not occur within that period, the bonds become mandatorily convertible. Upon conversion, the liability will be reclassified to equity, increasing share capital and share premium.

During the financial year 2025, three tranches of TSEK 5,469

each and two tranches of TSEK 10,939 each were issued and conversions had occurred up to tranche 4 (see Note 10,2), leaving an outstanding amount of TSEK 5,469 pending conversion, which is presented under the caption "Other equity".

Additionally, during 2025, a total of 4,181,414 warrants associated with these convertible bonds were issued, with exercise prices ranging between €0,06 and €0,16 per share.

Transaction costs related to the conversion of the Atlas debt during 2025 amounted to TSEK 5,429 and were recognized within equity under reserves.

Assured Mind

In November 2025, the Substrate Artificial Intelligence entered into an investment agreement with Assured Mind, S.L. for a maximum amount of TSEK 32,465 (€3,000) with a term of three years. As consideration, the subsidiary will issue equity warrants granting the investor the option to subscribe for its shares.

As of December 31, 2025, the subsidiary received funding amounting to TSEK 18,288 of which TSEK 11,363 had been converted through a capital increase, leaving an outstanding amount of TSEK 6,926 pending of conversion.

These agreements are considered essential for the development of the Group's activities and the achievement of its strategic objectives. They provide the liquidity and resources required to meet its operating commitments, support growth initiatives and maintain a balanced financial structure that contributes to

ensuring the sustainability of the business over the medium and long term.

Finance expenses arising from financial liabilities for the twelve month period ended December 31, 2025, amounted to TSEK 11,606 (in 2024 were TSEK 5,596).

Other credits received

In 2022, Substrate entered into a loan agreement with the October Fund, a crowdfunding financing platform, with a maturity date in 2026 and an interest rate of 6,60%, This loan is not subject to compliance with financial covenants. At December 2025, the balance went up to SEK 567 respect to the year end 2024 TSEK 1,217.

On the other hand, in February 2024, the subsidiary entered into an investment agreement for up to € 2,000,000 (TSEK 22,545) with Wealthup Investments and Managements, which expire February 2027. The society requested TSEK 19,950 (1,745 EUR) in 2024, of which TSEK 17,149 (1,500 EUR) were capitalised at the reporting date, leaving an amount pending of capitalisation of TSEK 2,807 (245 EUR) as of December 31, 2024 (classified as non-current) and an available amount in the facility of TSEK 2,922 (255 EUR), with no pending balance at 2025.

On July 2024, Substrate entered into an investment agreement for up to € 2,000,000 (TSEK 22,719) with United General, LTD that matures in July 2025. The subsidiary requested TSEK 1,500 in 2024, the entire amount of which was capitalised at the reporting date, leaving an amount available in the facility of TSEK 5,411 as of December 31, 2024.

In addition, current liabilities mainly include debts from the acquisition of shares during 2024 amounting to SEK 24,064 that were offset through Substrate's shares in 2025 as well as a tranche with ABO fund amounting to TSEK 5,739 (pending conversion and the debt with former owners of subsidiary PSVET amounting to TSEK 2,865.

2024:

	2026	2027	2028	2029	2030 and forwards	Total
Other debts	567	-	-	-	-	567

2024:

TSEK	2026	2027	2028	2029	2030 and forwards	Total
Other Debts	616	601	-	-	-	1.216

b.2. Debt with special characteristics

They correspond mainly to the liability component linked to the B shares issued during 2023 for an amount of TSEK 25,533 in 2025 and TSEK 27,037 in 2024 and which is maintained for the same amount in SEK).

b.3. Suppliers for purchases and provision of services

Finally, the trade balances with suppliers for purchases and services received amounting to TSEK 23,521 (2024: TSEK 21,216) stand out in the current liabilities.

b.4. Promissory notes

Substrate has issued the following promissory notes on MARF, bearing an average interest rate of 5,0214%, with the following maturities:

Note	Due date	Currency	Nominal value in euros
4	30/01/2026	Euro	200,000
10	29/05/2026	Euro	100,000
13	30/01/2026	Euro	400,000
14	29/05/2026	Euro	200,000
15	05/02/2026	Euro	400,000
			1,300,000

The total amount for the promissory notes are TSEK 14,068 (1,300,000 EUR) and the difference with the balance TSEK 13,976 is explained by net settlements, which correspond to commissions.

Subgen recognized finance expenses associated with these liabilities amounting to TSEK 11,235 (€1,027).

NOTE 14. PROVISIONS

Provisions at 31 December:

	Long-term	Short-term	Total
Year 2025			
Provision for warranties	6	1,302	1,308
Provision for maintenance and other	-	-	-
Other provisions	13,405	-	13,405
			13,411
Year 2024			
Provision for warranties	-	2	2
Provision for maintenance and other	-	-	-
Other provisions	6	-	-
			6
			2

Carrying amount of provisions at the beginning and end of the year:

	Opening	Perimeter Change	Provision	Reversion	Application to purpose	Exchange difference	Closing
31,12,2025							
Cost							
Provision for warranties	2,458	-	1,485	-	(2,453)	(2,960)	(1,469)
Provision for maintenance and others	-	-	-	-	-	-	-
Other provisions	207	188	14,3796	(6)	(1,371)	(154)	13,244
Total cost	2,666	188	15,864	(6)	(3,823)	(3,114)	14,713
31,12,2024							
Cost							
Provision for warranties	2,822	0	-	(455)	-	91	2,458
Provision for maintenance and others	0	-	-	-	-	-	-
Other provisions	165	0	-	(140)	-	8	33
Total cost	2,987	0	0	(595)	-	99	2,491

Warranty provisions

Health industry products (see Note 9) sold by the Group come with a 2-year warranty, Each year, a warranty provision is recognised for the costs it estimates for projects and products still under warranty at the end of the reporting period, The amount of the provision is calculated based on available historical information on actual warranty costs incurred, extrapolating them as a percentage of sales subject to warranty,

NOTE 15. REVERSE ACQUISITION MAGNASENSE AB

On November 22, 2025, a directed share issue of 998,068,622,896 common shares in Subgen AB (or formerly Magnasense AB) was carried out, whereby the consideration for the newly issued shares consisted of all outstanding shares in Subgen AI Ltd, The total amount raised was TSEK 2,182,000

Through the transaction, the former main owners of Subgen AI became the majority shareholders of Magnasense AB, Thus, the transaction has been accounted for as a reverse asset acquisition and is reported in accordance with IFRS 2 Share-based Payment, as Magnasense AB at the time of the transaction was not considered to be conducting a business as defined in IFRS 3 Business Combinations, The transaction is accounted for as if Subgen AI issues shares for the net assets of Magnasense AB, which becomes the accounting purchase price,

The net assets in Magnasense AB are recorded at acquisition cost. Since Subgen AI is a private company, the issued shares have been valued based on the listed share price of Magnasense AB. The effect of this treatment is that the transaction is accounted for as if Magnasense AB acquired Subgen AI at the market value at the time of the transaction.

Additionally, the listing cost related to this transaction has been determined as the difference between the fair value of the equity instruments deemed to be issued by the Group and the identifiable net assets acquired in the transaction, together with directly attributable listing-related costs. The fair value of the equity instruments has been determined based on the number of shares outstanding prior to the transaction multiplied by the average market share price at the transaction date (calculated prior to the split of share).

Number of shares in Magnasense AB before transaction:	2.646.082.293
Average shareprice at transaction date (sek, kr):	0,0099
Price	26.196.215
Aqc net debt sek:	3.925.071
Listing cost, sek:	30.121.286

The transaction results in an increase in reported equity by an amount corresponding to the assumed new issue described above. The listing costs of TSEK 30,1 million then reduce the

Group's equity by the negative profit effect reducing equity. Through the reverse acquisition, a restructuring within equity is carried out to reflect that the share capital consists of the legal parent company's share capital. This restructuring is illustrated in the line "Capital increase" in the group's statement of changes in equity,

16. NATURE AND EXTENT OF RISKS ARISING FROM FINANCIAL INSTRUMENTS

Credit risk

Credit risk represents the losses that the Group would suffer in the event that any counterparty defaulted on its contractual payment obligations to the Group. This risk is reduced, due to the collection method required of its customers, whose amount as of December 31, 2025 and 2024 amounts to TSEK 35,547 (SEK 46,631 in 2024).

Customer credit risk is managed by each business unit based on the policies, procedures and controls established by the Group in relation to the management of customer credit risk. It performs periodic reviews of its portfolio of outstanding trade receivables and considers there is a high degree of certainty regarding the collectability of the receivables recognized under this caption. Where there is objective evidence that casts doubt on the customer's ability to make payment, the related receivable is reclassified and an impairment allowance is recognized, with the corresponding expense recorded as an impairment loss on trade receivables.

The Group's maximum exposure to credit risk for the components of the statement of financial position at 31 December 2025 and 2024 is:

	31.12.2025	31.12.2024
Receivables from third-party customers	35.318	44.631
Other debtors	33	86
Total	35.351	44.718

Liquidity Risk

Liquidity risk refers to the possibility that the Group may not have sufficient liquid funds to meet its payment obligations. To this end, the Group monitors its risk of a shortage of funds using a liquidity planning tool. The Group's objective is to maintain a balance between continuity of financing and flexibility through the use of overdrafts, bank loans, debentures, lease agreements, among others. Approximately 10% of the Group's debt will mature in less than one year as of December 31, 2025 (2024: 13%), based on the carrying amount of the loans shown in the financial statements. The Group has access to a wide variety of funding sources, and debts maturing within the next 12 months include the option to roll over with existing lenders. See financing in Note 13.2.

Management monitors the movement of the Group's liquidity reserve forecasts (comprising undrawn credit facilities) and cash and cash equivalents on the basis of expected cash flows. This is generally carried out at the local level in the Group's operating entities in accordance with the practice and limits set by the

Group, These limits vary by location to take into account the liquidity of the market in which the entity operates, In addition, the Group's liquidity management policy involves projecting cash flows in the main currencies and considering the level of liquid assets needed to satisfy them, monitoring the liquidity ratios of the statement of financial position with internal and external regulatory requirements and maintaining debt financing plans.

The table below includes an analysis of the Group's non-derivative financial liabilities that are settled for a net amount, grouped according to maturity dates considering the period remaining on the balance sheet date until their contractual maturity date, Contractual flows are not shown discounted.

31/12/2025	Current	Non-Current	Total
Borrowings and loans	56.383	39.926	96.309
Leases	1.655	4.445	6.100
	58.038	44.371	102.409
31/12/2024	Current	Non-Current	Total
Borrowings and loans	96.778	35.065	131.842
Leases	1.790	5.867	7.656
	98.568	40.931	139.499

Market risk

Market risk represents the Group's possible losses as a result of changes in the fair value of future cash flows from financial instruments, Market risk comprises three types of risk: interest rate risk, exchange rate risk, and other price risks. The Group's most significant risk factors are as follows:

a. Interest rate risk:

Interest rate risk refers to the risk that the fair value or future cash flows of a financial instrument may fluctuate due to changes in market interest rates. The Group's exposure to this risk is limited given that long-term debt obligations with variable interest rates. Therefore, the potential impact of interest rate fluctuations on the Group's financial situation is not considered to be significant due to the Group not having a significant portion of its debts with variable rates.

The Group manages its exposure to interest rate risk by maintaining a balanced portfolio of loans and borrowings with both fixed and variable interest rates. It is the Group's policy to ensure that borrowings bearing fixed interest rates do not exceed 50% of its total loan portfolio. As of December 31, 2025 and 2024, the balance of Group's loans accrue interest at a variable rate are SEK 4,138 and SEK 1,151.

b. Exchange rate risk:

This risk is caused by fluctuations in exchange rates that affect the fair value or future cash flows of financial instruments. The Group's exposure to foreign exchange risk is mainly related to goodwill, and those assets and liabilities referenced to the currencies different from euro due to its

the functional currency of the Group (dollar, Argentine peso (AR\$), Brazilian real, among other). However, it does not have significant financial assets or liabilities in currencies other than the euro, so it is not exposed to the risk of exchange rate fluctuations. Additionally, the Group has foreign subsidiaries in the Argentina, Uruguay, United States, and other locations, and therefore, has currency exposure to ARS, USD and others. Nonetheless, to mitigate any exposure of the Group to foreign exchange risk, non-euro cash flows constantly are monitored.

The Group does not use derivatives or other currency hedging instruments, as the potential impact of changes in exchange rates is not material as of December 31, 2025 and 2024.

17. CONSOLIDATED EQUITY AND CAPITAL AND RESERVES

Subscribed capital

After the reverse acquisition, Subgen AI AB (former Magnasense AB), becomes the parent company of the group.

Breakdown of Subgen, AI AB 's subscribed capital:

Date	Type of Action	Number of shares	Nominal value (SEK)	Suscription Price (SEK)	Total Share capital
31.12.2025	A	498,987,607	0,001	0,002601	
31.12.2025	Ordinary	519,449,763	0,001	0,002601	
Total		1,018,437,370			2,648,956

Treasury shares and own equity instrument of the parent

Own shares of Subgen AI held by the Group as of December 31, 2025 and 2024:

	31.12.2025		
	N° shares	Acquisition Price	Accounting Value(TSEK)
31.12.2025			
Ordinary (in SUBGEN AI AB)	174,073,643	-	171,228
31.12.2024			
Ordinary (in SUBGEN AI Ltd)	34,721,456	-	3,758

In 2025, the subsidiary named Substrate Artificial Intelligence, S.A. received the exchange of the shares of Subgen AI AB respect to Subgen AI's shares.

Reserves in subsidiaries and other reserves

Composition of reserves:

	31.12.2025	31.12.2024
Legal Reserve	-	-
Other Reserves attributable to parent	8,860	-
Reserves of Subsidiaries of the Group	(13,091)	19,550
TOTAL	(4,231)	19,550

Composition of reserves of subsidiaries:

TSEK	31.12.2025	31.12.2024
Substrate Artificial Intelligence SA	(24.144)	(40.238)
Airen AI for Renewable Energy, S.L.	-	(4.548)
Grupo Subgen	30.528	2.973
Grupo USA inc	(780)	(5.577)
Grupo Health	10.531	6.652
Zona Value Global, S.L.	(855)	(26.962)
Kau Markets EAF, S.L.	2.596	1.902
Grupo Ifit - fleebe	8.063	1.198
PS VET	2.592	536
Boalvet AI, S.L	523	2.611
Otras sociedades	-	(120)
Deletions and modifications	(81.322)	-
TOTAL	(52.268)	(61.572)

Profit/(loss) by company

The contribution by each company included in the scope of consolidation to the profit attributable to the parent was as follows:

TSEK	31.12.2025	31.12.2024
Substrate Artificial Intelligence, S.A.	(85.982)	5.808
Airen AI for renewable energy, S.L	(286)	(299)
Grupo USA inc	(6.781)	4
Zona Value Global, S.L.	(3.647)	(1.103)
Kau Markets EAF, S.L	115	250
Boalvet AI, S.L	(829)	(18)
PS VET	1.262	(947)
Grupo Health	4.562	2.129
Save the Planet	-	(0)
Grupo Yamro Holdign Limited (IFIT)	7.279	443
Grupo Subgen	(6.105)	(2.335)
Otras sociedades	(115)	-
Deletions and modifications	38.675	-
Total	(90.526)	3.931
Subgen AI AB	(64,963)	-
Binit Argentina	743	-
Rest subsidiaries	-	-
Total	83,140	3,931

NOTE 14. EARNINGS PER SHARE

The following table reflects the income and share data used in the basic and diluted earnings per share calculations:

SEK	2025	2024
Profit attributable to the ordinary shareholders of the Parent Company:		
Weighted average number of shares of common stock outstanding	154.578.329	150.000.000
Less: average number of own shares	29.012.274	34.721.456
Average number of shares to determine basic earnings per share	125.566.055	115.278.544
Basic and diluted earnings per share (euros per share)	(4,43629)	0,03263

(*) Data for 2024 of Subgen AI LTD

SEK	2025	2024
Profit attributable to the ordinary shareholders of the Parent Company:		
Plus: Interest on convertible debentures net of tax effect	566	3.762
Profit attributable to the ordinary shareholders of the Parent Company:	(581.591)	7.524
	-	-
Weighted average number of shares of common stock outstanding	154.578.329	150.000.000
Less: average number of own shares	29.012.274	34.721.456
Plus: Average number of shares for convertible debentures	-	-
Average number of shares to determine basic earnings per share	1.435.534	1.261.078
Resultado básica y diluida por acción (euros por acción)	(0,41)	0,01

NOTE 15. FOREIGN CURRENCY

Revenue and expenses in foreign currency at December 2025 and 2024:

TSEK	2025		2024	
	sales	expenses	sales	expenses
USD	55,112	58,184	53,355	48,803
GBP	5,115	7,175	5,308	8,730
Mexican Peso	758	750	1,305	1,314
Argentine Peso	28,031	23,227	23,068	25,221
Others	13,498	13,794	263	1,826

Payables in foreign currency on December 31, 2025 and 2024:

Equivalent TSEK	2025 Suppliers	2024 Suppliers
USD	32,374	6,315
GBP	1,144	2,479
Mexican Peso	88	464
Argentine Peso	70	10,154
Other	1,038	42

Receivables in foreign currency on December 31, 2025 and 2024:

Equivalent TSEK	2025 Suppliers	2024 Suppliers
USD	10,473	9,473
GBP	432	1,158
Mexican Peso	12	9
Argentine Peso	2,301	3,232
Others	1,135	-

Exchange losses were recognised in 2025 amounting to TSEK 1,944 (2024: TSEK 1,486).

NOTE 16. TAX MATTERS

Taxes receivable and payable

Taxes receivable and payable as of December 31, 2025 and 2024:

(TSEKs)	31.12.2025		31.12.2024	
	Non-current	Current	Non-current	Current
Deferred tax assets	15,943	-	14,305	-
Current tax assets	-	211	-	90
Other credits with the Public Administrations	-	2,501	-	1,672
Total	15,943	2,712	14,305	1,762
Deferred tax liabilities	15,548	-	20,232	-
Current tax liabilities	-	4,907	-	7,155
Other debts owed to the Public Administrations	-	18,039	-	29,944
Total	15,548	22,945	20,232	37,100

The balance reflected as “Other debts with the Public Administrations” of the current liabilities corresponds mainly to balances payable for VAT, Income Tax and Social Security.

The reconciliation of taxable income and income tax expense is as follows:

(TSEKs)	31.12.2025	31.12.2024
Taxable income (*)	28,235	58,833
Tax rate	7.3%	21%
Quota	2,044	14,603
Offsetting tax loss carryforwards	-	(7,147)
Temporary differences	(542)	7,463
Deductions or incentives for activities	(370)	(27)
Others	(512)	552
Withholdings and payments on account	247	-
Total	877	15,444

(*) Corresponds to the aggregate gross tax base of all subsidiaries filing individual tax returns. The tax is the average borne by the subsidiaries. Tax losses are not recognised, so the tax payable is the result of companies with taxable profit. The tax rate is also the average of all subsidiaries.

Reconciliation of the carrying amount of deferred taxes at the beginning and end of the year:

2025:

(TSEKs)	31.12.2024	Variations	31.12.2025
Deferred tax assets	14.305	1.636	15.943
Deductible Temporary Difference Assets	13.230	(48)	13.183
Deduction rights	2	136	138
Credits for losses to be offset	805	1.737	2.544
Other deferred tax assets	268	(190)	78
Deferred tax liabilities	20.232	(4.701)	15.548
Temporary differences (subsidiaries)	20.232	(4.701)	15.548
Net Total	(5.927)	6.337	395

2024:

(TSEKs)	31.12.2023	Variations	31.12.2024
Deferred tax assets	22,598	(8,294)	14,305
Deductible Temporary Difference Assets	19,235	(6,005)	13,230
Deduction rights	2	-	2
Credits for losses to be offset	3,173	(2,369)	805
Other deferred tax assets	188	80	268
Deferred tax liabilities	20,706	(474)	20,232
Temporary differences (subsidiaries)	20,706	-474	20,232
Net Total	1,892	(7,798)	(5,927)

All changes are reflected in the consolidated statement of profit or loss.

The parent has until 30 September 2025 to file the return for its first tax year, Therefore, as at December 31, 2024, it did not have any tax losses carried forward from previous years.

Income tax

Reconciliation between consolidated profit/(loss) for the year and taxable profit/(tax loss):

(TSEKs)	2025	2024
Results before tax from continuing operations	49.948	41,750
Consolidation adjustments	(29.644)	(40,509)
Adjusted accounting result	20.303	1,241
Positive permanent differences	828	877
Negative permanent differences	-	-
Positive temporary differences	21.340	1,758
Negative temporary differences	(14.237)	(1,753)
Taxable income (tax result) (*)	7.932	883

(*) Corresponds to the gross tax base of all subsidiaries filing individual tax returns.

The Group generated SEK 2,312,085,94 (202,238 EUR) of tax losses in 2024, which were not recognised in keeping with criteria of prudence, as the requirements were not considered to be met. Unused tax losses of the rest of the Group companies amounted to SEK 80,131,681,67 (7,404,859 EUR).

Years open to inspection and tax audits

Under prevailing tax regulations, tax returns may not be considered final until they have either been inspected by the taxation authorities or until the inspection period—currently four years—has expired, The Group is open to inspection of all taxes to which it is liable for the last four years. The parent's directors and their tax advisors consider that, in the event of a tax inspection, no significant tax contingencies would arise as a result of varying interpretations of the tax legislation applicable to the Group's transactions.

NOTE 17. REVENUE AND EXPENSES

17.1. Revenue

Revenue

Breakdown of revenue for the years ended December 31, 2025 and 2024 by geographical market:

TSEK	31.12.2025	31.12.2024
SPAIN	90.461	104.160
UK	8.798	14.534
Rest of Europe	26.521	11.890
USA	33.871	35.118
Rest of North America	766	8.036
Asia	694	69
South and Central America	43.275	29.949
Total	204.386	203.756

As of December 31, 2025 and 2024, the revenue “over time” from contracts with customers for the years was 4,203 and 4,402 and, on the other hand, the revenue recognized at a point in time was 200,183 and 199,354 respectively,

17.2. Expense

Procurement

The details of the supplies are as follows:

TSEK	31.12.2025	31.12.2024
Consumption of goods	34,438	45,670
Consumption of raw materials and other consumables	1,589	774
Work carried out by other companies	248	1,029
Total	36,274	47,472

Inventories At December 31, 2025 and 2024:

TSEK	31.12.2025	31.12.2024
Goods for resale (at cost)	19,148	6,364
Advance to suppliers (at cost)	625	2,349
Total	19,773	8,713

The Group's total inventories on December 31, 2025, which consisted primarily of diagnostic imaging machinery and related components, amounted to TSEK 8,229 (760 EUR) (2024: TSEK 8,981, or 784 EUR).

a. Employee benefits expense

Breakdown of other employee benefits:

TSEK	31.12.2025	31.12.2024
Wages, salaries and the like	56,652	55,625
Social security to be paid and other social expenses	11,615	11,960
Total	67,266	67,585

“Salaries, wages and similar” does not include significant amounts for termination benefits,

b. External services

Breakdown of external services:

TSEK	31.12.2025	31.12.2024
Leases and royalties	1,072	2,868
Repairs & Maintenance	269	513
Independent Professional Services	68,068	82,669
Transport	1,981	1,093
Insurance premiums	434	380
Bank fees	819	1,045
Advertising & Public Relations	2,738	3,431
Supplies	607	1,050
Other operating expenses	85,102	18,002
Total	161,090	111,051

18. DEFERRED INCOME

Deferred incomes are related to Government grants and during the year 2025 and 2024, the movements are the following:

	Open- ing bal- ance	Addi- tions	Trans- fer to income	Retire- ments	Other mov, 	Closing balance
2025						
Income to be distrib- uted	7,674	-	938	(1,349)	12	5,399
Total	7,674	0	938	(1,349)	12	5,399
2024						
Income to be distrib- uted	6,128	1,715	(390)	-	221	7,674
Total	6,128	1,715	(390)	-	221	7,674

In 2025, an amount of TSEK 373 (2024: TSEK 390) was recognised in profit or loss for grants awarded by Instituto de Comercio Exterior to Subgen AI Spain SL, leaving a balance of TSEK 93 (2023: TSEK 781).

In 2022, the public business entity RED.ES awarded Substrate Artificial Intelligence, S.A. a government grant amounting to

€600,000 approximately TSEK 6,379, intended to finance an experimental artificial intelligence project for energy management in the hotel sector. Of this grant, the amount of TSEK 1,619 (€152) was recognised in 2022 as a non refundable government grant within equity. This amount increased to TSEK 5,374 during the financial year 2023. The balance of the grant recognised as of the end of the 2023 financial year corresponds to the percentage of the project that had been executed as of the end of 2024, which amounted to 100%.

In 2025, the Company received the grant payment of TSEK 3,813 and recorded the corresponding decrease in net worth of SEK 1,364, The income related to this grant recognized during the year was TSEK 565.

19. RELATED PARTIES

All significant year-end balances between consolidated entities and the effect of intragroup transactions during the period were eliminated on consolidation,

However, the Group has significant related party balances in the consolidated statement of financial position, The Group considers related parties its direct shareholders and owners (including non-controlling interests), as well as the parent's directors and the Group's key management personnel, and their close relatives and related companies, and investees accounted for using the equity method, Included in related parties' transactions and balances are companies that have been removed from the scope of consolidation but with which there is still a relationship:

TSEK	DEBIT BALANCES			
	Equity Instrument	Credits Delivered	Clients	Capital Increase Credit
31.12.2025				
Related companies	23,025	-	-	-
Other Related parties	1,134	119	-	-
Total	24,159	119	-	-
31.12.2024				
Related companies	16,658	-	(2,958)	-
Other Related parties	-	126	313	-
Total	16,658	126	2,645	-

TSEK	CREDIT BALANCES			
	Equity Instrument	Credits received	Suppliers	Capital Increase Credit
31.12.2025				
Related companies	-	-	-	-
Other Related parties	-	1,673	280	-
Total	-	1,673	280	-
31.12.2024				
Related companies	1	332	-	-
Other Related parties	-	-	647	-
TOTAL	1	332	647	-

TSEK	INCOME		EXPENSES	
	Sales And Others	Financ. Income	Purchases And Otehrs	Finc. Expenses
31.12.2025				
Related companies	-	-	-	-
Other Related parties	-	-	-	-
Total	-	-	-	-
31.12.2024				
Related companies	2,915	-	-	-
Other Related parties	2,047	-	1,029	-
TOTAL	4,962	-	1,029	-

(*) other related parties include the figures rated to transactions with Subgen AI AB Directors and Senior managers,

Directors and senior management

The breakdown of remuneration accrued by members of the parent's Board of Directors and senior management is as follows:

TSEK	31.12.2025	31.12.2024
Administrators		
Salaries and social charges	3,612	8,296
shares plans	-	1,541
Senior Management		
Salaries and social charges	9,234	5,360
shares plans	-	231
Contributions to pension plans	-	-
Total	12,846	13,656

No amounts were received in any other connection,

As of December 31, 2025 and 2024, the Group had no pension and life insurance obligations to former or current members of the Board of Directors.

As of December 31, 2024, the company Substrate Artificial Intelligence SA has registered an incentive plan for workers and investors approved by the meeting of January 30, 2023 which, in any case, does not individually exceed 4% of the company's capital when they consist of the delivery or acquisition of ordinary shares with voting rights of the company, limit imposed by the aforementioned shareholders' meetings. The

amount accrued and pending payment as of December 31, 2024 amounts to TSEK 3,645 corresponding to the 2024 plan (TSEK 11,646 euros in 2023) which will be settled during 2025 through the delivery of shares. The shares corresponding to the incentive plan that Substrate had recognized as of 31 December 2024 were delivered during 2025, in accordance with the terms and vesting schedule set out in the plan itself and as described in the Substrate's 2024 annual report.

As of December 31, 2025 and 2024, there were no advances or credits granted to senior management staff or members of the Board of Directors, nor were there any obligations assumed on their behalf by way of guarantee.

During the year 2025, there are civil liability insurance premiums that have been paid to the directors.

The directors of the Subgen AI have communicated that they do not have situations of conflict with the interest of the Company.

The amount reflected in the salaries of Directors includes both the remuneration for the position they hold in the administrative body and their remuneration for their employment relationship.

During the financial years 2025 and 2024, no related party transactions were carried out between the Group and its director other than those conducted in the ordinary course of business and under normal market conditions.

Transactions carried out with related parties correspond to the ordinary course of the Company's business and are conducted

at market prices, which are similar to those applied to non related parties.

NOTE 20. OTHER DISCLOSURES

Average number of employees

The average number of Group employees in the year, by employee category and gender, is as follows:

2025:

	AVERAGE WORKFORCE 2025		
	Men	Women	Total
Analyst	1	-	1
Administrative Assistant	2	1	3
Sales	9	1	10
Accountant	1	5	6
Graphic Designer	1	1	2
Management	3	-	3
Project Manager	3	-	3
Senior Manager	-	1	1
Cleaning	-	1	1
First Class Officer	7	13	20
Veterinarian - Administrative Assistant	-	1	1
Veterinarian - Generalist	-	2	2
Veterinarian - Manager	-	1	1
Programmer	40	10	50
Recruiter	4	3	7
Technical	3	-	3
Senior Graduate/Manager	22	10	32
TOTAL	96	50	146

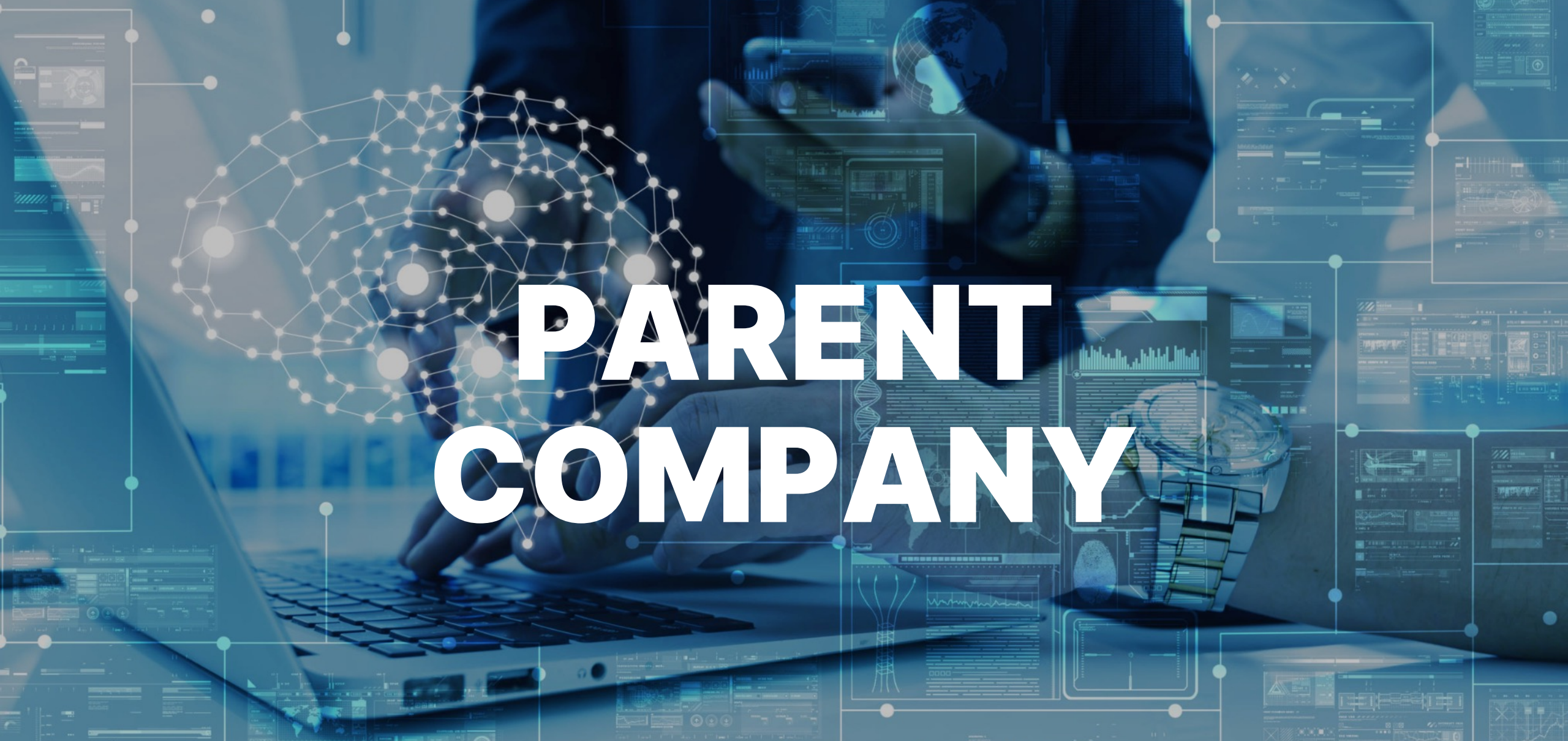
	AVERAGE WORKFORCE 2024		
	Men	Women	Total
Analyst	-	-	-
Administrative Assistant	3	6	9
Sales	4	3	7
Accountant	1	4	5
Graphic Designer	3	-	3
Management	6	-	6
Project Manager	4	3	7
Senior Manager	2	1	3
Cleaning	-	1	1
First Class Officer	1	7	8
Veterinarian - Administrative Assistant	-	1	1
Veterinarian - Generalist	2	2	4
Veterinarian - Manager	1	1	2
Programmer	56	13	69
Recruiter	4	2	6
Vicepresident	-	1	1
Telephone Operator	3	-	3
Senior Graduate/Manager	6	11	17
Traveler	2	-	2
TOTAL	98	56	154

At December 31, 2025 and 2024, the Group had no employees with a disability of a severity equal to or greater than 33%.

Audit fees

Audit fees for the year 2025 and 2024:

Euro	2025	2024
For corporate audit services (individual and consolidated)	2,152	2.692
For auditing services to subsidiaries	2,333	3.457
Review of consolidated interim financial statements	-	316
For other services	-	-
	6.465	6.465



PARENT COMPANY

PARENT COMPANY'S INCOME STATEMENT

TSEK	Notes	31.12.2025	31.12.2024
CONTINUING OPERATIONS			
Revenues	5	0	13
Other operating incomes	6	1.126	11.774
Personnel costs		-1.320	-5.821
Other operating expenses		(19.151)	(10.737)
Impairment, gain and losses from non current assets	7	(1.238.904)	0
OPERATING PROFIT		(1.258.249)	(4.717)
Interest income and other similar items	8	1	3.215
Interest costs and other similar items	8	-17.052	-4.430
FINANCE (LOSS) / PROFIT		(17.051)	(1.215)
Profit before tax		(1.275.301)	(5.986)
Income tax expense		0	0
Profit for the year		(1.275.301)	(5.986)

The profit/loss for the period is consistent with the comprehensive income for the year

PARENT COMPANY'S STATEMENT OF FINANCIAL POSITION

TSEK	Notes	31/12/2025	31/12/2024
ASSETS			
Non-current assets		1.000.107	26.299
Shares in subsidiaries	4	1.000.107	26.299
Deferred tax assets		-	-
Current assets		1.319	36.064
Inventories		-	-
Trade receivables and contract assets	13 & 14	639	35.573
Current Financial assets		-	-
Prepayments		262	327
Cash and other equivalent assets	14	418	164
TOTAL ASSETS		1.001.426	62.363

PARENT COMPANY'S STATEMENT OF FINANCIAL POSITION

TSEK	Notes	31/12/2025	31/12/2024
Equity	15	976.559	8.711
Issued Capital		2.649	873
Restricted equity		2.649	873
Share Premium reserve		2.686.769	445.397
Profit/loss brought forward		(437.559)	(431.573)
Profit for the year		(1.275.301)	(5.986)
Non-restricted equity		973.910	7.838
Non current liabilities		12.000	39.592
Provisions	11	12.000	1.200
Non current financial liabilities	10	-	38.392
Current Liabilities		12.867	14.060
Short-term liabilities	10	-	3.117
Trade and other payables	12	8.504	5.968
Liabilities to group companies	12	1.918	3.238
Other short-term liabilities	12	634	124
Short-term accruals	11	1.811	1.613
TOTAL EQUITY AND LIABILITIES		1.001.426	62.363

PARENT COMPANY'S STATEMENT OF CHANGES IN EQUITY

TSEK	Restricted Equity Share Capital	Non Restricted Equity			TOTAL
		Share Premium	Retained earnings	Profit for the year	
Opening equity as of 1 January 2024	2.470	432.830	(407.184)	(24.563)	3.553
Appropriation in accordance with the annual general meeting resolution	-	-	(24.563,00)	24.563,00	-
Profit of the year	-	-	-	(5.986,00)	(5.986,00)
Total comprehensive income for the year	-	-	-	(5.986)	(5.986)
Capital reduction	(2.379,00)	2.379,00	-	-	-
Conversion of financial liabilities into equity	782,00	10.218,00	(30,00)	-	10.970,00
Other transactions	-	174,00	-	-	174,00
Closing equity as of 31 December 2024	873	445.601	(431.777)	(5.986)	8.711
Opening equity as of 1 January 2025	873	445.601	(431.777)	(5.986)	8.711
Appropriation in accordance with the annual general meeting resolution	-	-	(5.986,00)	5.986,00	-
Profit of the year	-	-	-	(1.275.301)	(1.275.301)
Total comprehensive income for the year	-	-	-	(1.275.301)	(1.275.301)
New share issue	1.013.051,92	1.183.735,33	(7.084,85)	-	2.189.702,40
Capital reduction	(1.032.221,76)	1.032.221,76	-	-	-
Conversion of financial liabilities into equity	20.945,82	32.549,37	(49,48)	-	53.445,70
Closing equity as of 31 December 2025	2.649	2.694.107	(444.897)	(1.275.301)	976.559

PARENT COMPANY'S CASH FLOW STATEMENT

TSEK	Full year 2025	Full year 2024
Operating activities		
Operating profit / loss after depreciation	(1.258.249)	(4.771)
Adjustments for non-cash items	1.249.704	238
b) Impairment adjustments (+/-)	1.238.904	-
c) Change in provisions (+/-)	10.800	-
j) Other expenses	-	238
Financial payments received	1	20
Financial disbursements	(26)	(373)
Cash from operating activities before changes in working capital	(8.571)	(4.886)

PARENT COMPANY'S CASH FLOW STATEMENT

TSEK	Full year 2025	Full year 2024
Changes in working capital:		
Accounts receivable and other accounts receivable (+/-) (*)	(273)	(26.290)
Accounts payable and other payables (+/-) (*)	3.469	6.168
Other current liabilities (+/-)	3.482	-
Changes in working capital	6.678	(20.122)
Cash from Operating activities	(1.893)	(25.008)
Investment Activities		
Acquisition of intangible assets	-	-
Acquisition of tangible assets	-	-
Cash from investment	-	-
Financing activities		
New Issue	2.148	-
Loan facility drawdown net of issuance	-	13.612
Directors' loans net of issuance costs	-	1.425
Payment of leases liabilities	-	(236)
Cash from financing activities	2.148	14.801
Translation difference	-	-
Cash Flow	254	(10.207)
Opening cash and cash equivalent	164	10.371
Closing cash and cash equivalent	418	164

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 – SIGNIFICANT ACCOUNTING PRINCIPLES

The Parent Company has prepared its annual report in accordance with the Annual Accounts Act (1995:1554) and the recommendation RFR 2 Accounting for Legal Entities issued by the Swedish Corporate Reporting Board. The Parent Company applies the same accounting principles as the Group with the exceptions and additions specified in RFR 2. This means that IFRS Accounting Standards is applied with the deviations listed below. The accounting principles for the Parent Company set out below have been applied consistently to all periods presented in the Parent Company's financial reports, unless otherwise stated.

1.1. Preparation

The income statement and balance sheet are prepared for the Parent Company in accordance with the Annual Accounts Act, while the statement of comprehensive income, the statement of changes in equity and the statement of cash flow are based on IAS 1 Presentation of Financial Statements and IAS 7 Statement of Cash Flows.

1.2. Income from shares in subsidiaries

Dividends are reported when the right to receive payment is deemed secure. Gains from the sale of subsidiaries are reported when control of the subsidiary has been transferred to the buyer.

1.3. Taxes

In the Parent Company, deferred tax liabilities attributable to the untaxed reserves are reported with gross amounts in the balance sheet. The year-end appropriations are reported gross in the income statement.

1.4. Participations in subsidiaries

Participation in subsidiaries are reported in the Parent Company in accordance with the cost method. This means that transaction costs are included in the carrying amount of the holding. Where the book value exceeds the companies' consolidated value, a write-down is made that is charged to the income statement. An analysis of impairment needs is carried out at the end of each reporting period. Where a previous write-down is no longer justified, it is reversed. Assumptions are made about future conditions to calculate future cash flows that determine the recoverable amount. The recoverable amount is compared with the carrying amount of these assets and forms the basis for any write-downs or reversals. The assumptions that affect the recoverable amount the most are future earnings development, the discount rate and useful life. If future external factors and conditions change, assumptions may be affected so that the reported values of the Parent Company's assets change.

1.5. Group contributions and shareholder contributions

The Parent Company reports both received and paid Group contributions and appropriations in accordance with the alternative rule. Shareholder contributions provided by the

Parent Company are charged directly against equity at the recipient and are reported as shares and participations with the Parent Company. Shareholders' contributions received are reported as an increase in non-restricted equity.

1.6. Financial instruments

Due to the connection between accounting and taxation, the rules on financial instruments according to IFRS 9 are not applied in the Parent Company as a legal entity, but the Parent Company applies the cost method in accordance with the Annual Accounts Act. In the Parent Company, financial non-current assets are thus measured at cost and financial current assets at the lower of cost or net realisable value, with the application of impairment for expected credit losses in accordance with IFRS 9 regarding assets that are debt instruments. Contingent consideration is measured at the amount that the Parent Company deems would need to be paid if it was settled at year-end. Derivative instruments with negative fair value are reported at fair value. The Parent Company has no items to which hedge accounting has been applied. The Parent Company applies the exemption from valuing financial guarantee agreements for the benefit of subsidiaries and associated companies and joint ventures in accordance with the rule

1.7. Subsidiaries

Participations in subsidiaries are recognized in the Parent Company using the cost method.

1.8. Impairment of financial assets

Financial assets are written down for expected credit losses.

For a method regarding impairment for expected credit losses, see the Group's note 16 Financial risks. Expected credit losses for cash and cash equivalents have not been reported, as the amount has been judged to be insignificant

1.9. Leases

The parent company applies the exemption in RFR 2 for legal entities and recognizes all leases as costs in a straight line over the lease period in the income statement.

1.10. Format of the income statement and balance sheet

The Parent Company follows the format of the Swedish Annual Accounts Act, which, among other things, implies a different breakdown of equity.

NOTE 2 - REVERSE ACQUISITION

On November 25, 2025, it was resolved to carry out a reverse share split whereby 1,000 existing shares were consolidated to 1 share (1:1,000). AS a result, the number of ordinary shares issued was reduced from 519,449,763,052 to 519,449,763 and the number of class A shares from 498,987,606,931 to 498,987,606. Each share has a quota value of approximately TSEK 0,002601.

Through the transaction, the former main owners of Subgen AI became the majority shareholders of Magnasense AB. From a Group accounting perspective, the transaction is treated as a reverse acquisition because the shareholders of Subgen AI hold

a larger ownership share in Magnasense AB than the previous owners after the completion of the transaction. Therefore, the transaction is accounted for as if Subgen AI has acquired Magnasense AB, even though Magnasense AB is the legal parent company. The future consolidated financial statements of Subgen AI AB will be a continuation of Subgen AI's accounts and its subsidiaries.

On November 21, 2025, Subgen AI AB's ordinary shares started to be listed on Nasdaq Stockholm First North Growth market under its new ticker ISIN code SE0026820854 (previously ISIN code SE0014401121). After the acquisition merger the previous Board was replaced by Subgen AI AB's existing Board of Directors.

NOTE 3 - FINANCIAL RISK MANAGEMENT

Through its activities, the Group is exposed to financial risks, and the Board of Directors is ultimately responsible for managing and monitoring these risks as follows:

3.1. Liquidity and financing risk

Liquidity risk exists if Subgen AI fails to meet its payment obligations due to a lack of cash or if has no other means to meet them than by borrowing at a significantly higher cost than normal or through disposal of assets at below-market prices. Subgen AI closely monitors the development of cash flow to ensure that sufficient cash is at hand at all times and continuously works on various financing options to bridge the period until a positive cash flow is achieved.

3.2. Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows will fluctuate as a result of changes in market interest rates. The Group's assessment is that it is not currently exposed to any material interest rate risks.

3.3. Credit and counterparty risk

Credit and counterparty risk partly refers to risks linked to customers and suppliers not being able to fulfill their obligations to Subgen AI and partly to the risk that Subgen AI cannot fulfill its obligations, which can significantly reduce the Company's creditworthiness. In the first case, the credit risk is mainly attributable to outstanding trade receivables but may nevertheless involve the failure of distributors/suppliers to meet their commitments. In the second case, Subgen AI aims to ensure its own creditworthiness by maintaining adequate liquidity.

KSEK	2025	2024
Credit risk exposure:		
Cash and cash equivalents	468	164
Trade receivables	–	–
Receivables from Group companies'	–	58,606
Other current receivables	–	381
	468	59,151

3.4. Currency risk

Basen on, the Company is a holding entity does not carry out significant operating transactions in currencies other than its functional currency (Sek), the Company is not exposed to material transaction currency risk. The Company's exposure to foreign currency risk relates primarily to its investments in subsidiaries with functional currencies other than Sek. Such exposure arises from the translation of these investments into the Parent Company's functional currency for reporting purposes and does not give rise to cash flow risk. No hedge accounting is applied

NOTE 4 - FINANCIAL ASSETS AND LIABILITIES

The movement of non-current financial assets in 2025 was the following:

TSEK	31.12.2024	Additions	Impairment	Disposals	31.12.2025
Cost					
Participations in group companies - Viraspec AB	263	-	-	(263)	-
Participations in group companies - Aegirbio Sweden AB	2.621	-	-	(2.621)	-
Shares in Subgen AI Limited	-	2.182.300	(1.182.193)	-	1.000.107
Receivables from Group Companies	23.414	-	-	(23.414)	-
Total	26.299	2.182.300	(1.182.193)	(26.299)	1.000.107

On November 5th, 2025 the EGM of the company approved the takeover of Subgen AI. As part of the Reverse Takeover, the Magnasense's subsidiaries were spun off from Magnasense. As part of this transaction Magnasense AB issued 499,081,015,965 of new ordinary shares and 498,987,606,931 of new class A shares at a subscription price of TSEK 0,0021865230 per share, in exchange of 100% of Subgen AI. The total amount raised was TSEK 2,182,300.

The maturities of third-party financial assets and liabilities are shown in the table below:

Maturity structure of financial assets and liabilities 31,12,2025

KSEK	Financial assets	Loan	Supplier	Leasing	Other
0-3 months	545	-	10,422	-	-
3-12 months	-	-	-	-	-
1-2 years	-	-	-	-	-
2-5 years	-	-	-	-	-
More than 5 years*	-	-	-	-	-
Total	545	-	10,422	-	-



Net gains/losses for each category of financial instruments:

The Group has no net gains/losses to report for the various financial instruments.

Maturity structure of financial assets and liabilities 31.12.2025

KSEK	Financial assets	Loan	Supplier	Leasing	Other
0-3 months	545	3.117	5.967	-	1.737
3-12 months	-	-	-	-	-
1-2 years	-	26.008	-	-	-
2-5 years	-	9.884	-	-	2.500
More than 5 years*	-	-	-	-	-
Total	545	39.009	5.967	-	4.237

NOTE 5 - NET SALES

Breakdown by geographic zone:

	31.12.2025	31.12.2024
SPAIN	-	-
USA	-	-
SOUTH AMERICA	-	-
Other - Sweden	-	13
Total	-	13
	31.12.2025	31.12.2024
Products	-	-
Services	-	13
Total	-	13
	31.12.2025	31.12.2024
At a point in time	-	-
Over the time	1,126	11,774
Total	1,126	11,774

NOTE 6 - OTHER OPERATING INCOME

	31.12.2025	31.12.2024
Other current income	-	-
Other operating income	1,126	11,774
Total	1,126	11,774

Other operating income in 2025 consists of management fees charged to subsidiaries during the year. Other operating income in 2024 related to SEK10.7M Management fees, and SEK1.1M income from a grant.

NOTE 7 - IMPAIRMENT, GAIN AND LOSSES FROM NON-CURRENT ASSETS

The company registered the following impairment in 2025 and 2024:

Impairment, gain and losses from non current assets

	31.12.2025	31.12.2024
Impairment of investments in related parties	-1.222.904	0
Impairment of receivables due from third parties	-16,000	0
Total	-1.238.904	0

During the year all subsidiaries of Magnasense AB were sold to ADC Services International Limited as part of the Reverse Take Over (RTO) by Subgen AI Limited. This resulted in an impairment of SEK 40,711 k being recorded in the income statement of the Company. The Company gained a receivable of SEK 16,000k in ADC Services International Limited related to Aegirbio UK Limited, but the recoverability of this asset is deemed unlikely and was therefore impaired in full at 31 December 2025.

As part of the RTO, the Company issued SEK 2,182, 300k Ordinary and A shares to the shareholders of Subgen AI Limited in consideration for its acquisition. Following an impairment review at December 2025, a reduction of SEK 1,163,749 k was recognised in the income statement.

NOTE 8 - FINANCIAL INCOME AND COSTS

	31.12.2025	31.12.2024
Finance incomes		
Shares in equity instruments	-	-
Interest income from debt instruments and other	1	20
Finance expenses		
Interest cost from related parties debts	-	-
Interest cost from debt instruments and other	-305	-229
Financial instruments fair value		
Fair value adjustment related parties		
Fair value adjustment third party debt	-14,113	-4,211
Exchange differences		
Exchange differences from related party balances revaluation	-2,804	3,296
Other exchange differences	171	-101
	-17,051	-1,215





NOTE 9 – INCOME TAX

Reconciliation of tax expense

TSEK	31.12.2025	31.12.2024
Change in deferred tax relating to temporary differences	-	-
Reported tax	-	-
Reconciliation of effective tax		
Profit before tax	(1,256,857)	(5,987)
Tax rate	20.6%	20.6%
Tax according to the current tax rate of the Parent Company	258,913	1,233
Non-taxable income	1	(384)
Non-deductible expenses	(255,614)	(849)
Increase in loss carryforwards without corresponding capitalisation of deferred tax assets	(3,300)	-
Reported tax	(0)	0
Effective tax rate	0.0%	0.0%

There is no deferred tax assets recognized in the financial statements as of December 31, 2025.

NOTE 10 – FINANCIAL LIABILITIES

10.1. Non current financial liabilities

	31.12.2025	31.12.2024
Loans and borrowings	-	35.892
Debt with special characteristics	-	0
Other financial liabilities	-	2.500
Leasing Liabilities	-	0
Total	-	38.392

The Loans and borrowings at 31 December 2024 consisted of SEK 26,008 k convertible loan notes, and SEK 9,884 k loan facility payable to Atlas Opportunities LLC. Both facilities were secured by way of a floating charge against the assets of the Company.

The convertible loan notes were repayable in January 2026, but during early 2025 the term was extended to January 2028 ahead of the rights issue. The convertible loan notes did not carry any interest. There were SEK 7m transaction fee shares payable however, of which SEK 2,500 k remained to be issued as of the end of December 2024.

The loan facility was repayable in April 2027. The notes did not carry any interest, but calls on the facility were paid net of 10% transaction fees by the lender.

All loan notes and borrowings due to Atlas Special Opportunities LLC were converted to ordinary shares as part of the RTO. This resulted in 17,722,664,794 shares being issued at a price of SEK0.002426.

10.2. Short-term liabilities

	31.12.2025	31.12.2024
Loans and borrowings	-	3.117
Leasing Liabilities	-	-
Other financial liabilities	-	-
Total	-	3.117

The short term loan in 2024, SEK 3,117k, was a SEK 3,000k loan issued by 2 directors, Fredrik Häglund and Michael Schwartz, to the Company and associated compound interest at a rate of 2%, and 5% commitment fee. The directors chose to convert this loan to shares as part of the rights issue in May 2025.

NOTE 11 - ACCRUALS AND PROVISIONS

Accruals and Provisions

	31.12.2025	31.12.2024
Short-term Expenses provisions	1.811	1.613
Non-current Provisions for legal claims	12.000	1.200
Total	13.811	2.813

At 31 December 2025 there was a SEK 12,000 k (2024: SEK 1,200k) provision in respect of penalties. In April 2023, the Swedish Financial Supervisory Authority (SFSA) launched

an investigation into the Company's inside information management. In March 2024, the Company received a preliminary assessment from the SFSA that it had violated Article 17 of MAR on a number of occasions during the period May 4, 2021, to October 27, 2021. In June 2025 the Company received a decision which found against the Company and levied the maximum penalty of SEK 12,000 k. An appeal was filed shortly thereafter to contest the decision.

	31.12.2025	31.12.2024
Balance at the beginning	2.813	4.865
Accrual of the year	12.611	666
Use of the provision	-1.613	-2.718
Acquisition of subsidiary	-	-
Balance at end	13.811	2.813

NOTE 12 - TRADE PAYABLES AND OTHER

	31.12.2025	31.12.2024
Suppliers	10,422	5.967
Suppliers group and other related	-	3.238
Other tax liabilities	634	124
Client advances	-	-
Balance at end	11.056	9.330

NOTE 13 - TRADE RECEIVABLES AND CONTRACT ASSETS

	31.12.2025	31.12.2024
Receivables from related parties	0	35.191
Other current tax assets	639	381
Total	639	35.572

NOTE 14 - CLASSIFICATION OF FINANCIAL INSTRUMENTS

Financial assets

	31.12.2025	31.12.2024
Financial assets at amortized cost		
Cash and other equivalent assets	418	164
Trade receivables and contract assets	639	58.986
Financial assets at fair value through profit or loss	-	-
Financial assets at fair value through OCI	-	-
Total	1.057	59.150

Financial liabilities

	31.12.2025	31.12.2024
Financial liabilities at amortized cost		
Trade payables and others	11.056	9.330
Non-current financial liabilities	-	-
Short-term liabilities	-	38.392
		3.117
Financial liabilities at fair value through profit or loss	-	-
Financial liabilities at fair value through OCI	-	-
Total	11.056	50.838

NOTE 15 - EQUITY

15.1. Share capital

Ordinary shareholders are entitled to any dividends and voting rights of one vote per share at the General Meeting. All shares convey equal rights to the Company's remaining net assets.

At the financial year 2025, exited several increases in share capital that have been allocated to "Capital increases", and the most significant was related to the new shares issued for a total amount of TSEK 2,182,300,000, on November 5, 2025. It were

499,081,015,965 of new ordinary shares and 498,987,606,931 of new class A shares at a subscription price of TSEK 0,0021865230 per share.

During the year there was a capital reduction, as approved by the AGM in May 2025, to reduce the quota value of an ordinary share to SEK0.001001, from SEK 0.014. In 2024 a capital reduction was approved by the AGM, also to reduce the quota value of an ordinary share to SEK0.014, from SEK 0.08. The reduction in share capital has been allocated to non-restricted equity under share premium.

At 31 December 2024, there were 10.25M warrants for ordinary shares outstanding (December 2023: 10.25M). During the year 2024, 2.6M warrants relating to Atlas were terminated, see Note 21, and a further 0.7M warrants were cancelled.

15.2. Other contributed capital

Other contributed capital consists entirely of amounts paid in excess of the par value of issued shares in connection with new issues.

15.3. Retained earnings including profit for the year

Retained earnings including result for the year includes profits or losses earned by the Company.

15.4. Dividend

No distribution of dividends will be proposed at the Annual General Meeting 2025.

NOTE 16 - EARNINGS PER SHARE

Earnings per share, calculated as profit attributable to Parent Company shareholders for the year (SEK per share) divided by the average number of shares, which as of 2025-12-31 was 154.578.329 shares before full dilution. The corresponding number for the same period in the previous year was 40,875,514 shares.

16.1. The share

The Subgen AI AB (publ) share was listed on Nasdaq First North Growth Market in Stockholm on November 21, 2025, previously was under the name Magnasense AB (see more details note 2) On December 31, 2024, the number of shares in the Company amounted to 62,339,443. The corresponding number on 2023-12-31 was 62,339,443.

There is one class of shares. Each share has equal right to shares in the Company's assets and profit and entitles to one vote in the General Meeting. The par value of the share is SEK 0.002610, and the registered share capital amounts to SEK 2,648,728.

	2025	2024
Weighted average number	154.578.329	40,875,514
Weighted average number after full dilution	156.625.065	51,125,514
Earnings per share before dilution (SEK)	-0.08	SEK -0.15

NOTE 17 - WARRANTS

Outstanding Warrants for Shares	2025	2024
Opening balance	10,250,000	4,035,000
Cancellations	-	-700,000
Waivers	(10,250,000)	-2,585,000
Issues	2,046,736	9,500,000
Closing balance	2,046,736	10,250,000
Closing balance consisting of:		
TO 2023/2026 – Management incentive scheme*	-	750,000
TO 2024/2025 – Third party warrants**	-	9,500,000
TO5 warrants	1,137,076	-
TO6 warrants	909,661	-
Closing Balance	2,046,736	10,250,000

*On August 25, 2023, the Annual General Meeting decided to introduce a warrant program of 750,000 for senior executives and other key individuals in the Group, TO 2023/2026. Each warrant entitles the holder to subscribe for 1 new share in the Company. The warrants were issued at a subscription price of SEK

0.24 per warrant. Each warrant entitles the holder to subscribe for one new share at a subscription price of SEK 2.95. Subscription of shares with the support of warrants in series TO 2023/2026 can take place during the period from September 1, 2026, up to and including September 30, 2026.

Consideration received was reported directly against equity.

In August 2024, 9.5M warrants were issued to DHS, a key supplier of Abreos Biosciences, LLC, a wholly owned subsidiary of the Group. These warrants were free of charge warrants, with a subscription price of SEK0.50, issued in exchange for revising commercial terms. The subscription period for the warrants is 17 January 2025 to 30 September 2025. These were valued using a dilutive Black-Scholes model and were valued at SEK 0.174M. This has been recorded as an expense within finance costs in the year (recorded in the

“Other” category), with a corresponding increase in equity. These warrants were waived in January 2025.

In May 2025, 1,101,075,705 TO5 warrants and 880,860,564 TO6 warrants were issued along with ordinary shares as part of the rights issue. Subsequently 36,000,000 TO5 warrants and 28,800,000 TO6 warrants were issued to a guarantor. These warrants had a price of SEK 14 and SEK 17.5 respectively. The TO5 warrants are exercisable 18/05/2026 - 01/06/2026, and the TO6 warrants are exercisable 02/06/2027 - 16/06/2027. As a result of the reverse share split in November 2025, the outstanding warrants were 1,137,076 TO5 warrants and 909,661 TO6 warrants.

NOTE 18 - PARTICIPATIONS IN GROUP COMPANIES

	31,12,2024	Additions	Impairment	Disposals	31,12,2025
Cost					
Participations in group companies - Viraspec AB	263	-	-	(263)	-
Participations in group companies - Aegirbio Sweden AB	2.621	-	-	(2.621)	-
Shares in Subgen AI Limited	-	2.182.300	(1.163.749)	-	1.018.551
Total	2.885	2.182.300	(1.163.749)	(2.885)	1.018.551

Subgen AI AB's participations in Group companies through direct and indirect holdings as of December 31, 2025:

Name of the subsidiary	Participation direct and indirect 31.12.2025	Country	Principal activity
Subgen AI Ltd	100%	United Kingdom	AI Services and consulting
Binit SRL	91%	Argentina	AI Services and consulting
Deltanova.S.A.	91%	Uruguay	AI Services and consulting
Deltanova Tech.S.L.U	100%	España	AI Services and consulting
Binit Brasil Holding Ltda	100%	Brasil	AI Services and consulting
Subgen Spain SA	100%	España	AI Services and consulting
Substrate AI SA	100%	España	IA services, Infrastructure and Cloud

Subgen AI AB's (formed previously Magnasense) participations in Group companies through direct and indirect holdings as of December 31, 2024:

Company	Participation %	Country
Viraspec AB, Sweden, Lund	100%	Sweden
Thyrolytics AB, Sweden, Lund	100%	Sweden
Magnasense Ltd, UK, London	100%	UK
Magnasense US Inc, US, Delaware	100%	US
Magnasense Technologies Oy, FI, Vantaa	100%	Finland

NOTE 19 - RELATED PARTY TRANSACTIONS

The Company holds a controlling influence over its subsidiaries, which are listed in Note 20. It has no balances in the year 2025. The transactions with related parties were:

	31.12.2025	31.12.2024
Substrate Artificial Intelligence SA	1.831.378	-
Substrate USA Inc	835.691	-
Total expenses	2.667.069	-

31.12.2025

31.12.2024

Ingvarsson Consulting AB (owned by Anders Ingvarsson, Chairman of the Board until April 2024)

-

114

Fredrik Häglund – Directors loan

-

1,425

Michael Schwartz – Directors loan

-

1,425

Total balances

-

2,964

All the transactions are priced at market terms.

The Directors loans in 2024 and associated interest was offset against ordinary shares as part of the rights issue in May 2025.

NOTE 20 - DISCLOSURE OF AUDITOR'S FEE

	31.12.2025	31.12.2024
For audit services	-1,581	-335

Audit engagements mean fees related to the statutory audit, that is, such work that has been necessary in order to provide the audit report, as well as so-called audit advice provided in connection with the audit engagement. Audit work, in addition to the audit engagement, means fees related to various types of quality assurance services. Other engagements mean services not included in audit engagements, audit work or tax consultancy.

NOTE 21 – POST BALANCE SHEET EVENTS

On 4 March 2026, SUBGEN AI AB launched a voluntary public takeover offer for up to 95% of the Class A shares of Substrate AI, addressed to all shareholders. Upon completion of the acceptance period, acceptances were received representing 23.89% of the Class A shares of Substrate AI. The Board of Directors of Subgen AI has today, pursuant to the authorization granted at the annual general meeting held on 30 June 2025, resolved on a directed issue of a maximum of 291,284,082 ordinary shares with payment in kind (A shares in Substrate AI) for the purpose of delivering the consideration to the shareholders of Substrate AI upon completion of the Offer. The subscription price has been determined at SEK 0.0897736 SEK per ordinary share in Subgen AI.

Annual General Meeting 2026

The annual general meeting of Subgen AI AB (publ), reg. no. 559222-2953, will be held on 21 May 2026 at 10:00 a.m., at 7A Posthuset, Vasagatan 28, 111 20 Stockholm, Sweden.

Notification etc.

Those who wish to participate in the meeting must:

- (i) be listed as a shareholder in the share register prepared by Euroclear Sweden AB concerning the circumstances as per the record date of 12 May 2026; and
- (ii) give notice of intent to participate no later than on 15 May 2026. Notification shall be made either by e-mail to subgen@mollwenden.se or by mail to Moll Wendén, Attn. Subgen AGM 2026, Stortorget 8, 211 34 Malmö, Sweden.

The notice should include full name, personal identification number or corporate registration number, address and daytime telephone number and, where appropriate, information about representative, proxy and assistants. The number of assistants may not be more than two (2). The notification should, where appropriate, be accompanied by proxies, registration certificates and other documents of authority.

In order to be entitled to participate in the meeting, a shareholder whose shares are registered in the name of a nominee, through a bank or other nominee, must, in addition to giving notice of participation in the annual general meeting, register its shares in its own name at Euroclear Sweden AB so that the shareholder is listed in the share register as of the record date of 12 May 2026. Such re-registration may be temporary (so called voting rights registration), and a request for such voting rights registration shall be made to the nominee, in accordance with the nominee's routines, at such time in advance as decided by the nominee. Voting rights registration that has been made by the nominee no later than the second banking day after 12 May 2026, will be taken into account in the presentation of the share register.

Proxies etc.

If a shareholder is to be represented by a proxy, a written, dated and signed proxy by the shareholder must be provided at the general meeting. The proxy may not be older than one (1) year, unless longer validity (maximum of five (5) years) is stated in the proxy. If the proxy is issued by a legal entity, the current registration certificate or equivalent authorisation document for the legal entity must also be provided. To facilitate the proceedings, a copy of the proxy and other documents of authority should be enclosed with the registration for the general meeting. Proxy forms will be kept available on the company's website, <https://subgen.ai/>, and at the company's head office and will be sent by post to shareholders who contact the company and provide their postal address.

Proposed agenda

1. Opening of the meeting
2. Election of chairman of the general meeting
3. Preparation and approval of the voting list
4. Approval of the agenda
5. Election of one or two persons to verify the minutes of the meeting
6. Determination of whether the meeting was duly convened
7. Presentation of the annual report and the auditor's report as well as the consolidated accounts and the auditor's report on the consolidated accounts
8. Address by the CEO
9. Resolutions regarding
 - a) the adoption of the income statement and the balance sheet and the consolidated income statement and consolidated balance sheet;
 - b) allocation of the company's result in accordance with the adopted balance sheet; and c) the discharge from liability of the board members and the CEO
10. Determination of fees to the board of directors and the auditor
11. Election of the board of directors and the auditors
12. Resolution to amend the articles of association
13. Resolution on authorisation for the board of directors to issue new shares, warrants and/or convertible debentures
14. Close of the general meeting



CALENDAR

Year-End Report January - December 2025
2026-03-31

Annual Report 2025
2026-04-30

Interim Report January - March 2026
2026-05-07

Annual General Meeting 2026
2026-05-21

Interim Report January - June 2026
2026-08-20

Interim Report January - September 2026
2025-11-05

Subgen AI AB

The annual report and consolidated accounts were approved for issuance by the Board of Directors on April 29 2026. The Parent Company's and Group's income statements and balance sheets will be subject to adoption at the Annual General Meeting on May 21 2026.

Board declaration

The Board of Directors and the CEO certify that the annual accounts have been prepared in accordance with generally accepted accounting standards and the Swedish Annual Accounts Act (1995:1554), and that the consolidated accounts have been prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the EU pursuant to Regulation (EC) No 1606/2002 of the European Parliament and of the Council of 29 July 2002 on the application of international accounting standards, and that the annual accounts and the consolidated accounts give a true and fair view of the Parent Company's and the Group's financial position and results of operations, and that the Directors' Report gives a fair overview of the development of the Parent Company's and the Group's operations, financial position and results of operations and describes material risks and uncertainties facing the companies in the Group.

Auditor's statement

The annual report was submitted on the date as evidenced by our electronic signature.

José Iván García

Chairman

Lorenzo Serratosa

CEO

Eduardo Montes

Board member

Leandro Harillo

Board member

Christopher Dembik

Board member

Fredrik Häglund

Board member

The annual report was signed by all parties on the date as evidenced by the respective electronic signature.

Auditor's statement

Our auditor's report was submitted on the date as evidenced by our electronic signature.

Ernst & Young AB
Johan Andersson
Certified Public Accountant

Auditor's report

To the general meeting of the shareholders of Subgen AI AB, corporate identity number 559222-2953.

Report on the annual accounts and consolidated accounts

Opinions

We have audited the annual accounts and consolidated accounts of Subgen AI AB for the financial year 2025. The Company's annual report and consolidated accounts are included on pages 31-116 of this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the parent company as of 31 December 2025 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31 December 2025 and their financial performance and cash flow for the year then ended in accordance with IFRS Accounting Standards, as adopted by the EU, and the Annual Accounts Act. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet for the parent company and the group.

Basis for Opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Other Information than the Annual Report and the Consolidated Financial Statements

This document also contains other information than the annual report and the consolidated financial statements and is included on pages 1-30 and 119-120. The Board of Directors and the Managing Director are responsible for this other information.

Our opinion on the annual report and the consolidated financial statements does not cover this other information, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the annual report and the consolidated financial statements, our responsibility is to read the information identified above and consider whether the other information is materially inconsistent with the annual report and the consolidated financial statements. In doing so, we also consider the knowledge obtained in the audit and assess

whether the other information otherwise appears to contain material misstatements.

If, based on the work performed relating to this other information, we conclude that there is a material misstatement in the other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and consolidated accounts and that they give a fair presentation in accordance with the Annual Accounts Act and, concerning the consolidated accounts, in accordance with IFRS Accounting Standards as adopted by the EU. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts and consolidated accounts, The Board of Directors and the Managing Director are responsible for the assessment of the company's and the group's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the Managing Director intend to liquidate the company, to cease operations, or has no realistic alternative but to do so.

Auditor's responsibility

Our objectives are to obtain reasonable assurance about whether the annual accounts and consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts and consolidated accounts.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual accounts and consolidated accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of the company's internal control relevant to our audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose

of expressing an opinion on the effectiveness of the company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors [and the Managing Director].
- Conclude on the appropriateness of the Board of Directors' [and the Managing Director's] use of the going concern basis of accounting in preparing the annual accounts and consolidated accounts. We also draw a conclusion, based on the audit evidence obtained, as to whether any material uncertainty exists related to events or conditions that may cast significant doubt on the company's and the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual accounts and consolidated accounts or, if such disclosures are inadequate, to modify our opinion about the annual accounts and consolidated accounts. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a company and a group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual accounts and consolidated accounts, including the disclosures, and whether the annual accounts and consolidated accounts represent the underlying transactions and events in a manner that achieves fair presentation.

- Plan and perform the group audit to obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the consolidated accounts. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our opinions.

We must inform the Board of Directors of, among other matters, the planned scope and timing of the audit. We must also inform of significant audit findings during our audit, including any significant deficiencies in internal control that we identified.

Report on other legal and regulatory requirements

Opinions

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Directors and the Managing Director of Subgen AI AB for the financial year 2025. and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that loss be dealt with in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year.

Basis for Opinions

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Other matters

The audit of the annual report for the financial year 2024 was carried out by another auditor whose engagement was terminated prematurely and who issued an auditor's report dated 9 June 2025 with unmodified opinions in the Report on the Annual Report. The following documents are attached to the auditor's report:

- A copy of the previous auditor's notification pursuant to Chapter 9, Section 23 of the Swedish Companies Act
- Copies of notifications pursuant to Chapter 9, Section 23a of the Swedish Companies Act

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's and the group's type of operations, size and risks place on the size of the parent company's and the group's equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's and the group's financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner. The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfill the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

Auditor's responsibility

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the Managing Director in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

As part of an audit in accordance with generally accepted auditing standards in Sweden, we exercise professional judgment and maintain professional skepticism throughout the audit. The examination of the administration and the proposed appropriations of the company's profit or loss is based primarily on the audit of the accounts. Additional audit procedures performed are based on our professional judgment with starting point in risk and materiality. This means that we focus the examination on such actions, areas and relationships that are material for the operations and where deviations and violations would have particular importance for the company's situation. We examine and test decisions undertaken, support for decisions, actions taken and other circumstances that are

relevant to our opinion concerning discharge from liability. As a basis for our opinion on the Board of Directors' proposed appropriations of the company's profit or loss we examined whether the proposal is in accordance with the Companies Act.

Stockholm, on the date indicated by our electronic signature.

Ernst & Young AB

Johan Andersson

Authorized Public Accountant



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