SubgenAI

SUBGEN AI ANNOUNCES A RESTRUCTURING OF THE GROUP COMPANIES

The Board of Directors of Subgen AI AB (the "Company" or "Subgen AI") has today resolved on a restructuring of the Subgen AI group whereby all of the Company's shares in the subsidiaries Deltanova S.A., BINIT S.R.L. and Subgen AI Spain Sociedad Limitada are transferred to Subgen AI's Spanish subsidiary Substrate Artificial Inteligence S.A. ("Substrate AI") (the "Restructuring"). The reason for the Restructuring is that Subgen AI aims to consolidate the AI operations of the group to increase synergy effects of the group companies and simplify the structure of the Subgen AI group. The Restructuring is carried out through a share purchase agreement between Subgen AI and Substrate AI entered into today (the "Share Purchase Agreement"). The purchase price amounts to EUR 40,500,000 and will be settled through (i) an issue of 51,599,587 new class A shares in Substrate AI, corresponding to EUR 2,000,000 (the "Set-off Issue"), (ii) a transfer of 30,000,000 class B shares in Substrate AI held in treasury, corresponding to EUR 3,000,000 (the "Share Transfer"), (iii) set-off of intercompany debt of EUR 6,111,361 (the "Intercompany Debt Settlement"), (iv) set-off of historical debt of EUR 19,188,639 (the "Historical Debt Offset"), and (v) an issue of 102 mandatory convertible bonds with an aggregate nominal amount of EUR 10,200,000 (the "Convertible Bonds"). Following completion of the Restructuring, the group's AI operations will be consolidated under Substrate AI, in which Subgen AI's ownership will increase to approximately 48.9 percent of the shares and approximately 62.3 percent of the votes, and may increase further upon conversion of the Convertible Bonds. In addition, the group's intercompany debt will decrease by approximately EUR 25.3 million. The Restructuring is conditional upon, among other things, approval by an extraordinary general meeting in Subgen AI expected to be held on 4 December 2026.

The Restructuring

Under the Share Purchase Agreement, Substrate AI will on the closing date acquire from Subgen AI the following shares in Subgen AI's subsidiaries:

- 13,800 shares in Deltanova S.A., representing approximately 92 percent of its share capital;
- 3,680 shares in BINIT S.R.L., representing approximately 92 percent of its share capital; and
- 456,000 shares in Subgen AI Spain Sociedad Limitada, representing 100 percent of its share capital.

Once the Restructuring is completed, the group's AI operations will remain unchanged but consolidated and organised under the subsidiary Substrate AI. This is expected to enhance operational efficiency, simplify the corporate structure of the Subgen AI group, and reinforce Substrate AI's role as the group's central vehicle for AI development and commercialisation.

Subgen AI's current ownership in Substrate AI amounts to approximately 40.2 percent of the shares and approximately 56.6 percent of the votes. Following completion of the Restructuring, Subgen AI's ownership in Substrate AI will increase to approximately 48.9 percent of the shares and approximately 62.3 percent of the votes. Through conversion of the Convertible Bonds, Subgen AI's shareholding in Substrate AI will increase further. In addition, upon completion of the Restructuring, the Subgen AI group's intercompany debt will decrease by an aggregate amount of approximately EUR 25.3 million. The Restructuring is not expected to affect the consolidated accounts of the group.

The purchase price

The purchase price for the subsidiary shares amounts to EUR 40,500,000. The purchase price will be settled as follows:

- **Set-off Issue (EUR 2,000,000):** 51,599,587 new class A shares in Substrate AI at a subscription price of EUR 0.03876 per share, paid by way of set-off against the purchase price.
- **Share Transfer (EUR 3,000,000):** 30,000,000 class B shares in Substrate AI held in treasury at a price of EUR 0.10 per share.
- **Intercompany Debt Settlement (EUR 6,111,361):** set-off of existing intercompany financing owed by Subgen AI and its subsidiaries to Substrate AI and its subsidiaries.
- **Historical Debt Offset (EUR 19,188,639):** set-off of Subgen AI's outstanding debt to Substrate AI arising from the spin-out of Subgen AI Ltd from the Substrate AI group in 2024 and the subsequent liquidation of Subgen AI Ltd in February 2026.
- **Convertible Bonds (EUR 10,200,000):** 102 mandatory convertible bonds with a nominal value of EUR 100,000 each, issued by way of set-off against the purchase price.

The subscription price for the class A shares in the Set-off Issue and the price for the class B shares in the Share Transfer correspond to the volume-weighted average price (VWAP) of the respective share class on BME Growth during the five consecutive trading days immediately preceding the signing of the Share Purchase Agreement (the "**Reference Price**").

Terms of the Convertible Bonds

The Convertible Bonds have a maturity of eight (8) years from the closing date and bear interest at 7 percent per annum, compounding annually. The interest is not paid in cash but is capitalised and converted into new class A shares together with the nominal amount. The Convertible Bonds may not be redeemed in cash.

The standard conversion price is 125 percent of the Reference Price for the class A shares in Substrate AI. Within 30 calendar days following a qualifying liquidity event in Substrate AI, the Convertible Bonds may instead be converted at 75 percent of the Reference Price for the class A shares in Substrate AI, in which case interest until maturity is also capitalised. A qualifying liquidity event means (i) a cash capital increase by Substrate AI raising at least EUR 10,000,000 in gross proceeds, or (ii) two or more cash capital increases by Substrate AI completed within any period of three (3) consecutive months, which, taken together, result in aggregate gross proceeds of at least EUR 10,000,000, or (iii) the conversion of other convertible bonds previously issued by Substrate AI for at least EUR 10,000,000.

Voluntary conversion is not permitted to the extent Subgen AI would thereby hold more than 58 percent of the share capital in Substrate AI. At maturity, all outstanding Convertible Bonds are mandatorily converted at the standard conversion price, irrespective of the 58 percent threshold. The Convertible Bonds are subject to customary anti-dilution adjustments.

Independent valuation and fairness opinion

The purchase price of EUR 40,500,000 is supported by an independent valuation report on the subsidiaries prepared by Baker Tilly Advisory Services, S.L. In addition, Eminova Partners Corporate Finance AB has issued a fairness opinion supporting that the consideration to be paid by Substrate AI to Subgen AI for the shares in the subsidiaries is fair, from a financial point of view, to the shareholders of the Company. Against this background, the Board of Directors considers the purchase price to be on market terms.

Conditions and closing of the Restructuring

Completion of the Restructuring in accordance with the Share Purchase Agreement is subject to certain customary conditions precedent, including:

- Approval of the Share Purchase Agreement and the Restructuring by an extraordinary general meeting in Subgen AI.
- Approval of the Share Purchase Agreement and the Restructuring by the general meeting in Substrate AI.
- Substrate AI having obtained the independent expert report required for the Convertible Bonds and the statutory auditor's certificates required for the Set-off Issue and the Convertible Bonds under applicable Spanish law.

Closing is expected to take place within fifteen (15) business days following the satisfaction or waiver of all conditions precedent. If closing has not occurred by 28 February 2027, either party may terminate the Share Purchase Agreement, unless the parties agree to extend this date.

SubgenAI

Related party considerations and extraordinary general meeting

The Restructuring is submitted to the extraordinary general meeting applying the procedure in the Swedish Securities Council's statement AMN 2019:25, and a report from the Board of Directors will be made available on the Company's website at least two weeks before the meeting. The meeting is intended to be held on 4 December 2026. The notice will be published through a separate press release.

Advisors

Moll Wendén Law AB acts as legal advisor in connection with Swedish law and Gómez-Acebo & Pombo Abogados, S.L.P. acts as legal advisor in connection with Spanish law.

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

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

This information is information that Subgen AI is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact persons set out above, at 2026-11-06 18:08 CET.