



## **SUBGEN AI'S SUBSIDIARY SUBSTRATE AI ENTERS INTO ISSUANCE AGREEMENT REGARDING THE PREVIOUSLY COMMUNICATED CONVERTIBLE BOND FINANCING OF UP TO EUR 39.2 MILLION**

Subgen AI AB (“Subgen AI” or the “Company”) announces that its Spanish subsidiary Substrate Artificial Intelligence S.A. (“Substrate AI”) has today, June 30, 2026, entered into an issuance agreement with the Spanish Society for Technological Transformation (the “SETT”), Loft Structured Opportunities Fund I and 8 International Ltd (the “Issuance Agreement”) regarding a convertible bond financing with mandatory conversion of up to EUR 39.2 million in aggregate (the “Financing”). As communicated on June 29, 2026, the Spanish Council of Ministers has authorised SETT to invest up to approximately EUR 19.2 million in the Financing, corresponding to not more than 49 percent of the convertible bonds effectively subscribed for under the Financing. Loft Structured Opportunities Fund I and 8 International Ltd (the “Investors”) may each subscribe for up to approximately EUR 10.0 million. The Financing comprises an initial subscription of convertible bonds in an aggregate principal amount of EUR 4 million, of which the Investors shall subscribe for EUR 1 million each and SETT shall subscribe for EUR 2 million. Following the initial subscription, the remaining part of the Financing may be deployed in subsequent subscriptions during the 24-month commitment period from the signing date of the Issuance Agreement. Substrate AI may request drawdowns on a monthly basis, and for each subsequent subscription, each Investor may, but is not obligated to, subscribe for up to EUR 1 million whereby SETT may match the subscribed amount by the Investors.

The key terms of the Issuance Agreement are as follows.

- Initial subscription: Loft Structured Opportunities Fund I and 8 International Ltd shall each subscribe for EUR 1 million, and SETT shall subscribe for EUR 2 million, in an initial subscription of EUR 4 million in aggregate. The Company expects the initial subscription to take place in July 2026.



- Subsequent subscriptions: Substrate AI may request drawdowns on a monthly basis during the 24-month commitment period. For each subsequent subscription, each Investor may, but is not obligated to, subscribe for up to EUR 1 million, whereby SETT may match the subscribed amounts. Each investor also has a unilateral right to request up to three subsequent subscriptions independently without any prior drawdown notice from Substrate AI.
- Maturity: the bonds mature on the three-year anniversary of the Issuance Agreement, regardless of the date of subscription of each individual bond.
- Conversion price: the higher of (i) 80 percent of the volume weighted average price observed during the 30 consecutive trading days immediately preceding the conversion date, and (ii) the nominal value of the class A shares.
- Mandatory conversion: bonds that have not been redeemed or converted prior to the maturity date will mandatorily convert into class A shares in Substrate AI, provided that no event of default is outstanding.
- Interest: 7 percent per annum, accruing from each subscription date, payable in cash or in-kind by way of issuance of class A shares at the corresponding conversion price, at the sole discretion of Substrate AI.
- Conditions precedent: no material adverse change or event of default has occurred, the shares remain listed and freely tradable on BME Growth, no applicable authority has objected to the issuance, subscription or conversion of the bonds. Each investor has a discretionary right to waive any condition precedent with respect to its own subscription.
- Events of default: include, among other things, a material adverse change (which includes a change on the business that would cause a decline in the share price by more than 50 percent compared to the daily VWAP on the first trading day following the initial issuance), a change of control, delisting from BME Growth, and a final judgment against Substrate AI for payment exceeding EUR 5 million.
- Event of default redemption: upon an event of default, each investor may elect cash redemption at 120 percent of the principal amount of outstanding bonds.
- Public ownership cap: the investments made by SETT may not result in public ownership, directly or indirectly, exceeding 49 percent of the total share capital of Substrate AI.
- SETT put option: SETT has a unilateral right to sell all shares held by it as a result of the investment back to Substrate AI for an aggregate purchase price of EUR 1.

**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](mailto:adviser@eminova.se)

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