

Subgen AI AB

Issue of ordinary shares in
Subgen AI AB as part of the voluntary
public offer to the shareholders of
Substrate Artificial Inteligece, S.A.

This EU growth prospectus was approved by the Swedish Financial Supervisory Authority (Sw. Finansinspektionen) on 4 March 2026. Provided that this prospectus is supplemented, where necessary, by a supplement in accordance with Article 23 of Regulation (EU) 2017/1129 of the European Parliament and of the Council, this prospectus is, in accordance with Article 12(1) of the same Regulation, valid for up to 12 months after the date of its approval. The obligation to publish a supplement to the prospectus in the event of significant new factors, material mistakes or material inaccuracies will not apply once the prospectus is no longer valid.

Eminova Partners
corporate finance



IMPORTANT INFORMATION

The **"Prospectus"** refers to this EU growth prospectus. The Prospectus has been prepared by Subgen AI AB (the **"Company"** or **"Subgen AI"**, and together with its subsidiaries, the **"Group"**), a Swedish public limited liability company incorporated and existing under the laws of Sweden, with its ordinary shares admitted to trading on Nasdaq First North Growth Market, a registered SME Growth Market, operated by an exchange within the Nasdaq group of companies, solely for use in connection with the Company's voluntary public offer to the shareholders of its controlled Spanish subsidiary Substrate Artificial Intelligence S.A. (**"Substrate AI"**) to acquire up to 162,426,300 A shares (admitted to trading on BME Growth segment of BME MTF Equity in Spain), whereby the purchase price for accepted shares is to be paid through a directed issue of ordinary shares in the Company (the **"Consideration Shares"**) to the shareholders of Substrate AI with payment in kind (the **"Offer"**). This Prospectus has been prepared solely for use in connection with the Offer. For the purposes of this Prospectus, the term **"Pre-RTO Company"** refers to the Company and its operations prior to the completion of the reverse takeover on 6 November 2025, while **"Post-RTO Company"** refers to the Company and its operations following the transaction and the associated integration of the acquired business and the spin-off of the Company's previous operations. These terms aim to describe the same entity at different points in time, reflecting the material differences in its operations before and after the completion of the transaction.

The Company has engaged Eminova Partners Corporate Finance AB (**"Eminova Partners"**) as financial advisor and Banco Sabadell S.A. (**"Banco Sabadell"**) as agent and coordinator in connection with the Offer. Moll Wendén Advokatbyrå AB (**"Moll Wendén"**) acts as legal advisor as to Swedish law and Vera Abogados Asociados S.A. (**"Vera Abogados"**) acts as legal advisor as to Spanish law to the Company in connection with the Offer. Eminova Fondkommission AB (**"Eminova Fondkommission"**) acts as the issue agent in the Swedish market in connection with the issue of Consideration Shares.

This Prospectus has been prepared to comply with Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market (the **"EU Prospectus Regulation"**). This Prospectus has been prepared solely in the English language. This Prospectus has been approved by the Financial Supervisory Authority of Sweden (Sw. Finansinspektionen) (the **"Swedish FSA"**), as competent authority under the EU Prospectus Regulation. The Swedish FSA only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the EU Prospectus Regulation, and such approval should not be considered as an endorsement of the issuer or the quality of the securities that are the subject of this Prospectus. Investors should make their own assessment as to the suitability of investing in the securities. Further, this Prospectus will be passported to Spain.

Investing in the Company's ordinary shares, or other securities in the Company including the traded warrants of series TO 5 and TO 6, involves a high degree of risk. Prospective investors should read the entire Prospectus and in particular consider the section **"Risk factors"** before participating in the Offer. In making an investment decision, prospective investors must rely on their own examination, and analysis of, and enquiry into the Group and the terms of the Offer and the related issue Consideration Shares, including the merits and risks involved. Neither the Company, the advisors, any of their respective affiliates, representatives, advisers or selling agents, are making any representation to any offeree or participant regarding the legality or suitability of an investment in the ordinary shares. Each reader of this Prospectus should consult with his or her own advisers as to the legal, tax, business, financial and related aspects of participating in the Offer.

The information contained herein is current as at the date of this Prospectus and is subject to change, completion and amendment without notice. In accordance with Article 23 of the EU Prospectus Regulation, significant new factors, material mistakes or material inaccuracies relating to the information included in this Prospectus, which may affect the assessment of the ordinary shares and which arises or is noted between the time when the Prospectus is approved by the Swedish FSA and the expiry of the acceptance period, will be mentioned in a supplement to this Prospectus without undue delay. Neither the publication nor distribution of this Prospectus, nor the sale of any ordinary share, shall under any circumstances imply that there has been no change in the Group's affairs or that the information herein is correct as of any date subsequent to the date of this Prospectus.

This Prospectus does not constitute an offer or solicitation to buy or subscribe for securities in the United States. The securities mentioned herein may not be sold in the United States without registration, or without an exemption from registration, under the U.S. Securities Act from 1933 (**"Securities Act"**) and may not be offered or sold within the United States without being registered, covered by an exemption from, or part of a transaction that is not subject to the registration requirements according to the Securities Act. There is no intention to register any securities mentioned herein in the United States or to issue a public offering of such securities in the United States. The distribution of this Prospectus and participation in the Offer and the related issue of Consideration Shares may in certain jurisdictions be restricted by law. This Prospectus does not constitute an offer of, or an invitation to purchase, any of the shares or subscription rights in Australia, Belarus, Hong Kong, Japan, Canada, New Zealand, Russia, Switzerland, Singapore, South Africa, South Korea, the United States of America or in any other jurisdiction in which such offer or sale would be unlawful. No one has taken any action that would permit a public offering of the ordinary shares to occur outside of Spain or Sweden. Accordingly, neither this Prospectus nor any advertisement or any other offering material may be distributed or published in any jurisdiction except as permitted by applicable laws and regulations. Persons in possession of this Prospectus are required to inform themselves about, and to observe, any such restrictions. In addition, the ordinary shares are subject to restrictions on transferability and resale in certain jurisdictions and may not be transferred or resold except as permitted under applicable securities laws and regulations. Investors should be aware that they may be required to bear the financial risks of this investment for an indefinite period of time. Any failure to comply with these restrictions may constitute a violation of applicable securities laws.

NASDAQ FIRST NORTH GROWTH MARKET

Nasdaq First North Growth Market is a registered SME growth market, in accordance with the Directive on Markets in Financial Instruments (EU 2014/65) as implemented in the national legislation of Denmark, Finland, Iceland and Sweden, operated by an exchange within the Nasdaq group. Issuers on Nasdaq First North Growth Market are not subject to all the same rules as issuers on a regulated main market, as defined in EU legislation (as implemented in national law). Instead, they are subject to a less extensive set of rules and regulations adjusted to small growth companies. The risk in investing in an issuer on Nasdaq First North Growth Market may therefore be higher than investing in an issuer on the main market. All issuers with shares admitted to trading on Nasdaq First North Growth Market have a Certified Adviser who monitors that the rules are followed. The respective Nasdaq exchange approves the application for admission to trading.

Eminova Fondkommission is the Company's Certified Adviser.

INDUSTRY AND MARKET INFORMATION

Industry publications or reports usually state that information reproduced therein has been obtained from sources deemed reliable, but that the accuracy and completeness of such information cannot be guaranteed. The Company has not verified the information, and therefore cannot guarantee the accuracy, of the industry and market information reproduced in the Prospectus which has been taken from or derived from industry publications or reports. Such information is based on market research, which by its nature is based on selection and subjective assessments, including assessments of the type of products and transactions that should be included in the relevant market, both by those conducting the research and those consulted. The Prospectus also contains estimates of market data and information derived therefrom which cannot be obtained from publications of market research institutions or any other independent sources. Such information has been produced by the Company based on third party sources and the Company's own internal estimates. In many cases, there is no publicly available information and such market data from, for example, industry organizations, authorities or other organizations and institutions. The Company believes that its estimates of market data and information derived therefrom are useful to give investors a better understanding of both the industry in which the Company operates and the Company's position in the industry. Information from third parties has been reproduced correctly and, as far as the Company is aware and can ascertain from such information, no facts have been omitted that would make the reproduced information incorrect or misleading.

FINANCIAL INFORMATION

Certain financial information and percentages included in the Prospectus have been rounded. As a result, the values displayed as totals in some tables do not always have the exact summaries of the actual values.

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DOCUMENTS INCORPORATED BY REFERENCE

Investors should take note of all the information incorporated in the Prospectus by reference and the information, to which reference is made, should be read as part of the Prospectus. The information listed below shall be deemed to be incorporated into the Prospectus by reference.

Copies of the Prospectus and the documents that include the information incorporated by reference can be obtained from Subgen AI electronically through the Company's website, <https://subgen.ai/>, or received from the Company in paper format at the Company's head office at the address: Scheelevägen 27, 223 63 Lund, Sweden.

Please note that the information on the Company's website, or other websites to which reference is made, is not included in the Prospectus unless this information is incorporated into the Prospectus by reference. The information on the Company's website, or other websites referred to in the Prospectus, has not been reviewed or approved by the Swedish FSA.

INCORPORATED BY REFERENCE

Financial reports pertaining to the Pre-RTO Company's operations (the Company, previously Magnasense AB)

- The Pre-RTO Company's audited financial report with financial statements (consolidated income statement p. 21, consolidated balance sheet p. 22, consolidated statement of changes in equity p. 23, and consolidated cash flow statement p. 24) for the financial year ended 31 December 2024, including notes to the financial statements (p. 29-50) and the auditor's report (p. 51-54).¹
- The Pre-RTO Company's audited financial report with financial statements (consolidated income statement p. 24, consolidated balance sheet p. 25, consolidated statement of changes in equity p. 26, and consolidated cash flow statement p. 27) for the financial year ended 31 December 2023, including notes to the financial statements (p. 32-50) and the auditor's report (p. 52-54).²
- The Pre-RTO Company's interim report for the period January 1 – 30 June 2025 with financial statements (consolidated income statement p. 9, consolidated balance sheet p. 10, consolidated cash flow statement p. 11, and consolidated statement of changes in equity p. 12), including notes to the financial statements (p. 17-21).³

Financial reports pertaining to the Post-RTO Company's operations (Subgen AI Limited, wholly owned subsidiary of the Company following the reverse takeover)

- Subgen AI Limited's audited financial report with financial statements (consolidated income statement p. 8, consolidated balance sheet p. 6-7, consolidated statement of changes in equity p. 10, and consolidated cash flow statement p. 11) for the financial year ended 31 December 2024, including the auditor's report (p. 1-4) and notes to the financial statements (p. 12-91).⁴
- Subgen AI Limited's interim report for the period January 1 – 30 June 2025 with financial statements (consolidated income statement p. 4, consolidated balance sheet p. 2-3 and consolidated cash flow statement p. 6), including notes to the financial statements (p. 7-12).⁵

¹ Magnasense AB's annual report for the financial year 2024: https://subgen.ai/wp-content/uploads/2025/11/magnasense_annual_report_2024.pdf.

² Magnasense AB's annual report for the financial year 2023: https://subgen.ai/wp-content/uploads/2025/11/magnasense_annual_report_2023.pdf.

³ Magnasense AB's interim report for the period January 1 – 30 June 2025: https://subgen.ai/wp-content/uploads/2025/11/magnasense_half-year_report_2025.pdf.

⁴ Subgen AI Limited's annual report for the financial year 2024: https://subgen.ai/wp-content/uploads/2025/11/subgen_annual_report_2024.pdf.

⁵ Subgen AI Limited's interim report for the period January 1 – 30 June 2025: https://subgen.ai/wp-content/uploads/2025/11/subgen_half-year_report_2025.pdf.



SUMMARY

INTRODUCTION AND WARNINGS

1.1	Name and ISIN code of the securities	The Offer comprises ordinary shares in the Company with ISIN code SE0026820854.
1.2	Name and contact information for the issuer	Name: Subgen AI AB Corporate registration number: 559222-2953 Registered address: Scheelevägen 27, 223 63 Lund, Sweden Telephone: +34680692738 Email: info@subgen.ai Website: https://subgen.ai/ LEI code: 549300MWGS283WZLY10
1.3	Name and contact details of the competent authority that has approved the Prospectus	The competent authority that has approved the Prospectus is the Swedish Financial Supervisory Authority (Sw. Finansinspektionen), Box 7821, SE-103 97 Stockholm, telephone +46 8 408 980 00, www.fi.se .
1.4	Date of approval of the Prospectus	The Swedish Financial Supervisory Authority (Sw. Finansinspektionen) approved this Prospectus on 4 March 2026.
1.5	Warnings	This summary should be read as an introduction to the Prospectus. Any decision to invest in the securities should be based on a consideration of the Prospectus as a whole by the investor. Investors can lose all or parts of their invested capital. If a claim related to the information in this Prospectus is brought before a court of law, the investor who is plaintiff under national legislation may be obliged to pay the cost of translating the Prospectus before the legal proceedings commence. Liability under civil law covers only those persons who have issued the summary, including translations of it, but only if the summary is misleading, incorrect, or inconsistent with the other parts of the Prospectus or if the summary, taken together with other parts of the Prospectus, does not provide key information in order to aid investors when considering whether to invest in such securities.

KEY INFORMATION ABOUT THE ISSUER

2.1	General information about the issuer	<p>Subgen AI AB, corporate registration number 559222-2953, is a Swedish public limited liability company registered in Sweden on 14 October 2019. Subgen AI conducts its operations under Swedish law and is governed by the Swedish Companies Act (2005:551). The Board of Directors has its registered office in the municipality of Stockholm.</p> <p>Subgen AI shall develop infrastructure and proprietary agent-centric AI-as-a-Service solutions, branded as Serenity Star, enabling secure, scalable and efficient adoption of artificial intelligence across organizations. The solutions may be deployed on various platforms and integrated into systems used within sectors such as healthcare, energy, legal services and human resources. The Company may develop additional technologies and will engage in investment, consulting and development activities, as well as other activities in relevant markets. Subgen AI operates across Europe, Latin America and the United States.</p> <p>The Company's CEO is Lorenzo Serratos.</p> <p>The table below shows the Company's major shareholders (holding > 5 percent of the number of shares and/or votes), as per 31 December 2025, including any known subsequent changes up to and including the date of the Prospectus. As far as the Company is aware, there is no direct or indirect ownership that can lead to a change in control of the Company.</p> <table border="1"> <thead> <tr> <th>Shareholders</th> <th>Class A shares</th> <th>Ordinary shares</th> <th>Capital, %</th> <th>Votes, %</th> </tr> </thead> <tbody> <tr> <td>Subgen AI Foundation¹⁾</td> <td>396.437.172</td> <td>-</td> <td>38.9</td> <td>72.0</td> </tr> <tr> <td>Substrate Artificial Intelligence, SA.</td> <td>-</td> <td>132.222.822</td> <td>13.0</td> <td>2.4</td> </tr> <tr> <td>JMSAN Agentes Financieros Globales²⁾</td> <td>102.550.434</td> <td>-</td> <td>10.1</td> <td>18.6</td> </tr> </tbody> </table>	Shareholders	Class A shares	Ordinary shares	Capital, %	Votes, %	Subgen AI Foundation ¹⁾	396.437.172	-	38.9	72.0	Substrate Artificial Intelligence, SA.	-	132.222.822	13.0	2.4	JMSAN Agentes Financieros Globales ²⁾	102.550.434	-	10.1	18.6
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Cash flow from investing activities	-	-8,720	-15,548	-5,538																																																																																																												
Cash flow from financing activities	4,448	10,292	15,801	45,269																																																																																																												
2.3	Key risks that are specific to the issuer	<p>Key risks</p> <p>This section provides a brief description of the most material risk factors specific to the Company.</p> <p>Macroeconomic factors impact on the Company</p> <p>The Company is dependent on there being demand for its products. A less favourable development in macroeconomic factors such as inflation, currency exchange rates, consumer spending and savings, interest rates etc. can have a negative impact on the Company's business. Businesses' willingness to invest in AI solutions may decrease during economic downturns as businesses reduce discretionary technology spending and delay software implementations. The Company's international operations further expose it to foreign exchange risks that could materially impact financial results when revenues and costs are incurred in different currencies. A reduced demand for AI solutions could lead to adverse effects on the Company's earnings.</p> <p>Market competition and customer acceptance</p>																																																																																																														



		<p>The Company faces intense competition and its ability to compete depends on continued market acceptance, and the development of the market for enterprise AI solutions. In case the market does not grow as expected the Company may lose market share to competitors with greater resources, established customer bases, and broader product portfolios. The Company's revenue growth is dependent on attracting new customers and retaining existing customers who renew and expand their subscriptions.</p> <p>Key persons and employees</p> <p>The Company's success depends on retaining key members of its senior management team, including its CEO, whose experience and knowledge are vital for successful business development. The Company faces competition for qualified personnel within all functions e.g. data science, engineering, and sales. The Company's ability to attract and retain qualified personnel while maintaining company culture is critical for success. Failure in these areas could prevent successful strategy implementation.</p> <p>Strategic partnerships</p> <p>The Company's revenue growth depends partly on successful strategic relationships with third parties, including channel and sales partners. If these relationships are not established and maintained the Company's business may be adversely affected.</p> <p>Cybersecurity and data breaches</p> <p>The Company relies on third-party service providers for hosting and delivery, where interruptions could impair products and harm business. Failure to comply with privacy, data protection, and AI regulations could result in significant liabilities. Security breaches and unauthorized access to data could result in litigation, regulatory enforcement, significant liabilities and reputational harm.</p> <p>Intellectual property</p> <p>The Company may become party to intellectual property rights claims and litigation matters that could result in significant legal costs and potential damages. Failure to protect proprietary information and intellectual property rights could diminish the Company's brand value and competitive position.</p> <p>Share lending</p> <p>The Company's previous subsidiary Subgen AI Limited has entered into two similar share lending agreements regarding the shares in Substrate Artificial Intelligence, S.A. Should the borrower become insolvent, or fail to redeliver equivalent shares, Subgen AI Limited will risk not receiving all or any equivalent shares.</p>
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KEY INFORMATION ABOUT THE SECURITIES

<p>3.1</p>	<p>Information about the securities, rights associated with the securities and dividend policy</p>	<p>The Company has two share classes, class A shares and ordinary shares. The shares in Subgen AI have been issued in accordance with the Swedish Companies Act (2005:551). The rights attached to shares issued by the Company, including the rights set out in the Company's articles of association, may only be amended in accordance with the procedures prescribed by the Swedish Companies Act (2005:551). All shares are fully paid and freely transferable. The shares of the Company are denominated in Swedish kronor, and the ordinary share to which the present Offer relates carries ISIN code SE0026820854.</p> <p>Before the Offer, the Company's share capital amounts to SEK 2,648,728,375,293, divided into 1,018,437,369 shares, of which 498,987,606 are class A shares and 519,449,763 are ordinary shares. Each share has a quota value of approximately SEK 0.002601. The securities offered in the present Offer are the Company's ordinary shares. Each class A share entitles the holder to ten (10) votes per share, and each ordinary share entitles the holder to one (1) vote per share. If the Company issues new shares, warrants or convertible instruments, the shareholders of the Company generally have preferential subscription rights pursuant to the Swedish Companies Act (2005:551).</p> <p>All shares in the Company carry equal rights to the Company's assets and profits in the event of dividends, redemption and liquidation. In the event of insolvency, shareholders have the lowest priority, meaning that the Company's creditors and other stakeholders have precedence in the distribution of any assets. Decisions on dividends are made by the general meeting. The right to receive a dividend vests in the person registered as a shareholder in the share register maintained by Euroclear Sweden AB ("Euroclear") on the record date resolved by the general meeting. Dividends are administered by Euroclear and are normally paid to shareholders in cash but may also be distributed in kind. Dividends may only be paid in an amount that, after the payment of the dividend, leaves full coverage for the Company's restricted equity and only if the dividend is deemed justifiable considering the Company's financial position and capital requirements.</p> <p>The size of any future dividends payable to shareholders of the Company will depend on a number of factors, including earnings, financial position, cash flow and working capital needs. Dividends may only be paid once long-term profitability can be anticipated. No dividend is expected to be paid during the coming year; instead, available funds will be used to support continued expansion. The Company has not adopted a dividend policy.</p>
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3.2	Marketplace for the securities	The Company's ordinary shares are admitted to trading on Nasdaq First North Growth Market. Any ordinary shares issued in connection with the Offer are intended to be admitted to trading on Nasdaq First North Growth Market upon registration of the Consideration Shares with the Swedish Companies Registration Office (Sw. Bolagsverket).
3.3	Guarantees attached to the securities	The securities are not covered by any guarantees.
3.4	Key risks that are specific to the securities	<p>Key risks</p> <p>This section provides a brief description of the most material risk factors specific to the securities.</p> <p>Shareholders with significant influence</p> <p>A limited number of shareholders own a significant proportion of outstanding shares and votes in the Company. These shareholders will also hold significant shares in the Company after the Offer. Consequently, these shareholders can exercise significant influence on matters subject to the approval of the shareholders of the Company. The interests of these shareholders may completely or partially differ from the interest of other shareholders.</p> <p>New issue of shares and dilution</p> <p>Although existing shareholders have certain preferential rights in share issues according to Swedish law, such issues may be conducted with deviation from existing shareholders' preferential rights, which may lead to dilution of existing shareholders' proportional ownership and voting rights.</p>

KEY INFORMATION ABOUT THE OFFER

4.1	Investment terms and timetable	<p>The Offer comprises up to 974,557,800 ordinary shares in Subgen AI to the shareholders of the Company's controlled subsidiary, Substrate AI, as consideration for up to 162,426,300 A shares in Substrate AI. Substrate AI's A shares and B shares are admitted to trading on BME Growth segment of BME MTF Equity in Spain.</p> <p>The acceptance period for participation in the Offer runs for a period of 22 calendar days, commencing on the second trading day following the date on which the Swedish FSA approves the Prospectus, i.e. from 6 March 2026 up to and including 27 March 2026.</p> <p>Payment in the Company's directed issue shall be made through contribution in kind of A shares in Substrate AI in connection with the allocation of ordinary shares under the Offer. The Offer entails that the shareholders of Substrate AI are offered six (6) ordinary shares in Subgen AI for each (1) A share in Substrate AI. Based on the closing price of Subgen AI's ordinary shares on Nasdaq First North Growth Market on 3 March 2026 of SEK 0.3140, and the EUR/SEK exchange rate of SEK 10.7265 per EUR as published by the Riksbank on 3 March 2026, the exchange ratio (6:1) implies a value of approximately EUR 0.1756 for each A share in Substrate AI to which the Offer relates. This corresponds to a premium of approximately 198.7 percent over the closing price of Substrate AI's A shares on 3 March 2026 (EUR 0.0588) and a premium of approximately 176.3 percent over the volume-weighted average price during the period from 21 January 2026 to 3 March 2026 (approximately EUR 0.0636). Any fractional entitlements will be rounded down and no cash compensation will be paid.</p> <p>The Offer is conditional upon Subgen AI obtaining acceptances representing more than approximately 5 percent of the total number of outstanding A shares in Substrate AI.</p> <p>Through the Offer, the total number of shares in Subgen AI may increase with up to 974,557,800 ordinary shares, from a total of 1,018,437,369 shares (of which 498,987,606 A shares and 519,449,763 ordinary shares) to a total of 1,992,995,169 shares (of which 498,987,606 A shares and 1,494,007,563 ordinary shares). All shares issued under the Offer will be ordinary shares. The Offer implies a maximum dilution for existing shareholders in the Company of approximately 48.9 percent of the capital and approximately 15.0 percent of the votes, calculated on the basis of the maximum number of ordinary shares that may be issued under the Offer.</p> <p>The Company's transaction costs related to the Offer are expected to amount to approximately SEK 2 million. Shareholders in Substrate AI who choose to participate in the Offer will not incur any costs.</p>
4.2	Background and rationale for the Offer and use of funds	<p>On 4 March 2026, Subgen AI announced a voluntary public offer to the shareholders of its controlled subsidiary, Substrate AI, to acquire up to 162,426,300 A shares in Substrate AI in exchange for a total consideration of 974,557,800 newly issued ordinary shares in Subgen AI. The Board of Directors of Subgen AI intends, pursuant to the authorization granted by the annual general meeting held on 30 June 2025, to resolve on a directed issue of ordinary shares with payment in kind for the purpose of delivering the consideration in connection with the completion of the Offer.</p> <p>The Company sees significant potential in Substrate AI's future revenue-generating capabilities. The primary objective is to increase Subgen AI's ownership in Substrate AI over time, reflecting</p>



	<p>the Board of Directors' view that a strengthened ownership position supports the Company's medium-term strategy to expand its AI operations and enable large-scale AI deployment across Europe. A higher degree of integration is also expected to reinforce Substrate AI's strategic positioning and improve its ability to attract and retain key talent. In order to strengthen the overall corporate structure and further increase Subgen AI's control over Substrate AI's issued capital, thereby increasing the share of Substrate AI's earnings attributable to Subgen AI's shareholders, the Board of Directors of Subgen AI is carrying out the Offer.</p> <p>The directed issue of Consideration Shares will not generate any cash proceeds, as payment will be made through contribution in kind consisting of A shares in Substrate AI. A description of the use of proceeds that Subgen AI would otherwise receive from the non-cash share issue is therefore not applicable.</p> <p>Advisers and Conflicts of Interest</p> <p>The Company has engaged Eminova Partners as financial advisor and Banco Sabadell as agent and coordinator in connection with the Offer. Moll Wendén acts as legal advisor to the Company as to Swedish law, and Vera Abogados acts as legal advisor as to Spanish law in connection with the Offer. Eminova Partners and Banco Sabadell receive a pre-agreed fee for services rendered in connection with the Offer, and Moll Wendén and Vera Abogados receive ongoing fees for their services. Other than the aforementioned parties' interest in the successful completion of the Offer, no conflicts of interest are deemed to exist between the parties that have financial or other interests in the Offer.</p> <p>Eminova Partners and Moll Wendén have assisted the Company in the preparation of this Prospectus. As all information contained in the Prospectus originates from the Company, Eminova Partners and Moll Wendén disclaim all liability and responsibility in relation to existing or future shareholders of Subgen AI and in relation to any other direct or indirect financial consequences resulting from investment or other decisions based, in whole or in part, on information contained in the Prospectus.</p>
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PERSONS RESPONSIBLE, THIRD-PARTY INFORMATION AND APPROVAL

PERSONS RESPONSIBLE

The Board of Directors of Subgen AI is responsible for the contents of the Prospectus. To the best of the Board of Directors' knowledge, the information provided in the Prospectus complies with the factual circumstances and no information has been omitted from the Prospectus that could affect its content. The Company's board composition as at the date of the Prospectus is set out below.

Name	Position
José Iván García	Chairman of the board
Leandro Harillo	Board member and CPO
Lorenzo Serratoso Gallardo	Board member and CEO
Eduardo Montes	Board member
Christopher Dembik	Board member
Fredrik Häglund	Board member

PREPARATION AND APPROVAL OF THE PROSPECTUS

The Prospectus has been approved by the Swedish FSA, which is the Swedish national competent authority, in accordance with Regulation (EU) 2017/1129. The Swedish FSA approves the Prospectus only to the extent that it meets the requirements for completeness, comprehensibility and consistency specified in Regulation (EU) 2017/1129. The approval should not be seen as any kind of support for the issuer or support for the quality of the securities referred to in the Prospectus. Each investor should make their own assessment of whether it is appropriate to participate in the Offer as outlined in the Prospectus. The Prospectus has been prepared as an EU growth prospectus in accordance with Article 15 of Regulation (EU) 2017/1129.

INFORMATION FROM THIRD PARTIES

The Company confirms that information from any third parties in the Prospectus has been reproduced correctly and that, as far as the Company is aware and can ascertain from information published by the third party concerned, no facts have been omitted that would make the reproduced information incorrect or misleading. Unless explicitly stated otherwise, statements in the Prospectus are based on the joint assessment of the Board of Directors and senior management. The third-party sources that the Company has used in the preparation of the Prospectus appear in the list of sources in the following section. Some parts of the Prospectus refer to information on websites. The information on these websites does not form part of the Prospectus, unless the information has been incorporated by reference, and has not been reviewed or approved by the Swedish FSA.

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MOTIVES, INTERESTS AND ADVISERS

BACKGROUND AND RATIONALE FOR THE OFFER

The Group, in which Subgen AI is the parent, is an enterprise artificial intelligence group dedicated to accelerating secure and sovereign generative AI adoption in large organizations and government agencies. Subgen AI's flagship offering, Serenity Star, is an AI-as-a-Service (AlaaS) platform that unifies centralized model management, agent-driven workflows and real-time performance monitoring. Serenity Star provides access to over one hundred large-language models, including both proprietary Subgen models and best-in-class third-party engines, alongside built-in security and compliance controls that satisfy the strictest regulatory regimes in finance, healthcare and government.

To support its software offering, Subgen AI holds a controlling interest in Substrate AI, representing approximately 15.0 percent of the capital and approximately 43.8 percent of the votes as of the date of the Prospectus (directly and through voting syndication agreements with a number of shareholders). Substrate AI has been listed on BME Growth in Spain since May 2022, and Subgen AI and Substrate AI also share certain members of their respective Boards of Directors. Substrate AI serves as a holding company for the group's infrastructure ventures and leads the roll-out of next-generation AI factories. The first of these is the Talavera de la Reina data center, developed with a EUR 20 million government grant and optimized for low-latency, sovereign compute. Over the next five years, the Group intends to bring a total of 50 megawatts of AI-optimized capacity into operation across Europe, ensuring clients benefit from proximity compute, predictable performance and full data sovereignty.

The Company sees significant potential in Substrate AI's future revenue-generating capabilities. The Company's primary objective with the Offer is to increase its ownership in Substrate AI, thereby achieving a higher degree of control in an entity that is considered strategic to Subgen AI's business development. Subgen AI aims to hold at least 95 percent of the capital in Substrate AI over time, reflecting the Board of Directors view that a strengthened ownership position is aligned with Subgen AI's medium-term strategy of expanding its AI operations across Europe and other regions, with Substrate AI serving as an investment platform in Spain and as a builder and operator of the AI infrastructure required for large-scale AI deployment in Europe.

The Board of Directors further believes that Subgen AI has the capabilities and resources necessary to support Substrate AI's management team and enhance its strategic positioning. A closer integration within the Subgen AI corporate structure is also expected to improve Substrate AI's ability to attract and retain key talent by becoming part of a more robust and future-oriented organisational framework.

In order to strengthen the overall corporate structure and further increase Subgen AI's control over Substrate AI's issued capital, thereby increasing the share of Substrate AI's earnings attributable to Subgen AI's shareholders, the Board of Directors of Subgen AI is carrying out the Offer.

On 4 March 2026, Subgen AI announced a voluntary public offer to the shareholders of Substrate AI to acquire up to 162,426,300 A shares in Substrate AI in exchange for a total consideration of maximum 974,557,800 newly issued ordinary shares in Subgen AI. The Board of Directors of Subgen AI intends, pursuant to the authorization granted by the annual general meeting held on 30 June 2025, to resolve on a directed issue of ordinary shares with payment in kind for the purpose of delivering the consideration in connection with the completion of the Offer.

The directed issue of Consideration Shares will not generate any cash proceeds, as payment will be made through contribution in kind consisting of A shares in Substrate AI. A description of the use of proceeds that Subgen AI would otherwise receive from the non-cash share issue is therefore not applicable.

The Company's transaction costs related to the Offer are expected to amount to approximately SEK 2 million.

ADVISERS AND CONFLICTS OF INTEREST

The Company has engaged Eminova Partners as financial advisor and Banco Sabadell as agent and coordinator in connection with the Offer. Moll Wendén acts as legal advisor to the Company as to Swedish law, and Vera Abogados acts as legal advisor as to Spanish law in connection with the Offer. Eminova Partners and Banco Sabadell receive a pre-agreed fee for services rendered in connection with the Offer, and Moll Wendén and Vera Abogados receive ongoing fees for their services.

Other than the aforementioned parties' interest in the successful completion of the Offer, no conflicts of interest are deemed to exist between the parties that have financial or other interests in the Offer.

Eminova Partners and Moll Wendén have assisted the Company in the preparation of this Prospectus. As all information contained in the Prospectus originates from the Company, Eminova Partners and Moll Wendén disclaim all liability and responsibility in relation to existing or future shareholders of Subgen AI and in relation to any other direct or indirect financial consequences resulting from investment or other decisions based, in whole or in part, on information contained in the Prospectus.

Subgen AI AB

The Board of Directors



BUSINESS OVERVIEW

GENERAL INFORMATION ABOUT THE COMPANY

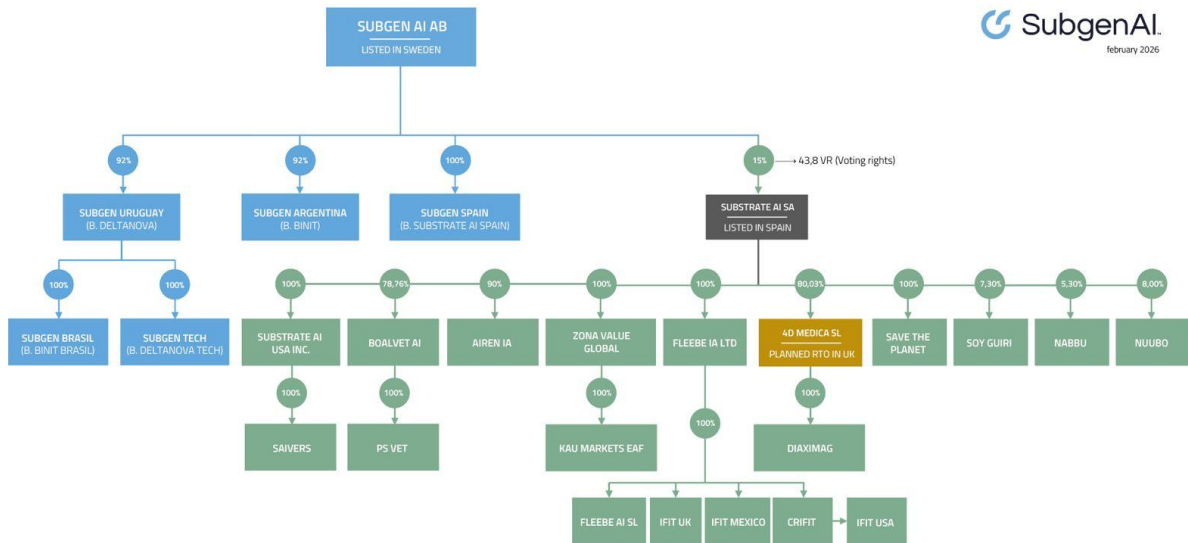
The Company's legal and commercial name is Subgen AI AB, and its corporate registration number is 559222-2953. The Company is a public limited liability company incorporated and registered in Sweden, with its registered office in Stockholm, Sweden. The Company's operations are governed by, and its shares have been issued in accordance with, the Swedish Companies Act (2005:551). Subgen AI's LEI code is 549300MWGS283WZLY110.

The Company was incorporated and founded in Sweden on 26 September 2019 and registered with the Swedish Companies Registration Office (Sw. Bolagsverket) on 14 October 2019. The current company name was registered on 20 November 2025 following a reverse takeover through which the Company's current business and structure was achieved, for more information see the section "Material agreements – Agreement regarding reverse takeover". Subgen AI shall develop infrastructure and proprietary agent-centric AI-as-a-Service solutions, branded as Serenity Star, enabling secure, scalable and efficient adoption of artificial intelligence across organizations. The solutions may be deployed on various platforms and integrated into systems used within sectors such as healthcare, energy, legal services and human resources. The Company may develop additional technologies and will engage in investment, consulting and development activities, as well as other activities in relevant markets. Subgen AI operates across Europe, Latin America and the United States.

As of the date of this Prospectus, the Company is supported by an organization of over 140 employees. Representatives of the Company can be contacted by telephone at +34 680692738, by e-mail at info@subgen.ai, or at its registered office address Scheelevägen 27, 223 63 Lund, Sweden. The Company's website is <https://subgen.ai/>. Please note that information on Subgen AI's website or on any third-party website does not form part of this Prospectus, unless such information has been incorporated by reference, as set out in the section "Documents Incorporated by Reference".

LEGAL STRUCTURE OF THE GROUP

Subgen AI AB is the parent company of the Group comprising 26 direct and indirect subsidiaries, including Subgen AI Limited, Subgen Uruguay, Subgen Argentina, Subgen Spain, Substrate AI S.A., Subgen Brasil, Subgen Tech, Substrate AI (USA Inc.), Boalvet AI, Airen IA, Zona Value Global, Fleebe IA Ltd., 4D Medica S.L., Save The Planet, Sou Guiri, Nabbu, Nuubo, Saivers, PS Vet, Kau Markets EAF, Diaximag, Fleebe AI S.L., IFIT UK, IFIT Mexico, CRIFIT and IFIT USA.





INTRODUCTION

Subgen AI is an enterprise artificial intelligence group that develops AI infrastructure and its own agent-centric AI-as-a-Service software platform. Subgen AI offers an end-to-end solution to help organizations scale and boost their use of generative AI. Subgen AI AB's previously wholly owned subsidiary, Subgen AI Limited, was founded in 2023 as the parent company of a group whose origins date back to 2017. Following an internal reorganisation after the reverse takeover, the subsidiaries previously held by Subgen AI Limited were transferred to, and are now directly held by, Subgen AI AB. As a result, Subgen AI Limited no longer held any subsidiaries at the time of this Prospectus and has since been dissolved.

Headquartered in Sweden and supported by an organization of over 140 employees, Subgen AI is expanding rapidly. The Group is building purpose designed data centers and serving enterprise clients in sectors such as healthcare, energy, legal and human resources across Europe, the United States and Latin America. The Group also has commercial offices in the U.S., France, Spain, Uruguay and Brazil, supported by a development hub and AI infrastructure in Europe, as well as an integration company in Argentina.

Today, enterprises around the world are eager to integrate generative AI (GenAI) into their operations to boost productivity and drive innovation. However, large companies and governments have difficulties adopting this technology. The main challenges hindering adoption are data security, operational transparency and reliable infrastructure.

Subgen AI's approach is tailored to remove these barriers by delivering a clear and proven software platform together with high performance infrastructure to accelerate the adoption of AI in large businesses and government agencies. At the heart of the solution is Serenity Star, the Company's

proprietary AlaaS platform, supported by specialized AI infrastructure. Serenity Star provides an intuitive interface for centralized model management, agent-driven workflows and real-time performance monitoring, empowering organizations to deploy and scale AI with confidence. The infrastructure is designed to meet enterprise grade requirements for uptime, scalability and data sovereignty. Together, the platform and infrastructure ensure full traceability and governance for every AI driven decision.

Subgen AI integrates cutting-edge AI models with built-in security features and compliance controls to help organizations overcome common deployment challenges. By leveraging over 100 large language models (LLMs) from leading providers and a comprehensive library of agent-based workflows, Serenity Star dynamically matches each workload to the optimal model and process, ensuring both high performance and precise business outcomes. Clients gain access to a growing library of pretrained and customizable models alongside a secure environment that upholds rigorous standards. This combined offering ultimately maximizes the long-term return on AI investments by reducing time to value and eliminating the need for hidden technology layers.

The most important challenge facing Subgen AI is the pace at which companies adopt artificial intelligence. If adoption is delayed, the execution of the Company's business plan may also be delayed, resulting in projections being achieved later than anticipated. Other, more limited risks include the ability to successfully manage rapid growth across multiple markets, which requires, among other things, attracting appropriate leadership and efficiently managing newly established teams.

VISION

Artificial intelligence will be everywhere, a force powering every function of modern organizations. Companies and governments will rely on dozens of AI agents, each driving value across every department, including finance, marketing, sales, corporate governance, compliance, logistics, and beyond. We believe that this shift will be as big as the software revolution of the 1980s or the rise of the internet in the 1990s. By championing trustworthy AI, rooted in security and clear principles, we strive to help shape a future where Europe leads at the heart of a new world.

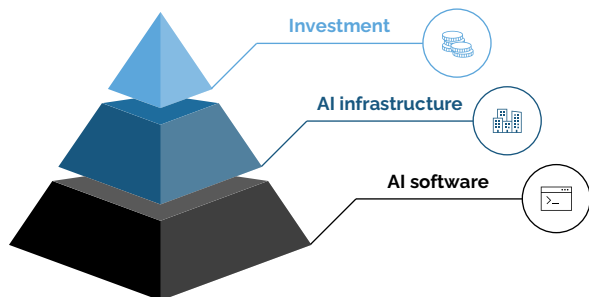
MISSION

Subgen AI empowers companies and governments around the world to lead the AI revolution, delivering everything from a cutting-edge AI platform and computing power to expert AI teams, training, and ongoing support. Our mission is to guide organizations through this transformation while upholding core EU principles like data security, human oversight and ethical performance.



BUSINESS MODEL

Subgen AI aims to boost businesses through AI by providing an end-to-end, secure AI ecosystem comprising proprietary software platforms and dedicated infrastructure. The Company operates a hybrid business model with three primary pillars: (1) an AI-as-a-Service software platform (Serenity Star) for enterprise Generative AI applications, (2) AI infrastructure services (Substrate Cloud and data centers) for high-performance computing, and (3) acquiring and transforming companies with its own technology.



Subgen AI generates revenue from software subscriptions and licensing, AI solution implementation services, and infrastructure capacity sales such as Graphics Processing Units (GPU) cloud services and future data center colocation. The Company engages in a form of venture-building and has invested in or acquired multiple technology companies where its AI solutions can add value, thereby creating synergistic business units under the Group. This integrated approach allows Subgen AI to capture value across the entire AI value chain, from AI software development and deployment to consulting/integration projects, to cloud infrastructure provisioning.

In addition to software subscriptions, licensing fees and infrastructure capacity sales, Subgen AI structures its implementation services to drive predictable, recurring revenue. Engagements begin with proof-of-concept pilots which, once validated, convert into full-scale Serenity Star subscriptions and long-term infrastructure contracts. This pilot-to-deployment model not only accelerates customer onboarding but also increases contract visibility and retention, reinforcing the Group's integrated AI-software and infrastructure ecosystem.

Subgen AI also generates revenues through its transformed subsidiaries. The most important ones in healthcare and HR sectors.

STRENGTHS AND COMPETITIVE ADVANTAGES

Subgen AI has developed several strengths that give it a competitive edge in the fast-growing AI industry. Fundamentally, the Company addresses the key challenges that large organizations face in adopting AI, namely cost, data security, regulatory compliance, and technical integration. Through an integrated software and infrastructure solution, Subgen AI eliminates the need for multiple vendors, thus offering a smoother and more secure AI deployment.

Efficiency gains and client value

Adopting generative AI within organizations can be expensive and time-consuming, especially if a company must invest in scarce and costly hardware or hire large technical teams. Subgen AI's approach aims to reduce this barrier through its AI-as-a-Service model, turning what could be a high upfront cost into a more manageable operational expense. The Serenity Star platform further incorporates intelligent cost-management features, such as automatically choosing the most efficient AI model for each task to mitigate computing expenses.

Increased need for security and compliance

Subgen AI's offering is built around data security and regulatory compliance, both critical for large corporations and governments. Serenity Star was designed with enterprise-grade safeguards, including advanced governance tools that automatically detect and mask confidential information, as well as detailed audit trails of AI interactions that enforce organizational policies. Subgen AI's compliance module allows companies to configure custom rules aligned with industry regulations and monitor AI activities in real time. This built-in compliance framework aims to support transparency and control, giving cautious clients the confidence to deploy generative AI at scale while meeting strict security requirements.

Geographical width

The Group operates globally, with its main office in Sweden and commercial offices in the United States, France, Spain, Uruguay and Brazil, supported by a development hub and AI infrastructure in Europe, and an integration unit in Argentina. This multi-continent presence provides local expertise in regulations, languages and industry practices, enabling rapid engagement with enterprise and public-sector clients. Subgen AI delivers proof-of-concepts in local time zones and adapts solutions to jurisdiction-specific compliance. This structure is intended to create the agility needed to scale operations quickly, as it allows Subgen AI to mobilize expert teams for new deployments, integrate client feedback in real time and maintain high service levels as demand grows.

Local infrastructure

The global surge in AI workloads has strained existing hyperscale data center capacity, while regulators increasingly require sensitive data to remain within national or regional borders. Subgen AI seeks to address these challenges through local and regional AI-optimized facilities that deliver low-latency access, comply with data-sovereignty laws, and mitigate cross-border data transfer risks. By situating data centers in key jurisdictions, Subgen AI provides infrastructure that aligns with local regulations and performance expectations. As demand for generative AI continues to grow, Subgen AI's regional build-out positions the Company to deliver secure, high-performance infrastructure where and when clients need it.

Technological flexibility and position within the AI ecosystem

Subgen AI's open platform connects seamlessly to hundreds of leading language models from providers such as OpenAI, Anthropic and Google, as well as client owned models. This model-agnostic design prevents vendor lock-in and ensures access to the latest advances in the AI space. In addition to models, Serenity Star offers a library of pre-built agents, domain-specific co-pilots and plug-and-play integrations for common enterprise applications. Its modular architecture orchestrates complex multi-agent workflows and external tools into tailored solutions across industries. This flexibility empowers organizations to assemble and scale AI capabilities without the need for additional development.

Experienced team and talent retention

Subgen AI's executive management team brings proven expertise in scaling GPU-based cloud services, engineering, high-performance data center platforms and driving global technology sales. Management is supported by a board and advisory group with backgrounds in AI research, venture financing and compliance in regulated sectors. Their collective insight guide Subgen AI's strategic direction to reflect the requirements of large enterprises and government agencies.

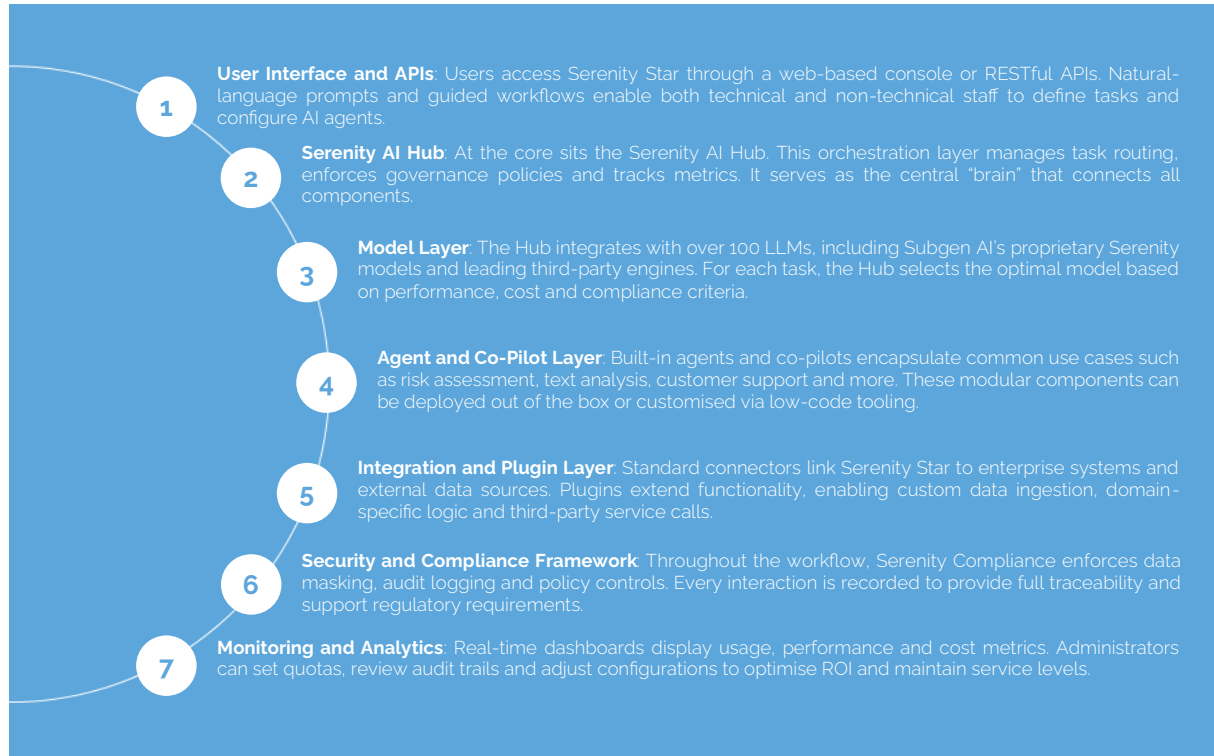
The Group's global presence also provides access to diverse talent pools and supports employee engagement and



SERENITY STAR

Serenity Star is Subgen AI's flagship Multi-Agent System (MAS) platform, enabling enterprises to design, deploy and govern cooperating AI agents while providing an integrated sovereign-cloud stack, granular cost control and EU-compliant governance. At its core, Serenity Star is an agent-centric platform that allows users to create, deploy, and manage AI-powered "agents" and co-pilot applications through an intuitive interface.

With Serenity Star, Subgen AI delivers a one-stop GenAI solution that accelerates digital transformation while mitigating the typical risks of AI deployment. The platform reduces implementation times from months to days through rapid prototyping tools, empowers both technical and non-technical users to collaborate in AI projects, and provides the oversight required for long-term sustainability of AI initiatives.



INFRASTRUCTURE

Recognizing that advanced AI software requires strong computing power, Subgen AI complements its AI software with a strategy focused on AI infrastructure development through its controlled subsidiary Substrate AI. Under the brand Substrate Cloud, the company is building "Sovereign AI" infrastructure in Europe by offering GPU-as-a-Service cloud computing and investing in proprietary data centers, referred to as "AI factories", to support both Subgen AI's clients and the broader market's need for AI computation.

GPU cloud services

Substrate Cloud was launched in November 2025 and will provide on-demand GPU compute to startups, enterprises, and public institutions. Targeting organizations that require NVIDIA hardware for AI model training and inference but also seeks local/EU-based providers for security and compliance, Substrate Cloud aims to address the rising demand for AI compute while ensuring data sovereignty. Subgen AI plans to position itself as a European alternative to U.S. hyperscalers, focusing on processing data within national jurisdictions to help reduce the risks of uncontrolled data dissemination. The initiative is supported by partnerships with global tech companies, including Lenovo, Dell or NVIDIA, and stakeholders like Acciona, alongside a growing network of resellers and integrators across Europe and the U.S.

50 MW data center build-out

In parallel with the roll-out of Substrate Cloud, Subgen AI will undertake a development project to construct up to 50 MW

of AI data center capacity in Spain, starting with a 5 MW facility in Talavera de la Reina, Castilla-La Mancha. Designed for high-density GPU computing and sustainability, these next-generation facilities will provide colocation and sovereign on-premise solutions for clients requiring secure, dedicated AI infrastructure. By 2024, the Group had already secured long-term contracts with companies seeking such sovereign hosting for their AI workloads. Energy and grid availability are central to the plan, and with congestion restricting growth in Europe's main data hubs (FLAP-D), Subgen AI plans to capitalize on available capacity in European regions such as Castilla-La Mancha.

Integrated cloud-software offering

By combining infrastructure through Substrate Cloud with software through Serenity Star, Subgen AI delivers an end-to-end solution that allows clients to scale AI applications on a secure cloud with defined data residency while leveraging Subgen AI's AI software tools. This integrated model is a strategic differentiator, as clients adopting Serenity Star can choose to run it on Substrate Cloud or in Subgen AI's data centers, ensuring data remains on controlled European soil while gaining optimized performance from custom-tuned hardware. Subgen AI's own LLM initiatives, such as the Serenity Compliance 7B model, deploy directly on this infrastructure to provide on-premise large-model capabilities.



INVESTMENT STRATEGY

When investing in other companies, Subgen AI focuses on businesses with over EUR 1 million in annual revenue and profitable at the EBITDA level. Companies must demonstrate a well-defined product or service offering, a strong client base, and capable, forward-thinking management teams. These criteria are essential, not only as indicators of a healthy, scalable business, as they provide the ideal foundation for meaningful AI integration.

Subgen AI's approach is not to invest passively, but to actively apply its deep AI expertise to enhance the core business of each portfolio company. By embedding AI technologies into existing operations, Subgen AI helps companies increase profitability, streamline processes, and generate actionable insights from their data. More importantly, the Group works to develop entirely new products and services, tailored to the needs of the company's existing customer base, leveraging AI as a value-creation engine rather than just a tool.

This strategy has been successfully applied in sectors such as healthcare, energy, agritech, fintech, and HR, where the combination of domain-specific knowledge, quality data, and operational complexity creates ideal conditions for AI-driven transformation.

To expand this model and involve other capital partners, Subgen AI is creating a dedicated venture fund. This fund will allow strategic investors to participate alongside the Group in a focused portfolio of AI-transformed businesses, each one selected and supported based on Subgen AI's proven framework for value creation through artificial intelligence.

STRATEGY

Artificial intelligence is reshaping every industry, and Subgen AI aims to help lead this transformation by executing a focused growth strategy built on infrastructure expansion, continuous platform innovation through strategic collaborations and accelerated market penetration, leveraging both organic growth and strategic acquisitions.

The Company is accelerating its data center build-out to secure a scalable, compliant infrastructure backbone for its offerings. Over the next five years, Subgen AI plans to develop a total of 50 MW of data center capacity. The first phase is underway with a flagship next-generation AI data center project in Talavera de la Reina, Spain, supported by a EUR 20 million government grant. This facility will deliver 5 MW of AI-optimized capacity, fully expandable to 10 MW and serving as a template for future sites in Spain and beyond. Owning this capacity ensures predictable service levels, data-sovereignty controls and performance guarantees for Serenity Star clients.

Continuous platform innovation is driven by Subgen AI's in-house research and development organization and by strategic partnerships. The R&D team, led by CTO Bren Worth, has produced a portfolio of more than 15 AI-related patent cases underpinning its technology. Innovations such as a compliance-focused large language model, launched in 2024, keep the Company's platform on the cutting edge, attracting enterprise customers seeking the latest AI capabilities.

Subgen AI has partnered with NVIDIA to integrate NVIDIA AI Enterprise software and the latest NVIDIA GPUs into its Substrate Cloud infrastructure, ensuring certified, secure middleware and high-performance compute for enterprise workloads. On the partnership front, Subgen AI has forged alliances with industry specialists to accelerate its infrastructure rollout, such as working with Orbital Materials on sustainable data center design and with Kyndryl on

operations management. This strategy of leveraging expert partners supports fast scaling and rapid rollout of new high standard infrastructure, without diverting focus from core software development.

Subgen AI is executing a multi-regional go-to-market plan. In Europe, the Company is converting pilot projects in healthcare, energy, legal and human-resources into enterprise-wide deployments. In the United States, a dedicated sales team is securing proofs-of-concept with large corporations and government agencies in one of the world's most advanced AI markets. Latin America represents an adjacent growth opportunity, where localized support hubs will enable rapid customer onboarding and compliance expertise. This geographic diversification allows Subgen AI to capture market share efficiently and to tailor its offering to the needs of regulated industries.

PATENT PORTFOLIO

The Group's patent portfolio is an important asset as it protects inventions, methods, and technologies central to the company's operations. Patent protection helps prevent competitors from acting within the scope of Subgen AI's intellectual property rights and strengthens the Company's market position.

- The portfolio currently consists of **16 patent cases**, of which **4 patents have been issued** in the United States covering methods to adaptively optimize functions within reinforcement learning.
- In addition, **6 applications are pending** at various stages of examination, including methods for automation of AI model management, efficient reinforcement learning implementation, and multi-modal agent systems.
- The company also has **2 expired provisional applications**, while the remaining cases are under review or in preparation.

As of the date of this Prospectus, none of the Group's patents are considered material to the Group's operations as a whole, and no patents connected to a material product or service are set to expire within the coming 12 months.

TARGET CUSTOMERS

Subgen AI's customers are primarily large enterprises and public sector organizations that are seeking to implement generative AI. The Company's solutions are designed for environments that require high data security, compliance, and scalability.

Subgen AI's client base span sectors such as healthcare, energy, legal services and human resources. These industries deal with significant amounts of data and stand to benefit from automation through AI but also have stringent requirements around data privacy and result accuracy. For instance, a healthcare provider might use Serenity Star to deploy AI agents that assist in medical record summarization or patient triage, while an energy company could use the platform for predictive maintenance of equipment or analysing geological data, in each case with confidence that sensitive information stays in safe hands and compliance is upheld.

In terms of customer concentration, Subgen AI has a highly diversified customer base. The largest customer accounts for approximately 5.20 percent of all revenue and the 10 largest customers collectively represent about 21 percent of all revenue. A significant proportion of Subgen AI's clients are recurring customers who continue to contract products and services from the subsidiaries within the Group.



COMPETITIVE LANDSCAPE

The artificial intelligence industry is a rapidly expanding sector that has become highly competitive, with both global technology leaders and emerging companies seeking to establish their positions. The competitive landscape can broadly be divided into three areas. The first is large language model development, where companies such as OpenAI and Anthropic have been central in shaping the generative AI ecosystem and European players such as Mistral and Aleph Alpha have emerged as contributors. The sector is now moving toward domain-specific models and on-premise deployment, addressing enterprise and government requirements for security and regulatory compliance.

The second main area is agent creation and management platforms, which are becoming increasingly important as AI

solutions move toward agent centric architectures. Here, large companies such as Microsoft and Amazon are active, leveraging their existing cloud platforms, while other competitors have entered from adjacent fields such as reinforcement learning and chatbot development. Another critical segment is AI infrastructure, which forms the backbone of the market and includes both companies focusing on selling computing capacity through platforms and those who builds and manages infrastructure directly. Some of the large American companies and specialized providers, like Subgen AI, are active in both categories.

Within this environment, Subgen AI competes by offering an integrated solution that spans infrastructure, domain specific LLMs, and an agent creation platform, with a focus on European standards of security and control.

Technologies										
MaaS	✓	✓	✓	✓	✓	✓	✓	✓	✗	✗
Domain specific LLMs	✓	✗	✗	✓	✓	✓	✓	✓	✗	✗
Customizable LLM	✓	✓	✗	✓	✓	✓	✓	✓	✗	✗
Secure AI	✓	✗	✓	✓	✓	✓	✓	✓	✗	✗
Maas Platforms										
Development	✓	✓	✓	✗	✓	✓	✓	✓	✓	✓
Compliance	✓	✗	✗	✗	✗	✗	✗	✗	✗	✗
Team Productivity	✓	✓	✓	✗	✗	✗	✗	✗	✗	✗
Infrastructure										
Cloud Platform	✓	✗	✗	✗	✗	✗	✗	✓	✓	✓
AI factories	✓	✗	✗	✗	✗	✗	✗	✗	✗	✓

The table presented above reflects Subgen AI's assessment of the competitive landscape as of the date of this Prospectus, based on publicly available information and internal analysis. The overview is provided for illustrative purposes only and does not purport to be comprehensive. Certain information may be subject to interpretation, and the characteristics or positioning of competitors may differ from those presented herein.

KEY SUBSIDIARIES

Subgen AI operates through several subsidiaries, either directly or through its indirectly controlled subsidiary Substrate AI. These subsidiaries form the backbone of the Group's strategy to deploy and commercialize artificial intelligence across a range of industries. Below are introductions to some of the major subsidiaries found within the Group.

Binit

Located in Argentina, Binit is an AI integration and consulting company. It specializes in deploying Subgen AI's proprietary platform, Serenity Star, for clients who need more than just access to software or computing power but also require tailored implementation and advisory support. Binit acts as the systems integrator, helping clients design, configure, and optimize their AI environments. With a team of around 80 professionals, Binit handles projects across Latin America, Europe, and the United States. In 2024, Binit, plus the whole Subgen AI software business, accounted for approximately 30 percent of Subgen AI Limited's total revenues, and plays an important role in the commercialization of AI services in Latin America.

Substrate AI

Substrate AI is a publicly listed company on the BME Growth exchange in Spain and the Group's main operating subsidiary. It focuses on two main lines of business, with the first being selling computing power and developing AI-ready infrastructure for organizations and governments across different sectors. The second focus surrounds AI-driven investments, acquiring and transforming businesses through AI implementation, with a focus on driving operational efficiency and new revenue streams. Substrate AI contributed approximately 60 percent of the Group's total

revenues in 2024, with its two leading subsidiaries being Cuarta Dimension Medica SL and Fleebe AI. Subgen AI controls approximately 43.8 percent of the votes in Substrate AI, as well as three of five board positions, as of the date of this Prospectus. For more information, see the section "Material agreements – Share syndication agreements".

Cuarta Dimension Medica SL

Cuarta Dimensión Médica operates in the healthcare space, offering a combination of AI-powered hardware and software for diagnostic imaging and clinical management, serving both the veterinary and human health sectors. The company is pioneering the concept of smart clinics, medical centers and hospitals with AI at their core, designed to radically improve diagnostics, patient management, and operational workflows.

Fleebe AI

Fleebe AI is an end-to-end HR technology company that provides software and services to large corporations seeking to optimize workforce management. Leveraging artificial intelligence, Fleebe AI enables smarter hiring, better talent retention, and more personalized employee experiences, aligning corporate needs with individual potential.



FINANCING OF THE BUSINESS AND TRENDS

Description of how the Company's operations are intended to be financed

Subgen AI is in a growth phase with the intention of expanding its operations over the coming years while prioritising profitability. At present, no dividend is planned, and the Company intends to use its existing cash position and operational cash flows, to the extent possible, to finance its ongoing activities and strategic initiatives.

Should additional funding be required to pursue identified growth opportunities or strategic investments, such financing is expected to be obtained through equity in the form of share issues, debt, convertible instruments or other forms of risk capital. The Board of Directors continuously evaluates the Company's capital structure to ensure that it remains appropriate in relation to the Company's operational needs, growth ambitions and long-term financial objectives.

Significant changes in the Company's loan and financing structure since 30 June 2025 until the date of the Prospectus

In November 2025, the Company (formerly Magnasense AB) completed a reverse takeover of Subgen AI Limited, as a result of which Subgen AI Limited became a wholly owned subsidiary of the Company. In connection with the transaction, the Company's (formerly Magnasense AB) previous operations were spun off and the Company thereafter became the parent company of the Group. In connection therewith, the lender Atlas Special Opportunities, LLC ("**Atlas**") agreed to set off all of its outstanding debt and other claims against the parent company Subgen AI AB through a directed issue of shares with payment by way of set-off.

In June 2025, and unrelated to the debt subject to the set-off described above, the Company's controlled subsidiary Substrate AI entered into an investment agreement with Atlas comprising of issuance of convertible bonds in an aggregate principal amount of up to EUR 10 million, divided into fifteen tranches.

For further information regarding the reverse takeover, the related spin-off of the Company's (formerly Magnasense AB) previous operations, the set-off of Atlas' claims, and the

investment agreement between Atlas and Substrate AI, reference is made to the section "Material Agreements".

In December 2025, Subgen AI entered into an investment agreement of up to SEK 33 million with Assured Mind S.L., a Spanish investment vehicle specialising in long-term investments in publicly listed technology companies. Under the investment agreement, the Company has the right, but not the obligation, to request one or several investments of up to an aggregate amount of SEK 33 million, to be carried out through directed issues of new ordinary shares in the Company. In addition, the investment agreement provides that for each SEK 11 million invested, the investor shall be granted an option to subscribe for ordinary shares in Subgen AI corresponding to an amount of SEK 33 million, resulting in options to subscribe for ordinary shares in Subgen AI of up to an aggregate amount of SEK 99 million.

In January 2026, the Company announced that its controlled subsidiary Substrate AI would settle certain RTO-related and other liabilities by transferring 41,850,820 existing ordinary shares in the Company held by Substrate AI to certain creditors. The settlement reduced Group liabilities by approximately EUR 3 million and involved no new share issuance or dilution for existing shareholders.

Other than the above, no material changes have occurred in the Company's loan and financing structure since 30 June 2025 and up to the date of the Prospectus.

Significant investments

Other than the reverse takeover described in the preceding sections, the Company has not, since 30 June 2025 and up to the date of the Prospectus, made any investments considered to be of a material nature. As of the date of the Prospectus, there are no material ongoing investments for which the Company has entered into fixed commitments.

Trends

The Company assesses that there are no known significant trends in respect of sales, inventories, costs or sales prices from 31 December 2025 up to the date of this Prospectus.



MARKET OVERVIEW

AI MARKET

Artificial Intelligence (AI) refers to technologies that enable machines to perform tasks typically requiring human intelligence, such as perception, reasoning, and learning. These capabilities are delivered through software, platforms, infrastructure, and services used across a wide range of industries. Common applications include automation, data analysis, autonomous systems, and intelligent interfaces. AI is widely recognized as a general-purpose technology driving digital transformation, efficiency, and long-term growth.

The global AI market has developed into a broad and increasingly mature technology segment with applications across virtually all sectors of the economy. This includes software, hardware, and services, and was estimated to be valued at approximately USD 279 billion in 2024. The market is expected to continue expanding rapidly, with AI revenues predicted to reach approximately USD 1.8 trillion by 2030, representing a compounded annual growth rate (CAGR) of 35.9 percent during the period.⁶ Subgen AI operates within the enterprise AI software and infrastructure segments, which together are expected to exceed USD 550 billion by 2030, driven by demand for sovereign cloud, integrated deployment, and regulatory-compliant solutions.^{7,8}

North America currently accounts for the largest share of global AI expenditure, representing roughly one-third of the total market.⁹ Other regions, such as Europe and Asia-Pacific, are experiencing accelerated adoption, supported by national innovation strategies, increased funding initiatives, and private sector partnerships. Taken together, the global AI market is undergoing sustained expansion, underpinned by broad-based digitization, efficiency demands, and the growing availability of AI-enabling infrastructure.

Infrastructure and data center market

AI adoption is driving unprecedented demand for high-performance infrastructure. The training and deployment of LLMs require advanced semiconductors, high-bandwidth networking, and energy-efficient cooling systems. As enterprises move from experimentation to full-scale implementation, infrastructure has become both a strategic enabler and a critical bottleneck.

This shift is driving a surge in demand for next-generation data centers designed specifically to support AI workloads. Global spending on AI infrastructure is expected to exceed USD 200 billion by 2028, with the PRC region and the United States growing the fastest.¹⁰

Meanwhile, Europe faces mounting challenges related to power availability, land use, and permitting processes, which are slowing the rollout of much-needed data center capacity. Meeting data center demand will be crucial if Europe is to unleash AI's full potential.¹¹ Furthermore, demand is rising for sovereign AI infrastructure that ensures local data residency and reduces reliance on non-domestic cloud providers. Subgen AI's investments in AI-ready data centers and its regionally compliant Substrate Cloud platform position the

company to meet Europe's infrastructure and sovereignty demands.

Industry adoption trends

AI is moving beyond early adopters and becoming a core operational technology across a growing range of sectors. Industries such as manufacturing, logistics, education, retail, telecom, and energy are now accelerating deployment, supported by concrete applications like predictive maintenance, adaptive learning, dynamic pricing, and grid optimization. These use cases are driving measurable improvements in productivity, efficiency, and customer engagement.¹² As a result, AI is becoming embedded across value chains, reinforcing its role as a general-purpose technology and expanding its total addressable market.¹³

While AI adoption is spreading broadly, it remains most advanced in sectors where data intensity, high decision value, and regulatory complexity converge. Healthcare, legal services, finance, and human resources have emerged as early leaders, not only due to their reliance on large volumes of data, but also because of mounting pressure to improve efficiency and decision-making.¹⁴ As organizations face rising compliance expectations and growing AI risks, there is increasing demand for enterprise-ready solutions that prioritize data governance, transparency, and trust.¹⁵ Serenity Star enables even highly regulated industries, such as finance, healthcare, and government, to deploy generative AI while maintaining full control and transparency. The following sections examine how these industries are integrating AI at scale and the factors driving continued investment.

Healthcare

The AI market in healthcare segments is expected to grow at a CAGR of 38.6 percent through 2030, with the global market expanding from USD 26.6 billion in 2024 to approximately USD 187.7 billion by 2030.¹⁶ Key applications include clinical diagnostics, medical imaging, and patient data automation, enabling faster and more accurate decision-making. AI is increasingly used in radiology, pathology, and drug discovery to analyse complex datasets beyond human capacity, while also streamlining administrative workflows and improving resource allocation. These trends are driven by aging populations, a growing focus on curbing healthcare costs, and the demand for personalized treatments, positioning AI as a transformative force in modern healthcare systems.¹⁷

Legal

The AI market in the legal sector is projected to grow at a CAGR of 29.1 percent through 2033, with total market size increasing from USD 1.5 billion in 2023 to approximately USD 19.3 billion by 2033.¹⁸ Key applications include legal research, contract drafting, and document review, where GenAI significantly reduces manual workload and accelerates case handling. AI tools are increasingly adopted by law firms and in-house legal teams to enhance due diligence, streamline compliance processes, and improve decision-making. This transformation is driven by rising legal complexity, cost

6 Grand View Research. 2024. Artificial Intelligence Market Size, Share, Industry Report, 2030.

7 Grand View Research. 2024. Enterprise Artificial Intelligence Market Size, Share & Trends Analysis Report 2024-2030.

8 Markets and Markets. 2024. AI Infrastructure Market Size, Share & Trends Forecast to 2030.

9 Grand View Research. 2024. Artificial Intelligence Market Size, Share, Industry Report, 2030.

10 IDC. 2025. Worldwide Artificial Intelligence Infrastructure Spending to Surpass USD 200 Billion by 2028.

11 McKinsey. 2024. The Role of Power in Unlocking the European AI Revolution.

12 PwC. 2025. AI Business Strategy: Is Your Business Strategy Keeping Pace.

13 Accenture. 2024. The Art of AI Maturity: Advancing from Practice to Performance.

14 PwC. 2025. AI Business Predictions 2025.

15 Cisco. 2024. 2024 Data Privacy Benchmark Study.

16 Grand View Research. 2025. AI in Healthcare Market Size, Share & Trends Analysis Report 2025-2030.

17 McKinsey & Company. 2025. Generative AI in Healthcare: Current Trends and Future Outlook.

18 Market.us. 2024. Legal AI Software Market.



pressure, and the need for faster and more scalable legal service delivery.¹⁹

Finance

The AI market in finance is projected to grow at a CAGR of 30.6 percent over the period 2024–2030, reaching approximately USD 190.3 billion.²⁰ The majority of financial institutions already use AI for fraud detection, credit scoring, algorithmic trading, and regulatory compliance. These technologies help reduce risk, automate decision-making, and improve customer insights across banking, insurance, and asset management. The rapid adoption is driven by digital transformation, competitive pressure, and increasing regulatory complexity, positioning AI as a core enabler of more innovations and new operating models in finance.²¹

Human resources

The AI market in the human resources sector is projected to grow at a CAGR of 24.8 percent through 2030, reaching approximately USD 15.2 billion by the end of the period.²² Most large organizations currently use AI for recruitment, workforce planning, and employee engagement. These solutions streamline candidate screening, reduce hiring bias, and enhance workforce analytics for better talent management. Adoption is accelerating as companies seek to enhance efficiency, innovation and employee engagement through data-driven insights.²³

GENERATIVE AI

Generative AI refers to systems capable of producing original content such as text, images, code, or audio using advanced algorithms and large-scale training data. These technologies are primarily enabled by LLMs and foundation models trained on diverse datasets. Widely known examples include GPT-4, DALL·E, and other multimodal tools developed by leading AI research firms.²⁴

The global GenAI market has emerged as one of the fastest growing segments within broader the AI industry. It was valued at approximately USD 16.9 billion in 2024 and is projected to reach to USD 109.4 billion by 2030, corresponding to a CAGR of 37.6 percent over the period 2025–2030.²⁵

This growth is underpinned by an increase in enterprise adoption. In early 2025, 71 percent of organizations reported using GenAI in at least one business function, up from 65 percent in early 2024 and 33 percent in 2023.²⁶ GenAI is increasingly integrated across functions such as IT, marketing, product development, and service operations, indicating a shift from experimentation to operational deployment.

Applications

Common applications of GenAI include automated customer interaction, content creation, data analysis, and software development support. These tools are adopted primarily to enhance efficiency and reduce operational costs. A majority of users report cost reductions within business functions using GenAI, with 50 percent of HR respondents citing savings. Supply chain, service operations, and marketing have also reported gains as adoption scales.²⁷

Drivers of adoption

Three structural factors contributing to this growth are:

- 1. Advancements in model performance:** Continued progress by firms such as OpenAI, Google, and Anthropic, as well as the open-source community, is enhancing the accuracy, versatility, and efficiency of GenAI models. This has increased their utility in enterprise environments, enabling new use cases and improving reliability across a wider range of inputs.
- 2. Integration into mainstream software ecosystems:** Major productivity platforms such as Microsoft Office 365 and Google Workspace have integrated GenAI functionality, embedding AI tools into daily workflows. The accessibility of GenAI across customer relationship management (CRM), productivity, and business intelligence tools has accelerated adoption across organizations.
- 3. Cross-sector applicability:** GenAI is broadly applicable across industries, with use cases emerging in both knowledge-intensive and operational domains. Its versatility enables adoption in sectors ranging from healthcare and finance to manufacturing and education, contributing to productivity gains, cost savings, and improved decision-making. This wide applicability continues to expand the addressable market and reinforces GenAI's role as a foundational technology in enterprise transformation.

Operational challenges in Generative AI

As GenAI adoption accelerates, organizations face mounting challenges related to data governance, IP protection, model reliability, and privacy. 27 percent of organizations have temporarily banned GenAI, while over 60 percent have implemented restrictions on tool access or the type of data that can be submitted to GenAI systems.²⁸ These trends have accelerated demand for enterprise-grade platforms that provide private deployment, secure data handling, and compliance features. Regulatory scrutiny, particularly in sectors like healthcare, finance, and government, is further intensifying this demand. Subgen AI addresses this through the Serenity Star platform, tailored for privacy-sensitive and regulated environments.

Cost and infrastructure constraints

Cost optimization has also become a key challenge as large foundation models remain compute-intensive and costly at scale. Over 75 percent of organizations report rising GenAI-related cloud expenses, with nearly 30 percent seeing year-over-year cost increases.²⁹ In response, many enterprises are adopting hybrid strategies, using smaller models for routine tasks and reserving advanced models for complex, high-value workloads. This shift has accelerated demand for platforms offering adaptive workload routing and intelligent model selection. Subgen AI addresses this through Serenity Star, which enables efficient model use while reducing infrastructure costs.

These cost and privacy pressures are increasingly compounded by physical infrastructure constraints.³⁰ Limited access to compute resources, rising energy requirements, and data center bottlenecks are emerging as structural barriers to scalable deployment. As infrastructure becomes both a strategic enabler and a bottleneck, demand

¹⁹ Deloitte. 2025. AI for In House Legal – 2025 Predictions.

²⁰ MarketsandMarkets. 2025. AI in Finance Market by Product, Technology & Application – Global Forecast to 2030.

²¹ Deloitte. 2024. How Artificial Intelligence Is Transforming the Financial Services Industry.

²² Grand View Research. 2024. Artificial Intelligence in HR Market Size & Share Report 2030.

²³ Gartner. 2025. AI in HR: Position Your Organization for Success.

²⁴ McKinsey & Company. 2024. What is Generative AI.

²⁵ Grand View Research. 2024. Generative AI Market Size & Share Report 2030.

²⁶ McKinsey & Company. 2025. The State of AI: How Organizations Are Rewiring to Capture Value.

²⁷ McKinsey & Company. 2025. The State of AI: How Organizations Are Rewiring to Capture Value.

²⁸ Cisco. 2024. 2024 Data Privacy Benchmark Study.

²⁹ CIO Dive. 2024. Generative AI Drives 'Unmanageable' Cloud Costs. FinOps Leaders Say.

³⁰ Deloitte. 2024. Powering the AI Revolution: The Growing Demand for Data Center Infrastructure.



is shifting toward providers who can deliver both software and capacity. Subgen AI is addressing this need by investing in the foundational infrastructure layer of the AI ecosystem, often described as the "picks and shovels" of the AI gold rush, to support long-term enterprise scalability and reduce customer exposure to external compute bottlenecks.

Regulatory pressures and the EU AI Act

A key development reinforcing these challenges is the EU Artificial Intelligence Act, which entered into force in August 2024 as the world's first comprehensive legal framework for AI. The regulation introduces strict obligations concerning transparency, data governance, and human oversight, particularly for high-risk AI systems. Article 10 mandates that training, validation, and test data must be relevant, representative, free of errors, and subject to documented data governance strategies. These requirements embed data security and traceability at the core of AI regulation across the EU, placing legal weight behind the need for robust compliance infrastructure.³¹

Subgen AI is well positioned for this shift. The Serenity Star platform includes built-in audit trails, deployment controls, and data handling safeguards designed to support customers operating under the EU AI Act and other regional regulatory frameworks. In parallel, Subgen AI's data center expansion in Spain strengthens its ability to deliver secure and compliant infrastructure aligned with European sovereignty and regulatory demands.

DRIVERS IN THE AI INDUSTRY

The AI industry is currently shaped by a set of macro-level forces that are accelerating adoption and deepening enterprise reliance on AI-enabled technologies. These structural drivers include digital transformation initiatives, increasing regulatory activity, geopolitical pressures, and expanding enterprise-level demand for secure and scalable AI platforms.

Digital transformation and platform demand

One of the most prominent drivers in the AI industry is the global push toward digital transformation. Across essentially all industries and regions, enterprises and governments are investing in technologies that enhance automation, improve decision-making, and increase operational resilience. 77 percent of CFOs are planning to increase their technology spending in 2025 despite macroeconomic uncertainty.³² AI is consistently identified as a top area of investment, driven by its potential to generate efficiency gains and a measurable return on investment.

This demand has translated into increased interest in enterprise-ready AI platforms that are both easy to implement and capable of delivering quantifiable value. Many organizations, particularly in the mid-market and large enterprise segments, lack the internal capabilities to build full-scale AI infrastructure. This gap has created opportunities for integrated platforms that combine software, infrastructure, and services into cohesive deployment packages.

Subgen AI's investment in AI infrastructure addresses a critical market bottleneck: industry analysts warn that providers cannot build supply fast enough to keep up with

demand for data center capacity driven by AI, and Europe faces potential shortages in the face of exploding AI needs. Subgen AI's AI factories aim to alleviate this shortage locally and position the company as a key supplier of European AI computing power.

Evidence of AI's business value is increasingly apparent. A majority of companies using GenAI have observed cost reductions or revenue growth in at least one business unit.³³ The diffusion of these results has triggered a secondary effect: organizations are accelerating their own AI investments to remain competitive. Subgen AI's successful case studies have documented results such as a substantial reduction in marketing costs and over millions of USD in annual chain savings.

A further development is the increasing demand for sovereign AI solutions. Geopolitical tensions, data sovereignty requirements, and strategic independence from non-domestic cloud providers have become central considerations for both governments and enterprises. The European Union has led the push for digital sovereignty, with particular focus on local data residency and the avoidance of U.S. dependency.³⁴ Subgen AI has positioned itself in this segment with its Substrate Cloud offering, hosted in Spain and purpose-built to comply with regional standards.

Regulatory shifts and security demands

Regulatory frameworks are also maturing rapidly. The European Union's AI Act, adopted in August 2024, introduces requirements for transparency, risk classification, and human oversight in high-risk AI applications. The first provisions take effect in 2025, with full enforcement expected by 2026.³⁵ Other jurisdictions, such as the United States and China, are developing similar frameworks. Subgen AI's Serenity Star platform includes integrated governance tools that align with emerging regulatory standards.

Security and privacy considerations are also contributing to enterprise AI adoption. The risks of data leakage, algorithmic bias, and unauthorized usage of sensitive data have made secure deployment a priority. Subgen AI provides on-premise and sovereign cloud deployment options, alongside automatic redaction tools, encryption protocols, and ISO- and SOC-certified compliance features.

Mainstream adoption

Cultural normalization of AI within the enterprise is lowering adoption barriers. Once limited to technical teams, AI tools are now embedded across functions, from HR and marketing to finance and customer service. This trend is reinforced by the spread of GenAI and the availability of ready-to-use agents tailored to functional roles. Subgen AI facilitates this trend through configurable agents that enable rapid onboarding and cross-functional deployment.

Capital inflows

The broader AI ecosystem continues to benefit from strong capital inflows and infrastructure investments. Major players, including Microsoft and OpenAI, have committed more than USD 500 billion to support model development and deployment-related infrastructure.³⁶ Subgen AI's own development roadmap is partly enabled by access to such technological and financial infrastructure.

31 European Union. 2024. Artificial Intelligence Act: Regulation (EU) 2024/1689 of the European Parliament and of the Council.

32 TechMonitor. 2024. 77% of CFOs Plan to Increase Tech Spending in 2025 as Cost Pressures Reshape Budgets.

33 McKinsey. 2025. The State of AI: How Organizations Are Rewiring to Capture Value.

34 Reuters. 2025. Europeans seek digital sovereignty as US tech firms embrace Trump. 2025.

35 Baker McKenzie. 2024. European Union: EU AI Act published – Dates for action.

36 Reuters. 2025. Microsoft Relaxes Data Center Grip on OpenAI Amid \$500 Bln Joint Venture.



WORKING CAPITAL STATEMENT

For the purposes of the Prospectus, "working capital" means the ability of the Company to access cash in order to meet its payment obligations, after which they fall due for payment. The Company believes that the existing working capital is sufficient to meet the Company's working capital and capital expenditure needs for at least the next twelve (12) months as of the date of the Prospectus.



RISK FACTORS

An investment in the Company's shares is associated with certain risks. There are several risk factors that either can or could affect the Company's business, both directly and indirectly. Described below are the risk factors and other factors deemed to be material to the Company's operations, financial development, and the future development. The risk factors described below are limited to such risks that are specific to the Company and/or its shares and that are deemed material in order to make a well-founded investment decision. The assessment of the probability and potential extent of negative impact is based on the board's knowledge and perception as of the date of the Prospectus.

The Company has assessed each risk based on the probability that the risk occurs using the scale (i) low, (ii) medium and (iii) high, and the adverse impact on the Company's operations should the risk occur using the scale (i) low, (ii) medium and (iii) high.

The probability and extent of risks that can be realized may deviate from the board's assessment as of the date of the Prospectus, partly because the risks are beyond the Company's control. If the risks were to be realized, the share price could fall, and investors could lose part or all of their investment.

An investment in the Company's shares is suitable only for investors who understand the risk factors associated with this type of investment and who can afford to lose a portion or all of the investment. Information on risk factors is presented as of the date hereof and is subject to change, completion, or amendment without notice.

RISKS RELATING TO SUBGEN'S BUSINESS, INDUSTRY AND MARKETS

Macroeconomic factors' impact on the Company

The Company is dependent on there being demand for its products. A less favourable development in macroeconomic factors such as inflation, currency exchange rates, consumer spending and savings, interest rates etc. can have a negative impact on the Company's business. Businesses' willingness to invest in AI solutions may decrease during economic downturns as businesses reduce discretionary technology spending and delay software implementations. Rising interest rates affect both the Company's access to capital and customer investment decisions, while inflation increases operational costs including talent acquisition and cloud infrastructure expenses that may be difficult to pass on to customers. The Company's international operations expose it to foreign exchange risks that could materially impact financial results when revenues and costs are incurred in different currencies. Increasing geopolitical tensions and trade restrictions could limit market access through export controls on AI technology, data localisation requirements, and national security considerations that may exclude the Company from significant market segments. Economic uncertainty and sector-specific downturns affecting key customer industries could reduce demand for AI solutions and lead to adverse effects on the Company's earnings.

The Company assesses that there is a medium to high probability that the risk occurs, and that the risk, if it occurs, would have a medium to high adverse impact on the Company's operations.

Market competition and customer acceptance

The Company faces intense competition and its ability to compete depends on continued market acceptance, and the development of the market for enterprise AI solutions. In case the market does not grow as expected the Company may lose market share to competitors with greater resources, established customer bases, and broader product portfolios.

The Company competes with internal IT organisations, commercial enterprise software providers, open-source software providers, system integrators, and legal data management providers. Open-source software characteristics create fewer technology barriers to entry for new competitors. Many competitors have substantial advantages including greater name recognition, larger customer bases, and substantially greater financial and technical resources.

As markets grow, the Company may be unable to attract customers at historical prices or pricing models. Large customers may demand higher price discounts, requiring the Company to reduce prices or offer alternative pricing models. Failure to satisfy customer demands or achieve increased market acceptance could adversely affect business performance. Long and unpredictable sales cycles, particularly for large subscriptions, require considerable time and expense. The Company's revenue growth is dependent on attracting new customers and retaining existing customers who renew and expand their subscriptions.

The Company assesses that there is a medium probability that the risk occurs, and that the risk, if it would occur, would have a medium adverse impact on the Company's operations.

The Company is dependent upon key persons and employees

The Company's success depends on retaining key members of its senior management team, including its CEO, whose experience and knowledge are vital for successful business development. The Company faces competition for qualified personnel within all functions e.g. data science, engineering, and sales. The Company's ability to attract and retain qualified personnel while maintaining company culture is critical for success. Failure in these areas could prevent successful strategy implementation.

The Company assesses that there is a low probability that the risk occurs, and that the risk, if it would occur, would have a high adverse impact on the Company's operations.

Product and brand development

The Company's ability to expand its customer base depends on developing and maintaining the Company's brand and marketing capabilities. Building brand awareness requires significant investment without guarantee of corresponding revenue increases, and brand promotion activities may not offset expenses incurred in building brand reputation.

The Company must continuously respond to rapid technological changes and develop new features to remain competitive. There is a risk that the Company may experience difficulties with software development that could delay new product releases or result in performance issues.

The Company relies on its customer base for product feedback, and failure to maintain customer loyalty could result in loss of existing customers and partners. Negative publicity relating to employees, partners, or associated parties may damage the Company's reputation and reduce brand value.



If the Company fails to innovate successfully, keep pace with technological developments, or maintain its brand and reputation, it may lose market share to competitors. Efforts to restore damaged brand value may be costly and unsuccessful.

The Company assesses that there is a low probability that the risk occurs, and that the risk, if it occurs, would have a medium adverse impact on the Company's operations.

Strategic partnerships

The Company's revenue growth depends partly on successful strategic relationships with third parties, including channel and sales partners. If these relationships are not established and maintained the Company's business may be adversely affected. Changes in third-party terms of service, discontinuation of access, or preferential treatment of competitors could harm the Company's business. The Company must be able to modify its products and services to maintain compatibility in a timely and cost-effective manner. Failure to provide high-quality maintenance and support services could result in negative publicity, potentially damaging the Company's reputation, harming customer relationships and reducing demand for its products and services.

The Company assesses that there is a low probability that the risk occurs, and that the risk, if it occurs, would have a medium adverse impact on the Company's operations.

RISKS RELATING TO LEGAL, REGULATION AND TAX

Regulatory requirements impact on the Company

Any failure to adhere to regulatory requirements pursuant to existing and/or future laws and regulations may result in injunctions for business halts, fines, or other consequences with severe negative effects on the continuation of the Company's business.

The Company is subject to numerous privacy, data protection and information security laws including GDPR and EU AI Act, which impose stringent requirements and significant penalties for non-compliance. The regulatory framework is constantly evolving and may conflict between jurisdictions. Failure to comply could result in fines, litigation and loss of customer trust. There is further a risk that the Company will not have the ability to obtain and retain requisite approvals and permits from relevant governmental authorities and other organizations, or comply with applicable laws and regulations, without incurring undue costs and delays, which may result in financial losses or other harm to the Company.

The Company is also exposed to changes in law, regulation and governments and regulatory interpretations of provisions for which no clear guidance or precedent may be available. Failure to comply with regulations may lead to increased costs and have an adverse impact on the Company.

The Company assesses that there is a medium probability that the risk occurs, and that the risk, if it occurs, would have a high adverse impact on the Company's operations.

Cybersecurity and data breaches

The Company relies on third-party service providers for hosting and delivery, where interruptions could impair products and harm business. Failure to comply with privacy, data protection, and AI regulations could result in significant liabilities. Security breaches and unauthorized access to data could result in litigation, regulatory enforcement, significant liabilities and reputational harm. The Company processes sensitive data including personal and financial information, making it a target for cyberattacks. The Company has contractual legal obligations to notify customers and regulatory authorities of security breaches, which are costly

and could lead to negative publicity. Customer agreements may require industry-standard security measures, and any breach may increase the likelihood of costly customer audits. The Company's third-party service providers may also be vulnerable to security breaches that could affect the Company's business.

The Company could suffer disruptions, outages, defects, and other performance and quality problems with its AI Suite or underlying cloud infrastructure. An actual or perceived security breach could lead to claims of non-compliance with legal or contractual obligations, potentially resulting in customer contract terminations. The Company may be required to modify its AI capabilities or business activities in response to security incidents.

Insurance coverage may not be adequate for data security liabilities, and damages could be significant and may exceed coverage limits. Reliance on open-source software may create fewer technology barriers for competitors and expose the Company to potential litigation. Dependence on third-party development of open-source technologies creates additional operational risks.

The Company assesses that there is a medium probability that the risk occurs, and that the risk, if it occurs, would have a high adverse impact on the Company's operations.

Intellectual property

The Company is dependent on maintaining the protection of intellectual property such as patents and patent application through intellectual property law and agreements. Currently, the Company has issued patents in the United States related to adaptively optimize functions within reinforcement learning. The Company may become party to intellectual property rights claims and litigation matters that could result in significant legal costs and potential damages. Indemnity provisions in commercial agreements expose the Company to substantial liability for IP infringement claims. The Company's use of open-source software and third-party AI models creates additional IP risks, as licensing terms may change, or conflicts may arise. Failure to protect proprietary information and intellectual property rights could diminish the Company's brand value and competitive position.

The Company assesses that there is a medium probability that the risk occurs, and that the risk, if it occurs, would have a medium adverse impact on the Company's operations.

Tax compliance and liability risks

The Company is subject to income taxes and other taxes in various jurisdictions and may face exposure to greater than anticipated tax liabilities. The Company's effective tax rate could fluctuate due to changes in the proportion of earnings and losses in countries with differing statutory tax rates changes in non-deductible expenses, changes in the valuation of deferred tax assets and liabilities, and the applicability of withholding taxes.

The Company may be required to collect additional sales tax, VAT, or other taxes in jurisdictions where it has not historically done so. Tax authorities may assert that the Company should collect such taxes on its subscription services, potentially resulting in substantial liabilities, administrative burdens, and reduced customer demand due to increased costs.

Changes in tax legislation, regulations, and administrative interpretations could materially affect the Company's financial condition. The Company is subject to review and audit by tax authorities who may disagree with tax positions taken by the Company. International tax reforms, including the OECD's Base Erosion and Profit Shifting framework (Pillar One and Pillar Two), could impose additional compliance requirements and affect the Company's effective tax rate.

The provision for taxes could be impacted by changes in accounting principles, international tax law applicable to



multinational corporations, results of tax examinations, settlements, judicial decisions, and business operations including acquisitions. Failure to comply with evolving tax obligations could result in penalties, interest charges, and harm to the Company's business operations.

The Company assesses that there is a medium probability that the risk occurs, and that the risk, if it occurs, would have a medium adverse impact on the Company's operations.

Legal proceedings and litigation risks

The Company may become involved in legal proceedings and disputes relating to its business operations. Such proceedings may include disputes concerning intellectual property rights, patent validity, contractual matters, or other commercial disputes. Legal proceedings can be time-consuming and costly to defend, disrupt ongoing business operations, and involve significant financial amounts or other matters of material importance to the Company's business and reputation.

The Company assesses that there is a low probability that the risk occurs, and that the risk, if it would occur, would have a medium adverse impact on the Company's operations.

Accounting standards & valuation

Changes to applicable accounting standards or the interpretations thereof could have material adverse effects on the Company. Valuation methods for certain assets within the Company and its funds involve subjective judgements and assumptions. The fair value of assets established pursuant to such methodologies could, therefore, be incorrect, potentially resulting in the misstatement of fund performance and investment income.

The Company assesses that there is a low probability that the risk occurs, and that the risk, if it would occur, would have a low adverse impact on the Company's operations.

FINANCIAL RISKS

Capital requirements and financing

The Company may require additional capital to fund its operations and growth initiatives. Adequate sources of capital funding might not be available when needed or may only be available on unfavourable terms. If funding is insufficient at any time in the future, the Company may be unable to fund maintenance requirements and acquisitions, take advantage of business opportunities or respond to competitive pressures, any of which could adversely impact the Company's financial condition and results of operations.

The Company's ability to obtain financing will depend on development efforts, business plans, operating performance, and condition of capital markets. Future equity financing could result in dilution to existing shareholders. Any debt financing could involve restrictive covenants relating to capital raising activities and other financial and operational matters, which may make it more difficult to obtain additional capital and pursue business opportunities.

If the Company is unable to achieve sufficient liquidity levels, it may face operational challenges and reduced investment in its products. The Company may acquire other businesses, which could require significant management attention and disrupt business operations. Failure to obtain further required funding could materially and adversely affect the Company's business, results of operations and financial condition or prospects.

The Company assesses that there is a medium probability that the risk occurs, and that the risk, if it would occur, would have a medium adverse impact on the Company's operations.

Share lending

The Company's previous subsidiary Subgen AI Limited has entered into two similar share lending agreements regarding the shares in Substrate Artificial Intelligence, S.A. The borrower of the shares is Atlas Capital Markets and the share lending agreements constitutes a counterparty risk for Subgen AI Limited. Should the borrower become insolvent, or fail to redeliver equivalent shares, Subgen AI Limited will risk not receiving all or any equivalent shares. The share lending agreements will potentially leave Subgen AI Limited dependent on the borrower's financial capacity and market conditions at the time of redelivery of equivalent shares. Upon default, the remedies for Subgen AI Limited are limited to acceleration of the maturity date and termination of the agreements, with no guarantee of share recovery or additional securities.

The Company assesses that there is a low probability that the risk occurs, and that the risk, if it would occur, would have a medium adverse impact on the Company's operations.

Profitability and operating losses

Although the Company has profits in 2024, it has a history of operating losses and may not achieve or sustain profitability in the future. Sales cycles can be long and unpredictable, particularly for large subscriptions, requiring considerable time and expense. Sales cycles generally range from two to three months but can extend over several years for large organisations. The Company invests substantial resources in sales efforts without assurance that these efforts will produce sales or justify upfront investments.

Individual sales tend to be large as a proportion of overall sales, creating significant volatility in quarterly results and impacting the ability to plan and manage cash flows. These large sales may occur later than anticipated or not at all. Most expenses are relatively fixed and require time to adjust, making it difficult to adjust cost structure on a timely basis if business expectations are not accurate.

The Company expects increased costs for research and development, sales and marketing, operations expansion, and compliance. These investments may be costlier than expected, revenue may be slower than anticipated, and the Company may not increase revenue enough to offset increased operating expenses. If the Company cannot achieve and sustain profitability, business value may significantly decrease.

The Company assesses that there is a medium probability that the risk occurs, and that the risk, if it would occur, would have a medium adverse impact on the Company's operations.

RISKS RELATING TO THE COMPANY'S SECURITIES

Shareholders with significant influence

A limited number of shareholders own a significant proportion of outstanding shares and votes in the Company. These shareholders will also hold significant shares in the Company after the Offer. Consequently, these shareholders can exercise significant influence on matters subject to the approval of the shareholders of the Company. The interests of these shareholders may completely or partially differ from the interest of other shareholders.

The Company assesses that there is a low probability that the risk occurs, and that the risk, if it would occur, would have a medium adverse impact on the Company's operations and securities.



New issue of shares may affect the price of outstanding shares and lead to dilution

Any future share issues may have a material adverse effect on the price of the shares. Although existing shareholders have certain preferential rights in share issues according to Swedish law, such issues may be conducted with deviation from existing shareholders' preferential rights, which may

lead to dilution of existing shareholders' proportional ownership and voting rights.

The Company assesses that there is a medium probability that the risk occurs, and that the risk, if it would occur, would have a low adverse impact on the Company's operations and securities.



TERMS OF THE SECURITIES

GENERAL INFORMATION

The shares in Subgen AI have been issued in accordance with the Swedish Companies Act (2005:551). The rights attached to shares issued by the Company, including the rights set out in the Company's articles of association, may only be amended in accordance with the procedures prescribed by the Swedish Companies Act (2005:551).

The Company has two share classes, class A shares and ordinary shares, as of the date of the Prospectus. Each class A share entitles the holder to ten (10) votes per share, and each ordinary share entitles the holder to one (1) vote per share. Each shareholder entitled to vote may, at a general meeting, vote for the full number of shares that the shareholder owns and represents. If the Company issues new shares, warrants or convertible instruments, the shareholders of the Company generally have preferential subscription rights to subscribe for such securities in relation to the number of shares held before the issue pursuant to the Swedish Companies Act (2005:551).

The shares of the Company are denominated in Swedish kronor, and the ordinary share to which the present Offer relates carries ISIN code SE0026820854. All shares are fully paid and freely transferable. Before the Offer, the Company's share capital amounts to SEK 2,648,728.375293, divided into 1,018,437,369 shares, of which 498,987,606 are class A shares and 519,449,763 are ordinary shares. Each share has a quota value of approximately SEK 0.002601.

The Board of Directors of Subgen AI intends, pursuant to the authorization granted by the annual general meeting held on 30 June 2025, to resolve on a directed issue of ordinary shares with payment in kind for the purpose of delivering the consideration to the shareholders of Substrate AI in connection with the completion of the Offer.

Any Consideration Shares issued in connection with the Offer are expected to be registered with the Swedish Companies Registration Office (Sw. Bolagsverket) around week 16, 2026.

DIVIDEND

Decisions regarding dividends are made by the general meeting and the payment of dividends is administered by Euroclear. The right to receive a dividend vests in the person registered as a shareholder in the share register maintained by Euroclear on the dividend record date resolved by the general meeting. Dividends are normally paid in cash per share through Euroclear. If a shareholder cannot be reached to receive the dividend, the shareholder's claim against the Company remains for ten years and is limited only by the general rules on statutory limitation. Upon expiry of the limitation period, the entire amount reverts to the Company.

The Company does not apply any restrictions or special procedures with respect to cash dividends to shareholders residing outside Sweden. Subject to any limitations arising from banking or clearing systems, payments are made in the same manner as to shareholders residing in Sweden. However, shareholders who are not tax residents of Sweden are normally subject to Swedish withholding tax on dividends. The Company has not previously paid dividends and has no dividend policy.

DISTRIBUTION OF PROFITS AND HOLDING ON LIQUIDATION

All shares in the Company give equal rights to dividends as well as to the Company's assets and any surpluses in the event of liquidation. Decisions on dividends in limited companies are made by the general meeting. The right to a dividend accrues to the person who on the record date decided by the general meeting is registered as a holder of shares in the share register kept by Euroclear. Dividends are normally paid to shareholders as a cash amount per share through Euroclear, but payment can also be made in other than cash (dividends). If the shareholders cannot be reached through Euroclear, the shareholder's claim on the Company regarding the dividend amount remains for a period limited by rules on ten-year limitation.

CENTRAL SECURITIES DEPOSIT

The Company's shares are registered in a central securities depository register in accordance with the Swedish Central Securities Depositories and Financial Instruments Accounts Act (1998:1479). This register is maintained by Euroclear (Euroclear Sweden AB, Box 191, SE-101 23 Stockholm). No share certificates have been issued in respect of the Company's shares.

AUTHORIZATION TO ISSUE SECURITIES

At the annual general meeting held on 30 June 2025, the general meeting resolved to authorize the Board of Directors, on one or more occasions and for the period until the next annual general meeting, with or without preferential rights for existing shareholders, to resolve on new issues of shares, warrants and/or convertibles within the limits of the Company's articles of association as in force from time to time. New issues may be made against payment in cash and/or with provisions regarding contributions in kind or set-off, or otherwise subject to terms and conditions. The Board of Directors of Subgen AI intends, pursuant to the authorization granted by the annual general meeting held on 30 June 2025, to resolve on a directed issue of ordinary shares with payment in kind for the purpose of delivering the consideration in connection with the completion of the Offer.

APPLICABLE RULES FOR TAKEOVER BIDS, ETC.

In the event that a public takeover offer is made for the shares in Subgen AI while the shares are admitted to trading on Nasdaq First North Growth Market, the Takeover Rules for Certain Trading Platforms as issued by the Stock Market Self-Regulation Committee (the "Takeover Rules") will apply.

If the Board of Directors or the CEO of Subgen AI, due to information originating from a party intending to make a public takeover offer for the Company's shares, has reasonable grounds to believe that such an offer is imminent, or if such an offer has already been made, the Company may, pursuant to the Takeover Rules, only take measures that may impair the conditions for the submission or completion of the offer following a resolution of the general meeting. Notwithstanding the foregoing, Subgen AI may seek alternative offers.



During a public takeover offer, the shareholders are free to decide whether they wish to dispose of their shares pursuant to the offer. Following a public takeover offer, the party submitting the offer may, under certain conditions, be entitled to acquire the remaining shares held by other shareholders through compulsory acquisition in accordance with the Swedish Companies Act (2005:551). The shares in Subgen AI are not subject to any offer submitted as a result of mandatory bid rules, squeeze-out rights or buy-out obligations. No public takeover offers have been made for the shares during the current or preceding financial year.

TAX MATTERS

When investing in the Offer, investors should consider the relevant and applicable tax legislation in their home member state and in the Company's country of incorporation, as such legislation may affect any income derived from the shares. Investors are urged to consult an independent tax adviser regarding the tax consequences that may arise in connection with the Offer.



TERMS AND CONDITIONS FOR THE OFFER

THE OFFER

On 4 March 2026, Subgen AI announced a voluntary public offer to the shareholders of its controlled subsidiary, Substrate AI, to acquire up to 162,426,300 A shares in Substrate AI in exchange for a total consideration of maximum 974,557,800 newly issued ordinary shares in Subgen AI. If the total number of shares tendered exceeds these limits, acceptance statements will be satisfied through (i) an initial linear allocation to each acceptance (with acceptances below the relevant threshold being satisfied in full) and (ii) allocation of any remaining shares on a pro rata basis based on the number of shares tendered. For allocation purposes, multiple acceptances made directly or indirectly by the same person will be treated as a single acceptance.

The Offer entails that the shareholders of Substrate AI are offered six (6) ordinary shares in Subgen AI for each (1) A share in Substrate AI.

The Board of Directors of Subgen AI intends, pursuant to the authorization granted by the annual general meeting held on 30 June 2025, to resolve on a directed issue of ordinary shares with payment in kind for the purpose of delivering the consideration in connection with the completion of the Offer.

VALUATION

Subgen AI's ordinary shares are admitted to trading on Nasdaq First North Growth Market, and Substrate AI's A shares and B shares are admitted to trading on the BME Growth segment of BME MTF Equity in Spain.

Payment in the Company's directed issue shall be made through contribution in kind of A shares in Substrate AI in connection with the allocation of ordinary shares under the Offer. No commission is charged.

The Offer entails that the shareholders of Substrate AI are offered six (6) ordinary shares in Subgen AI for each (1) A share in Substrate AI. Based on the closing price of Subgen AI's ordinary shares on Nasdaq First North Growth Market on 3 March 2026 of SEK 0.3140, and the EUR/SEK exchange rate of SEK 10.7265 per EUR as published by the Riksbank on 3 March 2026, the exchange ratio (6:1) implies a value of approximately EUR 0.1756 for each A share in Substrate AI to which the Offer relates. This corresponds to a premium of approximately 198.7 percent over the closing price of Substrate AI's A shares on 3 March 2026 (EUR 0.0588) and a premium of approximately 176.3 percent over the volume-weighted average price during the period from 21 January 2026 to 3 March 2026 (approximately EUR 0.0636).

There are 203,223,248 A shares and 138,638,460 B shares outstanding in Substrate AI as of the date of this Prospectus. The Offer values Substrate AI's outstanding A shares at a total of approximately EUR 35.7 million, based on the closing price of Subgen AI's ordinary shares on Nasdaq First North Growth Market on 3 March 2026 of SEK 0.3140 and the EUR/SEK exchange rate of SEK 10.7265 per EUR as published by the Riksbank on 3 March 2026. A valuation report has been prepared by Grant Thornton Advisory, S.L.U. ("Grant Thornton") at the request of the Board of Directors of Substrate AI. Grant Thornton is independent in relation to both Subgen AI and Substrate AI, as well as their respective shareholder groups.

SHARES, SHARE CAPITAL AND DILUTION

Through the Offer, the total number of shares in Subgen AI may increase with up to 974,557,800 ordinary shares, from a total of 1,018,437,369 shares (of which 498,987,606 A shares and 519,449,763 ordinary shares) to a total of 1,992,995,169 shares (of which 498,987,606 A shares and 1,494,007,563 ordinary shares). All shares issued under the Offer will be ordinary shares. The Offer implies a maximum dilution for existing shareholders in the Company of approximately 48.9 percent of the capital and approximately 15.0 percent of the votes, calculated on the basis of the maximum number of ordinary shares that may be issued under the Offer.

ACCEPTANCE PERIOD

The acceptance period for participation in the Offer runs for a period of 22 calendar days, commencing on the second trading day following the date on which the Swedish FSA approves the Prospectus, i.e. from 6 March 2026 up to and including 27 March 2026. The Company may, at its sole discretion, extend the acceptance period one or more times for a total duration of up to 70 calendar days. Any such extension will be announced through press release, no later than three (3) calendar days prior to the expiry of the initial acceptance period or any subsequent extension, and will include the circumstances that justify the extension.

SPECIAL CONDITION FOR THE OFFER AND WITHDRAWAL OF THE OFFER

The Offer is conditional upon it being accepted to such an extent that Subgen AI receives declarations of acceptance comprising at least 10,161,163 A shares in Substrate AI, representing approximately 5 percent of the total number of outstanding A shares in Substrate AI as of the date of this Prospectus. If this condition is not satisfied, Subgen AI may decide not to complete the Offer and may therefore withdraw it. Subgen AI reserves the right to waive, in whole or in part, the condition above.

PROCEDURE FOR ACCEPTING THE OFFER

Submission of declarations of acceptance

Shareholders of Substrate AI who wish to accept the Offer must contact the bank or financial institution where their shares are deposited in order to submit a written declaration of acceptance, either in person, by electronic means, or through any other method accepted by the relevant institution.



Substrate AI's shareholders may accept the Offer in respect of all or part of the shares they hold, from the first day of the acceptance period up to and including the last day. Each declaration of acceptance must relate to at least one share in Substrate AI.

Shares subject to acceptance

All shares in Substrate AI tendered in the Offer must be transferred together with all voting and economic rights inherent to them. The shares must carry all corresponding voting and economic rights, be free from any encumbrances, liens or third party rights that may limit their political or economic rights or restrict their free transferability, and be transferred by a person duly entitled to do so. This ensures that the Company acquires full and uncontested ownership of the shares in Substrate AI.

Declarations of acceptance must be accompanied by documentation sufficient to effect the transfer of the shares and must include all identification information required under applicable legislation. Such information includes full name or company name, address and tax identification number. For shareholders who are not resident in Spain and do not have a Spanish tax identification number, the required documentation shall instead include their passport or identification number, nationality and address.

Role of depositary institutions

Depositary institutions participating in Iberclear, the Spanish central securities depository where the shares in Substrate AI are held, are responsible for collecting the written acceptances and for following Iberclear's procedures for voluntary corporate events, whether submitted in person, electronically or by any other method accepted by the institution. They are responsible for verifying the ownership and possession of the securities to which the acceptances relate and confirming that the shares are free from encumbrances or third party rights that may limit their political or economic rights or their free transferability.

During the acceptance period, the institutions participating in Iberclear that receive declarations of acceptance shall provide the Company, through Banco Sabadell, the agent and coordinator designated for this purpose, with daily information regarding the cumulative total number of shares covered by the declarations of acceptance submitted by shareholders of Substrate AI.

Invalid or late acceptances

The Company will not accept shares in Substrate AI whose trade date occurs after the last day of the acceptance period or declarations of acceptance submitted outside such period. The purchase date of any shares in Substrate AI tendered into the Offer must therefore be no later than the last day of the acceptance period, and the corresponding declarations of acceptance must also be submitted no later than that deadline.

The acceptance is binding and cannot be withdrawn.

Issuance of ordinary shares in Euroclear

Eminova Fondkommission serves as the issue agent in the Swedish market in connection with the issuance of the Consideration Shares through Euroclear. Following issuance, the Consideration Shares will be delivered to depositary institutions participating that have submitted the written acceptances and accepted the offer through Iberclear's procedures for onward distribution to the shareholders of Substrate AI, in accordance with the established settlement and distribution procedures.

Expenses related to the acceptance and settlement of the Offer

The Company shall bear the costs arising from the administration of the Offer and those associated with its settlement, in accordance with the regulatory framework of BME Growth. Under no circumstances shall the Company be responsible for, or bear, any commissions or fees that the depositary institutions may charge their clients (accepting shareholders) for processing declarations of acceptance of the Offer.

Any costs other than those specified above shall be borne by the party incurring them. Shareholders of Substrate AI are advised to obtain appropriate guidance regarding the specific fees or charges that may apply to them should they choose to accept the Offer.

SUBSCRIPTION

Shareholders of Substrate AI who accept the Offer hereby authorise Banco Sabadell through Iberclear's procedures, to transfer the tendered A shares in Substrate AI on their behalf and to deliver such accepted shares to Subgen AI in exchange for Consideration Shares in Subgen AI.

ALLOCATION

The newly issued Consideration Shares in the Company under the Offer will be allocated to the shareholders of Substrate AI who accept the Offer in proportion to the number of A shares to which their acceptance relates. The Offer entails that the shareholders of Substrate AI are offered six (6) ordinary shares in Subgen AI for each (1) A share in Substrate AI.

The number of Consideration Shares in Subgen AI allocated to shareholders of Substrate AI will be rounded down to the nearest whole share, as Subgen AI may only issue whole ordinary shares and cannot issue fractions of shares. Subgen AI will therefore deliver only whole shares. If the number of A shares for which a shareholder in Substrate AI accepts the Offer does not correspond to a whole number of new ordinary shares in Subgen AI, any resulting fractional entitlement shall be rounded down in accordance with the principle set out under the section "settlement of fractional entitlements".

Allocation is expected to take place on or around 2 April 2026, which is also the date on or around which the Company intends to announce the final outcome of the Offer. The Company reserves the right to extend the acceptance period, in which case allocation will be postponed accordingly. Notices of allocation are expected to be distributed through Banco Sabadell on or around 2 April 2026, or otherwise upon expiry of the acceptance period.

TRANSFER OF SUBSTRATE AI SHARES TO BLOCKED VP ACCOUNTS

When Banco Sabadell through Iberclear's procedures has received and registered the acceptance forms for the A shares tendered in the Offer, and when the certification of the delivery of the new shares in Subgen AI to the shareholders who have accepted the Offer is received by Iberclear, such shares (contribution in kind) will be transferred to a newly opened blocked VP



account (in kind account) established for each shareholder of Substrate AI. In connection therewith, Iberclear will (if applicable) issue a VP notice confirming the number of Substrate AI shares debited from the shareholder's original VP account, as well as a VP notice confirming the number of shares credited to the blocked VP account.

SETTLEMENT OF CONSIDERATION SHARES IN SUBGEN AI

Settlement of Consideration Shares (new ordinary shares in Subgen AI issued as consideration for the contribution in kind of A shares in Substrate AI) will take place as soon as Subgen AI has announced that the conditions for the Offer have been satisfied or that Subgen AI has otherwise resolved to complete the Offer. For shareholders of Substrate AI who have accepted the Offer, the Consideration Shares in Subgen AI are expected to be delivered and made available in the respective shareholder's securities account or custody account on or around week 16-17, 2026.

Delivery of the Consideration Shares in Subgen AI will occur through the crediting of such ordinary shares to shareholders in Substrate AI who have accepted the Offer before the corresponding debit of A shares from the blocked securities account, which will thereafter be closed. No VP notice will be distributed in connection with this settlement. For holdings registered in the name of a nominee, settlement will be carried out by the relevant nominee.

SETTLEMENT OF FRACTIONAL ENTITLEMENTS

Subgen AI will issue only whole ordinary shares (and no fractions thereof) to shareholders of Substrate AI who accept the Offer. If the number of A shares tendered by a shareholder in Substrate AI does not result in an entitlement to a whole number of Consideration Shares in Subgen AI, the fractional entitlement will be rounded down to the nearest whole ordinary share. No cash settlement will be made in respect of fractional entitlements.

TRADING ON NASDAQ FIRST NORTH GROWTH MARKET

The Company's ordinary shares are admitted to trading on Nasdaq First North Growth Market, which is an alternative marketplace classified as an SME growth market and a multilateral trading facility (MTF), governed by a less extensive set of rules and not having the same legal status as a regulated market. The newly issued ordinary shares in the Offer are intended to be admitted to trading on Nasdaq First North Growth Market following registration of the directed issue of ordinary shares with the Swedish Companies Registration Office (Sw. Bolagsverket), which is expected to occur around week 16, 2026. The indicated timing for registration is preliminary and may be subject to change. The Company's class A shares are not admitted to trading. The Company does not have a liquidity provider.

Subgen AI does not intend to initiate any redemption or delisting of the shares in Substrate AI, which are admitted to trading on the BME Growth segment of BME MTF Equity in Spain.

PUBLICATION OF THE OUTCOME OF THE OFFER

Upon the expiry of the acceptance period, including any extension or modification thereof in accordance with the provisions above, the agent Banco Sabadell shall, within a maximum of four business days, notify Subgen AI, Substrate AI and BME Growth (through Substrate AI) of the total number of valid acceptances received and, consequently, the final result of the Offer. The Company will announce the final outcome of the Offer, which is expected to occur on or around 2 April 2026, by way of a press release. The announcement will also be made available on the Company's website (<https://subgen.ai/>), on Substrate AI's website (<https://substrate.ai/>), and on the BME Growth website (www.bmegrowth.es).

RIGHT TO DIVIDENDS

The new ordinary shares issued in the Offer will carry the same right to receive dividends for the first time on the record date for any dividends that occur immediately after the registration of the new shares with the Swedish Companies Registration Office (Sw. Bolagsverket).

SHARE REGISTER

The Company is a central securities depository registered company affiliated with Euroclear. The Company's share register, containing information on the shareholders, is maintained by Euroclear, with the address Euroclear Sweden AB, Box 191, SE 101 23 Stockholm, Sweden.

SHAREHOLDER RIGHTS

Shareholder rights relating to dividends, voting rights, preferential rights in connection with new share issues and other matters are governed by the Swedish Companies Act (2005:551) and the Company's Articles of Association.

IMPORTANT INFORMATION REGARDING LEI AND NID IN CONNECTION WITH ACCEPTANCE

Pursuant to Directive 2014/65/EU of the European Parliament and of the Council (MiFID II), investors must have a global identification code in order to execute a securities transaction. These requirements mean that legal entities must obtain a Legal Entity Identifier (LEI) and natural persons must provide their National Client Identifier (NID) in order to receive ordinary shares in the Offer.

Please note that the legal status of the shareholder determines whether an LEI or an NID is required, and that an issuing institution may be prevented from executing the transaction if the relevant LEI or NID (as applicable) is not provided.

ADDITIONAL INFORMATION

The following directors currently serve on the boards of both the Company and Substrate AI: Mr. Lorenzo Serratosa Gallardo, Mr. José Iván García Braulio, and Mr. Christopher Dembik. There are also cross shareholdings, with the Company holding 30,635,785 A shares in Substrate AI and Substrate AI holding 132,222,822 ordinary shares in the Company.

It is expressly noted that those directors who are also shareholders of Substrate AI are free to decide, individually and without being bound by any collective decision, whether or not to participate in the Offer. It should also be noted that the Company has not entered into any prior agreements with other shareholders concerning the acceptance of the Offer.

30,635,785 A shares in Substrate AI, representing approximately 15 percent of the outstanding A shares in Substrate AI, are excluded from the Offer, as these A shares are already controlled by Subgen AI.



If the Substrate AI distributes dividends, reserves, or any other distribution to its shareholders prior to the settlement of the Offer, whether ordinary, extraordinary, interim, or supplementary (the **'Distributions'**), the consideration in the Offer will be reduced by an amount equivalent to the gross amount per share of the Distribution, provided that the record date for such Distribution is prior to the settlement date of the Offer.

For any questions regarding the Offer, please contact:

Agent and Coordinator: Banco Sabadell S.A.

Telephone: +34 648 125 315

Email: gonzalezanab@bancsabadell.com



BOARD OF DIRECTORS AND EXECUTIVE MANAGEMENT

According to the Company's articles of association, the Board of Directors of the Company shall consist of at least three and no more than seven board members. Presented below is the Board of Directors of the Company, which was elected by the extraordinary general meeting on 5 November 2025. The Board of Directors is elected for the period until the end of the annual general meeting 2026. Holdings below refers to ordinary shares and class A shares issued in the Company, held in their own name as well as by affiliated natural and legal persons as per the date of the Prospectus.

BOARD OF DIRECTORS

Name	Position	Independent in relation to the Company and executive management	Independent in relation to major shareholders	Year of election
José Iván García	Chairman of the board	No	No ⁽¹⁾	2025
Leandro Harillo	Board member	No	Yes	2025
Lorenzo Serratosa Gallardo	Board member	No	No ⁽²⁾	2025
Eduardo Montes	Board member	Yes	Yes	2025
Christopher Dembik	Board member	Yes	Yes	2025
Fredrik Häglund	Board member	Yes	Yes	2020

(1) José Iván García is acting as trustee/director of Subgen AI Foundation and is owner of JMSAN Agentes Financieros Globales together with Lorenzo Serratosa Gallardo.
 (2) Lorenzo Serratosa Gallardo is acting as trustee/director of Subgen AI Foundation and is owner of JMSAN Agentes Financieros Globales together with José Iván García.

José Iván García

Education/background: José Iván García has a BSc in Business Administration, a MSc in Economics and Finance, and PhD studies in Economics and Governance at the University of Valencia, Spain. Iván is one of the founders of Substrate AI, serving as the company's CEO, and the financial advisory KAU Markets EAF.

Other current positions: CEO of Substrate AI, chairman of 4D Médica S.L., trustee/director of Subgen AI Foundation.

Holdings in the Company: 51,275,217 class A shares, 23,837,422 ordinary shares.

Leandro Harillo

Education/background: Leandro Harillo has a MSc in Strategic and Technological Management from EOI, Spain, a MSc in Strategic and Technological Management from ITBA, Argentina, and a degree in IT Systems Engineering from Universidad Tecnológica Nacional, Argentina. Leandro is the co-founder of the AI-company BINIT and lectured in technological innovation and digital transformation at EOI, Spain.

Other current positions: -

Holdings in the Company: 42,293,158 ordinary shares.

Lorenzo Serratosa Gallardo

Education/background: Lorenzo Serratosa Gallardo has a BSc in Philosophy and Anthropology from the University of Valencia, Spain. Lorenzo is one of the founders of Substrate AI, serving as the company's chairman, and the financial advisory KAU Markets EAF.

Other current positions: Chairman of Substrate AI, trustee/director of Subgen AI Foundation, board member of 4D Médica S.L.

Holdings in the Company: 51,275,217 class A shares, 26,721,806 ordinary shares.

Eduardo Montes

Education/background: Eduardo Montes has a MSc in Industrial Engineering from the Technical University of Madrid, Spain. Eduardo has served as the general manager of Alcatel, the president of Alstom Transport and vice president of Siemens AG.

Other current positions: Chairman of Airtificial Group, board member of Mecalux S.A., board member of Catenon S.A., advisory board of IQM Finland Oy.

Holdings in the Company: -

Christopher Dembik

Education/background: Christopher Dembik has an MBA from the Institute of Economics, Polish Academy of Sciences, a MSc in International Relations and a BSc in Economics and Political Sciences, Sciences Po, France. Christopher has previously served as director and head of macroeconomic analysis at Saxo Bank and political advisor to members of the French National Assembly.

Other current positions: Senior investment advisor at Pictet Asset Management, Board member in Substrate AI and Aivancity School of AI & Data for Business & Society.

Holdings in the Company: -

Fredrik Häglund

Education/background: Fredrik Häglund has a Licentiate of Philosophy in Economics, a MSc in Business Administration and a BSc in Financial Economics from Lund University. Fredrik has extensive experience in real estate investments and served as board member of LifeAssays AB.

Other current positions: Board member at Ringtorner Fastigheter AB and Ellingtofta Jordbruks AB, chairman of Toftaholm Fastighetsförvaltning AB and AB Sjöholmen.

Holdings in the Company: 159,791 ordinary shares.



EXECUTIVE MANAGEMENT

Presented below are the persons who constitute the executive management of the Company. Holdings below refers to ordinary shares and class A shares issued in the Company, held in their own name as well as by affiliated natural and legal persons as per the date of the Prospectus.

Name	Position	Year of appointment
Lorenzo Serratosa Gallardo	Chief Executive Officer	2025
David Jiménez	Chief Financial Officer	2025
Leandro Harillo	Chief Product Officer	2025
Bren Worth	Chief Technology Officer	2025
Marta Gómez	Chief Administration Officer	2025

Lorenzo Serratosa Gallardo

For description, see above under section "Board of directors and executive management – Board of directors".

David Jiménez

Education/background: David Jiménez has a master's degree in financial audit from the University of Alcalá, Spain, and completed the Directors management program at IESE Business School, Spain. David has previously served as manager at Deloitte, partner at Baker Tilly and finance director at FCC Aquila.

Other current positions: Owner of Moneta SL.

Holdings in the Company: 1,996,138 ordinary shares.

Leandro Harillo

For description, see above under section "Board of directors and executive management – Board of directors".

Bren Worth

Education/background: Bren Worth has a BSc in Computer Science from the University of Texas, USA, and studied Aerospace Engineering at the University of Boulder Colorado, USA. Bren is one of the founders of Substrate AI, served as the company's CTO, leads the development of Serenity Star and has been granted several patents related to AI.

Other current positions: -

Holdings in the Company: 10,766,566 ordinary shares.

Marta Gómez

Education/background: Marta Gómez has a degree in Business science from the University of Valencia, Spain. Marta has previously worked at the advisory firm Jovace, with a focus on employment, tax and accounting matters.

Other current positions: -

Holdings in the Company: 1,001,108 ordinary shares.

OTHER INFORMATION ABOUT THE BOARD OF DIRECTORS AND EXECUTIVE MANAGEMENT

There are no family ties between any member of the Board of Directors or the executive management. During the past five years, none of the Company's board members or senior executives, (i) has been convicted in a fraud-related case, (ii) has been tied to a crime and/or has been subject to sanctions for a crime by a regulatory or supervisory authority (including recognized professional associations), or (iii) has been prohibited by a court from being a member of an issuer's administrative, management, or supervisory body or from holding managerial or executive functions with an issuer.

All board members and the members of the executive management are available through the Company's registered office at Scheelevägen 27, SE-223 63 Lund, Sweden.



REMUNERATION TO THE BOARD MEMBERS, CEO AND SENIOR EXECUTIVES

Remuneration to the members of the Board of Directors is resolved by the general meeting. The annual general meeting in the Company on 30 June 2025 resolved that remuneration to the chairman of the board shall be three price base amounts and remuneration to board members who are not employed by the Company shall be two price base amounts. On 14 October 2025, the Board of Directors unanimously resolved to waive any and all accrued directors' fees owed to them by the Company. No board members have any agreements that entitles to remuneration upon termination of the assignment.

The table below show the remuneration that the board members and executive management received for the financial year 2025. All amounts are stated in SEK. The Company has no allocated or accrued amounts for pensions or similar benefits after a board member's or senior executive's resignation from office or assignment.

Remuneration for the financial year 2025

(SEK)	Directors' fee	Basic salary / Consulting fee	Variable remuneration	Other remuneration	Pension cost	Total
Board of directors						
Jens Umehag, former chairman ⁽¹⁾	0	0	0	0	0	0
Michael Schwartz, former board member ⁽²⁾	0	0	0	0	0	0
William Ferenczy, former board member ⁽³⁾	0	0	0	0	0	0
William Vickery, former board member ⁽⁴⁾	0	0	0	0	0	0
Marco Witteveen, former board member and CEO ⁽⁵⁾	0	1,151,194	0	366,363	266,480	1,784,036
Fredrik Häglund, board member	0	0	0	0	0	0
José Iván García, chairman ⁽⁶⁾	1,021,505	2,693,075	0	0	0	3,714,580
Lorenzo Serratoso Gallardo, board member and CEO ⁽⁷⁾	1,021,505	1,674,038	0	0	0	2,695,543
Leandro Harillo, board member and CPO ⁽⁸⁾	0	1,080,585	0	0	0	1,080,585
Eduardo Montes, board member ⁽⁹⁾	0	0	0	0	0	0
Christopher Dembik, board member ⁽¹⁰⁾	663,978	0	0	0	0	663,978
Executive management						
Marco Witteveen, former board member and CEO ⁽⁵⁾	-	-	-	-	-	-
Lorenzo Serratoso Gallardo, board member and CEO ⁽⁷⁾	-	-	-	-	-	-
Leandro Harillo, board member and CPO ⁽⁸⁾	-	-	-	-	-	-
Other senior executives ⁽¹¹⁾	0	5,104,628	0	0	71,288	5,175,916
Total	2,706,988	11,703,520	0	366,363	337,768	15,114,639

(1) Jens Umehag was dismissed as chairman of the board at the extraordinary general meeting on 5 November 2025.

(2) Michael Schwartz was dismissed as board member at the extraordinary general meeting on 5 November 2025.

(3) William Ferenczy was dismissed as board member at the extraordinary general meeting on 5 November 2025.

(4) William Vickery was dismissed as board member at the extraordinary general meeting on 5 November 2025.

(5) Marco Witteveen was dismissed as board member at the extraordinary general meeting on 5 November 2025 and resigned as CEO on 6 November 2025.



- (6) José Iván García was elected as chairman of the board at the extraordinary general meeting on 5 November 2025.
- (7) Lorenzo Serratoso Gallardo was elected as board member at the extraordinary general meeting on 5 November 2025 and took office as CEO on 6 November 2025.
- (8) Leandro Harillo was elected as board member at the extraordinary general meeting on 5 November 2025.
- (9) Eduardo Montes was elected as board member at the extraordinary general meeting on 5 November 2025.
- (10) Christopher Dembik was elected as board member at the extraordinary general meeting on 5 November 2025.
- (11) In total, seven persons during the financial year 2025.



FINANCIAL INFORMATION

The financial information pertaining to the Pre-RTO Company's operations is presented in the Company's audited annual reports (each containing the auditor's report) for the financial years 1 January – 31 December 2024 and 1 January – 31 December 2023, as well as in the unaudited interim report for the period 1 January – 30 June 2025, all of which have been incorporated into this Prospectus by reference (see section "Documents incorporated by reference"). The Company's audited annual reports for the financial year ending 31 December 2024 and 31 December 2023 as well as the unaudited interim report for the period 1 January – 30 June 2025, have been prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the EU. The annual reports for the financial years ended 31 December 2024 and 31 December 2023 have been audited by the Company's previous independent auditor Göteborgs Revision KB. The financial information in the Company's aforementioned reports is presented in SEK.

The financial information pertaining to the Post-RTO Company's operations is presented in the audited annual report (containing the auditor's report) of Subgen AI Limited, a wholly owned subsidiary of the Company following the reverse takeover (dissolved at the time of the Prospectus), for the financial year 1 January – 31 December 2024, with comparative figures for the financial year 1 January – 31 December 2023, as well as in Subgen AI Limited's unaudited interim report for the period 1 January – 30 June 2025, all of which have been incorporated into this Prospectus by reference (see section "Documents incorporated by reference"). No standalone annual report for Subgen AI Limited for the financial year 2023 has been incorporated, as the Subgen AI Limited group was at that time part of a different group structure in which Substrate AI served as the parent company. Following a subsequent reorganisation, Substrate AI became a partly owned subsidiary of Subgen AI Limited. Accordingly, the financial information for 2023 presented in Subgen AI Limited's audited annual report for 2024 has been restated on a consolidated basis in order to enhance comparability over time and to provide a more accurate representation of the financial position and performance of Subgen AI Limited, and ultimately the Company. Subgen AI Limited's audited annual report for the financial year ended 31 December 2024 and its unaudited interim report for the period 1 January – 30 June 2025 have been prepared in accordance with IFRS as adopted by the EU. The annual report for the financial year ended 31 December 2024 has been audited by Subgen AI Limited's independent auditor Ernst & Young S.L. The financial information in Subgen AI Limited's aforementioned reports is presented in EUR.

Unless expressly stated otherwise, no other information in this Prospectus has been audited or reviewed by the Company's auditor.

Following completion of the reverse takeover on 6 November 2025 and the associated spin-off of the operations conducted by the Pre-RTO Company (previously Magnasense AB), the Post-RTO Company's operations consisted of the operations conducted by Subgen AI Limited together with its subsidiaries. In light of this, the Company assesses that Subgen AI Limited's consolidated financial statements for the financial year ended 31 December 2024, with comparative figures for the financial year ended 31 December 2023, as well as Subgen AI Limited's interim report for the six-month period ended 30 June 2025, with comparative figures for the six-month period ended 30 June 2024, provide the best indication of the Post-RTO Company's results and financial position, as no financial report has been published by the Company following the reverse takeover as of the date of this Prospectus.

Subsequent to the periods covered by the historical financial information referred to above and the completion of the reverse takeover, the group structure was further simplified through an internal reorganisation whereby the subsidiaries previously held by Subgen AI Limited were transferred to, and are now directly held by, Subgen AI AB. As a result, at the time of this Prospectus, Subgen AI Limited no longer holds any subsidiaries. This reorganisation did not affect the underlying operations, assets or liabilities of the Group following the reverse takeover, nor does it impact the relevance of Subgen AI Limited's historical consolidated financial statements as a basis for assessing the Post-RTO Company's financial position and performance.

The financial information relating to Subgen AI Limited is also assessed to provide a better basis for understanding the Post-RTO Company's future results and financial position than any pro forma financial information that would combine the Pre-RTO Company's historical financial figures (previously Magnasense AB) with those of Subgen AI Limited. Including financial information relating to the Pre-RTO Company's operations in such a pro forma presentation is assessed as not being decision-useful for investors and could distort the assessment of the Company's financial situation, as no operations previously conducted by the Pre-RTO Company are continued by the Company after the reverse takeover. For this reason, no pro forma financial information has been prepared due to the reverse takeover.

Substrate AI is reflected in Subgen AI Limited's consolidated audited annual report for 2024, prepared in accordance with IFRS as adopted by the EU, as Subgen AI Limited exercised control over Substrate AI through its voting rights and board representation, with no other shareholder or group of shareholders assessed to have control, and accordingly consolidated Substrate AI as a subsidiary. Following the reorganisation described above, the Company exercises control over Substrate AI on the same basis and therefore expects to continue to consolidate Substrate AI going forward. A successful acceptance outcome of the Company's voluntary public offer to the shareholders of Substrate AI would thus primarily affect the allocation of Substrate AI's earnings between the owners of the parent and non-controlling interests in Subgen AI Limited by increasing Subgen AI Limited's ownership share of Substrate AI's issued capital, rather than introducing new activities that are not already reflected in the consolidated financial statements. The extent of any such increase in control, and the resulting impact on the share of Substrate AI's earnings attributable to the Company's shareholders, will depend on the final level of acceptance in the Offer, which is inherently uncertain as the Offer is voluntary, subject to conditions for completion and is being carried out without any prior agreements with other shareholders in Substrate AI regarding acceptance of the Offer. Against this background, the Company assesses that a pro forma presentation based on an assumed acceptance of the Offer would represent only one of several possible outcomes and could give investors a distorted or unduly optimistic view of the Company's future financial position and results. In view of the fact that Substrate AI is already fully consolidated in Subgen AI Limited's financial statements and that the impact of the Offer relates primarily to the distribution of earnings and equity between owners of the parent and non-controlling interests, the Company has assessed that pro forma financial information in respect of the Offer would not provide meaningful additional information to investors and could be misleading. For this reason, no pro forma financial information has been prepared due to any potential effects of the Offer.



INCORPORATED BY REFERENCE

Financial reports pertaining to the Pre-RTO Company's operations (the Company, previously Magnasense AB)

- The Pre-RTO Company's audited financial report with financial statements (consolidated income statement p. 21, consolidated balance sheet p. 22, consolidated statement of changes in equity p. 23, and consolidated cash flow statement p. 24) for the financial year ended 31 December 2024, including notes to the financial statements (p. 29-50) and the auditor's report (p. 51-54).³⁷
- The Pre-RTO Company's audited financial report with financial statements (consolidated income statement p. 24, consolidated balance sheet p. 25, consolidated statement of changes in equity p. 26, and consolidated cash flow statement p. 27) for the financial year ended 31 December 2023, including notes to the financial statements (p. 32-50) and the auditor's report (p. 52-54).³⁸
- The Pre-RTO Company's interim report for the period January 1 – 30 June 2025 with financial statements (consolidated income statement p. 9, consolidated balance sheet p. 10, consolidated cash flow statement p. 11, and consolidated statement of changes in equity p. 12), including notes to the financial statements (p. 17-21).³⁹

Financial reports pertaining to the Post-RTO Company's operations (Subgen AI Limited, wholly owned subsidiary of the Company following the reverse takeover)

- Subgen AI Limited's audited financial report with financial statements (consolidated income statement p. 8, consolidated balance sheet p. 6-7, consolidated statement of changes in equity p. 10, and consolidated cash flow statement p. 11) for the financial year ended 31 December 2024, including the auditor's report (p. 1-4) and notes to the financial statements (p. 12-91).⁴⁰
- Subgen AI Limited's interim report for the period January 1 – 30 June 2025 with financial statements (consolidated income statement p. 4, consolidated balance sheet p. 2-3 and consolidated cash flow statement p. 6), including notes to the financial statements (p. 7-12).⁴¹

All documents incorporated by reference are available at the Company's website, <https://subgen.ai/>.

SIGNIFICANT CHANGES IN THE COMPANY'S FINANCIAL POSITION AFTER 30 JUNE 2025

In November 2025, the Company (formerly Magnasense AB) completed a reverse takeover of Subgen AI Limited, as a result of which Subgen AI Limited became a wholly owned subsidiary of the Company. In connection with the transaction, the Company's (formerly Magnasense AB) previous operations were spun off and the Company thereafter became the parent company of the Group. In connection therewith, Atlas agreed to set off all of its outstanding debt and other claims against the parent company Subgen AI AB through a directed issue of shares with payment by way of set-off.

In June 2025, and unrelated to the debt subject to the set-off described above, the Company's controlled subsidiary Substrate AI entered into an investment agreement with Atlas comprising of issuance of convertible bonds in an aggregate principal amount of up to EUR 10 million, divided into fifteen tranches.

For further information regarding the reverse takeover, the related spin-off of the Company's (formerly Magnasense AB) previous operations, the set-off of Atlas' claims, and the investment agreement between Atlas and Substrate AI, reference is made to the section "Material Agreements".

In December 2025, Subgen AI entered into an investment agreement of up to SEK 33 million with Assured Mind S.L., a Spanish investment vehicle specialising in long-term investments in publicly listed technology companies. Under the investment agreement, the Company has the right, but not the obligation, to request one or several investments of up to an aggregate amount of SEK 33 million, to be carried out through directed issues of new ordinary shares in the Company. In addition, the investment agreement provides that for each SEK 11 million invested, the investor shall be granted an option to subscribe for ordinary shares in Subgen AI corresponding to an amount of SEK 33 million, resulting in options to subscribe for ordinary shares in Subgen AI of up to an aggregate amount of SEK 99 million.

In January 2026, the Company announced that its controlled subsidiary Substrate AI would settle certain RTO-related and other liabilities by transferring 41,850,820 existing ordinary shares in the Company held by Substrate AI to certain creditors. The settlement reduced Group liabilities by approximately EUR 3 million and involved no new share issuance or dilution for existing shareholders.

Other than the above, no material changes have occurred in the Company's financial position since 30 June 2025 and up to the date of the Prospectus.

DIVIDEND POLICY

The Company has not paid any dividends since its incorporation, and the Company does not anticipate paying any dividends in the short term. The size of any future dividends payable to shareholders of the Company will depend on a number of factors, including earnings, financial position, cash flow and working capital needs. Dividends may only be paid once long-term profitability can be anticipated. No dividend is expected to be paid during the coming year; instead, available funds will be used to support continued expansion. The Company has not adopted a dividend policy.

³⁷ Magnasense AB's annual report for the financial year 2024: https://subgen.ai/wp-content/uploads/2025/11/magnasense_annual_report_2024.pdf.

³⁸ Magnasense AB's annual report for the financial year 2023: https://subgen.ai/wp-content/uploads/2025/11/magnasense_annual_report_2023.pdf.

³⁹ Magnasense AB's interim report for the period January 1 - 30 June 2025: https://subgen.ai/wp-content/uploads/2025/11/magnasense_half-year_report_2025.pdf.

⁴⁰ Subgen AI Limited's annual report for the financial year 2024: https://subgen.ai/wp-content/uploads/2025/11/subgen_annual_report_2024.pdf.

⁴¹ Subgen AI Limited's interim report for the period January 1 - 30 June 2025: https://subgen.ai/wp-content/uploads/2025/11/subgen_half-year_report_2025.pdf.



LEGAL CONSIDERATIONS AND OWNERSHIP STRUCTURE

SHARES AND SHARE CAPITAL

The Company's shares are issued in accordance with Swedish law and the provisions in the Swedish Companies Act (2005:551) and are denominated in SEK. The Company's articles of association, which was adopted by the extraordinary general meeting on 5 November 2025, stipulates that the share capital shall be no less than SEK 2,600,000 and no more than SEK 10,400,000, and that the number of shares shall be no less than 1,018,000,000 and no more than 4,072,000,000. The registered share capital of the Company as per the 30 June 2025 amounted to SEK 1,863,849,280,293. As per the date of the Prospectus, the Company's share capital amounts to SEK 2,648,728,375,293, divided between 519,449,763 ordinary shares and 498,987,606 class A shares. Shares in the Company can be issued in two classes, ordinary shares with one vote each and class A shares with ten votes each. All shares are fully paid up and each share has a quota value of approximately SEK 0.002601. There are no restrictions regarding the transferability of the shares.

MATERIAL AGREEMENTS

Except for the agreements mentioned below the Group has not, except for agreements entered into in the ordinary course of business, entered into any material agreements during the past one year immediately prior to the publication of this Prospectus.

Agreement regarding reverse takeover

On 22 July 2025, Magnasense AB entered into a conditional agreement regarding the reverse takeover of the British company Subgen AI Limited (the "**Reverse Takeover**"). The Reverse Takeover was completed through an issue of 498,987,606,931 class A shares and 499,081,015,965 ordinary shares in Magnasense AB to Subgen AI Limited, resolved by the extraordinary general meeting on 5 November 2025, as payment through set-off against all shares in Subgen AI Limited. Through the Reverse Takeover, Subgen AI Limited became a fully owned subsidiary to Magnasense AB and the main shareholders of Subgen AI Limited became the main shareholders of Magnasense AB. Completion of the Reverse Takeover was subject to, inter alia, the following conditions unless otherwise agreed, (i) the shareholders of Magnasense AB resolving on approval of the Reverse Takeover and other proposals at the extraordinary general meeting, (ii) Magnasense AB obtaining approval for continued listing on Nasdaq First North Growth Market, (iii) a third party investor has contractually agreed to pay, on behalf of Magnasense AB, the administrative fine issued to Magnasense AB by the Swedish Financial Supervisory Authority (Sw. Finansinspektionen) on 25 June 2025, (iv) Magnasense AB has no more liabilities or debts than agreed between the parties, (v) the required regulatory approvals are fulfilled, (vi) Aegirbio UK Ltd, along with any other subsidiaries currently held by the Magnasense AB group, is spun off from Magnasense AB, and (vii) Magnasense AB entering into an agreement with Atlas Capital Markets whereby Atlas Capital Markets agrees that any and all of Atlas Capital Markets' outstanding debt and claims against Magnasense AB is converted into shares in Magnasense AB. Regarding the conditions above, Magnasense AB and Subgen AI Limited agreed on 29 September 2025 not to pursue the requirement that a third-party investor assume responsibility for, and contractually agree to pay on behalf of Magnasense AB, the administrative fine issued by the Swedish Financial Supervisory Authority on 25 June 2025. The Reverse Takeover was approved by the extraordinary general meeting on 5 November 2025 and completed on 6 November 2025. Due to the Reverse Takeover, the extraordinary general meeting in Magnasense AB on 5 November 2025 resolved to change the company name to Subgen AI AB.

Agreement regarding sale of subsidiaries

On 20 September 2025, the Company entered a share sale and purchase agreement with ADC Services International Limited regarding the shares in the Company's subsidiaries Aegirbio (UK) Limited, Aegirbio US Inc, Abreos Biosciences LLC, Aegirbio Sweden AB, Viraspec AB and Magnasense Technologies OY in connection with the Reverse Takeover. The Company will pay EUR 75,000 to ADC Services International Limited as compensation for taking over full responsibility for the subsidiaries as well as the buyer indemnification, i.e. taking over any and all debt and liabilities (whether contingent or otherwise) of the subsidiaries and will indemnify and hold the Company harmless from any obligations arising in the Company or any of the subsidiaries before completion of the Reverse Takeover, including trade payables, tax liabilities, employee-related obligations and contractual commitments, as well as taking over any and all liability and debt, including any remaining debt to creditors, in the Company incurred prior to completion of the Reverse Takeover, except for debts and liabilities expressly envisaged in the Reverse Takeover (including the administrative fine by the Swedish Financial Supervisory Authority on 25 June 2025 and the claim by Atlas Special Opportunities, LLC.). The consideration consists of settlement of the Aegirbio (UK) Limited intercompany debt to the Company written down to SEK 16,000,000 and the responsibility to repay the loan to the Company will be transferred to ADC Services International Limited and structured as a ten-year loan with annual installments equal to fifty (50) percent of the Aegirbio (UK) Limited EBITDA, with any outstanding balance due in full by 1 July 2035, and no interest charged. The transaction was completed on 5 November 2025.

Agreement regarding termination of employment

On 20 September 2025, the Company and the CEO Marco Witteveen entered into an agreement regarding termination of employment. The date of termination was to be the earliest of (i) the completion of the Reverse Takeover, or (ii) 31 December 2025. As compensation Marco Witteveen shall receive a gross payment of EUR 33,125 on the date of termination, and if the date of termination is after 15 September 2025 an additional daily salary of EUR 442 up until 31 October 2025. Marco Witteveen will also receive a gross cash severance payment totalling EUR 135,750 representing 75 percent of the employee's notice period salary and severance package. If the Reverse Takeover is completed before 31 December 2025, the Company undertakes to use its best efforts to ensure that Marco Witteveen will receive ordinary shares as set off against the additional daily salary compensation and severance payment above. The agreement contains customary competition clauses etc. The Reverse Takeover, as well as the termination of employment, was completed on 6 November 2025.



Agreement regarding investment from Atlas Capital Markets

On 9 June 2025, the Company's controlled subsidiary Substrate AI entered into an investment agreement with Atlas Capital Markets comprising of issuance of convertible bonds for a maximum of EUR 10 million divided into 15 tranches. The conversion price shall be 95 percent of the lowest weighted average share price in the 10 trading sessions held prior to the date of the bonds' conversion request. In connection with the investment agreement, Substrate AI grants Atlas Capital Markets warrants through which Atlas Capital Markets can acquire up to a number of shares equivalent to 20 per cent of the nominal value of each of the tranches, for a period of 3 years, and at a price equivalent to 120 per cent of the lowest weighted average price of the share in the 10 trading sessions held prior to the date of request for subscription of the rest of the tranches. As security for the investment agreement, the Company's previous subsidiary Subgen AI Limited entered a share loan agreement with Atlas Capital Markets regarding Subgen AI Limited's 18,758,919 shares in Substrate AI, see more information below.

Agreements regarding share lending

On 20 May 2025 and 5 June 2025, the Company's previous subsidiary Subgen AI Limited entered into two similar share loan agreements of first 6,258,919 class A shares and second 12,500,000 class A shares, in total 18,758,919 class A shares, in Substrate AI whereby the shares are lent by Subgen AI Limited to Atlas Capital Markets. The share lending agreements are connected to the investment agreement with Atlas Capital Markets described above and constitutes a loan of shares. The maturity date is connected to the investment agreement and is defined as the latter of when all notes have been issued and converted, or the expiration of forty-eight months plus twenty business days from the agreement date. Atlas Capital Markets shall ensure that Subgen AI Limited retains voting rights of the lent shares and, on the maturity date, redeliver equivalent shares to Subgen AI Limited. For more information, see the section "Risk factors - Share lending".

Share syndication agreements

On 26 December 2025, the Company's previous subsidiary Subgen AI Limited entered into share syndication agreements with a total of 25 shareholders of Substrate AI, regarding the control of Substrate AI. Through the agreement, the Company is appointed as trustee of the parties' voting rights and the right to vote at general meetings for the parties for the duration of the agreements. Through the agreements, the Company controls the largest voting stake in Substrate AI with more than 41 percent of the votes. The share syndication agreements have an initial term of five years and may be extended if agreed by the parties. The share syndication agreements are governed by Spanish law.

GOVERNMENTAL, LEGAL AND ARBITRATION PROCEEDINGS

The Swedish Financial Supervisory Authority decided on 25 June 2025 to impose a fine of SEK 12 million on Magnasense AB for violations of Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse ("MAR"). Magnasense AB filed an appeal with the Administrative Court in Stockholm on 14 July 2025 against the decision by the Swedish Financial Supervisory Authority. As of the date of this Prospectus there has been no final verdict regarding the fine. Magnasense AB was the previous company name of the Company prior to the Reverse Takeover, for more information see the section "Material agreements – Agreement regarding reverse takeover" above.

During 2026, the Swedish Enforcement Authority (Sw. Kronofogdemyndigheten) has informed the Company that debt payments totalling approximately KSEK 21 have been resolved upon, and the Swedish Enforcement Authority has sent injunctions to the Company to pay the outstanding debt. The debt referred to costs acquired by the Pre-RTO Company and as of the date of this Prospectus, the Company confirms that all debts incurred by the Swedish Enforcement Authority have been, or will shortly be, paid and settled.

Except as provided above, Subgen AI has not during the last 12 months prior to the publication of this Prospectus been involved in any regulatory proceedings, legal proceedings or arbitration proceedings (including proceedings that are not yet resolved or that, according to Subgen AI's reasonable knowledge, are likely to be initiated) that could have or recently have had a significant effect on the Company's or Group's financial position or profitability.

CONFLICTS OF INTEREST

No board member or member of the executive management has any private interest that might conflict with the Company's interest. Further, no board member or member of the executive management has been elected as a result of arrangements or agreements with shareholders, customers, suppliers or other parties. However, as is presented in the section "Board of directors and executive management", several board members and members of the executive management have certain financial interests in the Company as a result of their direct or indirect holdings of financial instruments in the Company.

TRANSACTIONS WITH RELATED PARTIES

No material transactions between the Company and related parties have occurred during the period from 1 January 2025 up until the day of the Prospectus.

SHARE RELATED INCENTIVE PROGRAMS, WARRANTS ETC.

Per the date of the Prospectus, Subgen AI has three outstanding warrant programs. Apart from the mentioned warrant programs, the Company has no other outstanding warrants, convertibles och share related incentive programs.

Warrants series TO 2023/2026

On 25 August 2023, the annual general meeting decided to introduce a warrant program for senior executives and other key individuals in the Group, warrants series TO 2023/2026. The program entailed that the Company issued 360,000 warrants, where each warrant shall entitle the holder to subscribe for 1 new ordinary share in the Company. The warrants were issued at a subscription price of SEK 0.24 per warrant, which corresponded to the market value of the warrant in accordance with the customary valuation model (Black & Scholes). Each warrant entitles the holder to subscribe for one new ordinary share at a subscription price of SEK 2.95. Subscription of ordinary shares with the support of warrants series TO 2023/2026 can take place during the period from 1 September 2026, up to and including 30 September 2026. As program participants paid fair value, no benefit arose. Consideration received is reported directly against equity.



Warrants series TO5

Warrants series TO5 were resolved by the Board of Directors in the Company on 10 April 2025 with authorization from the extraordinary general meeting on 24 February 2025 as part of the Company's rights issue of units. In total 1,137,075,705 warrants were subscribed for. Each warrant entitles the holder to subscribe for 0.001 new ordinary share in the Company. Following recalculation due to the reverse share split resolved by the extraordinary general meeting on 5 November 2025, each warrant entitles the holder to subscribe for 0.001 new ordinary share at a subscription price of SEK 14.00. Subscription of ordinary shares with the support of warrants series TO5 can take place during the period from 18 May 2026, up to and including 1 June 2026. The warrants are subject to customary recalculation terms in connection with issues, etc.

Warrants series TO6

Warrants series TO6 were resolved by the Board of Directors in the Company on 10 April 2025 with authorization from the extraordinary general meeting on 24 February 2025 as part of the Company's rights issue of units. In total 909,660,564 warrants were subscribed for. Each warrant entitles the holder to subscribe for 0.001 new ordinary share in the Company. Following recalculation due to the reverse share split resolved by the extraordinary general meeting on 5 November 2025, each warrant entitles the holder to subscribe for 0.001 new ordinary share at a subscription price of SEK 17.50. Subscription of ordinary shares with the support of warrants series TO6 can take place during the period from 2 June 2027, up to and including 16 June 2027. The warrants are subject to customary recalculation terms in connection with issues, etc.

OWNERSHIP STRUCTURE

To the Board of Directors' knowledge, there are no shareholders' agreements, other agreements or corresponding agreements between the Company's shareholders intended to exercise joint control of the Company, nor is the Company's Board of Directors aware of any additional agreements or equivalent that could lead to a change in the control over the Company. The Company has not taken any specific measures in order to guarantee that the control over the Company is not changed or misused. However, the rules for protection of minority shareholders in the Swedish Companies Act (2005:551) constitute a protection against a majority shareholder's potential misuse of its control over a company.

Larger shareholders

The table below shows the Company's major shareholders who directly or indirectly have a shareholding in the Company corresponding to five (5) percent or more or the number of shares and votes in the Company as per 31 December 2025, including any known subsequent changes up to and including the date of the Prospectus. Each ordinary share in the Company entitles to one vote at general meetings, and each class A share in the Company entitles to ten votes at general meetings.

Shareholders	Class A shares	Ordinary shares	Capital, %	Votes, %
Subgen AI Foundation ⁽¹⁾	396,437,172	-	38.9	72.0
Substrate Artificial Intelligence, S.A.	-	132,222,822	13.0	2.4
JMSAN Agentes Financieros Globales ⁽²⁾	102,550,434	-	10.1	18.6
Other shareholders	-	387,226,941	38.0	7.0
Total	498,987,606	519,449,763	100.0	100.0

⁽¹⁾ The board member and CEO in the Company, Lorenzo Serratoso Gallardo, and the chairman of the board in the Company, José Iván García, are acting as directors/trustees of Subgen AI Foundation.

⁽²⁾ The board member and CEO in the Company, Lorenzo Serratoso Gallardo, and the chairman of the board in the Company, José Iván García, are owners of JMSAN Agentes Financieros Globales.



AVAILABLE DOCUMENTS

The following documents are available in electronic form on the Company's website, <https://subgen.ai/>, for the duration of the Prospectus' period of validity. Copies of the documents will also be available during the Prospectus' period of validity at Subgen AI's registered office, Scheelevägen 27, 223 63 Lund, Sweden.

- The Company's certificate of registration.
- The Company's articles of association.

The information on the website is not part of the Prospectus and has not been reviewed or approved by the Swedish Financial Supervisory Authority.

The logo consists of a stylized blue 'G' icon made of two curved segments, followed by the text 'SubgenAI' in a white, sans-serif font.

SubgenAI™

