MAKING SCIENCE GROUP, S.A

Annual Accounts Consolidated and Management Report 2022

Includes an audit report on the annual financial statements

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(Translation of a report and accounts originally issued in Spanish and prepared in accordance with Spanish generally accepted accounting principles. In the event of a discrepancy, the Spanish-language version prevails)

INDEPENDENT AUDITOR'S REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

To the shareholders of Making Science Group, S.A.

Report on the financial statements

Opinion

We have audited the consolidated annual accounts of Making Science Group, S.A. (the Parent company) and its subsidiaries, (the Group), which comprise the consolidated balance sheet at 31 December 2022, the consolidated income statement, the consolidated statement of changes in equity, the consolidated statement of cash flows and the notes to the consolidated annual accounts for the year then ended.

In our opinion, the accompanying consolidated annual accounts present, in all material respects, a true and fair view of the consolidated equity and the consolidated financial position of the Group at 31 December 2022, and of the consolidated results of its operations and consolidated cash flows for the year then ended, in accordance with the applicable framework of financial reporting standards (which is identified in note 2) to the consolidated annual accounts) and, in particular, in compliance with the accounting principles and criteria contained in that framework.

Basis for opinion

We conducted our audit in accordance with the current Spanish standards for auditing accounts. Our responsibilities under those standards are further described in the *Auditor´s responsibilities for the audit of the consolidated annual accounts* section of our report.

We are independent of the Group in accordance with the ethical requirements, including those relating to independence, that are applicable to our audit of the consolidated annual accounts in Spain, as required by the regulations governing the auditing of accounts. In this regard, we have not provided any services different to the audit of accounts and no situations or circumstances have arisen that, based on the aforementioned regulations, might have affected the required independence in such a way that it could have been compromised.

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

Key audit matters

The key audit matters are those that, in our professional judgement, were of most significance in our audit of the consolidated annual accounts of the current period. These matters were addressed in the context of our audit of the consolidated annual accounts as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Revenue recognition

As mentioned in note 1 of the consolidated annual accounts, the Group obtains its income mainly from advertising and public relations services. In accordance with the financial information regulatory framework that is applicable and as indicated in note 4 of the consolidated annual accounts, income is allocated based on the accrual criterion, that is, when the actual flow of income occurs. goods and services that they represent, regardless of when the monetary or financial flow derived from them occurs. Given the significant nature of the correct temporal recording of income and taking into account the specific circumstances of the Group, we have considered this aspect as a key audit issue.

Our main audit procedures in relation to this matter included obtaining an understanding of the Group's relevant internal accounting processes and controls over revenue recognition, as well as applying substantive procedures through obtaining external confirmations for a sample of clients pending collection, carrying out, where appropriate, alternative verification procedures by means of proof of subsequent collection or supporting documentation justifying the service provided. On the other hand, for a sample of income accounted for in the year and based on the inspection of the invoices and other supporting documentation of the operations carried out, we have verified their adequate accounting record. Likewise, based on a sample of invoices close to both the end of the financial year and the beginning of the following financial year, we have verified the correct allocation of income in the correct period. Finally, we have evaluated whether the information disclosed in the consolidated annual accounts is adequate with respect to the requirements of the applicable financial reporting regulatory framework.

Subsequent valuation of Goodwill

As reported in note 10 of the attached consolidated annual accounts, the Group has recognized under the balance sheet heading "Goodwill" an amount of 37,139 thousand euros corresponding to the positive differences arising between the book value of the participation and the value attributed to said share of the fair value of the acquired assets and assumed liabilities of the acquired companies. The recoverable value as of December 31, 2022 has been determined based on the future cash flows of the investment that arise from the business plans of the companies that generate goodwill, prepared by the Management of the Company based on estimates of cash flows, expected returns and other variables under conditions of uncertainty, therefore being considered a key audit matter

Our audit procedures have included, among others, the understanding of the process followed by the Group to obtain the information that has served as the basis for the calculation of the recoverable value, the evaluation of the impairment indicators and the methodology and assumptions used in the estimate of the recoverable value, comparing the information contained in the business plans with the known historical experience of the Group itself. We have analyzed the cash flow projections made, and we have involved specialists from our firm in the review of aspects related to the valuation methodology used, in the mathematical review of the model and in the analysis of the reasonableness of the most relevant hypotheses. Additionally, we have evaluated whether the information disclosed in the annual accounts complies with the requirements of the applicable financial reporting regulatory framework.

Other information: Consolidated directors’ report

Other information comprises exclusively the consolidated directors’ report for the 2022 financial year. The directors of the Parent company are responsible for preparing this report, which does not form an integral part of the consolidated annual accounts.

Our audit opinion on the consolidated annual accounts does not cover the consolidated directors’ report. In accordance with the regulations governing the auditing of accounts, our responsibility regarding the consolidated directors’ report, includes:

Verifying only that the statement of non-financial information has been provided in the manner required by applicable legislation and, if not, we are required to report that fact.

a) Evaluating and reporting on the consistency of the rest of the information included in the consolidated director’s report with the annual accounts, based on the knowledge of the Group obtained during our audit of those accounts, as well as evaluating and reporting on whether the content and presentation of this part of the consolidated director’s report meet the requirements of the applicable regulations. If, as a result of our work, we conclude that there are material misstatements, we are required to report that fact.

Based on the work performed, as described above, we have verified that the information mentioned in section a) above has been provided in the manner required by applicable legislation and that the rest of the information contained in the consolidated directors' report is consistent with that disclosed in the annual accounts for the year 2022 and its content and presentation meet the requirements of the applicable regulations.

Responsibility of the directors and the audit committee for the consolidated annual accounts

The directors of the Parent company are responsible for the preparation of the accompanying consolidated annual accounts, so that they show a true and fair view of the consolidated equity, the consolidated financial position and the consolidated results of the Group, in accordance with the framework of financial reporting standards applicable to the Group in Spain and for such internal control that they consider necessary to enable the preparation of consolidated annual accounts that are free from material misstatements, whether due to fraud or error.

In preparing the consolidated annual accounts, the directors of the Parent company are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors of the Parent company either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Audit committee of the Parent company is responsible for overseeing the process of preparing and presenting the consolidated annual accounts.

Auditor´s responsibilities for the audit of the consolidated annual accounts

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

As part of an audit in accordance with current Spanish regulations for auditing accounts, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement in the consolidated annual accounts, whether due to fraud or error, design and perform audit procedures to respond to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of the accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors of the Parent company.

- Conclude on the appropriateness of the directors of the Parent company's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention to this in our auditor's report to the related disclosures in the consolidated annual accounts or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated annual accounts, including the disclosures, and whether the consolidated accounts represent the underlying transactions and events in a manner that achieves a true and fair view.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated annual accounts. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the audit committee of the Parent company regarding, among other matters, the planned scope and timing of the audit and the significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the audit committee of the Parent company with a statement that we have complied with relevant ethical requirements, including those relating to independence, and have communicated with the audit committee those matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated to the audit committee of the Parent company, we determine those matters that were of most significance in the audit of the consolidated annual accounts of the current period and are, therefore, the key audit matters.

We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

Report on other legal and regulatory requirements

Additional report for the audit committee of the Parent company

The opinion expressed in this report is consistent with the content of our additional report to the audit committee of the Parent company dated 31 March 2023.

Appointment period

We were appointed as Group auditors for a period of 1 year, for the year ended 31 December 2022, by the Extraordinary General Meeting of Shareholders held on 29 July 2022.

Previously, we were appointed by the Sole Shareholder of the Parent company for a period of three years counted from the year ended 31 December 2019.

Grant Thornton, S.L.P. Sociedad Unipersonal

ROAC nº S0231

Alfredo González del Olmo

ROAC nº 18863

31 March 2023

MAKING SCIENCE GROUP, S.A. AND SUBSIDIARIES

Consolidated Balance Sheet Statement
as of 31 December 2022
(expressed in euros)

ASSETS	Note	31.12.22	31.12.21
NON CURRENT ASSETS		**52.171.278**	**41.944.953**
Intangible assets	**5**	**48.828.996**	**39.703.939**
Developments		3.039.811	3.520.986
Licenses, trademarks and similar		28.914	34.684
Goodwill		4.646.978	1.633.617
Consolidation goodwill	**10**	37.139.291	31.721.875
Computer software		3.360.240	2.101.055
Other intangible assets		613.762	691.721
Fixed assets	**6**	**1.992.576**	**1.067.895**
Land and buildings		148.460	84.417
Technical installations and other fixed assets		1.775.647	983.479
Fixed assets in progress and advances		68.469	-
Non current financial investments in group companies and affiliates	**8 y 19**	**894.832**	**5.100**
Equity instruments		5.100	5.100
Financial investments (equity method)		889.732	-
Non current financial investments	**8**	**454.874**	**1.166.276**
Other financial assets		454.874	1.166.276
Deferred tax assets	**15**	**-**	**1.743**
CURRENT ASSETS		**81.294.171**	**63.526.546**
Inventories		**3.292.261**	**1.929.987**
Commercials		2.889.410	1.842.234
Advance payments to suppliers		402.851	87.753
Trade and other receivables	**9**	**45.342.371**	**29.742.018**
Trade receivables	**8**	41.313.998	27.700.229
Trade receivables from group companies and affiliates	**8 y 19**	-	3.265
Other receivables	**8**	1.507.840	259.688
Personnel		86.264	-
Current tax assets	**15**	146.922	207.419
Public administrations, others	**15**	2.287.347	1.571.418
Current financial investments in group companies and associates	**8 y 19**	**51.718**	**819.441**
Loans to companies		51.718	51.000
Other current financial assets		-	4.208
Other investments		-	764.233
Current financial investments	**8**	**285.962**	**238.911**
Equity instruments		20.672	81.798
Loans to companies		265.290	608
Other current financial assets		-	156.505
Short term prepayments		**973.659**	**574.013**
Cash and equivalents		**31.348.200**	**30.222.176**
TOTAL ASSETS		**133.465.449**	**105.471.499**

MAKING SCIENCE GROUP, S.A. AND SUBSIDIARIES

Consolidated Balance Sheet Statement
as of 31 December 2022
(expressed in euros)

EQUITY AND LIABILITIES	Note	31.12.22	31.12.21
EQUITY		**14.642.533**	**11.811.578**
EQUITY		**12.762.414**	**12.210.200**
Capital	**11.a**	**82.860**	**77.513**
Registered capital		83.040	77.693
Uncalled capital		(180)	(180)
Share premiun	**11.a**	**23.188.036**	**13.893.377**
Reserves	**11c**	**(6.652.760)**	**178.760**
Legal Reserves		15.503	14.125
Other reserves		(820.606)	920.397
Consolidation reserves		(5.847.657)	(755.762)
(Treasury shares)	**11.b**	**(1.507)**	**(2.117)**
Other equity holder contributions		**240.500**	**240.500**
Result for the period attributed to the Parent Company	**11.d**	**(4.985.189)**	**(3.485.141)**
Result for the period attributed to third parties		**425.397**	**286.184**
Third parties	**11.e**	**465.077**	**1.021.125**
Valuation adjustments		**1.880.119**	**(398.622)**
Available for sales financial assets		(26.646)	(26.646)
Other		1.906.765	(371.976)
NON CURRENT LIABILITES		**32.374.249**	**34.543.350**
Long term provision		**107.738**	**408.909**
Long term employee benefits		107.738	341.602
Other provisions		-	67.307
Non current payables	**13**	**25.278.577**	**29.942.462**
Bonds and obligations		11.762.525	11.820.000
Debt with financial institutions		7.007.585	10.110.747
Other financial liabilities		6.508.467	8.011.715
Group companies and associates, non current payables	**19**	**6.931.825**	**4.135.870**
Deferred tax liabilities	**15**	**56.109**	**56.109**
CURRENT LIABILITES		**86.448.667**	**59.116.571**
Short term provision	**16**	**957.110**	**108.038**
Current payables	**13**	**20.571.729**	**15.905.042**
Debt with financial institutions		19.065.532	14.505.620
Financial lease liabilities		-	8.126
Other financial liabilities		1.506.197	1.391.295
Group companies and associates, current payables	**19**	**3.491.575**	**3.754.900**
Trade and other payables	**14**	**53.686.193**	**33.185.907**
Suppliers		32.398.539	6.034.534
Suppliers, group companies and associates	19	-	616.510
Other payables		12.020.148	21.553.943
Personnel		1.155.257	820.584
Current tax liabilities	15	916.242	53.822
Other payables to public administrations	15	6.055.631	3.782.367
Advanced from customers		1.140.376	324.147
Current accruals	**17**	**7.742.060**	**6.162.685**
TOTAL EQUITY AND LIABILITIES		**133.465.449**	**105.471.499**

MAKING SCIENCE GROUP, S.A. AND SUBSIDIARIES

Consolidated Profit and Losses Statement
as of the fiscal year ended
31 December 2022
(expressed in euros)

	Note	2022	2021
CONTINUING OPERATIONS			
Revenues	**18.b**	**210.132.290**	**110.445.174**
Sales		130.748.634	-
Services rendered		79.383.656	110.445.174
Changes in inventories of finished goods and work in progress		**945.261**	**(71.675)**
Capitalized expenses	**5 y 18.c**	**3.258.434**	**2.453.709**
Cost of goods sold	**18.a**	**(156.126.586)**	**(80.338.476)**
Merchandise used		(7.595.703)	-
Raw materials and other consumables used		-	(2.295)
Subcontrated work		(148.530.883)	(80.336.181)
Other operating income		**645.329**	**485.902**
Non trading and other operating income		617.539	346.057
Operating grants taken to income		27.790	139.845
Personnel expenses		**(36.238.792)**	**(21.310.767)**
Wages, salaries and similar		(30.206.304)	(17.157.402)
Employee benefits expense	**18.d**	(5.476.653)	(4.137.782)
Provisions		(555.835)	(15.582)
Other operating expenses	**18.e**	**(15.079.077)**	**(9.299.260)**
External services		(14.781.232)	(9.258.398)
Taxes		(34.346)	(25.506)
Losses, impairment and change in trade provisions	**9**	(25.220)	(34.146)
Other current operating expenses		(238.279)	18.789
Amortization of fixed assets	**5 y 6**	**(7.585.005)**	**(3.824.520)**
Impairment and gains/(losses) on disposal of fixed assets		**(570)**	**(15.138)**
Gains/(losses) on disposal of fixed assets		(570)	(15.138)
Other results		**(11.658)**	**(11.295)**
RESULTS FROM OPERATING ACTIVITIES		**(60.374)**	**(1.486.345)**
Finance income		**45.734**	**7.463**
Financial investments		36.567	7.463
Third parties		9.167	7.463
Finance expense		**(1.895.798)**	**(787.112)**
Third parties	**13**	(1.886.016)	(786.796)
Provision adjustments		(9.782)	(316)
Change in fair value of financial instruments		**-**	**26.645**
Trading portfolio and other		-	26.645
Exchange gain/losses		**(1.132.600)**	**(300.655)**
Impairment and gain/losses on disposal of financial instruments		**(87)**	**-**
Impairment and losses		(87)	**-**
RESULT FROM FINANCIAL ACTIVITIES		**(2.982.751)**	**(1.053.659)**
RESULT FROM EQUITY METHOD INVESTMENTS		**2.750**	**-**
PROFIT/LOSS BEFORE INCOME TAX		**(3.040.375)**	**(2.540.004)**
Income tax expense	**15**	(1.519.417)	(658.952)
NET RESULT		**(4.559.792)**	**(3.198.957)**
NET RESULT FOR THE PERIOD ATTRIBUTED TO THE PARENT COMPANY	**11**	(4.985.189)	(3.485.141)
NET RESULT FOR THE PERIOD ATTRIBUTED TO THIRD PARTIES		425.397	286.184

MAKING SCIENCE GROUP, S.A. AND SUBSIDIARIES

Consolidated Statement of Changes in Equity
the fiscal year ended
as of 31 December 2022
(expressed in euros)

A) CONSOLIDATED STATEMENT OF RECOGNISED INCOME AND EXPENSE FOR THE PERIOD ENDED DECEMBER 31st 2021

	Nota	31.12.22	31.12.21
Consolidated profit and loss statement result	**11**	**(4.559.792)**	**(3.198.957)**
Income and expense recognised		**(4.559.792)**	**(3.198.957)**
Total income and expenses attribuTED to the Parent Company		(4.985.189)	(3.485.141)
Total income and expenses attributed to Minority Interests		425.397	286.184

B) STATEMENT OF TOTAL CHANGES IN EQUITY FOR THE PERIOD ENDED DECEMBER 31ST 2021

	Nota	Registered capital	Uncalled capital	Share premiun	Treasury shares	Other equity holder contributions	Consolidation reserves	Valuation adjustments	Reserves	Result for the period attributed to the Parent Company	Result for the period attributed to third parties	Third parties	TOTAL
BALANCE, AT 31 DECEMBER 2020		**70.623**	**(180)**	**2.595.947**	**(2.868)**	**240.500**	**(1.625.247)**	**(4.803)**	**61.603**	**1.542.192**	**-**	**-**	**2.877.767**
ADJUSTED BALANCE, AT 1 JANUARY 2021		**70.623**	**(180)**	**2.595.947**	**(2.868)**	**240.500**	**(1.625.247)**	**(4.803)**	**61.603**	**1.542.192**	**-**	**-**	**2.877.767**
Total recognised income and expenses		-	-	-	-	-	-	-	-	(3.485.141)	286.184	-	(3.198.957)
Transactions with treasury shares		-	-	-	751	-	-	-		-	-	-	751
Capital increases		7.070		11.297.430	-	-	-	-	-	-	-	-	11.304.500
Other changes in equity		-	-	-	-	-	869.485	(393.819)	872.920	(1.542.192)	-	1.021.125	827.518
BALANCE, AT 31 DECEMBER 2021		**77.693**	**(180)**	**13.893.377**	**(2.117)**	**240.500**	**(755.762)**	**(398.622)**	**934.523**	**(3.485.141)**	**286.184**	**1.021.125**	**11.811.578**
ADJUSTED BALANCE, AT 1 JANUARY 2022		**77.693**	**(180)**	**13.893.377**	**(2.117)**	**240.500**	**(755.762)**	**(398.622)**	**934.523**	**(3.485.141)**	**286.184**	**1.021.125**	**11.811.578**
Total recognised income and expenses		-	-	-	-	-	-	-	-	(4.985.189)	425.397	-	(4.559.792)
Transactions with treasury shares	**11**				610	-			(1.026.161)	-	-	-	(1.025.551)
Capital increases	**11**	5.347	-	9.294.659	-	-	-	-	(401.466)	-	-	-	8.898.540
Other changes in equity	**11**	-	-	-	-	-	(5.091.895)	2.278.741	(311.998)	3.485.141	(286.184)	(556.048)	(482.243)
BALANCE, AT 31 DECEMBER 2022		**83.040**	**(180)**	**23.188.036**	**(1.507)**	**240.500**	**(5.847.657)**	**1.880.119**	**(493.104)**	**(4.985.189)**	**425.397**	**465.077**	**14.642.534**

Consolidated Statement of Cash Flows for the period as of the fiscal year ended 31 December 2022 (expressed in euros)

	Note	31.12.22	31.12.21
A) CASH FLOWS FROM OPERATING ACTIVITIES		10.930.048	7.212.969
Profit/(loss) for the period before tax		(3.040.375)	(2.540.004)
Adjustments to the result		**10.590.226**	**4.912.324**
Amortisation of fixed assets	5 y 6	7.585.005	3.824.520
Valuation allowances for impairment losses	9	25.220	34.146
Proceeds from disposals of fixed assets		87	-
Finance income		(45.734)	(7.463)
Finance expense		1.895.798	787.112
Exchange gains/losses		1.132.600	300.655
Change in fair value of financial instruments		-	(26.645)
Result from equity method integration		(2.750)	-
Changes in operating assets and liabilities:		**5.687.560**	**5.761.676**
Inventories		(1.362.273)	(1.899.406)
Trade and other receivables		(15.589.981)	(13.096.230)
Other current assets		321.026	(633.173)
Trade and other payables		19.553.524	13.672.404
Other current liabilities		3.244.766	8.417.296
Other non current assets and liabilities		(479.501)	(699.215)
Other cash flows from operating activities:		**(2.307.364)**	**(921.027)**
Interest paid		(1.953.929)	(787.112)
Interest received		45.734	
Income tax received (paid)		(399.169)	(133.915)
CASH FLOWS FROM INVESTING ACTIVITIES		**(11.190.182)**	**(29.402.089)**
Payments for investments:		(11.190.182)	(29.402.089)
Group companies, net of cash in consolidated companies		(6.533.333)	-
Intangible assets	5	(3.319.618)	(28.728.150)
Tangible assets	6	(1.337.231)	(673.939)
Other financial assets			
CASH FLOWS FROM FINANCING ACTIVITIES		**2.518.758**	**40.495.045**
Proceeds from and payments for equity instruments		**7.714.931**	**10.585.823**
Issue of equity instruments	11	8.898.540	10.558.427
Acquisition of own equity instruments		(1.183.609)	-
Disposal of own equity instruments	**11**	-	751
Change in fair value of financial instruments		-	26.645
Proceeds from and payments for financial liability instruments		**(5.196.173)**	**30.209.877**
Issue/ Redemption and repayment of:		(5.196.173)	30.209.877
Bonds and other marketable securities		-	11.820.000
Debts with financial entities		99.677	14.769.165
Debts with group and associated companies		(4.295.850)	3.620.712
Other financial liabilities		(1.000.000)	-
Effect of exchange rate fluctuations		**(1.132.600)**	**(300.655)**
NET INCREASE/DECREASE IN CASH		**1.126.024**	**18.305.925**
Cash or cash equivalents at beginning of the period		**30.222.176**	**11.916.251**
Cash or cash equivalents at the end of the period		**31.348.200**	**30.222.176**

1. Group companies

Parent Company

These consolidated annual accounts corresponding to December 31, 2022 have been prepared by the company MAKING SCIENCE GROUP, S.A. (formerly MAKE MARKETING Y COMUNICACIÓN, S.L.U.) with NIF A82861428, with address at calle López de Hoyos, 135, municipality of Madrid, province of Madrid. On July 17, 2019, the company name was changed and the consequent change of article 1 of the Company's Articles of Association.

Registered in the commercial registry of Madrid, in volume: 16082, folio: 189, page: 272332. The date of incorporation of the Company is January 8, 2001.

The Parent Company is registered under heading 7311, its activity and corporate purpose being advertising and public relations services.

The Parent Company does not have any other work center than the one identified above. Its fiscal year begins on January 1 and ends on December 31.

The Parent Company is governed by its bylaws and by the current Spanish Companies Act.

On September 27, 2019, the Sole Shareholder made the decision to carry out a merger process by reverse absorption between Making Science Group, S.A. and Propuesta Digital, S.L.U..

The balance sheets considered for the merger were the balance sheets closed by the companies involved as of July 31, 2019, with the company Propuesta Digital, S.L.U. being extinguished, with all its assets, assets and liabilities being transferred to the balance sheet of Making Science Group, S.A.

Being the absorbed company Propuesta Digital SLU, owner of all the shares of the absorbing company Making Science Group , SA, there is no increase in its capital. After the merger, the absorbing company kept all its shares (from 1 to 4,000,000, both inclusive), which were transferred in their entirety to The Science of Digital SL, Sole Shareholder of the Absorbed Company (Digital Proposal, SLU).

A goodwill of 2,028,761 euros was recognized in Making Science Group, SA as a result of the reverse merger process (see note 5).

Dated October 28, 2019 after the acquisition of new shares of Making Science International Limited (previously Mcentric LTD), the Parent Company lost its sole proprietorship after an exchange of shares with the shareholders of said Company.

On November 8, 2019, the Parent Company became a public limited company, renamed Making Science Group, S.A.

On February 21, 2020, the Parent Company began trading on the BME Growth (formerly Mercado Alternativo Bursátil) in the Expansion Companies segment.

On October 20, 2020, the Company began trading on the European Euronext market, specifically on Euronext Growth Paris.

The Board of Directors of Bolsas y Mercados Españoles Sistemas de Negociación, S.A., in accordance with the powers provided in this regard by the BME Growth Regulations (formerly Mercado Alternativo Bursátil) and Circular 2/2018, of July 24, on requirements and procedure applicable to the incorporation and exclusion in the BME Growth (former Alternative Stock Market) of shares issued by Expansion Companies and by Listed Public Limited Companies for Investment in the Real Estate Market (SOCIMI), modified by Circular 1/2019, of 29 December October, has agreed to incorporate the following securities issued by the Company into the Expansion Companies segment of said Market, with effect from February 21, 2020: 7,062,300 shares with a nominal value of 0.01 euros each one, represented by book entries, fully paid up and value code ES0105463006. The entity has appointed Renta 4 Corporate, S.A. as Registered Advisor and Renta 4 Banco, S.A. as a Liquidity Provider.

Subsidiaries

The direct subsidiaries included in the consolidation perimeter in 2022 and their most relevant information are shown below:

Company	Adress	Activity	Ownership	Auditor
I2TIC, Ingeniería para la Innovación S.L.U.	Madrid (Spain)	Tecnology advisory	100%	Non audited
Crepes and Texas, S.L.U.	Madrid (Spain)	Media agency	100%	Non audited
Making Science Digital Marketing, S.L.U.	Madrid (Spain)	Digital marketing	100%	Grant Thornton, S.L.P.
Making Science Labs, S.L.U.	Madrid (Spain)	Advertising	100%	Non audited
Making Science International LTD	London (United Kingdom)	Marketing web	100%	Non audited
Mcentricksd, S.L.U.	Madrid (Spain)	Digital development	100% Indirect through Making Science International Ltd	Grant Thornton, S.L.P.
Making Science Unipessoal, Lda	Lisboa (Portugal)	Digital marketing	100%	Non audited
Omniaweb Italia SRL	Vigonza (Italy)	Marketing web	100% (20% direct and 80% indirect through Making Science International Ltd)	Non audited
Making Science Ltd	Dublín (Ireland)	Holding	100% Indirect through Making Science International Ltd	Non audited
Nara Media Ltd	Londres (United Kingdom)	Marketing web	100% (27% direct y 73% indirect through Making Science International Ltd	Non audited
Celsius SAS	Paris (France)	Marketing web	73% (15% direct and 58% indirect through Making Science International Ltd	Non audited
Loyal SAS	Paris (France)	Marketing web	73% indirect through de Celsius SAS	Non audited
Making Science USA LLC	Boca Ratón (United States)	Marketing web	100%	Non audited
Making Science Colombia	Bogotá (Colombia)	Marketing web	100%	Non audited
Ventis SRL	Rimini (Italy)	Ecommerce	100% (60% direct y 40% indirect through de Making Science International Ltd	Price Waterhouse Coopers Italia
13MQ SRL	Rimini (Italy)	Ecommerce and retail	100% Indirect through Ventis srl	Non audited
Making Science México S.A. de C.V.	México (México DF)	Marketing digital consulting	100% (99% direct y 1% indirec through Making Science Digital Marketing)	Non audited
Sweeft LLC	Tbilisi (Georgia)	Digital development	100% (60% direct y 40% indirect through de Making Science International Ltd	Non audited
Sweeft Support LLC	Tbilisi (Georgia)	Digital development	100% (60% direct y 40% indirect through de Making Science International Ltd	Non audited
Sweeft GeorgiaLLC	Tbilisi (Georgia)	Digital development	100% (60% direct y 40% indirect through de Making Science International Ltd	Non audited
Agua 3 Growth Engines, S.L.	Palma de Mallorca (Spain)	Marketing digital consulting	51%	Non audited
Local Planet Perfomance & Analytics	London (United Kingdom)	Marketing digital consulting	51% (indirect through de Making Science LTD)	Non audited
United Communication Partners, INC	New York (United States)	Marketing digital consulting	69,79% (22,07 direct y 47,72% indirect through de Making Science International Ltd)	Non audited
Silver Bullet Data Science Ltd	London (United Kingdom)	Data consulting	51%	Non audited
Pilot Ignite Gmbh	Hamburg (Germany)	Marketing digital consulting	25%	Non audited
Making Science Marketing & Adtech S.L.	Madrid (Spain)	Holding	100%	Non audited
Making Science Investments S.L.	Madrid (Spain)	Holding	100%	Non audited
Making Science Technology Cloud & Software S.L.	Madrid (Spain)	Holding	100%	Non audited

The net worth of each of the companies included in the consolidation perimeter as of December 31, 2022, is shown below:

Al 31.12.22						
	% ownership					
Company	Direct	Indirect	Share Capital	Reserves	Result	Loss carryforwards
MAKING SCIENCE LABS, S.L.U.	100%		33.000	175.219	49.556	-
INGENIERIA PARA LA INNOVACIÓN I2 TIC S.L.U.	100%	-	4.000	670.687	-117.532	-
CREPES & TEXAS S.L.U.	100%	-	3.330	110.587	-6.543	-
MAKING SCIENCE DIGITAL MARKETING S.L.U.	100%	-	3.000	1.752.944	2.542.254	-
MAKING SCIENCE UNIPESSOAL	100%	-	3.000	-	63.083	-
MAKING SCIENCE INTERNATIONAL	100%	-	26.851	9.393.381	-255.339	-6.819.229
OMNIAWEB ITALIA SRL	20,27%	79,73%	25.500	1.322.793	450.674	-
MCENTRICKSD, S.L.	-	100,00%	551.473	37.034	-432.809	-
NARA MEDIA LIMITED	26,82%	73,18%	-	567.739	390.481	-37.382
CELSIUS SAS	15%	56%	5.241	878.874	346.623	-
LOYAL SDS	-	71%	2.000	468.075	296.725	-
MAKING SCIENCE LLC	100%	-	-	998	-110.079	-3.336
VENTIS SRL	60%	40%	3.700.493	-	-4.038.405	-4.353.267
13MQ SRL	-	100%	20.000	167.284	240.899	-
MAKING SCIENCE COLOMBIA	99%	1%	226	-	-499.206	-119.713
AGUA 3 GROWTH ENGINES, S.L.	51%	-	3.000	93.073	145.799	-
SWEEFT LLC	60%	40%	916	172.880	233.821	-
SWEEFT GEORGIA LLC	60%	40%	916	172.880	233.821	-
SWEEFT SUPPORT LLC	60%	40%	916	172.880	233.821	-
UNITED COMUNICATIONS PARTNERS, INC	22,07%	47,72%	1.557.431	8.836.467	532.419	-10.198.333
MAKING SCIENCE MEXICO SA de CV	99%	1%	2.248	-	-57.971	-
MAKING SCIENCE MARKETING & ADTECH S.L.	100%	-	3.000	-	-520	-
MAKING SCIENCE INVESTMENTS S.L	100%	-	3.000	-	-520	-
MAKING SCIENCE TECHNOLOGY & SOFTWARE, S.L.	100%	-	3.000	-	-520	-
PILOT IGNITE GMBH	24,90%	-	500.000	-	-	-
MAKING SCIENCE LTD	-	100%	-	-24924	-451374	-
SILVER BULLET DATA SCIENCE LTD	51%%	-	5.863	-	-	-
LOCAL PLANET PERFORMANCE & ANALYTICS	-	51%	433	-	-	-

The net worth of each of the companies included in the consolidation perimeter as of December 31, 2021, is shown below:

31.12.21					
Company	% share		Capital	Reserves and other captions	Result
	Direct	Indirect			
I2TIC, S.L.U.	100%	-	4.000	666.376	26.689
Crepes and Texas, S.L.U.	100%	-	3.330	102.304	8.283
Making Science Digital Marketing, S.L.	100%	-	3.000	1.206.257	546.632
Making Science Labs, S.L.	100%	-	33.000	117.842	57.378
Making Science LTD	100%	-	26.851	1.282.677	-135.072
Mcentricksd, S.L.		100%	551.473	-128.063	406.694
Making Science Unipessoal, Lda	100%	-	3.000	16.028	-2.289
Omniaweb Italia SRL	20%	80%	25.000	1.051.059	132.743
Nara Media Limited	27%	73%	0	347.856	264.008
Celsius SAS	15%	36%	5.241	747.912	227.929
Making Science LLC	100%	-	0	336.293	-297.315
Ventis SRL	100%	-	3.700.493	692.111	-4.154.827
Making Science Colombia	100%	-	221	-	135.475
Agua 3 Growth Engines, S.L.	51%	-	3.000	11.799	91.402
Sweeft Digital LLC	60%	40%	2.747	480.731	832.864
Local Planet Performance & Analytics	-	51%	757.972	-	-

All the companies, as well as the parent, close their annual accounts as of December 31, 2022.

The Parent Company, in accordance with current regulations, prepares consolidated annual accounts as it is a Company listed on the BME Growth (formerly Mercado Alternativo Bursátil). It forms part of a superior group, with registered office in Spain (Calle López de Hoyos, 135, Madrid), whose direct parent company The Science of Digital S.L., will prepare consolidated annual accounts for the year 2022.

The assumption that determines the configuration of these companies as subsidiaries is the provision of the majority of the voting rights.

2. Basis of presentation of the consolidated annual accounts

a) True and fair view

The consolidated annual accounts made up of the consolidated balance sheet, the consolidated profit and loss account, the consolidated statement of changes in equity, the consolidated statement of cash flows and the consolidated memory made up of notes from 1 to 22, have been prepared from the accounting records of Making Science Group, S.A. and the companies of the Group (see detail in note 1), having applied the current legal provisions on accounting matters, specifically Royal Decree 1159/2010, of September 17, which approves the rules for the preparation of accounts consolidated annual reports and modifies the General Accounting Plan approved by Royal Decree 1514/2007, of November 16, 2007, and its modifications approved by Royal Decree 1159/2010, of September 17, by Royal Decree 602/2016, of December 2 and by Royal Decree 1/2021, of January 12, in order to show the true image of equity, financial situation, results, changes in equity and cash flows of the Group during the corresponding financial year.

Unless otherwise indicated, all figures in the consolidated annual accounts are expressed in euros.

The consolidated annual accounts prepared by the Board of Directors of the Parent Company will be submitted for approval by the General Shareholders' Meeting of the Parent Company, it is estimated that they will be approved without any modification.

b) Consolidation principles

The definition of the Group has been made in accordance with current legislation.

The consolidated annual accounts for the year 2022 include information obtained from the annual accounts of Making Science Group, S.A. and of the subsidiaries detailed in note 1, considering the following principles:

Consolidation method

Global integration

Those subsidiaries over which the Parent Company holds most of the voting rights and effective control over the decisions of its representative bodies are consolidated by the Global Integration method.

First consolidation date

January 1, 2019, or the date of incorporation into the consolidation perimeter has been considered as the first consolidation date for all companies based on the provisions of Royal Decree 1159/2010 of September 17.

c) Accounting principles

The consolidated annual accounts have been prepared in accordance with the mandatory accounting principles. There is no accounting principle that, while its effect is significant, has ceased to be applied.

d) Critical aspects of valuation and estimation of uncertainty

In the preparation of the attached consolidated annual accounts, estimates made by the directors of the Parent Company have been used to value some of the assets, liabilities, income, expenses, and commitments that are recorded in them. Basically, these estimates refer to:

- The useful life of tangible and intangible fixed assets (Note 4g and 4h).
- The evaluation of possible losses due to impairment of certain assets (Note 4i).
- The fair value of certain financial instruments (Note 4k).
- The forecasts of future taxable profits that make the application of deferred tax assets probable (Note 4m).
- The calculation of provisions, as well as the probability of occurrence and the amount of undetermined or contingent liabilities (Note 4n).
- Payments based on equity instruments (note 4t).

These estimates have been made based on the best information available up to the date of preparation of these consolidated annual accounts, and there is no fact that could cause said estimates to change. Any future event not known at the date of preparation of these estimates could give rise to modifications (upwards or downwards), which would be carried out, where appropriate, prospectively.

On February 24, 2022, Russia invaded Ukraine. The armed conflict, in addition to serious human and material damage in the affected countries, is having a significant impact on international political relations and the world economy. Among the immediate and most significant impacts on the sector and on the markets in which the Company operates, it is worth noting the notable increase in the prices of oil, gas, and electricity, as well as the volatility in the financial and commodity markets.

The Group does not operate in Russia or Ukraine, although currently the different scenarios for the evolution of the conflict and its potential impact are highly uncertain. The Group is committed to complying with the guidelines derived from the sanctions and controls imposed on Russia and is following the course of events to identify possible impacts on its financial situation and the progress of its businesses.

As of December 31, 2022, and during the year ending on that date, the Group has not suffered severe consequences because of this fact. Likewise, the Directors of the Parent Company are constantly monitoring the evolution of the situation, in order to face with guarantees the eventual impacts, both financial and non-financial, that may occur, although no aspects are foreseen that could put doubt the going concern principle, once the Group has sufficient liquidity to meet its payment obligations in the short and long term, nor a significant deterioration of its assets.

e) Grouping of items

Certain items in the consolidated balance sheet, the consolidated profit and loss account, the consolidated statement of changes in equity and the consolidated statement of cash flows are grouped together to facilitate their understanding, although, to the extent that is significant, the disaggregated information has been included in the corresponding consolidated annual accounts.

f) Items collected in various captions

Items are not collected in multiple captions.

g) Information Comparison

Pursuant to commercial legislation, the Board of Directors of the Parent Company presents, for comparative purposes, with each of the consolidated balance sheet items, the consolidated profit and loss account, a statement of changes in consolidated net worth and a statement of consolidated cash flows, in addition to the figures for the year 2022, those corresponding to the previous year.

h) Classification of current and non-current items

Assets and liabilities are presented in the consolidated balance sheet classified as current and non-current. For these purposes, assets and liabilities are classified as current when they are linked to the normal operating cycle of the Group and are expected to be sold, consumed, realized or liquidated during the same, are different from the previous ones and their maturity, disposal or realization it is expected to occur within a maximum period of one year; they are held for trading purposes or they are cash and other equivalent liquid assets whose use is not restricted for a period of more than one year. Otherwise, they are classified as non-current assets and liabilities.

i) Changes in scope of consolidation

In the year 2022, the following Companies have become part of the consolidation perimeter: United Communication Partners, INC and its subsidiaries, Making Science México S.A. de C.V., Making

Science Ltd, Pilot Ignite Gmbh, Silver Bullet Data Science Ltd and Making Science Marketing & Adtech S.L., Making Science Investments S.L. and Making Science Technology Cloud & Software S.L. whose participation percentages are described in note 1.

In 2021, the companies Nara Media Ltd, Celsius SAS, Loyal SAS, Making Science LLD, Agua 3 Growth Engines, S.L., Sweeft LLC, Ventis SRL and Making Science Colombia and Local Planet Performance & Analytics are included in the consolidation perimeter., acquired during the year 2021 and whose participation percentages are described in note 1.

3. Distribution of the result

On March 31, 2022, the Parent Company's Board of Directors formulated the distribution of profit for the year ended December 31, 2021, of the Parent Company for 78,055 euros of profit, approving said distribution on June 29, 2022, said distribution consisted of 1,378 euros to legal reserves and 76,677 euros to voluntary reserves.

4. Registration and valuation standards

The main registration and measurement standards used to prepare the consolidated annual accounts are as follows:

a) Consistency in valuation

The elements of assets and liabilities, income and expenses, and other items of the consolidated annual accounts, are valued following uniform methods and in accordance with the valuation principles and standards.

If any element of the asset or liability or any income or expense, or other item of the consolidated annual accounts have been valued according to non-uniform criteria with respect to those applied in the consolidation, said element is valued again and only for the purposes of the consolidation, in accordance with such criteria, the necessary adjustments will be made, unless the result of the new valuation offers little relevant interest for the purpose of achieving a true image of the group.

b) Consistency in timing

It is not required, since all the consolidated companies close their fiscal year on December 31.

c) Consolidation Goodwill

At the end of the 2022 financial year, the consolidation goodwill corresponds to the positive differences arising between the book value of the participation and the value attributed to said participation of the fair value of the assets acquired and liabilities assumed of the companies acquired between the years 2018 and 2022.

Goodwill is assigned to each of the cash-generating units on which the benefits of the business combination are expected to accrue and, where appropriate, the corresponding value correction is recorded (see note 10).

The procedure implemented by the Group to determine impairment is as follows:

The Management prepares annually for each cash-generating unit its business plan by markets and activities, generally covering a period of three years.

The main components of such a plan are:

- Results projections
- Investment projections and working capital

Other variables that influence the calculation of the recoverable value are:

- Discount rate to be applied, understanding this as the weighted average of the cost of capital, the main variables that influence its calculation being the cost of liabilities and the specific risks of assets.
- Cash flow growth rate used to extrapolate cash flow projections beyond the period covered by the budgets or forecasts.

The projections are prepared based on experience and based on the best estimates available, these being consistent with external information.

The business plans prepared in this way are reviewed and finally approved by Group Management.

If an impairment loss must be recognized for a cash-generating unit to which all or part of goodwill has been assigned, the book value of the goodwill corresponding to said unit is first reduced. If the impairment exceeds the amount thereof, secondly, the remaining assets of the cash-generating unit are reduced, in proportion to their book value, up to the limit of the highest value among the following: their fair value less selling costs, its value in use and zero. The loss due to impairment is recorded with a charge to the results of the year.

When an impairment loss subsequently reverses (a circumstance not permitted in the specific case of goodwill), the carrying amount of the asset or cash-generating unit is increased by the revised estimate of its recoverable amount, but in such a way such that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized in prior years. Such reversal of an impairment loss is recognized as income in the consolidated income statement.

Goodwill is amortized on a straight-line basis over ten years (or over its useful life). The useful life will be determined separately for each cash-generating unit to which the goodwill has been allocated.

d) Negative consolidation difference

This heading includes the negative difference from the first consolidation that corresponds to the difference between the book value of the holding, direct or indirect, of the parent company in the capital of the subsidiary company and the value of the proportional part of own funds of the subsidiary attributable to said interest on the date of first consolidation. It is included in the consolidated profit and loss account under the heading "Negative consolidation difference".

e) Reserves in companies consolidated by global integration.

This heading includes the results generated, but not distributed, by group companies and associates, for consolidation purposes, between the date of first consolidation and the beginning of the financial year presented.

f) Transactions between companies included in the consolidation perimeter

Eliminations of reciprocal credits and debits and expenses, income and results from internal operations have been made based on what is established in this regard in Royal Decree 1159/2010, of September 17.

g) Intangible assets

As a rule, intangible assets are recorded provided they meet the identifiability criteria and are initially valued at their acquisition price or production cost, subsequently reduced by the corresponding accumulated amortization and, where appropriate, by losses due to impairment they may have experienced. In particular, the following criteria apply:

g.1) Research and development expenses

Research and development expenses incurred during the year are recorded in the consolidated profit and loss account. However, the Group capitalizes these expenses as intangible assets if the following conditions are met:

- Be specifically individualized by projects and their cost clearly established so that it can be distributed over time.

- There are well-founded reasons for the technical success and economic-commercial profitability of the project.

The development expenses that appear in the asset are amortized on a straight-line basis over its useful life, with a maximum of five years.

g.2) Goodwill recognized in individual companies

Goodwill is recorded only when its value is revealed by virtue of an onerous acquisition, in the context of a business combination.

Goodwill is assigned to each of the cash-generating units on which the benefits of the business combination are expected to accrue, and, where appropriate, the corresponding value correction is recorded (see note 5).

The cash-generating units on which the benefits of the business combination are expected to accrue, and among which their value has been assigned, are subjected, at least annually, to an impairment test, proceeding, where appropriate, to record the corresponding value correction (see note 5).

After initial recognition, goodwill is valued at its acquisition price less accumulated amortization and, where appropriate, the accumulated amount of recognized value corrections for impairment.

Goodwill is amortized on a straight-line basis over ten years.

At the end of each financial year, it is analyzed whether there are indications of impairment of the cash-generating units to which the goodwill has been assigned and, if there are, its eventual impairment will be verified in accordance with the indicated in note 5. Valuation corrections for impairment recognized in goodwill are not subject to reversal in subsequent years.

g3) Computer applications

This concept includes the amounts paid for access to the property or for the right to use computer programs.

Computer programs that meet the recognition criteria are activated at their acquisition or development cost. Its amortization is carried out on a straight-line basis over a period of three years from the entry into operation of each application.

Computer application maintenance costs are charged to the consolidated results of the year in which they are incurred.

h) Property, plant, and equipment

Tangible fixed assets are valued at their acquisition price or production cost increased, where appropriate, by the updates carried out as established by the various legal provisions and reduced by the corresponding accumulated amortization and experienced impairment losses.

Indirect taxes levied on tangible fixed assets are only included in the acquisition price or production cost when they are not directly recoverable from the Public Treasury.

The costs of expansion, modernization or improvements that represent an increase in productivity, capacity or efficiency, or an extension of the useful life of the assets, are accounted for as a higher cost of the same. Upkeep and maintenance expenses are charged to the consolidated profit and loss account for the year in which they are incurred.

The Group amortizes its property, plant, and equipment on a straight-line basis, distributing the cost according to the estimated useful life of the assets. The years of useful life applied are as follows:

Items	Years of useful life
Constructions	4
Furnitures	10
IT equipment	4
Other tangible assets	8

i) Impairment of tangible and intangible fixed assets

At the end of each financial year, whenever there are indications of loss of value, the Group proceeds to estimate through the so-called "impairment test" the possible existence of losses in value that reduce the recoverable value of said assets to an amount lower than their value in books.

The recoverable amount is determined as the higher of fair value less costs to sell and value in use.

Recoverable values are calculated for each cash-generating unit, although in the case of property, plant, and equipment, whenever possible, impairment calculations are made item by item, on an individual basis.

j) Leases and other operations of a similar nature

The Group registers as financial leases those operations by which the lessor substantially transfers to the lessee the risks and rewards inherent to ownership of the asset that is the subject of the contract, recording the rest as operating leases.

j.1)Financial leasing

In financial lease transactions in which the Group acts as lessee, the Group records an asset on the balance sheet according to the nature of the asset under contract and a liability for the same amount, which is the lower of the fair value of the leased property and the current value at the beginning of the lease of the minimum amounts agreed, including the purchase option. Contingent fees, the cost of services and taxes payable by the landlord are not included. The financial charge is charged to the profit and loss account for the year in which it accrues, applying the effective interest rate method. Contingent installments are recognized as an expense in the year in which they are incurred.

Assets recorded for this type of operation are amortized using the same criteria as those applied to all tangible (or intangible) assets, according to their nature.

j.2)Operating lease

Expenses derived from operating lease agreements are recorded in the consolidated profit and loss account in the year in which they accrue.

Any collection or payment that is made when contracting an operating lease is treated as an advance collection or payment, which is charged to results throughout the lease period, as the benefits of the leased asset are transferred or received.

k) Financial instruments

The Company, at the time of initial recognition, classifies financial instruments as a financial asset, a financial liability, or an equity instrument, depending on the economic substance of the transaction, and considering the definitions of financial asset, financial liability and financial instrument. of equity, of the financial information framework that is applicable to it, which has been described in note 2.1.

The recognition of a financial instrument occurs now in which the Company becomes an obligated party thereof, either as acquirer, as holder or as issuer thereof.

k.1) Financial assets

The Company classifies its financial assets based on the business model applied to them and the characteristics of the instrument's cash flows.

The business model is determined by the Company's Management, and this reflects the way in which each group jointly manages financial assets to achieve a specific business objective. The business model that the Company applies to each group of financial assets is the way in which it manages them to obtain cash flows.

When categorizing assets, the Company also considers the characteristics of the cash flows that they accrue. Specifically, it distinguishes between those financial assets whose contractual conditions give rise, on specified dates, to cash flows that are receipts of principal and interest on the outstanding principal amount (hereinafter, assets that meet the UPPI criteria)., of the rest of the financial assets (hereinafter, assets that do not meet the UPPI criteria).

Specifically, the Company's financial assets are classified into the following categories:

k.2) Financial assets at amortized cost

They correspond to financial assets to which the Company applies a business model that has the objective of receiving the cash flows derived from the execution of the contract, and the contractual conditions of the financial asset give rise, on specified dates, to cash flows which are only payments of principal and interest, on the outstanding principal amount, even when the asset is admitted to trading on an organized market, therefore they are assets that meet the UPPI criteria (financial assets whose contractual conditions give rise, on specified dates, to cash flows that are receipts of principal and interest on the principal amount outstanding).

The Company considers that the contractual cash flows of a financial asset are only collections of principal and interest on the outstanding principal amount, when these are typical of an ordinary or common loan, without prejudice to the fact that the operation is agreed at a rate zero interest or below market. The Company considers that financial assets convertible into equity instruments of the issuer, loans with inverse variable interest rates (that is, a rate that has a relationship inverse with market interest rates); or those in which the issuer can defer the payment of interest if said payment would affect its solvency, without the deferred interest accruing additional interest.

When evaluating whether it is applying the contractual cash flow collection business model to a group of financial assets, or on the contrary, it is applying another business model, the Company considers the calendar, frequency and the value of sales that are taking place and have taken place in the past within this group of financial assets. Sales in themselves do not determine the business model and therefore cannot be considered in isolation. For this reason, the existence of specific sales, within the same group of financial assets, does not determine the change of business model for the rest of the financial assets included within that group. To assess whether such sales determine a change in the business model, the Company considers the existing information on past sales and on expected future sales for the same group of financial assets. The Company also considers the conditions that existed at the time of the past sales and the current conditions, when evaluating the business model that it is applying to a group of financial assets.

In general, credits for commercial operations and credits for non-commercial operations are included in this category:

- Credits for commercial operations: Those financial assets that originate with the sale of goods and the provision of services for traffic operations of the company for the deferred collection.

- Credits for non-commercial operations: Those financial assets that, not being equity instruments or derivatives, do not have a commercial origin and whose collections are of a determined or determinable amount, from loan or credit operations granted by the Company.

They are initially recorded at the fair value of the consideration given plus the transaction costs that are directly attributable.

Notwithstanding the foregoing, credits for commercial operations with a maturity of no more than one year and that do not have a contractual interest rate are initially valued at their nominal value, if the effect of not updating cash flows is not significant, in which case they will continue to be valued subsequently for that amount, unless they have been impaired.

After their initial recognition, they are valued at amortized cost. Accrued interest is recorded in the profit and loss account.

At the end of the financial year, the Company makes the appropriate value corrections for impairment whenever there is objective evidence that the value of a financial asset, or a group of financial assets with similar characteristics of risks valued collectively, has been impaired as a result of one or more events occurring after its initial recognition, which cause a reduction or delay in the collection of estimated future cash flows, which may be caused by the debtor's insolvency.

Valuation corrections for impairment are recorded based on the difference between their book value and the present value at the end of the year of the future cash flows that are estimated to be generated (including those from the execution of real guarantees and/or personal), discounted at the effective interest rate calculated at the time of initial recognition. For financial assets at a variable interest rate, the Company uses the effective interest rate that, in accordance with the contractual conditions of the instrument, must be applied at the closing date of the financial year. These corrections are recognized in the profit and loss account.

k.3) Financial assets at cost

The following financial assets are included in this category:

- Investments in the equity of group, multi-group, and associated companies.

- The remaining investments in equity instruments whose fair value cannot be determined with reference to an active market, or cannot be estimated reliably, and derivatives that have this type of investment as their underlying asset.

- Hybrid financial assets whose fair value cannot be reliably estimated unless they meet the criteria to be classified as a financial asset at amortized cost.

- Contributions made to joint accounts and the like.

- Participative loans whose interests are contingent, either because a fixed or variable interest rate is agreed conditional on the fulfillment of a milestone in the borrower (for example, obtaining benefits), or because they are calculated with reference to the evolution of the activity of this.

- Any financial asset that could initially be classified as a financial asset at fair value with changes in the profit and loss account when it is not possible to obtain a reliable estimate of fair value.

They are initially recorded at the fair value of the consideration given plus the transaction costs that are directly attributable. The fees paid to legal advisors or other professionals involved in the acquisition of the asset are recorded as an expense in the profit and loss account. Neither are the expenses generated internally in the acquisition of the asset recorded as a higher value of the asset, being recorded in the profit and loss account. In the case of investments made before they are considered equity investments in a group, multi-group or associated company, the book value immediately before the asset can be classified as such is considered the cost of said investment.

Equity instruments classified in this category are valued at cost, less, where appropriate, the accumulated amount of value corrections for impairment.

Contributions made because of a contract for joint venture accounts and similar are valued at cost, increased, or decreased by the profit or loss, respectively, corresponding to the company as a non-managing participant, and less, where appropriate, the amount cumulative value corrections for impairment.

This same criterion is applied to participative loans whose interests are contingent, either because a fixed or variable interest rate is agreed conditional on the fulfillment of a milestone in the borrowing company, or because they are calculated exclusively by reference to the evolution of the activity of said company. If, in addition to a contingent interest, it includes an irrevocable fixed interest, the latter is accounted for as financial income based on its accrual. Transaction costs are charged to the profit and loss account on a straight-line basis throughout the life of the participating loan.

At least at year-end, the Company makes the necessary valuation corrections whenever there is objective evidence that the book value of an investment is not recoverable.

The value correction amount is calculated as the difference between its book value and the recoverable amount, understood as the greater amount between its fair value less costs to sell and the present value of future cash flows derived from the investment, which, in the case of equity instruments, is calculated either by estimating those expected to be received as a result of the distribution of dividends made by the investee and the disposal or derecognition of the investment therein, or by the estimate of its participation in the cash flows that are expected to be generated by the investee entity, originating both from its ordinary activities and from its disposal or derecognition.

The recognition of value corrections for value impairment and, where appropriate, their reversal, will be recorded as an expense or income, respectively, in the profit and loss account. The reversal of the impairment will be limited to the book value of the investment that would be recognized on the reversal date if the impairment had not been recorded.

However, in the cases in which an investment has been made in the company, prior to its classification as a group, multi-group or associated company, and prior to that classification, and value adjustments have been made directly attributed to the net worth derived from such investment, such adjustments are maintained after the rating until the investment is disposed of or derecognized, at which time they are recorded in the profit and loss account, or until the following circumstances occur:

> -In the case of previous value adjustments due to revaluations of the asset, value corrections for impairment are recorded against the item of equity until reaching the amount of previously recognized revaluations, and the excess, if applicable, is recorded in the account of Profit and loss. The value correction for impairment attributed directly to equity is not subject to reversal.
>
> -In the case of previous valuation adjustments due to reductions in value, when the recoverable amount is subsequently greater than the book value of the investments, the latter is increased, up to the limit of the indicated reduction in value, against the item of net worth that has been included. previous valuation adjustments, and from that moment on, the new amount arising is considered the cost of the investment. However, when

there is objective evidence of impairment in the value of the investment, the losses accumulated directly in equity are recognized in the profit and loss account.

The valuation criteria for investments in the equity of group, associated and multi-group companies are detailed in the following section.

Investments in the equity of group, associated and multi-group companies.

Group companies are those linked to the Company by a relationship of control and associated companies are those over which the Company exercises significant influence. Additionally, the multi-group category includes those companies over which, by virtue of an agreement, joint control is exercised with one or more partners. Said investments are initially valued at cost, which will be equal to the fair value of the consideration given plus the transaction costs that are directly attributable to them. In those cases, in which the Company has acquired the shares in group companies, through a merger, spin-off or through a non-monetary contribution, if these give it control of a business, it values the participation following the established criteria by the rules for transactions with related parties, established by section 2 of NRV 21ª of "Operations between group companies", by virtue of which, they must be valued for the values that they contributed to the Consolidated annual accounts, formulated under the criteria established by the Commercial Code, of the larger group or subgroup in which the acquired Company is integrated, whose parent company is Spanish. In the case of not having consolidated annual accounts, formulated under the principles established by the Commercial Code, in which the parent company is Spanish, they will be integrated by the value that said shares contributed to the individual annual accounts of the company. contributor.

Its subsequent valuation is carried out at its cost, lessened, where appropriate, by the accumulated amount of value corrections due to impairment. Said corrections are calculated as the difference between its book value and the recoverable amount, understood as the greater amount between its fair value less costs to sell and the present value of the future cash flows expected from the investment. Unless there is better evidence of the recoverable amount, the equity of the investee is considered, corrected by the unrealized capital gains existing on the valuation date.

In the case in which the investee company participates in another, the net worth that emerges from the consolidated annual accounts is considered.

Changes in value due to value corrections due to impairment and, if applicable, their reversal, are recorded as an expense or income, respectively, in the profit and loss account.

Derecognition of financial assets

Financial assets are derecognized from the balance sheet, as established by the Accounting Conceptual Framework, of the General Accounting Plan, approved by Royal Decree 1514/2007, of November 16, considering the economic reality of the transactions and not only to the legal form of the contracts that regulate it. Specifically, the derecognition of a financial asset is recorded, in whole or in part, when the contractual rights over the cash flows of the financial asset have expired or when they are transferred, provided that in said transfer the risks are substantially transferred and benefits inherent in your property. The Company understands that the risks and benefits inherent to the ownership of the financial asset have been transferred substantially when its exposure to the variation of cash flows ceases to be significant in relation to the total variation of the present value of cash flows. net futures associated with the financial asset.

If the Company has not substantially transferred or retained the risks and rewards of the financial asset, it is derecognized when control is not retained. If the Company maintains control of the asset, it continues to recognize it for the amount to which it is exposed due to changes in the value of the transferred asset, that is, due to its continued involvement, recognizing the associated liability.

The difference between the consideration received, net of attributable transaction costs, considering any new asset obtained less any liability assumed, and the book value of the financial asset transferred, plus any accumulated amount that has been recognized directly in equity, determines the Gain or loss arising when derecognizing the financial asset and is part of the result of the year in which it occurs.

The Company does not derecognize financial assets in assignments in which it substantially retains the risks and rewards inherent to their ownership, such as bill discounting, "recourse factoring" operations, sales of financial assets with repurchases at a fixed price or at the sale price plus interest and securitizations of financial assets in which the Companies retain subordinated financing or other types of guarantees that substantially absorb all expected losses. In these cases, the Companies recognize a financial liability for an amount equal to the consideration received.

Reclassification of financial assets

The Company reclassifies a financial asset, when the business model that applies to them changes, following the established criteria described above.

k.4) Financial liabilities

A financial liability is recognized on the balance sheet when the Company becomes an obligated party to the contract or legal transaction in accordance with its provisions. Specifically, the financial instruments issued are classified, in whole or in part, as a financial liability, provided that, in accordance with the economic reality thereof, they imply for the Company a direct or indirect contractual obligation to deliver cash or another financial asset or to exchange financial assets or liabilities with third parties under unfavorable conditions.

Any contract that may be settled with the company's own equity instruments is also classified as a financial liability, provided that:

- It is not a derivative and obliges or may oblige to deliver a variable number of its own equity instruments.

- If it is a derivative with an unfavorable position for the Company, which can be settled through a method other than the exchange of a fixed amount of cash or another financial asset for a fixed number of the Company's equity instruments; For these purposes, own equity instruments do not include those that are, in themselves, contracts for the future receipt or delivery of the Company's own equity instruments.

Additionally, the rights, options or warrants that allow a fixed number of equity instruments of the Company to be obtained are recorded as equity instruments, if the Company offers said rights, options or warrants proportionally to all shareholders (partners). Of the same class of equity instruments. However, if the instruments grant the holder the right to settle them in cash or by delivering equity instruments based on their fair value or at a fixed price, they are classified as financial liabilities.

Contributions made because of a contract for joint venture accounts and similar are valued at cost, increased, or decreased by the profit or loss, respectively, corresponding to the company as a non-managing participant, and less, where appropriate, the amount cumulative value corrections for impairment. In this case, when the entire cost of the joint account has been impaired, the additional losses generated by it will be classified as a liability.

Participative loans that accrue contingent interest are recorded in the same way, either because a fixed or variable interest rate is agreed conditional on the fulfillment of a milestone in the borrowing company (for example, obtaining profits), or because are calculated exclusively by reference to the evolution of the activity of said company. The financial expenses accrued by the participative loan are recognized in the profit and loss account in accordance with the accrual principle, and the transaction costs will be charged to the profit and loss account according to a financial criterion or, if not applicable, on a linear basis throughout the life of the participating loan.

In those cases, in which the Company does not transfer the risks and rewards inherent to a financial asset, it recognizes a financial liability for an amount equivalent to the consideration received.

The categories of financial liabilities, among which the Company classifies them, are as follows:

Financial liabilities at amortized cost

In general, the Company classifies the following financial liabilities within this category:

- Debits for commercial operations are those financial liabilities that originate in the purchase of goods and services for traffic operations with deferred payment, and

- Debts for non-commercial operations are those financial liabilities that, not being derivative financial instruments, do not have a commercial origin, but come from loan or credit operations received by the Company.

Participative loans that have ordinary or common loan characteristics are also classified within this category.

Additionally, all those financial liabilities that do not meet the criteria to be classified as financial liabilities at fair value with changes in the profit and loss account will be classified within this category.

Financial liabilities at amortized cost are initially valued at the fair value of the consideration received, adjusted for directly attributable transaction costs.

Notwithstanding the foregoing, debits for commercial operations with a maturity of no more than one year and that do not have a contractual interest rate, as well as disbursements required by third parties on shares, the amount of which is expected to be paid in the short term, are initially valued at their nominal value, as long as the effect of not discounting the cash flows is not significant.

Subsequently, they are valued at their amortized cost, using the effective interest rate. Those that, according to the comments in the previous paragraph, are initially valued at their nominal value, continue to be valued at that amount.

<u>Derecognition of financial liabilities</u>

The Company derecognizes a financial liability when the obligation has been extinguished. The Company also derecognizes its own financial liabilities that it acquires (even with the intention of selling it in the future).

When there is an exchange of debt instruments with a lender, provided they have substantially different conditions, the original financial liability is written off and the new financial liability that arises is recognized. In the same way, a substantial modification of the current conditions of a financial liability is recorded.
The difference between the book value of the financial liability, or of the part thereof that has been written off, and the consideration paid, including the attributable transaction costs, and which also includes any transferred asset other than cash or liability assumed, is recognized in the profit and loss account of the year in which it occurs.

When there is an exchange of debt instruments that do not have substantially different conditions, the original financial liability is not derecognized from the balance sheet, recording the amount of commissions paid as an adjustment to its book value. The new amortized cost of the financial liability is determined by applying the effective interest rate, which is the rate that equals the book value of the financial liability on the modification date with the cash flows payable under the new conditions.

For these purposes, it is considered that the conditions of the contracts are substantially different when the lender is the same that granted the initial loan and the present value of the cash flows of the new financial liability, including net commissions, differs by at least one 10% of the present value of the cash flows pending payment of the original financial liability, both updated at the effective interest rate of the original liability. Additionally, in those cases in which said difference is less than 10%, the Company also considers that the conditions of the new financial instrument are substantially different, when there are other types of substantial changes in it of a qualitative nature, such as: change in type from fixed interest to variable interest rate or vice versa, the restatement of the liability in a different currency, an ordinary loan that becomes a participatory loan, etc.

The Company records the effects of the approval of a creditors' agreement in the year that it is approved by the court, provided that its compliance is reasonably foreseen. For this purpose, the Company registers said approval, it will carry out a registration in two stages:

- First, it analyzes whether there has been a substantial change in the conditions of the debt, for which it discounts the cash flows of the old and the new one using the initial interest rate, for later, if applicable (if the change is substantial).

Record the derecognition of the original debt and recognize the new liability at its fair value (which implies that the interest expense of the new debt is accounted for from that moment applying the market interest rate on that date).

Own equity instruments

An equity instrument represents a residual interest in the Company's equity, after deducting all its liabilities.

Capital instruments issued by the Company are recorded in equity for the amount received, net of issuance expenses.

The expenses derived from an own patrimony transaction, which has been withdrawn or abandoned, will be recognized in the profit and loss account.

In the event of disposal of an own equity instrument, the difference between the consideration received and the book value of the instrument is recognized directly in equity in a reserve account.

Expenses related to the acquisition, disposal or amortization of own equity instruments are recognized in a reserve account.

l) Transactions in foreign currency

<u>Monetary items</u>

The conversion into functional currency of trade credits and other accounts receivable, as well as trade debts and other accounts payable expressed in foreign currency is made by applying the exchange rate in force at the time of carrying out the corresponding operation, valued at closing of the year in accordance with the exchange rate prevailing at that time.

The exchange differences that occur because of the valuation at the end of the year of the debits and credits in foreign currency are charged directly to the consolidated profit and loss account.

m) Income tax

Income tax expense or income is calculated by adding the current tax expense or income plus the part corresponding to deferred tax income or expense.

The current tax is the amount resulting from the application of the tax rate on the tax base for the year. Deductions and other tax advantages in the tax, excluding withholdings and payments on account, as well as compensable tax losses from previous years and effectively applied in the year, will give rise to a lower amount of current tax.

For its part, the expense or income from deferred tax corresponds to the recognition and cancellation of deferred tax assets for deductible temporary differences, for the right to offset tax losses in subsequent years and for deductions and other pending unused tax benefits. applicable and deferred tax liabilities for taxable temporary differences.

Deferred tax assets and liabilities are valued based on the tax rates expected at the time of their reversal.

Deferred tax liabilities are recognized for all taxable temporary differences, except those derived from the initial recognition of goodwill or other assets and liabilities in an operation that does not affect either the tax result or the accounting result and is not a business combination.

In accordance with the principle of prudence, deferred tax assets are only recognized to the extent that future earnings that allow their application are deemed probable. Notwithstanding the foregoing, deferred tax assets corresponding to deductible temporary differences derived from the initial recognition of assets and liabilities in an operation that does not affect either the tax result or the accounting result and is not a business combination are not recognized.

Both current and deferred tax income or expense are recorded in the profit and loss account. However, current, and deferred tax assets and liabilities that are related to a transaction or event recognized directly in an equity item are recognized with a charge or credit to said item.

At each accounting close, the recorded deferred taxes are reviewed to verify that they remain current, making the appropriate corrections to them. Likewise, recognized deferred tax assets and those not previously recognized are evaluated, derecognizing those recognized assets if their recovery is no longer probable, or registering any previously unrecognized asset of this nature, to the extent that it becomes probable. its recovery with future tax benefits.

The group does not consolidate fiscally.

n) Provisions and contingencies

The Directors of the Parent Company in preparing the consolidated annual accounts differentiate between:

n.1) Provisions

Credit balances that cover current obligations derived from past events, whose cancellation is likely to cause an outflow of resources, but which are indeterminate in terms of their amount and/or when they are cancelled.

n.2) Contingent liabilities

Possible obligations arising because of past events, whose future materialization is conditioned to the occurrence, or not, of one or more future events independent of the will of the Group.

The consolidated annual accounts include all the provisions with respect to which it is estimated that the probability that the obligation will have to be met is greater than the opposite, and they are recorded at the present value of the best possible estimate of the amount necessary to cancel or transfer the obligation to a third party. Contingent liabilities are not recognized in the consolidated annual accounts but are reported on in the notes to the consolidated annual accounts.

Provisions are valued on the closing date of the financial year for the current value of the best possible estimate of the amount necessary to cancel or transfer the obligation to a third party, registering the adjustments that arise from the update of said provisions as a financial expense as established it is accruing When it comes to provisions with a maturity of less than or equal to one year, and the financial effect is not significant, no type of discount is carried out.

The compensation to be received from a third party at the time of liquidating the obligation does not reduce the amount of the debt, but is recognized as an asset, if there are no doubts that said reimbursement will be received.

o) Income and expenses

Revenues come mainly from the provision of advertising and public relations services.

To determine whether to recognize revenue, the Company follows a five-step process:

1. identification of the contract with a client
2. identification of performance obligations
3. determination of the transaction price
4. allocation of transaction price to performance obligations
5. Revenue recognition when performance obligations are met.

In all cases, the total transaction price of a contract is allocated among the various performance obligations based on their relative stand-alone selling prices. The transaction price of a contract excludes any amounts collected on behalf of third parties.

Ordinary income is recognized at a specific moment or over time, when (or as) the Company satisfies performance obligations through the transfer of promised goods or services to its customers.

The Company recognizes the liabilities for onerous contracts received in connection with unsatisfied performance obligations and presents these amounts as other liabilities on the balance sheet. Similarly, if the Company satisfies a performance obligation before receiving the consideration, the Company recognizes a contract asset or a credit on its balance sheet, depending on whether more than the passage of time is required before the consideration be enforceable.

p) Invoices

Expenses are charged based on the accrual criterion, that is, when the actual flow of goods and services they represent occurs, regardless of when the monetary or financial flow derived from them occurs.

Expenses are valued at the fair value of the consideration received, deducting discounts and taxes.

q) Transactions between related parties

Transactions between related parties, regardless of the degree of relationship, are accounted for in accordance with the general rules. Consequently, in general, the elements subject to the transaction are recorded at the initial moment at their fair value. If the agreed price in a transaction differs from its fair value, the difference is recorded based on the economic reality of the transaction. Subsequent valuation is carried out in accordance with the provisions of the corresponding regulations.

Particular rules: merger and spin-off operations

The Registration and Valuation Rule 21 of Operations between group companies applies, which establishes that said regulation will be applied to operations carried out between companies of the same group which, regardless of the degree of relationship between the participating group companies, are accounted for in accordance with the general rules.

The items that are the object of the transaction are recorded at the initial moment for their fair value. If applicable, if the agreed price in an operation differs from its fair value, the difference must be recorded based on the economic reality of the operation. Subsequent valuation is carried out in accordance with the provisions of the corresponding regulations.

In the case of merger, spin-off and non-monetary contribution operations, the regulation establishes that the following criteria will be followed:

In operations between group companies in which the parent company of the same or the parent of a subgroup and its subsidiary, directly or indirectly, intervene, the constituent elements of the acquired business will be valued at the amount that would correspond to them, once the operation in the consolidated annual accounts of the group or subgroup according to the Rules for the preparation of the Consolidated Annual Accounts that develop the Code of Commerce.

In the case of operations between other group companies, the assets of the business will be valued according to the book values existing before the operation in the individual annual accounts.

The difference that could be revealed in the accounting record due to the application of the previous criteria will be recorded in a reserve item.

For the purposes of the provisions of this standard, shares in the equity of other companies shall not be considered to constitute a business in themselves.

r) Business combinations

On the acquisition date, the identifiable assets acquired, and the liabilities assumed are recorded at their fair value, if said fair value could have been measured with sufficient reliability, with the following exceptions:

- Non-current assets that are classified as held for sale: they are recognized at fair value less costs to sell.

- Deferred tax assets and liabilities: they are valued at the amount that is expected to be recovered or paid, according to the types of tax that will be applied in the years in which the assets are expected to be realized or the liabilities to be paid, from the regulations in force or those approved but pending publication, on the date of acquisition. Deferred tax assets and liabilities are not discounted.

- Assets and liabilities associated with defined-benefit pension plans: they are accounted for, on the date of acquisition, at the current value of the remuneration committed less the fair value of the assets assigned to the commitments with which the obligations will be settled.

- Intangible fixed assets whose valuation cannot be carried out by reference to an active market, and which would imply the recording of income in the profit and loss account have been deducted from the calculated negative difference.

- Assets received as compensation for contingencies and uncertainties: they are recorded and valued consistently with the element that generates the contingency or uncertainty.

- Reacquired rights recognized as intangible assets: they are valued and amortized based on the contractual period that remains until its completion.

- Obligations classified as contingencies: they are recognized as a liability for the fair value of assuming such obligations, provided that said liability is a present obligation that arises from past events and its fair value can be measured with sufficient reliability, even though it is not probable that for liquidate the obligation there will be an outflow of economic resources.

The excess, on the acquisition date, of the cost of the business combination over the corresponding value of the identifiable assets acquired less that of the liabilities assumed is recognized as goodwill.

If the amount of the identifiable assets acquired less the liabilities assumed have been higher than the cost of the business combination; this excess has been recorded in the profit and loss account as income. Before recognizing said income, it has been reassessed whether the identifiable assets acquired and liabilities assumed have been identified and valued, as well as the cost of the business combination.

s) Consolidated statement of cash flows

The statement of cash flows with has been prepared using the indirect method, and in it the following expressions are used with the meaning indicated below:

- Operating activities: activities that constitute the ordinary income of the Group, as well as other activities that cannot be classified as investing or financing.

- Investing activities: acquisition, disposal, or disposal activities by other means of long-term assets and other investments not included in cash and its equivalents.

- Financing activities: activities that produce changes in the size and composition of net worth and liabilities that are not part of operating activities.

t) Payments based on equity instruments

The goods or services received in these operations are recorded as assets or expenses based on their nature, at the time they are obtained, and the corresponding increase in equity, if the transaction is settled with equity instruments, or the corresponding liability, if the transaction is settled with an amount based on their value.

In cases where the provider or provider of goods or services has the option to decide how to receive the consideration, a compound financial instrument is recorded.

Transactions with employees settled with equity instruments, both the services rendered and the increase in equity to be recognized are valued at the fair value of the equity instruments assigned, referring to the date of the concession agreement.

In transactions with employees settled with equity instruments that have as a counterpart goods or services not provided by employees, they are valued at the fair value of the goods or services on the date they are received. If said fair value could not be reliably estimated, the goods or services received and the increase in equity are valued at the fair value of the equity instruments assigned, referring to the date on which the company obtains the goods, or the other party provides the services.

In cash-settled transactions, the goods or services received and the liability to be recognized are valued at the fair value of the liability, referring to the date on which the requirements for its recognition have been met.

The liability generated in these operations is valued at its fair value on the closing date of the financial year, charging any change in valuation that occurred during the financial year to the consolidated income statement.

u) Assets of an environmental nature

Property, plant, and equipment intended to minimize environmental impact and improve the environment is valued at acquisition cost. Expansion, modernization, or improvement costs that represent an increase in productivity, capacity, efficiency, or an extension of the useful life of these assets are capitalized as a higher cost thereof. Repair and maintenance expenses incurred during the year are charged to the consolidated profit and loss account.

The expenses accrued for the environmental activities carried out or for those activities carried out to manage the environmental effects of the Group's operations are recorded in accordance with the accrual principle, that is, when the actual flow of goods and services that they represent, regardless of the monetary or financial current derived from them.

v) Translation differences

This heading includes the increase or decrease in the net worth of foreign companies converted into euros, by applying the closing exchange rate system. Using this method:

1. Assets and liabilities, by application of the year-end exchange rates.
2. Income and expenses and cash flows, applying the average exchange rate for the year.
3. Net worth, at historical exchange rates.

Differences arising in the conversion process are recorded in the 'Conversion differences' section of consolidated equity.

External partners will be converted at the historical exchange rate net of the tax, it will be recognized in the item external partners of the consolidated balance sheet.

The cash flow is converted at the exchange rate on the date on which each transaction occurred. The consolidated flow statement includes an entry that reflects the effect on the final cash balance of exchange rate variations and is presented apart from the flow from operating, investment, and financing activities.

w) Segmented information

To the extent that, from the point of view of the organization of the sale of products and the provision of services or other income corresponding to the ordinary activities of the company, the categories and markets differ from each other in a considerable way, will inform of the distribution of the net amount of the turnover corresponding to its ordinary activities.

5. Intangible assets

The balances and variations of each consolidated balance sheet item included in this heading are as follows:

	Development	Patents, licence, trademarks and similar	Computer applicaitons	Other intangible assets	Goodwill	Total
Gross values						
Balance 01.01.21	2.028.015	13.136	316.615	-	9.793.924	12.151.690
Acquisition	3.276.414	35.855	1.577.408	1.196.519		6.086.196
Entries	1.293.061	-	1.160.648		27.309.693	29.763.402
Balance 31.12.21	6.597.490	48.991	3.054.671	1.196.519	37.103.617	48.001.288
Adquisiciones	-	-	-	-	2.843.816	2.843.816
Entries	1.455.571	-	1.864.046	-	9.891.673	13.211.290
Exchange differences	-	-	-	-	242.406	242.406
Balance 31.12.22	8.053.061	48.991	4.918.717	1.196.519	50.081.512	64.298.800
Amortización acumulada						
Balance 01.01.21	(258.139)	-	(5.531)	-	(915.153)	(1.178.823)
Acquisition	(2.166.164)	(11.984)	(813.616)	(439.774)	-	(3.431.538)
Entries	(652.201)	(2.323)	(134.469)	(65.024)	(2.832.972)	(3.686.989)
Balance 31.12.21	(3.076.504)	(14.307)	(953.616)	(504.798)	(3.748.125)	(8.297.350)
Acquisition	-	-	-	-	-	-
Entries	(1.936.746)	(5.770)	(604.862)	(77.959)	(4.547.118)	(7.172.455)
Balance 31.12.22	(5.013.250)	(20.077)	(1.558.478)	(582.757)	(8.295.243)	(15.469.805)
Net Book Value as of 31.12.21	3.520.986	34.684	2.101.055	691.721	33.355.492	39.703.938
Net Book Value as of 31.12.22	3.039.811	28.914	3.360.239	613.762	41.786.269	48.828.996

The gross value of the elements in use that are fully amortized at the end of the 2022 financial year amounts to 15,820 euros (8,218 euros in the 2021 financial year).

At the end of 2022 and 2021 financial years, the Group mainly incurs additions of fixed assets to meet the needs of information, computer, and R&D equipment with the following projects:

- Nilo: E-commerce platform oriented towards conversion and sales. Software that allows you to create an online store.
- Gauss: Artificial intelligence-based software used to optimize investment in marketing campaigns
- Shoptize: Facilitator of online offers developed by Making Science, which provides users with clear information about a wide catalog of products. This tool allows the user to know the price fluctuation of the product that they want to buy in the three months prior to the search, showing the user graphically in what exact period the discount increased or decreased.
- Yangtse: Internal non-commercial application that allows the improvement of the information and data management system and allows the sharing of practices between the teams of Making Science Group S.A.
- Mississippi: Internal application that allows you to automate lower value tasks, improve prospecting and prepare for integration with other systems.
- Tiber: Internal application that allows increasing efficiency, reducing the time spent on operational tasks and improving the information and data management system.

- Guadiana: development of technology for the generation and automated management of campaigns, with the aim of increasing the efficiency of operations and maximizing the results of the campaigns.
- SAP: ERP for the improvement of internal processes of the Company.

The Company during the years 2022 and 2021 amortizes part of the development projects based on their completion of "tuning up". Therefore, the Company's Board of Directors considers that these programs have well-founded reasons for success and activate the expenses incurred in continuing to develop them.

The detail of the Companies that make up the goodwill is as follows:

Company	Net Goodwill 31.12.2022
Ingeniería para la innovación i2TIC, S.L.U.	487.519
Crepes & Texas, S.L.U.	634.872
Making Science Group, S.A.	1.433.918
Making Science Digital Marketing S.L.U.	526.501
Omniaweb Italia SRL	4.452.496
Nara Media LTD	4.700.646
Celsius SAS	7.100.878
Making Science US	629.574
Ventis SRL	5.854.381
13MQ SRL	1.067.857
Agua3 Growth, S.L.	888.494
Sweeft Digital,LLC	6.963.426
United Communication Partner Inc	3.957.300
Tre-Kronor media AB	3.088.407
TOTAL	41.786.269

Company	Net Goodwill 31.12.2021
Ingeniería para la innovación i2TIC, S.L.U.	568.771
Crepes & Texas, S.L.U.	624.181
Making Science Group, S.A.	1.633.619
Making Science Digital Marketing S.L.U.	614.251
Omniaweb Italia SRL	5.166.747
Nara Media LTD	4.418.903
Celsius SAS	5.488.438
Making Science US	803.227
Ventis SRL	6.441.946
13MQ SRL	991.024
Agua3 Growth, S.L.	992.181
Sweeft Digital,LLC	5.612.204
TOTAL	33.355.492

Goodwill allocated to Making Science Group and Tre-Kronor media AB is not generated in the Group consolidation process. The movement of the Goodwill on consolidation is detailed in Note 10.

As discussed in Note 1 of this consolidated report, because of the reverse merger process, goodwill was created in the Parent Company for an initial amount of 2,028,761 euros because of the difference in value between the shares that the Sole Shareholder had over the Parent Company as of December 31, 2018, and the theoretical book value of the consolidated equity of the Parent Company.

The value of the shares on December 31, 2018, amounted to 2,932,341 euros and the underlying book value of the Parent Company's consolidated equity amounts to 903,580 euros, which led to the creation of goodwill for an amount of 2,028.761 euros mentioned above.

On October 14, 2020, the Group acquired the shares of Omniaweb Italia, SRL, generating a gross goodwill of 6,066,442 euros.

On February 8, 2021, the Group acquired the shares of Nara Media Limited, generating a gross goodwill of 4,829,896 euros.

On February 8, 2021, the Group acquired 51% of the shares of Celsius SAS, generating a gross goodwill of 5,987,387 euros. On November 21, 2022, the Group acquired an additional 22% of the share capital of Celsius SAS.

On April 15, 2021, the group acquired 100% of the shares of 360 Conversion Analytics LLC, generating gross goodwill of 847,683 euros.

On May 3, 2021, the Group acquired the shares of Ventis SRL and 13MQ, SRL, generating gross goodwill of 6,780,996 and 1,043,183 euros, respectively.

On September 2, 2021, the Group acquired 51% of the shares of Agua 3 Growth Engines, S.L. generating a gross goodwill of 1,017,622 euros.

On September 14, 2021, the Group acquired the shares of Sweeft Digital LLC, generating a gross goodwill of 5,756,107 euros.

On February 10, 2022, the Group acquired 69.8% of the shares of United Communications Partners, Inc, generating goodwill of 3,957,300 euros.

6. Fixed assets

The balances and variations of property, plant and equipment are as follows:

	Land and buildings	Technical installations and other fixed assets	Total
Gtoss Values			
Balance 01.01.21	219.647	466.851	686.498
Acquisitions	-	518.183	518.183
Entries	-	673.939	673.939
Balance 31.12.21	219.647	1.658.973	1.878.620
Entries	159.185	1.178.046	1.337.231
Balance 31.12.22	378.832	2.837.019	3.215.851
Accumulated amortization			
Balance 01.01.21	(84.184)	(208.359)	(292.543)
Acquisitions	-	(380.650)	(380.650)
Amortizations	(51.047)	(86.485)	(137.532)
Balance 31.12.21	(135.231)	(675.494)	(810.725)
Amortizations	(95.141)	(317.409)	(412.550)
Balance 31.12.22	(230.372)	(992.903)	(1.223.275)
Net Book values 31.12.2021	84.416	983.480	1.067.896
Net Book values 31.12.2022	148.460	1.844.116	1.992.576

The gross value of the items in use that are fully amortized corresponding to the Group amounts to:

	31.12.22	31.12.21
IT Equipment	219.589	184.452
Other intangible	218.153	63.533
	437.742	247.985

The Group's policy is to formalize insurance policies to cover the possible risks to which the various elements of its property, plant and equipment are subject. As of December 31, 2022, and December 31, 2021, there was no coverage deficit related to said risks.

As indicated in note 7, as of December 31, 2022, and December 31, 2021, the Group has contracted various operating lease operations.

7. Leases and other operations of a similar nature

7.1. Operating lease

The minimum operating lease payments contracted with the lessors correspond mainly to the direct subsidiary Making Science Group, S.A., and the new offices of the subsidiary Sweeft based in Tbilisi (Georgia) in accordance with the current contracts in force, are as follows:

	Pending amounts	
	2022	2021
Less that one year	1.445.941	1.148.855
One and five years	4.896.725	1.328.784
More than five years	127.517	117.833
	6.470.183	2.595.472

The operating lease payments of the companies in the consolidation perimeter recognized as an expense for the year ended December 31, 2022, and 2021 correspond mainly to the company Making Science Group, S.A. and have amounted to 652,023 euros and 594,597 euros respectively for office rental and 113,319 euros and 93,981 euros respectively for renting office furniture and computer equipment.

They have been signed between 2017 and 2020 with the lessor Rentivel, S.A. (formerly Vel, S.A.) and have a maturity date between 2022 and 2023, and with Banco Santander, in a contract dated January 10, 2018, and duration 3 years extendable for another 2 years.

Additionally, the rentals of the international offices that each of the Group companies have been included.

8. Long-term and short-term financial assets

Financial investments are classified based on the following categories:

	Long term financial assets					
	Equity investments	Credits and others	Total	Equity investments	Credits and others	Total
	31.12.22	31.12.22	31.12.22	31.12.21	31.12.21	31.12.21
Loand and receivables	894.832	454.874	1.349.706	5.100	1.166.276	1.171.376
	894.832	454.874	1.349.706	5.100	1.166.276	1.171.376

	Short term financial assets					
	Equity investments	Credits and others	Total	Equity investments	Credits and others	Total
	31.12.22	31.12.22	31.12.22	31.12.21	31.12.21	31.12.21
Loand and receivables	20.672	43.225.106	43.245.778	81.798	28.939.735	29.021.533
	20.672	43.225.106	43.245.778	81.798	28.939.735	29.021.533

Long-term credits, derivatives and others are made up of the amounts deposited as security for the rental of the Company's offices at Calle López de Hoyos 135.

The detail by maturity of the different financial assets, with determined or determinable maturity, at the end of the 2022 financial year is as follows:

	2023	2024	2025	2026	Rest	Total
Financial investments:						
Other financial assets	51.718	-	-	-	-	51.718
Loans and receivables	43.194.060	15.000	7.000		432.874	43.648.934
	43.245.778	15.000	7.000	-	432.874	43.700.652

The detail by maturity of the different financial assets, with determined or determinable maturity, at the end of the 2021 financial year is as follows:

	2022	2023	2024	2025	Rest	Total
Financial investments:						
Other financial assets	819.441	-	-	-	182.940	1.002.381
Loans and receivables	28.120.294	1.101.294	15.000	7.000	42.982	29.286.570
	28.939.735	1.101.294	15.000	7.000	225.922	30.288.951

9. Commercial debts and other receivables

The detail of the caption of the consolidated balance sheet "Trade debtors and other accounts receivable" is as follows:

	31.12.22	31.12.21
Trade receivables	41.313.998	27.700.229
Group trade receivables	-	3.265
Other receivables	1.507.840	259.688
Personnel	86.264	-
Current tax income (see note 15)	146.922	207.419
Other receivables from public administrations (see note 15)	2.287.347	1.571.418
Total	45.342.371	29.742.018

Corrections for impairment of value originated by credit risk.

The variations registered during the financial year 2022 and the financial year 2021 in the provisions for impairment of accounts receivable, have been the following:

	Accumulated impairments losses 01.01.2022	Impairment recognised	Impairment reversed	Accumulated impairments losses 31.12.2022
2022	(418.619)	(25.220)	-	(443.839)
2021	(384.473)	(48.116)	13.971	(418.619)

10. Consolidation Goodwill

The detail and movement of this heading in the consolidated balance sheet as of December 31, 2022, is as follows:

1/1/21	Additions	Amortization	31/12/21	Additions	Amortization	31/12/22
7.026.268	27.242.039	(2.546.432)	31.721.875	9.713.771	(4.296.355)	37.139.291

The consolidation goodwill arises because of the premium paid by the Parent Company with respect to its book value in the integration of the financial statements of the subsidiaries described in note 5. The Directors consider that there are no indications of impairment in the calculation made by the Group based on the projections of the business plans, in which the following variables are used (WACC of a range between 9% and 11% and an estimated growth of between 2% and 3%).

The detail of the Companies that make up the goodwill and the main additions for the year are detailed in note 5.

11. Equity

a) Share capital

On January 30, 2020, a capital increase was approved for 3,603 euros with an issue premium of 1,149,367 euros, subscribing 360,303 shares with a nominal value of 0.01 euros each and an issue premium of 3.19 euros per share. The share capital was fixed at 70,623 euros divided into 7,062,300 shares with a nominal value of 0.01 euros. Both the share capital and the share premium were paid up in 2020.

The Parent Company, after listing on the BME Growth Stock Exchange (formerly Mercado Alternativo Bursátil), as explained in note 1, has admitted to trading on the Madrid Stock Exchange, as of December 31, 2022, 7,637,300 shares with a nominal value of 0.01 euros each.

During the 2021 financial year and to finance the purchases of the companies acquired during the financial year, detailed in note 5, the Parent Company has agreed on seven occasions to increase the share capital through credit compensation in a total of 707,000 shares and in a total amount of 7,070 euros of share capital and an issue premium of 11,297,430 euros.

On May 31, 2022, the Parent Company has carried out a capital increase, issuing 516,700 shares at a price of 0.01 euros par value and 17.99 euros share premium.

As of December 31, 2022, the capital of the Parent Company is 83,040 euros.

As of December 31, 2022, the company that has a stake equal to or greater than 10% is The Science of Digital, S.L. with a 52.81% participation.

b) Treasury stock

As of December 31, 2022, the Parent Company has 150,699 treasury shares with a nominal value of 0.01 euros each (211,748 shares as of December 31, 2021). The difference in treasury shares corresponds to the fact that the Company has delivered shares to employees during the year (see note 17).

As a result of the purchase and sale of Parent Company shares carried out by the registered advisor, capital gains amounting to 581,005 euros have been generated, which have been recorded in reserves.

c) Reserves

c.1) Reserves of the Parent Company

The Parent Company's reserves amounted to 834,431 euros of negative reserves and 934,523 euros, respectively, in the year ended December 31, 2022, and at the end of December 31, 2021.

c.1.1) Capitalization reserve

In accordance with article 25 of Law 27/2014 of November 27 on Corporation Tax, according to which an unavailable reserve must be allocated during a period of five years for the reduction in the tax base of the Corporation Tax applied as Capitalization Reserve.

The amount of the capitalization reserve on December 31, 2022, amounts to 13,667 euros.

c.1.2) Leveling reserves

In accordance with article 105 of Law 27/2014 of November 27 on Corporation Tax, according to which an unavailable reserve must be allocated during a period of 5 years for the reduction in the tax base of the Corporation Tax applied as the Equalization Reserve.

The amount of the equalization reserve as of December 31, 2022, is 130,003 euros.

c.1.3) Legal reserve

In accordance with the Consolidated Text of the Capital Companies Act, an amount equal to 10% of the profit for the year must be allocated to the legal reserve until it reaches at least 20% of the share capital. The legal reserve may be used to increase the capital in the part of its balance that exceeds 10% of the already increased capital. Except for the purpose, and if it does not exceed 20% of the share capital, this reserve may only be used to offset losses and provided there are no other reserves available sufficient for this purpose.

As of the closing date of the current year, the legal reserve is not fully constituted (as of December 31, 2021, it was not fully constituted).

c.2) Reserves in companies consolidated by global integration

The breakdown by company of these reserves is as follows:

	2022	2021
Making Science Digital Marketing S.L.U.	1.263.103	804.166
Ingeniería para la innovación i2TIC, S.L.U.	309.459	364.023
Celsius SAS	(518.198)	(178.358)
Loyal SAS	(178.358)	-
Crepes & Texas, S.L.U.	(247.152)	(166.266)
Subgrupo Making Science Internacional Ltd	(1.940.390)	(1.714.747)
Omniaweb	(92.649)	22.853
Making Science Unipessoal	(10.562)	(8.273)
Agua 3 Growth, SL	10.299	-
Ventis SRL	(3.620.294)	-
13MQ SRL	93.630	-
Nara Media Limited	(353.098)	-
Making Science Ltd	(240.040)	-
Making Science Colombia SAS	(135.475)	-
Sweeft LLC	(350.393)	-
United Communications Partners, Inc	(19.358)	-
Making Science Labs, S.L.U	181.819	120.841
	(5.847.657)	(755.761)

d) Results by companies

The contribution of each company included in the consolidation perimeter to the result attributable to the Parent Company during the year ended December 31, 2022, and the year 2021 has been as follows:

	Results (2022)	Results (2021)
Making Science Group, S.A.	(4.364.409)	(2.468.378)
Making Science Digital Marketing S.L.U.	2.542.254	546.687
Ingeniería para la innovación i2TIC, S.L.U.	(117.530)	26.690
Crepes & Texas, S.L.U.	(6.544)	8.283
Subgrupo Making Science Internacional Ltd	(688.148)	(268.398)
Omniaweb SRL	450.674	657.810
Making Science Unipessoal	63.083	(2.289)
Nara Media LTD	390.481	163.985
Celsius SAS	253.035	103.206
Loyal SAS	216.609	124.667
Making Science US	(110.079)	(195.584)
Ventis SRL	(3.797.506)	(2.495.263)
Agua3 Growth, S.L.	74.358	69.936
Sweeft Digital,LLC	701.463	321.604
Making Science Mexico SA de CV	(57.971)	-
Making Science LTD	(451.374)	-
United Communications Partners, Inc	367.625	-
Making Science Marketing & Adtech S.L.	(520)	-
Making Science Investments S.L.	(520)	-
Making Science Technology Cloud & Software S.L.	(520)	-
Making Science Colombia	(499.206)	(135.475)
Making Science Labs, S.L.U	49.556	57.378
Total	(4.985.189)	(3.485.141)

e) Minority interests

As of December 31, 2022, the Group mainly records in this heading the participation of other minority shareholders in the subsidiaries of United Partners Communications, Inc, Celsius SAS, and Loyal SAS.

12. Information on the nature and level of risk from financial instruments

Qualitative information

The Group's financial risk management is centralized in the Financial Department, which has established the necessary mechanisms to control exposure to fluctuations in interest rates and exchange rates, as well as credit and liquidity risks. The main financial risks that impact the Group are indicated below:

a) Credit risk:

In general, the treasury and equivalent liquid assets are maintained in financial entities with a high credit level.

Likewise, there is no significant concentration of credit risk with third parties.

b) Liquidity risk:

To ensure liquidity and to be able to meet all the payment commitments that derive from its activity, the Group has the treasury that shows its consolidated balance sheet, as well as the credit and financing lines that are detailed in the Note 13.

c) Interest rate risk

Both the Group's treasury and financial debt are exposed to interest rate risk, which could have an adverse effect on financial results and cash flows. Of the total debt held by the Group, approximately 56% is financed through fixed interest rates.

d) Exchange rate risk

The Group is exposed to exchange rate risk, which could have an adverse effect on financial results and cash flows.

Quantitative information

a) Credit risk:

No customer has a significant balance on Group sales.

b) Liquidity risk:

The Group has financial debts at market interest rates.

13. Long-term and short-term financial liabilities

Long-term and short-term debts are classified based on the following categories:

	Long term debts		Short term debts	
	31.12.22	31.12.21	31.12.22	31.12.21
Debts with credit institutions	7.007.585	10.110.747	19.065.532	14.505.620
Bonds and other marketable securities	11.762.525	11.820.000	-	-
Finance lease payables	-	-	-	8.126
Other financial liabilities	6.508.467	8.011.715	1.506.197	1.391.295
	25.278.577	29.942.462	20.571.729	15.905.042

a) Maturity Classification

The detail by maturity of the different long-term financial liabilities, with determined or determinable maturity, as of December 31, 2022, is as follows:

	2024	2025	2026	2027	Rest	Total
Debts:						
Debts with credit institutions	3.029.065	2.677.120	1.301.400	-	-	7.007.584
Bounds and other marketeable securities	11.762.525	-	-	-	-	11.762.525
Finance lease payables	1.500.000	1.500.000	3.000.000	-	508.467	6.508.467
Debts with group and related companies	2.538.087	2.879.161	1.395.827	-	118.750	6.931.825
	18.829.677	7.056.281	5.697.227	-	627.217	32.210.401

The detail by maturity of the different long-term financial liabilities, with determined or determinable maturity, at the end of the 2021 financial year is as follows:

	2023	2024	2025	2026	Rest	Total
Debts:						
Debts with credit institutions	4.301.191	2.650.890	2.333.667	825.000	-	10.110.747
Bounds and other marketeable securities	-	11.820.000	-	-	-	11.820.000
Finance payables	1.992.161	1.500.000	1.500.000	3.000.000	19.554	8.011.715
Debts with group and related companies	900.000	2.018.214	817.656	400.000	-	4.135.870
	7.193.352	17.989.104	4.651.323	4.225.000	19.554	34.078.332

Financial liabilities include mostly debt of the Parent Company. The details of said debt are indicated in this same note.

As of December 31, 2022, the Parent Company has formalized various loans with banks that are listed below:

1- Loan with Banco Santander, S.A. contracted on March 14, 2019, for 140,000 euros for a duration of 4 years at an annual interest rate of 3.2%.
2- Loan contracted on June 6, 2019, for 1,500,000 euros for a duration of 80 months at an annual interest rate of 12-month EURIBOR + 5% and with a grace period until December 6, 2020. Extension on June 29, 2020, for an additional 1 million euros.
3- Loan with Banco Santander, S.A. contracted on June 19, 2020, for 500,000 euros for a duration of 48 months at an annual interest rate of 2% and with a grace period of one year ending on June 19, 2025.
4- Loan with Caixabank, S.A. contracted on October 9, 2020, for 2,000,000 euros for a 60-month term and at the annual interest rate of 12-month EURIBOR + 2.35%.
5- Loan with Banco Santander, S.A. contracted on November 23, 2020, for 1,500,000 euros for a 72-month duration at an annual interest rate of 12-month EURIBOR + 5% and with a grace period of one year.
6- Loan contracted with BBVA, S.A. on February 19, 2021, for 2,000,000 euros at an annual interest rate of 3.10% maturing on February 19, 2023.
7- Loan contracted on May 20, 2021, for 4,200,000 euros at an interest rate of 6-month EURIBOR + 2.70%, with a grace period of one and a half years and maturing on May 20, 2026.

8- Loan contracted with Abanca, S.A. on September 30, 2021, for 1,000,000 euros at an annual interest rate of 2.50% maturing in 4 years.
9- Loan contracted with BBVA, S.A. on November 4, 2021, for 1,500,000 euros at an annual interest rate of 3.10% maturing in 2 years.
10- Loan contracted with BBVA, S.A. on December 22, 2022, for 1,000,000 euros at an annual interest rate of 3-month EURIBOR + 1.95% maturing in 3 years.

The heading debts with credit institutions, as of December 31, 2022, corresponds mainly to short-term loans with credit institutions for 3,910,690 euros, long-term loans for 10,110,747 euros, short-term debts for a line of customer advances for 4,483,213 euros, advanced invoices for a value of 2,950,774 euros and lines of credit for 916,726 euros.

As of December 31, 2021, the Parent Company has formalized various loans with banks that are listed below:

1- Loan with Banco Santander, S.A. contracted on March 14, 2019, for 140,000 euros for a duration of 4 years at an annual interest rate of 3.2%.
2- Loan contracted on June 6, 2019, for 1,500,000 euros for a duration of 80 months at an annual interest rate of 5% and with a grace period until December 6, 2020. Extension on June 29, 2020, for 1 million additional euros.
3- Line of credit contracted on March 14, 2019, with a limit of 200,000 euros and an interest rate of 2.2%.
4- Loan with Banco Santander, S.A. contracted on June 19, 2020, for 500,000 euros for a duration of 48 months at an annual interest rate of 2% and with a grace period of one year ending on June 19, 2025.
5- Loan with Caixabank, S.A. contracted on October 9, 2020, for 2,000,000 euros for 60 months and at an annual interest rate of 2.35%.
6- Loan with Banco Santander, S.A. contracted on November 23, 2020, for 1,500,000 euros for a duration of 72 months at an annual interest rate of 1.26% and with a grace period of one year.
7- Loan with Banco Sabadell, S.A. contracted on May 7, 2020, for a duration of 150,000 euros, 12 months extended and at an annual interest rate of 3.6%.
8- Loan contracted with BBVA, S.A. on February 19, 2021, for 2,000,000 euros at an annual interest rate of 3.10% maturing on February 19, 2023.
9- Loan contracted on May 20, 2021, for 4,200,000 euros at an interest rate of 6-month EURIBOR + 2.70%, with a grace period of one and a half years and maturing on May 20, 2026.
10- Loan contracted with Abanca, S.A. on September 30, 2021, for 1,000,000 euros at an annual interest rate of 2.50% maturing in 4 years.
11- Loan contracted with BBVA, S.A. on November 4, 2021, for 1,500,000 euros at an annual interest rate of 3.10% maturing in 2 years.

The financial expenses corresponding to the period ended on December 31, 2022, have amounted to 1,886,016 euros (786,796 euros as of December 31, 2021).

The heading "Other debts" includes a furniture lease acquired in 2018 and the deposit of the guarantees of the Company's offices.

"Other financial liabilities" are mainly made up of the purchase of investee companies for an amount of 1,500,000 euros in the short term (1,152,018 euros as of December 31, 2021) and 6,000,000 euros in the long term (7,638,304 euros as of December 31, 2021).

The heading "Obligations and other negotiable securities" includes the issuance on October 8, 2021, of the Parent Company's first bond program for a value of 12 million euros on the Alternative Fixed Income Market (MARF). Said issuance accrues quarterly interest at an annual rate of 5.5%. The expiration date is October 13, 2024.

14. Commercial debtors and other accounts payable

The detail of the balance sheet heading "Trade and other payables" is:

Concept	31.12.22	31.12.21
Suppliers	32.398.539	6.034.534
Suppliers, group companies and associates (see note 19)	-	616.510
Various creditors	12.020.148	21.553.943
Personnel (salaries pending payment)	1.155.257	820.584
Current tax liabilities (see note 15)	916.242	53.822
Other debts with Public Administrations (see note 15)	6.055.631	3.782.367
Advance customers	1.140.376	324.147
Total	53.686.193	33.185.147

a) Payment deferrals to suppliers

For the purposes of the provisions of the second additional provision of Law 31/2014, of December 3, which modifies the Spanish Companies Act and in accordance with the Resolution of February 29, 2016, of the Institute of Accounting and Audit of Accounts, a detail is included below with the average payment period to suppliers, ratio of operations paid, ratio of operations pending payment, total payments made and total payments pending:

	Fiscal Year 2022	Fiscal Year 2021
	Days	Days
Average payment period to suppliers	61	54
Ratio of operations paid	63	61
Ratio of operations pending payment	55	42
	Import (€)	Import (€)
Total, payments made	131.662.710	58.169.906
Total, pending payments	33.302.186	35.922.201

The total volume of payments made within the legal term in 2022 amounts to 88,532,011 euros, which represents 67% of the total payments to suppliers.

The number of invoices paid by the Parent Company and the Spanish subsidiaries within the legal term amounts to 13,391 invoices in the year 2022, which represent 71% of the total supplier invoices.

The average payment period reflected in these consolidated annual accounts has been calculated using a weighted average of the amounts of each of the payments made in 2022.

The maximum legal payment period applicable to the Company with registered office in Spain as established by Law 13/2005 that modifies Law 3/2014 of December 29 and Law 11/2013 of July 26, which establishes measures to fight late payment in commercial operations is 60 days. The Group expects to comply with payments in the legally established period through an improvement in the efficiency of collections from its customers.

15. Tax situation

The detail of this heading as of December 31, 2022, and December 31, 2021, is as follows:

2022

	Saldos deudores	Saldos acreedores
2022	Corriente	Corriente
Withholding and payments on account	238.637	488.628
Public administration VAT creditors	-	4.645.231
Public administration VAT debtor	2.048.710	-
Public administration payables withholding tax	-	252.829
Social Security	-	668.944
Current tax assest	146.922	-
Current tax liabilities	-	916.242
Deferred tax liabilities	-	56.109
	2.434.269	7.027.983

2021	Debit balances	Credit balances
2021	Current	Current
Withholdings and payments on account	165.138	-
Public administrations VAT creditors (payable)	-	2.532.440
Public administrations VAT debtor (receivable)	1.406.279	714.028
Public administrations payables withholding tax	-	535.898
Social security creditors (payables)	-	-
Deferred tax assets	1.743	-
Current tax assets	207.419	-
Current tax liabilities	-	53.822
Deferred tax liabilities	-	56.109
	1.780.579	3.892.297

The reconciliation of the accounting result before taxes corresponding to the period ended on December 31, 2022, and the Group's 2021 financial year, with the tax base for Corporation Tax, is as follows:

	31.12.22		
	Profit and loss		
	Increases	Decreases	Total
Balance of income and expenses	4.685.282	(61)	4.685.221
Corporate Income tax			1.519.417
Permanent differences	1.070.085	(42.830)	1.027.255
Taxable result			7.231.893
Tax base			7.231.893
Total amount			1.519.417
R+D+I deductions			(62.139)
Liquid amount			1.457.278
Withholdings and payments on acount			(399.169)
Liquid to pay			1.058.109

	31.12.21		
	Profit and Loss		
	Increases	Decreases	Total
Balance of incomes and expenses			1.322.853
Corporate income tax	658.952		658.952
Permanet differences	807.257		807.257
Tax base (taxable result)			2.789.062
Total Tax base			2.789.062
Total amount			692.591
Double taxation deductions			(12.282)
R+D+ I deductions			(33.639)
Liquid amount			646.670
Withholdings and payments on account			(593.779)
Liquid to pay			52.891

Breakdown of corporate tax expense

The breakdown of corporate tax expense is as follows:

	31.12.22	31.12.21
Current tax	1.519.417	677.644
Deferred tax	-	(18.692)
Total tax	1.519.417	658.952

Deferred tax liabilities recorded

The balance of this account corresponds to Making Science Group, S.A. and amounts to 56,109 euros in both periods.

The detail of the negative tax bases pending compensation as of December 31, 2022, and December 31, 2021, of the Group companies is as follows:

Period recorded	Amount to be compensated at 31.12.2021	Amount to be compensated at 31.12.2022
2001	466.287	466.287
2003	548.569	548.569
2004	2.730.290	2.730.290
2005	2.874.321	2.874.321
2011	407.349	407.349
2013	102.272	102.272
2014	46.812	46.812
2016	1.569.095	1.569.095
2017	1.910.127	1.910.127
2018	1.652.679	1.652.679
2019	2.605.060	2.605.060
2020	4.552.555	4.552.555
2021	-	638.133
TOTAL	19.465.417	20.103.549

The most relevant negative tax bases pending compensation have been generated in the subsidiaries Mcentricksd, S.L.U., Ventis SRL and subsidiaries of the UPC Subgroup as of December 31, 2022, and the subsidiaries Mcentricksd, S.L.U. and Ventis SRL as of December 31, 2021.

Years pending verification and tax audits.

As established by current legislation, the taxes of Group companies cannot be considered definitively settled until the returns submitted have been audited by the tax authorities or the four-year limitation period has elapsed. As of December 31, 2022, the last four years of all applicable taxes are open for inspection. The directors of the Parent Company consider that the taxes have been settled adequately, therefore, even if discrepancies arise in the current regulatory interpretation due to the tax treatment granted to the operations, the eventual resulting liabilities, if they materialize, will not significantly affect the attached consolidated annual accounts.

16. Guarantees committed to third parties and other contingent liabilities.

As of December 31, 2022, and at the end of the 2021 financial year, the Group has presented guarantees related to its daily operations and the provision of its service to customers for a global amount of 1,306,754 euros and 1,197,000 euros respectively in the case of the Parent Company.

The balance of short-term provisions as of December 31, 2022, and in 2021 amounts to 957,110 euros and 108,038 euros respectively and 107,738 euros of long-term provisions in 2022 (408,909 euros in 2021).

17. Short-term accruals

As of December 31, 2022, the Group records an amount of 7,742,060 euros in the concept of short-term accruals of its liabilities for anticipated income from different projects in which it is immersed. As of December 31, 2021, this amount amounted to 6,162,685 euros.

18. Income and expenses

a. Consumption of raw materials and other consumable materials

In the year ended December 31, 2022, and the year 2021, the Group has made all the purchases of supplies in Europe.

The breakdown of said expenses is as follows:

Costs og good sold	2022	2021
Consumption of goods	(7.595.703)	(3.677.930)
Consumption of raw materials	-	(2.295)
Work carried out by other companies	(148.530.883)	(76.658.251)
	(156.126.586)	(80.338.476)

b. Net amount of turnover

In the financial year ended December 31, 2022, and the financial year 2021, most of the Group's net turnover was made in Europe. Its breakdown by type is as follows:

	2022	2021
Media	163.766.306	83.332.808
Technology and services	46.365.984	27.112.366
	210.132.290	110.445.174

Media is the line business that collects income from online advertising space purchase services and campaign management.

Technology and Services includes the rest of the services related to digital marketing offered by group companies.

c. Work carried out by the Group for its assets

The detail of the work carried out by the company for its assets in the year ended December 31, 2022, and the year ended December 31, 2021, is as follows (see note 5 of intangible assets):

	2022	2021
Development	1.463.716	1.595.141
Computer applications	1.794.718	858.568
	3.258.434	2.453.709

The projects correspond to the companies Making Science Group, S.A., Agua 3 Growth Engines, S.L. and Ventis SRL for the years 2022 and 2021. The amount corresponding to each of the Companies is 2,652,738 euros (2,121,056 euros as of December 31, 2021), 159,907 euros (27,653 euros as of December 31, 2021) and 445,789 euros (305,000 euros as of December 31, 2021) respectively.

d. Social charges

Its breakdown is as follows:

	2022	2021
Social Security	4.849.251	3.616.367
Other social expenses	627.402	521.415
Total	5.476.653	4.137.782

19. Transactions with related parties

The remuneration of the members of the Board of Directors (which, in turn, two of its members are part of the senior management) of the Company, are as follows:

	2022	2021
Remunerations (Salaries, per diems and other remunerations)	850.000	582.000

In the year ended December 31, 2022, said remuneration of the Board of Directors belongs to the remuneration of the members of the Board of Directors approved by the Shareholders' Meeting on July 29, 2021, and to the salaries received by the members of the Board of Directors. administration with executive functions accrued in the year 2022.

As of December 31, 2022, and 2021, there is a loan granted to a member of the Board for an amount of 118,750 euros. Apart from this, there are no advances or credits granted to the Board of Directors or senior management personnel of the Parent Company, nor commitments with them regarding pensions and insurance.

In accordance with the provisions of article 229 of the Spanish Companies Act, approved by Royal Legislative Decree 1/2010, of July 2, with the modifications introduced by Law 31/2014, of December 3, by which The Spanish Companies Act is amended to improve corporate governance, the Company's Administrators and persons related to the Administrators referred to in article 231 have not indicated situations of conflict, direct or indirect, that they may have with the interest of the Company and that have been communicated in accordance with the provisions of said article.

On November 18, 2016, the former owners of 100% of the shares of the Parent Company signed an agreement granting an investment option to The Science of Digital, S.L. This option grants the right to The Science of Digital, S.L. to acquire up to 100% of the Company at a fixed price, variable over time, and granting a time limit to complete the operation until December 31, 2023.

Transactions with payments based on equity instruments

The movement produced during the year 2022 of the options held by the Company is as follows:

	2022		2021	
		Weighted average period	Amount	Weighted average period
Existing options at the beginning	177.470	0,87	235.875	0,76
Options granted (+)	55.650	0,01	20.700	0,01
Options cancelled (-)	(29.250)	1,16	(10.500)	0,01
Options expired (-)	-	-	-	-
Options exercised (-)	(53.171)	0,73	(68.605)	0,01
Existing options at the end	150.699	0,42	177.470	0,87

The number and weighted average prices of the exercisable options available to the Company as of December 31, 2022, and at the end of the 2021 financial year amounts to 150,699 and 0.42; and 177,470 and 0.87, respectively.

The breakdown of the options at the end of the 2022 financial year is as follows:

	Price in the period	2022	2023	2024	2025	2026	Total
Options	0,01	8506	47713	43063	17350	10100	126.732
Options	2,60	5.592,00	14.375,00	4.000,00	0,00	0,00	23.967

The breakdown of the options at the end of the 2021 financial year is as follows:

	Price in the period	2021	2022	2023	2024	2025	Total
Options	0,01	2.024	39.487	37.488	32.838	6.500	118.337
Options	2,60	13.383	20.875	20.875	4.000	-	59.133

The breakdown of the existing options in 2022 is as follows:

	Characteristics		Price range	
	Number	Weighted Average Prices	Maximum	Minimum
Existing options as of 12.31.2022	150.699	0.42	2.6	0.0
Existing options as of 12.31.2021	177.470	0.87	2,6	0.01

The balances with group companies and related parties that are not within the consolidation perimeter as of December 31, 2022, and December 31, 2021, are as follows:

Company	31.12.2022 Financial short term credit	Financial long term credit	Financial long term debit	Financial shot term debit
Bastiat Venture, S.L.	50.000	-	-	-
Jose Antonio Martinez Aguilar	-	-	118.750	-
Fundación Making Science	1.718	-	-	-
Antiguos accionistas Omniaweb Italia SRL	-	-	1.200.000	400.000
Antiguos accionistas United Communications Part	-	-	1.966.667	983.333
Antiguos accionistas Nara Media LTD	-	-	1.000.000	500.000
Antiguos accionistas Celsius Media LTD	-	-	-	600.000
Antiguos accionistas Sweeft llc	-	-	2.646.408	1.008.242
Superadvanced SRL	-	5.100	-	-
Local Planet International	-	765.232	-	-
Pilot Ignite	-	124.500	-	-
Total	51.718	894.832	6.931.825	3.491.575

31.12.2021

Company	Short term receivables	Short term investments	Long term investments	Long term debts	Short term debts	Short term payables
The Science of Digital, S.L.	3.265	-	-	-	(256.981)	(316.437)
Fundación Making Science	-	1.000	-	-	-	-
Previous shareholders Omniaweb	-	-	-	(1.600.000)	(1.400.000)	-
Previous shareholders Celsius S/	-	-	-	-	(600.000)	-
Previous shareholders Nara Medi	-	-	-	(500.000)	(1.000.000)	-
Previous shareholders Sweeft llc	-	-	-	(1.618.214)	(497.919)	-
Superadvanced SRL	-	-	5.100	-	-	-
Kudzu, Inc	-	-	-	(417.656)	-	(300.073)
Total	3.265	1.000	5.100	(4.135.870)	(3.754.900)	(616.510)

The pricing policy followed in all transactions carried out in the year ended December 31, 2022, and 2021 is due to the application of the normal market value, in accordance with article 16 of the Corporate Tax Law.

During the 2022 financial year, no operations were carried out with related companies outside the consolidation perimeter. The detail as of December 31, 2021, is as follows:

	2021 Services rendered	Services received	Financial income	Financial expenses
The Science of Digital, S.L.	-	(270,215)	-	-
Kudzu, Inc	-	(144,000)	-	-
Total related companies	-	(414,215)	-	-

20. Other information

The average number of people employed in the 2022 and 2021 financial years is as follows:

Profesional categories	2022	2021
Directors	5	5
Management	18	16
Admnistratives	34	13
Commercials	38	20
Technics	823	435
	918	489

In accordance with Law 3/2007, of March 22, 2007, for the effective equality of women and men, the distribution by gender, as of December 31, 2022, and December 31, 2021, of the personnel is presented below. of the group:

	31.12.22		31.12.21	
Profesional categories	Men	Women	Men	Women
Directors	4	1	4	1
Management	33	12	19	6
Administratives	27	22	9	12
Commercial	15	21	17	15
Technicals	439	327	422	273
	518	383	471	307

The fees accrued by the Group's auditors during the 2022 and 2021 financial years for auditing the consolidated annual accounts and other services have been as follows:

	2022	2021
Audit fee for consolidation financial statements	55.000	40.500
Audit fee for individual financial statements	35.000	29.000
Other services	46.200	32.500
	136.200	102.000

21. Subsequent events

On January 31, 2023, the Group has acquired an additional 27% of the share capital of Celsius, increasing the stake to 100%.

22. Segmented information

In relation to the segmented information required by Royal Decree 1159/2010, which approves the Rules for the preparation of consolidated annual accounts, the total volume of transactions reflected corresponds to advertising and public relations services.

Sales by geographic segment

The Group's sales during the 2022 and 2021 financial years have been as follows:

	2022	2021
Spain	71.127.257	54.765.283
UE	89.677.912	41.326.423
Extra UE	49.327.121	14.353.469
TOTAL	210.132.290	110.445.174

MANAGEMENT REPORT FOR THE FINANCIAL YEAR 2022

1. Evolution of the business and situation of the Group

The 2022 financial year has been marked by an increase in EBITDA that has gone from 2,338,175 euros in 2021 to 7,536,869 euros in 2022. This increase has been due to both organic and inorganic growth.

The Group continues to have internationalization and greater technological integration as strategic objectives. These two vectors will be key for the Group to continue consolidating its strength as a technology provider at strategic points outside of Spain.

1. Significant events after the end of the financial year

On January 31, 2023, the Group acquired an additional 27% of the share capital of Celsius, increasing the stake to 100%.

2. Financial instruments used by the Group at the end of the financial year

As of December 31, 2022, the Group maintains 10.97% of its financing through its own resources and 89.03% through external financing (including debts with group companies and associates).

The Group's treasury and credit lines with third-party financial entities and the Group are exposed to interest rate risk, which may have an adverse effect on financial results and cash flows. Of the total debt held by the Group, approximately 60% is financed through fixed interest rates.

3. R&D+I activities

One of the Group's main objectives is the development of its own technologies to provide its customers with a comprehensive service. As of December 31, 2022, the Group maintains investments in R&D&I in the following products:

- Gauss-AI: Machine Learning Framework that includes pre-designed predictive models.

- Nilo: Complete e-commerce platform that allows companies to launch their e-commerce initiative

- Shoptize: Price comparator that allows end users to compare prices of more than 5 million products.

As of December 31, 2022, the Group maintains a total of 3,039,811 euros activated because of the projects described above. Likewise, as of December 31, 2021, the Group maintains a total of 3,520,986 euros activated because of the projects described above.

4. Treasury stock

As of December 31, 2022, the Company holds 150,699 treasury shares with a nominal value of 0.01 euros each with the main purpose of establishing a share-based remuneration plan for employees of the Company and group companies.

5. Supplier payment information

For the purposes of the provisions of the second additional provision of Law 31/2014, of December 3, which modifies the Spanish Companies Act and in accordance with the Resolution of February 29, 2016, of the Institute of Accounting and Audit of Accounts, a detail is included below with the average payment period to suppliers, ratio of operations paid, ratio of operations pending payment, total payments made and total payments pending:

The average payment period to Group suppliers as of December 31, 2022, and 2021 is as follows:

	FY 2022	FY 2021
	Days	Days
Average payment period to suppliers	61	54
Ratio of operations paid	63	61
Ratio of operations pending payment	55	42
	Amount (€)	Amount (€)
Total, payments made	131.662.710	58.169.906
Total, pending payments	33.302.186	35.922.201

6. Risks and uncertainties

The scope of the risks arising from financial instruments by their nature is described below:

Financial risks It is centralized in the financial department, which has established the necessary mechanisms to control exposure to fluctuations in interest rates and exchange rates, as well as credit and liquidity risks. The main financial risks that impact the Group are indicated below:

Credit risk: In general, the treasury and equivalent liquid assets are maintained in financial entities with a high credit level. No customer has a significant balance on Group sales.

Liquidity risk: In order to ensure liquidity and be able to meet all payment commitments derived from the activity, the treasury shown in the balance sheet is available, as well as the credit and financing lines shown in the Annual Accounts. The Group has financial debts at market interest rates.

Market risk (includes interest rate, exchange rate and other price risks): The Group's treasury and credit lines with third-party financial entities and the Group are exposed to interest rate risk, which may have an adverse effect on the financial results and cash flows. Of the total debt held by the Group, approximately 56% is financed through fixed interest rates.

7. Non-financial information statement

In accordance with the provisions of Law 11/2018, of December 28, on non-financial information and diversity, Making Science Group, S.A. (parent company) and its Subsidiaries have prepared the "Consolidated Non-Financial Information Statement" for the year 2022, which forms part of this Management Report and is presented as a separate document.

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This version of our report is a free translation of the original, which was prepared in Spanish. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation or information, views opinions, the original language version of our report takes precedence over this translation.

INDEPENDENT VERIFICATION REPORT ON THE CONSOLIDATED STATEMENT OF NON-FINANCIAL INFORMATION

To the shareholders of Making Science Group, S.A.

According to article 49 of the Commercial Code we have carried out the verification, with the limited scope of certainty, of the attached Statement of Non-Financial Information (NFIS) corresponding to the financial year ending 31 December 2022, Making Science Group, S.A. (MSG or the Company) and dependent companies (the Group), which forms part of the consolidated Management Report of the Group.

Responsibility of the directors

The drawing up of the NFIS included in the consolidated Management Report of the Group, as well as the content of the same, is the responsibility of the directors of Making Science Group, S.A. The NFIS has been prepared according to the content set out in the current commercial regulations and following the selected Sustainability Reporting Standards criteria of Global Reporting Initiative (GRI standards), according to what is stated for each area in the "GRI Indicators Table" included as chapter 11 to said Statement.

This responsibility also includes the design, implementation and maintenance of internal monitoring necessary to ensure that the NFIS is free of material misstatement, due either to fraud or error.

The Administrators of MSG are also responsible for defining, implementing, adapting and maintaining the management systems from which the information necessary for preparing the NFIS is obtained.

Our independence and quality control

We have complied with the requirements of independence and other ethics requirements set out in the Code of Ethics for Accounting Professionals issued by the International Ethics Standards Board for Accountants (IESBA) which is based on the fundamental principles of professional integrity, objectivity, competence and diligence, confidentiality and professional conduct.

Our firm applies International Standard on Quality Control in forced and, as a result, maintains an overall quality control system that includes policies and procedures on compliance with the requirements of ethics, professional rules and applicable legal and regulatory provisions.

The working team was formed of professionals who are experts in Non-Financial Information and, specifically, in information on economic, social and environmental performance.

Our responsibility

Our responsibility is to express our conclusions in an independent verification report of limited certainty based on the work carried out. We have carried out our work in accordance with the requirements established in the current Revised International Standard on Assurance Engagements 'Assurance Engagements other than Audits or Reviews of Historical Financial Information' (ISAE 3000 Revised) issued by the International Auditing and Assurance Standards Board (IAASB) of the International Federation of Accountants (IFAC) and with the Guidelines on verification engagements for Non-Financial Information Statements issued by the Spanish Chartered Accounting Institute.

In a limited certainty engagement, the procedures carried out vary in terms of their nature and the time they are executed, and have a more limited scope, that those carried out in a reasonable certainty engagement and, as such, the certainty obtained is substantially less.

Our work has consisted of the submission of questions to Management, as well as to the different units of the Group that participated in the preparation of the NFIS, of the review of the processes for gathering and validating the information presented in the NFIS and in the application of certain analytical procedures and sample review tests described below:

- Meeting with the personnel of the Group to ascertain the business model, the management policies and approaches applied, the main risks related to these issues and obtain the information necessary for the external review.

- Analysis of the scope, relevance and integrity of the content included in the NFIS for the 2022 financial year in line with the materiality analysis carried out by the Group and described in chapter 2 "Materiality Analysis", considering the content required by the commercial regulations in force.

- Analysis of the processes for gathering and validating the data presented in the NFIS for the 2022 financial year.

- Review of the information on risks, and management policies and approaches applied in relation to the material aspects presented in the NFIS for the 2022 financial year.

- Confirmation, by means of tests, based on the selection of a sample, of the information on the content included in the NFIS for the 2022 financial year and the proper gathering of the same using the data supplied by the information sources.

- Obtaining a letter of representations from the Directors and from Management.

Conclusion

Based on the procedures carried out in our verification and the evidence obtained, we have not found any aspects that lead us to believe that the NFIS Making Science Group, S.A. and dependent companies for the financial year ending 31 December 2022 has not been prepared, in all significant respects, in line with the content included in the commercial regulations in force and following the criteria of the selected GRI standards, in accordance with what is stated for each area in the "GRI Indicators Table" included as chapter 11 to said statement.

Emphasis of matter

Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, establishes the obligation to disclose information on how and to what extent the activities of the entity are associated with eligible economic activities aligned in relation to the targets of mitigation of the climate change and adaptation to the climate change for the first time in year 2022, in addition to the information referred to the eligible activities required for year 2021. On the other hand, to the extent that all the economic activities of the Group are considered non-eligible, it is not therefore disclosed a break-down of the economic activities aligned with the targets of mitigation of the climate changes and adaptation to the climate change. Additionally, it is worth noting that the administrators of the company have included information on criteria that, in their opinion, best facilitated compliance with the referred obligations and that are defined in section 1.6 "European taxonomy" of the attached NFIS. Our conclusion has not changed in relation to this issue.

Use and distribution

This report has been prepared in response to the requirement established in the current commercial regulations in Spain, meaning that it may not be appropriate for other purposes and jurisdictions.

AUREN AUDITORES SP, S.L.P.

Original signed in Spanish by
Enrique Enríquez Mariño

March 31, 2023

NON-FINANCIAL INFORMATION REPORT 2022

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1. Business Model

1.1 Organization Profile

GRI 2-1: Organizational details

Making Science Group, S.A. and Subsidiaries is a leading company in innovation and digital business, which was born in 2016 as a result of the integration of five companies at the beginning of its activity:

- The digital marketing agency, Make Digital Marketing.
- Making Science Labs S.L
- The consultant, The Science of Digital.
- The creative agency, Crepes&Texas.
- The technological solutions and services company, i2TIC.
- The software infrastructure provider, mCentric.

The corporate purpose of Making Science is the provision of communication, marketing, advertising, graphic design and consulting services; being able to create campaigns for its exhibition in any printed, audiovisual or electronic media, as well as the purchase, import, export and/or distribution of any type of service, good, brand or idea contributing to the described purpose.

The main activity is summarized in offering innovative and comprehensive solutions for digital business driven by data, and in developing products and services capable of creating synergies between technology and business. All of this with one objective: to accompany companies in their digital transformation process with technology and marketing tools that make them more competitive. Making Science operates in markets with high growth rates such as digital advertising, data analytics, e-commerce and cloud.

The registered office and headquarters of Making Science are located in Madrid, 28002, Calle López de Hoyos 135, 3rd floor. The company carries out its professional activity in 10 countries: United States, Spain, Portugal, Ireland, Georgia, Italy, France, United Kingdom, Mexico, Colombia.

Making Science was incorporated into the Alternative Stock Market (MAB) on February 21, 2020.

One of the pillars of Making Science is its human capital. It has a staff of 901 professionals during 2022 and carries out its professional activity led by José Antonio Martínez Aguilar, Chief Executive Officer (CEO).

1.2. Strategy

Making Science's main objective is the satisfaction of its customers and it works to offer them the best possible service while complying with environmental requirements.

In this sense, The CEO of the company proposes a philosophy and a path to be followed by the Organization that contemplates the following objectives:

- Assure customers the best service applying to the maximum in the process of continuous improvement.
- Provide a frame of reference for the establishment of environmental objectives.
- A commitment to the protection of the environment and the prevention of pollution.
- Control the nature, magnitude and environmental impacts of the activity.
- Bring the concept of service and full customer satisfaction to the company and among the workers.
- Comply with the legal and information security requirements applicable to the activity.
- Provide workers with the necessary training to develop a quality service.
- Make the quality and security of information a basic element of the business culture.

To achieve this, the management of Making Science undertakes to establish, within the general policy of the company, "the plans and resources necessary to achieve the established objectives", and to "promote an understanding and dissemination of our policy within our organization, through training and continuous communication with our workers and collaborators".

This policy will be reviewed annually for its adequacy when deemed necessary.

Among the strategic objectives of the corporation is also national and international expansion. Making Science is a company in continuous growth and, since 2020, it is carrying out an important process of national and international expansion.

In 2022, the acquisition of 69.8% of the company United Communications Partners, Inc, which owns the companies Tre Kronor Media AB Sweden, Tre Kronor Media Danmark A/S in Denmark and Tre Kronor Media Norge AS in Norway, was acquired. Additionally, during the year 2022 an additional 22% of the share capital of Celsius has been acquired.

In 2021 they have carried out seven acquisition operations within the framework of their organic and inorganic growth strategy:

- Celsius and Loyal SAS (51%), in France
- 360 Conversion Analytics in the US
- Nara Media, in the United Kingdom.
- Ventis Srl, in Italy
- Agua3 Growth Engines (51%), in Spain
- Grupo Swift Digital, and Georgia

The international expansion plan at Making Science moves towards one goal: to operate in the 20 most important advertising markets in the world within a period of five years.

The entire strategy at Making Science is permeated by its statement of values:

Innovation Growth

- With the right capabilities, organizational agility and our knowledge-based culture, we achieve steady growth through commitment to strategy, innovation and excellence in our relationship with our customers. through commitment to strategy, innovation and excellence in customer relationships.

Empowering people

- The development, improvement and continuous and comprehensive training of the people who make up Making Science is the basis of our culture. of our culture. The achievement of their goals and ambitions, our objective. And their success and personal growth, our commitment.

Customer Centric

- The objectives and needs of each client are our objectives and needs. The continuous pursuit of excellence at Making Science is aimed at the success, growth and business improvement of our clients.

Action & Results

- We seek excellence through leadership in decision-making and creativity in everything we do. Our drive for continuous improvement determines our difference in success and adds differential value that surprises our customers. We make things happen

Fairness & Collaboration

- Working together, being responsible decision-makers, sharing knowledge and collaborating closely with each other, valuing diversity and pooling talent sets us apart, defines who we are and determines our goals.

1.3 Governance

Making Science is governed by its Corporate Bylaws and, as far as it is concerned, by the Spanish Companies Act and other provisions that are applicable to it. The governing bodies of the company are:

a) The General Meeting of Shareholders

b) The Board of Directors:

- 1 President
- 5 Directors

c) Management Team:

- Director of Marketing Services
- Director of Global Technology
- Director of Finance
- E-Commerce Director
- Director of People & Culture
- Director of Trafficking
- Director of Strategy
- Director of Marketing & Communication
- Director of People & Culture
- Director PMO Systems and Quality
- Director of Technology Solutions & Products
- Director of Corporate Finance

The Board of Directors makes decisions together with the CEO, who is also the one who manages the resources. Communication with workers is fluid and information is passed on to them through informal meetings and emails. The entire Making Science team is trained to react to changes in the organization due to increased volume of work, and changes in the market due to competition.

1.4 Risk Management

At Making Science they have a series of principles and values that guide their professional activity and extend to the relationship with their employees, clients, suppliers, shareholders and with society in general.

The commitment to human and labor rights, fair competition in the market, and health and safety at work are key to its conduct as a company. Also, respect for the environment and commitment to sustainable development that extend to its stakeholders: Suppliers, subcontractors, customers and anyone who maintains legal relationships with Making Science.

Through the analysis of activities and internal and external issues that may affect the organization, Making Science has identified the main risks they face, both due to their work process and environmental risks. This analysis has enabled them to establish control mechanisms to manage them and minimize their possible impact on the business and the environment.

Process risk and opportunity assessment		
Risks		**Preventive measures**
SWOT	regulatory changes	Monitoring of regulations, clients, billing and HR Implementation of management systems ISO/IEC 27001, ISO 9001, ISO 14001.
	Information leakage	
	Technological	
	No dependence on the client	
	Fast growth	
	Management structure	
Control of documents and records	Failure to distribute applicable documentation	Monitoring and inspections are carried out and there have been no incidents in these processes.
	Work according to obsolete document	
	Failure to identify an applicable requirement	
	Breach of applicable requirement	
Commercial process	Loss of opportunities due to the high response time in negotiations with companies	The relevant protocols and documentary reviews are carried out and no incidents have been recorded.
	Work without a contractor (freelancer) to respond to customer demand in urgent deadlines.	
Provision of the service	Delivery delay	Indicator monitoring and control measures have been carried out
	Lack of Communication with Client	
	Lack of coordination	
	Lack of Insight with Client	
	Performance Team	
	Delivery Approval	
	Scope	
	Failure to comply with execution terms	
	Lack of resources	
	Failure to meet objectives	

Process risk and opportunity assessment		
	Internal Team	
	Change Stakeholder	
	Worsening of results	
	Worsening communication	
	Payment default	
	Customer technical failures	
	Coronavirus	
	Scope change	
Human Resources	Lack of initial qualification	Selection of CV and adequate training through a department that manages it effectively
	Unsatisfactory training action	
Customer satisfaction evaluation	Numerous complaints and claims	We have had no complaints or claims
Indicator Analysis	Non-compliance with Indicators	Very exhaustive monitoring by the person in charge of Management Systems
Environment	Environmental emergencies	There is a daily control of Good Environmental Practices, support from an external consultant and there have been no emergencies at the facilities.
	Changes in environmental legislation	
	Iincorrect segregation	
	Excessive rise in electricity	

In Making Science, weaknesses, threats, strengths and opportunities have been analyzed and identified in order to succeed with its strategy taking into account the evolution of the environment. Among the weaknesses they have detected rapid growth or the management structure, and some threats that they must be aware of are regulatory changes, Covid-19 or high customer dependency. Among its main strengths, its experience and the 360 service it offers stand out, or that it is the best perceived media agency in the market. The development of R+D+i, the sustainability image or the greater use of DATA tools are some of the opportunities that have been identified.

1.5 Non-financial indicators

901 employees

43% Women

88.199 KWh

1.6 European taxonomy

The EU taxonomy provides a common language for identifying investment opportunities in projects and economic activities that make a contribution to climate and environmental objectives, and helps steer operations towards sustainability. In short, the purpose of the Regulation on European Taxonomy (Delegated Regulation 2020/852) is to establish the criteria for determining whether an economic activity is considered environmentally sustainable for the purpose of establishing the degree of environmental sustainability of an investment.

In 2021, in accordance with Regulation 2021/2178 of the European Commission, the proportion of eligible economic activities according to the taxonomy was included in their total turnover, their investments in fixed assets and their operating expenses. Which have been updated for 2022:

KPI	TOTAL 2021	TOTAL 2022	% ELIGIBLE	% NOT ELIGIBLE
TURNOVER	110.445.174	210.132.289	0%	100%
CAPEX	3.127.648	3.790.940	0%	100%
OPEX	1.422.266	1.800.000	0%	100%

These data have been extracted based on the company's accounting policy, taking into account the information required for compliance with the Regulations.

The basis on which the business volume, investments in fixed assets and operating expenses were calculated is obtained from the Balance Sheet and Profit and Loss Account, having been obtained from the accounting records of the Company, which reflect the true image of the assets, the financial situation and the results of the company, presenting itself in accordance with the legal provisions, Law 16/2007, of July 4, on the reform and adaptation of commercial legislation on accounting matters and in accordance with the Registration and Valuation Rules contained in the R.D. 1514/2007, of November 16, which approves the General Accounting Plan and its modifications approved by Royal Decree 1159/2010, of September 17 and Royal Decree 602/2016, of December 2.

The turnover corresponds to the amount resulting from the provision of services, after deducting reductions on sales, as well as value added tax and other taxes directly linked to turnover.

Capex corresponds to additions to tangible and intangible assets during the year.

Opex expenses correspond to direct expenses related to the daily maintenance of tangible fixed assets by the company or a third party: short-term leases, maintenance and repairs.

Making Science Group, S.A, has advertising and public relations services as its main activity.

MAKING SCIENCE GROUP ACTIVITIES
Advertising agency
Market study and public opinion surveys
Technical engineering services and other activities related to technical advice
Research and experimental development in social sciences and humanities

Therefore, it does not carry out activities that are related to assets or processes associated with economic activities that conform to the taxonomy, nor activities that are part of a plan to expand economic activities that conform to the taxonomy or to allow eligible economic activities that fit the taxonomy. They also do not carry out activities that are related to the purchase of production obtained from economic activities that fit the taxonomy or carry out individual measures that enable the target activities to become low carbon or lead to reductions in greenhouse effect gases.

For compliance assessment we use a specific methodology. The initial phase consists of the identification and classification of the activities and evaluation of the criteria applicable to environmentally sustainable economic activities in accordance with the description of the activity and the NACE (CNAE) system established in the regulation of environmental objectives. No activities have been identified in the society that fit the taxonomy.

Article 8 of the Regulation on Taxonomy aims to increase transparency in the market and avoid "greenwashing", providing information on the environmental alignment (Taxonomy) of the economic activities of financial companies and not financial. This disclosure will help investors and the public understand the companies' journey toward environmental sustainability.

For the information that non-financial companies must disclose as of January 1, 2023 with respect to the 2022 data, Delegated Regulation 2021/2139 establishes the technical selection criteria to determine the conditions under which an activity is considered economic activity contributes substantially to climate change mitigation or adaptation, and to determine whether that economic activity does not cause significant harm to any of the other environmental objectives.

However, in the case of Making Science Group, S.A, since it is an ineligible activity, according to the classification established by the list of economic activities considered environmentally sustainable, its percentage of alignment with the objectives of mitigation and adaptation to climate change is also zero.

2. Materiality Analysis

2.1. Stakeholders

Making Science strives to maintain a fluid and continuous relationship with the different stakeholders with which it is related, based on transparency and continuous dialogue.

The main stakeholders with which Making Science relates are the following:

<table>
<tr><th>Interest groups</th><th>Communication channels</th></tr>
<tr><td>Customers</td><td rowspan="7">▪ Social networks.
▪ Corporate web.
▪ Participation in forums and events.
▪ Publication of news about the company in the media.
▪ Complaints channel
▪ Internal communications (for employees).</td></tr>
<tr><td>Collaborators</td></tr>
<tr><td>Suppliers</td></tr>
<tr><td>Administrations</td></tr>
<tr><td>Civil society</td></tr>
<tr><td>Media</td></tr>
<tr><td>Financial entities</td></tr>
</table>

2.2. Materiality analysis

GRI 3-2: List of material topics

During 2022, a materiality analysis was carried out with the aim of identifying those relevant issues in terms of sustainability on which to base the strategy and communication of Making Science in this area.

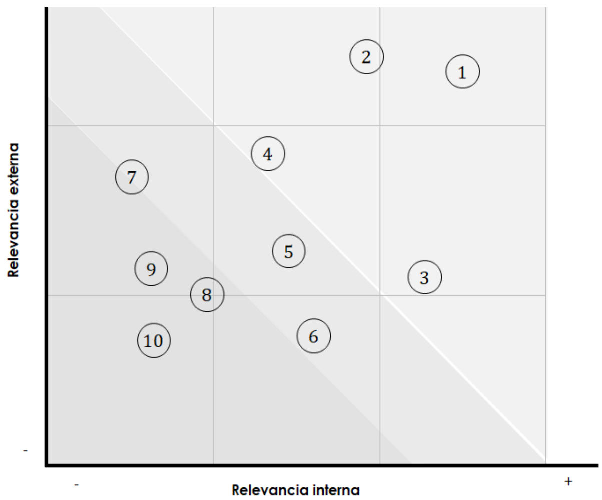
The process carried out was as follows:

IDENTIFYING ISSUES	PRIORITIZATION OF ISSUES	EVALUATION AND VALIDATION OF TOPICS
Analysis of secondary sources to study the context of the company to identify the main relevant sustainability.	Based on the information obtained on the perception of stakeholders and internal relevance. Based on the information obtained on the perception of stakeholders and internal relevance.	Cross-sectional analysis within the organization of the results derived from the identification and prioritization of topics.

In order to have the most accurate information possible, the work has been carried out with the support of the requirements of Law 11/2018 on non-financial information, the GRI and SASB reporting standards, as well as various studies, reports and articles. specific to the Making Science activity sector and to sustainability in general.

The result of this study gives rise to the matrix that is presented below, where the issues are raised according to the degree of relevance given to them, both internally and externally.

1. **Customer satisfaction**
2. **Talent management and professional development**
3. **Innovation**
4. **Privacy and data protection and cybersecurity**
5. **Integrity, ethics and fight against corruption and bribery**
6. **Diversity and inclusion**
7. **Transparent sales and contracting practice**
8. **Reduction of GHG emissions**
9. **Employee well-being**
10. **Waste reduction**



Finally, a brief description of what is involved in each topic selected for the Making Science activity is presented:

1	Customer satisfaction	Within Making Science there is an ambition to establish a customer-focused business model, therefore, customer satisfaction is essential for the development of its activity. The continuous search for excellence, growth and improvement make the company strive to understand and adopt the objectives and needs of each client.	LINKED SDGs 16 PAZ, JUSTICIA E INSTITUCIONES SÓLIDAS
2	Talent management and professional development	The success of Making Science is based on the excellence of its collaborators. Consequently, a significant effort is made to attract and retain talent, giving them the chance to develop a career based on continuous training and learning new skills in a market heavily influenced by new technologies.	LINKED SDGs 4 EDUCACIÓN DE CALIDAD 8 TRABAJO DECENTE Y CRECIMIENTO ECONÓMICO
3	Integrity, ethics and fight against corruption	Integrity, ethics and the fight against corruption is a cornerstone in the foundation of our organization. This is a major concern both for our clients who place their trust in us and for our institution, which must integrate these practices at all levels of the organization.	LINKED SDGs 16 PAZ, JUSTICIA E INSTITUCIONES SÓLIDAS
4	Diversity and inclusion	Diversity and inclusion play a fundamental role in a sector in which the generation of creative and cutting-edge ideas is positioned as a key competitive advantage. As such, we are confident that a diverse workforce is a critical success factor in improving service outcomes and improving Making Science's financial performance.	LINKED SDGs 8 TRABAJO DECENTE Y CRECIMIENTO ECONÓMICO 10 REDUCCIÓN DE LAS DESIGUALDADES
5	Privacy and data protection and cybersecurity	Privacy, data protection and cybersecurity and the risks they entail are increasingly present in the sector in which Making Science operates. This causes it to become a matter of vital importance both for the company and for its external stakeholders.	LINKED SDGs 9 INDUSTRIA, INNOVACIÓN E INFRAESTRUCTURA 16 PAZ, JUSTICIA E INSTITUCIONES SÓLIDAS
6	Transparent sales and contracting practices	Customer trust is essential to ensure the sustainability of the business. This is why one of Making Science's priorities is to provide them with clear and transparent information and contracts, as well as to develop ethical practices in their marketing and advertising.	LINKED SDGs 16 PAZ, JUSTICIA E INSTITUCIONES SÓLIDAS
7	GHG emissions reduction	As part of the Making Science activity, it has been identified that the main task it can carry out in the fight against climate change is the reduction of GHG emissions from its operations. This is reflected in the company's commitment, taking into account the concern of its stakeholders.	LINKED SDGs 13 ACCIÓN POR EL CLIMA
8	Employee well-being	For both Making Science and its collaborators, it is essential to offer them an environment and optimal working conditions that allow them to reconcile their professional and personal lives.	LINKED SDGs 8 TRABAJO DECENTE Y CRECIMIENTO ECONÓMICO 10 REDUCCIÓN DE LAS DESIGUALDADES
9	innovation	Innovation is part of the spirit of Making Science and the sector where it is located, being a pillar of its business strategy to ensure its long-term sustainability, seeking to change and evolve continuously. For all this, it is positioned as a relevant issue both internally and externally.	LINKED SDGs 8 TRABAJO DECENTE Y CRECIMIENTO ECONÓMICO 10 REDUCCIÓN DE LAS DESIGUALDADES
10	Waste management	Among the environmental impacts that the Making Science activity can generate, another of the most relevant is the generation of waste, including IT waste. For this reason, the company seeks to act to reduce this impact and promote sustainable development.	LINKED SDGs 12 PRODUCCIÓN Y CONSUMO RESPONSABLES

3. ENVIRONMENTAL ISSUES

3.1 Environmental management

GRI 2-1: Organizational details

The philosophy pursued by the direction of Making Science provides a frame of reference to establish environmental objectives, establishing a commitment to the protection of the environment, nature, the scale and the environmental impacts caused by the activities, products and services carried out by the organization.

To ensure this care and protection, Making Science implements an Environmental Management System based on the ISO 14,001:2015 standard and integrated a Quality Management System based on the ISO 9001:2015 standard. This Environmental Management System has allowed Making Science to determine which are the most relevant environmental aspects of its activity in order to carry out a more exhaustive evaluation and control over them, but, in addition, it has also allowed it to establish various objectives in the environmental field. .

It should be noted that the scope of the Quality and Environmental management systems includes the companies described below and, therefore, the data reported in this section of the report only includes information related to these companies:

- The digital marketing agency, Make Digital Marketing.
- Making Science Labs S.L
- La consultora, The Science of Digital.
- The creative agency, Crepes&Texas.
- The technological solutions and services company, i2TIC.
- The software infrastructure provider, mCentric.

The two aforementioned Management Systems have a management manual where the System implemented in Making Science is documented to ensure compliance with the policy and objectives, together with all the client's requirements and all the regulations that apply to the Organization.

During the month of July 2022, Making Science underwent the corresponding external audit of the Environmental and Quality Management System, without detecting non-conformities in any of the Management Systems during it.

The objectives integrated during 2022 in environmental matters have been:

- Request and confirm adherence to The Climate Pledge project
- Publish adherence to The Climate Pledge
- Carry out the calculation of the Carbon Footprint of the business activity
- Prepare a Carbon Footprint Reduction Plan.

In addition, Making Science has a manual of good practices that includes the key actions to carry out the control of energy consumption, water consumption, paper consumption and the correct management of waste.

Since the activity carried out by Making Science is mostly digital, it is not considered that it will generate significant impacts on the environment. For this reason, Making Science does not consider it necessary to provide environmental training to staff.

For this same reason, it has not been considered necessary to have budgetary items earmarked for environmental matters, or additional environmental guarantees.

As regards the 2022 financial year, the company has not been aware of any legal or administrative breach of processing, in terms of environmental licenses and permits, or disciplinary proceedings for causes related to the environment.

3.2 Atmospheric, sound and light pollution

Light pollution

Due to the Company's activity, it is concluded that this aspect is not significant either due to the type of activity carried out by Making Science, or due to the (urban) environment in which its offices are located.

Noise pollution

Acoustic pollution is understood as the set of noises or vibrations that may imply annoyance, risk or damage to human beings, or that may cause significant effects on the environment. Due to the activity of Making Science and the location of its offices in the urban area, no relevant effects on the environment have been identified.

Atmospheric pollution

The activity carried out by Making Science is based on the design of integral solutions, and entails environmental impacts due to air pollution, mainly caused by electricity consumption.

Currently, Making Science has information regarding scope 1 and 2 emissions that were calculated in the carbon footprint with data from 2021, which correspond to the first calculation made by the organization as a practical example in the mitigation of greenhouse effect gases. Said calculation will be certified in Q1 of 2023 and will be publicly communicated from the ESG program.

The result of the carbon footprint obtained for the scopes **1+2**, in the year 2021, is **0 tons of CO_2 equivalent**. To a certain extent, due to the thermal energy transition from fossil fuel heating to air conditioning mechanisms, which use electricity consumption exclusively.

The result of this energy consumption would present an indicator value of around 53.77 tons of CO_2 equivalent, under the emission factor of the Spanish electricity mix corresponding to electricity. However, given this result, it is indicated that 53.77 tons of CO_2 Equivalent is the amount of tons of carbon dioxide that have stopped being emitted, due to the purchase of 100% renewable electricity.

To calculate the carbon footprint for 2022, an approximation has been made, offering an estimated result of 0 GHG emissions, the same as last year. It is worth mentioning that it is an estimated data point since this indicator cannot be calculated accurately, at the time of writing this document, because the emission factors for the year 2022 are published by the Ministry of Ecological Transition and Demographic Challenge in April, one month after the preparation of the EINF. The updated data will be reported in the EINF for the year 2023.

This information has meant knowing the conditional effect that energy performance presents with the amount of greenhouse gas emissions that are emitted into the atmosphere by Making Science. Given this fact, a study process has been opened to improve the energy efficiency of the scope's own facilities in order to reduce energy demand, as well as continue transferring the final energy consumption to the electrical source, cleaner and with less production of electricity. GHG, as claimed by the IPCC in its Sixth Report on Climate Change published in 2022.

On the other hand, it should be noted that Making Science has signed the Climate Commitment committing to reduce its net CO emissions to zero$_2$ in 2040, as the end date. The signatories agree to:

- Prepare regular reports: measuring and reporting greenhouse gas emissions periodically.
- Carbon removal: Implementing decarbonization strategies in line with the Paris Agreement through business changes and innovations, including efficiency improvements, renewable energy, material reductions, and other carbon removal strategies.
- Offsets: Take steps to neutralize remaining emissions with additional, quantifiable, real, permanent, and socially beneficial offsets to achieve net zero annual carbon emissions by 2040.

3.3 Circular economy and waste management

As previously mentioned, Making Science has a great commitment to the environment. The waste generated during the development of its activity is:

- Paper and cardboard: By 2022, a total consumption of printing paper of 13 packages of 500 sheets each was obtained, which is very low due to the digital nature of the business or because we have no printing policies if it is not necessary.
  A comparison cannot be shown because in the year 2021 no data was offered because they did not quantify it. The year 2022 is the first year with registration of this material.
- Toner cartridges and printer material: In order to improve waste management, a key aspect to avoid contamination, during 2022 a new toner collection and recycling system has been established. To do this, Making Science has hired an authorized manager, and the workflow is as follows: Making Science collects the used toners at the main headquarters, they are delivered for disposal in the connected slot machine and the company is in charge of managing the waste.
- Fluorescent tubes and exhausted batteries: During 2022, this type of waste has been deposited in the collection points located in the vicinity of the offices, in order to ensure its correct management. It should be noted that the generation of this type of waste is very low and campaigns were generated for the correct separation of these.

The main measures adopted by Making Science to ensure proper waste management reside mainly in the placement of containers for paper, organic waste, plastic, batteries and toner at all facilities. Also, there are containers for recycling water bottles.

In addition, the Good Practices Manual includes the following actions related to the correct management of waste:

- Deposit paper and cardboard that cannot be reused in the corresponding recycling bins.
- The cartridges, toner and printer material that have been exhausted will be stored in the appropriate place for this purpose so that they can be recycled by the authorized company.
- Fluorescent tubes and exhausted batteries will be stored in their corresponding place so that they can be recycled by the authorized company.

Making Science has not carried out measures to minimize the generation of waste, since large quantities are not generated and, as indicated above, they are properly segregated.

3.4 Sustainable use of resources

Regarding the consumption of natural resources, Making Science is aware of the importance of carrying out responsible consumption. The types of resources consumed for the development of the activity are detailed below:

- **Water**: The water consumed in the facilities comes from the municipal supply network. This water is used in sanitary services and for cleaning processes. Making Science has made an approximate calculation month by month of water consumption despite the fact that it is included in the fixed rental fee for its offices and by 2022 an approximate figure of **424,236m^3** of water per year.
  A comparative data cannot be offered because the year 2022 is the first in which there is a record. It is an improvement over the year 2021.
- **Electricity**: Used for office lighting, it comes from the electrical network. In 2022 a total of **88.199 kWh** having as an additional supplier with a clean certificate of origin.
- **Raw material**: For the printing of some projects, paper and cardboard are used. Paper consumption during 2022 has been 13 boxes of 500 paper sheets since we had stock from 2021. Data on cardboard consumption during 2022 is not available, however, Making Science is in the process of establishing a series of measures to control consumption of it.

RESOURCE	TOTAL 2021	TOTAL 2022	% variation
ELECTRICITY	205.485	88.199	+57
PAPER SHEETS FOR PROJECTS	67.500	6.500	+90

Within its Manual of Good Practices, Making Science includes the actions to be taken into account for a correct control of consumption:

- ENERGY CONSUMPTION CONTROL
  - → Use the energy saving option on computer equipment. The automatic low consumption system in computers that are not in use can produce a saving in energy consumption of 20%.
  - → Set the screen saver to “black screen” mode.
  - → Turn off the lights in the offices when no one is there, when there is enough natural light to allow you to see clearly, when you are leaving the office or work room, and when you are leaving.
  - → Disconnect printers whenever they are not being used and always when leaving the premises.
  - → Make sure equipment not in use is turned off. The last person to leave the office is responsible for checking that all non-essential equipment is turned off.
  - → Make sure that the doors and windows are properly closed when the air conditioning or heating is on.
- CONTROL OF WATER CONSUMPTION
  - → Use water responsibly; It is one of the natural resources that is most in danger of becoming scarce.
  - → Make sure to leave the toilet taps closed once they have been used.
  - → Close the faucets so as not to let the water run.
  - → Fix leaks and damage as soon as possible so as not to consume unnecessarily.
  - → Avoid pouring waste and waste into the sanitation network.
- PAPER CONSUMPTION CONTROL
  - → Don't waste paper and energy on home or work computers.
  - → Before printing, make sure you don't have to waste paper again because of a small mistake.
  - → If possible, replace paper with email.
  - → Print and photocopy double-sided whenever possible.
  - → Use color prints only when necessary.
  - → Reuse used paper on one side for print tests and as drafts.
  - → The paper that can no longer be reused (that used on both sides, envelopes, fax paper, received letters, etc.) separate it and allocate it to recycling, depositing it in the “only paper and cardboard” containers.

All these measures have as their main objective to ensure proper management of the consumption of natural resources, so that the Organization's activity can be carried out in a sustainable manner.

3.5 Climate change

The Making Science Quality, Environment and Information Security Policy includes the following objectives and philosophy:

- Ensure customers the best possible service, fully involved in the process of continuous improvement.
- Provide a frame of reference for the establishment of environmental objectives.
- It includes a commitment to the protection of the environment, including the prevention of pollution, and other specific commitments related to the context of the Organization.
- It is appropriate to the purpose and context of the Organization, including the nature, magnitude and environmental impacts of the activity, products and services.

- The concept of customer service and their full satisfaction that inspires this improvement process will be reflected in the company, so that the internal performance of each person must pursue in all cases the satisfaction of the people who follow them in the chain. , using the results of their work.
- Compliance with legal requirements, as well as those applicable to information security and implicit requirements that are applicable to the activity.
- Include information security objectives or provide a framework for establishing information security objectives.
- Provide all staff with the level of training and learning necessary for the development of their activities related to the quality of service.
- Make information quality and security a basic element of the Organization's culture.

As stated in the second point, Making Science aims to provide a reference framework for the establishment of environmental objectives. Therefore, it reaffirms its signature on the Climate Commitment. The Organization is aware that climate change requires urgent and universal action, for this reason, Making Science has joined companies such as Amazon and Global Optimism, signatories to the agreement, committing to reduce their Scope 1 net carbon emissions to zero, 2 and 3 in 2040, ten years ahead of schedule in the Climate Commitment and the Paris Agreement.

To fulfill this commitment, Making Science is currently working to certify the already calculated carbon footprint and define a mechanism that allows the organization's carbon footprint to be measured in order to meet the following objectives:

→ Measure and report greenhouse gas emissions on a regular basis.

→ Implement decarbonization strategies in line with the Paris Agreement through true business change and innovations, including efficiency improvements, renewable energy, materials reduction, and other carbon removal strategies.

→ Take action to neutralize any remaining emissions with additional, quantifiable, real permanent, and socially beneficial measures, to achieve annual net zero carbon emissions by 2040.

3.6 Protection of biodiversity

GRI 304-1: Owned, leased or managed operational sites located within or adjacent to protected areas or areas of high biodiversity value outside protected areas

Given the characteristics of the activity carried out by Making Science, as well as the location of the facilities, it is not considered that there is a significant impact on biodiversity, so no risks are contemplated in this regard and it is not considered necessary to apply measures to preserve it. or restore it.

However, in 2022 activities such as the "LIBERA" initiative were carried out in which Making Science contributed its actions for the care of the Planet by participating in the collection of garbage in the middle of nature, through the initiative created by the NGO BirdLife International , in alliance with ECOEMBES. The objective of #IniciativaLibera is to raise awareness and mobilize the public to keep natural spaces free of waste so that we can, in this way, release much more life in favor of biodiversity.

4. SOCIAL AND PERSONNEL ISSUES

4.1 Our employees

During 2022, the Making Science staff was made up of a total of 901 employees, 43% of the staff are women. The team is characterized by being a young team in which approximately 50% of the payroll is under 30 years of age, and only 3% is over 50 years of age.

Distribution of employees by age, sex and professional classification

	EMPLOYEES BY AGE			
	< 30 years	30-50 years	> 50 years	TOTAL
SPAIN	176	246	12	434
UK	14	9	0	23
IRELAND	7	1	0	8
ITALY	26	53	6	85
FRANCE	21	3	0	24
USA	1	2	2	5
COLOMBIA	16	10	0	26
SWEDEN	15	20	7	42
GEORGIA	173	74	2	249
DENMARK	2	3	0	5
TOTAL	451	421	29	901

	EMPLOYEES BY GENDER AND PROFESSIONAL CLASSIFICATION									
	ADDRESS		MIDDLE MANAGEMENTS		TECHNICAL		CONSULTANTS		TOTAL	
	H	M	H	M	H	M	H	M	H	M
SPAIN	17	6	30	24	20	39	144	154	211	223
UK	2	1	1	0	1	1	10	7	14	9
IRELAND	0	0	0	0	0	0	6	2	6	2
ITALY	3	0	5	6	9	7	23	32	40	45
FRANCE	1	0	2	2	1	2	9	7	13	11
USA	1	0	0	0	0	2	2	0	3	2
COLOMBIA	0	0	0	1	1	0	14	10	15	11
SWEDEN	6	4	0	1	2	3	11	15	19	23
GEORGIA	5	2	15	2	20	33	148	24	188	61
DENMARK	3	0	0	0	0	0	0	2	3	2
TOTAL	38	13	53	36	54	87	367	253	512	389

Types of contracts by sex, age and professional classification

	CONTRACTS BY SEX					
	INDEFINITE		TEMPORARY		TOTAL	
	H	M	H	M	H	M
SPAIN	207	218	4	5	211	223
UK	14	9	0	0	14	9
IRELAND	6	1	0	1	6	2
ITALY	32	35	8	10	40	45
FRANCE	13	11	0	0	13	11
USA	3	2	0	0	3	2
COLOMBIA	15	11	0	0	15	11
SWEDEN	19	23	0	0	19	23
GEORGIA	187	61	1	0	188	61
DENMARK	3	2	0	0	3	2
TOTAL	872		29		901	

	CONTRACTS BY AGE					
	INDEFINITE			TEMPORARY		
	< 30 years	30-50 years	> 50 years	< 30 years	30-50 years	> 50 years
SPAIN	174	239	12	2	7	0
UK	14	9	0	0	0	0
IRELAND	6	1	0	1	0	0
ITALY	14	47	6	12	6	0
FRANCE	21	3	0	0	0	0
USA	1	2	2	0	0	0
COLOMBIA	16	10	0	0	0	0
SWEDEN	15	20	7	0	0	0
GEORGIA	172	74	2	1	0	0
DENMARK	2	3	0	0	0	0
TOTAL	435	408	29	16	13	0
	872			29		

	CONTRACTS BY PROFESSIONAL CLASSIFICATION							
	ADDRESS		MIDDLE MANAGEMENTS		TECHNICAL		CONSULTANTS	
	In.	Temp.	In.	Temp.	In.	Temp.	In.	Temp.
SPAIN	23	0	54	0	54	5	294	4
UK	3	0	1	0	2	0	17	0
IRELAND	0	0	0	0	0	0	7	1
ITALY	3	0	11	0	14	2	39	16
PORTUGAL	0	0	0	0	0	0	0	0
FRANCE	1	0	4	0	3	0	16	0
USA	1	0	0	0	2	0	2	0
COLOMBIA	0	0	1	0	1	0	24	0
SWEDEN	10	0	1	0	5	0	26	0
GEORGIA	7	0	17	0	53	0	171	1
DENMARK	3	0	0	0	0	0	2	0
TOTAL	51	0	89	0	134	7	598	22
	51		89		141		620	

Work hours by sex, age and professional classification

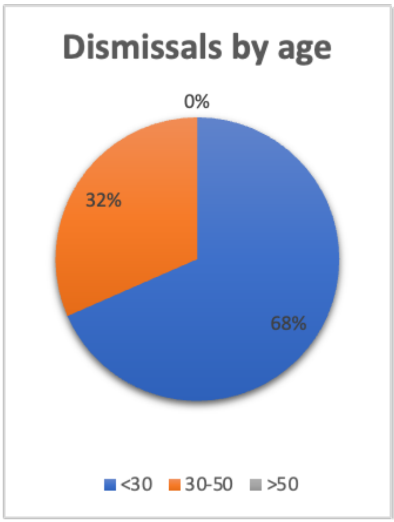
	Work hours BY SEX					
	COMPLETE		PARTIAL		TOTAL	
	H	M	H	M	H	M
SPAIN	207	216	4	7	211	223
UK	14	9	0	0	14	9
IRELAND	6	2	0	0	6	2
ITALY	39	42	3	1	42	43
FRANCE	13	11	0	0	13	11
USA	3	2	0	0	3	2
COLOMBIA	15	11	0	0	15	11
SWEDEN	18	22	1	1	19	23
GEORGIA	178	59	10	2	188	61
DENMARK	3	1	0	1	3	2
TOTAL	496	375	18	12	514	387
	871		30		901	

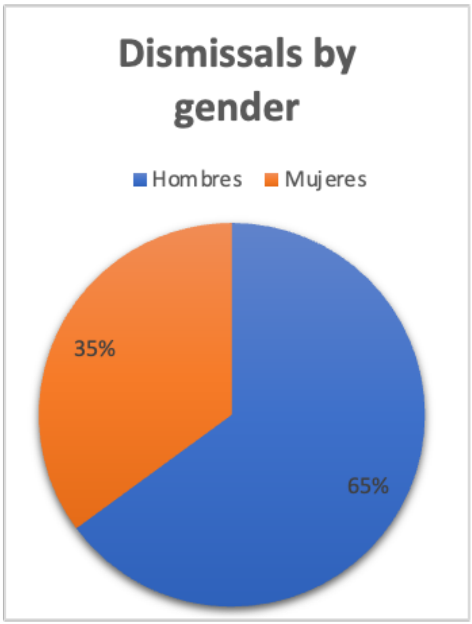
	Work hours BY AGE					
	COMPLETE			PARTIAL		
	< 30 years	30-50 years	> 50 years	< 30 years	30-50 years	> 50 years
SPAIN	175	236	12	1	10	0
UK	14	9	0	0	0	0
IRELAND	7	1	0	0	0	0
ITALY	24	52	5	2	1	1
FRANCE	21	3	0	0	0	0
USA	1	2	2	0	0	0
COLOMBIA	16	10	0	0	0	0
SWEDEN	14	20	6	1	0	1
GEORGIA	167	68	2	6	6	0
DENMARK	1	3	0	1	0	0
TOTAL	440	404	27	11	17	2
	844		38		19	

	CONTRACTS BY PROFESSIONAL CLASSIFICATION							
	ADDRESS		MIDDLE MANAGEMENTS		TECHNICAL		CONSULTANTS	
	COMPLETE	PARTIAL	COMPLETE	PARTIAL	COMPLETE	PARTIAL	COMPLETE	PARTIAL
SPAIN	23	0	53	1	59	10	288	0
UK	3	0	1	0	2	0	17	0
IRELAND	0	0	0	0	0	0	8	0
ITALY	3	0	11	0	14	2	53	2
FRANCE	1	0	4	0	3	0	16	0
USA	1	0	0	0	2	0	2	0
COLOMBIA	0	0	1	0	1	0	24	0
SWEDEN	10	0	1	0	5	0	24	2
GEORGIA	7	0	17	0	50	3	163	9
DENMARK	3	0	0	0	0	0	1	1
TOTAL	51	0	88	1	136	15	596	14
	51		89		151		610	

Dismissals by sex, age and professional classification

During the 2022 period, there have been several layoffs distributed as follows:





	DISMISSALS BY SEX	
	H	M
SPAIN	4	5
UK	1	0
IRELAND	2	1
ITALY	1	0
PORTUGAL	0	0
FRANCE	0	0
USA	2	1
COLOMBIA	1	0
SWEDEN	0	0
GEORGIA	25	12
DENMARK	0	0
TOTAL	37	20

	DISMISSALS BY AGE		
	< 30 years	30-50 years	> 50 years
SPAIN	5	4	0
UK	2	1	0
IRELAND	3	0	0
ITALY	0	1	0
FRANCE	0	0	0
USA	1	2	0
COLOMBIA	1	0	0
SWEDEN	0	0	0
GEORGIA	27	10	0
DENMARK	0	0	0
TOTAL	39	18	0

	DISMISSALS BY PROFESSIONAL CLASSIFICATION			
	ADDRESS	MIDDLE MANAGEMENTS	TECHNICA L	CONSULTANTS
SPAIN	0	1	0	8
UK	0	0	0	3
IRELAND	0	0	0	3
ITALY	0	0	0	1
FRANCE	0	0	0	0
USA	0	0	0	3
COLOMBIA	0	0	0	1
SWEDEN	0	0	0	0
GEORGIA	0	0	6	31
DENMARK	0	0	0	0
TOTAL	0	1	6	50

Remuneration and social benefits by age, gender and professional classification

	Average remuneration by age					
	<30 years		30-50 years		>50 years	
	2022	2021	2022	2021	2022	2021
TOTAL	25.811	26.832	41.728	39.144	68.271	58.116

	Average remuneration by gender and professional category					
	Man		Women		Gap %	
	2022	2021	2022	2021	2022	2021
ADDRESS	102.923	97.416,00	78.465	77.412,00	24%	21%
MIDDLE MANAGEMENTS	53.259	48.132,00	49.010	42.396,00	8%	12%
CONSULTANTS	28.278	31.788,00	30.595	28.452,00	-8%	10%
MEDIUM	25.255	52.452,00	25.151	33.504,00	0,40%	36%

Regarding the remuneration of the Board of Directors, the Executive Directors have received an average remuneration of 144,800 euros, the data broken down by sex is not provided for data protection reasons, since there is only one female Director on the Board of Directors. Administration.

Employee Benefits

Within the company, no difference is made regarding the benefits enjoyed by employees based on the type of contract. Our benefits philosophy is based on:

Although at present no specific measures have been established for work disconnection, family conciliation is encouraged, except for specific requirements of the position, which includes respect for working hours and rest time.

Differently-abled employees

Making Science is committed to access to employment for people with disabilities, although during 2022 there will be no personnel with these characteristics, a great effort has been made by the organization to promote the hiring of people with disabilities through in order to reach the contracting quota legally established in compliance with the General Law on Disability.

Making Science has made an effort to search for profiles with different abilities, although the candidates have not been finally selected, because they do not fit professionally with the requested profile.

4.2 Work organization

Part of the company's values are based on equal opportunities, making a clear, determined and forceful commitment to reconciling personal and family life. Within the possibilities of each position, it is about providing the worker with teleworking or flexwork measures.

There is no record of absenteeism hours available for the period 2022, for the moment, since it was in July 2022 when the Succesfactor platform was implemented, and it is from that date that the real report of absenteeism hours is available. workers, since that is where all the documents related to sick leave or the request for days are uploaded.

4.3 Safety and health at work

The organization has the services of an external prevention service, in charge of carrying out the following tasks, among others:

- The Occupational Risk Prevention Plan is the basic document that describes the occupational risk prevention management system adopted in Making Science, in accordance with the guidelines set out in the prevention policy as a reflection of our business strategy led by Management, and establishes the organization to develop it.
- Job evaluation
- Health and safety training
- Accident rate studies

In Making Science, an occupational risk assessment of each of the jobs has been carried out for years. In these assessments, the main risks have been analyzed and identified and possible changes with respect to previous assessments have been evaluated.

During the process of onboarding Employees are informed of the procedures to maintain safety and health at work, in addition to informing them of the need to take a course on which a certificate in preventive training is issued.

During 2022, 4 minor accidents have been registered, corresponding to three men and one woman. The accident did not result in sick leave, so both the frequency and seriousness index are zero.

No occupational disease has been declared nor should any deaths in an occupational accident be regretted in the period 2022.

4.4 Social relations

GRI 2-30: Collective Bargaining Agreements

The consultation and participation of workers is channeled through a suggestion box,*Pink Collector*, which is used to improve processes.

In addition, an annual work climate survey is carried out among employees. This tool is used to assess thework satisfaction or comfort of the employee with the company, offering an image of the perception of workers on issues such as institutional communication, the work itself, the tasks performed, the quality of the environment, etc.

All Making Science employees are covered by the Collective Advertising Agreement or the Consulting, Market Research and Public Opinion Collective Agreement.

4.5 Training

Making Science continues to work on the training plan for all employees, there are training pills that any employee can attend, although there is no record of those who attended them. However, it is expected to hire a profile for training in 2023.

During the 2022 financial year, Making Science has recorded that its workers have carried out a total of 3,489.15 hours of training distributed in courses of different kinds depending on the needs and requirements of the company.

For Making Science, performance evaluation is the tool that allows solving one of the most important tasks of the Human Resources department: measuring the talent and performance of the workforce, which is why it has an annual performance evaluation system where all employees are given objectives for their achievement and development.

4.6 Equality

Following the principles contained in the Law for the Effective Equality of Women and Men, Making Science expressly declares its determined will to promote real equality between women and men, with the removal of obstacles and social stereotypes that may subsist and that prevent it from being achieved.

Making Science has begun this year the work for the development and approval of the first equality plan of the company, creating a negotiating commission and carrying out an initial diagnosis. During 2022, an Equality Plan has been drafted and is still pending approval.

In addition, the collective agreement of the sector of advertising companies to which Making Science is adhered includes a declaration of principles regarding sexual harassment and harassment based on sex, in which it is recognized as an attack on the fundamental rights of women. workers in any of these two cases. All Company personnel have a responsibility to help ensure a work environment in which sexual harassment or gender-based harassment is not accepted or tolerated.

4.7. Universal accessibility

At the Group we are committed to the principle of universal accessibility whose criteria are established by Law 10/2017 of December 3. For this reason, it seeks to comply with the applicable regulatory requirements in terms of universal accessibility in its offices.

5. HUMAN RIGHTS

The defense of human rights in all its areas such as equality, respect or labor rights are in the philosophy of Making Science and inspire its decisions and its daily professional activity.

The company has a Code of Ethics and Conduct that includes the values and principles of action and is the fundamental basis for decision-making both by the administrative body and by the managers and leaders of the human teams. In this way, Making Science acquires an express commitment from the Company, accepting strict conduct criteria, for the proper functioning of the company climate.

5.1 Workers' rights

GRI 406-1: Cases of discrimination and corrective actions taken

Defending and supporting the fulfillment of workers' rights is an essential part of the Making Science philosophy. Effective equality and opportunities between men and women, as well as the dignity and value of the person are present in their daily activity. In addition, they support all the provisions and recommendations established by the International Labor Organization (ILO) related to working conditions and labor relations. Although in Making Science there is no document that includes the ILO provisions related to respect for freedom of association and the right to collective bargaining, workers are governed by the agreement of advertising companies that regulates the right of association .

Throughout 2022 Making Science has not registered any complaint regarding discrimination, infringement or violation of human rights or the principles of the International Labor Organization.

In case of operational changes and decision-making, the company does not have a written procedure regarding communication to workers. However, from the management of the Group, weekly meetings are held at the level of the entire group (*All Hands*) where the CEO and the*heads* of departments communicate operational changes and decisions that are considered relevant to employees. In addition, from the Department of*People & Culture* Corporate emails are sent to employees when there is any change in labor matters or if there are changes in human resources policies. The policies are regularly updated on the intranet.

5.1.1 Complaint communication procedure

As established by the Making Science Code of Ethics, workers have at their disposal a channel that allows them to confidentially communicate those actions or conducts that can be taken as a violation of the principles established within the same Code, this channel provides a service to all employees of the Group.

In addition, the organization has an Ethics Committee that may act on its own initiative towards any employee, and communications may be sent to the Ethics Committee from the following email:peopleandculture@makingscience.com or in writing at the following address: C/ López de Hoyos, 135 3º 28002, Madrid.

This anonymous complaints channel is also used as a means for consultation or proposals for improvements by employees.

5.1.2 Protocol Against Moral or Psychological Harassment, Sexual Harassment and Harassment for Reasons of Sex

At Making Science, we are committed to carrying out measures that prevent the appearance of any type of Harassment within the workplace, eradicating all behavior that can be considered harassment or discrimination.

The objective of the implementation of said protocol is to establish a procedure for action in situations that may constitute workplace, psychological or moral, sexual or gender-based harassment. It will be applicable to all people linked to the organization through any type of employment contract, within the scope of work, but it will be applicable to third parties not linked to Making Science by employment.

For people who are not employed within Making Science, but who nevertheless perform services within our facilities, the Internal Procedure for Preventive Coordination with External Companies will be applied, approved by Royal Decree 17/2004, of 30 January.

In the same way, the protocol against workplace harassment presented by the organization will exclude that which may be contained in the Application Agreement, and will have an indefinite validity, making the pertinent updates to it when necessary.

5.2 Protection of personal data

To ensure compliance with the Organic Law on Data Protection and avoid any violation of privacy, Making Science has confidentiality agreements to sign with suppliers.

The framework contract with clients also includes clauses that include Making Science's commitment to use the personal data to which it has access, solely and exclusively to comply with its contractual obligations towards the client. It also undertakes to adopt the necessary technical and organizational measures to guarantee the security, integrity and confidentiality of the personal data owned by the client to which it may have access. Likewise, Making Science expressly states that the corresponding security measures are not only implemented, but that they are included in a Security Document, which is known and is mandatory for all the personnel with whom it works. The Group's framework service provision contract also reflects the duty of confidentiality of all information of any nature (whether oral, written or in any other form) in relation to or provided by each of the parties, including its technologies, technologies developed or marketed by it, manuals, software (source code and object code), databases (whether original and/or "sui generis"), business plans, marketing plans,*know-how*, list of clients or suppliers, financial information, pricing policy, advertising campaigns, trademarks, any piece of information marked as "confidential", trade secrets, or, in general, any other document, data or information that can be qualified reasonably as confidential.

The company has a Data Protection Regulation that guarantees the treatment of personal data of all its employees in order to comply with and control their employment relationship, being used for labor, accounting, fiscal and administrative management of the same. Likewise, it guarantees the worker their rights of access, rectification, deletion, opposition, portability, limitation of treatment and the right not to be subject to automated individual decisions, which they can exercise by sending an e-mail to the following e-mail address : protecciondedatos@makingscience.com or by letter addressed to MAKING SCIENCE, Calle López de Hoyos, 135, 3o D, 28002, Madrid.

GRI 412-1: Operations subject to reviews or impact assessments on human rights

The company declares that no operations have been detected within the organization that have had an impact on human rights, no cases have been reported by the*stakeholders*. Quality audits are not carried out on suppliers, however, its main supplier (Google) carries out commitment reports such as the one entitled "Declaration on modern slavery. Supplier Responsibility", in 2022.

6. Fight against Corruption and Bribery

6.1 Preventive measures

Making Science is subject to current legal provisions and periodically implements and reviews the policies and procedures that help promote and enhance its institutional integrity.

Through its Corporate Social Responsibility Policy, the company undertakes to carry out its activity in an ethical, responsible and excellent manner, respecting applicable laws and regulations, and aligning itself with corporate values.

In accordance with the Group's Code of Conduct (CCO), all its members are obliged to responsibly communicate any indication of processes and actions that contravene the provisions of current legislation, through the communication and complaint channels enabled to guarantee the regulatory compliance of the company.

The Making Science Corporate Compliance manual sets out an assessment of risks in terms of corruption and the crimes that the company can incur as a legal entity:

- Crime of discovery, disclosure of secrets and computer trespassing.
- Crime of fraud.
- Crime of seizure of assets and punishable insolvency.
- Crime of using seized assets without authorization.
- Crime of illegal financing of political parties.
- Crimes against the rights of workers and related to Fundamental Rights.
- Crimes related to Intellectual and Industrial Property.
- Crimes against the market and consumers and misleading advertising.
- Crime of money laundering.
- Crime of corruption in business and between individuals.

In addition, certain measures have been implemented for the prevention and detection of these risks, although it has been concluded that, in general, they are not very significant.

CORRUPTION AND BRIBERY

Currently, Making Science does not have preventive mechanisms such as an internal crime prevention system, anti-corruption policies and procedures, internal self-regulation protocols or commissions set up for surveillance and supervision. But it is preparing a code of ethics and conduct that reflects the operation of the company in all these matters.

It also plans to implement a crime prevention policy supervised by the*compliance officer* who will be in charge of observing compliance with the legislation and the principles and values of Making Science, generating measures to prevent non-compliance and disclosing, communicating and advising on the matter within the company.

Among other measures, Making Science plans to formalize its reporting channels. Currently, although there is no specific reporting mechanism for cases of corruption, the company has a suggestion box in which employees can also report cases of corruption anonymously. Those in charge of managing these complaints within the company are those responsible for People and Culture and the CEO who is also the CEO. The company declares that in the 2021 financial year there have been no cases of corruption.

Among the company's forecasts in this matter is the creation of a compliance committee to supervise all these cases and have the necessary technical knowledge in relation to the marketing sector to which the Company belongs.

No anti-corruption course has been given during the 2022 financial year.

MONEY LAUNDERING

Making Science has detected that money laundering may be one of its main risks and, to address it, is studying the preparation of a Money Laundering Prevention manual.

CONFLICT OF INTERESTS

The board of directors of Making Science has approved a Conflict and Interest Policy that establishes the company's way of acting to prevent conflicts of interest in which directors and shareholders of the company may be involved, as well as their related persons, in in accordance with the provisions of current corporate and regulatory law and the Making Science Corporate Governance policy.

For the purposes of this new policy, it is considered that there is a conflict of interest in situations in which it can be understood that there is a collision, directly or indirectly, between the personal interest of the directors, shareholders and people related to the company and the interest of Making Science or any of its affiliates.

In line with the applicable legislation, the Making Science Corporate Governance policy and its Code of Conduct, this policy and the strategy for the prevention and management of conflicts of interest of Making Science will be developed based on the following general principles:

- Transparency and veracity of information on conflicts of interest.
- Impartiality and professionalism.
- Equal treatment and non-discrimination.
- Compliance with current legislation and assumption of good governance recommendations, principles and best practices.

In addition to the situations provided for in this specific policy, the Making Science Code of Conduct includes the conflict of interest for any employee who, in the exercise of their responsibilities, must act in the best interest of the company without taking their own interests into account. or those of third parties, and must refrain from taking advantage of opportunities of which they have had knowledge or information in the exercise of their professional responsibilities for personal benefit.

In the event of a possible conflict of interest, the affected Making Science employee must notify the*Compliance Officer*, and must also communicate any irregularity or bad practice that it observes through the complaints channel set up for this purpose.

The group has legal advisors who can be consulted on concerns related to unethical or illegal conduct and the integrity of the organization.

6.2 Contributions to non-profit entities

During the 2022 financial year, no contributions have been made to any non-profit entity. But Making Science adheres to the 1% Pledge commitment, whereby it dedicates 1% of its capital, profits, time or product to philanthropic actions and returns to society.

Collaborative actions have been carried out such as the Libera Project, where Making Science has participated as a volunteer to collect the garbage that was found in natural areas of the Madrid region.

7. Society

In 2022, 42 Making Science employees (34 employees in 2021) participated in the Company Race, a race for social purposes that takes place in Madrid annually during the month of December.

In addition, during 2022 it has maintained its collaboration agreement with AUARA, a charitable water brand that allocates 100% of its dividends to bring drinking water to countries that lack it. For every liter of AUARA consumed in Spain, 4 liters of drinking water are generated in developing countries.

Making Science maintains a long-standing collaboration with its external stakeholders; business associations, non-profit entities, institutes and associations or groups. One of the objectives of this work is to jointly contribute to the development of the local communities in which we find ourselves.

Within society, there is the Making Science Foundation, which was created with the aim of helping society in various fields such as education, employment, entrepreneurship, the digitization of the economy and the digitization of human capital. The Making Science Foundation promotes through various projects social action, health, science, education, culture, the environment, art or historical heritage, among others, including the international arena.

Whenever the Foundation carries out an action, workers are offered the possibility of participating in it. Although, during 2022, the foundation has not carried out association or sponsorship activities.

8. Commitment to suppliers

Suppliers are at the center of the Making Science strategy, being decisive for the performance and profitability of the company. Our objective is to consolidate a lasting, solid and sustainable relationship with our suppliers.

During 2022, Making Science continues as a certified Google partner in Google Mobile Web in Spain. This certification represents the tenth recognition of the expertise and know-how of Making Science as a specialized and certified partner of Google products.

By obtaining the Mobile Web certification, the company is at the forefront of services*mobile*. In the words of Álvaro Verdeja, COO at Making Science and one of the leading experts in Google Marketing Platform in Spain, "*The importance of mobile strategies in the marketing processes of companies is gaining more followers every day. Mobile devices have become a fantastic tool for brands when it comes to improving the analysis and positioning of their potential customers. This certification demonstrates our expertise in the field of mobile marketing, one of the most effective ways to interact with the target audience".*

Making Science is one of the first Google Premier Partners to achieve this new global certification. To achieve this, more than 70 Making Science employees, from teams as diverse as Cloud, Engineering, Front, UX/UI, Data, AdTech, SEO, have been certified in this specialization.

This accreditation is recognition of the company's expertise as a specialized and certified partner in areas such as Progressive Web Apps (PWA), User Experience (UX), Speed, APP, becoming the Premier Partner endorsed by Google in Spain as a mobile specialist. and within those fields.

Currently, the company has not included environmental or social considerations in its purchasing procedures, nor have supervision systems or audits of its suppliers and subcontractors been considered necessary.

9. COMMITMENT TO CUSTOMERS AND CONSUMERS

9.1 Customer satisfaction

GRI 418-1 Complaints regarding violations of customer privacy

GRI 417-2: Cases of non-compliance related to the information and labeling of products and services

GRI 417-3 Incidents of non-compliance related to marketing communications.

Making Science has a main objective for which it works every day, which is to satisfy the needs of its clients with the maximum guarantees of quality and care for the environment. Since 2015, the company has the ISO 9001 and ISO 14001 certifications that endorse this way of working, and carries out periodic audits that ensure quality.

Company name	Address	Reach
MAKING SCIENCE GROUP, S.A.(Matriz del Grupo)	Lopez of Holes 135-3rd. Madrid.	Design and implementation of Web Solutions, Web Positioning, Development of Marketing and communication projects, Strategic digital consulting, Graphic design, multimedia and email marketing, Analytics and Artificial Intelligence, Marketing platform technology reselling, Implementation of systems and infrastructures in the ICT field, Development and Software Architecture, Feed Management Technology, Price Comparison Technology
I2TIC, S.L.		
CREPES & TEXAS, S.L.		
MAKING SCIENCE DIGITAL MARKETING, S.L.		
MAKING SCIENCE LABS, S.L.		
MCENTRICKSD, S.L.		

From Making Science, a constant analysis of the satisfaction of our clients is carried out in all the projects in which we participate. For this reason, a satisfaction measurement process was defined that can be summarized in the following steps:

1. From the company's Management Committee, a series of important clients are selected at a strategic level about whom we want to know their level of satisfaction with the performance and processes applied in the projects.
2. Once the project is finished, from Making Science we get in touch with one or more representatives of the project in order to transfer a series of questions around the following points:
    - fit for purpose
    - Satisfaction
    - Knowledge
    - process and method
    - Portfolio for growth
    - innovation
    - Adaptation to market changes
    - To recommend
    - Teamwork
    - Value for money
3. The results indicate us on a scale from 1 to 10, with 1 being the lowest and 10 the highest score, in which variables we have had a better performance. In this way, we can identify what our strengths have been during the project and what are our points to improve. This feedback is then contrasted with the

teams involved in the project to contrast opinions. In turn, we get an average score on our service and customer.

4. In the event that one of the customer representatives does not respond to the survey, a maximum of three reminders are sent to them in order to obtain feedback. If finally after the reminders we have not received an answer, that feedback will be rejected.

5. Finally, in the event of having obtained negative feedback, there is the possibility of holding a retrospective or post-mortem meeting with the team and client in order to understand in greater detail what has gone wrong.

9.2 Health and safety of customers and consumers

currently making Science does not have an explicit customer protection policy, although it does keep a record of activities, and it has an information security management system, including data protection. This system works as follows:

As soon as a theft, a breach of data or the disclosure of protected data is detected, an investigation is initiated to determine the origin, the deadlines for action and the process to follow. In a second step, a response plan is activated that includes isolating networks, disabling functions, removing malware, or deactivating compromised accounts. Once the security breach has been resolved, a recovery process begins that consists of confirming the normal operation of the affected activities, implementing periodic controls if necessary, and writing a report for a possible review by third parties. Finally, what happened is notified to the competent control authority within the periods and within the assumptions contemplated.

9.3 Claims and complaints

Regarding complaints about a project with a client, the Project Managers or Customer Success collect all complaints. These are then managed, in most cases through project risks, as a complaint usually leads to discontent or project risk. Finally, said risk is added to the list of risks with a determined category and priority, from which an action plan is established to mitigate said risk.

Added to this, the organization makes an open communication channel available to its customers, through a mailbox (protecciondedatos@makingscience.com) and the website, which allows collecting all communications.

During the 2022 financial year, no claim related to customer privacy or any other matter has been received. Neither have there been any incidents derived from the marketing processes or commercial communications regarding the services provided, nor have there been reports of non-compliance related to the information and labeling of the company's products and services.

10. Taxation

GRI 201-4: Financial assistance or received from the government

Profit/Loss by country before IS (in euros) in 2022										
spain	Portugal	Colombia	UK	deer	Italy	France	Georgia	Sweden	Ireland	Mexico
2.932.038	63.083	-499.206	-439.488	-176.763	-4.862.347	162.989	13.696	274.969	-451.374	-57.971

Profit/Loss country by country before IS (in euros) in 2021							
spain	Portugal	Colombia	UK	deer	Italy	France	Georgia
994.991	-2.289	-135.475	-440.836	-240.040	-3.001.973	107.919	177.699

Income tax paid by country (in euros) in 2022										
spain	Portugal	Colombia	UK	deer	Italy	France	Georgia	Sweden	Ireland	Mexico
183.624,18	0	0	59.397	0	97.714	361.357	0	131.710	0	0

Income tax paid by country (in euros) in 2021							
spain	Portugal	Colombia	UK	deer	Italy	France	Georgia
771.951,66	420	-	-	-	351.047	187.450	23.867,63

In addition, in 2022 a total of 206,044 euros (186,916.63 euros in 2021) of public subsidies have been received in Spain. On the other hand, in Georgia a grant equivalent to 27,790 euros (25,068.59 euros in 2021) granted by GITA (Georgian Innovation & Technology Agency) has been received in 2022.

11. GRI INDICATORS TABLE

Global Reporting Initiative (GRI) is an independent multi stakeholder institution whose mission is to provide a reliable and credible framework for sustainability reporting that can be used by organizations, whatever their size, industry or location. Today the GRI guide is the main international standard for preparing sustainability reports.

For the preparation of this report, the GRI guidelines have been followed, the purpose of which is to guarantee the quality of the information disclosed, of the guidelines for the preparation of reports, and also presents a series of basic contents, made up of performance indicators and other sections. , as well as several guidelines on technical aspects related to the preparation of reports itself, some of which are presented below.

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