MAKING SCIENCE GROUP, S.A

Annual Accounts 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 FINANCIAL STATEMENTS

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

Report on the financial statements

Opinion

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

In our opinion, the accompanying annual accounts present, in all material respects, a true and fair view of the equity and the financial position of the Company at 31 December 2022, and of the results of its operations and cash flows for the year then ended in accordance with the applicable framework of financial reporting standards (which is identified in note 2) 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 annual accounts* section of our report.

We are independent of the Company in accordance with the ethical requirements, including those relating to independence, that are applicable to our audit of the 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 annual accounts of the current period. These matters were addressed in the context of our audit of the 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 annual accounts, the Company obtains its income mainly from advertising and public relations services. In accordance with the financial reporting regulatory framework that is applicable and as indicated in note 4.8 of the annual accounts, income is recognized at a specific moment or over time, when (or as) the Company satisfies the obligations performance through the transfer of promised goods or services to its customers. Given the significant nature of the correct temporal recording of income and taking into account the specific circumstances of the Company, we have considered this aspect as a key audit issue.

Our primary audit procedures in relation to this matter included obtaining an understanding of the entity's relevant internal accounting processes and controls over revenue recognition, as well as performing 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 annual accounts is adequate with respect to the requirements of the applicable financial reporting regulatory framework.

Long-term valuation of investments in group companies and associates

As reported in note 8 of the annual accounts, the Company participates in the share capital of a number of companies, investments that are recorded under the long-term Investments in group companies and associates heading on the balance sheet as of December 31. 2022 for the amount of 23,621 thousand euros.

In accordance with the financial reporting regulatory framework that is applicable and as indicated in note 4.4.1 of the annual accounts, investments in group companies and associates are valued at their cost, lessened, where appropriate, by the cumulative amount of value corrections for 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 future cash flows derived from the investment. The recoverable value as of December 31, 2022 has been determined based on the future cash flows of the investment that arise from business plans, prepared by the Company's Management based on estimates of cash flows, expected returns and other variables under conditions of uncertainty, therefore being considered a key audit matter.

As part of our audit and in response to the aforementioned risk, we have reviewed the annual accounts of the main investee companies for the year ended December 31, 2022, and we have evaluated the way in which the estimates contained in the investment plans have been made. business. To this end, we have compared the projections for future years considered therein with the evolution of the results of investee companies. 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.

Emphasis of matter

We draw attention to what is stated in Note 13 of the annual accounts, which indicates that the Company carries out a significant part of its operations with related parties and maintains relevant balances with them. It is necessary to take this aspect into account for a proper interpretation and understanding of the attached annual accounts. Our opinion has not been modified by this matter.

Additional disclosures: Management report

Other information exclusively includes the management report for fiscal year 2022, for which the Company’s directors are responsible, yet it is not integral part of the financial statements.

The scope of our audit opinion on the financial statements does not include the management report. Our responsibility concerning the management report, in accordance with the requirements of the legislation regulating statutory auditing, consists of evaluating and reporting on the concordance of the management report with the financial statements, based on the knowledge of the Company obtained after performing the audit of the aforementioned statements and without including any information other from that obtained as evidence during the audit. Additionally, our responsibility consists in assessing, and reporting on whether the contents and presentation of the management report comply with the applicable regulations. Should we conclude, based on our audit work, that there are material misstatements, we are obligated to report any such material misstatements.

On the basis of the work performed, as described in the paragraph above, the information contained in the management report is consistent with that in the financial statements for the year ended 31 December 2022 and its content and presentation comply with the pertinent legislation currently in force.

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

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

In preparing the annual accounts, the directors are responsible for assessing the Company’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 either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor´s responsibilities for the audit of the annual accounts

Our objectives are to obtain reasonable assurance about whether the 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 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 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 Company’s internal control.

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

- Conclude on the appropriateness of the directors’ 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 Company’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 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 Company to cease to continue as a going concern.

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

We communicate with the audit committee of the 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 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 Company, we determine those matters that were of most significance in the audit of the 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

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

Appointment period

We were appointed as 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 General Shareholders' Meeting and before that by the Sole Director for a period of four and two years, respectively, and we have been conducting the audit of the annual accounts of the Company uninterruptedly since the year ended 31 December 2016.

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.

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

ASSETS	Note	31.12.2022	31.12.2021
NON CURRENT ASSETS		**30.533.914**	**28.595.128**
Intangible assets	**5**	**6.313.356**	**5.069.701**
Developments		2.325.229	2.233.755
Goodwill		1.346.168	1.538.477
Computer software		2.641.959	1.297.469
Fixed assets	**6**	**368.878**	**228.706**
Lands and buildings		148.460	84.417
Technical installations and other fixed assets		220.418	144.289
Non- current investments in group and associated companies	**8**	**23.621.011**	**22.153.179**
Equity instruments		23.621.011	22.153.179
Non- current financial investments	**8**	**230.669**	**1.143.542**
Other financial assets		230.669	1.143.542
CURRENT ASSETS		**113.292.760**	**68.191.429**
Inventory		**38.120**	**54.214**
Advance payments to suppliers		38.120	54.214
Trade and other receivables		**80.082.800**	**36.155.820**
Trade receivables	**8**	17.111.377	9.055.304
Trade receivables from group companies and associates	**8,13**	62.850.116	26.968.198
Other receivables	**8**	6.019	6.019
Current tax assets	**12**	110.817	113.835
Public administrations, others	**12**	4.471	12.464
Current financial investments in group companies and associates	**8,13**	**18.388.645**	**16.546.061**
Loans to companies		18.388.645	16.546.061
Current financial investments	**8**	**216.799**	**53.797**
Loans to companies		-	608
Other current financial assets		216.799	53.189
Short term prepayments		**857.242**	**465.928**
Cash and equivalents		**13.709.154**	**14.915.609**
Treasury		13.075.343	14.915.609
Other cash equivalents		633.811	-
TOTAL ASSETS		**143.826.674**	**96.786.557**

EQUITY AND LIABILITIES	Nota	31.12.2022	31.12.2021
EQUITY	**9**	**22.607.336**	**15.195.151**
EQUITY		**22.633.982**	**15.221.796**
Capital		**82.860**	**77.513**
Registered capital		83.040	77.693
Uncalled capital		(180)	(180)
Share premium		**23.188.036**	**13.893.377**
Reserves		**(805.103)**	**934.470**
Legal reserves		15.503	14.125
Other reserves		(964.276)	776.674
Capitalised reserves		13.667	13.667
Levelling reserves		130.003	130.003
(Own shares and equity holdings)		**(1.507)**	**(2.117)**
Other equity holder contributions		**240.500**	**240.500**
Profit/(loss) for the period	**3**	**(70.804)**	**78.055**
Valuation adjustments		**(26.646)**	**(26.646)**
Hedging transactions		(26.646)	(26.646)
NON CURRENT LIABILITIES		**23.232.418**	**26.516.409**
Non current payables	**11**	**23.176.399**	**26.460.390**
Bonds and other marketable securities		11.762.525	11.820.000
Debts with financial institutions		6.575.570	9.802.086
Other financial liabilities		4.838.304	4.838.304
Deferred tax liabilities	**12**	**56.019**	**56.019**
CURRENT LIABILITIES		**97.986.920**	**55.074.997**
Current payables	**11**	**16.693.256**	**12.857.223**
Debts with financial institutions		16.693.226	12.697.079
Finance lease liabilities		30	8.126
Other financial liabilities		-	152.018
Group and associated companies, current payables	**11,13**	**45.146.910**	**16.275.976**
Trade and other payables		**34.764.406**	**25.560.816**
Suppliers	**11**	21.227.305	25.841
Suppliers, group companies and associates	**11,13**	5.106.162	2.991.199
Other payables	**11**	4.999.471	20.756.132
Personnel (remuneration pending payment)		234.324	404.863
Current tax liabilities	**12**	121.253	-
Other payables to public administrations	**12**	3.024.378	1.382.782
Advances from customers		51.513	-
Current accruals	**15**	**1.382.348**	**380.982**
TOTAL EQUITY AND LIABILITIES		**143.826.674**	**96.786.557**

Making Science Group, S.A.

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

	Note	4.139.219 31.12.2022	1.832.492 31.12.2021
CONTINUING OPERATIONS			
Revenues		**99.341.067**	**67.061.825**
Services rendered	**16.2**	99.341.067	67.061.825
Work carried out by the Company for assets	**16.4**	**2.652.738**	**2.121.056**
Cost of goods sales		**(88.219.484)**	**(63.319.180)**
Subcontrated work	**16.1**	(88.219.484)	(63.319.180)
Other operating income		**3.911.964**	**6.539.171**
Non trading and other operating income		3.911.964	6.539.171
Personnel Expenses		**(4.624.604)**	**(5.198.673)**
Wages, salaries and similar		(3.664.558)	(4.462.066)
Employee benefits expense	**16.3**	(960.046)	(736.607)
Other operating expenses		**(8.923.303)**	**(5.360.023)**
External services	**16.5**	(8.907.317)	(5.367.844)
Taxes		(15.986)	(7.984)
Losses, impairment and change in trade provisions	**8.5**	-	(29.124)
Other current operating expenses		-	44.929
Amortization of fixed assets	**5,6**	**(1.586.904)**	**(698.588)**
Other resutls		**841**	**(11.684)**
RESULTS FROM OPERATING ACTIVITIES		**2.552.315**	**1.133.904**
Finance income		**440.418**	**162.955**
Marketable securities and other financial instruments		440.418	162.955
From group and associated companies	**13**	379.361	162.949
Other		61.057	6
Finance expenses		**(2.346.010)**	**(1.105.981)**
Group companies and associates	**13**	(897.456)	(410.155)
Other	**11**	(1.448.554)	(695.826)
Change in fair value of financial instruments		**-**	**26.646**
Trading portfolio and other		-	26.646
Exchange gain/losses		**(504.491)**	**(64.284)**
FINANCIAL RESULT		**(2.410.082)**	**(980.663)**
NET RESULT BEFORE TAXES		**142.233**	**153.239**
Income tax expense	**12**	**(213.038)**	**(75.185)**
NET RESULT OF THE PERIOD	**3**	**(70.804)**	**78.055**

Making Science Group, S.A.
Statement of Changes in Equity
as of the fiscal year ended
as of 31 December 2022
(expressed in euros)

A) STATEMENT OF RECOGNISED INCOME AND EXPENSE FOR THE PERIOD ENDED DECEMBER 31st 2022

	Note	2022	2021
Profit and loss statement result	3	**(70.804)**	**78.055**
TOTAL RECOGNISED INCOME AND EXPENSES		**(70.804)**	**78.055**

B) STATEMENT OF TOTAL CHANGES IN EQUITY FOR THE PERIOD ENDED DECEMBER 31ST 2022

	Note	Registered Capital	Uncalled Capital	Share premium	Reserves	Own shares and equity holdings	Other equity holder contributions	Profit/(loss) for the period	Valuation adjustments	TOTAL
ADJUSTED BALANCE, AT THE BEGINNING OF THE YEAR 2021		**70.623**	**(180)**	**2.595.947**	**61.596**	**(2.868)**	**240.500**	**291.869**	**-**	**3.257.486**
Total recognised income and expenses		-	-	-	-	-	-	78.055	-	78.055
Transactions in own shares	**9**	-	-	-	581.005	751	-	-	-	581.756
Capital increases	**9**	7.070		11.297.430	-		-	-	-	11.304.500
Other changes in equity		-	-	-	291.869	-	-	(291.869)	(26.646)	(26.646)
BALANCE, AT THE END OF THE YEAR 2021		**77.693 -**	**(180)**	**13.893.377**	**934.470**	**(2.117)**	**240.500**	**78.055**	**(26.646)**	**15.195.150**
ADJUSTED BALANCE, AT THE BEGINNING OF THE YEAR 2022		**77.693**	**(180)**	**13.893.377**	**934.470**	**(2.117)**	**240.500**	**78.055**	**(26.646)**	**15.195.150**
Total recognised income and expenses		-	-	-	-	-	-	(70.804)	-	(70.804)
Transactions in own shares	**9**	-	-	-	(1.026.109)	610	-	-	-	(1.025.499)
Capital increases	**9**	5.347	-	9.294.659	(401.466)	-	-	-	-	8.898.540
Other changes in equity		-	-	-	(311.998)	-	-	(78.055)	-	(390.053)
BALANCE, AT THE END OF THE YEAR 2022		**83.040**	**(180)**	**23.188.036**	**(805.103)**	**(1.507)**	**240.500**	**(70.804)**	**(26.646)**	**22.607.336**

Making Science Group, S.A.

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

	Note	31.12.2022	31.12.2021
CASH FLOWS FROM OPERATING ACTIVITIES		**(32.623.622)**	**3.981.432**
Profit/(loss) for the period before tax		**142.233**	**153.239**
Adjustments to the result		**3.996.987**	**1.708.376**
Amortisation of fixed assets (+)	**5,6**	1.586.904	698.588
Valuation adjustments for impairment losses (+/-)	**8**	-	29.124
Proceeds from disposals of financial instruments(+/-)		-	(162.955)
Finance income (-)		(440.418)	1.105.981
Finance expense (+)		2.346.010	64.284
Exchange gains/losses (+/-)		504.491	(26.646)
Changes in operating assets and liabilities:		**(34.440.064)**	**3.225.791**
Inventories (+/-)		16.094	(30.558)
Trade and other receivables (+/-)		(43.929.998)	(13.151.677)
Other current assets (+/-)		(538.222)	(332.850)
Other non current assets and liabilities (+/-)		-	6.436.984
Other cash flows from operating activities:		**(2.322.778)**	**(1.105.975)**
Interest paid (-)		(2.346.010)	(1.105.981)
Interest received (+)		440.418	6
Income tax received (paid) (-/+)		(62.752)	-
CASH FLOWS FROM INVESTING ACTIVITIES		**(3.530.554)**	**(22.267.118)**
Payments for investments (-):		**(3.530.554)**	**(22.267.118)**
Group and associated companies		(1.472.693)	(20.578.300)
Intangible assets	**5**	(2.711.030)	(1.732.251)
Fixed assets	**6**	(259.704)	43.433
Other financial assets		912.873	-
CASH FLOWS FROM FINANCING ACTIVITIES		**35.452.212**	**31.370.022**
Proceeds from and payments for equity instruments		**7.871.822**	**11.304.500**
Issue of equity instruments (+)		8.898.540	11.304.500
Disposal of own equity instruments (+)		(1.026.719)	-
Proceeds from and payments for financial liability instruments		**27.580.390**	**20.129.806**
Issue:		27.580.390	20.129.806
Bonds and other marketable securities (+)		(57.475)	11.820.000
Debts with financial entities (+)		609.515	13.536.139
Debts with group and associated companies (+)		27.028.350	(5.226.332)
Effect of exchange rate fluctuations		**(504.491)**	**(64.284)**
NET INCREASE/DECREASE IN CASH OR CASH EQUIVALENTS		**(1.206.456)**	**13.020.053**
Cash and cash equivalents at beginning of the period		14.915.609	1.895.555
Cash and cash equivalents at the end of the period		13.709.154	14.915.609

1) <u>Business activity</u>

Making Science Group, S.A. (previously called Make Marketing and Communication, S.L.U.) with CIFA82861428, is domiciled at Calle López de Hoyos, 135, Madrid. On July 17, 2019, the company name was changed and, consequently 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 was January 8, 2001.

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

Its fiscal year begins on January 1 and ends on December 31.

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

As indicated in note 13, the Company is the Parent Company of a group of companies, and in accordance with current regulations, it has prepared consolidated annual accounts dated March 23, 2023 as it is a Company listed on the BME Growth (formerly the Alternative Stock Market). It is part of a superior group, with a registered office in Spain (Calle López de Hoyos, 135, municipality of Madrid, province of Madrid), in which the direct parent company, The Science of Digital S.L., which will formulate consolidated annual accounts for the year 2022.

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., being absorbed Propuesta Digital, S.L.U. by Making Science Group, S.A.

It was incorporated into Making Science Group, S.A. as a result of the reverse merger process, goodwill of 2,028,761 euros (see note 5).

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

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

On February 21, 2020, the Company began trading on the BME Growth (formerly the Alternative Stock Market) 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 the Alternative Stock Market) 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, 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 , 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.

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

2) <u>Basis of presentation of the annual accounts</u>

2.1. True and fair view:

The annual accounts, made up of the balance sheet, the profit and loss account, the statement of changes in net worth, the statement of cash flows and the memory made up of notes 1 to 20, have been prepared from the records accounting, having applied the legal provisions in force in accounting matters, specifically, the General Accounting Plan approved by Royal Decree 1514/2007, of November 16, 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 the assets and financial situation.

Unless otherwise indicated, all figures presented in this report are expressed in euros.

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

2.2. Mandatory accounting principles applied:

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

2.3. Critical aspects of valuation and estimation of uncertainty:

In the preparation of the attached annual accounts, estimates made by the Board of Directors of the 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 intangible and tangible assets (notes 4.1 and 4.2).
- The evaluation of possible losses due to impairment of certain assets (notes 4.1 and 4.2).
- The fair value of certain financial instruments (note 4.4).
- The recoverability of investments in group companies. (note 4.4).
- Payments based on equity instruments (note 4.12).

These estimates have been made on the basis of the best information available up to the date of formulation of the 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 Company 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

Company 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 business.

2.4. Comparison of information:

In accordance with commercial legislation, the Board of Directors presents, for comparative purposes, with each of the balance sheet items, the profit and loss account, a statement of changes in equity and a statement of cash flows, in addition to the figures for the year 2022, those corresponding to the previous year. Quantitative information from the previous year is also included in the report, except when an accounting standard specifically establishes that it is not necessary.

2.5. Error correction

As of December 31, 2021, the Company's Directors have proceeded to write off an amount of 3,800,000 euros under the heading of Long-term Investments in group companies, as well as 2,800,000 euros and 1,000,000 euros in the headings of Other long-term and short-term financial liabilities, respectively. The reason is that this investment is ultimately made in another Group company.

2.6. Grouping of items

Certain items on the balance sheet and in the profit and loss account of the statement of changes in equity and the statement of cash flows are presented together to facilitate their understanding, although, to the extent that it is significant, they have been including the disaggregated information in the corresponding notes to the report.

2.7 Classification of current and non-current items

For the classification of current items, a maximum period of one year from the date of these annual accounts has been considered.

3) Application of the result

The proposed distribution of results that the Board of Directors submits for the approval of the General Shareholders' Meeting is as follows:

Distribution basis	**2022**	**2021**
Profit and losses (losses)	(70.084)	78.055
Application		
to legal reserve	-	1.378
to voluntary reserves	-	76.677
to negative results from previous years	(70.084)	-
Total	**(70.084)**	**78.055**

On June 15, 2022, the General Shareholders' Meeting approved the distribution of the result for the year 2021 as reflected in the table above.

4) Registration and valuation standards

The accounting criteria applied in relation to the different items are as follows:

4.1 Intangible assets

Intangible assets are recognized for complying with the definition of an asset and the accounting registration or recognition criteria contained in the Accounting Conceptual Framework. In addition, they meet the identifiability criterion, since they are separable elements that arise from legal or contractual rights, regardless of whether such rights are transferable or separable.

Intangible fixed assets are valued at their cost, whether this is the acquisition price or the production cost, without prejudice to what is indicated in the regulations on this type of fixed assets.

Indirect taxes levied on intangible assets have only been included in the acquisition price or production cost when they have not been directly recoverable from the Public Treasury.

Amortizations have been established systematically and rationally based on the useful life of intangible assets and their residual value, considering the depreciation that they have normally suffered due to their operation, use and enjoyment, without prejudice to also considering technical obsolescence or commercial that could affect them. When value corrections have been recognized, the amortizations of the following years of the impaired fixed assets have been adjusted, considering the new book value.

A loss due to impairment of the value of an intangible asset item has occurred when its book value has exceeded its recoverable amount.

a.1) Research and development expenses

Research expenses incurred during the year are recorded in the profit and loss account. However, the Company 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.

Development expenses are also recognized in assets when they meet the above conditions.

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

a.2) Goodwill

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.

Subsequent to 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. The useful life will be determined separately for each cash-generating unit to which the goodwill has been allocated.

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 possible impairment of value will be verified. Valuation corrections for impairment recognized in goodwill are not reversed in subsequent years.

a.3) 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 4 years from the entry into operation of each application.

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

4.2 Fixed assets

Property, plant and equipment has been valued at its cost, either the acquisition price or the production cost, without prejudice to what is indicated in the particular regulations on this type of fixed assets.

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

Amortizations have been established in a systematic and rational manner based on the useful life of tangible fixed assets and their residual value, taking into account the depreciation that they have normally suffered due to their operation, use and enjoyment, without prejudice to also considering technical obsolescence. or commercial that could affect them. When value corrections have been recognized, these have been adjusted to the amortization of the following years of the impaired fixed assets, taking into account the new book value.

A loss due to impairment of the value of a property, plant and equipment item has occurred when its book value has exceeded its recoverable amount. The value correction for impairment, as well as its reversal, has been recognized as an expense or income, respectively, in the profit and loss account. The reversal of impairment has been limited to the book value of the fixed assets that would be recognized on the reversal date if the impairment had not been recorded.

The costs of renovation, expansion or improvement of tangible fixed assets have been incorporated into the asset as a higher value of the asset to the extent that they have led to an increase in capacity, productivity or lengthening of its useful life, derecognising the value accounting of the items that have been substituted.

The accounting of the financial lease contracts received has been recorded with an asset according to its nature, depending on whether it is a tangible or intangible asset, and a financial liability for the same amount, which is the lower of the value reasonable value of the leased asset and the present value at the beginning of the lease of the agreed minimum payments. The total financial charge has been distributed throughout the lease term and has been charged to the profit and loss account for the year in which it accrues, applying the effective interest rate method.

Additionally, the following particular rules apply:

4.2.1 Land and buildings

Included in its acquisition price are the costs of conditioning, inspection costs and reforms, drawing of plans when they are carried out prior to its acquisition, as well as, where appropriate, the initial estimate of the present value of the present obligations derived from the costs of rehabilitation of the plot.

The Company amortizes its property, plant and equipment on a straight-line basis. The amortization percentages applied are the following:

- Furniture 10%
- Other property, plant and equipment 12%
- Constructions 25%
- IT equipment 25%

4.3 Leases

Financial leasing

In financial lease operations in which the Company acts as lessee, the Company 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.

Operating lease

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

Likewise, the acquisition cost of the leased asset is presented in the balance sheet according to its nature, increased by the amount of the directly attributable contract costs, which are recognized as an expense during the term of the contract, applying the same criteria used for the recognition of lease income.

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.

4.4 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 taking into account 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 at the moment in which the Company becomes an obligated party thereof, either as acquirer, as holder or as issuer thereof.

4.4.1 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 in order to obtain cash flows.

When categorizing assets, the Company also takes into account 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:

- 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 takes into account 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 takes into account the existing information on past sales and on expected future sales for the same group of financial assets. The Company also takes into account 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, as long as 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 insolvency of the debtor.

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.

- 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.

- 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 as a result 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.

<u>Investments in the equity of group, associated and multi-group companies</u>

Group companies are considered to be 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 particular 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. If consolidated annual accounts are not available, formulated under the principles established by the Commercial Code, in which the parent company is Spanish, the value contributed by said shares will be included in the individual annual accounts of the contributing company.

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 investor is taken into account, 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.

<u>Derecognition of financial assets</u>

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, taking into account 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 derecognising 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.

4.4.2 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, as long as 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 as a result 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.

Derecognition of financial liabilities

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.

4.4.3 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.

4.5 Corporate income taxes

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 expenses 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 that item.

At each accounting close, the recorded deferred taxes are reviewed in order to verify that they remain current, making the appropriate corrections to them. Likewise, recognized deferred tax assets and those not previously recognized are evaluated, derecognising 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.

4.6 Provisions and contingencies

The Administrators of the Company in the formulation of the memory differentiate between:

- 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.

- contingent liabilities

  Possible obligations arising as a consequence 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 Company.

The memory includes 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 to a third party the obligation. Contingent liabilities are not recognized in the report, but are instead reported in the report.

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 is not reduced from the amount of the debt, but is recognized as an asset, if there are no doubts that such reimbursement will be received.

4.7 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:

In the merger and spin-off operations carried out in the year in which the Company has been the absorbing/beneficiary company, the following criteria have been followed:

The constituent elements of the acquired businesses have been valued at the amount corresponding to them, once the transaction has been carried out, in the consolidated annual accounts in accordance with the Rules for the Formulation of Consolidated Annual Accounts, which develop the Code of Commerce.

Notwithstanding the foregoing, when the parent-subsidiary relationship, prior to the merger, causes the transfer between group companies of the shares or interests of the subsidiary, without this operation giving rise to a new subgroup obliged to consolidate, the method The acquisition date will be applied taking as the reference date the date on which the aforementioned relationship occurs, provided that the consideration given is different from the equity instruments of the acquirer.

This same criterion will be applied in cases of indirect control, when the parent must compensate other companies of the group that do not participate in the operation for the loss that, otherwise, would occur in the net worth of the latter.

4.8 Income

Revenues come mainly from the provision of services recruitment and management of advertising and public relations as well as management support services to group subsidiaries, provision of financing and operational management 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 on the basis of 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.

4.9 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.

4.10 Business combinations

On the acquisition date, the identifiable assets acquired and the liabilities assumed are recorded at their fair value, as long as 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.

4.11 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 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 Company'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.

4.12 Statement of cash flow

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

- Operating activities: activities that constitute the ordinary income of the Company, as well as other activities that cannot be classified as investment 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.

4.13 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. In the event that 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 profit and loss account.

5) Intangible assets

The movements during the year of intangible assets and their accumulated amortization are summarized in the following table:

	2022			
Statement of movements in intangible assets	**Goodwill**	**Computer applications**	**Development**	**Total**
A) GROSS OPENING BALANCE	2.028.761	1.349.024	2.716.726	**6.094.511**
(+) Additions	-	1.853.008	858.022	**2.711.030**
B) GROSS CLOSING BALANCE	2.028.761	3.202.032	3.574.748	**8.805.541**
C) ACCUMULATED AMORTIZATION, OPENING BALANCE	(490.284)	(51.556)	(482.972)	**(1.024.812)**
(+) Amortization of the period	(192.309)	(508.517)	(766.547)	**(1.467.373)**
D) ACCUMULATED AMORTIZATION, CLOSING BALANCE	(682.593)	(560.073)	(1.249.519)	**(2.492.185)**
TOTAL	**1.346.168**	**2.641.959**	**2.325.229**	**6.313.356**

	2021			
Statement of movements in intangible assets	**Goodwill**	**Computer applications**	**Development**	**Total**
A) GROSS OPENING BALANCE	2.028.761	291.756	1.426.585	**3.747.102**
(+) Additions	-	1.057.268	1.290.141	**2.347.409**
B) GROSS CLOSING BALANCE	2.028.761	1.349.024	2.716.726	**6.094.512**
C) ACCUMULATED AMORTIZATION, OPENING BALANCE	(287.408)	(7.498)	(114.747)	**(409.653)**
(+) Amortization of the period	(202.876)	(44.058)	(368.225)	**(615.159)**
D) ACCUMULATED AMORTIZATION, CLOSING BALANCE	(490.284)	(51.556)	(482.972)	**(1.024.812)**
TOTAL	**1.538.477**	**1.297.469**	**2.233.755**	**5.069.701**

Both in financial year 2022 and in financial year 2021, the Company has incurred additions of fixed assets to meet the needs of information equipment and R&D 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.

- Yangtse: Internal application without commercial purposes that allows to improve the information system, data management.
- 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 merger process discussed in note 1 gave rise to the recording of a Goodwill that initially amounted to 2,028,761 euros.

As of December 31, 2022, the Company has tested this goodwill for impairment. As a result of this, no impairment of value has been revealed in the financial year 2022. The Company began to amortize said goodwill from July 31, 2019, reaching an accumulated amortization as of December 31, 2022 of 682,593 euros (490,284 euros as of December 31, 2021).

The fully amortized elements of intangible assets correspond to computer applications and amount to 7,498 euros (same figure in 2021).

6) Fixed assets

Movements during the year of fixed assets and their accumulated amortization, are summarized in the following table:

	2022		
Statement of movements in fixed assets	**Lands and buildings**	**Technical installations and other tangible fixed assets**	**Total**
A) GROSS OPENING BALANCE	220.647	261.353	**482.000**
(+) Additions	159.185	100.519	**259.704**
B) GROSS CLOSING BALANCE	379.832	361.872	**741.704**
C) ACCUMULATED AMORTIZATION, OPENING BALANCE	(136.231)	(117.064)	**(253.295)**
(+) Amortization of the period	(95.141)	(24.390)	**(119.531)**
D) ACCUMULATED AMORTIZATION, CLOSING BALANCE	(231.372)	(141.454)	**(372.826)**
TOTAL	**148.460**	**220.418**	**368.878**

	2021		
Statement of movements in tangible assets	**Lands and buildings**	**Technical installations and other tangible fixed assets**	**Total**
A) GROSS OPENING BALANCE	220.647	221.358	**442.005**
(+) Additions	-	39.995	**39.995**
B) GROSS CLOSING BALANCE	220.647	261.353	**482.000**
C) ACCUMULATED AMORTIZATION, OPENING BALANCE	(85.184)	(84.681)	**(169.865)**
(+) Amortization of the period	(51.047)	(32.383)	**(83.429)**
D) ACCUMULATED AMORTIZATION, CLOSING BALANCE	(136.231)	(117.064)	**(253.294)**
TOTAL	**84.416**	**144.290**	**228.706**

With the rental of new floors in the offices that are located, the Company, in these years 2022 and 2021 has incurred mainly in additions of fixed assets to meet the needs of furniture and other tangible assets.

Items fully amortized at the end of the 2022 financial year:

- Buildings: 162.352
- Other property, plant and equipment 8.481
- Computer process equipment 25.830

Items fully amortized at the end of the 2021 financial year:

- Other property, plant and equipment 8.481
- Computer process equipment 25.545

The Company'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. At the end of the 2022 and 2021 financial years, there was no coverage deficit related to said risks.

7) Leases

The main operating leases correspond to the rental of the Company's offices, they have been signed between 2017 and 2019 with the lessor Rentivel, S.A. and have an expiration date between 2022 and 2023 with tacit renewal, and with Banco Santander, in a contract dated January 10, 2018 and lasting 3 years that has been tacitly extended for another 2 years.

The minimum future payments for operating leases, contracted with the lessees, in accordance with the current contracts in force, are the following:

	Outstanding amounts	
	Balance as at 31.12.22	Balance as at 31.12.21
Less than a year	490.024	332.093
Between one and five years	982.467	713.009
more than five years	-	117.833
	1.472.491	1.162.935

8) Financial assets

8.1. The movement of non-current financial assets, classified by category, is as follows:

Categories:	Balance at 01.01.21	Additions	Disposals	Balance as at 31.12.21	Additions	Disposals	Balance as at 31.12.22
Financial assets at cost	5.374.879	16.778.300	-	22.153.179	1.467.832	-	23.621.011
Financial assets at amortized cost	108.127	1.035.414	-	1.143.542	-	(912.872)	230.669
	5.483.007	17.813.714	-	23.296.720	1.467.832	(912.872)	23.851.680

Additions of holdings in Group companies correspond mainly to:

On February 10, 2022, the Company has acquired 22.07% of the company United Communication Partners, Inc, owner of the companies Tre Kronor Media AB in Sweden and Tre Kronor Media Danmark A/S in Denmark and Tre Kronor Media Norge AS in Norway with a direct participation value of 1,339,193 euros.

On November 17, 2022, the Company incorporated Making Science Investments, S.L., Making Science Marketing & Adtech, S.L. and Making Science Technology Cloud, S.L. and Software, S.L. with a share capital of 3,000 euros each.

On October 14, 2020, the Company acquired 20.27% of the shares of Omniaweb Italia, SRL with a direct participation value of 1,042,500 euros.

On February 8, 2021, the Company acquired 26.83% of the Company Nara Media Limited with a direct participation value of 1,705,000 euros.

On February 8, 2021, the Company acquired 15% of the Company Celsius SAS with a direct participation value of 4,650,000 euros.
On April 14, 2021, the Company acquired 100% of the Company 360 Conversion Analytics LLC (currently called Making Science LLC) with a direct participation value of 1,077,840 euros.

On May 3, 2021, the Company acquired 60% of the shares of Ventis SRL with a direct participation value of 5,700,000 euros.

On September 2, 2021, the Company acquired 51% of the shares of Agua3 Growth Engines, S.L. with a direct participation value of 1,020,004 euros.

On September 14, 2021, the Company acquired 60% of the shares of Sweeft Digital LLC with a direct participation value of 2,626,229 euros.

The main data for group, multi-group and associated companies are as follows:

A 31.12.22

Denomination	Book value	% stake		Share Capital	Reserves	Equity	Result (1)	
		direct	indirect				Operating	Net
MAKING SCIENCE LABS, S.L.U.	33.000	100%	-	33.000	175.219	257.775	60.160	49.556
INGENIERÍA PARA LA INNOVACIÓN I2 TIC S.L.U.	934.000	100%	-	4.000	670.687	557.154	(87.293)	(117.532)
CREPES & TEXAS S.L.U.	1.085.110	100%	-	3.330	110.587	107.373	13.680	(6.543)
MAKING SCIENCE DIGITAL MARKETING S.L.U.	1.148.750	100%	-	3.000	1.752.944	4.298.198	2..635.810	2.542.254
MAKING SCIENCE UNIPESSOAL	3.000	100%	-	3.000	-	66.083	52.810	63.083
MAKING SCIENCE INTERNATIONAL	1.228.379	100%	-	26.851	863.810	2.345.665	19.121	(255.339)
OMNIAWEB ITALY SRL	1.042.500	20,27%	79,73%	25.500	1.322.793	1.798.468	420.178	450.674
NARA MEDIA LIMITED	1.705.000	26,82%	73,18%	-	567.739	902.325	375.961	390.481
CELSIUS SAS	4.650.000	15%	56%	5.241	878.874	1.230.739	463.420	462.165
MAKING SCIENCE LLC	970.872	100%	-	-	-	(113.415)	(80.500)	(110.079)
VENTIS SRL	5.700.000	60%	40%	3.700.493	-	(4.691.179)	(3.857.923)	(4.038.405)
MAKING SCIENCE COLOMBIA	226	100%	-	226	-	(618.687)	(431.860)	(499.206)
AGUA 3 GROWTH ENGINES, S.L.	1.020.004	51%	-	3.000	93.073	241.873	208.218	145.799
SWEEFT DIGITAL LLC	2.625.229	60%	40%	2.747	518.639	1.222.849	941.348	701.463
UNITED COMMUNICATIONS PARTNERS, INC	1.339.193	22,07%	47,72%	1.557.431	8.836.467	727.984	842.353	532.419
MAKING SCIENCE MEXICO SA de CV	2.248	100%	-	2.248	-	(55.723)	(57.297)	(57.971)
MAKING SCIENCE MARKETING & ADTECH S.L.	3.000	100%	-	3.000	-	2.480	(520)	(520)
MAKING SCIENCE INVESTMENTS S.L	3.000	100%	-	3.000	-	2.480	(520)	(520)
MAKING SCIENCE TECHNOLOGY & SOFTWARE, S.L.	3.000	100%	-	3.000	-	2.480	(520)	(520)
PILOT IGNITE Gmbh	124.500	24,9%	-	500.000	-	500.000	-	-
MAKING SCIENCE LTD	1	-	100%	1	(24.924)	(476.298)	(302.084)	(451.374)
SILVER BULLET DATA SCIENCE	5.863	51%	-	11.496	-	11.496	-	-
LOCAL PLANET PERFORMANCE & ANALYTICS	433	-	51%	849	-	849	-	-
	26.627.308							

A 31.12.21

Denomination	Book value	% stake		Share capital	Reserves	Equity	Result (1)	
		direct	indirect				Operating	Net
MAKING SCIENCE LABS, S.L.U.	33.000	100%	-	33.000	117.842	208.219	57.378	57.378
INGENIERÍA PARA LA INNOVACIÓN I2 TIC S.L.U.	934.000	100%	-	4.000	666.376	697.066	26.689	26.689
CREPES & TEXAS S.L.U.	985.250	100%	-	3.330	102.304	113.917	8.283	8.283
MAKING SCIENCE DIGITAL MARKETING S.L.U.	1.148.750	100%	-	3.000	1.206.257	1.755.889	546.632	546.632
MAKING SCIENCE UNIPESSOAL	3.000	100%	-	3.000	16.028	16.739	(2.289)	(2.289)
MAKING SCIENCE INTERNATIONAL	1.228.379	100%	-	26.851	6.273.842	(231.999)	286.536	286.536
OMNIAWEB ITALY SRL	1.042.500	20,27%	79,73%	25.000	1.051.059	1.208.802	132.743	132.743
NARA MEDIA LIMITED	1.705.000	26,82%	-	-	310.474	537.100	264.008	264.008
CELSIUS SAS	4.800.000	15%	36%	5.241	747.912	981.082	227.929	227.929
MAKING SCIENCE LLC	747.000	100%	-	-	336.293	-	(297.315)	(297.315)
VENTIS SRL	9.500.000	60%	40%	3.700.493	-	(1.106.445)	(4.154.827)	(4.154.827)
MAKING SCIENCE COLOMBIA	226	100%	-	221	-	(135.254)	(135.475)	(135.475)
AGUA 3 GROWTH ENGINES, S.L.	1.020.004	51%	-	3.000	6.735	96.073	91.402	91.402
SWEEFT DIGITAL LLC	2.806.070	60%	-	2.747	480.731	1.316.342	832.864	832.864
	25.953.179							

The companies owned by the Company are the following:

1) Making Science Labs, S.L.U., with registered office at calle López de Hoyos 135, municipality of Madrid, province of Madrid. The company's activity is advertising, public relations and similar services.
2) Ingeniería para la Innovación I2TIC, S.L.U., with registered office at calle López de Hoyos, 135, municipality of Madrid, province of Madrid. The company's activity and corporate purpose are technology advisory services.
3) Crepes and Texas, S.L.U., with registered office at calle López de Hoyos 135, municipality of Madrid, province of Madrid. The company's activity and corporate purpose are advertising agency services.
4) Making Science Digital Marketing, S.L.U. (formerly Artificial Intelligence Algorithmics, S.L.U.), with address at calle López de Hoyos, 135, third floor, municipality of Madrid, province of Madrid. The company's corporate purpose and activity is market research and public opinion surveys.
5) Probability Domain Unipessoal, Lda. With address at Avenida Antonio Augusto de Aguiar, 15, fifth floor, Lisbon. The company's corporate purpose is the exercise of consulting and IT and digital marketing activities.
6) Making Science International, LTD (previously Mcentric Limited) with registered office at 8 Old Jewerly Street, London. The company's corporate purpose and activity is the provision of communications and telecommunications services, as well as the development and sale of technological applications.

7) Omniaweb Italia, SRL with social address in Via Cavour 32 cap 35010, Vigonza. The company has the social activities of digital marketing as an object.
8) Nara Media Limited with its registered office at 220 Linen Hall, 168-168 Regent Street, London, W1B 5TB. The company's corporate purpose is digital marketing activities.
9) Celsius SAS with a registered office at 31 avenue de l'opéra, 75001, Paris. The company's corporate purpose is digital marketing activities.
10) Making Science LLC with a registered office at 2222 Ponce de Leon Blvd., Suite 300 Coral Gables, Florida 33134. The company's corporate purpose is digital marketing activities.
11) Ventis SRL with a registered office at Via Marecchiese 275/C, 47922, Rimini. The company's corporate purpose is digital marketing activities.
12) Agua 3 Growth Engines, S.L. with a registered office at Calle Galileo Galilei (Edificio U) S/N – Office 13 A, 07121 Palma.
13) Sweeft Digital LLC with a registered office at Chavchavadze Avenue 30, 0179, Tbilisi. The company's corporate purpose is the development of technological applications.
14) United Partners Communications Inc with its registered office at 291 Broadway, NY10007. The company's social objective is holding investments.
15) The Company has proceeded to create Making Science Colombia SAS, Making Science Mexico SA of CV, Making Science Marketing & Adtech, S.L, Making Science Investments, S.L., Making Science Technology & Software, S.L. and Pilot Ignite Gmbh.

8.2 All short-term financial assets correspond to the category of financial assets at amortized cost.

8.3 Maturity Classification:

All long-term financial assets as of December 31, 2022 have a maturity of more than 5 years.

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:

Category	2023	2024	2025	Rest	Total
Financial assets at amortized cost	1.000.000	-	-	143.542	1.143.542
	1.000.000	-	-	143.542	1.143.542

8.4 The variations derived from impairment losses originated by credit risk have been the following:

	31.12.2022	31.12.2021
Concept	Short term	Short term
Initial impairment loss	301.974	272.850
Valuation correction for impairment	-	43.095
Reversal of impairment	-	(13.971)
Final impairment loss	301.974	301.974

During financial year 2022, no provision for insolvencies has been recorded (43,095 euros during financial year 2021), nor have insolvencies provided in previous financial years been reversed (13,971 euros in financial year 2021).

9) Equity

9.1. Share capital

During the 2021 financial year and in order to finance the purchases of the companies acquired during the financial year and detailed in note 8, the Company 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. As a result, the Company has come to have 77,693 euros of share capital and an issue premium of 13,893,377 euros.

On May 31, 2022, the Parent Company 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 Company is 83,040 euros (of which 180 euros are not required) with an issue premium of 23,188,036 euros and consists of 8,285,967 shares with a nominal value of 0.01 euros each.

9.1.1 Treasury stock

As of December 31, 2022, the 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).

Due to the purchase and sale of Company shares carried out by the registered adviser, capital losses amounting to 1,502,111 euros have been generated, which have been recorded in reserves (capital gains amounting to 581,005 euros in 2021).

9.1.2 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 amount of the reduction in the tax base of the Corporation Tax applied as Capitalization Reserve.

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

9.1.3 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 amount of 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.

9.2 Legal reserves

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 aforementioned purpose, and as long as 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 years 2022 and 2021, the legal reserve is not fully constituted (as of December 31, 2021 there are no was fully constituted).

10 Information on the nature and level of risk from financial instruments

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 Company are indicated below:

Credit risk: Treasury and equivalent liquid assets are generally maintained in financial institutions with a high credit level. No customer has a significant balance on the Company's sales.

Liquidity risk: In order to ensure liquidity and be able to meet all the payment commitments derived from the activity, the treasury that shows the balance is available, as well as the credit and financing lines that are detailed in the Note 11. The Company has financial debts at market interest rates.

Market risk (includes interest rate, exchange rate and other price risks): The Company'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 indebtedness that the Company has, approximately 56% is financed through fixed interest rates.

11 Short and long term debts

The amount of long-term debts on 31st December 2022 that mature in each of the following five years, and the rest until maturity are detailed in the following table:

	Maturity in years					
	2024	2025	2026	2027	2028 onwards	TOTAL
Debts with credit institutions	2.793.950	2.480.220	1.301.400	-	-	6.575.570
Obligations and other negotiable securities	11.762.525	-	-	-	-	11.762.525
Commercial debtors and other accounts payable	-	-	-	-	-	-
Debts with group companies and associates in the short term	-	-	-	-	-	-
Other financial liabilities	1.500.000	1.500.000	1.700.000	-	138.304	4.838.304
TOTAL	16.056.475	3.980.220	3.001.400	-	138.304	23.176.399

The amount of long-term debts as of December 31, 2021 that mature in each of the following five years, and the rest until maturity, are detailed in the following table:

	Maturity in years					
	2023	2024	2025	2026	2027 onwards	TOTAL
Debts with credit institutions	3.992.529	2.650.890	2.333.667	825.000	-	9.802.086
Obligations and other negotiable securities	-	11.820.000	-	-	-	11.820.000
Other financial liabilities	-	1.500.000	1.500.000	1.700.000	138.304	4.838.304
TOTAL	3.992.529	15.970.890	3.833.667	2.525.000	138.304	26.460.390

The heading debts with credit institutions, as of December 31, 2022, corresponds to short-term loans with credit institutions for 4,355,765 euros (3,910,690 euros as of December 31, 2021), long-term loans for 6,575,570 euros (10,237,763 euros as of December 31, 2021), advanced invoices for a value of 11,802,141 (2,950,774 euros as of December 31, 2021) and lines of credit for 535,320 euros (916,726 euros as of December 31, 2021). December 2021).

As of December 31, 2022, several loans have been formalized with banks:

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- 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 60 months and at an annual interest rate of 2.35%.
5- 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 5.5% 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 3.94% maturing in 3 years.

The heading debts with credit institutions, as of December 31, 2022, corresponds to short-term loans with credit institutions for 3,910,690 euros, long-term loans for 10,237,763 euros, short-term debts for a line customer advances for 4,483,213 euros, advanced invoices for 2,950,774 euros and lines of credit for 916,726 euros.

Financial expenses for the year ended December 31, 2022 amounted to 1,448,554 euros (695,826 euros as of December 31, 2021).

"Other financial liabilities" are mainly made up of the debt for the purchase of investee companies for an amount of 4,800,000 euros in the long term as of December 31, 2022 and 2021.

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

For the purposes of the provisions of the third additional provision of Law 15/2010, of July 5, modified by section 2 of article 9 of Law 18/2022, of September 28, and in accordance with the Resolution of 29 February 2016 of the Institute of Accounting and Auditing, a detail is included below with the average period of payment to suppliers, ratio of operations paid, ratio of operations pending payment, total payments made and total of outstanding payments:

	2022 Days	2021 Days
Average payment period to suppliers	59	57
Ratio of operations paid	62	67
Ratio of operations pending payment	47	35
	Amount (€)	Amount (€)

Total payments made	67.746.172	46.583.041
Total outstanding payments	17.141.494	22.348.857

The total volume of payments made within the legal term in 2022 amounts to 58,603,586 euros, which represents 86% of the total.

The number of invoices paid within the legal term amounts to 8,312 invoices in the 2022 financial year, which represents 75% of the total supplier invoices.

12 Tax situation

The detail of the balances maintained with the Public Administrations is as follows, in euros:

	31/12/2022		**31/12/2021**	
	Debtor	**Creditor**	**Debtor**	**Creditor**
Current:				
Value Added Tax	-	2.878.464	-	1.253.508
Personal income tax withholdings	-	72.347	-	68.165
Corporate income tax	-	121.253	-	-
Social Security Organizations	-	73.568	-	61.109
Current tax asset	110.817	-	113.835	-
Public administrations, withholdings and payments on account	4.470	-	12.464	-
Not current:				
Deferred tax liability	-	56.019	-	56.019
Total	115.287	3.201.650	126.299	1.382.782

12.2 Taxes on profits:

The reconciliation of the net amount of income and expenses for the year ended December 31, 2022, with the taxable income tax base, is summarized in the following table:

	31.12.2022		
	Profit and Loss		
	Increases	Decreases	Total
Balance of incomes and expenses			(70.803)
Corporate income tax	213.038		213.038
Permanet differences	1.230.912	(378.918)	851.994
Temporary differences			
Tax base (taxable result)			994.229
Total Tax base			994.229
Total amount			248.557
R+D+ I deductions			(62.139)
Withholdings and payments on account			(62.752)
Liquid to pay			123.666

	31.12.2021		
	Profit and Loss		
	Increases	Decreases	Total
Balance of incomes and expenses			78.055
Corporate income tax	75.185		75.185
Permanet differences	380.890		380.890
Tax base (taxable result)			534.130
Total Tax base			534.130
Total amount			534.130
Liquid amount			133.532
Previous periods deductions			(24.964)
R+D+ I deductions			(33.383)
Withholdings and payments on account			(202.298)
Liquid to return			(102.149)

The Company has no negative tax bases pending compensation as of December 31, 2022 or December 31, 2021.

As established by current legislation, taxes cannot be considered definitively settled until the returns submitted have been inspected by the tax authorities or the four-year limitation period has elapsed. At the end of the year ended December 31, 2022, the Company has opened for inspection the years 2018 and following of the Corporate Tax and the last four years for the other taxes that are applicable to it. The Board of Directors considers that the liquidations of the aforementioned taxes have been adequately carried out, therefore, even in the event that discrepancies arise in the current regulatory interpretation due to the tax treatment granted to the operations, the eventual resulting liabilities, in the event if they materialized, they would not significantly affect memory.

The corporate tax expense is made up of:

	Euros	
	2022	**2021**
Current tax	213.038	75.185
Deferred tax	-	-
Total	213.038	75.185

13 Operations with related parties

During the year ended December 31, 2022, operations have been carried out with the following related parties:

Society	Link Type
The Science of Digital S.L.	Dominant society
Making Science Digital Marketing, S.L.U.	group company
Making Science Labs, S.L.U.	group company
Crepes and Texas, S.L.U.	group company
Making Science Unipessoal, LDA	group company
Ingeniería para la innovación I2TIC, S.L.U.	group company
MCentricksd, S.L.U.	group company
Making Science International, LTD	group company
Omniaweb Italy SRL	group company
Making Science LLC	group company
Making Science Colombia SAS	group company
Making Science Mexico SA de CV	group company
Making Science Colombia SAS	group company
Ventis SRL	group company
13MQ S.R.L.	group company
Celsius S.A.S	group company
Loyal SAS	group company
Nara Media Ltd	group company
Making Science LTD	group company
Tre Kronor Media AB	group company
Tre Kronor Media Danmark A/S	group company
Local Planet AB	group company
Tre Kronor Media Göteborg AB	group company
Sweeft LLC	group company

Sweeft Digital	group company
Agua 3 Growth Engines, S.L.	group company
Making Science Foundation	Related non-profit entity
Jose Antonio Martinez Aguilar	Administrator

The detail of balance sheet balances with related parties is as follows:

	PERIOD CLOSED AT 31.12.2022			
Companny	Debit Balances	Short term investments	Credit balances	Short term debts
Making Science Labs, S.L.U.	198.020	77.400	-	(544.833)
Making Science Digital Marketing, S.L.U.	43.456.151	-	(2.756.215)	(36.517.299)
Making Science Unipessoal Lda	3.402.190	-	(94.844)	(2.564.193)
Ingeniería para la Innovación I2TIC, S.L.U.	1.663.890	3.369.882	(489.099)	(144.036)
Crepes and Texas, S.L.U.	904.784	1.144.577	(720.818)	(182.555)
Mcentricksd, S.L.U.	233.233	1.263.906	(302.606)	-
Making Science International, LTD	9.884.938		(47.186)	(3.721.716)
Omniaweb Italia SRL	251.216	81.416	(80.006)	(996.072)
Celsius SAS	125.143	-	-	-
Loyal SAS	19.389	-	-	(24)
Making Science LLC		494.094	-	-
Agua 3 Growth Engines, S.L.	57.519	286.332	(2.679)	-
Ventis S.R.L.	1.037.619	6.871.993	(25.231)	-
13MQ S.R.L	-	302.656	-	-
Making Science Colombia SAS	83.740	576.329	-	-
Nara Media, LTD	99.927	-	(86.191)	(476.183)
SWEEFT DIGITAL LLC	93.504	-	-	-
SWEEFT LLC	535.226	980.438	(501.287)	-
Tre Kronor Media Danmark A/S	4.996	-	-	-
Tre Kronor Media AB	687.750	-	-	-
Local Planet AB	2.080	-	-	-
Tre Kronor Media Göteborg AB	2.998	-	-	-
Making Science, LTD	101.486	2.825.694	-	-
Making Science Mexico, SA de CV	4.319	62.210	-	-
Fundación Malking Science	-	1.718	-	-
Bastiat Venture, S.L.	-	50.000	-	-
Total group and associated companies	**62.850.116**	**18.388.645**	**(5.106.162)**	**(45.146.910)**

	PERIOD CLOSED AT 31.12.2021			
Companny	Debit Balances	Short term investments	Credit balances	Short term debts
The Science of Digital, S.L.	3.150	639.606	904.347	316.435
Making Science Labs, S.L.U.	293.799	286	528.343	34.257
Making Science Digital Marketing, S.L.U.	19.048.263	4.227.913	13.565.179	1.493.195
Making Science Unipessoal Lda	767.321	1.737.600	1.520	94.844
Ingeniería para la Innovación I2TIC, S.L.U.	593.611	1.280.097	1.903	400.989
Crepes and Texas, S.L.U.	372.405	246.498	-	303.249
Mcentricksd, S.L.U.	18.510	1.834.527	-	119.371
Making Science International, LTD	2.923.741	2.810.940	-	-
Omniaweb Italia SRL	331.453	-	962.349	49.292
Celsius SAS	222.223	-	-	
Bastiat	-	50.000	-	
Making Science LLC	-	198.874	-	15.000
Loyal SAS	1.299.824	-	-	
Agua 3 Growth Engines, S.L.	20.236	-	-	
Ventis Srl	737.681	2.824.160	-	
Making Science Colombia SAS	28.800	253.355	-	
Nara Media Ltd	213.675	-	312.335	
Sweeft Digital	93.506	442.206		164.567
Total group and associated companies	**26.968.198**	**16.546.061**	**16.275.976**	**2.991.199**

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

The detail of the operations with group companies and associates for the year ended December 31, 2022 and the year ended December 31, 2021 is as follows:

Company	PERIOD CLOSED AT 31.12.2022 Services provided	Services received	Financial incomes	Financial expenses
Making Science Labs, S.L.U.	208.237	-	-	(16.490)
Making Science Digital Marketing, S.L.U.	41.091.149	(2.388.261)	-	(826.245)
Making Science Unipessoal Lda	3.238.158	-	-	(10.273)
Ingeniería para la Innovación I2TIC, S.L.U.	1.625.640	(430.612)	64.181	-
Crepes and Texas, S.L.U.	900.691	(646.105)	17.565	-
Mcentricksd, S.L.U.	629.145	(250.088)	49.062	-
Making Science International, LTD	8.518.657	-	16.040	-
Omniaweb SRL	226.139	(131.985)	-	(33.723)
Sweeft Digital LLC	542.844	(1.921.548)	31.489	-
Nara Media Limited	109.172	(125.910)	-	(10.725)
Celsius SAS	125.142	-	-	-
Loyal SAS	2.078.889	-	-	-
Ventis SRL	552.193	(25.231)	147.949	-
13MQ, S.R.L.	-	-	2.656	-
Making Science Colombia, SAS	83.288	-	12.974	-
Making Science LLC	-	(105.592)	15.009	-
Agua 3 Growth, S.L.	57.520	(2.214)	1.846	-
Tre kronor Media AB	1.726.391	(20.816)	-	-
Local Planet AB	2.080	-	-	-
Tre Kronor Media Göteborg AB	2.998	-	-	-
Tre Kronor Media Danmark A/S	4.996	-	-	-
Making Science Ltd	101.486	-	19.916	-
Making Science Mexico, SA de CV	4.318	-	676	-
Total group and associated companies	**61.829.133**	**(6.048.361)**	**379.361**	**(897.456)**

Company	PERIOD CLOSED AT 31.12.2021 Services provided	Services received	Financial incomes	Financial expenses
The Science of Digital, S.L.				
Making Science Labs, S.L.U.	460.139	(116.129)	-	(21.139)
Making Science Digital Marketing, S.L.U.	32.378.644	(2.738.667)	-	(374.287)
Making Science Unipessoal Lda	2.259.633	-	-	(1.519)
Ingeniería para la Innovación I2TIC, S.L.U.	1.065.031	(1.016.636)	51.167	-
Crepes and Texas, S.L.U.	664.500	(568.695)	9.800	-
Mcentricksd, S.L.U.	601.310	(244.338)	73.437	-
Making Science International, LTD	3.327.609	-	1.772	-
Omniaweb SRL	452.647	(77.965)	-	(11.541)
Sweeft Digital LLC	93.504	(272.387)	393	-
Nara Media Limited	264.570	-	-	(1.669)
Celsius SAS	246.336	-	-	-
Loyal SAS	1.928.069	-	-	-
Ventis SRL	736.785	-	21.198	-
Making Science Colombia	-	-	2.545	-
Making Science LLC	-	(15.000)	2.637	-
Total group and associated companies	**44.478.777**	**(5.049.817)**	**162.949**	**(410.155)**

The remuneration for all concepts of the Board of Directors (two of whose members are part of the senior management) of the Company have amounted to 850,000 euros in the 2022 financial year (582,000 euros in the 2021 financial year).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 and 118,750 euros, respectively. Apart from this, there are no advances or credits granted to the Board of Directors or senior management personnel of the 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.

14 Provisions and contingencies

As of December 31, 2022 and December 31, 2021, the Company has presented guarantees related to its daily operations and the provision of its service to customers for a global amount of 1,306,753 euros in 2022 and 1,197,000 euros in 2021 of which 306,753 euros are available in 2022 and 498,270 in 2021.

15 Short-term accruals

The Company records the following balances for short-term accruals of its liabilities in the year ended December 31, 2022 and the year ended December 31, 2021:

	31.12.2022	31.12.2021
Short term accruals	1.382.348	380.982

The Company records under this heading various anticipated income from different projects.

16 Income and expenses

16.1 Net turnover:

The distribution of the net turnover by activity category is as follows:

Business lines	2022	2021
Media	88.173.428	61.157.432
Technology and services	11.167.639	5.904.393
	99.341.067	67.061.825

The Company's income is mainly in national territory.

Media Management collects revenue from campaign management purchasing services. This type of service is regulated by contracts that are generally annual and tacitly renewable.

The heading "Technology and services" includes the remaining services related to digital marketing that the company offers.

16.2 Social charges:

Its breakdown is as follows:

	2022	2021
Social Security in charge of the company	853.823	582.154
Other social expenses	106.223	154.453
	960.046	736.607

16.3 Work carried out by the company for its asset:

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

	2022	2021
Developments	858.020	1.290.144
Computer applications	1.794.718	830.912
	2.652.738	2.121.056

16.4 External services

The breakdown of external services is as follows:

	2022	2021
Leases and royalties	1.027.977	672.987
Reparations and conservation	27.586	73.030
Independent professional services	4.393.545	1.697.581
Insurance premiums	39.544	136.512
Banking and similar services	32.819	33.695
Advertising, propaganda and public relations	508.732	479.514
Supplies	71.753	32.567
Other services	2.805.361	2.241.958
	8.907.317	5.367.844

17 Transactions with payments based on equity instruments

The movement produced during the years 2022 and 2021 of the options held by the Company is as follows:

	2022		2021	
	Amount	Weighted average prices	Amount	Weighted average prices
Existing options at the beginning of the period	177.470	0,87	235.875	0,76
Options granted (+)	55.650	0,01	20.700	0,01
Cancelled options (-)	(29.250)	1,16	(10.500)	0,01
Expired options (-)	-	-	0	-
Execised options (-)	(53.171)	0,73	(68.605)	0,01
Options at the end of the period	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:

	Prices during the period	2022	2023	2024	2025	2026	Total
Options	0,01	8.506	47.713	43.063	17.350	10.100	126.732
Options	2,60	5.592	14.375	4.000	0	0	23.967

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

	Prices during 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:

	Features		Price Range	
	Amount	Weighted average prices	Max	Min
Existing options at 31.12.2022	150.699	0,42	2,60	0,01
Existing options at 31.12.2021	177.470	0,87	2,60	0,01

18 Other information

Average number of people employed during the year ended December 31, 2022:

Professional category	2022	2021
Directors	5	5
Management	2	2
Administrative	19	10
Commercials	14	10
Other qualified personnel	46	42
	88	69

The number of members of the Board of Directors and employees at year-end, distributed by professional category, is as follows:

	A 31.12.2022		A 31.12.2021	
Professional category	Men	Women	Men	Women
Directors	4	1	4	1
Management	2	0	2	0
Administrative	6	15	5	4
Commercials	5	5	8	4
Other qualified personnel	26	27	27	35
	43	48	46	44

During fiscal years 2022 and 2021, the Company has not maintained any employee with a disability greater than or equal to thirty-three percent in any category.

19 Auditors' fees

The fees accrued during the year by Grant Thornton S.L.P. for account auditing services they amounted to 35,000 euros and for other verification services they amounted to 28,000 euros (29,000 euros and 32,500 euros respectively in 2021).

20 Subsequent events

No significant subsequent event has occurred after December 31, 2022

Making Science Group, S.A.

Management Report for the year ended December 31, 2022

FINANCIAL YEAR MANAGEMENT REPORT2022

1. Evolution of the business and situation of the Company

The 2022 financial year has been marked by an increase in EBITDA that has gone from 1.832.492 euros in 2021 to 4.139.219 euros in 2022. This increase was mainly due to the increase in income due to the achievement by the company of important contracts with new clients during the period.

During the 2022 financial year, the markets in which Making Science is present, e-commerce, Cloud, Online Marketing and Data, have continued to grow at double-digit levels. The company has become a benchmark provider in the market thanks to its 360º service strategy.

Making Science's strategic objectives are internationalization and greater technological integration. These two vectors will be key for Making Science to continue consolidating its strength as a technology provider.

2. Significant events subsequent to the end of the financial year

There have been no significant subsequent events after December 31, 2022.

3. Financial instruments used by the Company at the end of the financial year

As of December 31, 2022, the Company maintains a 15,64% of its financing through its own resources and a 84,34% through external financing (including debts with group companies and associates).

The Company'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 indebtedness that the Company has, approximately 56% is financed through fixed interest rates.

4. R&D+I activities

One of the Company's main objectives is the development of its own technologies to provide its clients with a comprehensive service. As of December 31, 2022, the Company 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 from more than 5 millions of products.

As of December 31, 2022, the Company maintains a total of 2,652,738 (2,121,056 euros as of December 31, 2021) euros capitalized as a result of the development projects described above, as well as the investment in computer applications for the development and efficiency of internal processes. Also, as of December 31, 2022, no indications have been identified indicating a possible impairment of the value of the capitalized developments.

5. Treasury stock

As of December 31, 2022, the Company maintains 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.

6. 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 period of payment to suppliers, ratio of operations paid, ratio of operations pending payment, total payments made and total payments pending

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

	2022	2021
	Days	Days
Average payment period to suppliers	59	57
Ratio of operations paid	62	67
Ratio of operations pending payment	47	35
	Amount (€)	Amount (€)
Total payments made	67.146.172	46.583.041
Total outstanding payments	17.141.494	22.348.857

7. 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 Company 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 the Company's sales.

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

Market risk (includes interest rate, exchange rate and other price risks): The Company'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 indebtedness that the Company has, approximately one56% is financed through fixed interest rates.