SCIENTIA SCHOOL, S.A

AND SUBSIDIARIES

Consolidated Financial Statements
and Consolidated Director's Report
for year ended on
December 31st, 2022

(Together with the Audit report on
Consolidated financial statements issued by
an independent Auditor)

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Audit Report on the Consolidated Annual Accounts
issued by an Independent Auditor

SCIENTIA SCHOOL, S.A.
Consolidated Annual Accounts
for the year ended
December 31th, 2022

Translation of a report and financial statements originally issued in Spanish. In the event of discrepancy, the Spanish- language version prevails

AUDIT REPORT ON THE CONSOLIDATED ANNUAL ACCOUNTS BY AN INDEPENDENT AUDITOR

To the shareholders of SCIENTIA SCHOOL, S.A. commissioned by the Shareholders' Meeting.

Opinion

We have audited the consolidated annual accounts of SCIENTIA SCHOOL, S.A. and its subsidiaries, which comprise the consolidated balance sheet as at 31 December 2022, and the consolidated income statement, consolidated statement of changes in equity, consolidated statement of cash flows and notes to the consolidated annual accounts for the year then ended.

In our opinion, the accompanying consolidated annual accounts express, in all material respects, a true and fair view of the Group's equity and financial position as of December 31, 2022, as well as its consolidated results and cash flows for the year ended on said date, in accordance with the International Financial Reporting Standards, adopted by the European Union (IFRS-EU), and other provisions of the financial reporting regulatory framework that are applicable in Spain.

Basis for opinion

We conducted our audit in accordance with prevailing audit regulations in Spain. Our responsibilities under those regulations are further described in the Auditor’s responsibilities for the audit of the financial statements section of our report.

We are independent of the Group in accordance with the ethical requirements, including those related to independence, that are relevant to our audit of the consolidated annual accounts in Spain in accordance with legislation governing the audit practice in force. In this regard, we have not provided any services other than those relating to the audit of the accounts and there have not been any situations or circumstances which, under the mentioned regulations, might have affected the required independence such that this has been compromised.

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

Most relevant audit issues

The most relevant audit matters are those matters that, in our professional judgment, were considered as most significant risks of material misstatement in our audit of the consolidated annual accounts of the current period. These risks were addressed in the context of our audit of the consolidated annual accounts as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these risks.

European Tax Law Global Audit Assurance, S.L. con NIF B47774914- C/ Núñez de Balboa, nº 35A 2ª planta
Inscrita en el Registro Mercantil de Madrid - Tomo 39510 - Folio 85 - Hoja M-701484 - Inscripción 2ª

Consolidation process

As indicated in note 2 of the attached consolidated report, as of December 31, 2022, the Group is made up of fifteen companies, all of them integrated by the global integration method.

In accordance with the regulatory framework for financial information that is applicable and as indicated in note 2 of the attached consolidated report, the subsidiaries that consolidate using the global integration method include all of their assets in the consolidated annual accounts, liabilities, income and expenses and, once the corresponding adjustments and eliminations of the intra-group operations have been made. The Group carries out the consolidation process manually in an extra-accounting spreadsheet. For all of the above, the consolidation process has been considered key in our audit.

Procedures applied in the audit

The procedures carried out to respond to this risk have been, among others, (a) the review of the valuation standardization of the financial statements of the companies included in the scope of consolidation, (b) review of the elimination of balances and internal operations, (c) review of the investment-own funds elimination, (d) review of the allocation to the parent company and external partners of the changes in equity experienced by the dependent companies since incorporation into the Group, (e) limited reviews of the financial statements of all the companies included in the scope of consolidation, (f) review of the consolidated annual accounts.

Goodwill

As indicated in note 6, goodwill is recognized for a total amount of 11.401 thousand euros. The amount is relevant and, due to the fact that the analyzes carried out by the Management, for its valuation, require the making of complex estimates and judgments, we have considered the valuation of the goodwill as a significant risk in our audit.

Procedures applied in the audit

The procedures carried out to respond to this risk have been, among others, the review of future business plans, which determine that there are no signs of deterioration in the goodwill generated.

Other information: Consolidated Management Report

Other information comprises only the consolidated management report for the 2022 financial year, the preparation of which is the responsibility of the Parent Company´s Directors and which does not form an integral part of the consolidated annual accounts.

Our audit opinion on the consolidated annual accounts does not cover the consolidated management report. Our responsibility regarding the management report, in accordance with legislation governing the audit practice, is to evaluate and report on the consistency between the consolidated management report and the consolidated annual accounts, based on knowledge of the Group obtained in the audit of the mentioned consolidated annual accounts and does not include information different to that obtained as evidence during our audit. Likewise, our responsibility is to evaluate and report on whether the content and presentation of the consolidated management report are in conformity with the applicable regulations. If, based on the work we have performed, we conclude that there are material misstatements, we are required to report that fact.

Based on the work performed, as described above, the information contained in the consolidated management report is consistent with that disclosed in the consolidated annual accounts for 2022, and its content and presentation are in conformity with the applicable regulations.

Parent Company´s Directors Responsibilities for the Consolidated Annual Accounts

The Parent Company´s Directors are responsible for the preparation of the accompanying consolidated annual accounts in such a way that they give a true and fair view of the consolidated equity, consolidated financial position and consolidated results of the Group in accordance with International Financial Reporting Standards, adopted by the European Union (IFRS-EU) and other provisions of the financial reporting regulatory framework that are applicable in Spain, and for such internal control as they determine is necessary to enable the preparation of consolidated annual accounts that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, 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.

Auditor's responsibilities for the audit of the Consolidated Annual Accounts

Our objectives are to obtain reasonable assurance about whether the consolidated annual accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with prevailing audit regulations in Spain 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 financial statements.

As part of an audit in accordance with prevailing audit regulations in Spain, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

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

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Parent Company's Directors.

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

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

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

From the significant risks communicated with the Parent Company's Directors, we determine those that were of most significance in the audit of the consolidated annual accounts of the current period and are therefore the most significant assessed risks.

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

ETL GLOBAL AUDIT ASSURANCE, S.L.

July 31, 2023

SCIENTIA SCHOOL, S.A

AND SUBSIDIARIES

Consolidated Financial Statements
and Consolidated Director's Report
for year ended on
December 31st, 2022

(Translation from the Consolidated Financial Statements for the year ended on December 31st, 2022, issued originally in Spanish and prepared in accordance with regulatory financial reporting framework established in International Financial Reporting Standards (IFRs). In the event of discrepancy, the Spanish version prevails.)

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Summary

SCIENTIA SCHOOL, S.A AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEET AS OF

DECEMBER, 31st 2022

U: Thousands of Euros

ASSETS	Notes to the Consolidated FS	31-dic.-22	31-dic.-21
A) NON-CURRENT ASSETS		**35,849**	**29,799**
I. Intagible assets	**6**	**14,620**	**12,946**
2. Concessions.		0	0
4. Goodwill on consolidation.		11,401	10,170
5. Computer Software.		2,916	2,474
6. Other intagible assets.		303	303
II. Tangible fixed assets	**7**	**6,541**	**4,230**
1. Land and Buildings.		1,951	1,818
2. Plant, Property and Equipment.		4,515	2,369
3. Fixed assets under construction and advances.		75	43
III. Real Estate investments	**8**	**11,326**	**7,791**
1. Lands.		2,006	728
2. Buildings.		9,320	7,063
IV. Long-term investments in group companies and associates.		**0**	**1,000**
2. Loans to companies	10,18	0	1,000
V. Long-term financial investments.	**10**	**2,298**	**3,150**
1. Equity Stocks		2,058	2,898
5. Other financial investments		240	253
VI. Deferred tax assets.	**14**	**1,064**	**681**
B) CURRENT ASSETS		**6,435**	**6,772**
II. Inventory.	**10**	**355**	**89**
1. Commercial.		122	80
6. Advances to suppliers.		233	9
III. Trade and other receivables		**4,019**	**3,745**
a. Trade receivables for sales and services	10	3,228	2,818
1. Trade reaceivables for sales and services		3,228	2,818
b. Other receivables and debtors		791	927
3. Other receivables.	10	155	146
4. Staff.	10	14	17
5. Current Income tax assets.	14	66	85
6. Other assets with public authorities.	14	557	679
IV. Short-term investments in group companies and associates.		**0**	**(0)**
2. Loans to companies		0	(0)
V. Short-term investments.	**10**	**1,448**	**1,919**
2. Loans to companies		356	1,682
3. Debt securities.		853	0
5. Other financial investments		239	237
VI. Short-term accruals.		**229**	**173**
VII. Cash and cash equivalents.	**11**	**383**	**846**
1. Cash.		383	846
TOTAL ASSETS (A+B)		**42,283**	**36,570**

Accompanying Notes 1 to 22 are an integral part of these financial statements

SCIENTIA SCHOOL, S.A AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEET AS OF

DECEMBER, 31st 2022

U: Thousands of Euros

EQUITY & LIABILITIES	Notes to the Consolidated FS	31-dic.-22	31-dic.-21
A) NET WORTH		**10,278**	**7,760**
A-I) Shareholders' Equity.	**13**	**10,332**	**7,778**
I. Share Capital.		**2,555**	**2,555**
1. Stated Capital.		2,555	2,555
II. Issue Premium.		**7,064**	**7,064**
III. Reserves.		**1,640**	**369**
1. Legal and statutory.		66	38
2. Other reserves.		1,573	330
IV. (Own treasury shares).		**(2,367)**	**(1,936)**
V. Conslidated prior years' earnings/(losses).		**(381)**	**(225)**
2. (Consolidates prior years' losses).		(381)	(225)
VII. Profit/(loss) of the year attributed to the Parent Company.		**1,822**	**(48)**
A-II) Adjustments for changes in value.		**7**	**0**
III. Forex Gain/(losses) on consolidation.		**7**	**0**
A-IV) Non-controlling interests.	**13**	**(61)**	**(18)**
B) NON-CURRENT LIABILITIES		**23,333**	**19,728**
II. Long-term Debt.	**12**	**22,030**	**18,502**
1. Debt with banks and other credit institutes.		18,679	14,688
5. Other financial liabilities		3,352	3,814
III. Long-term debt with group companies and associates.	**12,18**	**1,302**	**1,226**
C) CURRENT LIABILITIES		**8,672**	**9,082**
III. Short-term debt.	**12**	**3,473**	**5,481**
2. Debt with banks and other credit institutes.		1,579	1,396
5. Other financial liabilities		1,894	4,085
IV. Short-term debt with group companies and associates.	**12,18**	**(0)**	**97**
V. Trade and other payables.		**4,981**	**3,236**
1. Suppliers.	12	3,168	2,008
3. Sundry payables.	12	174	177
4. Staff (remuneration payables).	12	314	189
5. Current income tax payable.	14	191	26
6. Other liabilities with public authorities.	14	1,112	836
7. Anticipos de clientes.		22	0
VI. Short-term accruals.		**218**	**268**
TOTAL EQUITY & LIABILITIES (A+B+C)		**42,283**	**36,570**

Accompanying Notes 1 to 22 are an integral part of these financial statements

SCIENTIA SCHOOL, S.A AND SUBSIDIARIES

CONSOLIDATED PROFIT & LOSS STATEMENT FOR THE YEAR ENDED ON

DECEMBER, 31st 2022

U: Thousands of Euros

	Notes to the Consolidated FS	(Debit) / Credit 31-dic.-22	31-dic.-21
A) CONTINUING OPERATIONS			
1. Net Turnover.	15	**9,351**	**6,864**
a) Sales.		6,179	5,146
b) Service revenue.		3,172	1,718
3. Works made by Company for its assets.		**765**	**332**
4. Procurements.	15	**(3,136)**	**(3,596)**
a) Goods consumed.		(2,094)	(3,015)
b) Consumption of raw materials and other consumables.		0	(1)
c) Works carried out by other companies.		(1,042)	(580)
5. Other operating income.	15	**9,912**	**7,214**
a) Non-core and other operating income.		546	524
b) Operating grant transferred to profit or loss.	16	9,365	6,690
6. Pesonnel Expenses.		**(11,689)**	**(8,286)**
a) Wages, salaries and the like.		(9,096)	(6,596)
b) Payroll tax and benefits.		(2,594)	(1,689)
7. Other operating expenses.	15	**(3,561)**	**(1,824)**
a) External Services.		(3,461)	(1,788)
b) Taxes other than income tax.		(96)	(35)
c) Losses, impairment and changes in allowances for trading operations..		(3)	(2)
8. Amortization of fixed assets.	6,7,8	**(1,253)**	**(810)**
11. Impairment and gain or loss on disposal of fixed assets.		**2,700**	**0**
b) Gain or loss on disposals and others.		2,700	0
12. Other results.		**(724)**	**7**
A.1) Profit/(loss) from opertions (1+2+3-4+5-6-7-8+9+10-11+12)		**2,364**	**(99)**
13. Financial income.		**4**	**0**
b) From marketable securities and financial assets.		4	0
b2) From third parties.		4	0
14. Financial expenses.		**(637)**	**(398)**
b) On debt with third parties		(637)	(398)
16. Exchange differences.		**0**	**0**
17. Earnings/(losses) and impairment of financial instruments.		**0**	**28**
b) Eanirngs/(losses) of financial instruments.		0	28
A.2) Net Financial Income/(Expenses) (13-14+15+16+17).		**(633)**	**(369)**
A.3) Profit/(loss) before taxes (A.1+A.2).		**1,731**	**(468)**
18. Income tax.	14	**28**	**411**
A.4) Net profit/(loss) for the year from continuing operations (A.3-18).		**1,759**	**(57)**
B) DISCONTINUED OPERATIONS		**0**	**0**
A.5) Net Profit/(loss) for the year (A.4+19)		**1,759**	**(57)**
Profti/(loss) for the year attributable to the Parent Company		**1,822**	**(48)**
Profit/(loss) for the year to non-controlling interests		**(64)**	**(9)**

Accompanying Notes 1 to 22 are an integral part of these financial statements

SCIENTIA SCHOOL, S.A AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

A) STATEMENT OF RECOGNIZED INCOME AND EXPENSE FOR THE YEAR ENDED

DECEMBER, 31st 2022

U: Thousands of Euros

	Notes to the consolidated FS	(Debit) / Credit 31-dic.-22	31-dic.-21
A) Profit/(loss) for the year.		**1,759**	**(57)**
B) Arising from revauation of financial instruments.			
I. Valuation of financial assets and liabilities		**0**	**0**
1. Income/(expeses) from financial assets avaialbe for sale.		0	0
2. Other Icnome/(expenses).		0	0
II. Arising from cash flow hedges.		**0**	**0**
III. Grants, donations, or gifts and legacies received.		**0**	**0**
IV. Actuarial gains or losses and other adjustments.		**0**	**0**
V. Tax Effect.		**0**	**0**
Total income and expense recognised directly in equity (I+II+III+IV+V).		**0**	**0**
C) Income statement balance transfer.			
VI. Valuations of assets and liabilities		**0**	**0**
1. Available for sale financial assets.		0	0
2. Other income/(expenes).		0	0
VII. Arising from cash flow hedges		**0**	**0**
VIII. Grants, donations and legacies.		**0**	**0**
IX. Tax Effect.		**0**	**0**
Total transfers to Profit and loss statement (VI+VII+VIII+IX).		**0**	**0**
Total recognized income and expenses (A+B+C).		**1,759**	**(57)**

Accompanying Notes 1 to 22 are an integral part of these financial statements

SCIENTIA SCHOOL, S.A AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

B) TOTAL STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED DECEMBER, 31st 2022

U: Thousands of Euros

	Capital									
	Registered	Uncalled	Share Issue premium	Reserves	(Own treasury sahres)	Prior years profit/(losses)	Profit/(loss) attributed to the Parent Company	Non-controlling interests	Adjustments for change in value	Total
A. Balance at the end of 2020	**2,254**	**0**	**0**	**0**	**0**	**144**	**81**		**0**	**2,479**
I. Adjustments for changes in accounting principles 2020 and prior years.										**0**
II. Adjustments for errors in 2020 and prior years.										**0**
B. Adjusted balance, at the beginning 2021	**2,254**	**0**	**0**	**0**	**0**	**144**	**81**		**0**	**2,479**
I. Total recongnised income and expenses.							**(48)**	**(9)**		**(57)**
II. Transactions with Shareholders and owners.	**301**	**0**	**7,064**	**0**	**(1,936)**	**0**	**0**	**(9)**	**0**	**5,420**
1. Capital increases.	301		7,064							7,365
2. (-) Capital reductions.										0
3. Conversion of financial liabilities into equity (conversion of debentures, forgiveness of debt).										0
4. (-) Dividends paid.										0
5. Trasery shares transactions (net).					(1,936)					(1,936)
6. Iequity increase/(redution) resulting from a bunsiness combination.								(9)		(9)
7. Other transactions with shareholders and owners										0
III. Other changes in equity.				**369**		**(369)**	**(81)**			**(82)**
C. Ending Balance 2021	**2,555**	**0**	**7,064**	**369**	**(1,936)**	**(225)**	**(48)**	**(18)**	**0**	**7,760**
I. Adjustments for changes in accounting principles 2021.										**0**
II. Adjustments for errors in 2021.										**0**
D. Adjusted blance, at the beginning 2022	**2,555**	**0**	**7,064**	**369**	**(1,936)**	**(225)**	**(48)**	**(18)**	**0**	**7,760**
I. Total recongnised income and expenses.							**1,822**	**(64)**	**0**	**1,759**
II. Transactions with Shareholders and owners.	**0**	**0**	**0**	**1,087**	**(431)**	**0**	**0**	**20**	**0**	**676**
1. Capital increases.	0		0							0
2. (-) Capital reductions.										0
3. Conversion of financial liabilities into equity (conversion of debentures, forgiveness of debt).										0
4. (-) Dividends paid.										0
5. Trasery shares transactions (net).				1,087	569					1,656
6. Equity increase/(redution) resulting from a bunsiness combination.					(1,000)			20		(980)
7. Other transactions with shareholders and owners										0
III. Other changes in equity.				**184**		**(156)**	**48**		**7**	**83**
E. Ending Balance 2022	**2,555**	**0**	**7,064**	**1,640**	**(2,367)**	**(381)**	**1,822**	**(61)**	**7**	**10,278**

Accompanying Notes 1 to 22 are an integral part of these financial statements

SCIENTIA SCHOOL, S.A AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED ON

DECEMBER, 31st 2022

Uds: Miles de Euros

	Notes to the consolidated FS	12/31/22	12/31/21
A) Cash flows from oparating activities			
1. Profit/(loss) for the year before Income tax.		**1,731**	**(468)**
2. Adjustments to profit/(loss).		**1,886**	**1,180**
a) Amortization of fixed assets (+)	6,7,8	1,253	810
f) Gain or loss on disposal of financial instruments (+/-)		0	(28)
g) Financial income (-)		(4)	(0)
h) Financial expenses (+)		637	398
3. Changes in working capital		**799**	**(569)**
a) Inventories (+/-)		(266)	103
b) Trade and other receivables (+/-)		(274)	(2,190)
c) Other current assets (+/-)		(56)	(168)
d) Trade and other payables (+/-)		1,744	2,308
e) Other current liabilities (+/-)		(49)	149
f) Other non-current assets and liabilities (+/-)		(301)	(771)
4. Other cash-flows form operating activities.		**(606)**	**42**
a) Interests paid (-)		(637)	(398)
c) Interests received (+)		4	0
d) Received / (paid) for income tax (+/-)		28	411
e) Other payments/(receipts) (+/-)		0	28
5. Cash flows from operating activities (+/-1 +/-2 +/-3 +/-4)		**3,810**	**184**
B) Cash flows from investment activities			
6. Payments for investments (-)		**(8,772)**	**(15,467)**
a) Group companies and associates.		0	(997)
b) Intagible assets.	6	(2,100)	(8,113)
c)Tangible fixed assets.	7	(2,971)	(3,464)
d) Real estate investments.	8	(3,702)	(811)
f) Non-current assets available for sale.		0	(2,082)
7. Proceeds from disposals (+)		**2,323**	**115**
a) Group companies and associates.		1,000	0
e) Other financial assets.		10	115
f) Non-current assets available for sale.		1,313	0
8. Cash flows from investment activities(7-6)		**(6,450)**	**(15,352)**
C) Cash flows from financing activities.			**0**
9. Proceeds and payments relating to equity.		**656**	**5,429**
a) Issuance of equity instruments (+)		0	7,365
c) Acquistition of own equity instruments (-)		(1,000)	(1,975)
d) Disposals of own equity instruments (+)		1,656	39
10. Proceeds and payments relating to financial liabilities.		**1,500**	**6,098**
a) Issuance.		4,174	10,461
2. Debt with credit institutes (+).		4,174	3,830
4. Other Debt (+).		0	6,631
b) Repayment and redemtion of		(2,674)	(4,363)
3. Debt with group companies and associates (-).		(21)	(4,363)
4. Other Debt (-).		(2,654)	0
11. Payments for dividends and other equity instruments.		**20**	**0**
b) Changes in non-controlling interests (-).		20	0
12. Cash flows from financing activities (+/-9+/-10-11)		**2,176**	**11,526**
D) Effect of foreign exchange rates changes			**0**
E) Net increase/(decrease) in cash or cash equivalents (+/-A +/-B +/-C +/-D)		**(463)**	**(3,642)**
Cash or cash equivalents at the beginning of the year.		**846**	**4,488**
Cash or cash equivalents at the end of the year.	**11**	**383**	**846**

Accompanying Notes 1 to 22 are an integral part of these financial statements

SCIENTIA SCHOOL, S.A.
AND SUBSIDIARIES

Notes to the Consolidated Financial Statements for the financial year ended on December 31st, 2022

1. Parent Company

SCIENTIA SCHOOL, S.A. (hereinafter also referred to as "the Parent Company" or "Scientia") was indefinitely incorporated in Madrid, on 31 December 2014. It has its registered office in Madrid, Spain, at Calle Conde Peñalver, number 45, mezzanine.

On 23 February 2021, the Universal General Shareholders Meeting agreed, among others, to legally transform the Company into a Public Limited Company (*"Sociedad Anónima"*), which was renamed Scientia School, S.A. (formerly Scientia School, S.L.).

It is registered with the Commercial Registry of Madrid under volume 33,069, page 119, sheet M-559211.

Its corporate purpose -according to its articles of association- is, among others, the performance of educational and teaching activities and their subsequent management, regardless of the type of teaching or performance, in any of their modalities and degrees, whether in formal or any other type of education, as well as any activity directly related to teaching, including the promotion, management or operation, in any form, of all types of educational or teaching centres, sports or other facilities linked or not to them.

Furthermore, in the Universal General Shareholders' Meeting held on 23 February, 2021, it was agreed to extend its corporate purpose to include, among others, the activities proper to a holding company, and to that effect it may (i) as a member or shareholder, incorporate or take stakes in other companies, regardless of their nature or corporate purpose, including non-profit and professional associations and partnerships, by subscribing or purchasing and holding shares, without encroaching on the activities inherent to Collective Investment Institutions, Securities Trading Companies and Brokers, or other Entities governed by special laws, and also (ii) set their targets, strategies, and priorities, coordinate the activities of subsidiaries, define financial objectives, monitor financial performance and effectiveness and, more generally, take charge of their management and supervision.

On 26 August 2021, the extraordinary and Universal General Shareholders' Meeting of the Parent Company resolved to list all of the shares representing the Company's share capital on the Euronext Access Multilateral Trading Market, on Paris Stock Exchange, by "Direct Listing" method. The Company began trading on 29 September 2021.

The Parent Company is the head of a group of companies with similar corporate objects and sectors of activity (hereinafter also referred to as "the Group"). In accordance with articles 42 and 43 of the Spanish Commercial Code (*"Código de Comercio"*): Consequently, consolidated financial statements for year 2021 were the first consolidated financial statements that was carried out after the admission to the Market and the scope of consolidation is as detailed in note 2 below and the recording and valuation principles and rules are contained in note 5 of these Notes to the Consolidated Financial Statements.

The functional currency with which the Group operates is the Euro, and the figures included in these Consolidated financial statements are expressed in thousands of euros, unless otherwise indicated.

2. STRUCTURE OF THE GROUP CONSOLIDATED

Subsidiaries-

Below is the breakdown of the Subsidiaries that have been included in the scope of consolidation as of 31 December 2022.

For Year 2022

Company	Activity	Registered Office	Owner	Cost of Ownership (thousands of euros)	% Ownership	First consolidation Date
Scientia School, S.A	Holding	Madrid	Parent Company	-	-	
Sebas, S.L.	Educational Centre	Getafe - Madrid, Spain	Scientia School, S.A	362	100.00%	enero de 2021
Scientia Karmelo, S.L.	Educational Centre	San Sebastián-Guipuzcoa, Es	Scientia School, S.A	100	100.00%	enero de 2021
Scientia Denia, S.L. (antes Proyectos Scientia Crear, S.L.)	Educational Centre	Alicante, Spain	Scientia School, S.A	3	100.00%	enero de 2021
Co-learning Spaces, S.L.	No activity	Madrid, Spain	Scientia School, S.A	3	100.00%	enero de 2021
Tilin Talán Spain, S.L.	No activity	San Sebastián-Guipuzcoa, Es	Scientia School, S.A	2	51.00%	enero de 2021
Ecreatus,S.L.	EdTech and Digital transformation	Madrid, Spain	Scientia School, S.A	3,900	100.00%	enero de 2021
Balab Karmelo, S.L.	R&D for Educational segment	San Sebastián-Guipuzcoa, SP	Scientia School, S.A	2	56.00%	mayo de 2021
			Centro de Estudios AEG Arroka, S.L.	2	44.00%	
Scientia Lalín, S.L.	Educational Centre	Lalín, Galicia, Spain	Scientia School, S.A	3	100.00%	enero de 2021
Centro de Estudios AEG-Arroka, S.L.	Vocational Training	San Sebastián-Guipuzcoa, SP	Ecreatus, S.L.	400	100.00%	marzo de 2021
AEG Heriz, S.L.	Real Estate for lease	San Sebastián-Guipuzcoa, SP	Centro de Estudios AEG Arroka, S.L.	-	100.00%	mayo de 2021
Scientia Alhucema, S.L.	Educational Centre	Fuenlabrada, Madrid, Spain	Scientia School, S.A	2,467	100.00%	mayo de 2021
Edunext, SL	Consulting and tech development	Madrid, Spain	Ecreatus, S.L.	225	75.00%	mayo de 2021
			Ecreatus, S.L.	3	25.00%	marzo de 2022
Red Escuelas Digitales, S.L.	Wholesale trade of equipment and software	Sevilla, Spain	Ecreatus, S.L.	3,225	100.00%	diciembre de 2021
Gestión del Conocimiento Digital Ieducando, S.L.	Promotion Wholesale trade of equipment and software, tech development and training	Sevilla, Spain	Red Escuelas Dgitales, S.L.	-	100.00%	junio de 2021
Ieducnado Mexico S.A.P.I de C.V	Promotion and tech development and Training	Ciudad de Mexico, Mexico	Red Escuelas Dgitales, S.L.	-	51.00%	
Ieducnado Colombia, S.A.S	Promotion of tech training for education	Bogotá, Colombia	Red Escuelas Dgitales, S.L.	-	100.00%	
Ieducnado, S.P.A	Advisory and consulting for education	Santiago de Chile, Chile	Red Escuelas Dgitales, S.L.	-	51.00%	
Reparachromebooks, S.L.	Maintenace and cosnervation of tech devices	Sevilla, Spain	Ecreatus, S.L.	99	90.00%	diciembre de 2021
Scientia Bilbao, S.L.	Educational Centre	Bilbao, Bizkaia, Spain	Scientia School, S.A	100	100.00%	septiembre de 2022

Below is the breakdown of the Subsidiaries that have been included in the scope of consolidation as of 31 December 2021.

For Year 2021

Company	Activity	Registered Office	Owner	Cost of Ownership (thousands of euros)	% Ownership	First consolidation Date
Scientia School, S.A	Cabecera	Madrid	Sociedad Dominante	-	-	
Sebas, S.L.	Enseñanza en centros educativos	Getafe - Madrid, España	Scientia School, S.A	362	100.00%	enero de 2021
Scientia Karmelo, S.L.	Enseñanza en centros educativos	San Sebastián-Guipuzcoa, Es	Scientia School, S.A	100	100.00%	enero de 2021
Scientia Denia, S.L. (antes Proyectos Scientia Crear, S.L.)	Enseñanza en centros educativos	Alicante, España	Scientia School, S.A	3	100.00%	enero de 2021
Co-learning Spaces, S.L.	Sin actividad	Madrid, España	Scientia School, S.A	3	100.00%	enero de 2021
Tilin Talán Spain, S.L.	Sin actividad	San Sebastián-Guipuzcoa, Es	Scientia School, S.A	2	51.00%	enero de 2021
Ecreatus,S.L.	Entorno virtual educativo	Madrid, España	Scientia School, S.A	3,900	100.00%	enero de 2021
Balab Karmelo, S.L.	I+D en Sector Educativo	San Sebastián-Guipuzcoa	Scientia School, S.A	2	56.00%	mayo de 2021
			Centro de Estudios AEG Arroka, S.L.	2	44.00%	
Scientia Lalín, S.L.	Enseñanza en centros educativos	Lalín, Galicia, España	Scientia School, S.A	3	100.00%	enero de 2021
Centro de Estudios AEG-Arroka, S.L.	Enseñanza Formación Profesional	San Sebastián-Guipuzcoa, Es	Ecreatus, S.L.	400	100.00%	marzo de 2021
AEG Heriz, S.L.	Promoción inmobiliaria y arrendamiento	San Sebastián-Guipuzcoa, Es	Centro de Estudios AEG Arroka, S.L.	-	100.00%	mayo de 2021
Scientia Alhucema, S.L. (en transformación)	Enseñanza en centros educativos	Fuenlabrada, Madrid, España	Scientia School, S.A	2,467	100.00%	mayo de 2021
Edunext, SL	Consultoría y desarrollo nuevas tecnologías	Madrid, España	Ecreatus, S.L.	225	75.00%	mayo de 2021
			Ecreatus, S.L.	3	25.00%	marzo de 2022
Gestión del Conocimiento Digital Ieducando, S.L.	Promoción, Desarrollo informático y formación	Sevilla, España	Red Escuelas Dgitales, S.L.	-	100.00%	junio de 2021

Incorporations to the Scope of Consolidation-

Below is a breakdown of the subsidiaries that have been included in the scope of consolidation during financial year 2022.

Company	Activity	Registered Office	Owner	Cost of Ownership (thousands of euros)	% Ownership	First consolidation Date
Edunext, SL	Consulting and tech development	Madrid, Spain	Ecreatus, S.L.	3	25.00%	marzo de 2022
Red Escuelas Digitales, S.L.	Wholesale trade of equipment and software	Sevilla, Spain	Ecreatus, S.L.	3,225	100.00%	diciembre de 2021
Ieducnado Mexico S.A.P.I de C.V	Promotion and tech development and Training	Ciudad de Mexico, Mexico	Red Escuelas Dgitales, S.L.	-	51.00%	
Ieducnado Colombia, S.A.S	Promotion of tech training for education	Bogotá, Colombia	Red Escuelas Dgitales, S.L.	-	100.00%	
Ieducnado, S.P.A	Advisory and consulting for education	Santiago de Chile, Chile	Red Escuelas Dgitales, S.L.	-	51.00%	
Reparachromebooks, S.L.	Maintenace and cosnervation of tech devices	Sevilla, Spain	Ecreatus, S.L.	99	90.00%	diciembre de 2021
Scientia Bilbao, S.L.	Educational Centre	Bilbao, Bizkaia, Spain	Scientia School, S.A	100	100.00%	septiembre de 2022

As of 31 December 2022, as well as in 2021, the Group did not hold any share capital of companies that could be considered -in accordance with general accepted applicable accounting regulations-by associates or jointly controlled entities.

3. BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

3.1. Regulatory financial reporting framework applicable to the Group-

These Consolidated financial statements were prepared by the Parent Company's Board of Directors, in accordance with the regulatory financial reporting framework applicable to the Group, which consists of:

- The Spanish Commercial Code ("Código de Comercio") and remaining commercial legislation,

- International Financial Reporting Standards (IFRSs) as implemented by the European Union pursuant to Regulation (EC) No 1606/2002 of the European Parliament and Spanish Law 62/2003, of 31 December, on tax, administrative and social security measures, and the applicable rules and circulars of the Spanish National Securities Market Commission (CNMV), as well as

- The rest of accounting standards and provisions in force.

The Group's consolidated financial statements, as well as the financial statements of the companies comprising the Group, for the year 2022, are pending approval by the Parent Company's General Shareholders' Meeting, and it is considered that they will be approved without any changes. The Group's consolidated financial statements for the year 2021 were approved by the Parent Company's General Shareholders' Meeting on 30 July 2022.

Adoption of International Financial Reporting Standards (IFRSs)

<u>New mandatory rules, amendments, and interpretations for 2022</u>

During 2022, the European Union adopted accounting rules applicable on 1 January 2022 and other previously adopted accounting rules have begun to be applied:

Standards issued by the IASB adopted by the European Union		Application for periods beginning on or after:
IFRS 3 (amendment) – "Reference to the Conceptual Framework"	Updated to align it with the definitions of assets and liabilities in a business combination with those contained in the conceptual framework. In addition, clarifications are introduced regarding the recording of contingent assets and liabilities.	1 January 2022
IAS 16 (amendment) - "Revenue in advance of intended use"	The amendment prohibits deducting from the cost of property, plant and equipment any income earned from the sale of items produced while the entity is preparing the asset for its intended use. The proceeds from the sale of such samples, together with the costs of their production, shall be recorded in the income statement.	
IAS 37 (amendment) – "Onerous contracts: Cost of performing the contract".	The amendment explains that the direct cost of fulfilling a contract includes the incremental costs of fulfilling the contract, as well as an allocation of other costs that are directly related to the performance of the contract.	

Annual improvement project 2018-2020	Several amendments to IFRS 1, IFRS 9, IFRS 16 and IAS 41.	

Given the nature, scope or prospective nature of the application of these new rules, there has been no significant impact on these Consolidated financial statements for the period.

New mandatory rules, amendments and interpretations which is effective for periods beginning on or after 1 January 2023:

Standards issued by the IASB approved for application by the European Union		Mandatory application for periods beginning on or after:
IAS 1 (amendment) "Breakdown of accounting policies"	Amendments that allow entities to adequately identify material accounting policy information that should be disclosed in the financial statements.	1 January 2023
IAS 8 (amendment) "Definition of accounting estimate".	Modifications and clarification on how a change in an accounting estimate should be understood.	1 January 2023
IAS 12 (amendment) "Deferred taxes arising from assets and liabilities arising from a single transaction".	Clarification on how entities should record the deferred tax generated in operations such as leases and dismantling obligations.	1 January 2023
IFRS 17 (amendment) "Insurance contracts. Initial application of IFRS 17 and IFRS 9. Comparative information".	Modification in the transition requirements of IFRS 17 for insurers applying IFRS 17 and IFRS 9 for the first time at the same time.	1 January 2023
IFRS 17 "Insurance contracts".	New standard replacing IFRS 4. It sets out the principles of recording, valuation, presentation and breakdown of insurance contracts with the objective that the entity provides relevant and reliable information that allows users of financial information to determine the effect that insurance contracts have on the financial statements.	1 January 2023

Standards issued by the IASB pending adoption by the European Union		Mandatory application for periods beginning on or after:
IAS 1 (amendment) - "Classifications of liabilities as current or non-current"	Clarifications regarding the classification of liabilities into current or non-current.	1 January 2024
IFRS 16 (amendment) "Leasing liabilities on a sale with subsequent leaseback"	This amendment clarifies the subsequent accounting for lease liabilities arising in subsequent sale and leaseback transactions.	1 January 2024

3.2. True and fair presentation-

These consolidated financial statements for the year ended on 31 December 2022 were prepared by the Parent Company's Board of Directors, and were obtained from the accounting records of Scientia School, S.A and subsidiaries, and presented in accordance with the regulatory financial reporting framework applicable and, in particular, the accounting principles and criteria contained therein, so that they present fairly the net worth, financial position and results of the corresponding year, and it is considered that they will approved by the Shareholders' General Meeting without any amendments.

There are no exceptional reasons why, in order to show a true and fair view, legal provisions on accounting matters have not been applied.

3.3. Non-mandatory accounting principles applied-

The accounting principles and criteria applied to prepare these consolidated financial statements are the those summarized in Note 5 of these Notes to the consolidated financial statements. No non-mandatory accounting principles were applied.

Furthermore, the Parent Company's Board of Directors prepared these consolidated financial statements by taking into all the mandatory accounting principles and standards with a significant effect on these consolidated financial statements. All mandatory accounting principles were applied.

3.4. Going concern principle-

These consolidated financial statements were prepared by the Parent Company's Board of Directors on the assumption of going concern principle, which implies that the Group's debts will be settled in the maturities, amounts and deadlines agreed with third parties, and the assets will be realized, in the normal course of transactions.

As of 31 December 2022, the Group's working capital amounted to -2,237 thousand euros (-2,310 thousand euros in 2021). Notwithstanding the foregoing, the Parent Company is in negotiations with different institutions, estimating to reach different agreements that allow financing different operations that the Company has in process of strengthening, estimating that they can be reached without troubles during the first half of 2023, so there are no doubts that may lead the Group not to formulate the accounts under the assumption of the going concern principle.

Extraordinary situation caused by Ukrainian War-

The Group has no exposure to Russian gas. While the Group has no direct exposure to Russian gas or Russian counterparts, there can be no assurance that the Group will not be indirectly affected by the crisis, through the effect of sanctions on EU economies, higher interest rates, higher volatilities in exchange rates and commodity prices, as well as possible supply chain disruptions, higher inflation and possible Russian cyberattacks.

At the end of 2022, as well as at the date of preparation of these consolidated financial statements, there has been no significant effects on the Group's activity and to date, it has not identified any significant effect or change with respect to these events for the year 2023.

3.5 Key issues in relation to the assessment and estimation of uncertainty-

In preparing these consolidated financial statements, estimations made by the Parent Company's Board of Directors in order to measure certain assets, liabilities, income expenses and commitments recognized therein were used. These estimates relate basically to the following:

- Reasonableness and recovery of deferred tax and tax deductions recognized as deferred tax assets (note 4.n)

Although these estimates were made on the basis of the best information available at year-end on 31 December 2022 and later events, events that take place in the future might make it necessary to change these estimates (upwards or downwards) in coming years. Changes in accounting estimates would be applied prospectively in the corresponding consolidated income statements.

In preparing the accompanying consolidated financial statements the Group made certain estimates and judgements concerning the future that are constantly assessed and are based on experience and other factors, including expectations regarding future events thought reasonable under the circumstances.

3.6. Comparative information-

These consolidated financial statements present for comparative purposes, with each of the items in the balance sheet, the profit and loss statement, the statement of changes in equity and the statement of cash flows, in addition to the figures for the year 2022, those corresponding to the previous year.

Likewise, this Annual Accounts Report is presented with information from both years for comparative purposes.

3.7. Items included under several line items-

Certain assets and liabilities in the accompanying consolidated balance sheet are recognized under several line items.

3.8. Changes in accounting policies-

In the year ended on 31 December 2022, there were no significant changes in accounting policies with respect to the policies that were applied in 2021, and therefore no adjustments have been made to the consolidated financial statements for these items.

3.9. Correction of errors-

The consolidated financial statements for the year ended on 31 December 2022 do not include any adjustments made as a result of errors detected in the process of preparing them.

3.10. Materiality-

In preparing these consolidated financial statements, when determining the information to be broken-down on the various items in the financial statements or other matters, the Group, in accordance with the conceptual framework of the International Financial Reporting Standards IFRSs) and the International Accounting Standards (IASs), considered their relative importance.

4. PROFIT OR LOSS DISTRIBUTION

The Parent Company's Board of Directors will propose to the Shareholders' General Meeting the approval of the profit/(loss) for the year ended on 31 December 2022 and this allocation as follows:

	(thousands of euros)	
Basis of allocataion	**31-dic.-22**	**31-dic.-21**
P&L Statement balance	657	89
Total	**657**	**89**
Allocation	**Amount**	**Amount**
To Legal reserve	66	9
To Vluntary Reserves	591	80
Total	**657**	**89**

5. RECOGNITION AND VALUATION STANDARDS

The main recognition and valuation standards used by the Group in preparing theses consolidated financial statements, in accordance with established in the International Financial Reporting Standards (IFRSs) as implemented by the European Union pursuant to Regulation (EC) No 1606/2002 of the European Parliament and Spanish Law 62/2003, of 31 December, on tax, administrative and social security measures, and the applicable rules and circulars of the Spanish National Securities Market Commission (CNMV), were as follows:

a) Consolidation Method-

The consolidation method for the subsidiaries included in the scope of consolidation as of 31 December 2021 (note 2) is the full consolidation method, since the Parent Company has direct control over the subsidiaries of more than 50% of the capital stock or voting rights.

The full consolidation method consists of integrating the assets and liabilities, as well as incomes and expenses of the subsidiary company, from the effective date of integration, at the fair values of their respective financial statements, attributing to non-controlling interests the corresponding portion of the net worth of the consolidated company.

b) Homogenization of information-

Temporary-

The consolidated financial statements of the companies comprising the consolidated Group refer to the annual year -or those months included in the scope- ending 31 December.

Valuation-

All the assets and liabilities, as well as the income and expenses of the Subsidiaries included in the scope of consolidation apply the valuation rules indicated in these notes to the consolidated financial statements, for the purpose of their integration into the Consolidated Financial Statements, making the necessary adjustments and reclassifications to homogenize the principles and valuation rules used by a Subsidiary with those applied by the Parent Company in the consolidation process.

c) Goodwill / Negative difference of first consolidation-

The Goodwill or the negative difference of the combination is determined by the difference between the fair values of the assets acquired and liabilities assumed recorded and the cost of the combination, all referred to the acquisition date.

The cost of the combination is determined by the aggregation of:

- The acquisition-date fair values of the assets transferred, liabilities incurred or assumed, and equity instruments issued.
- The fair value of any contingent consideration that depends on future events or the fulfillment of predetermined conditions.

Expenses related to the issuance of equity instruments or financial liabilities delivered in exchange for the items acquired are not part of the cost of the combination. Likewise, fees paid to legal advisors or other professionals involved in the combination and, of course, internally generated expenses for these items do not form part of the cost of the combination. These amounts are charged directly to the consolidated income statement.

If the business combination is carried out in stages, so that prior to the date of acquisition, which is the date on which control is taken, there was a previous investment, the goodwill or negative difference is obtained by the difference between:

- The cost of the business combination, plus the fair value at the acquisition date of any previous interest of the acquiring company in the acquired company, and
- The value of the identifiable assets acquired less the value of those assumed, determined as indicated above.

Any gain or loss arising as a result of the measurement at fair value at the date on which control is obtained over the previous existing interest in the acquiree is recognized in the income statement. If the investment in this investee had previously been valued at fair value, the valuation adjustments pending to be charged to income for the year will be transferred to the income statement. On the other hand, the cost of the business combination is presumed to be the best reference for estimating the fair value at the acquisition date of any previous investment.

Therefore, goodwill on consolidation is recorded at the amount of the positive difference between the book value of the Parent Company's direct or indirect shareholding in the capital of the subsidiary or associate and the value of the proportional part of the equity of this company attributable to that shareholding at the date of first consolidation.

The positive difference is reduced by the amount of asset revaluations or reductions in the value of the subsidiary's liabilities, up to the limit of the market value, in the proportion that the shareholding in the subsidiary's capital corresponds to that amount.

Goodwill is not amortized and is subsequently valued at cost less impairment losses. Impairment losses recognized in goodwill are not reversed in subsequent years.

The negative difference in consolidation is recorded for the amount of the negative difference between the book value of the Parent Company's direct or indirect shareholding in the capital of the subsidiary or associate and the value of the proportional part of the latter's equity attributable to that shareholding at the date of first consolidation. This difference is recorded as income for the year in the consolidated income statement.

d) Non-controlling interests-

Minority interests in subsidiaries are recognized at the percentage of equity interest at the date of first consolidation. Non-controlling interests are presented in equity in the accompanying consolidated balance sheet separately from equity attributable to the Parent Company. The share of minority interests in the profit or loss for the year is also presented separately in the consolidated income statement.

The share of the Group and minority interests in the profits or losses and in the changes in equity of the Subsidiaries, after considering the adjustments and eliminations arising from homogenization and consolidation, is determined on the basis of the percentages of ownership existing at year-end, without considering the possible exercise or conversion of potential voting rights.

The results and income and expenses recognized in the equity of subsidiaries are allocated to the equity attributable to the Parent Company and to minority interests, in proportion to their shareholdings, even if this implies a balance due to minority interests. Agreements entered between the Group and minority interests are recognized as a separate transaction.

e) Balance and transactions between Companies included in scope of consolidation-

As part of consolidation process, all material income and expenses derived from transactions between companies included in the scope of consolidation by full consolidation method were eliminated, as well as debit and credit balances existing between them.

When in the annual financial statements of the Subsidiaries, the amounts of the items derived from internal transactions do not coincide, or there is any item pending to be recorded, the appropriate adjustments are made to make the corresponding eliminations.

f) Foreign Companies included in the scope of consolidation-

The items in the balance sheet and income statements of foreign subsidiaries included in the scope of consolidation whose functional currency is different from the euro have been converted into euros, applying the closing exchange rate method to the balance sheet and the average exchange rate method to the income statement. In this way:

a. Assets and liabilities are converted at the closing exchange rate, understood as the last spot exchange rate existing on the last day of the foreign exchange market.

b. Equity items and net worth, not including profit or loss for the year, are translated at historical exchange rates.

c. The items in its profit and loss statement are converted at the average exchange rate for the year.

d. The difference between the net amount of assets and liabilities and equity items are included under a specific heading of consolidated equity, called "Adjustments for change in value-Forex Gain/(loss) on consolidation", where appropriate, net of the income tax effect, and after deducting the part of said difference that corresponds to non-controlling interests.

g) Intangible assets-

As a general rule, intangible assets are recognised initially at acquisition or production cost. They are subsequently measured at cost less any accumulated amortization and any accumulated impairment losses.

The acquisition cost includes, in addition to the amount billed by the seller, all additional expenses that are incurred until the assets are ready for their intended use.

Each intangible asset is analysed to determine whether it has a finite or an indefinite useful life. Assets with a finite useful life are amortized systematically according to the estimated useful life of the assets and their residual value. The amortization methods and periods applied are reviewed at the end of each year and, if necessary, adjusted prospectively. At least once, at each reporting date, the Company assesses whether there is any indication of impairment, in which case the recoverable amounts are estimated, and the required valuation adjustments are made.

When the useful life of these assets cannot be reliably defined, they are depreciated within 10 years without prejudice to the deadlines established in the specific rules on intangible assets.

The amortization methods and periods applied are reviewed at the end of each reporting period and, if necessary, adjusted prospectively.

At least, at each year-end, the existence of indications of impairment is assessed, which is calculated in accordance with the criteria set forth for property, plant and equipment in the following section.

h) Tangible fixed assets-

Tangible fixed assets are initially recognised at acquisition or production cost and are subsequently reduced by the related accumulated depreciation and by any impairment losses recognised. The cost includes indirect taxes that cannot be recovered and, if any, the initial estimate of the present value of the obligations assumed arising from the dismantling or withdrawal and other obligations associated with the asset, such as the costs for the rehabilitation of the site on which it is located, provided that these obligations result in the registration of provisions.

The acquisition cost includes, in addition to the amount billed by the seller after deducting any discounts or rebates, all additional and directly related expenses that arise until the assets are ready for their intended use, including the location and condition necessary for it to be capable of operating in the manner intended. These expenses include demolition and levelling expenses, customs duties, transport, insurance, installation, assembly and similar expenses.

Tangible fixed assets upkeep and maintenance expenses are recognised in the income statement for the year in which they are incurred. However, the costs of improvements leading to increased capacity or efficiency or to a lengthening of the useful lives of the assets are capitalized.

The Group depreciates fixed assets on a straight-line basis, based on the years of estimated useful life of each item of its fixed assets. The breakdown of the years of estimated useful life applied in the year ended 31 December 2022, as well as in 2021 is as follows:

	Years of estimated useful life
Buldings	50
Plant and machinery	9-12
Other fixtures and furniture	10
Hardware	4-6
Other items of plant, property and equipment	9-12

When an item in a given asset has a significant cost in relation to the total cost of the asset and a useful life other than the rest of the asset, the various items that form the asset are independently depreciated.

Any changes in the residual value, the useful life and the depreciation method applied to an asset are recognised as changes in the accounting estimates, unless they constitute an error.

When an impairment loss is recognised in accordance with the following paragraph, depreciation is recalculated based on the new carrying amount, residual value and remaining useful life.

For assets that necessarily take a period of more than twelve months to become ready for their intended use, the capitalised costs include such borrowing costs as might have been incurred before the property is ready for its intended use and that have been charged by the supplier or relate to loans or other specific-purpose or general-purpose borrowings directly attributable to the acquisition or production of the property.

The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the consolidated income statement.

i) Real Estate Investments-

Real Estate Investments is initially recognised at acquisition or production cost and are subsequently reduced by the related accumulated depreciation and by any impairment losses recognised. The cost includes indirect taxes that cannot be recovered and, if any, the initial estimate of the present value of the obligations assumed arising from the dismantling or withdrawal and other obligations associated with the asset, such as the costs for the rehabilitation of the site on which it is located, provided that these obligations result in the registration of provisions.

The acquisition cost includes, in addition to the amount billed by the seller after deducting any discounts or rebates, all additional and directly related expenses that arise until the assets are ready for their intended use, including the location and necessary conditions for it to be capable of operating in the manner intended.

Maintenance expenses are recognised in the income statement for the year in which they are incurred. However, the costs of improvements leading to increased capacity or efficiency or to a lengthening of the useful lives of the assets are capitalized.

The Group amortizes investment property using on a straight-line basis, based on the years of estimated useful life of each of the properties that make it up the detail of the years of estimated useful life applied in the year ended 31 December 2022, as well as in 2021, is 50 years for buildings, as it relates to a type of building -schools- intended for operating lease.

When an item in a given asset has a significant cost in relation to the total cost of the asset and a useful life other than the rest of the asset, the various items that form the asset are independently depreciated.

Any changes in the residual value, the useful life and the depreciation method applied to an asset are recognised as changes in the accounting estimates, unless they constitute an error.

When an impairment loss is recognised in accordance with the following paragraph, depreciation is recalculated based on the new carrying amount, residual value and remaining useful life.

For assets that necessarily take a period of more than twelve months to become ready for their intended use, the capitalised costs include such borrowing costs as might have been incurred before the property is ready for its intended use and that have been charged by the supplier or relate to loans or other specific-purpose or general-purpose borrowings directly attributable to the acquisition or production of the property.

The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the consolidated income statement.

j) Impairment of tangible and intangible fixed assets-

At year-end or whenever there are indications of impairment (for the other assets), the Company tests the investment property for impairment to determine whether the recoverable amount of the assets has been reduced to below their carrying amount.

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

The recoverable amounts are calculated for each cash-generating unit, although in the case of property, plant and equipment, wherever possible, the impairment tests are performed individually for each asset.

In years ended on 31 December 2022 and 2021, the Group did not recognise any impairment losses on its assets.

k) Leases-

A lease is any agreement, regardless of its legal instrument, whereby the lessor transfers to the lessee, in exchange for receiving a single sum of money or a series of payments or fees, the right to use an asset for a certain period of time, regardless of whether the lessor is required to provide services in relation to the operation or maintenance of this asset.

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards incidental to ownership of the leased asset to the lessee. All other leases are classified as operating leases.

All risks and benefits are presumed to be transferred when:

- The purchase option exists in the agreement and there is no doubt that it will be exercised.
- The ownership of the asset is transferred at the end of the lease term.
- The lease term coincides with most of the asset's economic life.

Finance lease-

In finance leases, the cost of the leased assets is presented in the consolidated balance sheet, based on the nature of the leased asset, and, simultaneously, a liability is recognised for the same amount. This amount will be the lower of the fair value of the leased asset and the present value, at the inception of the lease, of the agreed minimum lease payments, including the price of the purchase option when it is reasonably certain that it will be exercised. The minimum lease payments do not include contingent rent, costs for services and taxes to be paid by and reimbursed to the lessor. The total finance charges arising under the lease are allocated to the consolidated income statement for the year in which they are incurred using the effective interest method. Contingent rent is recognised as an expense for the period in which it is incurred.

The initial direct transaction costs are recognised as an increase in the value of the asset.

The embedded interest rate of the agreement is used to calculate the present value. The total of the finance charges are distributed over the term of the lease, and they are recognised in the income statement for the fiscal year in which they are accrued, applying the effective interest rate.

Leased assets are depreciated, based on their nature, using similar criteria to those applied to the items of property, plant and equipment that are owned.

There are no transactions in the accompanying balance sheets that are regarded as such in 2022 and 2021.

Operating Lease-

Asset leases in which the lessor effectively retains all risks and rewards of ownership are classified as operating leases.

If the Company acts as the lessor, income and costs arising under operating leases are allocated to the consolidated income statement for the year in which they are incurred.

Also, the acquisition cost of the leased asset is presented in the consolidated balance sheet according to the nature of the asset, increased by the costs directly attributable to the lease, which are recognised as an expense over the lease term, applying the same method as that used to recognise lease income.

In operating leases in which the Company acts as the lessee, costs arising under operating leases are allocated to the income statement for the year in which they are incurred.

A payment made on entering into or acquiring a leasehold that is accounted for as an operating lease represents prepaid lease payments that are amortised over the lease term in accordance with the pattern of benefits provided.

l) Financial instruments-

A "financial instrument" is a contract which gives rise to a financial asset in an entity and, simultaneously, to a financial liability or equity instrument in another entity.

A "financial derivative" is a financial instrument whose value changes as a response to the changes in an observable market variable (such as an interest rate, exchange rate, etc.), whose initial investment is very small in relation to other financial instruments with a similar response to the changes in market conditions, and which is generally settled on a future date.

Financial assets-

A financial asset is any asset that is cash, an equity instrument of another company, or entails a contractual right to receive cash or other financial asset, or to exchange financial assets or liabilities with third parties on potentially favourable terms.

For the purpose of reporting in the notes to the financial statements, financial assets are grouped into the following classes:

- Equity Instruments.
- Loans, derivatives and others.

For measurement purposes, they are classified into one of the following categories:

a) Financial assets at fair value with changes in profit or loss.
b) Financial assets at amortized cost.
c) Financial assets at fair value with changes in net worth.
d) Financial Assets at cost.

The financial assets which the Group holds are classified as follows:

i. Financial assets at fair value with changes in profit or loss: the Group classifies a financial asset in this category unless it should be classified in one of the other categories.

n any case, financial assets held for trading are included in this category. The Group considers that an asset is held for trading when at least one of the following three circumstances is met:

a) It arises or is acquired with the purpose of selling it in the short-term.
b) It is part, at the time of initial recognition, of a portfolio of identified financial instruments that are managed together and for which there is evidence of recent actions to obtain short-term gains.
c) Is a derivative financial instrument, provided that it is neither a financial guarantee contract nor has been designated as a hedging instrument.

In addition to the above, the Group has the option, at initial recognition, to designate an asset irrevocably as measured at fair value through profit or loss, and which would otherwise have been included in another category -usually referred to as a "fair value option"-. This option may be elected if it eliminates or significantly reduces a value inconsistency or accounting asymmetry that would otherwise arise from valuing assets or liabilities on different bases.

Financial assets classified in this category are initially measured at fair value which, in the absence of evidence to the contrary, is assumed to be the transaction price, which is equivalent to the fair value of the consideration given. Directly attributable transaction costs are recognized in the income statement for the year -i.e., they are not capitalized-.

These financial assets are included in non-current assets, except for those maturing within 12 months from the balance sheet date, which are classified as current assets.

Subsequent to initial recognition, the Group values the financial assets included in this category at fair value through profit or loss -financial result-.

Impairment is assessed at least at year-end and whenever there is objective evidence that the value of an asset is impaired as a result of one or more events that occurred after its initial recognition and that cause a reduction or delay in the estimated future cash flows, which may be caused by the debtor's insolvency.

The impairment loss on these financial assets is the difference between their carrying amount and the present value of future cash flows estimated to be generated, discounted at the effective interest rate calculated at the time of initial recognition. For floating rate financial assets, the effective interest rate at the date of the consolidated financial statements is used in accordance with the contractual conditions.

However, as a substitute for the present value of future cash flows, the market value of the instrument is used, provided that it is sufficiently reliable to be considered representative of the value that could be recovered by the company.

Impairment losses and their reversal are recognized in the income statement. The reversal of the impairment is limited to the carrying amount of the receivable that would have been recognized at the date of reversal if the impairment had not been recorded.

ii. Financial assets at amortized cost: the Group classifies a financial asset in this category, even if it is admitted to trading on a regulated market, if the following conditions are met:

a) The Group holds the investment under a management model whose objective is to receive the cash flows derived from the execution of the contract.

b) The management of a portfolio of financial assets to obtain its contractual cash flows does not imply that all the instruments must necessarily be held to maturity; financial assets may be considered to be managed for this purpose even if sales have taken place or are expected to take place in the future. For this purpose, the Group considers the frequency, amount, and timing of sales in prior periods, the reasons for those sales and expectations regarding future sales activity.

c) The contractual characteristics of the financial asset give rise, at specified dates, to cash flows that are solely collections of principal and interest on the principal amount outstanding. That is, the cash flows are inherent to an arrangement that is in the nature of an ordinary or common loan, notwithstanding that the transaction is arranged at a zero or below-market interest rate.

   It is assumed that this condition is met, in the case of a bond or a simple loan with a specific maturity date and for which the Group charges a market interest rate, fixed or variable, and may be subject to limits. Conversely, it is assumed that this condition is not met in the case of instruments convertible into equity instruments of the issuer, loans with an inverse floating interest rate - that is, a rate that has an inverse relationship with market interest rates - or those in which the issuer may defer the payment of interest, if such payment would affect its solvency, without the accrued interest accruing additional interest.

Assets classified in this category, as a general rule, are included in current assets, except for maturities exceeding 12 months from the balance sheet date, which are classified as non-current assets.

Also, as a general rule, trade receivables - "Trade receivables"- and non-trade receivables - "Other receivables and debtors"- are included in this category.

Financial assets classified in this category are initially measured at fair value, which, unless there is evidence to the contrary, is assumed to be the transaction price, which is equivalent to the fair value of the consideration given, plus any directly attributable transaction costs -i.e., the inherent transaction costs are capitalized-.

However, trade receivables maturing within one year and which do not have an explicit contractual interest rate, as well as receivables from personnel, dividends receivable and disbursements required on equity instruments, the amount of which is expected to be received in the short term, are valued at their nominal value when the effect of not discounting the cash flows is not significant.

Subsequent valuation is carried out at amortized cost, provided that the initial valuation was made at fair value. In these cases, accrued interest is recorded in the profit and loss account, applying the effective interest rate method.

In cases where the initial valuation was made at the nominal value of the debt, they continue to be valued at nominal value, without prejudice to any impairment that might have to be recognized.

Impairment is assessed at least at year-end and whenever there is objective evidence that the value of a loan (or a group of loans with similar risk characteristics valued collectively) has deteriorated as a result of one or more events that occurred after its initial recognition and that cause a reduction or delay in the estimated future cash flows, which may be caused by the debtor's insolvency.

The impairment loss on these financial assets is the difference between their carrying amount and the present value of future cash flows estimated to be generated, discounted at the effective interest rate calculated at the time of initial recognition. For floating rate financial assets, the effective interest rate at the date of the consolidated financial statements is used in accordance with the contractual conditions.

Impairment losses and their reversal are recognized in the income statement. The reversal of the impairment is limited to the carrying amount of the receivable that would have been recognized at the date of reversal if no impairment had been recorded.

Investments in group companies, jointly controlled entities, and associates-

Investments in Group companies, associates and jointly controlled entities are valued at cost, less, if applicable, the accumulated amount of impairment losses, and are classified as financial assets at cost.

At least at year-end, the necessary valuation adjustments must be made whenever there is objective evidence that the carrying amount of an investment will not be recoverable.

The amount of the valuation adjustment shall be the difference between its book value and the recoverable amount, understood as the higher of its fair value less costs to sell and the present value of the future cash flows derived from the investment, calculated either by estimating those expected to be received as a result of the distribution of dividends by the investee and the disposal or derecognition of the investment in the investee, or by estimating its share of the cash flows expected to be generated by the investee, both from its ordinary activities and from its disposal or derecognition. Unless there is better evidence of the recoverable amount of the investments, the estimate of the impairment of this type of assets will take into consideration the equity of the investee, adjusted by the unrealized gains existing at the valuation date, which correspond to identifiable elements in the investee's balance sheet.

Impairment losses and, if applicable, their reversal, are recorded as an expense or income, respectively, in the income statement. The reversal of the impairment will be limited to the carrying amount of the investment that would have been recognized at the date of reversal if the impairment had not been recorded.

Criteria used for determining the income and expenses from the various categories of financial instruments -

Interest and dividends from financial assets accrued after the date of acquisition are recognised as income in the consolidated income statement. Interest must be recognised using the effective interest method and dividends are recognised when the right to receive them is declared.

For these purposes, unmatured accrued explicit interest as well as the dividends agreed upon by the competent body at the time of acquisition are independently recognised, by maturity, when the financial assets are initially recognised. For these purposes, explicit interest is understood to be that obtained when applying the contractual interest rate of a financial instrument.

In addition, if the dividends distributed clearly originate from profit generated prior to the date of acquisition, as a result of the amounts distributed being greater than the profit generated by the investee since then, they are not recognised as income and the carrying amount of the investment is reduced.

Financial liabilities-

Financial liabilities are financial instruments issued, incurred or assumed that, according to their economic reality, represent a direct or indirect contractual obligation for the company to deliver cash or another financial asset, or to exchange financial assets or liabilities with third parties under potentially unfavorable conditions.

Financial liabilities, for valuation purposes, are classified in one of the following categories:

i. Financial liabilities at amortized cost.
ii. Financial liabilities at fair value with changes in profit or loss.

The Group only holds financial liabilities classified as "Financial liabilities at amortized cost". The applicable valuation standards are as follows.

The Group classifies all financial liabilities in this category except when they must be measured at fair value through profit or loss.

In general, this category includes trade payables -“suppliers”- and payables for other non-trade transactions -“other payables”-.

Participating loans that have the characteristics of an ordinary or common loan are also included in this category, regardless of whether the transaction is agreed at a zero or below-market interest rate.

These borrowings are classified as current liabilities, unless the Group has an unconditional right to defer settlement for at least 12 months after the balance sheet date.

Financial liabilities included in this category are initially measured at fair value which, unless there is evidence to the contrary, is deemed to be the transaction price, which is equivalent to the fair value of the consideration received, adjusted for directly attributable transaction costs -i.e., the inherent transaction costs are capitalized-.

Notwithstanding the foregoing, -in most cases- the Group values them at nominal value, provided that the following conditions are met:

- They have a maturity not exceeding one year,
- They do not have a contractual interest rate and
- The effect of not discounting cash flows is not significant.

Subsequent measurement is carried out at amortized cost, provided that the initial valuation was made at fair value. In these cases the accrued interest is recorded in the profit and loss account, applying the effective interest rate method.

In those cases in which the initial valuation was made at the nominal value of the debt, they continue to be valued at nominal value, without prejudice to any impairment that might have to be recognized.

The Group derecognizes financial liabilities when the obligations that gave rise to them are extinguished.

m) Current and non-current items-

Current assets are assets associated with the Group’s normal operating cycle, which in general is considered to be one year; other assets that are expected to mature, be disposed of or be realised within twelve months from the end of the reporting period, financial assets held for trading with the exception of financial derivatives that are due to be settled after twelve months, and cash and cash equivalents. Assets that do not meet these requirements are classified as non-current assets.

Current liabilities also comprise liabilities associated with the Group's normal operating cycle; financial liabilities held for trading, with the exception of derivatives that are due be settled after twelve months; and, in general, any obligations that are due to be settled in the short term. Otherwise, they are classified as non-current liabilities.

n) Income tax-

Tax income or tax expense comprises current tax income or current tax expense and deferred tax expense or deferred tax income.

The current income tax expense is the amount payable by the Grupo as a result of the sum of income tax settlements for a given year. Tax credits and other tax benefits, excluding tax withholdings and prepayments, and tax loss carry forwards from prior years effectively offset in the current year reduce the current income tax expense.

The deferred tax expense or income relates to the recognition and derecognition of deferred tax assets and liabilities. These include temporary differences measured at the amount expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities and their tax bases, and tax loss and tax credit carry forwards. These amounts are measured at the tax rates that are expected to apply in the period when the asset is realised, or the liability is settled.

Deferred tax liabilities are recognised for all taxable temporary differences, except for those arising from the initial recognition of goodwill or of other assets and liabilities in a transaction that is not a business combination and affects neither accounting profit/(loss) nor taxable profit/(tax loss).

Deferred tax assets are recognised to the extent that it is considered probable that the Company will have taxable profits in the future against which the deferred tax assets can be utilised.

The deferred tax assets recognised are reassessed at the end of each reporting period and the appropriate adjustments are made to the extent that there are doubts as to their future recoverability. Also, unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that they will be recovered through future taxable profits.

The Parent Company neither the Group are not subject to the consolidated tax regime.

o) Revenue and expenses-

The Group's main activity consists of the operation of educational centers in the field of regulated and subsidized education, as well as other activities related to real estate development and the rental of buildings, digital transformation for education and activities regarding Holding Companies.

Revenues and expenses are recognized on an accrual basis, i.e., when the actual flow of the related goods and services occurs, regardless of when the resulting monetary or financial flow arises. Such revenues are measured at the fair value of the consideration received, net of discounts, rebates and taxes.

However, the Group only records realized gains at the year-end date, whereas foreseeable risks and losses, even if contingent, are recognized as soon as they become known.

Revenue from sales of goods and services rendered is measured at the fair value of the consideration received or receivable, which is equal to the agreed price for such goods or services, less the amount of any discounts, rebates or other similar items granted. Also included is the interest included in trade receivables with maturity not exceeding one year and without a contractual interest rate, since the effect of not discounting cash flows is not significant.

Discounts granted to customers are recognized when it is probable that the conditions for granting them will be fulfilled as a reduction of sales revenues.

Taxes levied on the sale of goods and provision of services that the Group must pass on to third parties, such as value added tax and excise taxes, as well as amounts received on behalf of third parties, do not form part of income.

Advances of future sales are recorded at the value received.

Interest income-

Interest income from financial assets is recognised using the effective interest method. Additionally, interest from financial assets accrued after the date of acquisition is recognised as income in the consolidated income statement.

p) Business combinations-

Business combinations are accounted for in accordance with IFRS 3: Business Combinations and applying the Acquisition Method. This method determines the acquisition date and calculates the cost of the combination, recording the identifiable assets acquired and liabilities assumed at their fair value as of that date.

The goodwill or negative difference of the combination is determined by the difference between the fair values of the assets acquired and liabilities assumed recorded and the cost of the combination, all referred to the acquisition date.

The cost of the combination is determined by the aggregation of:

- The fair values at the acquisition date of the assets transferred, liabilities incurred or assumed and equity instruments issued.
- The fair value of any contingent consideration that depends on future events or the fulfillment of predetermined conditions.

Expenses related to the issuance of the equity instruments or financial liabilities delivered in exchange for the items acquired do not form part of the cost of the combination.

Likewise, the fees paid to legal advisors or other professionals involved in the combination and, of course, the expenses generated internally for these items do not form part of the cost of the combination. These amounts are charged directly to the income statement.

In the exceptional case that a negative difference arises in the combination, this is charged to the profit and loss account as income.

If, at the closing date of the year in which the combination occurs, the valuation processes necessary to apply the acquisition method described above cannot be completed, this accounting is considered provisional, and these provisional values may be adjusted over the period necessary to obtain the required information, which in no case may exceed one year. The effects of the adjustments made in this period are accounted for retroactively by modifying the comparative information if necessary.

Subsequent changes in the fair value of the contingent consideration are adjusted against income unless such consideration has been classified as equity in which case subsequent changes in its fair value are not recognized.

q) Provisions and contingencies-

In preparing these consolidated financial statements, the Parent Company's Board of Directors differentiate between:

i. Provisions: credit balances covering current obligations arising from past events, the cancellation of which is likely to give rise to an outflow of resources, but whose amount and/or time of cancellation is undetermined.
ii. Contingent liabilities: possible obligations arising from past events, the future realization of which is conditional upon the occurrence or non-occurrence of one or more future events beyond the Group's control.

The Consolidated Financial Statements include all provisions for which it is considered more likely than not that the obligation will have to be settled. Unless they are considered to be remote, contingent liabilities are not recognized in the consolidated financial statements but are disclosed in the notes to the consolidated financial statements.

Provisions are measured at the present value of the best possible estimate of the amount required to settle or transfer the obligation, taking into account available information on the event and its consequences, and any adjustments arising from the restatement of such provisions are recorded as a financial expense as accrued.

The compensation to be received from a third party at the time of settling the obligation, provided that there are no doubts that such reimbursement will be received, is recorded as an asset, except in the event that there is a legal link whereby part of the risk has been externalized and by virtue of which the Group is not obliged to respond; in this situation, the compensation will be taken into account in estimating the amount for which, if any, the corresponding provision will be recorded.

r) Grants, donations and legacies-

The Group accounts for grants, donations and legacies received using the following criteria:

Non-refundable capital grants, donations or gifts and legacies-

They are measured at the fair value of the amount or the asset granted, depending on whether they are monetary or not, and are taken to income in proportion to the depreciation charge made in the period for the subsidized items or, if applicable, when they are disposed of or when there is a valuation adjustment for impairment, except for those received from partners or owners, which are recorded directly in shareholders' equity and do not constitute income.

Refundable capital grants-

As long as they are refundable, they are recorded as liabilities.

Operating grants-

Grants related to operations are credited to income when granted, unless their purpose is to finance losses from operations in future years, in which case they are allocated to income in those years. If grants are received to finance specific expenses, they are allocated to income as the financed expenses are accrued.

s) Criteria used to assess employee costs-

In the case of defined benefit remuneration, the contributions to be made give rise to a liability for long-term remuneration to employees when, at the end of the year, unpaid accrued contributions are included.

The amount of the provision for long-term remuneration payable to be recognised is the difference between the present value of the obligations assumed and the fair value of the possible assets relating to the obligations with which they are settled.

Severance payments-

Except in the case of justified cause, companies are required to compensate their employees when they cease to perform their services. Under current employment law, the Company is required to make severance payments to employees terminated under certain conditions. The Company records these payments when it has demonstrably agreed no longer to employ the employees in question based on a formal detailed plan that cannot be rescinded, or when it has undertaken to make severance payments due to an offer to encourage an employee to resign voluntarily. Severance payments that will not be paid in the twelve months following the reporting date are discounted to their present value.

Significant dismissals are not expected to take place and there are no objective reasons that require a provision to be recognised in this regard, and therefore no provision was made in this regard at 31 December 2022 and 2021.

t) Related party transactions-

The Group performs all its transactions with related parties on an arm's length basis. Also, the transfer prices are adequately supported and, therefore, the Company's managing body considers that there are no material risks in this connection that might give rise to significant liabilities in the future.

u) Foreign currency transactions-

Transactions in foreign currencies are translated into the functional currency using the exchange rates prevailing at the date of the transaction. Gains and losses on foreign currencies that arise from settling these transactions and from translating the monetary assets and liabilities denominated in foreign currencies at the year-end exchange rates are recognised in the income statement, except where they differ in equity, such as qualified cash flow hedges or qualified hedges of a net investment.

The Group's functional currency and presentation currency is the euro, although for presentation purposes these financial statements are expressed in thousands of euros.

6. INTANGIBLE ASSETS

The changes and detail in 2022 and 2021 under "intangible assets" in the accompanying Consolidated Balance Sheet were as follows:

FY'2022	Thousands of euros					
	Beginning Balance	Additions or Provisions	Business Combintations	Disposals	Transfers	Ending Balance
Cost-						
Goodwill on consolidation	10,170	-	1,231	-	-	11,401
Computer Software	4,101	864	10	-	-	4,975
Other intagible assets	303	-	-	-	-	303
Totla cost	**14,574**	**864**	**1,241**	**-**	**-**	**16,679**
Accumulated Amortization-						
Goodwill on consolidation	-	-	-	-	-	-
Computer Software	(1,627)	(424)	(8)	-	-	(2,059)
Other intagible assets	-	-	-	-	-	-
Total amortization	**(1,627)**	**(424)**	**(8)**	**-**	**-**	**(2,059)**
Net	**12,946**	**441**	**1,233**	**-**	**-**	**14,620**

FY'2021	Thousands of euros					
	Beginning Balance	Additions or Provisions	Business Combintations	Disposals	Transfers	Ending Balance
Cost-						
Goodwill on consolidation	2,399	7,771	-	-	-	10,170
Computer Software	3,565	536	-	-	-	4,101
Other intagible assets	303	-	-	-	-	303
Totla cost	**6,267**	**8,307**	**-**	**-**	**-**	**14,574**
Accumulated Amortization-						
Goodwill on consolidation	-	-	-	-	-	-
Computer Software	(1,062)	(566)	-	-	-	(1,628)
Other intagible assets	-	-	-	-	-	-
Totla amortization	**(1,062)**	**(566)**	**-**	**-**	**-**	**(1,628)**
Net	**5,205**	**7,741**	**-**	**-**	**-**	**12,946**

As of 31 December 2022 and in 2021, the Group did not have any intangible assets in use that were fully amortized.

Also, at the date of preparation of these Consolidated financial statements, the Group does not have intangible assets subject to ownership restrictions or pledged as liability guarantees, nor has the impairment of any of the intangible assets recognised in the accompanying Consolidated Balance Sheet Asset been required.

Goodwill on consolidation-

The goodwill on consolidation arising from the different business combinations as a result of the valuation at the date of first consolidation, either by cash-generating unit or by the acquisition and participation in the capital stock of the Subsidiaries, breaks down as follows:

Company	Owner	Balance 31/12/2022 (thousands euros)	Balance 31/12/2021 (thousands Euros)
Scientia School, S.A	Sociedad Dominante	41	41
Sebas, S.L.	Scientia School, S.A	375	375
Scientia Karmelo, S.L.	Scientia School, S.A	1771	1,771
Scientia Denia, S.L.	Scientia School, S.A	539	-
Co-learning Spaces, S.L.	Scientia School, S.A	-	-
Tilin Talán Spain, S.L.	Scientia School, S.A	-	-
Ecreatus,S.L.	Scientia School, S.A	377	377
Balab Karmelo, S.L.	Scientia School, S.A	0	0
Scientia Lalín, S.L.	Scientia School, S.A	0	0
Centro de Estudios AEG-Arroka, S.L.	Ecreatus, S.L.	311	311
AEG Heriz, S.L.	Scientia School, S.A	812	812
Scientia Alhucema, S.L.	Scientia School, S.A	1,116	1,116
Edunext, SL	Ecreatus, S.L.	261	250
Red Escuelas Digitales, S.L.	Ecreatus, S.L.	365	
Gestión del Conocimiento Digital Ieducando, S.L.	Red Escuelas Dgitales, S.L.	5,088	5,088
Ieducando Mexico S.A.P.I de C.V	Red Escuelas Dgitales, S.L.	12	-
Ieducando Colombia, S.A.S	Red Escuelas Dgitales, S.L.	45	-
Ieducando, S.P.A	Red Escuelas Dgitales, S.L.	-	-
Reparachromebooks, S.L.	Ecreatus, S.L.	108	-
Scientia Bilbao, S.L.	Scientia School, S.A	152	
		11,401	**10,170**

7. TANGIBLE FIXED ASSETS

The changes and detail in 2022 and 2021 under "tangible fixed assets" in the accompanying Consolidated Balance Sheet were as follows:

FY'2022	Thousands of euros					
	Beginning Balance	Additions or Provisions	Business Combintations	Disposals	Transfers	Ending Balance
Cost-						
Land and buildings	3,197	-	187	-	-	3,384
Plant, equipment, facilities and other property	5,866	2,507	1,066	-	-	9,439
Fixed assets under construction	43	32	-	-	-	75
Total cost	**9,106**	**2,539**	**1,253**	**-**	**-**	**12,898**
Accumulated Amortization-						
Land and buildings	(1,379)	(53)	(187)	-	-	(1,619)
Plant, equipment, facilities and other property	(3,497)	(547)	(694)	-	-	(4,738)
Total amortizazion	**(4,876)**	**(600)**	**(881)**	**-**	**-**	**(6,357)**
Net	**4,230**	**1,939**	**372**	**-**	-	**6,541**

FY'2021	Thousands of euros					
	Beginning Balance	Additions or Provisions	Business Combintations	Disposals	Transfers	Ending Balance
Cost-						
Land and buildings	557	2,640	-	-	-	3,197
Plant, equipment, facilities and other property	1,948	3,918	-	-	-	5,866
Fixed assets under construction	-	43	-	-	-	43
Total cost	**2,505**	**6,601**	**-**	**-**	**-**	**9,106**
Accumulated Amortization-						
Land and buildings	(19)	(1,360)	-	-	-	(1,379)
Plant, equipment, facilities and other property	(1,411)	(2,086)	-	-	-	(3,497)
Total amortizazion	**(1,430)**	**(3,446)**	**-**	**-**	**-**	**(4,876)**
Net	**1,075**	**3,155**	**-**	**-**	-	**4,230**

The main additions for the year 2022, as in 2021, relate mostly to the different integrations to the scope of consolidation of the subsidiaries at the date of first consolidation, as well as, in the technological area of the group, the acquisition of devices for their transfer in use to customers of digital content and objects for education.

There are no revalued items in the entity's equity under the Balance Sheet Restatement of Law 16/2012, of December 27, 2012.

The Group has no property, plant and equipment under finance leases.

As of 31 December 2022, the Group has property, plant and equipment amounting to 187 thousand of euros, which are fully depreciated and still in use.

The Group has insurance policies to cover the risks to which its property, plant and equipment are subject, mainly those related to the buildings that make up the school it operates in the city of Getafe, Madrid. The coverage of these policies is considered sufficient.

8. REAL ESTATE INVESTMENTS

The changes and detail during 2022, as well as in 2021, under “tangible fixed assets” in the accompanying Consolidated Balance Sheet were as follows:

FY'2022	Thousands of euros					
	Beginning Balance	Additions or Provisions	Business Combinations	Disposals	Transfers	Ending Balance
Cost-						
Land and Buildgings	8,023	3,701	-	-	-	11,724
Total Cost	**8,023**	**3,701**	**-**	**-**	**-**	**11,724**
Accumulated Amortization-						
Buildings	(232)	(166)	-	-	-	(398)
Total amortization	**(232)**	**(166)**	**-**	**-**	**-**	**(398)**
Net	**7,791**	**3,535**	**-**	**-**	-	**11,326**

FY'2021	Thousands of euros					
	Beginning Balance	Additions or Provisions	Business Combinations	Disposals	Transfers	Ending Balance
Cost-						
Land and Buildgings	7,212	811	-	-	-	8,023
Total Cost	**7,212**	**811**	**-**	**-**	**-**	**8,023**
Accumulated Amortization-						
Buildings	(101)	(131)	-	-	-	(232)
Total amortization	**(101)**	**(131)**	**-**	**-**	**-**	**(232)**
Net	**7,111**	**680**	**-**	**-**	-	**7,791**

The main additions to investment property in 2022, amounting to EUR 336 thousands (EUR 461 thousands in 2021), relate mainly to the extension and improvements to the building located in San Sebastián, Guipúzcoa -Scientia Karmelo School- as well as in the building located in Lalín, Galicia - Scienta Lalín School-, in order to, on the one hand, to improve the existing facilities, and on the other hand, to expand the spaces available to host new educational activities, which the Group calls Co-learning, and which allow obtaining a greater volume of income from the educational operation and leasing of the building (note 15).

On the other hand, as part of the Group's Growth Plan, on 29 July 2021, the acquisition of the "Sagrado Corazón Carmelitas-Vedruna Denia" School was agreed, subject to the relevant approvals, which involved an investment of 350 thousand euros, as part of the additions to investment property. The acquisition was completely performed on 26 July 2022, for a total amount of EUR 3,716 thousand, which meant and increase in the item of EUR 3,366 thousand in 2022 (EUR 350 thousand in 2021).

The detail of land and buildings, as well as related expenses, improvements and refurbishments, at the end of 2022, as wells as in 2021, is as follows:

FY'2022	Thousands of euros					
	Land Cost	Building Cost	Improvements and reforms	Total	Accumulated Amortization	Net Value
Scientia Karmelo School (San Sebastian - Guipúzcoa)	573	3,727	2,186	6,486	(322)	6,164
Scientia Lalín School (Lalín - Galicia)	155	1,103	251	1,509	(52)	1,457
Scientia Alhucema School (Fuenlabrada-Madrid)	-	-	13	13	-	13
Scientia Denia School (Denia- Alicante)	1,278	2,438	-	3,716	(24)	3,692
Totals	**2,006**	**7,268**	**2,450**	**11,724**	**(398)**	**11,326**

FY'2021	Thousands of euros					
	Land Cost	Building Cost	Improvements and reforms	Total	Accumulated Amortization	Net Value
Scientia Karmelo School (San Sebastian - Guipúzcoa)	573	3,727	1,865	6,165	(208)	5,958
Scientia Lalín School (Lalín - Galicia)	155	1,103	241	1,499	(24)	1,474
Scientia Alhucema School (Fuenlabrada-Madrid)	-	-	9	9	-	9
Scientia Denia School (Denia- Alicante)	-	350	-	350	-	350
Totales	**728**	**5,180**	**2,115**	**8,023**	**(232)**	**7,791**

There are no items in the Group's assets in relation to investment property that have been restated under the Balance Sheet Restatement of Law 16/2012 of December 27, 2012.

The Group does not have any of the investment property assets under finance leases.

The building Scientia Karmelo School is encumbered, as of the closing date of 2022 with a mortgage granted by Caixabank (formerly Bankia), for an outstanding amount of EUR 9,108 thousands (9,740 thousand euros in 2021) granted on 14 July 2020 and resulting from the new financing granted by said entity for the financing of the strategic and inorganic growth plan designed by the Group.

The appraised value obtained by the discounted cash flow method for this property in 2022, in accordance with the appraisal carried out by an independent expert on May 12, 2022, amounted to, for mortgage purposes, EUR 17,261 thousand.

Likewise, the building Scientia Lalín School, Galicia, was acquired with the mortgage subrogation of the insolvent Company for an amount of 1,257 thousand euros. This loan was cancelled by the Parent Company as a single act for an amount of 600 thousand euros. For this cancellation, the Parent Company made a cash payment of EUR 300 thousand, and the remaining EUR 300 thousand were financed by means of a mortgage loan, with a lien on the property with Banc Sabadell. In addition, in May 2021, the Parent Company extended this mortgage loan in the amount of 1,000 thousand euros, as part of the growth plan for this property, whose amount pending payment as of 31 December 2022 amounts to EUR 1,171 thousand for the total of both loans (1,266 as of 31 December 2021) (note 12).

The appraised value obtained by the discounted cash flow method for this property, in accordance with the appraisal performed by an independent expert on November 25, 2020, amounted to the amount, for mortgage purposes, of 2,626 thousand euros.

Finally, the property corresponding to the Scientia Denia School, was acquired on July 26, 2022, and the Group subscribed for the financing of said acquisition a mortgage loan of EUR 3,500 thousand with the entity Caja Rural Central, whose outstanding amount of principal as of 31 December 2022 amounts to EUR 3,396 thousand.

The appraised value obtained by the flow discount method of said property, according to the appraisal carried out by an independent expert on June 22, 2022, amounted to the amount, for mortgage purposes, of EUR 7,030 thousand.

As of December 31, 2021, the Group has no fully depreciated investment property items that are still in use.

The Group has insurance policies to cover the risks to which the investment property is subject, individually for each of them. The coverage of these policies is considered sufficient and, additionally, it is fixed according to the requirements of the appraisers involved, as well as of the financial institutions for mortgage purposes.

9. LEASES

As of 31 December 2022, as well as during 2021, the Group, as the lessee, had entered into various agreements. The detail and information relating thereto are as follows:

Operating Leases-

The most significant operating leases entered into by the Group and in force as of 31 December 2022, and in 2021, correspond mainly to different 'technological renting' transactions performed by the Group for the use of reading devices, as well as the acquisition of textbook and digital publishing licenses, as well as different facilities, where different subsidiaries carry out their economic activities, among others, the facilities where the so-called Colegio Scientia San Sebastián is located and, during the year 2022, the Group agreed to lease the facilities it operates in Bilbao, Spain, under the name of Scientia Bilbao. As a whole, the Group's leases for 2022, as well as in 2021, present the following breakdown:

Thousands of euros	31-dic.-22	31-dic.-21
Technological Renting	618	224
Lease of facilities and others	264	78
	882	**302**

10. FINANCIAL ASSETS

The carrying value of each of the categories of financial instruments established in the "Financial Instruments" recording and valuation standard (except for investments in group and associated companies, which are recorded separately, and balances with the public authorities, which are recorded in Note 14), is as follows:

Long-term financial assets-

Categories	Thousands of euros					
	Long-term financial instruments					
	Equity intruments		Loans, derivatives and others		Total	
	31-dic.-22	31-dic.-21	31-dic.-22	31-dic.-21	31-dic.-22	31-dic.-21
Financial assets at fair value with changes in profit or loss	2,058	2,898	-	-	2,058	2,898
Financial assets at amortized Cost	-	-	240	1,253	240	1,253
Total	**2,058**	**2,898**	**240**	**1,253**	**2,298**	**4,150**

In relation to the amount included in financial assets at fair value with changes in profit or loss, as equity instruments, on October 14, 2020, the Group acquired, by way of a loan granted by its shareholders, 1,005,813 shares of the company IFFE Futura, S.A.

IFFE FUTURA, S.A. is a Spanish company, incorporated on November 11, 2011 before the Notary of Madrid, Mr. José Manuel Hernández Antolín, under number 3,903 of his record, with registered office at Finca Las Cadenas, Carretera Nacional VI, Km 586, and registered in the Commercial Registry of A Coruña, Volume 3680, Folio 43, Page C-58.178 and with Tax Identification Number A-86.249.331. The company is listed on the BME Growth trading segment of BME MTF Equity, a market directed and managed by Bolsas y Mercados Españoles, Sistemas de Negociación, S.A., and subject to the supervision of the National Securities Market Commision (CNMV -acronym in Spanish-).

On February 15, 2021, these shares were swapped for shares of IMPULSE FITNESS SOLUTIONS, S.A., a Spanish company, incorporated on February 15, 2021, before the notary public of Madrid, Mr. Pedro A. Mateos Salgado, under number 1176 of his record, and with tax identification number A-42.900.563. The Company was listed on the Euronext Access multilateral market, on the Paris Stock Exchange, France, on July 15, 2021, which resulted in the Group holding 402,325 shares, valued at 5 euros per share, as consideration for this transaction, for a total amount of 2,011 thousand euros.

On the other hand, the Parent Company, during the year 2021, has constituted different deposits and investment funds for a total amount of EUR 750 thousand that, at the end of 2022 finacial year, are recognized in the short-term and which serve as a guarantee for some of the debts performed with financial institutions (note 12).

Short-term financial assets-

Categories	Thousands of euros					
	Short-term financial instruments					
	Equity instruments		Loans, derivatives and others		Total	
	31-dic.-22	31-dic.-21	31-dic.-22	31-dic.-21	31-dic.-22	31-dic.-21
Financial assets at amortized Cost	-	-	5,200	4,989	5,200	4,989
Total	**-**	**-**	**5,200**	**4,989**	**5,200**	**4,989**

Financial assets at amortized cost-

The item "Financial assets at amortized cost" includes the items and amounts shown in the following figure.

	Thousands of euros			
	Non-current		Current	
	31-dic.-22	31-dic.-21	31-dic.-22	31-dic.-21
Inventories	-	-	355	89
Trade Receivebles	-	-	3,228	2,818
Other debtors	-	-	155	146
Personnel	-	-	14	17
Loans to group companies and associates (note 18)	-	1,000	-	-
Loans to companies	-	-	356	1,682
Debt Securities	-	-	853	-
Other financial assets	240	253	239	237
Total	**240**	**1,253**	**5,200**	**4,989**

In opinion of the Parent Company's Board of Directors, there are no significant differences between the fair values of the financial assets and the carrying amounts, and there are no reasonable doubts as to their recoverability.

Classification by maturity-

The amount of the financial assets with determined or determinable maturity as of 31 December 2022 and in 2021, classified by maturity, is as follows:

FY'2022	Thousands of euros					
	1st year	2nd year	3rd year	4th year	Rest	Total
Fiancial assets at amortized cost	5,200	-	-	-	240	5,440
Total	5,200	-	-	-	240	5,440

FY'2021	Thousands of euros					
	1st year	2nd year	3rd year	4th year	Rest	Total
Financial assets at amortized cost	4,989	-	-	-	1,253	6,242
Total	4,989	-	-	-	1,253	6,242

As of 31 December 2021, trade receivables are not net of impairment.

Financial risks management-

The Group's financial risk management is centralized in the Finance Department, in accordance with the policies approved by the Board of Directors, which has established the necessary mechanisms to identify, measure and manage the risks arising from the activity with financial instruments and exposure to changes in interest rates, as well as credit and liquidity risks. The main financial risks affecting the Group are as follows:

a) Credit risk: Credit risk arises from the possible loss caused by the non-compliance with the contractual obligations of the Group's counterparties, i.e., the possibility of not recovering the financial assets for the amount recorded and the established term. In general, the Group maintains its cash and liquid assets in financial institutions with a high credit rating. The Group has not contracted credit insurance on its accounts receivable, considering its historical experience, the type of its customers, etc. In this sense, there is no high concentration in sales or credits with third parties, which mitigates most of the credit risk, being correctly recorded in the accompanying consolidated balance sheet.

b) Liquidity risk: Liquidity risk arises from the possibility that the Group may not have sufficient liquid funds, or access to them, at the appropriate cost, to always meet its payment obligations. The Group analyzes the cash flows generated by the business and the investees so that they can meet debt repayments. Currently and foreseeably, the cash flows generated by the Company are more than sufficient to meet debt maturities. The Group's objective from a financial point of view is to have adequate equity to obtain the necessary financing from third party resources to achieve the expansion of the Company and the Group, without compromising its solvency and maximizing the return on the resources invested by its partners.

c) Market risk (interest rate and exchange rate): Both the Group's cash flow and financial debt are exposed to interest rate risk, which could have a significant effect on financial results and cash flows. Interest rate risk affects the Group's exposure to variable interest rate on cash flows and financial results, and exposure to fixed interest rate affects the Group's fair value. Given that most of the group's financial debt is performed at a fixed interest rate, the Group's exposure to this risk is limited.

   On the other hand, the financial statements of subsidiaries whose functional currency of preparation of financial statements is different from the euro, are converted into euros in the consolidation process according to the rules described in note 5 above, which implies the Group's exposure to exchange rate risk. However, given the volume of transactions of these companies in relation to the entire Group, the risk can be considered limited.

11. CASH AND CASH EQUIVALENTS

The breakdown of this heading as of 31 December 2022, as well as in 2021, is as follows:

	31-dic.-22	31-dic.-21
Cash	105	87
On demand deposit accounts	278	759
	383	**846**

Current accounts earn interest at the market rate for these types of products.

12. FINANCIAL LIABILITIES

The carrying value of each of the categories of financial instruments established in the recording and valuation standard for "financial instruments" (except for balances with the public authorities which are included in note 14), is as follows:

Classes	Thousands of euros							
	Long-term financial instruments				Short-term financial instruments			
	31-dic.-22		31-dic.-21		31-dic.-22		31-dic.-21	
Categories	Debt with credit institutions	Derivatives and others	Debt with credit institutions	Derivatives and others	Debt with credit institutions	Derivatives and others	Debt with credit institutions	Derivatives and others
Financial liabilities at amortized cost	18,679	4,654	14,688	5,040	1,579	5,572	1,396	6,556
Total	18,679	4,654	14,688	5,040	1,579	5,572	1,396	6,556

Financial liabilities at amortized cost-

The item "Financial liabilities at amortized cost" as of 31 December 2022, as well as for 2021, shows the following breakdown:

(Thounsads of euros)	31-dic.-22	31-dic.-21
Lont-term debt	**23,333**	**19,728**
Debt with banks and credit institutions	18,679	14,688
Other fianncial liabilities	3,352	3,814
Debt with group companies and associates (note 18)	1,302	1,226
Short-term debt, trade payables and other payables	**7,151**	**7,953**
Debt with banks and credit institutions	1,579	1,396
Other fianncial liabilities	1,894	4,085
Debt with group companies and associates (note 18)	(0)	97
Suppliers	3,168	2,008
Sundry Payables	174	177
Staff (remuneration payables)	314	189
Customers' advances	22	-
	30,484	**27,681**

Classification by maturity-

The classification by maturity of the Group's financial liabilities, of the amounts maturing in each of the following years -at the end of the year- and until their last maturity, are detailed in the following figure:

FY'2022	Thousands of euros					
	1st year	2nd year	3rd year	4th year	5th year or more	Total
Debt with banks and credit institutions	1,579	1,818	1,931	3,321	11,631	20,280
Other financial liabilities	1,894	1,000	1,000	864	488	5,246
Debt with group copmanies and associates (note 18)	-	-	-	-	1,302	1,302
Suppliers and sundry payables	3,342	-	-	-	-	3,342
Personnel	314	-	-	-	-	314
Customers Advances	22					
Total	**7,151**	**2,818**	**2,931**	**4,185**	**13,421**	**30,484**

FY'2021	Thousands of euros					
	1st year	2nd year	3rd year	4th year	5th year or more	Total
Debt with banks and credit institutions	1,396	1,731	1,593	1,358	10,006	16,084
Other financial liabilities	4,085	950	1,000	1,000	864	7,899
Debt with group copmanies and associates (note 18)	97	-	-	-	1,226	1,323
Suppliers and sundry payables	2,185	-	-	-	-	2,185
Personnel	189	-	-	-	-	189
Total	**7,953**	**2,681**	**2,593**	**2,358**	**12,096**	**27,681**

Debt with Banks and other credit institutions-

At the end of 2022 and 2021, debts with credit institutions and credit lines performed by the Group, identifying the debtor company, are as follows:

FY'2022 (thousands of euros)

Description	Date granted	Maturity date	Debtor	Interest Rate	Amount granted	Balance as of 31-dec.-2022
Mortgage Loan	14-jun.-17	14-jun.-32	Scientia School SA	EUR12+2,5%	350	237
Mortgage Loan	14-jul.-20	14-jul.-35	Scientia School SA	1.90%	10,000	9,108
Mortgage Loan	15-dic.-20	31-ene.-29	Scientia School SA	2.30%	300	233
Mortgage Loan	14-may.-21	31-may.-31	Scientia School SA	1.95%	1,000	949
Mortgage Loan	14-jul.-22	14-jul.-26	Scientia School SA	8.00%	2,350	2,350
Mortgage Loan	2-jun.-22	30-jun.-32	Scientia School SA	2.00%	347	332
Mortgage Loan	26-jul.-22	31-ago.-32	Scientia School SA	2.25%	3,500	3,421
ICO COVID-19	5-may.-20	4-may.-25	Scientia School SA	2.50%	80	63
ICO COVID-19	15-abr.-20	15-abr.-25	Scientia School SA	1.50%	350	317
ICO Investment	12-nov.-21	30-nov.-26	Scientia School SA	1.85%	250	250
Fomralization expenses			Scientia School SA			(516)
Bullet Loan	30-sep.-22	30-mar.-23	Scientia School SA			100
Bullet Loan	30-sep.-22	30-mar.-23	Scientia School SA			90
ICO COVID-19	5-may.-20	4-may.-25	Ecreatus, S.L.	2.50%	150	130
ICO COVID-19	16-may.-20	30-abr.-25	Ecreatus, S.L.	2.02%	60	55
Credit Line facility	1-dic.-20	1-dic.-23	Ecreatus, S.L.	2.25%	250	250
Credit Line facility	31-mar.-20	31-mar.-24	Ecreatus, S.L.	2.50%	200	200
Loan	12-ene.-18	12-ene.-22	Ecreatus, S.L.	4.00%	125	-
ICO COVID-19	23-may.-20	23-may.-25	Ecreatus, S.L.	2.58%	240	225
Loan	28-nov.-19	30-nov.-25	Scientia Karmelo SL	1.00%	500	300
Bullet Loan			Scientia Karmelo SL			-
Bullet Loan			Scientia Karmelo SL			17
Credit Line ficility			Centro de Estudios AEG-Arroka, SL.			430
Loan			Centro de Estudios AEG-Arroka, SL.			97
Loan			Centro de Estudios AEG-Arroka, SL.			18
ICO COVID-19			Centro de Estudios AEG-Arroka, SL.			89
Tax Loan			Centro de Estudios AEG-Arroka, SL.			20
Credit Line ficility			Centro de Estudios AEG-Arroka, SL.			150
ICO COVID-19			Centro de Estudios AEG-Arroka, SL.			132
Credit Line ficility			Centro de Estudios AEG-Arroka, SL.			168
Credit Line ficility			Centro de Estudios AEG-Arroka, SL.			50
Loan			Centro de Estudios AEG-Arroka, SL.			40
ICO COVID-19			Centro de Estudios AEG-Arroka, SL.			93
ICO COVID-19			Gestión del Con. Digital Iedducando, SL			260
ICO COVID-19			Gestión del Con. Digital Iedducando, SL			253
Loan			Gestión del Con. Digital Iedducando, SL			335
Loan			Gestión del Con. Digital Iedducando, SL			12
						20,258

FY'2021 (thousands of euros)

Description	Date granted	Maturity date	Debtor	Interest Rate	Amount granted	Balance as of 31-dec.-21
Mortgage loan	6/14/17	6/14/32	Scientia School SA	EUR12+2,5%	350	259
Mortgage loan	7/14/20	7/14/35	Scientia School SA	1.90%	10,000	9,624
Mortgage loan	12/15/20	1/31/29	Scientia School SA	2.30%	300	266
Mortgage loan	5/14/21	5/31/31	Scientia School SA	1.95%	1,000	971
ICO COVID-19	5/5/20	5/4/25	Scientia School SA	2.50%	80	80
ICO COVID-19	4/15/20	4/15/25	Scientia School SA	1.50%	350	350
Tax loan	10/20/20	1/20/21	Scientia School SA	0.00%	50	-
ICO Investment	11/12/21	11/30/26	Scientia School SA	1.85%	250	250
Tax loan	11/15/21	2/15/21	Scientia School SA	0.00%	50	33
ICO COVID-19	5/5/20	5/4/25	Ecreatus, S.L.	2.50%	150	150
ICO COVID-19	5/16/20	4/30/25	Ecreatus, S.L.	2.02%	60	60
Credit Line faciliy	12/1/20	12/1/23	Ecreatus, S.L.	2.25%	250	249
Credit Line faciliy	3/31/20	3/31/24	Ecreatus, S.L.	2.50%	200	200
Loan	1/12/18	1/12/22	Ecreatus, S.L.	4.00%	125	8
ICO COVID-19	5/23/20	5/23/25	Ecreatus, S.L.	2.58%	240	240
Loan	11/28/19	11/30/25	Scientia Karmelo SL	1.00%	500	400
Bullet Loan			Scientia Karmelo SL			38
Bullet Loan			Scientia Karmelo SL			17
Credit Line faciliy			Centro de Estudios AEG-Arroka, SL.			97
Loan			Centro de Estudios AEG-Arroka, SL.			41
Loan			Centro de Estudios AEG-Arroka, SL.			54
ICO COVID-19			Centro de Estudios AEG-Arroka, SL.			100
Tax loan			Centro de Estudios AEG-Arroka, SL.			10
Credit Line faciliy			Centro de Estudios AEG-Arroka, SL.			433
ICO COVID-19			Centro de Estudios AEG-Arroka, SL.			200
Credit Line faciliy			Centro de Estudios AEG-Arroka, SL.			150
Credit Line faciliy			Centro de Estudios AEG-Arroka, SL.			130
Bullet Loan			Centro de Estudios AEG-Arroka, SL.			120
ICO COVID-19			Centro de Estudios AEG-Arroka, SL.			100
Loan			Centro de Estudios AEG-Arroka, SL.			57
Bullet Loan			Centro de Estudios AEG-Arroka, SL.			47
ICO COVID-19			Gestión del Con. Digital Iedducando, SL			270
ICO COVID-19			Gestión del Con. Digital Iedducando, SL			300
Loan			Gestión del Con. Digital Iedducando, SL			363
Loan			Gestión del Con. Digital Iedducando, SL			25
Mortgage loan			Scientia Alhucema, S.L.			392
						16,084

All loans and credit lines held by the Group accrue market interest rates.

Other financial liabilities-

As a result of the acquisition of the property located in San Sebastián, Guipúzcoa for the amount of EUR 4,300 thousand (Note 8), of which EUR 1,700 thousand were paid at the date of acquisition and the remaining EUR 2,500 thousand being deferred in three annual payments, in September 2020 and 2021 for EUR 825 thousand, and a final payment in September 2022 for EUR 850 thousand. The first two payments would be made in cash, and were fully paid to the Seller on July 14, 2020, as part of the transaction carried out with Caixabank (formerly Bankia). In relation to the last payment, due in September 2022, in the amount of 850 thousand euros, it was performed with different payment conditions and modalities. In relation to this last payment, the Group has already paid the amount of 653 thousand euros for this concept, leaving pending the difference of EUR 198 thousand (EUR 461 thousand in 2021) recorded in the short term.

Likewise, as a result of the acquisition of the shares of the company "Scientia Alhucema, S.L." (formerly Sociedad Cooperativa de Enseñanza Alhucema), the Parent Company formalized this acquisition subject to the correct registration of the transformation at the Commercial Registry of Madrid, for which a payment of 2,115 thousand euros recorded in the short term is pending a pending payment was made for an amount of 2,115 thousand euros registered in the short term that has been fully paid during the year 2022.

On the other hand, on May 7, 2021, the Parent Company acquired all the shares of the company Centro de Estudios AEG-Arroka, S.L., through payment in listed shares of Scientia School, S.A. itself, setting a payment and share swap period of 5 years, in order to achieve the fulfillment of the expectations together with the company's sellers. As of 31 December 2022 and 2021, therefore, the financial liability was recorded in the amount of EUR 304 thousand (EUR 96 thousand swapped in September 2021).

Finally, through the subsidiary Ecreatus, S.L., all the shares of Gestión del Conocimiento Digital Ieducando, S.L. were acquired on June 4, 2021. After different negotiations with the seller of these shares, on December 30, 2021, the acquisition scope was extended to the company Red Escuelas Digitales, S.L., together with all the shares of this company, which include, among others, the brand Ieducando, Google Partner for Education, with presence in different geographical areas, both nationally and in Colombia, Chile and Mexico, through different subsidiaries (note 2). The global acquisition of the expanded scope was acquired for a total amount of 3,225 thousand euros, of which, as of December 31, 2021, a total amount of 2,950 thousand euros was deferred, in different terms between 2022 and 2024. At the end of 2022, the outstanding payment for this concept amounts to 2,150 thousand euros.

Disclosures on the deferral of payments to suppliers in trade business transactions-

On 5 July 2010, Law 15/2010, amending Law 3/2004, of 29 December, establishing measures to fight against default in commercial transactions, was published. Among other aspects, this rule removes the possibility of the ‘agreement between the parties’, in relation to the extension of the payment period to suppliers, in response to the financial impact of the economic crisis on all sectors, resulting in an increase in defaults, delays and extensions in the settlement of overdue invoices, which particularly affects small and medium-sized enterprises due to their strong reliance on short-term credit and cash limitations in the current economic climate. In addition, to combat these difficulties, the Law established a maximum general deferral between companies of 60 calendar days from the date of delivery of the goods or provision of the services that began to apply on 1 January 2014.

In addition, Additional Provision Three of this rule indicates that companies must expressly publish the information on payment deadlines to their suppliers in the notes to their individual and consolidated financial statements, and more specifically, in relation to the Resolution of 29 January 2020 of the Accounting and Audit Institute, in compliance with Law 31/2014, of 3 December, which amends additional provision three of Law 15/2010, of 5 July, amending Law 3/2004, of 29 December, establishing measures to combat late payment of commercial transactions. The details for 2021 in relation to the average period of payment to suppliers are given below.

	Days	
	31-dic.-22	31-dic.-21
Average paytment to Suppliers	175	136

13. SHAREHOLDERS' EQUITY

Parent Company's Share Capital-

As of 31 December 2022, the Parent Company's Share Capital is composed of 25,550,589 shares with a par value of 0.10 euros, fully paid and subscribed.

All the Parent Company's shares were admitted to trading on September 29, 2021, on the *Euronext Access* market on the Paris Stock Exchange. Consequently, as of 31 December 2022, the whole share capital is admitted to trading on that market.

As a result of the admission, during the 2021 financial year, various transactions were carried out aimed at diversifying the Parent Company's shareholding, as well as the acquisition of treasury stock, with shareholder structure as follows at 31 December 2022 and 2021:

Shareholder	% Owned at. 31-dec.-2022	% Owned at. 31-dec.-2021
Atlas Holdings Europe, S.L.	36%	36%
Sale Team, S.L.	5%	5%
Eurousa Capital, S.L.	19%	19%
Atlas Proyectos, S.A de C.V.	17%	17%
Sale Team de Málaga, S.A de C.V.	12%	12%
Minority interests	8%	8%

On 14 June 2017, the General Shareholders' Meeting held on that date resolved to proceed with the capital increase by issuing 315,550 new shares of the Company, numbered from 3,001 to 318,550, both inclusive, with a par value of 1 euro, with no share/issue premium. This capital increase was performed by offsetting credits. This capital increase was fully subscribed and paid up and was registered at the Commercial Registry of Madrid on 26 January 2021.

Likewise, on 24 April 2019, the General Shareholders' Meeting held on that date resolved to proceed with the capital increase by issuing 1,935,495 new shares, numbered from 318,551 to 2,254,045, both inclusive, with a par value of 1 euro. This increase was performed by offsetting credits and fully subscribed by the majority shareholder, Atlas Holdings Europe, S.L., and has been registered in the Commercial Registry of Madrid on 22 February 2021.

On 1 February 2021, and as part of the strategic and financial plan, as well as the foreseeable listing of the Parent Company during the year, it was agreed, by the Shareholders' Meeting of that date, to increase the capital of the Parent Company in the amount of 254,042, through the issuance of 254,042 shares, with a par value of 1 euro each, numbered from 2,254,046 to 2,508,087, both inclusive, all of the same class, together with a total share premium of 5,245,958 euros, making a total paid-up amount of 5,500,000 euros. This capital increase was carried out by offsetting the debts contracted by the Parent Company with its reference shareholders, which were previously disbursed, as well as liquid, due and payable in accordance with the applicable mercantile legislation, and which was notarized before the public Notary of Madrid, Mr. Pedro Antonio Mateos Salgado, on 17 February 2021, under number 1,313 of his record, registered in the Commercial Registry of Madrid on 15 April 2021 (note 18).

Likewise, and as part of the foreseeable listing during the 2021 financial year, on 23 February 2021, the General Shareholders' Meeting of the Parent Company, with a Universal character, agreed, among others, the transformation of the legal form of the Parent Company into a public limited company. As a consequence of the transformation, it was modified and agreed, among others, to:

- The exchange of the pre-existing shares for registered shares represented by book entries, with the corresponding modification of the capital stock, which was represented and divided by 2,508,087 shares, fully subscribed and paid up, all of the same class, numbered from 1 to 2,508,087, both inclusive, which were fully subscribed by the Shareholders proportionally.

- The system for the transfer of the shares, which was established in accordance with the regulations for companies listed on secondary and/or multilateral markets.

- The appointment to Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A.U. (IBERCLEAR), together with its participating entities, as the entity in charge of keeping the accounting records of the book entries in which the Parent Company's shares are represented.

On 31 March 2021, the Parent Company's General Shareholders' Meeting resolved to split the shares into which the capital stock was divided, in the ratio of 10 new shares for each old share, by reducing the par value of each share from 1 euro to 0.10 euros, therefore, without changing the amount of capital stock. As a result, the share capital of the Parent Company at that date was divided into 25,080,870 shares with a par value of 0.10 euros. These resolutions were notarized on 7 May 2021, before the public Notary of Madrid Mr. Pedro Antonio Mateos Salgado, under number 3,690 of his record and were registered in the Commercial Registry of Madrid on 27 May 2021, causing the 7th entry of the Parent Company's registration sheet.

Finally, on 1 June 2021, the General Shareholders' Meeting also agreed, on an universal character, to include the new shareholder Eurousa Capital, S.L., agreeing a capital increase for an amount of 46,971.90 euros, through the issue of 469,719 shares, with a par value of 0.10 euros each, numbered from 25,080,871 to 25,550,589, both inclusive, all of the same class, together with a total share premium of 1,817,812.53 euros, making a total paid-up amount of 1,864,784.43 euros. This capital increase was notarized before the public Notary of Madrid, Mr. Pedro Antonio Mateos Salgado on 23 June 2021, under number 5,289 of his record, and was registered in the Commercial Registry of Madrid on 6 July 2021, causing the 8th entry of the Parent Company's registration sheet.

Consequently, at 31 December 2022, the Parent Company's share capital consists of 25,550,589 shares of 0.10 euros par value, all belonging to the same class, fully subscribed and paid up, and all admitted to trading on the *Euronext Access* market on Paris Stock Exchange.

Share/issue premium-

The consolidated Spanish Companies Act expressly permits the use of the "Share premium" account balance to increase the capital and does not establish any specific restrictions as to its use.

At 31 December 2022, the share premium balance amounted to EUR 7,064 thousand as a result of the capital increase transactions carried out during financial year 2021.

Reserves-

The detail of the Parent Company's Reserves at 31 December 2022, as well as in 2021 is as follows:

(thousands of euros)	31-dic.-22	31-dic.-21
Leal Reserve	66	38
Other Reserves	1,573	330
	1,640	**369**

Legal Reserve-

In accordance with the Spanish Companies Act, 10% of a public limited liability company's net profit for each year must be transferred to the legal reserve until the balance of this reserve reaches 20% of the share capital. The legal reserve is not distributable to shareholders and may only be used to increase share capital. Otherwise, until the legal reserve exceeds 20% of share capital, it can only be used to offset losses, provided that sufficient other reserves are not available for this purpose.

At 31 December 2022 the legal reserve of the Parent Company is constituted in the amount of EUR 44 thousand (EUR35 thousand in 2021) according to the limits established by legislation specified in the previous paragraph.

Voluntary Reserves-

In accordance with the Spanish Companies Act and other legislation in force, voluntary reserves are unrestricted and there is no circumstance at the date of preparation of these consolidated financial statements that restricts their availability.

Reserves and results in consolidated subsidiaries-

At 31 December 2022 and at the end of financial year 2021, after the first consolidation, the detail of the reserves and results of the companies included in the consolidation scope is as follows:

Thousands of euros	31-dic.-22		31-dic.-21	
	Reserves	Prior years' results	Reserves	Prior years' results
Scientia School, S.A	1,504	-	324	-
Ecreatus, SL.	19	240	-	45
Scientia Karmelo, S.L.	34	(335)	34	(275)
Sebas, S.L.	83	34	11	33
Scientia Lalin, SL	-	(310)	-	-
Scientia Alhucema, S.L.	-	59	-	-
Centro de Estudios AEG-Arroka, SL	-	115	-	-
AEG Heriz, S.L.	-	32	-	-
Balab Karmelo, SL	-	(37)	-	(28)
Edunext, SL	-	(36)	-	-
Gestión del Conocimiento Digital Ieducando, SL	-	(143)	-	-
Totals	**1,640**	**(381)**	**369**	**(225)**

Consolidated profit/(loss) for the year-

The profit/(loss) for the year of each of the Consolidated Companies which is attributed to the Parent Company or to Non-controlling Interests, after elimination of income and expenses between the companies included in the scope of consolidation, is as follows:

	For Year 2022 (thousands euros)		For Year 2021 (thousands euros)	
Sociedad	Profit/(Loss) attributable to the Parent Company	Profit/(Loss) to Non-controlling interests	Profit/(Loss) attributable to the Parent Company	Profit/(Loss) to Non-controlling interests
Scientia School, S.A	411	-	(963)	-
Sebas, S.L.	(69)	-	25	-
Scientia Karmelo, S.L.	(109)	-	82	-
Scientia Denia, S.L.	(48)	-	-	-
Co-learning Spaces, S.L.	-	-	-	-
Tilin Talán Spain, S.L.	-	-	-	-
Ecreatus,S.L.	(405)	-	157	-
Balab Karmelo, S.L.	27	-	36	-
Scientia Lalín, S.L.	(21)	-	(310)	-
Centro de Estudios AEG-Arroka, S.L.	693	-	71	-
AEG Heriz, S.L.	(83)	-	39	-
Scientia Alhucema, S.L.	31		(6)	-
Edunext, SL	111		(27)	(9)
Red Escuelas Digitales, S.L.	(129)	-		-
Gestión del Conocimiento Digital Ieducando, S.L.	1,395	-	848	-
Ieducando Mexico S.A.P.I de C.V	(36)	(35)	-	-
Ieducando Colombia, S.A.S	(75)	-	-	-
Ieducando, S.P.A	(23)	(31)	-	-
Reparachromebooks, S.L.	165	2	-	-
Scientia Bilbao, S.L.	(13)		-	-
	1,822	**(64)**	**(48)**	**(9)**

Non-controlling interests-

The balance included in this heading of the accompanying consolidated balance sheet includes the value of the shareholdings of minority shareholders in the consolidated companies. Likewise, the balance shown in the accompanying consolidated income statement under the heading "Profit/(loss) for the year to non-controlling interests" represents the share of these minority shareholders in the profit/(loss) for the year.

The breakdown of non-controlling interests, as well as the changes in 2022 financial year, were as follows:

Company	Capital	Reserves and prior years' results	Profit/(Loss) for the year	Other changes in Non-controlling interests	Total
Edunext, S.L.	3	(21)		18	-
Ieducando Mexico S.A.P.I. de C.V.	46	(57)	(34)		(45)
Ieducanco , S.P.A	3	13	(31)		(16)
	52	**(65)**	**(65)**	**18**	**(61)**

The breakdown of non-controlling interests, as well as their movement in 2021, were as follows:

Company	Balance at the first consolidation	Profti/(loss) for the year	Total
Edunext, S.L.	(9)	(9)	(18)

Own treasury Shares-

As a result of the admission to trading of all of the Parent Company's shares on the Euronext Access market on Paris Stock Exchange, the Parent Company initiated various actions with its own shares.

Firstly, on May 7, 2021, by way of acquisition, and although the Parent Company's shares were not yet admitted to trading, it acquired, with a cash payment, a volume of shares representing almost 4% of the share capital, in the amount of 1,900 thousand euros. This acquisition was performed with the reference shareholder Atlas Holdings Europe, S.L., in order to provide the Parent Company with treasury stock for different transactions after admission to trading.

Consequently, at December 31, 2022, the Group holds 974,102 shares, representing 3.81% of the Company's share capital, valued at acquisition cost, for a total amount of 1,936 thousand euros.

The changes in the treasury stock portfolio during the financial year 2022 were as follows:

FY'2022	Number of Shares	% of Capital Stock	Par Value (euros)	Average cost of (acquisition) / disposal	Valuation (thousands of euros)
Beginning Balance	**974,102**	**3.81%**	-	-	**(1,936)**
Acquisitions	251,889	0.99%	0.10	(3.97)	(1,000)
Sales / disposals	292,324	1.14%	0.10	5.66	1,656
Ending Balance	**933,667**	**3.65%**			**(2,367)**

During 2022, total acquisitions of treasury stock made amounted to 251,889 shares with a total cost of EUR 1,000 thousand (average cost of €3.97 per share). The total sales of treasury shares made during the 2022 financial year amounted to 292,324 shares with a total selling price of EUR 1,656 thousand (average selling price of EUR 5.66 per share). As a result of the sales of treasury shares, the Group obtained a profit of EUR 1,087 thousand, recorded as Reserves of equity in the accompanying Consolidated balance sheet.

As well, the movements in treasury stock portfolio during the financial year 2021, were as follows:

FY'2021	Number of shares	% of Capital Stock	Par value (euros)	Avarege cost of (acquistion) / disposal	Valuation (thousand euros)
Beginnig Balance	-	-	-	-	-
Aquisitions	993.984	3,89%	0,10	(1,99)	(1.975)
Sales/disposals	19.882	0,08%	0,10	4,48	89
Ending Balance	**974.102**	**3,81%**			**(1.936)**

During 2021, total acquisitions of treasury stock made amounted to 993,984 shares with a total cost of EUR 1,975 thousand (average cost of €1.99 per share). The total sales of treasury shares made during the 2021 financial year amounted to 19,982 shares with a total selling price of EUR 89 thousand (average selling price of EUR 4.48 per share). As a result of the sales of treasury shares, the Group obtained a profit of EUR 50 thousand, recorded as part of the financial result in the accompanying consolidated income statement.

14. PUBLIC AUTHORITIES AND TAX MATTERS

The composition of balances with public and tax authorities at the end of 2022, as well as in 2021 is as follows:

	Thousands of Euros	
	FY'2022	FY'2021
Deferred Tax assets:		
Deferred Tax assets	1,064	681
Total Non-current Tax assets	**1,064**	**681**
Activos corrientes:		
Tax Authorities. Income Tax refundable	66	85
TaxAuthorities. VAT refundable	74	309
Public Authorities. Operating Grants and others	483	370
Totla Current assets with Tax Authorities	**623**	**764**
Current Tax liabilities:		
Tax Authorities. VAT payables	178	421
Tax Authorities. Withholdings payables	663	299
Tax Authorities. Income Tax payables	191	26
Oterh payables to Tax Authorities	21	2
Payroll Tax payables	250	114
Total Current liabilities with Tax Authorities	**1,303**	**862**

Income tax-

Corporate income tax is calculated based on the accounting income, obtained by applying generally accepted accounting principles, which does not necessarily coincide with the taxable income.

Each consolidated company present the corporate income tax on an individual basis, and therefore the (expense)/income shown in the accompanying consolidated income statement corresponds to the aggregate sum of the (expense)/income of each of the companies included in the scope of consolidation, as follows:

	Thousands of euros	
	FY'2022	FY'2021
Current Income Tax	(330)	(127)
Deferred Income Tax	358	538
Totla (expense)/income for Income Tax	**28**	**411**

Deferred tax assets-

At the end of financial year 2022 and 2021, the Group has recorded tax credits for tax loss carryforwards in the accompanying consolidated balance sheet. The breakdown and movement of the Group's tax credits is as follows:

	Thousands of euros		
	FY'2021	Additions / (disposals)	FY'2022
Activos por impuesto diferido. Crédito Fiscal	681	383	1,064
Total activos por impuesto diferido	**681**	**383**	**1,064**

	Thousands of euros		
	Beginning Balance	Addition/disposal	Ending Balance
Deferred tax assets. From Tax credit	143	538	681
Total activos por impuesto diferido	**143**	**538**	**681**

Fiscal years open for review and tax audits-

In accordance with the current tax legislation, taxes cannot be considered to have been definitively settled until the tax returns filed have been reviewed by the tax authorities or until the limitation period, currently established at four years, has expired. The Group has the last four years open for review by the tax authorities for all the taxes applicable to it.

Due to the Tax Authorities' potential interpretations of the tax returns filed by each company included in the scope of consolidation in the years open for review, liabilities that are not included in the accompanying consolidated financial statements may arise. The potential additional liabilities that might arise as a result of an inspection or audit are not objectively quantifiable.

15. REVENUES AND EXPENSES

Net Turnover-

The net amount of the Group's turnover corresponds mainly to, on the one hand, the activity in the field of subsidized education, from 0 years of age to 16 years and, among others, vocational training, which mainly consists of aid to education, as well as income from extracurricular activities and canteens that accrue during the financial year and are paid by the families of the students in each case, and on the other hand, the business segment of digital transformation, as well as the distribution and sale of devices and licenses, mainly "Google for Education", as follows:

Thousands of euros	31-dic.-22	31-dic.-21
Subsidized Education (0 a 16 years)	1,837	1,035
Vocational Training	778	489
Digital Transformation	6,736	5,317
Others	-	23
	9,351	**6,864**

Non-core and other operating income-

The breakdown of non-core and other operating income for the year ended 31 December 2021, is as follows:

Thousands of euros	31-dic.-22	31-dic.-21
Other Operating Income	546	524
Operating Grants trasnferred toprofit or loss (note 16)	9,365	6,690
	9,912	**7,214**

As part of its educational activity, the Group receives subsidies charged directly to the income statement, on the one hand, as a result of the granting of financial agreements for all its educational and vocational training centers and, on the other hand, the so-called "delegated payment" consisting of a direct contribution from the Region corresponding to the work centre, as direct consideration to the Group's teaching staff (note 16).

Regarding to non-core and other operating income, they come from:

a) From the Group's segment -called Co-learning- which allows, through the leasing of facilities, to house new educational activities, among others, nursery school or vocational training, in addition to other sports or other activities in its real estate investments and which allow obtaining a greater volume of income in the educational operation and leasing and/or assignment of spaces in its real estate, which amounted to EUR 300 thousand (249 thousand in 2021).

b) Other income from the digital transformation area, which mainly corresponds to training in the Google for education environment and which in 2022 amounted to EUR 246 thousand (224 thousand in 2021.

Procurements-

During the year, the Group's different activities record supplies, mainly for the purchase of digital devices in the digital transformation area to be distributed to different customers, mainly third-party educational centers, or to the end customer, through the Group's e-commerce in the b2c format for the purchase of devices and/or licenses. On the other hand, the business segment of education and vocational training in educational centers requires the acquisition and consumption of different consumable materials and direct costs provided by other companies, such as canteen, transport or other services. A breakdown by business segment is as follows:

Thousands of euros	31-dic.-22	31-dic.-21
Education and Vocational training	(1,075)	(583)
Digital transformation	(2,061)	(3,013)
	(3,136)	**(3,596)**

Personnel Expenses-

The breakdown of Personnel expenses for the year ended 31 December 2022, as well as in 2021 are as follows:

Thousands of Euros	31-dic.-22	31-dic.-21
Wages, Salaries and the like	(9,051)	(6,405)
Severance Payments	(45)	(191)
Payroll Tax	(2,480)	(1,665)
Other Social benefits	(114)	(25)
	(11,689)	**(8,286)**

The number of employees at 31 December 2022, as well as in 2021, distributed by gender and category is as follows:

	31-dic.-22		31-dic.-21	
	Men	Women	Men	Women
Area Managers	11	9	11	9
Teaching Staff	87	231	55	137
Marketing Staff	0	2	0	2
Finance and administration Staff	1	17	4	14
Design, production and projects	7	10	7	10
Commercial and sales force Staff	1	1	1	1
Services and Tech support	4	17	4	17
Human resources	2	1	2	1
	113	**288**	**84**	**191**

Other operating expenses-

The breakdown of "Other operating expenses" in the accompanying consolidated income statement for the year ended December 31, 2022, as well as in 2021 are as follows:

Thousands of euros	31-dic.-22	31-dic.-21
Leases and royalties (note 9)	(884)	(310)
Reparis and maintenance	(183)	(116)
Indenpendent Professional fees	(373)	(599)
Transport-shipping	(66)	(3)
Insurance	(95)	(68)
Bank services and fees	(111)	(31)
Advertising and public relations	(112)	(122)
Utilities	(287)	(133)
Other services and expenses	(1,350)	(405)
Other taxes and adjustments to indirect taxation	(96)	(35)
Losses, trade losses, and other management expenses	(3)	(2)
	(3,561)	**(1,824)**

The item "Independent professional fees" includes, for the financial year 2021, the non-recurring expenses incurred in connection with the admission to trading of all the Parent Company's shares on the Euronext Access market on Paris stock exchange, which amounted to a total of 252 thousand euros, corresponding mainly to the admission expenses of the market itself, as well as the agent and the professionals involved in the process of admission.

Audit fees-

The fees accrued by EUROPEAN TAX LAW GLOBAL ASSURANCE, S.L. for the audit services of these Consolidated Financial Statements, as well as the Parent Company's individual financial statements for the year ended on 31 December 2022, amounted to EUR 13 thousand (13 thousand in 2021).

In addition, EUROPEAN TAX LAW GLOBAL ASSURANCE, S.L. has provided other services for the Parent Company during the financial year 2021, among others, review services for the admission to the market, as well as the issuance of agreed procedures reports for the aggregated financial statements for 2020, which amounted to a total of EUR 18 thousand for the financial year 2021.

16. GRANTS, DONATIONS AND LEGACIES

The Group, as part of the operation of the educational activity, receives subsidies, fully charged to the consolidated profit and loss statement, on the one hand, in relation to the so-called "delegated payment" of the teaching staff, and on the other hand, for the economic agreement of the subsidized educational activity in the different educational centers it operates in the national geography, all this according to the following detail by region:

Thousands of euros	31-dic.-22	31-dic.-21
Operating grants transferred to profit or loss		
Basque Country	3,736	2,691
Community of Madrid	2,979	2,532
Galice	1,410	1,467
Community of Valencia	1,240	-
	9,365	**6,690**

17. BUSINESS COMBINATIONS

Scientia Alhucema-

On March 23, 2021, the Parent Company took public the purchase and sale agreement with earnest money dated February 26, 2021, in relation to the shares of SOCIEDAD COOPERATIVA MADRILEÑA DE ENSEÑANZA ALHUCEMA, for which the General Meeting of the Coopeerative approved its transformation into a Limited Company, under the name SCIENTIA ALHUCEMA, S.L. on June 3, 2021.

On September 30, 2021, the resolutions adopted by that meeting were notarized before the public notary of Madrid, Mr. Pedro Antonio Mateos Salgado, under number 7,534 of his record, and at the date of preparation of these consolidated financial statements, the limited liability company is duly registered in the Commercial Registry of Madrid on 22 june 2022.

The Sociedad Cooperativa Madrileña de Enseñanza Alhucema is limited to the current Colegio Scientia Alhucema, located in Fuenlabrada, Madrid, whose property will also be part of the transaction when acquiring all the shares in which the capital contributed by the cooperative members is converted. The school was founded in 1987 as a cooperative and teaches the stages of Pre-school Education, Primary Education, Mandatory Secondary Education, as well as Vocational Training cycles of Nursing Assistant and Higher Technician in Clinical Laboratory, with more than 600 students enrolled in the academic year 21-22.

The transaction was performed for an amount of 2,467 thousand in cash (note 2), of which, the Group has paid to the sellers an amount equivalent to 352 thousand euros at the end of 2021, and the remaining amount of 2,115 thousand euros (Note 12) was fully paid on 14 July 2022.

The appraisal obtained for mortgage purposes of the property, as part of the transaction and using the discounted cash flow method, prepared by an independent expert, amounted to 5,026 thousand euros.

The Cooperative Society, until the effective date of the transformation and its registration in the Commercial Registry, closes its fiscal year on June 30 of each year, coinciding with the end of the academic year. As part of the transformation process to a limited liability company agreed by the Group, the fiscal year will become December 31 of each calendar year.

With this transaction, the Group has incorporated the 5th school in the management of educational centers, additional to continue the path of consolidation of Scientia's educational model, as well as the expansion in other segments such as Co-Learning.

Centro de Estudios AEG-Arroka-

On other hand, in relation to Centro de Estudios AEG-Arroka, S.L., it joins the Group as an expert in the area of adult vocational training. The AEG School of Professional Innovation is leader in the sector in the Basque Country, both in Vocational Training and Work Training, for more than 30 years, and currently is teaching the following professional families:

- Textile, clothing and leather.
- IT and telecommunications.
- Administration and management.
- Commerce and marketing.
- Health.

Centro de Estudios AEG-Arroka, S.L. is also the sole shareholder of AEG Heriz, S.L., holder of 100% of the shares of this Company, which is part of the perimeter of the transaction, and its main mission is the management of spaces in the area of training provided by the AEG school.

The transaction was completed and notarized on May 7, 2021, before the public notary of Madrid, Mr. Pedro Antonio Mateos Salgado, for a total amount of 2,098 thousand euros, of which: (i) the amount of 198 thousand euros corresponds to different contributions made by the selling shareholders that will be repaid by the Group, (ii) 400 thousand euros through the delivery of shares of the Parent Company and (iii) the amount of 1,500 thousand euros, for the assumption of debt contracted by AEG with different financial institutions.

In relation to the part of the price in kind, by means of shares of SCIENTIA SCHOOL, S.A. itself, for a total value of 400 thousand euros, they will be duly registered in favor of the selling party, by book entry, at the time that each of the selling partners definitively dissociates from Centro de Estudios AEG Arroka, S.L., which the parties have agreed will not occur before five (5) years from the date of execution of this deed.

Notwithstanding the foregoing, as of December 31, 2021, a total of 24,000 shares have been delivered to the sellers at a price of 3.97 euros per share, with the remainder pending delivery, in compliance with the binding agreed in the transaction.

On the other hand, Centro de Estudios AEG-Arroka, S.L. closes its financial year on August 31 of each year, coinciding with the end of the academic year, and in the 20-21 academic year -as of August 31, 2021- obtained income of 495 thousand euros, as well as 1,571 thousand euros for subsidies incorporated to the result for concerted courses, making a total income of 2,066 thousand euros, which means for the Group, together with the synergies and programmed growth, a strategic acquisition in stages subsequent to education up to high school.

Ieducando-

On June 4, 2021, the Group, through Ecreatus, S.L. and for its digital transformation business, acquired 100% of the shares representing the capital of the company Gestión del Conocimiento Digital Ieducando, S.L. (hereinafter, "iEducando"), subsequently complemented on December 30, 2021 in the scope of the company Red Escuelas Digitales, S.L., whose main assets are the shares in companies, within the international area.

The final transaction was completed for a price of 3,225 thousand euros (note 2), of which (i) 275 thousand euros were paid at the time of the public deed, and the remaining 2,950 thousand euros were deferred over a period of 3 years, between 2022 and 2024 (note 12).

The Ieducando Brand is one of the main "Google for Education Partner & Professional Development Partner", which allows the Group, in the field of digital transformation, to significantly complete the offer of products and services, as well as the distribution channel with top-level international partners.

During the 2020 financial year, iEducando's turnover reached 8,131 thousand euros, distributed in 7,365 thousand euros in distribution and sale of equipment, devices and licenses, and 766 thousand euros in training consulting services and services for education, as part of its consideration as a Google Partner.

This transaction, therefore, further consolidates the Group's digital transformation strategy for the coming years, which, together with the other investments that are being perfected, configures the Group as a reference in education and digital transformation for education.

Reparachromebooks, S.L.-

On December 30, 2021 the Group, also through Ecreatus, S.L., acquired 90% of the shares of the Company Reparachromebooks, S.L. for a total price of 98 thousand euros, which were fully paid by offsetting the seller's receivables from the Company itself, with Ecreatus S.L. being subrogated to these receivables.

Reparachromebooks, S.L. is a company domiciled in Seville, Spain, which provides maintenance and warranty services for the digital devices distributed to all its customers in Spain and abroad, facilitating for the Group the maintenance of the thousands of devices distributed throughout the territory among its customers, thus ensuring a better maintenance and warranty of all the equipment which allows the visualization of the digital contents provided by the Group.

Scientia Bilbao-

On 6 June 2022, the Group acquired for the scope the educational center San Pedro Apostol, which is currently called “Scientia Bilbao”, through the acquisition of the Productive Unit of said School, located in Bilbao, Basque Country, Spain. The cost of this production unit amounted to EUR 100 thousand, and it also acquired other assets amounting to EUR 400 thousand. The building and facilities where it is located are under lease, through a corporate operation carried out by the Group.

For the operation of the educational center, the Parent Company incorporate the Productive Unit to the subsidiary Scientia Bilbao, S.L., which was incorporated for this purpose.

Scientia Denia-

On 26 July 2022, the Group acquired for the scope the educational center Sagrado Corazón de Denia, which is currently called “Scientia Denia”, through the acquisition of the Productive unit of said school, located in Denia, Alicante, Spain. The cost of this productive unit amounted to EUR 990 thousand together with the building and facilities which host the school and which represented a real estate investment of 3,716 thousand euros (note 8).

In order to operate said school, the Company changed the name and corporate purpose of a Group Company formerly called Proyectos Scientia Crear, S.L., which was renamed to Scientia Denia, S.L. on 26 July 2022, acquiring through this company the productive unit of the school acquired and which is currently called Scientia Denia.

18. RELATED PARTIES TRANSACTIONS

For the purposes of the presentation of the Group's Consolidated Financial Statements, it will be understood that another company forms part of the group when both are linked by a direct or indirect control relationship, analogous to that provided for in Article 42 of the Spanish Commercial Code for groups of companies or when the companies are controlled by any means by one or more natural or legal persons, acting jointly or under a single management by agreements or statutory clauses.

The following are considered as related parties for 2022 and 2021 financial years, indicating the nature of such relationship:

Related Party	Nature of relationship
Atlas Holdings Europe, S.L.	Shareholder and Director
Eurousa Capital, S.L.	Shareholder
Sale Team, S.L.	Sheareholder and Director
Wolfex Management, S.L.	Shareholder
Red Escuelas Digitales, S.L.	Group Copmany

The Group, in the course of its business, carries out transactions and maintains balances with related parties. The balances and transactions carried out during the year 2022, as well as in 2021 with related companies, Shareholders and the Board of Directors have the following composition:

Thousands of euros	Debtor		Creditor	
	31-dic.-22	31-dic.-21	31-dic.-22	31-dic.-22
Atlas Holdings Europe, S.L.	-	-	746	1,145
Eurousa Capital, S.L.	-	-	556	81
Sale Team, S.L.	-	-	-	45
Wolfex Management, S.L.	-	-	-	52
Red Escuelas Digitales, S.L.	-	1,000	-	-
	-	**1,000**	**1,302**	**1,323**

19. Events after year-end

There are no significant events that occurred after the end of the financial year 2022.

20. Remuneration and other benefits to Parent Company's board of directors and C-level

During the 2022 and 2021 financial years, none of the members of the Parent Company's Board of Directors has accrued any remuneration for their status as members of the Board of Directors.

As of December 31, 2022, as well as in 2021, no contributions have been made in the form of funds, life insurance premiums or pension plans in favor of former or current members of the Parent Company's Board of Directors, as well as advances or credits, other than those contained in Note 18 of these Consolidated Financial Statements, and in no case, for their condition as a member of the Board of Directors or their position as an individual representative of any member of the Board of Directors. Likewise, no obligations have been incurred for these items during both years.

Likewise, during this period no indemnities have been paid for termination of directors of the Parent Company.

Detail of investments in companies with similar activities and of the performance, as independent professionals or as employees, of similar activities by the directors.

Pursuant to section 229.3 and 230 of Royal Legislative Decree 1/2010, of 2 July, approving the consolidated text of the Corporate Companies Act, drafted by section seventeen of the sole section of Spanish Law 31/2014, of 3 December, amending the Corporate Companies Act for the Improvement of Corporate Governance, the members of the Parent Company's Board of Directors state that they did not carry out any transactions during the period from 1 January to 31 December 2021 or until the current date, either with the Group itself or with any other company investee by the Group not included in these financial statements, outside the ordinary course of business of the companies or outside normal market conditions.

They also reported not to be involved in conflicts of interest with the Parent Company and the Group, as well as not having held positions or functions in companies, other than the Parent

Company or its investees, with an analogous or supplementary type of activity to that which constitutes the Group's corporate purpose, as well as not having carried out any activities on their own behalf or any other basis in activities similar to or supplementary to that which constitutes the Group's corporate purpose.

21. ENVIRONMENTAL INFORMATION

The Group considers environmental law in its global operations. The Group considers that it complies with these laws and that it has procedures designed to encourage and ensure compliance with them.

The Group has taken the appropriate measures in relation to the protection and improvement of the environment and the minimisation, where appropriate, of its environmental impact, in compliance with current regulations in this regard. During the year, the Group did not make any environmental investments or incur expenses for protecting and improving the environment.

In fulfilment of the modifications arising from the general accepted accounting standars and Ministerial Order of 28 January 2009 (Official Gazette of the Spanish State dated 10 February 2009) and Resolution of 6 April 2010 (Official Gazette of the Spanish State 84 dated 7 April 2010), regarding greenhouse gas emission allowances, it is expressly stated that there are no items of an environmental nature, and specifically related to greenhouse gas emissions.

The Parent Company's directors consider that there are no significant contingencies regarding the protection and improvement of the environment, and therefore no provision for environmental risks and expenses was considered necessary since there are no contingencies related to the protection and improvement of the environment, or environmental responsibilities.

22. OTHER INFORMATION

Collaterals and guarantees-

As of December 31, 2021, the Group has no financial commitments, guarantees or contingencies, or guarantees or surety policies provided or received, other than those provided in the scope of consolidation and the subsidiaries, or other than those contained in these Notes to the consolidated financial statements.

Off-balance sheet agreements-

The Parent Company's Directors are not aware of the existence of any agreements that do not appear in the balance sheet and for which information has not been included in another note to these consolidated financial statements, if any, that are significant for determining the Group's financial position.

SCIENTIA SCHOOL, S.A.
AND SUBSIDIARIES

Consolidated Director's Report for the financial year ended on December 31st, 2022

1. SITUATION OF THE GROUP AND EVOLUTION OF BUSINESS

SCIENTIA SCHOOL, S.A. (hereinafter also "the Parent Company" or "Scientia") was incorporated in Madrid, on December 31, 2014, with indefinite duration. It has its registered office in Madrid, at Calle Conde de Peñalver, number 45, mezzanine.

On 23 February 2021, the General Meeting of Shareholders, with Universal character, agreed, among others, the transformation of the legal form of the Parent Company into a Public Limited Company, changing its name to Scientia School, S.A. and its capital stock to be constituted by nominative shares and represented by the book-entry system. These transactions, together with other capital increase transactions, a stock split of 10 new shares for each old share, and other corporate and treasury stock transactions (note 13), were carried out on the occasion of the listing of all the Parent Company's shares on the Euronext Access market, on the Paris Stock Exchange, a process that was completed on September 29, 2021. The Parent Company and the Group is therefore listed on the aforementioned market since that date under the symbol "MLSCI.PA" and is accessible through the Group's corporate website and the Euronext market itself.

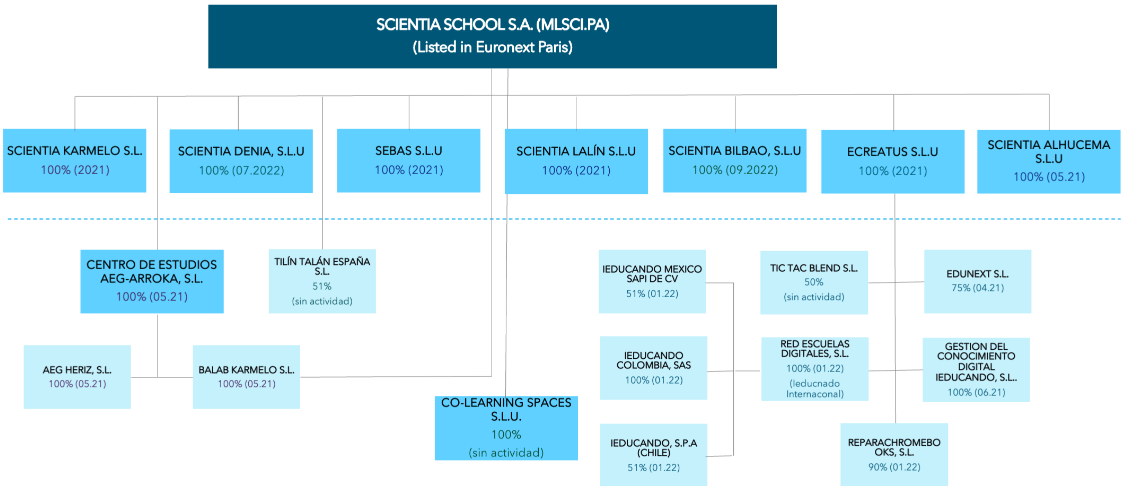
The main reasons that led the Group to apply for such admission to trading, among others, lie mainly in:

(i) To achieve a brand positioning, transparency and solvency, not only before the investment community, both national and international, but also before the main sectorial agents, which allow strengthening, not only existing relationships, but also initiating new ones, in order to facilitate the Group's growth and expansion model in the national and international education sector.

(ii) The negotiation of the shares in a regulated secondary market will allow access to new financial resources and the diversification of the sources of financing, on which to rely in the future, in order to make possible, to a greater extent, the growth plan designed by the Group.

The Parent Company is the head of a business group in the education and technology sector applied to the education sector (hereinafter also "the Group", through different companies with similar corporate purposes and sectors of activity, in accordance with articles 42 and 43 of the Commercial Code (CCom). The Group presents its consolidated financial statements following its listing on the Market in accordance with the regulatory framework for financial reporting established in: (i) the Commercial Code and other commercial legislation, (ii) International Financial Reporting Standards (IFRS) adopted by the European Union in accordance with Regulation (EC) No. 1606/2002 of the European Parliament and Law 62/2003, of December 31, 2003, on tax, administrative and social measures, as well as the rules and circulars applicable to the CNMV and (iii) the other regulations and provisions in force in the accounting field..

The Group's structure at the end of 2022 was as follows:



In the business area, the Group is organized through different divisions, whose main strategy is focused on the development of new innovative educational models that respond to the social, cultural and labor needs that have arisen in recent years in the knowledge society and are largely promoted by technological development in the educational sector, and provide a sustainable economic model adapted to the decrease in income faced by a wide variety of educational centers, largely due to the drop in the birth rate in recent years.

In this sense, all the Group's divisions are based on the same common vision of the pedagogical framework on which the services offered are built and which place the student at the center of all learning, whose competency profile is developed once the course designed in any of the itineraries offered for the improvement of learning has been completed.

With the ultimate aim of consolidating this strategy, through the different divisions of the Group, and in a clear commitment to continue with the growth and diversification of business models in the educational sector, a series of operational objectives have been designed within the Strategic and Growth Plan, which revolve around 4 fundamental pillars, among others:

i) The expansion of the own centers nationwide,

ii) Continuing the path of growth and consolidation of the digital transformation, through the interactive virtual environment of Ecreatus;

iii) Consolidation of the model designed for the efficient management of educational spaces, so-called as Co-learning, as an element for improving the economic viability of the educational centers, both inside and outside the Group, and,

iv) Expansion of the range of services, through new business segments, such as vocational training.

Finally, as part of the global strategy, the Group's R&D+I division was created, under the brand name "Balab Factory" (Balab Karmelo, S.L.), with the main objective of creating a laboratory and factory for projects aimed at having an impact on society in terms of Innovation, Sustainability and Circular Economy, using 3D printing from waste recovery as the main technological tool.

This division is considered as a transversal area to all the others, as it is rather an own value of the institution and that brings together all the contributions in the rest of the projects, providing definition in most of the processes and adding value to the rest of the knowledge acquired.

Evolution of businesses during 2021 and 2022-

Financial year 2021 was marked by the inorganic growth of the Group, which resulted in the acquisition of different educational and production centers in the educational area, as well as different acquisitions in the digital transformation division, led by the subsidiary Ecreatus, S.L., among others: (i) the acquisition of one of the main brands in the educational sector, "Ieducando", which acts in the "Google for Education" environment as Gold Partner Google for Education, both nationally and internationally in Latin America and, (ii) the acquisition of 75% of the capital stock of Edunext, S.L., which allows the Company and the Group to enter the b2c environment with a wide range of educational services.

On the other hand, and in order to expand the range of services, the Company integrated in May 2021 the Company Centro de Estudios AEG-Arroka, S.L., which under the banner "Escuela de innovación Profesional AEG", is configured as an expert in the area of adult vocational training leader in the sector in the territory of the Basque Country, both in Vocational Training and Occupational Training, for more than 30 years, and which teaches the following professional families:

- Textile, clothing and leather.
- IT and telecommunications.
- Administration and management.
- Commerce and marketing.
- Health.

On the other hand, it achieves synergies with other educational centers opened in the rest of the geographical area in which the Group operates, among others, in the also acquired Scientia Alhucema, S.L. (in transformation), whose modules and cycles in the health area are pioneers in the Community of Madrid, through investment in technology and laboratories.

Finally, also in the digital transformation area, the Group, through Ecreatus, S.L. and for its digital transformation business, acquired 100% of the shares representing the capital of the company Gestión del Conocimiento Digital Ieducando, S.L. (hereinafter, "iEducando"), subsequently complemented on December 30, 2021 in the perimeter of the company Red Escuelas Digitales, S.L., whose main assets are the shares in companies, within the international area.

Ieducando Brand is one of the main Google Partners for education -"Google for Education Partner & Professional Development Partner"-, which allows the Group, in the field of digital transformation, to significantly complete the offer of products and services, as well as the distribution channel with first level Partners at international level.

This transaction, together with the acquisition of 90% of the company Reparachromebooks, S.L., further consolidates the Group's digital transformation strategy for the coming years, which, together with the other investments that are being perfected, configures the Group as a reference in the area of education and digital transformation for the education segment.

During 2022, most of the Group's efforts have been aimed at consolidating the aforementioned acquisitions, and the acquisition of 2 more educational centers for the Group, in the sense of becoming a benchmark reference within the country's education segment.

2. OUTLOOK FOR YEAR 2023

Within the framework mentioned in the previous note, and as part of the Strategic Plan, the year 2023, according to the Group's expectations, will be characterized by two clearly identified objectives: i) on the one hand, to continue the path of organic growth and optimization of resources, to continue with the consolidation of the Group's business model in the operating divisions to date and; ii) inorganic growth, with new opportunities in the field of education and technology related to education, to expand the current range of services and divisions.

The objectives set by the Group in the field of growth, for the medium and long term, are based on different fundamental pillars within the strategy, among others:

a) Expansion of the management and operation of our own educational centers, between pre-school education and high school.

b) Expansion of the digital transformation division, which is operated through the interactive virtual environment of Ecreatus, S.L., through different operations that allow greater concentration and market niche in this division.

c) Expansion of the training offer, both in own and non-own centers, through the incorporation of the vocational training division to the rest of facilities of the Group.

d) Generation of transversal R+D+i models, which bring together all the contributions in the rest of the projects and divisions, providing definition in most of the processes and adding value to the rest of the knowledge acquired.

3. RESEARCH AND DEVELOPMENT ACTIVITIES

As part of the Group's global strategy, it has a specific R+D+i division, under the 'Balab Factory' brand (Balab Karmelo, S.L.). Its main objective is to create a laboratory and factory for projects aimed at having an impact on society in terms of Innovation, sustainability and the Circular Economy, using 3D printing based on waste recovery as its main technological tool.

This division is considered transversal to all others, as it is, rather, a value characteristic of the institution and that brings together all contributions from the rest of the projects and divisions, providing definition in most processes and adding value the rest of the knowledge acquired.

4. OWN TREASURY SHARES TRANSACTIONS

As a result of the admission to trading of all of the Parent Company's shares on the Euronext Access market on Paris Stock Exchange, the Parent Company initiated various actions with its own shares.

Firstly, on May 7, 2021, by way of acquisition, and although the Parent Company's shares were not yet admitted to trading, it acquired, with a cash payment, a volume of shares representing almost 4% of the share capital, in the amount of 1,900 thousand euros. This acquisition was performed with the reference shareholder Atlas Holdings Europe, S.L., in order to provide the Parent Company with treasury stock for different transactions after admission to trading.

Consequently, at December 31, 2022, the Group holds 974,102 shares, representing 3.81% of the Company's share capital, valued at acquisition cost, for a total amount of 1,936 thousand euros.

The changes in the treasury stock portfolio during the financial year 2022 were as follows:

FY'2022	Number of Shares	% of Capital Stock	Par Value (euros)	Average cost of (acquisition) / disposal	Valuation (thousands of euros)
Beginning Balance	**974,102**	**3.81%**	-	-	**(1,936)**
Acquisitions	251,889	0.99%	0.10	(3.97)	(1,000)
Sales / disposals	292,324	1.14%	0.10	5.66	1,656
Ending Balance	**933,667**	**3.65%**			**(2,367)**

During 2022, total acquisitions of treasury stock made amounted to 251,889 shares with a total cost of EUR 1,000 thousand (average cost of €3.97 per share). The total sales of treasury shares made during the 2022 financial year amounted to 292,324 shares with a total selling price of EUR 1,656 thousand (average selling price of EUR 5.66 per share). As a result of the sales of treasury shares, the Group obtained a profit of EUR 1,087 thousand, recorded as Reserves of equity in the accompanying Consolidated balance sheet.

As well, the movements in treasury stock portfolio during the financial year 2021, were as follows:

FY'2021	Number of shares	% of Capital Stock	Par value (euros)	Avarege cost of (acquistion) / disposal	Valuation (thousand euros)
Beginnig Balance	-	-	-	-	-
Aquisitions	993.984	3,89%	0,10	(1,99)	(1.975)
Sales/disposals	19.882	0,08%	0,10	4,48	89
Ending Balance	**974.102**	**3,81%**			**(1.936)**

During 2021, total acquisitions of treasury stock made amounted to 993,984 shares with a total cost of EUR 1,975 thousand (average cost of €1.99 per share). The total sales of treasury shares made during the 2021 financial year amounted to 19,982 shares with a total selling price of EUR 89 thousand (average selling price of EUR 4.48 per share). As a result of the sales of treasury shares, the Group obtained a profit of EUR 50 thousand, recorded as part of the financial result in the accompanying consolidated income statement.

5. FINANCIAL INSTRUMENTS

The Group did not use financial instruments, financial derivatives or hedging instruments that significantly affect the measurement of its assets, liabilities, financial position and results, that are not broken down in the accompanying consolidated financial statements, and more specifically in the accompanying Notes to the consolidated financial statements.

6. RISKS AND UNCERTAINTIES

In the preparation of the accompanying consolidated financial statements, estimates have been made by the Parent Company's Board of Directors and Management to value some of the assets, liabilities, income, expenses and commitments recorded therein (note 3.5 of the Notes to the consolidated financial statements).

However, these estimates are made on the basis of the best information available at the end of the year ended 31 December 2022 and, although it is possible that events that may occur in the future may make it necessary to modify them (upwards or downwards) in future periods, there are no significant reasons that may affect the assumptions taken into account for this purpose, and in any case, any changes would be made prospectively, recognizing the effects of the change in estimate in the related income statements.

For the best possible estimate, the Parent Company's Board of Directors takes into account estimates and judgments in relation to the valuation of such interests in group companies and the future flows expected by them, which are continuously evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under present circumstances.

7. AVERAGE PAYMENT PERIOD

On 5 July 2010, Law 15/2010, amending Law 3/2004, of 29 December, establishing measures to fight against default in commercial transactions, was published. Among other aspects, this rule removes the possibility of the ‘agreement between the parties’, in relation to the extension of the payment period to suppliers, in response to the financial impact of the economic crisis on all sectors, resulting in an increase in defaults, delays and extensions in the settlement of overdue invoices, which particularly affects small and medium-sized enterprises due to their strong reliance on short-term credit and cash limitations in the current economic climate. In addition, to combat these difficulties, the Law established a maximum general deferral between companies of 60 calendar days from the date of delivery of the goods or provision of the services that began to apply on 1 January 2014.

In addition, Additional Provision Three of this rule indicates that companies must expressly publish the information on payment deadlines to their suppliers in the notes to their individual and consolidated financial statements, and more specifically, in relation to the Resolution of 29 January 2020 of the Accounting and Audit Institute, in compliance with Law 31/2014, of 3 December, which amends additional provision three of Law 15/2010, of 5 July, amending Law 3/2004, of 29 December, establishing measures to combat late payment of commercial transactions. The details for 2021 in relation to the average period of payment to suppliers are given below.

	Days	
	31-dic.-22	**31-dic.-21**
Average paytment to Suppliers	175	136

8. ENVIRONMETNAL MATTERS

The Group has not carried out any environmental activities of special note. The Group is not aware of any significant environmental contingencies.

9. AVERAGE NUMBER OF EMPLOYEES

The Group's average number of employees at 31 December 2022, as well as in 2021, distributed by sex and category, is as follows:

	31-dic.-22		31-dic.-21	
	Men	Women	Men	Women
Area Managers	11	9	11	9
Teaching Staff	87	231	55	137
Marketing Staff	0	2	0	2
Finance and administration Staff	1	17	4	14
Design, production and projects	7	10	7	10
Commercial and sales force Staff	1	1	1	1
Services and Tech support	4	17	4	17
Human resources	2	1	2	1
	113	**288**	**84**	**191**

SCIENTIA SCHOOL, S.A. AND SUBSIDIARIES

Preparation of the consolidated financial statements and consolidated Directors' report for the year ended on December 31st, 2022

The Board of Directors of Scientia School, S.A. on March 31, 20232, in compliance with the requirements established in Article 253 of the Spanish Companies Act and Article 37 of the Spanish Commercial Code, proceeds to prepare the Consolidated Financial Statements and the Consolidated Directors' Report for the year ended on 31 December 2022, which are constituted by the documents attached hereto.

SIGNATORIES:

[Is signed]

Mr. Estanislao Martínez
Individual Representative of Atlas Holdings Europe, S.L. - President

[Is signed]

Mr. Francisco José Guerrero Cruces
Individual Representative of Sale Team, S.L.
Chief Executive Officer

[Is signed]

Mr. Francisco Sanz Sánchez
Member