



Madrid, August 14, 2023

Making Science Group, SA (hereinafter, "Making Science", "Making Science Group", the "Company", or the "Group"), by virtue of the provisions of article 17 of the Regulation (EU) No 596/2014 on market abuse and in article 227 of the consolidated text of the Securities Market Law, approved by Royal Legislative Decree 4/2015, of October 23, and concordant provisions, as well as in Circular 3/2020 of the BME Growth segment of BME MTF Equity (hereinafter, "BME Growth"), hereby makes known the following information:

OTHER RELEVANT INFORMATION

With the aim of offering greater transparency and providing continuous information to the stock market, the Company presents in this report a preview of the financial information (unaudited) related to the first half of 2022:

1. Highlights of the first half of 2023
2. Consolidated Profit and Loss Statement
3. *Core* business results for the first half of 2023
4. *Investments* business results for the first half of 2023

Sincerely,

Mr. José Antonio Martínez Aguilar
CEO of Making Science Group, SA

Advance financial information

H1 2023

Making Science Group, SA
The Digital Acceleration Company





Highlights of the first half of 2023.

During the first half of 2023, **Making Science** has maintained a strategy focused on clients, commitment to technological innovation and a clear motivation for excellence. This has allowed it to continue to show growth in order to maintain its organic international expansion in those markets where it has a minimal presence and high growth potential, such as the United States.

Making Science, on a consolidated basis, achieved a growth in revenue of 16.2% over the first half of 2022, reaching sales of €114 million in the first half of 2023. Its Gross Margin grew in line with the increase in sales, 16.4% compared to the same period of 2022, showing its resilience in maintaining growth despite a slowing global macroeconomic environment.

Recurring EBITDA, which excludes non-recurring expenses, amounted to €3.3 million in the first half of the year, a figure which, adjusted for the investment in talent made in the second quarter of 2023, mainly in the USA, would reach €4.4 million.

Investment in talent has been a strategy for organic growth in certain countries, such as the United States, Georgia, France, Nordic countries and the United Kingdom. This strategy complements the strategy developed in previous years of inorganic growth, marking **Making Science's** talent to evolve organically in the markets we are interested in, not having made acquisitions in the last year and adapting to a new growth environment and higher interest rates scenario.

Making Science continues to maintain its market leadership by adding new clients, which are large global accounts in Spain, Europe and the United States. We are proud of the confidence our customers show in us by their choice and, above all, by knowing that our organic growth strategy is showing clear results in the United States.

Investing in the US was a natural choice, as the US accounts for 40% of global digital advertising spend with expected revenues of US\$271 billion in 2023 (53% excluding China¹) and, despite its large size, is expected to continue to grow at a faster rate than other global markets; therefore, a presence in this market is critical to our ambitions to be a global leader in digital acceleration.

Making Science has been working to put in place the essential elements to compete in this market given that, compared to other global agencies and consulting firms, our revenues from the US represent less than 1% while other global firms earn more than 50% from this market.² Our building blocks for this organic strategy have been based on the expertise we provide to our clients through innovative consulting and product solutions, coupled with the talent of the team we have assembled and which has resulted in the signing of the first client in the USA, a global *blue-chip* in sports.

In this way, the strategy that we are developing in the United States complements the current geographical diversification of Making Science. In the first half of this year, Spain has increased its business, achieving a gross margin of 15.1 million euros (10.1% increase in gross margin), while in the International Business the gross margin has grown by 25.4%, reaching 13.0 million euros. As a consequence, the international segment now represents, in the first six months of 2023, 46.3% of the gross margin of the Making Science Core business, increasing its weight compared to the 43.2% registered in the same period of 2022. Consequently, the development of our strategy in the United States will allow us to increase our income in the International Business, in a market in which we have almost no presence and we are demonstrating our abilities to work with large companies.

In continuity with our strategy, in the first half of 2023 **Making Science** has been focused on reinforcing its *Customer-Centric-View*, redefining processes and policies to make our customers the focus of our work and improve their experience. Along the same lines, we have developed a culture of efficiency that allows us to control costs in order to focus spending on actions that are important for the development of our strategy and also to adjust to the evolution of the markets.

In the area of technological solutions, the year 2023 has marked the beginning of the explosion of Generative AI worldwide with the exponential growth of services such as ChatGPT. **Making Science** has been investing in Artificial Intelligence for more than six years in the *Gauss AI* and *Ad Machina* platforms. This investment in technology is increasingly relevant to our differentiation in the market. In the first half of the year **Making Science** developed and launched the Trust Generative AI platform, which has led to an increase in R&D investment. The first iterations in the market of the platform are proving to be very positive and allow us to continue to differentiate ourselves from our competitors.

¹ Source: Statista Digital Market Insights

² Presentation of 2022 Making Science Results and Q1 2023 results preview.

In this way, **Making Science** has maintained its focus on leading the integration of technology solutions and pioneering data strategies for its clients, something that has been recognized this year by Google where **Making Science** has been awarded two GOLDS and one SILVER in the **Google Marketing Partner Awards 2023**. The first GOLD was awarded for a case about CDP RIU in the Digital Transformation category, and the second GOLD was for our proprietary technology, Ad-Machina, in the Industry Solution category. On the other hand, a SILVER was awarded for a success case with our client MAPFRE in the Media Activation category. In this way, the value of the investments we have made in **Gauss AI** and **Ad Machina**, being able to deliver innovative and pioneering solutions for our customers, is shown.

In summary, in financial terms **Making Science** has continued the of growth, compared to the first half of 2022, showing resilience in the evolution of its Gross Margin (+16.4%), a recurring EBITDA adjusted for investment in talent that remains stable (+0.7%), optimizing its costs during the last half year, which is coupled with a clear focus on customers and showing leadership in solutions that have been recognized by the market, obtaining outstanding awards. In addition, we have continued to develop our commitment to excellence, through the ISO 9.001, 14.001 and 27.001 certifications obtained in Quality, Environment and Information Security, respectively, and always focused on our corporate values of People & Culture.

2. Consolidated Profit and Loss Statement

Below we present the Group's consolidated income statement³ for the first half of 2023, which includes both the *Core* business and the investments in e-Commerce and Products.

<i>Thousands of euros</i>	H1 2022	H1 2023	23/22 Growth
Revenue	98,061	113,909	16.2%
Cost of Sales	-72,446	-84,084	16.1%
Gross Margin	25,615	29,825	16.4%
<i>% of Revenue</i>	26.1%	26.2%	
Capitalized Expenses	1,711	2,134	24.7%
Personnel Expenses	-16,249	-21,914	34.9%
<i>% of Gross Margin</i>	63.4%	73.5%	
Other Operating Expenses	-6,928	-7,090	2.3%
<i>% of Gross Margin</i>	27.0%	23.8%	
Other Operating Income	195	391	99.9%
Recurring EBITDA	4,345	3,345	-23.0%
<i>% of Gross Margin</i>	17.0%	11.2%	
Non-Recurring Operating Expenses ⁴	-673	-1,363	102.6%
EBITDA	3,672	1,983	-46.0%
<i>% of Gross Margin</i>	14.3%	6.6%	

On an accounting basis, the group reported consolidated net revenues of €113.9 million in the first half of 2023, compared with €98.1 million in the same period of 2022, representing growth of 16.2%. Consolidated gross margin increased by 16.4% to €29.8 million.

On the other hand, recurring EBITDA for the first half of 2023 amounted to €3.3 million, 23% lower than the figure reported in the same period of the previous year, explained by investments in personnel expenses to expand, mainly in the North American market (Table 5) which, adjusted for this investment in talent, EBITDA would have grown by 0.7% compared to the same period of the previous year.

³ Figures not audited or subject to limited review.

⁴ Non-recurring expenses in the period mainly include costs associated with restructuring activities, mainly e-Commerce in 1Q23 (€0.6M), special incentives and talent acquisition (€0.3M), marketing activities (€0.2M) and others (€0.3M) associated with legal expenses of the corporate restructuring, donations for the earthquake in Turkey, and others.

3. Core business results for the first half of 2023

Below, we present the profit and loss statement for **Making Science's** Core business for the first half of 2023, which includes the Digital Marketing, AdTech & MarTech and Cloud & Software service lines.

Table 2. Consolidated income statement of the Core business

<i>Thousands of euros</i>	H1 2022	H1 2023	23/22 Growth
Revenue	92,110	108,902	18.2%
Cost of Sales	-68,037	-80,801	18.8%
Gross Margin	24,073	28,100	16.7%
<i>% of Revenue</i>	26.1%	25.8%	
Capitalized Expenses	1,413	2,010	42.2%
Personnel Expenses	-15,319	-21,252	38.7%
<i>% of Gross Margin</i>	63.6%	75.6%	
Other Operating Expenses	-5,062	-5,883	16.2%
<i>% of Gross Margin</i>	21.0%	20.9%	
Other Operating Income	194	382	97.5%
Recurring EBITDA	5,299	3,358	-36.6%
<i>% of Gross Margin</i>	22.0%	11.9%	
Non-Recurring Operating Expenses	-509	-995	95.4%
EBITDA	4,790	2,363	-50.7%
<i>% of Gross Margin</i>	19.9%	8.4%	

Net revenue for the first six months of 2023 amounted to €108.9 million in the *Core* business, while Gross Margin amounted to €28.1 million, showing growth of 18.2% and 16.7%, respectively, compared to the same period of 2022.

Recurring EBITDA decreased to €3.4 million, a change of -36.6% compared to the €5.3 million reported in the same period of the previous year, explained by the higher growth of the Personnel Expenses item than the Gross Margin.

Below is an additional breakdown of the accounting figures for the two geographic segments:

3.1 Spain

Table 3. Income statement for Spain

<i>Thousands of euros</i>	H1 2022	H1 2023	23/22 Growth
Revenue	54,051	64,550	19.4%
Cost of Sales	-40,366	-49,478	22.6%
Gross Margin	13,685	15,072	10.1%
<i>% of Revenue</i>	25.3%	23.3%	
Capitalized Expenses	1,413	2,010	42.2%
Personnel Expenses	-9,167	-11,910	29.9%
<i>% of Gross Margin</i>	67.0%	79.0%	
Other Operating Expenses	-2,906	-3,434	18.2%
<i>% of Gross Margin</i>	21.2%	22.8%	
Other Operating Income	150	298	99.2%
Recurring EBITDA	3,175	2,037	-35.8%
<i>% of Gross Margin</i>	23.2%	13.5%	
Non-Recurring Operating Expenses	-338	-833	146.6%
EBITDA	2,837	1,204	-57.6%
<i>% of Gross Margin</i>	20.7%	8.0%	

In the first half of 2023, the Spanish business increased its revenues and gross margin compared to the same period in 2022: 19.4% and 10.1%, respectively.

On the other hand, the group's R&D activity increased 42.2% compared to the first six months of 2022, mainly focused on the development of high-value technological tools for **Making Science**'s end customers.

The company has also reinforced its global Data, AdTech and MarTech consulting teams to respond to the expected growth in these businesses in all countries of its geographic footprint, especially the US, which are high-value markets that **Making Science** will serve from Spain. For this reason, Personnel Expenses, as well as operating expenses associated with this growth (primarily licenses, rentals and travel) grew above the Gross Margin, temporarily impacting the recurring EBITDA, which fell by 35.8% to €2.0 million.

3.2 International

Table 4. Accounting income statement of the International Business

<i>Thousands of euros</i>	H1 2022	H1 2023	23/22 Growth
Revenue	38,059	44,352	16.5%
Cost of Sales	-27,671	-31,324	13.2%
Gross Margin	10,388	13,028	25.4%
<i>% of Revenue</i>	27.3%	29.4%	
Capitalized Expenses	0	0	
Personnel Expenses	-6,152	-9,342	51.9%
<i>% of Gross Margin</i>	59.2%	71.7%	
Other Operating Expenses	-2,156	-2,449	13.6%
<i>% of Gross Margin</i>	20.8%	18.8%	
Other Operating Income	44	84	91.5%
Recurring EBITDA	2,124	1,321	-37.8%
<i>% of Gross Margin</i>	20.4%	10.1%	
Non-Recurring Operating Expenses	-172	-162	-5.5%
EBITDA	1,953	1,159	-40.7%
<i>% of Gross Margin</i>	18.8%	8.9%	

The International segment includes the accounting figures generated by the companies acquired in recent years by **Making Science** outside Spain, excluding Ventis Srl, which is reported in the Investments segment. The figures for the first six months of 2023 are exclusively organic, since there have been no new additions to the scope of consolidation. The figures for 2022 include the acquisitions of Tre Kronor (SE) and Elliot (GE) since their acquisition date in February.

In its international segment, **Making Science** reported revenues of €44.4 million in the first half of 2023, up 16.5% over the same period in 2022. The Gross Margin contributed by this geographic segment is €13.0 million, representing a solid growth of 25.4% year-on-year.

In this segment, **Making Science** is investing in accelerating its organic growth by reinforcing and hiring its teams to strengthen the US business. In this regard, in April the company incorporated a team of former Google executives in order to grow its digital marketing solutions offering, as well as its proprietary technology.

As a result, Personnel Expenses in this segment have increased significantly, which the company expects to generate more than enough business in the coming quarters to offset the 37.8% reduction in recurring EBITDA (+10.7% adjusted for Talent Investment).

Table 5. Investment in Talent

<i>Thousands of euros</i>	H1 2022	H1 2023	23/22 Growth
Investment in Talent	n.a.	1,030	
Consolidated Account: Personnel Expenses	-16,249	-21,914	34.9%
Consolidated Personnel Expenses w/o Investment in Talent	-16,249	-20,884	28.5%
Consolidated Statement: Recurring EBITDA	4,345	3,345	-23.0%
Recurring Consolidated EBITDA w/o Investment in Talent	4,345	4,375	0.7%
International Business Segment: Personnel Expenses	-6,152	-9,342	51.9%
Personnel Expenses International Business w/o Inv. in Talent	-6,152	-8,312	35.1%
International Business Segment: Recurring EBITDA	2,124	1,321	-37.8%
Recurrent EBITDA International Business w/o Inv. in Talent	2,124	2,351	10.7%

4. Results of the *Investments* business for the first half of 2023

This segment includes the values generated by the Ventis group acquired by **Making Science** on May 19, 2021, when it was integrated into the group's financial statements.

This segment generated revenues of €5 million between January and June, 2023, with a gross margin of €1.7 million, up 11.9% year-on-year. Profitability improved substantially compared to the same period in 2022, from 25.9% to 34.4%.

Since its acquisition, **Making Science** has refocused the strategy and operations of this business to achieve profitable growth. To this end, it has executed a set of restructuring and operational improvement initiatives through 2022 and extending into 2023, focused on prioritizing gross margin over volume, streamlining software development costs, optimizing investment in digital marketing and redesigning logistics.

Table 6. Accounting income statement of investments in e-Commerce and Products

<i>Thousands of euros</i>	H1 2022	H1 2023	23/22 growth
Revenue	5,951	5,007	-15.9%
Cost of Sales	-4,409	-3,282	-25.6%
Gross Margin	1,541	1,725	11.9%
<i>% of Revenue</i>	25.9%	34.4%	
Capitalized Expenses	298	123	-58.6%
Personnel Expenses	-930	-662	-28.8%
<i>% of Gross Margin</i>	60.3%	38.4%	
Other Operating Expenses	-1,866	-1,206	-35.3%
<i>% of Gross Margin</i>	121.0%	70.0%	
Other Operating Income	2	8	361.4%
Recurring EBITDA	-955	-13	98.7%
<i>% of Gross Margin</i>	-61.9%	-0.7%	
Non-Recurring Operating Expenses	-163	-367	125.0%
EBITDA	-1,118	-380	66.0%
<i>% of Gross Margin</i>	-72.5%	-22.0%	

As a result of all this, **Making Science** has managed to achieve break-even in its eCommerce and Products business in the first half of 2023, in contrast to the loss of €1.0 million that this segment recorded in the same period of 2022.