

Fundación ProFuturo

Independent Auditor's Report

Annual account

For the year ended December 2024



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

Independent auditor's report on the annual accounts

To the trustees of Fundación ProFuturo

Opinion

We have audited the annual accounts of Fundación ProFuturo (the Foundation), which comprise the balance sheet as at 31 December 2024, and the income statement and related notes for the year then ended.

In our opinion, the accompanying annual accounts present fairly, in all material respects, the equity and financial position of the Foundation as at 31 December 2024, as well as its financial performance and cash flows for the year then ended, in accordance with the applicable financial reporting framework (as identified in note 2 of the notes to the annual accounts), and in particular, with the accounting principles and criteria included therein.

Basis for opinion

We conducted our audit in accordance with legislation governing the audit practice in Spain. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the annual accounts* section of our report.

We are independent of the Foundation in accordance with the ethical requirements, including those relating to independence, that are relevant to our audit of the annual accounts in Spain, in accordance with legislation governing the audit practice. In this regard, we have not rendered services other than those relating to the audit of the accounts, and situations or circumstances have not arisen that, in accordance with the provisions of the aforementioned legislation, have affected our necessary independence such that it 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 aspects of the audit

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

Most relevant aspects of the audit	How our audit addressed the most relevant aspects of the audit
Expenses relating to aid and others As detailed in Notes 1 and 15 of the accompanying annual accounts, Fundación Profuturo's activity focused on granting aid to certain Foundations and Bodies in order to carry out its activities aimed at promoting education in developing countries. This aid consists of both contributions (funds) and non-monetary contributions (teaching material in digital formats). As described in Note 4i, expenses are recognized on an accrual basis. Specifically in the case of monetary aid, the expense is taken to the income statement at the time the aid is approved for the amount agreed upon signing the contract and therefore the commitment to carry out the action covered by the aid is signed off. In the case of non-monetary aid, the expense accrued once the material has been received by the entities for which it is earmarked, and the associated risk has been transferred. We consider this area relevant given the significant of the value of these expenses represent in the income statement, as well as because it is an area susceptible to material misstatement with respect to the correct accounting of these expenses.	Below are detailed the main audit procedures carried out in relation to the recognition of aid and other expenses are described below, including: • Understanding of the accounting policies used by Fundación ProFuturo to recognize expenses for monetary and non-monetary aid and assessing them with respect to the applicable regulations. • Tests of detail, assessing the supporting documentation for a sample of expenses relating to monetary and non-monetary aid. • Analyzing the correct classification and recognitions of expenses relating to monetary and non-monetary aid taken to the income statement. Based on the procedures carried out, no issues worth mentioning were identified.

Responsibility of the Chair of the Board Trustees for the annual accounts

The Chair of the Board of Trustees is responsible for the preparation of the accompanying annual accounts, such that they fairly present the equity, financial position and financial performance of the Foundation, in accordance with the financial reporting framework applicable to the entity in Spain, and for such internal control as the aforementioned Chair of the Board of Trustees determine is necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts, the Chair of the Board of Trustees is responsible for assessing the Foundation'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 Chair of the Board of Trustees either intend to liquidate the Foundation or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the annual accounts

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

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with legislation governing the audit practice 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 annual accounts.

As part of an audit in accordance with legislation governing the audit practice in Spain, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the 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 entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Chair of the Board Trustees.
- Conclude on the appropriateness of the Chair of the Board Trustees's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Foundation'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 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 Foundation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual accounts, including the disclosures, and whether the annual accounts represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the entity's Chair of the Board of Trustees 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 entity's the Chair of the Board of Trustees, we determine those risks that were of most significance in the audit of the annual accounts of the current period and are, therefore, considered to be the most significant risks.

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

PricewaterhouseCoopers Auditores, S.L. (S0242)

Original in Spanish signed by
Silvia Sánchez de Pablo García (21876)

23 June 2025

Fundación ProFuturo

**Annual Accounts
December 31st, 2024**

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Balance Sheet at December 31st, 2024 and 2023 (Expressed in Euros)

		2024	2023(*)
A) NON-CURRENT ASSETS		15,599	18,507
I. Intangible assets	NOTE 5	-	-
III. Property, plant and equipment	NOTE 5	15,599	18,507
B) CURRENT ASSETS		11,318,210	12,235,531
II. Inventories	NOTE 7	672,667	697,183
IV. Trade and other receivables	NOTE 6	21,237	8,177
3. Other receivables		700	4,189
4. Personnel		18,583	1,792
6. Other amounts receivable from Public Administrations	NOTE 14	1,954	2,196
VII. Prepayments for current assets		8,382	19,787
VIII. Cash and cash equivalents	NOTE 8	10,615,924	11,510,384
TOTAL ASSETS (A+B)		11,333,809	12,254,038

A) EQUITY		7,563,216	8,027,064
A-1) Shareholders' equity	NOTE 9	1,918,795	1,609,767
I. Social Fund		32,000	32,000
II. Reserves		1,577,767	1,227,335
IV. Surplus for the current year		309,028	350,432
A-3) Grants, donations and bequests received	NOTE 10	5,644,421	6,417,297
II. Grants, donations and bequests received		5,644,421	6,417,297
1. Donations for equipment renovation		4,233,716	-
2. Rest of donations		1,410,705	6,417,297
B) NON-CURRENT LIABILITIES		52,129	58,936
I. Non-current provisions	NOTE 11	52,129	58,936
1. Long-term employee benefits		52,129	58,936
C) CURRENT LIABILITIES		3,718,464	4,168,038
II. Current provisions	NOTE 12	64,107	91,771
III. Current payables	NOTE 13	5,132	2,005
V. Beneficiaries – Creditors	NOTE 13	96,281	424,866
VI. Trade and other payables		3,552,944	3,649,396
3. Sundry creditors	NOTE 13	2,701,455	2,864,570
4. Personnel	NOTE 13	503,955	484,465
6. Other amounts payable to Public Administrations	NOTE 14	347,534	300,361
TOTAL EQUITY AND LIABILITIES (A+B+C)		11,333,809	12,254,038

Notes 1 to 21 to the accompanying accounts are an integral part of the Balance sheet at December 31st, 2024.

(*) Presented solely and exclusively for comparative purposes.

Income statement at 31st December 2024 and 2023 (Expressed in Euros)

		2.024	2.023(*)
A) Surplus for the year			
1. Revenue from the organisation's own activity	NOTE 15 a)	24,710,268	28,087,213
a) Contributions from users		20,251	21,020
b) Donations and bequests taken to income in the year		24,690,017	28,066,193
3. Expenses relating to aid and other	NOTE 15 b) & c)	(12,606,464)	(15,823,673)
a) Monetary aid		(12,335,571)	(15,631,804)
b) Non-monetary aid		(270,893)	(191,869)
6. Supplies	NOTE 15 d)	(211,304)	(74,408)
7. Other revenues		-	9,626
8. Personnel expenses	NOTE 15 e)	(4,567,447)	(4,095,782)
a) Wages, salaries and sundry expenses		(2,763,580)	(2,496,554)
b) Employee benefit costs		(1,194,983)	(1,065,889)
c) Accruals		(608,884)	(533,339)
9. 9. Other operating expenses	NOTE 15 f)	(7,192,698)	(7,956,826)
10. Amortisation and depreciation	NOTE 5	(8,040)	(10,338)
A.1) Surplus from activity		124,315	135,812
14. Financial income	NOTE 8 & 15 a)	288,778	319,786
17. Exchange differences	NOTE 15 g)	(104,065)	(105,166)
A.2) Financial surplus		184,713	214,620
A.3) Surplus before tax		309,028	350,432
19. Income tax		-	-
A.5) Change in equity recognised in surplus for the year		309,028	350,432
C) Income and expense recognised directly in equityd	NOTE 10	23,917,141	31,069,782
4. Donations and bequests received		23,917,141	31,069,782
D) Reclassifications to surplus for the year	NOTE 10	(24,690,017)	(28,066,193)
4. Donations and bequests received		(24,690,017)	(28,066,193)
J) TOTAL RESULTS, CHANGE IN EQUITY FOR THE YEAR			
(A.5+C+D)		(463,848)	3,354,021

Notes 1 to 21 to the accompanying accounts are an integral part of the Balance sheet at December 31st, 2024.

(*) Presented solely and exclusively for comparative purposes.

FUNDACION PROFUTURO
December 31st, 2024
NOTES TO THE ANNUAL ACCOUNTS
(Expressed in euros)

(1) Activity of the entity.

Fundación ProFuturo [the ProFuturo Foundation] (hereinafter the “Foundation”) is a private, non-profit and permanent foundation of Spanish nationality whose assets, according to the will of its founders, are permanently allocated to pursuing the aims of general interest that are detailed in its By-laws. It was formally established through a public instrument on June 13, 2016 and registered in the Register of Foundations with reference number 1.856.

The Foundation’s registered address, according to its By-laws, is calle Gran Vía, 28, CP 28013, Madrid (Spain), and may establish by agreement of the foundation’s board offices or delegations in other places in Spain or abroad. The Foundation may change its registered address within Spain.

The Foundation carries out its activities mainly in Spain and in any developing countries that it deems appropriate, particularly in Africa, Latin America, and Asia, either by itself or through other public or private entities, bodies, institutions, individuals or legal entities that may serve the purposes pursued.

For the purposes of the above, Fundación ProFuturo, with the prior agreement of the Board of Trustees, may set up foundations in other countries in accordance with the respective national legislation.

The Foundation has a separate legal personality and full legal capacity to act as from the date on which the Public Instrument of Foundation was entered in the Registry of Foundations on 28 November 2016 and it started operations on that date.

The general purpose of Fundación ProFuturo is to drive and foster the education and development of children, young people and persons belonging to the most disadvantaged sectors or those at risk of social exclusion in order to help promote and generate equal opportunities in society by encouraging digital and e-learning, specifically fostering the digital education of children and young people to allow them to acquire skills through technology.

Within this framework, the Foundation has the following aims:

1. Promoting the online digital education and training of underserved children and young people and of persons at risk of exclusion by fostering the use of new information technologies and placing the necessary means at their disposal.
2. Analysing and deciding on the proposals presented to expand digital literacy in children and young people in developing countries.
3. Facilitating the professional and intellectual training of people who are in need or who are in a situation of unemployment or social maladjustment through the use of digital technologies and digital upskilling through e-learning.
4. Promote teacher training with a view to the dissemination and improvement of digital skills, the technologies related to them and their applications of all kinds, insofar as they can contribute to the improvement of the conditions of society, education and teaching.

The Foundation determines strategies and actions targeted at the educational development of the groups that constitute its beneficiaries, thereby contributing to offering them a future with greater and better opportunities and possibilities, increasing their capacity for long-term vision, and giving them tools that facilitate professional performance and personal development.

The activities of general interest that the Foundation carries out in compliance with its foundational purposes (own activities) will be the following:

- a. The promotion and development of educational projects, in cooperation with public and private institutions and entities, designed to carry out actions that favour the fulfilment of the Foundation's purposes by providing financial or any other kind of assistance.
- b. The development of all kinds of digital education programmes, including the implementation thereof in public or private institutions.
- c. Promoting, collaborating on and/or conducting educational research, mainly in the digital area.
- d. Financing teaching, social, or cultural activities by awarding study grants, subsidies or other free benefits in favour of children and young people and other members of the beneficiary groups who lack sufficient means to obtain the benefits or results sought by the Foundation on their own; and the awarding of prizes to entities that, by virtue of their own merits, have excelled in the pursuit of the aims promoted by the Foundation.

(2) Basis of presentation**(a) Financial reporting regulatory framework applicable to the Foundation:**

These financial statements have been prepared by the Chairman of Fundación ProFuturo in accordance with the regulatory financial reporting framework applicable to the Foundation, which is set forth in the following:

- Commerce Code and other mercantile legislation.
- Law 50/2002, of December 26, 2002, on Foundations and Royal Decree 1337/2005, of November 11, 2005, approving the Regulations for National Foundations, as well as the amendments introduced by Royal Decree 1611/2007.
- Resolution of March 26, 2013, of the Accounting and Auditing Institute, approving the Accounting Plan for non-profit entities. This resolution includes and complies fully with the provisions of Royal Decree 1491/2011, of October 24, and for all matters not specifically amended by said decree, the provisions of the Chart of Accounts.
- Royal Decree 1/2021, of January 12, amending the Chart of Accounts approved by Royal Decree 1514/2007, of November 16; the Chart of Accounts for Small and Medium-Sized Companies approved by Royal Decree 1515/2007, of November 16; the Standards on the Preparation of Consolidated Financial Statements approved by Royal Decree 1159/2010, of September 17; and the Standards on the adaptation of the Chart of Accounts to non-profit entities approved by Royal Decree 1491/2011, of October 24.
- The mandatory rules approved by the Accounting and Auditing Institute in the development of the Chart of Accounts and its supplementary standards.
- All other applicable Spanish legislation.

(b) True and fair view

These annual accounts have been obtained from the accounting records of Fundación ProFuturo and are presented in accordance with the regulatory framework applicable to them and, in particular, the principles and criteria contained therein, so as to present a true and fair view of the Foundation's net worth, financial situation at December 31, 2024, and changes in equity, as well as the activity carried out during for the year ended on that date.

The annual accounts will be submitted for approval by the Board of Trustees of Fundación ProFuturo. The Management of the Foundation considers that these annual accounts will be approved without changes.

(c) Responsibility for the information and estimates made

The information in these annual accounts is the responsibility of the Foundation's management. In preparing the accompanying annual accounts estimates have been made by the Foundation's management in order to measure certain of the assets, liabilities, income, expenses and commitments shown in them. These estimates relate basically to:

- The useful life of tangible and intangible assets.
- Impairment losses on certain assets.
- Calculation of provisions and assessment of contingencies.

Although these estimates have been made on the basis of the best information available at year-end 2024, it is possible that future events may make it necessary to revise these estimates upwards or downwards in future years, if necessary prospectively, i.e. by recognising the effects of the change in the abridged income statements of the affected years.

(d) Comparability

In accordance with the applicable accounting legislation in force, the Profuturo Foundation presents, solely and exclusively for comparative purposes with the information relating to the financial year 2024, the figures referring to the financial year 2023.

(d) Functional and presentation currency:

The financial statements are presented in euros, which is the Foundation's functional and presentation currency.

(3) Appropriation/Application of Surplus

The application of the surplus for the year ended December 31st 2023, approved by the Foundation's Board of Trustees on June 19th 2024, was as follows:

	Euros
<u>Basis of appropriation</u>	
Surplus for the year	350,432
<u>Appropriation</u>	
Voluntary reserves	350,432

The proposed application of the Foundation's surplus for the year ended December 31st 2024, to be submitted to the Board of Trustees is as follows:

	Euros
<u>Basis of appropriation</u>	
Surplus for the year	309,028
<u>Appropriation</u>	
Voluntary reserves	309,028

In accordance with the provisions of Royal Decree 1337/2005, of 11 November, and specifically considering article 32, which refers to the use of income and revenues, at least 70% of the Foundation's accounting profit, adjusted for certain income and expenses (see note 19. Activities of the entity, pages 46 and 51), must be used to achieve the Foundation's purposes. The period for the fulfilment of this obligation is from the beginning of the year in which the respective results and income were obtained until four years after the end of that year. The percentage pending after the application of the legal minimums must be used to increase either the foundation's endowment or the reserves, as agreed by the Board of Trustees.

(4) Accounting Policies Applied

The Foundation mainly uses the following accounting policies to draw up its annual accounts:

(a) Intangible assets

Intangible assets are initially measured at acquisition cost and subsequently measured at cost less accumulated amortisation calculated on the basis of their useful life and any impairment adjustments made.

Software:

This includes the cost of acquiring software for the Foundation's data processing systems. Maintenance costs are taken to expenses when they are incurred. Amortisation is charged on a straight-line basis over an estimated useful life of four years.

Useful life and amortisation:

The Foundation reviews the residual value, useful life and amortisation of intangible assets at the end of each financial year. Any changes to the initially established criteria would be recognised as a change in estimates and would be made prospectively.

Asset impairment:

The Foundation regularly assesses and, where appropriate, determines impairment adjustments and reversals of impairment adjustments to intangible assets (see section (c)).

(b) Property, plant and equipment

Initial recognition

Assets included in property, plant and equipment are stated at acquisition or production cost. Property, plant and equipment are stated in the balance sheet at cost less accumulated depreciation and impairment losses.

Fixed assets received by way of donation are valued at their fair value at the time of contribution.

Hardware:

This includes the costs of purchasing this type of equipment for use by Foundation staff. Maintenance costs are expensed as incurred. Depreciation is calculated on a straight-line basis over an estimated useful life of four years.

Useful life and amortisation:

The Foundation reviews the residual value, useful life and amortisation of Property, plant and equipment at the end of each financial year. Any changes to the initially established criteria would be recognised as a change in estimates and would be made prospectively.

Asset impairment:

The Foundation regularly assesses and, where appropriate, determines impairment adjustments and reversals of impairment adjustments to Property, plant and equipment (see section (c)).

(c) Impairment of non-cash generating assets

All intangible assets are non-cash generating as their purpose is not to generate a commercial return but a collective benefit, in terms of either social benefit or potential for service.

The Foundation only tests these assets for impairment when there are indications of impairment, not based on commercial indicators but rather on the potential for service that they generate.

In any case, events or circumstances that might be an indication of impairment must be significant and they must have long-term effects.

If there are indications of impairment, the recoverable value is the higher of fair value less costs to sell and value in use. Value in use is the present value of the asset maintaining its potential for service and is determined by reference to the depreciated replacement cost.

The impairment of non-cash generating assets is determined specifically for individual assets, unless it is not easy to identify their service potential, in which case the recoverable amount is determined at the level of the operating unit or service to which it belongs.

Impairment losses or reversals are recognised by applying the impairment criteria applicable to other non-current assets.

(d) Inventories

Inventories are initially measured at acquisition price or production cost. In the case of inventories received at no cost, they are measured at fair value.

All inventories are non-cash generating as their purpose is not to generate a commercial return but a collective benefit, in terms of either social benefit or potential for service.

The Foundation recognises impairment adjustments in those cases in which the realisable value of inventories is lower than their carrying amount. Since these inventories do not generate cash flows, the net recoverable amount to be considered in determining any measurement adjustment is the higher of net realisable value and replacement cost.

The Foundation uses the weighted average cost method to assign value to inventories.

The Foundation makes the necessary measurement adjustments, recognizing them as an expense in the income statement, when the acquisition cost (or production cost) of inventories exceeds the net realisable value.

(e) Cash and cash equivalents

Cash and cash equivalents include cash in current accounts.

(f) Grants, donations and bequests

Grants, donations and bequests are initially recognised as income and are taken directly to equity when there is an individual agreement awarding the grants, donations or bequests to the Foundation, the conditions established for such award have been fulfilled and there are no reasonable doubts regarding collection. They are released to the income statement on a systematic and rational basis in a manner that matches the expenses derived from the grants, donations and bequests which the Foundation awards to third parties.

Grants, donations and bequests awarded by members, founders or trustees are recognised as such, unless they are awarded as endowment capital or social funds, in which case they are recognised directly in the Foundation's equity. Contributions by third parties to endowment capital are also recognised directly in equity.

Grants, donations and bequests that are monetary in nature are measured at the fair value of the amount allocated and those that are non-monetary or in-kind in nature are measured at the fair value of the item received, the value of both being determined at the time of their recognition.

Grants, donations and bequests received without being assigned to a specific purpose are recognised as income in the year in which the award is approved.

(g) Financial instruments

(i) Classification and separation of financial instruments.

Financial instruments are classified upon initial recognition as a financial asset, a financial liability or an equity instrument, according to the substance of the contract and the definitions of financial asset, financial liability and equity instrument.

The Foundation classifies financial instruments in the various categories based on the characteristics and intentions of management at the time of their initial recognition.

(ii) Financial assets

ii.1) Classification and measurement:

The financial assets held by the Foundation are included in the following category:

1. Financial assets at amortised cost.

This category includes financial assets, including those admitted to trading on an organised market, in which the Entity holds the investment with the objective of receiving the cash flows arising from the performance of the contract, and the contractual terms 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.

This category includes trade receivables and non-trade receivables:

a) Trade receivables: financial assets arising from the sale of goods and the rendering of services in connection with the entity's ordinary course of business for which payment is deferred; and

b) Non-trade receivables: financial assets that are not equity instruments or derivatives and are not of a commercial origin, are collected in fixed or determinable amounts and arise from loans or credit granted by the entity.

Initial measurement

Financial assets classified in this category are initially measured at fair value, which, barring evidence to the contrary, is the transaction price, which is the fair value of the consideration given, plus directly attributable transaction costs.

Subsequent measurement

Financial assets included in this category are measured at amortised cost.

Accrued interest is recognised in the income statement using the effective interest method. However, receivables maturing in less than one year that are initially measured at nominal value will continue to be measured at nominal value unless they become impaired.

(iii) Impairment of financial assets

A financial asset or a group of financial assets is impaired, and impairment losses are recognised, if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

The Foundation recognises the pertinent impairment losses on loans and receivables and debt instruments when debtor insolvency has prompted a reduction or delay in estimated future cash flows.

(iv) Financial liabilities

iv.1) Classification and measurement

The financial liabilities held by the Foundation are classified as financial liabilities at amortised cost:

1. Financial liabilities at amortised cost

In general, this category includes trade payables and non-trade payables:

a) Trade payables: financial liabilities arising from the purchase of goods and services in connection with business transactions for which payment is deferred, and

b) Non-trade payables: financial liabilities which, not being derivative instruments, do not have a trade origin, but arise from loans or credit operations received by the company.

Initial measurement

Financial liabilities included in this category are initially measured at fair value, which is the transaction price and is equal to the fair value of the consideration received, as adjusted for directly attributable transaction costs.

Subsequent measurement

Financial liabilities included in this category are measured at amortised cost. Accrued interest is recognised in the income statement using the effective interest method.

However, debits with a maturity of not more than one year which are initially valued at their face value continue to be valued at their face value.

The Foundation derecognises financial liabilities when the obligations giving rise to them are extinguished. It also derecognises the financial liabilities that it acquires, even if it intends to reposition them in the future.

(h) Contributions on behalf of employees

The Foundation recognises contributions to defined contribution pension schemes as the employees provide their services. The amount of accrued contributions is recognised as a personnel remuneration expense and as a liability once any amount paid has been deducted. If the amounts paid exceed the accrued expense, the related assets are only recognised to the extent that they may be applied to reduce future payments or lead to a cash reimbursement.

The Foundation has outsourced these pension schemes.

The Foundation currently has a remuneration system indexed to the price of shares in Telefónica, S.A. These provisions are valued on the basis of the conditions agreed for each plan (as detailed in note 11).

(i) Income and expenses

(i) Expenses

Expenses are recorded 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.

In particular, expenses deriving from monetary and non-monetary aid granted to foundations and bodies for the Foundation's activities, pursuant to Royal Decree 1491/2011, of October 24, concerning accounting principles for non-profit entities, are taken to the income statement at the time their grant is approved in the amount agreed when the contract is executed and the commitment to perform a specific action is therefore approved, as provided by Rule 18 of Section Five of the standards for adapting the Chart of Accounts pursuant to the aforementioned Royal Decree.

(ii) Income

Founder contributions relating to the performance of the Foundation's purpose are recognised as income in the year in which they are received, provided they relate to the expense for the year and to the Foundation's purpose.

Income from sponsors and collaborators arranged through Collaboration Agreements in the Foundation's favour is recognised in the year in which the monetary aid granted by the Foundation to the beneficiary body to perform the foundational activity is arranged. The relevant contract is thus signed with said beneficiary body to execute the action to which it refers, together with the commitment to perform a specific action, at which time the expense is recognised, as provided in the measurement standard for expenses deriving from monetary aid.

(j) Corporate income tax and value added tax

Non-deductible input VAT is included in the acquisition price of capital goods or working capital, and of services involving operations subject to said tax.

The Foundation is subject to the provisions of Foundations Act 50/2002, of December 26, and Law 49/2002, of December 23, concerning the tax framework for non-profit entities, including, among others, those registered with the Registry of Foundations. Accordingly, foundations complying with the requirements set forth below will be exempt from corporate income tax on income deriving from non-exchange transactions, from the Foundation's real estate and other assets, such as dividends, interest, fees and rent, from acquisitions or transfers under any title of goods or rights, income obtained in exempt economic operations and income which, pursuant to tax law, must be attributed or allocated to non-profit entities. The requirements under said Law are as follows:

Pursue general interest aims of a social, civic, cultural or sporting nature, promotion of social volunteering, etc.

Use at least 70 percent of net income and other revenue obtained in any other manner in the performance of said aims, deducting, where applicable, the relevant taxes, within a period of four years after being obtained.

The activity performed may not consist of economic operations not covered by the statutory aim or purpose. This requirement will be considered to be fulfilled if net income for the year corresponding to all non-exempt economic operations not associated with the Foundation's statutory purpose or aim does not exceed 40 percent of the Foundation's total income, provided that the performance of these non-exempt economic operations does not breach competition law in relation to companies performing the same activity.

The founders, members, trustees, statutory representatives, members of the governing bodies and their spouses or relatives to the fourth degree are not the main recipients of the activities performed by the entities nor benefit from special conditions for using their services.

Report annually to the relevant supervisory body.

Apply its assets, in the event of dissolution, to purposes in the general interest like those of its foundational activity, in accordance with the provisions of the Foundation's bylaws.

Trustee positions are not remunerated, although trustees may be reimbursed for duly justified expenses incurred in performing their functions.

The accounting obligations provided in the applicable regulations must be fulfilled.

A financial report must be compiled annually.

The Foundation is compliant with all the above-mentioned requirements which are set out in its By-laws.

(k) Classification of assets as current and non-current

In the balance sheet, the Foundation classifies assets and liabilities as either current or non-current. In this connection, current assets and liabilities are those that meet the following criteria:

Assets are classified as current when they are expected to be realised or intended to be sold or consumed after the normal operating cycle of the Foundation, they are held primarily for trading purposes and are expected to be realised within twelve months of the balance date or are cash or cash equivalents, except where they cannot be exchanged or used to settle a liability, at least within twelve months of the balance date.

Liabilities are classified as current when they are expected to be settled in the normal operating cycle of the Foundation, they are held primarily for trading, they must be settled within twelve months of the year-end, or the Foundation does not have the unconditional right to defer settlement of the liabilities within twelve months of the year-end.

Financial liabilities are classified as current when they must be settled within twelve months of the balance date, even if the original period exceeds twelve months and there is a refinancing agreement or long-term payment restructuring arrangement which has expired after the balance sheet date and before the annual accounts are authorised for issue.

(l) Foreign currency transactions, balances and flows

Foreign currency transactions are translated to the presentation currency using the exchange rates valid on the transaction dates.

Monetary assets and liabilities denominated in foreign currency are translated to euros applying the year-end exchange rate, while non-monetary assets and liabilities measured at historical cost are translated by applying the exchange rate on the date on which the transactions took place.

The foreign currency gains and losses resulting from settling these transactions and translation at closing exchange rates of the monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

(5) Assets

Intangible assets

Details of this balance sheet heading at December 31, 2024 and 2023 are as follows:

	31.12.23	Additions	31.12.24
Software	6,835,520	-	6,835,520
Total cost	6,835,520	-	6,835,520
Amortisation of software	(6,835,520)	-	(6,835,520)
Accumulated amortisation	(6,835,520)	-	(6,835,520)
Total assets	-	-	-

	31.12.22	Additions	31.12.23
Software	6,835,520	-	6,835,520
Total cost	6,835,520	-	6,835,520
Amortisation of software	(6,835,520)	-	(6,835,520)
Accumulated amortisation	(6,835,520)	-	(6,835,520)
Total assets	-	-	-

At year-end 2024, the Foundation's intangible assets comprise digital content developed by third parties for inclusion in the ProFuturo technological solution.

The Foundation has not recognised any intangible assets with an indefinite useful life, and neither has it capitalized any financial expenses.

At December 31st, 2024 and 2023, the Foundation had no purchase commitments in relation to intangible assets.

At December 31st, 2024 and 2023, there are intangible assets still in use, and fully amortised with a book cost of 6,835,520 euros.

Property, plant and equipment

Details of this balance sheet heading at December 31st, 2024 and 2023 are as follows:

	Euros		
	31.12.23	Additions	31.12.24
Hardware	81,195	5,132	86,327
Total cost	81,195	5,132	86,327
Hardware amortisation	(62,688)	(8,040)	(70,728)
Accumulated amortisation	(62,688)	(8,040)	(70,728)
Total assets	18,507		15,599

	Euros		
	31.12.22	Additions	31.12.23
Hardware	74,671	6,524	81,195
Total cost	74,671	6,524	81,195
Hardware amortisation	(52,350)	(10,338)	(62,688)
Accumulated amortisation	(52,350)	(10,338)	(62,688)
Total assets	22,321		18,507

At year-end 2024, the Foundation's Property, plant and equipment comprise computer equipment for use by Foundation staff in the performance of their duties.

As at December 31st 2024, fully depreciated property, plant and equipment, which is in use, totalled, 52,243 euros (43,107 euros at December 31st 2023).

(6) Current financial assets by category

The detail of short-term financial assets measured at amortised cost at December 31st 2024 and 2023 is as follows:

	Euros	
	31.12.24	31.12.23
<i>Trade and other payables</i>		
Sundry creditors	700	4,189
Personnel	18,583	1,792
Other amounts payable to Public Administrations	1,954	2,196
Total	21,237	8,177

The heading "Trade and other payables" on the accompanying balance sheet includes receivables due in less than one year, as well as the advances paid by the Foundation to certain employees. The movement in this heading is as follows:

	Euros			
	31.12.23	Additions	Disposals	31.12.24
<i>Trade and other payables</i>				
Sundry creditors	4,189	-	(3,489)	700
Personnel	1,792	41,180	(24,389)	18,583
Other amounts payable to Public Administrations	2,196	19,471	(19,713)	1,954
Total	8,177	60,651	(47,591)	21,237

	Euros			
	31.12.22	Additions	Disposals	31.12.23
<i>Trade and other payables</i>				
Sundry creditors	23,161	11,187	30,159	4,189
Personnel	4,513	23,702	26,423	1,792
Other amounts payable to Public Administrations	187	5,522	3,513	2,196
Total	27,861	40,411	60,095	8,177

No impairment adjustments were made during 2024 or 2023.

(7) Inventories

At December 31st 2024 and 2023, the Foundation recognised under Inventories on the balance sheet the assets used to conduct its own activity, mainly tablets and computers in which educational content is installed.

The breakdown of this heading is as follows:

	31.12.23	Additions	Disposals	Impairment	31.12.24
Assets used in the activity	697,183	305,599	272,367	57,748	672,667
Total	697,183	305,599	272,367	57,748	672,667

At December 31st 2024 y 2023, there are no firm sale and purchase commitments or future or options contracts relating to inventories. Neither are there any litigations or attachments that might affect the ownership, availability or value of inventories.

As of December 31, 2024, an impairment of €57,748 was recorded for the stock located in the showroom of the Telefónica District offices, since this equipment has been used in tests and demonstrations, is more than 4 years old, and is not planned to be donated to third parties. There were no impairment adjustments to inventories at December 31st.

(8) Cash and cash equivalents

Details of this balance sheet heading at December 31st 2024 and 2023 are as follows:

	Euros	
	31.12.24	31.12.23
Banks	10,615,924	11,510,384
Total cash and cash equivalents	10,615,924	11,510,384

This section includes the cash deposited in the Foundation's current accounts.

The Foundation centralises all its cash balances with Telfisa Global, B.V., by means of daily transfers from/to the banks with which it has accounts. The balances with Telfisa Global, B.V. accrue interest for the Foundation and are remunerated at a variable interest rate, indexed to one-month Euribor, payable monthly. At 31 December 2024 the Foundation has recognised interest income of 288.778 euros (319.786 euros at 31 December 2023) in the income statement.

(9) Shareholders' equity

The breakdown of "Shareholders' equity" at December 31st 2024 y 2023 is as follows:

	Euros			
	Endowment capital	Reserves	Surplus for the year	Total
Balance at 31.12.23	32,000	1,227,335	350,432	1,609,767
Application of 2023 surplus	-	350,432	(350,432)	-
Surplus for 2024	-	-	309,028	309,028
Balance at 31.12.24	32,000	1,577,767	309,028	1,918,795

	Euros			
	Endowment capital	Reserves	Surplus for the year	Total
Balance at 31.12.22	32,000	1,177,408	49,927	1,259,335
Application of 2022 surplus	-	49,927	(49,927)	-
Surplus for 2023	-	-	350,432	350,432
Balance at 31.12.23	32,000	1,227,335	350,432	1,609,767

(a) Foundational Endowment

At December 31st 2024 and 2023, foundational endowment comprised initial monetary contributions of 15,000 euros from Fundación Bancaria "La Caixa", 15,000 euros from Fundación Telefónica and 2,000 euros from Telefónica S.A. At the end of both financial years, foundational endowment amounted to 32,000 euros.

(b) Reserves

At December 31st 2024 reserves include an amount of 1,577,767 euros (1,227,335 euros at December 31st 2023), corresponding to voluntary reserves from the surpluses for 2016 through 2024.

(10) Grants, donations and bequests received

Details and movements during the years ended December 31st, 2024 and 2023 are as follows:

	31.12.23	Additions	Recognition in income statement	31.12.24
Monetary donations for specific projects	6,417,297	23,917,141	(24,690,017)	5,644,421
Fundación Telefónica	-	10,977,000	-	-
Fundación Bancaria "La Caixa"	-	12,222,000	-	-
Other donors	-	718,141	-	-
Fixed asset donations	-	-	-	-
Fundación Telefónica	-	-	-	-
Total	6,417,297	23,917,141	(24,690,017)	5,644,421

	31.12.22	Additions	Recognition in income statement	31.12.23
Monetary donations for specific projects	3,413,708	31,069,782	(28,066,193)	6,417,297
Fundación Telefónica	-	14,970,000	-	-
Fundación Bancaria "La Caixa"	-	15,663,000	-	-
Other donors	-	436,782	-	-
Fixed asset donations	-	-	-	-
Fundación Telefónica	-	-	-	-
Total	3,413,708	31,069,782	(28,066,193)	6,417,297

Monetary donations for specific projects include donations from Fundación Telefónica and Fundación Bancaria "La Caixa". These donations are legally documented in the collaboration agreements signed with the two foundations, which include the financing for the development of the ProFuturo programme. The contributions from the two entities are paid into a single account for executing the ProFuturo programme, with no distinction in terms of the use of funds according to the donor.

Under the heading "Grants, donations, and legacies received" in the Balance Sheet, the section "Donations for equipment renewal" reflects the creation of a specific fund for the renewal of materials donated to schools to ensure the continuity of the project, amounting to €4,233,716. Given that most of the technological equipment was donated to beneficiaries of the ProFuturo Program between 2016 and 2019, the average age of the equipment is over six years, and the rate of damaged equipment is progressively increasing.

We have estimated the need to replace equipment in the Program's schools over the next four years based on its age, and have set aside a portion of the donations received to establish a specific fund to cover the cost of this plan. We plan to continue increasing it as needed to ensure the availability of adequate technological equipment for the project's successful implementation.

(11) Non-current provisions

Details and movements during the years ended December 31st, 2024 and 2023 are as follows:

			Balance at 31.12.23	Additions	Application	Reversal	Short-term relocation	Balance at 31.12.24
Employees provision	shares	plan	58.936	35.931	-	-	(42.739)	52.129

			Balance at 31.12.22	Additions	Application	Reversal	Short-term relocation	Balance at 31.12.23
Employees provision	shares	plan	104.856	37.567	-	-	(83.487)	58.936

- (i) (i) Global plan for the incentive purchase of Telefónica, S.A. shares for employees of the ProFuturo Foundation.

The General Shareholders' Meeting of Telefónica, S.A. held on 8 April 2022 approved the implementation of a new global incentive purchase plan for Telefónica, S.A. shares aimed at the Group's employees. Under this Plan, employees are offered the possibility of acquiring shares in Telefónica, S.A. for a period of twelve months and the Company commits to delivering a certain number of shares to the plan participants, free of charge, as long as certain requirements are met.

The maximum amount that each employee can invest is 1,800 euros. Employees who remain in the Telefónica Group and hold the shares for an additional year after the purchase period (holding period) secure the right to receive one free share for every two shares acquired and held until the end of the holding period. Likewise, to commemorate the 100th anniversary of the founding of Telefónica, each employee may receive up to 100 additional Telefónica shares free of charge, provided that the established requirements are met.

The purchase period started in October 2022 and ended in September 2023. In March 2024 the holding period of the plan will end. Therefore, the amount relating to the year 2024 of this plan is reflected in the balance sheet item "Short-term accruals and deferrals".

The accumulated cost at the year-end is accounted for as a personnel expense. The total cost of the plan that Telefónica, S.A. re-invoices to the ProFuturo Foundation will be the estimated fair value of the instruments delivered, calculated on the award date, based on the estimated number of shares to be delivered at the end of the validity period of each cycle. Once calculated, the unit fair value does not change during the cycle or on maturity.

(ii) "Performance Share Plans" (PSP) and "Talent for the Future Share Plans" (TFSP):

Performance share plan 2018-2022

At the June 8, 2018 General Shareholders' Meeting of Telefónica, S.A., the shareholders approved the launch of a new edition of the long-term incentive plan consisting of the delivery of shares based on the achievement of objectives established for each of the cycles into which the plan is divided, called the "Performance Share Plan", which is aimed at certain senior executives and members of the Telefónica Group's management team.

In the first two cycles of the plan, the number of shares to be delivered will depend 50% on compliance with the target total shareholder return (TSR) on Telefónica shares and another 50% on free cash flow (FCF) generation.

The Plan has a total duration of 5 years and is divided into three three-year cycles. The first cycle began in 2018 and ended in December 2020, with the delivery of the corresponding shares in 2021. The second cycle of the plan began in 2019 and ended on December 31, 2021, with delivery of the corresponding shares in 2022. The third cycle of the plan began in 2020 and will end on December 31, 2022, with delivery of the corresponding shares in 2023.

Performance Share Plan 2021-2025

The General Shareholders' Meeting of Telefónica, S.A., held on 23 April 2021, approved the launch of a new edition of the long-term incentive plan consisting of the delivery of shares based on the achievement of the objectives established for each of the cycles into which the plan is divided called "Performance Share Plan" aimed at certain senior executives and members of the management team of the Telefónica Group.

The Plan has a total duration of 5 years and is divided into three cycles of three years each. The first cycle started in 2021 with delivery of the relevant actions in 2024. The second cycle of the plan has started in 2022 and will end with the delivery of the relevant actions in 2025. The third cycle of the plan started in 2023 and will end on 31 December 2025 with delivery of relevant actions in 2026.

The number of shares to be delivered will depend 50% on meeting Telefónica's total shareholder return (TSR) target, 40% on the Group's free cash flow (FCF) and 10% on the neutralisation of CO2 emissions in line with Telefónica's target of zero net emissions by 2025.

Talent for the Future Share Plan (TFSP) 2018-2022

On 08 June 2018, the Board of Directors of Telefónica S.A. agreed to launch a new edition of the long-term incentive plan called "Talent for the Future Share Plan 2018".

It was initially planned for a total duration of five years and was divided into three cycles, each lasting three years. At the beginning of each cycle, the number of Shares to be delivered to the Beneficiaries of the Plan, within the established maximum, was determined according to the degree of compliance with the established objectives. Such delivery would take place, where appropriate, after the End Date of each Cycle.

This plan had a duration of 5 years and was divided into three cycles. In the three cycles, the number of shares to be delivered will depend 50% on the achievement of the target total shareholder return of the Telefónica S.A. share and 50% on the generation of free cash flow.

The first cycle of the plan started in 2018 and ended on 31 December 2020, with delivery in 2021 of the corresponding shares. The second cycle of the plan started in 2019 and ended on 31 December 2021, with delivery in 2022 of any shares that may have been allocated. In 2020, the third cycle of the plan started and ended on 31 December 2022, with delivery in 2023 of any shares that may have been awarded.

Talent for the Future Share Plan (TFSP) 2021-2025

The Board of Directors of Telefónica, S.A. at its meeting held on 17 March 2021, approved the launch of a new edition of the long-term incentive plan called Talent for the Future Share Plan.

The Plan with a total duration of 5 years is divided into three cycles of three years each. The first cycle started in 2021 with an end date of 31 December 2024 and the delivery of the corresponding shares in 2024. The second cycle of the plan started in 2022 and will end with the delivery of the relevant actions in 2025. The third cycle of the plan started in 2023 and will end on 31 December 2025 with delivery of matching shares in 2026.

The number of shares to be delivered depends 50% on meeting the total shareholder return (TSR) target for Telefónica shares, 40% on the Group's free cash flow (FCF) and 10% on the neutralisation of CO2 emissions in line with the target set by Telefónica to reach zero net emissions by 2025.

(12) Current provisions

Details and movements during the years ended December 31st, 2024 and 2023 are as follows:

	Balance at 31.12.23	Additions	Application	Reversal	Short-term relocation	Balance at 31.12.24
Employees shares plan provision	91,771	21,368	-	(91,771)	42,739	64,107

	Balance at 31.12.22	Additions	Application	Reversal	Short-term relocation	Balance at 31.12.23
Employees shares plan provision	58,164	8,284	-	(58,164)	83,487	91,771

Provision for share plans includes the estimate of the obligations arising from the incentive plans discussed in note 11, which fall due in the short term.

(13) Current financial liabilities by category

Details of financial liabilities measured at amortised cost in the balance sheet at December 31st 2024 and 2023 are as follows:

	Euros	
	31.12.24	31.12.23
<i>Financial liabilities at amortised cost:</i>		
Current payables	5,132	2,005
Fixed asset suppliers	5,132	2,005
Beneficiaries – Creditors	96,281	424,866
Trade and other payables (excluding liabilities with Public Administrations, detail in note 14)	3,205,410	3,349,035
Sundry creditors	2,701,455	2,864,570
Accrued wages and salaries	503,955	484,465
TOTAL	3,306,823	3,775,905

The heading “Current payables” includes the amounts pending payment to fixed asset suppliers as a result of the acquisition of IT equipment.

The heading “Beneficiaries – Creditors” includes monetary donations pledged to entities collaborating with the ProFuturo Foundation and pending disbursement.

Furthermore, the heading “Sundry creditors” includes amounts pending payment for services rendered to the Foundation.

«Disclosures on Deferred Payments to Suppliers, Additional Provision Three ‘Duty of Information’ of Law 15/2010, of July 5.»

The following are the details of the disclosures required by Additional Provision Three of Law 15/2010, of July 5 (amended by Final Provision Two of Law 31/2014, of December 3) prepared in accordance with the ICAC Resolution of January 29, 2016, on the disclosures to be included in the notes to the individual annual accounts in relation to the average period for payment to Spanish suppliers in commercial transactions.

	2024 (Days)	2023 (Days)
Average supplier payment period	19,7	29,5
Paid transactions ratio	19,1	31,9
Pending of payment transactions ratio	26,6	18,7

	Euros	
	2024	2023
Total payments made	20,875,064	11,102,504
Total payments pending	1,779,342	2,488,358

For reasons of efficiency and in line with usual management practices, the Foundation has established a supplier payment calendar by virtue of which payments are made on fixed days. Invoices whose due date occurs between two payment days are paid on the next payment date set in the calendar. Payments made to Spanish suppliers in 2024 that exceeded the established legal term are attributable to circumstances or incidents unrelated to the established payment policy, including delays in the issuance of invoices (legal obligation of the supplier), the closing of agreements with suppliers in the delivery of goods or provision of the service, or specific processing issues.

On October 19, 2022, Law 18/2022, of September 28, on the creation and growth of companies, came into force, which modifies the Additional Provision Three of Law 15/2010. The new standard establishes the obligation to publish in annual accounts, in addition to the information already required, the monetary volume and number of invoices paid in a shorter period than the maximum established in the delinquency regulations, and the percentage they represent of the total number of invoices and on the total monetary payments to suppliers. This information for the 2024 and 2023 financial years is shown below:

	2024	2023
Monetary volume of invoices paid in a period shorter than the maximum established in regulations	13,719,862	6,090,246
Percentage over total payments made	65%	55%

For the exclusive purposes of providing the disclosures envisaged in the Resolution, suppliers are deemed to be trade creditors recording debts for the supply of goods or services, included under Trade and other payables in current liabilities on the balance sheet.

“Average supplier payment period” means the period between the delivery of the goods or the rendering of services by the supplier and the material payment of the transaction.

(14) Taxation

The details of balances with Public Administrations at December 31st, 2024 and 2023 are as follows:

	Euros	
	31.12.24	31.12.23
Assets	1,954	2,196
Other amounts receivable from Public Administrations	1,954	2,196
Liabilities	347,534	300,361
Social Security contributions payable	71,896	68,050
Withholding tax and other items payable	237,403	217,318
VAT payable	38,235	14,993

In accordance with legislation in force, the Foundation’s tax filings may not be considered definitive until they have been inspected by the tax authorities or after the four-year statute of limitations has elapsed. The members of the Foundation’s Board of Trustees do not expect any significant additional liabilities to arise in the event of an inspection.

(a) Income tax

In accordance with Title II of Law 49/2002 of December 23, 2002 on the tax regime for non-profit organisations, foundations are exempt from corporate income tax on the following income, among other income: donations and grants received to collaborate in the Foundation's aims and economic aid received by virtue of business collaboration agreements regulated by article 25 of that Law; grants, except those awarded to finance the performance of non-exempt economic operations; income from the Foundation’s real estate and other assets, such as dividends, interest, fees and rent; and income obtained from the performance of the exempt economic operations listed in article 7 of that Law. Accordingly, a foundation’s corporate income tax base will only include income from non-exempt economic operations.

The ProFuturo Foundation has opted to apply the special tax scheme provided by Title II of Law 49/2002 of December 23rd, which it duly reported to the Tax Authority on February 14th, 2017.

Moreover, in compliance with the provisions of article 3,1,a) of the regulations on the application of the tax scheme for non-profit entities and tax incentives for patronage (Royal Decree 1270/2003, of October 10), we identify below the Foundation's income that is exempt from corporate income tax at December 31st, 2024 and December 31st, indicating revenue and expenses.

Euros			
Income	31.12.24	31.12.23	Articles of Law 49/2002
Donations received during the year	24,690,017	28,066,193	6.1º a)
Income from sponsors and collaborators	20,251	21,020	6.1º a)
Financial income and exchange gains	326,196	401,575	6.2º
Other income	-	9,626	
Total exempt income	25,036,464	28,498,414	

Expenses	31.12.24	31.12.23
Monetary aid and other	(12,606,464)	(15,823,673)
Supplies	(211,304)	(74,408)
Personnel expenses	(4,567,447)	(4,095,782)
Fixed asset depreciation/amortisation charge	(8,040)	(10,338)
Other operating expenses	(7,192,698)	(7,956,826)
Financial expense and exchange losses	(141,483)	(186,955)
Total expenses attributable to exempt income	(24,727,436)	(28,147,982)

The Foundation did not perform non-exempt activities in 2024 or 2023.

Withholdings from income from capital are considered payments on account of corporate income tax. The Foundation may therefore request that they be refunded when the amount owed for said tax is lower than the amount withheld.

Due to the above-mentioned specific circumstances in relation to the tax treatment of foundations, accounting results differ from the tax base. The reconciliation of reported results for the years ended December 31st, 2024 and 2023 and the related taxable results is set out below:

Euros		
	31.12.24	31.12.23
Reported results before income tax	309,028	350,432
Decreases in reported results	(25,036,464)	(28,498,414)
Increases in reported results	24,727,436	28,147,982
Taxable income	-	-
Corporate income tax expense	-	-
Withholdings and prepayments	-	-
Tax payable or refundable	-	-

(15) Income and expenses**(a) Revenue from the organisation's own activity**

The breakdown of "Revenue from the organisation's own activity" in the income statement at December 31st, 2024 and 2023 is as follows:

Euros		
Revenue	31.12.24	31.12.23
1. Income from own activities	24,710,268	28,087,213
Income from sponsors and collaborators	20,251	21,020
Donations received during the year	24,690,017	28,066,193
2. Other income	-	9,626
Other income	-	9,626
8. Financial income	288,778	319,786
Financial income	288,778	319,786
9. Exchange differences	37,418	81,789
Exchange gains (Note 15.g)	37,418	81,789
Total income from exempt income (Note 14)	25,036,464	28,498,414

Income from own activities" includes income obtained from private entities, regulated through collaboration agreements, as well as other donations received from individuals.

The heading "Other income" includes the income obtained from the recovery of the Digital Fee paid by the Foundation on purchases of tablets and laptops, since, according to the provisions of Royal Decree-Law 12/2017, of July 3, which amends the consolidated text of the Intellectual Property Law approved by Royal Legislative Decree 1/1996 of April 12, the Foundation is entitled to a refund of these amounts.

(b) Monetary aid

Monetary aid relates to the monetary contributions made to entities in compliance with the Foundation's purpose. This monetary aid enables collaborating entities to cover the expenses resulting from the programme's execution. Details of this income statement heading at December 31, 2024 and 2023 are as follows:

Euros		
	31.12.24	31.12.23
Monetary aid	(12,335,571)	(15,631,804)
TOTAL	(12,335,571)	(15,631,804)

(c) Non-monetary aid

Non-monetary aid consists of the donations in kind made to entities in compliance with the Foundation's purpose. This non-monetary aid relates mainly to technological equipment. The breakdown of this heading is as follows:

	Euros	
	31.12.24	31.12.23
Non-monetary aid	(270,893)	(191,869)
TOTAL	(270,893)	(191,869)

(d) Supplies

The breakdown of "Supplies" in the income statement at December 31st, 2024 and 2023 is as follows:

	Euros	
	31.12.24	31.12.23
Supplies	(211,304)	(74,408)
TOTAL	(211,304)	(74,408)

The heading "Supplies" mainly includes the expenses relating to logistics services provided by third parties to the Foundation. We also include under this heading the amount paid by the Foundation as a Digital Fee on purchases of tablets and laptops, as established in the Intellectual Property Law. As in 2022, with respect to the amounts paid for this item in previous years, the Foundation will request a refund based on the provisions of Royal Decree Law 12/2017 of July 3, which amended the revised text of the Intellectual Property Law, approved by Royal Decree Law 1/1996 of April 12, given that these devices are intended for training purposes outside of the European Union.

(e) Personnel expenses

The breakdown of "Personnel expenses" in the income statement at December 31st, 2024 and 2023 is as follows:

	Euros	
	31.12.24	31.12.23
Wages, salaries and similar remuneration	(2,763,580)	(2,496,554)
Social charges	(1,194,983)	(1,065,889)
Accruals	(608,884)	(533,339)
Total	(4,567,447)	(4,095,782)

The amounts indicated under the heading "Accruals" include 530,128 euros as of December 31, 2024 (484,503 euros as of December 31, 2023) for variable remuneration to be received by staff and 78,756 euros as of December 31, 2024 (45,836 euros as of December 31, 2023) for other social expenses.

This section includes other remuneration plans indexed to the share price discussed in notes 11 and 12 of this report. The expense for employee remuneration through equity instruments was €63,820 for the year ended December 31, 2024 (€46,609 for the year ended December 31, 2023).

The breakdown of "Social charges" at December 31st, 2024 and 2023 is as follows:

	Euros	
	31.12.24	31.12.23
Social security charges	(761,541)	(696,920)
Contribution to supplementary pension scheme	(148,589)	(119,365)
Health insurance	(83,283)	(123,263)
Training	(45,501)	(29,697)
Meal vouchers and other social expenses	(156,069)	(96,644)
Total	(1,194,983)	(1,065,889)

The supplementary pension system comprises a pension scheme called "Plan de Pensiones Empleados de Fundación ProFuturo ("ProFuturo Foundation Employee Pension Plan)", which forms part of the Fonditel B Pension Fund managed by "Fonditel Pensiones, Entidad Gestora de Fondos de Pensiones, S.A.". It was set up by the ProFuturo Foundation and its participants are the Foundation's serving employees on open-ended contracts.

This pension scheme is a private, voluntary arrangement supplementing the public social security system, and forms part of the employment system, through the defined contribution obligations stipulated, not affording any guarantees to participants or beneficiaries.

(f) Other operating expenses

Details of this income statement heading at December 31st, 2024 and 2023 is as follows:

	Euros	
	31.12.24	31.12.23
Rentals and licence fees	(289,874)	(301,098)
Independent professional services	(4,602,299)	(4,711,522)
Bank fees	(2,541)	(3,701)
Advertising and publicity	(600,997)	(855,215)
Utilities	(117,452)	(97,368)
Other services	(1,579,535)	(1,987,922)
Total	(7,192,698)	(7,956,826)

The "Rentals and licence fees" item includes €155,762 as of December 31, 2024 (€152,481 as of December 31, 2023) for operating leases and €134,112 as of December 31, 2024 (€148,617 as of December 31, 2023) for licenses, royalties and intellectual property rights.

(g) Exchange differences

Details of this income statement heading at December 31st, 2024 and 2023 are as follows:

	Euros	
	31.12.24	31.12.23
Exchange gains	37,418	81,789
Exchange losses	(141,483)	(186,955)
Total	(104,065)	(105,166)

(16) Operating leases

The total amount of operating lease payments recognised as expenses in 2024 and 2023 amounts to EUR 155.762 and EUR 152.481, respectively.

These leases mainly consist of the rental of the Foundation's headquarters, which has leased space from Telefónica S.A. on the 7th floor of the building located at calle Gran Vía 28 in Madrid, as well as the rental of the offices where the Foundation carries out its activities, in the Telefónica District, also from Telefónica S.A., both under operating leases.

Future minimum payments, including VAT, under non-cancellable operating leases are as follows:

	Euros	
	2024	2023
Up to one year	133,392	154,242
Between one and five years	266,783	400,176
TOTAL	400,175	554,418

(17) Environmental Information.

At December 31st, 2024 and 2023, there are no significant assets linked to protecting and improving the environment, and neither were material environmental expenses incurred during the year.

The Foundation's management considers that there are no significant contingencies relating to environmental protection and improvement, and they do not consider it necessary to establish any provision for environmental risks and charges at December 31, 2024 and 2023.

(18) Other information**(a) Personnel**

At December 31st, 2024 and 2023, the number of employees, distributed by category and gender, was as follows:

	31.12.24		31.12.23	
	Women	Men	Women	Men
Management	2	2	2	1
Graduates	28	12	27	12
Administrative staff	2	-	2	-
Total	32	14	31	13

The average number of employees during the financial years 2024 and 2023, by category and gender, is as follows:

	31.12.24		31.12.23	
	Women	Men	Women	Men
Management	2	1	2	1
Graduates	29	12	26	12
Administrative staff	2	-	2	-
Total	33	13	30	13

There are no employees with a disability of more than 33% at 31 December 2024 or 31 December 2023.

As of 31 December 2024, the Foundation has a total of 4 Trustees, all of whom are men.

(b) Remuneration and balances of trustees and senior management.

The office of trustee is not remunerated and the trustees did not therefore receive any remuneration in 2024 or 2023. The trustees do not have any outstanding balances with respect to the Foundation at December 31, 2024 or December 31, 2023, and neither has the Foundation arranged pension plans or insurance policies on their behalf.

The Foundation does not have senior management, as the Board of Trustees plans, manages and controls its activities directly through the Chair and Vice-Chair.

(c) Audit fees.

The auditor of the Group's annual financial statements (PricewaterhouseCoopers Auditores, S.L.) invoiced the following fees and expenses for professional services, including taxes, at December 31st, 2024 and 2023:

Euros

	31.12.24	31.12.23
For audit services	(29,771)	(28,904)
For other verification services	(33,530)	(36,078)
TOTAL	(63,301)	(64,982)

The above amounts include all fees relating to services provided in 2024 and 2023, regardless of when they were invoiced.

(d) Saldos y transacciones en moneda extranjera

The breakdown of monetary financial assets and liabilities denominated in foreign currency at December 31st, 2024 and 2023 is as follows:

	Euros			
2024	US dollar	Tanzanian shilling	Other	Total
Beneficiaries – Creditors	-	-	-	-
Trade and other payables	43,068	-	-	43,068
Total current financial liabilities	43,068	-	-	43,068

	Euros			
2023	US dollar	Tanzanian shilling	Other	Total
Beneficiaries – Creditors	344,351	73,097	26,522	443,970
Trade and other payables	704	-	-	704
Total current financial liabilities	345,055	73,097	26,522	444,674

Foreign currency transactions

The details of income and expenses denominated in foreign currency at December 31st, 2024 and 2023 are as follows:

	Euros	
	2024	2023
Expenses:		
Monetary aid to entities	11,140,107	14,475,834
Other	3,626	5,026
Total expenses	11,143,733	14,480,860

(e) Changes to governing, management and representation bodies.

On November 29th 2023, at a meeting of the Foundation's Board of Trustees, Mr. César Alierta expressed his voluntary resignation as Chairman of the Board of Trustees, as well as his resignation as a Trustee. At the same meeting, Mr. José María Álvarez-Pallete López accepted his appointment as Chairman of the Board of Trustees. Finally, at this same meeting, the number of members of the Board of Trustees was set at 4, as a consequence of the death of Mr. Luis Blasco Bosqued, on November 26th 2023.

After the closing date and prior to the preparation of these Annual Accounts, changes were made to the composition of the Board of Trustees, as stated in note 23, relating to Subsequent Events.

(19) Activity of the entity. Use of assets for own purposes. Administration expenses.

(A) The Foundation's activity:

1. PRODUCT DEVELOPMENT:

Type: Own products.

Sector: Education.

Purpose: Cooperation.

Location of activity: Madrid, Angola, Argentina, Brazil, Chile, Colombia, Benin, Ecuador, El Salvador, Guatemala, Ghana, Equatorial Guinea, Kenya, Lebanon, Madagascar, Malawi, Mexico, Nigeria, Panama, Peru, Philippines, Rwanda, Senegal, Sierra Leone, South Africa, Zimbabwe, Swaziland, Uganda, Tanzania, Uruguay and Venezuela.

Detailed description of the activity: The INNOVATION, PRODUCT, AND MONITORING activity encompasses the work to be carried out for the design, development, and maintenance of the ProFuturo Solution. This solution consists of an educational platform and a series of digital resources, which are made available to the schools participating in the project for the training of teachers and children in Primary Education. The ProFuturo Solution also includes the use of technological equipment (tablets, laptops, etc.) provided by the Foundation, available in the schools. This activity also includes the development of advanced data analytics, as well as work to monitor the projects and evaluate the impact of the ProFuturo program. These evaluations are used to make adjustments and improvements to the Solution, such as the development of new functionalities on the platform or new digital resources.

Human resources used in the activity

TYPE OF STAFF	FORECAST NUMBER	ACTUAL NUMBER	FORECAST NO. OF HOURS/YEAR	ACTUAL NO. OF HOURS/YEAR
Staff on payroll	26	24	48,945	45,180
Staff on services contract	0	0	0	0

Beneficiaries and/or users of the activity

BENEFICIARIES OR USERS	FORECAST NUMBER	ACTUAL NUMBER
Natural persons	1,007,714	1,204,765

Financial resources used in the activity

RESOURCES	Euros			
	FORECAST AMOUNT	ACTUAL SPECIFIC AMOUNT INCURRED IN THE ACTIVITY	ACTUAL SHARED AMOUNT INCURRED IN THE ACTIVITY	ACTUAL TOTAL AMOUNT INCURRED IN THE ACTIVITY
Expenses				
Monetary aid and other management expenses	(2,557,801)	(328,897)	-	(328,897)
a) Monetary aid	(50,000)	(58,004)	-	(58,004)
b) Non-monetary aid	(2,507,801)	(270,893)	-	(270,893)
c) Expenses relating to collaborations and governing bodies	-	-	-	-
Change in inventories of finished goods and work in progress	-	-	-	-
Supplies	-	-	-	-
Personnel expenses	(2,482,251)	(2,357,392)	-	(2,357,392)
Other expenses relating to the activity	(5,191,851)	(4,785,057)	-	(4,785,057)
Rentals and licence fees	(200,851)	(209,975)	-	(209,975)
Independent professional services	(3,511,901)	(2,955,388)	-	(2,955,388)
Utilities	(38,182)	(64,065)	-	(64,065)
Other services	(1,116,263)	(1,226,426)	-	(1,226,426)
Bank fees	(1,636)	(1,386)	-	(1,386)
Advertising and publicity	(323,018)	(327,816)	-	(327,816)
Fixed asset depreciation/amortisation	(4,156)	(4,385)	-	(4,385)
Impairment and gains/losses on disposal of fixed assets	-	-	-	-
Other gains/losses (Expenses)	-	-	-	-
Financial expense	-	-	-	-
Changes in the fair value of financial instruments	-	-	-	-
Exchange differences	-	-	-	-
Impairment and gains/(losses) on disposal of financial instruments	-	-	-	-
Income tax	-	-	-	-
Total expenses	(10,236,059)	(7,475,731)	-	(7,475,731)
Investments				
Total investments	-	-	-	-
TOTAL RESOURCES USED	(10,236,059)	(7,475,731)	-	(7,475,731)

Goals and performance indicators of the activity

GOAL	INDICATOR	FORECAST AMOUNT	ACTUAL AMOUNT INCURRED
Promoting access to universal and quality education to help create equal opportunities for children from vulnerable groups.	ProFuturo beneficiary children	760,580	941,785
Fostering educational innovation, by promoting the use of new technologies in teaching.	Teachers receiving training and giving classes using the ProFuturo platform	247,135	262,980

2. DEPLOYMENT AND SUPPORT:

Type: Own resources.

Sector: Education.

Purpose: Cooperation

Location of activity: Madrid, Angola, Argentina, Brazil, Chile, Colombia, Benin, Ecuador, El Salvador, Guatemala, Ghana, Equatorial Guinea, Kenya, Lebanon, Madagascar, Malawi, Mexico, Nigeria, Panama, Peru, Philippines, Rwanda, Senegal, Sierra Leone, South Africa, Zimbabwe, Swaziland, Uganda, Tanzania, Uruguay and Venezuela.

Detailed description of the activity: Under DEPLOYMENT AND SUPPORT, we include all activities aimed at supporting the smooth development and consolidation of the various projects. This includes on-site support, remote support, training for teachers, project coordinators, and directors, as well as other actions necessary to ensure proper project monitoring.

Human resources used in the activity

TYPE OF STAFF	FORECAST NUMBER	ACTUAL NUMBER	FORECAST NO. OF HOURS/YEAR	ACTUAL NO. OF HOURS/YEAR
Staff on payroll	22	22	41,415	41,415
Staff on services contract	0	0	0	0

Beneficiarios y/o usuarios de la actividad

BENEFICIARIES OR USERS	FORECAST NUMBER	ACTUAL NUMBER
Natural persons	1,007,714	1,204,765

Recursos económicos empleados por la actividad

RESOURCES	Euros			
	FORECAST AMOUNT	ACTUAL SPECIFIC AMOUNT INCURRED IN THE ACTIVITY	ACTUAL SHARED AMOUNT INCURRED IN THE ACTIVITY	ACTUAL TOTAL AMOUNT INCURRED IN THE ACTIVITY
Expenses				
Monetary aid and other management expenses	(13,316,377)	(12,277,567)	-	(12,277,567)
a) Monetary aid	(13,316,377)	(12,277,567)	-	(12,277,567)
b) Non-monetary aid	-	-	-	-
c) Expenses relating to collaborations and governing bodies	-	-	-	-
Change in inventories of finished goods and work in progress	-	(56,305)	-	(56,305)
Supplies	(700,000)	(154,999)	-	(154,999)
Personnel expenses	(2,068,543)	(2,210,055)	-	(2,210,055)
Other expenses relating to the activity	(2,622,060)	(2,407,640)	-	(2,407,640)
Rentals and licence fees	(92,354)	(79,899)	-	(79,899)
Independent professional services	(1,705,444)	(1,646,911)	-	(1,646,911)
Utilities	(31,818)	(53,387)	-	(53,387)
Other services	(521,899)	(353,108)	-	(353,108)
Bank fees	(1,364)	(1,155)	-	(1,155)
Advertising and publicity	(269,182)	(273,180)	-	(273,180)
Fixed asset depreciation/amortisation	(3,463)	(3,655)	-	(3,655)
Impairment and gains/losses on disposal of fixed assets	-	-	-	-
Other gains/losses (Expenses)	-	-	-	-
Financial expense	-	-	-	-
Changes in the fair value of financial instruments	-	-	-	-
Exchange differences	-	(141,483)	-	(141,483)
Impairment and gains/(losses) on disposal of financial instruments	-	-	-	-
Income tax	-	-	-	-
Total expenses	(18,710,443)	(17,251,704)	-	(17,251,704)
Investments				
Total investments	-	-	-	-
TOTAL RESOURCES USED	(18,710,443)	(17,251,704)	-	(17,251,704)

Goals and performance indicators of the activity

GOAL	INDICATOR	FORECAST AMOUNT	ACTUAL AMOUNT INCURRED
Promoting access to universal and quality education to help create equal opportunities for children from vulnerable groups.	ProFuturo beneficiary children	760,580	941,785
Fostering educational innovation, by promoting the use of new technologies in teaching.	Teachers receiving training and giving classes using the ProFuturo platform	247,135	262,980

(B) Financial resources used by the entity:

RESOURCES	Euros	
	ACTIVITY 1	ACTIVITY 2
Expenses		
Monetary aid and other management expenses	(328,897)	(12,277,567)
a) Monetary aid	(58,004)	(12,277,567)
b) Non-monetary aid	(270,893)	-
c) Expenses relating to collaborations and governing bodies	-	-
Change in inventories of finished goods and work in progress	-	(56,305)
Supplies	-	(154,999)
Personnel expenses	(2,357,392)	(2,210,055)
Other expenses relating to the activity	(4,785,057)	(2,407,640)
Rentals and licence fees	(209,975)	(79,899)
Independent professional services	(2,955,388)	(1,646,911)
Utilities	(64,065)	(53,387)
Other services	(1,226,426)	(353,108)
Bank fees	(1,386)	(1,155)
Advertising and publicity	(327,816)	(273,180)
Fixed asset depreciation/amortisation	(4,149)	(3,890)
Impairment and gains/losses on disposal of fixed assets	-	-
Other gains/losses (Expenses)	-	-
Financial expense	-	-
Changes in the fair value of financial instruments	-	-
Exchange differences	-	(141,483)
Impairment and gains/(losses) on disposal of financial instruments	-	-
Income tax	-	-
Total expenses	(7,475,495)	(17,251,939)
Investments		
Total investments	-	-
TOTAL RESOURCES USED	(7,475,495)	(17,251,939)

Euros				
RESOURCES	FORECAST AMOUNT	EXECUTED ACTIVITIES	NOT ALLOCATED TO ACTIVITIES	TOTAL ACTUALLY EXECUTED
Expenses				
Monetary aid and other management expenses	(15,874,178)	(12,606,464)	-	(12,606,464)
a) Monetary aid	(13,366,377)	(12,335,571)	-	(12,335,571)
b) Non-monetary aid	(2,507,801)	(270,893)	-	(270,893)
c) Expenses relating to collaborations and governing bodies	-	-	-	-
Change in inventories of finished goods and work in progress	-	(56,305)	-	(56,305)
Supplies	(700,000)	(154,999)	-	(154,999)
Personnel expenses	(4,550,794)	(4,476,230)	(91,219)	(4,567,447)
Other expenses relating to the activity	(7,813,911)	(7,192,697)	-	(7,192,697)
Rentals and licence fees	(293,204)	(289,874)	-	(289,874)
Independent professional services	(5,217,345)	(4,602,299)	-	(4,602,299)
Utilities	(70,000)	(117,452)	-	(117,452)
Other services	(1,638,162)	(1,579,534)	-	(1,579,534)
Bank fees	(3,000)	(2,541)	-	(2,541)
Advertising and publicity	(592,200)	(600,996)	-	(600,996)
Fixed asset depreciation/amortisation	(7,619)	(8,040)	-	(8,040)
Impairment and gains/losses on disposal of fixed assets	-	-	-	-
Other gains/losses (Expenses)	-	-	-	-
Financial expense	-	-	-	-
Changes in the fair value of financial instruments	-	-	-	-
Exchange differences	-	(141,483)	-	(141,483)
Impairment and gains/(losses) on disposal of financial instruments	-	-	-	-
Income tax	-	-	-	-
Total expenses	(28,946,501)	(24,636,219)	(91,219)	(24,727,437)
Investments				
Total investments	-	-	-	-
TOTAL RESOURCES USED	(28,946,501)	(24,636,219)	(91,219)	(24,727,437)

(C) Financial resources obtained by the entity:

Revenues obtained by the entity

Euros		
RESOURCES	FORECAST	ACTUALLY EXECUTED
Income and other revenue derived from assets	4,944,883	463,848
Private contributions	23,994,000	23,937,392
Other types of income	-	288,778
TOTAL INCOME EARNED	28,938,883	24,690,017

COLLABORATION AGREEMENTS WITH OTHER ENTITIES

ENTITY	AGREEMENT	INCOME	EXPENSES
Fundación Bancaria "La Caixa"	Collaboration Agreement	12,222,000	-
Fundación Telefónica	Collaboration Agreement	10,977,000	-
American Towers LLC	Collaboration Agreement	718,142	-
ACNUR	Collaboration Agreement	-	1,022,633
AES Senegal	Collaboration Agreement	-	40,182
American University of Beirut	Collaboration Agreement	-	19,158
Archidiocesis de Cotonú (Benin)	Collaboration Agreement	-	44,326
Ayala Foundation (Filipinas)	Collaboration Agreement	-	176,941
Asociación de Centros Católicos de Guinea Ecuatorial	Collaboration Agreement	-	32,331
Conferencia Episcopal de Angola	Collaboration Agreement	-	135,503
Diocesis de Kitui (Kenia)	Collaboration Agreement	-	29,602
Diocesis de Manzini (Eswatini)	Collaboration Agreement	-	63,749
Fund. Salvadoreña para la Salud y Dlo. Humano (FUSAL)	Collaboration Agreement	-	61,384
Fundación Agua de Coco (Madagascar)	Collaboration Agreement	-	6,961
Fundación Bank of Africa	Collaboration Agreement	-	8,077
Fundación Desarrollo, Educación y Calidad (DECA)	Collaboration Agreement	-	113,633
Fundación Entreculturas (Malawi)	Collaboration Agreement	-	35,699
Fundación Gabriel Lewis Galindo (Panamá)	Collaboration Agreement	-	144,453
Fundación Save The Children (Tanzania)	Collaboration Agreement	-	124,419
Fundación Telefónica Argentina	Collaboration Agreement	-	93,096
Fundación Telefónica Brasil	Collaboration Agreement	-	2,718,742
Fundación Telefónica Chile	Collaboration Agreement	-	555,054
Fundación Telefónica Colombia	Collaboration Agreement	-	1,024,157
Fundación Telefónica del Perú	Collaboration Agreement	-	1,309,110
Fundación Telefónica Ecuador	Collaboration Agreement	-	574,649
Fundación Telefónica Mexico	Collaboration Agreement	-	905,376
Fundación Telefónica Uruguay	Collaboration Agreement	-	880,402

Fundación Thabo Mbeki (Sudáfrica)	Collaboration Agreement	-	125,113
Fundación World Vision	Collaboration Agreement	-	1,367,095
International Rescue Committee (Tanzania)	Collaboration Agreement	-	62,744
Kayani Foundation (Libano)	Collaboration Agreement	-	86,933
Kenia Salesianos Don Bosco	Collaboration Agreement	-	280,081
Kukah Centre (Nigeria)	Collaboration Agreement	-	40,141
Nasco Feeding Minds (Ghana)	Collaboration Agreement	-	11,536
Organización de Estados Iberoamericanos (OEI)	Collaboration Agreement	-	8,000
Organización de los Estados Americanos (OEA)	Collaboration Agreement	-	72,703
Ruanda Salesianos Don Bosco	Collaboration Agreement	-	79,050
Tanzania Salesianos Don Bosco	Collaboration Agreement	-	130,073
Teach for All	Collaboration Agreement	-	87,281
Universidad Pontificia de Salamanca (UPSA)	Collaboration Agreement	-	50,000
Total		23,917,142	12,520,386

(D) Differences between action plan and actual data:

Compared to the Action Plan proposed by Fundación ProFuturo in the amount of 28,946,501 euros, the value executed during 2023 was 24,727,434 euros

The main differences in Activity 1 are found in:

- Non-monetary aid had a projected value of €2,507,801 to cover the purchase of technological equipment for donation during the fiscal year. The actual value of the equipment donated and shipped during the year amounts to €270,893, lower than initially estimated, as the entire equipment replacement plan for the various operations, which will be implemented in the following fiscal years, has not been completed.

The main differences in Activity 2 are found in:

- Monetary donations, the realized value, €12,277,567 is lower than the forecast of €13,316,377 reflecting currency effects on monetary donations and a lower need for new funding by project partners on the ground..
- Supplies, the realized value, 154,999 euros is lower than the expected 700,000 euros, due to the lack of the expected volume of replacement equipment shipments.

(E) Use of assets for own purposes

Determination of the calculation base and income to be used during the year: 01/01/2024
- 31/12/2024

Euros	
RESOURCES	AMOUNT
Reported results	309,028
Adjustments (+) to reported results	
Depreciation/amortisation charges and impairment losses on fixed assets used in own activities	8,040
Common expenses and those specific to the set of activities implemented in compliance with aims (except for fixed asset depreciation/amortisation and impairment losses)	24,628,177
Results recognised directly in equity as a result of changes in accounting policies or correction of errors	-
Total adjustments (+)	24,636,217
Adjustments (-) to reported results	
NON-COMPUTABLE REVENUES: Proceeds from the sale of properties in which own activities are performed and goods and rights considered part of endowment capital	-
Profit and loss recognised directly in equity as a result of changes in accounting policies or correction of errors	-
Total adjustments (-)	-
DIFFERENCE: CALCULATION BASE	24,945,245
Percentage	100%
Income earmarked	24,945,245

Resources applied in the year to fulfilling goals:

RESOURCES	AMOUNT
Expenses from own activity accrued during the year (includes those common to own activity)	24,628,177
Investments made in own activity during the year	-
TOTAL RESOURCES USED IN THE YEAR	24,628,177

Administration expenses:

According to the figures disclosed by the Foundation, there are no administration expenses of those specified in article 33 of the Regulations for National Foundations, approved by Royal Decree 1337/2005, of November 11.

Degree of compliance in the use of income and revenues:

Determination of the degree of compliance in the use of income and revenues.

FINANCIAL YEAR	SURPLUS FOR THE YEAR	POSITIVE ADJUSTMENTS	NEGATIVE ADJUSTMENTS	CALCULATION BASE	INCOME EARMARKED	PERCENTAGE EARMARKED	RESOURCES EARMARKED FOR GOALS
01/01/2018 - 31/12/2018	40,592	52,637,730	-	52,678,322	52,678,322	100	51,321,592
01/01/2019 - 31/12/2019	40,714	50,929,505	-	50,970,219	50,970,219	100	49,222,376
01/01/2020 - 31/12/2020	771,471	40,968,825	-	41,740,297	41,740,297	100	39,266,827
01/01/2021 - 31/12/2021	284,812	32,538,312	-	32,823,124	32,823,124	100	31,229,708
01/01/2022 - 31/12/2022	49,927	34,080,647	-	34,130,574	34,130,574	100	33,989,879
01/01/2023 - 31/12/2023	350,432	28,130,101	-	28,480,533	28,480,533	100	28,119,763
01/01/2024 - 31/12/2024	309,028	24,636,217	-	24,945,245	24,945,245	100	24,628,177

Application of resources to fulfil goals.

FINANCIAL YEAR	N-6	N-5	N-4	N-3	N-2	N-1	N	TOTAL	AMOUNT PENDING
01/01/2018 - 31/12/2018	51,321,592	1,356,730	-	-	-			52,678,322	-
01/01/2019 - 31/12/2019		47,865,646	3,104,573	-	-			50,970,219	-
01/01/2020 - 31/12/2020			36,162,254	5,578,042	-			41,740,296	-
01/01/2021 - 31/12/2021				25,651,665	7,171,458			32,823,123	-
01/01/2022 - 31/12/2022					26,818,420	7,312,153		34,130,573	-
01/01/2023 - 31/12/2023						20,807,610	7,672,923	28,480,533	-
01/01/2024 - 31/12/2024							16,955,254	16,955,254	(7,989,991)

Resources applied in the year

Euros				
	SHARE-HOLDERS' EQUITY	GRANTS, DONATIONS AND BEQUESTS	DEBT	TOTAL
1. Expenses for fulfilling aims				24,628,177
2. Investment in fulfilling aims				
a) Performed with equity in the year	-			
b) Debts incurred in previous years and settled during the year			-	
c) Grants, donations and bequests from previous years released to income		-		
TOTAL (1+2)				24,628,177

Positive adjustments to reported results

Depreciation/amortisation charge on fixed assets used in activities to fulfil goals:

Euros				
RESULTS ITEM	ACCOUNT NO.	DETAILS OF THE ASSET ITEM RELATED TO THE ACTIVITY TO FULFIL GOALS	AMORTISATION/ DEPRECIATION OF THE ASSET ITEM	TOTAL AMOUNT OF ASSET ITEM AMORTISED/ DEPRECIATED
10. Fixed asset depreciation/amortisation	681	Amortisation of intangible assets (software)	-	6,835,520
10. Fixed asset depreciation/amortisation	681	Depreciation of property, plant and equipment (data-processing equipment)	8,040	70,728
		TOTAL	8,040	6,906,248

Common activities and those specific to the set of activities undertaken to fulfil aims (except for fixed asset depreciation/amortisation and impairment losses):

				Euros
RESULTS ITEM	ACCOUNT No.	BREAKDOWN OF EXPENSES	CRITERION FOR ALLOCATION TO OWN ACTIVITY	AMOUNT
3. Expenses from aid and other	6	Monetary and non-monetary aid	Monetary and non-monetary donations	(12,606,464)
6. Supplies	6	Logistics services and other supplies	Logistics services and other supplies	(211,304)
8. Personnel expenses	6	Personnel expenses	Personnel expenses	(4,476,228)
9. Other expenses relating to the activity	6	Other expenses relating to the activity	Other expenses incurred in activities	(7,192,698)
17. Exchange differences	6	Exchange differences	Exchange differences	(141,483)
		TOTAL		(24,628,177)

(20) Inventory

Assets and rights

Intangible assets

Euros

CODE	ITEM	ACQUISITION DATE	TOTAL CARRYING AMOUNT	OTHER VALUATIONS CARRIED OUT	IMPAIRMENT, AMORTISATION	USE
206 Software	AVANZO	01/06/2017	62,062	-	62,062	Goals
206 Software	TEKMAN	01/06/2017	1,448,263	-	1,448,263	Goals
206 Software	NETEX	01/06/2017	139,585	-	139,585	Goals
206 Software	ELESAPIENS	01/06/2017	559,232	-	559,232	Goals
206 Software	CINEX	01/06/2017	115,668	-	115,668	Goals
206 Software	TED N-1	01/06/2017	526,353	-	526,353	Goals
206 Software	TED	31/07/2017	3,984,357	-	3,984,357	Goals
	TOTAL		6,835,520	-	6,835,520	

Property, plant and equipment

Euros

CODE	ITEM	ACQUISITION DATE	TOTAL CARRYING AMOUNT	OTHER VALUATIONS CARRIED OUT	IMPAIRMENT, AMORTISATION	USE
217 Data-processing equipment	Data-processing equipment	01/01/2018	86,327	-	70,728	Goals
	TOTAL		86,327	-	70,728	

Stock

Euros

CODE	ITEM	ACQUISITION DATE	TOTAL CARRYING AMOUNT	USE
30 Items used in the activity	TABLET	01/07/2017	467,590	Goals
30 Items used in the activity	CASES	01/07/2017	41,043	Goals
30 Items used in the activity	MULTI-PORT CHARGER	01/07/2017	36,823	Goals
30 Items used in the activity	LAPTOP	01/07/2017	5,976	Goals
30 Items used in the activity	PROJECTORS	01/07/2017	45,401	Goals
30 Items used in the activity	UPS	01/07/2017	23,199	Goals
30 Items used in the activity	ROUTERS	01/07/2017	17,320	Goals
30 Items used in the activity	POWER STRIP	01/07/2017	1,050	Goals
30 Items used in the activity	ANCILLARY (CABLES, ADAPTERS, PROJECTOR SCREEN)	01/07/2017	34,265	Goals
	TOTAL		672,667	

(21) Statement of cash flows

	Euros	
	2024	2023
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES	(24,702,405)	(27,688,311)
Surplus for the year before tax	309,028	350,432
Adjustments to results	(24,924,438)	(28,270,475)
Fixed asset depreciation/amortisation	8,040	10,338
Impairment allowances	(57,748)	-
Grants released to income	(24,690,017)	(28,066,193)
Financial income	(288,778)	(319,786)
Exchange differences	104,065	105,166
Changes in working capital	(284,001)	(88,055)
Trade and other receivables	(1,655)	(103)
Inventories	82,264	158,736
Trade and other payables	(421,910)	(200,768)
Other non-current assets and liabilities	57,300	(45,920)
Other cash flows from operating activities	197,007	319,786
Interest collections	288,778	319,786
Other payments (collections)	(91,771)	-
CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES	(5,132)	(6,524)
Payments due to investments	(5,132)	(6,524)
Property, plant and equipment	(5,132)	(6,524)
Intangible assets	-	-
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES	23,917,141	31,069,782
Cobros y pagos por instrumentos de pasivos financieros	23,917,141	31,069,782
Cobros y pagos por instrumentos de patrimonio:	23,917,141	31,069,782
Subvenciones, donaciones y legados recibidos	23,917,141	31,069,782
EFFECT OF FOREIGN EXCHANGE RATE FLUCTUATIONS	(104,065)	(105,166)
NET INCREASE/DECREASE IN CASH AND CASH EQUIVALENTS	(894,460)	3,269,780
Cash and cash equivalents at beginning of period	11,510,384	8,240,604
Cash and cash equivalents at end of period	10,615,924	11,510,384

(22) Information on compliance with the Code of Conduct on current asset investments

On 20 February 2019, the Board of the National Securities Market Commission approved a code of conduct for investments by non-profit organisations.

In accordance with the provisions of article 4.2 of this Code, a literal transcription of the agreements reached by the Board of Trustees of Fundación ProFuturo is provided in order to produce a written record of publication and adopt measures conducive to following its principles and recommendations:

MINUTES TO THE MEETING OF THE BOARD OF TRUSTEES OF FUNDACIÓN PROFUTURO HELD ON 17 DECEMBER 2019.

Agreements submitted for the approval of the Board of Trustees, approved by written vote without a meeting:

Firstly, to take note of the publication of the new Code of Conduct relating to investments by non-profit organisations, approved pursuant to the agreement of 20 February 2019 of the Board of the National Securities Market Commission, in accordance with the provisions of article 4.2. of said Code of Conduct.

Secondly, in order to adapt the internal regulations of Fundación ProFuturo to the aforementioned new Code of Conduct relating to investments by non-profit organisations, to approve a new "Policy for current asset investments of Fundación ProFuturo", which replaces the Policy for making current asset investments approved during the meeting of the Board of Trustees held on 31 May 2017.

(23) Subsequent events.

On January 31, 2025, by written vote and without a session, the following agreements were approved by the Board of Trustees of the ProFuturo Foundation::

- To take note of the replacement of Mr. José María Álvarez-Pallete López by Mr. Marc Thomas Murtra Millar, as Trustee of the ProFuturo Foundation, in the position provided for in article 9.1.a) of the Statutes, given his status as President of the Telefónica Foundation.
- To take note of the replacement of Mr. Antonio Vila Bertrán by Mr. Josep María Coronas Guinart, as Trustee of the ProFuturo Foundation, in the position provided for in article 9.1.d) of the Statutes, arising from his appointment as General Director of the "la Caixa" Foundation

- To appoint Mr. Juan Ramón Fuertes Blasco as a trustee of the ProFuturo Foundation, for the statutory period of four years, established in article 10.8 of the Statutes.
- To appoint Mr. Juan Ramón Fuertes Blasco as President of the ProFuturo Foundation for the statutory period of two years, as provided for in article 10.2 of the Statutes, replacing Mr. José María Álvarez-Pallete López, in accordance with the provisions of article 11.5 of the statutory text..
- To appoint, for a period of two years, pursuant to the provisions of Article 11.4 of the Statutes, Mr. Marc Thomas Murtra Millar as First Vice President of the ProFuturo Foundation and Mr. Isidro Fainé Casas as Second Vice President of the ProFuturo Foundation.

FUNDACIÓN PROFUTURO
Memoria de las Cuentas Anuales
31 de diciembre de 2024

AUTHORISATION FOR ISSUE OF THE ACCOUNTS

In accordance with applicable regulations, Annual Accounts for the year ended December 31st, 2024, have been issued by the Chairman of the Board of Trustees of Fundación ProFuturo.

D. Juan Ramón Fuertes

Chairman of the Board of Trustees of Fundación ProFuturo

Madrid, June 19th 2025