Audit Report on Financial Statements
issued by an Independent Auditor

PROMOTORA DE INFORMACIONES, S.A. AND SUBSIDIARIES
Consolidated Financial Statements and
Consolidated Management Report
for the year ended
December 31, 2021

Ernst & Young, S.L.
Calle de Raimundo Fernández Villaverde, 65
28003 Madrid

Tel: 902 365 456
Fax: 915 727 238
ey.com

AUDIT REPORT ON CONSOLIDATED FINANCIAL STATEMENTS ISSUED BY AN INDEPENDENT AUDITOR

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

To the shareholders of PROMOTORA DE INFORMACIONES, S.A.:

Audit report on the consolidated financial statements

Opinion

We have audited the consolidated financial statements of PROMOTORA DE INFORMACIONES, S.A. (the parent) and its subsidiaries (the Group), which comprise the consolidated balance sheet at December 31, 2021, the consolidated income statement, the consolidated statement of other comprehensive income, the consolidated statement of changes in equity, the consolidated cash flow statement, and the notes thereto, for the year then ended.

In our opinion, the accompanying consolidated financial statements give a true and fair view, in all material respects, of consolidated equity and the consolidated financial position of the Group at December 31, 2021 and of its financial performance and its consolidated cash flows, for the year then ended in accordance with International Financial Reporting Standards, as adopted by the European Union (IFRS-EU), and other provisions in the regulatory framework applicable in Spain.

Basis for opinion

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

We are independent of the Group in accordance with the ethical requirements, including those related to independence, that are relevant to our audit of the consolidated financial statements in Spain as required by prevailing audit regulations. In this regard, we have not provided non-audit services nor have any situations or circumstances arisen that might have compromised our mandatory independence in a manner prohibited by the aforementioned requirements.

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

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our audit opinion thereon, and we do not provide a separate opinion on these matters.

Measurement of goodwill and investments accounted for using the equity method

Description	As explained in Notes 6 and 8 to the accompanying consolidated financial statements, at December 31, 2021, the Group recognized goodwill totalling 109,542 thousand euros and investments accounted for using the equity method amounting to 27,020 thousand euros. At least annually the Group perform impairment tests of goodwill and, when required, depending on the existence of indicators of impairment, other impairment test for the participations registered under the equity method. The purpose of this analysis is to conclude whether it is necessary to recognize an impairment loss against the aforementioned assets when the carrying amount is higher than the recoverable amount. To determine the recoverable amount, Group management tests for impairment using the discounted free cash flow method. Due to the high risk that some of these assets may be impaired, the relevance of the amounts involved and the fact that the analyses conducted by Group management require complex estimates and judgments, we determined the measurement of these assets to be a key audit matter.
Our response	In this regard, our audit procedures included: ▶ Understanding the policies and procedures the Group applies to assessing impairment of goodwill and investments accounted for using the equity method to estimate the recoverable amount, including evaluation of the design and implementation of relevant controls. ▶ Reviewing the models used by the Group´s Management, in collaboration with our valuation specialists, focusing particularly on the model's mathematical coherence, the reasonableness of projected cash flows, discount rates, long-term growth rates, as well as the consistency of these models with the business plans approved by the Group's government bodies. In performing our review, we interviewed the people in charge of preparing the models and utilized recognized external sources and other available information to contrast data. ▶ Reviewing the sensitivity analyses performed by Group management on the estimates made to determine the recoverable amount, in the event of changes in the relevant assumptions made. ▶ Reviewing projected financial information, analyzing the consistency and reasonableness of the various assumptions. ▶ Checking that the disclosures made in the notes to the consolidated financial statement comply with the applicable financial reporting framework.

Recognition of operating revenue

Description	As explained in notes 4.k) and 13, the Prisa Group's operating revenue of 741,168 thousand euros is mainly derived from sales related to books, training, and advertising. With regard to sales related to books and training, the Group is engaged in various facets of publishing and selling books, especially for the different levels and fields of education. These sales represent 47% of total operating revenue. Sales pertaining to books and training recorded during the year relate to a significant number of transactions carried out with different types of customers and terms of sale. The majority of sales take place during the school year. Advertising sales represent 40% of total operating revenue. These sales are generally highly fragmented and subject to different contractual terms and conditions which, among other variables, determine, where applicable, what discounts may be applied. We determined this to be a key audit matter due to the diversity of the Company's transactions and the materiality of the amounts involved.
Our response	In this regard, our audit procedures included the following: ▶ Gaining an understanding of the processes established by management for recognizing revenue, including evaluating the design and implementation of relevant controls. ▶ Involving our internal information systems specialists in the computer systems and applications Group companies use to record these transactions. ▶ Conducting analytical tests including reviews of journal entries, analyzing correlations between revenue, receivables and cash accounts. ▶ Selecting a sample of transactions for which we obtained supporting documentation to ensure that the relevant amounts were accurate and recognized in the correct period. ▶ Performing substantive procedures on the operations cut-off, returns, as well as the Company's sales discounts policy. ▶ Checking that the disclosures made in the notes to the consolidated financial statement comply with the applicable financial reporting framework.

Other information: consolidated management report

Other information refers exclusively to the 2021 consolidated management report, the preparation of which is the responsibility of the parent company's directors and is not an integral part of the consolidated financial statements.

Our audit opinion on the consolidated financial statements does not cover the consolidated management report. Our responsibility for the consolidated management report, in conformity with prevailing audit regulations in Spain, entails:

a. Checking only that the consolidated non-financial statement and certain information included in the Corporate Governance Report and in the Board Remuneration Report, to which the Audit Law refers, was provided as stipulated by applicable regulations and, if not, disclose this fact.

b. Assessing and reporting on the consistency of the remaining information included in the consolidated management report with the consolidated financial statements, based on the knowledge of the Group obtained during the audit, in addition to evaluating and reporting on whether the content and presentation of this part of the consolidated management report are in conformity with applicable regulations. If, based on the work we have performed, we conclude that there are material misstatements, we are required to disclose this fact.

Based on the work performed, as described above, we have verified that the information referred to in paragraph a) above is provided as stipulated by applicable regulations and that the remaining information contained in the consolidated management report is consistent with that provided in the 2021 consolidated financial statements and its content and presentation are in conformity with applicable regulations.

Responsibilities of the parent company´s directors and the audit, risk and compliance committee for the consolidated financial statements

The directors of the parent company are responsible for the preparation of the accompanying consolidated financial statements so that they give a true and fair view of the equity, financial position and results of the Group, in accordance with IFRS-EU, and other provisions in the regulatory framework applicable to the Group in Spain, and for such internal control as they determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

The audit, risk and compliance committee is responsible for overseeing the Group’s financial reporting process.

Auditor’s responsibilities for the audit of the consolidated financial statements

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

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with prevailing audit regulations in Spain will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

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

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

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

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

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

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

We communicate with the audit, risk and compliance committee of the parent company 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.

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

From the matters communicated with the audit, risk and compliance committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters.

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

Report on other legal and regulatory requirements

European single electronic format

We have examined the digital files of the European single electronic format (ESEF) of PROMOTORA DE INFORMACIONES, S.A. and subsidiaries for the 2021 financial year, which include the XHTML file containing the consolidated financial statements for the year, and the XBRL files as labeled by the entity, which will form part of the annual financial report.

The directors of PROMOTORA DE INFORMACIONES, S.A. are responsible for submitting the annual financial report for the 2021 financial year, in accordance with the formatting and mark-up requirements set out in Delegated Regulation EU 2019/815 of 17 December 2018 of the European Commission (hereinafter referred to as the ESEF Regulation).

Our responsibility consists of examining the digital files prepared by the directors of the parent company, in accordance with prevailing audit regulations in Spain. These standards require that we plan and perform our audit procedures to obtain reasonable assurance about whether the contents of the consolidated financial statements included in the aforementioned digital files correspond in their entirety to those of the consolidated financial statements that we have audited, and whether the consolidated financial statements and the aforementioned files have been formatted and marked up, in all material respects, in accordance with the ESEF Regulation.

In our opinion, the digital files examined correspond in their entirety to the audited consolidated financial statements, which are presented and have been marked up, in all material respects, in accordance with the ESEF Regulation.

Additional report to the audit, risk and compliance committee

The opinion expressed in this audit report is consistent with the additional report we issued to the audit, risk and compliance committee on March 28, 2022.

Term of engagement

The ordinary general shareholders' meeting held on June 29, 2020 appointed us as auditors for three years, commencing on December 31, 2020.

ERNST & YOUNG, S.L.
(Registered in the Official Register of Auditors under No. S0530)

(Signature on the original in Spanish)

Antonio Vázquez Pérez
(Registered in the Official Register of Auditors under No. 8960)

March 28, 2022

PROMOTORA DE INFORMACIONES, S.A. (PRISA) AND SUBSIDIARIES

Consolidated Financial Statements together with Directors' Report for 2021

PROMOTORA DE INFORMACIONES, S.A. (PRISA) AND SUBSIDIARIES

Consolidated Financial Statements for 2021

PROMOTORA DE INFORMACIONES, S.A. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEET AT DECEMBER 31, 2021
(Thousands of euros)

ASSETS	Notes	Year 2021	Year 2020
A) NON-CURRENT ASSETS		**399,222**	**443,259**
I. PROPERTY, PLANT AND EQUIPMENT	5	109,678	155,464
II. GOODWILL	6	109,542	112,501
III. INTANGIBLE ASSETS	7	96,008	97,543
IV. NON-CURRENT FINANCIAL ASSETS	11a	11,359	10,493
V. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD	8	27,020	24,679
VI. DEFERRED TAX ASSETS	18	45,601	42,563
VII. OTHER NON-CURRENT ASSETS		14	16
B) CURRENT ASSETS		**479,061**	**528,460**
I. INVENTORIES	9a	39,920	45,708
II. TRADE AND OTHER RECEIVABLES			
1. Trade receivables for sales and services	9b	265,004	252,120
2. Receivable from associates		4,807	3,797
3. Receivable from public authorities	18	32,638	24,883
4. Other receivables		22,806	23,698
5. Allowances	9b	(59,518)	(55,786)
		265,737	248,712
III. CURRENT FINANCIAL ASSETS	11a	2,425	7,718
IV. CASH AND CASH EQUIVALENTS	9c	168,672	221,879
V. ASSETS CLASSIFIED AS HELD FOR SALE		2,307	4,443
TOTAL ASSETS		**878,283**	**971,719**

EQUITY AND LIABILITIES	Notes	Year 2021	Year 2020
A) EQUITY	**10**	**(511,815)**	**(402,980)**
I. SHARE CAPITAL		70,865	70,865
II. OTHER RESERVES AND ACCUMULATED PROFIT FROM PRIOR YEARS		(429,393)	(516,048)
III. RESULT FOR THE YEAR ATTRIBUTABLE TO THE PARENT		(106,506)	89,737
IV. TREASURY SHARES		(1,320)	(1,530)
V. TRANSLATION DIFFERENCES		(90,410)	(92,275)
VI. NON- CONTROLLING INTERESTS		44,949	46,271
B) NON-CURRENT LIABILITIES		**1,033,811**	**948,543**
I. NON-CURRENT BANK BORROWINGS	11b	934,342	810,568
II. NON-CURRENT FINANCIAL LIABILITIES	11b	53,854	99,348
III. DEFERRED TAX LIABILITIES	18	21,335	16,840
IV. LONG-TERM PROVISIONS	12	21,016	19,195
V. OTHER NON-CURRENT LIABILITIES		3,264	2,592
C) CURRENT LIABILITIES		**356,287**	**426,156**
I. TRADE PAYABLES	24	195,983	191,454
II. PAYABLE TO ASSOCIATES		1,123	1,034
III. OTHER NON-TRADE PAYABLES	9d	43,774	39,656
IV. CURRENT BANK BORROWINGS	11b	14,918	102,746
V. CURRENT FINANCIAL LIABILITIES	11b	15,884	18,558
VI. PAYABLE TO PUBLIC AUTHORITIES	18	34,204	29,321
VII. CURRENT PROVISIONS	13	14,087	9,986
VIII. OTHER CURRENT LIABILITIES	9e	35,218	29,967
IX. LIABILITIES ASSOCIATED WITH ASSETS CLASSIFIED AS HELD FOR SALE		1,096	3,434
TOTAL EQUITY AND LIABILITIES		**878,283**	**971,719**

The accompanying Notes 1 to 27 and Appendix I and II are an integral part of the consolidated balance sheet at December 31, 2021.

PROMOTORA DE INFORMACIONES, S.A. AND SUBSIDIARIES
CONSOLIDATED INCOME STATEMENT FOR 2021
(Thousands of euros)

	Notes	Year 2021	Year 2020
Revenue		729,350	690,942
Other income		11,818	9,699
OPERATING INCOME	13-17	741,168	700,641
Cost of materials used		(103,093)	(105,931)
Staff costs	14	(307,945)	(268,007)
Depreciation and amortisation charge	5-7	(78,317)	(70,637)
Outside services	14	(257,116)	(250,882)
Change in allowances, write-downs and provisions	14	(9,917)	(11,730)
Impairment of goodwill	6	-	(16,602)
Impairment of assets	5-7	(4,489)	(5,961)
OPERATING EXPENSES		(760,877)	(729,750)
RESULT FROM OPERATIONS		(19,709)	(29,109)
Finance income		11,513	2,367
Finance costs		(60,444)	(83,022)
Changes in value of financial instruments		(15,791)	(46,072)
Exchange differences (net)		1,461	(2,098)
FINANCIAL RESULT	15	(63,261)	(128,825)
Result of companies accounted for using the equity method	8	1,404	(8,458)
RESULT BEFORE TAX FROM CONTINUING OPERATIONS	17	(81,566)	(166,392)
Expense tax	18	(20,969)	(81,071)
RESULT FROM CONTINUING OPERATIONS		(102,535)	(247,463)
Result after tax from discontinued operations	16	(3,308)	322,913
CONSOLIDATED RESULT FOR THE YEAR		(105,843)	75,450
Result attributable to non-controlling interests	10i	(663)	14,287
RESULT ATTRIBUTABLE TO THE PARENT		**(106,506)**	**89,737**
BASIC RESULT PER SHARE (in euros)	20	(0.15)	0.13
DILUTED RESULT PER SHARE (in euros)	20	(0.15)	0.13
- Basic result per share from continuing activities (in euros)	20	(0.15)	(0.33)
- Basic result per share from discontinuing activities (in euros)	20	-	0.46

The accompanying Notes 1 to 27 and Appendix I and II are an integral part of the consolidated income statement for 2021.

PROMOTORA DE INFORMACIONES, S.A. AND SUBSIDIARIES
CONSOLIDATE STATEMENT OF COMPREHENSIVE INCOME FOR 2021
(Thousands of euros)

	Year 2021	Year 2020
CONSOLIDATED PROFIT FOR THE YEAR	**(105,843)**	**75,450**
Items that may be reclassified subsequently to profit or loss	**(5,941)**	**(62,551)**
Translation differences	**(6,952)**	**(56,261)**
Profit/(Loss) for valuation	(6,891)	(56,823)
Amounts transferred to the profit and loss account	(61)	562
Entities accounted for using the equity method	**1,011**	**(6,290)**
TOTAL RECOGNIZED INCOME AND EXPENSE	**(111,784)**	**12,899**
Attributable to the Parent	(110,412)	28,701
Attributable to non-controlling interests	(1,372)	(15,802)

The accompanying Notes 1 to 27 and Appendix I and II are an integral part of the consolidated statement of comprehensive income for 2021.

PROMOTORA DE INFORMACIONES, S.A. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR 2021
(Thousands of euros)

	Share capital	Share premium	Reserves	Prior years´ accumulated profit	Treasury shares	Exchange differences	Accumulated profit for the Year	Equity attributable to the Parent	Non-controlling interests	Equity
BALANCE AT DECEMBER 31, 2019	**666,131**	**254,180**	**(521,182)**	**(646,207)**	**(2,591)**	**(49,393)**	**(182,298)**	**(481,360)**	**69,756**	**(411,604)**
Capital reduction	(595,266)		595,266							
Treasury share transactions (Note 10f)										
- Delivery of treasury shares					58			58		58
- Purchase and sales of treasury shares					20			20		20
- Reserves for treasury shares			(983)		983					
Distribution of 2019 results										
- Reserves			(209,606)	27,308			182,298			
Income and expense recognised in equity										
- Translation differences (Note 10g-10h)				(18,154)		(42,882)		(61,036)	(1,515)	(62,551)
- Result for 2020							89,737	89,737	(14,287)	75,450
Other		(254,180)	254,651	2,859				3,330	(1,304)	2,026
Changes in non controlling interest (Note 10i)										
- Dividends paid during the year									(3,643)	(3,643)
- Due to changes in scope of consolidation									(2,736)	(2,736)
BALANCE AT DECEMBER 31, 2020	**70,865**	**0**	**118,146**	**(634,194)**	**(1,530)**	**(92,275)**	**89,737**	**(449,251)**	**46,271**	**(402,980)**
Treasury share transactions (Note 10f)										
- Purchase and sales of treasury shares					(629)			(629)		(629)
- Reserves for treasury shares			(839)		839					
Distribution of 2020 results										
- Reserves			(52,793)	142,530			(89,737)			
Income and expense recognised in equity										
- Translation differences (Note 10g-10h)				(5,771)		1,865		(3,906)	(2,035)	(5,941)
- Result for 2021							(106,506)	(106,506)	663	(105,843)
Other			1,521	2,007				3,528	1,126	4,654
Changes in non controlling interest (Note 10i)										
- Dividends paid during the year									(1,381)	(1,381)
- Due to changes in scope of consolidation									305	305
BALANCE AT DECEMBER 31, 2021	**70,865**	**0**	**66,035**	**(495,428)**	**(1,320)**	**(90,410)**	**(106,506)**	**(556,764)**	**44,949**	**(511,815)**

The accompanying Notes 1 to 27 and Appendix I and II are an integral part of the consolidated statement of changes in equity for 2021.

PROMOTORA DE INFORMACIONES, S.A. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF CASH FLOW FOR 2021
(Thousands of euros)

	Notes	Year 2021	Year 2020
PROFIT BEFORE TAX FROM CONTINUING OPERATIONS	17	**(81,566)**	**(166,392)**
Depreciation and amortisation charge and provisions		92,715	104,704
Changes in working capital		**7,842**	**(1,691)**
Inventories	9a	5,788	28,106
Accounts receivable	9b	(27,111)	100,185
Accounts payable		29,165	(129,982)
Income tax recovered (paid)	18	(13,219)	(17,849)
Other profit adjustments		**72,891**	**135,386**
Financial results	15	63,261	128,825
Gains and losses on disposal of assets		(469)	(1,229)
Other adjustments		10,099	7,790
CASH FLOWS FROM OPERATING ACTIVITIES	17	**78,663**	**54,158**
Recurrent investments		**(45,266)**	**(45,411)**
Investments in intangible assets	7	(34,330)	(31,512)
Investments in property, plant and equipment	5	(10,936)	(13,899)
Investments in non-current financial assets		(12,336)	(921)
Proceeds from disposals		8,193	461,269
Other cash flow from investing activities		1,690	10,922
CASH FLOWS FROM INVESTING ACTIVITIES	17	**(47,719)**	**425,859**
Proceeds and payments relating to equity instruments		(629)	20
Proceeds relating to financial liability instruments	11b	112,080	93,354
Payments relating to financial liability instruments	11b	(104,364)	(427,997)
Dividends and returns on other equity instruments paid		(1,779)	(2,453)
Interest paid		(36,127)	(61,170)
Other cash flow from financing activities	11b	(55,703)	(39,406)
CASH FLOWS FROM FINANCING ACTIVITIES	17	**(86,522)**	**(437,652)**
Effect of foreign exchange rate changes		**2,371**	**(12,453)**
CHANGE IN CASH FLOWS FROM CONTINUING OPERATIONS	17	**(53,207)**	**29,912**
Cash flows from operating activities from discontinued operations		-	57,444
Cash flows from investing activities from discontinued operations		-	(34,354)
Cash flows from financing activities from discontinued operations		-	2,297
CHANGE IN CASH FLOWS FROM DISCONTINUED OPERATIONS	17	**-**	**25,387**
CHANGE IN CASH FLOWS IN THE YEAR		**(53,207)**	**55,299**
Cash and cash equivalents at beginning of year	9c	**221,879**	**166,580**
- Cash		168,712	107,610
- Cash equivalents		53,167	58,970
Cash and cash equivalents at end of period	9c	**168,672**	**221,879**
- Cash		132,968	168,712
- Cash equivalents		35,704	53,167

The accompanying Notes 1 to 27 and Appendix I and II are an integral part of the consolidated statement of cash flow for 2021.

PROMOTORA DE INFORMACIONES, S.A. (PRISA) AND SUBSIDIARIES

Notes to the Consolidated Financial Statement for 2021

Translation of consolidated financial statements originally issued in Spanish and prepared in accordance with IFRSs as adopted by the European Union (see notes 2 and 27). In the event of a discrepancy, the Spanish-language version prevails.

PROMOTORA DE INFORMACIONES, S.A. (PRISA)

AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENT FOR 2021

(1) GROUP ACTIVITIES AND PERFORMANCE

a) Group activities

Promotora de Informaciones, S.A. ("Prisa" or "the Company") was incorporated on January 18, 1972 in Madrid (Spain), and has its registered office in Madrid, at Gran Vía, 32. Its business activities include, inter alia, the exploitation of media in any format, including the publication of newspapers and educational material, the holding of investments in companies and businesses and the provision of all manner of services.

In addition to the business activities carried on directly by the Company, Prisa heads a group of subsidiaries, joint ventures and associates which engage in a variety of business activities and which compose the Group ("the Prisa Group" or "the Group"). Therefore, in addition to its own separate financial statements, Prisa is obliged to present consolidated financial statements for the Group including its interests in joint ventures and investments in associates.

The consolidated financial statements for 2020 were approved by the shareholders at the Annual General Meeting held on June 29, 2021 and are deposited in the Mercantile Register of Madrid.

The Group's consolidated financial statements for 2021 were authorized for issue by the Company's directors on March 28, 2022, for submission to the approval of the General Meeting of Shareholders, it being estimated that they will be approved without modification.

These consolidated financial statements are presented in thousands of euros as this is the currency of the main economic area in which the Group operates. Foreign operations are accounted for in accordance with the policies described in note 2d.

Shares of Prisa are admitted to trading on continuous market of the Spanish Stock Exchanges (Madrid, Barcelona, Bilbao and Valencia).

b) Evolution of the Group's equity and financial structure

During last year, the Administrators of Prisa took a number of measures to strengthen the Group's financial and asset structure, such as asset sale operations, capital increases and refinancing of its debt.

On March 20, 2019, the Company agreed to carry out a capital increase amounting to EUR 199,824 thousand, which was fully subscribed in April 2019. This capital increase was used to partially fund the acquisition of 25% of the share capital of Grupo Santillana Educación Global, S.L.

On May 14, 2020, Vertix, SGPS, S.A. (subsidiary fully owned by Prisa) sold to Pluris Investments, S.A. (Pluris) the shares amounting to 30.22% of share capital of Grupo Media Capital, SGPS, S.A. (Media Capital) for a price of EUR 10,500 thousand. On September 4, 2020, Prisa signed with a plurality of investors independent agreements for the sale of shares of Media Capital, which together represented the entire shareholding (64.47%) held by Prisa trough Vertix in the Portuguese company. On November 3, 2020, the sale of shares for a price of 36.9 million euros was completed. These transactions meant an accounting loss for EUR 77 million, accounted as *"Result after tax from discontinued operations"* in the accompanying consolidated income statement of 2020 *(see note 16)*.

On June 29, 2020, the Prisa´s General Shareholder Meeting agreed to reduce in share capital of the parent Company in order to re-establish its equity balance. Therefore, since June 30, 2020, and at December 31, 2021, the parent Company's equity is greater than two thirds of the capital stock, which is why it is in a situation of equity balance.

On October 19, 2020, Prisa, through its subsidiary Grupo Santillana Educación Global, S.L.U. ("Santillana"), signed an agreement with the Sanoma Corporation, a European learning and Finnish media company, for the sale of the Spanish educational business of Santillana addressed at pre K12 and K-12 segments ("Santillana Spain"). Santillana's activity in public and private markets in Latin America was excluded from the transaction and will continue to be developed by Prisa through Santillana. On December 31, 2020, the transaction was closed at an enterprise value of EUR 465 million and a it meant a total cash obtained from the buyer of EUR 418 million. The impact of the operation on Prisa's consolidated income statement is a positive result for 377 million euros, accounted as *"Result after tax from discontinued operations"* in the accompanying consolidated income statement *(see note 16)*.

The sales transactions described above had no tax impact in relation to corporation tax, because the losses booked on the sale of Media Capital were not tax-deductible, and the capital gains recognised in the sale of Santillana Spain were exempt.

In October 2020, Prisa signed a lock-up agreement (the "Lock-up Agreement") which contained a term sheet that sets out, among other aspects, the essential terms on which the Group's syndicated financial debt restructured (the "Refinancing"). The Refinancing was conditioned on successfully completing the selling of certain Santillana K-12 and pre K-12 business assets in Spain and it was binding on all creditors owed the financial debt to be restructured. On December 31, 2020 the Refinancing came into effect, once the agreements reached with all of its creditors were concluded, among which were included, the culmination of the sale of Santillana Spain, as described above. This is the Refinancing in force at December 31, 2021 *(see note 11b)*.

As indicated in note 26, in February 2022 the Board of Directors of Prisa has approved, by unanimity, the signing of a lock-up agreement (the "New Lock-Up Agreement") that incorporates a term sheet with the basic conditions for the amendment of the Group's syndicated financial debt (the "New Refinancing"). The basic terms of the agreed New Refinancing consist, among other aspects, in the extension of the maturity of the financial debt to 2026 and 2027 and division of the syndicated loan into two differentiated tranches (one of senior debt and one of junior debt) and the flexibilization of the contractual commitments of the current debt that will allow, among other improvements, to increase Prisa's operating flexibility and soften the financial ratios required by its current contracts. The New Lock-Up Agreement has entered into force, having been signed by the Company and by the all creditor entities of the syndicated financing to be refinanced. Likewise, a Term Sheet has been signed with the basic conditions for the modification of the Super Senior debt (“Super Senior Term & Revolving Facilities Agreement”) of the Company that, among other terms, supposes an extension of the maturity of the debt to June 2026.

The agreed New Refinancing will thus make the Group's financial debt more flexible and will provide a financial structure allowing the Group to comply with its financial commitments, ensuring the Group's stability in the short and medium term.

The emergence of COVID-19 (coronavirus) in China in January 2020 and its quick global expansion to a large number of countries laded to the viral outbreak, classified as a pandemic by the World Health Organization on March 11, 2020.

Considering the complexity of the markets due to their globalization the consequences for the Group's businesses are uncertain and will depend to a large extent on the impact of the pandemic, with the appearance of new variants, the effectiveness of the current medical treatments and on the reaction and of all the economic actors affected, and their ability to rise to the challenge.

Therefore, at the date of approval of these consolidated financial statements, we have carried out an assessment and quantification of the impacts that COVID-19 had on the Group as of December 31, 2021. There is still a high level of uncertainty about its consequences in the short term.

Therefore, the Directors and Management of the Group have assessed the situation based on the best information available. For the reasons referred to above, such information may be incomplete. As a result of this assessment, we highlight the following:

- Liquidity risk: the situation in the markets has caused an increase in liquidity pressures in the economy and a contraction in the credit market. To face this, the Group has in place a Super Senior debt (“Super Senior Term & Revolving Facilities Agreement”) to meet operational needs for a maximum amount of EUR 225 million, of which EUR 145 million were drawn as of December 31, 2021. Likewise, the rest of subsidiaries of the Group have credit facilities with a limit amount of EUR 21.9 million that are undrawn as of December 31, 2021. Therefore, as of December 31, 2021, the Group had undrawn credit facilities amounting to EUR 101.9 million, together with cash available of EUR 159 million. The Group has also implemented specific plans for the improvement and efficient management of liquidity to address these tensions.

- Operational risk: the changing and unpredictable nature of events could lead to the emergence of a risk of interruption in the provision of services or sales. Therefore, the Group has established contingency plans aimed at monitoring and managing its operations at all times. To date, no notable incidents have been revealed.

- Risk of change in certain financial magnitudes: the factors referred to above have adversely affect the Group's advertising revenues and to sales of newspapers and magazines and sale of books and training. In this regard, it is estimated that the decrease in income from the sale of books and training during 2021 compared to the previous year has been mainly affected by the effect of the pandemic on the Education business in Latam and the negative impact of the exchange rate effect. However, COVID -19 has affected the Group's advertising revenue to a lesser extent during 2021 compared to the previous year.

  Therefore, the Group has implemented a contingency plan with the aim of minimizing the aforementioned effects. However, it is not possible to reliably quantify the impact of COVID-19 in next financial statements, given the constraints and limitations already indicated.

  Likewise, COVID-19 could also have an adverse impact on key indicators for the Group, such as financial leverage ratios and compliance with financial ratios included in the financial agreements of the Group. In this sense, with the agreed current Refinancing, the Group's financial debt was made more flexible and it was provided with a financial structure that makes it possible to meet its financial commitments (including financial ratios (covenants)).

- Balance sheet assets and liabilities measurement risk: a change in the future estimates of the Group's revenue, production costs, finance costs, credit quality of trade receivables, etc. could have an adverse impact on the carrying amount of certain assets (goodwill, intangible assets, deferred tax assets, trade and other receivables, etc.) and on the need to recognize provisions or other liabilities. The appropriate analyses and calculations have been carried out which have allowed, where appropriate, those assets and liabilities to be re-measured with the information available to date. On December 31, 2021 there have not been significant changes in the estimates at the end of 2020 in the aforementioned magnitudes, that have a negative impact on the consolidated financial statements.

- Continuity risk (going concern): in the light of all the above factors, the Directors of the Group consider that the application of the going concern principle remains valid.

Finally, we highlight that the Group's Directors and Management are constantly monitoring the situation so as to successfully address any impacts, both financial and non-financial, that may arise.

(2) BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

a) Application of International Financial Reporting Standards (IFRSs)

The Group's consolidated financial statements were prepared in accordance with International Financial Reporting Standards ("IFRSs") as adopted by the European Union, in conformity with Regulation (EC) no. 1606/2002 of the European Parliament and of the Council, taking into account all mandatory accounting policies and rules and measurement bases with a material effect, as well as with the Commercial Code, the obligatory legislation approved by the Institute of Accounting and Auditors of Accounts, and other applicable Spanish legislation.

In accordance with said regulation, in the scope of application of IFRS, and in the preparation of these consolidated financial statements of the Group, the following aspects should be highlighted:

- The IFRSs are applied in the preparation of the consolidated financial information of the Group. The financial statements of individual companies that are part of the Group are prepared and presented in accordance with accounting standards in each country.

- In accordance with IFRSs, these consolidated financial statements include the following consolidated financial statements of the Group:

  - Balance sheet.
  - Income statement.
  - Statement of comprehensive income.
  - Statement of changes in equity.
  - Statement of cash flow.

- As required by IAS 8, uniform accounting policies and measurement bases were applied by the Group for all transactions, events and items in 2021 and 2020.

In 2021, the following amendment to accounting standard came into force which, therefore, was considered when preparing these consolidated financial statements:

- Amendment to IFRS 4. Insurance Contracts- deferral of IFRS 9.
- Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16. Interest Rate Benchmark Reform (Phase 2).
- Amendment to IFRS 16. Leases: Covid 19- Related Rent Concessions beyond 30 June 2021.

The application of these amendments and interpretations did not have a significant impact on the Group's consolidated financial statements for this year.

The Group has elected not to early adopt IFRSs issued but not yet effective.

At December 31, 2021, the Prisa Group had not applied the following standards or interpretations issued, since the effective application thereof was required subsequent to that date or they have not been adopted by the European Union.

Standards, amendments, and interpretations		Mandatory application for financial years beginning on or after
Approved for use in the EU		
Amendment to IFRS 3	Business combinations	January 1, 2022
Amendment to IAS 16	Property, plant and equipment	January 1, 2022
Amendment to IAS 37	Provisions, contingent liabilities and contingent assets	January 1, 2022
IFRS annual improvements	2018-2020 Cycle	January 1, 2022
Amendments to IAS 1	Presentation of Financial Statements	January 1, 2023
Amendments to IAS 8	Accounting policies, Changes in Accounting estimates and errors: definition of accounting estimates	January 1, 2023
IFRS 17	Insurance contracts, including amendments to IFRS 17	January 1, 2023
Not yet approved for use in the EU		
Amendments to IAS 1	Clasification of liabilities as current or non-current	January 1, 2023
Amendments to IAS 12	Income Taxes: Deferred tax related to Assets and Liabilities arising from a Single Transaction	January 1, 2023
Amendments to IFRS 17	Insurance contracts: Initial Application of IFRS 17 and IFRS 9- Comparative Information	January 1, 2023

There is no accounting principle or measurement bases having a significant effect on the consolidated financial statements that the Group has failed to apply.

b) Fair presentation and accounting principles

The consolidated financial statements were obtained from the separate financial statements of Prisa and its subsidiaries and, accordingly, they present fairly the Group’s equity and financial position at December 31, 2021, and the results of its operations, the changes in equity and the cash flows in the year then ended. The Group prepared its financial statements on a going concern basis, as described in note 1b. Also, with the exception of the consolidated statement of cash flows, these consolidated financial statements were prepared in accordance with the accrual basis of accounting.

Given that the accounting policies and measurement bases applied in preparing the Group’s consolidated financial statements for 2021 may differ from those applied by some of the Group companies, the necessary adjustments and reclassifications were made on consolidation to unify these policies and bases and to make them compliant with IFRSs as adopted by the European Union.

c) Responsibility for the information and use of estimates

The information in these consolidated financial statements is the responsibility of the Company's directors.

In the consolidated financial statements for 2021 estimates were occasionally made by executives of the Group and of the entities in order to quantify certain of the assets, liabilities and obligations reported herein. These estimates relate basically to the following:

- The measurement of non-financial assets and goodwill to determine the possible existence of impairment losses (*see notes 4d and 4f*).
- The useful life of property, plant, and equipment and intangible assets (*see notes 4b and 4e*).
- The hypotheses used to calculate the fair value of financial instruments (*see note 4g*).
- The assessment of the likelihood and amount of undetermined or contingent liabilities (*see note 4j*).
- Estimated sales returns received after the end of the reporting period (*see note 4k*).
- Provisions for unissued and outstanding invoices.
- The estimates made for the determination of future commitments (*see note 24*).
- The recoverability of deferred tax assets (*see note 18*).
- Determination of the lease term in contracts with renewal option (*see note 4c*).

Although these estimates were made on the basis of the best information available at the date of preparation of these consolidated financial statements on the events analysed, it is possible that events that may take place in the future force them to modify them, upwards or downwards. In this case, the effects in the corresponding consolidated income statements for future periods, as well as in assets and liabilities, would be recognized.

In 2021, there were no significant changes in the accounting estimates made at the end of 2020, that imply a significant adverse impact on the consolidated financial statements of the current fiscal year.

d) Basis of consolidation

The consolidation methods applied were as follows:

Full consolidation-

Subsidiaries are accounted for using the equity method, and all their assets, liabilities, income, expenses and cash flows are included in the consolidated financial statements after the necessary adjustments and eliminations have been carried out. Subsidiaries are companies over which the parent company exercises control, i.e. it has the power to direct their financial and operating policies, it is exposed or is entitled to variable earnings or has the ability to influence their earnings. Subsidiaries accounted for using the equity method are listed in Appendix I.

The results of subsidiaries which are acquired or sold during the year are included in the consolidated income statement from the effective date of acquisition of control or until the effective date of disposal, as appropriate.

On acquisition of control, the assets, liabilities and contingent liabilities of a subsidiary are measured at their fair values. Any excess of the cost of the subsidiary's acquisition over the parent company's share of the net fair value of its assets and liabilities is recognized as goodwill. Any deficiency is credited to the consolidated income statement.

The share of third parties of the equity of Group companies is presented under "*Equity – Non-controlling interests*" in the consolidated balance sheet and their share of the profit for the year is presented under "*Result attributable to non-controlling interests*" in the consolidated income statement.

The interest of non-controlling shareholders is stated at those shareholders' proportion of the fair values of the assets and liabilities recognized.

All balances and transactions between the fully consolidated companies were eliminated on consolidation.

Equity method-

Associates are accounted for using the equity method. Associates are companies in which Prisa holds direct or indirect ownership interests of between 20% and 50%, or even if the percentage of ownership does not reach those levels, it has significant influence over their management.

This method was also applied to joint ventures, considered as arrangements whereby the parties that exercise joint control over the company are entitled to its net assets on the basis of the arrangement. Joint control is the sharing of control that is contractually decided and set out in an agreement, which exists only when decisions concerning major operations require the unanimous consent of the parties that share control.

The companies accounted for using the equity method are listed in Appendix I and II, together with their main financial aggregates.

Under the equity method, investments are recognized in the consolidated balance sheet at the Group's share of net assets of the investee, adjusted, if appropriate, for the effect of transactions performed with the Group, plus any unrealized gains relating to the goodwill paid on the acquisition of the company.

Dividends received from these companies are recognized as a reduction in the value of the Group's investment. The Group's share of the profit or loss of these companies is included, net of the related tax effect, in the consolidated income statement under "*Result of companies accounted for using the equity method.*"

Additionally, investments accounted for using the equity method are modified by the effect of the exchange rate.

Other matters -

The data relating to Sociedad Española de Radiodifusión, S.L., Grupo Santillana Educación Global, S.L., Prisa Brand Solutions, S.L. (sole trader), Grupo Latino de Radiodifusión Chile, Ltda. and Sistema Radiópolis, S.A. de C.V. contained in these notes were obtained from their respective consolidated financial statements.

The items in the balance sheets of the companies whose functional currency is not the euro included in the scope of consolidation were translated to euros using "the closing rate method", i.e. all assets, rights and obligations were translated at the exchange rates prevailing at the end of the reporting period. Income statement items were translated at the average exchange rates for each month. The difference between the value of the equity translated at historical exchange rates and the net equity position resulting from the translation of the other items as indicated above is recognized under "*Equity– Translation differences*" in the accompanying consolidated balance sheet. At the time of sale of any company that has generated translation differences or translation differences in accumulated profit from prior years, these will be transferred to the consolidated income statement, reflecting them in the consolidated statement of comprehensive income, under the heading *"Amounts transferred to the profit and loss account"*, no impact on consolidated net equity.

Venezuela

Hyperinflation, loss of spending power, falling international reserves and the fiscal deficit, among other issues, along with the restrictions caused by the COVID-19 pandemic, meant that 2020 began with the country's biggest economic and political crisis. In Venezuela, unlike other countries, no fiscal stimuli were applied to try to recover or sustain the productive apparatus, which had a negative impact on companies' cash flow. In addition, the restrictions on bank credit made it necessary to operate with equity. Banking allowed, for use within the national territory, the purchase and sale of foreign currency through bureau de change transactions using an average exchange rate based on supply and demand.

In October 2019 the Venezuelan central bank published the inflation indexes, which had been absent from 2016 to September 2019, generating a positive impact on the inflation-adjusted figures, as these were lower than those reported by the National Assembly's Finance Committee, whose inflation for 2018 was 1,698,488%. Cumulative inflation at year-end 2021 stood at 686.4% (2,959.8 from January to December 2020). The deceleration of the inflation rate is therefore continuing.

In October 2021 the Venezuelan government set up a new monetary reconversion, its third this century, which removed six zeros from the bolivar (the national currency) in an attempt to refloat an economy, beset by hyperinflation and devaluation since 2017. The new currency, known as the "digital bolivar", has not succeeding in displacing the dollar.

Transactional dollarisation and the penetration of dollars in the Venezuelan economy in recent years are two factors that have led Group Management to adopt the dollar as the functional currency for its subsidiary in Venezuela as of 1 January 2021. The exchange rate used at 31 December 2020 to convert the financial statements of the Venezuelan subsidiary was from Venezuela's Central Bank and stood at 1,352,443 sovereign bolivares per euro.

Argentina

Since the second quarter of 2018, Argentina's economy has been considered by international authorities as hyperinflationary. The main reason for this is that since 1 July 2018 the accumulated inflation of the last three years in Argentina exceeded 100%. As a general price index, Argentina's national CPI has been applied since 1 January 2017, the IPIM (Internal Wholesale Price Index) until 31 December 2018 and from January 2019 it was determined that the official index to be used will be the one issued by the Federación Argentina de Consejos Profesionales de Ciencias Económicas (FACPCE) which has matched the national CPI since 2019. The inflation rate from January to December 2021 amounts to 50.94% (36.13% from January to December 2020).

The functional currency is the Argentine peso and the balance sheet and the income statement of the Argentine subsidiaries were converted to the exchange rate on December 31, 2021, which was 116.76 EUR/Argentine peso (102.74 EUR/Argentine peso at December 31, 2020).

Prior to the consideration of Argentina as a hyperinflationary economy, the financial statements of this country's subsidiaries were developed using the historical cost method.

When the operations of a Venezuelan or Argentinian entities (entities that uses the Venezuelan bolivar or the Argentine pesos as their functional currency) are translated into the currency of a non-hyperinflationary economy, in this case to euros, paragraph IAS 21.42 (b) states that "comparative amounts shall be those that were presented as current year amounts in the relevant prior year financial statements (i.e. not adjusted for subsequent changes in the price level or subsequent changes in exchange rates)".

Non- monetary headings of the balance sheet are adjusted to reflect changes in prices in accordance with local laws, before they are translated to euros, as contained in the notes to these consolidated financial statements separately under the column "*Monetary adjustment*". The effect of inflation for the financial year as to monetary assets and liabilities is included under "*Finance costs*" in the attached consolidated income statement. The effect of the adjustment for inflation on the net equity of companies to which this accounting practice applies (Venezuela and Argentina) (positive impact of EUR 2.0 million, which EUR 0.9 million come from Argentina) and the translation differences associated with them (negative impact of EUR 1.3 million, of which EUR 1.0 million come from Argentina) have been registered under the line "*Translation differences*" on the accompanying consolidated statement of comprehensive income. Likewise, this effect has been registered under "*Equity- Accumulated profit for prior years*" on the accompanying consolidated balance sheet.

The operations and investments in Latin America may be affected by various risks typical of investments in countries with emerging economies, such as currency devaluation, inflation, restrictions on the movement of capital. Specifically, in Venezuela the movement of funds is affected by complex administrative procedures, expropriation or nationalization, tax changes, changes in policies and regulations or unstable situations.

e) Information comparison

In accordance with commercial legislation, the figures for the previous year 2020 are presented for comparison purposes with each of the items in the consolidated balance sheet, income statement, statement of comprehensive income, statement of changes in equity and cash flow statement, in addition to the figures for 2021. Comparative information for the previous year is also included in the notes to the financial statements, except where an accounting standard specifically states that it is not required.

(3) CHANGES IN THE GROUP STRUCTURE

The most significant changes in the scope of consolidation in 2021 were as follows:

Subsidiaries

In January 2021, the companies LS4 Radio Continental S.A., Radio Estéreo, S.A. and Nostalgie Amsud, S.A. (NASA) were sold.

In March 2021, the liquidation of Málaga Altavisión, S.A.U. took place.

In May 2021, the merger of Teleradio Pres, S.L. with Sociedad Independiente de Comunicación Castilla La Mancha, S.A. took place.

In July 2021, the merger of Prisaprint, S.L.U. with Prisa Noticias, S.L.U. took place.

Also in July 2021, Editora Pitanguá, Ltda and Editora Altea, Ltda. were set up, both companies 100% owned by Editora Moderna, Ltda.

Additionally in July 2021, Santillana Formación, S.L.U. was sold, with no significant impact on the consolidated income statement.

In August 2021, the total spin-off of Santillana Sistemas Educativos,Ltda. (Colombia) in favor of Distribuidora and Editora Richmond S.A. and Editorial Santillana S.A.S. took place.

In September 2021, the merger of Grupo Santillana Educación Global, S.L.U. with Santillana Global, S.L.U. took place.

In October 2021, Santillana Educación Chile, S.A. de C.V. was created, 99.99% owned by Santillana Latam, S.L.U. and at 0.01% by Grupo Santillana Educación Global, S.L.U.

In November 2021, Santillana Educación México, S.A. de C.V. was created, 99.99% owned by Lanza, S.A. de C.V. and at 0.01% by Editorial Nuevo México, S.A. de C.V.

In December 2021, Distribuciones Aliadas, S.A. was sold for EUR 0.6 million, with no significant impact on the consolidated income statement.

Associates

In September 2021, Diario As, S.L. sells its stake in As Arabia for Marketing, W.L.L.

In November 2021, As Spotlight Digital, S.L. was created, 50% owned by Diario As, S.L.

Significant operations

These changes in the Group structure have not had a significant impact on the consolidated financial statements.

(4) ACCOUNTING POLICIES

The principal accounting policies used in preparing the accompanying consolidated financial statements for 2021 and comparative information were as follows:

a) Presentation of the consolidated financial statements

In accordance with IAS 1, the Group opted to present the assets in its consolidated balance sheet on the basis of a current/non-current assets distinction. Also, income and expenses are presented in the consolidated income statement according to the nature of the related item. The statement of cash flows was prepared using the indirect method.

b) Property, plant, and equipment

Property, plant and equipment are carried at cost, net of the related accumulated depreciation and of any impairment losses.

Property, plant and equipment acquired prior to December 31, 1983, are carried at cost, revalued pursuant to applicable legislation. Subsequent additions are stated at cost, revalued, if apply, pursuant to Royal Decree-Law 7/1996.

The costs of expansion, modernization or improvements leading to increased productivity, capacity or efficiency or to a lengthening of the useful lives of the assets are capitalized.

Period upkeep and maintenance expenses are charged directly to the consolidated income statement.

Property, plant and equipment are depreciated by the straight-line method at annual rates based on the years of estimated useful life of the related assets, the detail being as follows:

	Years of estimated useful life (*)
Buildings and structures	50
Plant and machinery	5 – 10
Other items of property, plant and equipment	4 – 10

(*) It excludes assets under IFRS 16

The gain or loss arising on the disposal or derecognition of an asset is determined as the difference between the selling price and the carrying amount of the asset and is recognized in the consolidated income statement.

c) Leases

IFRS 16 establishes the principles for the recognition, measurement and presentation of leases, whereby all leases (with certain limited exceptions) are recognised in the consolidated balance sheet and there is an amortisation expense for the right-of-use asset and a finance cost for the change in value of the liability arising from the lease.

As a general rule, at the beginning of a contract, the Group assesses whether the contract is or contains a lease, i.e. whether the right to control the use of an identified asset for a period of time is transferred in exchange for a consideration.

At the commencement date of the lease, the lessee recognises an asset (property, plant and equipment or intangible) representing the right to use the underlying asset during the lease term for an amount equal to the initial value of the lease financial liability plus any initial direct costs incurred and payments made to the lessor before the commencement date, less any incentives received, and plus any estimated costs that will be incurred by the lessee in dismantling and removing the asset or returning it to the required level on the required terms and conditions.

The right-to-use asset is subsequently measured at cost, less any accumulated depreciation and recognised impairment losses, and adjusted for any remeasurement of the lease liability. The asset is depreciated on a straight-line basis over the life of the contract, except where the useful life of the asset is shorter. The Group has applied the requirements included in IAS 36 to determine the impairment of the right-of-use asset (*see note 4f*), in other words, they form part of the value to be recovered in impairment tests associated with goodwill or intangible assets with indefinite useful lives forming part of the same Cash-Generating Unit (CGU). For the other right-to-use assets, an analysis is conducted to ascertain whether there are any signs of impairment, as per property, plant and equipment and intangible assets with defined useful lives.

Also, at the commencement date of the lease, the lessee recognises a financial liability, calculated at the present value of the lease payments payable over the lease term, discounted by the discount rate. In this regard, lease payments include committed fixed payments less lease incentives to be received, variable payments dependent on an index or interest rate (measured at the index or rate on the commencement date), amounts expected to be paid for residual value guarantees and payments for purchase options if the lessee is reasonably certain to exercise that option.

The lease term of the contracts has been determined as the non-cancellable period considering the options of extension and termination when there is a reasonable certainty of their execution and it is at the discretion of the lessee. After the commencement date, the Group reassesses the term of the lease if there is a significant event or change in the circumstances under its control that may affect its ability to exercise an option to extend the lease or not to exercise an option to terminate the lease. The discount rate is calculated as the tenant's incremental borrowing rate.

After the commencement date, the lessee values the lease liability by increasing its carrying amount to reflect the interest accrued on the liability and reducing it by the payments made.

The amount of the lease liability is reviewed and adjusted in certain cases (generally as an adjustment to the right-of-use asset), such as, for changes in the length of the non-cancellable period of the contract (with regard to the initial consideration), changes in the expected amount payable for value guarantees or in the purchase option, or changes in lease payments due to changes in indices with regard to what would have been considered at the beginning of the contract.

In the event of any lease modifications not booked as a separate lease (i.e. because there has been no increase in the scope of the lease, or, therefore, in the consideration), at the effective date of the lease amendment the lessee will recalculate the associated financial lease liability as per IFRS 16, with an adjustment to the corresponding right-of-use asset.

The Group chooses not to recognise in the balance sheet the liability and the right-of-use asset corresponding to low value asset lease contracts. In this case, the amount accrued for the lease is recognised as an operating expense on a straight-line basis over the term of the contract.

Payments associated with lease financial liabilities are included in the cash flow from financing activities in the consolidated cash flow statement.

Finally, the Group's main lease contracts, due to their significance (leases of buildings and land), in general do not include variable payments in addition to the fixed amounts established, other than updates of the CPI index, they have renewal options (generally at the discretion of the lessor and the lessee), and have no residual value guarantees. At December 31, 2021 there were no significant lease contracts that had not commenced at that date and were not booked in the consolidated balance sheet, to which the Group was not already committed.

d) Goodwill

Any excess of the cost of the investments in the consolidated companies over the corresponding fair value at the date of acquisition or at the date of first time consolidation, provided that the acquisition is not after control is obtained, is allocated as follows:

- If it is attributable to specific assets and liabilities of the companies acquired, by adjusting the carrying amounts at which they had been recognized in their balance sheets to the fair value and whose accounting treatment was similar to that of the same assets of the Group.
- If it is attributable to non-contingent liabilities, by recognizing it in the consolidated balance sheet if it is probable that the outflow of resources to settle the obligation embody economic benefits and the fair value can be measured reliably.
- If it is attributable to specific intangible assets, by recognizing it explicitly in the consolidated balance sheet provided that the fair value at the date of acquisition can be measured reliably.
- The remaining amount is recognized as goodwill.

Changes in ownership interests in subsidiaries that do not result in a loss of control are accounted for as equity transactions. Once control is obtained, additional investments in subsidiaries and decreases in ownership interest without the loss of control do not affect the amount of goodwill. When a parent loses control of a subsidiary, it derecognizes the carrying amount of assets (including any goodwill) and liabilities and the share of non-controlling interests, recognizing the fair value of the consideration received and any residual ownership in the subsidiary. The remaining difference is taken to profit or loss in the income statement for the year.

The assets and liabilities acquired are measured provisionally at the acquisition date, and the provisional amounts are reviewed within a period of a year from the acquisition date. Therefore, until the definitive fair value of the assets and liabilities has been established, the difference between the acquisition cost and the net value of assets acquired and liabilities assumed is provisionally recognized as goodwill.

Goodwill is considered to be an asset of the company acquired and, therefore, in the case of a subsidiary with a functional currency other than the euro, it is valued in that subsidiary's functional currency and is translated to euros using the exchange rate prevailing at the balance sheet date.

e) Intangible assets

The main items included under "*Intangible assets*" and the measurement bases used were as follows:

Computer software-

"*Computer software*" includes the amounts paid to develop specific computer programs or the amounts incurred in acquiring from third parties the licenses to use programs. Computer software is amortized by the straight-line method, depending on the type of program or development, during the period in which contribute to the generation of profits.

Prototypes-

This account includes basically prototypes for the publication of books, which are measured at the costs incurred in materials and work performed by third parties to obtain the physical medium required for industrial mass reproduction. The prototypes are amortized using the straight-line method over three years from the date on which they are launched on the market, in the case of textbooks and languages, atlases, dictionaries encyclopaedias and major works. The cost of the prototypes of books that are not expected to be published is charged to the income statement for the year in which the decision not to publish is taken.

Advances on copyrights-

This account includes the advances to authors, whether or not paid on account of future rights or royalties for the right to use the different forms of intellectual property. These advances are taken to expenses in the income statement from the date on which the book is launched on the market, at the rate established in each contract, which is applied to the book cover price. These items are presented in the balance sheet at cost, less the portion charged to income. This cost is reviewed each year and, where necessary, an allowance is recognized based on the projected sales of the related publication.

Other intangible assets-

"*Other intangible assets*" includes basically the amounts paid to acquire administrative concessions for the operation of radio frequencies, which are subject to temporary administrative concessions. These concessions are granted for renewable multi-years periods, in accordance with regulations of each country, and are amortized using the straight-line method over the term of the arrangement, except in cases where the renewal costs are not significant and the required obligations easily attainable, in which case they are deemed to be assets with an indefinite useful life (the latter mainly in Sociedad Española de Radiodifusión, S.L. and Grupo Latino de Radiodifusión Chile, Ltda.).

f) Losses due to impairment of non-financial assets

Whenever, there is evidence of impairment, the Group reviews the carrying amounts of its assets to determine whether there is any indication that those assets might have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the amount of the impairment loss (if any). In the case of identifiable assets that do not generate cash flows that are largely independent of those from other assets or groups of assets, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. For these purposes, a cash-generating unit is defined as the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. The Group identifies these cash-generating units, broadly, by business and country.

Cash-generating units to which goodwill has been assigned or intangible assets with an indefinite useful life are systematically tested for impairment at the end of each reporting period or when the circumstances so warrant. For the purpose of drawing up its impairment tests, the Group has considered it is critical to draw up a single flow scenario for each recovery analysis.

Recoverable amount is the higher of fair value less costs to sell and value in use. Value in use is taken to be the present value of the estimated future cash flows to derive from the asset based on most recent budgets and business plans, which, as appropriate, are approved by the governance bodies of the business units and of the Group and are used to monitor developments in them. These budgets and business plans include the best estimates available of the income and costs of the cash-generating units based on industry projections and future expectations. Specifically, as far as possible projections of earnings are based on external sources of information, such as sectoral publications concerning the areas of business in which the Group operates, market shares, macroeconomic outlook etc., along with historic trends and information.

These projections cover the following five years and include a terminal value that is appropriate for each business and that is calculated as a perpetual income extrapolating the normalized flow of year five using a constant growth rate. These cash flows are discounted to their present value at a rate that reflects the weighted average cost of capital employed adjusted by the country risk and business risk corresponding to each cash-generating unit. Therefore, in 2021 the rates used ranged from 7.0% to 34.0% depending on the business being analysed (from 8.1% to 27.4% in 2020).

If the recoverable amount is lower than the asset’s carrying amount, the related impairment loss is recognized in the consolidated income statement for the difference.

In case the goodwill of a company with minority interests was fully recognized in the consolidated financial statements of the parent company, the assignment of the corresponding impairment between the parent company and the minority interests is made in accordance with their participation in the profit and losses of the company, that means in accordance with the participation in the share capital of the company.

For the rest of its property, plant and equipment and intangible assets, the Group ascertains whether there are any indications of impairment based, among other aspects, on the obsolescence of the assets, the continuity and profitability of the businesses in which they are used, external evidence and other exogenous factors entailing a reduction in the recoverable value below the assets' carrying amount.

Impairment losses recognized on an asset in previous years are reversed when there is a change in the estimate of its recoverable amount by increasing the carrying amount of the asset up to the limit of the carrying amount that would have been determined had no impairment loss been recognized for the asset. The reversal of the impairment loss is recognized immediately as income in the consolidated income statement. An impairment loss recognized for goodwill must not be reversed.

g) Financial instruments

Financial assets are classified in three categories: (i) amortized cost, (ii) fair value with changes in other comprehensive income (equity) and (iii) fair value with changes in profit and loss, belonging all financial assets from the Group to the category of amortized cost.

Non-current financial assets at amortized cost-

This heading includes the following categories:

- *Loans and receivables:* this includes financial assets originating from the sale of goods or from the provision of services during the company's traffic operations or those that, not having have any commercial substance, are not equity instruments or derivatives and have fixed or determinable payments and are not traded in an active market, meaning that the Group intends to keep them to obtain the contractual cash flows. These assets are valued at amortized cost, i.e. cash delivered fewer principal repayments, plus accrued interest receivable, in the case of loans, and the present value of the related consideration in the case of receivables.

- *Other assets at amortized cost:* financial assets with fixed or determinable payments and established maturities for which the Group has the intention and ability to hold to maturity to obtain the contractual cash flows.

Impairment of financial assets-

On the date of initial recognition of financial assets, the expected loss is recognised that results from a "default" event during the next 12 months or while the contract remains in force, depending on the evolution of the credit risk of the financial asset from its initial recognition on the balance sheet or by applying the "simplified" models allowed by the standards for some financial assets. The Group applied the simplified focus to recognise the expected credit loss during the period in which the receivables are in force that result from transactions under IFRS 15. In this way, the Group creates an allowance for a provision for credit losses on revenue recognition, for which an NPL ratio has been determined per business and type of customer, applied to the amount of sales by customer type.

Cash and cash equivalents-

"*Cash and cash equivalents*" in the consolidated balance sheet includes cash on hand and at banks, demand deposits and other short-term highly liquid investments that are readily convertible into cash and are not subject to a risk of changes in value.

Financial liabilities-

This category includes debits for commercial operations and debits for non-commercial operations. These external resources are classified as current liabilities, unless the Company has an unconditional right to defer their liquidation for at least twelve months after the balance sheet date. Debits for commercial operations that have an expiration of no more than one year and that do not have a contractual interest rate, both initially and subsequently, for their nominal value when the effect of not updating the cash flows is not significant.

The financial debt is initially recognised by its fair value, also recording the directly attributable costs incurred obtaining it. The amortised cost is valued in subsequent periods, i.e. for the amount at which it was measured in its initial recognition, deducting the repayments from the principal, plus any difference between the initial amount and the amount upon expiry, using the effective interest method.

Derivative financial instruments and hedge accounting--

The Group is exposed to fluctuations in the exchange rates of the various countries in which it operates. In order to mitigate this risk, foreign currency hedges are used, on the basis of its projections and budgets, when the market outlook so requires.

Similarly, the Group is exposed to foreign currency risk as a result of potential fluctuations in the various currencies in which its bank borrowings and debts to third parties are denominated. Accordingly, it uses hedging instruments for transactions of this nature when they are material and the market outlook so requires.

The Group is also exposed to interest rate risk since all of its bank borrowings bear interest at floating rates. In this regard, the Group arranges interest rate hedges, basically through contracts providing for interest rate caps, when the market outlook so requires.

Pursuant to IFRSs, changes in the value of these financial instruments are recognized as finance income or finance costs, since by their nature they do not qualify for hedge accounting under IFRSs.

For instruments settled at a variable number of shares or in cash, the Company recognizes a derivative financial liability when measuring these financial instruments using the Black - Scholes model.

h) Investments accounted for using the equity method

As discussed in note 2d, investments in companies over which the Group has significant influence or joint control are accounted for using the equity method. The implicit goodwill (result of the difference between the price paid and the proportional part in the net equity of the acquired company) arising on the acquisition of these companies is also included under this heading.

Investments in companies accounted for using the equity method whose carrying amount is negative at the end of the reporting period are recognized under "*Long- term provisions*" *(see notes 8 y 12)* at their negative excluding the financial effect given the nature of the investments.

i) Inventories

Inventories of raw materials and supplies and inventories of commercial products or finished goods purchased from third parties are measured at the lower of their average acquisition cost and market value.

Work in progress and finished goods produced in-house are measured at the lower of average production cost and market value. Production cost includes the cost of materials used, labor and in-house and third-party direct and indirect manufacturing expenses.

Obsolete, defective or slow-moving inventories are reduced to their realizable value.

The Group assesses the net realizable value of the inventories at the period end and recognizes the appropriate write-down if the inventories are overstated. When the circumstances that previously caused inventories to be written down no longer exist or when there is clear evidence of an increase in net realizable value because of changed economic circumstances, the amount of the write-down is reversed.

j) Long-term provisions

Present obligations at the consolidated balance sheet date arising from past events which could give rise to a loss for the Group, which is uncertain as to its amount and timing, are recognized in the consolidated balance sheet as provisions at the present value of the most probable amount that it is considered the Group will have to pay to settle the obligation.

Provisions for taxes-

The provisions for taxes relate to the estimated amount of the tax debts whose exact amount or date of payment has not yet been determined, since they depend on the fulfilment of certain conditions, but for which there will probably be a cash outflow.

Provisions for indemnities and third-party liability-

Long term provisions also includes the estimated amount required to cover probable claims arising from obligations assumed by the companies in the course of their commercial operations, and probable or certain liabilities arising from litigation in progress, compensation to workers who are terminated their labor relations (and a valid expectation has been generated in them) or other outstanding obligations of undetermined amount, as in the case of collateral and other similar guarantees provided by the Group.

Likewise, it includes the amount of the companies accounted for using the equity method with negative net value at the year end.

k) Recognition of income and expenses

Revenue is recognised when control of the goods and services is transferred to the client for the amount at which the Group estimates that the goods and services will be traded. Revenue and expenses are recognized on an accrual basis, regardless of when the resulting monetary or financial flow arises.

To calculate revenue, in accordance with IFRS 15, the contract or contracts, as well as the different obligations included in goods and service provision contracts must be identified, the transaction price must be determined and distributed among the cited contractual obligations, based on their respective independent sales prices or an estimation thereof and the revenue is recognised inasmuch as the entity complies with each of its obligations.

The standard coming into force mainly affected recognition of revenue from Santillana's digital teaching systems in the areas of Educación UNO and Compartir.

The accounting policies applied to recognize the revenue of the Group’s main businesses are as follows:

- *Advertising revenue* is recognized when the advertisement appears in the media, less the amount of volume rebates offered to the media agencies. The average collection period is around 90 days, except programmatic advertising that is charged for 30 days.

- *Revenue from book sales* is recognized on the effective delivery thereof. Where the sales of the copies are subject to sales returns, the sales returns that are estimated to be produced are deducted from the revenue recognized. Also, the amounts corresponding to rebates or trade discounts are deducted from revenue. The collection period is variable and is established in the different sales contracts. The sales returns estimation is calculated using historical return percentages.

- *Revenue from digital teaching systems*: the revenue from the goods and services provided is recognised once control thereof is transferred to the client, in accordance with the criteria described below:

    - Printed teaching material and digital content: revenue is reported when ownership is transferred to the school or student.

- o Equipment made available to schools and other services: the respective revenue will be recognised during the school year.

Therefore, recurring contracts signed by the Group which usually include several performance obligations refer to the Santillana digital teaching systems in the areas of Educación UNO and Compartir, where performance obligations are chiefly identified as printed teaching material and digital content, and the equipment provided for schools and other services. The price and value of revenue from these goods and services, and therefore their allocation to the various performance obligations, are determined by means of an analysis of margins and selling prices independently of goods with a separate marketing process. These revenues are collected in two different ways, either the total at the start of the school year or by means of payments throughout the year.

- *Revenue from the sale of newspapers and magazines* is recognized on the effective delivery thereof, net of the related estimated provision for sales returns. Also, the amounts relating to distributors' fees are deducted from revenue. The collection for the sale of newspapers and magazines occurs in the month in which the sales are made.

- *Revenue related to intermediation services* is recognized at the amount of the fees received when the goods or services under the transaction are supplied.

- *Other services:* this item includes music sales, organization and management of events, e- commerce and internet services. Some contracts in relation to events associated with Media business also include advertising services. In these cases, the price of the contract is distributed between the various performance obligations, by means of an analysis of discount margins and selling prices independent of equivalent advertising services but without the associated event.

The Group does not adjust the considerations received due to the impact of significant financing components, as the period between the moment at which the goods and services are transferred to the client and the moment at which the client pays for the good or service is less than one year in nearly all of the contracts.

The commissions given to employees for obtaining contracts are recognized mainly as expenses in the financial year instead of as a fixed amortisation asset because the amortisation period of this asset would be less than one year.

l) Offsetting

Assets and liabilities are offset and the net amount presented in the consolidated balance sheet when, and only when, they arise from transactions in which the Group has a contractual or legally enforceable right to set off the recognized amounts and its intends to settle them on a net basis, or to realize the asset and settle the liability simultaneously.

m) Tax matters

The expense or income due to tax on the year's earnings, is calculated by adding the current tax expense and the deferred tax expense. The current tax expense is determined by applying the applicable tax rate to the taxable income and deducting from that result the amount of allowances and deductions generated and applied during the year, determining the payment obligation to the Public Administration.

The assets and liabilities due to deferred taxes, arise from temporary differences defined as the amounts expected to be payable or recoverable in the future which result from the difference between the book value of assets and liabilities and their tax base, as well as non-deductible expenses that acquire deductibility at a later time. These amounts are recorded applying the tax rate at which they are expected to be recovered or settled to the temporary difference.

Deferred tax assets also arise as a result of carry forward losses and credits due to tax deductions generated and not applied and non-deductible financial expenses.

The corresponding liability due to deferred taxes is recognised for all taxable temporary differences, unless the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that at the time of its completion, affects neither the accounting nor the tax profit/loss.

Meanwhile, deferred tax assets, identified using deductible temporary differences, are only recognised if it is deemed likely that the consolidated companies will have sufficient future taxable profits against which to use them and they do not arise from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects the tax profit/loss or the accounting profit/loss. The remaining deferred tax assets (losses and carry forward deductions) are only recognised if it is deemed likely that the consolidated companies will have sufficient future taxable profits against which to use them.

At each accounting period end, recorded deferred taxes (assets and liabilities) are reviewed in order to check whether they are still applicable, making the appropriate adjustments, in accordance with the results of the analyses performed and the applicable tax rate at all times.

Royal Decree-Law 3/2016, of 2 December, modified the Transitional Provision Sixteenth (DT 16) of Law 27/2014, of November 27, on Corporate Income Tax, a Provision that establishes the transitional regime applicable to the fiscal reversion of losses for impairment generated in periods before January 1, 2013. Under the new regulations, with effect for tax periods beginning on or after January 1, 2016, the reversal of said losses shall comprise at least equal parts in the tax base corresponding to each of the first five tax periods commencing from that date.

To the extent in which the values of the Group affected by this rule have no impediment, in practice, in order to be able to be transmitted before the end of the period of five years, as there are no very severe restrictions on their transferability, whether legal, contractual or of other types, these fiscal adjustments have been considered as permanent differences in the Group and, consequently, one fifth of the corresponding Corporate Tax expense has been recognized as payable as a tax liability to the Treasury.

n) Result after tax from discontinued operations

A discontinued operation is a component of the Group, whose operations and cash flows can be clearly distinguished from the rest (operationally and for financial reporting purposes), that has been disposed or classified as held for sale and represents a separate major line of business or geographical area from the Group.

The income and expenses of the discontinued operations are presented separately in the consolidated income statement under "*Result after tax from discontinued operations*".

o) Assets classified as held for sale and liabilities associated with assets classified as held for sale

Non-current assets classified as held for sale are considered to be groups of assets directly associated with them, to be disposed of together as a group in a single transaction, on which it is estimate that its realization is highly likely and within twelve months from the date of their classification under this heading and up to the date on which the requirements established in IFRS 5 are no longer complied with.

Assets classified as held for sale are presented separately from other assets and measured at the lower of carrying amount and fair value less costs to sell. Likewise, liabilities classified as held for sale are presented separately form the other liabilities.

p) Share-based payments

The Group recognizes, on the one hand, goods and services received as an asset or as an expenditure, taking into account its nature at the time it is obtained and, on the other hand, the corresponding increase in equity if the transaction is settled with equity instruments, or the corresponding liabilities if the transaction is obligatory settled in cash with an amount based on the value of equity instruments.

In the case of transactions settled with equity instruments, both the services provided and increases in equity are valued at the fair value of the equity realized, as of the date of the agreement to realize it (date of measurement). Conversely, in case of settlement with cash, goods and services received and the corresponding liabilities are recognized at the fair value of the latter as of the date on which the requirements for their recognition are met.

q) Foreign currency transactions

The consolidated annual accounts of the Group are presented in euros, which is also the functional currency of the Company. Each Group entity determines its own functional currency and the items included in the financial statements of each company are valued using that functional currency.

Initially, the Group companies record transactions in foreign currency at the exchange rate prevailing on the date of the transaction in their respective functional currency. Monetary assets and liabilities denominated in foreign currency are translated into the functional currency at the exchange rate in effect on the closing date. All differences arising when settling or converting monetary items are recorded in the consolidated income statement in the heading *"Exchange differences (net)"*.

r) Current/non-current classification

Debts are recognized at their effective amount and debts due to be settled within twelve months from the balance sheet date are classified as current items and those due to be settled within more than twelve months as non-current items.

s) Consolidated statements of cash flows

The following terms are used in the consolidated statements of cash flows with the meanings specified:

- Changes in cash flows in the year: inflows and outflows of cash and cash equivalents, which are short-term, highly-liquid investments that are subject to an insignificant risk of changes in value.
- Operating activities: the principal revenue-producing activities of the Group and other activities that are not investing or financing activities.
- Investing activities: the acquisition and disposal of long-term assets and other investments not included in cash and in cash equivalents. For transactions between the parent and non-controlling interests, these only include those representing a change of control.
- Financing activities: activities that result in changes in the size and composition of equity and borrowings, as well as transactions between the parent and non-controlling interests which do not represent a change of control. Additionally, the cash payment of the financial liability for lease is included.

t) Environmental impact

The Group is committed, through its Sustainability Policy and Environmental Policy, approved in December 2018 (amended in November 2020 and February 2022) and February 2021, respectively, to support the fight against climate change through the effective management of resources and taking into consideration the potential risks arising from resources, as well as through the monitoring and assessment of the environmental impact that its activity may generate. It includes the Group's commitment to compliance with applicable environmental legislation, the development of continuous improvement actions, environmental awareness when undertaking its activities and those of its business partners, customers and suppliers.

The Group's activities have no direct impact on biodiversity or protected areas. In its activity, the precautionary principle prevails, always trying to minimise risks in order to prevent damage from occurring.

The evaluation of these commitments indicates that the Group does not have any environmental liability, expenses, assets, provisions or contingencies that might be material with respect to its equity, financial position or results.

The evaluation of these commitments indicates that the Group does not have any environmental liability, expenses, assets, provisions or contingencies that might be material with respect to its equity, financial position or results.

(5) PROPERTY, PLANT, AND EQUIPMENT

2021-

The changes in 2021 in “Property, plant and equipment” in the consolidated balance sheet were as follows:

	Thousands of euros							
	Balance at 12/31/2020	Monetary adjustment	Translation adjustment	Changes in scope of consolidation	Additions	Disposals	Transfers	Balance at 31/12/2021
Cost:								
Land and buildings	46,007	530	(1,040)	894	120	(601)	(195)	45,715
Plant and machinery	115,685	584	(2,323)	(17,012)	1,416	(5,335)	(333)	92,682
Other items of property, plant and equipment	72,010	4,284	(2,061)	(199)	3,883	(9,080)	(3)	68,834
Advances and equipment in the course	26	-	1	(3)	711	(3)	(228)	504
Total cost	**233,728**	**5,398**	**(5,423)**	**(16,320)**	**6,130**	**(15,019)**	**(759)**	**207,735**
Accumulated depreciation:								
Buildings	(15,273)	(406)	285	-	(438)	227	218	(15,387)
Plant and machinery	(102,478)	(532)	1,971	16,657	(2,458)	5,141	471	(81,228)
Other items of property, plant and equipment	(60,172)	(3,834)	1,809	208	(5,287)	8,607	95	(58,574)
Total accumulated depreciation	**(177,923)**	**(4,772)**	**4,065**	**16,865**	**(8,183)**	**13,975**	**784**	**(155,189)**
Impairment losses:								
Land and buildings	(7,267)	-	(2)	-	45	128	-	(7,096)
Plant and machinery	(650)	-	-	405	(309)	257	-	(297)
Other items of property, plant and equipment	(490)	-	6	-	(110)	35	-	(559)
Total impairment losses	**(8,407)**	**-**	**4**	**405**	**(374)**	**420**	**-**	**(7,952)**
Net property, plant and equip.	**47,398**	**626**	**(1,354)**	**950**	**(2,427)**	**(624)**	**25**	**44,594**
Cost of property, plant and equipment in lease:								
Land and buildings	124,044	1,378	(154)	-	13,366	(48,085)	(1,456)	89,093
Other items of property, plant and equipment	30,444	(4)	383	-	7,546	(6,843)	(390)	31,136
Total cost of property, plant and equipment in lease	**154,488**	**1,374**	**229**	**-**	**20,912**	**(54,928)**	**(1,846)**	**120,229**
Accumulated depreciation of property, plant and equipment in lease:								
Buildings	(27,364)	(623)	1,061	-	(27,166)	17,527	770	(35,795)
Other items of property, plant and equipment	(19,058)	-	(255)	-	(6,438)	6,228	173	(19,350)
Total accumulated depreciation of property, plant and equipment in lease	**(46,422)**	**(623)**	**806**	**-**	**(33,604)**	**23,755**	**943**	**(55,145)**
Net property, plant and equipment in lease	**108,066**	**751**	**1,035**	**-**	**(12,692)**	**(31,173)**	**(903)**	**65,084**
TOTAL NET PROPERTY, PLANT AND EQUIPMENT	**155,464**	**1,377**	**(319)**	**950**	**(15,119)**	**(31,797)**	**(878)**	**109,678**

2020-

The changes in 2020 in "Property, plant and equipment" in the consolidated balance sheet were as follows:

	Thousands of euros							
	Balance at 12/31/2019	Monetary adjustment	Translation adjustment	Changes in scope of consolidation	Additions	Disposals	Transfers	Balance at 31/12/2020
Cost:								
Land and buildings	48,400	239	(2,899)	238	104	(75)	-	46,007
Plant and machinery	122,394	305	(3,561)	261	1,629	(1,042)	(4,301)	115,685
Other items of property, plant and equipment	76,449	2,418	(8,984)	236	5,168	(1,257)	(2,020)	72,010
Advances and equipment in the course	654	-	(43)	-	411	-	(996)	26
Total cost	**247,897**	**2,962**	**(15,487)**	**735**	**7,312**	**(2,374)**	**(7,317)**	**233,728**
Accumulated depreciation:								
Buildings	(15,477)	(202)	956	(81)	(520)	51	-	(15,273)
Plant and machinery	(105,948)	(269)	2,770	(239)	(4,421)	944	4,685	(102,478)
Other items of property, plant and equipment	(61,415)	(1,881)	6,939	(232)	(6,308)	909	1,816	(60,172)
Total accumulated depreciation	**(182,840)**	**(2,352)**	**10,665**	**(552)**	**(11,249)**	**1,904**	**6,501**	**(177,923)**
Impairment losses:								
Land and buildings	(5,856)	-	-	-	(1,423)	12	-	(7,267)
Plant and machinery	(257)	-	-	-	(393)	-	-	(650)
Other items of property, plant and equipment	(362)	-	68	-	(219)	23	-	(490)
Total impairment losses	**(6,475)**	**-**	**68**	**-**	**(2,035)**	**35**	**-**	**(8,407)**
Net property, plant and equip.	**58,582**	**610**	**(4,754)**	**183**	**(5,972)**	**(435)**	**(816)**	**47,398**
Cost of property, plant and equipment in lease:								
Land and buildings	135,472	768	(5,253)	42	5,277	(3,575)	(8,687)	124,044
Other items of property, plant and equipment	39,375	-	(8,642)	-	8,101	(5,925)	(2,465)	30,444
Total cost of property, plant and equipment in lease	**174,847**	**768**	**(13,895)**	**42**	**13,378**	**(9,500)**	**(11,152)**	**154,488**
Accumulated depreciation of property, plant and equipment in lease:								
Buildings	(18,903)	(197)	1,302	-	(17,190)	3,493	4,131	(27,364)
Other items of property, plant and equipment	(23,798)	-	5,634	-	(8,204)	5,749	1,561	(19,058)
Total accumulated depreciation of property, plant and equipment in lease	**(42,701)**	**(197)**	**6,936**	**-**	**(25,394)**	**9,242**	**5,692**	**(46,422)**
Net property, plant and equipment in lease	**132,146**	**571**	**(6,959)**	**42**	**(12,016)**	**(258)**	**(5,460)**	**108,066**
TOTAL NET PROPERTY, PLANT AND EQUIPMENT	**190,728**	**1,181**	**(11,713)**	**225**	**(17,988)**	**(693)**	**(6,276)**	**155,464**

Monetary adjustment and translation adjustment-

The column "*Monetary adjustment*" includes the effect of hyperinflation in Venezuela and Argentina in 2021 and 2020. Furthermore, the column "*Translation adjustment*" includes the impact of exchange rates variation in Latin America, highlighting the contribution in 2021 of Chile and Colombia (Brazil and Argentina in 2020).

Changes in scope of consolidation-

The most significant changes are due to the withdrawal of Distribuciones Aliadas, S.A. from the scope of consolidation in December 2021.

Additions-

The most significant additions in 2021 were as follows:

- "*Plant and machinery*", in the amount of EUR 1,416 thousand (EUR 1,629 thousand in 2020).

- "*Other items of property, plant and equipment*", in the amount of EUR 8,688 thousand (EUR 11,716 thousand in 2020), mainly due to the acquisition of technological equipment and teaching systems in Santillana (EUR 5,908 thousand) and the acquisition of computers to the Group (EUR 2,414 thousand).

- "*Land and buildings for lease*" amounting to EUR 13,366 thousand (EUR 5,277 thousand euros in 2020), mainly due to the activation or renewal of lease contracts for buildings and offices where the Group carries out its activity.

Disposals-

In 2021, the withdrawals in items of property, plant and equipment were primarily due to the removal of totally depreciated assets.

In December 2021 the Group formalised, among other things, a renegotiation of the lease agreements for its offices in Miguel Yuste (Madrid), Gran Vía (Madrid) and Caspe (Barcelona), which entails, among other things, the early exit of three of the buildings in the Miguel Yuste complex, a reduction in the minimum duration of the current lease agreements and a reduction in future lease payments.

In addition, the renegotiation of the Miguel Yuste contract entailed a supplementary fee in December 2021 of EUR 20 million. This was mainly associated with the early exit of the buildings, and the impact of which has been incorporated into the recalculation of the lease liability and right-of-use asset described below. Its effect on the consolidated income statement as at December 31, 2021 was EUR 12.7 million, recorded under "Depreciation and amortization charge". This impact corresponds to the portion of the fee associated with the buildings for which the effective exit took place before December 31, 2021, with the remainder being charged to the consolidated income statement in the following years, as the associated right-of-use asset is amortised, considering the estimated effective exit of the remaining buildings.

In accordance with IFRS 16, the amendment of the above leases has not been accounted for as a separate lease. Still, at the effective date of the lease amendment (December 2021), the lease liability associated with such contracts has been recalculated and reduced by considering the effects described above and reducing the corresponding right-of-use asset by an amount (net of accumulated amortisation) of approximately EUR 28 million.

In 2020, the disposals mainly included in the heading "*Plant and machinery*" the derecognizing of the assets of the printing plant of Seville, fully amortized and / or impairment.

Transfers-

In 2021, the transfer column mainly includes the balances of property, plant and equipment of Caracol Broadcasting, Inc as of March 2021, the date when the assets of this company were reclassified to *"Non-current assets held for sale"*.

In 2020, the transfer column included the balances of property, plant and equipment of Santillana Spain as of September 30, 2020, the date when the assets of these companies were reclassified to *"Non-current assets held for sale"*.

Impairment losses-

During 2021, no significant impairments have been recognized in property, plant and equipment.

In 2020 there was registered an impairment of EUR 1,669 thousand of the printing plants in Lugo and Seville.

Others matters-

The balance in the property, plant and equipment in lease, mainly correspond with the activation of the contract leases of offices and warehouses of the Group for a net amount of EUR 53,298 thousand as of December 31, 2021 (EUR 96,680 thousand as of December 31, 2020). In addition, Education includes technological equipment in lease for use in the classroom by students and teachers integrated into teaching systems for a net amount of EUR 8,206 thousand, in the heading "*Other items of property, plant and equipment*" (EUR 8,097 thousand as of December 31, 2020).

The property, plant and equipment amortization expense recorded in 2021 totalled EUR 41,910 thousand (EUR 34,122 thousand in 2020) of which EUR 33,604 thousand corresponding to the amortization of property, plant and equipment held under leases (EUR 25,394 thousand in 2020).

There are no restrictions on holding title to the property, plant, and equipment other than those indicated in note 11b.

There are no significant future property, plant, and equipment purchase commitments.

At December 31, 2021, the Prisa Group´s assets included fully amortized property, plant, and equipment amounting to EUR 184,700 thousand (December 31, 2020: EUR 189,019 thousand).

The Group companies take out insurance policies to cover the potential risks to which the various items of property, plant, and equipment are exposed. At December 31, 2021 and at December 31, 2020, the insurance policies taken out sufficiently covered the related risks.

(6) GOODWILL

2021-

The detail of the goodwill relating to fully and proportionately consolidated Group companies and of the changes therein in 2021 is as follows:

	Thousands of euros			
	Balance a 12/31/2020	Translation adjustment	Transfer	Balance at 12/31/2021
Editora Moderna, Ltda.	34,833	191	(22,086)	12,938
Santillana Educaçao, Ltda.	-	-	22,086	22,086
Grupo Latino de Radiodifusión Chile, Ltda.	30,238	(3,152)	-	27,086
Propulsora Montañesa, S.A.	8,608	-	-	8,608
Sociedad Española de Radiodifusión, S.L.	27,217	-	-	27,217
Other companies	11,605	2	-	11,607
Total	**112,501**	**(2,959)**	**-**	**109,542**

In 2021, as part of the corporate reorganisation at Santillana to separate its public and private activities, the private business which up to that point had been carried out by Editora Moderna Ltda. was transferred to Santillana Educaçao Ltda., and the former retained the public business. This meant that both companies have become two independent cash-generating units, and so the goodwill up to that point has been distributed between Editora Moderna Ltda. (public business) and Santillana Educaçao Ltda. (private business). The valuation of both businesses according to future projections were used to carry out this distribution.

The detail, by business segment, of the goodwill relating to fully consolidated Group companies and of the changes therein in 2021 is as follows:

	Thousands of euros		
	Balance at 12/31/2020	Translation adjustment	Balance at 12/31/2021
Radio	75,976	(3,152)	72,824
Education	36,525	193	36,718
Total	**112,501**	**(2,959)**	**109,542**

2020-

The detail of the goodwill relating to fully and proportionately consolidated Group companies and of the changes therein in 2020 is as follows:

	Thousands of euros					
	Balance a 12/31/2019	Translation adjustment	Changes in scope of consolidation /additions	Impairment	Transfer	Balance at 12/31/2020
Editora Moderna, Ltda.	48,975	(14,142)	-	-	-	34,833
Grupo Latino de Radiodifusión Chile, Ltda.	48,656	(1,816)	-	(16,602)	-	30,238
Propulsora Montañesa, S.A.	8,608	-	-	-	-	8,608
Sociedad Española de Radiodifusión, S.L.	35,585	-	-	-	(8,368)	27,217
Other companies	9,249	(61)	573	-	1,844	11,605
Total	**151,073**	**(16,019)**	**573**	**(16,602)**	**(6,524)**	**112,501**

The detail, by business segment, of the goodwill relating to fully consolidated Group companies and of the changes therein in 2020 is as follows:

	Thousands of euros					
	Balance at 12/31/2019	Translation adjustment	Changes in scope of consolidation /additions	Impairment	Transfer	Balance at 12/31/2020
Radio	99,687	(1,816)	573	(16,602)	(5,866)	75,976
Education	50,728	(14,203)	-	-	-	36,525
Other	658	-	-	-	(658)	-
Total	**151,073**	**(16,019)**	**573**	**(16,602)**	**(6,524)**	**112,501**

Impairment tests

At the end of each reporting period, or whenever there are indications of impairment, the Group tests goodwill for impairment to determine whether it has suffered any permanent loss in value that reduces its recoverable amount of goodwill at an amount less than the net cost recorded.

To perform the above mentioned impairment test, the goodwill is allocated to one or more cash-generating units. The recoverable amount of each cash- generating unit is the higher of value in use and the net selling price that would be obtained from the assets associated with the cash-generating unit. In the case of the main cash-generating units to which goodwill has been allocated (Editora Moderna, Ltda., Santillana Educaçao, Ltda., Grupo Latino de Radiodifusión Chile, Ltda., Sociedad Española de Radiodifusión, S.L. and Propulsora Montañesa, S.A.), their recoverable amount is their value in use.

Value in use was calculated on the basis of the estimated future cash flows based on the business plans most recently elaborated by management. These business plans include the best estimates available of income and costs of the cash-generating units using industry projections and future expectations.

These projections cover the following five years and include a terminal value that is appropriate for each business, applying a constant expected growth rate ranging from 0% to 2.5%, as in 2020. The expected growth rates that have been used in the most relevant impairment tests are the following:

- Editora Moderna, Ltda.: between 0% and 0.75% in 2021 and 2020.
- Santillana Educaçao Ltda.: between 0% and 0.75% in 2021.
- Grupo Latino de Radiodifusión Chile, Ltda.: between 0.75% and 1.5% in 2021 and 2020.
- Sociedad Española de Radiodifusión, S.L. and Propulsora Montañesa, S.A.): between 0% and 0.75% in 2021 and 2020.

These growth rates are reasonable and are in accordance with the country and market in which the Group operates, and do not exceed the long-term growth estimated with their projections, in due consideration of the maturity of the businesses concerned.

In order to calculate the present value of these flows, they are discounted at a rate that reflects the weighted average cost of capital employed adjusted for the country risk and business risk corresponding to each cash-generating unit. Therefore, in 2021 the rates used ranged from 7% y 34% (8.1% and 27.4% in 2020) depending on the business being analysed. The rates that have been used for the most relevant impairment tests are the following:

- Editora Moderna, Ltda.: between 11.5% and 12.5% in 2021 and 2020 (between 12.5% and 13.5% adjusting the tax rate).
- Santillana Educaçao Ltda.: between 11.5% and 12.5% in 2021 (between 12.5% and 13.5% adjusting the tax rate).
- Grupo Latino de Radiodifusión Chile, Ltda.: between 9% and 10% in 2021 and 2020 (between 10% and 11% adjusting the tax rate).
- Sociedad Española de Radiodifusión, S.L. and Propulsora Montañesa, S.A.): between 7.5% and 8.5% in 2021 and 2020 (between 8% and 9% adjusting the tax rate in 2021 and the same interval in 2020).

Key hypothesis-

There follows a description of the main revenue levers for these businesses, as a key hypothesis for drawing up their projections, with the additional consideration that it is the variable with the largest component of judgment for the estimate:

- Editora Moderna Ltda.:

  Trend in public procurement cycles – Management has taken account of the historic trend in this variable, chiefly in relation to public procurement orders on Brazil's National Books and Teaching Material Programme – PNLD - and has considered a continuist trend, moving forward.

- Santillana Educaçao, Ltda.:

  Trend in the private teaching market – Management has adjusted its projections for the education market to the new circumstances of the macroeconomic environment in Brazil and the education sector. In this regard, in due consideration of the estimates of growth of student numbers in teaching systems and the transformation undergone by education in the wake of the pandemic, with hybrid teaching models (in situ and virtual), it was considered that this market will continue to grow in the years ahead.

- Sociedad Española de Radiodifusión, S.L., Propulsora Montañesa, S.A and Grupo Latino de Radiodifusión Chile, Ltda:

  Trend in the advertising market – Management has adjusted its projections for the advertising market to the new macroeconomic environment in Spain and Chile, and in the advertising sector in particular. In this regard, the estimates drawn up by PwC in its "Global Entertainment & Media Outlook" report have been taken into account, and consideration has been given to a market base which will expand over the next five years, after hitting its lowest point in 2020 due to the impact of the pandemic. The Group has also taken its past experience in the radio sector into account and has also considered its positioning (market shares).

  Finally, for information purposes, the CAGR (compound annual growth rate) of advertising revenue of the period considered in the 2021 projections is lower in approximately 15% than that used in the 2020 impairment test for Sociedad Española de Radiodifusión, S.L. In the case of Grupo Latino de Radiodifusión Chile, Ltda. the CAGR is similar in both years.

Turning to the rest of the variables in the impairment tests, such as investment in working capital, fixed capital, lease payments and tax payments, the estimate is primarily based on historic and current experience or in correlation with other variables (earnings, results etc.).

Results of the impairment tests-

In accordance with the estimates and projections available to the Company's Directors, the expected future cash flows allocable to the cash-generating units to which goodwill is allocated indicate that the net value of each goodwill allocated as of December 31, 2021 may be recovered.

In 2020, the result of these tests meant to the recording of an impairment of EUR 16,602 thousand in the goodwill of Grupo Latino de Radiodifusión Chile, Ltda. (GLR Chile) mainly as a result of the impact of COVID-19 on future projections, which led to a decrease in the projected long-term growth of GLR Chile. In this regard, the pandemic adversely affected advertising revenues, increasing their volatility, and therefore led to a drop in expectations regarding the future growth of the advertising business. To a lesser extent, the impairment of goodwill resulted from an increase in the applicable discount rate, due to both the effects of COVID-19 and to geopolitical uncertainties in the country.

Sensitivity to changes in key assumptions, discount rate and the expected growth rate –

The Group has executed a sensitivity analysis for a 0.5 point increase in the discount rate and a 0.5 point decrease in the growth rate, which is considered reasonable, based on the past experience and considering that the adverse effects of COVID-19 were already included in the preparation of the financial projections. Likewise, a sensitivity analysis is included in the face of a 5% decrease in the main revenues of the businesses.

– Editora Moderna, Ltda.

  To determine the sensitivity of the calculation of value in use to changes in the basic assumptions, the discount rate has been increased by 0.5%. In this case, the recoverable value would exceed the book value by approximately EUR 74 million. In the event that the expected growth rate from the fifth year was reduced by 0.5%, the recoverable amount would exceed the book value by approximately EUR 75 million.

  Also, assuming a 5% reduction in estimates of growth in earnings from books and training, the recoverable value would exceed the carrying amount at December 31, 2021 by approximately EUR 52 million.

– Santillana Educaçao, Ltda.

  To determine the sensitivity of the calculation of value in use to changes in the basic assumptions, the discount rate has been increased by 0.5%. In this case, the recoverable value would exceed the book value by approximately EUR 105 million. In the event that the expected growth rate from the fifth year was reduced by 0.5%, the recoverable amount would exceed the book value by approximately EUR 106 million.

  Also, assuming a 5% reduction in estimates of growth in earnings from books and training, the recoverable value would exceed the carrying amount at December 31, 2021 by approximately EUR 82 million.

– Grupo Latino de Radiodifusión Chile, Ltda.

  To determine the sensitivity of the calculation of value in use to changes in the basic assumptions, the discount rate has been increased by 0.5%. In this case, the recoverable value would exceed the book value by approximately EUR 8 million. In the event that the expected growth rate from the fifth year was reduced by 0.5%, the recoverable amount would exceed the book value by approximately EUR 8 million.

  Also, assuming a 5% reduction in estimates of growth in earnings from advertising, the recoverable value would exceed the book value by approximately EUR 1 million at December 31, 2021.

– Sociedad Española de Radiodifusión, S.L. and Propulsora Montañesa, S.A.

  To determine the sensitivity of the calculation of value in use to changes in the basic assumptions, the discount rate has been increased by 0.5%. In this case, the recoverable value would exceed the book value by approximately EUR 100 million. In the event that the expected growth rate from the fifth year was reduced by 0.5%, the recoverable amount would exceed the book value by approximately EUR 103 million.

Also, assuming a 5% reduction in estimates of growth in earnings from advertising, the recoverable value would exceed the book value by approximately EUR 28 million at December 31, 2021.

(7) INTANGIBLE ASSETS

2021-

The changes in 2021 in "*Intangible assets*" in the consolidated balance sheet were as follows:

	Thousands of euros							
	Balance at 12/31/2020	Monetary adjustment	Translation adjustment	Changes in scope of consolidation	Additions	Disposals	Transfers	Balance at 12/31/2021
Cost:								
Computer software	139,593	742	(346)	(70)	11,667	(51,088)	(51)	100,447
Prototypes	177,888	5,776	(586)	(135)	21,856	(3,958)	(150)	200,691
Advances on copyrights	2,200	-	(80)	-	625	(237)	(333)	2,175
Other intangible assets	43,525	98	(2,386)	635	184	(347)	21	41,730
Total cost	**363,206**	**6,616**	**(3,398)**	**430**	**34,332**	**(55,630)**	**(513)**	**345,043**
Accumulated amortization:								
Computer software	(108,470)	(642)	236	54	(10,745)	46,846	(54)	(72,775)
Prototypes	(137,989)	(5,534)	602	71	(20,799)	2,517	193	(160,939)
Advances on copyrights	(900)	-	7	-	(544)	53	331	(1,053)
Other intangible assets	(19,914)	(98)	1,531	-	(225)	302	8	(18,396)
Total accumulated amortization	**(267,273)**	**(6,274)**	**2,376**	**125**	**(32,313)**	**49,718**	**478**	**(253,163)**
Impairment losses:								
Computer software	(4,292)	-	-	-	(873)	4,292	-	(873)
Prototypes	(1,552)	(23)	2	-	(3,113)	944	299	(3,443)
Advances on copyrights	(494)	(6)	22	90	35	13	(36)	(376)
Other intangible assets	(640)	-	15	-	(157)	157	-	(625)
Total impairment losses	**(6,978)**	**(29)**	**39**	**90**	**(4,108)**	**5,406**	**263**	**(5,317)**
Net intangible assets	**88,955**	**313**	**(983)**	**645**	**(2,089)**	**(506)**	**228**	**86,563**
Cost of intangible assets in lease:								
Other intangible assets	15,623	-	(733)	-	6,093	(3,560)	(1,354)	16,069
Total cost of intangible assets in lease	**15,623**	**-**	**(733)**	**-**	**6,093**	**(3,560)**	**(1,354)**	**16,069**
Accumulated amortization of intangible assets in lease:								
Other intangible assets	(7,035)	-	323	-	(3,846)	3,189	745	(6,624)
Total accumulated amortization of intangible assets in lease:	**(7,035)**	**-**	**323**	**-**	**(3,846)**	**3,189**	**745**	**(6,624)**
Net intangible assets in lease	**8,588**	**-**	**(410)**	**-**	**2,247**	**(371)**	**(609)**	**9,445**
TOTAL NET INTAGIBLE ASSETS	**97,543**	**313**	**(1,393)**	**645**	**158**	**(877)**	**(381)**	**96,008**

2020-

The changes in 2020 in "*Intangible assets*" in the consolidated balance sheet were as follows:

	Thousands of euros							
	Balance at 12/31/2019	Monetary adjustment	Translation adjustment	Changes in scope of consolidation	Additions	Disposals	Transfers	Balance at 12/31/2020
Cost:								
Computer software	147,492	395	(4,662)	39	11,100	(3,971)	(10,800)	139,593
Prototypes	232,065	3,239	(38,338)	-	25,087	(4,638)	(39,527)	177,888
Advances on copyrights	7,286	27	(536)	-	828	(524)	(4,881)	2,200
Other intangible assets	48,439	48	(1,836)	131	163	(2,568)	(852)	43,525
Total cost	**435,282**	**3,709**	**(45,372)**	**170**	**37,178**	**(11,701)**	**(56,060)**	**363,206**
Accumulated amortization:								
Computer software	(114,742)	(327)	3,591	(28)	(10,290)	3,072	10,254	(108,470)
Prototypes	(171,119)	(3,064)	28,787	-	(26,854)	4,272	29,989	(137,989)
Advances on copyrights	(5,304)	-	331	-	(521)	147	4,447	(900)
Other intangible assets	(21,732)	(48)	830	(125)	(406)	175	1,392	(19,914)
Total accumulated amortization	**(312,897)**	**(3,439)**	**33,539**	**(153)**	**(38,071)**	**7,666**	**46,082**	**(267,273)**
Impairment losses:								
Computer software	(4,821)	-	-	-	(186)	715	-	(4,292)
Prototypes	(1,770)	(2)	312	-	(582)	462	28	(1,552)
Advances on copyrights	(744)	-	53	-	(204)	69	332	(494)
Other intangible assets	(481)	-	-	-	(2,729)	2,570	-	(640)
Total impairment losses	**(7,816)**	**(2)**	**365**	**-**	**(3,701)**	**3,816**	**360**	**(6,978)**
Net intangible assets	**114,569**	**268**	**(11,468)**	**17**	**(4,594)**	**(219)**	**(9,618)**	**88,955**
Cost of intangible assets in lease:								
Other intangible assets	14,274	-	(1,361)	-	3,743	(1,033)	-	15,623
Total cost of intangible assets in lease	**14,274**	**-**	**(1,361)**	**-**	**3,743**	**(1,033)**	**-**	**15,623**
Accumulated amortization of intangible assets in lease:								
Other intangible assets	**(3,835**	-	295	-	(4,528)	1,033	-	(7,035)
Total accumulated amortization of intangible assets in lease:	**(3,835)**	**-**	**295**	**-**	**(4,528)**	**1,033**	**-**	**(7,035)**
Net intangible assets in lease	**10,439**	**-**	**(1,066)**	**-**	**(785)**	**-**	**-**	**8,588**
TOTAL NET INTAGIBLE ASSETS	**125,008**	**268**	**(12,534)**	**17**	**(5,379)**	**(219)**	**(9,618)**	**97,543**

Monetary adjustment and translation adjustment-

The column "*Monetary adjustment*" includes the effect of hyperinflation in Argentina y Venezuela in 2021 and 2020. Furthermore, the column "*Translation adjustment*" includes the impact of exchange rates variation in Latin America, highlighting the contribution in 2021 of Chile and Colombia (Brazil and Argentina in 2020).

Additions-

The most significant additions in 2021 were as follows:

- "*Prototypes,*" amounting to EUR 21,856 thousand (EUR 25,087 thousand in 2020), relating to new prototypes for the publication of books at Grupo Santillana, mainly in Brazil.

- "*Computer software,*" amounting to EUR 11,667 thousand (EUR 11,100 thousand in 2020), relating to the computer software acquired and/or developed by third parties for Group companies.

- "*Other intangible assets in lease*" amounting to EUR 6,093 thousand (EUR 3,743 thousand euros in 2020), mainly due to the activation or renewal of lease contracts for administrative concessions

Disposals-

Grupo Santillana derecognized, in 2021, EUR 1,809 thousand of fully depreciated prototypes (December 31, 2020: EUR 4,272 thousand).

Additionally, in 2021 and 2020, the different business segments derecognized fully depreciated or impairment computer software.

Transfers-

In 2020, the "*Transfer*" column included the balances of intangible assets of companies of Santillana Spain as of September 30, 2020, the date when the assets of these companies were reclassified to "*Non-current assets held for sale*".

Impairment losses-

Impairment of prototypes associated with Santillana was booked in 2021 in the amount of EUR 3,113 thousand.

In 2020, an impairment of administrative concessions of GLR Chile was accounted for an amount of EUR 2,376 thousand.

Others matters-

The net amount of the leases of administrative concessions of Radio amounting to EUR 9,445 thousand at December 31, 2021 (EUR 8,588 thousand in 2020).

The intangible asset amortization expense recorded in 2021 totalled EUR 36,407 thousand (EUR 36,515 thousand in 2020), of which EUR 4,092 thousand corresponding to the amortization of intangible assets held under leases (EUR 4,531 thousand in 2020).

"Other intangible assets" include administrative concessions acquired whose book value amounts to EUR 22,199 thousand (EUR 22,923 thousand in 2020), which are considered to be

intangible assets with indefinite useful lives because it is highly probable that they will be renewed and the related costs are not material. That concessions correspond mainly to Sociedad Española de Radiodifusión, S.L. and Grupo Latino de Radiodifusión Chile, Ltda.

At the end of each reporting period, the residual useful life of these concessions is analyzed in order to ensure that it continues to be indefinite; if this is not the case, the concessions are amortized.

At December 31, 2021, the Prisa Group's assets included fully amortized intangible assets amounting to EUR 182,277 thousand (December 31, 2020: EUR 190,006 thousand).

There are no restrictions on holding title to the intangible assets other than those indicated in note 11b.

There are no future relevant intangible asset purchase commitments other than those indicated in note 24.

(8) INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

2021-

The changes in 2021 in "*Investments accounted for using the equity method*" in the consolidated balance sheet were as follows:

	Thousand of euros							
	Balance at 12/31/2020	Translation adjustment	Changes in scope of consolidation	Dividends	Share of results	Transfers	Others	Balance at 12/31/2021
Sistema Radiópolis, S.A. de C.V.	24,065	1,293	-	-	979	-	3	26,340
Other companies	614	(486)	227	(70)	425	115	(145)	680
Total	**24,679**	**807**	**227**	**(70)**	**1,404**	**115**	**(142)**	**27,020**

During 2021, changes in "*Investments accounted for using the equity method*" in the accompanying consolidated balance sheets, is mainly due to the equity in Sistema Radiópolis, S.A. de C.V. profits amounting to EUR 979 thousand and to the exchange rate effect.

2020-

The changes in 2020 in "*Investments accounted for using the equity method*" in the consolidated balance sheet were as follows:

	Thousand of euros							
	Balance at 12/31/2019	Translation adjustment	Changes in scope of consolidation	Dividends	Share of results / Impairment losses	Transfers	Others	Balance at 12/31/2020
Sistema Radiópolis, S.A. de C.V.	46,624	(7,232)	-	(12,418)	(8,775)	5,866	-	24,065
Other companies	2,087	460	(2,629)	(14)	317	369	24	614
Total	**48,711**	**(6,772)**	**(2,629)**	**(12,432)**	**(8,458)**	**6,235**	**24**	**24,679**

During 2020, changes in "*Investments accounted for using the equity method*" in the accompanying consolidated balance sheets was mainly due to the dividend distributed by Sistema Radiópolis, S.A. de C.V. *(see note 21),* the participation in the profit of the company, for an amount of EUR 1,636 thousand, the impairment recorded in the investment of the aforementioned company for an amount of EUR 10,411 thousand and by the effect of the exchange rate.

The impairment test of net investment in Sistema Radiópolis, S.A. de C.V. has had on the recoverable value of this investment which value in use has been calculated based on the forecasts of the next 5 years, including a terminal value in which a rate of constant expected growth of between 0.5% and 1.5% (between 0.5% and 1.5% in 2020). In order to calculate the present value of these flows, they are discounted at a rate that reflects the weighted average cost of capital employed adjusted for the country risk and business risk corresponding to each cash-generating unit. Therefore, in 2021 the rates used ranged from 11.25% to 11.75% (between 12% to 12.5% in 2020). The rate decreased during this period mainly due to the decrease in the risk-free rate in Mexico, motivated by the evolution of the macroeconomic environment.

In the case of Radiópolis, cash flow projections are based on a business plan updated to the year 2021, considering the effects of COVID-19 on these projections. In this respect, advertising revenue is the main source of earnings for Radiópolis. There follows a description of the main revenue lever for this business, as a key hypothesis for drawing up the projections, with the additional consideration that it is the variable with the largest component of judgment for the estimate:

- Trend in the advertising market – Management has adjusted its projections for the advertising market to the new macroeconomic environment in Mexico, and in the sector in particular. In this regard, in due consideration of the estimates drawn up by PwC in its "Global Entertainment & Media Outlook" report, consideration has been given to a market base which will expand over the next five years, after hitting its lowest point in 2020 due to the impact of the COVID-19 pandemic. The Group has also taken its past experience in the sector into account, and has also considered its positioning (market shares).

Finally, for information purposes, the CAGR of advertising revenue of the period considered in 2021 projections is similar than that used in the Radiópolis 2020 impairment test.

In 2021 the outcome of the impairment test did not lead to any impairment being booked on the Group's investment in Radiópolis, because the book value is similar to the recoverable value. In 2020 an impairment of the net investment of EUR 10,411 thousand was accounted under the heading *"Result of companies accounted for using the equity method"* in the accompanying consolidated income statement. This impairment was mainly a consequence of the impact of COVID-19 on future projections, which had adversely affected advertising revenues of Radiópolis and to the projected long-term growth. To a lesser extent, the impairment of the investment resulted from an increase in the applicable discount rate.

For information purposes, there follows a sensitivity analysis on the recovery of the Group's investment in Radiópolis at December 31, 2021:

- Assuming a 5% reduction in estimates of growth in earnings from advertising, the recoverable value would be approximately EUR 4 million less than the carrying amount at December 31, 2021.
- Assuming a 0.5% increase in the discount rate, the recoverable value would be approximately EUR 1 million less than the carrying amount.
- Assuming a 0.5% decrease in the perpetual growth rate, the recoverable value would be approximately EUR 0.5 million less than the carrying amount.

At December 31, 2021 and at December 31, 2020, the Group had ownership interests in companies accounted for using the equity method, the net negative value of which is recognized under "*Long-term provisions*" (*see note 12*).

In relation to the stake in Sistema Radiópolis, S.A. de C.V., there are no significant restrictions on the transfer of funds.

(9) CURRENT ASSETS AND LIABILITIES

a) Inventories

The detail of "*Inventories,*" in thousands of euros, at December 31, 2021 and at December 31, 2020, is as follows:

	12/31/2021			12/31/2020		
	Cost	Write-downs	**Carrying amount**	Cost	Write-downs	**Carrying amount**
Finished goods	52,396	(25,232)	**27,164**	61,161	(25,111)	**36,050**
Work in progress	3,094	-	**3,094**	1,313	-	**1,313**
Raw materials and other supplies	10,179	(517)	**9,662**	8,842	(497)	**8,345**
Total	**65,669**	**(25,749)**	**39,920**	**71,316**	**(25,608)**	**45,708**

At December 31, 2021, "Finished goods" includes publications amounting to a net EUR 26,880 thousand (2020: EUR 35,553 thousand). "Raw materials and other supplies" include mainly paper.

The detail of the changes in 2021 and 2020 in "*Inventories- Write-downs*" is as follows:

Thousands of euros					
Balance at 12/31/2020	Translation adjustment	Charge for the year/Excess	Amounts used	Transfers	Balance at 12/31/2021
(25,608)	(249)	223	(8,757)	8,642	(25,749)

Thousands of euros					
Balance at 12/31/2019	Translation adjustment	Charge for the year/Excess	Amounts used	Transfers	Balance at 12/31/2020
(31,528)	4,521	(5,206)	127	6,478	(25,608)

b) Trade and other receivables

The detail of the changes in 2021 and 2020 in "*Trade and other receivables- Allowances*" is as follows:

Thousands of euros						
Balance at 12/31/2020	Translation adjustment	Changes in scope of consolidation	Charge for the year/Excess	Amounts used	Transfers	Balance at 12/31/2021
(55,786)	13	60	(447)	5,606	348	(50,206)

Thousands of euros						
Balance at 12/31/2019	Translation adjustment	Changes in scope of consolidation	Charge for the year/Excess	Amounts used	Transfers	Balance at 12/31/2020
(61,364)	6,210	(13)	(692)	(1,043)	1,116	(55,786)

The impact of IFRS 9 entails an allowance for a provision for credit losses on revenue recognition, for which an NPL ratio has been determined per business and type of customer, applied to the amount of sale by customer type.

The most significant heading included in "*Trade and other receivables*" is "*Trade receivables for sale and services*" amounting to EUR 219,958 thousand, net of allowance at December 31, 2021 (EUR 201,182 at December 31, 2020). The details of the aging of this amount is as follows:

	Thousands of euros	
	Balance at 12/31/2021	Balance at 12/31/2020
0-3 months	206,950	182,275
3-6 months	7,204	6,304
6 months - 1 year	3,810	9,109
1 year- 3 years	1,968	3,353
More than 3 years	26	141
Total	**219,958**	**201,182**

The change in "*Trade receivables for sale and services"* is mainly due to higher education sales booked late in 2021, primarily in Brazil and Mexico, which were therefore still receivable at 31 December 2021, in comparison to the sales booked during the same period in 2020, mainly due to the impact of COVID-19 on Group sales.

c) Cash and cash equivalents

The balance of the heading "*Cash and cash equivalents*" in the accompanying consolidated balance sheet to December 31, 2021 amounts to EUR 168,672 thousand (EUR 221,879 thousand at December 31, 2020). This amount included approximately EUR 79,325 thousand belonging to the companies in the Media and Education segments located outside of Spain. It also includes EUR 10,000 thousand received by the Company under the escrow agreement associated with the Vertix sale agreement by Cofina in 2019. This amount has been under dispute with Cofina since the breach of the aforementioned sale agreement by Cofina in April 2020, so the company will not have access to this sum until the dispute is resolved. That is the reason the Company maintains accounted a liability in the heading "*Other non-trade payables*" of the consolidated balance sheet for the same amount.

In 2020, this amount included approximately EUR 85,182 thousand belonging to the companies of Media and Education segments located outside of Spain and EUR 10.000 thousand received under the escrow agreement described above.

d) Other non-trade payables

The heading "*Other non-trade payables*" of the accompanying consolidated balance sheet at December 31, 2021 amounts to EUR 43,774 thousand (EUR 39,656 thousand at December 31, 2020) and mainly include remuneration payable.

e) Other current liabilities

The heading "*Other current liabilities*" of the accompanying consolidated balance sheet at December 31, 2021 amounts to EUR 35,218 thousand (EUR 29,967 thousand at December 31, 2020) and includes accrual adjustments generated by unfulfilled obligations, mainly generated in the Educational segment.

The detail of the changes in 2021 in accrual adjustments is as follows:

Thousands of euros				
Balance at 12/31/2020	Translation adjustment/ Monetary adjustment	Additions/ Disposals	Amounts used	Balance at 12/31/2021
29,967	7,906	19,213	(21,868)	35,218

As of December 31, 2021, the execution obligations pending to be paid amounted to EUR 35,218 thousand, which will mainly be paid and transferred to the consolidated income statement during the year 2022 and correspond, mainly, to recorded collections or invoices issued in 2021 income will accrue throughout the following year, as the performance obligations associated with the contracts are executed.

The detail of the changes in 2020 in accrual adjustments is as follows:

Thousands of euros				
Balance at 12/31/2019	Translation adjustment/ Monetary adjustment	Additions/ Disposals	Amounts used	Balance at 12/31/2020
35,767	3,466	15,511	(24,777)	29,967

As of December 31, 2020, the execution obligations pending to be paid amounted to EUR 29,967 thousand, which will mainly be paid and transferred to the consolidated income statement during the year 2021 and correspond, mainly, to recorded collections or invoices issued in 2020 income will accrue throughout the following year, as the performance obligations associated with the contracts are executed.

(10) EQUITY

a) Share capital

As of December 31, 2021, the share capital of Prisa amounts to EUR 70,865 thousand and is represented by 708,650,193 ordinary shares, all of which belong to the same class and series, each with a par value of 0.10 euros, and have been fully paid up. The share capital has remained unchanged throughout the year.

On December 31, 2021, the significant shareholders of Prisa, according to information published on the website of the Comisión Nacional del Mercado de Valores ("CNMV") and in some cases, information that has been provided by the shareholders to the Company, are the following:

Shareholder's Name	**Number of Direct Voting Rights**	**Number of Indirect Voting Rights**	**Total % of Voting Rights (1)**
JOSEPH OUGHOURLIAN (2)	-	211,474,843	29.84%
VIVENDI, S.E.	70,410,336	-	9.94%

Shareholder's Name	Number of Direct Voting Rights	Number of Indirect Voting Rights	Total % of Voting Rights (1)
TELEFONICA, S.A.	63,986,958	-	9.03%
RUCANDIO, S.A.	-	53,938,328	7.61%
KHALID BIN THANI BIN ABDULLAH AL-THANI (3)	-	36,422,971	5.14%
GHO NETWORKS, S.A. DE CV	-	35,570,206	5.02%
BANCO SANTANDER, S.A. (4)	17,239,369	17,017,746	4.83%
INVERSORA CARSO, S.A. DE CV (5)	-	30,509,047	4.30%
CARLOS FERNANDEZ GONZALEZ (6)	-	28,539,429	4.03%

The aforementioned indirect shareholding is held as follows:

Indirect Shareholder's Name	Direct Shareholder's Name	Number of Direct Voting Rights	Total % of Voting Rights
JOSEPH OUGHOURLIAN	AMBER CAPITAL INVESTMENT MANAGEMENT ICAV - AMBER ACTIVE INVESTORS FUND	101,987,187	14.39%
JOSEPH OUGHOURLIAN	AMBER CAPITAL INVESTMENT MANAGEMENT ICAV - AMBER GLOBAL OPPORTUNITIES FUND	22,319,173	3.15%
JOSEPH OUGHOURLIAN	OVIEDO HOLDINGS, S.A.R.L.	87,168,483	12.30%
RUCANDIO, S.A.	RUCANDIO INVERSIONES, SICAV, S.A.	90,456	0.01%
RUCANDIO, S.A.	PROMOTORA DE PUBLICACIONES, S.L.	125,949	0.02%
RUCANDIO, S.A.	AHERLOW INVERSIONES, S.L.	53,721,923	7.58%
KHALID BIN THANI BIN ABDULLAH AL-THANI	INTERNATIONAL MEDIA GROUP, S.A.R.L.	36,422,971	5.14%
GHO NETWORKS, S.A. DE CV	CONSORCIO TRANSPORTISTA OCCHER, S.A. DE CV	35,570,206	5.02%
BANCO SANTANDER, S.A.	SULEYADO 2003, S.L.	5,627,382	0.79%
BANCO SANTANDER, S.A.	CÁNTABRO CATALANA DE INVERSIONES, S.A.	5,762,982	0.81%
BANCO SANTANDER, S.A.	CÁNTABRA DE INVERSIONES, S.A.	5,627,382	0.79%
INVERSORA CARSO, S.A. DE CV	CONTROL EMPRESARIAL DE CAPITALES S.A. DE CV	30,509,047	4.30%
CARLOS FERNANDEZ GONZALEZ	FCAPITAL LUX S.A.R.L.	28,539,429	4.03%

(1) The percentages of voting rights have been calculated on the total voting rights in Prisa at December 31, 2021 (i.e. 708,650,193 rights).

(2) Mr. Joseph Oughourlian, external director representing significant shareholdings, controls Amber Capital UK, LLP, which acts as investment manager to Oviedo Holdings Sarl, Amber Capital Investment Management ICAV - Amber Active Investors Fund and Amber Capital Investment Management ICAV - Amber Global Opportunities Fund.

(3) Shk. Dr. Khalid bin Thani bin Abdullah Al-Thani is an external director representing significant shareholdings.

International Media Group, S.A.R.L. is 100% owned by International Media Group Limited which in turn is 100% owned by Shk. Dr. Khalid bin Thani bin Abdullah Al-Thani.

(4) According to the information available to the Company, as of December 18, 2020, date of holding of the last PRISA Shareholders' Meeting attended by Banco Santander, it was the owner, directly and indirectly, of the voting rights that are reflected in the above tables.

(5) Inversora Carso, S.A. de CV controls 99.99% of Control Empresarial de Capitales S.A. de CV.

(6) Mr Carlos Fernández González controls the majority of the capital and voting rights of Grupo Far-Luca, S.A. de C.V., the owner of 99% of Grupo Finaccess, S.A.P.I. de C.V., which in turn owns 99.99% of the capital and voting rights of Finaccess Capital, S.A. of C.V. The latter controls FCapital Lux S.à.r.l.

Additionally, as of December 31, 2021 and according to the information that is published on the CNMV's website, the ownership of significant participations on financial instruments that have Prisa's underlying voting rights is as follows:

Shareholder's Name	Number of voting rights that may be acquired if the instrument is exercised/converted	Total % of Voting Rights
MELQART OPPORTUNITIES MASTER FUND LTD (1)	15,629,271	2.21%
POLYGON EUROPEAN EQUITY OPPORTUNITY MASTER FUND (2)	7,090,807	1.00%

(1) Melqart Asset Management (UK) Ltd. actúa como Investment Manager de Melqart Opportunities Master Fund Ltd.

(2) Polygon European Equity Opportunitty Master Fund es un fondo gestionado por Polygon Global Partners LLP.

b) Share premium

The Recast Text of the Capital Companies Act no specific restriction whatever regarding the availability of the balance of this reserve.

As of December 31, 2021, there is no share premium.

c) Reserves of parent company

Legal reserve-

Under the Consolidated Text of the Corporate Enterprises Act, 10% of net profit for each year must be transferred to the legal reserve until the balance of this reserve reaches at least 20% of the share capital.

The legal reserve can be used to increase capital by the amount exceeding 10% of the new capital after the increase.

Except as indicated above, until the legal reserve exceeds 20% of share capital, it can only be used to offset losses, provided that sufficient other reserves are not available for this purpose.

The balance of this account at December 31, 2021 amounts to EUR 7,087 thousand (EUR 7,087 thousand at December 31, 2020).

Reserve for treasury shares-

Under Article 142 of the Consolidated Text of the Corporate Enterprises Act states that when a company acquires treasury shares, it must record on the equity side of the balance sheet a restricted reserve equal to the carrying amount of the treasury shares. This reserve must be maintained until the shares are sold or cancelled.

The balance of this account at December 31, 2021 amounts to EUR 1,320 thousand (EUR 1,530 thousand at December 31, 2020).

d) Reserves for first-time application of IFRS

As a result of the first-time application of IFRSs to the Group's consolidated financial statements, certain assets and liabilities arose at January 1, 2004, the effect on equity of which is included in this account.

e) Accumulated profit – From prior years

These reserves include the results not distributed by the companies that form part of the consolidated group, minus the dividend charged to the year's income.

f) Treasury shares

The changes in "*Treasury shares*" in 2021 and 2020 were as follows:

	Ejercicio 2021		Ejercicio 2020	
	Number of shares	Amount (Thousands of euros)	Number of shares	Amount (Thousands of euros)
At beginning of year	**1,713,477**	**1,530**	**1,798,979**	**2.591**
Deliveries	-	-	(22,892)	(58)
Purchases	2,524,761	1,993	1,870,565	1,606
Sales	(1,902,670)	(1,364)	(1,933,175)	(1,626)
Reserve for treasury shares	-	(839)	-	(983)
At end of year	**2,335,568**	**1,320**	**1,713,477**	**1,530**

At December 31, 2021, Promotora de Informaciones, S.A. held a total of 2,335,568 treasury shares, representing 0.330% of its share capital.

Treasury shares are valued at market price at December 31, 2021, 0.565 euros per share. The total amount of the treasury shares amounts to EUR 1,320 thousand.

At December 31, 2021, the Company did not hold any shares on loan.

In July 2019, the Company signed an annual liquidity contract, which is solely intended to encourage liquidity and regularity in the Company's share price, within the limits established by the Company's General Meeting and by the applicable regulations, in particular Circular 1/2017. In July 2020 and 2021, through various Addendums to the original contract, the parties agree to extend the term of the agreement for one more year, until July 2021 and July 2022, respectively. In the framework of this contract, the Company has purchased a total of 1,912,167 shares and sold a total of 1,902,670, and therefore the net purchases in the 2021 financial year have been 9,497 shares and EUR 81 thousand.

In addition, a Treasury share Buyback Programme was carried out in 2021 in order to comply with the obligations arising from the Medium-Term Incentive Plan for the period 2018/2020, which was approved by the Ordinary General Shareholders Meeting on April 25, 2018 *(see note*

14). Within the framework of this contract, the Company has executed a total purchase of 612,594 shares for an amount of EUR 548 thousand.

g) Translation differences

The difference between the value of the equity translated at historical exchange rates and the net equity position resulting from the translation of the balance sheet items using the closing rate and the income statement items at the average exchange rate is recognized under "*Equity–Translation differences*" in the accompanying consolidated balance sheet (*see note 2d*).

The translation differences are included in the consolidated statement of comprehensive income in the heading "*Translation differences*".

Exchange loss at December 31, 2021, amounted to EUR 90,410 thousand (December 31, 2020: exchange loss of EUR 92,275 thousand). In 2021, the most significant translation differences are generated in Colombia, Brazil, Mexico and Chile by the evolution of exchange rates.

The detail, by currencies, of the exchange differences is as follows (in thousands of euros):

	12/31/2021	12/31/2020
Mexican peso	(6,410)	(7,098)
Colombian peso	(14,783)	(12,873)
Brazilian real	(48,662)	(52,403)
Chilean peso	(18,706)	(13,687)
Other currencies	(1,849)	(6,214)
Total	**(90,410)**	**(92,275)**

h) Translation differences in accumulated profit from prior years

The accumulated profit from prior years includes the effect of the exchange rate on the eliminations of the consolidation process of companies in which their functional currency is different from the euro. These differences are included in the Consolidated Statement of Comprehensive Income, under the heading "*Translation differences.*"

The detail, by currencies, of the translation differences in 2021 and 2020 is as follows:

	Thousand of euros	
	12/31/2021	12/31/2020
Venezuelan Bolivar	(47,900)	(47,568)
Mexican peso	(24,008)	(25,946)
Argentine peso	(21,709)	(19,454)
Colombian peso	3,725	4,711
Brazilian real	(4,841)	(1,545)
Chilean peso	(1,740)	(1,513)
Others	(1,215)	(541)
Total	**(97,688)**	**(91,856)**

i) Minority interest

The minority interest is the stake in the equity and income of the Group companies that are fully consolidated. The changes in this line-item in 2021 and 2020 were as follows:

	Thousands of euros						
	Balance at 12/31/2020	Translation adjustment	Participation in results	Changes in scope of consolidation	Dividends paid/ received	Other	Balance at 12/31/2021
Caracol, S.A.	7,796	(675)	76	-	-	22	7,219
Diario As, S.L.	7,521	-	983	-	(1,094)	(73)	7,337
GLR Chile, Ltda.	9,382	(1,073)	1,035	-	(327)	-	9,017
Grupo Santillana Educación Global, S.A. and subsidiaries	118	(3)	(4)	-	-	-	111
Prisa Radio, S.A. y and subsidiaries (Spain)	20,187	-	(1,080)	(102)	39	833	19,877
Other companies	1,267	(284)	(347)	407	1	344	1,388
Total	**46,271**	**(2,035)**	**663**	**305**	**(1,381)**	**1,126**	**44,949**

	Thousands of euros						
	Balance at 12/31/2019	Translation adjustment / Monetary adjustment	Participation in results	Changes in scope of consolidation	Dividends paid/ received	Other	Balance at 12/31/2020
Caracol, S.A.	11,183	(1,076)	(2,044)	-	-	(267)	7,796
Diario As, S.L.	11,166	-	(2,208)	-	(1,304)	(133)	7,521
GLR Chile, Ltda.	15,171	(349)	(3,653)	-	(1,505)	(282)	9,382
Grupo Santillana Educación Global, S.A. and subsidiaries	193	(63)	(2)	-	(15)	5	118
Grupo Media Capital, SGPS, S.A. and subsidiaries	4,711	164	(2,127)	(2,748)	-	-	-
Prisa Radio, S.A. y and subsidiaries (Spain)	21,704	-	(3,831)	-	2,376	(62)	20,187
Other companies	5,628	(107)	(422)	12	(3,195)	(649)	1,267
Total	**69,756**	**(1,431)**	**(14,287)**	**(2,736)**	**(3,643)**	**(1,388)**	**46,271**

j) Capital management policy

The principal objective of the Group's capital management policy is to achieve an appropriate capital structure (Equity and debt) that guarantees the sustainability of its business, aligning shareholder interests with those of its various financial creditors.

In this way, in recent years, the Company's directors have taken a series of measures to strengthen the Group's financial and equity structure, focusing on profitable growth and value generation as described below.

The General Meeting of Prisa Shareholders' held on November 15, 2017 agreed a series of capital reductions and reserves aimed at adapting the Company's equity structure. These reductions were applied in November 2017. It also agreed a capital increase for EUR 450,000 thousand and, subsequently, expanded by the Board of Directors of Prisa on January 22, 2018, for EUR 113,220 thousand. In February 2018, the capital increase subscribed and paid out in an amount of EUR

563,220 thousand. Finally, in this year 2018, the Company paid EUR 480,000 thousand of debt with funds from the aforementioned capital increase and with the cash available to the same.

Likewise, on March 20, 2019, the Company agreed to carry out a capital increase amounting to EUR 199,824 thousand, which was fully subscribed in April 2019. This capital increase used to partially fund the acquisition of 25% of the share capital of Grupo Santillana Educación Global, S.L.

On June 29, 2020, the Prisa´s General Shareholder Meeting agreed to reduce in share capital of the Parent Company in order to reestablish its equity balance.

On October 19, 2020, Prisa, through its subsidiary Grupo Santillana Educación Global, S.L.U. ("Santillana"), signed an agreement with the Sanoma Corporation, a European learning and Finnish media company, for the sale of the Spanish educational business of Santillana addressed at pre K12 and K-12 segments. On December 31, 2020, the transaction was close.

In October 2020, Prisa signed a lock-up agreement (the "Lock-up Agreement") which contained a term sheet that sets out, among other aspects, the essential terms on which the Group's syndicated financial debt restructured. On December 31, 2020 the refinancing agreement came into effect, once the agreements reached with all of its creditors were concluded, among which were included, the culmination of the sale of Santillana Spain describe above. Prior to the Refinancing a debt partial repayment of EUR 417,000 thousand was made, with the funds obtained from the sale of Santillana Spain and Media Capital (*see note 11b*).

Finaly, in February 2022 the Board of Directors of Prisa has approved, by unanimity, the signing of a lock-up agreement (the "New Lock-Up Agreement") that incorporates a term sheet with the basic conditions for the amendment of the Group's syndicated financial debt (the "New Refinancing"). The basic terms of the agreed New Refinancing consist, among other aspects, in the extension of the maturity of the financial debt to 2026 and 2027 and division of the syndicated loan into two differentiated tranches (one of senior debt and one of junior debt) and the flexibilization of the contractual commitments of the current debt that will allow, among other improvements, to increase Prisa's operating flexibility and soften the financial ratios required by its current contracts.

As of December 31, 2021, the equity of the parent Company is greater than two thirds of total share capital, which is why it was in a situation of equity balance at that date.

(11) NON- CURRENT FINANCIAL ASSETS AND FINANCIAL LIABILITIES

a) Financial investments

The breakdown by category of financial investments of the Group at December 31, 2021 and 2020 is as follows:

2021 –

	Thousands of euros		
	Non-current financial assets at amortized cost		
	Loans and receivables	Other financial assets at amortized cost	**Total**
Other financial assets	5,035	6,324	11,359
Non-current financial investments	**5,035**	**6,324**	**11,359**
Other financial assets	1,800	625	2,425
Current financial investments	**1,800**	**625**	**2,425**
Total	**6,835**	**6,949**	**13,784**

2020 –

	Thousands of euros		
	Non-current financial assets at amortized cost		
	Loans and receivables	Other financial assets at amortized cost	**Total**
Other financial assets	5,460	5,033	10,493
Non-current financial investments	**5,460**	**5,033**	**10,493**
Other financial assets	2,869	4,849	7,718
Current financial investments	**2,869**	**4,849**	**7,718**
Total	**8,329**	**9,882**	**18,211**

Non-current financial assets

The changes in "Non-current financial assets" in the consolidated balance sheet in 2021 by type of transaction were as follows:

	Thousands of euros					
	Balance at 12/31/2020	Translation / monetary adjustment	Changes in scope of consolidation	Additions / allowance	Disposals / Transfers	Balance at 12/31/2021
Financial assets at amortized cost	**10,493**	**362**	**(17)**	**1.726**	**(1,205)**	**11,359**
Loans and receivables	*5,460*	*166*	-	*144*	*(735)*	*5,035*
-Loans to associates	12,160	894	-	145	386	13,585
-Long-term loans to third parties	4,435	88	-	90	(1,121)	3,492
-Allowance	(11,135)	(816)	-	(91)	-	(12,042)
Other financial assets at amortized cost	*5,033*	*196*	*(17)*	*1,582*	*(470)*	*6,324*
- Other financial assets at amortized cost	14,530	511	(17)	1,772	(3,808)	12,988
- Allowance	(9,497)	(315)	-	(190)	3,338	(6,664)
Total	**10,493**	**362**	**(17)**	**1,726**	**(1,205)**	**11,359**

The variation in the heading "*Non-Current Financial Assets*" is mainly due to the short-term transfer of EUR 1,000 thousand pending collection in 2022 as part of framed within the agreement to sell the credit rights held by the Group with Le Monde.

Meanwhile, under *"Other financial assets at amortised cost"* the totally provisioned investment in V-Me Media Inc was derecognised in the amount of EUR 3,300 thousand, following the sale of the stake in July 2021, with no major impact on the consolidated income statement.

The changes in "Non-current financial assets" in the consolidated balance sheet in 2020 by type of transaction were as follows:

	Thousands of euros					
	Balance at 12/31/2019	Translation / monetary adjustment	Changes in scope of consolidation	Additions / allowance	Disposals / Transfers	Balance at 12/31/2020
Financial assets at amortized cost	**20,665**	**(950)**	**6**	**(762)**	**(8,466)**	**10,493**
Loans and receivables	*9,411*	*(249)*	-	*2,404*	*(6,106)*	*5,460*
-Loans to associates	38,734	(1.036)	-	930	(26,468)	12,160
-Long-term loans to third parties	2,250	(105)	-	2,704	(414)	4,435
-Allowance	(31,573)	892	-	(1,230)	20,776	(11,135)
Other financial assets at amortized cost	*11,254*	*(701)*	*6*	*(3,166)*	*(2,360)*	*5,033*
- Other financial assets at amortized cost	16,714	(861)	6	327	(1,656)	14,530
- Allowance	(5,460)	160	-	(3,493)	(704)	(9,497)
Total	**20,665**	**(950)**	**6**	**(762)**	**(8,466)**	**10,493**

The variation in the heading "*Loans and receivable*" was mainly due to the reduction of the credit to Le Monde net of allowance for the amount of EUR 6,790 thousand, offset by the addition of the long-term account receivable framed within the agreement to sell the credit rights held by the Group with Le Monde in the amount of EUR 2,679 thousand and the impairment of the credit granted to Green Emerald Business, Inc in the amount of EUR 1,157 thousand.

The decrease in the heading "*Other financial assets at amortized cost*" was mainly due to the impairment of a financial investment related to the participation of Prisa Radio in associated companies in the USA for an amount of EUR 3,400 thousand.

The carrying amount of the financial assets does not vary significantly from their fair value.

Current financial assets

The changes in "Non-current financial assets" in the consolidated balance sheet in 2021 by type of transaction were as follows:

	Thousands of euros				
	Balance at 12/31/2020	Translation / monetary adjustment	Additions / allowance	Disposals / Transfers	Balance at 12/31/2021
Financial assets at amortized cost	**7,718**	**29**	**989**	**(6,311)**	**2,425**
Loans and receivables	*2,869*	*25*	*654*	*(1,748)*	*1,800*
-Loans to associates	1,019	25	255	(1,034)	265
-Short-term loans to third parties	2,290	-	399	(1,154)	1,535
-Allowance	(440)	-		440	-
Other financial assets at amortized cost	*4,849*	*4*	*335*	*(4,563)*	*625*
- Minority equity investments	9	(1)	-	-	8
- Other financial assets at amortized cost	4,840	5	335	(4,563)	617
Total	**7,718**	**29**	**989**	**(6,311)**	**2,425**

The decrease in "*Loan and receivables*" is mainly due to the collection of EUR 2,000 thousand framed within the agreement to sell the credit rights held by the Group with Le Monde compensated with the short-term transfer of EUR 1,000 thousand pending collection in 2022 mentioned above.

On the other hand, the decrease in "*Other financial assets at amortized costs*" is mainly due to the collection of indemnity deposits for the favorable resolution of the ERE lawsuits in the Media segment (EUR 2,853 thousand) and the collection of part of the dividend of Sistema Radiópolis, S.A. de C.V. that was pending at December 31, 2020 (EUR 1,621 thousand).

The changes in "Non-current financial assets" in the consolidated balance sheet in 2020 by type of transaction were as follows:

	Thousands of euros					
	Balance at 12/31/2019	Translation / monetary adjustment	Changes in scope of consolidation	Additions / allowance	Disposals / Transfers	Balance at 12/31/2020
Financial assets at amortized cost	**4,740**	**(80)**	**5**	**4,712**	**(1,659)**	**7,718**
Loans and receivables	*989*	*(54)*	*5*	*2,859*	*(930)*	*2,869*
-Loans to associates	581	(14)	-	748	(296)	1,019
-Short-term loans to third parties	5,225	(40)	5	2,111	(5,011)	2,290
-Allowance	(4,817)	-	-	-	4,377	(440)
Other financial assets at amortized cost	*3,751*	*(26)*	-	*1,853*	*(729)*	*4,849*
- Minority equity investments	9	-	-	-	-	9
- Other financial assets at amortized cost	3,742	(26)	-	1,853	(729)	4,840
Total	**4,740**	**(80)**	**5**	**4,712**	**(1,659)**	**7,718**

In 2020, the increase in *"Loan and receivables"* was mainly due to the recording of the short-term account receivable for the amount of EUR 2,000 thousand framed within the agreement to sell the credit rights held by the Group with Le Monde. Likewise, a loan that was fully provisioned was written off.

The increase in *"Other financial assets at amortized cost"* was mainly due to the dividend pending collection from Sistema Radiópolis, S.A. (EUR 1,621 thousand).

b) Financial liabilities

The breakdown by category of financial liabilities at December 31, 2021 and 2020 is as follows:

	Thousands of euros	
	12/31/2021	12/31/2020
Bank borrowings	934,342	810,568
Financial liabilities for leases	53,766	99,203
Other financial liabilities	88	145
Non-current financial liabilities	**988,196**	**909,916**
Bank borrowings	14,918	102,746
Financial liabilities for leases	15,555	18,462
Other financial liabilities	329	96
Current financial liabilities	**30,802**	**121,304**
Total	**1,018,998**	**1,031,220**

Bank borrowings

The detail, in thousands of euros, of the bank borrowings at December 31, 2021, of the credit limits and of the scheduled maturities is as follows:

	Maturity	Limit	Drawn-down amount maturing at short term	Drawn-down amount maturing at long term
Syndicated loan	2025	748,152	-	748,152
Super Senior debt (*)	2024	225,000	-	150,121
Credit facilities	2022-2023	21,927	-	-
Loans	2022-2027	11,858	3,678	8,180
Finance leases, interest and other	2022-2025	16,718	11,240	5,478
Loan arrangement costs/ Present value of debt	2025	-	-	22,411
Total		**1,023,655**	**14,918**	**934,342**

(*) The long-term amount drawn down includes capitalized interest (EUR 5,121 thousand)

The detail, in thousands of euros, of the bank borrowings at December 31, 2020, of the credit limits and of the scheduled maturities was as follows:

	Maturity	Limit	Drawn-down amount maturing at short term	Drawn-down amount maturing at long term
Syndicated loan	2025	752,896	-	752,896
Super Senior debt	2024	225,000	80,000	36,500
Credit facilities	2021-2023	39,481	4,389	-
Loans	2021-2027	24,544	14,193	10,351
Finance leases, interest and other	2021-2024	8,950	4,164	4,786
Present value/ Loan arrangement costs	2025	.	-	6,035
Total		**1,050,871**	**102,746**	**810,568**

The changes in bank borrowings in 2021 and 2020 were as follows:

	Thousands of euros	
	12/31/2021	12/31/2020
Bank borrowings at beginning of year	**913,314**	**1,215,057**
Amortization / debt disposition (*)	7,716	(334,643)
Loan arrangement costs	591	(22,627)
Present value in financial instruments	15,791	46.072
Change in unpaid accrued interest	6,786	-
Capitalizable fixed cost (PIK)	5,121	17,034
Effect of foreign exchange rate changes in debt	151	(7,212)
Others	(210)	(629)
Bank borrowings at end of year	**949,260**	**913,314**

(*) Movement that generates cash flow.

Of the total bank borrowings at December 31, 2021, 98.50% were denominated in euros (97.36% at December 31, 2020) and the remainder in foreign currencies.

The nominal average interest rates on the Group's bank borrowings were 5.25% in 2021 and 5.41% in 2020.

Of the total bank borrowings at December 31, 2021, 97.58% were linked to floating interest rates and the rest to fixed ones (96.75% to floating interest at December 31, 2020).

In accordance with IFRS 13, to determine the theoretical calculation of the fair value of the financial debt at December 31, 2020 we used the Euribor curve and the discount factor supplied by the financial entity and considering the actual credit risk arising from a report provided by an independent expert regarding the transactions made in the secondary debt market (level 2 variables, estimates based on other observable market methods). The fair value of the syndicated loan, of the Super Senior debt and of the accrued interest pending to be paid, according to this calculation, would amount to EUR 898,585 thousand at December 31, 2021 considering a 0.72% average discount over the real principal payment obligation to the creditor entities.

Refinancing-

In October 2020, Prisa has entered into a lock-up agreement which contained a term sheet that set out, among other aspects, the essential terms on which the Group's syndicated financial debt will be restructured, named Override Agreement (agreement for the refinancing of the Group's debt signed in December 2013, which has been amended on various occasions since then). On December 31, 2020, after the culmination of the sale of Santillana Spain, the Refinancing came into effect, once the execution of agreements reached with all of its creditors were concluded.

Prior to the Refinancing a syndicated debt partial repayment of EUR 417,000 thousand was made, with the funds obtained from the sale of Santillana Spain and Media Capital.

Therefore, as part of the refinancing of its financial debt, Prisa agreed to the renewal of its syndicated loan amounting to EUR 752,896 thousand (once the previous repayment was made), which was structured in one section with the following characteristics:

- The amount of the syndicated financial debt was set at EUR 752,896 thousand and the maturity of which is extended to March 2025.
- The cost of the syndicated debt is referenced to the Euribor plus a negotiated margin (one portion is payable against cash, and another portion is capitalised).
- Adaptation of the financial conditions of the debt to the group's new position in terms of generating cash. The agreed Refinancing allows Prisa to incur further senior-ranking debt to strengthen its liquidity position in the future, and to complete certain actions of business reorganisation.
- Update of the package of debt guarantees.
- Finally, the basic terms include a relaxation of certain financial covenants and Prisa's commitment to achieving a leverage cap in September 2023 (4.25x Net Debt/EBITDA). The average cost of debt is 7.1% including the Super Senior debt.

The refinancing agreement of 2018 involved a restructuring of the debt, which included a new borrower, Prisa Activos Educativos, S.L.U., which assumed nominal debt of Prisa for an amount of EUR 685 million, which, among other aspects, allowed part of the debt to be allocated in the Education business unit, the main cash generating unit of the Group, in order to meet the payments associated with the debt. The rest of the amount of the debt remained recorded in Prisa.

Compliance with certain financial ratios is established in the financial agreements for the Prisa Group, which have been complied with since the Refinancing came into force, according to the ratios in force in each period. These contracts also include provisions on cross-default, which could cause, if the breach exceeds certain amounts, the early maturity and resolution of the contract in question, including the Override Agreement. Since the Refinancing came into force no such breaches have occurred.

The Refinancing agreement also includes causes for early termination as is customary in this kind of agreement, including the acquisition of control of Prisa, acquisition being understood as by one or several persons together, with more than 30% of the capital with voting rights.

Finally, within the Refinancing agreement, and in relation to the distribution of dividends of the Company, these are subject to the limitations and commitments acquired with the financial creditors.

During 2021, a syndicated debt partial repayment of EUR 4.7 million was made.

Other aspects of debt-

The guarantee structure for the syndicated financial debt is as follows:

Personal guarantees

Syndicated Prisa's debt, which correspond to the debt refinanced in December 2020, is jointly and severally guaranteed by Prisa and Prisa Activos Educativos, S.L.U. and the companies Diario El País, S.L., Grupo de Medios Impresos y Digitales, S.L.U., Prisa Media, S.L.U., Prisa Noticias, S.L.U., Grupo Santillana Educación Global, S.L. and Prisa Gestión Financiera, S.L.U.

Guarantees

As a consequence of the Refinancing of December 2020, Prisa currently has certain owned bank accounts pledged and, furthermore, Prisa Noticias, S.L.U. currently has pledges and promises of pledges, as appropriate, on certain credit rights and on certain bank accounts held by them, all as security for the aforementioned creditors.

Part of Prisa's investment in Prisa Radio, S.A. (80% share capital) and the 100% of the investments (100% share capital) in Prisa Activos Educativos, S.L.U., Prisa Media, S.L.U., Prisa Noticias, S.LU. and Prisa Gestión Financiera, S.L.U. was also pledged, thereby insuring syndicated debt.

Super senior loan -

In addition to the syndicated loan mentioned above, the company signed a Super Senior Term & Revolving Facilities Agreement for a maximum amount of EUR 86,500 thousand on June 29, 2018.

Of this sum, EUR 36,500 thousand was for the Super Senior Term Loan Facility, which was drawn down during FY 2019 to finance the purchase by Prisa Radio, S.A., a Group company, of the 3i shares in treasury stock.

The purpose of the additional EUR 50,000 thousand for the Super Senior Revolving Credit Facility was to finance the company's operating needs. In April 2019, as a consequence of buying 25% of Santillana, the amount for the Super Senior Revolving Credit Facility was increased by EUR 30,000 thousand, to a maximum Super Senior debt amount of EUR 116,500 thousand.

The entire Super Senior Revolving Credit Facility policy in the amount of EUR 80,000 thousand was drawn in March 2020 due to operating requirements, mainly associated with the effect of COVID-19, and so at December 31, 2020, EUR 116,500 thousand of Super Senior debt had been drawn. In 2021 this Super Senior Revolving Credit Facility policy was returned in the amount of EUR 80,000 thousand.

On December 31, 2020, and within the framework of the Refinancing, the Company agreed to extend the limit of the Super Senior debt corresponding to the Super Senior Term Loan Facility by EUR 108,500 thousand to cover operational needs, bringing this Super Senior debt's total to EUR 225,000 thousand. The maturity of the Super Senior debt is December 2024. The additional EUR 108,500 thousand on the Super Senior Term Loan Facility were drawn in 2021, and so at December 31, 2021, EUR 145,000 thousand of Super Senior debt had been drawn.

Thus at December 31, 2021, EUR 80,000 thousand of Super Senior Debt corresponding to the Super Senior Revolving Credit Facility had not been drawn.

The guarantee structure of this Super Senior debt is the same as the one mentioned above relating to the syndicated financial debt of the Company, in such a way that the creditors of said debt and those of syndicated debt have the same guarantees. However, the Super Senior debt has a preferential rank with respect to syndicated debt in relation to said guarantees.

Other aspects of the Refinancing

The Company conducted an analysis of the conditions agreed upon in relation to the Refinancing of its bank debt, concluding that they did not constitute a substantial modification of the previous conditions, both from a quantitative and qualitative point of view. Therefore, and in accordance with IFRS 9, the Group derecognised the carrying value of the debt subject to the Refinancing, recognising the debt again at the present value of future payments calculated on the basis of the Effective Interest Rate "EIR" of the original debt. The difference between the two amounts resulted in a financial expense of EUR 37,217 thousand recognised under the *"Financial expenses"* heading of the accompanying consolidated income statement in 2020 *(see note 15)*. The difference between the nominal value of the debt and its carrying value, together with the arrangement costs incurred in carrying out the Refinancing, is presented under the *"Present value/ Loan arrangement costs"* heading by adjusting the *"Non-current bank borrowings"* heading in the accompanying consolidated balance sheet, and which are recognised in the consolidated income statement for the duration of the loan using the effective interest method.

Credit facilities-

Under this heading are included mainly the amounts drawn down against credit lines used to finance the Prisa Group companies' operating requirements. Borrowing facilities are recognized under *"Current bank borrowings"* on the consolidated balance sheet. As of December 31, 2021, no amount was available. The interest rate applicable to these credit facilities is Euribor or Libor plus a market spread.

Nature and risks of financial instruments

Credit risk

In relation to credit risk, the Group assesses the age of the trade receivables (*see note 9b*) and constantly monitors the management of the receivables and payables associated with all its activities, as well the maturities of financial and commercial debt and repeatedly analyses other financing methods in the aim of covering planned cash requirements in the short, medium and long-term.

Liquidity risk

Businesses which rely heavily on advertising have a high percentage of fixed costs, and any decline in advertising revenues has major implications for margins and the cash position, making it difficult to implement additional measures to improve Group operating efficiency. Likewise, the nature of the Education business means that there are concentrated periods of collections around certain dates, mainly during the final months of each year. The aforementioned creates seasonality in Santillana's cash flow. While the seasonality of the Group's cash flow is not significant, so far as the flows coming from the various business units largely compensate each other and thereby mitigating the seasonality effect, the aforementioned could lead to certain cash tensions during the periods in which the collections are structurally lower.

Likewise, the management of liquidity risk includes the detailed monitoring of the repayment schedule of the Group's borrowings and the maintenance of credit lines and other financing channels that enable it to cover foreseeable cash needs at short, medium and long term. In this respect, the Group has a Super Senior loan to meet operational needs and other subsidiaries of the Group have credit facilities for that purpose.

Market risk - exchange rate

The Group is exposed to fluctuations in exchange rates mainly due to financial investments made in stakes in American companies, as well as revenue and profits from said investments.

The impact on the Group's operating income and operating profit for the year 2021 in the event of a change of +/-10% in the exchange rate of the main currencies is presented below:

Millions of euros	10%		-10%	
	Impact on operating income	Impact on operating income	Impact on result from operations	Impact on result from operations
Brazilian real vs EUR	(14,7)	(2,2)	14,7	2,2
Mexican peso vs EUR	(7,2)	(1,0)	7,2	1,0
Colombian peso vs EUR	(7,0)	(1,1)	7,0	1,1
Chilean peso vs EUR	(3,3)	(0,6)	3,3	0,6
Argentine peso vs EUR	(1,8)	(0,1)	1,8	0,1
Total	**(34,0)**	**(5,0)**	**34,0**	**5,0**

In this context, and in the aim of mitigating this risk, if there are credit lines available the Group adheres to the practice of formalizing hedge contracts for exchange rate variations (mainly forex insurance, '*forwards*' and options on currencies) based on its monthly analyzed forecasts and budgets, in order to reduce volatility in operations, results and cash flows of subsidiaries operating overseas in currencies other than the euro.

Market risk - interest rate

The Group is exposed to changes in interest rates as around 97.58% of its bank borrowings bear interest at floating rates. In this context, the Group analyzes if is necessary to formalize, based on its forecasts, hedge contracts for interest rate variations. The Group currently has no derivative contracts for interest rates, in accordance with the forecasts of the evolution of the reference interest rates.

The latter section of *"Liquidity and interest rate risk tables"* contains an analysis of risk for the payment of interest tied to floating interest rates.

Derivative financial instruments

The Prisa Group arranges derivative financial instruments with Spanish and international banks with high credit ratings.

Foreign currency derivatives-

In 2021, the Group arranged foreign currency hedges in order to mitigate exposure to exchange rate fluctuations.

In order to determine the fair value of the derivatives, the Prisa Group uses valuations provided by financial entities by applying the group's credit risk provided by an independent expert.

The detail of the foreign currency hedges as of December 31, 2021 is as follows:

Company	Instrument	Expiry	Nominal value: Thousands of USD	Nominal value: Thousands of euros	Fair value (thousands of euros)
Santillana del Pacífico, S.A. de Ediciones	Forward	2022	938	830	80
Santillana del Pacífico, S.A. de Ediciones	Forward	2022	333	295	25
Santillana del Pacífico, S.A. de Ediciones	Forward	2022	40	35	3
Santillana del Pacífico, S.A. de Ediciones	Forward	2022	218	193	6
Santillana del Pacífico, S.A. de Ediciones	Forward	2022	359	318	27
			1,888	**1,671**	**141**

Analysis of sensitivity to exchange rates

The changes in the fair value of the foreign currency hedges arranged by the Prisa Group depend on fluctuations in the EUR/USD and USD/CLP exchange rates.

Following is a detail, in thousands of euros, of the sensitivity (changes in fair value) of the foreign currency hedges:

Sensitivity (before tax)	**12/31/2021**
+10% (increase in USD exchange rate)	(13)
-10% (decrease in USD exchange rate)	16

The sensitivity analysis shows that the exchange rate derivatives shows decreases in their fair value, in the event of increases in exchange rates, while in the event of decreases in exchange rates, the fair value of these derivatives would increases.

Liquidity and interest rate risk tables

The table below details the liquidity analysis of the Prisa Group in 2021 in relation to its bank borrowings, which represent substantially all the non-derivative financial liabilities. The table has been prepared using the cash outflows of the contractually stipulated maturities. The flows include both the expected repayments and interest payments. When the settlement is not fixed, the amount was determined using the underlings calculated based on the interest rate curves at the end of 2021.

Maturity	**Thousands of euros**	**Floating euro rates**
Within 3 months	3,286	0,00%
From 3 to 12 months	44,811	0,00%
From 1 to 3 years	266,070	0,00%
From 3 to 5 years	833,711	0,00%
After 5 years	0	
Total	**1,147,878**	

The Group's main financial liability is the syndicated loan tied to Euribor, and this is not expected to rise above 0% in the short to medium term. In any case, an increase in Euribor beyond 0% would have a direct impact on the interest paid, through multiplication of the increase by the nominal amount of the syndicated loan.

Fair value of financial instruments: applicable valuation techniques and assumptions for measuring fair value

The financial instruments are grouped together on three levels based on the degree to which the fair value is observable.

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

- Level 3: those determinable on the basis of valuation techniques, which include inputs for the asset and liability that are not based on observable market data (unobservable inputs).

The Prisa Group's derivatives are classified as level-2 derivatives.

Financial liabilities for leases

The application of IFRS 16 Leases implies the registered of financial liabilities associated with the leases, amounting at December 31, 2021 to EUR 53,766 thousand in the long term and EUR 15,555 thousand in the short term.

The decrease in the financial liability for leasing in 2021 is mainly explained by the renegotiation of the rental contracts for its offices in Miguel Yuste (Madrid), Gran Vía (Madrid) and Caspe (Barcelona), as has been described in note 5 above, and has led to a reduction in financial liabilities at December 31, 2021 of approximately EUR 49 million (including the payment made in December 2021 of the supplementary instalment of EUR 20 million mainly associated with the early exit of the Miguel Yuste buildings).

The detail of the maturities of the nominal amount of the financial liabilities for lease is as follows:

Maturity	Thousands of euros
Within 6 months	8,448
From 6 to 12 months	9,486
From 1 to 3 years	24,595
From 3 to 5 years	18,757
After 5 years	24,100
Total	**85,386**

In 2021, the payment associated with financial liabilities for leases (under IFRS 16) for all the Group amounts to EUR 46.9 million, included in "*Other cash flow from financing activities*" of the consolidated statement of cash flow (EUR 27.1 million in 2020). This amount includes the payment of a supplementary fee of EUR 20 million resulting from the renegotiation of the associated Miguel Yuste contract, discussed above.

(12) LONG-TERM PROVISIONS

The changes in 2021 in "*Long-term provisions*" were as follows:

	Thousands of euros					
	Balance at 12/31/2020	Translation adjustment	Charge for the year	Amounts used	Transfers	Balance at 12/31/2021
For taxes	3,378	4	(310)	(2,445)	(3)	624
For indemnities	2,555	8	7,036	(2,488)	-	7,111
For third-party liability and other	13,262	62	3,521	(3,678)	114	13,281
Total	**19,195**	**74**	**10,247**	**(8,611)**	**111**	**21,016**

The changes in 2020 in "*Long-term provisions*" were as follows:

	Thousands of euros					
	Balance at 12/31/2019	Translation adjustment	Charge for the year	Amounts used /Disposals	Transfers	Balance at 12/31/2020
For taxes	3,384	(4)	22	(4)	(20)	3,378
For indemnities	4,061	(339)	1,106	(1,289)	(984)	2,555
For third-party liability and other	14,694	(1,238)	4,780	(4,143)	(831)	13,262
Total	**22,139**	**(1,581)**	**5,908**	**(5,436)**	**(1,835)**	**19,195**

The "*Provision for taxes*" relates to the estimated amount of tax debts arising from the tax audit carried out at various Group companies. The decrease in the tax provision is mainly due to the completion of the 2016 to 2018 corporation tax audits of the 2/91 tax consolidation group, with no significant impact on the consolidated income statement *(see note 18)*.

The "*Provision for indemnities*" includes the provision booked in the previous years to record the probable or certain responsibilities arising from workers' compensation to terminate their labor relations *(see note 14)*. The increase in the provision for severance payments relates mainly to personnel restructuring processes carried out in the Media segment in the current year, which are payable in future years, but for which a valid expectation has been created among the affected employees in 2021. During 2021, the Group booked a provision for this item of EUR 7,036 thousand (December 31, 2020: EUR 1,106 thousand) and has used EUR 2,488 thousand (December 31, 2020: EUR 551 thousand) as a result of indemnity payments and commercial paper issuances. The Group expects to use this provision in the next six years. The provision accounted in 2021, EUR 5,995 thousand correspond to an early retirement plan in Media that has been calculated based on an actuarial calculation with the following technical basis:

- PER2020 mortality table.
- Technical interest rate: 0%.

The *"Provision for third-party liability and other"* relates to the estimated amount required to meet probable claims and litigation brought against Group companies and other future obligations to employees. In addition, at December 31, 2021 and 2020, the Group had ownership interests in companies accounted for using the equity method which net value is negative and is recognized under *"Long-term provisions"* in the accompanying consolidated balance sheet, the detail being as follows (*see note 8*):

	Thousand of euros	
	12/31/2021	12/31/2020
WSUA Broadcasting Corporation	1,281	1,172
Green Emerald Business, Inc.	3,545	3,064
Other	1,128	1,605
Total	**5,954**	**5,841**

In view of the nature of the contingencies covered by these provisions, it is not possible to determine a reasonable payment schedule, if indeed there is one, or their financial effect. However, the Prisa Group's legal advisers and directors consider that the outcome of these procedures and claims will not have a significant effect on the consolidated financial statements for the years in which they come to an end additional to the amount provisioned in the accounting records.

(13) OPERATING INCOME

The breakdown of income from the Group's main business lines is as follows:

	Thousands of euros	
	2021	2020
Advertising sales	298,412	255,074
Education sales	350,114	362,033
Circulation	51,878	49,885
Sales of add-ons and collections	7,219	6,025
Intermediation services	5,624	4,259
Other services	16,103	13,666
Revenue	**729,350**	**690,942**
Income from non-current assets	926	1,467
Other income	10,892	8,232
Other income	**11,818**	**9,699**
Total operating income	**741,168**	**700,641**

The most significant exchange transactions occurred under *"Advertising sales"* and the most significant segment was Radio, whose exchanges with third parties amounted to EUR 1,639 thousand in 2021 (December 31, 2020: EUR 2,014 thousand).

The following table shows the breakdown of the Group's incomes in accordance with the geographical distribution of the entities that generated them (thousands of euros):

	Advertising sales		Education sales		Circulation		Others		Total operating income	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Europe	**234,297**	**205,895**	**2,609**	**6,065**	**51,878**	**49,885**	**32,929**	**28,439**	**321,713**	**290,284**
Spain	234,297	205,895	149	1,273	51,878	49,885	32,899	28,396	319,223	285,449
Rest of Europe	-	-	2,460	4,792	-	-	30	43	2,490	4,835
America	**64,115**	**49,179**	**347,505**	**355,968**	**-**	**-**	**7,835**	**5,210**	**419,455**	**410,357**
Colombia	40,491	30,994	27,965	34,452	-	-	1,111	652	69,567	66,098
Brazil	-	-	145,762	151,256	-	-	841	689	146,603	151,945
Mexico	588	314	70,280	62,019	-	-	854	1,029	71,722	63,362
Chile	18,627	12,745	12,719	21,469	-	-	1,228	1,515	32,574	35,729
Rest of America	4,409	5,126	90,779	86,772	-	-	3,801	1,325	98,989	93,223
Total	**298,412**	**255,074**	**350,114**	**362,033**	**51,878**	**49,885**	**40,764**	**33,649**	**741,168**	**700,641**

The following table shows the breakdown of the Group's incomes by type of client (thousands of euros):

	2021	2020
Advertising sales	**298,412**	**255,074**
Digital	75,262	63,317
Non digital	223,150	191,757
Education sales	**350,114**	**362,033**
Learning system	135,189	136,770
Didactic sales	90,187	123,851
Public sales	124,738	101,412
Circulation	**51,878**	**49,885**
Digital	10,432	4,647
Non digital	41,446	45,238
Others	**40,764**	**33,649**
Total	**741,168**	**700,641**

The breakdown of the balances from Group contracts affected by IFRS 15 is as follows:

	Thousands of euros	
	2021	2020
Trade and other receivables (*see note 9b)*	265,004	252,120
Allowances (*see note 9b*)	(45.046)	(50,938)
Other current liabilities- performance obligations pending to satisfied (*see note 9e*)	35,218	29,967
Provisions for returns *(see note 14)*	(9,312)	(6,165)

(14) OPERATING EXPENSES

Staff costs

The detail of staff costs is as follows:

	Thousands of euros	
	2021	2020
Wages and salaries	210,860	203,452
Employee benefit costs	43,861	43,735
Termination benefits	42,426	8,972
Other employee benefit costs	10,798	11,848
Total	**307,945**	**268,007**

In 2020, the decrease in the cost of wages and salaries was mainly due to the implementation in this year of a contingency plan to save costs in order to minimize the adverse effects that COVID-19 has had on the Group income.

The increase in outlays on severance payments in 2021 was due to the Group's reorganisation in two business units, which led to changes in Senior Management and integration of structures, to the contingency plans carried out to mitigate the effects of COVID-19 in the course of that year, and to the continuous renewal of profiles in accordance with the needs of areas of business that are still undergoing digital transformation.

Transactions with payments based on equity instruments

<u>Medium-Term Incentive Plan for the period between 2018 and 2020:</u>

At the Ordinary Shareholders' Meeting held on April 25, 2018, a Medium-Term Incentive Plan was approved for the period between 2018 and 2020, consisting of the delivery of Company shares associated on the one hand, with the performance of the stock exchange value and, on the other hand, the achievement of certain economic objectives (EBITDA and Cash Flow) (non-discriminatory conditions), aimed at the CEO of Prisa, the members of Senior Management and certain directors of its subsidiaries, who may could have received a certain number of ordinary shares of the Company after a reference period of 3 years and provided that certain pre-defined requirements were met. At the beginning of the Plan, the Company assigned a certain number of "theoretical shares" ("Restricted Stock Units") to each beneficiary, which was served as a reference to determine the final number of shares to be delivered.

The fair value of the "*theoretical shares*" assigned was determined according to the following:

- The fair value of the "*theoretical shares*" linked to the performance of the stock exchange value of Prisa shares was determined using a known statistical model in accounting practices on the date of measurement, which supposed a unit value of EUR 1.03246 per theoretical share. In this case, the total number of "theoretical shares" assigned, which served as a reference to determine the final number of shares to be delivered, was 5,600,000.

- The fair value of the "*theoretical shares*" linked to the achievement of certain quantitative targets was determined by the market price of the share on the date of measurement (considering the dividends expected during the Plan period), which supposed a unit value of EUR 1.616 per theoretical share. In this case, the total number of "theoretical shares" assigned, which served as a reference to determine the final number of shares to be delivered, was 5,600,000.

The expense corresponding to 2021 in Grupo Prisa is EUR 1,528 thousand and is recorded in under the items for personnel expenses (EUR 1,492 thousand) and external services (EUR 36 thousand) in the profit and loss account, with no effect on the net equity of the Group since it is a transaction settled with equity instruments, which implies an increase in consolidated net equity for the same amount. The expense for 2020 amounted to EUR 393 thousand.

In 2021 Prisa's Board of Directors assessed the degree of achievement of the Ebitda and Cash Flow objectives on which the Incentive Plan is referenced, approving the number of shares to be delivered to the beneficiaries upon settlement (a total of 2,115,328 shares).

It should be noted that at the request of the incentive plan beneficiaries, the Board of Directors resolved that settlement and delivery of this compensation be delayed until January-February 2022 (according to the general conditions regulating this compensation plan, delivery should have been made within 60 days after the 2020 accounts were prepared).

The Plan payout was made in February 2022, through delivery of shares or their cash-value equivalent, according to the preference of each of the plan beneficiaries. In total, 905,302 Prisa shares were delivered and EUR 703 thousand in cash payments were made, including the tax applicable. The foregoing will not impact the earnings account for 2022 and only the Company's net equity figure will be lower due to the cash paid out.

The decision to give the beneficiaries the option of a cash payment was made by Prisa's Delegated Committee, at the proposal of the Appointments, Compensation and Corporate Governance Committee, on January 25, 2022. For that reason, no liabilities were recorded at December 31, 2021. That possibility was provided for in the General Conditions that govern the Incentive Plan.

The cash value of the shares was calculated based on the share trading price on the day the decision was made (January 25, 2022).

<u>2022-2024 Incentive Plan for Prisa Media:</u>

At its meeting held on December 31, 2021, Prisa's Board of Directors approved a medium-term incentive plan whose beneficiary is Prisa Media's Executive Chairman Mr. Carlos Nuñez, (who is likewise an executive director of Prisa), and is linked to the achievement of certain quantitative financial objectives contained in Prisa Media's budget (concerning EBITDA, Cash Flow and digital revenue) for 2022, 2023 and 2024, payable in shares.

Mr. Nuñez will be assigned a number of theoretical shares equivalent to EUR 500 thousand gross for each year the plan is in effect, which will serve as a reference to determine the final number of shares to be awarded. The calculation will be made considering the average trading value of Prisa shares during the last quarter of 2021. The incentive may likewise increase in view of the evolution of Prisa's share price.

No accounting expense was recorded in 2021 with respect to this Incentive Plan, since it is pending approval of Prisa shareholders and, thus, was not in effect that year.

2022-2024 Incentive Plan for Prisa:

At its meeting on December 21, 2021, Prisa's Board of Directors approved a medium-term incentive plan whose beneficiary is Prisa's Director of Finances Mr. David Mesonero, and is linked to the achievement of certain quantitative financial objectives contained in PRISA's budget (concerning EBITDA, Cash Flow and digital revenue) for 2022, 2023 and 2024, payable in shares.

Mr. Mesonero will be assigned a number of theoretical shares equivalent to EUR 300 thousand gross for each year the plan is in effect, which will serve as a reference to determine the final number of shares to be awarded. The calculation will be made considering the average trading value of Prisa shares during the last quarter of 2021. The incentive may likewise increase in view of the evolution of Prisa's share price and in the event refinancing is achieved in the terms provided for in the Plan.

No accounting expense was recorded in 2021 with respect to this Incentive Plan, since it has not yet been announced to the beneficiary and, thus, implemented in this financial year.

Number of employees

The average number of employees of the Group and the number of employees at December 2021 and 2020, by professional categories, was as follows:

	2021		2020	
	Average	Final	Average	Final
Executives	284	273	297	295
Middle management	991	985	988	992
Other employees	5,535	5,538	5,792	5,798
Total	**6,810**	**6,796**	**7,077**	**7,085**

The breakdown of the average number of employees, by gender, was as follows:

	2021		2020	
	Women	Men	Women	Men
Executives	107	177	112	185
Middle management	425	566	446	542
Other employees	2,787	2,748	2,847	2,945
Total	**3,319**	**3,491**	**3,405**	**3,672**

The breakdown of the number of employees, by gender, was as follows:

	2021		2020	
	Women	Men	Women	Men
Executives	106	167	109	186
Middle management	428	557	446	546
Other employees	2,771	2,767	2,840	2,958
Total	**3,305**	**3,491**	**3,395**	**3,690**

During 2021 the average number of employees with a disability greater than or equal to 33% was 26 (23 during 2020).

Outside services

The detail of outside services in 2021 and 2020 is as follows:

	Thousands of euros	
	2021	2020
Independent professional services	75,008	73,968
Leases and fees	6,644	5,147
Advertising	22,439	22,901
Intellectual property	19,106	20,891
Transport	19,950	21,744
Other outside services	113,969	106,231
Total	**257,116**	**250,882**

The heading "*Other external services*" includes an expense of EUR 382 thousand corresponding to the liability insurance of executives and directors (EUR 285 thousand in 2020).

The heading *"Leases and fees"* mainly includes those leases of low value assets, as well, other fees (canon) of Santillana.

Fees paid to auditors

The fees for financial audit services relating to the 2021 financial statements of the various companies composing the Prisa Group and subsidiaries provided by Ernst & Young, S.L. and by other entities related to the auditor amounted to EUR 1,243 thousand (2020: EUR 1,142 thousand provided by the previous auditor Deloitte, S.L.), of which EUR 277 thousand relate to Prisa (2020: EUR 251 thousand). Furthermore, the fees relating to other auditors involved in the 2020 audit of the various Group companies amounted to EUR 18 thousand (2020: EUR 16 thousand).

In addition, the fees for other professional services provided to the various Group companies by the principal auditor and by other entities related to the auditor and fees paid in this connection to other auditors participating in the audit of the various Group companies are as follows (in thousands of euros):

	2021		2020	
	Principal auditor	Other audit firms	Principal auditor	Other audit firms
Other audit-related services	30	0	58	0
Other verification services	279	0	309	12
Tax advisory services	30	372	-	258
Other services	16	1,190	8	1,916
Total other professional services	**355**	**1,562**	**375**	**2,186**

The fees for the detailed professional services provided to Group companies in the year 2021 by the auditing firms are registered under *"Outside services"* in the accompanying consolidated income statement.

Change in allowances, write-downs and provisions

The detail of the change in allowances, write-downs and provisions is as follows:

	Thousands of euros	
	2021	2020
Change in operating allowances	1,278	6,410
Change in inventory write-downs	6,056	6,776
Change in provision for sales returns	2,583	(1,456)
Total	**9,917**	**11,730**

(15) FINANCIAL LOSS

The detail of financial loss in the consolidated income statements is as follows:

	Thousands of euros	
	2021	2020
Income from current financial assets	963	1,077
Income from equity investments	1	-
Other finance income	10,549	1,290
Finance income	**11,513**	**2,367**
Interest on debt	(49,731)	(71,112)
Adjustments for inflation	(486)	801
Other finance costs	(10,227)	(12,711)
Finance costs	**(60,444)**	**(83,022)**
Exchange gains	27,333	30,557
Exchange losses	(25,872)	(32,655)
Exchange differences (net)	**1,461**	**(2,098)**
Value variation of financial instruments	**(15,791)**	**(46,072)**
Financial loss	**(63,261)**	**(128,825)**

As of December 31, 2021 the heading "*Other financial income*" includes the income derived from the favourable resolution of the TEAC in relation to the inspection of the Value Added Tax from the period May 2010 to December 2011 for an amount of EUR 7,841 thousand, corresponding mainly to the VAT of invoices associated to loan arrangement costs *(see note 18).*

The decrease in *"Interest on debt"* expense in 2021 is mainly due to lower bank debt following the debt repayments that took place at the end of 2020 with the cash proceeds from the sale of stakes in Media Capital and Santillana España *(see note 11b)*.

As of December 31, 2021 the heading "*Other finance costs*" includes EUR 6,925 thousand for the effect of updating the financial liability associated with the lease agreements (EUR 7,376 thousand as of December 31, 2020). As of December 31, 2020 the heading "Other finance costs" also included the reversal of a provision for a financial loan amounting to EUR 2,461 thousand.

At December 31, 2021, the heading "*Value variation of financial instruments*" includes the financial results accrued due to the transfer to the condensed consolidated income statement of the difference between the amount in the initial registration date of the debt associated to the Refinancing and its nominal amount along the duration of the debt and the accrued of loan arrangements costs, using the effective interest method in both *(see note 11b).*

At December 31, 2020, the heading "*Change in value of financial instruments*" included the financial expense accrued (EUR 8,855 thousand) due to the transfer to the consolidated income statement of the difference between the amount in the initial registration date of the debt associated to the refinancing of 2018 and its nominal amount along the duration of the debt, using the effective interest method, considering the effect of the syndicated debt partial repayment made in 2020 and until the Refinancing came into effect. It also includes an expense of EUR 37,217 thousand arising from the entry into force of the Refinancing of its bank debt, for the difference between the previous book value of the debt subject to Refinancing and its present value after refinancing considering the discounting of future flows calculated on the basis of the Effective Interest Rate "EIR" of the original debt (*see note 11b*).

(16) RESUL AFTER TAX FROM DISCONTINUED OPERATIONS

At December 31, 2021, *"Result after tax from discontinued operations"* includes a provision associated with an unfavourable ruling received by Telefónica and communicated to Prisa by the latter in January 2022, which has been appealed, in relation to certain operations of Distribuidora de Televisión Digital, S.A. ("DTS"), a subsidiary that was sold to the aforementioned company in 2015. The agreement for the sale of DTS to Telefónica contemplated the assumption by Prisa of a percentage of the damages arising from these legal proceedings, for which reason a provision of EUR 3,320 thousand has been recognised at December 31, 2021 as it is considered probable that an outflow of resources will be required. It should be noted that the result of the sale of DTS was recorded in 2015 as a discontinued operation.

As of December 31, 2020, the headline *"Result after tax from discontinued operations"* included the following items, associated with Media Capital and Santillana Spain:

Media Capital

- Impairment was recorded for the loss resulting from the agreement to purchase 30.22% of Media Capital to Pluris (minus costs of the sale) in May 2020, amounting to EUR 28,769 thousand.

- An additional impairment was recorded for the loss resulting from the valuation of Media Capital at the price of the sale agreement for the remaining 64.47% of the Portuguese subsidiary (minus costs of the sale) in September 2020 amounting to EUR 48,522 thousand.

- Reversal of non-materialised sales costs associated with the non-executed transaction with Cofina and adjustments for the increase of non-controlling interests resulting from the sale of 30.22% of Media Capital, amounting to EUR 419 thousand.

- The contribution of the result of Media Capital to the results of the Group during the 2020 (and until the loss of control), for a negative amount of EUR 15,013 thousand, offset by the positive effect of the decrease in the net assets of Media Capital from the same amount. Therefore, there is not impact by these effects.

The breakdown of results of Media Capital is as follows:

(Thousands of euros)	2020
Operating income-	**104,458**
Revenue	103,847
Other income	611
Operating expenses-	**(119,101)**
Cost of materials used	(21,004)
Staff costs	(36,711)
Depreciation and amortisation charge	(7,877)
Outside services	(52,433)
Change in allowances, write-downs and provisions	(1,076)
Impairment of goodwill	-
Profit from operations	**(14,643)**
Financial loss	(1,908)
Expense tax	1,538
Result after tax from discontinued operations	**(15,013)**

Santillana Spain

- Recognition of the capital gain net of costs arising from the sale of the Santillana Spain companies for EUR 377,344 thousand.

- The contribution of the result of Santillana Spain to the results of the Group during the 2020, for a positive amount of EUR 22,441 thousand.

The breakdown of the result of Santillana Spain of 2020 is as follows:

(Thousands of euros)	2020
Operating income-	**108,368**
Revenue	106,868
Other income	1,500
Operating expenses-	**(84,970)**
Cost of materials used	(16,530)
Staff costs	(41,605)
Depreciation and amortisation charge	(9,990)
Outside services	(15,110)
Change in allowances, write-downs and provisions	(1,712)
Impairment of goodwill	(23)
Profit from operations	**23,398**
Financial loss	656
Expense tax	(1,613)
Result after tax from discontinued operations	**22,441**

Finally, the sales transactions described above had no impact in relation to corporation tax, because the losses booked on the sale of Media Capital were not tax-deductible, pursuant to Article 21.6 of Corporation Tax, and the capital gains recognised in the sale of Santillana Spain are exempt pursuant to Article 21.3 of the aforementioned Law 27/2014 of 27 November.

(17) BUSINESS SEGMENTS

Segment reporting is structured on a primary basis by business segment and on a secondary basis by geographical segment.

There is a new organizational structure to accelerate the operational split of the Education and Media businesses in 2021. Therefore, at June 30, 2021, Prisa's operations are divided into two main segments each of which has a person in charge:

- Education, which includes primarily the sale of educational books and the services and materials related to the education systems;
- Media, includes Radio and News (Press) businesses and its main source of revenue is advertising, as well as the sale of newspapers and magazines, digital subscriptions and, additionally, the organization and management of events.

Until 2020, three business segments were identified in the Group (Education, Radio and News). However, as of financial year 2021 and following the restructuring of the former businesses, it has been decided that the segments will be reduced to two, i.e. Education and Media. In relation to Media, it has been decided that it is a single segment, since, following the aforementioned restructuring, the Radio and News activities are managed jointly, as a single business unit and thus report to the Group's management. In fact, the Media segment has a single executive chairman ("segment head"), who sits on Prisa's board of directors, and reports to the board on the Media business for decision-making, with centralised performance monitoring and measurement.

For comparative purposes, the information of the Group for financial year 2020 has been modified to present the information in accordance with the new segmentation structure.

The column "Others" includes Promotora de Informaciones, S.A., Promotora de Actividades América 2010, S.L., Promotora de Actividades América 2010 México, S.A. de C.V., Prisa Participadas, S.L., Vertix, SGPS, S.A., Prisa Activos Educativos, S.L.U., Prisa Gestión Financiera, S.L., Promotora de Actividades Audiovisuales de Colombia, Ltda., Productora Audiovisual de Badajoz, S.A. and Productora Extremeña de Televisión, S.A.

Segment information about these businesses for 2021 and 2020 is presented below. The column *"Eliminations and adjustments"* mainly includes transactions between group companies:

	EDUCATION		MEDIA		OTHERS		ELIMINATIONS AND ADJUSTMENTS		PRISA GROUP	
	2021	**2020**	**2021**	**2020**	**2021**	**2020**	**2021**	**2020**	**2021**	**2020**
Operating income	**358,810**	**365,829**	**383,343**	**335,878**	**5,483**	**8,962**	**(6,468)**	**(10,028)**	**741,168**	**700,641**
- External sales	**358,800**	**365,617**	**380,916**	**333,887**	**557**	**1,385**	**895**	(248)	**741,168**	**700,641**
- Advertising	0	0	298,413	255,606	0	0	(1)	(532)	298,412	255,074
- Education sales	350,114	362,033	0	0	0	0	0	0	350,114	362,033
- Circulation	0	0	51,878	49,885	0	0	0	0	51,878	49,885
- Other	8,686	3,584	30,625	28,396	557	1,385	896	284	40,764	33,649
- Intersegment sales	**10**	**212**	**2,427**	**1,991**	**4,926**	**7,577**	**(7,363)**	**(9,780)**	**0**	**0**
- Advertising	0	0	2	36	0	0	(2)	(36)	0	0
- Education sales	0	0	0	0	0	0	0	0	0	0
- Circulation	0	0	0	0	0	0	0	0	0	0
- Other	10	212	2,425	1,955	4,926	7,577	(7,361)	(9,744)	0	0
Operating expenses	**(332,692)**	**(331,688)**	**(412,272)**	**(389,981)**	**(22,123)**	**(18,310)**	**6,210**	**10,229**	**(760,877)**	**(729,750)**
- Cost of materials used	(75,072)	(76,130)	(28,020)	(29,802)	0	0	(1)	1	(103,093)	(105,931)
- Staff costs	(97,011)	(96,375)	(198,456)	(162,172)	(12,478)	(9,460)	0	0	(307,945)	(268,007)
- Depreciations and amortisation charge	(39,821)	(41,945)	(37,694)	(27,458)	(803)	(1,234)	1	0	(78,317)	(70,637)
- Outside services	(109,072)	(107,289)	(145,669)	(146,513)	(8,585)	(6,889)	6,210	9,809	(257,116)	(250,882)
- Change in operating provisions	(8,386)	(9,005)	(1,300)	(2,698)	(231)	(28)	0	1	(9,917)	(11,730)
- Changes in valuation allowances to Group companies	0	0	0	0	(0)	(7)	0	7	0	0
- Impairment of goodwill/assets	(3,330)	(944)	(1,133)	(21,338)	(26)	(692)	0	411	(4,489)	(22,563)
Result from operations	**26,118**	**34,141**	**(28,929)**	**(54,103)**	**(16,640)**	**(9,348)**	**(258)**	**201**	**(19,709)**	**(29,109)**
Finance income	**3,204**	**1,752**	**3,451**	**4,180**	**20,321**	**177,848**	**(15,463)**	**(181,413)**	**11,513**	**2,367**
- Interest income	803	454	3,188	3,967	12,420	13,542	(15,463)	(17,152)	948	811
- Other financial income	2,401	1,298	263	213	7,901	164,306	0	(164,261)	10,565	1,556
Finance costs	**(10,349)**	**(8,788)**	**(11,634)**	**(14,595)**	**(53,924)**	**(76,790)**	**15,463**	**17,151**	**(60,444)**	**(83,022)**
- Interest expenses	(6,387)	(6,695)	(4,888)	(5,331)	(53,919)	(76,235)	15,463	17,149	(49,731)	(71,112)
- Other financial expenses	(3,962)	(2,093)	(6,746)	(9,264)	(5)	(555)	0	2	(10,713)	(11,910)
Change in value of financial instruments	**0**	**0**	**(7)**	**(9)**	**(15,784)**	**(46,064)**	**0**	**1**	**(15,791)**	**(46,072)**
Exchange differences (net)	**1,073**	**(910)**	**299**	**(616)**	**89**	**(572)**	**0**	**0**	**1,461**	**(2,098)**
Financial result	**(6,072)**	**(7,946)**	**(7,891)**	**(11,040)**	**(49,298)**	**54,422**	**0**	**(164,261)**	**(63,261)**	**(128,825)**
Result of companies accounted for using the equity method	0	0	1,287	(5,278)	21	(0)	96	(3,180)	1,404	(8,458)
Result before tax from continuing operations	**20,046**	**26,195**	**(35,533)**	**(70,421)**	**(65,917)**	**45,074**	**(162)**	**(167,240)**	**(81,566)**	**(166,392)**
Expense tax	(18,535)	(27,458)	(3,713)	(14,931)	1,279	(38,681)	0	(1)	(20,969)	(81,071)
Result from continuing operations	**1,511**	**(1,263)**	**(39,246)**	**(85,352)**	**(64,638)**	**6,393**	**(162)**	**(167,241)**	**(102,535)**	**(247,463)**
Result after tax from discontinued operations	0	400,979	0	0	(3,308)	(75,716)	0	(2,350)	(3,308)	322,913
Consolidated result for the year	**1,511**	**399,716**	**(39,246)**	**(85,352)**	**(67,946)**	**(69,323)**	**(162)**	**(169,591)**	**(105,843)**	**75,450**
Non-controling interests	4	2	(795)	13,325	0	0	128	960	(663)	14,287
Result atributable to the Parent	**1,515**	**399,718**	**(40,041)**	**(72,027)**	**(67,946)**	**(69,323)**	**(34)**	**(168,631)**	**(106,506)**	**89,737**

	EDUCATION		MEDIA		OTHERS		ELIMINATIONS AND ADJUSTMENTS		PRISA GROUP	
	12.31.2021	**12.31.2020**	**12.31.2021**	**12.31.2020**	**12.31.2021**	**12.31.2020**	**12.31.2021**	**12.31.2020**	**12.31.2021**	**12.31.2020**
Assets	**432,260**	**422,933**	**475,583**	**537,976**	**1,757,606**	**2,721,061**	**(1,787,166)**	**(2,710,251)**	**878,283**	**971,719**
- Non-current (except accounted for using the equity method)	152,585	147,874	223,555	270,961	1,346,633	2,228,221	(1,350,571)	(2,228,476)	372,202	418,580
- Investments accounted for using the equity method	0	0	30,725	28,194	0	0	(3,705)	(3,515)	27,020	24,679
- Current	279,675	275,059	219,330	234,859	410,695	492,333	(432,946)	(478,234)	476,754	524,017
- Assets classified as held for sale	0	0	1,973	3,962	278	507	56	(26)	2,307	4,443
Equity and liabilities	**432,260**	**422,933**	**475,583**	**537,976**	**1,757,606**	**2,721,061**	**(1,787,166)**	**(2,710,251)**	**878,283**	**971,719**
- Equity	210,564	205,123	89,384	127,130	536,364	1,056,054	(1,348,127)	(1,791,287)	(511,815)	(402,980)
- Non-current	39,048	35,314	71,497	118,619	933,981	1,239,922	(10,715)	(445,312)	1,033,811	948,543
- Current	182,648	182,496	313,676	288,774	287,261	425,085	(428,394)	(473,633)	355,191	422,722
- Liabilities classified as held for sale	0	0	1,026	3,453	0	0	70	(19)	1,096	3,434

The next table breaks down the cash flow statement for the continuing operations by segment in 2021 (in thousands of euros):

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Effect of foreign exchange rate changes	Change in cash flows in the year
Education	61,329	(43,519)	(30,948)	2,371	**(10,767)**
Media	20,796	(1,936)	(41,727)	-	**(22,867)**
Others	(3,462)	(2,264)	(13,847)	-	**(19,573)**
Total	**78,663**	**(47,719)**	**(86,522)**	**2,371**	**(53,207)**

The next table breaks down the cash flow statement for the continuing operations by segment in 2020 (in thousands of euros):

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Effect of foreign exchange rate changes	Change in cash flows in the year
Education	61,504	376,633	(11,126)	(11,329)	**415,682**
Media	(24,243)	7,820	(22,423)	(1,124)	**(39,970)**
Others	16,897	41,406	(404,103)	0	**(345,800)**
Total	**54,158**	**425,859**	**(437,652)**	**(12,453)**	**29,912**

The next table breaks down the cash flow statement for the discontinuing operations (generated by Santillana Spain and Grupo Media Capital) in 2020 (in thousands of euros):

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Change in cash flows in the year
Santillana España	50,874	(19,788)	(5,699)	**25,387**
Media Capital	6,570	(14,566)	7,996	-

The detail of capex for the continuing operations in 2021 and 2020 by business segment is as follows (in thousands of euros):

	2021			2020		
	Property, plant and equipment	Intangible assets	Total	Property, plant and equipment	Intangible assets	Total
Education	7,724	26,436	34,160	10,432	24,440	34,872
Media	3,165	7,892	11,057	2,630	7,004	9,634
Other	47	2	49	837	68	905
Total	**10,936**	**34,330**	**45,266**	**13,899**	**31,512**	**45,411**

The table below shows a breakdown of the investments of discontinued operations, i.e. by Santillana Spain y Media Capital in 2020 with property, plant and equipment and intangible assets (in thousands of euros):

	Santillana España	Media Capital
Property, plant and equipment	209	998
Intangible assets	7,360	249
Total	**7,569**	**1,247**

The Group's activities are located in Europe and America. Operations in Europe are carried out mainly in Spain. The activity in America develops in more than 20 countries mainly in Brazil, Mexico, Colombia and Chile.

The following table shows the breakdown of income and the result before minority interests and taxes of the Group according to the geographical distribution of the entities that originate them:

	Thousands of euros					
	Revenue		**Other income**		**Profit before tax from continuing operations**	
	2021	**2020**	**2021**	**2020**	**2021**	**2020**
Europe	**314,463**	**284,335**	**7,250**	**5,949**	**(135,145)**	**(180,680)**
Spain	312,003	279,543	7,220	5,906	(135,229)	(184,300)
Rest of Europe	2,460	4,792	30	43	84	3,620
America	**414,887**	**406,607**	**4,568**	**3,750**	**53,579**	**14,288**
Colombia	69,111	65,703	456	395	5,135	(99)
Brazil	145,787	151,285	816	660	15,479	24,749
Mexico	71,324	62,541	398	821	10,988	(48)
Chile	31,543	34,402	1,031	1,327	5,461	(12,462)
Rest of America	97,122	92,676	1,867	547	16,516	2,148
Total	**729,350**	**690,942**	**11,818**	**9,699**	**(81,566)**	**(166,392)**

The following table shows the breakdown of assets of the Group according to the geographical distribution of the entities that originate them:

	Thousands of euros			
	Non- current assets (*)		**Total assets**	
	12/31/2021	**12/31/2020**	**12/31/2021**	**12/31/2020**
Europe	**152,306**	**197,480**	**363,789**	**472,990**
Spain	152,288	197,385	360,832	467,909
Rest of Europe	18	95	2,957	5,081
America	**189,956**	**192,723**	**514,494**	**498,729**
Colombia	26,749	31,531	70,607	78,694
Brazil	70,259	67,269	192,574	165,562
Mexico	44,482	38,712	89,674	87,943
Chile	37,186	42,510	72,153	78,766
Rest of America	11,280	12,701	89,486	87,764
Total	**342,262**	**390,203**	**878,283**	**971,719**

(*) Include property, plant and equipment, goodwill, intangible assets, investments accounted for using the equity method and other non-current assets.

(18) TAX MATTERS

In Spain, Promotora de Informaciones, SA, is subject to the special tax consolidation regime, in accordance with the Corporate Tax Law, which is the dominant entity of the Group identified as number 2/91 and composed of all those subsidiaries (*see Annexe I*) which meet the requirements for this status by the regulations governing the taxation of consolidated profits of the Groups of Companies.

GLR Services, Inc. also files consolidated tax returns in the United States together with its subsidiaries that meet the requirements for application of this special consolidated tax regime.

The other Group subsidiaries file individual tax returns, in accordance with the tax legislation prevailing in each country.

In financial year 2020, as in prior years, certain Group companies performed or participated in corporate restructuring operations under the special tax neutrality regime. The disclosures required by the tax legislation that arises from the application of the aforementioned transactions are included in the notes to the financial statements of the related Group companies for the year in which these transactions were carried out.

Also, in prior years, several tax group companies availed themselves of tax credits for the reinvestment of extraordinary income under Article 21 of the repealed Spanish Corporation Tax Law 43/1995. The disclosures required by this Law are made in the notes to the financial statements of the corresponding companies.

a) Reconciliation of the accounting profit to the taxable profit

The following table shows reconciliation, in thousands of euros, of the result of applying the current standard tax rate in Spain to the consolidated net accounting profit of continuing operations, calculated under International Financial Reporting Standards, to the consolidated Group's income tax expense for 2021 and 2020.

	Income statement	
	2021	**2020**
CONSOLIDATED NET PROFIT UNDER IFRS BEFORE TAX FROM DISCONTINUED OPERATIONS	**(81,566)**	**(166,392)**
Tax charge at 25%	(20,391)	(41,598)
Consolidation adjustments	(1,881)	24
Temporary differences	2,375	1,900
Permanent differences (1)	18,711	14,665
Tax loss carry forwards	(69)	(921)
Deductions and bonuses	(111)	(251)
Non-activation effect of tax income (2)	17,010	39,563
Effect of applying different tax rates (3)	3,746	2,871
Current income tax expense	**19,390**	**16,253**
Deferred tax expense for temporary differences	**(2,665)**	**(2,352)**
Previous income tax	**16,725**	**13,901**
Adjustment of prior years' tax (4)	(1,042)	63,975
Foreign tax expense (5)	3,456	2,400
Employee profit sharing and other expense concepts (6)	1,096	795
Adjustments to consolidated tax	734	-
TOTAL INCOME TAX	**20,969**	**81,071**

(*)Parentheses indicate income

(1) The permanent differences mainly arise from (i) the different accounting and tax recording criteria of the expenses derived from certain provisions, (ii) non-deductible expenses and non-computable income for tax purposes, (iii) the negative adjustment that can be accounted for by the merger tax difference, attributable to 2018, arising from the merger of the companies Promotora de Informaciones, S.A. and Prisa Televisión, S.A.U. (absorption merger described in Note 17 of the Report of Promotora de Informaciones, S.A. for the year 2013), and applying the requirements of the then current article 89.3 of the Tax Law to grant it a tax effect, (iv) of the 5% taxation of dividends , (v) a negative adjustment resulting from the recovery for tax purposes of one tenth of the amount adjusted in previous years as a result of the limitation of the deductibility of amortization expense, and (vi) from limitation of the deductibility of financial expenses outlined in article 16 of the Income Tax Law.

(2) This relates to the effect of companies that have not recognised a deferred tax asset because they accrued losses in the year.

(3) This relates to the effect of taxation of profits from American subsidiaries at different rates.

(4) It refers to the effect on the income statement arising from the regularization of Corporate Income Tax for previous years and the accounting record of the effect of the 2016-2018 inspection.

(5) This relates to the expense for taxes paid abroad, which arose from withholdings at source on the income from exports of services provided by the Group's Spanish companies abroad and dividends.

(6) The P.T.U. is one more component of the Income Tax expense in some countries such as Mexico and Ecuador.

b) Deferred tax assets and liabilities

2021-

The following table shows the origin and amount of the deferred tax assets and liabilities recognized at year-end 2021 (in thousands of euros):

DEFERRED TAX ASSETS ARISING FROM:	12/31/2020	Additions	Disposals	12/31/2021
Tax loss carry forwards	10,718	610	(2,414)	8,914
Other temporary differences	31,845	8,003	(3,161)	36,687
Total	**42,563**	**8,613**	**(5,575)**	**45.601**

DEFERRED TAX LIABILITIES ARISING FROM:	12/31/2020	Additions	Disposals	12/31/2021
Deferral for reinvestment of extraordinary income	1,044	-	(38)	1,006
Accelerated amortization	2,568	423	(67)	2,924
Different accounting and tax recognition criteria for income and expenses	4,720	2,555	-	7,275
Other	8,508	1,676	(54)	10,130
Total	**16,840**	**4,654**	**(159)**	**21,335**

The net increase in *"Deferred tax assets"* reflects the effect of the completion of the 2016-2018 tax audit, the effect of the accounting recognition of tax credits consequence of temporary differences and losses losses generated in certain companies of the Santillana and radio business in Latin America during the year and exchange rate fluctuations.

The net variation in *"Deferred tax liabilities"* mainly reflects the different accounting and tax allocation criteria for certain intangible amortisation expenses and certain institutional sales in Brazil.

The Group has not recognised any deferred tax liabilities in relation to the 5% taxation of dividends to be received from 2021 onwards by Spanish companies as no tax liability is expected to arise in this regard based on our best estimate of the taxable profit.

2020-

The following table shows the origin and amount of the deferred tax assets and liabilities recognized at year-end 2020 (in thousands of euros):

DEFERRED TAX ASSETS ARISING FROM:	12/31/2019	Transfers	Additions	Disposals	12/31/2020
Non-deductible financial expenses	40,244	(2)	-	(40,242)	-
Unused tax credit recognized	16,436	-	-	(16,436)	-
Tax loss carry forwards	16,824	-	3,221	(9,327)	10,718
Other temporary differences	42,746	(356)	562	(11,107)	31,845
Total	**116,250**	**(358)**	**3,783**	**(77,112)**	**42,563**

DEFERRED TAX LIABILITIES ARISING FROM:	12/31/2019	Transfers	Additions	Disposals	12/31/2020
Impairment losses on equity investments and goodwill	217	(217)	-	-	-
Deferral for reinvestment of extraordinary income	1,423	-	-	(379)	1,044
Accelerated amortization	3,237	-	7	(676)	2,568
Different accounting and tax recognition criteria for income and expenses	7,169	-	727	(3,176)	4,720
Other	12,947	-	28	(4,467)	8,508
Total	**24,993**	**(217)**	**762**	**(8,698)**	**16,840**

The tax assets and liabilities on the consolidated balance sheet at year-end 2020 are recognized at their estimated recoverable or cancellable amount.

There are no significant temporary differences arising from investments in subsidiaries, branches, associates or joint ventures that generate deferred tax liabilities.

There are no significant amounts arising from temporary differences associated with retained earnings of subsidiaries in jurisdictions where different tax rates are applied and, therefore, no deferred tax liabilities were recognized in this connection.

The majority of the balance of deferred tax assets corresponds to (i) tax credits arising from tax loss carryforwards and (ii) and temporary differences, mainly generated by subsidiaries in Latam.

Included below is the breakdown, in thousands of euros, of the prior years' tax losses of Spanish companies available for offset against future profits, showing the year in which they were incurred.

	2021			2020		
Year incurred	**Amount**	**Recognized**	**Not recognized**	**Amount**	**Recognized**	**Not recognized**
1999	84	-	84	84	-	84
2000	1,200	-	1,200	1,571	-	1,571
2001	1,002	-	1,002	3,196	-	3,196
2002	890	-	890	1,768	-	1,768
2003	2,167	-	2,167	2,893	-	2,893
2004	2,069	-	2,069	3,397	-	3,397
2005	1,036	-	1,036	1,357	-	1,357
2006	535	-	535	716	-	716
2007	71	-	71	2,790	-	2,790
2008	599	-	599	2,171	-	2,171
2009	419	-	419	419	-	419
2010	80	-	80	80	-	80
2011	134,217	-	134,217	139,399	-	139,399
2012	249,355	-	249,355	220,652	-	220,652
2013	43,897	-	43,897	44,774	-	44,774
2014	36,841	-	36,841	36,885	-	36,885
2015	626,769	-	626,769	629,961	-	629,961
2016	88	-	88	88	-	88
2017	155,899	-	155,899	153,620	-	153,620
2018	42,982	-	42,982	45,238	-	45,238
2019	30,801	-	30,801	30,909	-	30,909
2020	60,080	8	60,072	73,828	8	73,820
2021	65,852	-	65,852	-	-	-
Total	**1,456,933**	**8**	**1.456.925**	**1,395,796**	**8**	**1,395,788**

The breakdown by country of the tax loss carryforwards of the Group's foreign companies is shown below, in thousands of euros:

2021-

Year incurred	Argentina	Brazil	Chile	Colombia	Ecuador	Mexico	Peru	Puerto Rico	Dominican Republic	USA	TOTAL
2001	-	-	-	-	-	-	-	-	-	1,067	**1,067**
2002	-	-	-	-	-	-	-	-	-	22	**22**
2003	-	-	-	-	-	-	-	-	-	137	**137**
2004	-	-	-	-	-	-	-	-	-	567	**567**
2005	-	-	292	-	-	-	-	-	-	1,592	**1,884**
2006	-	-	1	-	-	-	-	-	-	6,165	**6,166**
2007	-	113	18	-	-	-	-	-	-	4,880	**5,011**
2008	-	100	24	-	-	-	-	-	-	3,564	**3,688**
2009	-	52	18	-	-	-	-	-	-	3,486	**3,556**
2010	-	33	191	-	-	-	-	-	-	2,011	**2,235**
2011	-	71	701	-	-	-	-	-	-	561	**1,333**
2012	-	101	735	-	-	949	-		-	2,272	**4,057**
2013	-	1,009	1,338	-	-	458	-	-	-	2,904	**5,709**
2014	-	2,861	1,292	-	-	438	-	-	-	3,037	**7,628**
2015	-	710	706	-	-	1,064	-	-	-	796	**3,276**
2016	-	1,084	713	-	-	3,431	-	-	-	2,173	**7,401**
2017	68	1,036	678	1,023	-	2,793	-	-	-	1,896	**7,494**
2018	91	938	730	428	-	3,341	-	-	-	4,558	**10,086**
2019	175	789	1,142	-	-	4,109	-	-	-	1,457	**7,672**
2020	241	1,362	3,227	4,166	3,053	2,839	462	-	123	726	**16,199**
2021	523	937	1,219	-	-	1,611	1,308	131	-	747	**6,476**
Total	**1,098**	**11,196**	**13,025**	**5,617**	**3,053**	**21,033**	**1,770**	**131**	**123**	**44,618**	**101,664**
Recognized	-	3,482	8,037	5,617	3,053	9,730	350	131	123	0	**30,523**
Not Recognized	1,098	7,714	4,988	-		11,303	1,420	-	-	44,618	**71,141**
Period for offset	5 years	Unlimited	Unlimited	12 years	5 years	10 years	4 years	10 years	5 years	20 years/ unlimited	

2020-

Year incurred	Argentina	Brazil	Colombia	Chile	Mexico	Peru	Ecuador	Republica Dominicana	USA	TOTAL
2002									20	**20**
2003									67	**67**
2004									528	**528**
2005				306					1,482	**1,788**
2006				1					5,740	**5,741**
2007				19					4,544	**4,563**
2008				25					3,318	**3,343**
2009		40		19					3,246	**3,305**
2010		33		161	36				1,872	**2,102**
2011		70		717	463				523	**1,773**
2012		129		1,143	824				2,115	**4,211**
2013		3,305		1,016	421				2,650	**7,392**
2014		2,845		942	380				2,365	**6,532**
2015		706	53	582	925				-	**2,266**
2016	181	1,078		983	4,046				1,766	**8,054**
2017	336	1,031	2,111	757	2,463				1,490	**8,188**
2018	484	216	470	709	2,946				4,215	**9,040**
2019	1,273	785		1,523	3,846				717	**8,144**
2020	642	1,355	6,283	1,899	1,122	659	3.206	132	768	**16,066**
Total	**2,916**	**11,593**	**8,917**	**10,802**	**17,472**	**659**	**3,206**	**132**	**37,426**	**93,123**
RECOGNIZED	0	6,001	8,668	10,247	8,389	0	3,206	132	0	36,643
NOT RECOGNIZED	2,916	5,592	249	555	9,083	659	0	0	37,246	56,480
Period for offset	5 years	Unlimited	12 years	Unlimited	10 years	4 years	5 years	5 years	20 years/ Unlimited	

c) Years open for review by the tax authorities

The fiscal years open for review by the tax authorities for the main taxes vary from one consolidated company to another, although they generally include the last four fiscal years. In Spain, corporation tax is open to examination, as are VAT, personal income tax withholdings and tax on the income of non-residents since 2019, since inspections terminated in this year for the tax years 2016 to 2018.

In 2013, the tax consolidation inspections of the Group for the Corporate Tax corresponding to 2006 to 2008 ended with the opening of a signed Notice of disagreement for the amount of EUR 9 thousand, which was paid by Promotora de Informaciones, S.A. However, the Company was not in agreement with the criteria maintained by the inspection in the proposed adjustment, and the relevant claims and appeals have been filed, and on the date of authorized for issue of these financial statements, they are pending resolution before the Supreme Court. No additional equity impact will be derived from these actions.

With regard to the Value Added Tax for the period from June 2007 to December 2008, the audits were finalized in the year 2013 with the opening of two Notices, one for EUR 539 thousand, and the other for EUR 4,430 thousand, both they have been the object of the pertinent claims and appeals, pending resolution before the Supreme Court. No additional equity impact will be derived from these actions.

In 2016 ended the audit procedure regarding the Value Added Tax for the period of May 2010 to December 2011 of VAT Group 105/08 of which Promotora de Informaciones, S.A. is the parent company, with the signing of a notice of agreement for the amount of EUR 512 thousand, which was paid and recorded in 2016; and another notice of disagreement for the amount of EUR 7,785 thousand, which, although it was appealed, was also paid and recorded with a charge to the profit and loss account. Promotora de Informaciones, S.A. filed an economic-administrative appeal which was partially upheld by the TEAC. During the year, the partially upholding Resolution of the TEAC has been executed, which has generated a return of EUR 8,068 thousand.

Inspection procedures for personal income tax withholdings for the period between May 2010 and December 2012 also ended in that year, and Promotora de Informaciones, S.A. signed notice of disagreement in the amount of EUR 196 thousand. In 2020 an estimatory ruling was received on the economic-administrative appeal relating to the personal income tax dossier for the period May 2010 to December 2012, in addition to the disciplinary proceedings derived from these inspections, and in 2021 EUR 229 thousand were refunded as a result of execution of this estimatory ruling.

Similarly, they ended in 2016, the audits related to the Corporate Tax corresponding to 2009 to 2011 in Fiscal Consolidation Group 2/91, of which Promotora de Informaciones, S.A. is the parent company, resulting in the signing of a Notice in disagreement with no amounts payable and whose impact was recorded in accounting in that year. The Company filed the corresponding economic-administrative appeal with the TEAC and, subsequently, an administrative appeal was filed with the National Court of Spain, which is pending resolution. No additional equity impact will be derived from these actions.

In 2019 the inspections of corporation tax for the years 2012 to 2015 came to an end, no amounts were stipulated for deposit, and the main effect of this was a redistribution of tax credits from one category to another. The Company filed the corresponding economic-administrative appeal to the TEAC, and subsequently a contentious-administrative appeal to the "Audiencia Nacional" court, which is currently pending a ruling.

In 2019, the 2012 and 2013 Corporate Income Tax inspections for the Group 194/09 of which Prisa Radio, S.A, was the dominant company, and the Corporate Income Tax inspection for 2012 to 2015 were completed for the Fiscal Consolidation Group 2/91, of which Promotora de Informaciones, S.A., is a dominant company, with the signing of two economic-administrative appeals from which no payable fee has been derived, and whose main effect has been a redistribution in tax credits from one category to another. The Companies submitted the corresponding economic-administrative appeal to the TEAC court, and then filed contentious-administrative appeals to the Audiencia Nacional, currently pending a ruling.

Also in 2021, the inspection procedures relating to Value Added Tax for the periods 2016-2018 of VAT Group 105/08 were completed, with the signing of (i) a conformity assessment for the years 2017 and 2018 from which no tax liability arose and (ii) a settlement agreement relating to the 2016 financial year amounting to EUR 147 thousand, which will be paid by the Company before May 5.

Also, in the 2021 financial year, the inspection procedure to Corporate Tax relating to the 2016 to 2018 financial years of tax consolidation group 2/91, of which Promotora de Informaciones, S.A. is the parent, was completed with the signing of an Act of Conformity resulting in an amount of EUR 789 thousand to be returned.

Finally, inspections have come to an end relating to withholdings by residents and non-residents in 2017 and 2018 for Prisa, SER, Santillana Global and Grupo Santillana de Educación Global, with no regularisations arising for the Companies.

The provision for taxes *(see note 12)* includes an amount of EUR 624 thousand to cover, mainly, the impact of probable unfavourable rulings upheld during the various tax proceedings described above.

It is not expected that there will be accrued liabilities of consideration, in addition to those already registered, as a result of these procedures or of a future and possible inspection.

(19) ALLOCATION OF RESULTS

The proposal for the allocation of the loss of Promotora de Informaciones, S.A. by the Directors for 2021 is as follows (in thousands of euros):

	Amount
Basis of appropriation	
Result for the year	55,593
Distribution-	
To offset negative results from previous years	49,144
To legal reserve	5,559
To voluntary reserves	890

(20) RESULT PER SHARE

Basic result per share was calculated by dividing the result for the year attributable to equity holders of the Parent by the weighted average number of ordinary shares in circulation during the period.

The basic result per share attributed to equity holders of the Parent corresponding to continuing and discontinued operations in 2021 and 2020 were the following:

	Thousands of euros	
	12/31/2021	12/31/2020
Result for the year from continuing operations attributable to the Parent	(103,198)	(233,176)
Result after tax from discontinued operations attributable to the Parent	(3,308)	322,913
Result for the year attributable to the Parent	(106,506)	89,737
Weighted average number of ordinary shares outstanding (thousands of shares)	706,422	706,864
Basic result per share of continuing operations (euros)	**(0.15)**	**(0.33)**
Basic result per share of discontinued operations (euros)	**(0.00)**	**0.46**
Basic result per share (euros)	**(0.15)**	**0.13**
Diluted result per share (euros)	**(0.15)**	**0.13**

In 2020, considering the same weighted average number of ordinary shares outstanding as in 2021, the basic loss per share of continuing and discontinued operations would not be modified.

In 2020, the effect of the medium-term incentive was considered for the calculation of diluted earnings per share, which led to an increase in the average number of shares of 2,138 thousand shares. For 2021, this effect has not been considered since it would have an anti-dilution effect by reducing losses per share.

Weighted average number of ordinary shares outstanding in 2021 and 2020:

	Thousands of shares	
	2021	2020
Ordinary shares at December 31	708,650	708,650
Weighted average of treasury shares	(2,228)	(1,786)
Weighted average number of ordinary shares outstanding for basic earnings per share	**706,422**	**706,864**

(21) RELATED PARTY TRANSACTIONS

The detail of the balances receivable from and payable to associates and related parties in 2021 and 2020 is as follows:

	12/31/2021		12/31/2020	
	Group employees, companies or entities	Significant shareholders	Group employees, companies or entities	Significant shareholders
Trade receivables	4,807	14,328	3,797	669
Receivables- loans	3,073	-	2,343	-
Total receivables	**7,880**	**14,328**	**6,140**	**669**
Trade payables	1,123	223	1,034	2,157
Payables- loans	-	-	25	250,588
Total payables	**1,123**	**223**	**1,059**	**252,745**

Balance with Group employees, companies or entities-

Receivables loans at December 31, 2020 mainly include and the loans granted by Sociedad Española de Radiodifusión S.L. to Green Emerald Business Inc in the amount of EUR 2,642 thousand (EUR 2,203 thousand at December 31, 2020).

Balance with significant shareholders-

The aggregate amount of EUR 14,328 thousand (EUR 669 thousand in 2020) mainly included the amounts pending of collection for advertising services of Prisa Group companies to the Vivendi Group

The transactions performed with related parties in 2021 and 2020 were as follows (in thousands of euros):

	12/31/2021			12/31/2020		
	Directors and executives	Group employees, companies or entities	Significant shareholders	Directors and executives	Group employees, companies or entities	Significant shareholders
Services received	-	1,086	1,854	-	579	6,828
Finance expenses	-	222	-	-	367	19,961
Leases	-	331	-	-	1,637	1,606
Other expenses	15,088	2,745	-	6,976	390	51
Total expenses	**15,088**	**4,384**	**1,854**	**6,976**	**2,973**	**28,446**
Finance income	-	518	-	-	71	-
Dividends received	-	220	-	-	12,432	-
Provision of services	-	14,376	24,705	-	6,821	3,078
Leases	-	-	1	-	-	29
Other income	-	25	-	-	22	205
Total revenues	**-**	**15,139**	**24,706**	**-**	**19,346**	**3,312**

All related party transactions have taken place under market conditions.

Transactions between with Directors and executives -

The aggregate amount of EUR 15,088 thousand relates to the accrued salaries of directors for an amount of EUR 4,769 thousand (*see note 22*) and executives for an amount of EUR 10,319 thousand.

<u>Senior management compensation</u>

The total aggregate compensation in 2021 amounts to EUR 10,319 thousand (EUR 4,380 thousand in 2020) and is the accounting reflection of the overall compensation of managers. Therefore, it does not match with the remuneration accrued that will be included in the Annual Report of Corporate Governance 2021 in which is followed the criteria required by the CNMV in the "Circular 3/2021 of the CNMV", which is not the accounting provision basis.

In 2020, in the context of the COVID-19 crisis and in order to mitigate the negative impact of the situation which had a special effect on the main sources of income generation of all kind of media, Prisa Board of Directors resolved to put in place a contingency plan with a reduction of around 35% in the Senior Management remuneration. Likewise, the members of Prisa's Senior Management voluntarily waived, in relation to the financial year 2020, the part of the annual variable remuneration referred to quantitative objectives *(see note 22)*.

Subsequently, in January 2021, Mr. Pujol (at that time General Secretary and Secretary to the Board) likewise waived part of his 2020 annual variable compensation for achieving qualitative objectives. Thus, Mr. Pujol voluntarily waived all annual variable compensation for 2020.

In addition, in 2021 with the pandemic still rampant and no return yet foreseen to sufficient revenue levels, new temporary interim measures were needed to contribute to dealing with this complicated scenario. Consequently, toward that end, the Board of Directors agreed, among other aspects, propose, to all employees with annual gross compensation of EUR 85 thousand or higher, a temporary salary reduction (of 10% of their fixed compensation) during 2021 (*see note 22*).

<u>Regarding fiscal year 2021:</u>

i. The aggregate compensation of the managers is the compensation of members of senior management who are not executive directors of Prisa. As of December 31, 2021, the managers were the following: the Secretary to the Board of Directors (Mr Pablo Jiménez de Parga, who joined the Company in July 2021), the CFO (Mr David Mesonero, who also joined the Company in July 2021), the Chief of Communication and Institutional Relations (Mr Jorge Rivera) and the Prisa's Director of Internal Audits (Ms Virginia Fernández).

   Until June 2021 members of senior management were the members of the now extinct Management Committee and those who were generally in attendance at its meetings who were not executive directors of Prisa and had an employment or mercantile relationship with Prisa and other companies in the Group, and the Internal Audit Manager of Prisa. Consequently, the overall remuneration of the Senior Management includes that of Mr Xavier Pujol, Mr Guillermo de Juanes, Mr Augusto Delkader, Mr Miguel Angel Cayuela, Mr Pedro García-Guillén and Mr Alejandro Martínez Peón, until they respectively ceased as General Secretary and Secretary to the Board of Directors, CFO, Director Editorial, CEO of Santillana, CEO of Prisa Radio and CEO of Prisa Noticias. Likewise, included is the remuneration of the previous members and assistants of the Management Committee, Mr. Jorge Bujía (Director of Risk Control and Management Control) and Ms. Marta Bretos (Director of HR and Talent Management), until June 30, 2021.

ii. Mr. Jiménez de Parga has entered into a contract with the company for the provision of professional services in which his compensation for those services consists exclusively of a fixed monthly amount.

iii. Remuneration of senior management includes, inter alia:

- Annual variable compensation (bonus): reflection of the amount corresponding to theoretical annual variable compensation of the executives if 2021 management objectives are achieved. However, since this compensation is subject to achievement of the management objectives at the end of the year 2021, the accounting figure in no way constitutes acknowledgment that that variable compensation has accrued, which will occur, if at all, once the year is closed and the 2021 annual accounts of the Group are prepared, based on the level of achievement of the established objectives.

- Regularization of 2020 bonus paid in 2021, taking into account that: i) in April 2020 the Directors voluntarily waived, in relation to the 2020 financial year, the part of the annual variable remuneration that refers to quantitative objectives and ii) in January 2021 Mr. Pujol also waived the part of the annual variable remuneration corresponding to qualitative objectives.

- In 2021, an expense of EUR 744 thousand was recorded for the "Incentive Plan 2018-2020", in relation to the Managers *(see note 22)*.

- In the 2021 an expense amounting to EUR 6,671 thousand has been recorded as a consequence of the termination of the contractual relationship (indemnities and compensation for non-competition agreement) of 6 of the managers mentioned above.

Regarding fiscal year 2020:

i. In 2020 members of Senior management were the following: Mr. Xavier Pujol, Mr. Guillermo de Juanes, Mr. Jorge Bujía, Mr. Augusto Delkáder, Mr. Jorge Rivera, Ms. Marta Bretos, Mr. Miguel Angel Cayuela, Mr. Pedro García-Guillén, Mr. Alejandro Martinez Peón, Mr Luis Cabral (until June 2020) and Ms. Virginia Fernández.

ii. The remuneration of senior management included, inter alia:

- Annual variable compensation (bonus): reflection of the amount corresponding to theoretical annual variable compensation of the executives if 2020 management objectives were achieved. However, since this compensation was subject to achievement of the management objectives at the end of the year 2020, the accounting figure in no way constituted acknowledgment that that variable compensation had accrued, which will occur, if at all, once the year is closed and the 2020 annual accounts of the Group are prepared, based on the level of achievement of the established objectives. As already stated above, members of Prisa's Senior Management voluntarily waived, in relation to the financial year 2020, the part of the annual variable remuneration that refers to quantitative objectives.

- Regularization of 2019 bonus paid in 2020.

- In 2020, an expense of EUR 178 thousand was recorded for the "Incentive Plan 2018-2020", in relation to the Managers. It should be noted the fact that, in 2020, the provision for previous years had been reversed, when evaluating the degree of achievement of the Plan's quantitative objectives, which have been adversely impacted by the COVID-19 crisis.

- In 2020, the Board of Directors approved two extraordinary bonuses for the CEO of Prisa and for certain managers, linked to the success of two important strategic transactions, namely the sale of the education business of Grupo Santillana Educación Global, S.L.U. in Spain and the refinancing of Grupo Prisa's financial debt with its creditors.

  Payment was in cash based on a scale of a series of predefined targets. In 2020 an expense of 975 thousand euros was recorded for this concept in relation to members of senior management.

Transactions between Group employees, companies or entities-

The aggregate amount of EUR 4,384 thousand (EUR 2,973 thousand at December 31, 2020) is mainly includes the expense for holding events with Planet Events, S.A., the expenditure derived from the leasing of frequencies of radio with associates companies and the advertising commission expense with Wemass Media Audience Safe Solutions, S.L.

At December 31, 2020, the aggregate amount of EUR 12,432 thousand was mainly accounted for by dividends received by Sociedad Española de Radiodifusión, S.L. from its stake in Sistema Radiópolis, S.A. de C.V.

Finally, the aggregate amount of EUR 14,376 thousand (EUR 6,821 thousand at December 31, 2020) mainly includes the income received for commercialization of advertising with Wemass Media Audience Safe Solutions, S.L., the income received by Radio in Spain from provision of technical assistance and advisory services and the income for sale of newspapers to Kioskoymás, Sociedad Gestora de la Plataforma Tecnológica, S.L.

Transactions between with significant shareholders -

The aggregate amount of EUR 1,854 thousand consists of the expense for purchases of advertising space with Vivendi Group. In 2020 the expenditure on telephony and internet with Telefónica, S.A as well as the financial expense with HSBC Holding, PLC was also included as they were significant shareholders of the Company.

Meanwhile, the aggregate amount of EUR 24,706 thousand mainly consists of income of Prisa Group companies for advertising services with Vivendi Group.

The detail of other transactions performed with related parties in 2021 and 2020 is as follows (in thousands of euros):

	12/31/2021		12/31/2020	
	Group employees, companies or entities	Significant shareholders	Group employees, companies or entities	Significant shareholders
Financing agreements: loans granted	119	-	420	-
Financing agreements: loans received	-	-	-	260,147

Transactions between with significant shareholders -

As of December 31, 2020, the amount of EUR 260,147 thousand included:

- ICO loans granted by Banco Santander, S.A. to Santillana and Radio amounting to EUR 18,000 thousand.
- Loans granted by Banco Santander, S.A. and HSBC Holding, PLC within the framework of the Refinancing amounting to EUR 242,147 thousand *(see note 11b).*

The director Shk. Dr. Khalid bin Thani bin Abdullah Al Thani is Chairman of the Dar Al-Sharq media group, which until September 2021 has maintained a strategic alliance with Diario As (a Prisa Group company), by virtue of which in 2017 they jointly launched "AS Arabia".

(22) REMUNERATION AND OTHER BENEFITS OF DIRECTORS

In 2021 and 2020, the companies of the Group registered the following amounts in respect of remuneration to Group's Board members:

	Thousands of euros	
	12/31/2021	12/31/2020
Compensation for belonging to the Board and/ or Board Committees	1,044	1,273
Salaries	705	463
Variable compensation in cash	676	(223)
Compensation systems based on shares	322	77
Severance compensation	1,742	-
Other	280	1,006
Total	**4,769**	**2,596**

i. The aggregated remuneration of Prisa directors and members of senior management reflected in the table above corresponds to the expense recorded by Promotora de Informaciones, S.A. (Prisa) and other companies of its Group and consequently it corresponds to the accounting provisions registered in the income statement.

ii. Therefore the compensation included in the table above, do not match, in some respects, with the remuneration that will be included in the Annual Remuneration Report of the Directors 2021 (IR) and in the Annual Report on Corporate Governance 2021 (IAGC), in which it is followed the criteria required by the "Circular 3/2021 of the CNMV, which is not the accounting provision basis.

iii. In 2020, in the context of the COVID-19 crisis and in order to mitigate the negative impact of the situation which had a special effect on the main sources of income generation of all kind of media, Prisa Board of Directors resolved to put in place a contingency plan to adjust the cost structures of the businesses to the foreseeable circumstances of the following months, with a reduction of 20% in the directors remuneration and around 35% in the annual remuneration of the then Chief Executive Officer (Mr. Manuel Mirat) and the Senior Management, from April to December 2020, both months inclusive. Likewise, Mr Mirat and the members of Prisa's Senior Management voluntarily waived, in relation to the financial year 2020, the part of the annual variable remuneration referred to quantitative objectives.

Subsequently, in January 2021, Mr. Mirat (then CEO) likewise waived part of their 2020 annual variable compensation for achieving qualitative objectives. Thus, Mr. Mirat voluntarily waived all annual variable compensation for 2020.

In addition, in 2021 with the pandemic still rampant and no return yet foreseen to sufficient revenue levels, new temporary interim measures were needed to contribute to dealing with this complicated scenario. Consequently, toward that end, the Board of Directors resolved: i) to propose, to all employees with annual gross compensation of EUR 85 thousand or higher, a temporary salary reduction (of 10% of their fixed compensation) during 2021, including Mr Mirat; ii) to apply a 20% reduction in the compensation of Board members during the same time period (although this would not affect the remuneration of the non-executive Chairman, whose compensation has already been cut by 50%, from EUR 400 thousand to EUR 200 thousand). These measures were announced in the Directors Compensation Report filed with the CNMV on March 24, 2021 (register no. 8132).

Regarding the 2021 financial year:

i. In 2021 our operations were split into the two Grupo Prisa business areas of Education and Media, each with an Executive Chairman who is likewise an executive director of Prisa.

   Mr. Carlos Nuñez is the head and Executive Chairman of Prisa Media since May 24, 2021. Mr. Nuñez joined Prisa’s Board of Directors on June 29, 2021.

   Mr. Manuel Mirat Santiago ceased to be Prisa’s CEO on June 29, 2021 and on that same date took over as head of the Education area, assuming the duties of Santillana’s executive chairman. Subsequently, on July 27, 2021 the Board of Directors approved the succession to Santillana’s chairmanship and Mr. Mirat was replaced by Mr. Francisco Cuadrado as Santillana’s executive chairman. On that same date, Mr. Mirat resigned as executive director of Prisa and the Board of Directors appointed Mr. Cuadrado as an executive director of Prisa to fill the vacancy existing on Prisa’s Board.

ii. As a result of the above, the Company has evolved from having a single executive director (the former CEO, Mr. Manuel Mirat) to having two executive directors, one being the Executive Chairman of Education (Santillana) (Mr. Francisco Cuadrado) and the other being Executive Chairman of Prisa Media (Mr. Carlos Nuñez). Compensation for Messrs. Cuadrado and Nuñez are paid respectively by Santillana and Prisa Media.

iii. Until his appointment as Executive Chairman of Santillana and Prisa director, Mr. Cuadrado was Santillana’s Director General of Education, but the compensation reflected in the table above is solely what Mr. Cuadrado has received since his appointment as Prisa director (on July 27, 2021).

The table above includes compensation for Mr. Nuñez from the moment he assumed the duties of Executive Chairman of Prisa Media on May 24, 2021.

As for accounting for the expenses involved in Mr. Manuel Mirat's compensation, part was included under Prisa (the part concerning his duties as Prisa CEO until June 29, 2021 as well as the termination of his contract with the Company), while another part was included under Santillana (for his duties as Executive Chairman of Santillana during the month of July, 2021).

iv. The overall remuneration of the Board of Directors includes that of Mr. Javier de Jaime Guijarro and Mr Dominique D´Hinnin up to the time of their resignation as directors in February and November 2021, respectively.

v. Variable compensation in cash includes the following ítems:

- Annual variable compensation (bonus) for Mr Manuel Mirat, for 2021 in the amount of EUR 175 thousand, which was paid when his contract with the Company was terminated in July, 2021.

- Regularization of 2020 Mr Mirat´s bonus, taking into consideration the position expressed by Mr Mirat to waive the annual variable remuneration that may correspond to him in 2020. In 2021 a negative amount of EUR 60 thousand was recorded in relation to this item.

- Reflection of the amount corresponding to 2021 theoretical annual variable compensation (bonus) of Mr Carlos Nuñez and Mr Francisco Cuadrado, executive directors of the Company. However, since this compensation is subject to achievement of the management objectives at the end of the year 2021, the accounting figure in no way constitutes acknowledgment that that variable compensation has accrued, which will occur, if at all, once the year is closed and the 2021 annual accounts of the Group are prepared, based on the level of achievement of the established objectives. An expense amounting EUR 313 thousand has been recorded for this item.

  However, it should be noted that Mr. Nuñez's contract exceptionally guarantees the payment of 50% of his reverence bonus for 2021.

- Medium-term Incentive Plan 2020-2023, linked to the creation of value of Santillana: The Directors Compensation Policy for 2021, 2022 and 2023 (approved at the Annual Shareholders Meeting held on June 29, 2021) provides for medium-term incentives linked to value creation in Santillana during the term commencing on September 1, 2020 and ending on December 31, 2023, whose beneficiaries include, among others, the executive director Mr. Francisco Cuadrado. Although Mr. Manuel Mirat was also a beneficiary of this Incentive Plan, he waived all rights in that regard when his contract with the Company was terminated in July, 2021. In 2021 an expense of EUR 247 thousand has been recorded for this item.

The incentive plan will allow the beneficiaries to participate in the creation of value for Santillana during the reference period, provided that they exceed a minimum revaluation target for Santillana and comply with the rest of the conditions established in the regulation of the plan. The beneficiaries will be entitled to receive a percentage in cash of Santillana value creation, defined as the positive difference between the valuation of Santillana (enterprise value) on the plan's termination date (i.e., December 31, 2023) and the commencement date (September 1, 2020), taking into account the amount of dividends distributed as well as other cash flows.

vi. At the Ordinary Shareholders' Meeting held on April 25, 2018, a Medium Term Incentive Plan was approved for the period falling between 2018 and 2020 ("Incentive Plan 2018-2020"), consisting of the award of Company shares linked to stock market value and to the performance of certain economic objectives (EBITDA and Cash-Flow), targeted at the former CEO of Prisa (Mr Mirat) and certain managers, who may receive a certain number of ordinary shares of the Company following a reference period of 3 years, provided that certain predefined requirements are met. The Company assigned a certain number of restricted stock units ("Restricted Stock Units" or "RSUs") to each beneficiary, and specified the objectives (other than the quotation) that must be met in order to benefit from the incentive, which would serve as a reference to determine the final number of shares to be delivered, if is the case.

In 2021 the Board of Directors verified the level of fulfilment of the Ebitda and Cash Flow objectives to which the Incentive Plan was pegged, and the Board agreed the number of shares to be awarded to Mr Mirat at the settlement date (471,900 shares).

It should be noted that, at the request of the beneficiaries of this compensation plan, the Board of Directors resolved that settlement and delivery of this Compensation be delayed until January and February 2022 (according to the general conditions regulating this compensation plan, that delivery should be made within 60 days after the 2020 accounts are prepared).

In 2021 an expense of EUR 322 thousand was recorded for this item in relation to Mr. Mirat, which is included within "Compensation systems based on shares" in the previous table.

Mr. Cuadrado (Executive Chairman of Santillana) has also been a beneficiary of this remuneration plan as a result of his previous responsibilities as General Director of Education at Santillana (before his appointment as director of Prisa in July 2021), so the previous table does not include the accounting expense corresponding to Mr. Cuadrado's remuneration for this concept.

vii. "Severance Compensation" includes accounting expenses resulting from the termination of Mr. Mirat's contract with the company (compensation for termination of contract equal to 18 month's salary; compensation for the termination of Mr. Mirat's previous contract with the Company; additional compensation equivalent to two years' unemployment benefits; and three month's compensation in lieu of notice, as stipulated in Mr. Mirat's contract). Additional information in that regard is provided in the Remuneration Report (RR).

viii. "Others" includes health and life/accident insurance for the former executive director Mr. Manuel Mirat and the current executive directors Mr Carlos Nuñez and Mr Francisco Cuadrado. Likewise included is compensation for Mr. Mirat's post-termination non-competition covenant and the amount paid him for unused vacation days during 2021.

ix. No other credits, advances or loans have been made, nor were pension obligations incurred, in respect of the Board of Directors during 2021.

Regarding the 2020 financial year:

i. The overall remuneration of the Board of Directors includes Mr. Javier Gómez-Navarro's compensation up to the time he ceased as director on June 29, 2020 (once the term for which he was appointed had expired), and compensation for Mr. Javier Monzón de Cáceres and Ms. Sonia Dulá up to the time of they respectively ceased in their functions or resigned on December 18, 2020.

   Also included is Mr Javier Santiso and Mr. Rosauro Varo's remuneration commencing on their appointments as directors on December 22, 2020.

ii. Non-executive chairman's remuneration: Mr. Javier Monzón de Cáceres, who was the non-executive chairman of the Board of Directors, was removed as director during the extraordinary shareholders meeting held on December 18, 2020. In February 2021, the director Mr. Joseph Oughourlian was appointed Non-Executive Chairman of the Board of Directors. Until the moment of his appointment as Chairman, Mr. Oughorlian held the position of non-executive Vice-Chairman, therefore, and pursuant to the Board of Directors Regulation, he was serving as chairman of the Board, from the time of termination of Mr. Monzón.

   The Board of Directors resolved that the remuneration corresponding to the non-executive chairmanship of the Board be reduced from the EUR 400 thousand that Mr. Monzón was earning to EUR 200 thousand with effect from December 22, 2020.

iii. For the performance of executive functions at the Company, the fixed annual compensation in cash of the former CEO amounted to EUR 500 thousand. However, taking into account the extraordinary circumstances of the COVID-19 crisis, a 10% reduction was applied to this remuneration on a pro rata basis for the period between April and December 2020.

iv. Variable compensation in cash includes the following items:

   - Annual variable compensation (bonus): is the reflection of the amount corresponding to theoretical annual variable compensation of Mr Manuel Mirat (former CEO and then sole executive director of the Company), if 2020 management objectives were achieved. Nevertheless, in relation to the 2020 financial year, the CEO voluntarily waived his annual variable remuneration: i) in April 2020 he waived the part of the annual variable remuneration referred to quantitative objectives (that is, 80% of the target amount of EUR 300 thousand) and ii) in January 2021 he waived the part of the annual variable remuneration referred to qualitative objectives (based on individual performance whose weight was 20% of the target of EUR 300 thousand).

- o Regularization of 2019 CEO´s bonus: taking into consideration the position expressed by the CEO to waive the annual variable remuneration that may correspond to him in 2019, in order to align with the complex environment in which the group had operated and the consequences that it has had on the net result of the Company, and that the Board of Directors, supported by the Nominations, Compensation and Corporate Governance Commission, resolved to exclude said annual variable remuneration from his 2019 remuneration.

- o For the aforementioned reasons a negative amount (EUR 223 thousand) was recorded in relation to the variable remuneration in cash.

v. Compensation System based on shares: In 2020 a expense of EUR 77 thousand was recorded for the "Incentive Plan 2018- 2020" in relation to the former CEO of Prisa, Mr Mirat. It should be noted that in 2020 the provision for previous years has been reversed when evaluating the degree of achievement of the Plan's quantitative objectives, which have been adversely impacted by the COVID-19 crisis.

vi. Other: The following items are included:

- o Extraordinary incentives: In 2020, the Board of Directors, at the proposal of the Nominations, Compensation and Corporate Governance Commission, approved two extraordinary bonuses for the CEO of Prisa and for certain managers, linked to the success of two important strategic transactions, namely the sale of the education business of Grupo Santillana Educación Global, S.L.U. in Spain and the refinancing of Grupo Prisa's financial debt with its creditors.

- o Payment is in cash was based on a scale of a series of predefined targets. In the case of Mr. Mirat, the total of the two bonuses (for the refinancing and for Santillana) would be one million euros, which has been fully paid in 2021. In 2020 an expense totaling EUR 1,000 thousand was recorded for this concept in relation to Mr. Mirat.

- o CEO's Health and life/accident insurance

vii. No other credits, advances or loans have been made, nor were pension obligations incurred, in respect of the Board of Directors during 2020.

Information regarding conflict of interest situations of directors-

For purposes of article 229 of the Capital Companies Act it is noted that, as at the end of 2021, the Board of Directors had not been advised of direct or indirect conflict situations that directors or persons related thereto (in accordance with article 231 of the aforesaid Act) might have had with the interests of the Company.

Notwithstanding the foregoing, the Board of Directors has been informed by the Directors of the following activities carried out by them or by certain persons related thereto, in companies engaged in activities of the same or an analogous or complementary kind as the one constituting the purpose of the Company or the companies in its Group:

Director	Activity	Person related to the Director	Activity
Joseph Oughourlian	*See note below (*)*	-	-
Shk. Dr. Khalid bin Thani bin Abdullah Al-Thani	Chairman of Dar Al Sharq Printing Publishing & Distribution Co.	-	-
Javier Santiso Guimaras	CEO and General Partner of Mundi Ventures, a Venture Capital firm focused on technology-based companies. *See note below (**)*	-	-
Rosauro Varo Rodriguez	0.045% interest in the share capital of Telefónica, SA, owner of the TV platform MOVISTAR+.	-	-

(*) Mr. Joseph Oughourlian controls Amber Capital, its affiliates and subsidiaries (together "Amber Capital"), which act as investment manager, general partners, managing members and managers to funds, accounts, and other investment vehicles (together, the "Amber Funds") that invest in public and private companies in Europe, North America and Latin America, which includes trading in entities with activities the same, similar or complementary to Prisa. Mr. Oughourlian also act as a managing partner to Amber Capital and as a portfolio manager to various Amber Funds.

(**) Mundi Ventures has investments in 50 technology companies, which are listed on the website www.mundiventures.com.

The companies in the Prisa Group are not included in this list. As already indicated in the Annual Corporate Governance Report of the Company, as of December 31, 2021, the directors Francisco Cuadrado, Carlos Nuñez, Rosauro Varo, Beatriz de Clermont-Tonerre, Manuel Polanco Moreno and Miguel Barroso, were members of management bodies of certain companies in the Prisa Group or indirectly participated by Prisa.

(23) GUARANTEE COMMITMENTS TO THIRD PARTIES

At December 31, 2021, Prisa had furnished personal guarantees (including counter-guarantees) amounting to EUR 9,745 thousand.

The Company's directors do not consider that significant impacts in the financial statements of the Group will arise from the guarantees provided.

(24) FUTURE COMMITMENTS

The main future commitments of the Group are as follows:

- the contract signed with Axion for the use of radio frequencies, which ends in June 2031 for an amount of EUR 68 million.

- the contract with Microsoft, mainly, for the use of its licenses, which ends in 2023, for an amount of EUR 7 million.
- the contract signed with Indra Sistemas, S.A. provision of services that ends in 2022, amounting to EUR 7 million.

At December 31, 2021, the Group had payment obligations and collection rights for a net amount payable of approximately EUR 83,193 thousand. This amount does not include the payment commitments derived from the contract leases, which are detailed in note 11b. The net amounts payable in relation to these obligations fall due as follows:

Year	Thousands of euros
2022	20,127
2023	9,345
2024	7,239
2025	7,241
2026	7,243
2027 and subsequent years	31,998
	83,193

The obligation to pay the amounts agreed upon in the purchase agreements arises only if the suppliers fulfil all the contractually established terms and conditions.

These future payment obligations were estimated taking into account the agreements in force at the present date. As a result of the renegotiation of certain agreements, these obligations might differ from those initially estimated.

Past-due payments to creditors-

The information required by the third additional provision of Law 15/2010, of July 5 (amended by the second final provision of Law 31/2014, of 3 December) approved in accordance with the resolution of ICAC (Spanish Accounting and Audit Institute) of January 29, 2016, in relation to the average period of payment to suppliers in commercial operations, is as follows regarding to Spanish companies:

	12/31/2021	12/31/2020
	Days	
Average period of payment to suppliers	**63**	**66**
Ratio of settled transactions	70	71
Ratio of transactions pending payment	34	46
	Amount (thousands of euros)	
Total payments made	249,452	257,662
Total pending payments	61,908	62,098

To calculate the average period of payment to suppliers, the payments made in each period for commercial operations corresponding to the delivery of goods or service provisions are taken into account, as well as the amounts for these operations pending settlement at the end of each year that are included under *"Trade payables"* of the attached consolidated balance sheet, referring only to the Spanish entities included in the consolidated group.

"Average period of payment to suppliers" is understood to mean the period from the delivery of the goods or provision of the services by the supplier to the eventual payment of the transaction.

The maximum legal period of payment applicable in 2021 and 2020 under Law 3/2004, of 29 December, for combating late payment in commercial transactions, is by default 30 days, and 60 days maximum if particular conditions are met with suppliers. The average period of payment to the Group's suppliers exceeds the statutory maximum period partially on account of agreements arrived at with suppliers to defer payments or, where relevant, to initiate expenditure.

During the coming financial year, the Directors will take the appropriate measures to continue reducing the average period of payment to suppliers to legally permitted levels, except in cases where specific agreements with suppliers exist which set further deferments.

(25) ONGOING LITIGATIONS AND CLAIMS

A) Corporativo Coral

On July 17, 2019, the company Corporativo Coral, S.A. de C.V. (hereinafter "Coral") entered into a shares purchase agreement with a third party of a 50% stake in Sistema Radiópolis, S.A. de C.V. (hereinafter "Radiopolis"). On such day, Coral entered into a shareholders' agreement with Sociedad Española de Radiodifusión, S.L.U., owner of the other 50% of the capital of Radiópolis. The acquisition of the stake by Coral was completed in July 2020.

Once the stake was acquired, Coral refused to execute the agreements within the shareholders' agreement, incurring in several breaches thereof. Consequently, Sociedad Española de Radiodifusión, S.L.U. has initiated several processes, before both the judges of Mexico City and the Court of Arbitration of the International Chamber of Commerce of Paris, to claim the compliance of the shareholders agreement by Coral and defend its position as a shareholder of Radiópolis. Up to the date of approval of these consolidated financial statements, the resolutions issued in the course of mentioned processes, both in court and in arbitration, have been recognizing the rights of Sociedad Española de Radiodifusión, S.L.U. and requiring Coral to adhere its conduct to the agreements signed between the two.

The Group's directors and both internal and external advisers consider that the processes initiated will most likely conclude positively for Sociedad Española de Radiodifusión, S.L.U., without deriving significant liabilities that have not been recorded in these consolidated financial statements nor the need to record any impairment on the value of the stake in Radiópolis.

B) CNMC

On May 30, 2019, the National Markets and Competition Committee (CNMC), by Resolution declared that certain companies within Grupo Santillana -i.e. Grupo Santillana Educación Global, S.L., Santillana Educación, S.L., Ediciones Grazalema, S.L., Edicions Obradoiro, S.L., Edicions Voramar, S.A., Zubia Editoriala S.L. y Grup Promotor d'Ensenyament i Difusio en Catala, S.L. (collectively, the "Affected Companies") (as well as companies belonging to other editorial groups) allegedly committed two serious infringements to Article 1 of the 15/2007 Competition Defense Law and to Article 101 of the Treaty on the Functioning of the European Union; imposing an accumulated penalty of EUR 9,214 thousand, without prejudice to the breakdown of the penalties that the Resolution applies to each society.

On July 19, 2019, an administrative contentious appeal was lodged against said Resolution before Section Six of the National Court (Audiencia Nacional) and requested the suspension of the enforceability of the Resolution for the duration of the procedure. On September 4, 2019, the National Court (Audiencia Nacional) suspended the enforceability of the Resolution subject to the guarantee submission for the amount of the penalty imposed by the Resolution.

On November 4, 2019 a bank guarantee for the said amount was submitted before the National Court (Audiencia Nacional) and by Order of November 6, 2019, the Chamber agreed to consider complete in due time and form the imposed condition and therefore to suspend the enforceability of the Resolution.

On April 16, 2020, the Affected Companies filed the corresponding lawsuit before the National Court (Audiencia Nacional) requesting the complete nullity of the Resolution and, alternatively, the complete nullity of the sanction imposed or its significant reduction. The State Attorney submitted the corresponding statement of defence properly and on time, having held the hearing to take the expert evidence (ratification) on October 26, 2020. The Affected Companies and the State Attorney deposited their closing argument memorandum on November 27, 2020 and on December 22, 2020, respectively.

On December 31, 2020, Grupo Santillana Educación Global, S.L. sold Santillana Educación, S.L. and its subsidiaries (Edicions Obradoiro, S.L., Edicions Voramar, S.A., Zubia Editoriala S.L., Ediciones Grazalema, S.L. and Grup Promotor d'Ensenyament i Difusió en Catalá, S.L.) to Sanoma Pro Oy, so that such companies are not a part of the Group perimeter. However, and in accordance with the terms of the sale and purchase agreement entered into, Grupo Santillana Educación Global, S.L. granted an indemnity to Sanoma Pro Oy on the result of this process.

On January 3, 2022, Santillana submitted to the National Court (Audiencia Nacional), a document by virtue of which is added to the file a sentence recently issued by the Contentious Administrative Chamber of National Court (happened later to the date on which Santillana presented its conclusions) within an ordinary procedure against a resolution of the CNMC -substantially identical to that of Santillana-, by virtue of which the aforementioned Chamber admits the arguments that support the requested annulment and that likewise fully coincide with those presented by Santillana within the procedure.

The process is currently pending voting and decision.

The Group's Directors and internal and external advisors, do not consider that any relevant liabilities, not recorded by the Group, will arise from the resolution of this procedure.

C) Other litigations

In addition, the Group is involved in other litigations for smaller amounts. The Directors and internal and external advisors do not consider that any relevant liabilities will arise from such litigations.

(26) EVENTS AFTER THE BALANCE SHEET DATE

In February 2022 the Board of Directors of Prisa has approved, by unanimity, the signing of a lock-up agreement (the "New Lock-Up Agreement") that incorporates a term sheet with the basic conditions for the amendement of the Group's syndicated financial debt (the "New Refinancing").

The basic terms of the agreed New Refinancing consist of: (i) the extension of the maturity of the financial debt to 2026 and 2027 and division of the syndicated loan into two differentiated tranches (one of senior debt and one of junior debt); (ii) an estimated average total cost of debt (average of all tranches, including Super Senior debt) of Euribor + 5.99% (ex. warrants), to be paid through a combination of cash and PIK, which implies a reduction in the average cost of debt by approximately 1.17%; (iii) a flexibilization of the contractual commitments of the current debt that will allow, among other improvements, to increase Prisa's operating flexibility and soften the financial ratios required under its current contracts; (iv) a refinancing, structuring and underwriting fee, that the Company may pay in cash or through its capitalization. In the event that the Company chooses to pay the aforementioned commission through capitalization, it will proceed to issue "warrants" or equivalent financial instruments that will grant their holders (the creditor entities and those that have acted as underwriters and/or arrangers of the New Refinancing) the right to subscribe up to 32 million new shares of the Company, to offset a liability equivalent to a maximum price per share of EUR 1.4. The new shares, that will represent up to 4.3% of the share capital of the Company post capital increase, will align the interests of the company with those of the new creditors, while increasing the liquidity of the shares in the market. To this end, the Board of Directors of Prisa will propose to the next General Shareholders' Meeting held by the Company a capital increase by compensation of credits (and, consequently, without preferential subscription rights). Upon calling such General Meeting, Prisa will make available to its Shareholders all the appropriate reports from the Board of Directors and any other relevant documentation that justifies and describes the proposal for the issuance of new shares. The New Lock-Up Agreement has entered into force, having been signed by the Company and by the all creditor entities of the syndicated financing to be refinanced.

Likewise, within the framework of the New Refinancing, a Term Sheet has been signed with the basic conditions for the modification of the Super Senior debt ("Super Senior Term & Revolving Facilities Agreement") of the Company that, among others terms, supposes an extension of the maturity of the debt to June 2026.

According to the envisaged calendar for the New Refinancing, the Company aims at documenting and closing the New Refinancing coming soon, without prejudice to the issuance of the warrants and the approval of the issuance of the relevant new shares being deferred to the General Shareholders' Meeting, to be held no later than June 30th.

The agreed New Refinancing will thus make the Group's financial debt more flexible and will provide a financial structure allowing the Group to comply with its financial commitments, ensuring the Group's stability in the short and medium term.

(27) EXPLANATION ADDED FOR TRANSLATION TO ENGLISH

These consolidated financial statements are presented on the basis of IFRSs as adopted by the European Union. Certain accounting practices applied by the Group that conform to IFRSs may not conform to other generally accepted accounting principles.

COMPANIES INCLUDED IN THE SCOPE OF CONSOLIDATION: DECEMBER 2021

APPENDIX I

COMPANY	REGISTERED OFFICE	LINE OF BUSINESS	COMPANY HOLDING THE OWNERSHIP INTEREST	DECEMBER 2021	
				PERCENTAGE OF OWNERSHIP	TAX GROUP (*)
EDUCATION					
Full Consolidation					
Activa Educa, S.A. (Guatemala)	26 Avenida 2-20 zona 14 . Guatemala – Guatemala	Publishing	Santillana Educación Pacífico, S.L Santillana Sistemas Educativos, S.L.U.	97.203% 2.797%	
Avalia Qualidade Educacional Ltda.	Rua Padre Adelino, 758. Belezinho. Sao Paulo. Brasil	Publishing	Santillana Latam, S.L.U Grupo Santillana Educación Global, S.L.U.	99.99% 1 acción	
Distribuidora y Editora Richmond, S.A.S.	Edificio Punto 99, Carrera 11ª Nº98-50 Oficina 501. Bogotá. Colombia	Publishing	Santillana Sistemas Educativos, S.L.U Grupo Santillana Educación Global, S.L.U. Santillana Educación Pacífico, S.L.	98.44% 1.53% 0.03%	
Ediciones Santillana Inc. (Puerto Rico)	1506 Roosevelt Avenue. Guaynabo. Puerto Rico	Publishing	Santillana Latam, S.L.U	100%	
Ediciones Santillana, S.A. (Argentina)	Leandro N. Alem. 720. Buenos Aires. 1001. Argentina	Publishing	Santillana Sistemas Educativos, S.L.U. Grupo Santillana Educación Global, S.L.U.	95.00% 5.00%	
Ediciones Santillana, S.A. (Uruguay)	Juan Manuel Blanes 1132 Montevideo Uruguay	Publishing	Santillana Sistemas Educativos, S.L.U.	100.00%	
Editora Altea Ltda.	Avenida Papa João Paulo I, nº 2258, Galpão 1 Papa, Sala 02 São Paulo. Brasil	Publishing	Editora Moderna Ltda.	100.00%	
Editora Moderna Ltda.	Rua Padre Adelino, 758. Belezinho. Sao Paulo. Brasil	Publishing	Santillana Latam, S.L.U Grupo Santillana Educación Global, S.L.U.	100% 1 acción	
Editora Pitanguá Ltda.	Avenida Papa João Paulo I, nº 2258, Galpão 1 Papa, Sala 01, São Paulo. Brasil	Publishing	Editora Moderna Ltda.	100.00%	
Editorial Nuevo México, S.A. de C.V.	Avenida Rio Mixcoac 274 Col Acacias. México DF. México	Publishing	Santillana Latam, S.L.U Editorial Santillana, S.A. de C.V. (México)	99.999% 0.001%	
Editorial Santillana, S.A. (Guatemala)	26 Avenida 2-20 zona 14 . Guatemala - Guatemala	Publishing	Santillana Sistemas Educativos, S.L.U. Grupo Santillana Educación Global, S.L.U.	99.991% 0.009%	
Editorial Santillana, S.A. (Honduras)	Colonia los Profesionales Boulevar Suyapa, Metropolis Torre 20501, Tegucigalpa Honduras	Publishing	Santillana Sistemas Educativos, S.L.U. Grupo Santillana Educación Global, S.L.U.	99.00% 1.00%	
Editorial Santillana, S.A. (Rep. Dominicana)	Juan Sánchez Ramírez, 9. Gazcue. Santo Domingo. República Dominicana	Publishing	Santillana Latam, S.L.U Grupo Santillana Educación Global, S.L.U. Ediciones Santillana Inc. (Puerto Rico)	99.952% 0.040% 0.008%	
Editorial Santillana, S.A. (Venezuela)	Avenida Rómulo Gallegos. Edificio Zulia 1º. Caracas. Venezuela	Publishing	Santillana Latam, S.L.U	100.00%	
Editorial Santillana, S.A. de C.V. (México)	Avenida Rio Mixcoac 274 Col Acacias. México DF. México	Publishing	Santillana Latam, S.L.U Editorial Nuevo México, S.A. de C.V.	99.99% 1 acción	
Editorial Santillana, S.A. de C.V. (El Salvador)	3a. Calle Poniente Y 87 Avenida Norte, No. 311, colonia Escalon San Salvador	Publishing	Santillana Sistemas Educativos, S.L.U. Grupo Santillana Educación Global, S.L.U.	99.95% 0.05%	
Editorial Santillana, S.A.S (Colombia)	Edificio Punto 99, Carrera 11ª Nº98-50 Oficina 501. Bogotá. Colombia	Publishing	Santillana Sistemas Educativos, S.L.U Distribuidora y Editora Richmond, S.A.S Grupo Santillana Educación Global, S.L.U.	94.64% 3.31% 2.05%	
Educa Inventia, S.A. de C.V. (México)	Avenida Rio Mixcoac 274 Col Acacias. México DF. México	Publishing	Santillana Latam, S.L.U Editorial Santillana S.A. de C.V. México	99.99% 1 acción	
Educactiva Ediciones, S.A.S. (Colombia)	Avenida El Dorado No. 90 – 10 Bogotá, Colombia	Publishing	Santillana Sistemas Educativos, S.L.U.	100.00%	
Educactiva, S.A. (Chile)	Avenida Andrés Bello 2299 Oficina 1001 Providencia. Santiago Chile	Publishing	Santillana Educación Pacífico, S.L Santillana Sistemas Educativos, S.L.U.	93.52% 6.48%	
Educactiva, S.A.C. (Perú)	Avenida Primavera 2160 Santiago de Surco - Lima	Publishing	Santillana Educación Pacífico, S.L Santillana Sistemas Educativos, S.L.U.	99.998% 0.002%	
Educactiva, S.A.S. (Colombia)	Avenida El Dorado No. 90 – 10 Bogotá, Colombia	Publishing	Santillana Educación Pacífico, S.L Santillana Sistemas Educativos, S.L.U.	87.12% 12.88%	
Grupo Santillana Educación Global, S.L.U.	Av. de los Artesanos, 6 Tres Cantos. Madrid	Publishing	Prisa Activos Educativos, S.L.U	100%	2/91

(*) Consolidated tax Group Promotora de Informaciones, S.A.: 2/91

COMPANIES INCLUDED IN THE SCOPE OF CONSOLIDATION: DECEMBER 2021

APPENDIX I

COMPANY	REGISTERED OFFICE	LINE OF BUSINESS	COMPANY HOLDING THE OWNERSHIP INTEREST	DECEMBER 2021	
				PERCENTAGE OF OWNERSHIP	TAX GROUP (*)
Kapelusz Editora, S.A. (Argentina)	Leandro N. Alem. 720. Buenos Aires. 1001. Argentina	Publishing	Santillana Educación Pacífico, S.L Santillana Sistemas Educativos, S.L.U.	99.902% 0.098%	
Lanza, S.A. de C.V.	Avenida Rio Mixcoac 274 Col Acacias. México DF. México	Creation, development and management of companies.	Santillana Educación Pacífico, S.L. Santillana Sistemas Educativos, S.L	99.998% 0.002%	
Pleno Internacional, SPA	Avenida Andres Bello N° 2299 Oficina 1001 Providencia - Santiago	Advice and consulting, development and sale of software	Santillana Educación Chile, S.A.	70.00%	
Richmond Educaçâo, Ltda.	Rua Padre Adelino, 758. Belezinho. Sao Paulo. Brasil	Publishing	Editora Moderna, Ltda. Grupo Santillana Educación Global, S.L.U.	100% 1 acción	
Richmond Publishing, S.A. de C.V.	Avenida Rio Mixcoac 274 Col Acacias. México DF. México	Publishing	Lanza, S.A. de C.V. Vanguardia Educativa Santillana Compartir, S.A. de C.V.	99.98% 0.02%	
Salamandra Editorial, Ltda.	Rua Urbano Santos 755, Sao Paulo. Brasil	Publishing	Editora Moderna, Ltda. Grupo Santillana Educación Global, S.L.U.	100% 1 acción	
Santillana de Ediciones, S.A. (Bolivia)	Av.Pedro Rivera Nº 3095. Santa Cruz. Bolivia	Publishing	Santillana Sistemas Educativos, S.L.U. Santillana Educación Pacífico, S.L Grupo Santillana Educación Global, S.L.U.	99.70% 0.15% 0.15%	
Santillana del Pacífico, S.A. de Ediciones.	Avenida Andres Bello 2299 Oficina 1001-1002 Providencia. Santiago Chile	Publishing	Santillana Latam, S.L.U Grupo Santillana Educación Global, S.L.U.	100% 1 acción	
Santillana Editores, S.A. (Portugal)	Rua do Proletariado, nº 7 (Lote 1) - 2794-076 Carnaxide - Portugal	Publishing	Santillana Latam, S.L.U	100%	
Santillana Educacao, Ltda. (Brasil)	Rua Padre Adelino, 758. Belezinho. Sao Paulo. Brasil	Publishing	Santillana Sistemas Educativos, S.L.U. Grupo Santillana Educación Global, S.L.U.	100% 1 acción	
Santillana Educación Chile, S.P.A.	Avenida Andrés Bello 2299 1001 – 1002 Providencia, Santiago de Chile	Publishing	Santillana Sistemas Educativos, S.L.U. Grupo Santillana Educación Global, S.L.U.	99.99% 0.01%	
Santillana Educación México, S.A. de C.V.	Avenida Rio Mixcoac 274 Col Acacias. México DF. México	Publishing	Lanza, S.A. de C.V. Vanguardia Educativa Santillana Compartir, S.A. de C.V.	99.99% 0.01%	
Santillana Educación Pacífico, S.L.	Av. De los Artesanos 6. 28760, Tres Cantos, Madrid.	Publishing	Santillana Sistemas Educativos, S.L.U. Grupo Santillana Educación Global, S.L.U.	99.996% 0.004%	2/91
Santillana Latam, S.L.U.	Av. de los Artesanos, 6 Tres Cantos. Madrid	Publishing	Grupo Santillana Educación Global, S.L.U.	100%	2/91
Santillana Sistemas Educativos, S.L.U.	Av. de los Artesanos, 6 Tres Cantos. Madrid	Publishing	Grupo Santillana Educación Global, S.L.U.	100%	2/91
Santillana, S.A. (Costa Rica)	La Uruca. 200 m Oeste de Aviación Civil. San José. Costa Rica	Publishing	Santillana Sistemas Educativos, S.L.U. Grupo Santillana Educación Global, S.L.U.	99.992% 0.008%	
Santillana, S.A. (Ecuador)	Calle De las Higueras 118 y Julio Arellano. Quito. Ecuador	Publishing	Santillana Sistemas Educativos, S.L.U. Grupo Santillana Educación Global, S.L.U.	100% 1 acción	
Santillana, S.A. (Paraguay)	Avenida Venezuela. 276. Asunción. Paraguay	Publishing	Santillana Sistemas Educativos, S.L.U. Ediciones Santillana, S.A. (Argentina)	99.89% 0.11%	
Santillana, S.A. (Perú)	Avenida de Primavera 2160 Santiago de Surco -Lima	Publishing	Santillana Sistemas Educativos, S.L.U.	95.00%	
Sistemas Educativos de Enseñanza, S.A. de C.V.	Avenida Rio Mixcoac 274 Col Acacias. México DF. México	Publishing	Santillana Sistemas Educativos, S.L.U. Lanza, S.A. de C.V.	99.98% 0.02%	
Soluçoes Moderna Editora e Serviços Educacionais, Ltda. (Antes Editora Pitangua, LTDA)	Rua Padre Adelino, 758. Sala Avalia, Quarta Parada, - Sao Paulo. Brasil	Publishing	Santillana Latam, S.L.U. Grupo Santillana Educación Global, S.L.U.	100% 1 acción	
Vanguardia Educativa Santillana Compartir, S.A. de C.V.	Avenida Rio Mixcoac 274 Col Acacias. México DF. México	Publishing	Santillana Educación México, S.A. de C.V. Lanza, S.A. de C.V.	70.00% 30.00%	

(*) Consolidated tax Group Promotora de Informaciones, S.A.: 2/91

COMPANIES INCLUDED IN THE SCOPE OF CONSOLIDATION: DECEMBER 2021

APPENDIX I

COMPANY	REGISTERED OFFICE	LINE OF BUSINESS	COMPANY HOLDING THE OWNERSHIP INTEREST	DECEMBER 2021	
				PERCENTAGE OF OWNERSHIP	TAX GROUP (*)
MEDIA					
Prisa Media, S.L.U.	Miguel Yuste, 40. Madrid	The allowance, or self-employed, of any kind of services, directly or indirectly, related broadcasting. Advice and provision of services to media companies in the field of advertising, programming, administration, marketing and technical issues, computer and commercial and any other related activity. Production, operation and management-account or self-employed, by whatever means, of all kinds of programs and radio and audiovisual products.	Promotora de Informaciones, S.A.	100%	2/91
MEDIA - RADIO					
RADIO SPAIN					
Full Consolidation					
Antena 3 de Radio de León, S.A.	Gran Vía, 32. Madrid	Operation of radio broadcasting stations	Sociedad Española de Radiodifusión, S.L.U.	99.56%	2/91
Compañía Aragonesa de Radiodifusión, S.A.	Paseo de la Constitución, 21. Zaragoza	Operation of radio broadcasting stations	Sociedad Española de Radiodifusión, S.L.U.	97.03%	2/91
Ediciones LM, S.L.	Plaza de Cervantes, 6. Ciudad Real	Operation of radio broadcasting stations	Sociedad Española de Radiodifusión, S.L.U.	50%	
Iniciativas Radiofónicas de Castilla La Mancha, S.A.	Carreteros, 1. Toledo	Operation of radio broadcasting stations	Ediciones LM, S.L. Sociedad Española de Radiodifusión, S.L.U.	40% 50%	
Ondas Galicia, S.A.	San Pedro de Mezonzo, 3. Santiago de Compostela	Operation of radio broadcasting stations	Sociedad Española de Radiodifusión, S.L.U.	51.14%	
Podium Podcast, S.L.U.	Gran Vía, 32. Madrid	Provision of music services	Prisa Radio, S.A.	100%	2/91
Prisa Radio, S.A.	Gran Vía, 32. Madrid	Provision of business radio services	Prisa Media, S.L.U.	80%	2/91
Propulsora Montañesa, S. A.	Pasaje de Peña. Nº 2. Interior. 39008. Santander	Operation of radio broadcasting stations	Sociedad Española de Radiodifusión, S.L.U.	99.94%	2/91
Radio Club Canarias, S.A.	Avenida Anaga, 35. Santa Cruz de Tenerife	Operation of radio broadcasting stations	Sociedad Española de Radiodifusión, S.L.U.	95%	2/91
Radio Lleida, S.L.	Calle Vila Antonia. Nº 5. Lleida	Operation of radio broadcasting stations	Sociedad Española de Radiodifusión, S.L.U.	66.5%	
Radio Murcia, S.A.	Radio Murcia, 4. Murcia	Operation of radio broadcasting stations	Sociedad Española de Radiodifusión, S.L.U.	83.33%	
Radio Rioja, S.A.	Gran Vía, 32. Madrid	Operation of radio broadcasting stations	Sociedad Española de Radiodifusión, S.L.U.	100%	2/91
Radio Zaragoza, S.A.	Paseo de la Constitución, 21. Zaragoza	Operation of radio broadcasting stations	Compañía Aragonesa de Radiodifusión, S.A. Sociedad Española de Radiodifusión, S.L.U.	57.11% 20.77%	
Sociedad Española de Radiodifusión, S.L.U.	Gran Vía, 32. Madrid	Operation of radio broadcasting stations	Prisa Radio, S.A.	100%	2/91
Sociedad Independiente Comunicación Castilla La Mancha, S.A.	Avenida de la Estación, 5 Bajo. Albacete	Operation of radio broadcasting stations	Sociedad Española de Radiodifusión, S.L.U.	74.60%	
Sonido e Imagen de Canarias, S.A.	Caldera de Bandama, 5. Arrecife. Lanzarote	Operation of radio broadcasting stations	Sociedad Española de Radiodifusión, S.L.U.	50%	
Teleser, S.A.	Gran Vía, 32. Madrid	Operation of radio broadcasting stations	Sociedad Española de Radiodifusión, S.L.U. Radio Zaragoza,S.A.	81.46% 0.65%	
Equity Method					
Planet Events, S.A.	Gran Vía, 32. Madrid	Production and organization of shows and events	Prisa Radio, S.A.	40%	
Radio Jaén, S.L.	Obispo Aguilar, 1. Jaén	Operation of radio broadcasting stations	Sociedad Española de Radiodifusión, S.L.U.	35.99%	

(*) Consolidated tax Group Promotora de Informaciones, S.A.: 2/91

COMPANIES INCLUDED IN THE SCOPE OF CONSOLIDATION: DECEMBER 2021

APPENDIX I

COMPANY	REGISTERED OFFICE	LINE OF BUSINESS	COMPANY HOLDING THE OWNERSHIP INTEREST	DECEMBER 2021	
				PERCENTAGE OF OWNERSHIP	TAX GROUP (*)
INTERNATIONAL RADIO					
Full Consolidation					
Blaya y Vega, S.A.	Eliodoro Yáñez. Nº 1783. Comuna Providencia Santiago. Chile	Operation of radio broadcasting stations	Multimedios GLP Chile , SpA. Comercializadora Iberoamericana Radio Chile, S.A.	99.98% 0.02%	
Caracol Broadcasting Inc.	2100 Coral Way - Miami 33145 - Florida, EE.UU.	Operation of radio broadcasting stations	GLR Services Inc.	100%	
Caracol Estéreo, S.A.S	Calle 67 Nº 7-37 Piso 7 Bogotá. Colombia	Commercial radio broadcasting services	Sociedad Española de Radiodifusión, S.L.U. Prisa Radio, S.A.	77.04% 2 acciones	
Caracol, S.A.	Calle 67 Nº 7-37 Piso 7 Bogotá. Colombia	Commercial radio broadcasting services	Sociedad Española de Radiodifusión, S.L.U. Prisa Radio, S.A.	77.05% 2 acciones	
Comercializadora de Eventos y Deportes, S.A.S.	Calle 67 Nº 7-37 Piso 7 Bogotá. Colombia	Production and organization of shows and events	Sociedad Española de Radiodifusión, S.L.U.	100%	
Comercializadora Iberoamericana Radio Chile, S.A.	Eliodoro Yáñez. Nº 1783. Comuna Providencia Santiago. Chile	Production and sale of advertising, promotions and events	Grupo Latino de Radiodifusión Chile, SpA Sociedad Española de Radiodifusión, S.L.U.	99.90% 0.10%	
Compañía de Comunicaciones de Colombia,S.A.S	Calle 67 Nº 7-37 Piso 7 Bogotá. Colombia	Commercial radio broadcasting services	Caracol, S.A. Promotora de Publicidad Radial, S.A.S. Sociedad Española de Radiodifusión, S.L.U. Caracol Estéreo, S.A.S. Ecos de la Montaña Cadena Radial Andina, S.A.	43.45% 19.27% 16.76% 11.13% 4.42%	
Compañía de Radios, S.A.	Eliodoro Yáñez. Nº 1783. Comuna Providencia Santiago. Chile	Operation of radio broadcasting stations	Sociedad Radiodifusora del Norte, SpA. Iberoamerican Radio Holdings Chile, S.A. Comercializadora Iberoamericana Radio Chile, S.A.	44.32% 40.88% 14.80%	
Consorcio Radial de Panamá, S.A	Urbanización Obarrio, Calle 54 Edificio Caracol. Panamá	Consulting services and marketing of products and services	Sociedad Española de Radiodifusión, S.L.U.	100%	
Corporación Argentina de Radiodifusión, S.A.	Rivadavia 835. Ciudad de Buenos Aires. Argentina	Operation of radio broadcasting stations	GLR Services Inc. Sociedad Española de Radiodifusión, S.L.U.	76.20% 23.80%	
Ecos de la Montaña Cadena Radial Andina, S.A.	Calle 67. Nº 7-37. Piso 7. Bogotá. Colombia	Commercial radio broadcasting services	Sociedad Española de Radiodifusión, S.L.U. Prisa Radio, S.A.	76.8% 1 acción	
Emisora Mil Veinte, S.A.	Calle 67. Nº 7-37. Piso 7. Bogotá. Colombia	Commercial radio broadcasting services	Sociedad Española de Radiodifusión, S.L.U. Prisa Radio, S.A.	75.72% 1 acción	
Fast Net Comunicaciones, S.A.	Eliodoro Yáñez. Nº 1783. Comuna Providencia Santiago. Chile	Operation of radio broadcasting stations	Comercializadora Iberoamericana Radio Chile, S.A. Compañias de Radio,S.A.	99.86% 0.14%	
GLR Services Inc.	2100 Coral Way - Miami 33145 - Florida, EE.UU.	Provision of services to radio broadcasting companies	Sociedad Española de Radiodifusión, S.L.U.	100%	
Grupo Latino de Radiodifusión Chile, SpA (**)	Eliodoro Yáñez. Nº 1783. Comuna Providencia Santiago. Chile	Operation of radio broadcasting stations	Sociedad Española de Radiodifusión, S.L.U. Caracol, S.A.	99.9986% 0.0014%	
Iberoamerican Radio Holdings Chile, S.A.	Eliodoro Yáñez. Nº 1783. Comuna Providencia Santiago. Chile	Operation of radio broadcasting stations	Comercializadora Iberoamericana Radio Chile, S.A Grupo Latino de Radiodifusión Chile, SpA	100% 1 acción	
Iberoamericana de Noticias Ltda.	Eliodoro Yáñez. Nº 1783. Comuna Providencia Santiago. Chile	Operation of media and communication services	Grupo Latino de Radiodifusión Chile SpA. Comercializadora Iberoamericana Radio Chile, S.A.	99.9996% 0.0004%	
La Voz de Colombia, S.A.	Calle 67. Nº 7-37. Piso 7. Bogotá. Colombia	Commercial radio broadcasting services	Sociedad Española de Radiodifusión, S.L.U. Caracol, S.A.	75.64% 0.01%	
Multimedios GLP Chile SPA	Eliodoro Yáñez. Nº 1783. Comuna Providencia Santiago. Chile	Operation of media and communication services	Comercializadora Iberoamericana Radio Chile, S.A.	100%	
Promotora de Publicidad Radial, S.A.S	Calle 67. Nº 7-37. Piso 7. Bogotá. Colombia	Commercial radio broadcasting services	Sociedad Española de Radiodifusión, S.L.U. Prisa Radio, S.A.	77.04% 2 acciones	

(*) Consolidated tax Group Promotora de Informaciones, S.A.: 2/91

(**) Consolidated data

COMPANIES INCLUDED IN THE SCOPE OF CONSOLIDATION: DECEMBER 2021

APPENDIX I

COMPANY	REGISTERED OFFICE	LINE OF BUSINESS	COMPANY HOLDING THE OWNERSHIP INTEREST	DECEMBER 2021	
				PERCENTAGE OF OWNERSHIP	TAX GROUP (*)
Sociedad Radiodifusora del Norte, SpA.	Eliodoro Yáñez. Nº 1783. Comuna Providencia Santiago.	Operation of radio broadcasting stations	Comercializadora Iberoamericana Radio Chile, S.A.	100%	
Societat de Comunicacio i Publicidat, S.L.	Parc. de la Mola, 10 Torre Caldea, 6º Escalde. Engordany. Andorra	Operation of radio broadcasting stations	Sociedad Española de Radiodifusión, S.L.U. Unión Radio del Pirineu, S.A.	99.00% 1.00%	
Equity Method					
Cadena Radiodifusora Mexicana, S.A. de C.V.	Calzada de Tlalpan 3000 col Espartaco México D.F. 04870. México	Operation of radio broadcasting stations	Sistema Radiópolis, S.A. de C.V. Cadena Radiópolis, S.A. de C.V.	100% 353 acciones	
Cadena Radiópolis, S.A. de C.V.	Calzada de Tlalpan número 3000, Colonia Espartaco, Delegación Coyoacán, Código Postal 04870, Ciudad de México.	Providing all kinds of public telecommunications and broadcasting services	Sistema Radiópolis, S.A. de C.V. Cadena Radiodifusora Mexicana, S.A. de C.V.	99.90% 0.10%	
Caja Radiopolis, S.C	Calzada de Tlalpan 3000 col Espartaco México D.F. 04870. México	Business management services	Servicios Radiópolis, S.A. de C.V. Radio Comerciales, S.A. de C.V. Xezz, S.A. de C.V.	67.00% 31.00% 2.00%	
El Dorado Broadcasting Corporation	2100 Coral Way. Miami. Florida. EE.UU.	Development of the market of Latin radio in the U.S.	GLR Services Inc.	25.00%	
Fondo Radiopolis, S.C.	Calzada de Tlalpan 3000 col Espartaco México D.F. 04870. México	Business management services	Servicios Radiópolis, S.A. de C.V. Radio Comerciales, S.A. de C.V. Xezz, S.A. de C.V.	67.00% 31.00% 2.00%	
Green Emerald Business Inc.	Vía España 177, Ed. PH Plaza Regency, planta 15. Ciudad de Panamá. Panamá	Development of the market of Latin radio in Panama	Sociedad Española de Radiodifusión, S.L.U.	34.95%	
Promotora Radial del Llano, LTDA	Calle 67 Nº 7-37 Piso 7 Bogotá. Colombia	Commercial broadcasting services	Caracol, S.A. Promotora de Publicidad Radial, S.A.S	25.00% 25.00%	
Q'Hubo Radio, S.A.S	CL 57 No 17 – 48 Bogotá, Colombia	Operation of the business of broadcasting and advertising	Caracol, S.A.	50.00%	
Radio Comerciales, S.A. de C.V.	Rubén Darío nº 158. Guadalajara. México	Exploitation of broadcasting stations	Sistema Radiópolis, S.A. de C.V. Cadena Radiópolis, S.A. de C.V.	99.97% 0.03%	
Radio Melodía, S.A. de C.V.	Rubén Darío nº 158. Guadalajara. México	Operation of radio broadcasting stations	Cadena Radiodifusora Mexicana, S.A. de C.V. Cadena Radiópolis, S.A de CV	99.00% 1.00%	
Radio Tapatía, S.A. de C.V.	Rubén Darío nº 158. Guadalajara. México	Operation of radio broadcasting stations	Cadena Radiodifusora Mexicana, S.A. de C.V. Cadena Radiópolis, S.A de CV	99.00% 1.00%	
Radiotelevisora de Mexicali, S.A. de C.V.	Avenida Reforma 1270. Mexicali Baja California. México	Operation of radio broadcasting stations	Sistema Radiópolis, S.A. de C.V. Radio Comerciales, S.A. de C.V.	100% 11 acciones	
Servicios Radiópolis, S.A. de C.V.	Calzada de Tlalpan 3000 col Espartaco México D.F. 04870. México	Operation of radio broadcasting stations	Sistema Radiópolis, S.A. de C.V. Radio Comerciales, S.A. de C.V.	99.998% 0.002%	
Servicios Xezz, S.A. de C.V.	Calzada de Tlalpan 3000 col Espartaco México D.F. 04870. México	Operation of radio broadcasting stations	Xezz, S.A. de C.V. Radio Comerciales, S.A. de C.V.	99.998% 0.002%	
Sistema Radiópolis, S.A. de C.V. (**)	Calzada de Tlalpan 3000 col Espartaco México D.F. 04870. México	Operation of radio broadcasting stations	Sociedad Española de Radiodifusión, S.L.U.	50.00%	
Unión Radio del Pirineu, S.A.	Carrer Prat del Creu, 32. Andorra	Operation of radio broadcasting stations	Prisa Radio, S.A.	33.00%	
WSUA Broadcasting Corporation	2100 Coral Way. Miami. Florida. EE.UU.	Radio broadcasting	El Dorado Broadcasting Corporation	100%	
Xezz, S.A. de C.V.	Rubén Darío nº 158. Guadalajara. México	Operation of radio broadcasting stations	Cadena Radiodifusora Mexicana, S.A. de C.V. Cadena Radiópolis, S.A de C.V.	99.00% 1.00%	

(*) Consolidated tax Group Promotora de Informaciones, S.A.: 2/91

(**) Consolidated data

COMPANIES INCLUDED IN THE SCOPE OF CONSOLIDATION: DECEMBER 2021

APPENDIX I

COMPANY	REGISTERED OFFICE	LINE OF BUSINESS	COMPANY HOLDING THE OWNERSHIP INTEREST	DECEMBER 2021	
				PERCENTAGE OF OWNERSHIP	TAX GROUP (*)
MEDIA - PRESS					
Full Consolidation					
As Chile SPA	Eliodoro Yáñez 1783, Providencia. Santiago. Chile	Publication and operation of As newspaper in Chile.	Diario As, S.L.	100%	
Diario AS Colombia, SAS	Cl 98, nª 1871 OF401. Bogotá D.C.	Publication and operation of As newspaper in Colombia.	Diario As, S.L.	100%	
Diario As USA, Inc.	2100 Coral Way Suite 603. 33145 Miami, Florida	Publication and operation of As newspaper in USA.	Diario As, S.L.	100%	
Diario As, S.L.	Valentín Beato, 44. Madrid	Publication and operation of As newspaper.	Grupo de Medios Impresos y Digitales, S.L	75.00%	2/91
Diario Cinco Días, S.A	Miguel Yuste, 42. Madrid	Publication and operation of Cinco Días newspaper.	Grupo de Medios Impresos y Digitales, S.L	100%	2/91
Diario El País Argentina, S.A.	Leandro N. Alem. 720. Buenos Aires. 1001. Argentina	Operation of El País newspaper in Argentina.	Diario El País, S.L. Diario El País México, S.A. de C.V.	95.65% 4.35%	
El País Brasil Agencia de Noticias E Publicidade, Ltda - Em liquidaçao.	Rua Ferreira de Araújo. 221-Conjunto 31, Pinheiros. CEP 05428-000. Sao Paulo. Brasil	Operation of El País newspaper in Brazil.	Diario El País, S.L. Ediciones El País, S.L.	99.99% 0.01%	
Diario El País México, S.A. de C.V.	Avenida Universidad 767. Colonia del Valle. México D.F. México	Operation of El País newspaper in Mexico.	Diario El País, S.L. Promotora de Informaciones, S.A.	98.39,% 1.61%	
Diario El País, S.L.	Miguel Yuste, 40. Madrid	Publication and operation of El País newspaper.	Prisa Noticias, S.L.	100%	2/91
Ediciones El País, S.L.	Miguel Yuste, 40. Madrid	Publication, operation and sale of El País newspaper.	Diario El País, S.L. Prisa Noticias, S.L.	99.994% 0.006%	2/91
Espacio Digital Editorial, S.L.	Gran Vía, 32. Madrid	Edition and explotation of Huffinton Post digital for Spain.	Prisa Noticias, S.L.	100%	2/91
Factoría Prisa Noticias, S.L.	Valentín Beato, 44. Madrid	Administrative, technological and legal services and the distribution of written and digital media.	Prisa Noticias, S.L.	100%	2/91
Grupo de Medios Impresos y Digitales, S.L.	Gran Vía, 32. Madrid	Ownership of shares of publishing companies.	Prisa Noticias, S.L.	100%	2/91
Mobvious Corp.	7742 N. Kendall Drive, 101 Miami Florida 33156-8550. EE.UU	Marketer's advertising in digital media.	Prisa Brand Solutions USA, Inc.	60.00%	
Noticias AS México S.A. de C.V.	Rio Lerma 196 BIS TORRE B 503, Ciudad de México DF	Publication and operation of As newspaper in Mexico.	Diario As, S.L. Prisa Noticias, S.L.	99.00% 1.00%	
Prisa Brand Solutions México, S.A. de C.V	Avenida Paseo de la Reforma 231. Piso 6 Colonia Cuauthemoc. Ciudad de México 06500	Marketer's advertising in digital media.	Prisa Brand Solutions USA, Inc. Prisa Brand Solutions, S.L.U.	99.99% 0.01%	
Prisa Brand Solutions USA, Inc.	7742 N. Kendall Drive 101. Miami. Florida. 33156-8550. EE.UU.	Marketer of advertising in media.	Prisa Brand Solutions, S.L.U.	100%	
Prisa Brand Solutions, S.L.U.	C/ Valentín Beato, 48. Madrid	Marketer of advertising in media.	Prisa Noticias, S.L.	100%	2/91
Prisa Noticias, S.L.	Gran Vía, 32. Madrid	Operation of press media.	Prisa Media, S.L.U.	100%	2/91
Prisa Tecnología, S.L.	Gran Vía, 32. Madrid	Provision of internet services.	Prisa Noticias, S.L.	100%	2/91
Equity Method					
As Spotlight Digital, S.L	C/ Valentín Beato, 44. Madrid	Access to gambling websites on the internet, provision of marketing services and activities related to internet advertising.	Diario As, S.L.	50.00%	
Kioskoymás, Sociedad Gestora de la Plataforma Tecnológica, S.L.	Juan Ignacio Luca de Tena, 7. Madrid	Publication and operation of newspapers, magazines in digital format.	Prisa Noticias, S.L.	50.00%	
Le Monde Libre Societé Comandité Simple	17, Place de la Madeleine. París	Holding of shares in publishing companies.	Prisa Noticias, S.L.	20.00%	
Wemass Media Audience Safe Solutions, S.L.	Calle Juan Ignacio Luca de Tena, nº7.	Hiring advertising in the media. Design, organization, management and marketing of all kinds of cultural, sports, promotional and leisure activities and events.	Prisa Brand Solutions, S.L.U.	33.33%	

(*) Consolidated tax Group Promotora de Informaciones, S.A.: 2/91

COMPANIES INCLUDED IN THE SCOPE OF CONSOLIDATION: DECEMBER 2021

APPENDIX I

COMPANY	REGISTERED OFFICE	LINE OF BUSINESS	COMPANY HOLDING THE OWNERSHIP INTEREST	DECEMBER 2021	
				PERCENTAGE OF OWNERSHIP	TAX GROUP (*)
OTHERS					
Full Consolidation					
Prisa Activos Educativos, S.L.U	Gran Vía, 32. Madrid	The realization of the activities inherent to the publishing business in its broadest sense and, in particular, editing marketing and distribution of all kinds of publications and the provision of editorial, education, leisure services and entertainment.	Promotora de Informaciones, S.A.	100%	2/91
Prisa Gestión Financiera, S.L.	Gran Vía, 32. Madrid	Management and exploitation of information and social communication media whatever their technical support. The action in the capital and monetary market.	Promotora de Informaciones, S.A.	100%	2/91
Prisa Participadas, S.L.	Gran Vía, 32. Madrid	Management and exploitation of audiovisual and printed mass media, participation in companies and businesses, and providing all kinds of services.	Promotora de Informaciones, S.A.	100%	2/91
Productora Audiovisual de Badajoz, S.A. (En liquidación)	Ramón Albarrán, 2. Badajoz	Local television services	Prisa Participadas, S.L.	61.45%	
Productora Extremeña de Televisión, S.A. (En liquidación)	J. M. R. "Azorín". Edificio Zeus. Polígono La Corchera. Mérida. Badajoz	Local television services	Prisa Participadas, S.L.	70.00%	
Promotora de Actividades América 2010 - México, S.A. de C.V.	Avenida Paseo de la Reforma 300. Piso 9. Col. Juárez. 06600. México. D.F. México	Development, coordination and management of projects of all kinds, national and international, related to the commemoration of the bicentenary of the independence of the American Nations	Promotora de Actividades América 2010, S.L. Prisa Participadas, S.L.	99.99% 1 acción	
Promotora de Actividades América 2010, S.L. (En liquidación)	Gran Vía, 32. Madrid	Production and organization of activities and projects related to the commemoration of the bicentenary of the independence of the American Nations.	Promotora de Informaciones, S.A.	100%	2/91
Promotora de Actividades Audiovisuales de Colombia, Ltda.	Calle 80, 10 23 . Bogotá. Colombia	Production and distribution of audiovisual	Prisa Participadas, S.L. Promotora de Informaciones, S.A.	99.00% 1.00%	
Vertix, SGPS, S.A.	Rua Mario Castelhano, nº 40, Queluz de Baixo. Portugal	Holding of shares in companies.	Promotora de Informaciones, S.A.	100.00%	
Equity Method					
Canal Club de Distribución de Ocio y Cultura, S.A.	Calle Hermosilla, 112. Madrid	Catalogue sales.	Promotora de informaciones,S.A.	25.00%	

(*) Consolidated tax Group Promotora de Informaciones, S.A.: 2/91

KEY FINANCIAL AGGREGATES OF THE COMPANIES ACCOUNTED FOR USING THE EQUITY METHOD

APPENDIX II

	December 2021							
INVESTEE	**TOTAL ASSETS**	**CURRENTS ASSETS**	**NON CURRENT ASSETS**	**CURRENT LIABILITIES**	**NON CURRENT LIABILITIES**	**EQUITY**	**OPERATING INCOME**	**NET PROFIT**
(Thousands of euros)								
PRESS								
As Spotlight Digital, S.L.	3	3	0	0	0	3	0	0
Kioskoymás, Sociedad Gestora de la Plataforma Tecnológica, S.L.	1,175	1,152	23	1,017	0	158	1,137	682
Le Monde Libre (1)	151,457	1	151,456	177,302	0	(25,845)	0	(2,561)
Wemass Media Audience Safe Solutions, S.L.	10,775	10,612	163	9,591	1,050	134	24,701	(14)
RADIO								
RADIO IN SPAIN								
Planet Events, S.A.	6,026	5,985	41	7,184	(1)	(1,157)	7,392	(11)
Radio Jaén, S.L.	1,324	792	532	179	0	1,145	973	42
INTERNATIONAL RADIO								
Cadena Radiodifusora Mexicana, S.A. de C.V.	29,622	22,464	7,158	20,255	4,019	5,348	27,282	465
Cadena Radiópolis, S.A. de C.V.	5,548	1,619	3,929	210	104	5,234	222	(192)
Caja Radiopolis, S.C	70	70	0	69	0	1	0	0
El Dorado Broadcasting Corporation	528	0	528	2,043	0	(1,515)	0	(1)
Fondo Radiopolis, S.C.	42	42	0	42	0	0	0	0
Green Emerald Business Inc.	193	193	0	761	9,574	(10,142)	754	(688)
Promotora Radial del Llano, LTDA	61	50	11	6	0	55	57	9
Q'Hubo Radio, S.A.S	46	46	0	237	0	(191)	171	(4)
Radio Comerciales, S.A. de C.V.	3,076	851	2,225	318	1,178	1,580	1,485	147
Radio Melodía, S.A. de C.V.	1,174	516	658	171	87	916	579	53
Radio Tapatía, S.A. de C.V.	1,495	635	860	237	83	1,175	1,485	44
Radiotelevisora de Mexicali, S.A. de C.V.	1,445	965	480	986	225	234	472	(189)
Servicios Radiópolis, S.A. de C.V.	3,217	3,115	102	1,384	1,396	437	6,599	341
Servicios Xezz, S.A. de C.V.	201	176	25	27	14	160	854	79
Sistema Radiópolis, S.A. de C.V.	49,114	23,420	25,694	16,559	4,408	28,147	27,049	2,405
Unión Radio del Pirineu, S.A.	375	359	16	120	0	255	265	(37)
WSUA Broadcasting Corporation	4,419	1,640	2,779	3,565	5,980	(5,126)	423	(86)
Xezz, S.A. de C.V.	501	236	265	150	176	175	241	2
OTHERS								
Canal Club de Distribución de Ocio y Cultura, S.A.	130	130	0	4	0	126	85	85

(1) Datos a 31/12/2020

PROMOTORA DE INFORMACIONES, S.A. (PRISA) AND SUBSIDIARIES

Consolidated Directors' Report for 2021

1. BUSINESS PERFORMANCE

The Group's businesses continue to move forward with their strategic roadmap with a focus on digital transformation, acceleration of subscription models and development of new digital formats, within a framework of continuous efficiency improvement plans.

By the end of 2021, the Education business reaches 2.0 million subscriptions in its education systems. In the Media business El País exceeds 176,000 total subscribers and reaches a monthly average of 34 million downloads of audio content and 67 million hours of streaming listening.

Since mid-March 2020, the Group has worked to deal with the impact of the pandemic caused by coronavirus (COVID-19). The world has experienced an extraordinary and unprecedented social and economic emergency.

In this type of critical situation, Prisa's social mission, as a business group focused on two essential sectors such as Education and Media, becomes even more meaningful. Reliable and accurate information and access to better education play a more significant role than ever before. Therefore, since the beginning of this crisis, the Group has given the highest priority to continuity of its activities, reaffirming its social commitment. In support of Spanish and Latin American society, Prisa has continued to guarantee access to: comprehensive, accurate and truthful information; quality entertainment; and, of course, a wide range of educational services.

In 2021, the COVID-19 pandemic has continued to have an impact, especially during the first part of the year. In this environment, the summary of the Group's results, compared to the 2020 results, is as follows:

- Operating income amounted to EUR 741.2 million (+5.8% vs 2020; +9.4% in local currency). The Media business shows a significant improvement in advertising revenues and growth in the digital pay-per-subscription model. In contrast, the Education business has been more affected in 2021, especially in the first half of the year, by the impact of the pandemic on didactic sales, with a longer than expected closure to the physical presence of students in schools (in 2020 most of the South campaigns had ended almost at the beginning of the pandemic).

- Operating expenses (excluding depreciation and amortisation charge, goodwill impairment and impairment and losses on fixed assets) amounted to EUR 678.1 million (+6.5% vs. 2020; +9.2% in local currency), mainly due to the impact of the restructuring plan. Excluding the effect of higher severance payments, expenses grew +1.1% (+3.8% in local currency), mainly due to higher variable expenses (in line with the increase in revenues). The efficiency and restructuring plan designed by the Group to continue to cope with the impact of the COVID-19 pandemic on its business performance has mitigated the increase in variable expenses.

- EBITDA, despite the impact of severance payments, remains in line with 2020 at EUR 63.1 million (-1.2% vs 2020; +10.6% in local currency). Excluding severance payments, EBITDA grew 46.2% year-on-year in 2020 (+56.7% in local currency). The Group uses EBITDA as a benchmark to monitor the performance of its businesses and to set its operational and strategic targets, therefore, this “alternative performance measure” is important for the Group and is used by other companies in the sector. EBITDA is the result of adding depreciation and amortisation charges, goodwill impairment losses and impairment losses on fixed assets to profit from operations.

The following tables detail the reconciliation between EBITDA and the Group's result from operations for each of the segments of 2021 and 2020 (in millions of euros):

	2021			
	Education	**Media**	**Other**	**Prisa Group**
RESULT FROM OPERATIONS	**26.1**	**(28.9)**	**(16.9)**	**(19.7)**
Depreciation and amortization	39.9	37.7	0.7	78.3
Impairment of assets	3.3	1.1	0.1	4.5
EBITDA	**69.3**	**9.9**	**(16.1)**	**63.1**

	2020			
	Education	**Media**	**Other**	**Prisa Group**
RESULT FROM OPERATIONS	**34.1**	**(54.1)**	**(9.1)**	**(29.1)**
Depreciation and amortization	41.9	27.5	1.2	70.6
Impairment of goodwill	-	16.7	(0.1)	16.6
Impairment of assets	1.0	4.6	0.2	5.8
EBITDA	**77.0**	**(5.3)**	**(7.8)**	**63.9**

Exchange rates have had a negative impact on the performance of the Group's results, mainly due to currency depreciation in Brazil, Colombia and Peru: -EUR 25.0 million in income and -EUR 7.6 million in EBITDA. In this sense, Prisa defines the impact of exchange rates as the difference between the financial figure converted at the exchange rate of the current year and the same financial figure converted at the exchange rate of the previous year. The Group monitors both operating income and profit from operations excluding the aforementioned exchange rate effect for comparability purposes and to measure management by isolating the effect of currency fluctuations in the various countries. This “alternative performance measure” is therefore important in order to be able to measure and compare the Group's performance in isolation of the exchange rate effect, which distorts comparability between years.

The following table shows the exchange rate effect on operating income and EBITDA for the Education and Media business and for the Prisa Group (in millions of euros):

	2021	**Exchange rate effect**	**2021 excluding exchange rate effect**	**2020**	**Var. excluding Exchange rate effect**	**Var. (%) excluding exchange rate effect**
Education (*)						
Operating income	358.8	(23.2)	382.0	365.8	16.2	4.4
EBITDA	69.3	(7.2)	76.5	77.0	(0.5)	(0.7)
Media						
Operating income	383.3	(1.8)	385.1	335.9	49.2	14.6
EBITDA	9.9	(0.4)	10.3	(5.3)	15.6	294.3
Grupo Prisa						
Operating income	**741.2**	**(25.0)**	**766.2**	**700.6**	**65.4**	**9.4**
EBITDA	**63.1**	**(7.6)**	**70.7**	**63.9**	**6.8**	**10.6**

(*) Excluding the exchange rate effect of Venezuela.

Education business continues to develop with a focus on expansion of subscription models based on education systems. In 2021 the number of subscriptions rose by 16% to 1,999,000, and sales of systems remained practically unchanged against 2020 (-1.2%), due to the impact of the exchange rate effect, since growth was up by 7.9% in local currency. Public sales rose considerably, offsetting a significant fall in traditional sales (teaching) due to the pandemic and the effect of recognition in Brazil of a portion of 2019 PNLD sales in 2020.

- Operating revenues stood at EUR 358.8 million in 2021, a drop of 1.9% compared to 2020 (4.4% rise in local currency). Subscription models were practically the same as in 2020 (-1.2%) despite a solid exchange rate effect (+7.9% in local currency), thanks to a 15.8% increase in numbers of subscriptions. Traditional teaching sales were down (-27.2% in euros, and -26.7% in local currency), mainly due to the impact of the pandemic during the first half of the year (in 2020, most of the South campaigns had terminated almost at the beginning of the pandemic). There was an increase in public sales (+23.0% in euros and +32.9% in local currency) despite recognition of Brazilian PNLD in 2020, thanks to sales in Brazil, Mexico and the Dominican Republic.

- Turning to operating expenses (excluding depreciation and amortisation charges, goodwill impairment and impairment and losses on fixed assets), these amounted to EUR 289.5 million in 2021, in line with 2020 (+0.3% in euros, and +5.8% in local currency). Disregarding the impact of the larger severances, expenditure was down by 0.6% in euros (+5.0% in local currency), thanks to the application of measures on the efficiency plan, partially offsetting the increase in variable costs (in line with higher revenues).

- EBITDA stood at EUR 69.3 million in 2021, a fall of 10.1% compared to 2020 (-0.7% in local currency). Disregarding larger severance payments, EBITDA grew by 2.3% in local currency (-6.7% in euros).

- The impact of exchange rates was EUR -23.2 million in operating income and EUR -7.2 million in EBITDA.

Media business continues to focus on brand leadership in the Spanish-speaking market, on digital transformation and growth of subscribers in El País. 2021 saw an average of 33.7 million downloads of podcasts per month (an increase of 41.9%), while hours of streaming listening (TLH) stood at 67.2 million (up by 20.0%). El País and Diario As notched up an average of 86 and 108 million unique Internet browsers respectively: significant growth by As (+14%), whereas El País fell by 11% due to the focus on the subscription model, and also because 2020 was a year of very large audiences because the pandemic had just begun. Meanwhile, El País digital subscription payment business topped 136,500 exclusive digital subscribers by the end of December. In terms of revenue, significant growth was observed in 2021, driven by a considerable recovery in the advertising market and continued development of digital business. Recovery of earnings was accompanied by exhaustive cost control within the framework of efficiency and restructuring plans.

- Operating revenue stood at EUR 383.3 million in 2021, up by 14.1%, mainly due to recovery of advertising revenue, which rose by 17%. This was also helped along by expansion of the El País digital subscription model launched in May 2020.

- Turning to operating expenses (excluding depreciation and amortisation charges, goodwill impairment and impairment and losses on fixed assets), these stood at EUR 373.4 million in 2021, up by 9.4% against 2020 (+1.4% disregarding severance payments). The increase in severance payments associated with restructuring plans in 2021, adjustments to 2020 variable remuneration associated with the 2020 contingency plan and the increase in variable costs (in line with the significant increase in revenue) were partially offset by a decrease in expenditure arising from 2021 efficiency and restructuring plans.

- EBITDA stood at EUR 9.9 million in 2021, up by 284% compared to 2020, mainly due to the recovery by advertising and lower costs. Disregarding severance payments, EBITDA stood at EUR 41.9 million, as against EBITDA with no severance payments in 2020, down by EUR 0.8 million.

The Group's **net bank debt** increased by EUR 76.8 million during 2021 and amounted to EUR 756.1 million at December 31, 2021, due to the Group's cash needs during the year. This debt indicator is an “alternative measure of performance” and includes non-current and current bank borrowings, excluding the present value in financial instruments/formalisation costs, less current financial investments and cash and cash equivalents and is important for the analysis of the Group's financial position.

The following table shows the composition of this indicator as of December 31, 2021 and December 31, 2020:

	Millions of euros	
	12.31.21	12.31.20
Non-current bank borrowings	934.3	810.6
Current bank borrowings	14.9	102.7
Present value/ Loan arrangement costs (*)	(22.4)	(6.0)
Current financial assets (**)	(2.0)	(6.1)
Cash and cash equivalents	(168.7)	(221.9)
NET BANK DEBT	**756.1**	**679.3**

(*) See note 11.b) of the attached explanatory notes

(**) Excludes finance lease receivable associated with IFRS 16 (EUR 0.4 million in 2021)

The Group has taken steps to maximise its liquidity, with EUR 159 million in cash available and a total of undrawn credit facilities amounting to EUR 101.9 million.

2. FORESEEABLE DEVELOPMENT: BUSINESS DEVELOPMENT PROSPECTS: KEY FACTORS AND TRENDS

The Group's outlook is to continue working on its strategic roadmap, with a priority focus on generating added value through digital transformation and the commitment to subscription models, in order to maximise the results of its businesses in the future, strengthen the balance sheet structure, generate cash flow and reduce debt.

Recent years have been marked by a general climate of almost constant volatility, uncertainty, complexity and ambiguity. This makes it difficult to predict future business performance, especially in the medium and long term. This complex environment has been greatly exacerbated by the impact of the COVID-19 pandemic which, as described above, has had and will continue to have a significant impact on the Group's business performance.

In general, both the Education business and the Media business tend to develop in a way that is very much subject to the macroeconomic environment, especially in the case of the Media business, as far as the performance of the advertising market is concerned. Prisa's activities and investments in Spain and Latin America are exposed to the development of the different macroeconomic parameters of each country, including the development of currency exchange rates.

In this regard, the pandemic has had an unprecedented impact on the world economy, from which, however, some recovery is beginning to be seen. According to IMF projections for 2021 (October 2021 data), GDP growth rates in advanced economies were +5.2%. For Spain, the IMF expected growth of +5.7%; while according to provisional data from the INE for January 2022, growth has been 5%. Meanwhile, the main countries in which Prisa is present in Latin America will also experience a recovery in 2021 according to IMF projections: Brazil grows by +5.2%, Mexico by +6.2%, Colombia by +7.6%, Chile by +11.0%, Peru by +10.0% and Argentina by +7.5%. For Latin America as a whole, growth is estimated at +6.3% in 2021.

The IMF expects the economic recovery to continue through 2022. Thus, the IMF (October 2021 data) projects that the world economy will grow by +4.9% in 2022. The GDP growth rate of the advanced economies stands at +4.5% in 2022. For its part, Spain will grow above global forecasts, reaching a growth rate of +6.4%. This growth will also be reflected in 2022 in the main countries where Prisa operates: Brazil +1.5%, Mexico by +4.0%, Colombia by +3.8%, Chile by +2.5%, Peru by +4.6% and Argentina by +2.5%. For Latin America as a whole, growth of +3.0% is expected.

In line with the development of economic indicators in Latin America, the Group's results have also been affected by exchange rate volatility. In 2021, most of the currencies of Latin American countries depreciated.

In this environment, as it has been doing in recent decades, the Group will continue to work to adapt to the new reality of its business by defining and implementing the initiatives that may be necessary: strict control of costs and investments, development of new sources of income, transformation and flexibility of business models, etc.

Another factor that affects the future development of Prisa's business is the advertising cycle. 40.3% of the Group's operating income in 2021 will come from advertising. The Media businesses, which are largely dependent on advertising revenues, have a high percentage of fixed costs, so that significant variations in advertising revenues have a significant impact on results, leading to an improvement or worsening of margins and the Group's cash position.

In this regard, the COVID-19 pandemic led to a drastic drop in advertising investment in 2020. However, during 2021 (especially from the second quarter onwards), the Group's advertising has recovered, growing by +17.0% for the year as a whole compared to the previous year. Digital advertising increased by +19% and represents 25.2% of the Group's advertising revenues (24.8% in 2020).

i2P's February 2022 report indicates that the total advertising market in Spain grows by +11.5% in 2021 and would grow by 8.2% in 2022. The Group's advertising revenues in Spain have grown by +13.8% in 2021, above the market forecast, which represents a gain in market share. For 2022, Prisa also expects, like the market, a growth in advertising revenues, in line with the growth of the economy.

In Latin America, the advertising market has also recovered throughout 2021 from the impact of the pandemic. Thus, in 2021, significant growth is expected in the radio markets in which Prisa operates: +26% in Colombia and +17% in Chile, according to Asomedios (Colombia) and Asociación de Agencias de Medios (Chile). Prisa in both countries has grown to a greater extent: +37% in Colombia and +41% in Chile (gross advertising data, in local currency), which has meant, as in Spain, a gain in market share.

According to the strategic roadmap on which the Group has been working in recent years, Media businesses will continue to develop and reduce their dependence on the performance of the offline advertising market and traditional formats. It will place more and more focus not only on the traditional advertiser, but also on the consumer of content and new digital formats.

In this regard, it is worth mentioning the commitment to digital transformation and the development of subscription models. Significant events such as the launch of El País's digital subscription payment model in May 2020, or the development of the value proposition around the concept of audio, highlight the importance of this trend.

In addition, Prisa has the Education business, not so dependent on the economic cycle, which in 2021 represents 48.4% of the Group's operating income. Although the Education business has so far proven to be more resilient to crises, the pandemic has had a negative impact, especially on the development of traditional educational sales campaigns, as a result of school closures due to the severe population containment measures adopted in many of the countries involved. However, subscription models (educational systems), based on a hybrid teaching methodology (online and offline, face-to-face and distance, paper and digital, school and home, etc.), are growing in 2021 despite the pandemic, which confirms the importance of the digital transformation strategy at Santillana.

In any of the development scenarios, the strategic roadmap for the Education business will focus on maintaining its leadership position and maximising growth leveraged on subscription models, with a commitment to these increasingly hybrid formats and methodologies, with a growing weight of the digital component.

Therefore, an important part of the Group's strategy and its business is based on digital development: from continuously developing the value proposition (increasingly digital) to business models more focused on monetisation in the digital sphere (subscription models and new digital formats), to, for example, the implementation of technological platforms adapted to the reality of the businesses, or the development of management and use of user data.

Digital audiences of the Group's Media continued to grow compared to the previous year, despite the significant impact on audiences of the onset of the pandemic. Media reached a total of 251 million unique browsers on average per year (+1% growth compared to 2020); while Santillana's educational digital ecosystem continues to maintain maximum levels of usage and content consumption, in line with the historical levels achieved during 2020. In this regard, the pandemic has contributed to intensifying the use of technologies for the consumption of information, education or entertainment, favouring the growth of the Group's digital audiences.

The Group's strategy for the coming years will also continue to be committed to digital development in two of its business units: Media and Education.

3. MAIN RISKS ASSOCIATED TO THE BUSINESS

The businesses of Group subsidiaries and, therefore, their operation and earnings are subject to risks that may be grouped into the following categories:

- Risks relating to the financial situation.
- Strategic and operational risks.
- Non financial risks.
- Reputational risks.

In the Corporate Governance Report (*see Section E of that report*) are detailed specific actions and bodies used to identify, valuate and manage these risks.

3.1. Risks relating to the financial situation

Financing risk-

The Group's financial obligations are set out in note 11.b) in the attached explanatory notes.

As of December 31, 2021, the Group's net bank debt level stood at EUR 756.1 million and represents a series of risks:

- It is more exposed to the economic cycle and market performance, especially in those businesses with a higher exposure to economic cycles.
- It requires part of the cash flow from operations to be put aside to cover payment obligations, interest payments and amortisation of the debt principal, hindering the capacity to dedicate these cash flows to cover working capital, investments and finance for future transactions.
- It limits the ability to adapt to changes in the markets.
- It places the Group at a disadvantage with regard to less indebted competitors.

As described in the consolidated financial statements for 2021, the Company reached in the fourth quarter of 2020 an agreement with the creditors of the *Override Agreement* (agreement to refinance the Group's debt signed in December 2013) and with the creditor of Super Senior debt to refinance and modify the terms of Prisa and Prisa Activos Educativos, S.L.´s current financial debt. On December 31, 2020 the Refinancing agreement came into effect, and among other aspects, it extended the maturity of the debt until March 2025, adapted the financial conditions of the debt to the Group's new position in terms of generating cash and has included a relaxation of certain financial covenants and Prisa's commitment to achieving a leverage cap in September 2023 (4.25x Net Debt/EBITDA).

As indicated in note 26 of the explanatory notes, in February 2022 the Board of Directors of Prisa has approved, by unanimity, the signing of a lock-up agreement (the "New Lock-Up Agreement") that incorporates a term sheet with the basic conditions for the amendment of the Group's syndicated financial debt (the "New Refinancing"). The basic terms of the agreed New Refinancing consist, among other aspects, in the extension of the maturity of the financial debt to 2026 and 2027 and division of the syndicated loan into two differentiated tranches (one of senior debt and one of junior debt) and the flexibilization of the contractual commitments of the current debt that will allow, among other improvements, to increase Prisa's operating flexibility and soften the financial ratios required by its current contracts. The agreed New Refinancing will thus make the Group's financial debt more flexible and will provide a financial structure allowing the Group to comply with its financial commitments, ensuring the Group's stability in the short and medium term.

In addition, the contracts governing Prisa's Group debt terms stipulate requirements and commitments for compliance with specific leverage and financial ratios (*covenants*). These contracts also include provisions on cross-default, which could cause, if the breach exceeds certain amounts, the early maturity and resolution of the contract in question, including the *Override Agreement*.

The credit rating assigned to the Company may be reviewed, suspended or removed at any time by one or more of the credit rating agencies. A downward variation in the credit rating of the Company could adversely affect the conditions of a possible future refinancing of the financial debt of the Group, may adversely affect the cost and reduce investors.

Credit and liquidity risk-

The adverse macroeconomic situation with major declines in advertising and circulation has had a negative impact on the Group's ability to generate cash flow over recent years, mainly in Spain. Businesses which rely heavily on advertising have a high percentage of fixed costs, and any decline in advertising revenues has major implications for margins and the cash position, making it difficult to implement additional measures to improve Group operating efficiency. In 2021, advertising revenue represented 40.3% of Group operating income.

Likewise, the nature of the Education business means that there are concentrated periods of collections around certain dates, mainly during the final months of each year. The aforementioned creates seasonality in Santillana's cash flow. While the seasonality of the Group's cash flow is not significant, so far as the flows coming from the various business units largely compensate each other and thereby mitigating the seasonality effect, the aforementioned could lead to certain cash tensions during the periods in which the collections are structurally lower.

In terms of the commercial credit risk, the Group assesses the age of the trade receivables and constantly monitors the management of the receivables and payables associated with all its activities, as well the maturities of financial and commercial debt and repeatedly analyses other financing methods in the aim of covering planned cash requirements in the short, medium and long-term.

However, and as described in note 1 of the consolidated financial statements, the appearance of COVID-19 (Coronavirus) has led that the situation of the markets causing a general increase in liquidity pressures in the economy and a contraction in the credit market. In this respect, the Group has a Super Senior debt (“S*uper Senior Term &Revolving Facilities Agreement*”) to meet operational needs for a maximum amount of up to EUR 225 million, of which EUR 145 million, were drawn as of December 31, 2021. Likewise, the rest of subsidiaries of the Group have credit facilities with a limit amount of EUR 21.9 million, that were undrawn as of December 31, 2021 (*see note 11b of the consolidated financial statements*). Therefore, as of December 31, 2021, the Group had undrawn credit facilities amounting to EUR 101.9 million, together with cash available of EUR 159 million. The Group has also implemented specific plans for the improvement and efficient management of liquidity to address these tensions.

Exposure to interest rate hedges-

The Group is exposed to changes in interest rates as around 97.58% of its bank borrowings bear interest at floating rates. The Group currently has no derivative contracts for interest rates. A possible increase in interest rates (i.e. Euribor), would mean an increase in interest expense, which would negatively impact in the cash flow of the Group.

Exposure to exchange rate hedges-

The Group is exposed to fluctuations in exchange rates mainly due to financial investments made in stakes in American companies, as well as revenue and profits from said investments.

In this context, and in the aim of mitigating this risk, if there are credit lines available the Group adheres to the practice of formalizing hedge contracts for exchange rate variations (mainly forex insurance, 'forwards' and options on currencies) based on its monthly analyzed forecasts and budgets, in order to reduce volatility in operations, results and cash flows of subsidiaries operating overseas in currencies other than the euro.

Moreover, a possible unfavourable performance in the economies of the Latin American countries where the Group operates could translate into hyperinflationary situations, with the consequent negative impact on exchange rates.

Tax risks-

The Group's tax risks are related to possibly different interpretations of the rules that the relevant tax authorities may make, as well as to the changes in tax rules in the different countries in which the Group operates.

As of December 31, 2021, Prisa Group had active tax credits amounting to EUR 46 million, and they mainly correspond to temporary differences.

In accordance with current Group business plans, the Board of Directors deem recovery of active tax credits according to the criteria established in the accounting regulation likely, although there is the risk that changes in tax rules or the ability to generate positive tax bases may not suffice to recover the active tax credits.

Intangible assets and goodwill-

As of December 31, 2021, the company had intangible assets recorded on its consolidated balance sheet amounting to EUR 96 million and goodwill of EUR 110 million. The analysis of the value of these assets and goodwill used estimates made to date based on the best available information. It is possible that events which could occur in the future make it necessary to modify these estimates down. In this event, the impact of these new estimates in valuing intangible assets and goodwill will be registered on the future consolidated income statement.

3.2. Strategic and operational risks

Macroeconomic risks-

The evolution in macroeconomic variables affect to the Group business performance in Spain and America.

During 2021, 57% of Group operating income came from international markets. Nevertheless, Spain continues to be the Group's main geographical market (representing 43% of Group operating income).

Macroeconomic declines could negatively affect the Group's position in terms of earnings and cash generation, as well as the value of Group assets.

Decline in the advertising market-

An important part of Prisa's operating income comes from the advertising market, mainly in its Media business. During 2021, advertising revenue represented 40.3% of Group operating income. Spending by advertisers tends to be cyclical and reflects the general economic situation and outlook.

A worsening of macroeconomic figures in the countries where the Group operates (especially GDP), would entail the spending outlook for advertisers could be negatively impacted. Given the large fixed expenses component linked to businesses which rely heavily on advertising, any decline in advertising revenues directly affects operating profits and, therefore, the Group's ability to generate cash.

Changes occurring to the traditional media business-

Press revenues from the sale of copies and subscriptions continue to be negatively impacted by the growth of alternative distribution media, including free news websites and other content.

If the Group's businesses do not manage to successfully adapt to the new demands of consumers and to new business models, there could be a material adverse effect on the Group's income and results.

Competition risk-

Prisa's businesses operate in highly competitive sectors.

Competition between companies offering online content is intense in the Media businesses, and the Group is fighting for advertising against traditional players, multinational online audiovisual and musical content platforms, new online content providers and news aggregators.

In the Education business, the Group also competes against traditional players and smaller businesses, online portals and digital operators offering alternative content and methodology. In addition, there is a growing trend towards access to open educational content through online sites, and the market for second-hand materials is growing. However, the number of schools that do not use books and that develop new content within the scope of their own curricular autonomy is increasing.

The ability to anticipate and adapt to the requirements and new demands from customers may impact the competitive position of Group businesses with regard to other competitors.

Country risk-

Prisa operations and investments may be affected by different risks that are typical to investments in countries with emerging economies or with unstable backdrops, such as currency devaluation, capital controls, inflation, expropriations or nationalizations, tax changes or changes in policies and regulations.

Regulatory risk-

Prisa operates in regulated sectors and, therefore, is exposed to regulatory and governmental risks that could negatively impact the business.

Specifically, the radio business is subject to having franchises and licenses for its activity, while the education business is subject to public educational policies applied by the governments of the countries where the Group operates. Therefore, the Education business could be affected by legislative changes, changes in the contracting procedures of public administrations, or the need to obtain prior administrative authorization with respect to the content of publications. Curriculum changes force the Group to modify its education contents, which requires making additional investments and so there is the additional risk that the return on these investments will be less than expected.

Furthermore, Prisa businesses are subject to many regulations in terms of fair competition, control of economic mergers or anti-monopolistic legislation at a global or local level.

Risk of concentration of customers in the public sector-

The main customers in the Group's Education business are the governments and public bodies in the various jurisdictions where it operates.

This dependence on public administrations could represent a risk for the results and business of the Group if the economic situation of these countries deteriorated, if there were changes in regulations or in public policies.

Digital transformation process-

The businesses where the Group operates are in a permanent process of technological change. Recent technological progress has introduced new methods and channels for content distribution and use. This progress is accompanied, in turn, by changes in preferences and audience consumption habits.

In the field of media, alternative digital actors proliferate including social networks or news aggregators as online content through several platforms, which has greatly expanded the options available to consumers, resulting in a fragmentation of the audience. This also implies an increase in the inventory of digital advertising space available to advertisers, which affects, and is expected to continue affecting, the Group's Media businesses.

In addition, the digital advertising business itself is subject to constant change. The emergence of digital advertising networks and markets, especially, disruptive methods of advertising auctions, is allowing advertisers to develop more personalized advertising and is putting downward pressure on prices. And, on the other hand, there is a proliferation of technologies and applications that allow users to avoid digital advertising on web pages and mobile applications that visit.

In the field of education, in certain geographies, subscription models with a strong digital component (educational systems) are becoming increasingly important, both in terms of content and in terms of educational experience.

The digital transformation imply several risks such as developing new products and services to respond to market trends, losing of value of contents within a digital environment, importance of technology to develop digital business, the management of the new digital talent or resistance to technological change in businesses of the Group.

Technology risk-

The businesses in which the Group operates depend, to a greater or lesser extent, on information technology ("IT") systems. For example, in education business the Group offers software or technology solutions through web-based platforms.

IT systems are vulnerable to a set of problems, such as malfunctioning hardware and software, computer viruses, piracy and the physical damage sustained by IT centers. IT systems require regular updates, and it is possible that the Group cannot implement the necessary updates at the right time or that updates might not work as planned. Moreover, cyber-attacks on Prisa's systems and platforms could result in the loss of data or compromise customer data or other sensitive information. Major faults in the systems or attacks on their security could have an adverse effect on Group operating profits and financial conditions.

In this regard, the Group has externalized with several technology providers its information technology management service and the development of innovative projects at some Group companies. If this service provision ceases or the service was transferred to new suppliers, Group operations could be impacted.

Litigation and third-party claims risk-

Prisa is involved in litigation and is exposed to liability for the content in its publications and programs. Moreover, when running its activities and businesses, the Group is exposed to potential liabilities and claims in the area of employment relations.

To manage this risk, the Group manages and monitors legal proceedings and is advised by independent experts.

Data protection-

The Group has a large amount of personal data at its disposal through development of its businesses, included those related to employees, readers and students. Therefore, the Group is subject to data protection regulations in different countries where it operates. Any violation of these regulations could have an adverse impact on the Group's business.

Intellectual property-

The Group's businesses depend, to a large extent, on intellectual and industrial property rights, including the brands, literary content or technology developed internally by the Group, among others. Brands and other intellectual and industrial property rights constitute one of the Group's pillars of success and ways to maintain a competitive advantage. However, there is the risk that third parties might, without the Company's authorization, attempt to unduly copy or obtain and use the content, services and technology developed by the Group.

In addition, in order to use third-party intellectual property rights, the Group has non-exclusive paid-for permission from management companies servicing the owners of these rights and companies that create or market intellectual property.

Likewise, recent technological advances have greatly facilitated the unauthorized reproduction and distribution of content through diverse channels, thereby hindering the execution of protection mechanisms associated with intellectual and industrial property rights.

3.3. Non financial risks

See section 5 of the Consolidated Directors´ Report of 2021.

3.4. Reputational risks

See section 5 of the Consolidated Directors´ Report of 2021.

4. CORPORATE GOVERNANCE

In compliance with commercial law, the Annual Corporate Governance Report (ACGR), which details all corporate governance aspects at Prisa, forms part of this management report, and was authorized for issue by the Board of Directors. The ACGR is available at www.prisa.com.

The Annual General Meeting and Board of Directors are the Company's most senior governance bodies, and their operation and decision-making process are described in detail in the ACGR.

Without prejudice to the above, some of the key aspects of Prisa's corporate governance are set forth below, as well as the important changes that have occurred during the 2021 financial year:

i. Board of Directors and Board Committees:

In February 2021, the Board of Directors approved a series of changes to drive the transformation of the Group, including the appointment of Mr Joseph Oughourlian as Non-Executive Chairman of the Board of Directors. Mr. Oughourlian was the Vice Chairman since April 2019 and his appointment as chairman has been carried out within the framework of the Succession Plan launched by the Board of Directors after the cessation, last December, of the previous chairman.

As a consequence of the condition of proprietary director of the Chairman of the Board, the appointment of the independent director Mr. Rosauro Varo as Vice Chairman of the Board of Directors has been agreed. It was also agreed the continuity of Mrs. Beatriz de Clermont as Coordinating Director.

Also in February 2021, Mr. Javier de Jaime Guijarro resigned as director and to fill this vacancy, the Board of Directors, appointed, by co-option, Ms. Pepita Marín Rey-Stolle as independent director.

In March 2021, Prisa's Board of Directors approved a new organizational chart with a view to implementing the operations of the Group's Education (Santillana) and Media (Radio and News) businesses, accelerating the advancement of Santillana and establishing the basis for creating Prisa Media (the new business unit that unifies the Group's radio and news businesses). In view of the new organizational chart, it was decided that Prisa should evolve from having a sole executive director (at the time there was a single CEO, Mr. Manuel Mirat Santiago) to having two executive directors, one as head and Executive Chairman of Education (Santillana) and the other as head and Executive Chairman of Prisa Media, resulting in the following: i) Mr. Carlos Nuñez Murias was appointed Executive Chairman of Prisa Media (in May 2021) and executive director of Prisa (by resolution passed at Prisa shareholders meeting in June 2021) and ii) Mr. Manuel Mirat Santiago assumed the Executive chairmanship of Santillana and resigned as CEO of Prisa, with effect from the holding of the aforementioned shareholders' meeting in June 2021.

Also in March 2021, the Board of Directors approved the change of the natural person representing the director Amber UK LLP, who since then is Mr. Miguel Barroso.

At the Ordinary Shareholders' Meeting held in June 2021, the following agreements were adopted:

- As already indicated, the re-election and appointment, respectively, of Mr. Manuel Mirat Santiago and Mr. Carlos Nuñez Murias, as directors of Prisa, with the category of executives.

- Likewise, it was also resolved the appointment of a new proprietary director, Ms. Carmen Fernández de Alarcón, so increasing the number of Prisa directors from 12 to 14.

After the shareholders meeting, the appointment of Mr. Manuel Mirat Santiago as Executive Chairman of Santillana became effective, as well as his resignation as Prisa’s CEO, thus implementing the new organization of Grupo Prisa’s two business areas (Education and Media) headed respectively by Mr. Manuel Mirat and Mr. Carlos Nuñez, who likewise will serve as executive directors of Prisa.

Subsequently, in July 2021 the Board of Directors approved the succession to Santillana’s chairmanship and Mr. Manuel Mirat was replaced by Mr. Francisco Cuadrado as Santillana’s executive chairman. Likewise, Mr. Mirat resigned as executive director of Prisa and the Board of Directors appointed, by co-option, Mr. Cuadrado, as an executive director of Prisa

Also in July 2021, Mr. Ignacio Polanco Moreno tendered his resignation as Honorary Chairman of the Company and Mr. Xavier Pujol Tobeña resigned as Secretary of the Board of Directors, having been replaced in that position by Mr. Pablo Jiménez de Parga Maseda.

In November 2021, Mr. Dominique D´Hinnin resigned as director and to fill this vacancy, the Board of Directors, appointed, by co-option, Ms. Teresa Quirós as independent director.

Likewise, in 2021 the Board Committees (Delegated Committee, Audit, Risk and Compliance Committee and Nominations, Compensation and Corporate Governance Committee), have been reorganized. It should also be noted that, in February 2022, the Prisa Board of Directors has agreed to set up a Sustainability Commission.

Prisa’s Board of Directors had 14 members (2 Executive Directors, 6 proprietary directors and 6 independent directors), with different academic profiles and respectable track records (profiles and bios available at: www.prisa.com).

The Board of Directors has a non-executive chairman and vice-chairman, as well as a coordinating director who is independent. The chairman of the board is responsible for organizing the board and promoting and developing the good governance of the company as provided for in the Board Regulations.

ii. Senior Management

During 2021 there was likewise a profound reorganization of senior management, particularly regarding:

- Former CEOs of Santillana (Mr Miguel Angel Cayuela Sebastián), Prisa Radio (Mr Pedro García-Guillén) and Prisa Noticias (Mr Alejandro Martinez Peón) who left the Company.

- New Chief Financial Officer (Mr. David Mesonero, replacing Mr. Guillermo de Juanes Montmeterme) who joined the Company and, as already indicated, a new Secretary of the Board (Mr. Pablo Jiménez de Parga Maseda, replacing Mr. Xavier Pujol Tobena).

After the corresponding corporate reorganization, the Senior Management is made up of the following executives: Executive Chairman of Santillana, Executive Chairman of Prisa Media, Secretary of Prisa Board of Directors, Prisa CFO, Director of Communication and Institutional Relations of Prisa and Director of Internal Audit.

As per the Company's Board of Directors Regulations and pursuant to the Corporate Enterprises Act, the Board have non-delegable powers to determine certain general strategies and policies of the Company and make certain decisions (including the strategic or business plan; management objectives and annual budgets; investment and financial policy; tax strategy; risk management and control policy; oversight of the internal control and information systems; approval of financial reporting; dividends policy; treasury share policy; corporate governance and sustainability policies; the appointment and dismissal of board members and certain directors; investments or operations of all types which due to their high amount or special characteristics, are of a strategic nature or involve special tax risk for the Company; approval of the incorporation of or acquisition of equity stakes in special purpose vehicles or institutions domiciled in tax havens; agreements concerning mergers, spin-offs and any material decisions that could affect the Company's status as a listed company; approval of related-party transactions; annual evaluation of the Board of Directors' performance, etc.).

The two executive directors are, respectively, the heads and Executive Chairmen of the two Group businesses (Santillana and Prisa Media) and are responsible for overseeing the management of those businesses and leading senior managers within the scope of the business units with whose management they have been entrusted.

The Board of Directors has a Delegated Committee which has been granted all the powers and competencies of the Board that can be delegated, in accordance with the Law and with the limitations established in the Regulations of the Board of Directors.

Senior managers are appointed by the Board and they report directly to the Board.

Each of the commissions of the Board (Delegated Committee, Audit, Risk and Compliance Committee, Nominations, Compensation and Corporate Governance Committee and the recently established Sustainability Commission) has functions in their respective areas. The composition and functions of these committees are described in the ACGR.

5. NON- FINANCIAL INFORMATION STATEMENT

5.1. ABOUT THIS REPORT

This Statement of Non-Financial Statement (hereinafter NFS) reflects Prisa Group's annual performance in environmental, social, governance and economic matters. It highlights the contribution to sustainable development and the main actions and projects undertaken, while giving continuity to the reports prepared in previous years. It also includes Prisa's contribution to the United Nations 2030 Agenda, through describing the activities and impact associated with the five Sustainable Development Goals (SDGs) that are strategic for Prisa.

This report gathers the data and information of the business units of Prisa Group (Prisa Media and Santillana) in the 23 countries in which it operates. The data presented reflect all the activities and actions carried out by Prisa companies in these countries, with the exceptions identified throughout the report and in the tables, reporting, for the most part, aggregate data (at Group level) or disaggregated data (by business units), depending on the nature of the information, thus facilitating the reader's understanding.

Prisa's Sustainability Policy (approved by the Board of Directors in December 2018 and revised in 2020 and February 2022), whose objectives include achieving sustainable development and promoting social interest, fostering a culture of ethics and compliance, accompanying the development of the social environments in which it operates and using the resources necessary for its activity in a sustainable manner with the idea of creating shared value with all its stakeholders. The Sustainability Policy is available on Prisa Group's corporate website (www.prisa.com).

This report has been prepared in compliance with the requirements set out in Law 11/2018 of 28 December on non-financial reporting and diversity. Likewise, the materiality analysis updated in 2020, the Group's non-financial risk map and the GRI Standards indicators selected in the table "Contents required by Law 11/2018 of 28 December" defined in the *Global Reporting Initiative* (GRI) guide on the drawing up sustainability reports was also taken into account.

As the Non-Financial Information Statement is included in the Prisa Consolidated Management Report as an additional chapter, information required in the Non-Financial Information Statement will be incorporated by reference to other sections of the wider Management Report. For this same purpose, reference may be made to the Annual Corporate Governance Report attached as an appendix to the Consolidated Management Report and to the Prisa Group's Consolidated Notes to the Financial Statements for 2021, both of which are published and accessible on Prisa's corporate website in the Shareholders and Investors section. In addition, the Prisa Group publishes an annual Sustainability Report, which complements this Non-Financial Information Statement.

The procedure for producing the Group's Non-Financial Information Statement is based on standardised report for all business areas, which includes the data corresponding to the performance indicators referred to above.

The final table of contents and correlation with the indicators of Law 11/2018, GRI Standards, Global Compact Principles and SDGs, identifies those aspects that are material and non-material, given its activity, based on Prisa's materiality study and the analysis carried out on the company's non-financial risks.

5.2. THE PRISA GROUP AND ITS BUSINESS UNITS

The Prisa Group ("the Group") engages in the creation and distribution of cultural, educational, news and entertainment content on a global scale, with a focus on the Spanish and Portuguese-speaking markets.

Across its Business Units, it operates brands such as El País, Santillana, Moderna, Compartir, UNO, Ser, Los40, WRadio, Radio Caracol and AS. The Group is present in 23 countries. According to 2021 data, 43.1% of its operating revenue arises in Spain and the remaining 56.9% is generated internationally. Five countries account for 86% of the Group's total operating revenue in 2021: Spain, Brazil, Mexico, Colombia and Chile. The table shows developments in the aforementioned indicators:

Operating income Prisa Group	2021	2020
Spain	43.1%	40.7%
International	56.9%	59.3%
Operating income Prisa Group	**2021**	**2020**
Main countries (Spain, Brazil, Mexico, Colombia and Chile)	86%	86%

The proportions of the main countries remained steady in the 2021 period, although total international income was down slightly against 2020, primarily due to the impact of the pandemic on the opening of schools in Latin America, which had an adverse effect on Santillana's income during the first half of the year.

We describe below, for each Business Unit, its markets and sectors, business models, business environment and organisational structure, and its goals and strategies. Business performance and the factors and trends affecting the business model are described in Notes 1 and 2, respectively, to the consolidated management report.

5.2.1. MARKETS AND SECTORS, BUSINESS MODEL, BUSINESS ENVIRONMENT, ORGANISATIONAL STRUCTURE

The Group is organised into two Business Units, equivalent to the operating segments as indicated in note 17 of the Notes to the consolidated financial statements: Education (Santillana) and Media (Prisa Media).

In addition to its Business Units, Prisa Group has a corporate center (Prisa), which sets the Group's strategy and ensures our businesses are in alignment with it.

Education Business Unit: Santillana

Santillana focuses its activity on creating and distributing educational content and services for all levels of education from 3 to 18 years of age (with a special focus on K-12 - primary and secondary schooling-), in Spanish, Portuguese and English, in different formats, and adapted to the regulations and educational models of the countries in which it operates. It orientates its business model towards offering comprehensive solutions not only for students, but also for teachers and educational centers as a whole.

Through brands such as Santillana, Compartir, UNO, Moderna and Richmond Solution, among others, we are present in 20 countries (Spain, Portugal and 19 countries in Latin America). The Business Unit is organised by country, with its own corporate center that coordinates and guides the entire Business Unit's strategy.

By geographic area, the two main markets for the Education Business Unit are Brazil and Mexico, which accounted for 61% of total operating revenue in 2021.

Operating income Santillana	**2021**	**2020**
Main countries (Brazil and Mexico)	61%	59%

By 2021, around 27 million students have used educational content generated by this Business Unit, which has 2 million subscriptions of students studying through comprehensive, flexible and disciplinary learning systems. Representing an increase compared to 2020 of 16%.

Media Business Unit: Prisa Media

Prisa Media is active in generating and distributing information and entertainment content through different offline and online media/platforms: talk radio and music radio (analogue and digital); general, sports and business press (print and digital); audio podcasts distributed on own and third party platforms; events in multiple formats, etc.

With brands such as El País, AS, Cinco Días, Ser, Los40, Dial, Radio Caracol, WRadio and Podium Podcast, among others, Prisa Media is present in 12 countries directly or through franchises, with an organisational structure based on eight transversal platforms to achieve a more agile and efficient management, based on digital transformation and the convergence of resources: Commercial, Digital and Technology, Audio, Video Operations, Human Resources and Talent, Legal, Marketing and Audiences.

By geographical area, 82.1% of its operating income comes from Spain and the remaining 17.9% is generated internationally.

Operating income Prisa Media	**2021**	**2020**
Spain	82.1%	84.4%
International	17.9%	15.6%

The business model focuses on monetising audiences through two main lines of activity: advertising (accounting for 78% of revenues), increasingly digital (25% of total advertising revenues); and circulation, both digital and print (14% of total revenues). These lines of activity are complemented by other activities such as the organisation and management of events or the distribution of promotions, as well as the identification of new alternative ways of generating income that are becoming more concrete as the digital transformation accelerates.

At December 2021, the aggregate online audience of all Prisa Media's digital media was 251 million unique browsers from around the world. El País has more than 176,000 total subscribers, Radio has an aggregate audience of nearly 22 million listeners across all its brands, and in audio, 34 million downloads and 67 million hours of streaming on average per month were reached during the year.

Main indicators Prisa Media	2021	2020
Unique browsers (millions)	251	249
Total subscribers	176,760	130,293
Listeners (millions)	22	22
Downloads (millions)	34	24
TLH (Total Listening Hours) (millions)	67	56

Developments in the main indicators of Prisa Media business show growth in an environment still affected by the crisis caused by COVID-19, in keeping with the Group's digital transformation roadmap.

5.2.2. OBJECTIVES AND STRATEGIES

The Prisa Group’s strategy incorporate the strategic plans of its business units.The main objectives on which the strategy is based in the short, medium and long term, are as follows:

- Growth in the Education business thanks to the expansion in the markets operated and the continuous development of education systems, always preserving the quality of education with a focus on students and the educational community. Objetives:

    - Maintain leadership position by expanding into new growth segments.
    - Continue to lead the digital transformation and the development of hybrid education solutions (online and offline) as part of education systems under subscription models. Always with a focus on improving the learning experience in a holistic way. Enhance a quality offer of complementary educational products and services, which contributes to improving the quality of the learning process.
    - Commit to an inspiring, student-centred education that empowers teachers to improve education, providing service and support to schools and families, with innovation and creativity at the heart of learning.

Fulfilling these strategic objectives will allow us to continue to increase revenues, improve margins and, therefore, increase the profitability of the business. At the same time, the growth of the digital component of our projects and the use of paper that is predominantly sourced sustainably, allow us to reduce the environmental impact of our business. In addition, with its commitment to quality education, the Santillana business will continue to contribute firmly to fostering equality, training and respect for human rights, in line with the SDGs.

- Acceleration of the digital transformation of Prisa Media’s business, strengthening the leadership of the brands and maintaining them as a benchmark in quality information and entertainment. Objectives:

    - Provide entertainment and guarantee quality information to society by generating an objective, contrasted, diverse, critical and inclusive vision of the reality of events.

- Continue to reinforce the leading position of Prisa Media's brands and digital properties by expanding their impact and (global) reach to further increase market share.
- Expand digital audiences in Spain and Latin America.
- Accelerate the digital transformation from offline models to user-oriented and user-focused multimedia digital models.
- Strengthen the commercial strategy with diversification of commercial proposals and continue to promote the different monetisation channels.

The achievement of these strategic objectives will allow Prisa Media to continue to increase revenues, improve margins and, therefore, increase the profitability of the business; while the acceleration of the digital transformation will contribute to reducing the environmental impact (reduction of CO2, reduced consumption of paper, toner and other paper-related materials). And the focus on the quality of information and entertainment will continue to contribute to the development of a more diverse, inclusive and informed society, in line with the SDGs.

- Improvement of the Group's consolidated balance sheet structure. Objectives:

  - Focus on progressively deleveraging the company to achieve a sustainable debt structure.
  - Improve efficiency and cost control by maximising cash generation.

A sustainable financial condition and an improved cash generation profile of the Group will also facilitate the direct allocation of more and more resources to contribute to the SDGs, as the company has been doing in recent years.

The Prisa Group has intensified communication with rating agencies and sustainability indices during 2021, thus showing a clear commitment to introduce ESG (Environmental, Social, and Governance) criteria in all the company's financial instruments in the future. It is currently part of the following indices: MSCI, Sustainalytics, FTSE4Good and ESG Climate Risk (Moody's).

Promoting the SDGs is a strategic objective of the Group and its Business Units, through responsible environmental management, commitment to society and the company's professionals, and with a transparent governance model that guarantees ethical and responsible management that preserves human rights. In this respect, it is worth mentioning some of the initiatives that have been launched, which have made it possible to:

- Greater commitment to diversity: 35.8% of Prisa's Board of Directors are women (three new female directors appointed in 2021).
- Alignment with the SDGs driven by the "Deja Buena Huella" (Leave a Good Footprint) communication campaign, with more than 77 million printouts in Spain and Latin America, through four dissemination channels and with a significant reach and impact in terms of views, notching up a CTR (*Click Through Rate*, the number of clicks a link gets with respect to the number of impressions) of 0.23%, when the market average stands at 0.15%.
- Progress in the commitment to renewable energy consumption and energy efficiency:

  - 100% renewable energy in Spain from July 2021.

- The photovoltaic self-generation plant located in the Miguel Yuste building (Madrid), which produced 142 MWh of clean energy in 2021, is 100% operational.
- The main installations in Spain operate with efficient lighting technology.

With the creation of the Sustainability Committee in September 2021, the Prisa Group reaffirms its commitment to sustainability, with this Committee assuming the role of coordinating body, and ensuring that the future sustainability strategy is implemented in an orderly and efficient manner.

It is also noted that in February 2022 the Prisa Board of Directors agreed to set up a Sustainability Committee, made up of five directors, whose powers have been regulated in the Board of Directors Regulations.

5.3. RISK MANAGEMENT

Risk management and internal control systems

In order to permanently monitor the most significant risks, including tax risks, Prisa has established a Risk Management System, the purpose of which is to know and control the risks to which the Group is exposed and that could affect meeting the objectives defined in the Strategic Plan and that of its businesses.

This system is referred to in the Prisa Group’s Risk Control and Management Policy, approved by the Board of Directors in November 2020, which identifies the Group’s main risks in four categories: financial, strategic and operational risks, non-financial risks and reputational risks.

This policy sets out the reference framework to control and manage the risks associated with the Group’s activity, with the aim of controlling, mitigating and managing any threat to meeting the defined objectives and facilitating the proper execution of the strategic roadmap.

The Group also has an Internal Control over Financial Reporting System (ICFR), which was initially developed on the basis of the COSO 1992 methodological framework and adapted to the new COSO 2013 Framework in 2014.

To manage criminal risks, Prisa Group has a Crime Prevention and Detection Model in place in Spain and has developed compliance models in the key countries where the Group is present: Brazil, Mexico and Colombia. Compliance models cover environmental, labour relations and corruption and bribery risks for each business activity. For each of these risks, the Group sets risk control and mitigation measures based on their impact on the business.

Risk identification and detection management process

The Risk Management System operates by business unit, consolidating this management at the corporate level through a comprehensive management model, among other specific tools, focused on ad hoc analyses in relation to different risks, depending on their development and the assessment made of them and their circumstances over time.

Risks are pinpointed by the CEOs of the business units and the corporate centre, identifying the parties responsible for managing each risk and setting action plans and controls. As indicated above, at corporate level, risk management is consolidated through the integrated management model, which provides a dynamic and continuous vision that is more suitable for monitoring, control and management.

In this respect, in addition to corporate management, the business units contribute to the proper functioning of the risk control and management systems and, in particular, aim to identify, manage and adequately quantify the risks affecting them. They also actively participate in defining the risk strategy and in risk management decisions, ensuring that the systems in place adequately mitigate risks within the framework of the policy defined by the Board of Directors and the Audit, Risk and Compliance Committee.
The Group has a risk map as a tool for graphic representation of risks, which is used to identify and assess the risks of the Group's business activities.

Annually, the Internal Audit Department aggregates and standardises the risks identified by each business unit in order to draw up the Group and business risk maps. Non-financial risks are identified and assessed annually by the businesses, and Group and business non-financial risk maps are drawn up on the basis of this assessment.

Both the integrated management model and the risk maps are reported to the Audit, Risk and Compliance Committee, which is responsible for supervising and periodically assessing the Group's risk control and management systems and for establishing the level of risk considered acceptable, based on risk aversion, tolerance or appetite in each specific case.

Relevant risks monitored

The Group's main risks are grouped into the following categories mentioned above:

- Risks relating to the financial condition.[1]
- Strategic and operational risks.[2]
- Reputational risks.
- Non-financial risks.

In relation to reputational risks, this category identifies risks associated with a potential negative impact on the Group and its results, as a consequence of behaviour that does not meet the expectations of the market and the various stakeholders, including conduct related to corruption.

In relation to non-financial risks, these fall into four broad categories aligned with the areas described in Law 11/2018 on non-financial information and diversity. Some of the risks that have been identified for each of the categories and the associated performance indicator are detailed below:

- Environmental management: risk relating to sustainable or responsible supply of raw materials, waste generation and the circular economy. The indicators are respectively

[1] Details of the risks related to the financial condition can be found in note 3 of the Prisa Group Consolidated Management Report.
[2] Details of strategic and operational risks can be found in note 3 of the Prisa Group Consolidated Management Report.

the percentage of paper purchased from sustainable sources and paper from renewable or recycled sources.

- Labour and personnel management: risks relating to our capacity to attract and retain talent, promote equality, and prevent corruption and bribery. The performance indicators are the involuntary turnover rate, the percentage of staff covered by equality plans and the number of complaints received in relation to corruption and bribery.
- Society: risk of affecting consumers; cybersecurity and privacy risks (own employees, consumers and supply chain). The performance indicators are the number of complaints and grievances received and the events of risk of leakage of private information.
- Supply chain: risk of linking to third parties without an approval process and its indicator is the percentage of payments to local suppliers.

Throughout this report, each chapter provides further information about the indicators for monitoring and evaluating relevant risks. The information is linked to the GRI Standards indicators in the table at the end of this report.

5.4. MATERIALITY

The purpose of the materiality analysis of the Prisa Group is to identify the most relevant issues for the organisation and its main stakeholders.

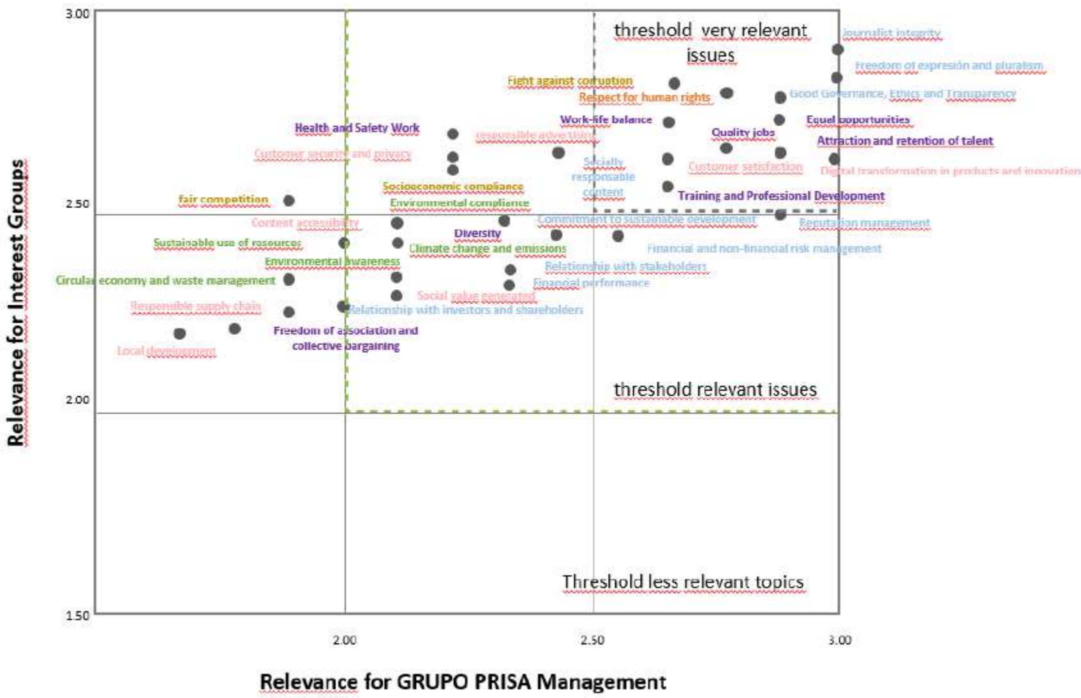
Thus, the materiality study makes it possible to identify the issues that are relevant for the organisation, considering those aspects that:

- Reflect the significant economic, social and environmental effects for the organisation. Are those aspects that can have an impact and could positively or negatively influence the organisation's ability to implement its vision and strategy.
- Substantially influence stakeholder assessments and decisions.

In relation to the relevant issues of the Prisa Group's organisation, international standards, norms and aspects such as the following have been taken into consideration:

- Issues of Law 11/2018 on non-financial reporting and diversity.
- GRI Standards indicators (economic, environmental and social areas).
- Prisa's non-financial risk matrix.
- Previous Prisa materiality study.
- The sector-specific *Media and Entertainment* topics of the Sustainability Accounting Standards Board (SASB).
- Benchmarking carried out on the material issues of organisations in the sector.

Thus, the result of the materiality matrix of the Prisa Group is as follows:



The 30 relevant topics for the Prisa Group structured according to the six areas of Law 11/2018 on non-financial information, and their impact on the SDGs, reflected below:

5.5. RESPONSIBLE ENVIRONMENTAL MANAGEMENT

Commitment to environmental protection

As set out in its Code of Ethics, the Prisa Group is clearly committed to applying sustainability criteria in all its business areas, striving for increasingly efficient management of natural resources and adequate protection of the environment in which it operates, so as to minimise negative environmental impacts.

Thus, the Group maintains an inherent commitment to environmental protection and the awareness and dissemination of good environmental practices in its daily management, although it is true that the business model and its activity have a low environmental impact.

In 2021, one of the major milestones in the Prisa Group's responsible environmental management was the approval of its Environmental Policy, following its review by the Prisa Group's Compliance Unit and approval by the General Secretary and the Board of Directors. The policy defines its commitment in this area and sets out the following essential principles:

- Protect the environment with a commitment to: Reduce the carbon footprint, make sustainable use of resources and prevent and manage the waste generated by Prisa Group's activities; comply with the standards established in the environmental regulations applicable in the countries where the Group operates; actively contribute to raising awareness of the effects of climate change and to raising awareness that encourages respect for nature and the protection of biodiversity, taking advantage of the Group's millions of digital audiences.
- Be aware of and continuously assess the environmental impacts of Prisa Group in order to: adequately manage the risks and circumstances that cause them; improve and update the mechanisms designed to mitigate or eradicate them, enhancing the use of sustainable technology by transforming legacy businesses into digital ones; and support initiatives to prevent or minimise them.
- Promote best practices in responsible management and incorporate environmental sustainability criteria in investment decisions, as well as in the supply chain and in the execution of the Group's business.
- Disseminate these essential principles, establishing permanent communication with all staff and stakeholders, while promoting at all times environmental responsibility and commitment as a participatory task at all levels and a priority issue among the editorial topics; and sharing regularly and transparently the environmental results and actions carried out.

During 2021, the Group has worked intensively on communicating this Environmental Policy, establishing a specific dissemination and awareness-raising plan on the various contents on the subject, aligned with the risks defined in the control environment.

Thus, in the *"Comunica"* corresponding to the month of May 2021, the Environmental Policy was announced and the four principles mentioned above were disseminated, as well as its general commitment to the United Nations Global Compact and the future communication strategy in environmental matters, fed by the rest of the monthly information capsules and scheduled in 2021 as follows:

- June: *Reduction of CO_2 emissions* and *Responsible printing*.
- July: *Responsible water consumption.*
- September: *Advice on responsible driving.*
- October: *Responsible electricity consumption.*
- November: *Sustainable office.*
- December: *Paper life cycle.*

In the case of Santillana, these communications are made through the *"Santillana al día"* bulletin. During 2021, the Group has been materialising its commitment to the environment with concrete actions:

- 100% of renewable energy with a Guarantee of Origin (GDO) certificate in Spain, from July 2021.
- Self-generation of 142 MWh of clean energy through the commissioning of the photovoltaic plant located at the Miguel Yuste headquarters in Madrid, equivalent to a reduction of 129 t of CO_2 during 2021 or the planting of 176 trees.
- Efficient lighting technology in major installations in Spain.
- Reduced impact on commuting emissions by prioritising teleworking.
- Expansion of the calculation of scope 3 of the carbon footprint, with the incorporation of Latin American travel in vehicles not owned by Prisa Group, as well as emissions generated by radio signal carriers and the transport of publications in Spain.

Awareness raising and positive impact

Finally, beyond the responsible management of operations, natural resources and consumption derived from daily activity, the Group is convinced that the greatest positive impact it can generate is through public awareness and education, disseminating truthful, transparent and critical information through its communication channels, which adds value and helps to promote sustainability. An example of this are the various awards and projects with an environmental focus that were carried out in 2021, such as the *Retina ECO Awards*, *El País Origins Project*, *Another world is necessary* project, among others, reinforcing the commitment and its contribution to SDG 13 Climate Action.

Preventive measures

As mentioned above, in addition to promoting the Environmental Policy and environmental awareness internally and externally, the Group considers the precautionary principle. For this reason, in addition to its policy in this area, the Prisa Group has guarantees in its insurance programme in different countries to cover potential accidental and sudden polluting impacts that could be generated by its various operations.

Thus, in line with corporate policies, the Group selects and maintains commercial relations with suppliers that ensure and promote responsible and sustainable environmental management, both in the purchase of materials directly linked to the publishing business, such as paper, and in the management of waste collection, reuse and recycling, using authorised waste managers. In order to make further progress in its preventive measures, the request for information on the degree of commitment of the various bidding companies in the negotiation specifications for the provision of services by third parties, as well as their operational management and relationship with the contribution to the United Nations 2030 Agenda, is maintained.

5.5.1. WASTE MANAGEMENT AND ECONOMY CIRCULAR

The promotion of the circular economy and proper waste management is very important to achieve Prisa Group's environmental objectives. Prevention, recycling and other forms of waste recovery and disposal are therefore constantly promoted.

Prisa Group promotes operational and awareness-raising measures aimed at the workforce to reduce waste generation and continue to incorporate improvements in waste segregation, in order to ensure its correct recovery. The actions carried out in 2021 in this area are described below.

Proper management of the waste generated

The Business Units promote the appropriate management of the waste generated, in line with the Group's environmental management. Waste has been managed and subsequently destroyed with approved suppliers, in particular confidential documentation, selective waste such as wood or scrap and WEEE (waste electrical and electronic equipment).

At Prisa Media (Radio Colombia), for example, 95 kilograms of computers and peripherals and 72 kilograms of computer screens have been certified for destruction, in compliance with Colombian regulations.

Finally, Santillana Puerto Rico renewed two digital printing presses in 2021. The replaced equipment was made available to the supplier for destruction in a responsible manner and in compliance with applicable environmental regulations.

Paper and cardboard recycling

Prisa Group promotes recycling actions, mainly of paper and cardboard, as these are the most consumed raw materials due to the type of business and activity carried out.

In Spain, the Group has established an agreement with the *Another World Is Necessary* Association to collect paper and cardboard waste at the Miguel Yuste headquarters in Madrid, with around 12,100 kilograms having been collected between November and December. It should be noted that this Association is dedicated to favouring the reintegration of people at risk of social exclusion into the labour market, in line with the contribution to SDG 8, Decent Work and Economic Growth, and SDG 10, Reduced Inequalities. Thus, in November 2021, 60 hours of direct employment were provided to people at risk of social exclusion.

Likewise, Prisa Media (Radio Chile) has maintained the collection agreement with the San José Foundation for Adoption since 2008, recycling 510 kilograms of paper in 2021, 70% more than in 2020.

Recycling of other waste

At Iberoamericana Radio Chile, agreements have been negotiated with various organisations for the use and recovery of waste: 847 kilograms of glass, cans and containers with RECILAPP, and 1,087 kilograms of obsolete electronics recycling with PAÑIWE.

Other actions

100 ionic smoke detectors have been replaced at various sites in Spain, with others using optical technology and free of americium 241, and these are managed in accordance with RD 110/2015 on waste electrical and electronic equipment with an authorised manager. The installation of the remaining 40 detectors is planned for 2022, thus completing the renovation plan.

5.5.2. RESPONSIBLE USE OF RESOURCES

Prisa Group is aware of the importance of making a conscious and, therefore, responsible use of the natural resources and materials consumed by its activity, in order to ensure the environmental sustainability of the surroundings. Thus, the Group focuses on reducing consumption as much as possible and promoting actions that encourage sustainable development.

Consumption of raw materials

Type of material	2021		2020	
	Total consumption of material (t)	% Renewable and sustainable materials	Total consumption of material (t)	% Renewable and sustainable materials
Paper from renewable or recycled sources	11,882	20%	17,567	35%
Paper from sustainable sources (FSC or equivalent)	47,562	80%	32,553	65%
Cardboard	3,228	100%	2,512	100%
Plates	66	0%	62	0%
Total paper consumption[3]	**59,444**		**50,120**	

Based on the principle of responsible consumption, Prisa Group has promoted various actions in its Business Units. For example, initiatives have been organised for the reuse of pallets and cardboard, reusing and repurposing these materials for further use. For example, in Brazil, Peru and Argentina, Santillana has calculated reuse rates of around 85%, which serve as a benchmark of good practice for the rest of the countries.

Likewise, in 2021 Santillana achieved 97% consumption of FSC-certified paper from sustainably managed forests. Lastly, it is worth noting the increased use of lighter-weight paper (40 g. vs 42 g.) in Prisa Media’s press area, generating a reduction in consumption of 57 tonnes by 2021.

Furthermore, responsible printing projects have been promoted in the branches to progressively reduce paper and toner consumption, such as at Radio Caracol in Colombia, where by 2021 all invoices to suppliers were sent electronically.

Water consumption

Prisa Group consumes water mainly for its daily use in the branch, as well as for the cleaning processes of its facilities. This is obtained through the corresponding municipal public network. In no case do they have their own supply points.

2021	2020
49,408 m^3	**59,278 m^3**

In 2021, the water consumption was reduced by 16.65% compared to 2020.

[3] The reported changes in paper consumption are due to the consequences of the low activity in 2020 resulting from the COVID-19 pandemic.

Power consumption

Although Prisa Group maintains various initiatives to reduce consumption, explained below, in 2021 there has been an increase in electricity consumption with a strong increase in energy from renewable sources, derived from the component of recovery and return to face-to-face activity after the first waves of the COVID-19 pandemic in 2020, whose crisis caused the exponential drop in resource consumption values in business activity.

Prisa Group electricity consumption	**2021**	**2020**
Renewable source (GWh)	22.7	5.1
Non-renewable source (GWh)	10.6	20.5
Total consumption (GWh)	**33.4**	**25.6**

The global data on renewable energy consumption can be summarised as follows:

	2021	**2020**
Use of renewable energy	**68%**	**20%**

The Group remains committed to the rational use and efficiency of energy, promoting measures to improve efficiency on an ongoing basis, such as:

- The commissioning of the photovoltaic plant installation located in the Miguel Yuste building (Madrid) has resulted in a production of 142 MWh of clean energy in 2021 for self-consumption.
- Efficient lighting technology in the main installations in Spain and in some Business Units in Latin America (Prisa Media Mexico and Chile, and Santillana Peru, Honduras and Brazil). At the headquarters on Gran Vía in Madrid, for example, energy consumption has been reduced by 290,000 kWh.
- Installation of timers in traffic areas, change from conventional lights to LED. Annual preventive maintenance of the equipment and the reduction of air conditioning equipment has led to savings in consumption at Santillana Peru of around 71,353 kWh in 2021.
- Policy of switching off equipment and lighting in the branch during non-operational hours, accompanied by control routes and movement sensors to promote energy savings.
- Awareness-raising and energy efficiency campaigns.

Fuel consumption

Natural gas	
2021	2020
258,264 m^3	**154,732 m^3**

Diesel	
2021	2020
368,407 litres	**112,446 litres**

With regard to fuel consumption, there has also been a considerable increase in 2021 due to the return of face-to-face activity, after the first year of major impact and crisis caused by the COVID-19 pandemic. However, it is constantly working to reduce the consumption of fossil fuels by increasing the consumption of renewable energies, by purchasing green energy and by self-generation of clean energy, thanks to its photovoltaic plant projects to produce domestic hot water and, therefore, reduce the consumption of natural gas.

5.5.3. CLIMATE CHANGE

The Group is aware of the great challenge facing humanity, and especially the private business sector, in the fight against the climate emergency. It is therefore an essential part of the Group's environmental strategy and objectives.

Thus, with regard to minimising the impact of the Group's business activity, linked to the emission of greenhouse gases, the following measures have been established:

- Promoting actions to become more energy efficient and reduce fuel consumption, through the various measures explained above (including the promotion of renewable energies).
- Promotion of sustainable mobility, with the progressive replacement of the fleet in Spain to vehicles with ECO technology, as well as encouraging more responsible travel.
- Digitalisation of the Group's businesses, leveraging the momentum of digital transformation and innovation.
- Promotion of awareness-raising activities, projects and events that reinforce the public commitment of Prisa Group to contribute to the United Nations 2030 Agenda and to the contribution of SDG 13 "climate action". The "*Spanish Sustainable Mobility Week" award for the article 2Carriles bici: la respuesta de las ciudades ante la pandemia"* (2Bike lanes: the response of cities to the pandemic) is a clear example.

In relation to minimising the impact of Prisa Group's activity linked to greenhouse gas emissions, during 2021 the following actions were carried out linked to the use of renewable energies and which have had a direct impact on the volume of emissions:

- As at July 2021, the Group has acquired a contract with Naturgy where 100% of the energy purchased for its work centres in Spain is of renewable origin, thus complying with the principles established in the Environmental Policy.
- Additionally, in some Latin American countries, such as Chile, Argentina, Colombia and Costa Rica, they have started to report their consumption percentage in relation to the generation mix published by their respective governments.
- Within the process of accelerating the digital transformation in which Prisa Group is immersed, the migration project to servers, the changes from desktops to laptops and shutting down servers has enabled us to calculate a CO_2 saving of approximately 177 Tn CO_2/year[4]).

[4] 150 desktops to laptops - saved 1,950 kg CO2e/year
Calculation: desktop (150 x 169 kg CO2e/year = 25,350) - laptop (150 x 156 kg CO2e/year = 23,400) = 1,950 kg CO2e/year
191 Servers shut down - saved 174,956 kg CO2e/year
Calculation servers 191 x 916 kg CO2e/year = 174,956 kg CO2e/year
Total = 176,906 kg CO2e/year
The Carbon Footprint of Servers-GoClimate Blog

Carbon footprint Scopes 1 and 2 ($t\ CO_2$ eq)	2021	2020	% change 2021-2020
Total Scope 1 emissions	778	619	25.6%
Total Scope 2 emissions	3,325	5,683	-41.5%

With regard to the calculation of the emissions of the value chain (Scope 3 emissions), in line with the objective of improving transparency and diligence with regard to the impact on the natural environment, in 2021 they have been included in the calculation of the aforementioned Scope 3:

- Prisa Media's Latin America travel data.
- Broadcasts generated by the carriers (Axion and Cellnex) of the radio signal in Spain.
- Transport and distribution (Boyaca) of press in Spain.

Carbon footprint Scope 3 ($t\ CO_2$ eq)		2021	2020	% change 2021/2020
Air	Short-haul flights	1,171	854	37%
	Medium-haul flights	193	188	3%
	Long-haul flights	768	776	-1%
Rail		40	48	-17%
Road	Diesel	289	82	255%
	Petrol	2,697	1,403	92%
Carrier (Axion, Cellnex)	kWh	4,629	-	-
Transport and distribution press	Diesel	403	-	-
Paper		28,625	24,134	19%
Total		**38,814**	**27,484**	**41%**

Lastly, in 2021, we continued to monitor the scope of the actions that the Group can directly manage on the impact on the environment and the energy it directly requires for its activity (Scopes 1 and 2).

This indicator measures the tonnes of CO2 equivalent emitted for a turnover of 1 million euros, quantifying the cost in carbon footprint generated by the Prisa Group's business due to the direct emissions required for its activity.

$t\ CO_2$ eq. / euros1 billion invoiced[5]	
2021	2020
5.54	**8.99**

[5] Method of calculation: t of CO2 eq. consolidated for scopes 1 (natural gas and diesel) and 2 (electricity) / Annual consolidated turnover (million euros)

5.5.4. OTHER ASPECTS

Pollution

As in 2020, the use of vehicles by the Prisa Group staff continues to be the main factor of direct impact on atmospheric pollution, although it is true that the effects of teleworking policies, derived from the COVID-19 pandemic, have generated less travel to the various work centres and, therefore, a lower impact in terms of emissions.

In addition, Prisa Group continues to promote initiatives to reduce the impact of travel. So, in 2021:

- The progressive incorporation of sustainable renting vehicles in Spain has been maintained, reaching 27% of vehicles with ECO label) versus 16% in 2020.
- Promotion of sustainable mobility, facilitating the purchase of monthly public transport passes with tax advantages; maintenance of charging points for electric vehicles at the Miguel Yuste headquarters in Madrid (eight charging points, two per station); maintenance of the campus bicycle parking (currently eight spaces).

Finally, due to the type of business, facilities, and location, noise and light pollution are not material to the Group.

Protection of biodiversity

Due to Prisa Group’s type of business and based on the analysis carried out in the Non-Financial Risk Map, it has been determined that the impact of the business activity on biodiversity is nil, as its activity is carried out in urban areas or industrial estates where there is a low risk of affecting biodiversity.

However, at Prisa Media (Caracol Radio in Colombia), measures have been put in place to restore biodiversity, due to a one-off deforestation activity carried out for the need to preserve the safety and security of transmissions. Therefore, according to the instructions of the Corporación Autónoma Regional de Cundinamarca - CAR Dirección de Infraestructura Ambiental, another area will be reforested, multiplying by four each tree felled, and ensuring the maintenance of this reforestation for three years.

Food waste

Companies providing catering services at group facilities are now working with responsible management procedures to reduce food waste. They have been asked for a food waste control plan pursuant to the "preliminary draft of the Law on Prevention of Food Losses and Wastage" of October 2021.

5.5.5. ENVIRONMENTAL TAXONOMY OF THE EUROPEAN UNION

Regulatory context

The European Union is promoting the Action Plan on Financing for Sustainable Growth as a roadmap to promote sustainable finance. This includes the creation of the European

Taxonomy, a tool that classifies economic activities according to their potential impact and contribution to sustainability.

In relation to the environmental variable of the Taxonomy, it proposes identifying economic activities that can contribute to climate change mitigation and adaptation. It sets out a number of requirements, which, if met, will qualify an activity as sustainable, allowing companies, investors and regulators to obtain more uniform information on the activities that contribute to meeting environmental objectives. This regulation establishes reporting requirements for companies that are obliged to publish their Non-Financial Information Statements.

The regulatory framework of the Taxonomy is currently defined by the following regulations:

- Regulation (EU) 2020/852 of 18 June 2020 on the establishment of a framework to facilitate sustainable investments.
- Delegated Regulation (EU) 2021/2139 of 4 June 2021 establishing technical selection criteria for determining the conditions under which an economic activity is deemed to make a substantial contribution to climate change mitigation or adaptation and for determining whether that economic activity does not significantly detriment any of the other environmental objectives.
- Delegated Regulation (EU) 2021/2178 of 6 July 2021 specifying the content and presentation of information to be disclosed by companies regarding environmentally sustainable economic activities, and specifying the methodology for complying with the disclosure obligation.

This legislative framework sets out the selection criteria for determining the conditions under which an economic activity is considered to make a substantial contribution to climate change mitigation or adaptation, including whether this economic activity does not significantly detriment any of the other environmental objectives.

Reporting requirements derived from the Taxonomy

According to Article 8 of Regulation (EU) 2020/852, for the 2021 financial year, it is necessary to provide the eligibility percentage of turnover, eligibility percentage of investments in fixed assets (Capex) and eligibility percentage of operating expenditure (Opex). Here it is considered necessary to adapt the concepts "eligible activity" and "aligned activity".

- Eligible activity (covered in this report): any activity on the list in Appendix I (mitigation) and Appendix II (adaptation) of Commission Delegated Regulation (EU) 2021/2139.
- Aligned activity: Eligible activities that meet the requisites of a substantial contribution to at least one of the six objectives defined in the Regulation, that comply with the principle of doing no significant harm to the other objectives, and that comply with the minimum social guarantees in line with OECD Guidelines and the UN's Guiding Principles.

Scope of the report

In relation to 2021, the exercise by the Prisa Group corresponds to the eligibility analysis of the activities carried out, in accordance with the regulations in force, and the assessment of compliance with the technical criteria was not taken into account. This exercise will be reviewed in 2022, since

it will probably be necessary to cover the alignment requisites, and take into account any additional directives that may be issued.
The economic activity carried on by the Prisa Group that can make a substantial contribution to adaptation to climate change is the following:

- 8.3. Radio scheduling and broadcasting activities

Percentage eligibility of the volume of business

This indicator shows the relative importance of the net business volume arising from products or services associated with economic activities contemplated by the Taxonomy over the Total Net Income.

A. Eligible activities according to the Prisa Group taxonomy				
Economic Activity	**NACE codes**	**Absolute turnover (currency) (Thousand of euros)**	**Share of turnover (%)**	**Enabling Activity (F) or Transition Activity (T)**
Radio Stations	J60	219,193	28.88%	Radio broadcasting
Total A	**-**	**219,193**	**28.88%**	**-**

B. Ineligible activities according to the Prisa Group taxonomy			
Economic Activity	**Absolute turnover (currency) (Thousand of euros)**	**Share of turnover (%)**	**Enabling Activity (F) or Transition Activity (T)**
Newspaper	181,055	23.85%	
Non-educational book publishing, online platform	358,675	47.27%	
Total B	**539,730**	**71.12%**	
Total A + B	**759,058**[6]	**100%**	

[6] Aggregated (non-consolidated) turnover totals, i.e. including inter-group transactions.

Capex eligibility percentage

Defines the proportion of Capex (investments in fixed assets) that corresponds to assets or processes associated with economic activities covered by the Taxonomy.

A. Eligible activities according to the Prisa Group taxonomy				
Economic Activity	**NACE codes**	**Capex (currency) (Thousand of euros)**	**Share of Capex (%)**	**Enabling Activity (F) or Transition Activity (T)**
Radio Stations	J60	5,357	11.85%	Radio broadcasting
Total A	**-**	**5,357**	**11.86%**	**-**

Economic Activity	Capex (currency) (Thousand of euros)	Share of Capex (%)
Newspaper	5,674	12.56%
Educational book publishing, online platform	34,160	75.59%
Total B	**39,834**	**88.15%**
Total A + B	**45,191**	**100%**

Opex eligibility percentage

Defines the proportion of Opex (operating expenses) that corresponds to assets or processes associated with economic activities covered by the Taxonomy.

A. Eligible activities according to the Prisa Group taxonomy				
Economic Activity	**NACE codes**	**Opex (currency) (Thousand of euros)**	**Share of Opex (%)**	**Enabling Activity (F) or Transition Activity (T)**
Radio Stations	J60	201,498	29.71%	Radio broadcasting
Total A	**-**	**201,498**	**29.71%**	**-**

Economic Activity	Opex (currency) (Thousand of euros)	Share of Opex (%)
Newspaper	187,089	27.59%
Educational book publishing, online platform	289,542	42.70%
Total B	**476,631**	**70.29%**
Total A + B	**678,129**	**100%**

5.6. INFORMATION ON SOCIAL ISSUES RELATING TO STAFF

5.6.1. EMPLOYMENT

In 2021, against a complex economic and social backdrop which particularly affected the media and education sector, the Prisa Group undertook an internal and corporate reorganisation process, in addition to changes in the senior management team.

Based on the new corporate and organisational framework, the Group will adapt processes and also talent and culture processes to this new reality.

The number of the Group's employees at year-end 2021, distributed by country, gender and type of contract, is as follows:

	Permanent Contract + PTR (Permanent trade representative)			Variable, Temporary Contract and TTR contracts (Temporary trade representative)			Total		
	M	W	Total	M	W	Total	M	W	Total
Argentina	75	181	**256**	0	1	**1**	75	182	**257**
Bolivia	18	13	**31**	0	0	**0**	18	13	**31**
Brazil	426	577	**1,003**	0	0	**0**	426	577	**1,003**
North Central America (includes Guatemala, Honduras and El Salvador)	74	63	**137**	0	0	**0**	74	63	**137**
Chile	221	166	**387**	0	0	**0**	221	166	**387**
Colombia	744	554	**1,298**	0	0	**0**	744	554	**1,298**
Central America South (including Costa Rica and Panama)	30	36	**66**	10	6	**16**	40	42	**82**
Ecuador	64	44	**108**	2	0	**2**	66	44	**110**
Spain	1,245	1,020	**2,265**	51	64	**115**	1,296	1,084	**2,380**
Mexico	329	384	**713**	0	0	**0**	329	384	**713**
Puerto Rico	13	11	**24**	0	0	**0**	13	11	**24**
Paraguay	10	15	**25**	0	0	**0**	10	15	**25**
Peru	43	51	**94**	41	49	**90**	84	100	**184**
Portugal	4	5	**9**	0	0	**0**	4	5	**9**
Dom. Rep.	61	38	**99**	0	0	**0**	61	38	**99**
Uruguay	9	14	**23**	0	0	**0**	9	14	**23**
USA	16	8	**24**	0	0	**0**	16	8	**24**
Venezuela	5	5	**10**	0	0	**0**	5	5	**10**
Total	**3,387**	**3,185**	**6,572**	**104**	**120**	**224**	**3,491**	**3,305**	**6,796**

The above breakdown shows that 95% of the Prisa Group's total workforce is on permanent contracts and 5% on temporary contracts (the same as in 2020). Men represent 51% of the workforce compared to 49% of women (versus 52% and 48% in 2020). The breakdown by Business Unit is presented below:

2021	Men	Women
Santillana	45%	55%
Prisa Media	57%	43%
Prisa Group	**51%**	**49%**

At year-end, 98% of the workforce is working full time compared to 74% in 2020, when a large part of the workforce in Spain was affected by a Temporary Redundancy Proceedings (ERTE) linked to COVID-19. In 2021, the conditions for ordinary working hours have been restored and the percentages of previous years have been returned to the same percentages as in previous years.

The distribution by gender and professional category comparing 2021 and 2020 is as follows:

	2021			2020		
	Men	Women	Total	Men	Women	Total
Executives	167	106	273	186	109	295
Middle management	557	428	985	546	446	992
Other people employed	2,767	2,771	5,538	2,958	2,840	5,798
Total	**3,491**	**3,305**	**6,796**	**3,690**	**3,395**	**7,085**

The average age of men is 3.6% higher than the average age of women in the Group, with the Group average at 42.8 years compared to 43.1 years in 2020. 11% of employees are under 30 years old, 64% are between 30-50 years old, and 25% of the workforce is over 50 years old.
The average age comparison by gender is as follows:

	Men	Women	Total
Group average age 2021	43.5	42.0	**42.8**
Group average age 2020	43.8	42.2	**43.1**

The distribution of the Group's employees by geographical origin and average age is as follows:

	2021	2020
Spain	45.7	45.6
Latin America	41.7	41.6
Portugal	49.1	48.1
Total	**42.8**	**43.1**

The distribution by age ranges and job category is:

	2021			2020		
	Under 30 years old	30-50 years old	Over 50 years old	Under 30 years old	30-50 years old	Over 50 years old
Executives	0%	2%	2%	0%	2%	2%
Middle management	0%	9%	6%	0%	8%	6%
Rest of employees	11%	53%	18%	10%	54%	18%
Total	**11%**	**64%**	**25%**	**10%**	**65%**	**25%**

The main business areas, in terms of headcount, are Prisa Media, with 51% (52% in 2020) and Santillana, with 48% (47% in 2020), with the following gender distribution:

	2021			2020		
	Men	Women	Total	Men	Women	Total
Santillana	1,489	1,793	3,282	1,517	1,808	3,325
Prisa Media	1,983	1,484	3,467	2,137	1,538	3,675
Rest of staff	19	28	47	36	49	85
Total	**3,491**	**3,305**	**6,796**	**3,690**	**3,395**	**7,085**

The Group’s final headcount variation between 2021 and 2020 is -4%, mainly due to the sale of Distasa, Radio in Argentina, and downsizing in the rest of the structures, which are offset by the hiring of employees mainly in Mexico as a result of the new local regulations.

The voluntary turnover rate (measured as voluntary departures over average workforce) is 8.0% compared to 5.6% in 2020, mainly focused on Latin America (77% of the total number of dismissals with severance pay), while the redundancy rate stands at 9.7% compared to 4% in 2020 (measured as compensated departures over average workforce), mainly associated with departures due to staff turnover in most countries and sizes.

Redundancies measured as severance payments in the Group were 50% men and 50% women, 62% of which involved employees between 30 and 50 years of age. 21% were executives and middle management, while 79% were other employees.

	Men	Women	Total
Executives and middle management	77	62	139
Other employees	263	275	538
Total	**340**	**337**	**677**

The Group’s voluntary redundancies are made up of 46% men and 54% women, with 67% of them in workers aged between 30 and 50.

Furthermore, total average remuneration across the Group, considering all job categories, is EUR 30 thousand, with men’s remuneration being EUR 33 thousand (+11% above the average) and women’s EUR 26 thousand (-11% below the average).

Progress of the last two years::

	2021	2020
Average remuneration	29,754	28,485

Prisa Group has carried out another exercise to calculate the salary gap that exists in its different professional categories, in line with that reported in 2020. In this calculation, the average remuneration and the weight of each category have been relatively weighted, obtaining a cumulative figure of 7.3% in 2021, compared to 10.7% in 2020. According to Eurostat (2019), the salary gap between men and women in the European Union was 14.1% compared to the figure reported in Prisa Group.

However, this year, in line with the guide provided by the Instituto de la Mujer y para la Igualdad de Oportunidades for the calculation of the salary gap, this calculation has been carried out with the following formula:

*Salary gap = (men's salaries - women's salaries) / men's salaries * 100*

	2021			**2020**		
	Men	**Women**	**Gap**	**Men**	**Women**	**Gap**
	(euros)		(%)	(euros)		(%)
Senior Management	139,712	94,683	32.23%	147,908	83,886	43.29%
Middle management	54,214	44,454	18.00%	55,195	42,729	22.58%
Technical staff	26,000	23,721	8.76%	24,201	22,393	7.47%
Other staff	11,814	12,858	-8.83%	12,478	11,755	5.80%
Total	**32,889**	**26,373**	**19.81%**	**31,947**	**24,722**	**22.62%**

As can be seen, the overall gap calculated produces a significant deviation due to the fact that the largest pay gap is concentrated in managerial positions, which are much higher than the rest of the categories and, moreover, made up of a minority of employees. In addition, weighting wages by the number of persons in each category gives a lower percentage.[7]

As to inclusiveness of people with a disability in employment, in Spain the Prisa Group has partnerships in place with Special Employment Centres for the provision of certain services (mainly cleaning) and other cooperation mechanisms under Spanish law (donations to special employment centres). The Group employed 26 people with disabilities equal to or greater than 33% (23 people in 2020), distributed by geographical origin as follows:

	2021	2020
Spain	13	15
Rest	13	8
Total	**26**	**23**

As to disability in Latin America, different regulations apply in each country, with which the Group complies. In the countries with the largest presence, Brazil, Colombia and Mexico, local

[7] The remuneration paid to directors and executives is reported in note 21 *"Related Party Transactions"* and note 22 *"Remuneration and other benefits for the Board of Directors"* to the consolidated financial statements.

regulations are mainly oriented towards adapting facilities and work organisation systems for people with disabilities, as well as the adaptation and accessibility of facilities.

5.6.2. WORK ORGANISATION

In Spain, the staff get company perks, life and accident insurance, cover for disability or invalidity and maternity or paternity bonuses. In general terms, companies in Spain do not distinguish between full-time and part-time, or permanent and temporary contracts, for accessing these company benefits.

As a result of the continuation of measures focused on preserving health and safety at work due to the COVID-19 pandemic, Prisa Group has continued to facilitate and prioritise enabling employees to work from home with a flexible and efficient work organisation model.

In Spain, the Group has a digital disconnection policy for Santillana and a separate policy for Prisa Media. In addition, this policy is being adapted for each medium as part of the process of renegotiating collective bargaining agreements.

In practice, all of the collective agreements applicable to the various companies in Spain include working hours that are below the maximum legal working hours (40 hours per week). Furthermore, any exceptional overtime will be compensated in accordance with the provisions of some of the agreements of the companies that carry out their activity in Spain.

Some company agreements in Spain stipulate that overtime will be compensated with days off.

In addition, the distribution of the working day, both in Spain and in Latin America, includes flexible starting and finishing times, and working hours are adapted and there are intensive working hours at certain times of the year (summer, Christmas and Easter). These irregular working hours are established by agreement between the different departments and/or the workers' legal representatives.

For some companies in Spain, measures favouring work-life balance have been maintained, as mentioned below:

- Approval of a reduction in working hours, without the need for legal guardianship.
- Flexible schedules at companies and areas not subject to established shifts, such as summer working time.
- Paternity/maternity leave paid at 100% of salary.
- Childcare vouchers through the Flexible Compensation Plan for employees who so request. This programme continues to be carried out in some of the companies in Spain, with the catalogue of products permitted by the regulations.
- In Latin America, the most common practice is working time flexibility.

There are no disputes in the Group in matters of conciliation and work organisation, and there is no conflict in this area.

In addition, the Group's hours and absenteeism rate are the following:

Absenteeism rate[8]	1.47%
Total days lost	25,236

5.6.3. HEALTH AND SAFETY

Driving a preventive culture among all the companies that make up the Group is still a priority goal. There is an outstanding commitment to integrating occupational health and risk prevention into the general management system for the companies.

The Prisa Group has an Occupational Risk Prevention department in Spain within the Human Resources area. The department continuously identifies psychosocial factors that may pose a risk to employee health at the Group's companies. In Latin America, health and safety committees have been set up in several countries.

This year, which has continued to be affected by the pandemic, the Prisa Group has continued to focus on preventive measures and advice on COVID-19 matters for our employees, and has maintained the policies, procedures and recommendations applied since the beginning of the pandemic in March 2020 aimed at safeguarding the health of all employees and collaborators.

The Prisa Group continues to make an effort to maintain the continuity of its activities in both Business Units by providing employees with the necessary means to work from home.

Employees have continued to use networking formulas that have allowed them to maintain a sense of belonging to the group and to optimise remote working.

In Spain, all these communications are carried out through "*Comunica*", a corporate communication tool aimed at the workforce, with varied content ranging from recommendations for health prevention, news about the Group's activities, online training pills, conferences on emotional support and resilience, activities to promote family reconciliation and digital disconnection, and the dissemination of projects with a high level of employee participation.

The Prisa Group has also focused a large part of its efforts on health prevention, establishing safety and isolation policies in the workplace, control questionnaires and tests for employees, monitoring of those affected, etc. and optimising processes through digital tools.

During 2021, 15 occupational accidents have been recorded across the Prisa Group (7 men and 8 women), 77% less than those recorded in 2020 (67).

[8] Absenteeism rate: (Total no. of absenteeism hours / Total no. of planned hours worked) x 1000

The key measurement indexes for the Group's health and safety are:

	Severity Index	Frequency Index
Men	0.08	0.99
Women	0.07	1.19
Total	**0.07**	**1.09**

Severity Index: (No. days missed/No. hours worked) x 1,000
Frequency Index: (Total no. of accidents with time off/Total no. of hours worked) x 1,000,000

In the area of accessibility to work centres, the Group has adapted its facilities in accordance with the regulations applicable in each country. There have been no accessibility disputes or complaint mechanisms for lack of accessibility at workplaces.

5.6.4. SOCIAL RELATIONS

The collective bargaining agreements currently in effect involve improvements in employment and working conditions in relation to the minimum rights required by legislation. In general, information, representation and consultation procedures for employees are contained and regulated in the different collective bargaining agreements and are structured through the labour representation bodies regulated in the same.

All Group companies uphold freedom of association and the social dialogue necessary for the conduct of business is encouraged, in compliance with applicable labour laws.

The Group's employees, given their geographical dispersion, are subject to collective bargaining agreement regulations in some countries, while in others they are subject to a local regulatory umbrella, as there is no collective bargaining agreement. In this respect, 95% of employees in Spain are subject to collective bargaining agreements, with only very specific groups of senior management and executives not subject to collective bargaining agreements (in the case of Santillana, executives are subject to collective bargaining agreements, except for senior management).

In Latin America, depending on the country, workers are covered by collective, union or sectoral agreements or, where applicable, as in Colombia Santillana, where internal employment regulations are applied.

5.6.5. TRAINING

The staff has at its disposal an *online* training offer through Prisa Campus (own online *platform*). The training actions taught at the different companies are available on this training platform. In Santillana, apart from this channel, the bulk of the training is managed from the countries and the headquarters.

In Spain, the Group makes available to employees through the Flexible Remuneration Plan the possibility of contracting any training provided that it is related to the activity of their position, as well as training in language learning (English and Portuguese). This type of training is not considered as remuneration in kind and is therefore exempt from taxation.

In Santillana, within its own Conciliation Plan, Spain has a section to be able to request unpaid leave for all workers from 3 to 9 months to take a training course related to the job.

During 2021, 41,267 training hours have been carried out compared to 33,140 hours carried out during 2020, computing the hours with homogeneous criteria.

Training hours	2021	2020
Santillana	31,170	22,781
Prisa Media	9,950	9,080
Corporativo	147	1,279
TOTAL	**41,267**	**33,140**

In 2021, 74% of the hours have been delivered in the Santillana unit and 26% in Prisa Media and Prisa (Corporate). In 2020, 80% of the hours were taught in Santillana and the remaining 20% in the rest of the Group.

With regard to the distribution of training hours according to the responsibility of the people employed, 5% of the training hours have been invested in management staff (compared to 12% in 2020), 24% in middle management (same percentage as in 2020) and 80% in other staff (compared to 64% in 2020).

As for the distribution of training hours by territory, 17% of training hours have been invested in Spain (13% in 2020) and the remaining 83% have been invested in the rest of the geographical areas where the Group operates (87% in 2020).

5.6.6. EQUALITY

Equal opportunities between women and men is one of the basic objectives of the Prisa Group's Sustainability Strategy. The Group is therefore working to develop and implement the relevant mechanisms and to achieve the objectives in the coming years.

In addition, Prisa Group's workforce is geographically, culturally, gender and age diverse. The following statements are proof of this:

- Presence of workers in 23 countries.
- More than 32 different nationalities.
- Equitable staffing between women and men. At the end of 2021, the Prisa Group will be 51% men and 49% women.
- The average age of the Group in 2021 is 42.8 years old, 43.5 years old for men and 42.0 years old for women.

Furthermore, the collective bargaining agreements applicable to the various companies in Spain contain specific sections on equal treatment and opportunities for men and women, protocols for action in the event of harassment and other measures to drive equality in all areas. Specifically, in the Prisa Radio agreement there is a section headed "Prisa Radio Group's Equality Plan", which sets out measures to promote equal treatment and opportunities between men and women in terms of recruitment, promotion and career development, training and work-life balance. The collective agreement for Ediciones El País also contains a section headed "Equality and Work-Life Balance Plan", which serves, among others, the goals of achieving a balanced representation of women in the business and access for women to management positions.

In 2020 Santillana signed the Equality Plan 2020-2024 applicable to the employees of this business in Spain. Likewise, following the corporate changes brought about by the merger of the Media Business Units, work is underway to draw up a new Equality Plan, making good progress in the negotiation of collective bargaining agreements, job descriptions and the development of the diagnosis of the Business Units.

The Group also has a procedure for reporting and dealing with psychosocial harm to employees in the area of harassment. In addition, Media España has presented a protocol against sexual and workplace harassment to the Legal Representation of Workers, which applies to all companies.

5.6.7. DIVERSITY IN THE MEMBERSHIP OF THE BOARD OF DIRECTORS

The Prisa Board of Directors[9] is made up of 14 directors, all of whom are highly-qualified and honourable professionals, with skills and competencies in different areas and sectors of interest to the Group, and from different countries, in application of the principles set out in the Diversity Policy for the composition of the Board of Directors and the selection of directors and in the Board of Directors Regulations. The board members have different academic backgrounds and outstanding professional careers (see profile and biographical note at www.prisa.com).

The principles and objectives of the Diversity Policy in the composition of the Board of Directors and the selection of directors of the Company can be summarised as follows:

- Diversity in the composition of the Board in its broadest sense (knowledge, experience, background, age and gender), with special emphasis on gender diversity, in relation to which: (i) the Company will be encouraged to have a significant number of female senior managers and (ii) the objective is that by the end of 2022 and thereafter, the number of female directors will represent at least 40% of the total number of members of the Board of Directors, but no less than 30% earlier.
- Appropriate balance in the Board as a whole, enriching decision-making and bringing pluralistic viewpoints to the debate on matters within its competence.

In January 2022, the Prisa Appointments, Remuneration and Corporate Governance Committee (CNRGC) carried out the annual verification of compliance with the Diversity Policy in the composition of the Board of Directors and the selection of directors, concluding that the composition of the Prisa Board of Directors is reasonably diverse in terms of knowledge, experience, origin, gender and age of the directors, with a positive balance overall.

The Appointments, Remuneration and Corporate Governance Committee has verified that, during 2021, the principles, objectives and procedures set out in the Diversity Policy have been

[9] Section 4 of the Consolidated Management Report and the Annual Corporate Governance Report details the membership of the Board of Directors which, as at 31 December 2021, consisted of 14 directors: two executive directors, six proprietary directors and six independent directors.

taken into account in the composition of the Board of Directors and the selection of directors, in terms of proposals for the appointment and re-election of directors, as well as the election of positions.

The actions taken to reinforce the presence of women on the Board of Directors are noteworthy, as three new female directors have joined the Board in 2021, and there are now five female directors, representing 35.8% of the total number of members.

Women directors have a significant presence in the Company's bodies: Ms Beatrice de Clermont-Tonerre is the Coordinating Director, Chairwoman of the Appointments, Remuneration and Corporate Governance Committee and member of the Delegate Committee; Ms Teresa Quirós chairs the Audit, Risk and Compliance Committee; Ms Carmen Fernández de Alarcón is a member of the Appointments, Remuneration and Corporate Governance Committee; Ms María Teresa Ballester is a member of the Audit, Risk and Compliance Committee; and Ms Pepita Marín Rey-Stolle is a member of the Delegate Committee and the Audit, Risk and Compliance Committee.

It is hereby noted that in February 2022 the Board of Directors has agreed upon: i) the creation of a Sustainability Committee made up of five directors, four of whom are women (its Chairwoman María Teresa Ballester, Beatrice de Clermont-Tonerre, Teresa Quirós and Carmen Fernández de Alarcón) and ii) the incorporation of the director Carmen Fernández de Alarcón to the Audit, Risk and Compliance Committee, replacing Amber Capital.

Thus, at present, the weight of women in the composition of the different Board Committees is significant: 100% in the Audit, Risk and Compliance Committee; 80% in the Sustainability Committee; 50% in the Appointments, Remuneration and Corporate Governance Committee and 25% in the Delegate Committee.

The Annual Corporate Governance Report details the results of the analysis carried out by the Appointments, Remuneration and Corporate Governance Committee. The Appointments, Remuneration and Corporate Governance Committee and the Board have highlighted the need to make further progress on gender diversity objectives in order to meet the target recommended by the CNMV (and expressly included in the Policy on diversity in the composition of the Board of Directors and the selection of directors) that by the end of 2022 and thereafter, the number of female directors should represent at least 40% of the total number of members of the Board of Directors. More female managers will also need to be encouraged to join the organisation, although good progress has been made in this area during the 2021 financial year.

5.7. RESPECT FOR HUMAN RIGHTS AND THE FIGHT AGAINST CORRUPTION AND BRIBERY

5.7.1. COMPLIANCE: CODE OF ETHICS, COMPLIANCE UNIT, WHISTLEBLOWER'S CHANNEL

The Prisa Group is committed to strict compliance with all laws and regulations that apply to it and with the principles and rules of conduct set out in our Code of Ethics, which is the keystone of our compliance model.

The Prisa Group Code of Ethics[10] contains the catalogue of principles and rules of conduct that govern the actions of the companies that make up the Group and all their employees, to ensure ethical and responsible conduct in the performance of our business. It is available in Spanish and English on the Prisa corporate website (www.prisa.com), and forms part of the welcome pack given to all employees when they are hired.

The Code includes some general ethical principles regarding human rights and public freedoms, professional development, equal opportunities, non-discrimination and respect for people, health and safety at work and environmental protection.

Likewise, Prisa Group has a Compliance Unit (CU), which in July 2021 went from being a collegiate body to a unipersonal body with the appointment of a Chief Compliance Officer (CCO) as head of the regulatory compliance function in Prisa Group.

The development of the compliance model aims to strengthen the independence of the Company's three lines of defence for compliance risk management and for Compliance, as a promoter of an ethical corporate culture of compliance, to be an additional lever in the company's sustainability. The CCO, as a body with autonomous powers of initiative and control reporting directly to the Prisa Audit, Risk and Compliance Committee, is responsible, among other functions, for ensuring and promoting the ethical behaviour of the Group's employees and professionals, and identifying, managing and mitigating compliance risks.[11] In addition, the CCO has taken over the functions of the Criminal Prevention Body provided for in the Criminal Code.

The parent companies of the Group's Businesses have their respective compliance units, which act in coordination with the CCO. In the last quarter of 2021, work has been carried out on the development of the compliance model in the Business Units in Spain, in line with the Company's model, to replace the CU as a collegiate body with a CU as a single-person body with a Chief Compliance Officer. This model will be effective from 2022. The purpose of this development in the Business Units is to strengthen the *Compliance* function and to increase the coordination of common compliance objectives between Prisa and its subsidiaries. Certain subsidiaries of the Business Units, due to their significance or legislative requirements in the countries in which they operate, have set up specific compliance units or appointed a compliance officer. In this regard, there are Compliance Units or officers in companies in Brazil, Mexico, Ecuador, Colombia and El Salvador, among others.

Likewise, Prisa Group has a whistle-blowing channel[12], which is accessible on the corporate website (www.prisa.com) to third parties, on the employees' intranet and through a post office box in Madrid, through which any person, anonymously and confidentially, can report any irregularity or breach of both external and internal regulations. The complaints handling procedure, in place since 2016, was revised in November 2021 to adapt it to the new compliance model. It regulates the reporting of irregularities, guarantees that there will be no retaliation against whistleblowers who report alleged non-compliance or irregularities in good faith, describes the process of investigation, resolution, the application of sanctions (if applicable) and the communication of decisions taken.

[10] It is referred to in paragraph F.1.2 of the Annual Corporate Governance Report.

[11] Described in paragraph F.1.2 of the Annual Corporate Governance Report.

[12] Described in paragraph F.1.2 of the Annual Corporate Governance Report.

The whistleblowing channel is managed by the Group's CCO. Thus, if an event affects a Business Unit, the CCO will pass it on to the corresponding Business Unit in order to coordinate its analysis with the latter. If the Businesses' CUs receive complaints through other channels they will bring it to the attention of the CCO. In relation to the process of investigating the allegations, depending on the sphere, scope and persons allegedly involved, the CU of Prisa or of the Businesses will assess the investigation strategy to be developed, and may follow different routes, including the outsourcing of all or part of the investigation. In any case, it is essential to include in the dossier detailed information on all the actions carried out. Once the investigation has been completed, the findings and decisions taken will be reflected in order to mitigate risks and seek to prevent further irregularities from occurring.

With respect to resolving queries related to the Code of Ethics and other internal regulatory, ethics and compliance matters, the Group's employees also have a compliance mailbox (cumplimiento@Prisa.com) managed by the CCO.

Finally, there are compliance mailboxes associated with the Compliance Units of each business, redirected to the Group's compliance mailbox, through which doubts can be reported on any ethical or integrity issues, on the Code of Ethics and other matters, as well as reports of improper conduct. A procedure similar to that for complaints received through the whistleblower channel is followed when processing complaints received through these mailboxes.

In 2021, 24 complaints were received, 4 fewer than in 2020 (28). Of these, 4 were justified, 4 are ongoing, 3 of which are employment claims, and 16 were unfounded. The successful complaints have resulted in one case in the dismissal of the respondent, in another case in an employment sanction and in the other two cases in commitments to change the management style of the leadership.

5.7.2. RESPECT FOR HUMAN RIGHTS

Prisa Group is firmly committed to the respect of human rights and individual freedoms. As proof of this, the Group is a member of the United Nations Global Compact and forms part of the Executive Committee of its Spanish Network, and is committed to the Ten Principles with which this global organisation promotes human rights, the fight against corruption, labour rights and care for the environment.

Prisa Group's Code of Ethics includes respect for human rights as an ethical principle. Article 4 commits to respecting and protecting human rights and civil liberties, building democracy and freedom of expression, preserving the natural environment and contributing to the development and well-being of the communities with which it interacts. It also expresses its total rejection of child labour and forced or compulsory labour, and its commitment to respect freedom of association and collective bargaining. All these commitments are accessible to its stakeholders and the general public. The Code of Ethics is permanently published on Prisa's corporate website (www.prisa.com).

The Group also monitors and promotes the ethical behaviour of its professionals, and monitors, disseminates and provides training on the Code of Ethics, within the framework of its Compliance Programme and its Crime Prevention and Detection Model. With regard to the systems for preventing risks of human rights violations in the supply chain, it is worth highlighting the inclusion in the contracting processes with its suppliers of issues related to human rights through Prisa's General Purchasing Conditions, which are available on the corporate website. In addition, in the supplier approval procedure, suppliers are assessed in terms of social responsibility, including respect for human rights, in order to validate and approve them as suppliers of the Group.

In the non-financial risk map, as a monitoring indicator in the area of respect for human rights, the number of complaints received and substantiated is taken as a reference. Of the total number of complaints received and dealt with in 2021, 10 are included in the area of human rights as they are mainly complaints regarding harassment at work, 5 complaints less than in 2020. After analysis, it has been concluded that of the 10 complaints, 6 were unsubstantiated, 1 is in the conclusions phase with no impact on human rights, and the other 3 have been reported through labour lawsuits, which are being processed. In this respect, it has not been necessary to apply the disciplinary regime and in legal cases it will be in accordance with the final judgement.

5.7.3. FIGHT AGAINST CORRUPTION AND BRIBERY

The Code of Ethics sets out the basic principles for internal control and prevention of corruption, governing aspects such as transparency, truthfulness and reliability of information and control of records, bribery and anti-corruption measures, prevention of money laundering and payment irregularities.

On October 26, 2021, the Prisa Board of Directors approved the Compliance Policy with which the Prisa Group declares its commitment to the function of regulatory compliance or *compliance*, understanding that this means not only complying with applicable laws and internal regulations but also promoting a culture of ethics and corporate integrity in its daily activity. It also reinforces its commitment to the company's purpose and the values, principles and standards of conduct promulgated in the Code of Ethics.

In addition, the Prisa Group has an online course on the Code of Ethics, made available to employees in December 2020. As at December 31, 2021, the number of employees who had completed the course was approximately 2.270 people. This course reviews the principles and rules of conduct of the Code of Ethics and refers to the transversality of the function and therefore to the necessary collaboration of all to minimise the risks of non-compliance and to act ethically, with integrity and responsibility.

The principles regarding internal control and prevention of corruption are reinforced by other specific rules in our compliance model such as the Anti-Corruption Policy, approved by the Prisa Board of Directors in February 2017, which establishes the Prisa Group's commitment in the fight against corruption in all its forms, in all areas of activity and in all countries in which it operates, and the Guidelines issued to strengthen measures to prevent and avoid money laundering from criminal or illicit activities in the Group's companies. These rules lay down guidelines, precautions and procedures that must be observed by all professionals and companies in the Group when conducting their business activities.

Likewise, taking as a basis for its development the Code of Ethics and the Anti-Corruption Policy, in October 2018 the Board of Directors approved the Prisa Group's Investment and Financing Policy, which aims to establish the applicable framework in relation to the analysis, approval and control of investment or divestment projects and the coverage of the financial needs, control and management of financial risks of the Group's businesses.

Prisa Group also has among its specific rules a Gifts Policy, which aims to guide professionals and bodies of responsibility in making the right decisions regarding the acceptance and offering of gifts, services or other hospitality, within the framework of the Group's commercial relations.

The Crime Prevention and Detection Model is another of the pillars on which the compliance model is built, in line with the general organisational and management requirements set out in sections 2 and 5 of article 31 bis of the Spanish Criminal Code for Spanish subsidiaries. Specifically to detect and prevent corruption and bribery, it is essential to have a matrix of crime risks and controls. The model for prevention and detection of criminal offences is subject to an ongoing process of verification and updating to ensure its effectiveness and proper functioning of the controls.

With regard to the measures envisaged to prevent corruption and bribery, the Strategic Sustainability Plan for the next financial year envisages actions such as launching a specific course on anti-corruption with a global scope in the Group and continuing to promote the implementation of the Code of Ethics course and its understanding.

A key indicator for assessing the risk of corruption, in all its forms in both the public and private sectors, is the number of complaints received and substantiated each year. Of the 24 complaints received and analysed in 2021, five related to corruption compared to eight complaints of the same nature in 2020. Of the corruption complaints handled in 2021, none were substantiated, compared to three in the previous year. Therefore, it has not been necessary to apply the disciplinary regime. However, in general, preventive measures have been taken by promoting the Code of Ethics course and by providing employees with the means to make any enquiries on the subject.

The Group has in place other policies and procedures as additional measures to prevent bribery and combat corruption, including:

- Procedure for action facing government bodies.
- Procedure for the granting of powers of attorney, restrictive.
- Travel and entertainment policy, revised in October 2021.

With regard to the protocol for action in cases of corruption, bribery or money laundering, employees and third parties are provided with the whistleblowing channel and the compliance mailboxes; furthermore, in the case of employees, they are encouraged to consult their hierarchical superior and/or Human Resources, promoting "whistleblowing without fear", as the Code of Ethics prohibits any type of reprisal against employees who report, in good faith, infringements or potential misconduct.

5.8. INFORMATION FOR SOCIETY

Prisa Group, aware of its contribution to the progress and development of society through its business activity, carries out its communication and educational work on the various issues of concern to society, and maintains its commitment to generating a positive impact and promoting social actions, undertaken in collaboration with other entities and strategic allies.

Prisa's direct impact on society is reflected in the value generated and distributed in 2021. The Group's direct contribution is a consequence of its business activity. Thus, it details its income and the expenses incurred, including payments to staff, associated with the contribution of value in the generation of employment.

Prisa Group's Social Impact (Thousands of euros)	2021
Economic value generated	**754,085**
Operating income	741,168
Interest income	11,513
Profit or loss under the equity method	1,404
Economic value distributed	**743,198**
Cost of materials used	360,208
Staff costs	307,945
Finance costs	60,444
Payment of taxes on profits	13,219
Dividends	1,381
Economic value retained	**10,887**

5.8.1 SOCIAL COMMITMENT

The Group's social action is carried out transversally by each of the Group's Business Units, depending on their local or regional scope of activity.

In total, in 2021 the Prisa Group made contributions in the amount of 3,717 thousand euros (1,495 thousand euros in 2020), representing 34% of the economic value retained in 2021.

Contributions to foundations and non-profit entities (Thousands of euros)	2021	2020
Prisa Headquarters	316	263
Santillana	661	483
Prisa Media	2,740	749
Prisa Group Total	**3,717**	**1,495**

The Group works alongside many associations, foundations and NGOs, and various initiatives are carried out in countries in which the Group operates, such as Brazil, Chile, Mexico, Guatemala, El Salvador, Honduras and Puerto Rico, among others.

Business Unit	Nº of entities 2021	Nº of entities 2020
Prisa Media	26	5
Santillana	19	13
Corporate	7	6
Total	**52**	**24**

Of these contributions, 89% correspond to the cession of advertising space to social entities for a value of EUR 3,309 thousand.

Below is a breakdown by country and business unit of the contributions in thousands of euros made during the year.

Contributions to foundations and non-profit organisations (thousands of euros) broken down by country and Business Unit	Headquarters	Santillana	Prisa Media	Prisa Group Total
Spain	316	207	2,740	3,263
Brazil	-	4	-	4
Chile	-	7	-	7
El Salvador	-	3	-	3
Guatemala	-	196	-	196
Honduras	-	209	-	209
Mexico	-	32	-	32
Puerto Rico	-	2	-	2
Total	**316**	**661**	**2,740**	**3,717**

5.8.2 DIALOGUE AND COMMUNICATION WITH STAKEHOLDERS

Prisa Group is aware that ongoing dialogue with society allows it to know the needs, expectations and interests of the communities where the Group operates, so that it can become involved in their development and continuously improve.

Dialogue and communication with stakeholders are key to the exercise of the Group's responsibility. Therefore, over the last few years, and with the accompaniment of the stakeholder identification and management process, the relationship with stakeholders is reflected in the following manner:

Prisa Group stakeholders	Communication channels
Shareholders and investors (core shareholders, institutional investors, minority shareholders, analysts)	Shareholders' meetings, National Securities Market Commission (CNMV), corporate website, Investor Relations Department (meetings with shareholders and investors, conference call of results, electronic mailboxes, telephone and other communication channels) and Shareholders' Office.
Professionals	Newsletters, intranet, blog, internal communications, trade union committees, internal complaints channel, suggestion box, etc.
Users (readers, listeners, educational community, pupils, etc.)	Websites, newsletters, social media, interviews, contests, surveys, reader's ombudsman, mailboxes, customer service, educational portals, promotional material, etc.
Users (customers, advertisers, advertising agencies, education sector)	Commercial network, websites, telephone, newsletters, promotional material, meetings with advertisers and agencies, etc.
Society (general public, NGOs, associations, foundations, cultural and educational institutions)	Collaboration agreements, discussion forums, fairs and events, etc.
Opinion leaders	Press releases, websites, e-mail, phone, interviews, meetings, social media, etc.
Regulators, administration and authorities	CNMV website, institutional relations, tenders, events, etc.
Suppliers	Corporate website, telephone, direct contact, congresses, meetings, e-mail, etc.
All stakeholders	External complaints channel

5.8.3 COMMITMENT TO SUSTAINABLE DEVELOPMENT

Prisa Group's business model makes an inherent contribution to sustainable development and the progress of people and society by offering quality education and accurate, independent and responsible information.

Therefore, in line with this objective, the Group has a Sustainability Policy (latest version updated and approved by the Board of Directors on 16 November 2020) which, together with its Code of Ethics, establishes the reference framework to ensure responsible behaviour towards its stakeholders. This policy is communicated and published on the corporate website (www.prisa.com).

The Group reflects its commitment to sustainable development through various initiatives and projects aligned with the SDGs to meet the 2030 Agenda.

Five strategic objectives have been defined for the Group on which it impacts through its social commitment: SDG 4: Quality education, SDG 8: Decent Work, SDG 5: Gender equality, SDG 16: Peace, justice and strong institutions and SDG 13: Climate action. and 4 complementary objectives: SDG 10: Reduced inequalities, SDG 17: Partnerships for the goals, SDG 11: Sustainable cities and communities and SDG 1: No poverty

Prisa Group's contribution to the five strategic SDGs

SDG 4, Quality education

For engaging in its activity, especially in the area of Education, and its decisive role in raising awareness - a key factor in achieving the 2030 Agenda - of sustainable development in society.

SDG 8, Decent work and economic growth

In promoting local employment and fostering economic growth.

SDG 5, Gender equality

Raising awareness of equal opportunities and non-discrimination, articulated through content, initiatives and campaigns.

SDG 16, Peace, justice and strong institutions

Simply by undertaking its activity, which promotes respect for human rights and individual freedoms, the construction of democracy and freedom of expression.

SDG 13, Climate action

For its important role in raising public awareness of climate change, for which it develops specialised content and specific partnerships.

In 2021, Prisa Group reinforced this commitment to the 2030 Agenda; it is a member of the United Nations Global Compact and is part of the executive committee of its Spanish Network. It is committed to the Ten Principles with which this global organisation promotes human rights, anti-corruption, labour rights and care for the environment.

In this regard, the Group has participated in the #supporttheSD campaign, the aim of which is to act as a loudspeaker to achieve a multiplier effect and raise awareness and work on the 2030 Agenda. It is also one of the companies behind the go!SDG Awards, which recognise innovation projects that contribute to achieving the SDGs.

In September 2021, coinciding with the sixth anniversary of the approval of the United Nations 2030 Agenda, Prisa Group launched the #DejaBuenaHuella (#LeaveGoodFootprint) campaign simultaneously in all the Group's media. With it, the Group invited readers to find out what small actions they can take to make progress on the SDGs. The 2030 Agenda is a global call, a goal that requires specific plans to be adopted in countries, institutions and companies, and where the individual contribution of citizens must not be left out. That is why the #LeaveGoodFootprint campaign appealed directly to individual responsibility.

The Prisa Group is also part of the group of companies that make up the SERES Foundation. In 2021, it collaborated in disseminating the Foundation's initiatives, focusing on the social impact of companies and the dissemination of its SERES Awards, which is a recognition of the best strategic and innovative actions that generate value for society and the company.
It is also a member of Forética, the leading organisation in sustainability and corporate social responsibility whose mission is to integrate social, environmental and good governance aspects into the strategy and management of companies. In 2021, Prisa Group took part, as a media partner, in the 'JOBS 2030 - Future of Work' project, an initiative promoted by this organisation that seeks to advance sustainable growth in society by ensuring diversity and inclusion in the workplace.

Forética recognised the UAM-EL PAÍS School of Journalism as one of the 40 business initiatives with high social impact selected within the framework of the project, reaffirming its commitment to decent work and economic growth (SDG 8), one of its priority objectives.

In the field of education, Prisa Group is a trustee of Fundación Conocimiento y Desarrollo (CYD - Knowledge and Development Foundation), which analyses and promotes the contribution of universities to the economic and social development of Spain, and of the Princesa de Girona Foundation, which supports young people in their occupational and personal development.

It also collaborates with the Hermes Foundation in defending democratic principles, developing the information society and defending digital rights; and with the FAD Youth Foundation, of which it is a founding trustee and member of its media committee, to promote the personal and social development of teenagers and young people through education in positive attitudes and the prevention of social risk behaviour.

In its commitment to combat climate change, the Group partners with the World Wildlife Fund (WWF), the largest independent international organisation that advocates for nature and the environment. It has been supporting Earth Hour since 2009. With this initiative, it reinforces its contribution to SDG 13, Climate Action, of the United Nations 2030 Agenda.

In the field of innovation, research and development, Prisa Group is a founding trustee of Fundación Pro CNIC (National Centre for Cardiovascular Research) and helps disseminate its campaigns.

It is also a media partner of the Emergency Committee, made up of five NGOs (Action Against Hunger, Doctors of the World, Oxfam Intermón, Plan International and World Vision) that decided to join forces to channel the solidarity of citizens and companies in major humanitarian emergencies.

Impact of the Group's activity on employment and local development

Impact on SDG 4, Quality education and SDG 8, Decent work and economic growth

Prisa Media's impact on society has materialised in 2021 in meeting forums where different professionals or students can meet and discuss issues that are important to society.

Projects such as *El País con tu futuro* (El País with your future), an educational event focused on the world of work and professional development that helps young people to orientate their future, are noteworthy. The pieces published in elpais.com reached 51 million people.

The UAM-El País School of Journalism, created in 1986, belongs to a non-profit foundation integrated by the Autonomous University of Madrid and El País. The School's main activity is the Master's degree in journalism, which had 109 students in 2021. The School of Journalism has also provided thematic courses to 877 students.

Events such as *Branding Day* and SER *Forums and Meetings* contribute to creating discussion points where people from different backgrounds (from leaders to students and entrepreneurs) meet and exchange knowledge on the essentials of business communication, marketing, media and coaching.

Prisa Media promotes employability through practical training. Collaborations with universities and schools are carried out at the secondary and higher education levels, in line with the training programme established by the student and contributing to the creation of a more qualified profile for employment.

In 2021, Santillana's contribution to local employment focused on boosting the entire industry that revolves around the events and congresses organised by the company, as well as the employment it has offered to people from diverse backgrounds.

Santillana also offers training programmes in various areas to local communities to increase their professionalism and employability and promotes the employment of young people (aged 18 to 26) with no previous work experience. These people often have difficulties in finding employment and Santillana becomes their first work experience. In parallel, the company continuously feeds job portals, participates in job fairs and private job exchanges.

Impact of the Group's activity on local populations and the territory

The following highlights social, cultural and environmental content and actions that Prisa Group has carried out in 2021 and which have an associated positive impact.

Impact on SDG 4, Quality education

Santillana contributed to society through the numerous educational initiatives it launched in 2021.

In 2021, Santillana continues to support teachers, pupils and families by providing virtual training largely free of charge. More than 1,500 online training and awareness-raising events were held for the education community on various topics: use of educational technology, new hybrid learning methodologies, socio-emotional management of students, formative assessment, use and interpretation of learning analytics, among others. In Brazil, the educational webinars broadcast on Santillana's YouTube and Facebook channels reached 1,5526,950 views.

In addition to training, the company focused its efforts on generating social impact through three axes: support for students with special needs, with campaigns such as "Libros escolares accesibles" (Accessible school books), carried out with the civil association Tiflonexos (Argentina) for the creation of the first digital library for visually impaired children; the promotion of reading, with actions such as the national campaign "Más libros. More education. Mejor futuro" (More Books. More education. Better future), also in Argentina; and the educational congresses and publications, meeting points for reflection on the challenges of the education of the future.

In terms of content, the new educational projects developed in 2021 gradually incorporate the SDGs of the United Nations 2030 Agenda and the search for solutions to the challenges of sustainability. In Mexico, the Asombro Compartir project, aimed at pre-school and primary school students, includes teaching sequences inspired by an SDG or by STEM projects from NASA, MIT, Project Zero or UNESCO.

In 2021, the *Propósito Santillana* (Santillana Proposal) project, created by Santillana to promote its social commitment and communicate all its sustainability actions in Latin America, has been continued. Within this framework, the company has developed an internal and external communication campaign to disseminate the UN SDGs.

The Santillana Foundation, created in 1979, encourages debate and reflection to contribute to improving the quality of education.

Impact on SDG 16, Peace, justice and strong institutions

Prisa Media's media outlets have the vocation and mission to present daily information that is truthful, as complete as possible, interesting, current and of high quality, in order to help readers, listeners and users to understand reality and to form their own criteria.

In 2018, El País joined *The Trust Project* an initiative that was launched with the aim of strengthening public trust in the media through greater transparency and accountability. By creating a set of trust indicators and digital standards, this project aims to identify and prioritise quality information from rigorous media. El País is strongly committed to the transparency that The Trust Project is committed to.

Along these lines, in 2021 El País launched the campaign *Porque si somos más la oscuridad es menos* (Because if we are more there is less darkness), which appeals to quality journalism and the commitment of readers to combat disinformation. A place where society can build itself and continue to grow healthily.

The Ortega y Gasset Journalism Awards, created in 1984 by El País, highlight the best journalistic works, originally published in Spanish, during the previous year, which exemplify defending freedoms, independence and rigour as virtues of the profession. In 2021, the public service nature of journalism during the year of the coronavirus pandemic has been rewarded, without forgetting another major crisis: the environmental crisis.

The Ondas Awards|, after 68 editions, maintain their objective of recognising and promoting radio, music and television productions that contribute innovative elements and improve the audience experience. In 2021, 550 applications were received from 17 countries around the world.

Impact on SDG 8, Decent work and economic growth

Prisa Media held a large number of economic forums, events and debates. These include *Foro Futuro*: *Observatorio de tendencias económicas* (Future Forum: Observatory of economic trends) organised by Cinco Días in collaboration with the Santander Group where the necessary reforms for the labour market and the future of economic and financial activity are addressed. El País organised the fourth edition of *Foro Tendencias* (Trends Forum) with the aim of anticipating and analysing the challenges that will mark politics and the economy in Spain in 2022 or the debate *European funds for transformation* in collaboration with Deloitte on the challenges and opportunities of the *Next Generation* programme.

Un país para... (A country for...), a series of contents - produced by El País in collaboration with Telefónica - that focus on the post-pandemic recovery in different areas.

RETINA SQL analysed the position of Europe and Spain in the face of global challenges, the importance of foresight within organisations, technological determinism and the management of change.

The Cinco Días Awards for Business Innovation have become in its fourteenth edition a key event in the business environment through recognising the most innovative initiatives in the business sector.

Cadena SER organised events throughout the country such as *SER Recorre España* to learn first-hand about the current political and social situation in times of coronavirus and to hear how the future is being faced from each of Spain's territories. Other forums such as *Conversa. Legacy 2030: La Herencia que Dejas* (The Inheritance You Leave Behind) create a space for debate and reflection on different SDGs or *AGRO R&D* about job opportunities, new technologies, local success stories, future projects or European and national funds.

Impact on SDG 5, Gender equality

Prisa Media, through Cadena Dial, continued with the *Diversamente Iguales. Auténticamente Libres* (Diversely Equal. Authentically Free) campaign in favour of a diverse society, with equal rights and opportunities and coinciding with the International Day of Women and Girls in Science, Cadena Dial launched the action *Mx=C, Women Equal in Science*, with the aim of highlighting the role of women in the scientific sector.

By promoting leading scientific voices, Prisa Media helps young women to see role models that could shape their future decisions. Other events such as *Con Voz de Mujer* (With a Woman's Voice) give the mic to women from different fields (politics, business, culture and sports) to inspire and promote a more equal society.

2021 became a year in which research was more relevant than ever. For this reason, Dial Awards also wanted to pay tribute to science by giving a voice to women scientists, role models for thousands of girls to follow, and by collaborating with CSIC research projects. Part of the proceeds from the 25th edition of the gala were donated to the projects of the IPNA-CSIC, a CSIC centre located in Tenerife and a world leader in sustainable development on oceanic islands.

Impact on SDG 13, Climate action

In 2021, Prisa Media organised a number of events to address the environmental crisis, including the second edition of *Foro comprometidos: desafíos después de la COP26* (Committed Forum: challenges after COP26). *And what can you do for sustainability?*, the cycle of events called *Emisión Cero* (Emission Zero) organised by El País and Acciona or *Radar Sostenibilidad* (Sustainability Radar), an initiative by El País and Banco Santander. These events bring together technology and environmental experts and business leaders to address the major challenge of climate change and find solutions.

EL PAÍS RETINA organised the first edition of the *Retina Eco Awards* which aim to reward the best projects in the field of the fight against climate change and sustainability using technology.

LOS40 has continued its strong commitment to caring for the planet and promoting environmental action. With the *Sintoniza Con Tu Planeta* (Tune In To Your Planet) campaign, it seeks to raise awareness and mobilise its listeners and users and public opinion at large by promoting the adoption of measures that have a positive impact on environmental protection through its platforms LOS40, LOS40 Classic, LOS40 Dance and LOS40 Urban.

LOS40 Music Awards have become a powerful loudspeaker to give visibility to the fight against climate change and specifically in its 2021 edition, to the conservation of seas and oceans by being held in the Balearic Islands, an enclave noted for its natural value.

As part of the Group's work to raise awareness of climate change, Santillana has carried out various initiatives, such as the virtual exchange experience between secondary school students from Mexico and Colombia, who had to respond to the environmental challenge "What do you propose to preserve and conserve the iconic tourist sites in your country?

In some cases, environmental protection is also promoted through recycling campaigns to support local communities.

Impact on SDG 10, Reducing inequalities

From Prisa Media, El País organised the meeting *Otras Formas de Pensar la Ciudad: ideas contra la desigualdad* (Other Ways of Conceiving the City: ideas against inequality) in Madrid and Barcelona to support cities in the aftermath of the pandemic and create a space in which new approaches are envisioned that combine environmental, socio-economic and gender sustainability with initiatives to reduce inequality and strategies to ensure equal opportunities.

La España Vaciada (Empty Spain), organised by Cadena SER, was developed throughout 2021 as a travelling forum with the aim of giving visibility to the rural environment and how institutions are tackling the demographic challenge. The value of rural Spain is a way of reducing inequalities thanks to the entrepreneurial dynamism that is generated after the meetings.

Santillana's main initiatives to reduce inequalities include donating educational material such as that granted in 2021 to classroom libraries in low-income Mayan communities in Guatemala, carried out by *Asociación Educadores Populares Reasentados* from Quiché, as well as the NGO *Dona un libro, cambia una mente* (Donate a book, change a mind), which promotes mass book collections to create or strengthen the libraries of Honduran state schools. Financial contributions have also been made to *Fundación Entreculturas /Fe y Alegría*, for the implementation of the #*Voyaser* programme, which helps girls at risk of social exclusion in Peru and Guatemala to finish secondary school.

5.8.4. RESPONSIBLE SUPPLY CHAIN MANAGEMENT (SUBCONTRACTING AND SUPPLIERS)

The Prisa Group is aware that, in order to achieve true sustainability, it must manage and work towards a responsible value chain, with practices, policies and procedures that are in line with the environmental and social impact of the management of this matter by its suppliers.

For this reason, the General Purchasing Conditions that the Prisa Group manages and publishes on its supplier portal lay down the guidelines for responsible purchasing and the incorporation of social and environmental issues from the start of negotiations.

In addition, Prisa Group has a supplier approval procedure for the evaluation and control of the main suppliers of the Group's different companies throughout the world. This procedure includes aspects that cover issues such as social responsibility, labour and tax equality, as well as those related to the prevention of occupational risks, the fight against fraud and corruption, and the environmental management systems that suppliers may have in place.

In addition, due to the type of supplies required by Prisa Group companies (increasingly, service provision), the high percentage of local suppliers with which we work in each country and the fact that no significant risks have been detected that would prompt a more detailed inspection, no audits of the current supplier base are planned for the medium term.

Prisa Group has set itself the objective of continuing its commitment to developing and generating a positive impact on its suppliers, promoting a local value chain, in line with the United Nations 2030 Agenda and, in particular, with SDG 8 decent work and economic growth.

In this respect, the objective is to maintain a consolidated allocation in each business grouping, over the next three years, of more than 80% of the payments to be made to suppliers with a tax residence where the purchase and delivery of the product or service takes place.

Thus, in 2021, payments to suppliers for the entire Prisa Group amounted to 524 million euros, 91.9% of which were made to local suppliers (482 million euros). By Business Unit, Santillana and Prisa Media account for 91% and 93% respectively of their spending with local suppliers.

	Payment to suppliers (million euros)	
	2021	**2020**
Total suppliers	524	510
Local suppliers	482	456

Payments to local suppliers	
2021	**2020**
91.9%	89.5%

In 2021 the Prisa Group increased its percentage of suppliers officially approved in terms of environmental practices, employment practices, human rights and social aspects, from 58% in 2020 to 74% in 2021.

5.8.5. CONSUMERS, USERS, READERS AND LISTENERS

Prisa Group's relationship with customers, readers, listeners and other types of consumers (teachers, students or parents of students in the case of Santillana) is based on transparency, and on offering services with service quality standards that exceed the standards laid down by the applicable regulations.

In addition, in recent years, the Antitrust Policy has been maintained, the purpose of which is to describe the general principles and rules of conduct to be observed by the Group's companies, personnel and executives in order to compete fairly in the markets, promoting free competition for the benefit of consumers and users and complying with antitrust regulations in the jurisdictions in which the Group is present, avoiding conduct that constitutes or could constitute collusion, abuse or restrict the competition.

Prisa Group's businesses, activities and investments in the area of education, radio and press are subject to a regulatory framework that is specific to the sector where these businesses are run. Except for press business or some activities in the area of education, where there is a direct relationship with the consumer and/or user, the General Spanish Law in Defence of Users and Consumers (Spanish Royal Legislative Decree 1/2007 of 16 November, as revised by Spanish Law 3/2014 of 27 March) is not applicable.

The Prisa Group also provides consumers with permanent complaint systems, such as the Whistleblower Channel for third parties, which is available on the corporate website. The Business Units also establish specific channels in each country to address complaints associated with the services provided.

In Spain, Prisa Media has a Customer Service Centre where the communication channel with press subscribers is maintained and managed, and from which incidents are handled via chat, calls or e-mail. In 2021, 13,561 incidents were received, mostly related to the use/satisfaction with subscriptions. The Customer Service Centre resolves incidents directly or manages resolution with the end suppliers of the services or products. When necessary, we escalate incidents to other departments, as is the case with data protection requests, which are referred to privacidad@prisa.com. In addition, El País has a Reader's Ombudsman.

Santillana's activity in all countries is aimed at schools, bookshops, distributors and the end consumer. Each country has various channels of communication through which complaints are received. These are mainly logistical in nature. In 2021, 8,619 incidents were handled and managed.

5.8.5.1 CYBERSECURITY AND PRIVACY OF INFORMATION (CONSUMERS, OWN STAFF AND SUPPLY CHAIN)

For Prisa Group, protecting personal information remains one of the company's priorities. Personal data has become a valuable asset and security breaches can cause considerable damage. Hence one of the basic requirements for a digital society is adequate cybersecurity.

Following the publication of the General Data Protection Regulation (GDPR) in 2016, which entered into force in May 2018, the Group has reinforced and enhanced its personal data control and assurance processes and consumer rights in the potential use of such data.

Changes in European law also prompted the Group's companies in the Americas to review their procedures for complying with local data protection regulations.

To exercise their rights, users and persons whose personal data are processed by the Group's companies may submit their complaints or contact the Group's Data Protection Officer (DPO) at dpo@prisa.com. They can also do so by writing to a specific postal address. In the case of Prisa Media's digital services, a specific e-mail address (privacidad@prisa.com) is provided for to exercise rights.

In 2021, five complaints were received in the DPO's mailbox from the AEPD related to exercising data protection rights, all from the Prisa Media Business Unit. It should be noted that none of them resulted in a sanction or a warning.

Finally, in 2021, the actions aimed at increasing the protection of information security by enhancing the confidentiality, availability and integrity of data processing were maintained through the following actions:

- Privacy Impact Assessment of Critical Processing (PIA).
- Update of the consent management platform for the use of cookies on the Group's websites and mobile applications.
- Maintenance of the body of information security legislation in which the rights of consumers/users have been taken into account.
- Update of data protection and privacy policies.
- Maintenance of the approval process with the main service providers, in line with the commitment to monitoring and evaluating to protect our consumers/users.

5.8.6. TAX INFORMATION

Prisa Group is committed to the principles of responsibility, prudence and transparency in fulfilling its tax obligations and in its relations with the tax authorities.

In line with these commitments to sustainable development, responsibility and transparency, its tax strategy aims to comply with tax regulations in all the territories in which it operates and the guiding principles of good tax governance, collaborate with the tax administrations of the jurisdictions where we operate, contribute to minimising the tax risks that may arise from its activity and ensure responsible tax behaviour with its stakeholders. This must all be done without detriment to the generation of shareholder value, avoiding tax risks and inefficiencies in the execution of business decisions and ensuring good corporate governance.

In this context, in accordance with the provisions of the Capital Companies Act, the maximum responsibility for determining the tax strategy in Prisa Group lies with its Board of Directors with the support of the Audit, Risk and Compliance Committee.

Thus, Prisa Group has a tax strategy that was approved by the Board of Directors in 2015, which sets out the organisation’s values, the principles of the strategy, good tax practices and the guidelines for its implementation and communication. Reinforcing the fiscal strategy, the organisation has a Fiscal Policy and the Manual of functions of the model of prevention and detection of crimes.

The following table shows a breakdown of the consolidated profit before tax for 2021 included in the Consolidated Financial Statements, broken down country by country.

Country	**Thousand of euros**
Brazil	15,479
Chile	5,461
Colombia	5,135
Mexico	10,988
Guatemala	1,972
Dominican Republic	7,177
Ecuador	1,721
Bolivia	1,204
Peru	(1,137)
Portugal	84
Argentina	1,045
Spain	(135,228)
Other countries	4,533
Total	**(81,566)**

In addition, the amount of corporation taxes paid by these entities in 2021 amounts to EUR 13,219 thousand, broken down as follows:

Country	Thousand of euros
Brazil	2,285
Chile	2,617
Colombia	1,484
Mexico	1,858
Guatemala	891
Dominican Republic	415
Ecuador	0
Bolivia	425
Peru	329
Portugal	876
Argentina	758
Spain	(1,081)
Other countries	2,362
Total	**13,219**

In Spain, Prisa Group consolidated tax returns as permitted by the Spanish Corporation Tax Law. It is the Parent of tax group number 2/91, which includes all subsidiaries that meet the requirements established in the legislation governing the taxation of the consolidated profit of corporate groups.

GLR Services, Inc. also files consolidated tax returns in the United States together with its subsidiaries that meet the requirements for application of this special consolidated tax regime. The other Group subsidiaries file individual tax returns, in accordance with the tax legislation prevailing in each country.

As detailed in the tax note to the Group's Consolidated Financial Statements, the reconciliation between the consolidated accounting profit and the consolidated tax at the general tax rate in force in Spain is shown in the following table, followed by a brief explanation of the main adjustments applied to determine the taxable basis of the various Prisa Group companies.

	Income statement	
	2021	**2020**
Consolidated net profit under IFRS Taxation of continuing activities	**(81,566)**	**(166,392)**
Rate of 25%	(20,391)	(41,598)
Consolidation adjustments	(1,881)	24
Temporary differences	2,375	1,900
Permanent differences (1)	18,711	14,665
Tax loss carryforwards	(69)	(921)
Tax credits and tax relief	(111)	(251)
Effect of non-activation of tax income (2)	17,010	39,563
Effect of applying different tax rates (3)	3,746	2,871
Current corporation tax expense	**19,390**	**16,253**
Deferred tax expense on temporary differences	(2,665)	(2,352)
Pre-tax on profits	**16,725**	**13,901**
Adjustment of prior years' tax (4)	(1,042)	63,975
Foreign tax expense (5)	3,456	2,400
Employee profit sharing (6)	1,096	795
Adjustments to consolidated tax	734	-
Corporation tax TOTAL	**20,969**	**81,071**

(*) Brackets indicate income

(1) The permanent differences arise mainly from:

- The different accounting and tax criteria for recording expenditure derived from certain provisions and certain assets.
- Non-deductible expenses.
- The negative off-balance sheet adjustment for the merger tax difference, attributable to 2018, arising from the merger of Promotora de Informaciones, S.A. and Prisa Televisión, S.A.U. (merger by absorption described in Note 17 of the Notes to the Financial Statements of Promotora de Informaciones, S.A. for 2013), and applying the requirements of the then current article 89.3 of the Tax Law to give it tax effect.
- 5% taxation of dividends.
- A negative adjustment arising from the recovery for tax purposes of one-tenth of the amount adjusted in prior years as a result of the limitation on the deductibility of write down expense.
- The limitation on the deductibility of financial expenses provided for in Article 16 of the Spanish Corporate Company Tax Act.

(2) This relates to the effect of companies that have not recognised a deferred tax asset because they accrued losses in the year.

(3) This relates to the effect of taxation of profits from American subsidiaries at different rates.

(4) This refers to the effect on the income statement arising from the regularisation of Corporate Company Tax for previous years and the accounting record of the effect of the 2016-2018 Inspection.

(5) This relates to the expense for taxes paid abroad, which arose from withholdings at source on the income from exports of services provided by the Group's Spanish companies abroad and dividends.

(6) The P.T.U. is one more component of the Company Tax expense in some countries such as Mexico and Ecuador.

Finally, subsidies received in the Group represent 0.4% of total operating revenues.

5.9. TABLE OF CONTENTS (CORRELATION OF INDICATORS LAW 11/2018, GRI INDICATORS, PRINCIPLES OF THE GLOBAL COMPACT AND UNITED NATIONS SDGS

Content required under Law 11/2018 of December 28					
Information required under Law 11/2018	**Materiality**	**Section in report or document providing a response**	**Connection to GRI indicators**	**Principles of the Global Compact**	**Sustainable Development Goals***
General information					
a) A brief description of the Group's business model, including its business environment, organization and structure, the markets in which it operates, objectives and strategies and the main factors and trends that could affect its future evolution.	Material	5.2. The Prisa Group and its Business Units	GRI 102-1 GRI 102-2 GRI 102-4 GRI 102-6	-	SDG 8, 16
b) A brief description of the policies applied by the Group in relation to these issues, including the due diligence procedures applied to identify, assess, prevent and mitigate risks and significant impacts and verification and control, including the measures adopted.	Material	Throughout the Statement of Non-Financial Information (that are specified in 5.3 Risk management, 5.5 Responsible environmental management, 5.7 Respect for human rights and the and the fight against corruption and bribery, 5.8 Information for society	Indicators contemplated in the Statement of Non-Financial Information in relation to economic, social and environmental aspects		
c) The results of these policies, including the key indicators of significant non-financial results that make it possible to monitor and assess progress and promote comparability between companies and sectors, pursuant to Spanish, European and international frameworks of reference used in each field.	Material	Throughout the Statement of Non-Financial Information (that are specified in 5.3 Risk management, 5.5 Responsible environmental management, 5.7 Respect for human rights and the and the fight against corruption and bribery, 5.8 Information for society	Indicators contemplated in the Statement of Non-Financial Information in relation to economic, social and environmental aspects		
d) The main risks related to these issues corresponding to the Group's activities, including, where applicable and proportionate, their commercial relations, products and services that may have negative impacts on these fields, and how the Group manages these risks, explaining the procedures used to detect them and assess them pursuant to Spanish, European and international frameworks of reference used in each field. Information must be included on the impacts detected, offering a breakdown of them, in particular the main risks in the short, medium and long term.	Material	5.3 Risk management	GRI 102-15		
Reporting framework used and the principle of materiality	Material	5.1. About this report 5.4. Materiality	GRI 102-43		

* Linking the SDGs and the GRI Standards, Last updated March 2020, GRI.

Content required under Law 11/2018 of December 28					
Information required under Law 11/2018	**Materiality**	**Section in report or document providing a response**	**Connection to GRI indicators**	**Principles of the Global Compact**	**Sustainable Development Goals***
Environmental matters					
Detailed information on the actual and foreseeable effects of the company's activities on the environment and, as applicable, health and safety, environmental certification or assessment procedures, the resources dedicated to environmental risk prevention, the use of the principle of precaution, the provisions and guarantees for environmental risks.	Immaterial	5.5 Responsible environmental management	GRI 102-11	Principle 7. Businesses should support a precautionary approach to environmental challenges. Principle 8. Businesses should undertake initiatives to promote greater environmental responsibility. Principle 9. Businesses should encourage the development and diffusion of environmentally friendly technologies.	SDGs 3, 6, 7, 8, 11, 12, 13, 15
– Pollution: measures to prevent, reduce or repair carbon emissions that have a serious impact on the environment; taking into consideration any form of atmospheric pollution specific to an activity, including noise and light pollution.	Immaterial	5.5.4. Other aspects	GRI 305		
– **Circular economy, prevention and waste management**: prevention measures, recycling, reuse, other ways of recovering and eliminating waste.	Material	5.5.1. Waste management and economy circular	GRI 306-2		
Actions to combat food waste	Immaterial	5.5.4. Other aspects	Immaterial indicator		
– Sustainable use of resources: consumption of water and supply of water in line with local limits; consumption of raw material and measures adopted to improve their efficient use; direct and indirect consumption of energy, measures taken to improve energy efficiency and the use of renewable energy	Material	5.5.2. Responsible use of resources	GRI 302-1 GRI 302-4 GRI 303-1 GRI 303-5		
– Climate change: the important elements of greenhouse gas emissions generated as a result of the company's activities, including the use of goods and services it produces; the measures adopted to adapt to the consequences of climate change; the medium and long-term reduction milestones defined voluntarily to reduce greenhouse gas emissions and the measures implemented to this end.	Material	5.5.3. Climate change	GRI 305-1 GRI 305-2 GRI 305-4		
– Protection of biodiversity: measures taken to preserve or restore biodiversity; impact caused by activities or operations in protected areas.	Immaterial	5.5.4. Other aspects	Immaterial indicator		

* Linking the SDGs and the GRI Standards, Last updated March 2020, GRI

Content required under Law 11/2018 of December 28					
Information required under Law 11/2018	**Materiality**	**Section in report or document providing a response**	**Connection to GRI indicators**	**Principles of the Global Compact**	**Sustainable Development Goals***
Social factors and those in relation to staff					
– **Employment**: total number and distribution of employees by gender, age, country and professional category; total number and distribution of contract types, annual average of permanent contracts, temporary contracts and part-time contracts by gender, age and professional category, number of dismissals by gender age and professional category; average remuneration and its evolution broken down by gender, age and professional category or equal value; salary gap, remuneration of the same or average positions in society, average director remuneration, including variable remuneration, subsistence benefits, allowances, payments to long-term savings benefit systems and any other payment, broken down by gender, implementation of policies for the disconnection from work, employees with disabilities.	Material	5.6.1. Employment	GRI 102-8 GRI 102-35 GRI 405-1 GRI 405-2	Principle 3. Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining. Principle 4. Businesses should uphold the elimination of all forms of forced and compulsory labor. Principle 5. Businesses should uphold the effective abolition of child labor. Principle 6. Businesses should uphold the elimination of discrimination in respect of employment and occupation.	SDG 3, 4, 5, 8, 10
– **Organization of work**: organization of work time; number of hours of absence; measures aimed at facilitating a work/life balance being achieved and promoting joint responsibility between parents.	Material	5.6.2. Work organisation	GRI 401-2		
– **Health and safety**: health and safety conditions in the workplace; occupational accidents, in particular their frequency and severity, in addition to professional illnesses; broken down by gender.	Material	5.6.3. Health and safety	GRI 403-9 GRI 403-10		
– **Social relations:** organization of the social dialog, including procedures for informing and consulting staff and negotiating with them; percentage of employees covered by collective bargaining agreements by country; balance of collective agreements, in particular in the field of occupational health and safety.	Material	5.6.4. Social relations	GRI 102-41		
– **Training:** policies implemented in the field of training; total amount of hours training by professional categories.	Material	5.6.5. Training	GRI 404-1 GRI 404-2		
– **Equality**: measures adopted to promote equal treatment and opportunities between men and women; equality plans (Chapter III of Organic Law 3/2007, of March 22, for the effective equality of men and women), measures adopted to promote employment, protocols against sexual and gender-based harassment, the integration and universal accessibility of people with disabilities; policies against all forms of discrimination and, as applicable, the management of diversity.	Material	5.6.6.Equality	GRI 405		

* Linking the SDGs and the GRI Standards, Last updated March 2020, GRI

Content required under Law 11/2018 of December 28					
Information required under Law 11/2018	Materiality	Section in report or document providing a response	Connection to GRI indicators	Principles of the Global Compact	Sustainable Development Goals*
Respect for human rights					
Application of due diligence procedures in relation to human rights; prevention of risks of human rights being violated and, as applicable, measures to mitigate, manage and repair possible abuses committed; reports of cases of human rights being violated; promotion and compliance with the provisions of the main conventions of the International Labor Organization in relation to respect for the freedom of association and the right to collective bargaining; the elimination of discrimination in employment and occupation; the elimination of forced or compulsory labour; the effective abolition of child labor.	Material	5.7 Respect for human rights and the and the fight against corruption and bribery	GRI 102-16 GRI 102-17 GRI 406 GRI 407 GRI 408 GRI 409 GRI 412	Principle 1. Businesses should support and respect the protection of internationally proclaimed human rights. Principle 2. Businesses should make sure that they are not complicit in human rights abuses.	SDG 5, 8, 10, 16
Fighting corruption and bribery					
Measures adopted to prevent corruption and bribery; measures to combat money laundering, donations to non-profit organizations and foundations.	Material	5.7 Respect for human rights and the and the fight against corruption and bribery 5.8 Information for society	GRI 102-12 GRI 102-16 GRI 102-17 GRI 205-1 GRI 205-3	Principle 10. Businesses should work against corruption in all its forms, including extortion and bribery.	SDG 8, 16
Information for society					
– Corporate commitments to sustainable development: the impact of the company's activities on local development and employment; the impact of the company's activity on local populations and in the area; relations with the stakeholders in local communities and the different forms of dialog with them; association or sponsorship actions.	Material	5.8 Information for society 5.8.1. Social Commitment 5.8.2. Dialogue and communication with stakeholders 5.8.3. Commitment to sustainable development	GRI 203-2 GRI 413-1	-	SDG 4, 5, 8, 10, 13, 16, 17
– Outsourcing and suppliers: the inclusion of social, gender equality and environmental issues in the procurement policy; consideration of environmental and social responsibility in relationships with suppliers and subcontractors; supervision and audit and results thereof	Material	5.8.4.Responsible supply chain management (subcontracting and suppliers)	GRI 102-9 GRI 204-1 GRI 308 GRI 414		SDG 5, 8, 12, 13, 16
– Consumers: measures for the health and safety of consumers; complaint systems, claims received and their resolution.	Material	5.8.5.Consumers, users, readers and listeners	GRI 418-1		SDG 9, 16
– Tax information: benefits obtained country by country; corporation tax paid and public subsidies received.	Material		GRI 201 GRI 207-4		SDG 1, 8, 9, 17

* Linking the SDGs and the GRI Standards, Last updated March 2020, GRI

6. RESEARCH, DEVELOPMENT AND INNOVATION ACTIVITIES

The Group is constantly adapting applications and management processes to changes occurring in its businesses, as well as technological changes. It participates in and is a member of various international and domestic associations and forums which enable it to identify possible improvements or opportunities to innovate and develop its services, processes and management systems.

During 2021, in terms of **Education**, Latin America Latin America has been the region of the world where schoolchildren have been kept out of school the longest as a result of the pandemic. However, Santillana's commitment in recent years to pedagogical innovation and to strengthening its technological ecosystem has made it possible to provide an agile and effective response to the challenge of hybrid or distance education. If we focus on the support provided to the educational community, this year has continued with numerous trainings, tutorials and various webinars in areas related to innovation, new pedagogies, technology or socio-emotional aspects, which are highly demanded. Aprendemos conectados (We learn online), Rutas Formativas (Educational Routes), Familias Brillantes (Bright Families), Familias UNOi (UNOi Families) and Compartir en Familia (Sharing in the Family) are some of the proposals that have facilitated mass access to this training.

In terms of content, projects with a high innovative component have been developed, such as **Asombro Compartir** (Amazement Sharing), designed in Mexico and aimed at pre-school and primary school pupils. It includes didactic sequences with Project Based Learning (PBL) methodology, inspired by a Sustainable Development Goal or STEM projects from NASA, MIT, Project Zero or UNESCO. In 2021, also **loquelo digital** has been launched, a digital reading ecosystem with gamified activities and dramatised audiobooks, which expects significant growth in 2022.

Our digital education offering, through subscription models, made it easy for teachers and students to access curriculum content and follow classes as normal. Amazon's 100% cloud-based, scalable **E-stela** and **Pleno** platforms maintained peak activity levels in 2020 (COVID-19 context), demonstrating their good performance. During 2021, E-stela recorded 205 million sessions and more than 157 million pieces of content were consumed by teachers and students, with more than 2.2 million virtual classrooms using synchronous communication tools (Microsoft Teams, Google Meet and Zoom).

The Pleno assessment tool generated 10 million tests, increasing the assessment rate from 14.56 assessments per pupil in 2020 to 16.37 in 2021.

In 2021, the development of the **New Santillana Digital Ecosystem** was completed, which will be implemented in our Santillana Brazil and Mexico business lines during 2022. The added value it adds focuses on three aspects: it improves the user experience for teachers, students and families by unifying all school services in a single access; it allows flexible and personalised offers per school, level, grade and group; and, it offers a new school agenda that facilitates communication, homework, notes, messages, attendance records or surveys and authorisations.

In **Media**, by means of the main initiatives forming part of the Technology Master Plan 2021-2024 rolled out in 2021, some major progress was noted in News, and also in Radio and Advertising.

In **News**, work was ongoing on ecosystem simplification through the consolidation of ARC Publishing, and some major steps were taken to secure more customised mobile applications and maximise synergies with Digital Radio processes.

In **Radio**, an effort was made to secure greater value for Podcast and SmartSpeakers solutions, DALET Galaxy as a broadcasting system in Spain and LATAM, and the consolidation of ARC Publishing on Radio Webs.

Transformation levers in **Advertising** were the addition of Digital Selling as a first step in the new CRM B2B and as a new communications channel with advertisers to encourage purchases, the portal for self-contracting and advanced services for advertisers, development of analytic solutions, and unification of Radio and Digital Advertising processes.

As already mentioned, three major initiatives were rolled out in 2021 to renew the core sections of News and Radio (ARC, DALET Galaxy and Mobile Applications), which could provide new services and contribute efficiency.

- In the case of **ARC**, this year the media solution was deployed in SER, WRADIO and As, the direct benefits of which are Control of the writing work flow, Integration of work tools, Management of rights and Agility, in addition to the integration of Digital First paper (the only Digital CMS with a paper flow), and enhancement of the security and stability of the Platform.

- The **DALET Galaxy** initiative in Radio focuses on the standardisation of broadcasting and editorial production processes. It was started up in pilot mode in 2021 in Aragón, and in 2022 it will be extended to Castilla y León, Castilla La Mancha and Extremadura. The benefits are integration and standardisation of broadcasting and editorial production processes, concentration of contents to simplify subsequent distribution to any kind of broadcasting format (on air, streaming, social media, web, podcasts etc.), and the creation of an industrialised model for broadcasting to stations.

- Much use and consumption of contents by users via apps compel us to move towards **Mobile applications** in a more customised format. To this end, in 2021 Prisa Media internally defined and established a framework to maximise synergies. This gradual process of evolution by current apps to the transversal model was implemented by a tender for a supplier and selection of personnel, enabling us to kick off 2022 with a common media apps team, internalising technical knowledge of apps, boosting management capacity and optimising the investment, re-using components among apps and making gains in terms of speed and agility.

Additionally, this year in **News**, a wide-ranging project was carried out to **improve performance and to design the digital version of El País.**

After 11 months' work with a multidisciplinary team, organising reflection units with almost 80 experts and members of the copy team at El País, and also listening to readers, with a particular focus on the younger audience, a redesign was worked out that had not been addressed for six years. There have been many changes during this period, two of which have been most important in recent times: the addition of ARC as a technology platform and the launch of the subscription model.

This project has brought many benefits in terms of better positioning and page performance, eliminating customer ReactJS.

Also, following the web's graphic line, the **El País app has also been redesigned** to improve its performance and provide a better experience for readers. This includes the possibility of enjoying **El País audio** and listening to **audio news and podcasts** directly, with the option of following favourite items and authors, or saving news items to read them later. The subscription can also be taken out rapidly from the application.

There are also **audio and video formats** with enhanced potential to run podcasts, videos and news audios, with the integration of new tools such as **Triton digital**, which facilitates the distribution of audio and optimises the streaming strategy, measurement of audiences for these formats, and also optimises revenue with instream advertising.

Turning to distribution of contents, in 2021 a new service was also implemented **with customised newsletters linked to the user's interests**. With the El Radar newsletter, users receive weekly news which they have not read but which could be of interest to them given their previous browsing. This initiative uses Artificial Intelligence technology. The customisation boosts the click through rate (CTR +19%) and a higher average read rate.

Another area of innovation is in **Adobe Target**, a tool that can conduct experiments to boost consumption of pages visited and subscriptions. Our **integration with CRM** means we can carry out A/B tests with specific users, with segmentation of customer and browser information, enabling us to display experiences and customised subscription offers, **thereby boosting the conversion rate, the ARPU and LTV.**

In **AS**, as mentioned above, 2021 was the year of construction and **launch of the ARC Publishing Platform**, by the editor of the Washington Post. This **new CMS enables us to save on development and maintenance costs** and unify news operations, using the same management system as other business units. Security and stability also benefit from this new solution.

This year AS also launched the **AS Apuestas** project in association with Spotlight Sports Group, a mainstream UK sport betting outlet. The new portal gives readers a specific website with the best contents in Spanish to place their bets: the latest news, access to data and analyses of all matches; **predictions and forecasts based on Artificial Intelligence;** widgets with figures updated in real time, generators of bets and comparison systems.

Levers were also activated in 2021 to **help pass on the future impact of the cookieless environment by means of anonymous cookie grading** and boost registration of users (+30%) with one-off actions such as the closure of contents (to registers) to the most loyal users. Another piece of added value to obtain leads was the **newsletters**, where work continued to **enhance the database of registered users.**

In this regard, new broader functions for **customisation on the AS app** have been launched as "My Zone". This service, exclusive to registration, has allowed users to configure their own front leader with the teams, sport personalities or competitions they follow, and customise the type of alerts they wish to receive.

2021 was also the year in which **AS Audio** took its first steps and began to bring out its offer of podcasts, including original, narrative, conversational and informative contents. “La Pica de AS” (sports complex context), “Mínimo de veterano” (NBA), “Los últimos de la lista” (football), “KO a la Carrera” (boxing, MMA and wrestling) and “Hooligans Ilustrados” (football and literature) are the main events in 2021 which will lead to new contents in 2022. Some of them have already reached the higher echelons of the listening platforms.

Another project consolidated this year was the **launch of the Showroom affiliation platform for Mexico and Colombia** which, along with Amazon as a strategic partner, means our journalists recommend and select the best products for readers.

In the case of **Radio**, a number of initiatives were carried out in 2021 which substantially improved work flows for Streaming, Podcast and Advertising. The main benefits obtained were a reduction of the creation/management of podcast generation from days to minutes, an increase in the number of automatic cuts and better cut quality, with improvements to the automation of search, extraction and share of items mentioned.

In 2021 this improvement was also taken to external users, digital listeners, who can now use all the Audio on Demand or podcasts at the main sites of Cadena SER, LOS40 or Cadena Dial, instead of external players. This has led to the launch of podcast strategies, SER Podcast and Musicales, taking consumption to the main website. A specific development in this regard has also been carried out for Cross-Promotion, promotion of podcasts by the various Prisa Media brands on all its web and app products.

The **Music Master** has been implemented as a musical management and rotation tool for Latam music stations, in order to centralise and unify contents and share criteria in a single database with all musical information.

Some mention should also be made of the **Single Form**, a major initiative by the Colombia editing team, to simplify the editing work flow with 7 different brands and 3 different content managers (Thot, Wordpress and PEP). The single form allows editors to post contents on a single platform - integrated with content managers - thereby simplifying access and the publication of content. The single form provides mobile access and also allows news, photos and audios to be posted.

In 2021, Prisa Radio also perfected its audio recommendation system, **Tailorcast**, a development carried out with the help of the Google Digital Innovation Program. Work was carried out in 2021 to ensure that this recommendation engine could be used by the various internal customers such as Cadena SER, El País or Caracol Radio. The engine is based on transcription, tagging and subsequent recommendation, which provides a practical customised recommendation for users, helping them find new audio products carried out in our brands.

ARC deployment work included a specific development for integration of the Permanent Player, to allow listeners to use all the audio material on Prisa Radio sites from any section of the site, through the Single Page Application development. This integration in ARC enables products already in production, such as WRadio, to offer users all direct Audio on Demand via the permanent player.

With regard to **advertising**, this year saw the deployment of the first phase of the **"SII" project (Income Information System)**: a single repository with PRISA Media income information: Paper, Digital Income, National Radio, Local Radio and Associates.

This initiative seeks to centralise information, avoiding silos, integrating several sources of information on advertising income, to furnish an advanced 360º vision of customers, operational simplification in PRISA teams (integration of advertising in all media) and optimisation in terms of the extraction and generation of reports.

In 2021, the **Data and Analytics** area at Prisa Media worked on **the fine-tuning of predictive models of propensity for registration or take-up of subscriptions** and also to identify subscribers likely to withdraw, in order to prevent this proactively, thus helping to **retain subscribers**. A **customised content recommendation model** has also been developed, focusing on subscribers and based on their interactions and browsing criteria, and comparing them to those of other readers with similar tastes and profiles. This seeks to highlight the value of the subscription, revealing and recommending articles, authors or similar thematic sections not usually read by the subscriber.

7. LIQUIDITY AND CAPITAL RESOURCES

7.1. Financing

Note 11b "*Financial Liabilities*" to the consolidated financial statements 2021 provides a description of the use of financial instruments by the Group.

7.2. Contractual commitments

Note 24 "*Future Commitments*" to the consolidated financial statements provide information on firm commitments giving rise to future cash outflows and associated with purchases and services received.

7.3. Dividends policy

Prisa does not have a set dividend policy, and so the Group's distribution of dividends is reviewed annually. In this respect, the distribution of dividends depends mainly on (i) the existence of profit that can be distributed and the Company's financial situation, (ii) its obligations regarding debt servicing and those arising from commitments acquired with its financial creditors in the Group's financing contracts, (iii) the generation of cash arising from its normal course of business, (iv) the existence or non-existence of attractive investment opportunities that could generate value for the Group's shareholders, (v) the Group's reinvestment needs, (vi) the implementation of Prisa's business plan, and (vii) other factors Prisa should consider relevant at any given time.

8. TREASURY SHARES

Prisa has performed, and may consider performing, transactions with treasury shares. These transactions will always be for legitimate purposes, including:

- Undertaking treasury share acquisitions approved by the Board of Directors or pursuant to General Shareholders' Meeting resolutions.
- Covering requirements for shares to allocate to employees and management.

The operations of treasury shares, don´t realize on the basis of privilege information, nor respond to an intervention purpose in the free process of price formation.

On May 6, 2021, the Board of Directors approved a Share buy-back programme allowing to repurchase a maximum of 825,000 shares. The Share buy-back programme ended with the repurchase of a total of 612,594 shares in the financial year 2021.

At December 31, 2021, Promotora de Informaciones, S.A. held a total of 2,335,568 treasury shares, representing 0.33% of its share capital.

Treasury shares are valued at market price at December 31, 2021 (0.565 euros per share). The total amount of the treasury shares amounts to EUR 1,320 thousand.

At December 31, 2021, the Company did not hold any shares on loan.

9. SHARE PERFORMANCE

Description of Prisa's shareholder structure.

Prisa's share capital at December 31, 2020 and 2021 consisted of EUR 70,865 thousand and was represented by 708,650,193 ordinary shares all of which belong to the same class and series, each with a par value of EUR 0.10 each, fully paid up and with identical rights.

These shares are listed on the Spanish stock exchanges (Madrid, Barcelona, Bilbao and Valencia) through the Spanish Stock Exchange Interconnection System (SIBE).

Main shareholders in the Company´s share capital at the end of 2021 were Amber Capital, Vivendi, Telefónica, Rucandio, International Media Group, Consorcio Transportista Occher S.A, Inversora de Carso S.A, Carlos Fernandez, Bank Santander, Melqart Opportunities Master Fund Ltd . Free float stood at around 20%.

As of January 2021, HSBC Holding PLC was no longer a significant shareholder of Prisa. It is noted that in January 2021, the French group Vivendi, with investments in the telecommunications and entertainment industries, has acquired 9.9% of Prisa.

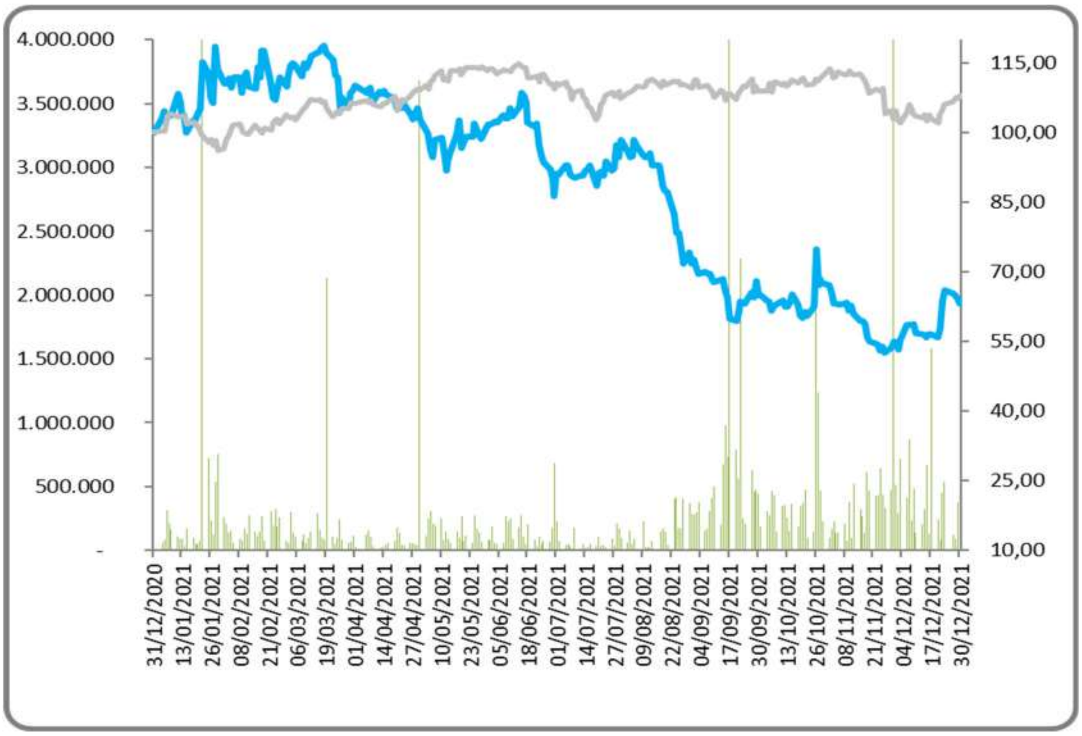
Share price performance

Prisa ordinary shares ended 2020 trading at a price of EUR 0.893 per share (December 31, 2020) and ended the year 2021 at EUR 0.565 per share (December 31, 2021), implying a devaluation of 36.7%.

Prisa's share performance in 2021 has been conditioned by the company's capital and financial structure, by an environment of economic crisis due to the different waves of the COVID-19 pandemic (which has affected industries and companies around the world), by the irregular behavior of Latin American currencies, as well as by the exclusion of the share from two indices.

During the 2021 financial year, the Company's Directors have continued to take a series of measures to strengthen the Group's financial and equity structure, reinforcing corporate governance, focusing on efficiency and cash generation, and reaching a new refinancing agreement which was announced in February 2022. The New Refinancing agreement will make the Group's financial debt more flexible and will provide it with a financial structure that will enable it to meet its financial commitments, ensuring the Group's stability in the short and medium term.

The following chart shows the performance of the Prisa Group's shares relative to the IBEX35 index in 2021, indexed in both cases to 100:



Prisa: -36,7%	Ibex: 7,93%	Traded volume Prisa

Source: Bloomberg (31st December 2020- 31st December 2021)

10. AVERAGE SUPPLIER PAYMENT TIME

According to the information required by the third additional provision of Law 15/2010, of 5 July (amended by the second final provision of Law 31/2014, of 3 December) approved in accordance with the resolution of ICAC (Spanish Accounting and Audit Institute) of January 29, 2016, the average period of payment to suppliers in commercial operations for companies of Grupo Prisa located in Spain rises, in 2021, to 63 days *(see note 24 in the attached consolidated financial statement).*

The maximum legal period of payment applicable in 2021 and 2020 under Law 3/2004, of 29 December, for combating late payment in commercial transactions, is by default 30 days, and 60 days maximum if particular conditions are met with suppliers.

During the coming financial year, the Directors will take the appropriate measures to continue reducing the average period of payment to suppliers to legally permitted levels, except in cases where specific agreements with suppliers exist which set further deferments.

11. EVENTS AFTER THE BALANCE SHEET DATE

In February 2022 the Board of Directors of Prisa has approved, by unanimity, the signing of a lock-up agreement (the "New Lock-Up Agreement") that incorporates a term sheet with the basic conditions for the amendment of the Group's syndicated financial debt (the "New Refinancing").

The basic terms of the agreed New Refinancing consist of: (i) the extension of the maturity of the financial debt to 2026 and 2027 and division of the syndicated loan into two differentiated tranches (one of senior debt and one of junior debt); (ii) an estimated average total cost of debt (average of all tranches, including Super Senior debt) of Euribor + 5.99% (ex. warrants), to be paid through a combination of cash and PIK, which implies a reduction in the average cost of debt by approximately 1.17%; (iii) a flexibilization of the contractual commitments of the current debt that will allow, among other improvements, to increase Prisa's operating flexibility and soften the financial ratios required under its current contracts; (iv) a refinancing, structuring and underwriting fee, that the Company may pay in cash or through its capitalization. In the event that the Company chooses to pay the aforementioned commission through capitalization, it will proceed to issue "warrants" or equivalent financial instruments that will grant their holders (the creditor entities and those that have acted as underwriters and/or arrangers of the New Refinancing) the right to subscribe up to 32 million new shares of the Company, to offset a liability equivalent to a maximum price per share of EUR 1.4. The new shares, that will represent up to 4.3% of the share capital of the Company post capital increase, will align the interests of the company with those of the new creditors, while increasing the liquidity of the shares in the market. To this end, the Board of Directors of Prisa will propose to the next General Shareholders' Meeting held by the Company a capital increase by compensation of credits (and, consequently, without preferential subscription rights). Upon calling such General Meeting, Prisa will make available to its Shareholders all the appropriate reports from the Board of Directors and any other relevant documentation that justifies and describes the proposal for the issuance of new shares. The New Lock-Up Agreement has entered into force, having been signed by the Company and by the all creditor entities of the syndicated financing to be refinanced.

Likewise, within the framework of the New Refinancing, a Term Sheet has been signed with the basic conditions for the modification of the Super Senior debt (“Super Senior Term & Revolving Facilities Agreement”) of the Company that, among others terms, supposes an extension of the maturity of the debt to June 2026.

According to the envisaged calendar for the New Refinancing, the Company aims at documenting and closing the New Refinancing coming soon, without prejudice to the issuance of the warrants and the approval of the issuance of the relevant new shares being deferred to the General Shareholders’ Meeting, to be held no later than June 30th.

The agreed New Refinancing will thus make the Group's financial debt more flexible and will provide a financial structure allowing the Group to comply with its financial commitments, ensuring the Group's stability in the short and medium term.

12. ANNUAL CORPORATE GOVERNANCE REPORT

The Annual Corporate Governance Report for the year 2021, which is part of the Director´s Report, has been approved by the Board of Directors of Promotora de Informaciones, S.A. on its meeting held on March 28, 2022, and is included after the note 13 of the Consolidated Director Report.

13. ANNUAL BOARD OF DIRECTORS REMUNERATION REPORT

The Annual Board of Directors Remuneration Report for the year 2021, which is part of the Director´s Report, has been approved by the Board of Directors of Promotora de Informaciones, S.A. on its meeting held on March 28, 2022, and is included after the Annual Corporate Gobernance Report.

"English translation for information purposes only. In case of discrepancies between the Spanish original and the English translation, the Spanish version shall prevail".

ANNEX I TEMPLATE

ANNUAL CORPORATE GOVERNANCE REPORT OF LISTED COMPANIES

ISSUER IDENTIFICATION

FINANCIAL YEAR:	31.12.2021
TAX ID CODE:	A-28297059
Corporate Name:	**PROMOTORA DE INFORMACIONES, S.A.**
Registered address:	Gran Vía, 32. Madrid 28013

A CAPITAL STRUCTURE

A.1. Complete the following table on share capital and the attributed voting rights, including those corresponding to shares with a loyalty vote as of the closing date of the year, where appropriate:

Indicate whether company bylaws contain the provision of double loyalty voting:

NO

Date of the last modification of the share capital	Share capital (€)	Number of shares	Total number of voting rights, including additional loyalty-attributed votes
02/07/2020	70,865,019.30	708,650,193	708,650,193

Remarks
i) As of December 31, 2021, the share capital of Prisa amounts to EUR 70,865,019.30 and is represented by 708,650,193 ordinary shares, all of which belong to the same class and series, each with a par value of 0.10 euros, and have been fully paid up. ii) The date of the last change to the Company's capital (02/07/2020) is the date of execution of the deeds of the last share capital reduction transactions which were passed at the Shareholders´Meeting held on June, 29, 2020.

State whether there are different classes of shares with different associated rights:

NO

A.2. List the company's significant direct and indirect shareholders at year end, including directors with a significant shareholding:

Name of shareholder	% of voting rights attached to the shares		% of voting rights through financial instruments		% of total voting rights
	Direct	Indirect	Direct	Indirect	
JOSEPH OUGHOURLIAN	0.00	29.84	0.00	0.00	29.84
VIVENDI, S.E.	9.94	0,00	0.00	0.00	9.94
TELEFONICA, S.A.	9.03	0.00	0.00	0.00	9.03
RUCANDIO, S.A.	0.00	7.61	0.00	0.00	7.61
KHALID BIN	0.00	5.14	0.00	0.00	5.14

THANI BIN ABDULLAH AL-THANI					
GHO NETWORKS, S.A. DE CV	0.00	5.02	0.00	0.00	5.02
BANCO SANTANDER, S.A.	2.43	2.40	0.00	0.00	4.83
INVERSORA CARSO, S.A. DE CV	0.00	4.30	0.00	0.00	4.30
CARLOS FERNANDEZ GONZALEZ	0.00	4.03	0.00	0.00	4.03
MELQART ASSET MANAGEMENT (UK) LTD	0.00	0.00	2.21	0.00	2.21
POLYGON EUROPEAN EQUITY OPPORTUNITTY MASTER FUND)	0.00	0.00	1.00	0.00	1.00

Remarks
i) The significant holdings indicated in the tables above are in accordance with the information published on the CNMV's website as of 31 December 2021 and, in some cases, with the information provided by the Shareholders to the Company. ii) Mr. Joseph Oughourlian, external director representing significant shareholdings, controls Amber Capital UK, LLP (also external director), which acts as investment manager to Oviedo Holdings Sarl, Amber Capital Investment Management ICAV - Amber Active Investors Fund and Amber Capital Investment Management ICAV - Amber Global Opportunities Fund (which are the direct owners of the shareholding indicated in the table above). iii) Shk. Dr. Khalid bin Thani bin Abdullah Al-Thani is an external director representing significant shareholdings. International Media Group, S.A.R.L. (direct owner of the shareholding indicated in the table above) is 100% owned by International Media Group Limited which in turn is 100% owned by Shk. Dr. Khalid bin Thani bin Abdullah Al-Thani. iv) According to the information available to the Company, as of December 18, 2020, date of holding of the last PRISA Shareholders' Meeting attended by Banco Santander, it was the owner, directly and indirectly, of the voting rights that are reflected in the above tables. v) Inversora Carso, S.A. de CV controls 99.99% of Control Empresarial de Capitales S.A. de CV (direct owner of the shareholding indicated in the table above) vi) Mr Carlos Fernández González controls the majority of the capital and voting rights of Grupo Far-Luca, S.A. de C.V., the owner of 99% of Grupo Finaccess, S.A.P.I. de C.V., which in turn owns 99.99% of the capital and voting rights of Finaccess Capital, S.A. of C.V. The latter controls FCapital Lux S.à.r.l (direct owner of the shareholding indicated in the table above) vii) Melqart Asset Management (UK) Ltd. acts as Investment Manager for and on behalf of Melqart Opportunities Master Fund Ltd. viii) Polygon European Equity Opportunitty Master Fund is a fund managed by Polygon Global Partners LLP.

Breakdown of the indirect holding:

Indirect Shareholder's Name	Direct Shareholder's Name	Total % of Voting Rights
JOSEPH OUGHOURLIAN	AMBER CAPITAL INVESTMENT MANAGEMENT ICAV - AMBER ACTIVE INVESTORS FUND	14.39%
JOSEPH OUGHOURLIAN	AMBER CAPITAL INVESTMENT MANAGEMENT ICAV - AMBER GLOBAL OPPORTUNITIES FUND	3.15%
JOSEPH OUGHOURLIAN	OVIEDO HOLDINGS, S.A.R.L	12.30%
RUCANDIO, S.A.	RUCANDIO INVERSIONES, SICAV, S.A.	0.01%
RUCANDIO, S.A.	PROMOTORA DE PUBLICACIONES, S.L.	0.02%
RUCANDIO, S.A.	AHERLOW INVERSIONES, S.L.	7.58%
KHALID BIN THANI BIN ABDULLAH AL-THANI	INTERNATIONAL MEDIA GROUP, S.A.R.L	5,14%
GHO NETWORKS, S.A. DE CV	CONSORCIO TRANSPORTISTA OCCHER, S.A. DE CV	5.02%
BANCO SANTANDER, S.A.	SULEYADO 2003, S.L	0.79%
BANCO SANTANDER, S.A.	CANTABRO CATALANA DE INVERSIONES, S.A	0.81%
BANCO SANTANDER, S.A.	CÁNTABRA DE INVERSIONES, S.A.	0.79%
INVERSORA CARSO, S.A. DE CV	CONTROL EMPRESARIAL DE CAPITALES S.A. DE CV	4.30%
CARLOS FERNANDEZ GONZALEZ	FCAPITAL LUX S.A.R.L.	4.03%

State the most significant shareholder structure changes during the year:

Most significant changes
The most significant changes in the shareholder structure during the year 2021, based on the shareholders' disclosures to the CNMV and whether their shareholdings have reached, exceeded or fallen below the thresholds specified in article 23 of Royal Decree 1362/2007 of 19 October, implementing Law 24/1988 of 28 July on the Securities Market in relation to transparency requirements (3%, 5%, 10%, 15%, 20%, 25%… etc. of share capital), are as follows: i) Vivendi has acquired 9.94% of the share capital of PRISA. ii) HSBC HOLDINGS PLC, which as of December 31, 2020 held 9.11% of the share capital, has fallen below the threshold of 3% of the share capital in 2021. iii) Melqart Asset Management (UK) LTD, which as of December 31, 2020, held 4.62% of the share capital, has fallen below the threshold of 3% of the share capital in 2021.

A.3 Give details of the participation at the close of the fiscal year of the members of the board of directors who are holders of voting rights attributed to shares of the company or through financial instruments, whatever the percentage, excluding the directors who have been identified in Section A2 above:

Name of director	% of shares carrying voting rights		% of voting rights through financial instruments		% of total voting rights	% voting rights that can be transmitted through financial instruments	
	Direct	Indirect	Direct	Indirect		Direct	Indirect
ROSAURO VARO RODRIGUEZ	0.00	0.00	0.00	0.00	0.00	0.00	0.00
BEATRICE DE CLERMONT-TONERRE	0.00	0.00	0.00	0.00	0.00	0.00	0.00
ROBERTO LÁZARO ALCÁNTARA ROJAS	0.00	0.00	0.00	0.00	0.00	0.00	0.00
MARIA TERESA BALLESTER FORNÉS	0.00	0.00	0.00	0.00	0.00	0.00	0.00
FRANCISCO CUADRADO PÉREZ	0.00	0.00	0.00	0.00	0.00	0.00	0.00
CARMEN FERNANDEZ DE ALARCON ROCA	0.00	0.00	0.00	0.00	0.00	0.00	0.00
MARIA JOSE MARIN REY-STOLLE	0.00	0.00	0.00	0.00	0.00	0.00	0.00
CARLOS NUÑEZ MURIAS	0.00	0.00	0.00	0.00	0.00	0.00	0.00
MANUEL POLANCO MORENO	0.01	0.02	0.00	0.00	0.03	0.00	0.00
TERESA QUIROS ALVAREZ	0.00	0.00	0.00	0.00	0.00	0.00	0.00
JAVIER SANTISO GUIMARAS	0.00	0.00	0.00	0.00	0.00	0.00	0.00

Total percentage of voting rights held by the Board of Directors	35.01%

Remarks
i) The directors Mr. Joseph Oughourlian, Amber Capital UK LLP and Shk. Dr. Khalid bin Thani bin Abdullah Al-Thani, indirectly hold a significant stake in the Company's capital stock, as stated in section A.2 above. The indirect holding of Mr. Joseph Oughourlian and Amber Capital UK LLP is the same, since both form part of the chain of control of the direct holders of the holding. ii) Mr Roberto Lázaro Alcántara Rojas is the direct holder of 18,565 voting rights of Prisa, although his stake does not represent more than 0.00% of the share capital. iii) Mr Francisco Cuadrado is the direct holder of 23,263 voting rights of Prisa, although his stake

does not represent more than 0.00% of the share capital. iv) Given that the indirect holdings reported by director Mr Manuel Polanco Moreno don´t represent 3% of the voting rights of the Company, it is not necessary identify the direct holders thereof, according to the terms of the Instructions for Completing the Annual Corporate Governance Report approved by CNMV Circular 3/2021. v) Mr. Miguel Barroso, representative of Amber Capital UK LLP on the Board of Directors of Prisa, has stated that he indirectly owns 850,624 shares of Prisa (representing 0.12% of the share capital). This amount was not included in the total percentage of the Board of Directors' voting rights.

Breakdown of the indirect holding:

Name of director	Name of direct shareholder	% of shares carrying voting rights	% of voting rights through financial instruments	% of total voting rights	% voting rights that can be transmitted through financial instruments

Total percentage of voting rights represented on the Board of Directors	57,60%

Remarks
This includes the voting rights held either directly or indirectly by: Mr Joseph Oughourlian (proprietary director); Vivendi, S.E. (significant shareholder represented on the Board through the proprietary director Ms Carmen Fernández de Alarcón); Rucandio, S.A. (significant shareholder represented on the Board through the proprietary director Mr. Manuel Polanco); D. Khalid Bin Thani (proprietary director); GHO Networks, S.A. de CV (significant shareholder represented on the Board through the proprietary director Mr Roberto Alcántara), and the directors Roberto Alcántara, Francisco Cuadrado and Manuel Polanco.

A.4 If applicable, state any family, commercial, contractual or corporate relationships that exist among significant shareholders to the extent that they are known to the company, unless they are insignificant or arise in the ordinary course of business, except those that are reported in Section A.6:

Names of the Related Persons or Entities	Type of Relationship	Brief Description
AMBER CAPITAL UK LLP/ AMBER FUNDS	Contractual	Amber Capital UK LLP is the investment manager of Oviedo Holdings, SARL; Amber Capital Investment Management ICAV -Amber Active Investors Fund; and Amber Capital Investment Management ICAV - Amber Global Opportunities Fund and it is vested with discretion to exercise voting rights for the funds under its management pursuant to written investment management agreements. The exercise of the voting rights is also subject to Amber Capital UK LLP´s policies and procedures.
VIVENDI, S.E./	Corporate	Vivendi owns 1% of the share capital of

TELEFÓNICA		Telefónica, S.A.
VIVENDI, S.E./BANCO SANTANDER, S.A.	Commercial	Banco Santander took part in the financing of Universal Music Group (formerly a subsidiary of Vivendi)
RUCANDIO, S.A/ AHERLOW INVERSIONES, S.L.	Corporate	Rucandio, S.A. controls indirectly 100% of the share capital of Aherlow Inversiones, throuh Timón, S.A.
RUCANDIO, S.A./ PROMOTORA DE PUBLICACIONES, S.L.	Corporate	Rucandio, S.A. controls directly 8.32% and indirectly 82.95% (through Timón, S.A.) of the share capital of Promotora de Publicaciones, S.L.
RUCANDIO, S.A./ RUCANDIO INVERSIONES, SICAV S.A	Corporate	Rucandio, S.A. holds 58,35% % of Rucandio Inversiones SICAV
GHO NETWORKS, S.A. DE CV/ CONSORCIO TRANSPORTISTA OCCHER, S.A. DE CV	Corporate	GHO Networks, S.A. de CV holds 99.99% of the share capital Consorcio Transportista Occher, S.A. de CV
GHO NETWORKS, S.A. DE CV/ CONSORCIO TRANSPORTISTA OCCHER, S.A. DE CV	Contractual	The Consorcio Transportista Occher, S.A. de CV is a subsidiary of GHO Networks, S.A. de CV, as a result of which there are various legal, fiscal and commercial links between them.

A.5 If applicable, state any commercial, contractual or corporate relationships that exist between significant shareholders and the company and/or group, unless they are insignificant or arise in the ordinary course of business:

See section D on related transactions

A.6 Describe the relationships, unless insignificant for the two parties, that exist between significant shareholders or shareholders represented on the Board and directors, or their representatives.

Explain, as the case may be, how the significant shareholders are represented. Specifically, state those directors appointed to represent significant shareholders, those whose appointment was proposed by significant shareholders and/or companies in its group, specifying the nature of such relationships or ties. In particular, mention the existence, identity and post of directors, or their representatives, as the case may be, of the listed company, who are, in turn, members of the Board of Directors or their representatives of companies that hold significant shareholdings in the listed company or in group companies of these significant shareholders.

Name or company name of related director or representative	Name or company name of related significant shareholder	Company name of the group company of the significant shareholder	Description of relationship/post
AMBER CAPITAL UK LLP	AMBER CAPITAL UK LLP	AMBER CAPITAL UK LLP	THE SHAREHOLDER AMBER CAPITAL UK LLP IS DIRECTOR (REPRESENTED BY THE

			PERSON OF MR. MIGUEL BARROSO AYATS).
JOSEPH OUGHOURLIAN	AMBER CAPITAL UK LLP	AMBER ACTIVE INVESTORS LIMITED.	JOSEPH OUGHOURLIAN IS DIRECTOR REPRESENTING AMBER ACTIVE INVESTORS LIMITED. MR. OUGHOURLIAN CONTROLS AMBER CAPITAL UK LLP (AS HE IS MAJORITY SHAREHOLDER OF AMBER CAPITAL MANAGEMENT LP, OWNER OF AMBER CAPITAL UK HOLDINGS LIMITED WHICH, IN TURN, OWNS AMBER CAPITAL UK LLP).
CARMEN FERNANDEZ DE ALARCON	VIVENDI, S.E.	VIVENDI, S.E.	CARMEN FERNANDEZ DE ALARCON IS A PROPRIETARY DIRECTOR REPRESENTING VIVENDI, S.E. AND, IN ADDITION, SHE IS THE CEO OF HAVAS ESPAÑA (A SUBSIDIARY OF VIVENDI).
ROSAURO VARO RODRIGUEZ	TELEFONICA, S.A.	TELEFONICA, S.A.	ROSAURO VARO INDIRECTLY HOLDS 0.045% OF TELEFONICA´SHARE CAPITAL.
MANUEL POLANCO MORENO	RUCANDIO, S.A.	RUCANDIO, S.A.	MANUEL POLANCO IS DIRECTOR REPRESENTING TIMON, S.A. A COMPANY CONTROLED BY RUCANDIO, S.A. MR POLANCO IS ALSO: I) CEO OF RUCANDIO, S.A., IN WHICH HE HOLDS 25% OF ITS SHARE CAPITAL; AND II) DIRECTOR OF RUCANDIO INVERSIONES, IN WHICH HE HOLDS DIRECTLY 10.19% AND INDIRECTLY 0.09% OF ITS SHARE CAPITAL.
KHALID BIN THANI BIN ABDULLAH AL-THANI	INTERNATIONAL MEDIA GROUP, S.A.R.L	INTERNATIONAL MEDIA GROUP, S.A.R.L	KHALID BIN THANI BIN ABDULLAH AL-THANI IS DIRECTOR REPRESENTING INTERNATIONAL MEDIA GROUP, S.A.R.L. (IMG). IMG IS 100% OWNED BY INTERNATIONAL MEDIA GROUP LIMITED WHICH, IN TURN, IS 100% OWNED BY MR. AL THANI.
ROBERTO LÁZARO ALCÁNTARA ROJAS	GHO NETWORKS, S.A. DE CV	CONSORCIO TRANSPORTISTA OCCHER, S.A. DE CV	ROBERTO LÁZARO ALCÁNTARA ROJAS IS DIRECTOR REPRESENTING CONSORCIO TRANSPORTISTA OCCHER, S.A. DE CV., BEING ALSO ITS CHAIRMAN AND

			HOLDER OF 85% OF ITS SHARE CAPITAL. MR LÁZARO IS ALSO CHAIRMAN OF GHO NETWORKS, S.A. DE CV AND HOLDER OF 18.18% OF ITS SHARE CAPITAL.

A.7. State whether the company has been notified of any shareholders' agreements that may affect it, in accordance with Articles 530 and 531 of the Ley de Sociedades de Capital ("Corporate Enterprises Act" or "LSC"). If so, describe these agreements and list the party shareholders:

YES

Parties to the Shareholders' Agreement
RUCANDIO, S.A.
TIMON, S.A.

% of share capital: 0.02%

Brief Description of the Agreement: Shareholder Agreement in Promotora de Publicaciones, S.L (Propu): On May 21, 1992, Timon S.A. and a group of shareholders of Prisa entered into an agreement to govern the contribution of their Prisa shares in that company to Propu and their participation therein (participation in the management body, how they should vote, transfer of shares, etc.). According to information Rucandio has provided the Company, the only parties to this agreement who are still members of Propu are Rucandio, S.A. and Timón, S.A.

Expiry date of the agreement, if any: Indefinite

Parties to the Shareholders' Agreement
IGNACIO POLANCO MORENO
MARIA JESÚS POLANCO MORENO
MARTA LOPEZ POLANCO
ISABEL LOPEZ POLANCO
MANUEL POLANCO MORENO
JAIME LOPEZ POLANCO
LUCIA LOPEZ POLANCO

% of share capital: 7.61%

Brief Description of the Agreement: Shareholder Agreement in Rucandio: On December 23, 2003, Mr. Ignacio Polanco Moreno, Ms. Isabel Polanco Moreno–deceased- (whose children have succeeded to her position in this agreement), Mr. Manuel Polanco Moreno, Ms. Mª Jesús Polanco Moreno and their now deceased father Mr. Jesús de Polanco Gutiérrez and deceased mother Ms. Isabel Moreno Puncel signed a Family Protocol, to which a Shareholder Syndicate Agreement was annexed concerning shares in Rucandio, S.A., whose objective was to prevent the entry of third parties not members of the Polanco family in Rucandio, S.A., establishing procedures for voting, representation, excrcising shareholder rights and the transfer of interests.

Expiry date of the agreement, if any: Indefinite

Remarks
The information on the previous shareholders' agreements is that which is published on the CNMV website: i) Shareholder Agreement in Promotora de Publicaciones, S.L. (Propu): Material disclosures no 48407 and 49622, dated 22 March 2004 and Material disclosure no.63701 dated January 30, 2006 and ii) Shareholder Agreement in Rucandio, S.A.: Material disclosures no 83185 dated 14 August 2007.

State whether the company is aware of any concerted actions among its shareholders. If so, provide a brief description:

NO

Remarks
The concerted actions known to the Company are the shareholders agreements described above.

If any of the aforementioned agreements or concerted actions have been modified or terminated during the year, please specify expressly:

A.8. State whether any individual or company exercises or may exercise control over the company in accordance with Article 5 of the Ley de Mercados de Valores ("Spanish Securities Market Act" or "LMV"). If so, please identify them:

NO

A.9. Complete the following table with details of the company's treasury shares:

At the close of the year:

Number of direct shares	Number of indirect shares (*)	Total percentage of share capital
2,335,568	0	0.33

Remarks
The Company has a liquidity contract with JB Capital Markets (the "Financial Intermediary") for the purpose of favoring the liquidity and regularity of the Company's shares quotation, within the limits established by the Company's Shareholders General Meeting and the applicable regulation, in particular, Circular 1/2017 of the CNMV. The Financial Intermediary will perform the operation regulated by the Liquidity Contract in the Spanish regulated markets and multilateral trading system, through the market of orders, according to the contracting rules, within the usual trading hours of these and as established in Rule 3 of Circular 1/2017.

A.10. Provide a detailed description of the conditions and terms of the authority given to the Board of Directors to issue, repurchase, or dispose of treasury shares.

On treasury stock policy, the Shareholders' Meeting held on April 25, 2018 agreed to grant express authorisation for derivative acquisition of shares of the Company, directly or through any of its subsidiaries, with the following limits or requirements:

(i) Methods of acquisition: by purchase or by any other inter vivos act for consideration.

(ii) Maximum amount: The par value of the shares acquired directly or indirectly, added to that of those already held by the Company and its subsidiaries and, if applicable, the controlling company and its subsidiaries, at no time will exceed the permissible legal maximum.

(iii) Characteristics of the acquired shares: The acquired shares must be free of any liens or encumbrances, must be fully paid up and not subject to performance of any kind of obligation.

(iv) Mandatory reserve: A restricted reserve may be established within net worth in an amount equivalent to the amount of the treasury shares reflected in assets. This reserve shall be maintained until the shares have been disposed of or cancelled or there is been a legislative change so authorising.

(v) Term: 5 years from the date of approval of this resolution.

(vi) Minimum and maximum price: the acquisition price may not be less than par value or more than 20 percent higher than market price, in both cases, at the moment of the acquisition. The transactions for the acquisition of own shares will be in accordance with the rules and practices of the securities markets.

All of the foregoing will be understood to be without prejudice to application of the general scheme for derivative acquisitions contemplated in article 146 of the current Capital Companies Act.

It is expressly stated that the shares acquired as a consequence of this authorisation may be used to be sold, amortized, or to the application of any remuneration system, plan or resolution by means of or any agreement for the delivery of shares or options on shares to the members of the Board of Directors and to the managers of the Company or its Group in force at any time, and that express authorisation is granted for the shares acquired by the Company or its subsidiaries pursuant to this authorisation, and those owned by the Company at the date of holding of this General Meeting, to be used, in whole or in part, to facilitate fulfilment of the aforementioned plans or agreements, as well as the performance of programs that increase the participation in the Company's share capital such as, for example, dividend reinvestment plans, fidelity bonus or other analogous instruments. The Board of Directors is also authorised to substitute the delegated powers granted by this General Shareholders Meeting regarding this resolution in favor of the Chairman of the Board of Directors, the Chief Executive Officer or the Secretary of the Board.

Likewise on December 31, 2021, the current powers conferred to issue shares, upon the Board of Directors at the Shareholders' Meeting, are the following:

i. Resolution delegating authority to increase capital to the Board of Directors, with delegation to exclude preemption rights, if any, adopted by the General Shareholders Meeting of June 29, 2021, in effect until June 2026.

ii. Resolution delegating to the Board of Directors authority to issue fixed income securities, both straight and convertible into newly-issued shares and/or shares exchangeable for outstanding shares of Prisa and other companies, warrants (options to subscribe new shares or acquire outstanding shares of Prisa or other companies), bonds and preferred shares, with delegation of the authority to increase capital by the amount necessary to cover applications for conversion of debentures or exercise of warrants, and to exclude the preemption rights of shareholders and holders of convertible debentures or warrants on newly-issued shares, adopted by the General Shareholders Meeting of April 25, 2018 in effect until April, 2023.

iii. Medium-Term Incentive Plan for the period falling between 2018 and 2020 (the "Plan"), consisting of the award of Company shares linked to stock market value and to the performance of certain objectives, targeted at the former CEO, Senior Managers and other Managers of Promotora de Informaciones, S.A. and, as the case may be, of the dependent companies. To entrust the Board of Directors, including an express power of delegation, with the implementation, development,

formalization and enforcement of the aforesaid compensation scheme. The shares were to be awarded, as the case may be, within sixty (60) calendar days after the date on which the Company's Board prepares the 2020 financial statements. The Plan may be covered with treasury stock, with newly issued shares through a capital increase or through the Company's contracting of suitable financial coverage instruments. The agreement was adopted by the General Shareholders Meeting held on 25 April 2018. At the request of the beneficiaries of this compensation plan, the Board of Directors agreed to delay the settlement and payment of this compensation until January-February 2022.

A.11 Estimated working capital:

	%
Estimated working capital	16.67

Remarks
Floating capital has been estimated following the instructions of CNMV Circular 3/2021, that is, not taking into account the part of the share capital in the hands of significant shareholders or the voting rights of members of the Board of Directors or treasury stock and avoiding duplicities which exist between the data reported in sections A.2 and A.3. Following these instructions, the figure for free float that is recorded in this Report (16.67%) differs from that recorded in the Company's management Report that acompannies the annual accounts (at around 20%), which has been calculated taking into account other criteria (in particular, within the 20% of floating capital have been considered some of the shareholdings included in section A.2 (since it is considered that not all of them are "reference shareholders") as well as the shareholdings of the directors and the treasury stock.)

A.12 State whether there are any restrictions (article of associations, legislative or of any other nature) placed on the transfer of shares and/or any restrictions on voting rights. In particular, state the existence of any type of restriction that may inhibit a takeover attempt of the company through acquisition of its shares on the market, and those regimes for the prior authorisation or notification that may be applicable, under sector regulations, to acquisitions or transfers of the company's financial instruments.

NO

A.13 State if the shareholders have resolved at a meeting to adopt measures to neutralise a take-over bid pursuant to the provisions of Act 6/2007.

NO

A.14 State if the company has issued shares that are not traded on a regulated EU market.

YES

If so, please list each type of share and the rights and obligations conferred on each.

List each type of share
At the Extraordinary General Meeting of PRISA held on 27 November 2010, ordinary class A shares and convertible class B shares were issued and were formally subscribed by a depositary bank (Citibank NA), acting purely in a fiduciary capacity for the benefit of the real owners of the PRISA shares. Simultaneously with the subscription, the depositary bank issued "American Depositary Shares" ("ADS"), representing Class A (ADS-A) and Class B (ADS-B) shares. The ADS representing Class A and Class B PRISA shares were listed on the New York Stock Exchange (NYSE) until: i) the mandatory conversion of the ADS-B shares in July 2014 and ii) the delisting of the ADS-A shares (requested by the Company) in September 2014. PRISA has continued the ADS program in the European Union via the non-organized OTC market on which the ADS shares may be traded. The Company's share capital is currently represented by ordinary shares, all of the same class and series, and the reference to Class A shares has disappeared. Each PRISA ADS gives the right to one ordinary PRISA share. The owners of the ADS have had the right to ask the depositary institution holding the aforementioned ADS (Citibank NA) for the direct delivery of the corresponding shares and their consequent trading on the Spanish stock exchanges. As of December 31, 2020 the number of ADSs was 433,149.

B GENERAL SHAREHOLDERS' MEETING

B.1 State whether there are any differences between the quorum established by the LSC for General Shareholders' Meetings and those set by the company and if so, describe them in detail:

NO

B.2 State whether there are any differences in the company's manner of adopting corporate resolutions and the manner for adopting corporate resolutions described by the LSC and, if so, explain:

NO

B.3 State the rules for amending the company's Articles of Association. In particular, state the majorities required for amendment of the Articles of Association and any provisions in place to protect shareholders' rights in the event of amendments to the Articles of Association.

The amendment of the Bylaws is a matter for the General Shareholders Meeting and shall be carried out in accordance with the provisions contained in the Capital Companies Act and the Bylaws, whose article 14 provides that for approval of Articles amendments and unless the law otherwise provides, the favorable vote of the absolute majority of the voting shares present in person or by proxy at the General Shareholders Meeting will be required if the capital present in person or by proxy is more than 50%, or the favorable vote of two thirds of the capital present in person or by proxy at the Meeting when, on second call, shareholders are present that represent 25% or more of the subscribed voting capital without reaching 50%.

Regarding the voting of the agreement in the General Meeting, in any case those matters that are substantially independent and, in particular, each article or group of articles of the Bylaws that have their own autonomy, will be voted on separately in accordance with article 197 bis of the Capital Companies Law.

The Nominations, Compensation and Corporate Governance Commission shall report on proposals for amending the Bylaws. Furthermore, in accordance with the provisions of the Capital Companies Act, the Board shall prepare a report justifying the proposed bylaw amendment to be published on the website of the Company from the date of publication of the notice of the General Shareholders Meeting. Likewise, in the notice of the call of the General Meeting, the articles whose modification is proposed are clearly stated as well as the rights of all shareholders to examine the full text of the proposed modification and the report on it and to request the delivery or free delivery of said documents, which are also published uninterruptedly on the corporate website from the publication of the notice of the call.

Likewise, the shareholders may request, up to the fifth day prior to the day scheduled for the Meeting, the information or clarifications they deem necessary regarding the proposed amendment (as well as regarding all the matters included in the agenda), or formulate in writing the questions they deem pertinent, and may also request, during the Meeting, the information or clarifications they deem appropriate.

As an exception to the competence of the General Meeting, the Board of Directors is competent to change the registered office within the national territory as provided in articles 285.2 of the Capital Companies Law and 3 of the Articles of Association.

B.4 Give details of attendance at General Shareholders' Meetings held during the year of this report and the previous year:

	Attendance data					
Date of General Meeting	% physically present	% present by proxy	% distance voting		Total	Of which, free float:
			Electronic voting	Other		
3 June 2019	21,81	55,84	0.00	0.00	77,65	11.22
29 January 2020	7.79	77.45	0.00	0.00	85.24	13.82
29 June 2020	16.73	64.13	0.00	0.81	81.67	13.91
22 December 2020	17.36	67.28	0.00	0.00	84.64	19.91
29 June 2021	16.70	66.92	0.00	0.04	83.66	27.15

Remarks
i) The data provided in the above table as to the free float shareholders present at the shareholders' meetings, in person or by proxy, are the result of estimates made by the Company solely for the purpose of completing this template and so cannot be considered exact. The free float shown at the mentionated shareholders' meetings includes both shareholders present in person and those who attended by proxy. ii) The percentages of electronic voting were the following: 0.001% at the shareholders 'meetings of June 3, 2019, January 29, 2020 and June 29, 2021; 0.002% at the shareholders 'meetings of June 29, 2020, and December 18, 2020 . These data are not recorded in the table, because the CNMV`s templates only allows inserting figures with two decimals. iii) The General Shareholders' Meeting which took place on June 29, 2020; December 18, 2020; and June 29, 2021, were held exclusively remotely.

B.5 State whether any point on the agenda of the General Shareholders' Meetings during the year has not been approved by the shareholders for any reason.

NO

B.6 State if the Articles of Association contain any restrictions requiring a minimum number of shares to attend General Shareholders' Meetings, or on distance voting:

NO

B.7 State whether it has been established that certain decisions other than those established by law exist that entail an acquisition, disposal or contribution to another company of essential assets or other similar corporate transactions that must be subject to the approval of the General Shareholders' Meeting.

NO

B.8 State the address and manner of access to the page on the company website where one may find information on corporate governance and other information regarding General Shareholders' Meetings that must be made available to shareholders through the company website.

The Company maintains a website for the information of shareholders and investors whose URL is

http://www.prisa.com.

Within this website there is a section entitled “Shareholders and Investors”, within which is posted all information PRISA must make available to its shareholders.

As of December 31, 2021, the section “Shareholders and Investors” was organized into the following sections: I. GENERAL INFORMATION: i) Communication channels, ii) Shares and Share Capital, iii) Major Shareholders and Treasury Stock, iv) Shareholder agreements Pactos parasociales, v) Dividends, and vi) Prospectus; II. CORPORATE GOVERNANCE: i) Bylaws, Regulations And Other Internal Rules, ii) Board of Directors and Board Committees, iii) Senior management, iv) Remuneration of Board members and v) Corporate Governance Report; III. FINNACIAL INFORMATION: i) Periodic Public Information (IPP), ii) Audited Financial Statements and Management Report iii) Average payment period to suppliers IV. GENERAL SHAREHOLDERS' MEETING : i) Annual General Meeting Regulations , ii) Exercising the Right to Information , iii) Distance and proxy voting , iv) AGM 2021; v) AGMs 2020; vi) AGMs 2019; vii) AGMs 2018 viii) AGMs 2017, ix) AGM 2016; x) AGM 2015, and xi) Shareholders meetings preceding to 2015 and V)COMMUNICATIONS TO CNMV: i) Inside Information, ii) Webcast Debt refinancing and Santillana España disposal; iii) Other Relevant Information; and iv) Relevant Information until February 8th, 2020.

C COMPANY ADMINISTRATIVE STRUCTURE

C.1 Board of Directors

C.1.1 Maximum and minimum number of directors established in the Articles of Association and the number set by the general meeting:

Maximum number of directors	15
Minimum number of directors	5
Number of directors set by the general meeting	14

C.1.2 Complete the following table on directors:

Name of director	Natural person representative	Director category	Position on the Board	Date first appointed to Board	Last re-election date	Method of selection to Board
JOSEPH OUGHOURLIAN	--	PROPRIETARY	CHAIRMAN	18 December 2015	29 June 2020	RESOLUTION BY THE SHAREHOLDERS' MEETING
ROSAURO VARO RODRIGUEZ	--	INDEPENDENT	DEPUTY CHAIRMAN	22 December 2020	29 June 2021	RESOLUTION BY THE SHAREHOLDERS' MEETING
BEATRICE DE CLERMONT-TONERRE	--	INDEPENDENT	LEADING DIRECTOR	3 June 2019	3 June 2019	RESOLUTION BY THE SHAREHOLDERS' MEETING
ROBERTO LÁZARO ALCÁNTARA ROJAS	--	PROPRIETARY	DIRECTOR	24 February 2014	3 June 2019	RESOLUTION BY THE SHAREHOLDERS' MEETING
AMBER CAPITAL UK LLP	MIGUEL BARROSO AYATS	PROPRIETARY	DIRECTOR	22 March 2018	29 June 2020	RESOLUTION BY THE SHAREHOLDERS' MEETING
MARIA TERESA BALLESTER FORNES	--	INDEPENDENT	DIRECTOR	30 July 2019	29 January 2020	RESOLUTION BY THE SHAREHOLDERS' MEETING
FRANCISCO CUADRADO PÉREZ	--	EXECUTIVE	DIRECTOR	27 July 2021	27 July 2021	COOPTATION
CARMEN FERNÁNDEZ DE ALARCON ROCA	--	PROPRIETARY	DIRECTOR	29 June 2021	29 June 2021	RESOLUTION BY THE SHAREHOLDERS' MEETING
MARIA JOSE MARIN REY-STOLLE	--	INDEPENDENT	DIRECTOR	23 February 2021	29 June 2021	RESOLUTION BY THE SHAREHOLDERS' MEETING
CARLOS NUÑEZ	--	EXECUTIVE	DIRECTOR	29 June	29 June	RESOLUTION BY

MURIAS				2021	2021	THE SHAREHOLDERS' MEETING
MANUEL POLANCO MORENO	--	PROPRIETARY	DIRECTOR	19 April 2001	29 June 2020	RESOLUTION BY THE SHAREHOLDERS' MEETING
TERESA QUIRÓS	--	INDEPENDENT	DIRECTOR	30 November 2021	30 November 2021	COOPTATION
JAVIER SANTISO GUIMARAS	--	INDEPENDENT	DIRECTOR	22 December 2020	29 June 2021	RESOLUTION BY THE SHAREHOLDERS' MEETING
KHALID BIN THANI BIN ABDULLAH AL-THANI	--	PROPRIETARY	DIRECTOR	18 December 2015	29 June 2020	RESOLUTION BY THE SHAREHOLDERS' MEETING

Total number of directors	14

State if any directors, whether through resignation, dismissal or any other reason, have left the Board during the period subject to this report:

Name of director	Director type at time of leaving	Date of last appointment	Date director left	Specialised committees of which he/she was a member	Indicate whether the director left before the end of the term
JAVIER DE JAIME GUIJARRO	INDEPENDENT	29 June 2020	23 February 2021	DELEGATED COMMISSION	YES
MANUEL MIRAT SANTIAGO	EXECUTIVE	29 June 2021	27 July 2021	DELEGATED COMMISSION	YES
DOMINIQUE D´HINNIN	INDEPENDENT	3 June 2019	30 November 2021	AUDIT, RISKS AND COMPLIANCE COMMISSION	YES

Reason for leaving and other remarks
Mr. Javier de Jaime Guijarro communicated to the Company his resignation as member of the Board by means of a letter dated 23 February 2021. The circumstances that motivated his resignation were, on the one hand, the expectation that his professional situation was going to difficult the compliance with his duties as director and member of the Delegated Commission of PRISA with the full dedication and diligence required and, on the other hand, his desire to improve gender diversity on the PRISA Board of Directors, which facilitated leaving a free vacancy on the Board. He explained such reasons in a letter that was sent to all members of the Board of Directors. Mr Manuel Mirat resigned as member of the Board of Directors due to profesional reasons, notifying the Company of that decision in a letter dated 27 July 2021 and at the Board meeding held that same day. Mr. Dominique D´Hinnin communicated to the Company his resignation as member of the Board by means of a letter dated 30 November 2021, after the expiration of his mandate as Chairman of the

Audit, Risk and Compliance Committee on 20 November, 2021, foreseeing that, in the near future, his numerous professional commitments in France were going to difficult the compliance with his duties as director of PRISA with the full dedication and diligence required. Mr. D´Hinnin explained this at the Board meeting held on 30 November 2021. The Company filed the corresponding announcements of the three aforementioned resignations with the CNMV.

C.1.3 Complete the following tables regarding the members of the Board and their categories:

EXECUTIVE DIRECTORS

Name of director	Post in organisational chart of the company	Profile
FRANCISCO CUADRADO PÉREZ	EXECUTIVE CHAIRMAN OF SANTILLANA	Francisco Cuadrado has a degree in Economics from the Complutense University of Madrid and an MBA from IPADE / IESE in Mexico City. He has more than 30 years' experience in the education sector, particularly in project management in Latin America. He has developed much of his professional career at Grupo PRISA, where he has held a range of positions of responsibility. Since 2010 he has headed Global Education, where he has been instrumental in promoting the group's commitment to digital business, which is now Santillana's chief revenue source. Previously, he was Global Director of the Trade Division, Managing Director in Colombia and Deputy Managing Director of Santillana in Mexico. He has held the position of Executive Chair of Santillana and that of executive director on the Board of PRISA since July 27, 2021.
CARLOS NUÑEZ MURIAS	EXECUTIVE CHAIRMAN OF PRISA MEDIA	Carlos Núñez is a Telecommunications Engineer with a degree from the Polytechnic University of Valencia, an Executive MBA from IESE, PA in Corporate Finance from IE and PADDB + from The Valley Digital Business School. He began his professional career at Andersen Consulting (now Accenture). In 2000, together with other partners, he launched the Internet startup Verticalia, the first vertical industry portal for Spain and Latin America. In 2001, he joined Unión Fenosa in the area of investment analysis, and then became part of the Corporate Strategy and Development team until 2005, when he joined the international strategic consulting firm Oliver Wyman where he was appointed partner in 2012. During his tenure there, Mr. Nuñez built up extensive experience in strategy and finance projects in the media, energy and telecommunications sectors, both nationally and internationally. In 2014 he joined Spanish communication group

		Henneo, where a year later he was appointed general manager. He was also appointed as member of the Boards of Directors of Factoría Plural, Radio Zaragoza, Publicaciones y Ediciones del Alto Aragón, Diximedia and the IT company Hiberus. He is also an independent director of Catenon, a company listed on the MAB.

Remarks
Section C.1.10 provides more information on other positions held by the directorS at Grupo Prisa.

Total number of executive directors	2
Percentage of Board	14.29%

PROPRIETARY DIRECTORS

Name of director	Name of the significant shareholder represented or that has proposed their appointment	Profile
JOSEPH OUGHOURLIAN	AMBER ACTIVE INVESTORS LIMITED	Joseph Oughourlian is the founder of Amber Capital. Mr Oughourlian founded Amber Capital in New York in November 2005. Mr Oughourlian began his career at Société Général in Paris in 1994 and moved to New York in 1996. In 1997, he ventured into proprietary trading at Societé Generale, which led to the first Amber Fund being established in October 2001 with seed capital from the Bank. Mr.Oughourlian graduated from the HEC Business School and from IEP (Sciences Po.), both in Paris, and earned his MSc in Economics from the Sorbonne in Paris. Oughourlian currently sits on the boards of a range of companies. He was appointed director of PRISA in December 2015, Vice-Chairman of the Board of Directors in April 2019 as is the Chairman of the Board since February 2021.
AMBER CAPITAL UK LLP	AMBER CAPITAL UK LLP	Miguel Barroso Ayats (representant of the director Amber Capital) graduated in Law and also in Philosophy and Letters (specializing in Modern and Contemporary History) at the University of Barcelona. While practicing journalism in various media, including El País, his professional activity has always remained focused on Communication. He offered media consulting services in several Latin American countries commissioned by Hispasat. Part of his responsibilities in FNAC Group included leading the launch of its brand in Spain; served as CEO in Spain and later, International Vice President for Marketing and Communication at the Group's international headquarters in Paris.

		Later, he was Secretary of State for Communication during the first two years of Rodríguez Zapatero's presidency (2004/2005). During this period, private channel ownership was expanded and, the law enshrining the independence of RTVE was approved, allowing public news channels to achieve high levels of prestige and independence. Also, during that period, EFE agency developed a fully autonomous project. Later, he was General Director of the Casa de America, after being consensually nominated by the three administrations that make up the Board of the Institution: Government, Community of Madrid and City Council. For the last decade he has been linked to WPP, the world's leading communication and marketing group. First as CEO of the advertising agency, Young & Rubicam in Spain, later as Development Director of WPP for Central America and the Caribbean based in Havana; finally, as Director of WPP Spain. He is co-author of a book of journalistic chronicles, "Crónicas Caribes" (Editorial El País / Aguilar) and has also published two novels: "Amanecer con Hormigas en la Boca" and "Un Asunto Sensible" both published by Random House; and the first, translated into eight languages and made into a movie by his brother Mariano Barroso. He has translated several volumes on Geography, Sociology and Philosophy into Spanish from Italian and French.
CARMEN FERNANDEZ DE ALARCON ROCA	VIVENDI, S.E.	Carmen Fernández de Alarcón has a degree in Economic and Business Sciences (Icade E-2) from the Universidad Pontificia de Comillas. She has more than 25 years of professional experience, at both national and international level, in the design, development and management of sales, marketing and communication strategies in key sectors such as retail, entertainment, telecommunications, tourism, CSR, energy, media, finance, automotive, luxury and e-commerce. She has wide expertise in the transformation and digitization of businesses and brands. She began her professional career at Procter & Gamble, where she spent seven years, and later held posts at JWT Total Communications (WPP Group), DEC Madrid (BBDO Group) and EHSBRANN (Media Planning Group), where she was Managing Director and member of the Executive Committee at each. At Havas Media Group (formerly Media Planning Group) she held a range of positions, including Chief Commercial Officer and CEO of Havas Sport & Entertainment. She combined the latter position with that of Head of Global Business Transformation. She is currently the CEO of Havas Spain, one of the world's largest advertising-content and media groups with a presence in more than 100 countries. She was one of the 40 female business leaders selected to participate in the second edition of the

		initiative "Women to Watch" 2018 organized by PWC (a program which seeks to help women managers become directors). She is currently a member of the Alumni Board of said program. In addition, she has made the list of the 100 Women Leaders in Spain in the Senior Management category (2019). She is a member of the Executive Committee of ACT (Transformative Creativity Association).
MANUEL POLANCO MORENO	TIMON, S.A.	Manuel Polanco holds a degree in Economics and Business Studies from the Autonomous University of Madrid. He has a thorough understanding of PRISA, where he has spent his entire professional career. He began his career in Latin America, a region which has long proved crucial for the development of the Group. From 1991 to 1993 he headed Santillana in Chile and Peru. He was subsequently appointed editor-in-chief of the Mexican newspaper La Prensa and he was instrumental in the launch of the American edition of El País in Mexico City, the first Spanish newspaper to be published simultaneously in both countries. It quickly became the newspaper of record and set the standard for international reporting in Latin America. In 1996 he became director of Santillana in Latin America and the United States, based in Miami, a period which saw the creation of the last Santillanas in the region. He also improved coordination between offices in different countries. Back in Spain in 1999, he became president of the media sales arm of the entire Group through GDM (Gerencia de Medios) and a year later he was named president of GMI (Gestión de Medios Impresos) which brought together the newspapers Cinco Dias and AS, magazines and new investments in regional press. In 2005, after the acquisition of Media Capital by PRISA, he was made CEO of the Portugal's leading television and audiovisual production company. Here he oversaw a period of international expansion into other Portuguese-speaking markets and he consolidated the Portuguese company's lead in television, with TVI, as well as in audiovisual production for television through the company Plural. In 2009, he returned to Spain as a Managing Director at PRISA, and he subsequently oversaw the Group's television interests, including Canal + until its sale to Telefonica in 2015. He led the launch of PRISA's new production and video division while Deputy Chair of the Group. Polanco has been a director of PRISA since 2001 and a member of its Executive Committee since 2008. On January 1, 2018, he took over as Chairman of the Board of Directors of PRISA, a post he held until December of that year.
KHALID BIN THANI BIN ABDULLAH AL THANI	INTERNATIONAL MEDIA GROUP, S.À.R.L.	Shk. Dr. Khalid bin Thani bin Abdullah Al Thani is a prominent Qatari businessman with diverse interests in banking, real estate, insurance, financial securities, healthcare, telecommunications, media, information technology, humanitarian services, education and travel industries. He is chairman of several listed companies in Qatar, as well as co-founder and

		benefactor of a number of non-profit organizations and business associations. In addition to his business interests, Shk. Dr. Khalid is an avid sports fan and a key benefactor of sports events and international and domestic sports associations.
ROBERTO LAZARO ALCANTARA ROJAS	CONSORCIO TRANSPORTISTA OCCHER, S.A. DE C.V	Roberto Alcántara Rojas (Mexico, 1950), a businessman involved in the long-haul transport sector, president of Toluca Group and the low-cost airline VivaAerobus, which he founded in 2006 with the Irish carrier Ryanair. He is shareholder and chairman of the Board of Directors of the consortium Iamsa – Inversionistas en Autotransportes Mexicanos, S.A de CV - Investors in Mexican Transport – which encompasses the largest transport companies in Mexico. Between 1991 and 1999 he was Chairman of the Board of Directors of BanCrecer, SA. Alcántara has also been included in the list of Top 100 Mexican executives, produced annually by CNN.

Total number of proprietary directors	6
Percentage of the Board	42.86%

Remarks
i) Timón, S.A. is a company controlled by Rucandio, S.A. ii) Sections A.6, C.1.10 and C.1.11 provide information on the directors' relationships with significant shareholders and on other of their professional occupations.

INDEPENDENT DIRECTORS

Name of director	Profile
ROSAURO VARO RODRIGUEZ	Rosauro Varo has a degree in Law from the University of Seville and has been successfully forging a career in business and entrepreneurship for 20 years. He now oversees his range of business initiatives through GAT Inversiones, of which he is Chair. He also sits on the Board of Directors of Acciona Energía and is a member of the Board of Directors of the business association Círculo de Empresarios del Sur de España (CESUR). Varo was previously deputy chair of the telecommunications company PepePhone and a member of various Boards of Directors, including El León de El Español Publicaciones, SA, the publishing company behind digital newspaper El Español and the business and finance portal Invertia. He’s a lecturer for the Masters in Finance and Banking at the Pablo Olavide University of Seville and the Senior Management Program of Leading Companies and Institutions of the San Telmo Business School, where he addresses subjects such as business mergers and acquisitions as well as the digital economy. He channels his social commitment through the ALALÁ Foundation, which sets the standard for the development of social integration projects for the disadvantaged in southern Spain.

	He is a member of the Board of Trustees of Madrid's Royal Theater as well as the of the CYD Foundation on behalf of Grupo PRISA. In 2021, the consulting firm EY honored Rosauro Varo with its Entrepreneur of the Year Award for Andalusia, Extremadura, Ceuta and Melilla.
BEATRICE DE CLERMONT	Béatrice de Clermont Tonnerre is a member of the Executive Committee of the artificial intelligence company Kayrros, which focuses on energy markets. Until September 2019 she was serving as GOOGLE Director for AI Partnerships. She is based at the AI Research Center in Paris she oversaw and engages with large clients on Machine Learning solutions. From 2013 to 2018 she was Southern Europe Director for monetisation at GOOGLE, covering France, Spain and Italy. She was previously Senior VP Business Development at LAGARDERE leading mergers and acquisitions in pay TV, book and magazine publishing, sports rights and digital media; after working for the CANAL PLUS Group from 2001 to 2005 as Head of Interactive Television and Co-Head of Programming. Mrs. de Clermont Tonnerre started her career as a radio journalist for two years and she entered the business world as a strategy analyst at MATRA working on the space industry and defense electronics. She participated, in 1995-1999 as a junior member of the team to the build-up that led to the creation of EADS Group (now AIRBUS Group). Béatrice de Clermont Tonnerre graduated from IEP Paris (BA in Political Sciences and Economy) and obtained her MBA degree from ESSEC (École Supérieure des Sciences Economiques et Commerciales). She was until June 2018 the Vice-Chairwoman of HURRIYET, the leading Turkish Newspaper (company listed in Istanbul Turkey). She is currently a Board Member at KLEPIERRE (a European specialist in Shopping Centers, Paris listed company), SES (Luxembourg listed Company) and My Money Bank. Mrs de Clermont Tonnerre is Chevalier dans l'Ordre National du Mérite.
MARIA TERESA BALLESTER FORNES	Graduated Cum Laude in Finance and Political Science from Boston College and holds an MBA from Columbia University in New York City. Her career began at GTE Corporation (Verizon) in the United States as a financial executive, later joining the consulting firm Booz, Allen & Hamilton as a strategy consultant for leading multinationals in Mexico, United Kingdom, Spain and Portugal. She has been CEO of 3i in Spain, where she developed extensive experience in the international private equity sector, leading many investments and divestments, and participating in the recruitment process of institutional investors for global funds promoted by 3i. He has also led numerous refinancing operations, IPOs and has wide-ranging experience on boards of directors of several companies, both listed and non-listed. Between 2014 and January 2017 Ms. Ballester provided services to EY as external advisor of the Transaction Services (TAS) Division. She is currently the founder and Managing Partner of the private equity fund Nexxus Iberia I. Ms. Ballester was also President of the Spanish Private Equity Association (ASCRI) and, until 2021, she served as a Director of Repsol and as member of its Audit and Remuneration Committee. She currently sits on the Advisory Board of ING.

	She's a member of the "Círculo de Empresarios", the Directors' Institute (ICA) – where she also teaches – the Women Corporate Directors (WCD), the International Women Forum and collaborates with business schools and professional associations on matters such as sustainability and private equity.
MARIA JOSÉ MARÍN REY-STOLLE	María José Marín Rey-Stolle is one of the most prominent figures in the world of Spanish entrepreneurship. She has a solid background in international management and business finance and a double Spanish-French international business degree from ICADE and Reims Management School. After working as a consultant at Oliver Wyman and as an auditor at PwC, she founded and is now CEO of We Are Knitters, the world's leading digital brand in the hobby and crafts sector. Ten years after its founding, the company has a turnover of 20 million euros selling knitting kits and wool online, 95% outside of Spain. From an initial investment of just 13,000 euros, the company has grown to a team of 32 people, thanks to digitization. We Are Knitters is an example of digitization in a purely analog and traditional market that has built up a community of more than a million people worldwide. María José Marín was honored in 2020 with the Princess of Girona Business Award for "knowing how to unite tradition and modernity, turning the age-old tradition of knitting into a modern hobby". Spanish President Pedro Sánchez has said that her example "inspires not only young people, but all of us – because we all need inspiration, we all need to see young people like you creating companies, jobs and inspirational examples." María José participated as a speaker and an example of success at the presentation of the 2025 Digitization Plan unveiled by Vice President Nadia Calviño and the President of the Government himself. Since 2019, María José has been an Endeavor Spain Entrepreneur along with other prominent entrepreneurs such as Juan de Antonio from Cabify, Verónica Pascual from Asti and Óscar Pierre from Glovo. In addition, María José was a finalist as Protagonist of the Year in ModaEs, along with Pablo Isla, and We Are Knitters has won the SME of the Year Award in Emprendedores, the Aster Award from ESIC, the DHL Award for Internationalization and the Award for Internationalization of the Spanish Association of Young Entrepreneurs, CEAJE. At business and social forums, she is an active champion in the fight against the digital divide, as well as socio-economic and gender gaps in entrepreneurship, and she has spoken at events such as DEMO 2020 and South Summit, among others. She teaches at IE University, lSDI, ICADE and IESE. Since May, 2021 she has served as First Secretary of the Ateneo de Madrid as the driving force in 'Grupo 1820' to revitalize and regenerate this prominent Madrid institution devoted to the dissemination of the arts, sciences and letters for over 200 years.
TERESA QUIRÓS ÁLVAREZ	Teresa Quirós holds a degree in Economics and Business Administration from the Faculty of Economics at the University of Malaga. She has completed postgraduate studies in a range of programs including the IESE Directors Program, the Executive Program for Women in Senior Management at ESADE, the Executive Program at Harvard and the Real Colegio Complutense (RCC). Quirós has wide and varied experience in the financial sector, where she has led projects at both national and international level. She has also

	overseen multiple projects in matters of risk control, regulatory compliance and sustainability, and has developed and implemented innovative strategies in the areas of ESG and corporate governance. Quirós has spent much of her professional career at Red Eléctrica Corporación, a company she joined in 1986 and where she has held numerous different posts. In 1999 she was instrumental in launching the company's IPO,in 2002 she was named Finance Director, and in 2015 she was appointed Chief Financial Officer of the Group. She has been a member of the Executive Committee, the Innovation Steering Team, the Corporate Social Responsibility Committee, the Procurement Committee and the International Affairs Committee. She has also served as Chairperson of REE FINANCE BV, the group's financial subsidiary. She is currently a director and member of the Audit Committees of Grenergy and Sngular, having previously held the same post at Hispasat.
MR. JAVIER SANTISO GUIMARAS	Javier Santiso is CEO and General Partner of Mundi Ventures, a venture capital fund (200 million euros) with offices in Madrid, Barcelona, London and Tel Aviv. He is an investor in European tech unicorns such as Farfetch and Skyscanner in the UK and Auto1 and Wefox in Berlin. He is a member of the board of directors of the Paris-based multinational FNAC Darty. Previously, he served as chief economist at Indosuez (Paris) and BBVA (Madrid) and as Director of the OECD and Chief Economist at the OECD Development Center. He oversaw corporate transformation at the Amerigo venture capital fund, which he founded, at Telefónica. He has also served as CEO in Europe of Khazanah, Malaysia's sovereign wealth fund (US$50 billion) and as its global head of technology investments. Khazanah has invested in a dozen unicorns, including Alibaba in China and Palantir in the United States. Santiso is an avid art collector and is a patron of culture. He is the founder of the art and poetry publishing house La Cama Sol www.lacamasol.com, and works with artists such as Lita Cabellut, Etel Adnan, Soledad Sevilla, Anselm Kiefer, Jaume Plensa, Miquel Barceló, Rafael Canogar, Carlos León, César Galicia, Juan Uslé, Jerónimo Elespe, and writers such as Joan Margarit, Pere Gimferrer, Christian Bobin, Tahar Ben Jelloum, Pascal Quignard. He has published a dozen books, the most recent being the novel Vivir con el corazón (Living with the heart) (Madrid, La Huerta Grande, 2021) and Un sol de pulpa oscura (A sun of dark pulp) (Madrid, Franz Ediciones, 2020) with the Iranian artist Shirin Salehi.

Number of independent directors	6
Percentage of the Board	42,86%

Remarks
Sections A.6 and C.1.11 provide information on the directors' relationships with significant shareholders and on other of their professional occupations.

State whether any independent director receives from the company or any company in the group any amount or benefit other than compensation as a director, or has or has had a business relationship with the company or any company in the group during the past year, whether in his or her own name or as a significant shareholder, director or senior executive of a company that has or has had such a relationship.

In this case, include a statement by the Board explaining why it believes that the director in question can perform his or her duties as an independent director.

Name of the director	
Description of the relationship	
Statement	

OTHER EXTERNAL DIRECTORS

Identify the other external directors and state the reasons why these directors are considered neither proprietary nor independent, and detail their ties with the company or its management or shareholders:

Name of director	Reason	Company, director or shareholder to whom the director is related	Profile

Total number of other external directors	0
Percentage of the Board	0.00%

State any changes in status that has occurred during the period for each director:

Name of director	Date of change	Previous Status	Current status

C.1.4 Complete the following table with information relating to the number of female directors at the close of the past 4 years, as well as the category of each:

	Number of female directors				Percentage of the total number of directors in each category			
	Year 2021	Year 2020	Year 2019	Year 2018	Year 2021	Year 2020	Year 2019	Year 2018
Executive	0	0	0	0	0.00	0.00	0.00	0.00
Proprietary	1	0	0	0	16.66	0.00	0.00	0.00
Independent	4	2	3	1	66.66	33.33	42.85	20.00
Other External	0	0	0	0	0.00	0.00	0.00	0.00
Total:	5	2	3	1	35.71	16.66	23.08	7.69

C.1.5 State whether the company has diversity policies in relation to the Board of Directors of the company on such questions as age, gender, disability and training and professional experience. Small and medium-sized enterprises, in accordance with the definition set out in the Accounts Audit Act, will have to report at least the policy they have implemented in relation to gender diversity.

YES

Should this be the case, describe these diversity policies, their objectives, the measures and way in which they have been applied and their results over the year. Also state the specific measures adopted by the Board of Directors and the appointments and remuneration committee to achieve a balanced and diverse presence of directors.

In the event that the company does not apply a diversity policy, explain the reasons why.

Description of policies, objectives, measures and how they have been implemented, including results achieved
<u>Policies on Diversity:</u> The Company's Board of Directors Regulation provides that the Board shall ensure that the procedures for selecting its members promote diversity of knowledge, experience, origen, age and gender, and do not reflect implicit biases that might result in any type of discrimination. The Company likewise has a Policy on Diversity of the Board of Directors and Director Selection, that contain the following objectives: i) The director selection or reelection process intends to achieve an appropriate balance and diverse composition of the Board of Directors as a whole. ii) In its broadest sense, the principle of diversity in the composition of the the Board of Directors implies seeking persons fulfilling the defined requisites as to qualifications and personal and professional integrity, and capacity and compatability, and whose appointment will favor a diversity of knowledge, experience, origin, age and gender on the Board. iii) In matters of gender diversity and pursuant to the provisions of Code of Good Governance for Listed Companies recommendations ("CBG") 14 and 15: (i) efforts will be made to ensure that the there is a significant number of women in the Company's senior management, and (ii) the objective is to ensure that prior to the end of 2022 and beyond, women will represent at least 40% of the total members of the Board of Directors, while previously not being less than 30%. <u>Implementation of Policies</u> In 2021, and upon the advice and with reports from the Appointments, Compensation and Corporate Governance Committee (CNRGC), the Board of Directors assessed the requisites and skills required on the Board, which provided a starting point for the processes that led to the reelection of the directors and the selection of new director candidates (taking into account their compatibility with the board skills matrix prepared by the CNRGC). Likewise, and in accordance with the "Policy" (which provides that when a vacancy on the Board arises and the selection process commences, there must be at least one female candidate, without prejudice to the principles of merit and capacity), during 2021 a considerable number of female candidates were considered in each selection process conducted. Bias was avoided in those processes and, in the company's best interest, merit was the principal selection criterion for identifying the most qualified candidates. The application and implementation of the Company's diversity policies and objectives must be conducted within the framework determined by the present composition of the Board: i. Of the current 14 directors, there are two executive directors (who are respectively the Executive Chairmen of Grupo PRISA's two business units, Prisa Media and Santillana) who joined the Board in 2021, and it is in the Company's interest that they remain in this post for the medium and even the long term.

ii. Six directors are proprietary directors representing five significant shareholders who appoint them based on their own considerations about which the Board can make recommendations, but not exercise decisive influence.

iii. Thus, the CNRGC and the Board can actually only directly apply the aforementioned policies to the other six independent directors.

The following sections (particularly section C.1.6) detail the results of the CNRGC's assessment of the application of the Board's diversity policies, particularly with regard to gender diversity.

Management Team:

During 2021 senior management has undergone a complete reorganization. Until 30 June 2021 this group was composed of the members of the former Business Management Committee and the managers who habitually attended meetings of that Committee, and Prisa's Director of Internal Audits. Since then senior management includes the Executive Chairmen of the two Group businesses (Education and Media), who are likewise executive directors of PRISA (Mr Francisco Cuadrado and Mr Carlos Nuñez), the Secretary to the Board of Directors (Mr Pablo Jiménez de Parga, who joined the Company in July 2021), the CFO (Mr David Mesonero, who also joined the Company in July 2021), the Director of Communication and Institutional Relations (Mr Jorge Rivera) and the Director of Internal Audits of Prisa (Ms Virginia Fernández). Thus, senior management is composed of six members, one of whom is a woman.

The profiles of senior managers reflect diversity with respect to age, education, experience and professional qualifications. The ages of senior managers range from the most veteran who is 59 years old to the youngest exective who is 42. This ensures a balance between the maturity, broad experience and market knowledge of the older directors and the addition of new skills provided by the younger executives, all of whom work together to adapt our business to its current environment.

Likewise, among the 44 key managers, 30% are women. Much progress has been made in this matter during 2021, noting specifically that this year two women, Ms. Pepa Bueno and Ms. Montserrat Domínguez, were appointed respectively as director of the El País newspaper and content director of Cadena SER, two key positions within Grupo PRISA. All of them have diverse profiles with regard to age, education, experience and professional qualifications.

C.1.6 Describe the means, if any, agreed upon by the appointments committee to ensure that selection procedures do not contain hidden biases which impede the selection of female directors and that the company deliberately seeks and includes women who meet the target professional profile among potential candidates and which makes it possible to achieve a balance between men and women. Also indicate whether these measures include encouraging the company to have a significant number of female senior executives:

Explanation of means
As previously indicated in section C.1.5 above, the principles and objectives of the Company's Policy on Diversity of the Board of Directors and Director Selection include, among others, achieving greater representation of women on the Board of Directors and encouraging the Company to have a significant number of women among senior management. Diversity has been a guiding criterion with regard to the composition of the Board of Directors and, very especially, gender diversity. In that regard, during 2021 a considerable number of women were considered in the selection processes conducted by the Board of Directors, as well as in the process to find a candidate for such a relevant post as the Company's Financial Director. In those processes, several women included in the final candidate lists. Three new female directors joined the Board in 2021. There are now five women directors, representing 35.7% of total board members. Thus, in 2021 we achieved the goal of having at least 30% female members on the board.

At the closing of 2021 the female directors maintain a notable presence on company bodies: Ms. Beatriz de Clermont-Tonerre is the Coordinating Director, Chairperson of the CNRGC, and a member of the Delegated Committee; Ms Teresa Quirós chairs the Audit Risks and Compliance Commission; Ms Carmen Fernández de Alarcón es member of the CNRGC; Ms. María Teresa Ballester is a member of the Audit, Risk and Compliance Committee; and Ms Pepita Marín Rey-Stolle is member of the Delegated Committee and the Audit, Risk and Compliance Committee.

It should be noted that in February 2022 the Board of Directors resolved as follows: i) to create a Sustainability Committee comprising five directors, four of whom are women (the chairperson Ms. María Teresa Ballester, Ms. Beatriz de Clermont-Tonerre, Ms. Teresa Quirós and Ms. Carmen Fernández de Alarcón) and ii) to have director Ms. Carmen Fernández de Alarcón join the Audit, Risks and Compliance Committee, replacing Amber Capital. Thus, at present the presence of women on board committees is quite significant, since they comprise 100% of the Audit, Risks and Compliance Committee; 80% of the Sustainability Committee; 50% of the CNRGC and 25% of the Delegated Committee.

There are no disabled persons among the personnel in our management bodies, although internal human resources policies guarantee that disability would not be an impediment to seeking a senior management position.

If there are still few or no female directors, despite the measures that may have been taken, if applicable, explain the justifying reasons:

Explanation of means
As previously noted, 35.7% of board members are women. The Board of Directors intends to take the appropriate action to achieve the CNMV's recommendation (which is expressly contained in the Policy) to ensure that before the end of 2022 and thereafter, women should represent at least 40% of total board members.

C.1.7 Describe the conclusions of the appointments committee regarding verification of compliance with the selection policy for directors; in particular, as it relates to the goal of ensuring that the number of female directors represents at least 30% of the total membership of the Board of Directors by the year 2020.

The CNRGC's analysis and review made in 2022 concluded that the present composition of the Board of Directors is reasonably diverse with regard to the directors' knowledge, experience, origin, age and gender, having an overall positive balance. In effect, the CNRGC verified that during 2021 the principles, objectives and procedures provided for in the Policy on Diversity of the Board of Directors and Director Selection were taken into account in proposals for the appointment and reelection of directors, as well as for election to other posts.

The specific analysis of the situation of the most relevant of these factos is summarized below:

i) As for knowledge and experience, nature of Prisa's business requires that the Board as a whole possess skills in a variety of principal areas, such as: global entrepreneural experience; knowledge of the group's or related sectors of activity; transformation processes, with particular attention to technological and digital impacts; experience and knowledge of international markets in general and Latin America in particular; executive and talent management; finance and control and, finally, experience in corporate governance.

All of these are sufficiently represented on the Board and each and every director has significant skills in several of them, as evidenced in the biographical notes on each one available in section C.1.3 above.

For the appointment of the 5 new directors (Carmen Fernández de Alarcón, Pepita Marín, Carlos Nuñez, Francisco Cuadrado and Teresa Quirós), the Board of Directors considered the skills matrix for board members, especially taking into consideration the following:

- With regard to Ms. Marín, her accumulated practical and professional experience in matters relating to the digitalization of traditionally analogical businesses, internationalization, and her understanding of the key aspects of auditing;

- Concerning Mr. Nuñez, his highly innovative profile and strategic vision, clearly focused on achieving business development and profitibility objectives. Worthy of mention is the transformation he implemented in the business model of one of Spain's principal publishing groups, developing new technology-based business models, while simultaneously leading changes in the company's organization and governance. He was likewise able to reach agreements with other publishing groups, becoming one of the leaders in digital and technological transformation in this sector in the Spanish-speaking market, while having ample experience in other international markets (principally Europe, the Middle East and Latin America). Having in-depth knowledge of business and commerce, he is well acquainted with the evolution of this market and focused on designing and implementing strategies in line with customer needs.

- Regarding Ms. Fernández de Alarcón, her broad multisector experience in designing, developing and managing commercial, marketing and communication strategies in both national and international contexts, as well as her experience in the transformation and digitalization of businesses and brands.

- Concerning Mr. Cuadrado, it should be noted that the CNRGC and the Board concluded that to replace Mr Mirat as Executive Chairman of Santillana and executive director of PRISA, it was necessary to appoint an executive director with in-depth knowledge of the education business, the Latin American market, Santillana's structure and operations and who, preferably, had ample experience within Grupo Prisa. In view of those requirements, Mr. Cuadrado was deemed the appropriate candidate, having over 30 years' experience in the Group while successfully assuming different management responsibilities in Santillana; and

- Concerning Ms Quirós, taken into account was her significant experience as director in other traded and non-traded companies. both national and international, in which she was or currently member (and even chairperson) of the Audit committees and has served as CFO in a listed Company, among other responsibilities.

ii) Concerning geographical diversity, there are 4 foreign directors with citizenship and residence in three continents.

iii) As for age, the directors' ages range from 71 to 34 years old, with an average of 54.

iv) There are five women directors on the Board, representing 35.7% of its total members, thus having achieved the objective of having at least 30% female directors.

Thus, in the indicated areas the above merits a favorable assessment.

C.1.8 If applicable, please explain the reasons for the appointment of any proprietary directors at the request of shareholders with less than a 3% equity interest:

Name of shareholder	Reason

State whether the Board has failed to meet any formal requests for membership from shareholders whose equity interest is equal to or higher than that of others at whose request proprietary directors have been appointed. If this is the case, please explain why the aforementioned requests were not met:

NO

C.1.9 State the powers delegated by the Board of Directors, as the case may be, to directors or Board committees:

Name of director	Brief description
DELEGATED COMMISSION	It has been delegated all powers of the Board of Directors except those that cannot be delegated by law. Notwithstanding the Board of Directors Regulation provides that, when duly justified urgent circumstances arise and the law permits it, the Delegated Commission, or any other authorized committee, may adopt resolutions related to the matters referred to in section 5.3 of the Regulations, which shall be confirmed in the first meeting of the Board of Directors held after they are adopted.

C.1.10 Identify any members of the Board who are also directors or officers in other companies in the group of which the listed company is a member:

Director's Name	Name of the Group Company	Position	Does he/she has executive functions?
ROSAURO VARO RODRIGUEZ	DIARIO EL PAIS, S.L.U	DIRECTOR	NO
BEATRICE DE CLERMONT-TONERRE	GRUPO SANTILLANA EDUCACIÓN GLOBAL, S.L.U.	DIRECTOR	NO
FRANCISCO CUADRADO PÉREZ	GRUPO SANTILLANA EDUCACIÓN GLOBAL, S.L.U.	EXECUTIVE CHAIRMAN	YES
FRANCISCO CUADRADO PÉREZ	SANTILLANA SISTEMAS EDUCATIVOS, S.L.U.	SOLE DIRECTOR	YES
FRANCISCO CUADRADO PÉREZ	SANTILLANA LATAM, S.L.U.	SOLE DIRECTOR	YES
FRANCISCO CUADRADO PÉREZ	SANTILLANA EDUCACIÓN PACÍFICO, S.L.	SOLE DIRECTOR	YES
CARLOS NUÑEZ MURIAS	PRISA MEDIA, S.L.U.	EXECUTIVE CHAIRMAN	YES
CARLOS NUÑEZ MURIAS	DIARIO AS, S.L	EXECUTIVE CHAIRMAN	YES
CARLOS NUÑEZ MURIAS	DIARIO EL PAIS, S.L.U.	EXECUTIVE CHAIRMAN	YES
CARLOS NUÑEZ MURIAS	PLANET EVENTS, S.A.	CHAIRMAN	NO
CARLOS NUÑEZ MURIAS	PRISA RADIO, S.A.	EXECUTIVE CHAIRMAN	YES
CARLOS NUÑEZ MURIAS	SOCIEDAD ESPAÑOLA DE RADIODIFUSIÓN, S.L.U.	EXECUTIVE CHAIRMAN	YES
MANUEL POLANCO MORENO	GRUPO SANTILLANA EDUCACION GLOBAL, S.L.U	DIRECTOR	NO
MANUEL POLANCO MORENO	DIARIO EL PAIS, S.L.U	DIRECTOR	NO

Remarks
i) Mr Carlos Nuñez represents PRISA MEDIA, S.L.U as: i) Sole Director of PRISA NOTICIAS, S.L.U.; and ii) Joint and Several Director of DIARIO CINCO DÍAS, S.L.U.; EDICIONES EL PAIS, S.L.; ESPACIO DIGITAL EDITORIAL, S.L.U.; FACTORIA PRISA NOTICIAS, S.L.U.; GRUPO DE MEDIOS IMPRESOS Y DIGITALES, S.L.U.; PRISA BRAND SOLUTIONS, S.L.U.; PRISA TECNOLOGÍA, S.L.U.; and PODIUM PODCAST, S.L. ii) Mr Carlos Nuñez represents to PRISA RADIO, S.A. as Joint and Several Director of ANTENA 3 RADIO DE LEÓN, S.A.; COMPAÑÍA ARAGONESA DE RADIODIFUSIÓN, S.A.; PROPULSORA MONTAÑESA, S.A.; RADIO CLUB CANARIAS, S.A.; RADIO RIOJA, S.A.; and TELESER, S.A. iii) Mr Carlos Nuñez represents to SOCIEDAD ESPAÑOLA DE RADIODIFUSIÓN, S.L.U as CEO of EDICIONES LM, S.L.; INICIATIVAS RADIOFÓNICAS CASTILLA-LA MANCHA, S.A.; ONDAS GALICIA, S.A.; RADIO ZARAGOZA, S.A.; and RADIO LLEIDA, S.L. iv) Mr Miguel Barroso (who is the representant of Amber Capital UK LLP in the Board of Directors of PRISA) es Director of Diario El País, S.L. and Prisa Radio, S.A.

C.1.11 List the positions of director, administrator or representative thereof, held by directors or representatives of directors who are members of the company's board of directors in other entities, whether or not they are listed companies:

Director's Name	Company name of the listed or non-listed entity	Position
JOSEPH OUGHOURLIAN	AMBER CAPITAL UK LLP	MANAGING DIRECTOR
JOSEPH OUGHOURLIAN	AMBER CAPITAL ITALIA SGR SPA	CHAIRMAN
JOSEPH OUGHOURLIAN	RACING CLUB DE LENS	CHAIRMAN
JOSEPH OUGHOURLIAN	FUNDACION INSTITUTO HERMES	MEMBER OF THE BOARD
JOSEPH OUGHOURLIAN	ARMENIAN GENERAL BENEVOLENT UNION (AGBU)	MEMBER OF THE BOARD
ROSAURO VARO RODRIGUEZ	ACCIONA ENERGÍA	DIRECTOR
ROSAURO VARO RODRIGUEZ	GAT HEADQUARTERS, S.L.	CHAIRMAN
ROSAURO VARO RODRIGUEZ	FUNDACION ALALÁ	MEMBER OF THE BOARD
ROSAURO VARO RODRIGUEZ	TEATRO REAL DE MADRID	MEMBER OF THE BOARD
BEATRICE DE CLERMONT-TONERRE	KAYRROS	MEMBER OF THE EXECUTIVE COMMITTEE
BEATRICE DE CLERMONT-TONERRE	KLEPIERRE	DIRECTOR
BEATRICE DE CLERMONT-TONERRE	SES	DIRECTOR
BEATRICE DE CLERMONT-TONERRE	KAYRROS	MEMBER OF THE EXECUTIVE COMMITTEE
BEATRICE DE CLERMONT-TONERRE	LE MONDE	DIRECTOR
BEATRICE DE CLERMONT-TONERRE	L`OBS	DIRECTOR
BEATRICE DE CLERMONT-TONERRE	MYMONEYBANK	DIRECTOR
BEATRICE DE CLERMONT-TONERRE	FONDS DE DOTACION DESCARTES	MEMBER OF THE BOARD
BEATRICE DE CLERMONT-TONERRE	FRENCH AMERICAN FOUNDATION	MEMBER OF THE BOARD
ROBERTO LÁZARO ALCÁNTARA	GRUPO HERRADURA	CHAIRMAN

ROJAS	OCCIDENTE S.A. DE CV	
ROBERTO LÁZARO ALCÁNTARA ROJAS	CONSORCIO TRANSPORTISTA OCCHER, S.A. DE CV	CHAIRMAN
ROBERTO LÁZARO ALCÁNTARA ROJAS	IAMSA -INVERSIONISTAS EN TRANSPORTES MEXICANOS, S.A. DE C.V	CHAIRMAN
ROBERTO LÁZARO ALCÁNTARA ROJAS	GHO NETWORKS, S.A. DE CV	CHAIRMAN
MARIA TERESA BALLESTER FORNES	NEXXUS IBERIA I.	DIRECTOR
MARIA TERESA BALLESTER FORNES	AFERA INVESTMENTS, S.L.	DIRECTOR
MARIA TERESA BALLESTER FORNES	SIGNIFICANT IMPACT SYSTEMS SL	DIRECTOR
MARIA TERESA BALLESTER FORNES	SPAICOL LDA	DIRECTOR
CARMEN FERNÁNDEZ DE ALARCON ROCA	HAVAS ESPAÑA	CEO
MARIA JOSE MARIN REY-STOLLE	WE ARE KNITTERS, S.L.	DIRECTOR
CARLOS NUÑEZ MURIAS	CATENON	DIRECTOR
MANUEL POLANCO MORENO	RUCANDIO, S.A.	CEO
MANUEL POLANCO MORENO	TIMÓN, S.A.	DEPUTY CHAIRMAN
MANUEL POLANCO MORENO	RUCANDIO INVERSIONES SICAV	DIRECTOR
MANUEL POLANCO MORENO	QUALITAS VENTURE CAPITAL, S.A. S.C.R	DIRECTOR
MANUEL POLANCO MORENO	TROPICAL HOTELES, S.A.	DIRECTOR
JAVIER SANTISO GUIMARAS	FNAC DARTY	DIRECTOR
JAVIER SANTISO GUIMARAS	LE MONDE	DIRECTOR
JAVIER SANTISO GUIMARAS	MR JEFF	DIRECTOR
JAVIER SANTISO GUIMARAS	CLARITY.AI	DIRECTOR
JAVIER SANTISO GUIMARAS	TWINCO	DIRECTOR
JAVIER SANTISO GUIMARAS	LA CAMA SOL	CEO
JAVIER SANTISO GUIMARAS	ARROS	DIRECTOR
TERESA QUIRÓS ÁLVAREZ	GRENERGY RENOVABLES	DIRECTOR
TERESA QUIRÓS ÁLVAREZ	SNGULAR	DIRECTOR
TERESA QUIRÓS ÁLVAREZ	TUBOS REUNIDOS	DIRECTOR
KHALID BIN THANI BIN ABDULLAH AL-THANI	EZDAN HOLDING GROUP	CHAIRMAN
KHALID BIN THANI BIN ABDULLAH AL-THANI	QUATAR INTERNATIONAL ISLAMIC BANK	CHAIRMAN
KHALID BIN THANI BIN ABDULLAH AL-THANI	MEDICARE GROUP	DIRECTOR
KHALID BIN THANI BIN ABDULLAH AL-THANI	DAR AL SHARQ PRINTING PUBLISHING & DISTRIBUTION CO.	CHAIRMAN

Remarks
i) PRISA has holdings in Le Monde (but Le Monde is not a part of Grupo PRISA). ii) Additionally, it is stated that Mr. Joseph Oughourlian is the PRISA Group representative on the board of trustees of the following Foundations: Fundación Pro-Cnic, Fundación Amigos del Meseo Reina Sofía, y Fundación Carolina. Likewise, Mr. Rosauro Varo is a representative of the PRISA Group on the board of trustees of the Fundación Crecimiento y Desarrollo.

Likewise the following directors form part of the board of trustees of the UAM-El País School of Journalism Foundation, which is a Foundation integrated in equal parts by the Autonomous University of Madrid and the newspaper EL PAÍS (Grupo PRISA): Mr. Joseph Oughourlian , Mr. Carlos Nuñez, Mr. Javier Santiso and Mr. Rosauro Varo.

iii) Miguel Barroso (natural person who represents Amber Capital on the Board of Directors of PRISA) is director of DGP, S.A. and Sole Director of Parkbarroso, S.L.

iv) Following the instructions for filing this Report (approved in CNMV Circular 3/2021), the following posts listed in the previous table are remunerated:

- Joseph Oughourlian: Amber Capital UK, LLP.
- Rosauro Varo: Acciona Energía; GAT Headquarters.
- Beatrice de Clermont: Klepierre; SES; Kayrros; Mymoneybank.
- Roberto Lázaro Alcantara: Grupo Herradura de Occidente, S.A. de CV; IAMSA.
- Maria Teresa Ballester: Nexxus Iberia I.
- Carmen Fernández de Alarcón: Havas España.
- María José Marín Rey-Stolle: We are Knitters, S.L.
- Carlos Nuñez: Catenon.
- Manuel Polanco Moreno: Timón, S.A.
- Javier Santiso: Fnac Darty.
- Teresa Quirós: Grenergy Renovables; Sngular; Tubos Reunidos.

Indicate, where appropriate, the other remunerated activities of the directors or directors' representatives, whatever their nature, other than those indicated in the previous table.

Identity of the director or representative	Other paid activities
MARIA TERESA BALLESTER FORNES	Member of ING's Advisory Council.
MARIA JOSE MARIN REY-STOLLE	Occasional professor in universities and business schools, and income from rental properties.

C.1.12 State whether the company has established rules on the number of boards on which its directors may hold seats, providing details if applicable, identifying, where appropriate, where this is regulated:

YES

Explanation of the rules and identification of the document where this is regulated
Article 11 of the Board Regulations provides that regarding the number of other boards of which they may be members, the general rule shall be that directors may not be members of so many

other boards that it prevents or hinders them from dedicating the proper amount of time to their position as Company director. In this regard, the Company directors shall comply with the following restrictions:

(i) Executive directors may hold administrative posts at other companies, provided that they do not perform executive duties at any of them.

(ii) Non-executive directors may hold administrative posts at six other companies, provided they do not perform executive duties at any of them. However, they may only hold administrative posts at two other companies if they perform executive functions in one of them. Those who perform executive functions at two or more companies may not be non-executive directors of the Company.

For purposes of paragraphs (i) and (ii) above, (a) only companies whose shares are admitted to trading on stock exchanges or alternative markets, domestic or foreign, and others that require an equal commitment, shall be taken into account; and (b) all the management bodies of companies that belong to the same group shall be treated as a single administrative body, as well as those that partly consist of proprietary directors proposed by any company of the group, although a stake in the capital or degree of control of the company does not allow it to be considered a member of the group.

Notwithstanding these restrictions, the Board shall assess the personal and professional circumstances of the director in each case, particularly the case of proprietary directors. As an exception in duly justified cases, the Board of Directors may exempt the director from these restrictions.

C.1.13. State total remuneration received by the Board of Directors

Board remuneration in financial year (thousand euros)	4,722
Amount of vested pension interests for current members (thousand euros)	0
Amount of vested pension interests for former members (thousand euros)	0

Remarks
i) The amount of the total directors’ remuneration is the amount accrued in 2021 following the accrual criterion specified in CNMV Circular 3/2021 (which modifies the template for the annual directors’ report of listed public limited companies) and differs by 47 thousand euros from the total amount of directors' remuneration recorded in the Notes to the consolidated financial statements and the semi-annual financial statements for 2021 (4,769 thousand euros), which reflects the accounting records. The difference basically corresponds to the annual variable remuneration of the executive directors and some compensations corresponding to the former CEO Mr Manuel Mirat (Medium Term Incentive Plan for the period 2018/2020, extraordinary bonuses linked to 2020 transactions and compensation for post-contractual non-competition agreement). ii) The overall remuneration of the Board of Directors includes that of Mr D. Dominique D´Hinnin, Mr Manuel Mirat Santiago, and Mr Javier de Jaime Guijarro, up to the time of their resignations as a director on November, July and February 2021, respectively. . iii) The remuneration shown in the above table therefore coincides with that stated in the directors’ remuneration report, to which we refer for further explanations.

C.1.14 Identify senior management staff who are not executive directors and their total remuneration accrued during the year:

Name	Position
PABLO JIMENEZ DE PARGA MASEDA	SECRETARY OF THE BOARD
DAVID MESONERO MOLINA	CFO
JORGE RIVERA	CHIEF OF COMMUNICATION AND INSTITUTIONAL RELATIONS
VIRGINIA FERNANDEZ IRIBARNEGARAY	INTERNAL AUDIT DIRECTOR

Number of women in senior management	1
Percentage of total senior management	16.67%

Total senior management remuneration (thousand euros)	9,733

Remarks
i) The senior management has undergone a deep reorganization during 2021. Until June 2021 members of senior management were the members of the now extinct Management Committee and those who were generally in attendance at its meetings who were not executive directors of Prisa and the Internal Audit Manager of Prisa. Since then, members of senior management are the Executive Chairmen of the two businesses of the Group, education and Media, who are, in turn, executive directors of PRISA (Messrs. Francisco Cuadrado and Carlos Nuñez), the Secretary of the Board of Directors (Mr. Pablo Jiménez de Parga, who joined the Company in July 2021), the CFO (Mr. David Mesonero, who also joined the Company in July 2021), the Director of Communication and Institutional Relations (Mr. Jorge Rivera) and, in addition, the director of internal audit of Prisa (Mrs. Virginia Fernández). The Director of Internal Audits is included in senior management for the sole effect of the Company's legal reporting obligations. ii) The aggregate remuneration of the Directors that is stated in the table above is that corresponding to the 4 members of senior management who are not executive directors of Prisa (while the remuneration of these two executive directors is included in heading C .1.13 of this Report), that is, Mr. Pablo Jiménez de Parga, Mr. David Mesonero, Mr. Jorge Rivera and Ms. Virginia Fernández. The overall remuneration of the Senior Management also includes that of Mr Xavier Pujol, Mr Guillermo de Juanes, Mr Augusto Delkader, Mr Miguel Angel Cayuela, Mr Pedro García- Guillén and Mr Alejandro Martínez Peón, until their respective cessation, in the first half of 2021, as General Secretary and Secretary to the Board of Directors, CFO, Director Editorial, CEO of Santillana, CEO of Prisa Radio and CEO of Prisa Noticias. Likewise, it has been included the remuneration of the previous members and assistants of the Management Committee, Mr. Jorge Bujía (Director of Risk Control and Management Control) and Ms. Marta Bretos (Director of HR and Talent Management), until June 30, 2021. iii) Mr. Jiménez de Parga has entered into a contract with the company for the provision of professional services in which his compensation for those services consists exclusively of a fixed monthly amount. iv) This total remuneration is the amount accrued in 2021 following the accrual criterion specified in CNMV Circular 2021/3 and differs by 586 thousand euros from the amount of remuneration shown in the Consolidated Financial Statements and Semi-annual Financial Information for 2021 (10,319 thousand euros), which relates to the accounting provision.

C.1.15 State whether the Board rules were amended during the year:

YES

With the goal of continually updating and reviewing our system of corporate governance and the Company's internal regulations in order to allign them with the best corporate governance practices, in 2021 the Company conducted a review and revised our internal regulations, including the Board of Directors Regulation.

In particular, the following changes have been made to the Board Regulations:

i. The Board of Directors, at its meeting held on February 23, 2021, agreed to amend articles 13 and 14 Regulations of the Board of Directors, on the occasion of the appointment of the former Vice Chairman of the Board (who had the status of Proprietary Director) as non-executive Chairman of the Board of Directors, to provide maximum flexibility when appointing a new Vice Chairman and to indicate that the post would not necessarily also fall to the Coordinating Director, thus effectively separating the posts of Vice Chairman and Coordinating Director. This was explained in the report that the Board of Directors made available to the shareholders for the Shareholders' Meeting held on June 29, 2021.

ii. Subsequently, on July 1, 2021, the Board of Directors modified the Regulations of the Board of Directors of the Company, in order to: i) adjust its content to the new organization chart of the Company, which was a consequence of the new organization of the PRISA Group with two completely operationally separate business areas (Education and Media), each of which has an Executive President who is, in turn, an executive director in PRISA and, ii) include some of the modifications introduced by the Law 5/2021, of April 12, which modifies the text of the Capital Companies Law and other financial regulations, with regard to promoting the long-term involvement of shareholders in listed companies.

C.1.16 Specify the procedures for selection, appointment, re-election and removal of directors: the competent bodies, steps to follow and criteria applied in each procedure.

Procedures for the selection, appointment, reelection and removal of directors are regulated by the Bylaws and the Board Regulations and they will be governed by the principles established in the "Policy of diversity in the composition of the Board of Directors and selection of directors", referred to in section C.1.5. of this Report.

According to the Bylaws, the Board shall have a minimum of five and a maximum of fifteen members. The General Meeting shall establish the number of directors in an express resolution.

In exercising its powers to submit proposals to the General Meeting of Shareholders and co-opt to fill vacancies, the Board of Directors shall ensure that the Board's composition is such that the external directors represent a large majority of the Board, and that the number of independent directors represent at least half of the total Board members and, in any case, a third. The number of the executive directors shall be the minimum necessary, taking into account the complexity of the corporate Group and the share of the executive directors in the Company's capital.

To establish a reasonable balance between the proprietary directors and the independent directors, the Board shall take into account Company shareholder structure, considering the importance of the shareholdings, in absolute and comparative terms, as well as the degree of permanence and strategic connection with the Company of those shareholders. In any case, the Board shall ensure that the percentage of non-executive directors who are proprietary directors does not exceed the percentage of the Company's capital represented by those proprietary directors.

Chairman and Vice-Chairman: The Board of Directors shall appoint one of its members Chairman at the proposal of the Nominations, Compensation and Corporate Governance Committee, with the active participation of the Coordinating Director, and may also appoint one or more Vice-Chairmen, who shall substitute the Chairman in case of temporary absence, momentary incapacity, or the specific delegation of the latter, regarding to the functioning of the Board of Directors, and shall have the other powers established in the internal rules of the Company. Provided that the Chairman of the Board is not considered an independent director, the first or sole Vice Chairman, as the case may be, shall be appointed from among the independent directors, with the abstention of the executive directors.

Coordinating Director: If the Chairman is not considered an independent director, the Board, on the proposal of the Nominations, Compensation and Corporate Governance Committee, shall appoint, with the abstention of the executive directors, a Coordinating Director from among the independent directors.

Executive directors and Chief Executive Officers: Without prejudice to the directors who have the category of executive directors under the law, the Board of Directors may appoint, with the favourable vote of two thirds of its members and at the proposal of the Nominations, Compensation and Corporate Governance Committee, one or more Chief Executives, giving the latter all or some of the powers of the Board that are not considered non-delegable powers under the law and the Bylaws.

Nominations of directors that the Board of Directors submits to the General Meeting for consideration and the resolutions to appoint them that are adopted by the aforementioned body by virtue of its powers of co-optation under the law shall be preceded by the corresponding proposal in the case of independent directors, or report for other directors, of the Nominations, Compensation and Corporate Governance Committee. Nominations of directors shall always be accompanied by a supporting statement from the Board of Directors. All of the proposals and statements for the appointment of directors shall assess the suitability of the proposed candidates for the position of director, with special attention to their expertise, experience and accomplishments, as well as their ability to commit to the duties that correspond to the position.

Directors shall serve a term of three years and may be reappointed. Directors shall cease to hold office when the term for which they were appointed expires, or when the General Meeting resolves their termination.

Directors who leave the post before their term expires because they resign, or for another reason by resolution of the General Shareholders Meeting shall explain their reasons for leaving as provided in the Board Regulations. Directors shall inform the Board of Directors and formally resign from the post, if the latter deems it necessary, in the cases provided in the Board of Directors Regulation (see section C.1.19 of this Report). The Board of Directors shall not propose the termination of any independent director before the statutory term for which the latter was appointed expires, unless the Board determines that there is just cause after a report from the Nominations, Compensation and Corporate Governance Committee.

C.1.17 Explain how the annual evaluation of the Board has given rise to significant changes in its internal organisation and to procedures applicable to its activities:

Description
During 2021, a self-assessment was conducted of the composition and work of the Board of Directors and its committees during 2020. The performance of the Chairman of the Board, the CEO, and the Chairmen of the Committees was also assessed. The Nominations, Compensation and Corporate Governance Committee submitted a report to the Board of Directors on the findings of this assessment and the Board approved a proposed plan of action to correct the deficiencies detected. The aspects which received the least positive scores in the 2020 assessment and the action plans implemented in 2021 were as follows: i) The operations and composition of the governing bodies. As a result of the assessment conducted with regard to the operations and composition of the governing bodies, the composition of the Board of Directors and its Committees was reviewed, and a majority of the deficiencies detected were addressed with the new structure and operations of the Board and its Committees. ii) Gender diversity. Gender diversity was the aspect that received the lowest scores in the 2020 assessment, with results that were clearly insufficient, requiring decisive measures for improvement. As explained in section C.1.6 of this Report, diversity has been very present in 2021 as a guiding criterion for the composition of the Board of Directors, particulary gender diversity. During 2021 a large number of women were considered in each of the selection processes conducted by the Board of Directors, as well as in the search for candidates for posts as relevant as the Company's Financial Director. In these processes, several women were on the final list of candidates. In 2021 three new female directors joined the Board. The Board of Directors now has five women directors representing 35.7% of the total board members, having thus achieved the goal of having at least 30% female directors before the end of 2021. At the end of 2021, female directors have a notable presence on Company bodies: Ms. Beatriz de Clermont-Tonerre is Coordinating Director, Chair of the CNRGC and member of the Delegated Committee; Ms. Teresa Quirós presides the Audit, Risks and Compliance Committee; Ms. Carmen Fernández de Alarcón is a member of the CNRGC; Ms. María Teresa Ballester is a member of the Audit, Risks and Compliance Committee; and Ms. Pepita Marín Rey-Stolle sits on both the Delegated Committee and the Audit, Risks and Compliance Committee. It should likewise be noted that in February 2022 the Board of Directors resolved the following: i) to create a Sustainability Committee composed of five members, four of whom are women (its Chairperson Ms. María Teresa Ballester, Ms. Beatriz de Clermont-Tonerre, Ms. Teresa Quirós and Ms. Carmen Fernández de Alarcón) and ii) the addition of Ms. Carmen Fernández de Alarcón as member of the Audit, Risks and Compliance Committee, replacing Amber Capital. Thus, at present the presence of women on the board committees is quite significant: 100% of the Audit, Risks and Compliance Committee; 80% of the Sustainability Committee; 50% of the CNRGC and 25% of the Delegated Committee.

Describe the evaluation process and the areas evaluated by the Board of Directors with the help, if any, of external advisors, regarding the function and composition of the board and its committees and any other area or aspect that has been evaluated.

Description of the evaluation process and evaluated areas
The Board of Directors' self-assessment for 2021 (with regard to the 2020 fiscal year) was conducted internally by the Company without outside advice (since KPMG assisted in the 2019 assessment and the CNMV's good governance recommendations suggest seeking outside support every three years). The Board of Directors Regulations regulates the evaluation process and areas that should be assessed, as follows: 1. Each year, the Board of Directors shall hold specific meetings to evaluate: (i) The quality and efficiency of the Board's function and the quality of the work, as well as diversity in its composition and skills, based on a report submitted by the Nominations, Compensation and

Corporate Governance Committee;

(ii) The performance of the duties of the Chairman of the Board of Directors and the Executive Directors of the Company (the latter being applicable for the 2021 assessment, conducted in 2022), at the same or in separate meetings, based on a report submitted by the Nominations, Compensation and Corporate Governance Committee;

(iii) The function and composition of the Committees, based on the report that each of the latter submits to it; and

(iv) The performance and contribution of the directors, paying special attention to the directors chairing the various Board Committees.

2. The Chairman of the Board of Directors shall organize and coordinate the aforementioned evaluation process, except as it applies to him, along with the chairmen of the Audit, Risks and Compliance and the Nominations, Compensation and Corporate Governance Committees, as well as the Coordinating Director, if one is appointed. The evaluation of the Chairman shall be organized by the Coordinating Director or, in the absence thereof, the Chairman of the Nominations, Compensation and Corporate Governance Committee.

3. The Chairman of the Board and the Chief Executive Officer will be absent during the debates corresponding to their respective evaluations. In the Chairman's absence, the Board —and, where appropriate, the respective Committee— shall be chaired by the Vice-Chairman, and in the latter's absences, by the Coordinating Director; and in his absence, by the Chairman of the Nominations, Compensation and Corporate Governance Committee.

4. Based on the results of the annual evaluation, the Board of Directors shall propose the appropriate actions to remedy the problems identified and promote improvements.

Regarding the self-evaluation for 2020 (performed in 2021) and in accordance with the Board of Directors Regulations, the Board Chairman together with the chaimen of the Commissions, organised and co-ordinated said self-evaluation process. The areas evaluated were those set out in the Board of Directors Regulations, except concerning the Board members' individual contributions and performance.

Based on the results of the annual evaluation (compiled from responses from questionnaires submitted to the directors) and a report and proposals from the Appointments, Compensation and Corporate Governance Committee, the Board of Directors approved an action plan to correct the deficiencies detected and implement improvements (which were described in the previous section).

C.1.18 Describe, in those years in which the external advisor has participated, the business relationships that the external advisor or any group company maintains with the company or any company in its group.

For the first and sole time and for the 2019 evaluation (conducted in 2020) the Company had the assistance of an outside independent advisor (KPMG).

C.1.19 State the situations in which directors are required to resign.

As provided for in article 23 of the Board of Directors regulation, Directors shall inform the Board of Directors and formally resign from the post, if the latter deems it necessary, in the following cases:

i. If, due to unforeseen circumstances, they have incurred in any of the situations of incompatibility or prohibition or grounds for termination, as defined in the law.
ii. If, events or conduct attributable to the director result in – or in the Board's judgement could result in – serious harm to the equity or reputation of the Company, or there is a risk of criminal liability for the Company or one of the companies of the Group.

iii. If they consider themselves to have been significantly harmed in terms of the reputation, suitability, solvency, competency, availability or commitment necessary to be a director of the Company. Particularly when the activities of the director or the companies it controls, directly or indirectly, or the individuals or legal entities who are shareholders or associated with any of them, or the person representing a director that is a legal entity, could compromise their suitability.
iv. If they are seriously reprimanded by a resolution adopted by two-thirds of the Board of Directors for having breached their obligations as directors.
v. When the reasons for which they were appointed disappear, particularly in the case of proprietary directors, when the shareholder or shareholders that proposed, required or designated their appointment, sell or transfer all or part of their stake so that it is no longer significant or sufficient enough to justify the appointment.
vi. If an independent director incurs in any of the circumstances that prevent the latter from being considered as such, pursuant to the provisions of the law.
vii. If the Board considers that the number of times that the director has missed meetings of the Board, and the Committees on which the latter serves, to be high.

In all events, the director shall inform the Board and, if necessary, resign when situations arise that affect him, related or not to their actions within the Company, provided that they may harm its credit and reputation.

In particular, all directors shall inform the Board of Directors, via the Secretary of the Board of Directors, in the event they are under investigation, will be prosecuted or indicted in a criminal proceeding for any offence, and about any important milestones in such proceedings.

The Board of Directors, once informed or been aware otherwise of any of the aforementioned circumstances, shall review the case as soon as possible and, attending to the particular circumstances, shall resolve, following a report by the Nominations, Compensation and Corporate Governance Committee, whether or not to adopt any measures it deems to be in the Company's interest, such as opening an internal investigation, calling on the director to resign or proposing his or her dismissal. The Board of Directors shall disclose this in the Annual Report of Corporate Governance, unless there are special circumstances that justify otherwise, which must be recorded in the minutes. This is without prejudice to the information that the Company shall disclose, if appropriate, at the time it adopts the corresponding measures.

In the cases described above, the Board of Directors may require the resignation of the director and recommend the latter's termination to the General Shareholders Meeting.

If, in the cases described in paragraphs v) and vi) above, after a report from the Nominations, Compensation and Corporate Governance Committee, the Board of Directors considers that there are justified grounds for the director to stay, it shall review the latter's classification, taking into account the new circumstances that have arisen.

The cases described above shall also apply to the person representing a director who is a legal entity.

C.1.20 Are qualified majorities other than those established by law required for any specific decision?

YES

The decisions that require reinforced majorities for their approval, other than the legal ones, are listed below:

Article 3.4 of the Regulations of the Board establishes that the modification of the Regulations will require a resolution adopted by the absolute majority of the members of the Board for its validity.

The decision of the Board to request a director to formalize his resignation when he is seriously reprimanded by the Board of Directors for having breached his obligations as a director provided

for in article 23.3.(iv) of the Board Regulations, must be adopted by a two-thirds majority of the directors.

C.1.21 Explain whether there are any specific requirements, other than those relating to directors, to be appointed as chairman of the Board of Directors.

NO

C.1.22 State whether the Articles of Association or the Board Rules establish any limit as to the age of directors:

NO

C.1.23 State whether the Articles of Association or the Board Rules establish any term limits for independent directors other than those required by law:

NO

C.1.24 State whether the Articles of Association or Board Rules establish specific proxy rules for votes at Board meetings, how they are to be delegated and, in particular, the maximum number of delegations that a director may have, as well as if any limit regarding the category of director to whom votes may be delegated and whether a director is required to delegate to a director of the same category. If so, please briefly describe the rules.

Article 20 of the Company Bylaws and Article 19 of the Board Regulations provide that if it is impossible for them to attend board meetings, they will appoint another director as proxy. In that regard, proxies must be in writing, specifically for the meeting in question and instructing to the representative about the sense of any vote. Non-executive directors can only delegate their representation to other non-executive directors. Representation cannot be delegated on matters in which the director has a conflict of interest.

C.1.25 State the number of meetings held by the Board of Directors during the year, and if applicable, the number of times the Board met without the chairman present. Meetings where the chairman sent specific proxy instructions are to be counted as attended.

Number of Board meetings	10
Number of Board meetings without the chairman	0

State the number of meetings held by the coordinating director with the other directors, where there was neither attendance nor representation of any executive director:

Number of meetings	1

Please specify the number of meetings held by each committee of the Board during the year:

Number of meetings held by the Delegated Commission	2
Number of meetings held by the Audit, Risks and Compliance Commission	8

Number of Meetings held by the Appointments, Remuneration and Corporate Governance Commission	14

C.1.26 State the number of meetings held by the Board of Directors during the year and the details of attendance:

Number of meetings attended by at least 80% of the directors	8
% of attendance over total votes during the year	87.69%
Number of meetings in situ or representations made with specific instructions of all directors	9
% of votes issued at in situ meetings or with representations made with specific instructions out of all votes cast during the year	99.23%

Remarks
Attendance is deemed to include attendance in person and by videoconference.

C.1.27 State if the individual and consolidated financial statements submitted to the Board for preparation were previously certified:

YES

Identify, where applicable, the persons who certified the company's individual and consolidated annual accounts for approval by the Board:
DAVID MESONERO MOLINA (CFO)
FRANCISCO CUADRADO (EXECUTIVE CHAIRMAN OF SANTILLANA AND PRISA EXECUTIVE DIRECTOR)
CARLOS NUÑEZ MURIAS (EXECUTIVE CHAIRMAN OF PRISA MEDIA AND PRISA EXECUTIVE DIRECTOR)

Remarks
Mr. David Mesonero, Mr. Francisco Cuadrado and Mr. Carlos Nuñez have certified the 2021 annual accounts i(which are prepared an approved in 2022 financial year). The annual accounts for the 2020 financial year (prepared in March 2021) were certified by the then Chief Executive Officer and Chief Financial Officer of PRISA, Mr. Manuel Mirat and Mr. Guillermo de Juanes.

C.1.28 Explain the mechanisms, if any, established by the Board of Directors to ensure that the financial statements it presents to the General Shareholders' Meeting are prepared in accordance with accounting regulations.

The Regulations of the Board of Directors (articles 27 and 43) establish that:

i. It is the responsibility of the Audit, Risks and Compliance Committee to ensure that the annual accounts that the Board of Directors submits to the General Shareholders Meeting are drawn up in accordance to accounting legislation. In those cases where the auditor includes any qualification in its audit report, the Chairman of the Audit, Risks and

	Compliance Committee shall clearly explain at the general meeting the opinion of the Audit, Risks and Compliance Committee regarding its scope and content, and a summary of that opinion shall be made available to the shareholders at the time of the publication of the notice of the meeting, along with the rest of proposals and reports of the board.
ii.	The Board shall do its best to submit the annual financial statements to the General Meeting without reservations or qualifications in the audit report. If these exist, the Board shall ask the external auditors to clearly explain them to the shareholders at the Ordinary General Meeting.

C.1.29 Is the secretary of the Board also a director?

NO

If the secretary is not a director, please complete the following table:

Name of the secretary	Representative
PABLO JIMENEZ DE PARGA MASEDA	

C.1.30. State, if any, the concrete measures established by the entity to ensure the independence of its external auditors, financial analysts, investment banks, and rating agencies, including how legal provisions have been implemented in practice.

The Board of Directors Regulations provides that the relationship with the external auditors shall be channelled through the Audit, Risks and Compliance Committee, which, among other responsabilities, will have the following:

i. Should the external auditor resign, to examine the circumstances that led to the resignation;

ii. To ensure that the remuneration of the external auditor does not compromise the auditor's quality or independence;

iii. To ensure that the Companies reports the change of auditor to the National Securities Market Commission and includes a statement on the existence of any disputes with the outgoing auditor, and their substance, if they exist;

iv. To maintain fluid communication with the external auditor and ensure that the latter holds an annual meeting with the full Board of Directors to inform it about the work performed and about developments with the accounting situation, assets and financial situation, and the risks to the Company;

v. To ensure that the Company and the external auditor comply with the applicable regulations on the provision of non-auditing services, restrictions on the concentration of the auditing business and, other general regulations on the independence of auditors.

In Addition, the Audit, Risks and Compliance Committee shall be responsible for the procedure for proposing the auditor, which shall take into account factors such as the scope of the works to perform, the training, experience and resources of the auditing team, and the auditor's signature, the fees, and its independence, and the effectiveness and quality of the services it provides.

Under art. 529 *quaterdecies* of the Capital Companies Act, the Audit, Risks and Compliance Committee also has the following tasks for preserving the auditors' independence:

i. Establish relations with the external auditor in order to receive information, for examination by the Committee, on any matters that may entail a threat to the auditor's independence and on any other matters concerning the audit; where necessary, authorise any permitted services, as provided by the Spanish Audit Act in relation to auditor independence; and receive any other communications provided for in auditing legislation and standards. The committee must receive an annual statement from the external auditors certifying their independence in relation to the Company or entities directly or indirectly related to it, as well as detailed, individualised information about any additional services of any kind provided to, and the fees received from, such entities by the external auditor or by individuals or entities related to it, in accordance with auditing regulations.

ii. Issue each year, before the auditor's report is issued, a report stating an opinion as to whether the auditor or audit firm's independence is compromised. This report must contain a reasoned assessment of the provision of any of the additional non-audit services referred to in the previous paragraph, considered individually and in the aggregate, in relation to the auditors' independence and compliance with auditing standards.

The Board of Directors Regulations also specify the following safeguards with respect to the external auditor:

i. The Board shall not award the contract to audit the annual accounts to firms at which there are circumstances that could compromise their independence, pursuant to the criteria defined at any time by applicable legislation.

ii. With the regularly and content defined by the applicable regulations at any time, the Board shall publically disclose the total fees that the Company has paid to the auditing firm for auditing services, and for non-auditing services, providing a breakdown of the fees paid to the external auditors and payments to any other company of their group.

iii. The auditing firm and/or the professional auditor responsible for the work and the members of the external auditing team shall be periodically rotated in accordance with the legally established deadlines at any time and in cases and with the criteria defined, where applicable, by the Board in accordance with a proposal by the Audit, Risks and Compliance Committee.

All the above safeguards are effectively applied by the Company: the Audit, Risks and Compliance Committee proposes the appointment of the external auditor and examines and, where appropriate, approves each specific proposal for the engagement of the external auditor's services in all Group companies, following the established preapproval procedure. This procedure requires that for each service subject to approval by the committee the external auditor must issue a certificate guaranteeing that providing the service does not affect its independence as auditor. The preapproval procedure is updated and approved by the committee each year and is distributed to the Group's business units, which must apply it. The committee also reviews and approves the audit fees of the external auditor and any other firms (which are disclosed in the notes to the financial statements and in the committee's annual activity report) and also reviews and approves any change of audit firm in any Group company.

Likewise, on the occasion of the review and authorisation of the financial statements, the Audit, Risks and Compliance Committee receives from the external auditor written confirmation of its independence with respect to the previous financial year, as well as information about the fees paid to the main auditor and its related parties for other professional services provided to Grupo PRISA companies, in accordance with the provisions of the Audit Act. The committee issues a report in which, in view of the foregoing, it sets out its conclusions regarding the external auditors' independence during the year in question, which is published on the company's web site (www.prisa.com) sufficiently in advance of the annual general meeting of shareholders, in compliance with Recommendation 6 of the CNMV's Unified Code on Good Corporate Governance.

The team responsible for the auditing of Grupo PRISA's accounts also attends various meetings of the committee, as well as the Board of Directors meeting at which the financial statements are authorised for issue, and holds meetings with committee members outside of any committee meeting.

The Company has not established any specific mechanism with respect to financial analysts, investment banks or rating agencies, but verifies their independence and possible conflicts of interest before engaging their services.

C.1.31 State whether the company changed its external auditor during the year. If so, please identify the incoming and outgoing auditor:

NO

If there were any disagreements with the outgoing auditor, please provide an explanation:

NO

C.1.32. Indicate whether the audit firm performs any non-audit work for the company and/or its group and, if so, state the amount of fees it received for such work and express this amount as a percentage of the total fees invoiced to the company and/or its group for audit work:

YES

	Company	Group companies	Total
Amount invoiced for non-audit services (thousands of euros)	129	196	325
Amount invoiced for non-audit work/Amount for audit work (in %)	46%	20%	26%

C.1.33 Indicate whether the auditors' report on the financial statements for the preceding year contains a qualified opinion or reservations. If so, indicate the reasons given to shareholders at the general meeting by the chairman of the audit committee to explain the content and extent of the qualified opinion or reservations.

NO

C.1.34 State the number of consecutive years the current audit firm has been auditing the financial statements of the company and/or group. Furthermore, state the number of years audited by the current audit firm as a percentage of the total number of years that the financial statements have been audited:

	Individual	Consolidated
Number of consecutive years	2	2

	Individual	Consolidated
Number of years audited by the current audit firm/number of fiscal years the company has been audited (by %)	6.5%	6.7%

C.1.35 State whether there is a procedure whereby directors have the information necessary to prepare the meetings of the governing bodies with sufficient time and provide details if applicable:

YES

Explanation of procedure
The Board of Directors Regulations provides the following: i. The schedule of ordinary meetings shall be established by the Board of Directors itself before the start of each financial year. Se prevé asimismo un procedimiento y unos plazos para modificar el calendario y para convocar reuniones extraordinarias. The scheduled meetings shall be formally convened sufficiently in advance, and not later than three calendar days before the meeting, except in the case of urgent meetings, and shall include the agenda, unless there is a justified reason not to. The meeting shall be convened at least four calendar days in advance if a weekend falls between the date on which the meeting is convened and the date set for holding it. Unless the Board meets or has been exceptionally convened for urgent reasons, the notification of the meeting shall include the information necessary for the directors to properly prepare for and deliberate the items on the agenda, and should be accompanied by proposed resolutions related to the items on the agenda requiring a decision of the Board. ii. Likewise, the Directors shall have the duty to demand and the right to seek, with the broadest of powers, the information and advice they need about any aspect of the Company, provided it is necessary for the performance of their duties. The right to information is channelled through the Chairman, who shall respond to requests from directors, directly facilitating the information for them, providing them with the appropriate contact persons or making all the arrangements necessary for the requested inspection. Furthermore, the Chairman of the Board shall ensure, with the Secretary's assistance, that all documents distributed in the meetings of the various Committees is accessible to all of the directors. iii. For help in carrying out their duties, any of the directors may seek to hire, at the Company's expense, legal, accounting, technical, financial, business or other experts. The mandate must involve specific problems of certain relevance and complexity that arise during the performance of the director's duties.

C.1.36 State whether the company has established rules whereby directors must provide information regarding and, if applicable, resign, in circumstances that may damage the company's standing and reputation. If so, provide details:

YES

Explain the rules
As established in the above section C.1.19, Directors shall inform the Board of Directors and formally resign from the post, if the latter deems it necessary, in the following cases: - If, due to unforeseen circumstances, they have incurred in any of the situations of incompatibility or prohibition or grounds for termination, as defined in the law. - If, events or conduct attributable to the director result in – or in the Board's judgement could result in – serious harm to the equity or reputation of the Company, or there is a risk of criminal liability for the Company or one of the companies of the Group. - If they consider themselves to have been significantly harmed in terms of the reputation, suitability, solvency, competency, availability or commitment necessary to be a director of the Company. Particularly when the activities of the director or the companies it controls, directly or indirectly, or the individuals or legal entities who are shareholders or associated with any of them, or the person representing a director that is a legal entity, could

compromise their suitability.

In all events, the director shall inform the Board and, if necessary, resign when situations arise that affect him, related or not to their actions within the Company, provided that they may harm its credit and reputation.

In particular, all directors shall inform the Board of Directors, via the Secretary of the Board of Directors, in the event they are under investigation, will be prosecuted or indicted in a criminal proceeding for any offence, and about any important milestones in such proceedings.

The Board of Directors, once informed or been aware otherwise of any of the aforementioned circumstances, shall review the case as soon as possible and, attending to the particular circumstances, shall resolve, following a report by the Nominations, Compensation and Corporate Governance Committee, whether or not to adopt any measures it deems to be in the Company's interest, such as opening an internal investigation, calling on the director to resign or proposing his or her dismissal. The Board of Directors shall disclose this in the Annual Report of Corporate Governance, unless there are special circumstances that justify otherwise, which must be recorded in the minutes. This is without prejudice to the information that the Company shall disclose, if appropriate, at the time it adopts the corresponding measures.

In the cases mentioned above, the Board of Directors may require the resignation of the director and recommend the latter's termination to the General Shareholders Meeting.

C.1.37 State whether any member of the Board of Directors has notified the company that he or she has been tried or notified that legal proceedings have been filed against him or her, for any offences described in Article 213 of the LSC:

NO

C.1.38 Detail any material agreements entered into by the company that come into force, are modified or are terminated in the event of a change in control of the company following a public takeover bid, and their effects.

i) Refinancing agreement signed by Prisa, HSBC Plc., as agent, and other financial institutions (Override Agreement), in December 2020, and senior financing agreement signed on the same date by Prisa, Global Loan Agency Services Limited, as agent, and Deutsche Bank AG Frankfurt Branch (Super Senior Term and Revolving Facilities Agreement).

Both the refinancing agreement and the senior financing contract include grounds for acceleration, which include the acquisition of control of PRISA (being the "control" defined by the contract as: the acquisition by one or more people acting in concert of more than 30% of the share capital with voting rights).

In the event that such event of default occurs, the debt covered by each of said agreements would be accelerated and its payment would be enforceable from that moment.

ii) See section C.1.39 below in relation to the compensation agreements provided for in the contracts of the executive directors, in the event that such contracts are terminated if there is a change of control.

C.1.39 Identify individually for director, and generally in other cases, and provide detail of any agreements made between the company and its directors, executives or employees containing indemnity or golden parachute clauses in the event of resignation or dismissal or termination of employment without cause following a takeover bid or any other type of transaction.

Number of Beneficiaries	6
Type of Beneficiaries	As of December 31, 2021, there were the following beneficiaries: Mr Carlos Núñez (Executive Chairman of Prisa Media), Mr Francisco Cuadrado (Executive Chairman of Santillana), 1 senior manager and 3 managers of Grupo PRISA other than senior managers.
Description of the agreement:	1. Compensation agreements provided for in the contracts of the executive directors: In the event that the contracts of the two Executive Directors (Mr Carlos Núñez, Executive Chairman of Prisa Media, and Mr Francisco Cuadrado, Executive Chairman of Santillana), are terminated: i) at the request of the executive director and in the event of intentional material breach on the part of the Company of its obligations thereunder; ii) voluntarily on the part of the executive director in the event there is a change in control (as "change in control" is defined in the contracts), iii) at the sole discretion of the Company with which the contract was signed; iv) as a consequence of being terminated or not being renewed as director of Prisa Media, S.L. or Grupo Santillana Educación Global, S.L.U., as applicable, or v) in the event of the revocation of all or part of the powers delegated the executive director or the powers vested in him by the Company (Prisa Media or Santillana, as applicable), the Executive Directors shall have the right to the following compensation: i. Mr. Carlos Nuñez (Executive Chairman of Prisa Media), would receive a gross compensation equivalent to eighteen months of his fixed remuneration and his annual variable remuneration in cash. ii. Mr. Francisco Cuadrado (Executive President of Santillana) would receive: a) A total compensation of 1,643,020 euros (gross). In determining this amount, the following were taken into account: (a) the compensation for wrongful dismissal to which Mr. Cuadrado would be entitled for the termination of the ordinary employment and senior management contracts under which Mr. Cuadrado served in different Grupo Prisa entities from 18 October 1989 until the effective date of his present contract and (b) a gross up to compensate Mr. Cuadrado for not being able to benefit from the maximum exemption for compensation for dismissal or termination of workers provided for under article 7.e) of the Individual Income Tax Law. b) An additional gross compensation equal to the amount established at that time as the maximum social security contributory benefit, for the maximum term that benefit is allowed. This compensation shall not be paid in the event the contract is terminated due to a change in control. Likewise, in the foregoing circumstances, as part of their severance the Executive Directors shall be entitled to the proportional share of their annual variable reference compensation for the time worked during the year in which the contract is terminated. For additional details concerning the application of these clauses, see the Annual Directors Compensation Report. 2. Indemnification for unjustified dismissal: i. Contract of 1 senior manager: compensation equivalent to 1 year

	of the fixed salary plus variable compensation earned during the last 12 months. ii. Contract of 1 executive not considered part of the senior management: golden parachute, which will be the higher of the following: the legal indemnity payment provided for in the senior management contract or the indemnity payment to which they are entitled in their previous ordinary employment relationship with the Company. The golden parachute is capped at EUR 1 million. 3. Post-contractual noncompetition undertaking: i. Contracts of Mr Carlos Núñez (Executive Chairman of Prisa Media), Mr Francisco Cuadrado (Executive Chairman of Santillana): compensation equivalent to 6 months of the fixed salary, payable in 12 months. ii. Contracts of 2 executives not considered part of the senior management: compensation equivalent to 6 months of the fixed salary plus variable compensation earned during the last 12 months. iii. Contract of 1 executive not considered part of the senior management: compensation equivalent to 6 months of the fixed salary.

Indicate whether, beyond regulatory requirements, these contracts must be reported to and/or approved by management bodies of the company or of the Group. If so, specify the procedures, events and nature of the bodies responsible for their approval or for communicating this:

	Board of Directors	**General Shareholders' Meeting**
Body authorising the severance clauses	YES	YES

Are these clauses notified to the General Shareholders' Meeting?	YES

Remarks
The requirements regarding the approval and notification of the abovementioned contracts are those laid down by the Capital Companies Act, which have also been incorporated in the Company's Board of Directors Regulations: The contracts of executive directors must be approved by a two-thirds majority of the Board of Directors, pursuant to article 249 of the LSC. Additionally, pursuant to articles 529 *septdecies*, 529 *octodecies* and 529 *novodecies* of the LSC, directors' remuneration must be specified in the Directors' Remuneration Policy, which is submitted to the General Meeting of Shareholders for approval, at the proposal of the Board of Directors, backed by a report by the Nominations, Compensation and Corporate Governance Committee (NCCGC). At the Extraordinary Shareholders' Meeting held on 18 December de 2020, it was approved a Directors' Remuneration Policy for 2020 and 2021. Subsequently, at the Ordinary Shareholders' Meeting held on 29 June 2021 it was approved a new Directors' Remuneration Policy for 2021, 2022 and 2023.

Under article 249 *bis* of the LSC, the Board of Directors also has the following non-delegable powers: i) decisions on directors' remuneration, within the framework of the articles of association and the remuneration policy approved by the General Meeting, and ii) approval of the terms of the contracts of senior managers, all this at the proposal of the NCCGC. Guarantee or lock-in clauses have been approved by the Board of Directors since 1 January 2018. The General Meeting of Shareholders is informed of these clauses to the extent that it approves the Directors' Remuneration Policy and, also, at yearly intervals when the Company publishes its Annual Corporate Governance Report.

C.2 Committees of the Board of Directors

C.2.1 Provide details of all committees of the Board of Directors, their membership, and the proportion of executive, proprietary, independent and other external directors that comprise them:

DELEGATED COMMISSION

Name	Post	Category
JOSEPH OUGHOURLIAN	CHAIRMAN	EXTERNAL DIRECTOR REPRESENTING SIGNIFICANT SHAREHOLDINGS
FRANCISCO CUADRADO PÉREZ	MEMBER	EXECUTIVE DIRECTOR
BEATRIZ DE CLERMONT-TONERRE	MEMBER	INDEPENDENT EXTERNAL DIRECTOR
MARÍA JOSÉ MARÍN REY-STOLLE	MEMBER	INDEPENDENT EXTERNAL DIRECTOR
CARLOS NÚÑEZ MURIAS	MEMBER	EXECUTIVE DIRECTOR
MANUEL POLANCO MORENO	MEMBER	EXTERNAL DIRECTOR REPRESENTING SIGNIFICANT SHAREHOLDINGS
JAVIER SANTISO GUIMARAS	MEMBER	INDEPENDENT EXTERNAL DIRECTOR
ROSAURO VARO RODRIGUEZ	MEMBER	INDEPENDENT EXTERNAL DIRECTOR

% of executive directors	25.00
% of proprietary directors	25.00
% of independent directors	50.00
% of external directors	00.00

Explain the duties exercised by this committee, other than those that have already been described in Section C.1.10 and describe the rules and procedures it follows for its organisation and function. For each one of these functions, briefly describe its most important actions during the year and how it has exercise in practice each of the functions attributed thereto by law, in the Articles of Association or other corporate resolutions.

The rules governing the organization and operations of the Delegated Commission that are

described below are provided in the Board of Directors Regulation:

The Delegated Committee shall consist of at least one third of the members of the Board and shall be chaired by the Chairman of the Board of Directors, unless the Board decides that an executive director should chair it. In case of the temporary absence or momentary incapacity of the person acting as Chairman, the latter shall be substituted by the Chairman of the Board, or in his or her absence, by the first or sole Vice chairman or the Board, and in their absence, by the Coordinating Director or, in the latter's absence, by another external director designated by the Committee.

The Board of Directors shall appoint the members of the Delegated Committee at the proposal of the Nominations, Compensation and Corporate Governance Committee, with a favourable vote of two-thirds of the directors. The Chairman of the Board and the executive directors shall be members of the Delegated Committee and, if there is one, the Coordinating Director. The Delegated Committee shall be composed by at least two non-executive directors, at least one of whom shall be independent.

The Delegated Committee shall meet whenever this is deemed to be in the interests of the Company in the judgement of the Chairman, who shall convene the meetings sufficiently in advance and when requested by two or more members of the Delegated Committee or an executive director.

The Delegated Commission is delegated all authority of the Board except for those that cannot be delegated under the law or the bylaws. Notwithstanding when duly justified urgent circumstances arise and the law permits it, the Delegated Committee may adopt resolutions related to the matters reserved to the Board, which shall be confirmed in the first meeting of the Board of Directors held after they are adopted.

The function performed by the Delegated Committee during 2021 primarily consisted in supervising the corporate strategic operations carried out by the Company.

AUDIT, RISKS AND COMPLIANCE COMMISSION

Name	Post	Category
TERESA QUIROS	CHAIRMAN	INDEPENDENT EXTERNAL DIRECTOR
AMBER CAPITAL UK LLP	MEMBER	EXTERNAL DIRECTOR REPRESENTING SIGNIFICANT SHAREHOLDINGS
MARIA TERESA BALLESTER FORNES	MEMBER	INDEPENDENT EXTERNAL DIRECTOR
MARIA JOSE MARIN REY-STOLLE	MEMBER	INDEPENDENT EXTERNAL DIRECTOR

% of executive directors	00.00
% of proprietary directors	25.00
% of independent directors	75.00
% of external directors	00.00

Explain the duties exercised by this committee, describe the rules and procedures it follows for its organisation and function. For each one of these functions, briefly describe its most important actions during the year and how it has exercise in practice each of the functions attributed thereto by law, in the Articles of Association or other corporate resolutions.

The Committee shall be formed with a minimum of three and a maximum of five directors (non-executive directors and the majority of them shall be independent directors). Members of the

Committee together, and especially its Chairman, shall be selected according to their knowledge and experience on matters of accounting, audits and risk management, both financial and non-financial.

Members of the Committee are appointed or terminated by the Board of Directors based on a recommendation of the Nominations, Compensation and Corporate Governance Committee. The Chairman of the Committee shall be chosen by the Board of Directors, on the recommendation of the Nominations, Compensation and Corporate Governance Committee, from among the members of the Committee who are independent directors.

In addition to the duties assigned to it by law, the Audit, Risks and Compliance Committee also has the following responsibilities:

(i) To ensure that the annual accounts that the Board of Directors submits to the General Shareholders Meeting are drawn up in accordance to accounting legislation. In those cases where the auditor includes any qualification in its audit report, the Chairman of the Audit, Risks and Compliance Committee shall clearly explain at the general meeting the opinion of the Audit, Risks and Compliance Committee regarding its scope and content, and a summary of that opinion shall be made available to the shareholders at the time of the publication of the notice of the meeting.

(ii) To supervise and evaluate the Internal Audit (which shall depend on the Audit, Risks and Compliance Committee for its work), ensure its independence, approve its duties, action plans and resources, and recommend, where appropriate, the recruitment, appointment or termination of its manager, as well as the latter's salary conditions and contractual relationship with the Company, which shall require a favourable report of the Nominations, Compensation and Corporate Governance Committee. The head of the Internal Audit division shall present its annual work plan to the Audit, Risks and Compliance Committee for its approval, and shall inform of its execution.

(iii) To supervise and assess the preparation process and the integrity of the financial and non-financial information, as well as the financial and non-financial risk and management systems—including operating, technological, legal, social, environmental, political and reputational risks or those related to corruption— checking for compliance with regulations, adequate delimitation of the consolidation perimeter and proper application of accounting criteria.

(iv) In the case of Related Transactions: to inform the General Meeting and the Board of Directors in advance of the related transactions that must be approved, and ensure that the market is provided with the information on these transactions; and) supervise the internal procedure established by the Company for related transactions whose approval has been delegated.

(v) To channel the contact with the external auditor: should the external auditor resign, to examine the circumstances that led to the resignation; to ensure that the remuneration of the external auditor does not compromise the auditor's quality or independence; ensure that the Companies reports the change of auditor to the National Securities Market Commission and includes a statement on the existence of any disputes with the outgoing auditor, and their substance, if they exist; maintain fluid communication with the external auditor and ensure that the latter holds an annual meeting with the full Board of Directors to inform it about the work performed and about developments with the accounting situation, assets and financial situation, and the risks to the Company; and ensure that the Company and the external auditor comply with the applicable regulations on the independence of auditors.

The Committee shall be responsible for the procedure for proposing the auditor.

(vi) To verify compliance with the policies and rules of the Company in the environmental, social and corporate governance areas, as well as the internal rules of conduct of the Company.

(vii) To evaluate the non-financial risks of the Group.

The Committee shall establish and oversee a mechanism that allows employees and other persons related to the Company (such as directors, shareholders, suppliers, contractors or subcontractors)

to notify about potentially significant irregularities, including those of financial and accounting nature or otherwise, related to the Company, that may be discovered at the Company. The Committee shall evaluate the control and risks management function and its duly independent management of risks, verifying that appropriate procedures have been introduced so that management, the Committee itself, and the Board can be sure that the control and risk management systems have worked in accordance with the policies and criteria approved by the Board After the establishment of the Sustainability Commission, in February 2022, some of its functions will be carried out in coordination with the Sustainability Commission. The Audit, Risks and Compliance Committee shall establish an annual work plan, that includes, at least, the activities provided for in the Board Regulations. The Audit, Risks and Compliance Committee shall meet periodically, according to need, and at least four times a year, and shall prepare an annual report on its activities and shall propose its publication to the Board for the General Shareholders Meeting. Furthermore, the Committee may specifically evaluate its own performance to strengthen its operation and improve planning for the next financial year. The most important actions of the Audit, Risks and Compliance Committee during 2021 are detailed in the annual report on this Committee's activities, which will be published when the 2022 Ordinary General Meeting is called, on the corporate website www.prisa.com. However, the following can be cited among the Committee's most relevant activities for the year: i) review of the annual accounts, the periodic financial information (quarterly and half-yearly) and the non-financial information statement (EINF), which is included into the consolidated management report, ii) monitoring the efficacy and results of the evaluation of the system for Internal Control over Financial Reporting (ICFR system); iii) review and monitoring the risk map, as well as developing the Risk Management Model (ERM); iv) following up on the internal audit projects; v) analysing of related party transactions; vi) anlysis of the impact of certain corporate transactions, as well as the COVID 19 crisis; vii) monitoring the Model for Prevention of Criminal Liability, and viii) assessing compliance with internal company regulations and monitoring regulatory changes.

Identify the directors who are member of the audit committee and have been appointed taking into account their knowledge and experience in accounting or audit matters, or both, and state the date that the Chairperson of this committee was appointed.

Name of directors with experience	TERESA QUIROS AMBER CAPITAL UK LLP MARIA TERESA BALLESTER FORNES MARIA JOSE MARIN REY STOLLE
Date of appointment of the chairperson	30/11/2021

APPOINTMENTS, REMUNERATION AND CORPORTATE GOVERNANCE COMMISSION

Name	Post	Category
BEATRICE DE CLERMONT-TONERRE	CHAIRMAN	INDEPENDENT EXTERNAL DIRECTOR
CARMEN FERNANDEZ DE ALARCON	MEMBER	EXTERNAL DIRECTOR REPRESENTING SIGNIFICANT SHAREHOLDINGS
ROSAURO VARO	MEMBER	INDEPENDENT EXTERNAL

		DIRECTOR
JAVIER SANTISO GUIMARAS	MEMBER	INDEPENDENT EXTERNAL DIRECTOR

% of executive directors	00.00
% of proprietary directors	25.00
% of independent directors	75.00
% of external directors	00.00

Explain the duties exercised by this committee, describe the rules and procedures it follows for its organisation and function. For each one of these functions, briefly describe its most important actions during the year and how it has exercise in practice each of the functions attributed thereto by law, in the Articles of Association or other corporate resolutions.

The Nominations, Compensation and Corporate Governance Committee shall be formed by a minimum of three to a maximum of five non-executive directors, the majority of them independent directors which shall be appointed ensuring that they have adequate knowledge, qualifications and experience for the duties they will be expected to perform and, particularly, in corporate governance issues, strategic analysis and evaluation of human resource, recruitment of directors and managers, performance of senior management functions and design of remuneration policies and plans for directors and senior managers. The Board of Directors shall appoint and terminate members of the Committee pursuant to a recommendation by the Nominations, Compensation and Corporate Governance Committee (the Chairman of the Committee shall be chosen from among the members of the Committee who are independent directors). In addition to the duties it is assigned by law, the Nominations, Compensation and Corporate Governance Committee has the following responsibilities:

i) Composition of the Board of Directors: Verify compliance annually with the board of directors diversity and members selection policy; Analyse the competencies, knowledge and experience required in the board of directors (preparation of a board competency matrix); Make proposals, in the case of independent directors, and inform about the proposals submitted to the Board in the case of other directors, for the appointment, reelection and termination of directors; Make recommendations for classifying directors as executive, proprietary, independent or other external director; Make recommendations and report, together with the Chairman of the Board — except for what specifically refers to the latter — on the appointments of the Chairmen, the Vice-Chairmen, the Coordinating Director, the CEOS, if any, the members of the Delegated Committee, and the other Committees of the Board of Directors, as well as their respective Chairmen; Report on the proposals for the appointment of the Secretary and the Vice Secretary; Make recommendations and report, together with the Chairman of the Board — except for what specifically refers to the latter — on proposals for severance, termination or replacement of any post on the Board and its Committees other than the Secretary and Vice-Secretary; Report on the proposals for appointing representatives of the Company on the management bodies of the Companies of the Group; Elaborate the succession plan of the Chairman of the board and of the executive directors; Make appropriate recommendations for the Board to conduct proper planning for the orderly renewal and succession of its members.

ii) Senior management: report on the appointment and severance of senior managers and on the contractual conditions of their relationship with the Company; receive information on disciplinary measures in relation to senior managers; Supervise the succession plan of senior managers;

iii) Remuneration policy: propose to the Board of Directors a policy for the remuneration of the directors and senior managers, and for the individual remuneration and other contractual conditions of the executive directors; verify compliance and periodically review the remunerations policy for directors and senior managers, and guarantee that their individual remuneration is proportional to their level of responsibility and dedication; Inform the Board about the proposals related to the variable terms of remuneration for executive directors and senior managers of the Company, and about the other incentive plans aimed at them and, if applicable, verify the degree of meeting the targets to which they are subject; Prepare the Annual Report on the Remuneration of the directors for its approval by the Board.

iv) Corporate governance system: Promote the Company's corporate governance policies (and report the proposals to amend the internal rules); Propose the approval of the Annual Report on Corporate Governance by the Board of Directors; Prepare a preliminary report on which the Board can base the annual evaluation of its activities; Supervise the implementation of the general policy regarding the disclosure of economic-financial, non-financial and corporate information, as well as communication with shareholders and investors, proxy advisors and other stakeholders. Similarly, the way in which the entity communicates and relates with small and medium-sized shareholders should be monitored; Supervise and evaluate the communication process with the various stakeholders.

The Committee shall establish an annual work plan that includes the activities provided for in the Board Regulations (shall met on a regular basis according to its needs and, at least, three times per year) and shall annually approve a report on its activities. The most important actions of the Nominations and Compensation Committee during 2021 are detailed in the annual report on this Committee's activities, which will be published when the 2022 Ordinary General Meeting is called, on the corporate website www.prisa.com. However, it is worth highlighting the performance of the Committee during the year in the following matters: succession plan for the Chairman of the Board, reorganization of the structure and composition of the Board, reorganization of the senior management, review of the remuneration conditions of the new executive directors and members of senior management, update of the Company's internal regulations (including the Director Remuneration Policy) and the Board's self-assessment.

C.2.2 Complete the following table with information regarding the number of female directors who were members of Board committees at the close of the past four years:

	Number of female directors			
	Year 2021 Number %	**Year 2020 Number %**	**Year 2019 Number %**	**Year 2018 Number %**
Audit, Risks and Compliance Committee	3 (75.00)	1 (25.00)	2 (50.00)	1 (33.33)
Appointments, Compensation and Corporate Governance Committee	2 (50.00)	1 (25.00)	2 (50.00)	0 (00.00)
Delegated Committee	2 (25.00)	1 (16.67)	0 (00)	1 (14.28)

Remarks
In February 2022, a Sustainability Commission was set up, made up of 5 directors, 4 of whom are women (including its Chairman).

C.2.3 State, where applicable, the existence of any regulations governing Board committees, where these regulations may be found, and any amendments made to them during the year. Also state whether any annual reports on the activities of each committee have been voluntarily prepared.

The functioning, powers and composition of the Delegated Commission, Audit, Risks and Compliance Commission and Appointments, Compensation and Corporate Governance Commission are regulated by the Bylaws and by the Board Regulations, which are available on the Company´s website (www.prisa.com).

As already indicated in section C.1.15 of this Report, in 2021 the Company has carried out the review of the Regulations of the Board of Directors and some of the rules that regulate the Board committees have been affected by these modifications, which principally aim to adaptar the Regulation to the Board of Directors' new structure and include the modifications introduced by Law 5/2021, of April 12, amending the consolidated text of the Corporate Enterprises Act and other financial standards with regard to fomenting long-term shareholder participation in listed companies.

The Audit, Risks and Compliance Commission and the Appointments, Compensation and Corporate Governance Commission published in 2021 reports on their functions and activity during 2020, which were made available to shareholders when the Shareholders Meeting held in June 2021 were convened and that are published on the Company´s website.

The Commissions will again issue these reports on their functions and activities for the year 2021, which also will be made available to shareholders.

D RELATED-PARTY AND INTRAGROUP TRANSACTIONS

D.1. Describe, if applicable, the procedure for approval of related-party and intragroup transactions. Explain, where appropriate, the procedure and competent bodies relating to the approval of transactions with related and intragroup parties, indicating the criteria and general internal rules of the entity that regulate the abstention obligations of the affected director or shareholders. Detail the internal information and periodic control procedures established by the company in relation to those related-party transactions whose approval has been delegated by the board of directors.

The procedure provided for in the Company's Board of Directors Regulation is the same as established in the Corporate Enterprises Act (LSC):

1. Related transactions shall require the authorization of the Board of Directors, without the possibility of delegation —such transactions being understood to be the execution by the Company or its subsidiaries of any transaction with the directors or with shareholders holding 10% or more of the voting rights, or represented on the Board of Directors, or with any other persons who must be considered related parties under the law—. As an exception to the above, the following shall not be considered related transactions:

a) Transactions between the Company and its directly or indirectly wholly owned subsidiaries, without prejudice to article 40 bis below of these Regulations.

b) Approval by the Board of Directors of the terms and conditions of the contract to be concluded between the Company and any director who is to perform executive functions, including the chief executives or senior directors, as well as the determination by the Board of the amounts or specific remuneration to be paid under these contracts, without prejudice of the duty to abstain of the director affected provided for by article 32.2 of these Regulations.

c) Transactions carried out by the Company with its subsidiaries or investees, provided that no other party related to the Company has interests in these subsidiaries or investees.

2. Notwithstanding the provisions of the previous paragraph, the competence for approving related transactions whose amount or value is 10% or more of the total asset items according to the latest annual balance sheet approved by the Company corresponds to the General Meeting. When the General Meeting is called to make a decision about a related transaction, the shareholder affected is deprived of the right to vote, except for cases in which the proposed resolution has been approved by the Board of Directors without a vote against by the majority of the independent directors.

3. The approval by the General Meeting or by the Board of Directors of a related transaction must be subject to a prior report from the Audit, Risks and Compliance Committee. In its report, the Audit, Risks and Compliance Committee must assess whether the transaction is fair and reasonable from the point of view of the Company and, as appropriate, of the different shareholders of the related party; and explain the budget on which the assessment is based, as well as the methods used. None of the directors affected may participate in the drafting of the report.

4. Notwithstanding the provisions in sections 1 and 3 above, the Board of Directors has delegated to the Delegated Commission the approval of the following related transactions:

a) Transactions between the Group's companies that are conducted within the scope of ordinary management and under market conditions; and

b) Transactions that are concluded by virtue of contracts whose standard terms are applied en masse to a significant number of customers, are conducted at prices or rates generally established by the party acting as supplier of the product or service involved; and conducted at prices or rates generally established by the party acting as supplier of the product or service involved; and if the amount of the transaction does not exceed 0.5% of the Company's net turnover.

The approval of related transactions referred to by this section will not require a prior report from the Audit, Risks and Compliance Committee. Nevertheless, the Board of Directors has established an internal procedure of periodic information and control with respect to them, in which the Audit, Risks and Compliance Committee must be involved to the aim of verifying the equity and transparency of these transactions and, where appropriate, compliance with the legal criteria applicable to related transactions referred to by this section.

5. The directors shall keep the Board informed about direct or indirect interests or significant influenced in companies or entities that maintain commercial or business relationships with the Company.

6. The directors who are affected by the associated transactions or who represent or are associated with the affected shareholders, in addition to not casting or delegating their vote, shall not attend the meeting while the Board or the relevant Committee deliberate and vote on them.

7. The Company must announce publicly the related transactions as provided for by Law.
The announcement must be included in an easily accessible section of the Company's website and must be notified to the Comisión Nacional del Mercado de Valores (National Stock Market Commission) for publication. The announcement must be accompanied by a report from the Audit, Risks and Compliance Committee and must include at least the following information:
a) Information on the nature of the transaction and the links with the related party
b) The identity of the related party
c) The date and value or amount of the consideration of the transaction
d) Any other information necessary to assess whether the transaction is fair and reasonable from the point of view of the Company and of the shareholders who are not related parties

8. The Board of Directors must also reflect in its annual public report a summary of transactions carried out by the company with its directors or major shareholders.

9. The related transactions executed with the same counterparty in the last twelve months must be aggregated to determine the total value for the purposes of this article. Any references to the total of the asset items or the annual turnover shall be understood to be made to the figures included in the latest consolidated annual accounts or, where not available, the latest individual annual accounts of the Company approved by its General Meeting.

D.2 Give individual details of operations that are significant due to their amount or of importance due to their subject matter carried out between the company or its subsidiaries and shareholders holding 10% or more of the voting rights or who are represented on the board of directors of the company, indicating which has been the competent body for its approval and if any affected shareholder or director has abstained. In the event that the board of directors has responsibility, indicate if the proposed resolution has been approved by the board without a vote against the majority of the independents:

	Name or company name of the shareholder or any of its subsidiaries	% Shareholding	Name or company name of the company or entity within its group	Amount (thousands of euros)	Approving body	Identity of the significant shareholder or director who has abstained	The proposal to the board, if applicable, has been approved by the board without a vote against the majority of independents
(1)	Vivendi, S.E.	9,94	Grupo PRISA	24,703	--	--	NO
(2)	Vivendi, S.E.	9,94	Grupo PRISA	1,854	--	--	NO
(3)	Rucandio, S.A.	7,61	Grupo PRISA	3	Board of Directors	--	NO

	Nature of the relationship	Type of operation and other information required for its evaluation
(1)	Commercial	Income of Grupo Prisa for rendering advertising services to Vivendi Group.
(2)	Commercial	Expense of Grupo Prisa for purchases of advertising to Vivendi Group.
(3)	Commercial	Rendering of IT services by Grupo Prisa.

Remarks
Concerning the information provided in the table above, the following should be taken into account: (i) Transactions shown in the table include operations with the significant shareholder and/or companies in its Group. (ii) Transactions with Grupo PRISA include those with Promotora de Informaciones, S.A. (PRISA) and/or companies in its group. (iii) The operations shown in the table reflect the accounting information contained in the consolidated income statement for Grupo PRISA. (iv) Vivendi became a Prisa shareholder in January 2021 and the operations with Grupo Prisa shown in the table are prior to that date and reflect contracts in effect before Vivendi acquired interests in the Company's capital. Likewise, contracts between Rucandio and the Company are prior to 2021. (v) Since the entry into force of the new legal regime governing related-party transactions (3 July 2021), no related-party transactions have been entered into with shareholders holding 10% or more of Prisa voting rights or represented on Prisa's Board of Directors.

D.3. Give individual details of the operations that are significant due to their amount or relevant due to their subject matter carried out by the company or its subsidiaries with the administrators or managers of the company, including those operations carried out with entities that the administrator or manager controls or controls jointly, indicating the competent body for its approval and if any affected shareholder or director has abstained. In the event that the board of directors has responsibility, indicate if the proposed resolution has been approved by the board without a vote against the majority of the independents:

Name or company name of the administrators or managers or their controlled or jointly controlled entities	Name or company name of the company or entity within its group	Relationship	Approving body	Identity of the shareholder or director who has abstained	The proposal to the board, if applicable, has been approved by the board without a vote against the majority of independents

Name or company name of the administrators or managers or their controlled or jointly controlled entities	Nature of the operation and other information necessary for its evaluation

Remarks
i) Compensation to Prisa directors and senior management is detailed in Sections C.1.13 and C.1.14 of this report. ii) The director Shk. Dr. Khalid bin Thani bin Abdullah Al Thani is Chairman of the media group Dar Al- Sharq, which until September 2021 has maintained a strategic alliance with Diario As (a company of PRISA Group), under which in 2017 they jointly launched "AS Arabia".

D.4. Report individually on intra-group transactions that are significant due to their amount or relevant due to their subject matter that have been undertaken by the company with its parent company or with other entities belonging to the parent's group, including subsidiaries of the listed company, except where no other related party of the listed company has interests in these subsidiaries or that they are fully owned, directly or indirectly, by the listed company.

In any case, report any intragroup transaction conducted with entities established in countries or territories considered as tax havens:

Name of entity within the group	Brief description of the transaction	Amount (thousand euros)
Sociedad Española de Radiodifusión, S.L.	Loans granted by Sociedad Española de Radiodifusión, S.L. to the company in which it holds holdings, Green Emerald Business INC.	2,642
PRISA Radio, S.A.	Income received by PRISA Radio, S.A for the provision of technical assistance and advisory services to Sistemas Radiópolis, S.A. de CV.	796
Ediciones El País, S.L.	Income received by Ediciones El País, S.L. for the sale of copies to KIOSKOYMÁS, Sociedad Gestora de La Plataforma Tecnológica, S.L.	529
Prisa Brand Solutions, S.L.U	Income received by Prisa Brand Solutions, S.L.U for advertising sales with the Company WEMASS MEDIA AUDIENCE SAFE SOLUTIONS, S.L.	12,462
Sociedad Española de Radiodifusión, S.L.	Expenses for events with Planet Events, S.A.	2,741
Prisa Brand Solutions, S.L.U	Expenses for advertising fees with Wemass Media Audience Safe Solutions, S.L.	1,042

Remarks
In addition to the transactions described in sections above, the following transactions with related parties, have been performed: i) services rendered to companies of Grupo Prisa by other investee companies, for an aggregate amount of 379 thousand euros, ii) services provided by Grupo Prisa companies to other investee companies, for an aggregate amount of 613 thousand euros, iii) loans granted by companies of Grupo Prisa to other associated companies, for an amount of 431 thousand euros, iv) financial income recorded by companies of Grupo Prisa, linked to the loans granted to the investees, for an aggregate amount of 518 thousand euros, v) dividends received by companies of Grupo Prisa from investee companies, for an aggregate amount of 220 thousand euros and vi) loan impairment expenses associated with loans granted to associates and foreign exchange differences arising from loans denominated in foreign currencies (222 thousand euros).

D.5 Give individual details of the operations that are significant due to their amount or relevant due to their subject matter carried out by the company or its subsidiaries with other related parties pursuant to the international accounting standards adopted by the EU, which have not been reported in previous sections.

Name of entity within the group	Brief description of the transaction	Amount (thousand euros)

D.6 Give details of the mechanisms in place to detect, determine and resolve potential conflicts of interest between the company and/or its group and its directors, senior management, significant shareholders or other associated parties.

1.Board of Directors Regulation:

i) Conflicts of interest: The directors shall take the necessary steps to avoid incurring in situations in which their interests, whether for their own account or that of others, may come into conflict with the interests of the company and with their obligations to the Company.

In particular, in a conflict of interests situation, directors shall refrain from the following Conducting: transactions with the Company, (except for ordinary transactions standard for customers or suppliers and of little importance); exploiting the Company's name or invoking the director's status as administrator to unduly influence private transactions; using the corporate assets, including the Company's confidential information, for personal ends; taking advantage of the Company's business opportunities, and receiving benefits or payments from sources other than the Company and the Group in connection with the performance of their duties, unless these involve simple acts of courtesy.

In cases in which the conflict of interest is, or can reasonably be expected to be, of such a nature that it constitutes a structural and permanent conflict between the director (or a person related to the latter or, in the case of a the proprietary director, the shareholder or shareholders the latter proposed or appointed, or persons directly or indirectly associated with them) and the Company or the companies included in their Group, it will be understood that the director is not, or has ceased to be suitable to hold the post. The Company may waive the prohibitions in individual cases.

The directors shall notify the Board about any direct or indirect conflict that they may have with the interest of the Company. Likewise, they shall also disclose: the positions they hold on other boards of directors of which they are members, whether listed companies or not, and other paid activities of any nature they are engaged in; and the shares of the Company they directly or indirectly own and the rights of options over them.

ii) Related Transactions: Related transactions shall require the authorization of the Board of Directors (such transactions being understood to be the execution by the Company or its subsidiaries of any transaction with the directors or with shareholders holding 10% or more of the voting rights, or represented on the Board of Directors, or with any other persons who must be considered related parties under the law). The following shall not be considered related transactions: Transactions between the Company and its directly or indirectly wholly owned subsidiaries, without prejudice to article 40 bis below of these Regulations; Approval by the Board of Directors of the terms and conditions of the contract to be concluded between the Company and any director who is to perform executive functions, including the chief executives or senior directors, as well as the determination by the Board of the amounts or specific remuneration to be paid under these contracts, without prejudice of the duty to abstain of the director affected, Transactions carried out by the Company with its subsidiaries or investees, provided that no other party related to the Company has interests in these subsidiaries or investees.

The competence for approving related transactions whose amount or value is 10% or more of the total asset items according to the latest annual balance sheet approved by the Company corresponds to the General Meeting. When the General Meeting is called to make a decision about a related transaction, the shareholder affected is deprived of the right to vote, except for cases in which the proposed resolution has been approved by the Board of Directors without a vote against by the majority of the independent directors.

The approval by the General Meeting or by the Board of Directors of a related transaction must be subject to a prior report from the Audit, Risks and Compliance Committee. In its report, the Audit, Risks and Compliance Committee must assess whether the transaction is fair and reasonable from the point of view of the Company and, as appropriate, of the different shareholders of the related party; and explain the budget on which the assessment is based, as well as the methods used. None of the directors affected may participate in the drafting of the report. The Board of Directors may delegate the approval of the following related transactions: Transactions between the Group's companies that are conducted within the scope of ordinary management and under market conditions; and transactions that are concluded by virtue of contracts whose standard terms are applied en masse to a significant number of customers, are conducted at prices or rates generally established by the party acting as supplier of the product or service involved; and conducted at prices or rates generally established by the party acting as supplier of the product or service involved; and if the amount of the transaction does not exceed 0.5% of the Company's net turnover.

The approval of related transactions referred to by this section will not require a prior report from the Audit, Risks and Compliance Committee. Nevertheless, the Board of Directors must establish an internal procedure of periodic information and control with respect to them, in which the Audit, Risks and Compliance Committee must be involved. The procedure must verify the equity and transparency of these transactions and, where appropriate, compliance with the legal criteria applicable to related transactions referred to by this section.

The directors shall keep the Board informed about direct or indirect interests or significant influenced in companies or entities that maintain commercial or business relationships with the Company. The directors who are affected by the associated transactions or who represent or are associated with the affected shareholders, in addition to not casting or delegating their vote, shall not attend the meeting while the Board or the relevant Committee deliberate and vote on them.

<u>2. The Internal Conduct Regulation for Matters Related to the Securities Markets of Promotora de Informaciones, S.A. and its Group of Companies" (RIC):</u> applicable to Company directors and certain Group managers (Affected Persons), identifies a series of relationships that imply conflicts of interest. Affected Persons subject to conflicts of interest restrictions must: act in good conscience and loyalty toward the Company and its shareholders, independently of their own or others' interests, refraining from placing their own interests over those of the Company, or the interests of certain investors over others; refrain from intervening/influencing decisions that may affect persons/entities with which there are conflicts of interest or from accessing Priviledged Information that may affect that conflict, informing the Compliance Unit concerning possible conflicts of interest in which they may be involved as a result of their activities outside the Company, their family relationships, their personal estate, or for any other motive, with any of the GRUPO PRISA companies, or relevant GRUPO PRISA suppliers or customers, and entities engaged in the same business or that are GRUPO PRISA competitors.

3. Likewise the Code of Ethics of Grupo PRISA underscores the duty to avoid situations that could give rise to conflict between private interests and those of the company and requires that such situations be disclosed to the Company.

D.7 Indicate whether the company is controlled by another entity in the meaning of Article 42 of the Commercial Code, whether listed or not, and whether it has, directly or through any of its subsidiaries, business relationships with said entity or any of its subsidiaries (other than the listed company) or carries out activities related to those of any of them.

NO

E RISK MANAGEMENT AND CONTROL SYSTEMS

E.1 Explain the scope of the company's Risk Management and Control System, including tax compliance risk.

In order to be able to control, mitigate and manage any threat to the fulfilment of its objectives, the Group constantly monitors the risks that could affect it, according to the Risk Control and Management Policy approved by the Board of Directors of PRISA with the favorable report of the Audit, Risks and Compliance Commission and the Nominations, Compensation and Corporate Governance Commission. This Policy aims to establish the basic principles and general framework of action for the control and management of the financial and non-financial risks, including tax compliance risk; and includes the Risk Control and Management System designed with the ultimate purpose of providing reasonable security in the achievement of Grupo PRISA's objectives.

The Risk Control and Management System is based on an adequate definition and assignment of functions and responsibilities at different levels and a series of control and management methodologies, tools and procedures. Through this Risk Management System, the Group identifies, monitors and analyses risks on an ongoing basis, defines and, where appropriate, implements, on a case-by-case basis, the measures required to mitigate risks when they materialize.

Besides, the Risk Management System works by business unit, consolidating such management at a corporate level through, among other specific tools, a comprehensive management model, focused on ad hoc analysis in relation to different risks, depending on their development and the analysis made of them and their circumstances over time.

Additionally, the Group also has an Internal Control over Financial Reporting (ICFR), initially developed from the methodological framework of COSO 1992, and adapted during fiscal year 2014 to the new COSO 2013 Framework.

For the management of criminal risks, the Group has a Model for Prevention of Criminal Liability in Spain and has developed regulatory compliance models in the main countries in which it is present (Brasil, Mexico and Colombia). In the context of compliance models, and among others, environmental, labor relations, corruption and bribery risks associated with the various business activities and operations are analyzed.

E.2 Identify the bodies within the company responsible for creating and executing the Risk Management and Control System, including tax compliance risk.

The identification of the risks is carried out by the top management of the business and corporate units, identifying both those responsible for the management of each risk and the associated action plans and controls. At a corporate level, the Management Control and Risk Control Area, consolidates risk management through a comprehensive management model, which provides a dynamic and continuous view, more suitable for monitoring, control and management.

In this regard, the business units contribute to the proper functioning of the risk control and management systems and, in particular, aim to adequately identify, manage and quantify the risks that affect them. Furthermore, they actively participate in the definition of the risk strategy and in the decisions regarding its management, also ensuring that the systems established adequately mitigate the risks within the framework of the policy established by the Board of Directors and the Audit, Risks and Compliance Commission.

Likewise, the Group has a risk map and a specific non-financial risks map as tools for their visual representation, used to identify and assess the risks of the activities of the business and the Group.

In general, these risk maps are reviewed annually.

Periodically, the Internal Audit Department gathers and consolidates the risks identified by each business unit, in order to draw up the Group and business risk maps.

Both the comprehensive management model and the risk maps are reported to the Audit, Risks and Compliance Commission, which is also in charge of supervising and periodically evaluating the Group's risk management and control systems as well as the acceptable risk level, in view of the risk aversion, tolerance or appetite in each specific case.

E.3 State the primary risks, including tax compliance risks, and those deriving from corruption (with the scope of these risks as set out in Royal Decree Law 18/2017), to the extent that these are significant, which may affect the achievement of business objectives.

From a general viewpoint, a risk is considered to be any threat to the fulfilment of the objectives set forth in the Group's Strategic Plan and its businesses.

In particular, the Group's business activities, and therefore also the proper execution of its strategic roadmap, are subject to risks that can be categorized as follows:

a. Risks related to the financial situation.
b. Strategic and operational risks.
c. Non-financial risks.
d. Reputational risks.

Below, for each of the above categories, we describe the risks that the Group faces in general:

a. Risks related to the financial situation:

- Financing risk: The Group's financial obligations involve the following risks: vulnerability to the economic cycle and to market developments; limitations on the capacity to draw cash flows from operations; limitations on the capacity to adapt to changes in the markets; limitations on the capacity to obtain additional financing if necessary; disadvantages against less indebted competitors; the need to comply with certain financial ratios (covenants); and impacts arising from variations in credit ratings.

- Credit and liquidity risk: The Media businesses, which are dependent on advertising, have a high percentage of fixed costs, and the fall in advertising revenues has a significant impact on margins, cash generation capacity and cash position, making it difficult to implement additional measures to improve the Group's operating efficiency. See also "Risk of deterioration in the advertising market" for more information on the Group's risks related with advertising and its effects on credit and liquidity.

On the other hand, the nature of the Education business determines that there are periods of cash collection around certain dates, mainly during the last months of each year, which generates certain seasonality in business cash flows. This could give rise to some cash flow stress during periods when collections are historically lower.

With regards to commercial credit risk, the Group assesses the seniority of receivable balances and constantly monitors the management of collections and payments of all its activities, as well as the maturities of financial and commercial debt, and regularly analyses other financing methods in order to cover expected cash needs in the short, medium and long term.

- Interest rate risk: Upward fluctuations in interest rates imply an increase in interest expenses, which has a negative impact on the Group's available cash.

- Exchange rate risk: The Group faces fluctuations in exchange rates mainly due to financial investments related with holdings in Latin American companies, as well as due to the income and results from these investments, which represent a significant stake of the Group's aggregate. Likewise, potential adverse developments in Latin American economies where the Group operates may lead to negative impact on exchange rates.

- Tax risk: In general, related to a possible different understanding of the regulations by the competent tax authorities, as well as to modifications of the tax regulations of the countries where the Group operates.

- Risk of impairment of intangible assets and goodwill: The valuation of these assets and goodwill is based on estimates made on the basis of the best information available at any given time. Events that may occur in the future may require these estimates to be modified downwards, which may result in the effect of these new estimates regarding the valuation of the assets being recognized in the income statement.

b. Strategic and operational risks:

- Macroeconomic risk: The evolution of macroeconomic indicators can affect the development and success of the Group's businesses both in Spain and in the Americas. The deterioration of macroeconomic indicators may have a negative impact, among others, on the Group's outlook in terms of results and cash generation, as well as on the valuation of its assets.

- Country risk: The Group's operations and investments, especially in Latin America, may be affected by various risks related with investments in countries with emerging economies or situations of instability, such as currency devaluation, restrictions on capital movements, inflation, confiscations or nationalizations, tax reforms or significant changes in policies and regulations.

- Regulatory and legal risk: The Group operates in regulated sectors (licensing policies regarding Radio and education policies in the Education business) and is therefore exposed to regulatory and administrative risks that could adversely affect its main businesses. Additionally, the Group's businesses are subject to diverse competition, merger control and antitrust regulations, both international and national.

- Risk of competition: The Group operates in highly competitive sectors. In the Education business, the Group competes both with traditional players and with smaller businesses, online platforms and digital providers that offer alternative contents and methodologies. In addition, there is a growing trend towards open educational content access through online platforms, the widespread consumption of second-hand materials and the increase of schools that do not use books and develop new contents within their curricular autonomy. In the Media businesses, competition with companies that offer online content is strong and the Group competes for advertising with traditional players, with multinational platforms of online audiovisual and music content, with new online content providers and with news aggregators. Therefore, the lack of capacity to anticipate and adapt to the needs and new demands of customers in each of the businesses may affect the Group's competitive position vis-à-vis the rest of its competitors.

- Risk of customer concentration in the public sector: Governments and public entities from the different jurisdictions in which the Group operates are relevant customers for the Education business. This dependence on public administrations may pose a risk regarding earnings, if the governments of these countries introduce changes in regulations and/or public policies.

- Risk of deterioration in the advertising market: Advertising investment (a factor on which a significant part of the Group's income depends) tends to be cyclical and reflects the general economic situation and outlook. Given the large component of fixed costs associated with the businesses and the relevant stake of advertising income in the Group's accounts, a fall in advertising income may have a significant direct impact on margins, cash generation capacity and cash position, making it difficult to implement additional measures to improve the Group's operating efficiency and, therefore, on the Group's results.

- Risk of traditional business models transformation: It refers to the development of new operators focused on the production and distribution of all types of contents (educational, informational, entertainment, etc.) in multiple formats (text, audio, video, online, offline, etc.). As indicated above, the Group's businesses must adapt to new consumer demands and new business models since if the Group fails to do so successfully it may have a negative impact on the Group's results and cash flow generation.

- Risk of digital transformation: The businesses in which the Group operates are subject to an ongoing and deep process of technological transformation related with new methods and channels for the distribution and consumption of content, accompanied, in turn, by changes in consumer preferences and habits. The digital transformation involves a series of risks, such as the development of new products and services that respond to market trends, the diminishing value of contents in the digital environment, the greater role of technology in the development of digital businesses, the management of new digital talent, and the resistance to technological changes in the Group's businesses.

- In the area of Education, in certain geographies, especially in Latin America, subscription models with a strong digital component (educational systems) are becoming increasingly important, both in terms of content and educational experience.

- In the area of Media, alternative digital actors are emerging, including both social networks or news aggregators, as well as online content providers through various platforms, significantly expanding the options available to consumers and resulting in a fragmentation of the audience. This also implies an increase in the inventory of digital advertising space available to advertisers, while technological change makes it easier for users to avoid digital advertising on the websites and mobile applications they access. Additionally, the emergence of digital advertising networks and markets, especially, disruptive methods of advertising auctions, allows advertisers to develop more personalized advertising, and pushes prices down.

- Technology risk: The businesses in which the Group operates depend, to a greater or lesser extent, on information technology systems. These systems are vulnerable to a range of threats, such as hardware and software malfunctions, cyber-attacks, computer viruses, piracy and physical damages to technological equipment. In addition, they need regular updates and the Group may not be able to implement the necessary updates at the right time or the updates may not work as planned. The vulnerability of the Group's systems and platforms may result in the loss of data or compromise customer’s data or other sensitive information; therefore, significant system failures or attacks to the security of these could have an adverse effect on the Group's operating results and financial situation.

- Data protection risk: The Group has a large amount of personal data due to the ordinary operations of its businesses, including information related to employees, readers or students. Additionally, it is subject to data protection regulations in the various countries in which it operates. Any breach of these rules could have an adverse impact on the Group.

- Intellectual property risk: The Group's business depends, to a large extent, on intellectual and industrial property rights, including, among others, brands, literary content or internally developed technology. Brands and other intellectual and industrial property rights are one of the cornerstones of the Group's success and maintenance of its competitive advantages. However, there is a risk that unauthorized third parties may try to copy or obtain and improperly use the content, services or technology developed by the Group. On the other hand, the Group, in order to make use of the intellectual property rights of third parties, has non-exclusive authorizations, in exchange for a fee, granted by entities that manage these rights and companies that create or market intellectual property assets. In this regard, technological developments eases the unauthorized reproduction and distribution of content through various channels, making it difficult to implement the protection mechanisms associated with intellectual and industrial property rights.

- Risk of litigation and third party claims: The Group is party to litigation and is exposed to liability for the contents of its publications and programs. In addition, in the course of its activities and businesses, the Group faces potential liabilities and claims in the context of its labor relations.

c. Non-financial risks:

- Environmental management. Includes risks related to responsible or sustainable raw material supply, risks related to atmospheric emissions and risks related to waste generation and circular economy.

- Social and staff management. Includes the risk derived from the lack of ability to attract and retain talent and the risk of no promotion of equality.

- Society. Comprises, on the one hand, the risk of impact on consumers, users, listeners, and readers. And, on the other hand, the cybersecurity and data privacy risks related to own staff, consumers, and supply chain third parties; being the implications at a reputational and operational level the main consequences that the Group might have to confront in this risk category.

- Supply chain. Refers to the risk of association with third parties who have no approval process.

- Risks deriving from corruption and bribery. According to the Group's criminal risks maps, the major risks that might have impact within this category would be: influence pedding, bribery associated to remuneration to public officials or intervention in public contracts or procedures, corrupt practices related to business, price alteration in public tenders, fraud and money laundering, and unlawful financing of political groups. The main indicator is the number of complaints received.

d. Reputational risks:

This category identifies the risks related with a potential negative impact on the Group and its results due to behaviors that do not meet the expectations of the market and the various stakeholders, including those related to corruption, as defined in the Group's Anti-Corruption Policy.

E.4 State whether the entity has a risk tolerance level, including tolerance for tax compliance risk.

The Group has defined an acceptable error level in relation to the risks related with financial information. In accordance with this materiality level, significant processes and accounts are identified in the control systems.

Regarding to the rest of the risks, the Group's senior management periodically evaluates them, as it is described in sections E.1 and E.2.

The Audit, Risks and Compliance Commission is in charge of both supervising and periodically evaluating the Group's risk management and control systems and suggesting to the Board of Directors the acceptable risk level, in view of the risk aversion, tolerance or appetite in each specific case.

E.5 State which risks, including tax compliance risks, have materialised during the year.

Since mid-March, the Group has worked to deal with the impact of the pandemic caused by coronavirus (COVID-19) so far. During this period, the world has been experiencing an extraordinary and unprecedented social and economic emergency.

Therefore, part of the risks identified by the Group, above all in what refers to strategic and operational risks, has been affected during 2021, specially during the first semester. Impacts range from a markedly unstable macroeconomic environment (macroeconomic risk, country risk, regulatory risk, exchange rate risk), with the economies of the countries in which the Group operates going through very complex situations (sever GDP falls followed by slow recoveries, currency devaluations and/or volatility, etc.) and the Governments of those countries implementing unprecented initiatives (lock downs, mobility restrictions, high regulatory activity, etc.), to a microeconomic environment of the industries in which the Group operates, very affected by the plunge and slow recovery of the advertising market in Media (risk of deterioration in the advertising market, risk of traditional business models transformation) and the partial or total schools' closure in Education (risk of traditional business models transformation, risk of customer concentration in the public sector). All together within a context of intensive digital transformation of the businesses and high competitiveness (risk of digital transformation, Technological risk, risk of competition).

In what refers to the risks related to the financial situation, the Group, after analysing the recoverability of its assets considering the current business evolution estimates, has not accounted any relevant impairment in 2021.

E.6 Explain the response and monitoring plans for all major risks, including tax compliance risks, of the company, as well as the procedures followed by the company in order to ensure that the board of directors responds to any new challenges that arise.

In order to be able to control, mitigate and manage any threat to the fulfilment of its objectives, the Group constantly monitors the risks that could affect it, according to the Risk Control and Management Policy approved by the Board of Directors of PRISA with the favorable report of the Audit, Risks and Compliance Commission and the Nominations, Compensation and Corporate Governance Commission. To perform this continuous monitoring, the Group relies on the Risk Management and Control System as described on previous sections E.1 and E.2.

F INTERNAL RISK MANAGEMENT AND CONTROL SYSTEMS RELATED TO THE PROCESS OF PUBLISHING FINANICAL INFORMATION (ICFR)

Describe the mechanisms comprising the System of Internal Control over Financial Reporting (ICFR) of your company.

F.1 Entity control environment

Indicate the following, detailing at least their main features

F.1.1. Which bodies and/or functions are responsible for: (i) the existence and maintenance of an adequate and effective ICFR; (ii) its implementation; and (iii) its supervision.

The company's approach regarding the internal control over financial reporting (hereinafter ICFR), which was initially deployed according to Internal Control Framework issued by COSO in 1992, was adapted in 2014 to the COSO Framework issued in 2013. In this regard, the Group will continue improving its ICFR system in conformity with this new Integrated Internal Control Framework.

As set out in Article 5.3 of the Board Regulations, the functions of the Prisa Board of Directors include ensuring that there is an appropriate and effective system of internal control over financial reporting (ICFR) in place and maintained. Also, pursuant to the same article of the regulations, the Board is responsible for supervising internal reporting and control systems. In this regard, the Board of Directors is assisted, for the development of these functions, by the Audit, Risks and Compliance Commission of Prisa. Among the responsibilities of the Audit Commission, is the monitoring of the preparation and presentation of the regulated financial information.

The effective implementation of internal control model is the responsibility of the CFO of Prisa, as well as the Executive Chairmans and CFOs of the Group's business units involved in the preparation of financial information which forms the basis for the preparation of Group's Financial Statements.

The monitoring of ICFR, is performed both by the Audit Commission and the Board of Prisa, with the Internal Audit function support.

F.1.2. In particular reference to the process for preparing financial information, which of the following elements are in place:

- **Departments and/or mechanisms responsible for: (i) design and review of the organizational structure; (ii) defining clearly lines of responsibility and authority, with an adequate distribution of tasks and duties; and (iii) ensuring there are adequate procedures for their correct dissemination within the entity.**

The Direction of Human Resources of the business units are responsible for the design, implementation, reviewing and updating of the Group's organizational structure. The Group's business units have a distribution and definition of tasks and functions in the financial areas, which have job descriptions for key roles in these areas, as well as defined lines of responsibility and authority in the preparation process of the financial reporting.

In addition, the Group´s Compliance Units and the Group Compliance delegate coordinate and monitor the internal procedures of the Group companies, and its degree of documentation, updating and communication.

• Code of conduct: approval body, degree of communication and instruction, principles and values included (indicated whether specific mention is made of the recording of operations and the preparation of financial information), the body responsible for analyzing non-compliance and proposing corrective actions and sanctions.

Prisa Group has a Code of Ethics that sets out the principles and standards of conduct that should govern the companies in PRISA Group and all their employees, aimed at ensuring ethical and responsible behavior in the pursuit of their activities.

The PRISA Compliance Unit reports to the Audit, Risks and Compliance Commission and is the body charged with safeguarding and promoting ethical behavior of employees, associates and members of PRISA Group, and, therefore, amongst other functions, with overseeing their compliance with the Code of Ethics.

The Compliance Unit reports incidents relating to the Code of Ethics to the Audit, Risks and Compliance Commission so that the latter can assess annually the compliance with the Group's rules of governance.

The Code of Ethics has been communicated and disseminated to all employees of the Group to whom it applies. Also, both internal communication actions of specific aspects of the Code and training actions on its most relevant content are carried out periodically.

The Code of Ethics, posted on the corporate website (www.Prisa.com) sets out a series of standards of conduct based on the following principles:

i. Respect human rights and liberties.
ii. Promotion of career development, equal opportunity, non-discrimination due to personal, physical or social conditions, and respect for persons.
iii. Occupational safety and health.
iv. Environmental protection.

Specifically, in relation to financial reporting, PRISA Group considers transparency in financial information as a basic principle that must govern its actions and, therefore, establishes rules of conduct aimed at ensuring that all information, be it internal information or the information reported to the markets, to the regulators of those markets or to government authorities, be truthful and complete and adequately reflects, amongst other aspects, its financial situation and the results of its operations, and be reported on a timely basis and in accordance with the applicable standards and general principles governing markets and their proper governance that PRISA Group has endorsed.

Rules of conduct are also established aimed to guarantee that all transactions are timely recorded in the Group's systems, in keeping with the principles of existence, completeness, clarity and accuracy in the Group's systems and financial statements, in accordance with the applicable accounting standards.

• Whistle-blowing channel for communicating irregularities of a financial and accounting nature to the Audit Commission, as well as any failures to comply with the code of conduct and irregular activities in the organization, indicating whether it is confidential in nature and whether it allows anonymous communications while respecting the rights of both the complainant and the respondent.

The Group has a Whistle-blowing channel for the reception and treatment of complaints regarding wrongdoings or breaches related to both, internal and external regulations, in matters affecting the Group, its employees or its activities.

It is a confidential and anonymous communication channel available to any employee in the intranet or alternatively through a post office box laid out for this purpose. The complaints received are currently managed by Prisa Compliance Unit, who reports them to the Audit Commission. Additionally, there is a confidential Whistle-blowing mailbox for third parties related to the Group and accessible through corporate website www.prisa.com. On the other hand, there are compliance mailboxes associated with the Compliance Units of each business redirected to the Prisa compliance mailbox, through which doubts about the Code of Ethics and other matters can be transferred, as well as allegations of improper behavior. In the treatment of the complaints received through these mailboxes, a procedure, like the one defined for those received through the whistleblowing channel, is followed.

• Training and regular updating programs for the personnel involved in the preparation and review of financial information, as well as assessment of the ICFR, dealing at least with accounting standards, audit, internal control and risk management.

The financial officers responsible for reporting in the business units and significant companies in the Group periodically receive accounting standards update bulletins. In this regard, during 2021, bulletings have been sent with the analysis of the impacts of the reform of the General Accounting Plan (PGC) in Spain and the differences that after the reform are maintained between international regulations and the PGC, and updates of the accounting treatment of the improvements obtained in lease contracts in the context of COVID.

F.2 Assessment of financial reporting risks

Inform at least on the following:

F.2.1. Which are the main features of the risks identification process? Including risks of error and fraud, indicating:

• Whether the process exists and is documented.

The system established in the Group for financial reporting risks identification and assessment is formally documented and updated at least once a year.

In the Group financial reporting risks assessment, it is applied a top-down approach based on the Group's significant risks. This approach starts with the identification of significant accounts and disclosures, assuming both quantitative and qualitative factors. The quantitative evaluation is based on the materiality of the account, and it is supplemented by qualitative analysis that determines the associated risk considering the characteristics of the transactions, the nature of the account, the accounting and reporting complexity, the probability of significant contingent liabilities to be generated resulting from transactions associated with the account, the susceptibility to errors or fraud losses and the potential impact on financial reporting of the risks identified in business units, corporate risks maps and during performed Internal Audit reviews.

In order to perform a full risk assessment, this analysis is performed on each business unit, as they primarily generate financial information that serves as the basis for preparing consolidated financial statements of the Group.

For each business unit, the most relevant accounts are identified, based on mentioned risk analysis. After identifying significant accounts and disclosures at each business unit and at consolidated level, we proceed to identify the relevant processes associated with them, and the main kind of transactions within each process. The objective is to document how key relevant processes transactions are initiated, authorized, recorded, processed and reported.

• **Whether the process covers all of the objectives of the financial information (existence and occurrence; integrity; evaluation; presentation, breakdown and comparability; and rights and obligations), whether it is updated, and with what frequency.**

For each account the controls are analyzed in order to cover the assertions to ensure the reliability of financial reporting, i.e. that recorded transactions have occurred and pertain to that account (existence and occurrence) , transactions and assets are registered in the correct amount (assessment / measurement), the assets, liabilities and transactions of the Group are properly disclosed, categorized and described (presentation and disclosure) and there are no assets, liabilities, and significant transactions not recorded (completeness). Complementary to risks update, the Group annually performs a review of controls that mitigate identified risks.

• **Whether there is a process for identification of scope of consolidation, taking into account among other aspects the possible existence of complex corporate structures, holding companies or special purpose vehicles.**

Among the significant processes of the Group it is considered the determination of the scope of consolidation, which is conducted monthly by the Consolidation department, set in the Corporate Finance Department, in collaboration with Legal Advisory Department, who regularly reports the corporate transactions and subscribed shareholder agreements.

• **Whether the process takes into account the impacts of other types of risk (operating, technology, financial, legal, reputational, environmental, etc.) insofar as these affect the financial statements.**

Risk assessment process takes into account the risk profile of each business unit, which is determined by their contribution to the consolidated financial statements, and assessing the specific risks, among other factors, the nature of their activities, centralization or decentralization of operations, specific industry and environmental risks, to the extent they may have potential impact in financial statements.

• **Which governing body of the entity supervises the process.**

The system is monitored, as mentioned above, by the Audit Commission with the support of the Internal Audit and, ultimately, by the Board of Directors.

F.3 Control activities

Provide information on whether at least the following exist, indicating their main features:

F.3.1. Procedures for reviewing and authorizing financial information and description of the ICFR, to be published on the stock markets, indicating those responsible, as well as documentation describing flows of activities and controls (including those relating to risk of fraud) of different transaction types that may significantly affect the financial statements, including the procedure for the accounting close and the specific review of judgments, estimates, assessments and relevant forecasts.

As for the controls on the systems or applications which are relevant in relation to the developing of financial information, these are intended to maintain the integrity of systems and data and ensure its operation over time. The controls considered on information systems are essentially access control, segregation of duties, systems operations and development or modification of

computer applications. The Group annually reviews and evaluates the controls and procedures associated with the main applications and infrastructures implied in financial reporting processes.

The Group has documentation describing flows of activities and process controls identified as significant in each business unit and at corporate level, both at general level (general controls) and at process level (transactional controls). Based on this description the key risks and mitigating controls are identified. The documentation of control activities is supported on risk and control matrixes by process. In these matrixes the control activities are classified by their nature as preventive or detective, manual or automatic, and based on the degree of mitigation of associated risks, as key or standard.

In each significant business unit there is a documented process describing the accounting close as well as specific controls concerning relevant judgments and estimates, according to the nature of the activities and risks associated to each business.

In relation to the financial reporting review and approval process, a phased certification process is developed on the effectiveness of internal control model over financial reporting. The Chairmans and CFOs in the business units and companies that are considered significant, confirm in writing, at the year end, the effectiveness of defined controls for their critical processes as well as their financial information reliability. Also, in relation to this process, as mentioned above, there are procedures for the financial information disclosed to the stock markets review and approval by the governing bodies.

F.3.2. Internal control policies and procedures for information systems (including secure access, controls over modification and operation, continuity of operations and segregation of duties) that support the relevant processes of the entity in connection to the development and publishing of financial information.

As for the controls on the systems or applications which are relevant in relation to the developing of financial information, these are intended to maintain the integrity of systems and data and ensure its operation over time. The controls considered on information systems are essentially access control, segregation of duties, systems operations and development or modification of computer applications. The Group annually reviews and evaluates the controls and procedures associated with the main applications and infrastructures implied in financial reporting processes.

F.3.3. Internal control policies and procedures for supervising the management of activities outsourced to third parties, as well as those aspects of assessments, calculations or valuations that are entrusted to independent experts, which may have a material effect on the financial statements.

In relation to the activities subcontracted by the Group to third parties, the most relevant correspond to the outsourcing to different providers of the maintenance, management and development of its applications and technological infrastructures, as well as logical security services. The supervision of these services is articulated through the monitoring of compliance with the service levels agreed with the different providers, and with meetings and monitoring committees, with defined frequency and content.

F.4 Information and communication

Provide information on whether at least the following exist, indicating their main features:

F.4.1. A specific function tasked with defining and updating accounting policies (accounting policy area or department) and resolving any queries or disputes arising as a result of their interpretation, maintaining a fluent dialog with the people

responsible for operations in the organization, as well as an up-to-date accounting policies manual that is communicated to the units through which the entity operates.

The organization has an accounting manual founded on the International Financial Reporting Standards applicable to the Group's businesses, developed by the Internal Audit Department, and annually updated and communicated to the different business units. There are also specific accounting policies developed for some Group businesses providing specific accounting treatment to correctly reflect their activities. Furthermore, Internal Audit Department periodically issues accounting newsletters that show the latest changes of international accounting standards in those aspects that could affect Group entities' financial statements.

F.4.2. Mechanisms for gathering and preparing the financial information using standard formats, applied and used by all the units in the entity or the group, which support the main financial statements and disclosures, as well as the information given on the ICFR.

Prisa counts on an unified and adapted chart of accounts applicable to all the Group companies that manage financial information within Group SAP software. Likewise, there is a single and homogeneous format of documentation for the financial reporting of Group business units which supports the financial statements, notes and disclosures included in regulated financial information.

F.5 Supervision of system effectiveness

Provide information on at least the following, indicating their main features:

F.5.1. Supervisory activities on the ICFR carried out by the Audit Commission, as well as whether the entity has an internal audit function that includes among its competencies supporting the commission in the task of supervising the internal control system, including the ICFR. Furthermore, information must be provided on: the scope of the evaluation of the ICFR carried out during the year and on the reporting procedure followed by the person in charge of conducting the evaluation; whether the entity has an action plan detailing possible corrective measures; and whether its impact on the financial information has been considered.

As part of the monitoring activities on the internal control system carried out by the Audit, Risks and Compliance Commission, the following are included:

i. Monitor the effectiveness of the Company's internal control, internal audit and risk management system.
ii. In relation to the external auditor, it must supervise the work performed by the latter and their conclusions, including any that have an impact on the audit report and any significant weaknesses identified in the internal control system during the audit.
iii. Supervise the process of drawing up financial reporting for Prisa and for the Group and the integrity of the information, ensuring it meets regulatory requirements, covers the appropriate scope of consolidation and that accounting criteria are properly applied.

The Group has an internal audit unit, which supports the Audit, Risks and Compliance Commission in monitoring internal control system over financial reporting. The Internal Audit Department depends to the Audit Commission, which annually approves the audit plan for each fiscal year and the resources required for its development.

The main objective of internal audit is to provide the Group management and the Audit Commission with reasonable assurance on the environment and internal control systems operating within the Group companies having been properly managed. For this purpose, internal audit reviews the design and scope of the Group's internal control system over financial reporting, and subsequently carries out the evaluation of the design and effectiveness of the control activities defined in the model. Annually the functioning of the general controls of the Group as well as controls related to the information systems and the key control activities in the ICFR are tested. For each of the identified weaknesses, an estimation of its impact is done. Also, for all the identified weaknesses a plan of action is defined in order to correct or mitigate the risk, including a responsible for the management and an implementation schedule. The Internal Audit Direction reports annually to the Audit Commission on the results of the evaluation of the ICFR and regularly informs on the evolution of the more relevant established action plans.

F.5.2. Whether any discussion procedure is in place whereby the auditor (in accordance with the provisions of the Technical Auditing Rules), the internal audit function and other experts may notify senior management and the Audit Commission or directors any significant internal control weaknesses identified during the processes of reviewing the financial statements and in any other processes that may have been entrusted to them. Information must also be provided on whether it has an action plan that seeks to correct or mitigate the weaknesses identified.

The significant deficiencies and material weaknesses that would have been revealed as a result of the internal audit's assessment of the of internal control system over financial reporting, are reported to both the Audit Commission and the external auditor. Internal Audit prepares an annual report on the evaluation of the internal control system over the Group's financial information in which it is detailed for each weakness identified, the mitigating controls or a defined action plan, and those responsible for its implementation.

Additionally, ultimately, the internal control system is reviewed by the statutory auditor of the Group, who reports to the Audit Commission on the significant and material weaknesses identified and gives opinion on the effectiveness of internal control over financial reporting during the year.

F.6 Other relevant information

None

F.7 External auditor's report

Provide information on:

F.7.1. Whether the information on the ICFR sent to the markets has been reviewed by the external auditor, in which case the entity should include the provided report as an annex. If that is not the case, reasons should be reported.

The system of internal control over financial reporting is audited by the external auditor of the Group that gives opinion on the effectiveness of internal control within a reasonable assurance report in accordance with ISAE 3000.

G EXTENT OF COMPLIANCE WITH CORPORATE GOVERNANCE RECOMMENDATIONS

Specify the company's level of compliance with recommendations from the Unified Code of Good Governance.

In the event that a recommendation is not followed or only partially followed, a detailed explanation should be included explaining the reasons in such a manner that shareholders, investors and the market in general have enough information to judge the company´s actions. General explanations are not acceptable.

1. **That the Articles of Association of listed companies do not limit the maximum number of votes that may be cast by one shareholder or contain other restrictions that hinder the takeover of control of the company through the acquisition of shares on the market.**

   Compliant

2. **That when the listed company is controlled by another entity in the meaning of Article 42 of the Commercial Code, whether listed or not, and has, directly or through its subsidiaries, business relations with said entity or any of its subsidiaries (other than the listed company) or carries out activities related to those of any of them it should make accurate public disclosures on:**

   a) **The respective areas of activity and possible business relationships between the listed company or its subsidiaries and the parent company or its subsidiaries.**
   b) **The mechanisms in place to resolve any conflicts of interest that may arise.**

   Does not apply

3. **That, during the course of the ordinary General Shareholders' Meeting, complementary to the distribution of a written Annual Corporate Governance Report, the chairman of the Board of Directors makes a detailed oral report to the shareholders regarding the most material aspects of corporate governance of the company, and in particular:**

   a) **Changes that have occurred since the last General Shareholders' Meeting.**
   b) **Specific reasons why the company did not follow one or more of the recommendations of the Code of Corporate Governance and, if so, the alternative rules that were followed instead.**

   Compliant

4. **That the company should define and promote a policy on communication and contact with shareholders and institutional investors, within the framework of their involvement in the company, and with proxy advisors that complies in all aspects with rules against market abuse and gives equal treatment to similarly situated shareholders. And that the company should publish this policy on its website, including information on how it has been put into**

practice and identifying the contact persons or those responsible for implementing it.

And that, without prejudice to the legal obligations regarding dissemination of inside information and other types of regulated information, the company should also have a general policy regarding the communication of economic-financial, non-financial and corporate information through such channels as it may consider appropriate (communication media, social networks or other channels) that helps to maximise the dissemination and quality of information available to the market, investors and other stakeholders.

Compliant

5. **That the Board of Directors should not propose to the General Shareholders' Meeting any proposal for delegation of powers allowing the issuance of shares or convertible securities without pre-emptive rights in an amount exceeding 20% of equity at the time of delegation.**

   And that whenever the Board of Directors approves any issuance of shares or convertible securities without pre-emptive rights the company immediately publishes reports on its web page regarding said exclusions as referenced in applicable company law.

   Compliant

6. **That listed companies which draft reports listed below, whether under a legal obligation or voluntarily, publish them on their web page with sufficient time before the General Shareholders' Meeting, even when their publication is not mandatory:**

   a) **Report regarding the auditor's independence.**
   b) **Reports regarding the workings of the audit committee and the appointments and remuneration committee.**
   c) **Report by the audit committee regarding related-party transactions**

   Compliant

7. **That the company reports in real time, through its web page, the proceedings of the General Shareholders' Meetings.**

   And that the company should have mechanisms in place allowing the delegation and casting of votes by means of data transmission and even, in the case of large-caps and to the extent that it is proportionate, attendance and active participation in the General Meeting to be conducted by such remote means.

   Compliant

8. **That the audit committee should ensure that the financial statements submitted to the General Shareholders' Meeting are prepared in accordance with accounting regulations. And that in cases in which the auditor has included a qualification or reservation in its audit report, the chairman of the audit committee should clearly explain to the general meeting the opinion of the audit committee on its content and scope, making a summary of this**

opinion available to shareholders at the time when the meeting is called, alongside the other Board proposals and reports.

Compliant

9. **That the company permanently maintains on its web page the requirements and procedures for certification of share ownership, the right of attendance at the General Shareholders' Meetings, and the exercise of the right to vote or to issue a proxy.**

   And that such requirements and procedures promote attendance and the exercise of shareholder rights in a non-discriminatory fashion.

   Compliant

10. **That when a verified shareholder has exercised his right to make additions to the agenda or to make new proposals to it with sufficient time in advance of the General Shareholders' Meeting, the company:**

    a) Immediately distributes the additions and new proposals.

    b) Publishes the attendance card credential or proxy form or form for distance voting with the changes such that the new agenda items and alternative proposals may be voted upon under the same terms and conditions as those proposals made by the Board of Directors.

    c) Submits all of these items on the agenda or alternative proposals to a vote and applies the same voting rules to them as are applied to those drafted by the Board of Directors including, particularly, assumptions or default positions regarding votes for or against.

    d) That after the General Shareholders' Meeting, a breakdown of the results of said additions or alternative proposals is communicated.

    Does not apply

11. **That, in the event the company intends to pay for attendance at the General Shareholders' Meeting, it establish in advance a general policy of long-term effect regarding such payments.**

    Does not apply

12. **That the Board of Directors completes its duties with a unity of purpose and independence, treating all similarly situated shareholders equally and that it is guided by the best interests of the company, which is understood to mean the pursuit of a profitable and sustainable business in the long term, and the promotion of continuity and maximisation of the economic value of the business.**

    And that in pursuit of the company's interest, in addition to complying with applicable law and rules and in engaging in conduct based on good faith, ethics and a respect for commonly accepted best practices, it seeks to reconcile its own company interests, when appropriate, with the interests of its employees, suppliers, clients and other stakeholders, as well as the impact of its corporate activities on the communities in which it operates and the environment.

Compliant

13. **That the Board of Directors is of an adequate size to perform its duties effectively and collegially, and that its optimum size is between five and fifteen members.**

Compliant

14. **That the Board of Directors approves a a policy aimed at favouring an appropriate composition of the Board and that:**

    a) Is concrete and verifiable;

    b) Ensures that proposals for appointment or re-election are based upon a prior analysis of the skills required by the Board of Directors; and

    c) Favours diversity of knowledge, experience, age and gender. For these purposes, it is considered that the measures that encourage the company to have a significant number of female senior executives favour gender diversity.

    That the result of the prior analysis of the skills required by the Board of Directors be contained in the supporting report from the nomination committee published upon calling the General Shareholders' Meeting to which the ratification, appointment or re-election of each director is submitted.

    The nomination committee will annually verify compliance with this policy and explain its findings in the annual corporate governance report.

Compliant

15. **That proprietary and independent directors should constitute a substantial majority of the Board of Directors and that the number of executive directors be kept to a minimum, taking into account the complexity of the corporate group and the percentage of equity participation of executive directors.**

    And that the number of female directors should represent at least 40% of the members of the Board of Directors before the end of 2022 and thereafter, and no less 30% prior to that date.

Compliant

16. **That the percentage of proprietary directors divided by the number of non-executive directors is no greater than the proportion of the equity interest in the company represented by said proprietary directors and the remaining share capital.**

    This criterion may be relaxed:

    a) In companies with a high market capitalisation in which interests that are legally considered significant are minimal.
    b) In companies where a diversity of shareholders is represented on the Board of Directors without ties among them.

Compliant

The Company has 12 non-executive directors, of which 6 (that represent 50% of the total non executive directors) are proprietary.

The proprietary directors represent the significant shareholders Amber Capital, Vivendi, International Media Group, Consorcio Transportista Occher and Rucandio which, jointly, as of December 31, 2021, represent the 57.55% of the capital stock of the Company.

17. **That the number of independent directors represents at least half of the total number of directors.**

    Nonetheless, when the company does not have a high level of market capitalisation or in the event that it is a high cap company with one shareholder or a group acting in a coordinated fashion who together control more than 30% of the company's equity, the number of independent directors represents at least one third of the total number of directors.

    Compliant

18. **That companies publish and update the following information regarding directors on the company website:**

    a) **Professional profile and biography.**
    b) **Any other Boards to which the director belongs, regardless of whether the companies are listed, as well as any other remunerated activities engaged in, regardless of type.**
    c) **Category of directorship, indicating, in the case of individuals who represent significant shareholders, the shareholder that they represent or to which they are connected.**
    d) **The date of their first appointment as a director of the company's Board of Directors, and any subsequent re-election.**
    e) **The shares and options they own.**

    Compliant

19. **That the Annual Corporate Governance Report, after verification by the appointments committee, explains the reasons for the appointment of proprietary directors at the proposal of the shareholders whose equity interest is less than 3%. It should also explain, where applicable, why formal requests from shareholders for membership on the Board meeting were not honoured, when their equity interest is equal to or exceeds that of other shareholders whose proposal for proprietary directors was honoured.**

    Does not apply

20. **That proprietary directors representing significant shareholders must resign from the Board if the shareholder they represent disposes of its entire equity interest. They should also resign, in a proportional fashion, in the event that said shareholder reduces its percentage interest to a level that requires a decrease in the number of proprietary directors representing this shareholder.**

    Compliant

21. **That the Board of Directors may not propose the dismissal of any independent director before the completion of the director's term provided for in the Articles of Association unless the Board of Directors finds just cause and a prior report has been prepared by the appointments committee. Specifically, just cause is considered to exist if the director takes on new duties or commits to new obligations that would interfere with his or her ability to dedicate the time necessary for attention to the duties attendant to his post as a director, fails to complete the tasks inherent to his or her post, or enters into any of the circumstances which would cause the loss of independent status in accordance with applicable law.**

    The dismissal of independent directors may also be proposed as a result of a public share offer, joint venture or similar transaction entailing a change in the shareholder structure of the company, provided that such changes in the structure of the Board are the result of the proportionate representation criteria provided for in Recommendation 16.

    Compliant

22. **That companiesshould establish rules requiring that directors inform the Board of Directors and, where appropriate, resign from their posts, when circumstances arise which affect them, whether or not related to their actions in the company itself, and which may harm the company's standing and reputation, and in particular requiring them to inform the Board of any criminal proceedings in which they appear as suspects or defendants, as well as of how the legal proceedings subsequently unfold.**

    And that, if the Board is informed or becomes aware in any other manner of any of the circumstances mentioned above, it must investigate the case as quickly as possible and, depending on the specific circumstances, decide, based on a report from the nomination and remuneration committee, whether or not any measure must be adopted, such as the opening of an internal investigation, asking the director to resign or proposing that he or she be dismissed. And that these events must be reported in the annual corporate governance report, unless there are any special reasons not to do so, which must also be noted in the minutes. This without prejudice to the information that the company must disseminate, if appropriate, at the time when the corresponding measures are implemented

    Compliant

23. **That all directors clearly express their opposition when they consider any proposal submitted to the Board of Directors to be against the company's interests. This particularly applies to independent directors and directors who are unaffected by a potential conflict of interest if the decision could be detrimental to any shareholders not represented on the Board of Directors.**

    Furthermore, when the Board of Directors makes significant or repeated decisions about which the director has serious reservations, the director should draw the appropriate conclusions and, in the event the director decides to resign, explain the reasons for this decision in the letter referred to in the next recommendation.

    This recommendation also applies in the case of the secretary of the Board of Directors, despite not being a director.

Compliant

24. **That whenever, due to resignation or resolution of the General Shareholders' Meeting, a director leaves before the completion of his or her term of office, the director should explain the reasons for this decision, or in the case of non-executive directors, their opinion of the reasons for cessation, in a letter addressed to all members of the Board of Directors.**

    And that, without prejudice to all this being reported in the annual corporate governance report, insofar as it is relevant to investors, the company must publish the cessation as quickly as possible, adequately referring to the reasons or circumstances adduced by the director.

    Compliant

25. **That the appointments committee ensures that non-executive directors have sufficient time in order to properly perform their duties.**
    And that the Board rules establish the maximum number of company Boards on which directors may sit.

    Compliant

26. **That the Board of Directors meet frequently enough so that it may effectively perform its duties, at least eight times per year, following a schedule of dates and agenda established at the beginning of the year and allowing each director individually to propose items do not originally appear on the agenda.**

    Compliant

27. **That director absences only occur when absolutely necessary and are quantified in the Annual Corporate Governance Report. And when absences occur, that the director appoints a proxy with instructions.**

    Compliant

28. **That when directors or the secretary express concern regarding a proposal or, in the case of directors, regarding the direction in which the company is headed and said concerns are not resolved by the Board of Directors, such concerns should be included in the minutes, upon a request from the protesting party.**

    Compliant

29. **That the company establishes adequate means for directors to obtain appropriate advice in order to properly fulfil their duties including, should circumstances warrant, external advice at the company's expense.**

    Compliant

30. **That, without regard to the knowledge necessary for directors to complete their duties, companies make refresher courses available to them when circumstances require**

    Compliant

31. **That the agenda for meetings clearly states those matters about which the Board of Directors are to make a decision or adopt a resolution so that the directors may study or gather all relevant information ahead of time.**

    When, under exceptional circumstances, the chairman wishes to bring urgent matters for decision or resolution before the Board of Directors which do not appear on the agenda, prior express agreement of a majority of the directors shall be necessary, and said consent shall by duly recorded in the minutes.

    Compliant

32. **That directors shall be periodically informed of changes in equity ownership and of the opinions of significant shareholders, investors and rating agencies of the company and its group.**

    Compliant

33. **That the chairman, as the person responsible for the efficient workings of the Board of Directors, in addition to carrying out his duties required by law and the Articles of Association, should prepare and submit to the Board of Directors a schedule of dates and matters to be considered; organise and coordinate the periodic evaluation of the Board as well as, if applicable, the chief executive of the company, should be responsible for leading the Board and the effectiveness of its work; ensuring that sufficient time is devoted to considering strategic issues, and approve and supervise refresher courses for each director when circumstances so dictate.**

    Compliant

34. **That when there is a coordinating director, the Articles of Association or the Board rules should confer upon him the following competencies in addition to those conferred by law: chairman of the Board of Directors in the absence of the chairman and deputy chairmen, should there be any; reflect the concerns of non-executive directors; liaise with investors and shareholders in order to understand their points of view and respond to their concerns, in particular as those concerns relate to corporate governance of the company; and coordinate a succession plan for the chairman.**

    Compliant

35. **That the secretary of the Board of Directors should pay special attention to ensure that the activities and decisions of the Board of Directors take into account the recommendations regarding good governance contained in this Code of Good Governance and which are applicable to the company.**

    Compliant

36. **That the Board of Directors meet in plenary session once a year and adopt, where appropriate, an action plan to correct any deficiencies detected in the following:**

    a) **The quality and efficiency of the Board of Directors' work.**
    b) **The workings and composition of its committees.**
    c) **Diversity of membership and competence of the Board of Directors.**

d) **Performance of the chairman of the Board of Directors and the chief executive officer of the company.**
e) **Performance and input of each director, paying special attention to those in charge of the various Board committees.**

In order to perform its evaluation of the various committees, the Board of Directors will take a report from the committees themselves as a starting point and for the evaluation of the Board, a report from the appointments committee.

Every three years, the Board of Directors will rely upon the assistance of an external advisor for its evaluation, whose independence shall be verified by the appointments committee.

Business relationships between the external adviser or any member of the adviser's group and the company or any company within its group shall be specified in the Annual Corporate Governance Report.

The process and the areas evaluated shall be described in the Annual Corporate Governance Report.

Partially compliant

The Regulations of the Board of Directors provides for the procedure to carry out the annual evaluation of the Board. Nevertheless, no evaluation was conducted of the individual contribution and performance of each Board member in 2021 (although the Chairmen of the Board of Directors and of the board committees, the two executive directors and the coordinating director were evaluated individually as to fulfillment of their specific responsibilities).

The 2019 assessment was conducted with advice from an outside consulting firm (KPMG), but this was not considered necessary for the assessments conducted in 2020 and 2021.

37. **That if there is an executive committee, it must contain at least two non-executive directors, at least one of whom must be independent, and its secretary must be the secretary of the Board.**

Compliant

38. **That the Board of Directors must always be aware of the matters discussed and decisions taken by the executive committee and that all members of the Board of Directors receive a copy of the minutes of meetings of the executive committee.**

Compliant

39. **That the members of the audit committee, in particular its chairman, be appointed in consideration of their knowledge and experience in accountancy, audit and risk management issues, both financial and non-financial.**

Compliant

40. **That under the supervision of the audit committee, there must be a unit in charge of the internal audit function, which ensures that information and**

internal control systems operate correctly, and which reports to the non-executive chairman of the Board or of the audit committee.

Compliant

41. **That the person in charge of the unit performing the internal audit function should present an annual work plan to the audit committee, for approval by that committee or by the Board, reporting directly on its execution, including any incidents or limitations of scope, the results and monitoring of its recommendations, and present an activity report at the end of each year.**

Compliant

42. **That in addition to the provisions of applicable law, the audit committee should be responsible for the following:**

With regard to information systems and internal control:

a) **Supervising and evaluating the process of preparation and the completeness of the financial and non-financial information, as well as the control and management systems for financial and non-financial risk relating to the company and, if applicable, the group - including operational , technological, legal, social, environmental, political and reputational risk, or risk related to corruption - reviewing compliance with regulatory requirements, the appropriate delimitation of the scope of consolidation and the correct application of accounting criteria.**

b) **Ensuring the independence of the unit charged with the internal audit function; proposing the selection, appointment and dismissal of the head of internal audit; proposing the budget for this service; approving or proposing its orientation and annual work plans for approval by the Board, making sure that its activity is focused primarily on material risks (including reputational risk); receiving periodic information on its activities; and verifying that senior management takes into account the conclusions and recommendations of its reports.**

c) **Establishing and supervising a mechanism that allows employees and other persons related to the company, such as directors, shareholders, suppliers, contractors or subcontractors, to report any potentially serious irregularities, especially those of a financial or accounting nature, that they observe in the company or its group. This mechanism must guarantee confidentiality and in any case provide for cases in which the communications can be made anonymously, respecting the rights of the whistleblower and the person reported.**

d) **Generally ensuring that internal control policies and systems are effectively applied in practice.**

With regard to the external auditor:

a) **In the event that the external auditor resigns, examining the circumstances leading to such resignation.**

b) **Ensuring that the remuneration paid to the external auditor for its work does not compromise the quality of the work or the auditor's independence.**

c) **Making sure that the company informs the CNMV of the change of auditor, along with a statement on any differences that arose with the outgoing auditor and, if applicable, the contents thereof.**

d) **Ensuring that the external auditor holds an annual meeting with the Board of Directors in plenary session in order to make a report regarding the tasks performed and the development of the company's accounting situation and risks.**

e) **Ensuring that the company and the external auditor comply with applicable rules regarding the provision of services other than auditing, limits on the concentration of the auditor's business, and, in general, all other rules regarding auditors' independence**

Compliant

43. **That the audit committee may require the presence of any employee or manager of the company, even without the presence of any other member of management.**

Compliant

44. **That the audit committee be kept abreast of any corporate and structural changes planned by the company in order to perform an analysis and draft a report beforehand to the Board of Directors regarding economic conditions and accounting implications and, in particular, any exchange ratio involved.**

Compliant

45. **That the risk management and control policy identify or determine, as a minimum:**

a) **The various types of financial and non-financial risks (including operational, technological, legal, social, environmental, political and reputational risks and risks relating to corruption) which the company faces, including among the financial or economic risks contingent liabilities and other off-balance sheet risks.**

b) **A risk control and management model based on different levels, which will include a specialised risk committee when sector regulations so require or the company considers it to be appropriate.**

c) **The level of risk that the company considers to be acceptable.**

d) **Measures in place to mitigate the impact of the risks identified in the event that they should materialised.**

e) **Internal control and information systems to be used in order to control and manage the aforementioned risks, including contingent liabilities or off-balance sheet risks**

Compliant

46. **That under the direct supervision of the audit committee or, if applicable, of a specialised committee of the Board of Directors, an internal control and management function should exist delegated to an internal unit or department of the company which is expressly charged with the following responsibilities:**

    a) **Ensure the proper functioning of risk management and control systems and, in particular, that they adequately identify, manage and quantify all material risks that may affect the company.**

    b) **Actively participate in the creation of the risk strategy and in important decisions regarding risk management.**

    c) **Ensure that the risk management and control systems adequately mitigate risks as defined by policy issued by the Board of Directors.**

    Compliant

47. **That members of the appointment and remuneration committee -- or of the appointments committee and the remuneration committee if they are separate – are chosen taking into account the knowledge, ability and experience necessary to perform the duties they are called upon to carry out and that the majority of said members are independent directors.**

    Compliant

48. **That high market capitalisation companies have formed separate appointments and remuneration committees.**

    Does not apply

49. **That the appointments committee consult with the chairman of the Board of Directors and the chief executive of the company, especially in relation to matters concerning executive directors.**

    And that any director may ask the appointments committee to consider potential candidates he or she considers appropriate to fill a vacancy on the Board of Directors.

    Compliant

50. **That the remuneration committee exercises its functions independently and that, in addition to the functions assigned to it by law, it should be responsible for the following:**

    a) **Propose basic conditions of employment for senior management.**

    b) **Verify compliance with company remuneration policy.**

    d) **Periodically review the remuneration policy applied to directors and senior managers, including remuneration involving the delivery of shares, and guarantee that individual remuneration be proportional to that received by other directors and senior managers.**

e) **Oversee that potential conflicts of interest do not undermine the independence of external advice rendered to the Board.**

f) **Verify information regarding remuneration paid to directors and senior managers contained in the various corporate documents, including the Annual Report on Director Remuneration.**

Compliant

51. **That the remuneration committee consults with the chairman and the chief executive of the company, especially in matters relating to executive directors and senior management.**

Compliant

52. **That the rules regarding composition and workings of supervision and control committees appear in the rules governing the Board of Directors and that they are consistent with those that apply to mandatory committees in accordance with the recommendations above, including:**

a) **That they are comprised exclusively of non-executive directors, with a majority of them independent.**

b) **That their chairmen be independent directors.**

c) **That the Board of Directors select members of these committees taking into account their knowledge, skills and experience and the duties of each committee; discuss their proposals and reports; and detail their activities and accomplishments during the first plenary session of the Board of Directors held after the committee's last meeting.**

d) **That the committees be allowed to avail themselves of outside advice when they consider it necessary to perform their duties.**

e) **That their meetings be recorded and the minutes be made available to all directors.**

Compliant

53. **That verificationof compliance with the company's policies and rules on environmental, social and corporate governance matters, and with the internal codes of conduct be assigned to one or divided among more than one committee of the Board of Directors, which may be the audit committee, the nomination committee, a specialised committee on sustainability or corporate social responsibility or such other specialised committee as the Board of Directors, in the exercise of its powers of self-organisation, may have decided to create. And that such committee be composed exclusively of non-executive directors, with a majority of these being independent directors, and that the minimum functions indicated in the next recommendation be specifically assigned to it.**

Compliant

54. The minimum functions referred to in the foregoing recommendation are the following:

a) Monitoring of compliance with the company's internal codes of conduct and corporate governance rules, also ensuring that the corporate culture is aligned with its purpose and values.

b) Monitoring the application of the general policy on communication of economic and financial information, non-financial and corporate information and communication with shareholders and investors, proxy advisors and other stakeholders. The manner in which the entity communicates and handles relations with small and medium-sized shareholders must also be monitored.

c) The periodic evaluation and review of the company's corporate governance system, and environmental and social policy, with a view to ensuring that they fulfil their purposes of promoting the interests of society and take account, as appropriate, of the legitimate interests of other stakeholders.

d) Supervision of the company's environmental and social practices to ensure that they are in alignment with the established strategy and policy.

e) Supervision and evaluation of the way in which relations with the various stakeholders are handled

Compliant

55. That environmental and social sustainability policies identify and include at least the following:

a) The principles, commitments, objectives and strategy relating to shareholders, employees, clients, suppliers, social issues, the environment, diversity, tax responsibility, respect for human rights, and the prevention of corruption and other unlawful conduct

b) Means or systems for monitoring compliance with these policies, their associated risks, and management.

c) Mechanisms for supervising non-financial risk, including that relating to ethical aspects and aspects of business conduct.

d) Channels of communication, participation and dialogue with stakeholders.

e) Responsible communication practices that impede the manipulation of data and protect integrity and honour.

Compliant

56. That director remuneration be sufficient in order to attract and retain directors who meet the desired professional profile and to adequately compensate them for the dedication, qualifications and responsibility demanded of their posts, while not being so excessive as to compromise the independent judgment of non-executive directors.

Compliant

57. **That only executive directors receive remuneration linked to corporate results or personal performance, as well as remuneration in the form of shares, options or rights to shares or instruments whose value is indexed to share value, or long-term savings plans such as pension plans, retirement accounts or any other retirement plan.**

    Shares may be given to non-executive directors under the condition that they maintain ownership of the shares until they leave their posts as directors. The forgoing shall not apply to shares that the director may be obliged sell in order to meet the costs related to their acquisition.

Compliant

58. **That as regards variable remuneration, the policies incorporate limits and administrative safeguards in order to ensure that said remuneration is in line with the work performance of the beneficiaries and are not based solely upon general developments in the markets or in the sector in which the company operates, or other similar circumstances.**

    And, in particular, that variable remuneration components:

    a) **Are linked to pre-determined and measurable performance criteria and that such criteria take into account the risk undertaken to achieve a given result.**

    b) **Promote sustainability of the company and include non-financial criteria that are geared towards creating long term value, such as compliance with rules and internal operating procedures and risk management and control policies.**

    c) **Are based upon balancing short-, medium- and long-term objectives, permitting the reward of continuous achievement over a period of time long enough to judge creation of sustainable value such that the benchmarks used for evaluation are not comprised of one-off, seldom occurring or extraordinary events.**

Compliant

59. **That the payment of variable remuneration components be subject to sufficient verification that previously established performance or other conditions have effectively been met. Entities must include in their annual report on director remuneration the criteria for the time required and methods used for this verification depending on the nature and characteristics of each variable component.**

    That, additionally, companies consider the inclusion of a reduction ('malus') clause for the deferral of the payment of a portion of variable remuneration components that would imply their total or partial loss if an event were to occur prior to the payment date that would make this advisable.

Compliant

60. **That remuneration related to company results takes into account any reservations which may appear in the external auditor's report which would diminish said results.**

Compliant

61. **That a material portion of variable remuneration for executive directors depends upon the delivery of shares or instruments indexed to share value.**

Compliant

62. **That once shares or options or financial instruments have been allocated under remuneration schemes, executive directors be prohibited from transferring ownership or exercising options or rights until a term of at least three years has elapsed.**

An exception is made in cases where the director has, at the time of the transfer or exercise of options or rights, a net economic exposure to changes in the share price for a market value equivalent to at least twice the amount of his or her fixed annual remuneration through the ownership of shares, options or other financial instruments.

The forgoing shall not apply to shares that the director may need to sell in order to meet the costs related to their acquisition or, following a favourable assessment by the nomination and remuneration committee, to deal with such extraordinary situations as may arise and so require

Compliant

63. **That contractual arrangements include a clause which permits the company to seek reimbursement of variable remuneration components in the event that payment does not coincide with performance criteria or when delivery was made based upon data later deemed to be inaccurate.**

Compliant

64. **That payments for contract termination should not exceed an amount equivalent to two years of total annual remuneration and should not be paid until the company has been able to verify that the director has fulfilled all previously established criteria or conditions for payment.**

For the purposes of this recommendation, payments for contractual termination will be considered to include any payments the accrual of which or the obligation to pay which arises as a consequence of or on the occasion of the termination of the contractual relationship between the director and the company, including amounts not previously vested of long-term savings schemes and amounts paid by virtue of post-contractual non-competition agreements.

Partially Compliant

On the one hand, reference should be made to the termination of the contract between the Company and Mr. Manuel Mirat in July 2021. Mr. Mirat was executive director of Prisa until July 2021 (Executive Chairman of Santillana in June-July 2021 and CEO of Prisa until June of that same year). The amount resulting from the termination of that contract exceeded the equivalent of two years of Mr. Mirat's total annual remuneration, although it was only paid once the Company had verified that all of the criteria and conditions for payment had been fulfilled.

However, it should be noted that this severance included compensation for the ordinary employment contract that Mr Mirat had with the Company, and that was independent of the provision of services contract that governed his executive functions, first as Prisa CEO and later as Executive Chairman of Santillana.

In other respects, the contract between the Company and one of the current executive directors Mr. Francisco Cuadrado (Executive Chairman of Santillana), provides that in the event his contract is terminated: i) voluntarily by the director as a consequence of a change in control of the Company (as defined in the contract) or ii) unilaterally terminated at the Company's discretion or due to breach on the part of the Company, the executive director will be entitled to a fixed-amount post-contract non-competition compensation equal to six months' of his last gross salary and, in addition, to a total compensation of 1,643,020 euros (gross). In determining this amount the following were taken into account (a) the amounts for wrongful dismissal to which Mr. Cuadrado would have been entitled for the termination of the ordinary employment and senior management contracts under which Mr. Cuadrado was employed in different Grupo Prisa entities from 18 October 1989 until the entry into force of his present contract (July 2021) and (b) a gross up to compensate the loss to Mr. Cuadrado for not being able to benefit from the maximum exemption for dismissal or termination of workers provided for in article 7.e) of the Individual Income Tax Act. Moreover, the termination of Mr. Cuadrado's provision of services contract entitles him to an additonal gross compensation in the amount currently established as the social security contributory unemployent benefit, taking as a reference the maximum contributory quota and the maximum period for which that benefit is granted.

In view of the above, if the provision of services contract governing Mr. Cuadrado's executive functions were terminated, his compensation would exceed the limits provided for in this recommendation.

H FURTHER INFORMATION OF INTEREST

1. **If there is any aspect regarding corporate governance in the company or other companies in the group that have not been included in other sections of this report, but which are necessary in order to obtain a more complete and comprehensible picture of the structure and governance practices in the company or group, describe them briefly below.**

2. **This section may also be used to provide any other information, explanation or clarification relating to previous sections of the report, so long as it is relevant and not redundant.**

   Specifically, state whether the company is subject to any corporate governance legislation other than that prevailing in Spain and, if so, include any information required under this legislation that differs from the data requested in this report.

3. **The company may also state whether it voluntarily complies with other ethical or best practice codes, whether international, sector-based, or other. In such a case, name the code in question and the date the company began following it. It should be specifically mentioned that the company adheres to the Code of Good Tax Practices of 20 July, 2010**

-With regard to Section A.5 of this report, see section D.

- With regard to Section B.2 of this report, it should be underscored that in the Company's internal regulations (Articles of Association, General Meeting Regulations and Board of Directors Regulations) the power to issue non-convertible bonds has been transferred from the General Meeting to the Board. Therefore, although those regulations stipulate the same qualified majorities as are set out in article 201.2 of the LSC for the cases provided for in article 194.1 of the LSC, the quorums and qualified majorities required for the issue of bonds by the General Meeting apply exclusively to resolutions for the issue of convertible bonds.

-It should be noted that the Company has answered section C.1.5 in this Report taking into account the wording of subsection 6 of article 540.4.c) of the Corporate Enterprises Act (LSC), in accordance with Law 11/2018, of December 28 amending the Commercial Code, the consolidated text of the LSC and the Law on Account Audits in matters of nonfinancial information and diversity.

-Concerning section C.1.9 of this Report, it should likewise be noted that until 29 June 2021 the Company had a CEO (Mr. Manuel Mirat Santiago).

- Regarding section C. 2 of this Report, it should be noted that in February 2022 the Board of Directors resolved: i) to create a Sustainability Committee composed of five directors and ii) to appoint director Ms. Carmen Fernández de Alarcón member of the Audit, Risks and Compliance Committee, replacing Amber Capital.

-As PRISA's ADS are not listed on the NYSE (see Section A.14 of this Report), the Company is not subject to the corporate governance requirements specified by the Securities Exchange Act, the Sarbanes-Oxley Act and the NYSE.

-Prisa does not prepare any annual corporate governance report other than this one.

- The Company is not a signatory to the Code of Best Tax Practices of 20 July 2010.

- Lastly it is placed on record, in general for the entire Report that the taxpayer identification numbers (CIF) attributed to certain natural and legal persons are fictitious and have only been included to be able to complete the electronic template.

This Annual Corporate Governance Report was approved by the Board of Directors of the company at the meeting held on March 28, 2022.

State whether any directors voted against or abstained from voting on this report.

NO

"English translation for information purposes only. In case of discrepancies between the Spanish original and the English translation, the Spanish version shall prevail".

APPENDIX I

Model and statistics of the Annual Report on Remuneration of Directors of Circular 4/2013, of the Spanish National Securities Market Commission

MODEL ANNEX I ANNUAL REPORT ON REMUNERATION OF DIRECTORS OF LISTED CORPORATIONS.

THE ISSUER'S IDENTIFYING DATA

END DATE OF FISCAL YEAR OF REFERENCE 12/31/2021

TAX IDENTIFICATION NO. A28297059

Corporate Name PROMOTORA DE INFORMACIONES, S.A.

Registered Office: GRAN VÍA 32 - 28013 Madrid

ANNUAL REPORT ON REMUNERATION OF DIRECTORS OF LISTED CORPORATIONS.

BACKGROUND (FOR A BETTER UNDERSTANDING OF THE REPORT):

i. <u>Changes in the organisation chart of Grupo PRISA, in the structure of the Board of Directors and adaptation of the Directors' Remuneration Policy, in fiscal year 2021.</u>

This remuneration report refers to the company PROMOTORA DE INFORMACIONES, S.A. (hereinafter referred to as **"PRISA"** or the **"Company"**). The business group of which PRISA is the parent company shall be referred to as the "**Group**" or "**PRISA Group**".

PRISA's Extraordinary Shareholders' Meeting held on 18 December 2020 approved a Remuneration Policy for PRISA directors applicable for the 2020 and 2021 financial years ("2020/2021 Remuneration Policy"). Said text provided for the remuneration of a single executive director in the Company (who at that time was its CEO and first executive, Mr. Manuel Mirat Santiago).

Subsequently, in March 2021, PRISA's Board of Directors approved a new organisational chart with a view to implementing the operations of the Group's Education (Santillana) and Media (Radio and News) businesses, accelerating the advancement of Santillana and establishing the basis for creating PRISA Media (the new business unit that unifies the Group's Radio and News businesses). In view of the new organisational chart, it was decided that PRISA should evolve from having a sole executive director (the CEO) to having two executive directors, one as head and Executive Chairman of Education (Santillana) and the other as head and Executive Chairman of PRISA Media, resulting in the following:

- Mr. Carlos Nuñez Murias was appointed Executive Chairman of PRISA Media (in May 2021) and executive director of PRISA (by resolution passed at PRISA shareholders meeting in June 2021) and,

- Mr. Manuel Mirat Santiago assumed the Executive chairmanship of Santillana and resigned as CEO of PRISA, with effect from the holding of the aforementioned shareholders' meeting in June 2021.

In this context, it was necessary to adapt the 2020/2021 Remuneration Policy to the new organisation chart of the PRISA Group derived from the operating division of the Education and Media businesses, which contemplated two executive directors with the right to remuneration for the performance of executive functions in the scope of the respective businesses.

At the Ordinary Shareholders' Meeting held in June 2021, the following resolutions were adopted at the proposal of the Board of Directors and following a report from the Appointments, Remuneration and Corporate Governance Committee ("**ARCGC**"):

a) As already indicated, the re-election and appointment, respectively, of Mr. Manuel Mirat Santiago and Mr. Carlos Nuñez Murias, as directors of

PRISA, with the category of executives. Likewise, it was also resolved the appointment of a new proprietary director, Ms. Carmen Fernández de Alarcón, so increasing the number of PRISA directors from 12 to 14.

After the shareholders meeting, the appointment of Mr. Manuel Mirat Santiago as Executive Chairman of Santillana became effective, as well as his resignation as PRISA's CEO.

Thus it was implemented the new organisation of Grupo PRISA's two business areas (Education and Media) headed respectively by Mr. Manuel Mirat and Mr. Carlos Nuñez, who likewise will serve as executive directors of PRISA.

b) Approval of a new director remuneration policy, applicable for the years 2021, 2022 and 2023 ("**2021/2023 Remuneration Policy**" "**Remuneration Policy**" or the "**Policy**").

With respect to the 2021 financial year, this Remuneration Policy superseded and replaced the text of the 2020/2021 Remuneration Policy, without prejudice to the remuneration accrued under said remuneration policy, which remained valid.

Subsequently, in July 2021 the Board of Directors approved the succession to Santillana's chairmanship and Mr. Manuel Mirat was replaced by Mr. Francisco Cuadrado as Santillana's executive chairman. Likewise, Mr. Mirat resigned as executive director of Prisa and the Board of Directors appointed, by co-option, Mr. Cuadrado, as an executive director of Prisa.

On the other hand, during the 2021 financial year Mr. Javier de Jaime (in February 2021) and Mr. Dominique D'Hinnin (in November 2021) resigned as directors of PRISA, having been replaced by the independent directors Ms. José Marín and Dª Teresa Quirós, respectively.

ii. <u>Crisis caused by the Covid-19 pandemic:</u>

At the beginning of the COVID-19 crisis (first quarter of 2020) and in order to mitigate the negative impact of the current situation which has an special effect on the main sources of income generation of all kind of media, the Board of resolved to put in place a contingency plan to adequate the cost structures of the businesses to the foreseeable circumstances which gave rise to a series of measures in 2020 and 2021:

- Fiscal year 2020: In fiscal year 2020 a reduction was applied from April to December 2020, both inclusive, of 20% in the directors remuneration and around 35% in the annual remuneration of the then Chief Executive Officer and the Senior Management. Also, the Chief Executive Officer and senior managers of PRISA voluntarily decided to waive the part of their annual variable remuneration pegged to quantitative objectives for 2020. Subsequently, in January 2021, Mr. Mirat also waived the portion of the annual variable remuneration for the 2020 fiscal year corresponding to qualitative objectives, thus voluntarily waiving the total annual variable remuneration to which he may be entitled in the 2020 fiscal year.

- Fiscal year 2021: With the pandemic still rampant and no return yet foreseen to sufficient revenue levels, at the beginning of fiscal year 2021, new temporary interim measures were adopted to contribute to dealing with this complicated scenario and it was proposed to all employees with annual gross remuneration of €85,000 or higher, a temporary salary reduction (of 10% of the fixed remuneration) during 2021, including the then Chief Executive Officer. Likewise it was applied a 20% reduction in the remuneration of the non executive Board members during the same time period (although this would not affect of the remuneration of the non-executive Chairman, whose remuneration has already been cut by 50%, from €400,000 to €200,000 in December 2020).

As it will be explained in this report, certain contingency measures will continue to be applied in 2022 that will affect the remuneration of non-executive directors.

iii. <u>Previous contractual relations with Grupo PRISA of the executive director Mr. Francisco Cuadrado:</u>

Prior to assuming the position of Executive Chairman of Santillana and executive director of Prisa (July 2021), Mr. Cuadrado has provided his services to different companies of the Santillana division, within the PRISA Group, with which he has been linked by contractual relationships of different nature since October 1989.

At the time of signing his contract as Executive Chairman of Santillana, an agreement was executed to terminate the legal relationships that were in force or suspended between Mr. Cuadrado and Santillana.

iv. <u>Situation at the close of fiscal year 2021 and at the date of approval of this report:</u>

The two executive directors of PRISA are Mr. Carlos Nuñez (Executive Chairman of Prisa Media) and Mr. Francisco Cuadrado (Executive Chairman of Santillana), who have signed services agreements with the companies PRISA Media, S.L. and Grupo Santillana Educación Global, S.L.U., respectively. This report will refer to them jointly as the **"Executive Directors"** and individually as "**Executive Director of PRISA Media**" and **"Executive Director of Santillana"**, as appropriate.

At the date of approval of this annual report on remuneration of directors for 2021 (the "**Report**" or "**Annual Report on Remuneration**") PRISA´S Board of Directors has 14 members: 2 Executive Directors, 6 proprietary directors and 6 independent directors.

Likewise, the Board of Directors has the following committees: an Executive Committee, an Audit, Risk and Compliance Committee, the ARCGC and a Sustainability Committee (which has been recently established by resolution of the Board of Directors meeting held in February 2022) .

A. THE COMPANY'S REMUNERATION POLICY FOR THE CURRENT YEAR (2022)

A.1.1. Explain the directors' remuneration policy in force in the current fiscal year. To the extent that it is relevant, certain information may be included by reference to the remuneration policy approved by the General Shareholders' Meeting, provided the inclusion thereof is clear, specific and exact.

A description should be given of the specific determinations, for the current fiscal year, of the remuneration of the directors in their capacity as such for the performance of executive functions, made by the Board of Directors both in accordance with the provisions of the contracts signed with the executive directors and with the remuneration policy approved by the General Shareholders' Meeting.

In any case, at least the following aspects shall be reported:

a) Description of the company's procedures and bodies involved in the determination and approval of the remuneration policy and its terms and conditions.

b) Indicate and, as appropriate, explain whether comparable companies have been taken into account to establish the company's remuneration policy.

c) Information on whether any external advisor has participated and, if so, the identity thereof.

d) Procedures set forth in the current remuneration policy for directors in order to apply temporary exceptions to the policy, conditions under which those exceptions can be used and components that may be subject to exceptions according to the policy.

A.1.1.1. Directors' remuneration policy in force in the current fiscal year

A.1.1.1.1. "Remuneration Policy 2021/2023":

As indicated in the "Background" section above, the Ordinary Shareholders' Meeting held on 29 June 2021 approved the Directors' Remuneration Policy applicable for fiscal years 2021, 2022 and 2023.

In accordance with the provisions of article 529 novodecies of the consolidated text of the Spanish Companies Act (the **"Spanish Companies Act"),** a reasoned proposal from the Board and the ARCGC report on the new Remuneration Policy were made available to the shareholders. The documents are available on the corporate website www.prisa.com.

The purpose of the updates to the text of the remuneration policy basically was to:

i. Adapt the Remuneration Policy to the Group's new organisational structure derived from the planned operational division of the PRISA's Education and Media businesses, which provides for two executive directors with the right to remuneration for the performance of executive functions in the area of their respective businesses.

ii. Remove from the text of the policy certain remuneration items whose duration had expired, and which are therefore no longer applicable;

iii. Taking into account the prevailing socioeconomic circumstances as well as the specific circumstances of the Company in particular, it was considered appropriate for the Non-executive Chairman's remuneration range (which was between 300,000 and 500,000 euros per annum until December 2020) to be reduced down to a range between 200,000 and 300,000 euros per annum.

iv. Introduce new medium-term incentive plans targeted at certain key professionals in the Company and its Group to compensate the extraordinary efforts needed to achieve the value creation objectives set for the Group's Education and Media businesses and recognise the value created by the participants for PRISA and its shareholders.

v. Provide the market with more certainty on the remuneration policy that the Company will apply in 2022 and 2023.

vi. To introduce the legislative amendments approved by virtue of Act 5/2021 of 12 April 2021 (which amended the consolidated text of the Spanish Companies Act and other financial regulations, with regard to the promotion of long-term shareholder involvement in listed companies) that affect the content and form of the remuneration policy of listed companies.

The Remuneration policy 2021/2023 aims to keep the remuneration structure of the members of the Board of Directors in line with the Group's general strategy, thus promoting a system of effective incentives that guarantees results-orientation, implementation of the Group's strategic plan and the creation of value for shareholders in a way that is sustainable in the medium and long term, while contributing to the interests of the Group and the long-term sustainability of the Company.

In short, the 2021/2023 Remuneration Policy provides continuity from the Company's remuneration policy applicable in recent years, but adapting it to the Company's new circumstances and organisational structure, as well as new regulations.

A.1.1.1.2. <u>General principles of the Remuneration Policy</u>:

The general principle of the PRISA Remuneration Policy is for the remuneration to be what is needed to attract, retain and motivate distinguished directors with appropriate professional profiles who contribute to reaching the strategic objectives of PRISA Group. Specifically, PRISA Remuneration Policy is based on the following principles:

i. Moderation and adaptation to the best market practices: The aim is for the remuneration of directors to be moderate and consistent with market trends and references in relation to remuneration in the Company's sector of business or at companies that are comparable in terms of size, activity or their structure, so that they are in keeping with the best market practices.

ii. Proportionality: The remuneration of non-executive directors must reflect the effective dedication, qualification and responsibility required by the post, but must not be so high as to compromise the director's independence of mind.

iii. In addition, the remuneration of the directors who perform executive functions is based on the following principles:

a) To motivate their permanence and guide their management with exigency and special focus on the long term, and is reasonably linked to the performance of the stock market price in that time period.

b) To reflect the Company's current situation, perspectives and aims of sustainable growth. The remuneration system established is aimed at promoting profitability and sustainability at the Company on the long term.

c) To include fixed and variable components, with an annual or multi-year scope, as appropriate, in cash and in kind, and in elements indexed to share value or to the value of the Group's business, determined according to the following criteria, in order for the weighting of the different remuneration components to be in line with market practices:

- The fixed remuneration must be kept at moderate levels and is not modified during the term of the Policy, unless specific circumstances arise which making revising the Policy advisable.

- Variable remuneration must represent an important part of total remuneration.

- Medium-term remuneration must have a significant weight.

- The share-based remuneration must also be significant, but without being the only criterion to define the variable remuneration.

- The total variable remuneration must be partially deferred over time.

d) To include in their contracts a clause that enables the Company to claim back any variable remuneration paid, in the event it is subsequently verified, on an objective basis, that said remuneration was determined based on incorrect or inaccurate data.

iv. Restrictions on the transfer of the shares that the directors may receive as part of their remuneration package: The Policy establishes that non-executive directors may receive shares in payment for their fixed remuneration and, in that case, they have the obligation to maintain the ownership of those shares until their relationship as director is terminated. Moreover, the executive directors who receive Company shares in payment for their remuneration shall have the obligation to maintain the ownership of those shares for at least three years since the allocation of those shares. An exception to the above is made for situations where, at the time of transfer or exercise, the director has a net economic exposure to share price fluctuations for a market value equivalent to two times or more the director's annual fixed remuneration through ownership of shares, options or other financial instruments. Other cases expressly provided for in the Policy are also exempted from the above.

    These exceptions shall not apply to shares that the director needs to dispose of in order to meet the costs related to their acquisition or, subject to the favourable opinion of the ARCGC, to meet extraordinary situations that so require.

v. Long-term sustainability of the Company: remuneration for board members established in the Remuneration Policy will remain reasonably proportionate to the relevance of the Company, its current economic and financial situation and to the market standards of comparable businesses. Additionally, the remuneration system will be oriented to promote long-term profitability and sustainability of the Company, including the necessary precautions to avoid assuming excessive risks and to prevent compensating unfavourable result.

vi. Alignment with the business strategy: the Remuneration Policy aims to establish remuneration with objective criteria in relation to the individual performance of the members of the Board of Directors and the achievement of the Company's and the Group's business objectives. For this purpose, variable annual components are foreseen, linked to the achievement of specific, predetermined, quantifiable objectives aligned with the Company's corporate interest and strategic objectives. In addition, medium and long-term incentives are foreseen to strengthen and encourage the achievement of the Company's strategic objectives (based on the operational separation of the Education ("Santillana") and Media ("PRISA Media") businesses and the enhancement of the value of Santillana).

In the preparation of the Remuneration Policy and in the determination of the remuneration scheme and other terms and conditions of remuneration of directors and senior management, the Board of Directors has paid attention to the employment conditions of the Company and the Group. In this regard, the Remuneration Policy is aligned with that of the rest of the PRISA Group's employees in Spain, both in terms of the principles that inspire it and in terms of the main components of remuneration.

On the other hand, and in accordance with the provisions of the Remuneration Policy, the Board of Directors, in order to contribute to the maintenance of a proportionate and balanced remuneration structure, has endeavoured to ensure that the ratio between the average remuneration of directors and senior management and that of employees in Spain (considering 2,367 employees at the time of approval of the Policy by the Board of Directors in May 2021) was reasonable, taking into account the situation of the Company and the sectors in which it operates, as well as the practice of the market and other comparable education and media groups. Considering the data available at the time the Policy was approved: in particular, it was ensured that the average remuneration of senior managers (considering four managers and excluding the two executive directors) did not represent more than 5.2 times the average salary of the workforce in Spain; that the average remuneration of external directors (considering 12 external directors, including the Chairman) did not represent more than 2.3 times the average salary of the workforce in Spain; and that the remuneration of the two executive directors did not represent more than 10.4 times the average salary of the workforce in Spain.

The Remuneration Policy to be applied in fiscal year 2022 will therefore be that approved by the Ordinary Shareholders' Meeting held on 29 June 2021, which includes the principles and bases of prudence, moderation and transparency described before. However, the Company intends to submit to the consideration of the next shareholders' meeting to be held in 2022 the update of the aforementioned Remuneration Policy in order to adjust it to the new organisation of the Board of Directors.

A.1.1.1.3. <u>Contingency measures to be implemented in fiscal year 2022, in the context of the Covid-19 crisis.</u>

As part of the contingency plan implemented in 2020 to minimise the effects caused by the COVID-19 crisis, the Board of Directors, at the proposal of the ARCGC, has resolved that the same 20% reduction in the remuneration of the members of the Board that was applied for 2021 (see the Background of this Report) will continue to be applied during the 2022 financial year and the remuneration of the non-executive Chairman (which in December 2020 already underwent a 50% reduction) will continue to be exempted from the above. Likewise, the remuneration corresponding to the chairmanship of the Appointments, Remuneration and Corporate Governance Committee (ARCGC), the Audit, Risk and Compliance Committee and the Sustainability Committee (in the latter case, once the new Remuneration Policy sets the remuneration of the members of this Committee) shall be exempt, given the special workload, dedication and responsibility that such positions entail.

These measures are in line with the principles set forth in the Company's Remuneration Policy, by virtue of which the remuneration of the directors must be in accordance with the best market practices and must take into account the current situation, prospects and sustainable growth objectives of the Company, keeping a reasonable proportion with its economic and financial situation. Likewise, the Remuneration Policy foresees that the fixed remuneration of the directors will be maintained at moderate levels without undergoing modifications during the period of validity of the Policy, unless specific circumstances become evident that would call for its revision.

A.1.1.2. Specific determinations of the remuneration of the directors

A.1.1.2.1. Specific determinations of the remuneration of the directors both in their capacity as such and for the performance of executive functions

In relation to the specific determinations for the fiscal year in course, the remuneration of the directors both in their capacity as such and for the performance of executive functions, the ARCGC and the Board of Directors are going to apply in 2022 the Remuneration Policy strictly on strictly on its terms which means that:

i. The non-executive directors will be paid a fixed annual allowance in cash for belonging to the Board of Directors and, as appropriate, an additional fixed amount of remuneration for belonging to or presiding over the committees of the Board of Directors (the "Committees").

ii. The remuneration of the directors in their capacity as such (not as executives) will be compatible with any which they may receive for participating on the Boards of Directors of other Group companies, pursuant to their respective bylaws.

iii. The directors of PRISA will not receive per diems for participating on the Boards of Directors and Committees or other fixed remuneration as directors.

iv. The expenses associated to travel, meals and accommodation to attend the meetings of the Board of Directors and Committees will be reimbursed by the Company, where they have been previously notified to the Company and accepted by it, and where they are duly justified.

v. In accordance with the Remuneration Policy, the remuneration of non-executive Chairman of the Board, will consist of a specific fixed remuneration for all concepts ranging between 200,000 and 300,000 euros per year and the specific fixed amount that at all times corresponds to Chairman of the Company is established by the Board of Directors, as proposed by the ARCGC, within this range, taking into consideration the levels of responsibility and dedication required to be Chairman of the Board of Directors and of the Executive Committee, as well as the specific circumstances in the functions performed by the non-executive Chairman, taking into account the specific characteristics of the individual, his or her expertise, career and experience, as well as, in general, the professional suitability for the position.

   The remuneration will be paid in cash and will be prorated monthly. It will be incompatible with receiving the remuneration established in points a) and b) above.

vi. According to the Policy and the detail of their contracts the remuneration of the executive directors (Mr. Francisco Cuadrado, Executive Chairman of Santillana and Mr. Carlos Nuñez, Executive Chairman of PRISA Media) may include the following remuneration items: (i) fixed remuneration, (ii) variable remuneration in the short term, (iii) variable remuneration in the medium or long term, (iv) social security; (v) remuneration in kind and (vi) insurance, indemnities, agreements for exclusivity, post-contractual non-competition or permanence.

    The executive directors will not receive the remuneration established for the non- executive directors indicated in the previous letters of this heading.

A.1.1.2.2. <u>Maximum remuneration of the directors</u>:

The Remuneration Policy establishes that the maximum amount of remuneration that the Company may pay yearly to the directors is that resulting from totalling:

i. The maximum annual amount of 2,000,000 euros, on top of which amounts to be paid to the directors for the functions detailed in sections i), and v) of section A.1.1.2.1 may be added (i.e., the fixed remuneration for participating on the Board of Directors and the committees of the Board of the non-executive directors as well as the annual fixed remuneration of the non-executive Chairman).

    The aforementioned amount has, in any case, the nature of maximum, and it falls to the Board of Directors to propose how that amount will be distributed amongst the different remuneration components and amongst the directors, in the form, date and proportion freely determined by the Board in light of the functions and responsibilities attributed to each one, their membership and duties on the Board Committees and other objective circumstances as may be deemed relevant.

ii. The amounts for the following concepts corresponding to the executive directors for their executive functions: fixed remuneration, variable remuneration and remuneration in kind.

iii. In the event of termination of the executive directors, the amount to which they are entitled, according to the conditions of their contract, under the terms of section A.1.9 ahead.

A.1.1.3. Description of the procedures and bodies at the Company involved in the determination and approval of the remuneration policy and its terms and conditions

The bodies in charge of designing the Remuneration Policy are the Board of Directors and the ARCGC, while the General Shareholders' Meeting is the one that has the authority, according to article 9 of PRISA's bylaws ("**Bylaws"**), to approve the Directors' Remuneration Policy, pursuant to applicable legislation.

As established in the Corporate Bylaws and in the PRISA Board of Directors Regulations ("**Board Regulations**"), according to articles 249, 249 bis and 529 of consolidated Spanish Companies Act, the Board of Directors shall be in charge of:

i. Decisions regarding directors' remuneration, within the framework of the Bylaws and, where appropriate, the remuneration policy approved at the General Shareholders' Meeting.

ii. Approving the terms and conditions of the contracts of the directors that have been attributed executive functions.

iii. Setting the remuneration of the directors for performing executive functions.

The Board Regulations attribute to the ARCGC not only the functions determined by the Spanish Companies Act but also the following powers in relation to the remuneration of the directors:

i. Propose to the Board of Directors the remuneration policy of directors and senior managers, and the individual remuneration and other contractual conditions of the executive directors. In turn, the Board Regulations provide that the Sustainability Committee shall propose to the ARCGC the terms of the variable remuneration of the Company's executive directors and senior managers, which are linked to sustainability objectives.

ii. Ensure that the policy is observed and that the remuneration policy for directors and senior managers, including share-based remuneration systems and their application, are periodically reviewed, and ensure that their individual remuneration is proportionate to their responsibility and dedication and to that of the other directors and senior managers at the Company.

iii. Inform the Board of Directors of proposals relating to the terms of the variable remuneration of the executive directors and senior managers at the Company, and of the other incentive plans addressed to them and, as the case may be, verify the degree of achievement of the objectives established for them.

iv. Verify the information on the remuneration of directors and senior managers set out in the different corporate documents and, in particular, prepare the annual report on directors' remuneration for approval by the Board of Directors.

The ARCGC shall be formed by a minimum of three and a maximum of five non-executive directors, the majority of whom shall be independent directors. The designation of the Committee members shall seek to ensure that they have the appropriate knowledge, skills and experience for the functions which they will perform and, particularly, in corporate governance issues, strategic analysis and evaluation of human resource, recruitment of directors and managers, performance of senior management functions and design of remuneration policies and plans for directors and senior managers. The appointment and removal of

Committee members shall be done by the Board of Directors at the proposal of the ARCGC itself.

At the date of preparation of this Report, the composition of the ARCGC is as follows:

- Ms. Beatrice de Clermont-Tonnerre, independent external director, as Chairman.

- Mr Javier Santiso Guimaras, independent non-executive director, as a member.

- Mr Rosauro Varo Rodriguez, independent non-executive director, as a member.

- Ms Carmen Fernández de Alarcón, proprietary director, as a member.

A.1.1.4. Comparable companies used to establish the company's remuneration policy

The aim of the PRISA Remuneration Policy is for directors' remuneration to be reduced and to comply with market trends and references in relation to remuneration in the Company's sector of business or at companies that are comparable in size, activity or structure, so that they are in-keeping with the best market practices. At the same time, the Company's remuneration systems have to be capable of attracting, retaining and motivating talent.

As indicated in last years' Remuneration Reports, PRISA participated in a remuneration study prepared by the firm Korn Ferry, which analysed the amounts and trends in remuneration paid to directors and members of senior management at a set of companies that are comparable to PRISA in terms of stock market capitalisation and annual income (the **"Study").** Specifically, in that Study, the Company was included in a comparison group along with thirteen other companies, based on the following segmentation criterion: companies with an annual volume of revenues and/or stock market capitalisation in excess of 1.3 billion euros, whether or not their business activities and transactions have international exposure.

According to the Study, the then CEO's fixed remuneration and short-term annual variable remuneration target was below the median of the comparison group. Moreover, the items making up the CEO's remuneration package were in line with those of the peer group.

The Study indicated that the fixed remuneration received by PRISA's directors in respect of their positions as Board members (non-executive) was below the median for directors on the boards of the IBEX 35 companies.

A.1.1.5 Participation of external advisors.

Whenever the ARCGC considers it appropriate, its proposals receive the necessary external advice to carry out their analysis and preparatory work.

For the preparation of the Remuneration Policy, which was approved at the Ordinary Shareholders' Meeting held on 29 June 2021, the Company was advised externally by the firm Uría & Menéndez.

In 2021 Uría & Menéndez has also advised the Company on the configuration of the contracts, currently in force, of the executive directors (Mr. Carlos Nuñez, as Executive Chairman of Prisa Media and Mr. Francisco Cuadrado as Executive Chairman of Santillana).

On the other hand, in relation to the review, update and analysis of the degree of achievement of the objectives linked to the 2018-2020 medium-term deferred remuneration settled in February 2022 (referred to in sections A.1.2.1 and A.1.6 of this Report) the ARCGC has received external advice from KPMG. Willis Tower Watson also advised on the design of the 2021-2024 Medium-Term Incentive Plan linked to Santillana's value creation (referred to in sections A.1.2.1 and A.1.6. of this Report).

The ARCGC has also received external advice on issues related to the contractual conditions of certain members of senior management, as well as on other matters within its competence.

A.1.1.6 Procedures set forth in the current remuneration policy for directors in order to apply temporary exceptions to the policy

The Remuneration Policy does not contemplate any procedure to apply temporary exceptions.

A.1.2. Relative importance of variable remuneration items vis-à-vis fixed remuneration (remuneration mix) and the criteria and objectives taken into consideration in their determination and to ensure an appropriate balance between the fixed and variable components of the remuneration. In particular, indicate the actions taken by the company in relation to the remuneration system to reduce exposure to excessive risks and to align it with the long-term objectives, values and interests of the company, which will include, as the case may be, mention of the measures taken to ensure that the long-term results of the company are taken into account in the remuneration policy, the measures adopted in relation to those categories of personnel whose professional activities have a material impact on the risk profile of the company and measures in place to avoid conflicts of interest.

Furthermore, indicate whether the company has established any period for the accrual or vesting of certain variable remuneration items, in cash, shares or other financial instruments, any deferral period in the payment of amounts or delivery of accrued and vested financial instruments, or whether any clause has been agreed reducing the deferred remuneration not yet vested or obliging the director to return remuneration received, when such remuneration has been based on figures that have since been clearly shown to be inaccurate.

A.1.2.1 Relative importance of variable remuneration items vis-à-vis fixed remuneration (remuneration mix)

As established in the Remuneration Policy, only the executive directors will participate in the variable remuneration system. Thus, the Policy complies with Recommendation 57 of the CNMV (according to which variable remuneration should be confined to executive directors).

The variable remuneration system for the Executive Directors described below is as provided in the Remuneration Policy and in their contract with the Company.

The aim of the theoretical variable remuneration received by the Executive Directors is to foment their commitment to the Company and incentivise the best performance of their functions, and it represents an important portion of their total remuneration, being linked to the achievement of objectives established by the Board of Directors in advance, which are mostly specific and quantifiable, so that it does not derive simply from general performance of the market, the Company's business sector or other similar circumstances. The criteria to award the variable remuneration are both financial and non-financial as recommended by international good governance practices in relation to the remuneration of the Directors.

The aim of the Company, in relation to the Group's executives, is to design competitive remuneration packages that permit attracting, retaining and motivate top-tier professionals while establishing a link between their remuneration and the results and objectives of the Company and the Group.

Every year the parameters of a variable remuneration system are defined which complies with formal procedures for determining the amounts to be paid to the Executive Directors. The objectives are set down in writing in advance, and their achievement is determined according to the Executive Directors' results and approved by the Board of Directors, at the proposal of the ARCGC.

The determination of the variable remuneration for the Executive Directors takes into account mainly quantitative business-related objectives, which include the Group's operational and financial objectives, value creation objectives, and qualitative objectives relating to ESG metrics, skills and conduct which are required of a top-tier executive of such characteristics. For fiscal year 2022, 100% of the objectives will be quantitative, without subjective variables.

The variable components of remuneration have sufficient flexibility to permit adjusting them to the point of being able to eliminate them altogether. There is no right to obtain guaranteed variable remuneration (with the exception explained below in relation to the variable remuneration corresponding to the 2021 fiscal year of the Executive Chairman of PRISA Media, Mr. Nuñez). The ARCGC's participation facilitates taking into account the risks associated to remuneration in discussions and in their proposal to the Board of Directors, both when determining and when assessing the annual and multi-year incentives.

Currently, the variable remuneration system for Executive Directors includes short-term annual variable remuneration and a medium-term incentive plan.

Likewise, the Executive Directors may be beneficiaries of an extraordinary incentive linked to the success of strategic operations key to the Group's interests, when so decided by the Board of Directors. Additionally, it should be noted that, as indicated later in this Report, the "Medium-term deferred variable remuneration for the period 2018-2020" in favour of the former Executive Director Mr. Manuel Mirat has been settled in February 2022).

To determine the relative importance of the variable vs. fixed remuneration items ("Remuneration Mix"), the following is taken into account:

i. Fixed remuneration:

   Fixed remuneration which, in the case of the Executive Director of Santillana amounts to 475,000 euros and in the case of the Executive Director of Prisa Media is 400,000 euros.

ii. Short-term annual variable remuneration:

   Annual short-term variable remuneration amounting to 250,000 euros for each of the Executive Directors, for a level of achievement of 100% of the established objectives. In relation to the variable remuneration corresponding to the 2021 financial year (which is settled in the 2022 financial year), there is the possibility of increasing this amount up to a maximum of 130% if the degree of achievement of the established objectives is greater than 100%, so that the maximum amount that each of the Executive Directors could receive for this remuneration item is 325,000 euros gross.

   Taking into account that the two Executive Directors have assumed their responsibilities as Executive Chairman of PRISA Media and Executive Chairman of Santillana, respectively, throughout the 2021 financial year, the annual variable remuneration for this period (see section B.3.1 ii) b) of this Report) is subject to the following particularities, in accordance with the stipulations of their respective contracts with the Company:

   a) The annual variable remuneration of Mr. Carlos Nuñez (Executive Chairman of PRISA Media) is calculated in proportion to the length of service during the year 2021, although, exceptionally, the Company guarantees the payment of 50% of the annual variable remuneration mentioned above (i.e. 50% of €250,000).

   b) With respect to the variable remuneration of Mr. Francisco Cuadrado (Executive Chairman of Santillana) for the performance of his duties during the year 2021, it is calculated as follows:

      - Until 31 July 2021, the amount of the annual variable remuneration is calculated by applying the percentage corresponding to the degree of achievement of the objectives set on a target bonus (target amount) of 160,000 euros gross; and

- From 1 August 2021 to 31 December 2021, the amount of the annual variable remuneration is calculated by applying the same percentage corresponding to the degree of achievement of the objectives set on a target bonus (target amount) of 250,000 euros gross.

In relation to the variable remuneration corresponding to fiscal year 2022 (payable in fiscal year 2023), there is the possibility of increasing said amount up to a maximum of 150% if the degree of achievement of the objectives set is higher than 135%, so that the maximum amount that each of the Executive Directors could receive for this remuneration item is 375,000 euros gross.

iii. Long-term variable remuneration.

The contracts of the Executive Directors provide that they shall be entitled to participate in the medium or long-term variable remuneration systems established by the Company with which they have the contract or by PRISA, for its executive personnel, under the terms approved from time to time by the Board of Directors of such Company or of PRISA, in accordance with the remuneration structure established by the Board of Directors of PRISA, at the proposal of the ARCGC and within the framework of the Remuneration Policy.

In this regard, currently the following medium- or long-term remuneration systems are distinguished:

a) Medium-term Incentive Plan 2020-2023, linked to the creation of value of Santillana **("Incentive Plan 2020-2023 Santillana"**)

The Executive Director of Santillana is the beneficiary of a medium-term incentive plan linked to the creation of value for Santillana in the period between 1 September 2020 and 31 December 2023. The plan was approved by the Board of Directors at its meeting held on 26 January 2021.

The aim of this plan is to link part of the remuneration of certain key directors of PRISA and Santillana (among whom is the Executive Director of Santillana) with the interests of PRISA shareholders in a multi-year framework and long-term value creation for the shareholders. In this respect, the plan aims to (i) create incentives for the participants to maximise value creation for the education businesses (Santillana) for the shareholders in a period of approximately three years, (ii) reward the extraordinary efforts required to achieve the value-creation objectives set; and (iii) recognise the contribution of value by the participants to PRISA and Santillana.

The incentive plan will allow the beneficiaries to participate in the creation of value for Santillana during the reference period, provided that they exceed a minimum revaluation target for Santillana (1.4

billion euros) and comply with the rest of the conditions established in the regulation of the plan approved by the Board of Directors of PRISA.

The beneficiaries will have the right to receive in cash a percentage of the value created for Santillana, understood as the positive difference between the enterprise value of Santillana on the date of the completion of the plan (31 December 2023) and the initial date (1 September 2020), taking into account the amount of the distributed dividends as well as capital flow. Santillana's enterprise value at the completion date will be that resulting from a valuation made by one or more independent experts. The enterprise value of Santillana at the initial date has been set at 1,25 billion euros.

The percentage of the value creation to which the beneficiaries may be entitled will in turn depend on the level of revaluation of Santillana, according to a predetermined scale. The Plan will be settled in cash in the month following the termination date (which is 31 December 2023).

Without prejudice to the above, if there is any corporate transaction involving the purchase, sale, merger, separation, share swap, capital increase or decrease, settlement of a takeover bid on the PRISA shares or reorganisation of any type or initial public offering within the validity period of the incentive plan, which represents a change in effective control in Santillana and/or PRISA, the plan will be settled early on the date that said transaction is executed.

In these scenarios, the enterprise value will be the price or value of Santillana implied in the corresponding corporate transaction. The Company may engage one or more third-party experts to perform a valuation exercise to determine whether the transaction is convenient or not.

In order to receive the corresponding incentive, the Executive Director of Santillana must maintain his contractual relationship with the Group until the payment date of the incentive, except for certain cases of termination which are duly specified in the regulation of the Plan.

The Incentive Plan includes the following malus and clawback clauses normally used in incentive plans similar in nature, which will be applicable for a period of two years from the payment date of the incentive. In the case of the Executive Director of Santillana, the period for which said clauses will be applicable is three years.

Finally, if there are significant internal or external changes that do not represent a change in control (for example, in the Group's scope of consolidation, macroeconomic or regulatory environment) that demonstrate the need to revise the objectives that have been established, the Board of Directors may modify the terms of the Santillana Incentive Plan and its objectives, which will be duly reported in the corresponding Annual Report on Directors' Remuneration.

b) Medium-term 2022-2024 incentive plan linked to the creation of value of PRISA Media **("Incentive Plan 2022-2024 de PRISA Media"**):

In accordance with the Remuneration Policy, the Executive Director of PRISA Media may be the beneficiary of a medium-term incentive plan linked to the creation of value for PRISA Media in the medium term, if the Board of Directors approves it. If so, the plan must have the purpose of linking part of the remuneration of the management team (of which the Executive Director of PRISA Media forms part) to the interests of the PRISA shareholders within a multi-year framework and of long-term value creation in relation to PRISA Media, in a similar way as that explained in the above paragraph on the "Medium-term incentive plan 2020-2023 linked to the creation of value for Santillana".

Thus, the Board of Directors of PRISA at its meeting held on 21 December 2021 has approved a medium-term incentive plan, of which the Executive Director of PRISA Media is the beneficiary, which is linked to the achievement of certain quantitative financial targets included in PRISA Media's budget (linked to EBITDA, Cash Flow and digital revenues) in fiscal years 2022, 2023 and 2024 and which is payable in shares.

Mr. Nuñez will be allocated a theoretical number of shares equivalent to €500,000 gross for each year of the plan's duration, which will serve as a reference to determine the final number of shares to be delivered. The calculations will be made considering the average stock market value of PRISA shares during the last quarter of 2021. In addition, the incentive may be increased depending on the evolution of PRISA's share price.

This plan aims to link a portion of the remuneration of PRISA Media's Executive Director to the interests of PRISA's shareholders within a multi-year framework and to generate long-term value for shareholders.

The incentive plan will allow its beneficiary to participate in the creation of value of PRISA Media during the reference period provided that minimum targets are exceeded and the other conditions established in the plan's Regulations approved by the Board of Directors of PRISA are met.

In order to accrue the incentive, the Executive Director of PRISA Media must maintain his or her contractual relationship with PRISA Media during the entire term of the Plan. The departure of the executive (either of his own free will or by decision of the Company) would not, in principle, give rise to a right to settlement, unless the Board of

Directors, at the proposal of the Appointments and Remuneration Committee, where appropriate, adopts a different criterion.

The incentive plan includes the corresponding malus and clawback clauses, which are customary in incentive plans of a similar nature. The clawback clause will be applicable during the year following the date of delivery of the shares.

This remuneration plan is pending approval by PRISA's Shareholders' Meeting in order to be applicable to Mr. Nuñez.

c) Medium-term deferred variable remuneration for the period 2018-2020 ("**Deferred Remuneration 2018-2020**"):

In accordance with the provisions of the Remuneration Policy, the former executive director Mr. Manuel Mirat has been the beneficiary of medium-term deferred variable remuneration for the period 2018-2020, payable in shares, which was approved by the Shareholders' Meeting held on 25 April 2018.

This remuneration was referenced to a three-year period that has already ended (2018-2020) and was linked to the evolution of the stock market value of the PRISA share and the achievement of certain objectives (linked to EBITDA and Cash Flow).

Once the degree of achievement of the objectives had been analysed, for which advice was provided by an independent third party, KPMG, which performed the analysis of the impact on EBITDA and Cash Flow of the 2018-2020 Strategic Plan, used as a reference for establishing the objectives the operations that have taken place during this period, achievement of Cash Flow stood at 85.8% while the EDITDA and value increase objectives were not met. This degree of compliance entailed the delivery of 471,900 gross shares to Mr. Mirat, equivalent to 21.45% of the theoretical shares that were allocated to Mr. Mirat in 2018 (2,200,000 shares).

At the request of the beneficiaries of this remuneration plan, the Board of Directors of PRISA resolved that the settlement and delivery of this deferred remuneration be delayed to the period between 1 January and 28 February 2022 (delivery which, according to the general conditions governing this remuneration plan, should be made in the 60-day period following the preparation of the 2020 financial statements).

These matters are expressly provided for in the document formalised by Mr. Mirat with the Company upon termination of the legal relationship between them.

The settlement of this remuneration plan took place in February 2022 and Mr. Mirat received 306,735 net shares (after application of the corresponding tax withholdings).

This remuneration has not been included in the tables in section C of this Report as it has not been accrued in 2021.

It should also be noted that Mr. Francisco Cuadrado (Executive Chairman of Santillana) has also been a beneficiary of this remuneration plan, but as a result of his previous responsibilities as Chief Education Officer of Santillana (i.e. prior to his appointment as a director of Prisa in July 2021).

d) Extraordinary incentives for the execution of key strategic transactions for the interests of Prisa Group **("Extraordinary incentives for key strategic operations"**):

The Remuneration Policy provides that during the financial years 2021, 2022 and 2023, the Executive Directors will be entitled to receive a variable remuneration which does not vest, in cash, when the Board of Directors, following a favourable report of the ARCGC, considers that it is in the best interest of the Company to incentivise and reward his performance in the configuration, preparation, negotiation and execution of corporate transactions thar are relevant for the future of the Group. Both Executive Directors or only one of them may be beneficiaries of these extraordinary incentives, depending on a decision of the Board of Directors of PRISA.

In any case, the extraordinary incentives that may be granted shall include clawback clauses, thus PRISA will able to claim a reimbursement of all or part of the extraordinary incentive paid in certain scenarios.

The maximum amount to be paid to the Executive Directors under these extraordinary incentives will amount to twice their fixed annual remuneration provided for in their contracts and its final determination, if appropriate, within such limit, shall be carried out by the Board of Directors, following a favourable report of the ARCGC. Moreover, the Executive Directors shall maintain their relationship with Grupo PRISA without any interruption until the payment date of the corresponding incentive, except in certain cases such as death, permanent disability, or the termination of the labour or mercantile relationship under certain circumstances.

In the event of a takeover or change of control affecting PRISA, among other circumstances provided for, the Board of Directors, at the proposal of the ARCGC, may resolve to early terminate the plan. In such cases, the incentive component related to the performance of the share may be considered fulfilled for the purposes of its accrual.

Targets to be reached by the beneficiaries of these plans may be complemented with any other parameters that the Board of Directors resolves to include, following the proposal of the ARCGC.

A.1.2.2. Actions taken by the company in relation to the remuneration scheme to reduce exposure to excessive risks and to adjust it to the company's long-term objectives, values and interests, accrual period and deferral of payment.

i. General principles

The principles governing the Company's Remuneration Policy take into consideration the interests of shareholders and prudent risk management. To this end, the remuneration scheme is aimed at promoting the profitability and long-term sustainability of the Company, incorporating the safeguards necessary to prevent excessive risk assumption and reward of unfavourable results. The Company works to ensure that the economic and financial return is such that it protects and optimises the value of the Company, in order to adequately remunerate the risk that shareholders assume with the investment of their capital. Remuneration related to the Company's results takes into account any qualifications stated in the audit report that reduce such results.

As stated in the Remuneration Policy, the measures established by the Company to determine adequate risk management and promote the sustainability of results are as follows:

a) The variable remuneration of the Executive Directors is intended to strengthen their commitment to the Company and to encourage the best performance of their duties, and represents a relevant part of their total remuneration, being linked to the achievement of objectives pre-set by the Board of Directors, most of which are specific and quantifiable, so that it does not simply derive from the general evolution of the markets, the Company's sector of activity or other similar circumstances.

b) The parameters of the variable remuneration system are defined annually, based on formal procedures for determining the amounts to be paid to the Executive Directors. The objectives are set in writing in advance and their achievement is determined on the basis of the results obtained and approved by the Board of Directors, at the proposal of the ARCGC.

c) The variable components of remuneration are sufficiently flexible to allow them to be modulated to the point where it is possible to eliminate them entirely. There is no right to obtain guaranteed annual variable remuneration (without prejudice to what has already been said in section A.1.2.1.ii) a) of this Report in relation to the extraordinary measure agreed with the Executive Chairman of Prisa Media, Mr. Carlos Nuñez, for the 2021 financial year).

   The involvement of the ARCGC favours the consideration of the risks associated with remuneration in the deliberations and in its proposal to the Board of Directors, both in the determination and in the evaluation process of annual and multi-year incentives.

d) All of the variable remuneration has fixed maximum amounts to be paid.

e) Remuneration linked to Company earnings must take account of any qualifications stated in the audit report that reduce those earnings.

f) The annual variable remuneration is accrued on an annual basis and is paid in arrears in the first half of the calendar year following the year of generation.

g) The contracts of the Executive Directors have a clawback clause that allows the Company to claim reimbursement of the variable components of remuneration when they have been paid on the basis of data subsequently proven to be inaccurate. This measure is effective for remuneration received as from the entry into force of the respective contracts with the Company. In addition, the medium-term incentive plans described in this report include the corresponding malus and clawback clauses.

h) The system for setting metrics for quantitative objectives takes into consideration the variables identified in the Company's risk map.

i) It should be noted that the ARCGC as a whole has the appropriate knowledge, skills and experience with respect to the Company's remuneration policies and practices, as well as the incentives and risks that may arise therefrom, including knowledge, skills and experience regarding the mechanisms for aligning the remuneration structure with corporate risks and financial performance.

j) The internal audit function conducts an independent review of the definition, implementation and impact of the Company's remuneration policy on its risk map, managed in accordance with the principles set out in the Policy and the guidelines of the Board of Directors.

ii. Incentive Plan 2020-2023 Santillana:

As already noted, the Executive Director of Santillana is the beneficiary of a medium-term incentive plan, payable in cash, that was approved by the Board of Directors at its meeting held in January 2021.

This remuneration is indexed to a period of approximately three years (September 2020 to December 2023).

The incentive plan will allow the beneficiaries to participate in the creation of value for Santillana during the reference period, provided that they exceed a minimum revaluation target for Santillana (1.4 billion euros) and comply with the rest of the conditions established in the regulation of the plan approved by the Board of Directors of PRISA.

The beneficiaries will have the right to receive in cash a percentage of the value created for Santillana, understood as the positive difference between the enterprise value of Santillana on the date of the completion of the plan

(31 December 2023) and the initial date (1 September 2020), taking into account the amount of the distributed dividends as well as capital flow. Santillana's enterprise value at the completion date will be that resulting from a valuation made by one or more independent experts. The enterprise value of Santillana at the initial date has been set at 1,25 billion euros.

The Regulations of the plan approved by the Board of Directors include a clawback clause, which requires the return of the incentive received if, within three years of its receipt, the circumstances determined by the Board of Directors have concurred.

iii. Incentive Plan 2022-2024 PRISA Media:

As mentioned above, the Executive Director of PRISA Media, Mr. Carlos Nuñez, is the beneficiary of a medium-term incentive plan payable in shares, which was approved by the Board of Directors of PRISA in December 2021.

This Plan is linked to the achievement of certain quantitative financial targets set out in PRISA Media's budget (linked to EBITDA, Cash Flow and digital revenues) in fiscal years 2022, 2023 and 2024 and is payable in shares.

Mr. Nuñez will be allocated a theoretical number of shares equivalent to €500,000 gross for each year of the plan's duration, which will serve as a reference to determine the final number of shares to be delivered. The calculations will be made considering the average stock market value of PRISA shares during the last quarter of 2021. In addition, the incentive may be increased depending on the evolution of PRISA's share price.

This plan aims to link a portion of the remuneration of PRISA Media's Executive Director to the interests of PRISA's shareholders within a multi-year framework and to generate long-term value for shareholders.

The incentive plan will allow its beneficiary to participate in the creation of value of PRISA Media during the reference period provided that minimum targets are exceeded and the other conditions established in the plan's Regulations approved by the Board of Directors of PRISA are met.

In order to accrue the incentive, the Executive Director of PRISA Media must maintain his or her contractual relationship with PRISA Media during the entire term of the Plan. The departure of the executive (either of his own free will or by decision of the Company) would not, in principle, give rise to a right to settlement, unless the Board of Directors, at the proposal of the Appointments and Remuneration Committee, where appropriate, adopts a different criterion.

The incentive plan includes the corresponding malus and clawback clauses, which are customary in incentive plans of a similar nature. The clawback clause will be applicable during the year following the date of delivery of the shares.

This remuneration plan is pending approval by PRISA's Shareholders' Meeting in order to be applicable to Mr. Nuñez.

iv. Deferred remuneration 2018-2020:

As already indicated in section A.1.2.1.1.iii)c) of this Report, the former executive director Mr. Manuel Mirat was the beneficiary of medium-term deferred variable remuneration for the period 2018-2020, payable in shares, which was approved by the Shareholders' Meeting held on 25 April 2018. This remuneration was referenced to a three-year period that has already ended (2018-2020) and was linked to the evolution of the stock market value of the PRISA share and the achievement of certain objectives (linked to EBITDA and Cash Flow). At the request of the beneficiaries of this remuneration plan, the Board of Directors of PRISA resolved that the settlement and delivery of this deferred remuneration be delayed to the period between 1 January and 28 February 2022 (delivery which, according to the general conditions governing this remuneration plan, should be made in the 60-day period following the preparation of the 2020 financial statements).

The General Conditions approved by the Board of Directors of PRISA regarding the characteristics of the medium-term deferred remuneration include a clawback clause, which requires the restitution of the excess variable remuneration received if the circumstances determined by the Board of Directors have concurred within three years of its receipt.

In accordance with Recommendation 62 of the CNMV's Code of Good Governance, there is a limitation on the transfer of the shares delivered.

These clawback clauses, as well as the maintenance of a portion of the shares once delivered, also apply to categories of personnel whose professional activities have a material impact on the risk profile. Under no circumstances will an ex post adjustment to the explicit risk result in an increase in the variable remuneration initially granted.

v. Extraordinary incentives for key strategic operations:

As indicated in section A.1.2.1.iii) d) above, in fiscal years 2021, 2022 and 2023 the Executive Directors shall be entitled to receive non-vesting variable remuneration, in cash, when the Board of Directors, following a favourable report from the Appointments and Remuneration Committee, considers it in the best interest of the Company to incentivise and reward their performance in the configuration, preparation, negotiation and execution of corporate transactions relevant to the future of the Group. Both Executive Directors or only one of them, as decided by the Board of Directors of PRISA, may be beneficiaries of such extraordinary incentives.

In any case, the extraordinary incentives granted will include clawback clauses, which will entitle PRISA to demand the return of all or part of the extraordinary incentive paid in certain cases.

The maximum amount to be paid to the Executive Directors within the framework of these extraordinary incentives shall amount to a maximum of twice their annual fixed remuneration established in their contract and its final determination, if applicable, within said maximum, shall be the responsibility of the Board of Directors, subject to a favourable report from the Appointments and Remuneration Committee.

A.1.3. Amount and nature of fixed components that are due to be accrued during the year by directors in their capacity as such.

Within the maximum annual amount foreseen in section A.1.1.2.2. above, the breakdown of the fixed remuneration by positions and responsibilities of the members of the Board of Directors, resolved by the Board, is as follows, notwithstanding the fact that, as already stated in section A.1.1.1.1.3 of this Report and in view of the extraordinary circumstances, such remuneration will continue to be reduced by 20% during the year 2022. This reduction will not apply to the remuneration of the non-executive Chairman, nor to the remuneration for the chairmanship of the ARCGC, the Audit, Risk and Compliance Committee and the Sustainability Committee (in the latter case, once the new Remuneration Policy sets the remuneration of the members of this Committee):

i. Chairman of the Board of Directors: Within the range established in the Remuneration Policy, the Board of Directors has established fixed annual remuneration of €200,000 for the year 2022.

ii. Fixed annual remuneration for participation in the Board of Directors (excluding the Chairman and Executive Directors): 70,000 euros per independent director and 56,000 euros per proprietary director, which, after the aforementioned extraordinary reduction, will be 56,000 euros and 44,800 euros, respectively, in fiscal year 2022.

iii. Additional annual fixed remuneration for membership in the different Board Committees:

- Members of the Executive Committee: 30,000 euros per year per director which, after the aforementioned extraordinary reduction, will be 24,000 euros in 2022.

- Remuneration for participation in the Audit, Risk and Compliance Committee and the ARCGC: 20,000 euros per year per director, being twice this amount for their respective chairmen (i.e. 40,000 euros). The remuneration of the members of the committees, after the aforementioned extraordinary reduction, will be €16,000 in fiscal year 2022. The remuneration corresponding to the Chairwomen of the committees will not be reduced in fiscal year 2022.

- As for the Sustainability Committee, it has been established by resolution of the Board of Directors in February 2022, so it will be necessary to submit to the consideration of the Shareholders'

Meeting the modification of the Remuneration Policy, to provide for the remuneration of the members of this Committee. The proposal that the Board of Directors will submit to the Shareholders' Meeting is that the chairmanship and membership of this Committee be remunerated under the same terms applicable to the Audit, Risk and Compliance Committee and the NRCGC.

For the current fiscal year, as established in the Policy, no payment of per diems for participation in the Board of Directors and Committees is foreseen.

A.1.4. Amount and nature of fixed components that are due to be accrued during the year for the performance of senior management functions of executive directors.

For the performance of executive duties within the Company, the fixed annual cash remuneration of the executive directors for the 2022 fiscal year is as follows:

i. Carlos Nuñez (Executive Chairman PRISA Media): 400.000 euros.

ii. Francisco Cuadrado (Executive Chairman Santillana): 475.000 euros.

It should be noted that the Remuneration Policy provides for the existence of two executive directors and refers to them by name (Mr. Carlos Nuñez as Executive Chairman of PRISA Media and Mr. Manuel Mirat as Executive Chairman of Santillana). However, in July 2021 and, therefore, subsequent to the approval of the Remuneration Policy, Mr. Mirat was replaced by Mr. Francisco Cuadrado as a director of PRISA and as Executive Chairman of Santillana. Mr. Cuadrado's remuneration is in line with the remuneration framework established for the previous Executive Chairman of Santillana (Mr. Mirat) in the Remuneration Policy and, in addition, the remuneration items recognised in favour of Mr. Cuadrado are of a lower amount than those set forth in the Policy.

A.1.5. Amount and nature of any component of remuneration in kind that will accrue during the year, including, but not limited to, insurance premiums paid in favour of the director.

i. Remuneration in kind for the CEO:

The Remuneration Policy envisages for the Executive Directors certain remuneration in kind, consisting of the following items:

a) A life and accident insurance policy:

PRISA has signed a policy with an insurance company that covers the contingencies of death by any cause, absolute invalidity and total permanent disability, with a capital equal to two and a half years of the beneficiary's fixed remuneration (fixed salary received in the previous year), extra capital in the event of accidental death or absolute disability caused by accident, and extra capital in the event of death or total permanent disability caused by a traffic accident.

There is an age limit of 75 years of age for the main risk of death, and of 65 years of age for the supplemental benefits.

On the Board of Directors, the Executive Directors are the exclusive beneficiaries of this policy.

According to the terms of the policy, the insured capital for the Executive Directors is the equivalent of two and a half years of the fixed remuneration associated with that office in the immediately preceding year.

For the year 2022, the amount insured of the life insurance for the Executive Directors amounts to 1,000,000 euros for Mr. Carlos Nuñez (Executive Chairman of Prisa Media) and 1,187,500 euros for Mr. Francisco Cuadrado (Executive Chairman of Santillana), respectively. These amounts are equivalent to two and a half years of their corresponding fixed remuneration.

The premiums for this policy are reviewed annually depending on the loss ratio of the Group's group policies and also vary according to the age of the insured. To this end, in the first quarter of each year, the bonuses attributable to the Executive Directors are reviewed, so the specific amount of the bonuses corresponding to the Executive Directors for the 2022 fiscal year is unknown at the date of preparation of this Report.

b) A private health insurance policy:

In addition the group within its policy applicable to all executives has private health insurance, in the form of reimbursement of expenses. Within the Board of Directors of the Company, only the Executive Directors and their families benefit from this insurance, respecting the age limits set forth in the corresponding policy.

The private health insurance premiums are adjusted annually in light of the losses under PRISA's Group policies and the evolution of the Consumer Price Index in the health sector, according to the broker's proposal. In the last quarter of each year, the premium for the following year is established.

For the year 2022, the premium corresponding to the health insurance of the Executive Directors amounts to 4,624.80 euros for Mr. Carlos Nuñez (Executive Chairman of Prisa Media) and 3,699.84 euros for Mr. Francisco Cuadrado (Executive Chairman of Santillana), respectively.

ii. <u>Others (that are not considered in-kind remuneration):</u>

a) The directors shall be entitled to the reimbursement of any expenses related to trips, meals and accommodation incurred to attend the meetings of the Board of Directors and Committees, provided they are duly justified.

b) The Executive Directors will be entitled to the use of a vehicle according to the terms of PRISA Group's vehicle fleet policy.

c) The Chairman will also have the necessary means to adequately perform his office and functions, according to the Company's practices and policies.

d) Moreover, PRISA has contracted a civil liability insurance policy for all its directors, including the Executive Directors, pursuant to the habitual market conditions for this type of insurance.

A.1.6. Amount and nature of variable components, differentiating between those established in the short and long terms. Financial and non-financial, including social, environmental and climate change parameters selected to determine variable remuneration for the current year, explaining the extent to which these parameters are related to performance, both of the director and of the company, and to its risk profile, and the methodology, necessary period and techniques envisaged to be able to determine the effective degree of compliance, at the end of the year, with the parameters used in the design of the variable remuneration, explaining the criteria and factors applied in regard to the time required and methods of verifying that the performance or any other conditions linked to the accrual and vesting of each component of variable remuneration have effectively been met.

Indicate the range, in monetary terms, of the different variable components according to the degree of fulfilment of the objectives and parameters established, and whether any maximum monetary amounts exist in absolute terms.

As mentioned above, the variable remuneration system for Executive Directors currently provides for short and medium-term variable components:

i. <u>Annual short-term variable remuneration</u>:

The annual variable remuneration of the Executive Directors is regulated in their contracts, according to which they shall receive non-vesting variable remuneration, in cash, in accordance with the degree of achievement of the objectives assigned to them for each of the annual periods included in the term of their contract, which shall be established annually by the Board of Directors at the proposal of the Appointments and Remuneration Committee.

The Policy establishes that, in general terms, this short-term variable remuneration will be determined according to a compliance scale, mainly linked to the achievement of quantitative business objectives, among which are the Group's operational and financial objectives, value creation objectives and sustainability objectives, as well as, if applicable, qualitative objectives.

The short-term target variable remuneration for the Executive Directors for a level of 100% achievement of the objectives established for 2022 amounts to

250,000 euros, with the possibility of increasing the referred amount up to a maximum of 150%, if the degree of achievement of the objectives set is higher than 135%, so that the maximum amount that each of the Executive Directors may receive for this remuneration item is 375,000 euros gross.

To determine the short-term variable remuneration of the Executive Directors for the year 2022, 100% of the objectives will be quantitative (there will be no subjective variables) based on the 2022 budget of Santillana and Prisa Media, respectively, in accordance with the following detail:

Executive Director	Metrics	Weighting
Executive Chairman Santillana	Ebit	40%
	Operating Cash Flow	40%
	Subscription revenues	15%
	ESG objectives	5%
Executive Chairman PRISA Media	Ebitda	32%
	Cash Flow	32%
	Digital Revenues	31%
	ESG objectives	5%

These objectives aim to improve financial, operating and service results, with special emphasis on Ebitda/Ebit (depending on whether dealing with Prisa Media or Santillana), cash generation and the generation of digital or subscription revenues. In addition, 5% will be linked to the fulfilment of ESG objectives.

The compliance scale for Ebit/Ebitda, Subscription Revenues, Digital Revenues and Cash Flow targets (in the latter case, Santillana's) will be as follows:

Degree of compliance	Payment coefficient
<90%	0%
90%	50%
100%	100%
>120%	135%
>135%	150%

Prisa Media's cash flow target will have the following differential scale:

Degree of compliance	Payment coefficient
<0%	0%
>0€< 2,300 m€	50%
100% (4,029 m€)	100%
>120%	135%
>135%	150%

The intermediate points between the minimum degree of compliance and 100% are calculated by linear interpolation; from 100% the reward is linear and from 120% or 135% the reward is 135% or 150% respectively, as shown in the tables above.

Additionally, the Executive Chairman of PRISA Media may receive 10% of his target annual variable remuneration (that is, €25,000) if two specific objectives linked to subscriptions and digital income are achieved in 2022, in more demanding terms than those foreseen in the PRISA Media budget for the 2022 financial year.

Pursuant to the provisions of article 28 of the Board Regulations, the ARCGC will verify the degree of achievement of the objectives to which the short-term variable remuneration is subject, and will submit it for final approval by the Board of Directors of PRISA.

The payment of the short-term variable remuneration is made in arrears, so that the short-term variable remuneration corresponding to the 2022 fiscal year will be paid, if applicable, in the 2023 fiscal year.

ii. Incentive Plan 2020-2023 Santillana:

As already noted in sections A.1.2.1.iii) a) and A.1.2.2. ii), the Executive Director of Santillana is the beneficiary of a medium-term incentive plan linked to the creation of value for Santillana in the period between 1 September 2020 and 31 December 2023. The plan was approved by the Board of Directors at its meeting held on 26 January 2021.

The aim of this plan is to link part of the remuneration of certain key directors of PRISA and Santillana (among whom is the Executive Director of Santillana) with the interests of PRISA shareholders in a multi-year framework and long-term value creation for the shareholders. In this respect, the plan aims to (i) create incentives for the participants to maximise value creation for the education businesses (Santillana) for the shareholders in a period of approximately three years, (ii) reward the extraordinary efforts required to achieve the value-creation objectives set; and (iii) recognise the contribution of value by the participants to PRISA and Santillana.

The incentive plan will allow the beneficiaries to participate in the creation of value for Santillana during the reference period, provided that they exceed a minimum revaluation target for Santillana (1.4 billion euros) and comply with the rest of the conditions established in the regulation of the plan approved by the Board of Directors of PRISA.

The beneficiaries will have the right to receive in cash a percentage of the value created for Santillana, understood as the positive difference between the enterprise value of Santillana on the date of the completion of the plan (31 December 2023) and the initial date (1 September 2020), taking into account the amount of the distributed dividends as well as capital flow. Santillana's enterprise value at the completion date will be that resulting from a valuation made by one or more independent experts. The enterprise value of Santillana at the initial date has been set at 1,25 billion euros.

The percentage of the value creation to which the beneficiaries may be entitled will in turn depend on the level of revaluation of Santillana, according to a predetermined scale and in accordance with the current Remuneration Policy, may be up to a maximum of 1.98% of such value creation. The Plan will be settled in cash in the month following the termination date (which is 31 December 2023).

Without prejudice to the above, if there is any corporate transaction involving the purchase, sale, merger, separation, share swap, capital increase or decrease, settlement of a takeover bid on the PRISA shares or reorganisation of any type or initial public offering within the validity period of the incentive plan, which represents a change in effective control in Santillana and/or PRISA, the plan will be settled early on the date that said transaction is executed.

In these scenarios, the enterprise value will be the price or value of Santillana implied in the corresponding corporate transaction. The Company may engage one or more third-party experts to perform a valuation exercise to determine whether the transaction is convenient or not.

In order to receive the corresponding incentive, the Executive Director of Santillana must maintain his contractual relationship with the Group until the payment date of the incentive, except for certain cases of termination which are duly specified in the regulation of the Plan.

The Incentive Plan includes the following malus and clawback clauses normally used in incentive plans similar in nature, which will be applicable for a period of two years from the payment date of the incentive. In the case of the Executive Director of Santillana, the period for which said clauses will be applicable is three years.

Finally, if there are significant internal or external changes that do not represent a change in control (for example, in the Group's scope of consolidation, macroeconomic or regulatory environment) that demonstrate the need to revise the objectives that have been established, the Board of Directors may modify the terms of the Santillana Incentive Plan and its objectives, which will be duly reported in the corresponding Annual Report on Directors' Remuneration.

iii. <u>Incentive Plan 2022-2024 PRISA Media:</u>

As previously indicated in sections A.1.2.1.iii) b) and A.1.2.2. iii) of this Report, the Executive Director of PRISA Media, Mr. Carlos Nuñez, is the beneficiary of a medium-term incentive plan payable in shares, which was approved by the Board of Directors of PRISA in December 2021.

This Plan is linked to the achievement of certain quantitative financial targets set out in PRISA Media's budget (linked to EBITDA, Cash Flow and digital revenues) in fiscal years 2022, 2023 and 2024 and is payable in shares.

Mr. Nuñez will be allocated a theoretical number of shares equivalent to €500,000 gross for each year of the plan's duration, which will serve as a reference to determine the final number of shares to be delivered. The calculations will be made considering the average stock market value of PRISA shares during the last quarter of 2021. In addition, the incentive may be increased depending on the evolution of PRISA's share price.

This plan aims to link a portion of the remuneration of PRISA Media's Executive Director to the interests of PRISA's shareholders within a multi-year framework and to generate long-term value for shareholders.

The incentive plan will allow its beneficiary to participate in the creation of value of PRISA Media during the reference period provided that minimum targets are exceeded and the other conditions established in the plan's Regulations approved by the Board of Directors of PRISA are met.

In order to accrue the incentive, the Executive Director of PRISA Media must maintain his or her contractual relationship with PRISA Media during the entire term of the Plan. The departure of the executive (either of his own free will or by decision of the Company) would not, in principle, give rise to a right to settlement, unless the Board of Directors, at the proposal of the Appointments and Remuneration Committee, where appropriate, adopts a different criterion.

The incentive plan includes the corresponding malus and clawback clauses, which are customary in incentive plans of a similar nature. The clawback clause will be applicable during the year following the date of delivery of the shares.

This remuneration plan is pending approval by PRISA's Shareholders' Meeting in order to be applicable to Mr. Nuñez.

iv. <u>Deferred remuneration 2018-2020:</u>

As already stated in sections A.1.2.1.iii) c) and A.1.2.2. iv) of this Report, the former executive director Mr. Manuel Mirat has been the beneficiary of medium-term deferred variable remuneration for the period 2018-2020, payable in shares, which was approved by the Shareholders' Meeting held on 25 April 2018, which has been settled in February 2022, through the delivery of 306,735 shares to Mr. Mirat (net amount in shares after the application of the corresponding tax withholdings).

Article 18 of the Company's Bylaws and article 32 of the Regulations of the Board of Directors establish that, subject to a resolution of the General Shareholders' Meeting, Executive Directors may benefit from remuneration systems consisting of the delivery of shares or rights over shares, as well as any other remuneration system that is indexed to the value of the shares.

The 2018-2020 Deferred Remuneration was intended to align the interests of its beneficiaries (i.e. the then Chief Executive Officer Mr. Mirat, senior executives and other executives of the Company) with those of the Company's shareholders, within the framework of the Company's 2018-2020 Strategic Plan.

The Deferred Remuneration contemplated for the beneficiaries the allocation of a number of theoretical shares that served as a reference to determine, if applicable, the delivery of a number of ordinary shares of the Company after the reference period of three years, conditioned on the fulfilment of certain requirements and the achievement of certain objectives established in relation to: (i) the increase in the value of PRISA shares, (ii) consolidated EBITDA and (iii) consolidated cash flow.

The specific characteristics of the Deferred Remuneration were as follows:

a) Transparent, demanding and measurable medium-term (i.e. three-year) objectives.

b) Accrual metrics and conditions clearly linked to the achievement of demanding financial targets that enhance shareholder value.

c) The degrees of achievement of the Deferred Remuneration targets were established, as proposed by the ARCGC, based on the Company's Strategic Plan for the period 2018-2020.

   These objectives have been monitored periodically to ensure that the agreed conditions were adapted, as necessary, to preserve the principles underlying the original purpose of the deferred remuneration, while supporting the Company's interest in avoiding any possible loss of competitiveness in the market. An independent third party, KPMG, has analysed the impact of the operations that have taken place during the reporting period on the EBITDA and Cash Flow of the Strategic Plan that was used as a reference for the deferred remuneration.

   In order to receive the shares, Mr. Mirat was required to maintain a contractual relationship with the PRISA Group during the term of the Deferred Remuneration and until the delivery date, except for certain cases of termination of his relationship for reasons not attributable to him, which were duly included in the document that implements the general conditions of the deferred remuneration.

d) In order to calculate the accrual ratio for each level of achievement of the then Chief Executive Officer's objectives, a maximum incentive level was assigned and an achievement scale was determined for each of the metrics.

   Both the number of measurement parameters and the payment instruments used to determine the Deferred Remuneration were in line with the practices of listed companies, according to the CNMV Report.

   Once the degree of achievement of the objectives was analysed (for which advice was provided by an independent third party, KPMG, which performed the analysis of the impact on EBITDA and Cash Flow of the 2018-2020 Strategic Plan, used as a reference for establishing the objectives of the operations that have taken place during this period), achievement of Cash Flow was 85.8%, while the EDITDA and value increase objectives were not met. As a result of this degree of compliance it was confirmed that the number of shares to be delivered to Mr. Mirat at the time of settlement should amount to 471,900 gross shares, equivalent to 21.45% of the theoretical shares that were allocated to Mr. Mirat in 2018 (2,200,000 shares).

As mentioned above, the settlement was carried out in February 2022, through the delivery of 306,735 shares to Mr. Mirat.

v. <u>Extraordinary incentives for key strategic operations:</u>

As also indicated above in sections A.1.2.1.iii) d) and A.1.2.2.2.v) of this Report, the Remuneration Policy provides that in fiscal years 2021, 2022 and 2023 the Executive Directors shall be entitled to receive non-vesting variable remuneration, in cash, when the Board of Directors, following a favourable report from the Appointments and Remuneration Committee, considers it in the best interest of the Company to incentivise and reward their performance in the configuration, preparation, negotiation and execution of corporate transactions relevant to the future of the Group. Both Executive Directors or only one of them, as decided by the Board of Directors of PRISA, may be beneficiaries of such extraordinary incentives.

In any case, the extraordinary incentives granted will include clawback clauses, which will entitle PRISA to demand the return of all or part of the extraordinary incentive paid in certain cases.

The maximum amount to be paid to the Executive Directors within the framework of these extraordinary incentives shall amount to a maximum of twice their annual fixed remuneration established in their contract and its final determination, if applicable, within said maximum, shall be the responsibility of the Board of Directors, subject to a favourable report from the Appointments and Remuneration Committee. In addition, Executive Directors must maintain an uninterrupted relationship with Grupo PRISA until the date of payment of the corresponding incentive, except in the event of certain circumstances such as death, permanent disability or the termination of the employment or business relationship in certain cases.

In the event of a takeover or change of control in Prisa, among other foreseen events, the Board of Directors, at the proposal of the ARCGC, may agree to the early settlement of the plan. In such cases, the share performance component of the incentive may be deemed to have been met for accrual purposes.

The objectives to be met by the beneficiaries of these plans may be complemented with any other parameters that the Board of Directors may agree upon, at the proposal of the ARCGC.

A1.7. Main characteristics of long-term savings schemes. Among other information, indicate the contingencies covered by the scheme, whether it is a defined contribution or a defined benefit scheme, the annual contribution that has to be made to defined contribution schemes, the benefits to which directors are entitled in the case of defined benefit schemes, the vesting conditions of the economic rights of directors and their compatibility with any other type of payment or indemnification for early termination or dismissal, or deriving from the termination of the contractual relationship, in the terms provided, between the company and the director.

Indicate whether the accrual or vesting of any of the long-term savings plans is linked to the attainment of certain objectives or parameters relating to the director's short- or long-term performance.

No savings system for directors is contemplated for the current fiscal year.

A1.8. Any type of payment or indemnification for early termination or dismissal, or deriving from the termination of the contractual relationship, in the terms provided, between the company and the director, whether at the company's or the director's initiative, as well as any type of agreement reached, such as exclusivity, post-contractual non-competition, minimum contract term or loyalty, that entitles the director to any kind of remuneration.

The directors in their capacity as such (non-executive) are not entitled to indemnities in the event of termination of their duties as directors.

The contracts of the Executive Directors provide for indemnities and the payment of other consideration for: (i) the termination of the contract with the Company and (ii) the fulfilment of a post-contractual non-competition agreement. Further details on these covenants are provided in the section on the terms and conditions of the Executive Directors' contracts (i.e. section A.1.9 below).

A1.9. Indicate the conditions that the contracts of executive directors performing senior management functions should contain. Among other things, information must be provided on the duration, limits on amounts of indemnification, minimum contract term clauses, notice periods and payment in lieu of these notice periods, and any other clauses relating to signing bonuses, as well as remuneration or golden parachute clauses for early termination of the contractual relationship between the company and the executive director. Include, among others, the pacts or agreement on non-competition, exclusivity, minimum contract terms and loyalty, and post-contractual non-competition, unless these have been explained in the previous section.

The contract of Mr. Carlos Nuñez, Executive Chairman of Prisa Media, is with PRISA Media, S.L. and the contract of Mr. Francisco Cuadrado, Executive Chairman of Santillana, is with Grupo Santillana Educación Global, S.L.U.

For the purposes of article 249 of the Spanish Companies Act, both contracts were approved by the Board of Directors of PRISA (at the proposal of the ARCGC) to the extent that such contracts regulate the executive functions of Messrs. Nuñez and Cuadrado.

For the purposes of this section, the companies PRISA Media, S.L. and Grupo Santillana Educación Global, S.L.U. shall be considered (depending on which executive director is involved) as the Company.

The contracts that regulate the performance of the functions and responsibilities of the Executive Directors (Messrs. Cuadrado and Nuñez) include clauses in accordance with standard market practices in this area, with the aim of attracting and retaining the most outstanding professionals and safeguarding the Company's legitimate interests.

The following are the essential terms and conditions of the Executive Directors' contracts:

i. Duration: indefinite, notwithstanding the fact that the contracts are linked to the term of their respective positions as Executive Chairman of Santillana and Executive Chairman of PRISA Media.

ii. Exclusivity and non-competition: exclusivity for the Company and the PRISA Group, and Executive Directors may not, under any contractual relationship, provide services to or carry out professional activities with other persons or entities. It also includes a specific non-competition prohibition.

iii. Term of advance notice: In the event of termination of the contract by decision of the Executive Directors, they must send notice to the Company indicating such circumstance at least three months in advance. In the event of total or partial non-compliance with the notice period, the Executive Director shall be required to pay the fixed remuneration in cash corresponding to the unfulfilled notice period.

    In the event of termination of the contract at the request of the Executive Directors in the event of a change of control (as "change of control" is defined in their contracts), they must notify the Company of their decision within two months of the occurrence of the change of control and must give one month's notice. In the event of breach of the notice obligation, the Executive Directors shall indemnify the Company with an amount equivalent to the fixed remuneration applicable at the time of termination of the contract corresponding to the unfulfilled notice period.

    The Company, in the event of corporate withdrawal, must give at least three months' notice. In the event of total or partial non-compliance with the notice period, the Company shall be required to pay the fixed remuneration in cash corresponding to the unfulfilled notice period.

iv. Indemnity: In the event that the contracts of the Executive Directors are terminated: i) at the request of the executive director in the event of serious and culpable breach by the Company of the obligations established in the contract; ii) at the will of the executive director in the event of a change of control (as "change of control" is defined in the contracts), iii) at the sole will of the Company with which the contract has been entered into; iv) as a consequence of the termination or non-renewal of the position of director of Prisa Media, S.L. or Grupo Santillana Educación Global, S.L.U., depending on the director in question, or v) in the event of total or partial revocation of the powers delegated to the executive director or of the powers granted to him by the Company, the executive directors shall be entitled to receive the following indemnities:

    a) Mr. Carlos Nuñez (Executive Chairman of Prisa Media), would receive gross indemnity equivalent to eighteen months of his fixed remuneration and his annual variable remuneration in cash.

b) Mr. Francisco Cuadrado (Executive Chairman of Santillana) would receive:

- A total indemnity of 1,643,020 euros gross. In order to determine this figure, the following amounts have been taken into account (a) the amounts of indemnity for unfair dismissal that would have corresponded to Mr. Cuadrado due to the termination of the ordinary and senior management employment relationships that Mr. Cuadrado has maintained with the different entities of the Prisa Group from 18 October 1989 until the entry into force of the current contract and (b) a gross up to mitigate the loss that Mr. Cuadrado will incur as a result of not being able to benefit from the maximum exemption provided for in article 7.e) of the Personal Income Tax Act for severance payments for dismissal or termination of employees.

- Gross supplementary remuneration equivalent to the amount established at that time as the maximum amount of the Social Security contributory unemployment benefit, for the maximum period established for such benefit. In any case, if Mr. Cuadrado obtains the payment of unemployment benefits from the corresponding public body, he will be required to reimburse to the Company the amount received as such supplementary remuneration up to the amount of the benefit obtained, and must make the reimbursement within a maximum period of one month from the date on which the unemployment benefit was recognised. However, this gross supplementary remuneration will not be paid in the event of termination of the contract as a result of a change of control.

Likewise, in the above cases, the Executive Directors shall be entitled to receive, as part of their severance payment, the proportional part of the annual variable remuneration of reference corresponding to the time worked during the year in which the termination occurs. The Executive Directors shall not be entitled to receive the annual variable remuneration corresponding to the year in which the Agreement is terminated, if such termination is due to the will of the Executive Directors, or by decision of the Company based on non-compliance by the Executive Directors, except in those cases in which the termination due to the will of the Executive Directors occurs within the last two months of the fiscal year, in which case they shall be entitled to receive the proportional part of the annual variable remuneration (corresponding to the time worked during the year in which the termination occurs) that, if applicable, would have corresponded to them, provided that the annual objectives established are proportionally reached. The annual variable remuneration will be paid within the first half of the calendar year following the year of generation.

v. Post-contractual noncompetition The contracts of the Executive Directors include a post-contractual non-competition clause by virtue of which the Executive Director undertakes (i) to refrain from engaging in activities in competition with those of the Company with which they have entered into the contract, either on their own account or on behalf of a third party, in the manner and to the extent specified in their contracts, and (ii) not to hire any person who on the date of termination of the contract is employed by the Company with which they have entered into the contract or any other company of its group, and not to contribute to any employee of such group leaving it.

This non-competition covenant will last for 12 months after termination of this agreement for any reason.

The Executive Directors would receive, as economic consideration for such obligations, remuneration equivalent to six monthly payments of the fixed remuneration in force at the time of termination of the contract. In the event of breach of the aforementioned post-contractual non-competition agreement, the Executive Directors shall be required to reimburse the amount of the remuneration received for such concept and an indemnity in an amount equal to six monthly payments of the fixed remuneration in force at the time of termination of the contract.

vi. Clawback clause: In general terms, the contracts of the Executive Directors have a clawback clause that allows the Company to claim the reimbursement of the variable components of the remuneration if in the year following its payment any event or circumstance occurs that has as a consequence the significant alteration or modification of the accounts, results, economic or other data on which the granting of the variable remuneration in question was based, other than those deriving from legislative or jurisprudential changes, such that the aforementioned data did not faithfully reflect the situation of the Company or the Group as a result of which there was a justified review of achievement of the objectives established for the accrual of the variable remuneration in question, regardless of whether or not the Executive Chairman had any kind of responsibility in this regard.

vii. Professional secrecy and duty of confidentiality: The contracts of the Executive Directors include an obligation to maintain professional secrecy. The duty of confidentiality is regulated in article 34 of the Board Regulations and applies even when the director has left office.

A.1.10. The nature and estimated amount of any other supplementary remuneration that will be accrued by directors in the current year in consideration for services rendered other than those inherent in their position.

The Remuneration Policy does not contemplate any remuneration other than what is mentioned in the preceding sections for the directors.

A.1.11. Other items of remuneration such as any deriving from the company's granting the director advances, loans or guarantees or any other remuneration.

The Remuneration Policy does not envisage the possibility of providing advances, loans and guarantees to the directors.

A.1.12. The nature and estimated amount of any other planned supplementary remuneration to be accrued by directors in the current year that is not included in the foregoing sections, whether paid by the company or by another group company.

The payment of other remuneration not provided for in the preceding paragraphs is not foreseen.

A.2 Explain any significant change in the remuneration policy applicable in the current year resulting from:

a) A new policy or an amendment to a policy already approved by the General Meeting.
b) Significant changes in the specific determinations established by the board for the current year regarding the remuneration policy in force with respect to those applied in the previous year.
c) Proposals that the Board of Directors has agreed to submit to the general shareholders' meeting to which this annual report will be submitted and for which it is proposed that they be applicable to the current year.

As already mentioned in the "Background" of this Report, throughout the 2021 financial year there have been relevant changes in the composition of the Board of Directors of PRISA, some of which have been subsequent to the date of approval of the Remuneration Policy (Shareholders' Meeting of 29 June 2021).

This implies that some aspects of the Remuneration Policy will have to be adjusted to the new circumstances, which will have to be submitted for approval at the next Shareholders' Meeting to be held by the Company in fiscal year 2022. The new Policy will have to provide for, among other issues, i) the remuneration applicable to the new executive director of Santillana and executive director of PRISA (Mr. Francisco Cuadrado); ii) the Medium-Term Incentive 2021-2023 that the Board of Directors approved in December 2021 and whose beneficiary is the Executive Chairman of Prisa Media and executive director of PRISA (Mr. Carlos Nuñez); and iii) the remuneration corresponding to the members of the Sustainability Committee (constituted in February 2022).

A.3 Identify the direct link to the document containing the company's current remuneration policy, which must be available on the company's website.

https://www.prisa.com/uploads/2021/07/politica-de-remuneraciones-2021-2023-vf.pdf

A.4 Explain, taking into account the data provided in Section B.4, how account has been taken of the voting of shareholders at the General Shareholders' Meeting to which the annual report on remuneration for the previous year was submitted on a consultative basis.

Last year's Annual Remuneration Report received the favourable vote of 94,16% of the votes cast at the Ordinary General Shareholders' Meeting held on 29 June 2021, on the terms stated in section B.4. The Board understood that, considering the shareholders' vote, it was not appropriate to carry out any additional consideration to the remuneration policy and its application.

B. OVERALL SUMMARY OF HOW REMUNERATION POLICY WAS APPLIED DURING THE YEAR LAST ENDED

B.1.1. Explain the process followed to apply the remuneration policy and determine the individual remuneration contained in Section C of this report. This information will include the role played by the remuneration committee, the decisions taken by the Board of Directors and the identity and role of any external advisors whose services may have been used in the process of applying the remuneration policy in the year last ended.

The remuneration items accrued in 2021 correspond to the principles and structure of the current remuneration system, in accordance with the Remuneration Policy described in section A of this Report and with the contracts of the Executive Directors (the current Executive Chairman of Prisa Media, Mr. Carlos Nuñez, the Executive Chairman of Santillana, Mr. Francisco Cuadrado, as well as the former Chief Executive Officer of PRISA and Executive Chairman of Santillana, Mr. Manuel Mirat).

As mentioned in the Background of this Report, in June 2021 the Shareholders' Meeting of PRISA approved a new director remuneration policy applicable for the years 2021, 2022 and 2023. With respect to the 2021 fiscal year, this Remuneration Policy replaced and superseded the text of the 2020/2021 Remuneration Policy.

The ARCGC submitted to the Board (which, in turn, proposed to the General Shareholders' Meeting in June 2021) the terms of the new Directors' Remuneration Policy. In accordance with the provisions of article 529 novodecies of the Spanish Companies Act, a reasoned proposal of the Board, together with a supporting report of the ARCGC, regarding the new Remuneration Policy was made available to the shareholders at the time of the call of the shareholders' meeting.

i. <u>Remuneration of executive directors</u>

The Remuneration Policy provides for the existence of two executive directors and refers to them by name (Mr. Carlos Nuñez as Executive Chairman of PRISA Media and Mr. Manuel Mirat as Executive Chairman of Santillana). However, in July 2021 and, therefore, subsequent to the approval of the Remuneration Policy, Mr. Mirat was replaced by Mr. Francisco Cuadrado as a director of PRISA and as Executive Chairman of Santillana. Mr. Cuadrado's remuneration is in line with the remuneration framework established for the previous Executive Chairman of Santillana (Mr. Mirat) in the Remuneration Policy and, in addition, the remuneration items recognised in favour of Mr. Cuadrado are of a lower amount than those set forth in the Policy. In any case, as stated in section A.2 above, the Company's Board of Directors intends to submit a new remuneration policy to the General Shareholders' Meeting for the purpose, among other matters, of adapting to this circumstance.

As mentioned above, the contracts of the Executive Directors have been approved by the Board of Directors of PRISA, at the proposal of the ARCGC, to the extent that such contracts regulate the executive functions of Messrs. Nuñez and Cuadrado. The law firm Uría & Menéndez advised the Company on the configuration of these contracts.

In accordance with their contracts and the Remuneration Policy, the Executive Directors, Mr. Carlos Nuñez (Executive Chairman of Prisa Noticias) and Mr. Francisco Cuadrado (Executive Chairman of Santillana), in 2021 have accrued he remuneration set out in section B.3 of this Report.

On the other hand, and as already indicated in the "Background" of this Report, Mr. Manuel Mirat, who was an executive director of the Company until 27 July 2021, had been rendering his services in several companies of the PRISA Group, through successive contractual relationships of different nature, from October 1997 until July 2021. The last executive responsibilities assumed by Mr. Mirat in the Company were those of Chief Executive Officer of PRISA (from September 2017 until June 2021) and Executive Chairman of Santillana (from 29 June until 27 July 2021, having signed the corresponding service agreement on 26 May 2021).

The termination of the last two contracts of Mr. Mirat as Chief Executive Officer of PRISA and as Executive Chairman of Santillana, as well as the termination of the labour relationship that Mr. Mirat had with the Company for other previous contracts, has been settled and terminated in the year 2021, which has given rise to the payment and/or recognition of the remuneration items that were provided for both in Mr. Mirat's contracts with the Company and in the Remuneration Policy and which are stated in section B.3 of this Report.

The termination and settlement of Mr. Manuel Mirat's contracts was approved by the Board of Directors at the proposal of the ARCGC. The Pérez-Llorca law firm advised the Company in connection with the economic conditions associated with the dismissal of Mr. Manuel Mirat as Executive Chairman of Santillana and the termination of his legal relationship with the Company.

ii. Remuneration of directors in their capacity as such (non-executive).

.

The non-executive directors in 2021 have received the amounts provided for in the Remuneration Policy, which are detailed in section B.5. of this Report, as members of the Board of Directors and of the various Board Committees, as well as, where applicable, as chairs of the Board and of the Committees, with the reductions applied within the framework of the aforementioned contingency plan implemented by the Board of Directors, at the proposal of the ARCGC, within the framework of the COVID-19 crisis (which entailed a 20% reduction throughout the 2021 financial year, on the corresponding remuneration, except for the remuneration of the Chairman of the Board and except for the remuneration for the chairmanship of the ARCGC and of the Audit, Risk and Compliance Committee in December).

As previously indicated in this Report, in the Remuneration Policy approved at the Shareholders' Meeting of June, 2021, taking into account the socioeconomic circumstances of the moment, as well as those of the Company in particular, it was considered appropriate to reduce the remuneration range of the non-executive Chairman (which until December 2020 was between 300,000 and 500,000 euros per year), being set at a range of between 200,000 and 300,000 euros per year.

The remuneration of the non-executive Chairman, Mr. Joseph Oughourlian, has been set by the Board of Directors of PRISA, at the proposal of the ARCGC, at 200,000 euros per year.

B.1.2. Explain any deviation from the procedure established for the application of the remuneration policy that has occurred during the year.

The following two circumstances are highlighted, although they do not mean, per se, that there has been a deviation in the application of the Remuneration Policy:

i. The current Remuneration Policy (approved at the shareholders' meeting held in June 2021) provides for the existence of two executive directors and refers to them by name (Mr. Carlos Nuñez as Executive Chairman of PRISA Media and Mr. Manuel Mirat as Executive Chairman of Santillana).

   Subsequent to the approval of the Remuneration Policy, in July 2021, Mr. Mirat was replaced by Mr. Francisco Cuadrado as a director of PRISA and as Executive Chairman of Santillana. This circumstance does not imply a deviation from the remuneration policy applicable during the 2021 fiscal year, since Mr. Cuadrado's remuneration is in line with the remuneration framework that was set for the previous Executive Chairman of Santillana (Mr. Mirat) in the remuneration policy and, in addition, the remuneration items recognised in favour of Mr. Cuadrado are of a lower amount than those provided for in the Policy.

   In any case, as stated in section A.2 above, the Company's Board of Directors intends to submit a new remuneration policy to the General Shareholders' Meeting for the purpose, among other matters, of adapting to this circumstance.

ii. The Ordinary Shareholders' Meeting held in June 2021 resolved to increase the size of the Board as well as to appoint a new proprietary director (Ms. Carmen Fernández de Alarcón Roca). Given that the incorporation of a new director implied an increase in the expense corresponding to the remuneration of the directors, the Board of Directors of PRISA, at the proposal of the ARCGC, resolved, with effect from July 2021, the proportional reduction of the annual fixed remuneration corresponding to the proprietary directors, in order to avoid an increase in the total annual expense for the annual fixed remuneration of the directors as a whole.

Thus, the fixed annual remuneration of each of the external directors (independent and proprietary) for their membership on the Board was as follows for the 2021 fiscal year:

a) From January to June 2021: the proportional part of the fixed annual remuneration of €70,000 (which, after the 20% reduction applied in fiscal year 2021 under the contingency plan for Covid-19, has been reduced to €56,000).

b) From July to December 2021: i) no change for independent directors, i.e. the proportional part of the annual fixed remuneration of €70,000 (which, after the 20% reduction applied in the 2021 fiscal year under the contingency plan by reason of Covid-19, has remained at €56.56,000) and ii) for proprietary directors, the proportional part of the annual fixed remuneration of €56,000 (which, with the 20% reduction applied in the 2021 fiscal year within the framework of the contingency plan for Covid-19, has been reduced to €44,800).

c) The remuneration corresponding to the chairwomen of the ARCGC and the Audit, Risk and Compliance Committee has been reduced by 20% until November 2021 and from December 2021, inclusive, they receive it in full without any reduction whatsoever.

B.1.3. Indicate whether any temporary exception has been applied to the remuneration policy and, if so, explain the exceptional circumstances that have led to the application of these exceptions, the specific components of the remuneration policy affected and the reasons why the entity believes that these exceptions have been necessary to serve the long-term interests and sustainability of the society as a whole or ensure its viability. Similarly, quantify the impact that the application of these exceptions has had on the remuneration of each director over the year.

No temporary exceptions to the Remuneration Policy have been applied during the 2021 fiscal year.

B.2. Explain the different actions taken by the company in relation to the remuneration system and how they have contributed to reducing exposure to excessive risks, aligning it with the long-term objectives, values and interests of the company, including a reference to the measures adopted to ensure that the long-term results of the company have been taken into consideration in the remuneration accrued. Ensure that an appropriate balance has been attained between the fixed and variable components of the remuneration, the measures adopted in relation to those categories of personnel whose professional activities have a material effect on the company's risk profile and the measures in place to avoid any possible conflicts of interest.

The ARCGC oversees compliance with the Remuneration Policy and reports to the Board of Directors on proposals relating to the terms of the variable remuneration of the Company's Executive Directors and Senior Management and verifies the degree of achievement of the objectives to which they are subject.

The Board of Directors, at the proposal of the ARCGC, determines the objectives on which the payment of the variable remuneration of the Executive Directors depends, their weight and metrics at the beginning of each year and the evaluation of their level of compliance at the end of the year.

To evaluate achievement of the objectives, the ARCGC relies on information provided by the Risk Control and Management Control Department and the Human Resources and Talent Management Department of the Company.

In addition, if the external auditors of the Company, in their annual audit report, issue a qualified opinion that affects the objectives of the variable remuneration of the Executive Directors, the Board of Directors of PRISA must take the qualifications into account when determining the variable remuneration of the executive directors.

Finally, the Company has a Risk Management System, supported by an adequate definition and assignment of functions and responsibilities at different levels and by a series of control and management methodologies, tools and procedures whose purpose is to know and control the risks to which the Group is exposed and which could affect achievement of the objectives defined in the Strategic Plan and those of its businesses. Through this Risk Management System, the Group identifies, monitors and analyses risks on an ongoing basis; and defines and, if necessary, implements, on a case-by-case basis, the measures required to mitigate risks when they materialise.

The Company has a risk map approved by the Board of Directors, as a tool for the graphic representation of the risks inherent to the Group, which is used to identify and assess the risks affecting the development of the activities of the different business units. The identification of the risks and the processes that manage each of the risks considered is carried out by the General Management of the business units and the corporate area and aggregated and standardised by the Internal Audit Department. The Group's risk map is reported to the Audit, Risk and Compliance Committee, which monitors the main risks identified. At least once a year, the Board of Directors is informed of the Group's risk map.

In addition, the Company has an internal control over financial reporting (ICFR) model. The Board of Directors of Prisa has assigned among its functions, as established in the Board Regulations, the supervision of internal information and control systems. The Board of Directors relies on Prisa's Audit, Risk and Compliance Committee for the development of these functions, whose responsibilities include supervising the preparation process and the integrity of the financial information of the Company and its Group. The Committee, in turn, supervises the Internal Audit unit to ensure the proper functioning of the information and internal control systems. The internal audit objective is to provide Group Management and the Audit Committee with reasonable assurance that the internal control systems and environment in effect within the Group companies have been properly designed and managed. To this end, internal audit supervises the design and scope of the internal control model over the Group's financial information, and subsequently evaluates the functioning of the control activities defined in the model.

The effective implementation of the internal control model is the responsibility of the executive directors (Executive Chairmen of the Group's businesses) and the General Manager of Risk Control of PRISA, as well as the General Managers of the Group's business units involved in the preparation of the financial information that serves as the basis for the preparation of the Group's financial statements.

The Audit, Risk and Compliance Committee shall periodically evaluate that the risk control and management function is exercised with due independence, verifying that the appropriate processes have been implemented so that management, the Committee itself and the Board can know whether the risk control and management system has operated in accordance with the policies and criteria approved by the Board.

The system of internal control over financial reporting is reviewed by the Group's external auditor, which issues an opinion on the effectiveness of internal control in a reasonable assurance report in accordance with ISAE 3000.

The Remuneration Policy seeks to: i) align it with best market practices, ii) align it with the Company's corporate governance structure, iii) align the directors' remuneration structure with the Group's general strategy and iv) promote an incentive system that guarantees a results-oriented approach and the creation of value for shareholders in a sustainable manner in the medium and long term.

The various actions taken by the Company to (i) reduce exposure to excessive risks, (ii) align remuneration with the Company's long-term interests and (iii) achieve a balance between the fixed and variable components of directors' remuneration have been described previously in this Report. In addition, as also detailed, only Executive Directors are participants in variable remuneration systems, thus preventing variable remuneration from compromising the independence of judgment of non-executive directors.

As mentioned above, variable remuneration includes the following provisions to reduce risks:

i. The parameters of the short-term variable remuneration system are defined annually, based on formal procedures for determining the amounts to be paid to the Executive Directors. The objectives are set in writing in advance and their achievement is determined on the basis of the results obtained and approved by the Board of Directors, at the proposal of the ARCGC. The application of the short-term annual variable remuneration system for the year 2021 is detailed in section B.1.7 below.

ii. There is no right to obtain guaranteed short-term annual variable remuneration (without prejudice to the exception agreed with Mr. Nuñez for the 2021 fiscal year).

iii. All of the variable remuneration has fixed maximum amounts to be paid.

iv. The system for setting metrics for quantitative objectives takes into consideration the variables identified in the Company's risk map.

v. The contracts of the Executive Directors have a clawback clause that allows the Company to claim reimbursement of the variable components of remuneration when they have been paid on the basis of data subsequently proven to be inaccurate. This clause is effective for all variable remuneration received from the date of entry into force of their contracts with the Company, and is applicable within the year following the payment of the corresponding variable remuneration.

vi. In addition, the "Deferred Remuneration 2018-2020" approved by the General Shareholders' Meeting contemplates, considering the duration of this variable remuneration, a specific clawback clause, which requires the former Chief Executive Officer, Mr. Manuel Mirat, to return the variable remuneration received if within the three years following its receipt circumstances determined by the Board of Directors have arisen that require the return of the shares delivered or their cash equivalent. This clawback clause is also applicable to the other beneficiaries of the plan (i.e. senior executives and other Group executives), with a term of application of two years instead of three.

vii. Likewise, the general conditions approved by the Board of Directors of PRISA that defined the extraordinary remuneration incentives linked to the success of the strategic operations of the sale of the education business of Grupo Santillana Educación Global, S.L.U. in Spain and the refinancing of Grupo Prisa's financial debt with its creditors, which were executed in 2020, include a clawback clause, which requires the former Chief Executive Officer Mr. Manuel Mirat to reimburse all or part of the incentive paid if during the two years following each payment date any of the circumstances determined for this purpose in the aforementioned general conditions were to occur.

This remuneration was paid in full to Mr. Mirat in 2021 (50% was paid in January 2021 and the other 50% was settled in July 2021). However, only 50% of such remuneration has been accrued in fiscal year 2021 (the other 50% was accrued in fiscal year 2020, as stated in the Remuneration Report for fiscal year 2020).

B.3 Explain how the remuneration accrued and consolidated over the financial the year complies with the provisions of the current remuneration policy and, in particular, how it contributes to the company's long-term and sustainable performance.

Furthermore, report on the relationship between the remuneration obtained by the directors and the results or other performance measures of the company in the short and long term, explaining, if applicable, how variations in the company's performance have influenced changes in directors' remuneration, including any accrued remuneration payment of which has been deferred, and how such remuneration contributes to the short- and long-term results of the company.

B.3.1. Remuneration accrued during the year and compliance with current remuneration policy

In compliance with the provisions of the Remuneration Policy, the remuneration earned in 2021 by the directors was as follows:

i. <u>Non-executive directors</u>:

The non-executive directors have received in fiscal year 2021 the amounts provided for in the Remuneration Policy and detailed in section B.5 of this Report, both for their membership of the Board of Directors and the various Board Committees, as well as, where applicable, for the chairmanships of the Board and the Committees, with the reductions applied within the framework of the contingency plan indicated in the Background of this Report, which was implemented by the Board of Directors in the context of the COVID-19 crisis.

On the other hand, Mr. Manuel Polanco Moreno has been non-executive Chairman of PRISA Noticias until 27 May 2021 and, as such, was entitled to receive a maximum amount of 50,000 euros per year. As part of the aforementioned contingency plan, this remuneration was reduced by 20%, to €40,000, in fiscal year 2021. For the period from 1 January to 27 May 2021, Mr. Polanco received the sum of 16,667 euros.

The total amount accrued by all the directors in their capacity as such (non-executive) in 2021, including the remuneration of the former directors Mr. Javier de Jaime and Mr. Dominique D'Hinnin until the time of their respective resignations, amounts to 1,027,060 euros in PRISA, to which must be added the 17,000 euros accrued by the director Mr. Manuel Polanco for his previous responsibilities in PRISA Media. Consequently, the total annual maximum limit established in the Remuneration Policy for non-executive directors is complied with (i.e. 2,000,000 euros).

ii. <u>Executive directors (Mr. Carlos Nuñez, Executive Chairman of PRISA Media and Mr. Francisco Cuadrado, Executive Chairman of Santillana)</u>

a) Fixed remuneration:

As indicated above, the Remuneration Policy (approved at the shareholders' meeting held in June 2021) provides for the existence of two executive directors and refers to them by name (Mr. Carlos Nuñez as Executive Chairman of PRISA Media and Mr. Manuel Mirat as Executive Chairman of Santillana).

The Remuneration Policy provides for fixed annual remuneration of 400,000 euros for Mr. Nuñez as Executive Chairman of PRISA Noticias and 500,000 euros for Mr. Mirat as Executive Chairman of Santillana (which is the same remuneration that Mr. Mirat had stipulated as Chief Executive Officer of PRISA).

Subsequent to the approval of the Remuneration Policy, in July 2021, Mr. Mirat has been replaced by Mr. Francisco Cuadrado as a director of PRISA and as Executive Chairman of Santillana, and the Company has entered into a contract with Mr. Cuadrado whereby he is recognised annual fixed remuneration of 475,000 euros without exceeding the maximum annual fixed remuneration that the Remuneration Policy provides for the Executive Chairman of Santillana (500,000 euros).

The Executive Directors in 2021 have earned fixed remuneration, proportional to the time in which they have performed their duties as Executive Chairman of Prisa Noticias and Executive Chairman of Santillana:

- Mr. Nuñez has accrued fixed remuneration of 241,942 euros, for the period from 24 May 2021 (effective date of his appointment as Executive Chairman of Prisa Noticias) to 31 December 2021, taking into account that his annual fixed remuneration amounts to 400,000 euros.

- Mr. Cuadrado has accrued fixed remuneration of 197,917 euros, for the period between 27 July 2021 (date of his appointment as Executive Chairman of Santillana and as a director of PRISA) and 31 December 2021, taking into account that his annual fixed remuneration amounts to 475,000 euros.

Remuneration earned by Mr. Cuadrado for other functions performed at Santillana prior to 27 July 2021, are not included in section C of this report as they are prior to the date on which Mr. Cuadrado assumed his responsibilities as Executive Chairman of Santillana and as a director of PRISA.

b) Short-term variable annual remuneration:

Mr. Nuñez's short-term target variable remuneration for a level of 100% achievement of the objectives set for 2021 amounted to 250,000 euros. This amount could be increased up to 130% (i.e. 325,000) if the degree of achievement of the objectives set is higher than 100%.

The annual variable remuneration of Mr. Carlos Nuñez was to be calculated in proportion to the time of service rendered during the year 2021 although, exceptionally, the Company guarantees him the payment of 50% of the annual variable remuneration of reference mentioned above (i.e. 50% of €250,000).

To determine Mr. Nuñez's short-term variable remuneration, the weighting of objectives was as follows: (i) 70% quantitative objectives and (ii) 30% qualitative objectives.

Mr. Cuadrado's short-term target variable remuneration for a level of 100% achievement of the objectives set for 2021 amounted to 250,000 euros. This amount could be increased up to 130% (i.e. 325,000) if the degree of achievement of the objectives set is higher than 100%.

It should also be noted that with respect to the variable remuneration that may correspond to Mr. Cuadrado for the performance of his duties during the year 2021, in accordance with his contract, this would be calculated as follows:

- until 31 July 2021, the amount of the annual variable remuneration would be calculated by applying the percentage corresponding to the degree of achievement of the objectives set on a target bonus (target amount) of 160,000 euros gross; and

- from 1 August 2021 to 31 December 2021, the amount of the annual variable remuneration would be calculated by applying the same percentage corresponding to the degree of achievement of the objectives set on a target bonus (target amount) of 250,000 euros gross.

To determine Mr. Cuadrado's short-term variable remuneration, the weighting of objectives was as follows: (i) 70% quantitative objectives and (ii) 30% qualitative objectives.

The annual variable remuneration corresponding to the 2021 fiscal year accrued by the Executive Directors is €168,252 (Mr. Nuñez) and €148,476 (Mr. Cuadrado), calculated on the target amounts and based on the fulfilment of the objectives set forth in their contracts and in the Remuneration Policy, as explained in more detail in section B.7. below. In the case of Mr. Cuadrado, the target amount contractually recognised for him (250,000 euros) does not exceed the target amount foreseen in the Remuneration Policy for Mr. Mirat as Executive Chairman of Santillana (300,000 euros).

c) Life and accident insurance and health insurance premiums:

The amounts corresponding to the premiums for life and accident insurance and health insurance described in section B.14 have also been accrued.

iii. Mr. Manuel Mirat, former Chief Executive Officer of PRISA and Executive Chairman of Santillana):

As already indicated in the "Background" of this Report, Mr. Manuel Mirat, who was an executive director of the Company until 27 July 2021, had been rendering his services in several companies of the PRISA Group, through successive contractual relationships of different nature, from October 1997 until July 2021.

The last executive responsibilities assumed by Mr. Mirat in the Company were those of Chief Executive Officer of PRISA (from September 2017 until June 2021) and Executive Chairman of Santillana (from 29 June until 27 July 2021, having signed the corresponding service agreement on 26 May 2021).

Mr. Mirat's annual fixed remuneration amounted to 500,000 euros, although during the 2021 fiscal year it was subject to a 20% reduction, applied as part of the contingency plan implemented in the Company due to the Covid-19 crisis. Mr. Mirat has accrued fixed remuneration of 265,417 euros for the period from January to July 2021 (included in section C of this Report under "Salary").

Mr. Mirat has accrued annual short-term variable remuneration, corresponding to the 2021 fiscal year, in the amount of 175,000 euros.

In addition, in fiscal year 2021, Mr. Mirat has accrued the second 50% of the amount of the Extraordinary Incentives linked to the success of certain key strategic operations executed in fiscal year 2020, which has been settled in July 2021 in the amount of €500,000 (included in section C of this Report under "Other items"). The first 50% of these incentives (another 500,000 euros) was paid in January 2021, but accrued in 2020 (as stated in the Remuneration Report for that year) and is therefore not included in the tables in section C of this Report.

The termination of the last two contracts of Mr. Mirat as Chief Executive Officer of PRISA and as Executive Chairman of Santillana has been settled and terminated in the year 2021, which has given rise to the payment and/or recognition of the following remuneration items that were foreseen both in Mr. Mirat's contracts with the Company and in the Remuneration Policy:

- Indemnity for the termination of the services agreement on 26 May 2021, equivalent to 18 months of fixed and variable annual remuneration: 1,200,000 euros (included in section C of this Report under "Indemnity").

  For the calculation of this amount, the annual fixed remuneration of 500,000 euros (without the temporary reduction of 20% applied in the context of the Covid-19 crisis) and Mr. Mirat's annual variable reference remuneration (target), which amounted to 300,000 euros gross, were taken into consideration.

- Employment indemnity for the termination of the employment relationships that Mr. Mirat had maintained with different entities of the PRISA Group since 20 October 2017: 381,145.18 euros gross (included in section C of this Report under "Indemnity").

  This amount was already calculated and provided for in the Remuneration Policy.

- Supplemental indemnity: 35,588.64 euros gross (included in section C of this Report under "Indemnity").

  In accordance with the provisions of the Remuneration Policy, this amount is equivalent to the amount established as the maximum amount of the Social Security contributory unemployment benefit, for the maximum period established for such benefit.

- Three months' notice (for termination of the contract at the Company's request): 125,000 euros gross (included in section C of this Report under "Indemnity").

This amount was calculated on Mr. Mirat's annual fixed remuneration of 500,000 euros (without the 20% temporary reduction applied in the context of the Covid 19 crisis) and corresponds to the 3-month notice period not observed by the Company.

- Annual variable remuneration corresponding to fiscal year 2021, in an amount proportional to the date of Mr. Mirat's resignation from the Company and calculated on the annual target amount (300,000 euros): 175,000 euros gross (included in section C of this Report under "Short-term variable remuneration").

- Settlement of accrued and unused vacation and bonus payments: a total of 24,702 euros gross (included in heading C of this Report under "Salaries" and "Other items", respectively).

- Post-contractual non-competition covenant: 208,333 euros gross.

  In consideration for the post-contractual non-competition covenant provided for in Mr. Mirat's contract, Mr. Mirat will receive six monthly instalments of the gross annual salary (amounting to €500,000), payable in six monthly instalments of the same amount each over the term of the non-competition covenant (i.e., from August 2021 to January 2022, both months inclusive). Consequently, Mr. Mirat is entitled to receive a total amount of 250,000 euros payable in six monthly payments of 41,666.67 euros gross each, and it is the amount of five monthly payments (from August to December, both inclusive), i.e. 208,333 euros, which he has accrued in 2021 (included in section C of this Report under "Other items").

Finally, it should be noted that Mr. Mirat has waived any rights he may be entitled to under the "Santillana 2020-2023 Incentive Plan", referred to in sections A.1.2.1. iii) a) and A.1.2.2.2.ii) of this Report.

iv. Total remuneration of directors and differences from the Annual Financial Statements and Financial Information

The amount of the total remuneration of the Board members shown in section C of this Report, which follows the accrual criteria set forth in *"CNMV Circular 3/2021, establishing the model annual report of remuneration of directors of listed public limited companies"*, differs from the total amount of directors' remuneration disclosed in the Notes to the Annual Financial Statements and in the Semiannual Financial Information of PRISA for the year 2021, as this amount corresponds to the expense recorded for accounting purposes in accordance with the applicable principles and standards.

v. Contribution of remuneration to the Company's sustainable performance.

As expressly stated in the Company's Remuneration Policy, the remuneration system shall be aimed at promoting the long-term profitability and sustainability of the Company, incorporating the necessary precautions to avoid excessive risk-taking and the rewarding of unfavourable results. Likewise, the Policy establishes as one of the criteria on which the remuneration of directors who perform executive functions in the Company must be based, that such remuneration should take into account the current situation, prospects and sustainable growth objectives of the Company.

In this sense, the variable remuneration of the Executive Directors is intended to strengthen their commitment to the Company and to encourage the best performance of their duties, and represents a relevant part of their total remuneration, being linked to the achievement of objectives pre-set by the Board of Directors, most of which are specific and quantifiable, so that it does not simply derive from the general evolution of the markets, the Company's sector of activity or other similar circumstances.

In particular, as detailed in section B.7 of this Report, the annual short-term variable remuneration of the Executive Directors for the 2021 fiscal year has been linked, among other qualitative objectives, to the fulfilment of certain ESG objectives, the remuneration accrued by the Directors in the 2021 fiscal year thus contributing to the sustainable performance of the Company.

B.3.2. Relationship between remuneration obtained by directors and the results or other measures of short and long-term profitability of the entity, if applicable explaining how the changes in profitability of the company may have influenced changes in remuneration of directors.

As stated in the Background of this Report, in the context of the COVID-19 crisis and in order to mitigate the negative impact of the situation, which had a particular impact on the main sources of revenue generation of all types of media, in the 2020 financial year the Board of Directors of PRISA agreed to implement a contingency plan to adapt the cost structures of its businesses to the foreseeable circumstances in the following months, which has led to a 20% reduction in the remuneration of directors throughout the 2021 financial year.

In addition, the remuneration of the Executive Directors has been adjusted to the short and medium/long term performance of PRISA, and, in this regard, the Policy establishes the following remuneration components: (i) short-term annual variable remuneration the objectives of which are determined on an annual basis and are linked to a significant percentage (i.e. 70%) to the Company's financial objectives and (ii) medium-term Deferred Remuneration, the objectives of which are linked to Santillana's value creation and PRISA Media's budget, respectively.

The short and medium-term variable remuneration systems incorporate measures that take into account possible variations in the Company's results, including the following:

- They include achievement scales defined for each objective based on the results achieved by the Company. Consequently, any variation in the

Company's performance in the short or long term will affect the degree of achievement of the objectives and directly affect the amount of variable remuneration that may correspond to the Executive Directors, if any.

- Only when the Board of Directors has prepared the corresponding annual accounts that serve as a basis for determining the degree of achievement of the objectives, will the short or long-term variable remuneration systems, linked to the Company's financial objectives, be accrued.

- In addition, the 2018-2020 Deferred Remuneration provides for the obligation to maintain ownership of a certain number of the shares that may be received under the Deferred Remuneration.

In this regard, the variable remuneration obtained by the Executive Directors has been directly linked to the Company's results, as explained in more detail in section B.7. below.

B.4. Report on the result of the consultative vote at the General Shareholders' Meeting on remuneration in the previous year, indicating the number of votes in favour, votes against, abstentions and blank ballots:

	Number	**% of total**
Votes cast	592,865,961	100%

	Number	**% of votes cast**
Votes against	34,635,056	05.84%
Votes in favour	558,218,808.	94.16%
Blank ballots	0	00.00%
Abstentions	12,097	00.00%

B.5 Explain how the fixed components accrued and vested during the year by the directors in their capacity as such were determined, their relative proportion with regard to each director and how they changed with respect to the previous year.

i. <u>Non-executive Chairman's remuneration:</u>

As previously indicated in this Report, in the Remuneration Policy approved at the Shareholders' Meeting of June 2021, taking into account the socioeconomic circumstances of the moment as well as those of the Company in particular, it was considered appropriate to reduce the remuneration range of the non-executive Chairman (which until December 2020 was between 300,000 and 500,000 euros per year), being set at a range of between 200,000 and 300,000 euros per year.

The amount of the annual fixed remuneration of the non-executive Chairman is a fixed amount for all categories, which is established by the Board of Directors, at the proposal of the ARCGC, within said range and taking into account different considerations. Thus, the remuneration of the non-executive Chairman, Mr. Joseph Oughourlian, was set by the Board of Directors of PRISA at 200,000 euros per year (vs. 400,000 euros per year received by the former (until December 2020) non-executive Chairman, Mr. Javier Monzón de Cáceres).

ii. <u>Remuneration of other directors in their capacity as such</u>

The remaining remuneration of the directors, in their capacity as such, has not undergone any variation in 2021 with respect to the previous year and continues to be as indicated below, with the following exceptions:

a) the 20% reduction in directors' remuneration as part of the contingency plan implemented as a result of the COVID-19 crisis has been applied for the entire 2021 fiscal year (whereas in 2020 this reduction was applied between April and December, inclusive) and,

b) The remuneration of proprietary directors has undergone an additional reduction since July 2021, inclusive (as indicated in section B.1.2. of this Report) as a result of the incorporation of a new proprietary director in June and in order not to increase the total overall remuneration of the Board.

The remuneration was as follows:

a) Maximum amount of fixed annual remuneration for participation in the Board of Directors: until June 2021 it was 70,000 euros per year for all non-executive directors (excluding the Chairman of the Board) but as from 1 July 2021 this amount has been reduced for proprietary directors, being established as follows: 70,000 euros per year for each independent director and 56,000 euros per year for each proprietary director.

   Following the extraordinary reduction applied as part of the contingency plan for the COVID 19 crisis (20%), from January 2021 to June 2021 it was 56,000 euros for all proprietary and independent directors and from 1 July 2021 it was 56,000 euros for independent directors and 44,800 euros for proprietary directors.

   This amount is paid in full in cash and prorated monthly.

b) Maximum annual remuneration for participation in the Executive Committee of 30,000 euros per director. This amount is paid in full in cash and prorated monthly. After the extraordinary reduction indicated above, applied within the framework of the contingency plan, it has been €24,000 in fiscal year 2021.

c) Maximum annual remuneration for participation in the Audit, Risk and Compliance Committee and in the ARCGC of 20,000 euros per director, being twice this amount for their respective chairmen (i.e. 40,000 euros). This amount is paid in full in cash and prorated monthly. Following the aforementioned extraordinary reduction, applied within the framework of the contingency plan, it has been €32,000 and €16,000, respectively, in fiscal year 2021 (although, as explained above, this reduction has not been applied to the remuneration for the chairmanship of the committees during the month of December).

Specifically, the amounts of individual remuneration accrued in 2021 by the directors in their capacity as such (non-executive) were as follows, all in cash:

- Joseph Oughourlian: 200,000 euros.

- Roberto Alcántara Rojas: 50,400 euros.

- Amber Capital UK LLP (represented by Mr. Fernando Martínez Albacete until 23 March 2021 and by Mr. Miguel Barroso from that date until 31 December 2021): 66,400 euros.

- Maria Teresa Ballester Fornés: 72,000 euros.

- Beatrice de Clermont-Tonnerre: 112,667 euros.

- Carmen Fernández de Alarcón: 30,555 euros

- María José Marín Rey-Stolle: 73,071 euros

- Manuel Polanco Moreno 74,400 euros.

  Additionally, Mr. Polanco in 2021 has received remuneration for his membership in the board of Prisa Noticias in the amount of 17,000 euros, also in cash, for the period from 1 January to 27 May 2021.

- Teresa Quirós Álvarez: 8,000 euros

- Khalid Bin Thani Abdullah Al Thani: 50,400 euros.

- Javier Santiso Guimaras: 96,000 euros.

- Rosauro Varo Rodriguez: 92,357 euros

- Dominique D'Hinnin (who has been a director until 30 November 2021): 88,666 euros.

- Mr. Javier de Jaime Guijarro (who was a director until 23 February 2021): 12,142 euros.

In accordance with the foregoing, the total amount accrued by all directors in their capacity as such (non-executive) in 2021 amounts to 1,044 thousand euros, which represents a decrease with respect to the total amount received by all directors in their capacity as such (non-executive) in 2020 (1,273 thousand euros).

B.6. Explain how the salaries accrued and vested by each of the executive directors over the past financial year for the performance of management duties were determined, and how they changed with respect to the previous year.

In 2021 the Company had the following executive directors:

i. Mr. Carlos Nuñez has been an executive director of PRISA since his appointment by the General Shareholders' Meeting on 29 June 2021 (and has been Executive Chairman of PRISA Media since 24 May 2021). The fixed remuneration provided for in his contract is 400,000 euros, so Mr. Nuñez has accrued fixed remuneration of 241,942 euros in the 2021 fiscal year, for the time during which he has held his position as Executive Chairman of PRISA Media.

ii. Mr. Francisco Cuadrado has been an executive director of PRISA since his appointment by co-optation on 27 July 2021 and has also been Executive Chairman of Santillana since the same date. The fixed remuneration provided for in his contract is 475,000 euros, so Mr. Cuadrado has accrued fixed remuneration of 197,917 euros in the 2021 fiscal year, for the time during which he has held his position as Executive Chairman of Santillana.

iii. Mr. Manuel Mirat has been an executive director of PRISA until his resignation on 27 July 2021 (first as Chief Executive Officer of PRISA until 29 June 2021 and then as Executive Chairman of Santillana until 27 July 2021). The amount of Mr. Mirat's annual fixed remuneration was maintained since the signing of his contract as Chief Executive Officer of PRISA in September 2017, at €500,000.

   As part of the contingency plan implemented as a result of the COVID-19 crisis, this remuneration was reduced by 10% for the period from April to December 2020 and for the entire 2021 financial year. Consequently, the fixed remuneration accrued was 463,000 euros in 2020 and 265,417 euros in 2021 (for the period during which he was an executive director of PRISA, from 1 January to 27 July 2021).

B.7 Explain the nature and the main characteristics of the variable components of the remuneration systems accrued and vested in the year last ended.

In particular:

a) Identify each of the remuneration plans that determined the different types of variable remuneration accrued by each of the directors in the year last ended, including information on their scope, date of approval, date of implementation, any vesting conditions that apply, periods of accrual and validity, criteria used to evaluate performance and how this affected the establishment of the variable amount accrued, as well as the measurement criteria used and the time needed to be able to adequately measure all the conditions and criteria stipulated, explaining the criteria and factors applied in regard to the time required and the methods of verifying that the performance or any other kind of conditions linked to the accrual and vesting of each component of variable remuneration have effectively been met.

b) In the case of share options and other financial instruments, the general characteristics of each plan must include information on the conditions both for acquiring unconditional ownership (vesting) of these options or financial instruments and for exercising them, including the exercise price and period.

c) Each director that is a beneficiary of remuneration systems or plans that include variable remuneration, and his or her category (executive director, external proprietary director, external independent director or other external director).

d) Information is to be provided on any periods for accrual, vesting or deferment of payment of vested amounts applied and/or the periods for retention/unavailability of shares or other financial instruments, if any.

As provided for in the Remuneration Policy, only the Executive Directors have been participants in variable remuneration systems during the 2021 financial year.

The variable remuneration system for Executive Directors includes the following variable components:

B.7.1. Annual short-term variable remuneration:

The annual variable remuneration of the Executive Directors is regulated in their contracts, by virtue of which they will receive non-vesting variable remuneration, in cash, in accordance with the degree of achievement of the objectives assigned to them for each of the annual periods included in the term of their contracts, which will be established annually by the Board of Directors at the proposal of the ARCGC.

The Remuneration Policy establishes that, in general terms, this short-term variable remuneration will be determined according to a compliance scale, mainly linked to the achievement of quantitative business objectives, among which are the Group's operational and financial objectives, value creation objectives and sustainability objectives, as well as, to a lesser extent, qualitative objectives.

The annual short-term variable remuneration stipulated in the contracts of the Executive Directors amounts to 250,000 euros for the two Executive Directors, for a level of achievement of 100% of the established objectives, with the possibility of increasing this amount up to a maximum of 130% if the degree of achievement of the established objectives is higher than 100%, so that the maximum amount that the Executive Directors could receive for this remuneration item is 325,000 euros gross.

i. Carlos Nuñez (Executive Chairman of PRISA Media):

Mr. Nuñez joined the organisation on 24 May 2021 and his contract with the Company provides that for the year 2021 his annual variable remuneration will be calculated in proportion to the time of service, although, exceptionally, the Company guarantees him the payment of 50% of the annual variable remuneration mentioned above (i.e. 50% of €250,000).

To determine Mr. Nuñez's short-term variable remuneration for fiscal year 2021, the weighting of objectives is as follows: (i) 70% quantitative objectives, and (ii) 30% qualitative objectives.

a) Quantitative objectives (70%):

These objectives are aimed at improving financial, operating and service results, with special emphasis on EBITDA and cash generation, and two objectives have been introduced for growth in digital business, all within the PRISA Media business.

Specifically, the quantitative measurement of compliance is based on the following three indicators that reflect the most relevant objectives of PRISA Media and according to the following weighting:

Metrics	Weighting
EBITDA	25%
Cash generation (total cash flow before operations)	25%
Digital revenue	20% (10% for revenues and 10% for digital subscriptions to the newspaper El País)

The metrics are based on the 2021 budget.

The compliance scale for EBITDA and for the Revenues and Digital Indicators will be as indicated below.

Metrics	Degree of achievement							
	% achievement	Pmt	% achievement	Pmt	% achievement	Pmt	% achievement	Pmt
EBITDA	<90%	0%	90%	50%	100%	100%	≥120%	130%
Digital revenue/ Digital subscribers to El Pais newspaper	<90%	0%	90%	50%	100%	100%	≥120%	130%

The intermediate points of the intervals between 90 and 100 will be calculated by linear interpolation and the intermediate points between 100 and 120 will be calculated linearly.

The Cash Flow target has a differential scale due to the difficulty in meeting the target at a time of intense transformation of the Company coupled with uncertainty as a result of COVID-19. The minimum degree of compliance will be 70% of the target objective and overcompliance will be rewarded by increasing the maximum range.

Metrics	Degree of achievement							
	% achievement	**Pmt**	**% achievement**	**Pmt**	**% achievement**	**Pmt**	**% achievement**	**Pmt**
Cash generation (Operating cash flow)	<70%	0%	70%	50%	100%	100%	≥MAXIMUM	150%

In the cash generation objective (operating cash flow), only linear interpolation is applied until 100% compliance is achieved and, if compliance exceeds 100%, the payment percentage will be 100%, unless compliance results in positive cash generation (>0), in which case 150% will be paid.

b) Qualitative objectives (30%)

The qualitative part includes variables to measure individual performance of certain competencies, as well as achievement of certain ESG objectives specific to the PRISA Media unit:

- 20% is linked to individual performance according to new competencies and especially valuing effort and leadership to drive the organisation towards digital and cultural transformation.

  Only in duly justified exceptional cases may a maximum overcompliance of 25% be awarded. Effort and leadership in driving the organisation towards meeting annual objectives and maintaining the team's motivation during 2021 is especially valued.

- 10% is linked to the fulfilment of ESG objectives.

c) Key objective:

A "key objective" is applied, the achievement of which allows or disallows the accrual of variable remuneration in the short term. This key objective is that Prisa Media's structural expenses should be lower than budgeted.

In accordance with the above, the ARCGC, at its meetings held on 25 January and 28 February 2022, determined and assessed the degree of achievement of the objectives established for the receipt of Mr. Nuñez's short-term variable remuneration accrued in 2021. Since several extraordinary events not foreseen in the budget have occurred in fiscal year 2021, the ARCGC has agreed to make certain adjustments to the actual results obtained, in order to measure the percentage of achievement of objectives. The Board of Directors meeting held on 28 February 2022, at the proposal of the ARCGC, has approved the amount to be paid for these concepts.

In accordance with the above, the degree of achievement of quantitative objectives (weighted at 70%) was 43.7% (0% EBIT target, 8.4% systems revenue target, 10.3% student number target and 25% cash generation target (total cash flow before operations), and the degree of achievement of qualitative objectives (weighted at 30%, including the individual performance variables of certain competencies as well as achievement of certain ESG objectives) was 31.5%.

The total degree of compliance amounts to 110.7%, which means that the variable remuneration that Mr. Nuñez has accrued in 2021 amounts to 168,252 euros.

ii. Mr. Francisco Cuadrado (Executive Chairman of Santillana):

Mr. Cuadrado assumed his responsibilities as Executive Chairman of Santillana in July 2021, although he had previously served the Company as Chief Business Officer of Santillana.

With respect to the variable remuneration that could correspond to Mr. Cuadrado for the performance of his duties during the year 2021, in accordance with his contract, it is calculated as follows:

- until 31 July 2021, the amount of the annual variable remuneration is calculated by applying the percentage corresponding to the degree of achievement of the objectives set on a target bonus (target amount) of 160,000 euros gross; and

- from 1 August 2021 to 31 December 2021, the amount of the annual variable remuneration is calculated by applying the same percentage corresponding to the degree of achievement of the objectives set on a target bonus (target amount) of 250,000 euros gross.

Thus, the target annual variable remuneration for a level of 100% achievement of the objectives set for 2021 amounts to 197,500 (mix of the two target amounts above), which can be increased up to 130% (i.e. 256,750) if the degree of achievement of the objectives set is higher than 100%.

To determine Mr. Cuadrado's short-term variable remuneration for fiscal year 2021, the weighting of objectives is as follows: (i) 70% quantitative objectives, and (ii) 30% qualitative objectives.

a) Quantitative objectives (70%):

These objectives are aimed at improving financial, operating and service results, with special emphasis on EBIT and cash generation, and two objectives have been introduced for growth in subscription models, all within the Education business (Santillana).

Specifically, the quantitative measurement of compliance is based on the following four indicators that reflect Santillana's most relevant objectives and according to the following weighting:

Metrics	Weighting
EBIT	25%
Cash generation (total cash flow before operations)	25%
Systems revenue	10%
Number of students	10%

The metrics are based on the 2021 budget.

The compliance scale for EBIT, subscription model growth (i.e. system revenue and number of students) will be as follows.

Metrics	**Degree of achievement**							
	% achievement	**Pmt**	**% achievement**	**Pmt**	**% achievement**	**Pmt**	**% achievement**	**Pmt**
EBIT	<90%	0%	90%	50%	100%	100%	≥120%	130%
Systems revenue	<90%	0%	90%	50%	100%	100%	≥120%	130%
Number of students	<90%	0%	90%	50%	100%	100%	≥120%	130%

Intermediate points between 90 and 100 will be calculated by linear interpolation and intermediate points between 100 and 120 will be calculated linearly.

In 2021, the total Cash Flow before operations target will have a differential scale due to the difficulty in meeting the target at a time of intense transformation of the Company coupled with uncertainty as a result of COVID-19. The minimum degree of compliance will be 70% of the target objective and overcompliance will be rewarded by increasing the maximum range.

Metrics	**Degree of achievement**							
	% achievement	**Pmt**	**% achievement**	**Pmt**	**% achievement**	**Pmt**	**% achievement**	**Pmt**
Cash generation (*Total Cash Flow before operations*	<70%	0%	70%	50%	100%	100%	≥200%	150%

In the cash generation objective (total cash flow before operations) only linear interpolation applies until 100% compliance is reached and, after compliance above 100%, the payment percentage will be 100% unless the maximum entitlement to the maximum payment is reached.

b) Qualitative objectives (30%)

The qualitative part includes variables for measuring individual performance of certain competencies, as well as achievement of certain specific ESG objectives for the Education business unit (Santillana):

- 20% is linked to individual performance according to new competencies and especially valuing effort and leadership to drive the organisation towards digital and cultural transformation.

  Only in duly justified exceptional cases may a maximum overcompliance of 25% be awarded. Effort and leadership in driving the organisation towards meeting annual objectives and maintaining the team's motivation during 2021 is especially valued.

- 10% is linked to the fulfilment of ESG objectives.

c) Key objective:

A "key objective" is applied, the achievement of which allows or disallows the accrual of variable remuneration in the short term. This key objective is to ensure that Santillana's net income is positive.

The key objective has been met.

In accordance with the above, the ARCGC, at its meetings held on 25 January and 28 February 2022, has determined and assessed the degree of achievement of the objectives established for the receipt of Mr. Cuadrado's short-term variable remuneration accrued in 2021 and has proposed to the Board of Directors the amount to be paid for this concept. The Board of Directors held on 28 February 2022 approved the ARCGC's proposal.

In accordance with the above, the degree of achievement of the quantitative objectives (weighted at 70%) was 43.7% (0% for the EBIT objective, 8.4% for the systems revenue objective, 10.3% for the number of students objective and 25% for the cash flow objective), and 31.5% for the degree of achievement of the qualitative objectives (weighted at 30%, including the individual performance variables of certain competencies as well as achievement of certain ESG objectives).

The total degree of compliance amounts to 75.2%, so that the variable remuneration that Mr. Cuadrado has accrued in 2021 amounts to 148,476 euros.

iii. Mr. Manuel Mirat (executive director until July 2021):

Mr. Mirat's annual variable remuneration for the 2021 fiscal year has been settled upon termination of his contracts with the Company in July 2021. See section B.10 of this Report.

B.7.2. Long-term variable remuneration:

As already indicated in sections A.1.6.iii) and A.1.11 above, the former executive director Mr. Manuel Mirat was the beneficiary of medium-term deferred variable remuneration for the period 2018-2020, payable in shares, which was approved by the Shareholders' Meeting held on 25 April 2018.

This medium-term Deferred Remuneration was intended to align the interests of its beneficiaries with those of the Company's shareholders, within the framework of the Company's Strategic Plan for the 2018-2020 period. Thus, the Deferred Remuneration contemplated for the beneficiaries the allocation of a number of theoretical shares ("RSUs") that served as a reference to determine, if applicable, the delivery of a number of ordinary shares of the Company after a reference period of three years, conditioned on the fulfilment of certain requirements and the objectives established for: (i) Increase in share value, (ii) consolidated EBITDA and (iii) consolidated Cash Flow.

Once the degree of achievement of the objectives had been analysed, for which advice was provided by an independent third party, KPMG, which performed the analysis of the impact on EBITDA and Cash Flow of the 2018-2020 Strategic Plan, using the operations that have taken place during this period as a reference for establishing the objectives, achievement of Cash Flow was 85.8%, while the EDITDA and value increase objectives would not have been met. This degree of compliance entailed the delivery of 471,900 gross shares to Mr. Mirat, equivalent to 21.45% of the theoretical shares that were allocated to Mr. Mirat in 2018 (2,200,000 shares).

At the request of the beneficiaries of this remuneration plan, the Board of Directors of PRISA resolved that the settlement and delivery of this deferred remuneration be delayed to the period between 1 January and 28 February 2022 (delivery which, according to the general conditions governing this remuneration plan, should be made in the 60-day period following the preparation of the 2020 financial statements). The settlement of this remuneration plan was made in February 2022 and the corresponding amount is not shown in the tables in section C of this Report, since it was not accrued in 2021.

B.7.3. Extraordinary incentives linked to key strategic transactions (sale of the education business of Grupo Santillana Educación Global, S.L.U. in Spain and refinancing of Grupo Prisa's financial debt):

Regarding the two extraordinary remuneration incentives addressed to the former Chief Executive Officer of Prisa (and other executives) that were linked to the success of two relevant strategic transactions that were executed in 2020 (sale of the education business of Grupo Santillana Educación Global, S.L.U. in Spain and refinancing of the financial debt of Grupo Prisa with its creditors), as already indicated in this Report, in 2021 Mr. Mirat has accrued the second 50% of the amount of such incentives which has been settled in July 2021 in the amount of €500,000 (included in heading C of this Report under "Other items"). The first 50% of these incentives (another €500,000) was paid in January 2021, but accrued in

2020 (as stated in the Remuneration Report for that year) and is therefore not included in the tables in section C of this Report.

Payment was made in cash, based on achievement scales on predefined target amounts. In the case of Mr. Mirat, the target amount for the refinancing transaction was €330,000 and the target amount associated with the sale of Santillana España was €670,000, making a total target amount, for the two incentives, of €1,000,000.

The amount that each participant could receive would range from 80% to 120% of the allocated target amount.

The conditions for receiving the incentives were as follows: i) formalisation and final execution of the sale of Santillana España and the refinancing agreements with the Company's main creditors, under the conditions approved by the Board of Directors, in both cases, with the individual contribution of the beneficiary and ii) maintenance of the labour or mercantile relationship with the Company. These conditions were met.

The Board, at the proposal of the ARCGC, had to determine the amount achieved by each participant on the basis of the overall assessment and their individual contribution. In the case of the refinancing incentive, in order to make this proposal, the ARCGC had to rely on the report of the external advisors of the operation to assess the operation as a whole and on a report justifying the individual contribution of each participant. Consequently, the Board could modify the target pool amount by 20% upward (120% of target) or 20% downward (80% of target). The valuation of the individualised allocation was to be performed after the transactions had been executed.

In January 2021, the Board, at the proposal of the ARCGC, agreed that the compliance ratio would be 100% of the two incentives, taking into account the qualitative assessment of the final conditions of the agreements reached in the transactions (in the case of the refinancing agreement, the assessment contained in the report of Lazard, external advisor of the transaction, was taken into account, and in relation to the sale of Santillana España, the report of Morgan Stanley, external advisor of the transaction, was taken into account, as well as the optimum contribution of the Chief Executive Officer in the transactions).

Payment was made as follows:

i. A first payment (the amount of which is equal to 50% of the sum of the two Incentives) after the execution of the operations (which were closed on 31 December 2020). This first payment was made in January 2021.

ii. A second payment (equivalent to the other 50%), six months after the closing of the operations. This second payment was linked to the performance of Prisa's shares compared to a group of comparable companies that were defined and could be paid after the end of the period for measuring the performance of the share. The Board of

Directors, when assessing the pay-out ratio, could take into account significant internal or external changes that would make it appropriate to determine a pay out ratio of up to 100%, even if the PRISA share had not outperformed the Comparison Group, under certain predefined assumptions. This payment was settled in July 2021.

B.8 Indicate whether certain variable components have been reduced or clawed back when, in the former case, payment of non-vested amounts has been deferred or, in the latter case, they have vested and been paid, on the basis of data that have subsequently been clearly shown to be inaccurate. Describe the amounts reduced or clawed back through the application of the "malus" (reduction) or clawback clauses, why they were implemented and the years to which they refer.

No reduction or claim has been made for the return of variable components as no variable remuneration has been accrued or paid as a result of data that has subsequently been proven to be manifestly inaccurate.

B.9 Explain the main characteristics of the long-term savings schemes where the amount or equivalent annual cost appears in the tables in Section C, including retirement and any other survivor benefit, whether financed in whole or in part by the company or through internal or external contributions, indicating the type of plan, whether it is a defined contribution or defined benefit plan, the contingencies covered, the conditions on which the economic rights vest in favour of the directors and their compatibility with any type of indemnification for early termination or cessation of the contractual relationship between the company and the director.

There are no long-term savings systems in favour of the directors in 2021.

B.10 Explain, where applicable, the indemnification or any other type of payment deriving from the early cessation, whether at the company's or the director's initiative, or from the termination of the contract in the terms provided therein, accrued and/or received by directors during the year last ended.

Mr. Mirat rendered his services in several companies of the PRISA Group, through successive contractual relationships of different nature, from October 1997 to July 2021. The termination of the last two contracts of Mr. Mirat as Chief Executive Officer of PRISA and as Executive Chairman of Santillana, as well as the termination of the employment relationship that Mr. Mirat had with the Company, has been settled and terminated in the year 2021, which has given rise to the payment and/or recognition of the following remuneration items that were provided for both in Mr. Mirat's contracts with the Company and in the Remuneration Policy:

a) Indemnity for the termination of the services agreement on 26 May 2021, equivalent to 18 months of fixed and variable annual remuneration: 1,200,000 euros (included in section C of this Report under "Indemnity").

   For the calculation of this amount, the annual fixed remuneration of 500,000 euros (without the temporary reduction of 20% applied in the context of the Covid-19 crisis) and Mr. Mirat's annual variable reference remuneration (target), which amounted to 300,000 euros gross, were taken into consideration.

b) Employment indemnity for the termination of the employment relationships that Mr. Mirat had maintained with different entities of the PRISA Group since 20 October 2017: 381,145.18 euros gross (included in section C of this Report under "Indemnity").

   This amount was already calculated and provided for in the Remuneration Policy.

c) Supplemental indemnity: 35,588.64 gross, (included in section C of this Report under "Indemnity").

   In accordance with the provisions of the Remuneration Policy, this amount is equivalent to the amount established as the maximum amount of the Social Security contributory unemployment benefit, for the maximum period established for such benefit.

d) Three months' notice (for termination of the contract at the Company's request): 125,000 gross (included in section C of this Report under "Indemnity").

   This amount was calculated on Mr. Mirat's annual fixed remuneration of €500,000 (without the temporary 20% reduction applied in the context of the Covid 19 crisis) and corresponds to the Company's unfulfilled notice period of 3 months.

e) Annual variable remuneration corresponding to fiscal year 2021, in an amount proportional to the date of Mr. Mirat's resignation from the Company and calculated on the annual target amount (300,000 euros): 175,000 gross (included in section C of this Report under "Short-term variable remuneration").

f) Settlement of accrued and unused vacation and bonus payments: 24,702 euros gross (included in section C of this Report under "Salary" and "Other items", respectively).

g) Post-contractual non-competition covenant: 208,333 euros gross

   In consideration for the post-contractual non-competition covenant provided for in Mr. Mirat's contract, Mr. Mirat will receive six monthly instalments of the gross annual salary (amounting to €500,000), payable in six monthly instalments of the same amount each over the term of the non-competition covenant (i.e., from August 2021 to January 2022, both months inclusive). Consequently, Mr. Mirat is entitled to receive a total amount of €250,000 payable in six monthly payments of 41,666.67 euros gross each, and it is the amount of five monthly payments (from August to December, both inclusive), that is, 208,333 euros, which he has accrued in 2021 (included in section C of this Report under "Other items").

It is noted for the record that the firm Uría & Menéndez advised the Company in the configuration of Mr. Mirat's contract as Executive Chairman of Santillana. Likewise, the Pérez-Llorca law firm advised the Company in connection with the economic conditions associated with the dismissal of Mr. Manuel Mirat Santiago as Executive Chairman of Santillana and the termination of his legal relationship with the Company.

B.11 Indicate whether there have been any significant changes in the contracts of persons exercising senior management functions, such as executive directors, and, if so, explain them. In addition, explain the main conditions of the new contracts signed with executive directors during the year, unless these have already been explained in Section A.1.

As already indicated in the "Background" of this Report, in 2021:

i. Mr. Carlos Nuñez has joined the Company as Executive Chairman of PRISA Media and executive director of PRISA. His services agreement has been signed in May 2021 with PRISA Media, S.L.

ii. Mr. Francisco Cuadrado has been appointed Executive Chairman of Santillana and executive director of PRISA. His services agreement has been signed in July 2021 with Grupo Santillana Educación Global, S.L.U.

iii. Mr. Manuel Mirat was an executive director of PRISA until 27 July 2021. Mr. Mirat assumed the responsibilities of Chief Executive Officer of PRISA from September 2017 until June 2021 and Executive Chairman of Santillana from 29 June until 27 July 2021, for which purpose he entered into the corresponding services agreement, in May 2021, with Grupo Santillana Educación Global, S.L.U.

    Mr. Mirat's contractual relationship with the Company ended in July 2021.

B.12 Explain any supplementary remuneration accrued by directors in consideration of the provision of services other than those inherent in their position.

No additional remuneration whatever has been earned by the directors as consideration for services rendered other than those inherent in the position.

Notwithstanding the foregoing and as already stated in this Report, before Mr. Francisco Cuadrado was appointed Executive Chairman of Santillana and director of PRISA (which occurred on 27 July 2021), he had been providing his services in Santillana as Global Director of Education, in consideration for which he has earned fixed remuneration and annual variable remuneration, for the period from 1 January to 31 July 2021 (although Mr. Cuadrado was appointed Executive Chairman of Santillana on 27 July 2021, the new economic conditions associated with that position were not effectively applied until 1 August 2021). These considerations do not constitute a payment derived from his status as a director of the Company, and therefore are not taken into account for the purposes of this Report.

B.13 Explain any remuneration deriving from advances, loans or guarantees granted, indicating the interest rate, their key characteristics and any amounts returned, as well as the obligations assumed on their behalf by way of guarantee.

There are no advances, loans or guarantees granted by the Company to its directors.

B.14.Itemise the remuneration in kind accrued by the directors during the year, briefly explaining the nature of the various salary components.

In relation to executive directors, the amount and nature of the remuneration in kind accrued in 2021 is detailed below:

i) <u>Life and accident insurance policy:</u>

The amounts of the annual premium for 2021 corresponding to the life and accident insurance policy were as follows:

- Mr. Carlos Nuñez: 219.86 euros for life insurance and 38.40 euros for accident insurance.

  Life insurance amount insured for the year 2021 was 400,000 euros.

- Mr. Francisco Cuadrado: 1,642.68 euros for life insurance and 41.49 euros for accident insurance.

  Life insurance amount insured for the year 2021 was 881,528 euros.

- Mr. Manuel Mirat: 1,303.85 euros for life insurance and 139.12 euros for accident insurance.

  Life insurance amount insured for the year 2021 was 1,250,000 euros.

ii) <u>Private health insurance policy:</u>

- Carlos Nuñez: The amount of the premium corresponding to the health insurance policy was 2,616.95 euros.

- Francisco Cuadrado: The amount of the premium corresponding to the health insurance policy was 1,495.40 euros.

- Manuel Mirat: The amount of the premium corresponding to the health insurance policy was 3,364.65 euros.

On the other hand, it is noted that Messrs. Nuñez, Cuadrado and Mirat have made use, in the exercise of their respective functions, of a Company vehicle, in accordance with Grupo PRISA's vehicle fleet policy, although this is not considered to be remuneration in kind.

B.15 Explain the remuneration accrued by any director by virtue of payments made by the listed company to a third company in which the director provides services when these payments seek to remunerate the director's services to the company.

PRISA has not made any payments to a third party entity in which the directors may provide services, the purpose of which is to remunerate their services in the company.

B.16. Explain and detail the amounts accrued in the year in relation to any other remuneration concept other than that set forth above, whatever its nature or the group entity that pays it, including all benefits in any form, such as when it is considered a related-party transaction or, especially, when it significantly affects the true image of the total remuneration accrued by the director. Explain the amount granted or pending payment, the nature of the consideration received and the reasons for those that would have been considered, if applicable, that do not constitute remuneration to the director or in consideration for the performance of their executive functions and whether or not has been considered appropriate to be included among the amounts accrued under the "Other concepts" heading in Section C.

There are no other categories of remuneration.

C. DETAIL OF THE INDIVIDUAL REMUNERATION CORRESPONDING TO EACH OF THE DIRECTORS

Name	Type	Accrual period fiscal year 2021
JOSEPH OUGHOURLIAN	Non-Executive Chairman (Proprietary Director	From 01/01/2021 through 31/12/2021
ROSAURO VARO RODRIGUEZ	Non-Executive Deputy Chairman (Independent Director)	From 01/01/2021 through 31/12/2021
BEATRICE DE CLERMONT-TONNERRE	Lead Director (Independent Director)	From 01/01/2021 through 31/12/2021
ROBERTO ALCÁNTARA ROJAS	Proprietary Director	From 01/01/2021 through 31/12/2021
AMBER CAPITAL UK LLP (REPRESENTED BY MIGUEL BARROSO AYATS)	Proprietary Director	From 01/01/2021 through 31/12/2021
MARIA TERESA BALLESTER FORNES	Independent Director	From 01/01/2021 through 31/12/2021
FRANCISCO CUADRADO PÉREZ	Executive Director	From 27/07/2021 through 31/12/2021
CARMEN FERNANDEZ DE ALARCÓN	Proprietary Director	From 29/06/2021 through 31/12/2021
MARIA JOSE MARIN REY-STOLLE	Independent Director	From 23/02/2021 through 31/12/2021
CARLOS NUÑEZ MURIAS	Executive Director	From 24/05/2021 through 31/12/2021
MANUEL POLANCO MORENO	Proprietary Director	From 01/01/2021 through 31/12/2021
TERESA QUIRÓS ÁLVAREZ	Independent Director	From 30/11/2021 through 31/12/2021
KHALID BIN THANI ABDULLAH AL THANI	Proprietary Director	From 01/01/2021 through 31/12/2021
JAVIER SANTISO GUIMARAS	Independent Director	From 01/01/2021 through 31/12/2021
DOMINIQUE D'HINNIN	Independent Director	From 01/01/2021 through 30/11/2021
MANUEL MIRAT SANTIAGO	Executive Director	From 01/01/2021 through 27/07/2021
JAVIER DE JAIME GUIJARRO	Independent Director	From 01/01/2021 through 23/02/2021

C.1 Complete the following tables on the individual remuneration earned by each director during the year (including remuneration for executive functions)

C.1.a) Remuneration earned at the Company to which this report relates:

i) Remuneration earned in cash (€k)

Name	Fixed remuneration	Per diems	Remuneration for belonging to a board committee	Salary	Short-term variable remuneration	Long-term variable remuneration	Severance	Other items	Total fiscal year 2021	Total fiscal year 2020
JOSEPH OUGHOURLIAN	200	0	0	0	0	0	0	0	200	104
ROSAURO VARO RODRIGUEZ	56	0	36	0	0	0	0	0	92	1
BEATRICE DE CLERMONT TONNERRE	56	0	57	0	0	0	0	0	113	77
ROBERTO ALCÁNTARA ROJAS	50	0	0	0	0	0	0	0	50	60
AMBER CAPITAL UK LLP (REPRESENTED BY MR. MIGUEL BARROSO)	50	0	17	0	0	0	0	0	67	77
MARIA TERESA BALLESTER FORNES	56	0	16	0	0	0	0	0	72	77
FRANCISCO CUADRADO PEREZ	0	0	0	0	0	0	0	0	0	0
CARMEN FERNANDEZ DE ALARCÓN	23	0	8	0	0	0	0	0	31	0
MARIA JOSE MARIN REY-STOLLE	47	0	26	0	0	0	0	0	73	0
CARLOS NUÑEZ MURIAS	0	0	0	0	0	0	0	0	0	0
MANUEL POLANCO MORENO	50	0	24	0	0	0	0	0	74	85

TERESA QUIRÓS ÁLVAREZ	5	0	3	0	0	0	0	0	8	0
KHALID BIN THANI ABDULLAH AL THANI	50	0	0	0	0	0	0	0	50	60
JAVIER SANTISO GUIMARAS	56	0	40	0	0	0	0	0	96	2
DOMINIQUE D'HINNIN	51	0	38	0	0	0	0	0	89	94
MANUEL MIRAT SANTIAGO	0	0	0	224	175	0	1,742	728	2,869	969
JAVIER DE JAIME GUIJARRO	8	0	4	0	0	0	0	0	12	93

ii) Table of movements of share-based remuneration systems and gross profit on vested shares or financial instruments

Name	Name of the Plan	Financial instruments at the beginning of the fiscal year 2020		Financial instruments granted during the fiscal year 2020		Financial instruments vested during the fiscal year				Instruments accrued and not exercised	Financial instruments at the end of the fiscal year 2020	
		No. instruments	No. equivalent shares	No. instruments	No. equivalent shares	No. instruments	No. equivalent shares/vested shares	Price of vested shares	Gross profit on the vested shares or financial instruments (€k)	No. instruments	No. instruments	No. equivalent shares
MANUEL MIRAT SANTIAGO	Medium-term Incentive Plan 2018-2020	471,900	471,900	0	0	0	0	-	-	0	471,900	471,900

Remarks
i) "PRISA Media Incentive Plan 2022-2024": In accordance with the provisions of the Remuneration Policy, the Executive Director of PRISA Media may be the beneficiary of a medium-term incentive plan linked to the creation of value for PRISA Media in the medium term. The Board of Directors of PRISA at its meeting held on 21 December 2021 has approved a medium-term incentive plan, of which the Executive Director of PRISA Media is the beneficiary, which is linked to the

achievement of certain quantitative financial targets included in PRISA Media’s budget (linked to EBITDA, Cash Flow and digital revenues) in fiscal years 2022, 2023 and 2024 and which is payable in shares. This plan is pending approval by PRISA’s Shareholders’ Meeting.

Mr. Nuñez will be allocated a theoretical number of shares equivalent to €500,000 gross for each year of the plan’s duration, which will serve as a reference to determine the final number of shares to be delivered. The calculations will be made considering the average stock market value of PRISA shares during the last quarter of 2021. In addition, the incentive may be increased depending on the evolution of PRISA’s share price.

ii) At the Ordinary Shareholders’ Meeting held on 25 April 2018, a medium-term Deferred Remuneration plan was approved for the period 2018 to 2020, consisting of the delivery of shares in the Company linked to the performance of the market price of the share and the achievement of some objectives. That plan was addressed to the CEO of PRISA and to certain executives, who may receive a specific number of ordinary shares in the Company after a reference period of 3 years, provided certain pre-established requirements are met. In 2018, the Company assigned a number of "theoretical shares" (Restricted Stock Units or RSUs) to each beneficiary and set some objectives (different from share market price) that must be met to be able to benefit from the incentive, which will serve as a reference for determining the final number of shares to be delivered, if any.

After analysing the degree of achievement of the objectives, Cash Flow compliance was 85.8%, while the EDITDA and value increase objectives were not met. This degree of compliance entailed the delivery of 471,900 gross shares to Mr. Mirat, equivalent to 21.45% of the theoretical shares that were allocated to Mr. Mirat in 2018 (2,200,000 shares).

At the request of the beneficiaries of this remuneration plan, the Board of Directors resolved that settlement and delivery of this Deferred Remuneration be delayed until January 2022 (according to the general conditions regulating this remuneration plan, that delivery should be made within 60 days after the 2020 accounts are prepared).
The settlement was made in February 2022, through the delivery of 306,735 shares to Mr. Mirat (net amount in shares after application of the corresponding tax withholdings). The cash equivalent for the 471,900 gross shares is €274,174 and the cash equivalent for the 306,735 net shares is €178,213. The cash equivalent of the shares has been calculated on the basis of the share price on the day on which the Executive Committee adopted the decision to proceed with the settlement (25 January 2022).

iii) Long-term savings systems

Director	Remuneration for vesting of rights under savings systems

<table>
<tr><th></th><th colspan="4">Contribution of the year by the company (€k</th><th colspan="4" rowspan="2">Amount of cumulative funds (€k)</th></tr>
<tr><th rowspan="3">Name</th><th colspan="2">Savings systems with vested economic rights</th><th colspan="2">Savings systems with non-vested economic rights</th></tr>
<tr><th rowspan="2">Year t</th><th rowspan="2">Year t-1</th><th rowspan="2">Year t</th><th rowspan="2">Year t-1</th><th colspan="2">Year t</th><th colspan="2">Year t-1</th></tr>
<tr><th>Systems with vested economic rights</th><th>Systems with non-vested economic rights</th><th>Systems with vested economic rights</th><th>Systems with non-vested economic rights</th></tr>
<tr><td></td><td></td><td></td><td colspan="2"></td><td></td><td></td><td></td><td></td></tr>
</table>

iv) Detail of other items

name	Item	Amount
MANUEL MIRAT SANTIAGO	Vacation accrued and not taken	17
MANUEL MIRAT SANTIAGO	Extraordinary incentive for 2020 operations	500
MANUEL MIRAT SANTIAGO	Life, accident and health insurance	3
MANUEL MIRAT SANTIAGO	Noncompetition clause	208

C.1. b) Remuneration earned by Company directors for membership of Boards at other group companies:

i) Remuneration accrued in cash (€k)

Name	Fixed remuneration	Per diems	Remuneration for belonging to Board committees	Salary	Short-term variable remuneration	Long-term variable remuneration	Severance	Other items	Total fiscal year 2021	Total fiscal year 2020
FRANCISCO CUADRADO PÉREZ	0	0	0	198	148	0	0	3	349	0
CARLOS NUÑEZ MURIAS	0	0	0	242	168	0	0	3	413	0
MANUEL POLANCO MORENO	17	0	0	0	0	0	0	0	17	42
MANUEL MIRAT SANTIAGO	0	0	0	42	0	0	0	5	47	0

Remarks
The remuneration received by Mr. Francisco Cuadrado prior to his appointment as executive director of PRISA (in July 2021) for his previous responsibilities at Santillana has not been taken into account. Although Mr. Cuadrado was appointed Executive Chairman of Santillana on 27 July 2021, the new economic conditions associated with such position were not effectively implemented until 1 August.

ii) Table of movements of share-based remuneration systems and gross profit on vested shares or financial instruments

Name	Name of the Plan	Financial instruments at the beginning of the fiscal year t		Financial instruments granted during the fiscal year t		Financial instruments vested during the fiscal year				Instruments accrued and not exercised	Financial instruments at the end of the fiscal year t	
		No. instruments	No. equivalent shares	No. instruments	No. equivalent shares	No. instruments	No. equivalent/vested shares	Price of vested shares	Gross profit on vested shares or financial instruments (€k)	No. instruments	No. instruments	No. equivalent shares
Director 1	Plan 1											
	Plan 2											

iii) Long-term savings systems

	Remuneration for vesting of rights under savings systems
Director 1	

	Contribution of the year by the company (€k)				Amount of cumulative funds (€k)			
	Savings systems with vested economic rights		Savings systems with non-vested economic rights					
	Year t	Year t-1	Year t	Year t-1	Year t		Year t-1	
Name					Systems with vested economic rights	Systems with non-vested economic rights	Systems with vested economic rights	Systems with non-vested economic rights

iv) Detail of other items

Name	Item	Amount of remuneration
FRANCISCO CUADRADO PÉREZ	Life, accident and health insurance	3
CARLOS NUÑEZ MURIAS	Life, accident and health insurance	3
MANUEL MIRAT SANTIAGO	Life, accident and health insurance	2
MANUEL MIRAT SANTIAGO	Vacation accrued and not taken	3

C.1. c) Summary of remuneration (€k):

Summary should include the amounts relating to all the remuneration items included in this report that have been earned by the director, in thousands of euros.

	Remuneration earned at the Company					Remuneration earned at the Company					
Name	Total remuneration in cash	Gross profit on vested shares or financial instruments	Remuneration from savings systems	Remuneration for other items	Company total fiscal year 2021	Total remuneration in cash	Gross profit on vested shares or financial instruments	Remuneration from savings systems	Remuneration for other items	Total fiscal year 2021 group	Total year 2021 Company + Group
JOSEPH OUGHOURLIAN	200	0	0	0	200	0	0	0	0	0	200
ROSAURO VARO RODRIGUEZ	92	0	0	0	92	0	0	0	0	0	92
BEATRICE DE CLERMONT TONNERRE	113	0	0	0	113	0	0	0	0	0	113
ROBERTO ALCÁNTARA ROJAS	50	0	0	0	50	0	0	0	0	0	50
AMBER CAPITAL UK LLP (REPRESENTED BY MR. MIGUEL BARROSO)	67	0	0	0	67	0	0	0	0	0	67
MARIA TERESA BALLESTER FORNES	72	0	0	0	72	0	0	0	0	0	72
FRANCISCO CUADRADO PÉREZ	0	0	0	0	0	349	0	0	0	349	349
CARMEN FERNANDEZ DE ALARCÓN	31	0	0	0	31	0	0	0	0	0	31
MARIA JOSE MARIN REY-STOLLE	73	0	0	0	73	0	0	0	0	0	73
CARLOS NUÑEZ MURIAS	0	0	0	0	0	413	0	0	0	413	413

MANUEL POLANCO MORENO	74	0	0	0	74	17	0	0	0	17	91
TERESA QUIRÓS ÁLVAREZ	8	0	0	0	8	0	0	0	0	0	8
KHALID BIN THANI ABDULLAH AL THANI	50	0	0	0	50	0	0	0	0	0	50
JAVIER SANTISO GUIMARAS	96	0	0	0	96	0	0	0	0	0	96
DOMINIQUE D'HINNIN	89	0	0	0	89	0	0	0	0	0	89
MANUEL MIRAT SANTIAGO	2,869	0	0	0	2,869	47	0	0	0	47	2,916
JAVIER DE JAIME GUIJARRO	12	0	0	0	12	0	0	0	0	0	12
Total:	3,896	0	0	0	3,896	826	0	0	0	826	4,722

Remarks
i) The amount of the total remuneration of the directors, specified in the previous table (4,675 thousand euros) follows the accrual criteria established in the CNMV's "Circular 1/2020, establishing the model of annual report on remuneration of directors of listed corporations", and differs in 94 thousand euros from the total amount of directors' remuneration specified in the Notes to the Financial Statements and in the Half-Year Financial Information of PRISA of fiscal year 2021 (4,769 thousand euros), because that amount relates to the accounting provision of the expense. The difference in the amount is broken down as follows: • 2021 annual variable remuneration (accounting expense amounting to 428 thousand euros); • Medium-Term Incentive Plan 2020-2023 Santillana (accounting expense amounting to 247 thousand euros); • Medium Term Incentive 2018-2020 (accounting expense amounting to 322 thousand euros); • Post-contractual non-competition agreement of Mr. Manuel Mirat (accounting expense for the full amount, that is, 250 thousand euros) ii) Within the global remuneration of the Board of Directors includes that pertaining to Javier de Jaime Guijarro, Manuel Mirat Santiago and Dominique D´Hinnin, up to the time of their cessation as a directors in February, July and November 2021, respectively, iii) With respect to the director Amber Capital, the overall remuneration accrued includes both the period during which it was represented by Mr. Fernando Martínez Albacete on the Board of Directors of PRISA (January-March 2021), and the remuneration accrued while it was represented by Mr. Miguel Barroso (March-December 2021).

C.2 Indicate the evolution in the last five years of the amount and percentage variation of the remuneration accrued by each of the directors of the listed company who have held this position during the year, the consolidated results of the company and the average remuneration on an equivalent basis with regard to full-time employees of the company and its subsidiaries that are not directors of the listed company.

	Total amounts accrued and % annual variation (in thousand €)								
	Year 2021	% variation 2021/2020	Year 2020	% variation 2020/2019	Year 2019	% variation 2019/2018	Year 2018	% variation 2018/2011	Year 2017
Executive Directors									
FRANCISCO CUADRADO PÉREZ	349	0	0	0	0	0	0	0	0
CARLOS NUÑEZ MURIAS	413	0	0	0	0	0	0	0	0
MANUEL MIRAT SANTIAGO	2,916	200.93%	969	91.50%	506	-41.03%	858	164%	325
External Directors									
JOSEPH OUGHOURLIAN	200	92.31%	104	-13.33%	120	0	120	-25.47%	161
ROBERTO ALCÁNTARA ROJAS	50	-16.67%	60	-23.08%	78	-16.13%	93	-53.03%	198
AMBER CAPITAL UK LLP (REPRESENTED BY MR. MIGUEL BARROSO)	67	-12.99%	77	-6.10%	82	51.85%	54	0	0
MARIA TERESA BALLESTER FORNES	72	-6.49%	77	108.11%	37	0	0	0	0
BEATRICE DE CLERMONT TONNERRE	113	46.75%	77	57.14%	49	0	0	0	0
CARMEN FERNANDEZ DE ALARCÓN	31	0	0	0	0	0	0	0	0
MARIA JOSE MARIN REY-STOLLE	73	0	0	0	0	0	0	0	0
MANUEL POLANCO MORENO	91	-28.35%	127	-15.33%	150	-79.59%	735	-55.07%	1,636
TERESA QUIRÓS ÁLVAREZ	8	0	0	0	0	0	0	0	0
KHALID BIN THANI ABDULLAH AL THANI	50	-16.67%	60	-14.29%	70	-9.09%	77	-11.49%	87
DOMINIQUE D'HINNIN	89	-5.32%	94	-22.95%	122	-6.15%	130	-41.96%	224
JAVIER SANTISO GUIMARAS	96	4,700%	2	0	0	0	0	0	0
ROSAURO VARO RODRIGUEZ	92	9,100%	1	0	0	0	0	0	0
JAVIER DE JAIME GUIJARRO	12	-87.10%	93	5.68%	88	25.71%	70	536.36%	11
Consolidated results of the company	-81,566	-51%	-166,392	-1,165%	15,629	337%	3,577	-92%	44,732
Average employee remuneration	43	0%	43	0%	43	0%	43	0%	43

Remarks
The calculation of the average remuneration of the employees has been carried out taking into account the criteria established in Circular 3/2021 of the CNMV, that is, it represents the ratio between the amount of the remuneration accrued by the staff in each year, determined pursuant to the accounting regulations applicable in the preparation of the consolidated and audited annual accounts for each year (discounting, where appropriate, the remuneration of directors) and the weighted average number of employees (excluding directors) calculated on a full-time equivalent basis. When calculating this ratio, all employees of PRISA or any of its subsidiaries at some point in each financial year have been included. The figures have been taken from the audited consolidated annual accounts.

D. OTHER INFORMATION OF INTEREST

If there are any material aspects relating to directors' remuneration that have not been addressed elsewhere in this report and which are necessary in order to provide a more comprehensive and reasoned view of the remuneration structure and practices of the company, provide a brief explanation.

This annual remuneration report was approved by the Board of Directors at its meeting held on 28 March 2022.

Indicate whether there are any directors who voted against or abstained from voting to approve this Report.

YES ☐ NO ☒

Independent Assurance Report on the “Information Regarding Internal Control over Financial Reporting (ICFR) System”

PROMOTORA DE INFORMACIONES, S.A.

2021

Ernst & Young, S.L.
Calle de Raimundo Fernández Villaverde, 65
28003 Madrid

Tel: 902 365 456
Fax: 915 727 238
ey.com

INDEPENDENT ASSURANCE REPORT ON THE "INFORMATION REGARDING THE INTERNAL CONTROL OVER FINANCIAL REPORTING (ICFR) SYSTEM"

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

To the shareholders of PROMOTORA DE INFORMACIONES, S.A.:

Scope of the work

We have examined the accompanying information on the Internal Control over Financial Reporting (ICFR) system of PROMOTORA DE INFORMACIONES, S.A. and subsidiaries (the "Group") contained in Section F of the Annual Corporate Governance Report for the year ended December 31, 2021.

Criteria applied by PRISA:

The aforementioned system is based on the rules and policies defined by the Boards of Directors of PROMOTORA DE INFORMACIONES, S.A. in accordance with the guidelines established by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in its Internal Control-Integrated Framework (2013) report.

A system of internal control over financial reporting is a process designed to provide reasonable assurance on the reliability of financial information in accordance with the accounting principles and standards applicable to it. A system of internal control over financial reporting includes policies and procedures that: (i) enable the records reflecting the transactions performed to be kept accurately and with a reasonable level of detail, (ii) guarantee that these transactions are performed only in accordance with the authorizations established; (iii) provide reasonable assurance that transactions are recognized appropriately to enable the preparation of the financial information in accordance with the accounting principles and standards applicable to it; and (iv) provide reasonable assurance in relation to the prevention or timely detection of unauthorized acquisition, use or sale of the company's assets that could have a material effect on the financial information. In view of the limitations inherent to any system of internal control over financial reporting, certain errors, irregularities, or fraud might not be detected. Also, the projection to future periods of an evaluation of internal control is subject to risks, including the risk that internal control may be rendered inadequate as a result of future changes in the applicable conditions or that there may be a reduction in the future of the degree of compliance with the policies or procedures established.

Domicilio Social: C/ Raimundo Fernández Villaverde, 65. 28003 Madrid - Inscrita en el Registro Mercantil de Madrid, tomo 9.364 general, 8.130 de la sección 3ª del Libro de Sociedades, folio 68, hoja nº 87.690-1, inscripción 1ª. Madrid 9 de Marzo de 1.989. A member firm of Ernst & Young Global Limited.

Directors' Responsibility

The Directors of PROMOTORA DE INFORMACIONES, S.A. are responsible for maintaining the System of Internal Control over Financial Reporting included in the consolidated financial statements and for evaluating its effectiveness. This responsability includes the implementation and maintenance of the internal control system, the maintenance of adequate records and the making of relevant estimates for the preparation of the consolidated annual accounts, so that is free of material errors, whether due to fraud or error.

Our responsibility

Our responsibility is to issue an independent assurance report on the effectiveness of the System of Internal Control over Financial Reporting (ICFR) based on the work performed by us and on the evidence we have obtained.

We have carried out our reasonable assurance work in accordance with the requirements established by the International Standard on Assurance Engagements (ISAE) 3000 revised, "Assurance Engagements Other than Audits or Reviews of Historical Financial Information" issued by the International Auditing and Assurance Standards Board (IAASB) of the International Federation of Accountants (IFAC) as agreed with PROMOTORA DE INFORMACIONES, S.A. on December 22, 2021. Those standards require that we plan and perform our engagement to obtain reasonable assurance about whether, in all material respects, the financial information contained in the PRISA' Group consolidated financial statements is presented in accordance with International Financial Reporting Standards as adopted by the European Union and the other provisions of the regulatory financial reporting framework applicable to the Group, and to issue a report. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risk of material misstatement, whether due to fraud or error.

We believe that the evidence we have obtained provides a sufficient and adequate basis for our opinion.

Independence and quality control

We have complied with the independence and other Code of Ethics requirements for accounting professionals issued by the International Ethics Standards Board for Accountants (IESBA), which are based on the fundamental principles of integrity, objectivity, professional competence, due care, confidentiality and professional behaviour.

Our Firm applies the International Standard on Quality Control No 1 (ISQC 1) and therefore maintains a global system of quality control, which includes documented policies and procedures in relation to compliance with ethical requirements, professional standards and applicable legislation.

Reasonable assurance work includes comprehension of internal control over financial information contained in the financial statements; risk evaluation regarding possible material errors within them; tests and evaluations on design and daily effectiveness of the system and the use of any other procedures we considered necessary.

Conclusion

In our opinion, at December 31, 2021, the Group had, in all material respects, an effective System of Internal Control over Financial Reporting contained in its consolidated financial statements, and this internal control system is based on the rules and policies defined by the Board of Directors of PROMOTORA DE INFORMACIONES, S.A. in accordance with the guidelines established by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in its Internal Control-Integrated Framework (2013) report. Also, the disclosures contained in section F of the Annual Corporate Governance Report at December 31, 2021 comply, in all material respects, with the requirements established in article 540 of the Corporate Enterprises Act, ECC order /461/2013 of March 20, Circular 3/2021, of September 28, which amends Circular 1/2020, of October 6, which amends Circular 7/2015, of December 22, Circular 5/2013, of June 12, and Circular 2/2018 of June 12 of the Spanish National Securities Market Commission (CNMV).

This report can under no circumstances be considered an audit report carried out in accordance with prevailing audit regulations in Spain. Nevertheless, in accordance with prevailing audit regulations in Spain, we have audited the consolidated financial statements of PROMOTORA DE INFORMACIONES, S.A. and subsidiaries for the year ended December 31, 2021, prepared by the directors in accordance with the International Financial Reporting Standards as adopted by the European Union, and other financial reporting framework provisions applicable to the Prisa Group in Spain and our report issued on March 28, 2022 on the consolidated financial statements expressed an unqualified opinion.

ERNST & YOUNG, S.L.

(Signature on the original in Spanish)

Antonio Vázquez Pérez

March 28, 2022

REPORT ON THE VERIFICATION OF INFORMATION INCLUDED IN THE NON-FINANCIAL INFORMATION STATEMENT ISSUED BY AN INDEPENDENT VERIFIER

To GRUPO PRISA shareholders:

Pursuant to Law 11/2018dated 28 December (hereinafter, "Law 11/2018"), we have proceeded to the verification of the information included in the non-financial information statement of GRUPO PRISA for the year ended 2021.

We believe that based on the procedures applied and the evidence obtained during the verification process that we have carried out, the subject of this report, we have not come to our knowledge any question that leads us to believe that the verified information has not been prepared in all its significant aspects in accordance with the requirements of Law 11/2018.

Methodology and Verifier team

SGS' methodology for the verification of non-financial information consists of audit procedures and mechanisms to verify information and indicators, commonly accepted within the scope of the Conformity Assessment Bodies (as defined by Regulation (EC) no. 765/2008), such as the audit guidelines contained in standard ISO 19011, and particularly:

- Review of non-financial information in accordance with the requirements of Law 11/2018
- Interviews with staff responsible for obtaining and preparing data
- Review consisting of sampling of documents and records (both internal and public)
- Check consisting of checking the reliability and traceability of data
- Assessment of systems for the collection, management and handling of the information and indicators

The verification team was formed by qualified personnel of SGS International Certification Services Ibérica, S.A.U., who had a technical competence based on the experience of the different sectors of activity essential for the issuance report.

Independence

We are an independent entity to GRUPO PRISA in accordance with the ethics requirements, including those related to independence that are applicable to our activities.

Other information from the Management Report

In relation to the verification carried out, it is expressly stated that the regulatory obligation covers only the non-financial reporting statement for the 2021 financial year, with the rest of the content of the report being excluded from that process management.

The responsibility of the independent verifier is to issue this report once the content of the status of the non-financial information provided by the administrators of the Company subject to the verification process has been verified. If, based on the work done, we conclude that there are caveats, we are obliged to report them.

REPORT ON THE VERIFICATION OF INFORMATION INCLUDED IN THE NON-FINANCIAL INFORMATION STATEMENT ISSUED BY AN INDEPENDENT VERIFIER

The administrators' responsibility in relation to non-financial information

The administrators of the parent company are responsible for the formulation of the consolidated management report and the non-financial information detailed in accordance with paragraph 6 of Article 44 of the Code of Commerce, approved by Real Decreto dated 22 August 1885, amended by Law 11/2018, dated 28 December, amending the Code of Commerce.

The independent verifier's responsibility

The objective of the mission entrusted to us has been limited to obtaining limited assurance that non-financial information is free from material inaccuracies and to issuing a verification report of the information included in the state of non-financial information containing our opinion.

Signed: Juan José Fontalba
SGS International Certification Services Ibérica, S.A.U

NOTE: *"This document has been originally drafted in Spanish, which will therefore prevail over the English language version in the event of any discrepancy."*

DECLARACION DE RESPONSABILIDAD SOBRE LAS CUENTAS ANUALES E INFORME DE GESTIÓN (QUE INCLUYE EL ESTADO DE INFORMACIÓN NO FINANCIERA) CORRESPONDIENTES AL EJERCICIO 2021, DE PROMOTORA DE INFORMACIONES, S.A. Y SOCIEDADES DEPENDIENTES.

AFFIDAVIT OF ASSUMPTION OF LIABILITY WITH RESPECT TO THE 2021 ANNUAL ACCOUNTS AND CONSOLIDATED MANAGEMENT REPORT (WHICH INCLUDE THE NON-FINANCIAL INFORMATION) OF PROMOTORA DE INFORMACIONES, S.A. AND SUBSIDIARIES

28 de marzo de 2022

Conforme a lo dispuesto en el art. 8 del Real Decreto 1362/2007 de 19 de octubre, todos los miembros del Consejo de Administración de PROMOTORA DE INFORMACIONES, S.A. declaran que responden del contenido de las cuentas anuales e informe de gestión (que incluye el Estado de Información no financiera) del ejercicio 2021, correspondientes a PROMOTORA DE INFORMACIONES, S.A. y sociedades dependientes, que han sido formuladas con fecha 28 de marzo de 2022 siguiendo el Formato Electrónico Único Europeo (FEUE), conforme a lo establecido en el Reglamento Delegado (UE) 2019/81, en el sentido de que, hasta donde alcanza su conocimiento, han sido elaboradas con arreglo a los principios de contabilidad aplicables, ofrecen la imagen fiel del patrimonio, de la situación financiera y de los resultados del emisor y de las empresas comprendidas en la consolidación tomados en su conjunto, y que el informe de gestión consolidado incluye un análisis fiel de la evolución y los resultados empresariales y de la posición del emisor y de las empresas comprendidas en la consolidación tomadas en su conjunto, junto con la descripción de los principales riesgos e incertidumbres a las que se enfrentan.

Pursuant to the provisions of Article 8 of Royal Decree 1362/2007 of October 19, the members of the Board of Directors of PROMOTORA DE INFORMACIONES, S.A. hereby declare that they are accountable for the content of the 2021 annual accounts and management reports (which include the non-financial information) of both PROMOTORA DE INFORMACIONES, S.A. and subsidiaries, which were drawn up on March 28, 2022 in the European Electronic Format (FEUE), in accordance with the provisions of Delegated Regulation (EU) 2019/815, in the sense that, to the best of their knowledge, they have been calculated according to applicable accounting principles, they offer a true and fair view of the assets, financial situation and results of the issuer and its consolidated companies as a whole, and the consolidated management report includes a true and fair analysis of the evolution, business results and position of the issuer and its consolidated companies as a whole, together with a description of the principal risks and uncertainties which they face.

D. Joseph Oughourlian

D. Roberto Alcántara Rojas

Amber Capital UK LLP (representado por D. Miguel Barroso Ayats)

D.ª Béatrice de Clermont-Tonnerre

Dª Mª Teresa Ballester

D. Francisco Cuadrado

Dª Carmen Fernández de Alarcón

Dª Pepita Marín

D. Carlos Nuñez

D. Manuel Polanco Moreno

Dª Teresa Quirós

D. Javier Santiso

D. Khalid Thani Abdullah Al Thani

D. Rosauro Varo