English translation for information purposes only. In case of discrepancies between the Spanish original and the English translation, the Spanish version shall prevail



UNIVERSAL REGISTRATION DOCUMENT

December 2022

This universal registration document, drawn up in accordance with Annex 2 of Commission Delegated Regulation (EU) 2019/980 of 14 March 2019, has been approved and registered in the official registers of the Comisión Nacional del Mercado de Valores (CNMV) on 20 December 2022 and has a validity period of 12 months from that date.

This universal registration document is only one of the constituent parts of a prospectus for the purposes of Regulation (EU) 2017/1129 of the European Parliament and of the Council, of 14 June 2017. In the event that Promotora de Informaciones, S.A. (Prisa) shall use, during its term, this universal registration document to prepare a prospectus for the purposes of the aforementioned regulations, Prisa will publish the corresponding securities note and, if applicable, the summary note on its corporate website (www.prisa.com)^(*) and on the CNMV website (www.cnmv.es)^(*).

(*): The information contained in this website is not part of the universal registration document and has not been examined or approved by the CNMV, except for that information which has been incorporated by reference in the universal registration document.

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I. RISK FACTORS

Promotora de Informaciones, S.A.'s activities, operating results, cash flow, forecasts and financial and equity position. ("**Prisa**" or the "**Company**", together with its subsidiaries, the "**Prisa Group**" or the "**Group**") are mainly subject to risks related to the business sectors in which the Prisa Group operates (Education and Media), as well as to risks specific to the Group. The risks to which the Group is exposed could materialise or worsen as a result of changes in competitive, economic, political, legal, regulatory, social, business and financial conditions and should be considered by any investor. Any of these risks, should they materialise, could have a material adverse impact on the Group's business, operating results, cash generation, forecasts and/or financial and equity position, as well as negatively affect the Company's valuation, which could result in a partial or total loss of the investment made. In this respect, the Company cannot guarantee that the expectations set out in the forecasts contained in section 11 of the Registration Document or those made in the past will be fulfilled or significantly modified.

Set out below, arranged by category according to their nature, are those risk factors currently considered by Prisa to be material and specific to the Group and its business sectors in order to make an informed investment decision. These risks are endorsed by the universal registration document (the "**Registration Document**").

However, there are currently other risks which, because they are considered of lesser importance or because they are generic risks, such as the risk of loss of talent and key personnel in general and digital talent in particular, tax risks in the countries in which the Group operates, the risk of not achieving financial or business objectives, the risk of outsourcing services (outsourcing or collaborations), the risk that the insurance policies taken out do not adequately cover losses, the risk of business discontinuity or risks related to money laundering, have not been included in this section of the Registration Document in accordance with the provisions of Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 (the "**Regulation (EU) 2017/1129**").

In addition, in the future, risks currently unknown or not considered material by the Company could also have a material adverse impact on the Group's business, results of operations, cash generation, prospects and/or financial and equity position, as well as negatively affect the Company's valuation.

(A) RISKS RELATING TO THE FINANCIAL CONDITION AND EQUITY SITUATION OF PRISA GROUP

1. Prisa's high level of debt significantly limits their financial capacity, which could adversely affect its financial and equity position.

As at 31 December 2021 and 30 June 2022, the level of net bank debt⁽¹⁾ of the Group amounted to EUR 756.1 million and EUR 833.6 million, respectively, which could pose a number of risks to the Group as: (i) it increases the Group's vulnerability to the macroeconomic environment and market developments, especially in those businesses with greater exposure to economic cycles; (ii) it requires allocating a significant portion of cash flows from operations to meet interest payment and debt principal repayment obligations⁽²⁾, reducing the ability to allocate these flows to meet working capital needs, as well as to finance investments and future operations; (iii) it limits the Group's financial, strategic and operational flexibility, as well as the ability to adapt to changes in markets; and (iv) it places the Group at a disadvantage relative to less indebted competitors.

In February 2022, the Board of Directors of Prisa unanimously approved the signing of a lock-up agreement incorporating a term sheet with the basic conditions for the modification of the Group's syndicated financial debt (the "**2022 Refinancing**"). On 19 April 2022, the 2022 Refinancing came into force, once the agreements reached with all of its creditors were made public. The basic terms of the 2022 Refinancing consisted, inter alia, of extending the maturity of the financial debt to 2026 and 2027, splitting the syndicated loan into two distinct tranches (one senior debt and one junior debt), refinancing the existing

^{(1):} Alternative performance measure. For more information, see Appendix I of the Registration Document ("Glossary of alternative performance measures").

^{(2):} As at 30 June 2022, the Company's obligations between 2023 and 2025 (inclusive) under the 2022 Refinancing agreement amounted to a total of EUR 223,101 thousand, corresponding to cash interest payment obligations. For further information, see section 8.1(B) of the Registration Document.

Super Senior Debt and relaxing the contractual debt covenants. The cost of the Senior debt is benchmarked to the Euribor⁽³⁾+5.25% payable in cash, the cost of Junior debt is benchmarked to the Euribor⁽³⁾+8% payable partly in cash and partly capitalised, while the cost of Super Senior debt is benchmarked to the Euribor⁽³⁾+5%. For further information in relation to the Group's financing, see section 8.1(B) of the Registration Document.

Currently, the Company has the credit ratings "CCC+" with stable outlook and "Caa1" with stable outlook, assigned on 21 November 2022 by S&P Global Ratings Europe Limited⁽⁴⁾ and on 15 January 2021 by Moody's Investors Service España, S. A.⁽⁴⁾, respectively. However, there is no assurance that the credit ratings currently assigned to the Company will be maintained over time as credit ratings are reviewed and updated periodically, and are dependent on a number of factors, some of which are beyond the Company's control. Therefore, the Company's credit ratings may be downgraded and may be suspended or withdrawn at any time by the credit rating agencies. A downgrade of the Company's credit rating could adversely affect the terms of any future refinancing of the Group's financial debt, as well as limit the Group's access to financial markets, investors and certain lenders. The credit ratings can be consulted on the Prisa website (link)⁽⁵⁾.

Therefore, despite the extension of the Group's debt maturity profile as a result of the 2022 Refinancing, the Group's high level of indebtedness could have a material adverse impact on the Group's business, operating results, cash generation, forecasts and/or financial and equity position, as well as negatively affect the Company's valuation. In addition, in the event of a default on the Group's debt repayment obligations under its financing agreements, its creditors could enforce the personal or security interests described in section 8.1 (B) of the Registration Document.

2. The Group's financing contracts contain certain contractual clauses, among which is compliance with certain financial covenants, which, if breached, could result in an early maturity of the financial debt.

The agreements associated with the 2022 Refinancing of the Prisa Group stipulate requirements and commitments to comply with certain leverage and financial ratios *(covenants)*. The new financial contracts set out compliance with certain financial ratios for the Prisa Group, which began to be applied on 30 June 2022 and failure to comply with them would result in early maturity of the bank debt. The financial ratios required for the coming years under the contracts associated with the Junior and Senior Syndicated Debt and that relating to the Super Senior Debt (for more information, see section 8.3 of the Registration Document) are as shown in the following table:

Ratio of consolidated net financial debt/consolidated EBITDA(***) shall	31 December 2023: 7.71
not exceed(*):	31 March 2024: 7.00
	30 June 2024: 7.24
	30 September 2024: 6.83
	31 December 2024: 6.09
	31 March 2025: 5.61
	30 June 2025: 6.3
	30 September 2025: 5.97
	31 December 2025: 5.38
Minimum liquidity level (cash pooling) of not less than(**):	31 December 2022: EUR 80 million
	31 March 2023: EUR 60 million
	30 June 2023: EUR 40 million
	30 September 2023: EUR 40 million
Group cash flow change (excluding the amount in the denominator from this	From 31 December 2023: 1.00
cash flow change)(***)/ Interest and principal payments on the financial	
debt associated with the 2022 Refinancing(***) shall not be less than(*):	

^{(*):} Definitions agreed in the 2022 Refinancing contracts, which differ from the definitions used by the Company in the development of the alternative performance measures included in Appendix I of the Registration Document ("Glossary of alternative performance measures").

^{(3):} This is the 1, 3 or 6-month Euribor, depending on the interest settlement window chosen by the Company at each maturity. In other words, the Company periodically chooses the interest payment window according to the previous periods, and based on this, the Euribor for that term and for that interest settlement is applied. A new interest payment window would then start as described above.

^{(4):} A credit rating agency registered in the European Union (ESMA) in accordance with the provisions of *Regulation (EC)* No. 1060/2009 of the European Parliament and of the Council of 16 September 2009 on Credit Rating Agencies.

^{(5):} This website does not form part of the Registration Document and has not been examined or approved by the CNMV except for that information which has been incorporated by reference into the Registration Document.

(**): The minimum liquidity level will be increased by the undrawn amount of the Super Senior Debt.

(***): Amounts referring to the 12-month period prior to the measurement date of the financial ratio.

Furthermore, the agreements associated with the 2022 Refinancing contain debt acceleration and event of default provisions customary in this type of contracts such as the non-payment by an obligor of any amounts due pursuant to the financing agreements on their due date, the occurrence of a change of control (disregarding key shareholders of the Company as of the 2022 Refinancing date) through any person or group of persons acting in concert (control being defined as having the capacity to (i) cast, or control the casting of, more than 50% of the votes that might be cast at a general meeting of the Company; (ii) appoint or remove all, or the majority, of the directors or other equivalent officers of the Company; or (iii) define and direct the operating and financial policies of the Company), any misrepresentation in the finance documents, the declaration of insolvency of an obligor or a material company, any expropriation, seizure, distress, execution or any analogous process affecting any assets of an obligor with an aggregate value of at least 5.000.000 Euros, the breach of any provisions within the financing agreements that is not remedied within 20 business days, any cessation of business or expropriation impairing the Company from conducting its activity under the ordinary course of business, among others. In addition, these contracts include cross-default provisions that could result, if the default occurs in financing contracts with third parties and exceeds certain amounts, in the early maturity and termination of such contracts. Such crossdefault clauses would apply in the event that payment obligations on any tranche of third-party debt are defaulted on by any Prisa Group company when due (or, if applicable, after its grace period) or in the event that any tranche of third-party debt is declared due prior to its due date or cancelled as a result of the occurrence of an event of default according the description said above. For further information, see section 8.1(B) of the Registration Document.

The determination of these *covenants* has been made in consideration of market conditions and in accordance with Prisa's business expectations at the time of negotiation of the 2022 Refinancing. However, these conditions and expectations may be modified and affected by the complexity of the markets due to, among other issues, the globalisation of the markets and the global impact that recent events, such as the COVID-19 health crisis (as defined below) or the war in Ukraine, have on macroeconomic variables (see risk factor no. 10).

In addition, changes in the accounting standards applicable to the preparation of the Prisa Group's financial statements could affect the measurement of these *covenants*, which would imply their revision with the financial creditors under the 2022 Refinancing.

The *covenants* reduce the Group's strategic and financial flexibility, and failure to comply with them could have a material adverse impact on the Group's business, operating results, cash generation, forecasts and/or financial and equity position, as well as negatively affect the Company's valuation, insofar as it could result in financial debt becoming immediately due and payable. Prisa has complied with the above ratios since the entry into force of the 2022 Refinancing and considers that, as at the date of the Registration Document, it continues to comply with these ratios.

3. A significant portion of the Group's bank debt is linked to floating interest rates, the increase of which could have a negative impact on financial expenses.

The Group is exposed to interest rate fluctuations insofar as a significant portion of the cost of the Group's borrowings (see risk factor no. 1) is linked to floating interest rates that are reset monthly, quarterly or half-yearly, depending on the term chosen by the Group for each financing contract and the applicable benchmark rate. This risk is particularly relevant in situations such as the current economic environment, where monetary authorities, such as the European Central Bank, are taking strong decisions to raise interest rates mainly to smooth demand and as a hedge against the risk of a persistent increase in inflation expectations (see risk factor 10).

At 31 December 2021 and 30 June 2022, 97.58% and 97.55%, respectively, of the Group's bank borrowings were tied to floating interest rates. On these dates, the average interest rate on the Group's bank borrowings was 5.25% and 6.14%, respectively.

In this respect, although the Group continues to evaluate the contracting of derivative products to limit the impact of potential rises in the Euribor⁽⁶⁾, further increases in interest rates would lead to higher financial expenses and interest payments, which would have a negative impact on the Group's cash flow. In this respect, and considering the nominal amount at 30 June 2022 of the Junior and Senior syndicated debt, and of the Super Senior debt, for a total amount of EUR 922,333 thousand, an increase in the Euribor by one percentage point would have a negative impact on the consolidated income statement and on the Group's cash of approximately EUR 9 million in annualised terms. This impact does not take into account the effect of options ("cap") currently contracted, and those that may be contracted in the future, which limit the adverse impact of interest rate rises.

This could have a material adverse impact on the Group's business, results of operations, cash flow, prospects and/or financial condition and assets and liabilities, as well as negatively affect the Company's valuation.

4. If Prisa does not receive sufficient dividend income from its subsidiaries, the Company may incur losses in the future, which could lead to a new equity imbalance.

Prisa, in its capacity as parent company of the Group (see section 6.1 of the Registration Document), carries out its activities through a group of subsidiaries, joint ventures and associated companies, so that, at present, a substantial part of its income comes from the distribution of dividends from its subsidiaries and their consideration as such for accounting purposes. During the 2021 financial year, 95.3%, of the Company's total income in that period came from the distribution of dividends from its subsidiaries (94.3% of the total income of the Company in 2020).

An adverse development of the Prisa Group's business for any reason, such as an adverse macroeconomic situation (see risk factors no. 9 and 10), could have a negative impact on the dividend income received by the Company. In addition, a significant part of the Group's companies are located in Latin America and therefore the aforementioned dividends are subject, inter alia, to exchange rate risk and devaluation of the foreign currencies of the countries in which the Group operates (see, inter alia, risk factor no. 6).

Furthermore, the 2022 Refinancing has entailed a reorganisation of the debt in terms of borrowers, so that the debt previously held by Prisa Activos Educativos, S.A.U. has been transferred to the Company. ("**Prisa Activos Educativos**" or "**PAE**") for EUR 691,590 thousand, which has meant that the entire financial expense associated with the refinanced debt is now recorded in the Company. In this respect, the interest rate of this debt is benchmarked to a variable interest rate, Euribor (see risk factor no. 3). There is also a risk that Prisa, as the parent company of a group of subsidiaries, may record possible impairment losses on the carrying amount of its investments when the value in use of the investments is lower than their carrying amount.

In this regard, in the event that the Company does not receive sufficient dividends from its subsidiaries to offset, mainly, the cost of debt financing, possible impairment of assets and financial investments, possible contingencies and other operating costs of the Company, or in the event that the dividends received are not considered income because they do not comply with current accounting regulations, Prisa would incur losses, eroding its equity at the individual level.

At 30 June 2022, the Company's net assets stood at EUR 316,462 thousand, which was more than 2/3 of the share capital at that date, the minimum figure for the purposes of the obligation to reduce the share capital in accordance with the provisions of article 327 of the consolidated text of the Capital Companies Act approved by Royal Legislative Decree 1/2010 of 2 July (the "**Capital Companies Act**") if one financial year has elapsed without the net assets having been recovered. However, in the event that the Company incurs losses in the future or that such losses accumulate in subsequent years and the net assets are reduced to less than 2/3 of the share capital (set at EUR 74,065,019.30 at 30 November 2022), a new situation of equity imbalance could arise. In this regard, it should be noted that, in order to re-establish its equity balance, Prisa carried out several corporate transactions in 2020 (see sections 5.3 and 19.1.7 of the Registration Document).

^{(6):} In September 2022, the Group contracted options ("cap") that fully limit, on a nominal amount of EUR 150 million, the impact of a potential rise in the 3-month Euribor above 2.25%.

This could have a material adverse impact on the Group's business, results of operations, cash flow, prospects and/or financial condition and assets and liabilities, as well as negatively affect the Company's valuation. Furthermore, in accordance with the provisions of the Capital Companies Act, a capital company must be dissolved, inter alia, if losses reduce the net assets to less than half of the share capital, unless the share capital is sufficiently increased or reduced, and provided that it is not appropriate to file for insolvency proceedings.

5. Prisa has incurred losses at the consolidated level in past years and periods, mainly due to the accounting impact of certain corporate transactions and extraordinary events.

Prisa has incurred losses at the consolidated level in past years and periods, mainly due to the accounting impact of certain corporate transactions and extraordinary events.

In this regard, during the 2021 financial year and during the first half of 2022, Prisa recorded negative consolidated results of EUR -105,843 thousand and EUR -14,370 thousand, respectively (positive result in 2020 of EUR 75,450 thousand and negative result in 2019 of EUR -172,818 thousand). Together with prior years' results, the Prisa Group accumulated prior years' retained earnings and reserves (excluding share premium) in the negative amount of EUR -429,393 thousand and EUR -540,740 thousand as at 31 December 2021 and 30 June 2022, respectively (EUR -516,048 thousand as at 31 December 2020 and EUR -1,167,389 thousand as at 31 December 2019).

These negative results are due, among many factors, to the impact of certain corporate transactions, such as the sales of DTS and Media Capital (which resulted in accumulated losses and therefore a negative impact on consolidated equity of EUR 3,272 million and EUR 631 million, respectively) and impairments of certain assets (see section 5.3 of the Registration Document). In addition, the extraordinary situation of the COVID-19 health crisis (see risk factor 10) had an adverse impact on the Group's results. In 2020, Prisa accounted positive consolidated results, mainly as a result of the extraordinary sale operation carried out in December 2021, through which the Santillana business in Spain was sold (see section 5.3 of the Registration Document).

Similarly, at 31 December 2021 and 30 June 2022, the Group had accumulated negative translation differences amounting to EUR -90,410 thousand and EUR -77,966 thousand, respectively (EUR -92,275 thousand at 31 December 2020 and EUR -49,393 thousand at 31 December 2019), as a result of the depreciation experienced in recent years by the currencies of the Latin American countries in which the Group operates and which are included under *"conversion differences"* of the Company's consolidated balance sheet as of such dates (see risk factor no. 6).

The above factors, among others, serve to explain the negative equity situation that the Company recorded at consolidated level in past years and periods, as well as at 31 December 2021 and 30 June 2022, taking into account that, in accordance with IFRS, the Group's businesses are not allowed to be marked to market and are therefore recorded at cost or acquisition price. Thus, as at 31 December 2021 and 30 June 2022, the Group's consolidated equity was negative EUR -511,815 thousand and EUR -527,468 thousand, respectively (EUR -402,980 thousand as at 31 December 2020 and EUR -411,604 thousand as at 31 December 2019).

Finally, and for clarification purposes, the above situation does not affect the equity imbalance situation, which, in accordance with the provisions of the Capital Companies Act, is measured on the basis of the net worth of individual companies (see risk factor no. 4).

Notwithstanding the foregoing, the situation described in this risk, as well as its continuance over time, could have a negative impact on the activities, operating results, cash generation and/or the financial and equity position of the Group, as well as negatively affect the Company's valuation.

(B) OTHER FINANCIAL RISKS

6. Fluctuations in the exchange rates of the euro against Latin American currencies and the US dollar could affect the Group's financial position.

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

In 2021, 56.6% of the Group's operating revenues came from countries with a functional currency other than the euro (2.2% more than in 2020). In particular, 20% of the Group's operating revenues came from Brazil, 10% from Mexico, 9% from Colombia, 4% from Chile and 2% from Argentina. Furthermore, during the first half of 2022, 60.9% of the Group's operating revenues came from countries with a functional currency other than the euro (51.5% more than in the first half of 2021), with Brazil accounting for 15%, Colombia for 11%, Mexico for 10%, Chile for 4% and Argentina for 8%.

In the 2021 financial year and the first half of 2022, the Group's operating income was significantly affected by the exchange rate effect.⁽⁷⁾. In this regard, the exchange rate effect⁽⁷⁾ on the Group's operating income amounted to EUR 24,984 thousand less in 2021 than in 2020 (representing a drop of 3.4%). At constant exchange rates, operating income would have grown by 9.4% in 2021 compared to 2020. Similarly, the exchange rate effect⁽⁷⁾ on the Group's operating income accounted for EUR 13,412 thousand more in the first half of 2022 than in the first half of 2021 (representing an increase of 3.5%). At constant exchange rates, operating revenues would have grown by 22.4% in the first half of 2022 compared to the first half of 2021. The negative exchange rate effect⁽⁷⁾ in 2021 was mainly concentrated in Brazil (EUR 19,203 thousand), Colombia (EUR 4,407 thousand) and Peru (EUR 1,979 thousand). The positive exchange rate effect⁽⁷⁾ in the first half of 2022 was mainly concentrated in Brazil (EUR 6,838 thousand), Mexico (EUR 4,603 thousand) and Ecuador (EUR 1,238 thousand).

A devaluation of the foreign currencies of the countries in which the Group operates against the euro would have an adverse impact on the repatriation of the euro cash of the Group's foreign companies, e.g. via dividends (see risk factor no. 4). In this respect, an unfavourable development of the exchange rate effect⁽⁷⁾, as a result of an increase in exchange rates against the currencies of the main countries in which the Group's cash flow. In particular, a currency devaluation of 1% would imply a drop in revenues for the Group of approximately EUR 4 million, considering revenues as at December 2021. If this same analysis is performed in terms of adjusted EBITDA⁽⁷⁾ for the 2021 financial year, and taking into account that in currencies other than the euro, EUR 108 million euros have been generated in that financial year, a devaluation of 1% in currencies other than the euro, would generate a fall in adjusted EBITDA⁽⁷⁾ of an estimated EUR 1 million.

The Group's foreign companies account for their balance sheet and income statement items in the local functional currency. In the process of preparing the consolidated accounts, the exchange rate prevailing at the closing date is applied to all assets, rights and obligations, and the average monthly exchange rate for income statement items (except for countries with hyperinflationary economies). The difference between the amount of equity translated at the historical exchange rate and the net equity position resulting from the translation of all other items as indicated above is included in equity as exchange differences. As at 31 December 2021 and 30 June 2022, the cumulative negative impact on the Group's consolidated equity amounted to EUR -90,410 thousand and EUR -77,966 thousand, respectively. A potential future devaluation of foreign currencies against the euro would have a negative impact on the Group's equity. On the sale or liquidation of any company that has generated translation differences, these shall be transferred to the consolidated income statement and reflected in the consolidated statement of comprehensive income under the heading "*Imports transferred to the income statement*", with no impact on consolidated equity. At present, the Group does not have any significant exchange rate derivatives. Without prejudice to the foregoing, the Group follows the practice of arranging, on the basis of its forecasts and budgets which are analysed on a monthly basis, hedging contracts for exchange rate risk (exchange rate insurance, forwards, structured products and currency options

⁽⁷⁾ Alternative performance measure. For more information, see Appendix I of the Registration Document ("*Glossary of alternative performance measures*").

mainly) depending on the risks and opportunities identified in this respect in the markets in order to reduce the volatility of the operations and results of the Group's companies operating abroad.

Furthermore, possible adverse developments in the economies of the Latin American countries in which the Group is present could lead to hyperinflationary situations, with the consequent negative impact on exchange rates. In this regard, since 2018, Argentina's economy is considered as hyperinflationary for IFRS purposes (as defined in section 18.1.1 of the Registration Document) due, among other aspects, to the fact that the cumulative inflation of the last 3 years in that country exceeded 100%. The main accounting impacts are described in Note 2—"Basis of presentation of the consolidated financial statements" of the consolidated financial statements of Prisa for 2021 that have been incorporated by reference in the Registration Document).

Therefore, adverse developments in the exchange rate of the euro against Latin American currencies and the US dollar could have a material adverse impact on the Group's activities, operating results, cash generation, forecasts and/or financial and equity position, as well as negatively affect the Company's valuation.

7. The high fixed costs in the advertising sector and the seasonality of both the Media and Education advertising businesses, as well as cash shortfalls for other reasons, could affect the Group's liquidity.

The adverse macroeconomic situation in recent years, mainly due to extraordinary events such as the COVID-19 health crisis in 2020 and 2021 or the war in Ukraine (see risk factor no. 10), as well as geopolitical tensions (see risk factor no. 9), have had a negative impact on the Group's cash generation capacity. Among other issues, the COVID-19 health crisis and the war in Ukraine have caused the overall market situation to lead to a general increase in liquidity tensions in the economy, as well as a contraction of the credit market.

In this respect, advertising-dependent businesses, in addition to being highly dependent on the economic cycle (see risk factor no. 13), 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 this regard, at 31 December 2021 and 30 June 2022, the fixed costs of the Group's Media businesses accounted for 77% of total operating expenses excluding termination benefits in both periods (EUR 341.5 million in 2021 and EUR 171.9 million in the first half of 2022). Advertising revenues from the Media of the Group in the 2021 financial year and the first half of 2022 accounted for 40.3% and 36.5%, respectively, of the Group's operating revenues (36.5% in the 2020 financial year and 43.4% in the first half of 2021).

As for the seasonality of business, it is worth noting that, in Media, advertising is mainly concentrated in the last quarter of the year, with the first quarter being a period with lower advertising revenues. Thus, for example, 33% of advertising revenue from the Media division of the Group while only 19% was generated in the first quarter of 2021. In the case of the Education area, the last quarter is also the one with the highest volume of income, coinciding with the beginning of the Southern Campaigns and taking into account that the largest part of Brazil's public sale is invoiced in the referred quarter (i.e. the New Order (as defined in section 5.1.1 of the Registration Document) of the "Programa Nacional do Livro e do Material Didático" National Programme of Books and Teaching Materials (PNLD)). However, the second quarter of the year is usually of little relative weight in the total for the year, as it is a quarter in which campaign returns are mainly collected, and the Southern Campaigns have practically ended. In 2021, 38% of total revenues for the year were generated in the last quarter, yet the second quarter of the year accounted for only 14% of the total.

Although, on an annual basis, the seasonality of the Group's cash flows is not significant, as the flows from the various business units are offset, largely mitigating the effect of seasonality, the seasonal nature of the Group's businesses could give rise to some cash pressures during periods when collections are structurally lower.

With regard to trade credit risk, which is defined as the possibility that a third party will not meet its contractual obligations, thereby causing losses for the Group, the Group assesses the ageing of receivables and constantly monitors the management of collections and payments associated with all its activities, as well as the maturities of financial and commercial debt and recurrently analyses other sources of financing in order to cover expected cash requirements in the short, medium and long term.

All of the above means that the Prisa Group is exposed to liquidity and credit risk, which could lead to a cash shortfall, resulting in difficulties for the continuity of the Group's business and the correct implementation of its business plan. Any material liquidity imbalance could exacerbate the situation by affecting the Group's liquidity, which could have a material adverse impact on the Group's business, operating results, cash generation, forecasts and/or the Group's financial and equity position, as well as adversely affect the Company's valuation.

8. The Group may in the future write down intangible assets, goodwill and tax credits.

At 31 December 2021 and 30 June 2022, the Company had recognised in its consolidated balance sheet (i) intangible assets amounting to EUR 96,008 thousand (10.9% of total assets) and EUR 104,588 thousand (12.4% of total assets), respectively at those dates; (ii) goodwill amounting to EUR 109,542 thousand (12.5% of total assets) and EUR 117,566 thousand (13.9% of total assets), respectively at those dates; and (iii) deferred tax assets of EUR 45,601 thousand (5.2% of total assets) and EUR 53,729 thousand (6.4% of total assets) respectively at those dates.

In the analysis of the determination of the recoverable amount (in accordance with current accounting regulations) and thus in the valuation of intangible assets and goodwill, as well as in estimating the recovery of tax credits, estimates have been used, made as of the date determined on the basis of the best information available at that date.

However, it is possible that future events may make it necessary to change these estimates downwards, which would result in the recognition in the income statement of accounting losses due to the effect of these new negative estimates on the valuation of intangible assets, goodwill and tax credits recognised.

In this regard, the global macroeconomic situation and the tensions surrounding the Russia-Ukraine conflict (see risk factors no. 9 and 10) have led to an indication of impairment in 2022 on the recoverable amount of goodwill as these factors have affected market interest rates, which have increased with an adverse impact on the discount rates used to calculate the value of cash flows. Similarly, the above factors could also adversely affect the cash flows considered in impairment tests on the recoverability of such assets. In 2020, the Group recorded impairments of goodwill and other intangible assets amounting to EUR 16,602 thousand and EUR 2,376 thousand, respectively. These deteriorations were driven by the adverse impact of the COVID-19 health crisis on future projections and hence on projected long-term growth and discount rates.

In the event that Prisa is unable to meet the business plans of the intangible assets capitalised on its balance sheet, it may be forced to adjust the value of these assets, with the consequent financial impact that this would represent for the Group. Similarly, Prisa may be required to fully or partially impair goodwill arising from past corporate transactions in the event that the future business prospects associated with these businesses are not able to justify the carrying value of such goodwill.

In addition, the Group may not recover tax credits from the consolidated balance sheet to offset future taxable profits. In addition to the risk of changes or divergences in the interpretation of tax rules in Spain or other jurisdictions in which the Group operates, the recoverability of tax credits depends on the Group's ability to generate taxable profits in the period in which such tax credits remain deductible. If the Company believes that it will not be able to utilise its tax credits during that period, it would be required to recognise an impairment in the income statement, which would have no cash impact. In this respect, in 2020, tax credits totalling EUR 64,108 thousand were removed from the consolidated balance sheet with an impact on the consolidated income statement. These write-downs were mainly due to the revision of future business projections as a result of the impact of the COVID-19 health crisis, which led to a decrease in the projected long-term growth of the Group's businesses, as well as the impact of the sale of the Santillana España business, and the 2020 Refinancing of the Group's syndicated debt (see section 5.3 of the Registration Document). Similarly, in 2019, EUR 21,042 thousand of tax credits were derecognised with an impact on the consolidated income statement, in this case due to higher estimated annual financial expenses in the medium term, mainly as a result of (i) a lower estimate of debt repayment, mainly due to a lower valuation of the sale of Media Capital; and (ii) higher net indebtedness to meet the resolution of the litigation with Mediapro (see also section 5.3 of the00 Registration Document).

In this respect, further accounting write-downs of intangible assets, goodwill and tax credits may occur in the future. This could have a material adverse impact on the Group's business, results of operations, cash flow, prospects and/or financial condition and assets and liabilities, as well as negatively affect the Company's valuation.

(C) STRATEGIC AND OPERATIONAL RISKS OF THE GROUP'S BUSINESSES

(C.1) Macroeconomic and geopolitical risks:

9. Given the concentration of the Group's activities in Spain and Latin America, any unfavourable geopolitical or economic situation in these territories could have a negative impact on the Group.

The geographical location of the Group's activities is currently concentrated in Spain and Latin America (Brazil, Mexico, Colombia, Chile and Argentina, among others).

In 2021 and the first half of 2022, 57% and 61%, respectively, of the Group's operating revenues came from international markets (59% in 2020 and 51% in the first half of 2021). While America (Latin America+USA) is a significant geographic market for the Group (representing 57% and 61% of the Group's operating revenues in 2021 and in the first half of 2022, respectively), Spain continues to maintain a relevant weight, representing 43% and 39%, respectively, of the Group's operating revenues in 2021 and in the first half of 2022.

The Group's international presence allows it to diversify its activities in various countries and regions, but exposes the Group to the geopolitical and economic environment at the global level and, in particular, in the countries in which it operates. In this regard, geopolitical and economic risks, such as the tensions and military developments around Ukraine, the trade tensions of recent years between the United States and China, Brexit, movements against the European Union, the rise of populism, tensions in the Middle East or new nationalist measures in certain countries, as well as credit conditions in the countries in which the Group operates, could affect politics in these territories as well as their economic situation, affecting investor confidence in the markets (see also risk factor no. 10).

Any adverse changes affecting the Spanish or Latin American economy could affect the spending of the Group's customers, present or future, on the Group's products and services and therefore also affect the Group directly. Prisa operations and investments may also 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 nationalisations, tax changes or changes in policies and regulations.

This could have a material adverse impact on the Group's business, results of operations, cash flow, prospects and/or financial condition and assets and liabilities, as well as negatively affect the Company's valuation.

10. The Group could be affected by higher commodity costs and inflation in the current environment, mainly as a result of the COVID-19 pandemic and the tensions surrounding the Russia-Ukraine conflict.

The spread of the SARS-CoV-2 coronavirus ("**COVID-19**") since early 2020, declared a "pandemic" by the World Health Organization (WHO) in March 2020, has affected the global economy and economic activity and conditions in the countries where the Group operates. Faced with the rapid spread of COVID-19 worldwide, many states, including Spain's, took unprecedented decisions to contain its spread, such as declaring states of alarm that included, among other measures, establishing restrictions on citizens' freedom of movement. These restrictions had a significant impact on the Group's business: in the education business, there were school closures and the end of face-to-face education activity, while the advertising business was affected by the drastic fall in consumption and the consequent drop in advertising investment. To date, there are still some territories where restrictions are imposed in an attempt to control the spread of COVID-19, although so far the Group has not been significantly affected again in the countries where it operates.

Although during 2021 and 2022, the adverse impact of the COVID-19 health crisis has been reduced due to, among other things, the effectiveness and progressive roll-out of the vaccines, this positive development is not occurring equally across all countries in which the Group operates, and there is still uncertainty related to the health crisis.

The COVID-19 health crisis has caused, among other issues, an increase in unemployment levels, declines in activity levels, supply disruptions, inflationary pressures and high volatility in financial markets affecting asset values and investments, which has had negative repercussions on economies globally and the Spanish economy in particular.

Furthermore, in the first half of 2022, the onset of the Russia-Ukraine conflict and the uncertainties surrounding it have contributed to a further gradual deterioration of the macroeconomic environment, leading, among other things, to significant market disruptions, instability and volatility, as well as an increase in inflation (contributing to further increases in energy, oil and other commodity prices and further disrupting delays in global supply chains), resulting in a tendency for economies' growth (GDP) to moderate to a greater or lesser extent (even negatively). In addition, the EU, the UK, the US and other governments have imposed significant sanctions and export controls against Russia and Russian interests, and have threatened additional sanctions and controls, resulting, among other issues, in tensions over Russian gas supply cuts that have worsened the global outlook, and uncertainty over the development of the conflict. In this context, monetary authorities, such as the European Central Bank, are also taking unprecedented decisions to raise interest rates to soften demand and as a hedge against the risk of a persistent rise in inflation expectations, leading to an increase in the Group's financing costs (see risk factor No. 3).

Although the Group has no direct exposure to Russia, the tensions surrounding the Russia-Ukraine conflict could adversely affect the Group, in particular its advertising revenues. In this respect, and as described above, factors such as inflation, the increase in electricity and fuel prices have the effect of worsening the general economic situation and consumption in particular, which could negatively affect the Prisa Group.

During the 2021 financial year and in the first half of 2022, the Group's total operating expenses have increased by 4% and 13% compared to the 2020 financial year and the first half of 2021, respectively. This increase in operating expenses is mainly due to the growth in business revenues combined with the rise in inflation and the increase in the cost of raw materials (e.g. paper) and the necessary energy and distribution resources resulting from the economic situation described above. While the Prisa Group generally attempts to pass on operating cost increases and inflation to customers, there is no guarantee that the Company will be able to do so due to competitive pressures and other factors.

Therefore, the war in Ukraine and the COVID-19 health crisis and its macroeconomic impacts which will depend on future and uncertain events, including their intensity and persistence over time, could adversely impact key indicators for the Group. This could have a material adverse impact on the Group's business, results of operations, cash flow, prospects and/or financial condition and assets and liabilities, as well as negatively affect the Company's valuation.

(C.2) Specific risks associated with the Education and Media businesses:

11. Changing trends and the emergence of new players in the Education and Media businesses pose a threat to the Group's competitive position.

In both the Education and Media businesses, competition between companies, the emergence of new players and changing trends represent threats and new opportunities for the Group's traditional business models.

In the Education business (which contributed 48.4% and 52.2%, respectively, to the Group's operating revenues in the 2021 financial year and the first half of 2022), the Group competes with both traditional players and new, more digital operators focused on education systems offering alternative content and services and smaller businesses (educational start-ups, online portals, etc.). In addition, there is a growing trend towards open access to educational content (usually via online sites), a proliferating market for second-hand materials and an increasing number of schools not using books and developing new content

within the scope of curricular autonomy at school level. This set of trends, in this competitive environment, puts downward pressure on the prices of educational content and services in the Group's main markets.

In the Media business (which in the 2021 financial year and the first half of 2022 contributed 52% and 48%, respectively, to the Group's operating revenues), overall revenues (advertising, circulation and other) continue to be negatively impacted by the growth of alternative means of content distribution. The user has changed access to content consumption: significantly increases consumption through digital media and, at the same time, incorporates the offer of the new digital operators into what the traditional media have to offer.

Thus, in the Media business, the Group operates in a very complex competitive environment in which, in addition to the traditional media, there are large technological platforms (Google, Amazon, Spotify, Apple, Netflix, etc.), social media (Meta Platforms, Twitter, etc.) and small digital native portals for online content. Competition between companies offering online content has been intense for a number of years and there is a constant threat of new entrants.

The proliferation of these alternative means of content distribution has significantly expanded the options available to consumers, resulting in audience fragmentation, as well as an increase in the inventory of digital advertising space available to advertisers, which affects and is expected to continue to affect the Group's Media businesses. In addition, the digital advertising business is tending to become disintermediated (through automated platforms and disruptive methods of auctioning advertising), putting downward pressure on prices. There is also a proliferation of technologies and applications that allow users to bypass digital advertising on the websites and mobile applications they visit. Blocked advertisements do not count as ad impressions and the Group would lose advertising revenue from ad impressions that would have occurred in the absence of such technologies.

The ability to maintain the Group's competitive position in the Media businesses depends on numerous factors, some of which are beyond its control, including among others: the ability to continue to deliver quality journalism and content that is of interest and relevance to readers; the popularity, functionality, usability, adaptability, performance and security of the Group's digital products compared to those of its competitors; the ability to increase the engagement of its readers, both in relation to print and digital products, and the ability to attract new readers; the ability to develop and monetise digital products; the pricing strategy of the Group's products; the ability to market the Group's products and to offer advertisers an attractive return on advertising investment; the ability to attract, retain and motivate its employees, and especially the attraction of digital talent which has a high turnover rate; as well as the maintenance of the Company's reputation and brand strength.

In the event that for any reason the Group fails to anticipate and adapt in an agile and effective manner to the competitive framework, to changes in trends and to the needs and new demands of customers and consumers, the Group's competitive position could be affected, which would result in a loss of market share to competitors with greater capacity to adapt to change, with greater resources or with a better financial and equity position than Prisa. This could have a material adverse impact on the Group's business, results of operations, cash flow, prospects and/or financial condition and assets and liabilities, as well as negatively affect the Company's valuation.

12. The concentration of sales in the public sector could have a negative impact on the performance of the Group's Education business.

The Group's main customers in the public education market are governments and public bodies in the various jurisdictions in which it operates. In this regard, in the 2021 financial year and the first half of 2022, 35% and 26%, respectively, of the operating revenues of the Group's Education business came from institutional sales (28% in the 2020 financial year and 22% in the first half of 2021), with a high concentration in Brazil, where 63% and 41% of the operating revenues of this business in the 2021 financial year and first half of 2022, respectively, came from institutional sales (51% in the 2020 financial year and 42% in the first half of 2021).

Consequently, in the event that the economic situation in these countries deteriorates, regulatory or public policy changes occur or existing contractual relationships are not renewed, without the Group being able to

replace them with others on materially similar terms, there could be a material adverse impact on the Group's business, results of operations, cash flow generation, prospects and/or financial and equity position, as well as an adverse effect on the Company's valuation.

13. The deterioration of the advertising market could negatively affect the revenues of the Group's Media business.

A significant part of Prisa Group's operating revenues come from the advertising market, in its Media business. In the 2021 financial year and the first half of 2022, advertising revenues from the Group's Media division accounted for 40.3% and 36.5% of the Group's operating revenues (36.5% in the 2020 financial year and 43.4% in the first half of 2021).

Generally speaking, spending by advertisers tends to be cyclical and reflects the general economic situation and outlook. Therefore, in the event of a worsening of macroeconomic magnitudes in the countries in which the Group operates, especially GDP (see risk factors 9 and 10), the spending prospects of the Group's advertisers could be negatively affected.

In this regard, 79% of the Group's Media revenues in 2021 came from Spain (81% in 2020) and 21% from America (Latin America+USA) (19% in 2020). In America (Latin America+USA) in particular, 63% of the Group's Media advertising revenues in 2021 originated in Colombia (63% in 2020) and 29% in Chile (26% in 2020). Furthermore, in the first half of 2022, 77% of the Group's Media revenues originated in Spain (81% in the first half of 2021) and 23% in America (Latin America+USA) (19% in the first half of 2021). In America (Latin America+USA) in particular, 68% of the Group's Media revenues in the first half of 2022 originated in Colombia (60% in the first half of 2021) and 27% in Chile-(33% in the first half of 2021).

The Company cannot predict the advertising market's trend in the short, medium and long term, and given the large fixed cost component associated with businesses with a high weighting of advertising revenues, a fall in advertising revenues would have a direct impact on operating profit and therefore on the Group's cash generation capacity.

This could have a material adverse impact on the Group's business, results of operations, cash flow, prospects and/or financial condition and assets and liabilities, as well as negatively affect the Company's valuation.

14. The Prisa Group's dependence on IT systems exposes the Group significantly to the risks associated with cybersecurity, which could adversely affect the Group's activities and revenues.

The businesses in which the Group operates are heavily reliant on information technology ("**IT**") both in terms of "back office" (systems that businesses use to operate their businesses: Entreprise Resource Planning (ERP), content management, advertising, broadcasting, etc.), as well as in the front office and the solutions that the Group's businesses offer the market as part of their value proposition: from the websites and apps of digital properties in the area of Media, to the technological platform and educational systems in the area of Education. For this purpose, the Group's annual IT investment totalled EUR 14,332 thousand in 2021 (EUR 16,487 thousand in 2020).

IT systems are vulnerable with respect to a range of problems, such as hardware and software malfunctions, computer viruses, hacking and physical damage to IT facilities. In particular, the Group operates in an environment of increasing cyber threats in recent years.

The Prisa Group's dependence on IT systems exposes the Group particularly significantly to the risks associated with cybersecurity insofar as a relevant part of the Group's products and services and, therefore, of its revenues, intrinsically depend on IT systems that are susceptible to cyber-attack. In this regard, significant failures in IT systems and attacks on their security could result in the Group being unable to undertake its activities and conduct its business. For example, cyber-attacks on the Group's IT systems and platforms could impede advertising activities, one of the Group's main sources of revenue (see risk factor 13), and affect the Group's digital subscriptions and education systems, resulting in a consequent loss

of revenue. In addition, the occurrence of any of these scenarios could also result in the loss of data or other sensitive information of the Group's customers (see risk factor 19).

This is why IT systems need regular upgrades, some of which are carried out on a preventive basis. However, the Group may not be able to implement the necessary upgrades in a timely manner or the timely upgrades may not work as planned. In addition, the Group may not have sufficient capacity to identify technical vulnerabilities and security weaknesses in operational processes as well as in the ability to detect and react to incidents. Although the Group has outsourced IT management services and undertaking innovation projects in certain Group companies to various technology providers, if the provision of these services were not to continue or were to be transferred to new providers, the Group's operations could be affected.

This could have a material adverse effect on the normal course of the Group's business and, therefore, have a material adverse impact on the Group's business, results of operations, cash flow, prospects and/or financial and equity position, as well as negatively affect the Company's valuation.

(D) LEGAL RISKS

15. The Group could be affected by the proliferation of sectoral regulation in the radio and education business, as well as by changes in the regulations applicable to the businesses in which it operates.

The Prisa Group operates in regulated sectors and is therefore exposed to regulatory and administrative risks that could adversely affect its business.

In particular, the Group's radio business, which contributed 30% and 29%, respectively, to the Group's operating revenues in 2021 and in the first half of 2022 (27% in 2020 and 32% in the first half of 2021), is subject to the obligation to hold concessions or licences depending on the country in which the Group operates to undertake this activity. These concessions and licences are obtained directly by the Group or through third parties by entering into licence lease agreements. Thus, for example, in Spain, where radio audiovisual communication services are currently subject only to licensing, the term of the licence is 15 years, renewable for successive periods of the same duration provided that the conditions set out in *Law 13/2022 of 7 July on General Audiovisual Communication* (the "General Law on Audiovisual Communication"). For further information regarding the regulatory framework of the Group's radio business, see section 9 of the Registration Document.

In this regard, potential regulatory changes that approve more restrictive rules than those currently in force or that demand compliance with more onerous requirements from service providers, such as, for example, changes in the General Law on Audiovisual Communication and in the various regional decrees that implement it and that are applicable when the broadcasting is carried out in their territorial area of coverage, as well as changes in the Technical Plans (as defined in section 9 of the Registration Document) that may affect the map of commercial radio broadcasting licences currently in force in Spain, could affect the Group's ability to maintain or obtain concessions and licences.

There is therefore a risk that existing licences may not be renewed due to various factors, some of which may be beyond the Group's control, that they may be modified or revoked, as well as that upon termination of existing licence leases the relevant third parties may not wish to renew them with the Group or may renew them on less favourable terms.

In addition, the Group's education business, which in the 2021 financial year and the first half of 2022 contributed 48.4% and 52.2%, respectively, to the Group's operating income (52.2% in 2020 and 43% in the first half of 2021), is subject to the education policies approved by the governments of the countries in which the Group operates. In this respect, the education business could be affected by legislative changes arising, for example, from the succession of governments, changes in contracting procedures with public administrations or the need to obtain prior administrative authorisations regarding its content. Curricular changes require the Group to modify its educational content, which in turn requires additional investments, and there is a risk that the return on these investments may be lower than expected.

This could have a material adverse impact on the Group's business, results of operations, cash flow, prospects and/or financial condition and assets and liabilities, as well as negatively affect the Company's valuation.

16. The Prisa Group is exposed to litigation and claims from third parties

Prisa Group companies are exposed to claims from third parties, as well as to administrative, judicial and arbitration proceedings arising as a result of undertaking their activities and business, the scope, content or outcome of which cannot be predicted. Thus, for example, in March 2019, the unfavourable ruling in the dispute with Mediapro resulted in an extraordinary expense of EUR 51,036 thousand, which had a material negative impact on the Group's financial statements and financial obligations (see section 8.2 of the Registration Document).

Moreover, when running its activities and businesses, the Group is exposed to potential liabilities and claims in the area of employment relations. Prisa is also exposed to liability for the content in its publications and programmes. This risk is particularly relevant for the Prisa Group considering the current level of indebtedness of the Group and its financial situation. In this respect, further claims or litigation against the Group could have a more detrimental effect on the Group in view of its current situation.

The provision made by the Group as at 31 December 2021 for potential claims and litigation against its companies amounted to approximately EUR 8 million. For further information on claims and litigation which may have or have had in the recent past significant effects on the financial position or profitability of the Company and/or the Group, see section 18.6.1 of the Registration Document.

Although provisions have been made for litigation and contingencies of probable occurrence (probability of more than 50%), there are a number of large litigation cases for which no provision has been made, as they have been classified as possible or remote risk by the Group's internal and external legal advisors.

The Prisa Group cannot assure that the proceedings in which it is involved or those that may arise will be resolved in its favour.

If these are not resolved in favour of the Prisa Group, in addition to affecting its reputation, this could have a material adverse impact on the Group's activities, operating results, cash generation, forecasts and/or financial and equity position, as well as negatively affecting the Company's valuation.

17. An increase in royalties for the use of third party intellectual property rights for any reason could affect the Group's business.

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. Thus, during the 2021 financial year and during the first half of 2022, the consideration paid by the Group for the use of third-party intellectual property rights represented 2.8% and 3.2%, respectively, of the Company's consolidated operating expenses (without considering amortisation and loss of value of fixed assets) in these periods (3.3% during the 2020 financial year and 2.4% during the first half of 2021).

To the extent that the Group is not involved in determining the economic consideration for the use of these rights, there is a risk that significant upward variations in the amount of this consideration could have a material adverse effect on the Group's financial position and business.

The revised text of the Law on Intellectual Property approved by Royal Legislative Decree 1/1996, of 12 April 1996 (the "**Intellectual Property Law**") obliges collecting societies (e.g. SGAE, AGEDI, CEDRO, etc.) to set general tariffs, which determine the remuneration required for the use of their repertoire, the amounts of which shall be established on reasonable terms, taking into account the requirements set out in art. 164.3 of the Copyright Act. These general tariffs are therefore set unilaterally by the collecting societies, without any intervention by the users of the repertoires, who will only have the right to challenge them through administrative channels. In IPR-intensive businesses (such as commercial radio), changes in tariffs by collecting societies may impact on the variable costs of the affected business unit.

This could have a material adverse impact on the Group's business, results of operations, cash flow, prospects and/or financial condition and assets and liabilities, as well as negatively affect the Company's valuation.

18. Prisa's businesses are subject to extensive antitrust and merger control regulations, so compliance with these regulations could affect the Group's businesses.

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, which means that this risk is particularly relevant for the Prisa Group.

In this regard, the Group is exposed to the risk of potential non-compliance with applicable antitrust or merger control regulations, which in turn exposes the Group to the risk that the competition authorities and agencies of the countries in which the Group operates may initiate disciplinary proceedings against the Group.

The initiation of disciplinary proceedings against the Group could eventually result in financial penalties being imposed on the Group and damage to the reputation of the Group in the markets in which it operates, and could have a material adverse impact on the Group's activities, operating results, cash flow generation, forecasts and/or financial and equity position, as well as negatively affect the valuation of the Company.

Thus, for example, the National Commission for Markets and Competition (the "**CNMC**") declared on 30 May 2019 that certain companies of the Santillana group had committed two very serious infringements of Articles 1 of the *Law 15/2007, of 3 July, on the Defence of Competition* and 101 of the Treaty on the Functioning of the European Union, imposing on these companies a cumulative penalty of EUR 9,214 thousand. These proceedings are currently awaiting a vote and judgment. For more information on this procedure, see section 18.6.1 of the Registration Document.

Similarly, the initiation of sanctioning proceedings could result in competition authorities and agencies in other jurisdictions exercising greater scrutiny of the Group's operations for possible collusive behaviour or practices that may lead to distortions of competition in other jurisdictions.

19. The Group is subject to compliance with a wide range of data protection regulations and compliance with such regulations may affect the Group's business.

The Group has a large amount of personal data at its disposal through undertaking its business, included those related to employees, readers and students. Therefore, the Group is subject to data protection regulations in the various countries where it operates.

Thus, for example, Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of individuals with regard to the processing of personal data and on the free movement of such data, in force since May 2018, substantially amended the data protection rules at EU level to impose new obligations on data subjects and significantly increased the data protection obligations of issuers and the penalties for serious breaches. Similarly, certain Latin American countries have in recent years adopted rules to regulate and/or develop this area.

In this regard, this risk is particularly relevant for the Prisa Group insofar as the Group's activity is concentrated in countries of the European Union and Latin America, and insofar as, in undertaking its activity, the Prisa Group obtains personal data (including student data) and personal information of a financial nature in order to make the corresponding payments and collections.

The growing digital activity of the Group's businesses entails a particular risk related to the IT management of personal data, which could result in security breaches of varying scope and severity occurring (see risk factor no. 14). Thus, recently, a possible alteration of one of the Group's web pages was detected, which consisted of including a fraudulent form with the intention of obtaining bank details of the website's users. This incident was initially considered by the Group as a security breach that could affect personal data, which triggered the established investigation and resolution process, in compliance with current legislation and internal policies and procedures. Once all the various measures were taken to manage and resolve the

incident, its scope was limited, affecting only a small number of users, who were duly informed, and causing no damage to the Group's systems and information or to the rights of third parties related to it.

Failure to comply could result in reputational damage to the Group and the payment of significant fines. In addition, any disclosure of such personal information by unauthorised third parties or employees could affect the Group's reputation, limit its ability to attract and retain consumers or expose it to claims for damages suffered by individuals to whom the personal information relates.

All of this could have a material adverse impact on the Group's business, results of operations, cash flow, prospects and/or financial condition and assets and liabilities, as well as negatively affect the Company's valuation.

20. Certain copyrighted content developed by the Group in the course of its business may be subject to reproduction by unauthorised third parties.

The Group's businesses largely depend on the intellectual and industrial property rights over, among other items, brands, literary content or technology wholly developed by the Group. Brands and other intellectual and industrial property rights comprise one of the pillars of success and maintenance of the Group's competitive advantage.

However, there is a risk that third parties, without the Company's authorisation, may attempt to copy or otherwise obtain and misuse content, services or technology developed by the Group, such as unauthorised copying of books and other content, misuse of radio signals, etc. In this regard, there is no certainty that the measures taken to protect intellectual and industrial property rights are sufficient to prevent the misuse and appropriation of such rights.

Similarly, recent technological advances have made it much easier for unauthorised reproduction and distribution of content through various channels, making it more difficult to enforce the protection mechanisms associated with intellectual and industrial property rights. In addition, the Group's international presence entails the risk that it may not be able to protect intellectual property rights efficiently in all jurisdictions in which it operates.

All of this could have a material adverse impact on the Group's business, results of operations, cash flow, prospects and/or financial condition and assets and liabilities, as well as negatively affect the Company's valuation.

II. UNIVERSAL REGISTRATION DOCUMENT

(Drawn up in accordance with Annex 2 to Commission Delegated Regulation (EU) 2019/980, 14 March 2019)

1. RESPONSIBLE PERSONS, INFORMATION ON THIRD PARTIES, EXPERT REPORTS AND APPROVAL BY THE COMPETENT AUTHORITY.

1.1. Indication of the persons responsible for the information provided in the registration document.

Ms Pilar Gil Miguel, in the name and on behalf of Prisa, in her capacity as Chief Financial Officer (CFO), and by virtue of the powers expressly conferred upon her by resolution of the Board of Directors of Prisa at its meeting held on 24 May 2022, executed by public deed (*escritura pública*) authorized by the notary of Madrid, Mr. José María Madridejos Fernández on 3 June 2022, under number 1,265 of the order of his protocol, and recorded in the Mercantile Registrer (*Registro Mercantil*) of Madrid on 14 June 2022, in volume 42,359, folio 22, page M-7,674, entry no. 780, assumes responsibility for the content of the Registration Document.

1.2. Declaration of those responsible for the registration document on the information contained in the registration document.

Ms Pilar Gil Miguel, in his/her capacity as representative, declares that, to the best of his/her knowledge, the information contained in the Registration Document is in accordance with the facts and contains no omission likely to affect its contents.

1.3. Statements or reports attributed to persons as experts included in the registration document.

No statements or reports attributed to any person as an expert are included in the Registration Document.

1.4. Declaration on information from a third party included in the registration document.

Where the information in the Registration Document is derived from a third party, that information has been accurately reproduced and, so far as the Company is aware and is able to determine from the information published by that third party, no facts have been omitted which would make the reproduced information inaccurate or misleading. In addition, the source(s) of information is indicated.

1.5. Statement on the approval of the registration document by the competent authority.

It is hereby noted that:

- The Registration Document has been approved by the Comisión Nacional del Mercado de Valores (the "CNMV"), in its capacity as the Spanish competent authority under Regulation (EU) 2017/1129.
- The CNMV only approves the Registration Document to the extent that it meets the standards of completeness, consistency and intelligibility required by Regulation (EU) 2017/1129.
- Such approval should not be considered as an endorsement of the issuer referred to in the Registration Document.

The Registration Document, as amended from time to time, together with the relevant securities note and, where applicable, summary note, approved in accordance with Regulation (EU) 2017/1129, may be used for an offer of securities to the public and/or for admission to trading on a regulated market.

2. STATUTORY AUDITORS

2.1. Name and address of the issuer's auditors for the period covered by the historical financial information.

2021 and 2020 Financial Years

The Company's individual and consolidated financial statements for 2021 and 2020 were audited by Ernst & Young, S.L. ("**EY**"), with registered office in Madrid (Spain), at Calle Raimundo Fernández Villaverde, 65 (post code 28003), and registered in the Official Register of Auditors (ROAC) under number S0530.

The Ordinary General Shareholders' Meeting of Prisa held on 29 June 2020 resolved to elect EY as auditor of the financial statements of the Company and the Group for 2020, 2021 and 2022.

2019 Financial Year

The individual and consolidated financial statements of the Company for 2019 were audited by Deloitte, S.L. ("**Deloitte**"), with registered office in Madrid (Spain), Plaza Pablo Ruiz Picasso, núm. 1 (Torre Picasso) (postal code 28020), and registered in the Official Register of Auditors (ROAC) under number S0692.

2.2. Additional information concerning the appointment of the issuer's auditors

Neither EY nor Deloitte have resigned or been removed from their duties as auditors of Prisa and its consolidated group during the financial years for which they were appointed auditors by virtue of the corresponding resolutions of the Company's General Shareholders' Meeting.

3. RISK FACTORS

See Section I ("Risk Factors") of the Registration Document.

4. INFORMATION ON THE ISSUER

4.1. Legal and commercial name of issuer

The Company's corporate name is "Promotora de Informaciones, S.A." or in short, and in commercial terms, "Prisa".

4.2. Place and registration number of issuer and legal entity identifier (LEI)

The Company is registered in the Mercantile Register of Madrid in volume 2836 general, 2159 of Section 3 of the Companies Book, folio 54, page number M-19511, 1st entry, and has tax identification number (NIF) A-28297059.

The legal entity identifier (LEI code) of Prisa is 959800U3NGPXSCQHQW54.

4.3. Date of incorporation and period of activity of the issuer

The Company was incorporated on 18 January 1972. In accordance with the provisions of article 4 of its Articles of Association, Prisa carries on its activity indefinitely.

4.4. Domicile and legal form of the issuer, the law under which it operates, country of incorporation, address, telephone number of the registered office (or principal place of business if different from the registered office) and the issuer's website.

Prisa is a commercial company, incorporated in Spain, with the legal form of a public limited company subject to Spanish law and, consequently, mainly subject to the legal regime established in the Capital Companies Act and other regulations applicable to the securities market.

Prisa has its registered office in Madrid (Spain), at calle Gran Vía, no. 32 (post code 28013). The telephone number of the registered office is (+34) 913 301 294.

The Company's corporate website is <u>www.prisa.com</u>. The information contained on Prisa's corporate website, as well as the information available on the other websites referred to in the Registration Document, does not form part of the Registration Document and has not been examined or approved by the CNMV, except for that information which has been incorporated by reference in the Registration Document.

5. BUSINESS DESCRIPTION

5.1. Main activities

5.1.1. Description of the nature of the issuer's operations and its principal activities

The Prisa 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: Spain, Latin America and the growing US Hispanic market.

With brands such as Santillana, El País, Moderna, Compartir, UNO, SER, Los40, WRadio, Radio Caracol, AS and Podium Podcast, the Group is present in 23 countries, positioning itself as a global multimedia group in the education, information and entertainment businesses.

The Prisa Group's activities are grouped into two main business areas, equivalent to its operating segments: Education and Media. In addition to the business units, the Prisa Group has a Corporate Centre, which defines the Group's strategy and ensures the alignment of the businesses with this corporate strategy.

- The **Education** business unit leads the transformation and digitisation of the K-12 education ecosystem in Latin America, with innovative content and technology solutions for pupils and schools. For further information, see section (A) below.
- The **Media** business unit is one of the largest Media and Entertainment groups in Spanish-speaking countries, at the forefront of digital transformation, with relevant brands in Spain, Latin America and the United States. For further information, see section (B) below.

In 2020 and 2019, the Prisa Group's activities were grouped into three main business areas, equivalent to its operating segments in those years: Education, Radio and Press. In 2021, the Radio and Press segments were consolidated into a single segment called Media.

In 2021, the Prisa Group obtained operating revenues of EUR 741 million (compared to EUR 701 million in 2020), of which 43.1% came from Spain and 56.9% from the rest of the countries operated internationally (40.7% and 59.3%, respectively, in 2020). Five countries accounted for 86% of the Group's operating revenues in 2021 (and also in 2020): Spain, Brazil, Mexico, Colombia and Chile. In that year (2021), the Group's EBITDA⁽⁸⁾ reached EUR 63 million (EUR 64 million in 2020) and adjusted EBITDA⁽⁸⁾ to EUR 107 million (EUR 73 million in 2020).

In recent years, in line with the strategic roadmap defined by the Group, the businesses have focused on digital transformation, the acceleration of subscription models and the development of new digital formats, thus aligning themselves with market demands and new digital consumption patterns. In 2021, the Education business reached 2 million subscriptions across its education systems; and the Media business surpassed 177 thousand total subscribers in El País and 251 million unique monthly browsers⁽⁹⁾, understood as, across all its digital properties, to which is added a monthly average of 34 million downloads of audio content and 67 million hours of streaming listening. Thus, in 2021, the Group's digital revenues reached EUR 226 million, 30% of operating revenues (29.7% in 2020).

^{(8):} Alternative performance measure. For more information, see Appendix I of the Registration Document (*"Glossary of alternative performance measures"*).

^{(9):} A unique browser is the count of the different browsers that have accessed a website regardless of the visits it generates in a given period of time.

For its part, the Corporate Centre, and holding company of the Group's companies, apart from defining the global strategy and providing support to the businesses for its fulfilment, has the priority objective of ensuring that the Group's financial strength is maintained, maximising the cash generation profile and making it stable over time, as well as controlling debt, within the framework of an unwavering commitment to sustainability and ESG criteria.

The following tables detail the main aggregates of the Prisa Group by business area in 2021, 2020 and 2019. The "other" column corresponds mainly to the Corporate Centre, and the "adjustments and eliminations" column mainly includes the elimination of operations between the Group's segments. Adjusted EBITDA⁽¹⁰⁾ excludes termination benefits linked to the extraordinary restructuring processes undertaken by the Group, and in 2019 also excludes the impact of the ruling of the dispute with Mediapro. In the following table, as well as in the rest of the Registration Document, for the calculation of the percentage variations between periods for the different magnitudes analyzed, it has been considered, for the purposes of the sign of such variations, that the denominator is treated in absolute value.

2021 financial year, compared to 2020 financial year:

		:	31/12/2021		
-	Вι	isiness areas		Adjustments	
-	Education	Media	Other	and disposals	Prisa Group
MAIN FIGURES OF THE PRISA GROUP		Unaudit	ed (thousands	of €)	
Operating income ⁽¹⁾	358,810	383,343	5,483	(6,468)	741,168
Change from 31/12/2020 ⁽²⁾	(1.9)%	14.1%	(38.8)%	35.5%	5,8%
EBITDA ⁽³⁾	69,268	9,903	(15,823)	(259)	63,089
Change from 31/12/2020 ⁽²⁾	(10.1)%		(83.4)%		(1.2)%
Adjusted EBITDA ⁽³⁾	75,451	41,862	(10,336)	(259)	106,717
Change from 31/12/2020 ⁽²⁾	(6.7)%		(33.8)%		46.2%
Operating income (EBIT) ⁽¹⁾	26,118	(28,929)	(16,640)	(258)	(19,709)
Change from 31/12/2020 ⁽²⁾	(23.5)%	46.5%	(78.0)%		32.3%
EBITDA margin ⁽³⁾	19.3%	2.6%	(288.6)%	4.0%	8.5%
Change from 31/12/2020 ⁽²⁾	(1.8) pp	4.2 pp	(192.3) pp	12.4 pp	(0.6) pp
Adjusted EBITDA margin ⁽³⁾	21.0%	10.9%	(188.5)%	4.0%	14.4%
Change from 31/12/2020 ⁽²⁾	(1.1) pp	11.2 pp	(102.3) pp	10.1 pp	4.0 pp
EBIT margin ⁽³⁾	7.3%	(7.5)%	(303.5)%	4.0%	(2.7)%
Change from 31/12/2020 ⁽²⁾	(2.1) pp	8.6 pp	(199.2) pp	6.0 pp	1.5 pp

(1): Audited information.

(2): Change calculated with respect to the financial information at 31 December 2020 as amended (unaudited) by the Company for the purpose of presenting it in accordance with the new segments (Education and Media) into which the Prisa Group's activities are grouped from 2021 and to make the information comparable. Such amended financial information is included in Note 17-"Business Segments" of Prisa's audited consolidated financial statements for 2021.

(3): Alternative performance measure. For more information, see Appendix I of the Registration Document ("Glossary of alternative performance measures").

2020 financial year, compared to 2019 financial year:

_	31/12/2020				
	Business areas		Adjustments		
_	Education	Media	Other	and disposals	Prisa Group
MAIN FIGURES OF THE PRISA GROUP	Unaudited (thousands			of €)	
Operating income	365,829(1)	335,878 ⁽²⁾	8,962(2)	(10,028)(2)	700,641 ⁽¹⁾
Change from 31/12/2019 ⁽³⁾	(26.4)%	(28.3)%	(39.7)%	34.2%	(27.4)%
EBITDA ⁽⁴⁾	77,027	(5,375)	(8,630)	843	63,865

(10): Alternative performance measure. For more information, see Appendix I of the Registration Document ("Glossary of alternative performance measures").

		3	31/12/2020		
	В	usiness areas		Adjustments	
_	Education	Media	Other	and disposals	Prisa Group
MAIN FIGURES OF THE PRISA GROUP		Unaudit	ed (thousands	of €)	
Change from 31/12/2019 ⁽³⁾	(37.0)%		87.6%	(91.5)%	(53.8)%
Adjusted EBITDA ⁽⁴⁾	80,882	(774)	(7,728)	612	72,992
Change from 31/12/2019 ⁽³⁾	(36.2)%		57.2%	(93.7)%	(63.5)%
Operating income (EBIT)	34,141(1)	(54,103)(2)	(9,348) ⁽²⁾	201(2)	(29,109) ⁽¹⁾
Change from 31/12/2019 ⁽³⁾	(51.8)%		86.8%	(98.0)%	
EBITDA margin ⁽⁴⁾	21.1%	(1.6)%	(96.3)%	(8.4)%	9.1%
Change from 31/12/2019 ⁽³⁾	(3.5) pp	(17.7) pp	371.3 pp	56.9 pp	(5.2) pp
Adjusted EBITDA margin ⁽⁴⁾	22.1%	(0.2%)	(86.2%)	(6.1%)	10.4%
Change from 31/12/2019 ⁽³⁾	(3.4) pp	(17.6) pp	35.1 pp	57.8 pp	(10.3) pp
EBIT margin ⁽⁴⁾	9,3%	(16.1)%	(104.3)%	(2.0)%	(4.2)%
Change from 31/12/2019 ⁽³⁾	(4.9) pp	(25.4) pp	372.7 pp	63.3 pp	(9.7) pp

(1): Audited information.

(2): Financial information at 31 December 2020 as amended (unaudited) by the Company for the purpose of presenting it in accordance with the new segments (Education and Media) into which the Prisa Group's activities are grouped from 2021 and to make the information comparable. Such amended financial information is included in Note 17-"Business Segments" of Prisa's audited consolidated financial statements for 2021.

(3): Variation calculated with respect to the unaulited restated financial information as at 31 December 2019 (see section 18.1.1 of the Registration Document), itself modified by the Company for the purpose of presenting it in accordance with the new segments (Education and Media) into which the Prisa Group's activities are grouped from 2021 and for the information to be comparable. As detailed in section 18.1.1 of the Registration Document, the consolidated income statement and the consolidated cash flow statement for the 2019 financial year were restated by the Company in the consolidated financial statements for the 2020 financial year in order to enhance the comparability of the information. In accordance with IFRS 5, the results and cash flows from the operations of Santillana España were presented in the restated financial information for 2019 as a discontinued operation, as the Company left the scope of consolidation in 2020 as a result of a sale transaction, which is described in section 5.3 of the Registration Document.

(4): Alternative performance measure. For more information, see Appendix I of the Registration Document ("Glossary of alternative performance measures").

Below is a more detailed description of the business areas (operating segments) of the Prisa Group.

(A) Education Area

Prisa Group carries out its activities in the Education area through Grupo Santillana Educación Global, S.L.U. (formerly Grupo Santillana Ediciones, S.L.) ("**Santillana**"), 100% owned by Prisa, which has been present in the sector for more than 5 decades.

Santillana focuses its activity on creating and distributing educational content and services for all levels of education from 3 to 18 years old (with a special focus on K-12, the largest compulsory education market: primary and secondary schooling) in Spanish, Portuguese and English, in various formats, and adapted to the regulations and educational models of the countries in which it operates; orienting the business model towards offering comprehensive solutions not only for pupils, but also for teachers and schools as a whole.

Santillana is currently the only operator in the K-12 market operating in practically all Latin American countries, with a relevant position in most of them. Through brands such as Compartir, UNO, Moderna, Farias Brito or Richmond Solution, among others, Santillana, in 2021, around 27 million pupils benefited from the educational content and services offered by Santillana, including up to 2 million subscriptions to the wide range of educational systems.

Until 2020, the education market in Spain was also operated by Santillana, but the Spanish business was sold at the end of that year, leaving the company to focus on its Latin American business and residual business in Spain and Portugal. In Spain, although the education business was sold, Santillana maintains its holding company, which invoices revenues to the countries associated with the services provided.

The development of Santillana's business, despite being less dependent on the economic cycle than other businesses of the Group (such as, above all, advertising in the Media business), is highly conditioned by seasonality, due to carrying out campaigns in each of the hemispheres (north and south), the succession of

school seasons with different calendars in the countries operated, the different laws in force in these countries and the educational cycles in which they find themselves. The business is also partly dependent on winning institutional public procurement orders from governments, which are not always recurrent (see risk factors 7 and 12).

- In the Northern Campaign countries, the school calendar starts in the third quarter of the year and ends in the second quarter of the following year: Mexico, Puerto Rico, Dominican Republic and some campaigns in Ecuador and Colombia.
- In the Southern Campaign countries, the school calendar starts in the first quarter of the year and ends in the last quarter of the same year: Brazil, Argentina, Chile, Peru, Bolivia, Uruguay, Paraguay, Central America North (Guatemala, Honduras, El Salvador), Central America South (Nicaragua, Costa Rica, Panama) and some campaigns in Ecuador and Colombia.

Santillana, therefore, adapts its activity throughout the year according to the development of school calendars in each of the campaigns.

In 2021, Santillana accounted for 48% of the Group's operating revenues (EUR 359 million) and achieved EBITDA⁽¹¹⁾ of EUR 69 million (adjusted EBITDA⁽¹¹⁾ of EUR 75 million), an EBITDA margin⁽¹¹⁾ of 19% (21% Adjusted EBITDA margin⁽¹¹⁾). In 2020, Santillana accounted for 52% of the Group's operating revenues (EUR 366 million) and achieved an EBITDA⁽¹¹⁾ of EUR 77 million (adjusted EBITDA⁽¹¹⁾ of EUR 81 million), an EBITDA margin⁽¹¹⁾ of 21% (22% Adjusted EBITDA margin⁽¹¹⁾).

In terms of geographic origin of revenues, in 2021, 98% of operating income originated in Latin America (99% in 2020). Santillana's operating income figures by country for 2021, 2020 and 2019 are set out below.

	31/12/2021	31/12/2020	31/12/2019
EDUCATION REVENUES BY COUNTRY	Unaud	lited (thousands of €)	
Operating income	358,810 ⁽¹⁾	365,829 ⁽¹⁾	497,003 ⁽²⁾
Brazil	146,603	151,946	195,086
Mexico	70,893	62,469	88,533
Colombia	28,079	34,591	35,411
Argentina	17,737	14,731	23,198
Chile	12,809	21,489	27,845
Peru	9,694	17,054	25,369
Spain	6,196	3,073	6,391
Other countries	66,798	60,475	95,170

(1): Audited information.

(2): Restated information (unaudited). As detailed in section 18.1.1 of the Registration Document, the consolidated income statement and the consolidated cash flow statement for the 2019 financial year were restated by the Company in the consolidated financial statements for the 2020 financial year in order to enhance the comparability of the information. In accordance with IFRS 5, the results and cash flows from the operations of Santillana España were presented in the restated financial information for 2019 as a discontinued operation, as the Company left the scope of consolidation in 2020 as a result of a sale transaction, which is described in section 5.3 of the Registration Document.

The business unit is organisationally structured by country and has a corporate centre that coordinates and directs the global strategy; operating separate business models according to the markets served: the private education market and the public or institutional education market.

(A.1) Private education market

The private market accounted for approximately 70% of Santillana's business in 2021. In 2021, 25% of Santillana's private market turnover was generated in Brazil, 24% in Mexico and 13% in Colombia (30%, 19% and 14% in 2020, respectively).

^{(11):} Alternative performance measure. For more information, see Appendix I of the Registration Document (*"Glossary of alternative performance measures"*).

Santillana's value proposition for this market is to offer educational solutions for the K-12 public school ecosystem in Latin America, acting through two business models: the didactic model and the subscription model based on educational systems.

The didactic model is the traditional business model, based on the sale of textbooks where normally, the customers are the public schools, the purchase decision is made by the teachers and/or the school principals or owners, the buyer of the product is the parent of the pupil and the end user is the pupil. Santillana holds an important position in most of the countries operated with market shares of around 25% and a portfolio of around 10,000 relevant schools (source: internal business estimates as at the date of the Registration Document).

In 2021, the didactic model accounted for 22% of Santillana's business and 37% of the business in the private education market (31% and 45% in 2020, respectively), according to Santillana's new business configuration at the end of 2021.

The subscription model based on educational systems through Santillana's educational technology platform (EdTech) is, for Santillana, the basis of the educational proposal of the future and is, therefore, currently the priority focus of the business unit. Santillana has played a key role in the process of educational technological development in the countries where it is present through the implementation and development of technology in the education system. Santillana has created a technological platform scalable to any user in any region, which includes in its offer a comprehensive service aimed at schools, teachers and pupils, combining technology, training and advice.

This is a business model where contracts are signed with schools for a term, typically 3 or 4 years, for the provision of the service through hybrid (online and offline) education systems that they offer to schools: complete curriculum solutions (comprehensive systems), more flexible modular curriculum solutions according to the demand of the school in each case (flexible systems and English systems) and solutions beyond the curricula to complete the learning pathway of the pupils (supplementary systems).

Through its subscription models based on educational systems, Santillana occupies an important position in most of the countries in which it operates in Latin America (source: internal business estimates), with a portfolio of around 7,000 schools and almost 2 million subscriptions in 2021 (1.7 million subscriptions in 2020), of which 0.4 million were in comprehensive systems, 1.3 million in flexible systems and the remainder in English and supplementary systems.

In 2021, subscription models constituted 37% of Santillana's business and 63% of the business in the private education market (37% and 55% in 2020, respectively), taking into account Santillana's new business configuration realised at the end of 2021.

The subscription model has a number of very significant advantages over the traditional didactic model:

- Education system contracts (subscription model) are signed with schools for periods of typically 3-4 years, which offers long-term revenue certainty, compared to the purely annual tie-in of purchasing textbooks, which are also significantly exposed to the risk of dual use and the risk of content piracy, which increase the uncertainty of the purchase rate from year to year. In recent years, Santillana has had an average loyalty rate of around 90% among its subscription model customers (88% Brazil, 92% Mexico and 92% Colombia).
- The didactic model requires a specific distribution channel for the books (generally through bookstores), while the educational systems are distributed directly through Santillana's technological platform, thus avoiding the loss of the distributor's margin and an excessive dependence on the distribution channel with the inefficiencies that this can generate and the consequent loss of value in the educational solution offered by Santillana.
- In addition, the subscription model enables a large potential for selling the portfolio of complementary and supplementary services: upselling and cross selling.

Therefore, there is a great opportunity for Santillana in the transformation of the educational market in Latin America, progressing from a didactic model to a subscription model, especially considering the favourable market context provided by the current situation:

- The level of digitalisation and the use of technological platforms has increased significantly in Latin America. In this respect, the COVID-19 pandemic has had a particularly relevant impact on the acceleration of the transformation of the educational model: pupils, families and teachers have quickly become accustomed to using new technologies and the new educational model based on a technological platform that can be online or offline, in the classroom or off-site, in real time or with no time restriction, etc.
- Technology enables greater empowerment for the prescription of educational content and services by teachers and schools and facilitates greater involvement of families and parents in their children's education, which is significantly increasing the demand for complementary and supplementary content and services.
- Schools' and families' perception of the added value of subscription systems is now a reality and the didactic model is beginning to be seen as obsolete. Not only because of the facilities and flexibility offered by hybrid education systems, but also, to a large extent, because of the good results typically obtained by pupils using the more advanced education systems, compared to the other education models: studies carried out by Santillana show how, for example, in tests such as the ENEM 2020 (university entrance exam in Brazil), the ICFES 2020 (final exam to conclude compulsory education and criterion for university entrance in Colombia) or the SIMCE 2019 (external assessment that measures the success of the learning level in Chile), the results obtained by students in Santillana's education systems ("Compartir" in Brazil, Colombia and Chile; and others such as "SFB" or "UNO" also in Brazil) were higher than those of students who had studied under the traditional private or public, textbook-based education model.

Santillana has the key elements to be able to realise this transformation of the education market: commercial strength, technology and a branded offering of solutions around education systems. These ingredients also create barriers to entry for local or international operators in those markets where they are not yet positioned and prepared to operate through education systems in a relevant way.

Santillana's commercial network was reorganised in 2021 to prepare the profiles that could lead this market transformation and adjust the remuneration models by objectives in line with the transformation objectives. In this respect, it currently has two main categories of specialised sales representatives: (i) the hunters, who, with a short-term tactical vision, focus on transforming schools that follow the traditional (didactic) model through subscription contracts and capturing new schools; and (ii) the farmers who focus on building loyalty to Santillana's portfolio of schools through continuous monitoring and advice to increase the level of service and generate higher revenues (upselling and cross-selling).

From a technological point of view, Santillana's platform, integrated in the cloud for greater flexibility and potential for scale, connects pupils and families with schools and teachers, enabling the flow of learning and assessment, along with various value-added functionalities for users. A multi-product, multi-language and multi-country platform, tested over the last few years from a cybersecurity standpoint and which allows the capture, analysis and exploitation of large-scale data, placing Big Data as one of the strategic axes of the transformation of the educational model, by allowing progress in the knowledge of the use of the platform and continuous improvement in the user experience. This is increasingly prepared to meet the needs of families.

Big Data is one of Santillana's strategic assets for the future:

- In the commercial sphere, it will enable more advanced analysis of commercial campaigns and the performance of the sales force, reducing costs and speeding up the decision-making process;
- In the area of customer management, it will allow significant improvements in evaluating the satisfaction of all those involved in using the platform (schools, teachers, parents, pupils, etc.) and optimising segmentation; and
- In the strictly educational field, in learning, it enables enormous potential in issues as important for the future of the sector as adaptive learning or the development of artificial intelligence models at the service of learning.

Finally, Santillana has an increasingly broad and robust branded offering of solutions around education systems to complement this market transformation.

- The core solutions, which, grouped under prestigious brands, are mainly focused on satisfying the needs of multiple student profiles in the strictly curricular field: UNO, SFB or Kepler for integrated systems; Compartir, Educa or Pitanguá for flexible systems; Richmond Solution or Educate for English systems.
- Supplementary solutions, aimed at meeting both curricular and non-curricular needs, transforming the school into a one-stop centre where every pupil can go to complete all their training and learning needs. With distinct brands for different niches: Creo (Catholic schools), TecPro (robotics), Loqueleo and Horizum (literature and communication), Crescemos (socio-emotional), among others.

(A.2) Public education market

The public market accounts for approximately 30% of Santillana's business. In 2021, 68% of Santillana's turnover in the public market was generated in Brazil and 14% in Mexico (68% and 12% in 2020, respectively).

Santillana's value proposition for this market is preparing solutions for competition in regular public tendering programmes. With a business model in which solutions are primarily textbook-based, occasionally supported by some digital solutions. The customers are governments and public schools, with the purchasing decision resting with the ministries of education (or, where appropriate, with the competent local authorities), which select the books from among the different proposals submitted by the bidders, through more or less regulated procedures, with more or less decision-making power for teachers depending on the case.

This is normally a fully transparent process with clearly defined stages from the moment the public tender is launched. In Brazil and Mexico (more than 80% of Santillana's public business volume), the process starts with publishers preparing their educational offer and submitting it for approval by the corresponding government according to each tender; then, publishers promote their offers in schools, where the work of the commercial teams is key; and finally, teachers are involved in evaluating the different offers and in making the corresponding selection decisions. In other countries, such as Chile, the Dominican Republic or Puerto Rico, the dynamic is simpler, with direct selection, centralised in the competent public administration. In any case, all processes are based on the quality and level of fit of the bids in relation to the parameters defined in the tenders and meet the demand of approximately 212 thousand schools and 54 million pupils throughout Latin America.

Historically, there are five countries whose governments have been issuing more or less recurrent tenders in which Santillana participates: Brazil and Mexico, the most relevant in terms of recurrence and volume of orders, together with Puerto Rico, the Dominican Republic and Chile, where orders are less significant and not always recurrent. Occasionally, on an extraordinary basis, a one-off public purchase is made in another country operated by Santillana.

Santillana's sales in the public market are, therefore, especially conditioned by the effective achievement of institutional orders and by the different laws that are being passed in the field of education in general, and curricula in particular. In the particular case of Brazil, this added a marked cyclical component that meant that Santillana's change in revenue was conditioned by the cycles depending on the educational segment (corresponding to each educational stage) for which the government made the public order, but in more recent years, this impact has been softening. (see, however, risk factor no. 9 of the Registration Document).

In Brazil, the Ministry of Education manages the "Programa Nacional do Livro e do Material Didático" (PNLD), organising annual tenders, with three particularly significant segments: Fundamental 1, Fundamental 2 and Ensino Medio. As a general rule, each year a new institutional order is tendered for one of the segments (the "**New Order**) and a replacement order for the other two segments (the "**Replacement Order**").

The New Order implies that all books and teaching materials requested by the Government for the selected segment are renewed according to the new curriculum and content requested by the Government. This is a new order in which publishers renew all their content in accordance with the curricular conditions set out in the PNLD. Publishers submit the books and materials for each subject and the Government selects and approves the books it considers appropriate to be used in the new school year for the educational

segment corresponding to that New Order. Approved books are promoted directly by each publisher in public schools. It is the schools who select the books. This is done through a platform where each school enters its selection and the government closes the global order.

The Replacement Order implies, in turn, that the Government requests additional quantities of books and teaching materials for the other two segments for which there is no new curriculum that year. The publishers already have the books and teaching materials (they do not prepare new prototypes) and simply serve the order placed by the government for the new school year.

In 2021, Santillana was the most relevant operator, leading with a 32% market share, according to PNLD data from December 2021.

Below is a summary of the sales cycles in Brazil and the shares obtained by Santillana in that country in recent years, according to data from the FNDE (Fundo Nacional de Desenvolvimento da Educaçao) for the 2018-2020 period and from the Brazilian Ministry of Education for 2021. In this regard, the following table shows, for 2018 to 2021, the amount invoiced by Santillana in each of the educational segments (first column), specifying in each year the segment to which the New Order corresponded (corresponding, therefore, to the other segments, the Replacement Order) and the market share obtained by Santillana in said New Order.

	2018 New Order: Fundamental 1	2019 New Order: Fundamental 2	2020 Without New Order	2021 New Order: Ensino Medio
SANTILLANA SALES BY SEGMENT OF EACH EDUCATIONAL STAGE		(millions of Bra	zilian Reais)	
PNLD for children	0	0	0	4,4
Fundamental 1 PNLD	152.3	137.5	121.4	163.7
Fundamental 2 PNLD	36.3	113.9	197.4	63.7
Ensino Medio PNLD	63.2	49.6	56.8	223.1
PNLD SUBTOTAL WITHOUT OTHER SALES	251.8	301.0	375.6	454.9
Other sales	15.9	23.6	0.7	11.6
PNLD TOTAL WITHOUT OTHER SALES	267.7	324.6	376.4	466.5
Santillana's Market Share in the New Order	25%	32%		32%

Source: FNDE (Fundo Nacional de Desenvolvimento da Educaçao) for the 2018-2020 period and the Brazilian Ministry of Education for 2021.

In Mexico, annual orders are organised through the Comisión Nacional de Libros de Texto Gratuitos (CONALITEG). In 2021, Santillana, with a 23% share, was the second most relevant operator, according to CONALITEG's June 2021 data.

Santillana estimates a public market that, while showing moderate growth rates in the future, will remain stable: Public procurement programmes have more than 50 years of history and have proven to be resilient to changes of government in countries. In addition, more and more opportunities are likely to arise as governments demand more digital education solutions. Santillana is well positioned is this area, backed by its experience in developing education systems for the private market.

Therefore, Santillana's commitment to the public market focuses on maintaining its important positioning (recognised prestigious brands) in order to continue increasing its market shares (especially in PNLD and CONALITEG).

In 2021, education campaigns in general (private market and public market) developed in line with Santillana's expectations. Due to the different school calendar configurations, the North Campaigns (school starts in the third quarter) were impacted by the COVID-19 pandemic in 2020, while the South Campaigns (school starts in the first quarter) were almost finished when the pandemic broke out and were therefore impacted in 2021. In this context, the aggregate results of the North Campaigns showed significant

growth in local currency (revenues over +20% compared to 2020, and EBITDA⁽¹²⁾ over +90%), while the aggregate of Campaigns South showed the aforementioned impact of the pandemic (-2% in revenues compared to 2020 in local currency and -18% in EBITDA⁽¹²⁾).

The following table shows the main figures of the Prisa Group in the Education area, with a breakdown of operating income by type of business, for the years ended 31 December 2021, 2020 and 2019.

	2021	2020	2019
KEY FIGURES OF THE PRISA GROUP EDUCATION AREA	Audited	(thousands of €)	
Operating income	358,810	365,829	497,003(1)
Net turnover	355,616	363,937	489,828
Private business: subscription ⁽²⁾	134,066	135,901	141,505
Private business: didactic ⁽²⁾	80,092	112,833	196,971
Public business ⁽²⁾	135,956	113,298	149,464
Sale and transfer of intellectual property ⁽²⁾	265	1,464	432
Other services and other revenues ⁽²⁾	5,237	441	1,456
Other income ⁽²⁾	3,194	1,892	7,175
EBITDA ⁽²⁾⁽³⁾	69,268	77,027	122,247
Adjusted EBITDA ⁽²⁾⁽³⁾	75,451	80,882	126,755
Operating income (EBIT)	26,118	34,141	70,766(1)
EBITDA margin ⁽²⁾⁽³⁾	19.3%	21.1%	24.6%
Adjusted EBITDA margin ⁽²⁾⁽³⁾	21.0%	22.1%	25.5%
EBIT margin ⁽²⁾⁽³⁾	7.3%	9.3%	14.2%

(1): Restated information (unaudited). As detailed in section 18.1.1 of the Registration Document, the consolidated income statement and the consolidated cash flow statement for the 2019 financial year were restated by the Company in the consolidated financial statements for the 2020 financial year in order to enhance the comparability of the information. In accordance with IFRS 5, the results and cash flows from the operations of Santillana España were presented in the restated financial information for 2019 as a discontinued operation, as the Company left the scope of consolidation in 2020 as a result of a sale transaction, which is described in section 5.3 of the Registration Document.

(3): Alternative performance measure. For more information, see Appendix I of the Registration Document ("Glossary of alternative performance measures").

(B) Media Area

Prisa Group carries out its activities in the Media area through Prisa Media, S.A.U. ("**Prisa Media**"), whose brands and assets have been present in the sector for decades.

Today, Prisa Media is one of the largest Media and Entertainment groups in the Spanish-speaking world. Through recognised brands such as SER, Los40, Dial, El País, AS, Cinco Días, Radio Caracol, WRadio, Podium Podcast and LaCoproductora, among others, it is present in 12 countries directly or through franchises, with a potential market of 500 million Spanish speakers.

In 2021, the aggregate online audience of all Prisa Media's digital properties reached 251 million unique browsers from around the world. El País had more than 176,000 total subscribers in 2021, the radio added with all its brands an audience of close to 22 million listeners, and in the field of digital audio reached 34 million downloads and 67 million hours of listening in *streaming* on average monthly throughout 2021. In addition, in the area of social media, Prisa Media reached 130 million followers in 2021.

On the basis of its two core businesses, radio and press, Prisa Media has developed a wide range of content that has transcended traditional media and has been reinforced by the development of a complementary offer based on differential capabilities in audio and video. Thus, Prisa Media's value proposition focuses on the generation of news, sports, music and entertainment content in multiple formats, for distribution through different media and offline and online platforms, both proprietary and third-party.

^{(12):} Alternative performance measure. For more information, see Appendix I of the Registration Document ("Glossary of alternative performance measures").

With the scale provided by its portfolio of prestigious premium brands, Prisa Media stands as one of the multimedia groups that aggregates the largest audiences in the Spanish-speaking market and consolidates its important position in most of the advertising markets in which it operates.

The business unit is organisationally structured on transversal service 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. The business model focuses on leveraging the scale and knowledge of audiences for monetisation through two main lines of activity: advertising (which accounted for 78% of area revenues in 2021), increasingly digital (25% of total advertising revenues in 2021); and circulation (14% of revenues in 2021), also with increasing weight of the paid digital subscription model (20% of total circulation revenues in 2021); lines of activity that are in turn complemented by other activities such as the organisation and management of events and the distribution of promotions, as well as the identification of new alternative revenue generation channels that are taking shape as the digital transformation accelerates.

The development of Media's business is therefore highly dependent on the economic cycle and is strongly conditioned by the seasonality of the advertising market (see risks factors no. 7 and no. 13). The advertising market is particularly sensitive to the trend of countries' economies. In particular, the performance of advertising investment compared to the performance of GDP is very representative: it normally grows more than the economy does, but it also falls more sharply when the economy deteriorates.

The advertising investment trend is shown below (source: i2p periods 2013-2021 for Spain Average periods 2013-2021 for Colombia) relative to GDP (source: FMI October 2022, data 2013 to 2021) in the most relevant markets for Prisa Media (Spain and Colombia):



Moreover, the advertising market tends to show its highest volume in the second and fourth quarters (especially in the latter) and is sometimes significantly impacted when events of great media impact take place, especially in the sporting sphere (World Cup or European Cup, Superbowl, Olympic Games, etc.), but also in other areas, such as politics (elections).

In 2021, Prisa Media contributed 52% to the Group's operating revenues (EUR 383 million) and achieved EBITDA⁽¹³⁾ of EUR 10 million (adjusted EBITDA⁽¹³⁾ of EUR 42 million), an EBITDA margin⁽¹³⁾ of 3% (11% Adjusted EBITDA margin⁽¹³⁾). During the 2020 financial year, Prisa Media accounted for 48% of the Group's operating revenues (EUR 336 million) and recorded an EBITDA⁽¹³⁾ of EUR -5 million euros (adjusted EBITDA⁽¹³⁾ of EUR -1 million).

^{(13):} Alternative performance measure. For more information, see Appendix I of the Registration Document (*"Glossary of alternative performance measures"*).

As for the geographic origin of revenues, in 2021, 82% of Prisa Media's revenues were generated in Spain and the rest outside Spain, mainly Latam and USA (84% in Spain in 2020).

Prisa Media's operating income figures by country for 2021, 2020 and 2019 are set out below.

_	31/12/2021	31/12/2020	31/12/2019
INCOME IN THE AREA OF MEDIA BY COUNTRY	Unaud	lited (thousands of €)	
Operating income	383,343(1)	335,878(2)	468,243(3)
Spain	314,716	283,322	375,116
Colombia	41,488	31,508	56,311
Chile	19,765	14,239	26,645
USA	6,493	3,727	4,178
0ther	882	3,082	5,993

(1): Audited information.

(2): Financial information at 31 December 2020 as amended (unaudited) by the Company for the purpose of presenting it in accordance with the new segments (Education and Media) into which the Prisa Group's activities are grouped from 2021 and to make the information comparable. Such amended financial information is included in Note 17-"Business Segments" of Prisa's audited consolidated financial statements for 2021.

(3): Financial information as at 31 December 2019 (see section 18.1.1 of the Registration Document), itself modified by the Company for the purpose of presenting it in accordance with the new segments (Education and Media) into which the Prisa Group's activities are grouped from 2021 and for the information to be comparable. As detailed in section 18.1.1 of the Registration Document, the consolidated income statement and the consolidated cash flow statement for the 2019 financial year were restated by the Company in the consolidated financial statements for the 2020 financial year in order to enhance the comparability of the information. In accordance with IFRS 5, the results and cash flows from the operations of Santillana España were presented in the restated financial information for 2019 as a discontinued operation, as the Company left the scope of consolidation in 2020 as a result of a sale transaction, which is described in section 5.3 of the Registration Document.

(B.1) Radio

The radio business currently constitutes 60% of Prisa Media's operating revenues (weight in operating revenues of 57% in 2021 and 55% in 2020). In 2021, 72% of radio turnover will be generated in Spain (75% in 2020).

Prisa Media has one of the largest Spanish-language radio groups with more than 22 million listeners (aggregate audience data for the countries in which it operates)⁽¹⁴⁾ and more than 1,000 radio stations, including its own, subsidiaries and associates, in 12 countries.

The radio business has developed a model aimed at continuing to offer the best content, preserving the value of global and local brands to multiply the generation of business value; revitalising the traditional radio formats of talk radio and radio music formulas; and promoting new digital audio formats (podcasts). A commitment to digital transformation has led Prisa Media to become one of the leading producers of audio in Spanish worldwide according to Triton Digital (a leading company in services and technology in the audio and podcast industry), reaching more than 400 million downloads, 800 million hours of listening and a production of more than 150 original podcasts by 2021.

In general, most of the radio business' operating income are generated through the sale of advertising inventory of Prisa Media's radio and digital radio and audio properties. In 2021, 95% of radio operating income were generated through advertising (also 95% in 2020). In the coming years, Prisa Media has among its strategic objectives to diversify its revenues beyond advertising and circulation through the original production of audio and video programmes and strategic alliances for the production of content for distribution on third-party platforms such as Spotify, Podimo, Storytel or Amazon, among others.

In Spain, Prisa Media is the market leader in radio, with an audience of over 9 million listeners in the latest wave of the 2021 General Media Survey ("**EGM**"). In the area of spoken radio, SER, a benchmark in Spanish radio news with programmes such as "Hoy por hoy", "Hora 25", "La Ventana", "A vivir que son dos días" and "El Larguero", among others, achieved an audience share of 33%. In music radio, with radio formulas such as

⁽¹⁴⁾ Sources: Spain (Encuesta General de Medios -EGM- 3rd wave 2021, population aged 14+, all social classes, measured on weekdays, base Spain, December 20121), Colombia (ECAR, population aged 12-69, all social classes, Monday to Sunday, base 18 markets, October 2021), Chile (IPSOS and EGM, population aged 15+, all social classes, Monday to Saturday, base Santiago de Chile), Mexico (INRA AMCM, MEDIÓMETRO, population aged 13+, Monday to Friday, 6am to 10pm, base Valle de Mexico metropolitan area, December 2021).

the family of radio stations under the Los40 brand (Los40, Los40 Classic, Los40 Urban, Los40 Dance) or Cadena Dial, it achieved an aggregate share of 42%. In addition, under the SER and Los40 brands, Prisa Media organises a multitude of events throughout Spain, including the "Los40 music awards", a significant positioning in the offline market, which also provides the basis for potential in the online advertising market.

According to EGM, 3rd wave of 2021, the audience of Prisa Media's radio stations in Spain in 2021 was as follows:

	Third Wave EGM 2021		Share
AUDIENCES OF BROADCASTERS IN SPAIN 2021	(thousands of listeners)	Position	Percentage
Generalist Radio	4,067	1	33.1%
SER	4,067	1	33.1%
Music Radio ⁽¹⁾	5,339	1	42.3%
LOS40	2,751		21.8%
Cadena Dial	1,515		12.0%
LOS40 Classic	628		5.0%
Radiolé	487		3.9%
LOS40 Urban	312		2.5%

(1): It does not reflect the sum of the different radio stations because duplications are eliminated.

This leadership position in the radio audience market reflected in the table above is reflected in the advertising market, where both SER and Los40 are leaders in their respective fields (spoken radio and music radio) with advertising shares in 2021 of 37% and 26%, respectively (36% and 24% in 2020) of the total Spanish advertising market according to i2P market data.

Internationally, Prisa Media has radio operations in three countries (in addition to the other countries where Prisa Media brands are present through franchises). In 2021, 29% of radio turnover will be generated outside Spain (27% in 2020).

In Colombia, Prisa Media is the leader with an aggregate audience of almost 7 million listeners, according to the latest Estudio Continuio de Audiencia Radia ("**ECAR**") of July-October 2021: an audience share of 46% in spoken-word radio and 21% in music radio. In spoken-word radio, Caracol Radio continues to be the leading news, sports and entertainment channel in Colombia and, together with W Radio, are the pillars of Prisa Media's leadership in Colombia. In addition, in music radio, although it does not lead in audience share, Prisa Media has a relevant positioning through brands such as Tropicana, Bésame, Oxígeno and Radioacktiva, among others. All this resulted in an aggregate advertising share of 40% in 2021 (39.2% in 2020), confirming Prisa Media's advertising leadership in Colombia (source: Asomedios December 2021).

In Chile, Prisa Media is also the leader, with an aggregate audience of close to 4 million listeners, according to the latest Ipsos ("**IPSOS**") September-December 2021 survey data: an audience share of 45%. With brands such as ADN, the country's most widely spoken radio brand, or Radio Corazón (the country's most listened to radio station) or Radio Activa, among others in the music sector, Prisa Media's radio stations in Chile will have an aggregate advertising share of 28.5% in 2021 (25.4% in 2020) (source: Agencia de Medios December 2021).

And in Mexico, Prisa Media has a 50% stake in the radio group Sistema de Radiópolis, S.A. de C.V. ("**Radiópolis**") (consolidated by the equity method), which has an audience of almost 2 million listeners, according to the latest market research data by Mexican market research company INRA, S.C. ("**INRA**") for October-December 2021: an audience share of 15%. And it operates brands as relevant as W Radio in the talk radio field, or KeBuena or Los40, among others, in music radio (source: INRA October-December 2021).

Of the operating income that Prisa Media obtained through the international radio business in 2021, 65% was generated in Colombia and 31% in Chile (62% and 27% respectively in 2020). Mexico consolidates by the equity method.

The radio operations in Argentina and Miami, which have little weight in the aggregate revenues of Prisa Media, were terminated in 2021, in line with the Group's efficiency plans and focus on its strategic businesses.

The audience in 2021 for Prisa Radio's main international stations was as follows:

	Thousands of		Share
AUDIENCES OF MAJOR INTERNATIONAL BROADCASTERS PRISA 2021	listeners ⁽¹⁾	Position	Percentage
Colombia	6,912	1	26.7%
Chile	3,920	1	45.1%
Mexico	1,919	2	15.2%

(1): Source: Colombia (ECAR 2021, July-October 2021), Chile (IPSOS 2021, September-December 2021) and Mexico (INRA 2021, October-December 2021)

As for the Spanish-speaking market in the United States, in line with the Prisa Group's commitment to this market, in May 2022, Prisa Media reached an agreement with iHeartMedia, one of the leading audio companies in the United States, to integrate the streaming services of Prisa Media's talk radio stations into the iHeartRadio catalogue, which has more than 250 million listeners through its stations throughout the country, more than 3,000 million downloads and 159 million registered users. Through this alliance, Prisa Media expands its presence in the United States and consolidates its media relevance in the Spanish-speaking market, while boosting its firm commitment to the development of digital audio, as a second phase of the agreement also provides for the presence of Prisa Media's podcasts on the iHeartPodcast network.

(B.2) Press

The press business accounts for just over 40% of Prisa Media's business (43% of operating revenues in 2021 and 44% in 2020).

This business activity encompasses various information and entertainment brands with a global vocation, among which the following stand out: El País, As, Cinco Días, HuffPost, SModa, Retina, Icon and MeriStation, among others.

In a context where digital transformation has been significantly changing press consumption patterns in recent years (see risk factor 11), Prisa Media has focused its efforts on responding with quality products under increasingly global, recognised and solvent brands, and offering more and more multimedia content and services. Thus, the newspaper business has been focused in recent years on moving towards a fully digital and scalable business model, prioritising technological readiness to ensure growth and leadership of digital audiences, while shaping a lighter and more flexible structure for the traditional, more paper-based business.

Examples of some relevant initiatives in this regard include: in the area of digital transformation, the consolidation of the implementation of the Washington Post's ARC technology as a content management system, the establishment of centres of excellence by type of technology and service, the launch of the daily podcast "Hoy en El País" in early 2022, and progress in data-driven management of digital audiences; and in the area of the search for flexibility in the traditional business, in 2021 all the printing plants managed by the business unit were removed from Prisa Media's perimeter (all newspapers are now printed through third parties) and various operations of unprofitable brands and formats were closed.

This has allowed us to continue creating and working on new revenue streams, with a strong focus on innovation in advertising formats and, above all, on the great commitment to the future of the press business: the digital subscription payment model, launched for El País in May 2020.

In this regard, Prisa Media's 3 most relevant digital properties in the press area added an average of 191 million monthly unique browsers in 2021 (188 million in 2020): El País with 86 million (96 million in 2020), AS with 108 million (95 million in 2020) and HuffPost with 15 million (18 million in 2020). This is in addition to more than 137 thousand digital subscribers to El País (for a total of 177 thousand subscribers) by the end of 2021 (85 thousand digital-only subscribers and a total of 131 thousand subscribers in 2020).

The press business unit's operating income are mainly generated through the sale of online and offline advertising inventory and through the sale of online (digital subscription payment) and offline (print circulation) copies, with a less significant participation of the promotions business line (associated with the traditional print business) and events organisation. In 2021, advertising accounted for 57% of press revenues (55% in 2020) with digital advertising accounting for 68% (67% in 2020), and copy sales for 32% (34% in 2020), with the digital subscription payment model accounting for 20% of copy sales (9% in 2020).

Prisa Media continues to work on exploiting new revenue streams in its press business and, in the coming years, will continue to drive expansion in new products and services and new markets, highlighting in this regard the commitment to video as a key growth vector, both in terms of revenue through the production and generation of audiovisual content for third parties, and to structurally improve the quality and quantity of the audiovisual content of its own brands. In addition, Prisa Media's strategic objectives include increasing the weight of other revenues beyond advertising and copy sales, with strategic alliances with large platforms and other possible technological partners being a route with great potential.

Within Prisa Media's global brand portfolio in the press area, El País and AS account for 92% of operating revenues in 2021 (91% in 2020). El País has a leading position in the Spanish-speaking news world and in Spain in particular, with a multi-product presence; Press, Digital and Podcasts. Within its presence in the Spanish-speaking world, it has six editions in Spain and Latin America (Mexico, Colombia, Chile, Argentina and America) and is also strengthening its presence in the United States through a specific edition in English for that market. In turn, As is the leading newspaper in the Spanish-language Sports category in the world (internal data, Adobe Analytics).

El País accounted for 64% of the operating revenues of Prisa Media's press business in 2021 (67% in 2020). El País is one of the world's leading Spanish-language newspapers, but it also has a special and unique version for all of Latin America, and an English-language version, with specific content aimed at the North American audience. The newspaper can now be consulted in multiple formats through numerous narratives, from text to virtual reality, from video to interactive graphics. It has more than 20 million followers on the main social media (Facebook, Twitter, Instagram, LinkedIn, Telegram and Youtube). El País has editorial offices in Madrid, Barcelona, Mexico, Washington and São Paulo, and a significant network of correspondents and collaborators and more than 400 journalists who keep the various digital editions of the newspaper permanently updated.

El País offers its readers an open and global dialogue, based on information, analysis, tolerance, democracy and dignity. The commitment to quality content, brand recognition, the constant development of the range of content and services on offer, constant innovation and its global vocation have contributed to consolidating El País's position in the press market.

El País's commitment to offering new quality products and services to its readers continues to crystallise in new content verticals on topics of great interest to the audience, such as technology (Retina) or Health and Wellbeing, and in a constant reinforcement of the multimedia offer. Following on from this, video and audio formats have emerged as a key growth vector, as exemplified by some of the initiatives being promoted:

- El País's strategic commitment to video through Youtube has been a constant in recent years. In 2020, it reached its first million followers and in September 2022 it doubled that figure to over 2 million followers. This channel has also become a gateway to El País for younger audiences.
- In March 2022, as part of Prisa Media's firm commitment to the development of audio, the daily podcast "Hoy en El País" was launched and, in its first 20 days of existence, became the most listened to daily current affairs podcast in Spain (source: Triton Digital), with over 500,000 downloads. Today, it is distributed through El País and various third-party platforms such as Spotify, Podium Podcast, iVoxx and Apple Podcast.

In terms of unique browsers, El País reached a monthly average of 86 million by the end of 2021 (96 million in 2020), with a large share of the Latin American market and growing importance of the American market: 46% of unique browsers came from Spain, 44% from Latin America and almost 5% from the United States. According to the most recent data from the new audience meter recognised in Spain (GfK), El País had around 13 million unique users in 2022, while always occupying the first or second position (depending

on the month) in the ranking of the Spanish generalist press. Moreover, in recent years, El País has been the most widely distributed Spanish-language daily newspaper in Spain: according to the Broadcasting Justification Office (OJD), El País had an average daily circulation of 66,829 copies during 2021 (79,658 in 2020 according to OJD data); the paper version of El País continues to gain market share over its competitors' editions, reaching a share of more than 33% from Monday to Saturday and almost 50% on Sundays in sales by number (i.e. without taking into account subscriptions, free or block sales), according to OJD data.

This positions El País as the leader in the Spanish press advertising market, with a 26% share in 2021 (25% in 2020), according to data from the Asociación de Medios de Información ("**AMI**"), with solid foundations for growth in the other markets where it is present and where it has low advertising shares (Colombia, Chile, Mexico, USA); markets that are expected to grow in the coming years and which, due to their size and digital maturity, represent a great opportunity for El País. In addition, El País has developed a paid digital subscription model which, since its launch in March 2020, has shown a strong growth rate.

According to internal information based on published data on digital subscriptions by competitors, at the end of 2021, El País had a 25% share of the market for paid digital newspaper subscriptions. It closed 2021 with 137 thousand digital-only subscribers (85 thousand in 2020), with an average revenue per user (ARPU) of 7.2 euros per month (above the market average) and a monthly churn rate of 2.9% (below the market average). El País' subscription model generated 6% of press operating revenues in 2021 (3% in 2020). And it is expected to be one of the major growth drivers of the newspaper business as a complement to advertising revenues, as it has higher contribution margins than the print product and, in the advertising space, has greater potential for profitability. Growth that has been recurrently demonstrated over the last few months with a net growth of around 8,000 monthly subscribers.

The sports newspaper AS accounted for 28% of the operating revenues of Prisa Media's press business in 2021 (24% in 2020). AS is the leading Spanish-language sports newspaper in the world, with a global reach of more than 90 million digital users per month (internal data, as of August 2022, Adobe Analytics). Its content offer includes both core sports content (football, basketball, motor racing, tennis, cycling, etc.), as well as a variety of additional entertainment products; As TV (sports video platform), Meristation (gamming portal) and Serielistas (series review ranking). As a global Ibero-American sports daily, AS holds a dominant position also among Latin American sports media (excluding Brazil) and is a benchmark for sports information in the Spanish-language market. It has eight editions in Spanish (Spain, Chile, Colombia, Mexico, United States, Argentina, Peru and Rest of America). The newspaper also has an English edition for the American market in the United States.

In terms of unique browsers, AS reached a monthly average of 108 million by the end of 2021 (95 million in 2020), with a majority weight of the Latin American market and growing importance of the American market: 32% of unique browsers came from Spain, 48% from Latin America and 15% from the United States. According to the most recent data from the new audience meter recognised in Spain (GfK), AS had around 11 million unique users during 2022, while always occupying the first or second position (depending on the month) in the ranking of the Spanish sports press. Moreover, in recent years, AS has been among the most widely distributed daily sports newspapers in Spain: according to the Broadcasting Justification Office (OJD), AS had an average daily circulation of 50,160 copies during 2021 (63,515 in 2020); reaching a share of 33%, only surpassed by its main competitor.

This makes AS the second largest player in the Spanish sports press advertising market, with a 33% share in 2021 (33% also in 2020), according to AMI data from December 2021, with solid foundations for growth in the rest of the markets where it is present and where it has advertising shares below 1% (Colombia, Chile, Mexico and the USA); markets which are expected to grow in the coming years and which, due to their size and digital maturity, represent an opportunity for AS.
The following table shows the main figures of the Prisa Group in the Media area, with a breakdown of operating income by type of business, for the years ended 31 December 2021, 2020 and 2019.

	31/12/2021	31/12/2020	31/12/2019		
KEY FIGURES OF THE PRISA GROUP MEDIA AREA	Unaud	udited (thousands of €)			
Operating income	383,343(2)	335,878 ⁽³⁾	468,243(4)		
Spain Radio	158,323	138,845	187,923		
Advertising	147,232	128,875	170,426		
Other	11,091	9,970	17,497		
International Radio	63,470	50,878	89,394		
Advertising	60,543	47,730	79,330		
Other	2,927	3,148	10,064		
Global press	162,923	147,413	192,761		
Advertising	92,572	81,471	106,177		
Circulation	51,878	49,891	61,190		
Other	18,473	16,051	25,394		
Adjustments and disposals	(1,373)	(1,257)	(1,835)		
EBITDA ⁽¹⁾	9,903	(5,375)	75,542		
Adjusted EBITDA ⁽¹⁾	41,862	(774)	81,399		
Operating income (EBIT)	(28,928) ⁽²⁾	(54,102) ⁽³⁾	43,667(4)		
EBITDA margin ⁽¹⁾	2.6%	(1.6)%	16.1%		
Adjusted EBITDA margin ⁽¹⁾	10.9%	(0.2)%	17.4%		
EBIT margin ⁽¹⁾	(7.5)%	(16.1)%	9.3%		

(1): Alternative performance measure. For more information, see Appendix I of the Registration Document ("Glossary of alternative performance measures").

(2): Audited information.

(3): Financial information at 31 December 2020 as amended (unaudited) by the Company for the purpose of presenting it in accordance with the new segments (Education and Media) into which the Prisa Group's activities are grouped from 2021 and to make the information comparable. Such amended financial information is included in Note 17-"Business Segments" of Prisa's audited consolidated financial statements for 2021.

(4): Financial information as at 31 December 2019 (see section 18.1.1 of the Registration Document), itself modified by the Company for the purpose of presenting it in accordance with the new segments (Education and Media) into which the Prisa Group's activities are grouped from 2021 and for the information to be comparable. As detailed in section 18.1.1 of the Registration Document, the consolidated income statement and the consolidated cash flow statement for the 2019 financial year were restated by the Company in the consolidated financial statements for the 2020 financial year in order to enhance the comparability of the information. In accordance with IFRS 5, the results and cash flows from the operations of Santillana España were presented in the restated financial information for 2019 as a discontinued operation, as the Company left the scope of consolidation in 2020 as a result of a sale transaction, which is described in section 5.3 of the Registration Document.

5.1.2. Indication of any significant new products and/or services that have been introduced and, to the extent that their development has been publicly disclosed, their stage of development.

Notwithstanding the following, the Prisa Group has not introduced significant new products and/or services.

In research and development, 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 any improvements or opportunities to innovate and develop its services, products, processes and management systems.

In this respect, in the field of Education, for example, it is worth highlighting the development of the E-stela and Pleno platforms, fundamental in the digital educational offer, through subscription models, which facilitate access to curricular content for teachers and pupils and whose use has reached maximum levels of activity in 2020 (in the context of COVID-19). During 2021, 205 million sessions were recorded and more than 157 million pieces of content were consumed by teachers and pupils, with more than 2.2 million virtual classrooms via synchronous communication tools (Microsoft Teams, Google Meet and Zoom).

Furthermore, in the Media area, for example, in May 2020 the El País paid digital subscription model was launched, reaching a figure of 137 thousand exclusive digital subscribers by the end of 2021. In addition, we are working on boosting the consumption of audio and video formats, through developing podcasts,

videos and news sound bites, integrating new tools that facilitate audio distribution and improve user awareness in order to optimise advertising revenues.

5.2. Main markets

In terms of geographic segmentation of the markets in which it operates, America is the Group's main geographic market, followed by Spain.

In terms of its activities in the different market segments, the Prisa Group is mainly exposed to the education market (through Santillana in the Education business area), the advertising market and the circulation market, i.e. sales of copies and digital subscriptions (mainly through the Media business area).

(A) Geographic markets

In terms of the geographical distribution of operating revenues, in 2021, Grupo Prisa generated 57% of its operating revenues outside Spain (59% in 2020). Of the total operating revenues generated internationally, 422 million euros, almost all (99%) came from America (Latin America+USA), with three main countries accounting for 68%: Brazil (35%), Mexico (17%) and Colombia (16%). In 2020, EUR 415 million was generated in the international area (99% in America (Latin America+USA), with a similar weighting of countries as in 2021: Brazil (37%), Mexico (15%) and Colombia (16%).

In the international area, the Education business generated 84% of the Group's total operating revenues in 2021 and the Media business area generated 16% (in 2020, 87% and 13%, respectively).

The trend of the Group's operating income by geographical origin for the last three financial years (2021, 2020 and 2019) is shown below:

	31/12/2021	31/12/2020	31/12/2019
CHANGE IN THE GROUP'S OPERATING REVENUES BY GEOGRAPHICAL ORIGIN	Unaudited (thousands of €)		
Spain	319,223	285,449	377,594
International	421,945	415,192	587,291
Brazil	146,603	151,945	195,058
Mexico	71,722	63,362	90,864
Colombia	69,567	66,098	91,712
Argentina	17,737	16,787	26,812
Chile	32,574	35,729	54,490
Peru	9,694	17,054	25,369
Other	74,048	64,217	102,986
Total revenue	741,168 ⁽¹⁾	700,641 ⁽¹⁾	964,885 ⁽²⁾
Spain (%)	43.1%	40.7%	39.1%
International (%)	56.9%	59.3%	60.9%

(1): Audited information.

(2): Restated information (unaudited). As detailed in section 18.1.1 of the Registration Document, the consolidated income statement and the consolidated cash flow statement for the 2019 financial year were restated by the Company in the consolidated financial statements for the 2020 financial year in order to enhance the comparability of the information. In accordance with IFRS 5, the results and cash flows from the operations of Santillana España were presented in the restated financial information for 2019 as a discontinued operation, as the Company left the scope of consolidation in 2020 as a result of a sale transaction, which is described in section 5.3 of the Registration Document.

The Group's results in Latin America are affected by the exchange rate impact from currency fluctuations relative to the euro (see risk factor no. 6). In 2021, they were negatively affected by currency devaluations mainly in Brazil, Colombia and Peru. Excluding the impact of exchange rates, Latin America's results continue to show growth in local currency terms on an aggregate basis, although uncertainty persists in the current market environment (see, inter alia, risk factor no. 9).

For the coming years, according to data from the International Monetary Fund (IMF) from October 2022, the markets in which the Group is present are expected to show growth rates, highlighting the recovery after the significant declines that occurred in 2020 due to the COVID-19 pandemic. However, the current

macroeconomic situation is uncertain and not very visible, with significant increases in inflation and rising commodity prices, which affect the markets in which the Group operates (see, among others, risk factor no. 10).

The table below shows the IMF's GDP growth estimates as of October 2022 for the years 2022-2023 and the actual data for 2019-2020-2021 for the main countries in which the Group is present:

ESTIMATED GDP GROWTH	2023	2022	2021	2020	2019
Spain	1.2%	4.3%	5.1%	(10.8)%	2.1%
Brazil	1.0%	2.8%	4.6%	(3.9)%	1.2%
Mexico	1.2%	2.1%	4.8%	(8.2)%	(0.2)%
Colombia	2.2%	7.6%	10.7%	(7.0)%	3.2%
Argentina	2.0%	4.0%	10.4%	(9.9)%	(2.0)%
Chile	(1.0)%	2.0%	11.7%	(6.1)%	0.8%
Peru	2.6%	2.7%	13.6%	(11.0)%	2.2%
United States	1.0%	1.6%	5.7%	(3.4)%	2.3%

Source: International Monetary Fund (IMF) in October 2022: World Economic Outlook.

(B) Education market

Prisa Group is exposed to the education market through Santillana, which in 2021 generated EUR 359 million in operating revenues (EUR 366 million in 2020).

In most of the geographic markets operated by Santillana (Latin America), the education sector is undergoing a process of transformation of the education system, both in the digital and pedagogical spheres (see risk factor 11). The model moves from the universalisation of education based on the traditional didactic (textbook) educational model, towards enhancing the learning experience through access to an integrated offer of quality content, services and technology, based on educational systems. This transformation is taking place at different rates depending on the situation in each country, but in general, at an increasingly rapid pace, as barriers to entry, including resistance to change (especially on the part of teachers), the scarcity of approved digital products and limited resources at schools to invest in technological infrastructures, are being eased. Moreover, this transformation is most noticeable and rapid in the area of private education and still incipient in the area of public education.

While globally the digital transformation is already affecting the entire education sector, the distinct educational submarkets will be progressively impacted in different ways.

 Market K-12: these are pupils in pre-primary, primary, secondary and baccalaureate education, aged between 6 and 18 years old. The contents of this educational strand must obey a regulated education and it also includes the compulsory education courses (primary and secondary), and must therefore respond to the homologated syllabus of the official curriculum of the regulated education.

While the traditional didactic (textbook) model continues to have a significant presence, it is the market that is most rapidly transforming towards subscription models based on educational systems. This is the main market where Santillana operates, offering educational solutions for both the private market (didactic and subscription) and the public market. For a more detailed description of the dynamics of the public and private markets, see sections (A.1) and (A.2) of section 5.1.1 of the Registration Document.

 University and Lifelong Learning: these markets are increasingly dependent on mobile and ubiquitous learning, impacted by the global e-Learning market, which continues to grow. Lifelong learning will play an important role in developing the skills and expertise needed for the changing work environment. Santillana is not present in the University segment.

This dynamic digital and technological environment, which demands new learning systems, will increase the supply of massive open online courses offering a greater variety of subjects and formats (MOOCs -

massive open online courses) available on different platforms, some of which are promoted by the universities themselves (edX, Coursera, Udacy, Udemy, Harward Open Courses, Stanford MOOCs, etc.)

This section focuses on the K-12 sector, as it corresponds to the main market where Santillana operates.

As for the K-12 sector in the private market, the dynamics are faster. The presence of technology is seen as an essential tool for achieving pedagogical objectives, which must necessarily be accompanied by a change in the teaching and learning process so that pupils learn more and better. The transition from the traditional textbook is developing faster and faster, albeit at varying rates in different countries, with countries such as Brazil and Colombia being very advanced in this respect.

This is why companies are making an effort to adapt their resources and content to the digital ecosystem. However, they are facing the following barriers to digital transformation, which are stronger or weaker, again depending on the country.

• Resistance to change, especially from teachers.

The digital transformation has already reached the different players in the education system (institutions, schools, teachers, pupils, tools and content) but the main barrier is the teacher's attitude as a key element for change.

- Lack of knowledge and experience of trainers in the new teaching process and in the use of e-learning tools.
- Limited resources at schools to invest in technological infrastructures for education.
- There is a lack of classroom equipment, specialised technical figures, connectivity (quality broadband penetration), equipment for pupils and households.
- Shortage of approved multimedia content for learning.

Content is multiplying and diversifying, from the traditional book, complemented with digital support material, to technological platforms for educational services, online courses, user-generated content, etc., where an agent is needed to certify the quality of the content, organise it and make it accessible in a user-friendly environment.

In this respect, the sector is being impacted by the following transformative trends.

• The pupil is becoming the centre of the educational experience. Better knowledge of the learner, learner experience, collaboration and communication in the learning process, new educational formats, etc.

Personalisation: The social implication of digital transformation is complex and will require a flexible transformation that enables personalisation of learning of the student (which encourages creativity, entrepreneurship, innovation, etc.)

Technological assessment platforms, big data and learning analytics will better adapt learning levels and difficulties to the profile and needs of each pupil (adaptive learning).

 Content and Services: new formats, new platforms and user-generated content, emergence of tools for content creation, video, etc.

The development of the maker culture is reaching schools, which are transformed into personal factories with the incorporation of robotics, programming, 3D design, etc.

Social media foster collaboration and participation of the educational community (collaborative learning).

- Equipment: the BYOD (Bring Your Own Device) trend will be progressively incorporated into schools, which will have to establish security mechanisms and good usage practices.
- Increased presence of technology operators such as Google (G-Suite), Amazon (support for OER Open Educational Resources), Microsoft and Apple.

In this environment, Santillana has developed a competitive position as the only operator with a presence throughout Latin America, accompanying the centre and the group of trainers along the path of the digital process by offering:

- A portfolio of value-added content and services for traditional education (Santillana and Moderna), languages (Richmond, Santillana Spanish and French), comprehensive and flexible teaching systems (UNO, SFB, Kepler, Compartir, Educa, Pitanguá) and supplementary teaching systems (Creo, TecPro, Loqueleo, Horizum, Crescemos). This is all done on all types of media and formats: from the textbook with digital supplementary material to Santillana's educational technology platform on which the education systems rely, as well as other tools and services already in place.
- Different promotional and after-sales services through its own commercial network, providing the school director with the necessary technical support to drive the digital transformation, as well as training, coaching and advice for teachers in the new learning process and instructing them on the potential of digital technologies in education.

According to internal information from Santillana, the private K-12 education market in Latin America had approximately 18 million pupils in 2021: 8 million in Brazil, of which 3.3 million in the educational market and 4.7 million in the subscription market; and 10 million in the rest of Latin America, 8 million in the educational market and 2 million in the subscription market.

Santillana estimates that, by 2025, this market will add 2 million more pupils (11% growth), largely driven by transformation, adding up to 20 million pupils: 9 million in Brazil, of which 3 million in education and 6 million in subscription; and 11 million in the rest of Latin America, of which 6 million in education and 5 million in subscription.

In the different countries, Santillana competes, firstly, with an atomised market of local companies and, secondly, with a small number of larger publishing groups, which participate to a greater or lesser extent in the region and with varying weight in the different segments of education.

In Brazil⁽¹⁵⁾, the largest market, the two relevant local players, Arco and Vasta, account for slightly more than half of the market share. Santillana, with its operations in the traditional educational market and in the subscription model, ranks third with an aggregate share of around 12%. The rest of the market is distributed between local operators such as FTD or Bernoulli and some multi-country operators such as SM. Arco is the private market leader in subscription models (it does not operate in didactic); Vasta, the second largest, operates in didactic and subscription, as FTD. While SM is present only in didactic and Bernoulli only in subscription.

In Mexico⁽¹⁵⁾, Santillana is the market leader with an aggregate market share (combined educational and subscription) of over 25%. As for the rest: more than half of the market is still in the hands of didactic model operators, some multi-country such as SM or Ediciones Castillo (Macmillan Group) and also local operators; and around 15% is in the hands of subscription model operators, such as Knotion or Amco.

In Colombia⁽¹⁵⁾, Santillana leads with a share of around 50% (jointly teaching and subscription). Around 35% of the share is in the hands of traditional operators (didactic model), usually local, such as L&L. The remainder of the market is shared by a minority of subscription model operators.

As far as the K-12 sector in the public education market is concerned, it continues to rely on the traditional textbook format, with a certain tendency to complement it with some digital solutions; although this trend is developing slowly. The public market is based on transparent tendering processes, with defined stages from the moment the public tender is launched: publishers prepare their educational offerings and submit them for approval by the relevant government, then promote their offerings in schools (where the work of the commercial teams is key), and finally, teachers are involved in evaluating the different offerings and making the corresponding selection decisions. The whole process is based on the quality and the level of fit

^{(15):} Own estimate based on publicly available information and internal company information.

of the bids in relation to the parameters defined in the tenders. This market serves the demand of approximately 212 thousand schools and 54 million pupils across Latin America.

(C) Advertising market

Prisa Group is exposed to the advertising market in Spain through the Media business area (radio and press); and in America, mainly through its radio businesses, with a significant weighting in Colombia and Chile. Advertising revenues accounted for 40% of the Group's operating revenues (EUR 298 million) in 2021, compared to 36% in the same period of 2020 (EUR 255 million).

Advertising market in Spain



The change in advertising investment in Spain in recent years is shown below:

Source: i2p, Arce Media, prepared by Mediahotline.

For several years now, overall advertising investment in traditional media has been steadily decelerating. The sum of digital media has been growing year by year since 2010 and from 2020 onwards it will surpass traditional media as a whole. 2020 was a year of sharp decline resulting from the COVID-19 pandemic.

In 2021, the traditional media advertising market in Spain will continue to be led by television, which remains the leading sector in terms of advertising investment, followed by radio and the press. Prisa has a significant position is these sectors.

Changes in media consumption habits, especially among the younger population, have led to a shift in advertising campaigns towards more specific target audiences and more digital media. Part of the advertising budgets that were allocated to traditional media in the past are being diverted to other purely digital segments such as social media and search engines, among others. In this context where digital transformation is significantly changing consumption patterns, Prisa Media has focused its efforts on responding with quality products with prestigious brands, and offering more and more multimedia content and services.

The change in advertising investment by segment in Spain in 2021, 2020 and 2019 was as follows:

	2021	Change 2021-2020	2020	Change 2020-2019	2019
ADVERTISING SPEND IN SPAIN BY SEGMENT	(thousand €)	(%)	(thousand €)	(%)	(thousand €)
Television	1,840.1	8.4	1,697.3	(17.4)	2,054.7
Offline	1,769.6	7.8	1,641.3	(17.9)	2,000.0
Online	70.5	25.9	56,0	2.3	54.7
Press	725.9	8.4	669.6	(15.2)	789.2
Offline	327.1	(1.5)	332.0	(23.8)	435.5
Online	398.7	18.1	337.6	(4.6)	353.7

	2021	Change 2021-2020	2020	Change 2020-2019	2019
ADVERTISING SPEND IN SPAIN BY SEGMENT	(thousand €)	(%)	(thousand €)	(%)	(thousand €)
Radio	382.1	12.6	339.4	(22.6)	438.3
Offline	369.5	12.3	328.9	(23.3)	428.8
Online	12.6	20.6	10.5	10.3	9.5
Outdoor	316.0	28.3	246.3	(35.7)	383.3
Offline	246.9	21.6	202.9	(34.7)	310.7
Online	69.1	59.4	43.3	(40.4)	72.6
Magazines	148.4	4.5	142.0	(34.2)	215.9
Offline	82.5	(5.8)	87.6	(43.2)	154.2
Online	65.9	21.0	54.4	(11.8)	61.7
Sunday supplements	11.9	1.4	11.7	(54.7)	25.8
Cinema	16.3	2.9	15.9	(54.5)	34.9
Portals	229.5	19.7	191.7	(18.9)	236.4
Total	3,670.1	10.8	3,313.9	(20.7)	4,178,6
Social media, search engines, etc	2,375.0	12.7	2,107.5	(7.3)	2,273.0
Total Market	6,045.1	11.5	5,421.4	(16.0)	6,451.6

Source: i2p, Arce Media, prepared by Mediahotline (2021 and 2020).

In 2021, the estimated growth of the traditional media advertising market (aggregate of online and offline) in Spain was 10.8%. Including Influencers, Digital Classifieds, Social Media and Search Engines, growth in 2021 amounted to 11.5%. The market recovered part of the decline suffered by the COVID-19 pandemic, but has still not reached 2019 levels (-6% decline 2021 vs 2019 in the total advertising market).

All media grew in 2021 compared to 2020, with the exception of newspapers and magazines, which experienced offline declines of -2% and -6%, respectively.

Focusing on the Group, EUR 234 million of advertising revenues were generated in Spain in 2021, showing a growth of 14% compared to the previous year, above the market growth. In terms of the origin of advertising revenues, 63% was generated in the radio business and 37% in the press business, with the radio business increasing its contribution in recent years due to the declines experienced in the traditional part of the press business. Both Prisa's radio and press businesses grew ahead of the market (radio grew by 16% and press by 8%). Digital advertising accounted for 29% of total advertising in Spain in 2021, and is becoming increasingly significant (27% in 2020), especially in the press, with 69% of total advertising (65% in 2020).

PWC estimates in the report "*Global Entertainment and Media Outlook 2022-2026*" (published in June 2022) for the coming years on the trend of the advertising market in Spain for radio and press are detailed below, showing growth in both radio and digital press:

	2022	2023	2024	2025	2026		
ADVERTISING MARKET TREND SPAIN	(\$ million)						
Radio	593.8	607.6	616.5	622.4	626.3		
Change from previous year (%)	7.0%	2.3%	1.5%	1.0%	0.6%		
Offline Press	282.9	263,9	252.8	241.9	232,6		
Change from previous year (%)	(7.3)%	(6.7)%	(4.2)%	(4.3)%	(3.9)%		
Online Press	435.9	456.1	482.5	515.0	552.7		
Change from previous year (%)	2.7%	4.7%	5.8%	6.7%	7.3%		

Source: Price WaterhouseCoopers "Global Entertainment and Media Outlook 2022-2026".

Advertising investment in digital media continues to gain market share, and according to the aforementioned report "*Global Entertainment and Media Outlook 2022-2026*", the growth of digital advertising revenues will offset the aggregate decline in print advertising in Spain.

Advertising market in the Americas

The Prisa Group has a significant presence mainly in the radio advertising market in several Latin American countries: mainly Colombia and Chile (where it has a leading audience position according to the ECAR audience studies July-October 2021 and IPSOS September-December 2021 respectively); and also Mexico, where it is in second position according to the INRA audience study, October-December 2021.

In 2021, the Group generated EUR 64 million in advertising revenues in the Americas, up 30% year-on-year, outpacing market growth and recovering part of the decline experienced as a result of the COVID-19 pandemic (-40% in 2020 compared to 2019, and -30% in local currency). As for the origin of advertising revenues in the Americas, 63% originated in Colombia and 29% in Chile. 94% of total revenues in the Americas were generated in radio in 2021.

PWC estimates in the report "*Global Entertainment and Media Outlook 2022-2026*" (published in June 2022) on the trend of the radio advertising market in the coming years in the main countries in which Prisa is present in the Americas are detailed below, showing growth in all three cases:

_	2022	2023	2024	2025	2026		
INTERNATIONAL RADIO ADVERTISING MARKET TREND	% change from previous year						
Chile	10.2%	3.3%	2.1%	1.2%	0.7%		
Colombia	7.5%	3.0%	2.4%	1.6%	1.0%		
Mexico	10.1%	1.7%	0.3%	0.2%	0.1%		
Total Latin America	8.5%	2.4%	1.3%	0.8%	0.4%		

Source: Price WaterhouseCoopers "Global Entertainment and Media Outlook 2022-2026".

In addition, the Group has a presence in the Americas through the digital press, which represents 1% of total advertising revenues in the Americas. PWC estimates in the report "*Global Entertainment and Media Outlook 2022-2026*" (published in June 2022) on the trend of the digital press advertising market in the coming years in Latin America is detailed below, showing growth for the 2022-2026 period:

TREND OF THE DIGITAL PRESS ADVERTISING MARKET IN LATIN	2022	2023	2024	2025	2026			
AMERICA	(\$ million)							
Digital Press (including magazines)	225.6	242.3	259.4	276.9	294.9			
Change from previous year (%)	7.2%	7.4%	7.1%	6.7%	6.5%			

(D) Newspaper circulation market: offline and online

The Prisa Group is exposed to the newspaper circulation market (offline copy sales and online digital subscription sales) through the Media business area. In 2021, the Prisa Group generated EUR 52 million in circulation revenues, representing 7% of the Group's total operating revenues (7% also in 2020).

Offline circulation market

The newspaper sector in general has been experiencing significant declines in print newspaper circulation in recent years as a result of the structural changes the industry is undergoing, according to data from the Broadcasting Justification Office. In this environment, Prisa has maintained its leadership in the national press with El País and has maintained its second position in the sports press with AS.

The average daily circulation and market share in Spain of the main Spanish national and sports newspapers is shown below:

	Number of copies per day		Market sh	are copies per	day	
_	2021	2020	2019	2021	2020	2019
NATIONAL NEWSPAPERS	(units)				(%)	
El País	66,829	79,658	109,600	27%	26%	28%
El Mundo	40,030	53,106	80,215	16%	17%	20%
ABC	49,429	57,128	67,686	20%	19%	17%
La Vanguardia	63,741	74,229	87,450	25%	24%	22%
El Periódico	30,054	39,371	53,588	12%	13%	13%
Total	250,083	303,492	398,539	100%	100%	100%

Source: Broadcasting Justification Office (OJD), 2021 and 2020 (second quarter of 2020 not published).

	Number of copies per day		Market sl	nare copies per	er day	
	2021	2020	2019	2021	2020	2019
SPORTS NEWSPAPERS	(units)			(%)		
AS	50,160	63,515	86,033	33%	33%	33%
Marca	58,015	71,427	100,530	38%	37%	38%
Sport	19,136	23,350	35,143	12%	12%	13%
Mundo Deportivo	26,321	32,770	42,194	17%	17%	16%
Total	153,632	191,062	263.900	100%	100%	100%

Source: Broadcasting Justification Office (OJD), 2021 and 2020 (second quarter of 2020 not published).

According to data from the Broadcasting Justification Office, as of 31 December 2021, the market share of El País was 27% and of AS 33% in their respective markets.

Prisa Media's offline circulation revenues accounted for 80% of total circulation revenues in 2021 (91% in 2020), a decline of -8% compared to 2020, which was partially offset by growth in online circulation thanks to the development of El País' digital subscription payment model.

According to PWC estimates in the report "*Global Entertainment and Media Outlook 2022-2026*" (published in June 2022) on the trend of the offline circulation market in Spain, the market will continue to decline in the coming years:

_	Newspaper offline circulation						
_	2022	2023	2024	2025	2026		
TREND OF THE OFFLINE CIRCULATION MARKET	(\$ million)						
Spain	503	469	439	413	390		
Change from previous year (%)	(6.2)%	(6.8)%	(6.4)%	(5.9)%	(5.6)%		

Source: Price WaterhouseCoopers "Global Entertainment and Media Outlook (2022-2026)".

Online circulation market

In May 2020, in the context of the digital transformation of the press market, El País launched its digital subscription payment model, which has shown significant growth in the number of subscribers to date. By 2021, it exceeded 136 thousand digital-only subscribers (close to 85 thousand in 2020), generating 20% of Prisa Media's total circulation revenue (in 2020, it accounted for just 9%).

According to internal information from Prisa Media, at the end of 2021, El País had a 25% share of the online circulation market (paid digital newspaper subscriptions) in Spain.

PWC estimates in the report "*Global Entertainment and Media Outlook 2022-2026*" (published in June 2022) on the trend of the online circulation market in Spain and Latin America foresee continued growth in the coming years:

	Newspaper online circulation							
	2022	2023	2024	2025	2026			
ONLINE CIRCULATION MARKET TREND	(\$ million)							
Spain	43	45	47	50	53			
Change from previous year (%)	6.8%	5.0%	4.8%	5.1%	5.3%			
Latin America	176	191	206	222	238			
Change from previous year (%)	8.6%	8.3%	8.1%	7.6%	7.3%			

Source: Price WaterhouseCoopers "Global Entertainment and Media Outlook (2022-2026)".

5.3. Significant events in the development of the issuer's business activity

The following are the most important events in the development of the Prisa Group's activity:

- **1972:** Incorporation of the Company.
- **1976:** El País newspaper is published for the first time.
- 1980s: Prisa acquires Cadena Ser and Diario Cinco Días.
- **1990:** Sogecable (then 25% owned by Prisa) is granted a licence to operate Canal + as the first pay-TV in Spain.
- **1996:** Prisa acquires a majority stake in Diario AS and launches the websites of El País, Digital+, AS and Cadena SER.
- **1997:** Sogecable launches Canal Satélite Digital, a multi-channel digital platform in Spain.
- 1999:
 - Prisa expands its activity in the music market and founds Gran Vía Musical.
 - Prisa acquires a stake in Caracol, S.A., one of the largest radio groups in Colombia, and creates Participaciones de Radio Latinoamericana, S.L. through which Prisa carries out its radio operations in Chile, Costa Rica, Panama, the United States and France.
- **2000**:
 - Prisa begins trading on the Spanish stock market.
 - Prisa expands its media advertising sales activity and acquires Gerencia de Medios.
 - Prisa extends its activities to book publishing and printing through Santillana and Dédalo, respectively.
- **2001**:
 - Prisa forms Plural Entertainment to develop and produce audiovisual content.
 - Prisa enters the radio market in Mexico through an agreement with Grupo Televisa S.A.B., and the acquisition of a 50.0% stake in Radiópolis.
 - Prisa acquires Editora Moderna in Brazil.
- **2002:** Prisa establishes Grupo Latino de Radio, S.A., GLR, as a holding company for the restructuring of its radio businesses in Latin America. Prisa transfers its stakes in Participaciones de Radio Latinoamericana, S.L., Radiópolis and Radio Caracol to the new holding company.
- **2005:** Prisa enters the Portuguese media market through the acquisition of 100.0% of the share capital of Vertix, holder of 33.0% of the shares of Media Capital Group.

- **2006**:
 - Prisa increases its stake in Sogecable to 42.9%.
 - Prisa integrates its radio activities in Latin America and Spain into Unión Radio (now Prisa Radio).
- **2007**:
 - Prisa acquires 100% of Iberoamericana Radio Chile, S.A.
 - Prisa, through Vertix, increases its stake in Media Capital to 94.7%.
- **2008**:
 - Prisa acquires the remainder of Sogecable's share capital, to reach a 100% stake, and extends the maturity of the bridge loan obtained to finance this acquisition from June 2008 to March 2009.
 - 3i Group plc entered the shareholding structure of Unión Radio (now Prisa Radio) with an 8.14% stake.
- **2009**:
 - Prisa extends the maturity of the bridge loan until March 2010.
 - Merger between Canal Satélite Digital and DTS, the latter being the acquiring company.
- **2010**:
 - On 5 March 2010, Prisa signed a contract (*Business Combination Agreement* or BCA) with the US company Liberty Acquisition Holdings Corp by virtue of which the Extraordinary General Shareholders' Meeting of Prisa agreed to carry out 2 cash capital increases for a total effective amount of EUR 650 million, which were subscribed by the investors of Liberty Acquisition Holdings Corp. Prisa's shares were admitted to trading on the Spanish Stock Exchanges and on the New York Stock Exchange (NYSE) in the form of *American Depositary Shares*.

In turn, Prisa shareholders who were shareholders prior to 23 November 2010 were granted Prisa warrants which were admitted to trading on the Spanish Stock Exchanges.

- Sale of a 25% stake in Santillana to DLJ SAP Publishing Coöperatief, UA.
- Through Prisa Televisión (formerly known as Sogecable), Prisa sold a 44% stake in DTS to Telefónica (22%) and Gestevisión Telecinco, S.A. (22%), EUR 976 million, mainly for debt repayments.
- On 28 December 2010, Prisa Televisión sold 100% of Sociedad General de Televisión Cuatro, S.A. and its subsidiaries to Gestevisión Telecinco, S.A. The sale was carried out through the subscription by Prisa Televisión of a 17.336% stake in Gestevisión Telecinco, S.A. through a non-cash capital increase approved by the latter's shareholders at their General Meeting on 24 December 2010. The market value of this investment at the time of subscription was EUR 590 million.
- **2011**:
 - Sale of a 10% stake in Media Capital to PortQuay West I, B.V., a company controlled by Miguel Paes do Amaral.
 - Prisa refinances its debt until 2013.
- **2012**:
 - On 30 June 2012, the General Shareholders' Meeting of Prisa resolved to issue bonds necessarily convertible into Class A ordinary shares in 2 tranches: a "tranche A" amounting to EUR 334 million and subscribed by HSBC Bank Plc, Banco Santander, S.A. and CaixaBank, S.A. and a "tranche B" amounting to EUR 100 million and subscribed by Telefónica, S.A.
- **2013**:
 - Increase of the stake in Media Capital by 10% as a result of the repurchase of the shares sold in 2011.
 - Sale of the press distribution business.
 - Through Prisa Radio, an agreement was reached with 3i Group plc for the acquisition of its treasury shares.

- Merger by absorption between Prisa Televisión and Prisa.
- The General Meeting of Shareholders of Prisa held on 10 December 2013 resolved to issue *warrants* in favour of certain creditor entities of the Company which incorporated the right to subscribe Class A shares by offsetting claims and which could be exercised during a period of five years (the **"2013 Warrants"**).
- On 12 December 2013, the contracts and other documentation relating to the restructuring and extension of Prisa's debt signed with all creditor banks and institutional investors representing 100% of its financial debt came into force. Along with the debt refinancing, an additional financing contract with certain institutional investors for an amount of approximately EUR 353 million also came into force.

2014:

- During the year, Prisa sold shares in Mediaset España Comunicación, S.A. representing 13.7% of its share capital.
- On 2 July 2014, the sale and purchase agreement was signed between Prisa and Telefónica de Contenidos, S.A.U. for the sale to the latter of 56% of DTS for an initial price of EUR 750 million. The signing of this contract entailed the automatic conversion of part of Prisa's financial debt into participating loans, as set out in the Group's refinancing agreement signed in 2013, in order to remove the cause for dissolution in which the Company found itself following the recording of the accounting loss arising from the sale agreement.
- On 1 July 2014, through Prisa's subsidiary Santillana Ediciones Generales, S.L., the sale of its general publishing business in all countries in which it had a presence except Brazil to Penguin Random House Grupo Editorial, S.A. was executed for an initial adjusted price of EUR 55.4 million.
- On 7 July 2014, the mandatory conversions took place of (i) the Class B non-voting shares convertible into ordinary shares; as well as (ii) all of the necessarily convertible bonds issued in 2012 in favour of certain creditor entities and Telefónica, S.A.
- Between May and September 2014, the Company repurchased debt for a total amount of EUR 643.5 million through outright purchases and reverse auctions.
- On 7 August 2014, the reverse auction addressed to Prisa's creditors was closed, with Prisa agreeing to repurchase a total amount of EUR 406.6 million of debt.
- Also on 2 September 2014, Prisa notified the NYSE of its intention to delist the American Depositary Shares over the Class A ordinary shares (ADSs) and its intention to terminate the registration of the ADSs with the Securities Exchange Commission (SEC) and end its reporting obligations under the US Securities Exchange Act of 1934.
- On 11 September 2014, a cash capital increase was executed for a total effective amount of EUR 100 million, which was fully subscribed and paid in by Consorcio Transportista Occher, S.A. de C.V. and the net amount of which was used to repurchase EUR 133.1 million of debt.
- On 1 October 2014, through Prisa's subsidiary Santillana Ediciones Generales, S.L., the sale of its general publishing business to Penguin Random House Holdings (Brazil), Ltda. was executed for an initial adjusted price of EUR 7.9 million.

2015:

- During 2015, the Company sold shares in Mediaset España Comunicación, S.A. representing 3.6% of its share capital.
- On 30 April 2015, Prisa transferred all of its shares in DTS, Distribuidora de Televisión Digital, S.A.U. to Telefónica de Contenidos, S.A.U. ("DTS") (56% of the capital of DTS) for a final amount of EUR 724.6 million.
- On 22 May 2015, a pooling of shares (or *contrasplit*) and a capital reduction of EUR 1.30 was executed, leaving the share capital of Prisa established at EUR 215,807,874 represented by 71,935,958 shares of EUR 3 par value each.

- On 2 December 2015, a cash capital increase was executed for a total effective amount of EUR 64 million which was fully subscribed and paid up by International Media Group, S.à. r.l.
- During 2015, Prisa cancelled debt totalling EUR 833.9 million with the proceeds from the sales of DTS, Mediaset España Comunicación, S.A. and Ediciones Generales.

2016:

- On 1 February 2016, Prisa repurchased debt from its lenders for a total amount of EUR 65.9 million through a reverse auction procedure.
- On 1 March 2016, Santillana entered into an agreement with Carvajal, S.A. for the purchase of the latter's education business for a final price, after adjustments, of COP \$51,880,276,089, the buyer having paid EUR 14.4 million. The transaction consisted of the purchase of the shares held by Carvajal S.A. in the companies engaged in the education business in Colombia, Argentina, Chile, Guatemala, Mexico, Peru and Puerto Rico, as well as the transfer of certain brands linked to the business and the granting of a licence for brands associated with the NORMA name of Grupo Carvajal.
- On 1 April 2016, the General Meeting of Prisa resolved to issue bonds necessarily convertible into newly issued shares of Prisa and their subscription through the exchange of loans. This issue finally amounted to EUR 100.7 million, divided into EUR 32.1 million of Tranche A (subscribed by HSBC Bank Plc, several Santander Group entities and Caixabank, S.A.) and EUR 68.6 million of Tranche B, fully subscribed by HSBC Bank Plc.
- During 2016, Prisa repaid debt totalling EUR 140.8 million with the proceeds from the sale of DTS and the proceeds from the capital increase in December 2015.

• 2017 and 2018:

- Sale of Grupo Media Capital SGPS, S.A. to Altice NV:

On 13 July 2017, the Board of Directors of Prisa agreed to accept the binding offer submitted by Altice NV ("**Altice**") for the entire stake held indirectly by Prisa, through its wholly owned subsidiary Vertix, in Media Capital for an enterprise value of EUR 440 million.

The final price of the transaction was subject to the usual adjustments for such transactions. This transaction, net of the costs necessary to carry out the sale, implied the recording of an accounting loss in Prisa's consolidated accounts for 2017 of EUR 76.9 million and in Prisa's individual accounts of EUR 89.3 million. The recording of this accounting loss and the reduction of Prisa's individual equity resulted in the Company's technical grounds for dissolution. In order to redress this situation, certain restructuring and capital structure strengthening operations were carried out, as detailed below.

The implementation of the transaction was made conditional upon, among other things, obtaining the necessary authorisation from the Portuguese competition authorities.

In June 2018, the aforementioned sale and purchase agreement was terminated as a result of the failure of the parties to comply with the last of the outstanding conditions precedent, relating to the buyer obtaining the required authorisation for the transaction from the Portuguese competition authority, by the deadline agreed by the parties.

- Capital increase to cover the early conversion and subsequent redemption of all the bonds belonging to the issue of bonds necessarily convertible into Prisa shares issued in 2016:

On 31 October 2017, the holders of the bonds necessarily convertible into Prisa shares issued in 2016, amounting to EUR 100.7 million, exercised the early conversion option to which they were entitled in accordance with the conversion bases and modalities. This conversion resulted in the execution, on 17 November 2017, of a capital increase for an effective amount of EUR 9,861,920.70, through the issue of 10,491,405 new ordinary shares of the Company, and the consequent early redemption of all the bonds.

- Transactions to restructure and strengthen the Company's capital structure:

As indicated above, in order to redress the situation resulting from the agreement to sell Media Capital, the Company approved, among others, the following measures aimed at strengthening and optimising the financial and equity structure: (i) the implementation of a series of capital and reserve reductions; (ii) a cash capital increase of EUR 563.2 million; and (iii) the restructuring of the Group's financial debt.

• Reductions of capital and reserves:

The Extraordinary General Meeting of Shareholders of the Company resolved, on 15 November 2017, (i) to carry out a loss offset against voluntary reserves in the amount of EUR 1,578.7 million and to the legal reserve in the amount of EUR 5.3 million; (ii) a share capital reduction of EUR 154.3 million by decreasing the par value of the Company's shares by EUR 1.97 to EUR 1.03 per share, to offset losses; and (iii) a subsequent capital reduction by EUR 7 million by decreasing the par value of Prisa shares by EUR 0.09 to EUR 0.94 per share, to increase the legal reserve. The aforementioned capital and reserve reductions were implemented in November 2017. These operations allowed Prisa to remove the dissolution cause referred to above.

• Cash capital increase for an effective amount of EUR 563.2 million:

On 22 January 2018, the Board of Directors of the Company resolved to implement a capital increase for a total effective amount (nominal amount plus share premium) of EUR 563.2 million (total nominal amount of EUR 441.2 million) by issuing and putting into circulation 469,350,139 new ordinary shares of the Company at an issue price of EUR 1.20 (with a par value of EUR 0.94 and an issue premium of EUR 0.26 each), pursuant to (i) the resolution to increase the cash capital for a total effective amount of EUR 450 million (nominal amount plus issue premium) adopted by the extraordinary general meeting of shareholders on 15 November 2017; and (ii) the resolution to increase capital in cash for a total effective amount of EUR 113.2 million (nominal amount plus share premium), passed by the Board of Directors of the Company on 22 January 2018 pursuant to the delegation made in its favour by the Ordinary General Shareholders' Meeting of 20 April 2015. All of the new shares (469,350,139) were subscribed during the pre-emptive subscription period and the additional allotment period.

o 2018 Refinancing:

On 22 January 2018, Prisa signed with all of its financial creditors the *Override Agreement* (agreement for the refinancing of the Group's debt signed in December 2013). This is an agreement to refinance and amend the terms of Prisa's financial debt (the "**2018 Refinancing**"). On 29 June 2018, the 2018 Refinancing came into effect, once the agreements reached with all of its creditors were concluded. On the same date, and as one of the preconditions for the entry into force of the agreement, the Company cancelled debt in the amount of EUR 480 million with the funds from the cash capital increase described above (EUR 450 million) and with cash available from the Company (EUR 30 million). The basic terms of the 2018 Refinancing agreement provided for the extension of the maturity of the debt until November and December 2022, and no amortisation obligation until December 2020.

- On 29 June 2018, and within the framework of the 2018 Refinancing, the Company entered into a Super Senior credit facility for a maximum amount of up to EUR 86.5 million, of which EUR 50 million was intended to finance the Company's operational needs.
- Extinguishment of 2013 Warrants:

In December 2018, the 5-year term for exercising the 2013 Warrants issued expired. Consequently, in that month, all 2013 Warrants still to be exercised at that date were extinguished, as well as the credits not offset as a result of not having exercised them, which entailed a reversal of the reserve set up for this purpose with a credit to voluntary reserves.

• Credit rating:

The Group obtained a credit rating from two prestigious international agencies (Fitch and S&P), which assigned a rating of "B" and "B-", respectively, in both cases with a stable outlook, in line with those obtained by other companies in the industry.

2019:

- Execution of the acquisition of 6.11% of Prisa Radio, S.A. owned by certain entities of the 3i Group by Prisa Radio, S.A. and termination of the framework agreement for the acquisition of shares and the regulation of the rights of shareholders of Prisa Radio, S.A.:

On 27 February 2019, Prisa Radio, S.A. ("**Prisa Radio**") executed the acquisition in treasury stock of 6.11% of its share capital still held by certain entities of the 3i Group and the termination of the framework agreement for the acquisition of shares and the regulation of the rights of Prisa Radio's shareholders entered into on 14 November 2013 between Prisa Radio, 3i, Prisa and Grupo Godó de Comunicación, S.A. (the "**Godó Group**"), which regulated the withdrawal of 3i from the share capital of Prisa Radio. This acquisition was financed with funds from the Term Facility tranche of the Super Senior credit facility (EUR 36.5 million), which were drawn down by Prisa and lent by Prisa to Prisa Radio in order to carry out the acquisition. Subsequently, Prisa Radio agreed and executed the redemption of all the treasury shares, representing 8.1417% of the share capital, leaving Prisa Radio's share capital distributed as follows: 80% owned by Prisa Activos Radiofónicos, S.L. and the remaining 20% by Godó Group.

- Cash capital increase to cover the acquisition of 25% of Santillana's share capital:

In April 2019, a capital increase was carried out, with pre-emptive subscription rights, for a total effective amount (nominal amount plus share premium) of EUR 199.8 million (nominal amount of EUR 141.2 million), through the issue and subscription of 150,243,297 new ordinary shares of the Company, each with a par value of EUR 0.94, of the same class and series as the other outstanding shares. The issue price of the shares was EUR 1.33 (with a par value of EUR 0.94 and a share premium of EUR 0.39 each). As a result, the combined par value of the shares is EUR 141.2 million) and their share premium is 58.6 million euros.

This capital increase was carried out under the delegation granted by the Ordinary General Shareholders' Meeting held on 25 April 2018 and was intended to partially finance the acquisition of 25% of the share capital of Grupo Santillana Educación Global, S.L.

On 26 February 2019, the Board of Directors of Prisa approved the acquisition by Prisa Activos Educativos, S.L.U. of the remaining 25% of the share capital of Santillana held by DLJ, a company owned by funds advised and managed by Victoria Capital Partners (the "**Santillana Acquisition**"), and on the same date the corresponding share purchase agreement was signed between Prisa Activos Educativos, Prisa, Santillana and DLJ. The price for the Santillana Acquisition was set at a fixed amount of EUR 312.5 million. The acquisition was finally closed on 12 April 2019 following the required authorisation by the Spanish National Markets and Competition Commission and the receipt of the funds from the aforementioned capital increase.

- Sale of Grupo Media Capital SGPS, S.A. to Cofina, SGPS, S.A.:

In order to strengthen the Group's financial structure, in September 2019, the Board of Directors of Prisa agreed to sell to Cofina SGPS, S.A. ("**Cofina**") the entire stake that Prisa holds in its subsidiary Vertix SGPS, S.A. ("**Vertix**"), which in turn owns 94.69% of Grupo Media Capital SGPS, S.A. ("**Media Capital**"), on the basis of an Enterprise Value of the latter entity of EUR 255 million, which implied a price, for 94.69% of Media Capital, of EUR 170.6 million. On 23 December 2019, the Board of Directors resolved to amend the purchase agreement by setting the final transaction price (without the possibility of adjustments) at EUR 123.3 million, based on an enterprise value of EUR 205.0 thousand.

The execution of the sale and purchase was pending the condition precedent consisting in the registration in the Portuguese Commercial Register (*Conservatória de Registo Comercial*) of the capital increase approved by Cofina to finance part of the purchase price. According to Cofina's statements in the sale and purchase agreement, it had the necessary commitments to finance the amount needed to complete the transaction, both from credit institutions and from its relevant shareholders, in the latter case to cover the amount corresponding to the capital increase. On 11 March 2020, Cofina voluntarily renounced to continue with the capital increase approved by its shareholders on 29 January 2020, thereby failing to comply with the provisions of the sale and purchase agreement and terminating the agreement. In this respect, the Company has taken and will continue to take all measures and actions against Cofina in defence of its interests, those of its shareholders and others affected by the situation created by Cofina.

This resulted in the recording of an accounting loss in the Prisa Group of EUR 131.6 million in 2019 due to the lower valuation of Media Capital.

2020:

- In May 2020, Vertix (a wholly-owned subsidiary of Prisa) sold the shares representing 30.22% of the share capital of Media Capital to Pluris Investments, S.A. for EUR 10.5 million.

In September 2020, Prisa entered into separate agreements with a number of investors to purchase and sell shares in Media Capital, which together represented the entire shareholding (64.47%) held by Prisa through Vertix. On 3 November 2020, the sale of shares was completed for a price of EUR 36.9 million. These transactions resulted in an accounting loss of EUR 77 million.

- On 29 June 2020, the General Shareholders' Meeting of Prisa resolved to reduce the share capital in order to restore its equity balance. In this respect, the Company agreed to implement the three share capital reductions detailed below: (i) a capital reduction by reducing the par value of the Company's shares, to offset the Company's losses, in the amount of EUR 320.8 million; (ii) a capital reduction by reducing the par value of the Company's shares, to increase the Company's legal reserve, in the amount of EUR 7.1 million; and (iii) a capital reduction by reducing the par value of the Company's shares, in order to create a legal reserve for the Company, which can only be drawn down under the same conditions as for capital reductions, amounting to EUR 267.4 million.
- On 19 October 2020, Prisa, through its subsidiary Santillana, entered into an agreement with Sanoma Corporation, a Finnish media company with a presence in Europe in the education sector, for the sale of Santillana's pre K-12 and K-12 business in Spain ("**Santillana España**"). Excluded from the transaction were Santillana's private and public activities in Latin America, which continue to be carried out by Prisa, indirectly through Santillana. On 31 December 2020, the transaction was closed at an enterprise value of EUR 465 million and resulted in a total cash inflow received from the buyer of EUR 418 million. The impact of the transaction on the consolidated income statement for 2020 amounted to a capital gain of EUR 377 million. EUR 375 million of the cash raised was earmarked for the partial repayment of Prisa's syndicated loan.
- 2020 Refinancing: in October 2020, Prisa signed a new lock-up agreement, which incorporated aterm sheet regulating, among other matters, the essential conditions for the refinancing of the Group's syndicated financial debt (the "**2020 Refinancing**"). The execution of the 2020 Refinancing was conditional, inter alia, on the successful completion of the transfer of certain assets of Santillana's K-12 and pre-K-12 business in Spain and was binding on all creditors of the financial debt to be refinanced. On 31 December 2020, following the completion of the sale of Santillana in Spain described above, Prisa concluded the execution of the agreements reached with all of its creditors, which led to the entry into force of the 2020 Refinancing and modification of the terms of its debt.
- **2022**:
 - 2022 Refinancing:

In February 2022, the Board of Directors of Prisa unanimously approved the signing of a Lock-Up Agreement incorporating a "*Term Sheet*" with the basic conditions for the modification of the Group's syndicated financial debt (the "**2022 Refinancing**"). On 19 April 2022, the 2022 Refinancing came into effect, once the agreements reached with all of its creditors were concluded. The basic terms of the agreed 2022 Refinancing consisted, among other aspects, of an extension of the maturity of the financial debt to 2026 and 2027 and a division of the syndicated loan into two differentiated tranches (one of senior debt and the other of junior debt) and a relaxation of the contractual commitments of the current debt that allowed, among other improvements, smoothing the financial ratios required by their corresponding contracts. In addition, a Term Sheet was signed with the basic conditions for the modification of the Company's Super Senior Term & Revolving Facilities Agreement which, among other terms, entails an extension of its maturity until June 2026. For further information, see section 8.1(B) of the Registration Document.

The 2022 Refinancing agreement included a financing, structuring and underwriting fee that Prisa could pay, at its option, either in cash or by capitalisation. Prisa opted to pay the aforementioned fee by means of its capitalisation and consequent delivery of newly issued shares. Thus, the Prisa Shareholders' Meeting held on 28 June 2022 resolved to increase the share capital by a nominal amount of EUR 3.2 million, by issuing and putting into circulation 32 million new ordinary shares of EUR 0.10 par value each, of the same class and series as those currently in circulation, by means of offsetting credits. The General Meeting delegated the implementation of this agreement to the Board of Directors.

The Board of Directors of Prisa held on 28 June 2022 agreed on the execution of the increase adopted by the General Meeting, fixing all its terms. As a result of this agreement, these shares were subscribed and paid in full by the entities that were creditors of the aforementioned commissions through the offsetting of such commissions. As a consequence of this netting, the claims of the 2022 Refinancing were extinguished.

The new shares were issued at a par value of EUR 0.10 plus a share premium of EUR 0.534 per share, resulting in an issue price per share (capital plus share premium) of EUR 0.634. The total amount of the share premium corresponding to the new shares amounted to EUR 17.1 million, the total effective amount of the capital increase being EUR 20.3 million (par value plus share premium).

- In May 2022, Prisa Media acquired the remaining 20% of the share capital of Prisa Radio held by Godó Group for an amount of EUR 45 million, distributed in a payment of EUR 30 million at the signing of the agreement and the remaining EUR 15 million to be paid in May 2023 (see section 8 of the Registration Document).
- On 26 July 2022, the Board of Directors of Prisa agreed to terminate the *American Depositary Shares* programme in Prisa ordinary shares (ADSs) that had been traded over the counter (OTC) in the US since September 2014 following delisting from the New York Stock Exchange (NYSE) and termination of their deregistration with the U.S. Securities and Exchange Commission (SEC).

5.4. Strategy and objectives

The Group's short, medium and long-term strategy is to grow its Education and Media businesses, leveraging digital transformation and subscription models. In addition, this strategy is framed by an unwavering commitment to sustainability and ESG criteria, as well as alignment with the Sustainable Development Goals (SDGs) set out in 2015 by the United Nations General Assembly. The Group's strategy integrates the strategic plans of its various business units with clear Group-wide objectives: to maximise cash generation and control debt to optimise the balance sheet structure.

Prisa's strategic roadmap in the Education area focuses on business growth driven by expansion in the markets operated and by the continued development of subscription models based on educational systems, always preserving the quality of education, and with the educational community in general and the student body in particular as the epicentre of Santillana's activity. This roadmap is embodied in the following key strategic objectives:

- Maintain leadership position and expand into new growth segments.
- Continue to lead the digital transformation and the development of hybrid education solutions (online and offline) as the basis for 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 that contribute to improving the quality of the learning process.
- Continue to focus on cutting-edge technology as the driving force behind the future educational technology proposition. Placing Big Data applied to pedagogy as a strategic asset to better understand the use of the educational platform and optimise the user experience.
- In short, 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.
- This shall all take place within the framework of a firm commitment to sustainability and the ESG objectives of Santillana and the Group, promoting and disseminating an agenda of social and environmental responsibility among the millions of users (children, young people and teachers) who benefit from Santillana's educational proposals. This will contribute to creating better life opportunities for future generations, an irrevocable commitment of Santillana as an educational company.

Meeting these strategic objectives will allow Santillana to continue to increase revenues, improve margins and, therefore, increase the profitability of the Education business, consolidating Santillana as one of the leading educational technology companies in Latin America.

Prisa's strategic roadmap in the Media area focuses on accelerating digital transformation, reinforcing the leadership of the brands and maintaining them as a benchmark in quality information and entertainment. This roadmap is embodied in the following key strategic 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.
- This shall all take place within the framework of a firm commitment to sustainability and the ESG objectives of Prisa Media and the Group: focus on the quality of information and entertainment to continue contributing to the development of a more diverse, inclusive and informed society

Meeting these strategic objectives will enable Prisa Media to continue to increase revenues, improve margins and, therefore, increase the profitability of its business, consolidating its position as the leading global Spanish-language media group.

Based on this strategic approach to business, a sustainable financial situation and an improved cash generation profile of the Group will also facilitate the direct allocation of more and more resources to contribute to the Sustainable Development Goals (SDGs), as Prisa has been doing in recent years. The Group intensified communication with rating agencies and sustainability indices during 2021, thus showing a clear commitment to the future introduction of ESG criteria (environmental, social and governance criteria) in all Prisa's financial instruments. Prisa is currently included in the following ESG ratings and indices: MSCI, Sustainalytics, ESG Climate Risk (Moody's) and FTSE4Good e IBEX Gender Equality Index.

The promotion of the Sustainable Development Goals (SDGs) is a strategic objective of the Group and its business units, through responsible management of the environment, commitment to society and the Group'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 the following possible:

- A greater commitment to diversity, specifically, in 2021, 35.8% of the composition of the Company's Board of Directors were women, 3 of them having been appointed during 2021.
- The alignment with the Sustainable Development Goals (SDGs) driven by the communication campaign "Deja Buena Huella" (Leave a Good Footprint) with more than 77 million impressions in Spain and Latin America, through four dissemination channels, achieving a CTR (Click Through Rate) of 0.23%, which is in the market average of 0.15%.
- Progress in the commitment to renewable energy consumption and energy efficiency, achieving 100% renewable energy consumption in Spain from July 2021, the full operation of the photovoltaic self-generation plant located in the Miguel Yuste building (Madrid), as well as the operation of the main facilities in Spain with efficient lighting technology.

Furthermore, Prisa's commitment to sustainability is reflected in the recent creation of both the Sustainability Commission, responsible for coordinating and ensuring that the sustainability strategy is implemented in an orderly and efficient manner, and the Sustainability Commission of the Board of Directors, made up of 5 board members whose powers have been regulated in the Regulations of the Board of Directors.

5.5. Brief information concerning the extent of the issuer's reliance on patents or licences, industrial, commercial or financial contracts.

Concessions and licences

Prisa's activities have a considerable dependence on administrative concessions and licences and elements of industrial property.

The radio activities carried out by Prisa require the corresponding administrative concessions and licences to be obtained and, where applicable, their renewal. The renewal of licences or concessions, as well as the granting of new licences or concessions, must be approved by the relevant administrative authorities (see section 9 of the Registration Document). These activities are also subject to the requirements set out in the current regulations on the revocation of concessions and licences. Failure to comply with certain requirements could result in the loss of administrative concessions or licences held by Prisa.

As of the date of the Registration Document, the companies of the Prisa Group have obtained the necessary administrkative concessions and licences to carry on their business and business activity, which are in full force and effect. Prisa understands that the obligations under its concessions and licences are not being breached and Prisa is not aware of any grounds for their revocation. In any case, given the large number of existing licences and concessions, the unlikely revocation of any radio licence would not have a significant impact on business.

Industrial property

Prisa owns various brands under which it markets different products and services in its various areas of activity. Notwithstanding the fact that the most important trademarks are protected for Spain in the classes of the nomenclature that correspond to the businesses they support, Prisa dedicates significant efforts and resources to protecting its main industrial property assets in order to extend protection by applying for Community trademarks for the territory of the European Union, as well as in the countries of the Americas in which it is or could reasonably become present.

Some of Prisa's most important brands are firmly established in Latin America, the most important being Santillana, El País, Moderna, UNO, Richmond, Compartir, Loqueleo, Radio Caracol, W Radio and Los40, which are protected in Spain and in certain countries in the Americas.

Prisa maintains a centralised monitoring of the brands in order to carry out an exhaustive control and monitoring of their portfolio, as well as to maximise the profitability of the existing portfolio, so that each Group company can take advantage of the information held by the others or even obtain licences for the use of brands owned by another Group company.

The following are considered to be the most important brands: Prisa, El País, Santillana, Moderna, UNO, Compartir, Richmond, Loqueleo, As, Cinco Días, Plural, TVI, Cadena SER, Los40, Cadena Dial, Radio Caracol, W Radio and ADN Radio.

With regard to the Internet, the Group companies have registered the ".com" and ".es" domains with their most important brand names, in most cases.

5.6. Basis for any statement made by the issuer about its competitive position

In the Registration Document, Prisa relies on information and figures on market share in the sectors in which it operates, as well as other industry data. Prisa has obtained these figures and information from external sources such as independent industry publications, state publications or reports from market research companies, such as OJD, AMI, i2p, Asomedios, FMI, PriceWaterhouseCoopers, EGM, ECAR, IPSOS, INRA, Triton digital and Gfk.

Prisa has supplemented this information where necessary, with data from other external sources, discussions with its customers and through its own internal estimates, taking into account publicly available information on other operators in the sector and the views of Prisa management on information that is not

publicly available. Prisa considers these sources and estimates to be reliable, but has not independently verified them.

5.7. Investments

5.7.1. Significant investments of the issuer during each financial year of the period covered by the historical financial information and up to the date of the registration document.

The following tables detail, by item and by geography, the development of the recurring investments made by the Prisa Group during each financial year of the period covered by the historical financial information (2021, 2020 and 2019) and during the first half of 2022.

	30/06/2022	31/12/2021	31/12/2020	31/12/2019
RECURRENT INVESTMENTS BY ITEM (according to IFRS)		Unaudited (th	ousands of €)	
Intangible assets	18,188(1)	34,332 ⁽²⁾	31,512 ⁽²⁾	53,219 ⁽²⁾
Computer software	4,862	11,667	11,100	14,240
Prototypes	12,903	21,856	19,548	37,855
Advances on copyrights	370	625	757	905
Other intangible assets	53	184	107	219
Property, plant, and equipment	4,136 ⁽¹⁾	10,936 ⁽²⁾	13,899 ⁽²⁾	17,133 ⁽²⁾
Land and buildings	31	120	104	524
Plant and machinery	245	1,416	1,629	1,997
Advances and intangible assets in progress	47	711	411	2,143
Other items of property, plant and equipment	3,813	8,689	11,755	12,469
Total	22,324	45,268	45,411	70,352

(1): Information subject to limited review

(2): Audited information.

	30/06/2022	31/12/2021	31/12/2020	31/12/2019
RECURRENT INVESTMENTS BY GEOGRAPHY (according to IFRS)		Unaudited (th	ousands of €)	
National	6,758	14,190	15,018	27,814
International	15,566	31,078	30,393	42,538
Total	22,324	45,268	45,411	70,352

Main concepts and valuation criteria

- <u>Computer software</u>: This includes the amounts paid to develop specific computer programs or the amounts incurred in acquiring from third parties the licenses to use programs. They are amortised on a straight-line basis, depending on the type of programme or development, over the period in which they contribute to the generation of benefits.
- 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. Prototypes are amortised on a straight-line basis over three financial years from the time of market launch, in the case of textbooks and language books, 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: includes amounts advanced to authors, whether paid or unpaid, on account of future royalties or royalties for the right to use the various manifestations 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: This 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 multi-year renewable periods, depending on the legislation of each country, and are amortised on a straight-line basis over the concession period, except in cases where the renewal costs are not significant and the obligations required are readily achievable, in which case they are considered assets with indefinite useful lives (the latter mainly correspond to Sociedad Española de Radiodifusión, S.L. and Grupo Latino de Radiodifusión Chile, Ltda.).

Information relating to property, plant and equipment is described in section 18.1.1 of the Registration Document.

Description of the main investments

The development of the investments made is mainly affected how Santillana progresses, which represents 75% in 2021 and 77% in 2020, of the total Group's investments.

By geographical scope, investments are mainly international (they represented 69% in 2021 and 67% in 2020 of the total Group's investment), closely related to the investments required for the prototypes and for the development of Santillana's teaching systems, mainly related to the digitalisation of classrooms. In the first half of 2022, investments in classroom digitalisation were made in the amount of EUR 2.1 million, in 2021 in the amount of EUR 5.9 million, in 2020 in the amount of EUR 8.7 million and in 2019 in the amount of EUR 8.3 million.

- First half of 2022 and until the date of the Registration Document: The main investments in the first half of 2022 were as follows:
 - In Santillana, a total of EUR 18,562 thousand were invested, mainly in prototypes for EUR 12,903 thousand (mostly in Brazil and Mexico) and in digitalisation of classrooms for EUR 2,116 thousand.
 - In the Media business, a total of EUR 3,762 thousand was invested (EUR 1,956 thousand in the radio business and EUR 1,676 thousand in the press business).
 - In the radio business, EUR 1,537 thousand was invested in Spain, mainly in the commercial system, radio station installations, technological renovation and in a Data project. In the international radio area, investments amounted to EUR 419 thousand, mainly in the commercial system and in equipment renewal. Digital investments accounted for 26% of the total.
 - In the press business, investments were mainly made in website developments, mobility projects and the Data and CRM project. Digital investments accounted for 80% of the total.

Since 30 June 2022 and up to the date of the Registration Document, the Group has continued to make the customary recurring investments for the conduct of its business in line with those described in this section of the Registration Document.

- <u>2021</u>: the main investments in 2021 were as follows:
 - In Santillana, a total of EUR 34,160 thousand were invested, mainly in prototypes for EUR 21,856 thousand (mostly in Brazil, Mexico) and Santillana Global in digitalisation of classrooms for EUR 5,908 thousand.
 - In the Media business, a total of EUR 11,037 thousand was invested (EUR 5,357 thousand in the radio business and EUR 5,640 thousand in the press business).
 - In the radio business, EUR 3,942 thousand were invested in Spain, mainly in technical investment relating to the refurbishment of studios and facilities, commercial and management systems, broadcasting systems and technological renovation. In the international radio area, investments amounted to EUR 1,415 thousand mainly in the commercial system and in technical equipment and systems renewal in Colombia. Digital investments accounted for 20% of the total.

- In the press business, investments were mainly made in website development, the complete redesign of the El País website, the Data and CRM project and mobility projects. Digital investments accounted for 89% of the total.
- <u>2020</u>: the main investments in 2020 were as follows:
 - In Santillana, a total of EUR 34,872 thousand were invested, mainly in prototypes for EUR 19,548 thousand (mostly in Brazil, Mexico) and Santillana Global in digitalisation of classrooms for EUR 8,655 thousand.
 - In the Media business, a total of EUR 9,789 thousand was invested (EUR 4,748 thousand in the radio business and EUR 4,886 thousand in the press business).
 - In the radio business, EUR 3,909 thousand were invested in Spain, mainly in technical investment relating to the remodelling of studios and facilities, commercial and management systems, mobility and technological renovation (including the purchase of laptops for teleworking in pandemics). In the international radio area, investments amounted to EUR 841 thousand, mainly in the commercial system, the renovation of the Cali headquarters, the renovation of technical equipment and systems in Colombia. Digital investments accounted for 32% of the total.
 - In the press business, investments were mainly made in website development, the CRM project and technological renovation (including the purchase of laptops for teleworking in pandemics). Digital investments accounted for 84% of the total.
- <u>2019</u>: the main investments in 2019 were as follows:
 - In Santillana, a total of EUR 54,019 thousand were invested, mainly in prototypes for EUR 37,855 thousand (mostly in Brazil, Spain and Mexico) and in digitalisation of classrooms for EUR 8,255 thousand.
 - In the Media business, a total of EUR 15,831 thousand was invested (EUR 7,365 thousand in the radio business and EUR 7,636 thousand in the press business).
 - In the radio business, EUR 3,441 thousand were invested in Spain, mainly in technological renovation and installations, mobility and remodelling of studios. In the international radio business, investments amounted to EUR 3,925 thousand, mainly in equipping a new headquarters in Medellín and works at the Cali headquarters, technical equipment also in Colombia, a commercial system and constructions in Chile. Digital investments accounted for 24% of the total.
 - In the press business, investments were mainly made in the ARC project (technological platform for the production and distribution of digital content), website development and CRM project. Digital investments accounted for 85% of the total.

5.7.2. Significant investments of the issuer in progress or for which firm commitments have been made.

Except as indicated below, and apart from the usual recurring investments for the development of the Group's activity, at the date of the Registration Document, there are no significant investments in progress, nor have the management bodies of the Prisa Group adopted firm commitments to make significant investments in the future.

In May 2022, Prisa announced the agreement for the acquisition of the 20% stake in Prisa Radio by Prisa Media held by Godó Group for EUR 45 million, of which EUR 30 million were paid upon signing the agreement and EUR 15 million will be paid in May 2023.

5.7.3. Information relating to companies in which the issuer holds a proportion of the capital that may have a significant effect on the assessment of its own assets and liabilities, financial position or profit and loss.

The Company does not currently hold any interests in companies outside the Prisa Group that could affect or have a significant effect on the assessment of the Group's own assets and liabilities, financial position or profit and loss.

5.7.4. Environmental aspects that may affect the issuer's use of tangible fixed assets.

Prisa is committed to respecting the environment, reducing costs and the impact of its operations on the environment. The environmental safety policy applies a number of basic principles to provide safe products and services that respect the environment throughout their life cycle. It states that Prisa:

- Shall comply with applicable legal requirements and, where possible, anticipate them.
- Will actively pursue pollution reduction and prevention, energy conservation and waste reduction in its operations.
- Will require its suppliers to conduct their operations in an environmentally responsible manner.
- Will ensure safety in its industrial operations to avoid incidents and negative effects on the environment.

This policy is articulated on 3 levels:

- Consumption control.
- Emission control.
- Waste control.

The aim is to provide safe products and services, which respect the environment throughout their life cycle, by conducting operations in an environmentally responsible manner.

The assessment indicates that the Group has no environmental liabilities, expenses, assets, provisions or contingencies that could be material to the Group's equity, financial position and results.

6. ORGANISATIONAL STRUCTURE

6.1. Brief description of the group and the sender's position in it

As of the date of the Registration Document, Prisa is the parent company of the Prisa Group. The Prisa Group companies are those listed in section 6.2 below.

Below is an organisation chart of the main companies of the Prisa Group as at the date of the Registration Document:



(*): Engloba las filiales y actividad del negocio de prensa (noticias).

6.2. List of significant subsidiaries of the issuer and additional information

At the date of the Registration Document, the scope of consolidation of the Prisa Group consisted of 110 fully consolidated companies and 21 companies accounted for using the equity method.

The following table contains information as of the date of the Registration Document on the subsidiaries integrated in the Prisa Group.

Company	Registered office	Activity	Holding company	% nominal
EDUCATION				
<u>Global Integration</u>				
Activa Educa, S.A. (Guatemala)	26 Avenida 2-20 zona 14. Guatemala – Guatemala	Publisher	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. Brazil	Publisher	Santillana Latam, S.L.U Grupo Santillana Educación Global, S.L.U.	99.99% 1 share
Distribuidora y Editora Richmond, S.A.S.	Edificio Punto 99, Carrera 11ª №98-50 Oficina 501. Bogotá. Colombia	Publisher	Santillana Sistemas Educativos, S.L.U. Grupo Santillana Educación Global, S.L.U.	98.44% 1.53%
Ediciones Santillana Inc.(Puerto Rico)	1506 Roosevelt Avenue. Guaynabo. Puerto Rico	Publisher	Santillana Educación Pacífico, S.L. Santillana Latam, S.L.U	0.03% 100%
Ediciones Santillana, S.A. (Argentina)	Leandro N. Alem. 720. Buenos Aires. 1001. Argentina	Publisher	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	Publisher	Santillana Sistemas Educativos, S.L.U.	100%
Editora Altea Ltda.	Avenida Papa João Paulo I, nº 2258, Galpão 1 Papa, Sala 02 São Paulo. Brazil	Publisher	Editora Moderna, Ltda	100.00%
Editora Moderna Ltda.	Rua Padre Adelino, 758. Belezinho. Sao Paulo. Brazil	Publisher	Santillana Latam, S.L.U Grupo Santillana Educación Global, S.L.U.	100% 1 share
Editora Pitanguá Ltda.	Avenida Papa João Paulo I, nº 2258, Galpão 1 Papa, Sala 01, São Paulo. Brazil	Publisher	Editora Moderna, Ltda	100.00%
Editorial Nuevo México, S.A. de C.V.	Avenida Rio Mixcoac 274 Col Acacias. México DF. Mexico	Publisher	Santillana Latam, S.L.U. Editorial Santillana, S.A. de C.V. (Mexico)	99.999% 0,001%
Editorial Santillana, S.A. (Guatemala)	26 Avenida 2-20 zona 14. Guatemala - Guatemala	Publisher	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	Publisher	Santillana Sistemas Educativos, S.L.U. Grupo Santillana Educación Global, S.L.U.	99.00% 1.00%
Editorial Santillana, S.A. (Dom. Rep.)	Juan Sánchez Ramírez, 9. Gazcue. Santo Domingo. Dominican Republic	Publisher	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	Publisher	Santillana Latam, S.L.U	100%
Editorial Santillana, S.A. de C.V. (Mexico)	Avenida Rio Mixcoac 274 Col Acacias. México DF. Mexico	Publisher	Santillana Latam, S.L.U. Editorial Nuevo México, S.A. de C.V.	99.99% 1 share

Company	Registered office	Activity	the English translation, the Spanish ver Holding company	% nominal
Editorial Santillana, S.A. de C.V.	3a. Calle Poniente Y 87 Avenida Norte, No. 311,	Dublisher	Santillana Sistemas Educativos, S.L.U	99.95%
(El Salvador)	colonia Escalon San Salvador	Publisher	Grupo Santillana Educación Global, S.L.U.	0.05%
			Santillana Sistemas Educativos, S.L.U.	94.64%
Editorial Santillana, S.A.S. (Colombia)	Edificio Punto 99, Carrera 11ª Nº98-50 Oficina 501. Bogotá. Colombia	Publisher	Grupo Santillana Educación Global, S.L.U.	2.05%
			Distribuidora y Editora Richmond, S.A.S.	3.31%
Educa Inventia, S.A. de C.V. (Mexico)	Avenida Rio Mixcoac 274 Col Acacias. México	Publisher	Santillana Latam, S.L.U.	99.99%
Educa Inventia, S.A. de C.V. (Mexico)	DF. Mexico	i ublishet	Editorial Santillana, S.A. de C.V. (Mexico)	1 share
Educactiva Ediciones, S.A.S. (Colombia)	Avenida El Dorado No. 90 – 10 Bogotá, Colombia	Publisher	Santillana Sistemas Educativos, S.L.U.	100%
Educactiva SA (Chila)	Avenida Andrés Bello 2299 Oficina 1001	Publisher	Santillana Educación Pacífico, S.L.	93.52%
Educactiva, S.A. (Chile)	Providencia. Santiago Chile	Publistier	Santillana Sistemas Educativos, S.L.U.	6.48%
Education CAC (Derv)	As Driverson 2160 Santiaga da Sunas di inc	Dublisher	Santillana Educación Pacífico, S.L.	99.998%
Educactiva, S.A.C. (Peru)	Av Primavera 2160 Santiago de Surco - Lima	Publisher	Santillana Sistemas Educativos, S.L.U.	0.002%
Educative SAS (Colombia)	Avenida El Dorado No. 90 – 10 Bogotá,	Dublisher	Santillana Educación Pacífico, S.L.	87.12%
Educactiva, S.A.S. (Colombia)	Colombia	Publisher	Santillana Sistemas Educativos, S.L.U.	12.88%
Grupo Santillana Educación Global, S.L.U.	Gran Vía, 32. Madrid	Publisher	Prisa Activos Educativos, S.A.U.	100%
Kanalyan Editors S.A. (Argantina)	Leandro N. Alem. 720. Buenos Aires. 1001.	Publisher	Santillana Educación Pacífico, S.L	99.902%
Kapelusz Editora, S.A. (Argentina)	Argentina	Publisher	Santillana Sistemas Educativos, S.L.U.	0.098%
Lanza, S.A. de C.V.	Avenida Rio Mixcoac 274 Col Acacias. México	Business creation, promotion and administration	Santillana Educación Pacífico, S.L.	99.998%
	DF. Mexico	business creation, promotion and administration	Santillana Sistemas Educativos, S.L.	0.002%
Pleno Internacional, SPA	Avenida Andrés Bello Nº 2299 Oficina 1001 Providencia - Santiago	IT advice and consultancy, software development and sales	Santillana Educación Chile, S.A.	70.00%
	Rua Padre Adelino, 758. Belezinho.		Editora Moderna, Ltda.	100%
Richmond Educação, Ltda.	Sao Paulo. Brazil	Publisher	Grupo Santillana Educación Global, S.L.U.	1 share
	Annuida Dia Minana 274 Cal Annuira Ménina		Lanza, S.A. de C.V.	99.98%
Richmond Publishing, S.A. de C.V.	Avenida Rio Mixcoac 274 Col Acacias. México DF. Mexico	Publisher	Vanguardia Educativa Santillana Compartir, S.A. de C.V.	0.02%
Colomondus Editorial Itals	Due link and Control 755 Coo Deulo Deseil	Dublisher	Editora Moderna, Ltda.	100%
Salamandra Editorial, Ltda.	Rua Urbano Santos 755, Sao Paulo. Brazil	Publisher	Grupo Santillana Educación Global, S.L.U.	1 share
			Santillana Sistemas Educativos, S.L.U.	99.70%
Santillana de Ediciones, S.A. (Bolivia)	Av. Pedro Rivera nº 3095. Santa Cruz. Bolivia	Publisher	Grupo Santillana Educación Global, S.L.U.	0.15%
			Santillana Educación Pacífico, S.L.	0.15%
	Avenida Andrés Bello 2299 Oficina 1001-1002	Dublish	Santillana Latam, S.L.U.	100%
Santillana del Pacífico, S.A. de Ediciones	Providencia. Santiago Chile	Publisher	Grupo Santillana Educación Global, S.L.U.	1 share
Santillana Editores, S.A. (Portugal)	Rua do Proletariado nº7 (Lote 1), 2794-076 Carnaxide - Portugal	Publisher	Santillana Latam, S.L.U.	100%

Company	Registered office	Activity	Holding company	% nominal
	Rua Padre Adelino, 758. Belezinho.		Santillana Sistemas Educativos, S.L.U.	100%
Santillana Educaçao, Ltda. (Brazil)	Sao Paulo. Brazil	Publisher	Grupo Santillana Educación Global, S.L.U.	1 share
Santillana Educación Chile, S.P.A.	Avenida Andrés Bello 2299 Oficina 1002	Publisher	Santillana Sistemas Educativos, S.L.U.	99.99%
Santinana Educación Chine, S.P.A.	Providencia. Santiago Chile	Publisher	Santillana Educación Pacífico, S.L.	1 share
Santillana Educación México, S.A.	Avenida Rio Mixcoac 274 Col Acacias.		Lanza, S.A. de C.V.	99.99%
de C.V.	México DF. Mexico	Publisher	Vanguardia Educativa Santillana Compartir, S.A. de C.V.	0.01%
Santillana Educación Pacífico, S.L.	Gran Vía, 32. Madrid	Publisher	Santillana Sistemas Educativos, S.L.U.	99.996%
Santinana Educación Pacifico, S.L.	Graff via, 52. Mauriu	Publisher	Grupo Santillana Educación Global, S.L.U.	0.004%
Santillana Latam, S.L.U.	Gran Vía, 32. Madrid	Publisher	Grupo Santillana Educación Global, S.L.U.	100%
Santillana Sistemas Educativos, S.L.U.	Gran Vía, 32. Madrid	Publisher	Grupo Santillana Educación Global, S.L.U.	100%
Santillana, S.A. (Costa Rica)	La Uruca. 200 m Oeste de Aviación Civil. San	Publisher	Santillana Sistemas Educativos, S.L.U.	99.992%
Santinana, S.A. (Costa Rica)	José. Costa Rica	Publishei	Grupo Santillana Educación Global, S.L.U.	0.008%
Santillana, S.A. (Ecuador)	Calle De las Higueras 118 y Julio Arellano.	Publisher	Santillana Sistemas Educativos, S.L.U.	100%
Santinana, S.A. (Ecuador)	Quito. Ecuador	Publishei	Grupo Santillana Educación Global, S.L.U.	1 share
Santillana, S.A. (Paraguay)	Avenida Venezuela. 276. Asunción. Paraguay	Publisher	Santillana Sistemas Educativos, S.L.U.	99.89%
Salitilialia, S.A. (Falaguay)	Aveniua venezuela. 276. Asuncion. Faraguay	rublishei	Ediciones Santillana, S.A. (Argentina)	0.11%
Santillana, S.A. (Peru)	Av. Primavera 2160 Santiago de Surco- Lima	Publisher	Santillana Sistemas Educativos, S.L.U.	95.00%
Sistemas Educativos de Enseñanza,	Avenida Rio Mixcoac 274 Col Acacias. México	Publisher	Santillana Sistemas Educativos, S.L.U.	99.98%
S.A. de C.V.	DF. Mexico	Fublishei	Lanza, S.A. de C.V.	0.02%
Soluções Moderna Editora e Serviços	Rua Padre Adelino, 758. Sala Avalia, Quarta		Santillana Latam, S.L.U.	100%
Educacionais Ltda. (Antes Editora Pitangua, LTDA)	Parada, - Sao Paulo. Brazil	Publisher	Grupo Santillana Educación Global, S.L.U.	1 share
Vanguardia Educativa Santillana	Avenida Rio Mixcoac 274 Col Acacias. México	Publisher	Santillana Educación México, S.A. de C.V.	70.00%
Compartir, S.A. de C.V.	DF. Mexico		Lanza, S.A. de C.V.	30.00%
<u>MEDIA</u>				
Global Integration				
La coproductora, S.L.	Cardenal Cisneros, 74. Madrid	Production of feature films, short films, series, miniseries and television films, as well as any other type of audiovisual works.	Prisa Media, S.A.U.	51.00%
Mobvious Corp.	7742 N. Kendall Drive 101Miami. Florida. 33156-8550. USA	Digital media advertising marketer.	Prisa Brand Solutions USA, Inc.	60.00%
Prisa Brand Solutions México, S.A.	Avenida Paseo de la Reforma 231. Piso 6	Digital media advertising marketer.	Prisa Brand Solutions USA, Inc.	99.99%
de C. V	Colonia Cuauthemoc Ciudad de México 06500		Prisa Media, S.A.U.	0.01%
Prisa Brand Solutions USA, Inc.	7742 N. Kendall Drive 101Miami. Florida. 33156-8550. US A	Media advertising marketer.	Prisa Media, S.A.U.	100%

Company	Registered office	Activity	Holding company	% nominal
Prisa Media, S.A.U.	C/ Gran Vía, 32. Madrid	The provision, for its own account or for the account of others, of any kind of services related, directly or indirectly, to broadcasting.	Promotora de Informaciones, S.A.	100.00%
		The provision of advice and services to communications companies in the fields of advertising, programming, administration, marketing and technical, IT and commercial matters and any other matters related to their activity.		
Equity method				
Wemass Media Audience Safe Solutions, S.L.	Calle Juan Ignacio Luca de Tena, nº7.	Media advertising contracting. Design, organisation, management and marketing of all kinds of cultural, sporting, promotional and leisure activities and events.	Prisa Media, S.A.U.	33.00%
MEDIA - RADIO				
<u>SPAIN RADIO</u>				
Global Integration				
Antena 3 de Radio de León, S.A.	Gran Vía, 32. Madrid	Operation of broadcasting stations	Sociedad Española de Radiodifusión, S.L.U.	99.56%
Compañía Aragonesa de Radiodifusión, S.A.	Paseo de la Constitución, 21. Zaragoza	Operation of broadcasting stations	Sociedad Española de Radiodifusión, S.L.U.	97.03%
Ediciones LM, S.L.	Plaza de Cervantes, 6. Ciudad Real	Operation of broadcasting stations	Sociedad Española de Radiodifusión, S.L.U.	50.00%
Iniciativas Radiofónicas de Castilla La	Carreteros, 1. Toledo	Operation of broadcasting stations	Ediciones LM, S.L.	40.00%
Mancha, S.A.			Sociedad Española de Radiodifusión, S.L.U.	50.00%
Ondas Galicia, S.A.	San Pedro de Mezonzo, 3. Santiago de Compostela	Operation of broadcasting stations	Sociedad Española de Radiodifusión, S.L.U.	51.14%
Pódium Podcast, S.L.U.	Gran Vía, 32. Madrid	Provision of music services	Prisa Radio, S.A.U.	100%
Prisa Radio, S.A.U.	Gran Vía, 32. Madrid	Provision of services to radio companies	Prisa Media, S.A.U.	100%
Propulsora Montañesa, S.A.	Pasaje de Peña. Nº 2. Interior. 39008. Santander	Operation of broadcasting stations	Sociedad Española de Radiodifusión, S.L.U.	99.94%
Radio Club Canarias, S.A.	Avenida Anaga, 35. Santa Cruz de Tenerife	Operation of broadcasting stations	Sociedad Española de Radiodifusión, S.L.U.	95.00%
Radio Lleida, S.L.	Calle Vila Antonia. Nº 5. Lleida	Operation of broadcasting stations	Sociedad Española de Radiodifusión, S.L.U.	66.50%
Radio Murcia, S.A.	Radio Murcia, 4. Murcia	Operation of broadcasting stations	Sociedad Española de Radiodifusión, S.L.U.	83.33%
Radio Zaragoza, S.A.	Paseo de la Constitución, 21. Zaragoza	Operation of broadcasting stations	Compañía Aragonesa de Radiodifusión, S.A.	57.11%
			Sociedad Española de Radiodifusión, S.L.U.	20.77%
Sociedad Española de Radiodifusión, S.L.U.	Gran Vía, 32. Madrid	Operation of broadcasting stations	Prisa Radio, S.A.U.	100%
Sociedad Independiente Comunicación Castilla La Mancha, S.A.	Avenida de la Estación, 5 Bajo. Albacete	Operation of broadcasting stations	Sociedad Española de Radiodifusión, S.L.U.	74.77%
Sonido e Imagen de Canarias, S.A.	Caldera de Bandama, 5. Arrecife. Lanzarote	Operation of broadcasting stations	Sociedad Española de Radiodifusión, S.L.U.	50.00%
Teleser, S.A.				
1010501, 5.11.	Gran Vía, 32. Madrid	Operation of broadcasting stations	Sociedad Española de Radiodifusión, S.L.U.	81.46%

Equity method

Company	Registered office	Activity	Holding company	% nominal
Radio Jaén, S.L.	Obispo Aguilar, 1. Jaén	Operation of broadcasting stations	Sociedad Española de Radiodifusión, S.L.U.	35.99%
INTERNATIONAL RADIO				
Global Integration				
Blaya y Vega, S.A.	Eliodoro Yáñez. Nº 1783. Comuna Providencia Santiago. Chile	Operation of broadcasting stations	Multimedios GLP Chile, SpA. Comercializadora Iberoamericana Radio	99.98% 0.02%
			Chile, S.A.	0.0270
Caracol Estéreo, S.A.S	Calle 67 Nº 7-37 Piso 7 Bogotá. Colombia	Commercial broadcasting services	Sociedad Española de Radiodifusión, S.L.U.	77.04%
			Prisa Radio, S.A.U.	2 shares
Caracol, S.A.	Calle 67 Nº 7-37 Piso 7 Bogotá. Colombia	Commercial broadcasting services	Sociedad Española de Radiodifusión, S.L.U.	77.05%
			Prisa Radio, S.A.U.	2 shares
Comercializadora de Eventos y Deportes, S.A.S.	Calle 67 № 7-37 Piso 7 Bogotá. Colombia	Production and organisation of shows and events	Sociedad Española de Radiodifusión, S.L.U.	100%
Comercializadora Iberoamericana	Eliodoro Yáñez. Nº 1783. Comuna Providencia	Production and sale of advertising items, promotions and events	Grupo Latino de Radiodifusión Chile, SpA	99.90%
Radio Chile, S.A.	Santiago. Chile		Sociedad Española de Radiodifusión, S.L.U.	0.10%
Compañía de Comunicaciones	Calle 67 Nº 7-37 Piso 7 Bogotá. Colombia	Commercial broadcasting services	Caracol, S.A.	43.45%
de Colombia, S.A.S			Promotora de Publicidad Radial, S.A.S.	19.27%
			Sociedad Española de Radiodifusión, S.L.U.	16.76%
			Caracol Estéreo, S.A.S.	11.13%
			Ecos de la Montaña Cadena Radial Andina, S.A.	4.42%
Compañía de Radios, S.A.	Eliodoro Yáñez. Nº 1783. Comuna Providencia	Operation of broadcasting stations	Sociedad Radiodifusora del Norte, SpA.	44.32%
•	Santiago. Chile		Iberoamerican Radio Holdings Chile, S.A.	40.88%
			Comercializadora Iberoamericana Radio Chile, S.A.	14.80%
Consorcio Radial de Panamá, S. A	Urbanización Obarrio, Calle 54 Edificio Caracol. Panama	Consultancy services and marketing of services and products	Sociedad Española de Radiodifusión, S.L.U.	100%
Corporación Argentina	Rivadavia 835. Ciudad de Buenos Aires.	Operation of broadcasting stations	GLR Services Inc.	76.20%
de Radiodifusión, S.A.	Argentina		Sociedad Española de Radiodifusión, S.L.U.	23.80%
Ecos de la Montaña Cadena Radial Andina, S.A.	Calle 67. Nº 7-37. Piso 7. Bogotá. Colombia	Commercial broadcasting services	Sociedad Española de Radiodifusión, S.L.U. Prisa Radio, S.A.U.	76.80% 1 share
Emisora Mil Veinte, S.A.	Calle 67. Nº 7-37. Piso 7. Bogotá. Colombia	Commercial broadcasting services	Sociedad Española de Radiodifusión, S.L.U.	75.72%
Linisora Mir Venice, S.A.		connicteral of baccasting services	Prisa Radio, S.A.U.	1 share
Fast Net Comunicaciones, S.A.	Eliodoro Yáñez. Nº 1783. Comuna Providencia	Operation of broadcasting stations	Comercializadora Iberoamericana Radio	99.86%
	Santiago. Chile		Chile, S.A.	0.14%
			Compañías de Radio, S.A.	-
Grupo Latino de Radiodifusión Chile,	Eliodoro Yáñez. Nº 1783. Comuna Providencia	Operation of broadcasting stations	Sociedad Española de Radiodifusión, S.L.U.	99.9986%
SpA (**)	Santiago. Chile		Caracol, S.A.	0.0014%
GLR Services Inc.	2100 Coral Way - Miami 33145 - Florida, USA	Provision of services to broadcasting companies	Sociedad Española de Radiodifusión, S.L.U.	100%

Company	Registered office	Activity	Holding company	% nominal
8	Eliodoro Yáñez. № 1783. Comuna Providencia Santiago. Chile	Operation of broadcasting stations	Comercializadora Iberoamericana Radio Chile, S.A Grupo Latino de Radiodifusión Chile, SpA	100%
				1 share
	Eliodoro Yáñez. Nº 1783. Comuna Providencia Santiago. Chile	Operation of media and communication services	Grupo Latino de Radiodifusión Chile SpA.	99.9996%
	Santiago. Chine		Comercializadora Iberoamericana Radio Chile, S.A.	0.00040/
- Var de Celembie C A		Commencial have depeting commission		0.0004%
La Voz de Colombia, S.A.	Calle 67. Nº 7-37. Piso 7. Bogotá. Colombia	Commercial broadcasting services	Sociedad Española de Radiodifusión, S.L.U. Caracol, S.A.	75.64%
				0.01%
	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 broadcasting services	Sociedad Española de Radiodifusión, S.L.U.	77.04%
			Prisa Radio, S.A.U.	2 shares
· ·	Eliodoro Yáñez. Nº 1783. Comuna Providencia Santiago. Chile	Operation of broadcasting stations	Comercializadora Iberoamericana Radio Chile, S.A.	100%
	Parc. de la Mola, 10 Torre Caldea, 6º Escalde.	Operation of broadcasting stations	Sociedad Española de Radiodifusión, S.L.U.	99.00%
	Engordany. Andorra		Unión Radio del Pirineu, S.A.	1.00%
Equity method				
	Calzada de Tlalpan 3000 col Espartaco México	Operation of broadcasting stations	Sistema Radiópolis, S.A. de C.V.	100%
le C.V.	D.F. 04870. Mexico		Cadena Radiópolis, S.A. de C.V.	353 shares
Cadena Radiópolis, S.A. de C.V.	Calzada de Tlalpan número 3000, Colonia	Provision of public telecommunications and broadcasting services	Sistema Radiópolis, S.A. de C.V.	99.90%
	Espartaco, Delegación Coyoacán, 04870, Mexico City.		Cadena Radiodifusora Mexicana, S.A. de C.V.	0.10%
	Calzada de Tlalpan 3000 col Espartaco México	Business management services	Servicios Radiópolis, S.A. de C.V.	67.00%
	D.F. 04870. Mexico		Radio Comerciales, S.A. de C.V.	31.00%
			Xezz, S.A. de C.V.	2.00%
Fondo Radiopolis, S.C.	Calzada de Tlalpan 3000 col Espartaco México	Business management services	Servicios Radiópolis, S.A. de C.V.	67.00%
	D.F. 04870. Mexico		Radio Comerciales, S.A. de C.V.	31.00%
			Xezz, S.A. de C.V.	2.00%
Promotora Radial del Llano, LTDA	Calle 67 Nº 7-37 Piso 7 Bogotá. Colombia	Commercial broadcasting services	Caracol, S.A.	25.00%
		Č	Promotora de Publicidad Radial, S.A.S	25.00%
Q'Hubo Radio, S.A.S	CL 57 No 17 – 48 Bogotá, Colombia	Operation of broadcasting and advertising businesses	Caracol, S.A.	50.00%
Radio Comerciales, S.A. de C.V.		Operation of broadcasting stations	Sistema Radiópolis, S.A. de C.V.	99.97%
	Rubén Darío nº 158. Guadalajara. Mexico	operation of broadcasting stations	Sistema Radiopons, S.A. de C.V.	
	Ruben Dario nº 158. Guadalajara. Mexico	operation of broadcasting stations	Cadena Radiópolis, S.A. de C.V.	0.03%
	Rubén Dario nº 158. Guadalajara. Mexico Rubén Darío nº 158. Guadalajara. Mexico	Operation of broadcasting stations		0.03% 99.00%

Company	Registered office	Activity	Holding company	% nominal
Radio Tapatía, S.A. de C.V.	Rubén Darío nº 158. Guadalajara. Mexico	Operation of broadcasting stations	Cadena Radiodifusora Mexicana, S.A. de C.V.	99.00%
			Cadena Radiópolis, S.A de CV	1.00%
Radiotelevisora de Mexicali, S.A. de C.V.	Avenida Reforma 1270. Mexicali Baja	Operation of broadcasting stations	Sistema Radiópolis, S.A. de C.V.	100%
	California. Mexico		Cadena Radiópolis, S.A. de C.V.	11 shares
Servicios Radiópolis, S.A. de C.V.	Calzada de Tlalpan 3000 col Espartaco México	Operation of broadcasting stations	Sistema Radiópolis, S.A. de C.V.	99.998%
	D.F. 04870. Mexico		Radio Comerciales, S.A. de C.V.	0.002%
Servicios Xezz, S.A. de C.V.	Calzada de Tlalpan 3000 col Espartaco México	Operation of broadcasting stations	Xezz, S.A. de C.V.	99.998%
	D.F. 04870. Mexico		Radio Comerciales, S.A. de C.V.	0.002%
Sistema Radiópolis, S.A. de C.V.	Calzada de Tlalpan 3000 col Espartaco México D.F. 04870. Mexico	Operation of 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 broadcasting stations	Prisa Radio, S.A.U.	33.00%
Xezz, S.A. de C.V.	Rubén Darío nº 158. Guadalajara. Mexico	Operation of broadcasting stations	Cadena Radiodifusora Mexicana, S.A. de C.V.	99.00%
			Cadena Radiópolis, S.A de C.V.	1.00%
<u>MEDIA - PRESS</u>				
Global Integration				
As Chile SPA	Eliodoro Yáñez 1783, Providencia. Santiago. Chile	Publication and operation of the 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 the 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 the As newspaper in USA.	Diario As, S.L.	100%
Diario As, S.L.	Valentín Beato, 44. Madrid	Publication and operation of the As newspaper.	Grupo de Medios Impresos y Digitales, S.L	75.00%
Diario Cinco Días, S.A.	Miguel Yuste, 42. Madrid	Publication and operation of the Cinco Días newspaper.	Grupo de Medios Impresos y Digitales, S.L	100%
Diario El País Argentina, S.A.	Leandro N. Alem. 720. Buenos Aires. 1001.	Operation of the El País newspaper in Argentina.	Diario El País, S.L.	95.65%
	Argentina		Diario El País México, S.A. de C.V.	4.35%
El País Brasil Agencia de Noticias	Rua Ferreira de Araújo. 221-Conjunto 31,	Operation of the El País newspaper in Brazil.	Diario El País, S.L.	99.99%
e Publicidade, Ltda. (In liquidation)	Pinheiros. CEP 05428-000. Sao Paulo. Brazil		Ediciones El País, S.L.	0.01%
Diario El País México, S.A. de C.V.	Avenida Universidad 767. Colonia del Valle.	Operation of the El País newspaper in Mexico.	Diario El País, S.L.	98.39%
	México D.F. Mexico		Promotora de Informaciones, S.A.	1.61%
Diario El País, S.L.	Miguel Yuste, 40. Madrid	Publication and operation of the El País newspaper.	Prisa Media, S.A.U.	100%
Ediciones El País, S.L.	Miguel Yuste, 40. Madrid	Publishing, operation and sale of the El País newspaper.	Diario El País, S.L.	99.994%
			Prisa Media, S.A.U.	0.006%
Espacio Digital Editorial, S.L.	Gran Vía, 32. Madrid	Publishing and operation of the digital Huffington Post for Spain.	Prisa Media, S.A.U.	100%
Factoría Prisa Noticias, S.L.	Valentín Beato, 44. Madrid	Provision of administrative, technological and legal services, as well as distribution of written and digital media.	Prisa Media, S.A.U.	100%
Grupo de Medios Impresos y Digitales, S.L.	Gran Vía, 32. Madrid	Holding of shares in publishing companies.	Prisa Media, S.A.U.	100%
Noticias AS México S.A. de C.V.	Rio Lerma 196 Bis Torre B 503, Ciudad	Publication and operation of the As newspaper in Mexico.	Diario As, S.L.	99.00%
	de México DF		Prisa Media, S.A.U.	1.00%

Company	Registered office	Activity	Holding company	% nominal
Equity method				
As Spotlight Digital, S.L	Valentín Beato, 44. Madrid	Access to Internet gambling websites and 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	Publishing and marketing of periodicals in digital format	Prisa Media, S.A.U.	50.00%
Le Monde Libre Societé Comandité Simple	17, Place de la Madeleine. Paris	Holding of shares in publishing companies	Prisa Media, S.A.U.	20.00%
<u>OTHER</u>				
Global Integration				
Prisa Activos Educativos, S.A.U	Gran Vía, 32. Madrid	Performing all activities inherent to the publishing business in its broadest sense and, in particular, the publishing, marketing and distribution of all kinds of publications and the provision of publishing, cultural, educational, leisure and entertainment services.	Promotora de Informaciones, S.A.	100%
Prisa Gestión Financiera, S.L.	Gran Vía, 32. Madrid	Management and operation of information and social communication media, whatever their technical support. Capital and money market performance.	Promotora de Informaciones, S.A.	100%
Prisa Participadas, S.L.	Gran Vía, 32. Madrid	Management and operation of printed and audiovisual media, participation in companies and businesses, and the provision of all kinds of services.	Promotora de Informaciones, S.A.	100%
Productora Audiovisual de Badajoz, S.A. (In liquidation)	Gran Vía, 32. Madrid	Provision of local television services	Prisa Participadas, S.L.	61.45%
Productora Extremeña de Televisión, S.A. (In liquidation)	Gran Vía, 32. Madrid.	Provision of local television services	Prisa Participadas, S.L.	70.00%
Promotora de Actividades América	Avenida Paseo de la Reforma 300. Piso 9. Col.		Promotora de Actividades América 2010, S.L.	99.99%
2010 - México, S.A. de C.V. (In liquidation)	Juárez. 06600.	kinds, national and international, related to the commemoration of the Bicentenary of the Independence of the American nations.	Prisa Participadas, S.L.	1 share
Promotora de Actividades América 2010, S.L. (In liquidation)	Mexico. Mexico City Gran Vía, 32. Madrid	Production and organisation of activities and projects related to the commemoration of the Bicentenary of the Independence of the American nations.	Promotora de Informaciones, S.A.	100%
Promotora de Actividades	Calle 80, 10 23. Bogotá. Colombia	Audiovisual production and distribution	Prisa Participadas, S.L.	99.00%
Audiovisuales de Colombia, Ltda.	-	-	Promotora de Informaciones, S.A.	1.00%
Vertix, SGPS, S.A.	Rua Mario Castellano, nº 40, Queluz de Baixo. Portugal	Holding of shares in companies.	Promotora de Informaciones, S.A.	100%
<u>Equity method</u>				
Canal Club de Distribución de Ocio y Cultura, S.A.	Calle Hermosilla, 112. Madrid	Catalogue sales	Promotora de informaciones, S.A.	25.00%

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In the companies included in the table above, there is no difference between the percentage of ownership in the capital and the voting rights of each of these companies, except in Radiópolis, where for regulatory reasons, the shares of broadcasting frequency licensee companies owned by foreign investors are neutral and therefore confer limited voting rights to their holders. In this regard, the Group currently has, through Sociedad Española de Radiodifusión, S.L.U. (**"SER**"), with 50% of the share capital of Radiópolis, which gives it full economic but not political rights insofar as it only has voting rights (50%) in relation to a number of matters reserved and authorised by the Mexican Directorate General of Foreign Investments. In all other matters, the shares do not permit voting. Notwithstanding the foregoing, part of the neutral shares in Radiópolis owned by SER are in the process of being converted, which will give the Group 25% of the voting rights in those areas in which it does not currently have voting rights.

7. OPERATIONAL AND FINANCIAL STUDY

7.1. Financial situation

Information regarding Prisa's business development and performance, as well as its financial situation, is included in sections 8 and 18.1.1 of the Registration Document, as well as in Section I (*risk factors*) of the Registration Document. In addition, the individual and consolidated management reports of Prisa for the 2021, 2020 and 2019 financial years, as well as the Company's condensed consolidated interim management report for the first half of 2022 (see section 18.2.1) are incorporated by reference into the Registration Document (see section 18.2.1).

Notwithstanding the foregoing, the key figures and ratios of the Prisa Group at 30 June 2022 and 2021, as well as at 31 December 2021, 2020 and 2019 are set out below.

Key figures and ratios of the Prisa Group at 30 June 2022 and 2021

	30/06/2022	30/06/2021
KEY FIGURES AND RATIOS	Unaudited (the	ousands of €)
Operating income ⁽¹⁾	388,171	306,215
EBITDA ⁽²⁾	44,730	2,726
Adjusted EBITDA ⁽²⁾	49,674	17,967
Operating income (EBIT) ⁽¹⁾	10,119	(28,409)
Financial profit or loss ⁽¹⁾	(22,440)	(29,055)
Consolidated result for the year ⁽¹⁾	(14,370)	(58,434)
Profit/(loss) attributable to the parent company ⁽¹⁾	(13,996)	(56,179)

(1): Information subject to limited review.

(2): Alternative performance measure. For more information, see Appendix I of the Registration Document ("Glossary of alternative performance measures").

	30/06/2022	31/12/2021
FINANCIAL POSITION	Unaudited (the	ousands of €)
Net bank debt ⁽¹⁾	833,547	756,071
Net bank debt including IFRS 16 ⁽¹⁾	903,913	825,073
Net bank debt including IFRS 16 / adjusted EBITDA ⁽¹⁾	6.5x	7.7x

(1): Alternative performance measure. For more information, see Appendix I of the Registration Document ("Glossary of alternative performance measures").

Key figures and ratios of the Prisa Group at 31 December 2021, 2020 and 2019

	31/12/2021	31/12/2020	31/12/2019
KEY FIGURES AND RATIOS	Unaudited (thousands of €)		
Operating income	741,168(1)	700,641(1)	964,885 ⁽²⁾
EBITDA ⁽³⁾	63,089	63,865	138,177
Adjusted EBITDA ⁽³⁾	106,717	72,992	199,856
Operating income (EBIT)	(19,709) ⁽¹⁾	(29,109)(1)	53,431 ⁽²⁾
Financial profit or loss	(63,261) ⁽¹⁾	(128,825) ⁽¹⁾	(81,641) ⁽²⁾
Consolidated result for the year	(105,843)(1)	75,450(1)	(172,818) ⁽²⁾
Profit/(loss) attributable to the parent company	(106,506) ⁽¹⁾	89,737(1)	(182,298) ⁽²⁾

(1): Audited information.

(2): Restated information (unaudited). As detailed in section 18.1.1 of the Registration Document, the consolidated income statement and the consolidated cash flow statement for the 2019 financial year were restated by the Company in the consolidated financial statements for the 2020 financial year in order to enhance the comparability of the information. In accordance with IFRS 5, the results and cash flows from the operations of Santillana España were presented in the restated financial information for 2019 as a discontinued operation, as the Company left the scope of consolidation in 2020 as a result of a sale transaction, which is described in section 5.3 of the Registration Document.

(3): Alternative performance measure. For more information, see Appendix I of the Registration Document ("Glossary of alternative performance measures").

	31/12/2021	31/12/2020	31/12/2019
FINANCIAL POSITION	Unaudited (thousands of €)		
Net bank debt ⁽¹⁾	756,071	679,303	1,061,138
Net bank debt including IFRS 16 ⁽¹⁾	825,073	796,967	1,201,819
Net bank debt including IFRS 16 / adjusted EBITDA ⁽¹⁾	7.7x	10.9x	6.0x

(1): Alternative performance measure. For more information, see Appendix I of the Registration Document ("Glossary of alternative performance measures").

7.2. Operating income

(a) Significant factors, including unusual or infrequent events or new developments, which have materially affected or will materially affect the issuer's income from operations.

Apart from what is described in Section I (*Risk Factors*), and in sections 5.3 and 18.1.1 of the Registration Document, there have been no significant unusual or infrequent events that have affected or significantly affect the revenues of the Prisa Group.

(b) Significant changes in net sales or net income of the issuer

See sections 18.1.1 and 18.2.1 of the Registration Document.

8. CAPITAL RESOURCES

8.1. Information on short- and long-term capital resources

Company Rating

The Company currently holds the credit ratings "CCC+" with stable outlook and "Caa1" with stable outlook, granted on 21 November 2022 and 15 January 2021 by S&P Global Ratings Europe Limited (S&P) and Moody's Investors Service España, S.A., respectively, entities registered in accordance with *Regulation (EC) 1060/2009 of the European Parliament and of the Commission of 16 September 2009 on Credit Rating Agencies.* However, there is no assurance that the credit ratings currently assigned to the Company will be maintained over time as credit ratings are reviewed and updated periodically, and are dependent on a number of factors, some of which are beyond the Company's control (see risk factor 1). The credit ratings can be consulted on the Prisa website (link).

Capital resources

The detail of the Prisa Group's equity and borrowings at 30 June 2022 and 31 December 2021 was as follows:

	30/06/2022		31/12/2021
	Unaudited ⁽¹⁾	Change	Audited
EQUITY AND LIABILITIES (under IFRS)	(thousand €)	(%)	(thousand €)
Equity	(527,468)	(3.1)	(511,815)
Subscribed capital	74,065	4.5	70,865
Other reserves and retained earnings from prior periods	(523,652)	(22.0)	(429,393)
Profit/(loss) for the period attributable to the parent company	(13,996)	86.9	(106,506)
Treasury shares	(728)	44.8	(1,320)
Translation differences	(77,966)	13.8	(90,410)
Minority interests	14,809	(67.1)	44,949
Non-current liabilities	991,225	(4.1)	1,033,811
Non-current bank borrowings	895,787	(4.1)	934,342
Non-current financial liabilities	56,278	4.5	53,854
Deferred tax liabilities	19,525	(8.5)	21,335
Long-term provisions	16,526	(21.4)	21,016
Other non-current liabilities	3,109	(4.7)	3,264
Current liabilities	379,142	6.4	356,287
Commercial creditors	209,920	7.1	195,983
Associates	1.423	26.7	1,123
Other non-trade payables	41,881	(4.3)	43,774
Current bank borrowings	25,554	71.3	14,918
Current financial liabilities	31,734	99.8	15,884
Public administrations	29,194	(14.6)	34,204
Current provisions	6,679	(52.6)	14,087
Other current liabilities	32,334	(8.2)	35,218
Liabilities associated with assets held for sale	423	(61.4)	1,096
Total equity and liabilities	842,899	(4.0)	878,283

(1): Information subject to limited review.

The detail of the Prisa Group's equity and borrowings at 31 December 2021, 2020 and 2019 was as follows:

	31/12/2021 Audited	Change 2021-2020	31/12/2020 Audited	Change 2020-2019	31/12/2019 Audited
EQUITY AND LIABILITIES (under 1FRS)	(thousand €)	(%)	(thousand €)	(%)	(thousand €)
Equity	(511,815)	(27.0)	(402,980)	2.1	(411,604)
Subscribed capital Other reserves and retained earnings from	70,865	0.0	70,865	(89.4)	666,131
prior periods Profit/(loss) for the year attributable to the	(429,393)	16.8	(516,048)	43.5	(913,209)
parent company	(106,506)	(218.7)	89,737	149.2	(182,298)
Treasury shares	(1,320)	13.7	(1.530)	40.9	(2,591)
Translation differences	(90,410)	2.0	(92,275)	(86.8)	(49,393)
Minority interests	44,949	(2.9)	46.271	(33.7)	69,756
Non-current liabilities	1,033,811	9.0	948,543	(28.8)	1,331,843
Non-current bank borrowings	934,342	15.3	810,568	(30.4)	1,164,869
Non-current financial liabilities	53,854	(45.8)	99,348	(15.2)	117,207

	31/12/2021 Audited	Change 2021-2020	31/12/2020 Audited	Change 2020-2019	31/12/2019 Audited
EQUITY AND LIABILITIES (under IFRS)	(thousand €)	(%)	(thousand €)	(%)	(thousand €)
Deferred tax liabilities	21,335	26.7	16,840	(32.6)	24,993
Long-term provisions	21,016	9.5	19,195	(13.3)	22,139
Other non-current liabilities	3,264	25.9	2,592	(1.6)	2,635
Current liabilities	356,287	(16.4)	426,156	(34.6)	651,925
Commercial creditors	195,983	2.4	191,454	(29.2)	270,523
Associates	1,123	8.6	1,034	(32.5)	1,531
Other non-trade payables	43,774	10.4	39,656	(24.6)	52,591
Current bank borrowings	14,918	(85.5)	102,746	104.7	50,188
Current financial liabilities	15,884	(14.4)	18,558	(21.8)	23,745
Public administrations	34,204	16.7	29,321	(29.3)	41,499
Current provisions	14,087	41.1	9,986	(15.4)	11,799
Other current liabilities	35,218	17.5	29,967	(16.2)	35,767
Liabilities associated with assets held for sale	1,096	(68.1)	3,434	(97.9)	164,282
Total equity and liabilities	878,283	(9.6)	971,719	(38.2)	1,572,164

(A) Equity of the Prisa Group

• Relevant operations in 2022:

- Increase in share capital by offsetting claims

The 2022 Refinancing agreement included a financing, structuring and underwriting fee that Prisa could pay, at its option, either in cash or by capitalisation. Prisa opted to pay the aforementioned fee by means of its capitalisation and consequent delivery of newly issued shares. Accordingly, in June 2022, the Ordinary General Shareholders' Meeting of Prisa resolved to increase the share capital by a nominal amount of EUR 3,200 thousand, by issuing and putting into circulation 32,000,000 new ordinary shares. As a result of this set-off, the claims have been extinguished. For further information, see section 5.3 of the Registration Document.

Following the capital increase, Prisa's share capital was set at EUR 74,065 thousand, represented by 740,650,193 ordinary shares, all of the same class and series, with a par value of EUR 0.10 each.

– Prisa Radio acquisition

In May 2022, Prisa announced the agreement for the acquisition of 20% of the share capital of Prisa Radio, held by Godó Group, by Prisa Media, for EUR 45 million, EUR 30 million of which were paid upon signing the agreement and EUR 15 million will be paid in 2023. This acquisition entailed a reduction in "*Other reserves and retained earnings from prior years*" and "*Exchange differences*" of EUR 17 million because, in accordance with IFRS 10, it corresponds to an equity transaction, being a purchase of minority percentages that do not give rise to a change of control.

• Relevant operations in 2021:

- There were no relevant operations in 2021 that had an impact on the Group's equity.

• Relevant operations in 2020:

- Reduction of share capital

On 29 June 2020, the Ordinary General Shareholders' Meeting of Prisa resolved to reduce the share capital in order to re-establish its equity balance. The total amount of share capital subject to the capital reductions carried out amounted to EUR 595,266 thousand. The purpose of these corporate operations was to clean up and strengthen the company's balance sheet and to carry out the mandatory capital reduction required by article 327 of the Spanish Companies Act. For further information, see section 5.3 of the Registration Document.

- Sale of Santillana in Spain to Sanoma Corporation

In October 2020, Prisa, through its subsidiary Santillana, entered into an agreement with Sanoma Corporation, a Finnish media company with a presence in Europe in the education sector, for the sale of Santillana's pre K-12 and K-12 business in Spain. On 31 December 2020, the transaction was closed at an enterprise value of EUR 465 million and resulted in a total cash inflow received from the buyer of EUR 418 million. The impact of the transaction on the consolidated income statement for 2020 amounted to a capital gain of EUR 377 million. For further information, see section 5.3 of the Registration Document.

– Sale of Media Capital

In 2020, Vertix, a wholly-owned subsidiary of Prisa, sold the shares representing 94.69% of the share capital of Media Capital for a total price of EUR 47.4 million. These transactions resulted in an accounting loss of EUR 77 million. For further information, see section 5.3 of the Registration Document.

• Relevant operations in 2019:

- Capital increase subscribed in April 2019 to partially finance the acquisition of the share capital of Santillana:

On 20 March 2019, the Company agreed to carry out a capital increase by means of cash contributions and with recognition of pre-emptive subscription rights for a total effective amount of EUR 199,824 thousand, fully subscribed in April 2019. The funds from the capital increase were used to partially finance the acquisition of 25% of the share capital of Santillana. For further information, see section 5.3 of the Registration Document.

- Acquisition of 25% of the share capital of Santillana:

In April 2019, Prisa Group completed the purchase of 25% of Santillana's share capital from DLJ for an acquisition price of EUR 312.5 million. This acquisition resulted in a reduction of EUR 181.6 million in consolidated equity attributable to the Company because, in accordance with IFRS 10, it corresponds to an equity transaction, being a purchase of minority interests that do not result in a change of control. For further information, see section 5.3 of the Registration Document.

– Sale of Media Capital to Cofina.

In order to strengthen the Group's financial structure, in September 2019, the Board of Directors of Prisa agreed to sell to Cofina the entire stake held by Prisa in its subsidiary Vertix, which in turn owned 94.69% of Media Capital for a final price of EUR 123,290 thousand, on the basis of an enterprise value of EUR 205,000 thousand. On 11 March 2020, Cofina voluntarily renounced to continue with the transaction in breach of the sales contract, which led to the termination of the sales contract. This resulted in the recording of an accounting loss in the Group of EUR 131,568 thousand in 2019 due to the lower valuation of Media Capital. For further information, see section 5.3 of the Registration Document.

(B) External resources of the Prisa Group

Prisa's main sources of borrowed funds, in addition to debt with credit institutions, are as follows:

• **Non-current and current financial liabilities:** This heading mainly includes the liability for leases recorded under IFRS 16, as follows:

	30/06/2022	31/12/2021	31/12/2020	31/12/2019
	Unaudited ⁽¹⁾	Audited		
NON-CURRENT AND CURRENT FINANCIAL LIABILITIES	(thousand €)			
Financial liabilities from leasing	54,287	53,766	99,203	117,006
Other financial liabilities	1,991	88	145	201
Non-current financial liabilities	56,278	53,854	99,348	117,207
Financial liabilities from leasing	16,079	15,555	18,462	23,675
	30/06/2022	31/12/2021	31/12/2020	31/12/2019
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	Unaudited ⁽¹⁾		Audited	
NON-CURRENT AND CURRENT FINANCIAL LIABILITIES		(thousan	ıd €)	
Other financial liabilities	15,655	329	96	70
Current financial liabilities	31,734	15,884	18,558	23,745

(1): Information subject to limited review.

The decrease in lease liabilities in 2021 is mainly due to the fact that 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 entailed, among other things, the early exit of three of the buildings in the Miguel Yuste complex, a decrease in the minimum duration of the existing lease agreements and a reduction in future lease payments. This meant that at the effective date of the lease amendment (December 2021) the financial liability and lease tangible fixed assets associated with such contracts were recalculated and reduced considering the effects described above.

The increase in other current liabilities in the first half of 2022 is due to the recording of the EUR 15,000 thousand account payable generated in the transaction to acquire 20% of Prisa Radio (described above in the relevant operations in 2022).

• Commercial creditors: includes debts owed to suppliers of goods and services.

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) prepared in accordance with the resolution of the Spanish Accounting and Audit Institute (ICAC) of 29 January 2016, in relation to the average period of payment to suppliers in commercial transactions of Spanish companies, is detailed below. This information is prepared by the Company on an annual basis and therefore the latest information available is for the 2021 financial year, closed on 31 December.

- Payment periods:

PAYMENT PERIODS (unaudited information)	31/12/2021	31/12/2020	31/12/2019
Average period of payment to suppliers ⁽¹⁾	63 days	66 days	72 days
Ratio of settled transactions ⁽²⁾	70 days	71 days	73 days
Ratio of transactions pending payment ⁽³⁾	34 days	46 days	67 days

(1): Period from the delivery of the goods or provision of the services by the supplier and the eventual payment of the transaction. This ratio is calculated by multiplying the sum of (a) the ratio of transactions paid out by the total amount of payments made (x) plus the ratio of transactions outstanding by the total amount of payments outstanding (y) in the numerator, and (b) the sum of the total amount of payments made and the total amount of payments outstanding at year-end in the denominator.

(2): Calculated as the quotient composed of (a) the sum (for the transactions under consideration) of (x) the amount of the transaction paid times (y) the number of payment days elapsed on that transaction (calendar days that have elapsed from the date on which computation of the instalment begins until the material payment of the transaction) in the numerator, and (b) the total amount of payments made in the year in the denominator.

(3): Calculated as the quotient composed of (a) the sum (for the transactions under consideration) of (x) the amount of the transaction outstanding times (y) the number of days outstanding (calendar days elapsed from the date on which computation of the period begins until the last day of the period to which the financial statements relate) in the numerator, and (b) the total amount of payments outstanding at the year-end in the denominator.

- Payments made and pending:

	31/12/2021	31/12/2020	31/12/2019
PAYMENTS MADE AND PENDING	Unau	dited (thousands	s of €)
Total payments made	249,452	257,662	329,888
Total outstanding payments	61,908	62,098	68,970

The calculation of the average supplier payment period takes into account the payments made in each year for commercial transactions relating to the delivery of goods or services, as well as the amounts for these transactions pending settlement at the end of each year included under "*trade payables*" in the consolidated balance sheet, referring only to the Spanish entities included in the consolidable group.

The maximum legal payment period applicable in 2021, 2020 and 2019 financial years, according to *Law 3/2004, of 29 December, which sets out measures to combat late payment in commercial transactions*, is 30 days by default, and a maximum of 60 days if special conditions are reached 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. The Group has been reducing the average supplier payment period over the last few years.

- **Other non-trade payables:** This heading mainly includes remuneration payable and other payables to suppliers of fixed assets.
- Other current liabilities: This includes accruals generated mainly in the Education segment. These
 unfulfilled performance obligations are satisfied and transferred to the consolidated income statement
 mainly during the following year. This corresponds primarily to receipts recorded or invoices issued in
 the current year for which revenue will be accrued during the following year as the performance
 obligations associated with the contracts are fulfilled.
- Current and non-current payables to credit institutions: the change in the bank debt position is shown in the table below:

	30/06/2022	31/12/2021	31/12/2020	31/12/2019
	Unaudited ⁽¹⁾		Audited	
CHANGE IN BANK DEBT		(thousa	nd €)	
Prisa syndicated loan		748,152	752,896	1,152,592
Junior syndicated loan	187,228			
Senior syndicated loan	575,105			
Super Senior Debt	160,000	150,121	116,500	36,500
Loans, credit facilities, leasing and others Fair value/present value in financial	38,423	28,576	37,883	43,365
instruments/formalisation costs	(39,415)	22,411	6,035	(17,400)
Total bank debt	921,341	949,260	913,314	1,215,057

(1): Information subject to limited review.

The decrease in Prisa's syndicated loan in 2020 was mainly due to the repayment of debt with the proceeds from the sale of Santillana España and the sale of Media Capital executed in 2020 (see section 5.3 of the Registration Document).

In addition, EUR 80,000 thousand of the Super Senior Debt was drawn down in 2020, due to the operational needs associated mainly with the COVID-19 effect. In 2021, this Super Senior Debt was repaid in the amount of EUR 80,000 thousand. EUR 108,500 thousand was made available again in the same year.

Of the total debt with credit institutions at 31 December 2021, 98.5% was denominated in euros (97.36% at 31 December 2020) and the rest in foreign currency, with no significant variations during the first half of 2022.

The average interest rate on the Group's bank borrowings in 2021 and 2020 was 5.25% and 5.45%, respectively. In the first half of 2022, the average interest rate stood at 6.14%.

Furthermore, of the total debt with credit institutions at 31 December 2021 and 2020, 97.58% and 96.75%, respectively, is linked to a floating interest rate and the rest to a fixed interest rate, with no significant variations during the first half of 2022 (see risk factor no. 3).

The financial debt is initially recognised by its fair value, also recording the costs incurred obtaining it. In subsequent periods, it is carried at amortised cost, i.e. at the amount at which it was measured on initial recognition, net of principal repayments, plus any difference between the initial amount and the amount at maturity, using the effective interest method.

The balances of bank borrowings at 30 June 2022 and at 31 December 2021, as well as the limits and expected maturities, are as follows:

	Maturity	Limit	Drawn-down amount maturing at short term	Drawn-down amount maturing at long term
DEBTS TO CREDIT INSTITUTIONS AT 30/06/2022		Unaudited ⁽¹⁾	(thousands of €)	
Junior syndicated loan ⁽²⁾	2027	185,349		187,228
Senior syndicated loan	2026	575,105		575,105
Super Senior Debt	2026	240,000		160,000
Loans, credit facilities, leasing and others Fair value/present value in financial	2022-2027	51,693	25.554	12,869
instruments/formalisation costs	2026-2027			(39,415)
Total		1,052,147	25,554	895,787

(1): Information subject to limited review.

(2): The long-term amount drawn down at 30 June 2022 includes capitalisable interest of EUR 1,879 thousand.

	Maturity	Limit	Drawn-down amount maturing at short term	Drawn-down amount maturing at long term
DEBTS TO CREDIT INSTITUTIONS AT 31/12/2021		Audited (th	ousands of €)	
Syndicated loan	2025	748,152		748,152
Super Senior Debt ⁽¹⁾	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
Present value in financial instruments/formalisation costs	2025			22,411
Total		1,023,655	14,918	934,342

(1): The long-term amount drawn down includes capitalised interest of EUR 5,121 thousand.

Also, at 30 June 2022 and 31 December 2021, the Prisa Group's net bank debt including IFRS 16 amounted to EUR 903.9 million and EUR 825.1 million, respectively (equivalent to 6.5 times and 7.7 times adjusted EBITDA, respectively⁽¹⁶⁾).

The main loans and credits with financial institutions are described below:

- 2022 Refinancing

In February 2022, the Board of Directors of Prisa unanimously approved the signing of a lock-up agreement incorporating a term sheet with the basic conditions for the modification of the Group's syndicated financial debt, the 2022 Refinancing. The 2022 Refinancing came into effect on 19 April 2022, once the agreements reached with all of its creditors were made public.

Therefore, in the context of the 2022 Refinancing, Prisa agreed to renew its syndicated loan (override agreement) for a total nominal amount of EUR 751,114 thousand, which has been structured in two tranches with the following characteristics:

- The nominal amount of the senior debt was fixed at EUR 575,105 thousand, which includes EUR 5,633 thousand of refinancing costs with the credit institutions that have increased the principal of the debt, and with a maturity until 31 December 2026.
- The nominal amount of the junior debt was fixed at EUR 185,349 thousand, which includes EUR 3,707 thousand of refinancing costs with the credit institutions that have increased the principal of the debt, and with a maturity until 30 June 2027.

^{(16):} Alternative performance measure. For further information, see Appendix I of the Registration Document.

- The cost of the senior debt is benchmarked to the Euribor⁽¹⁷⁾+5.25% payable in cash, while the cost of the junior debt is benchmarked to the Euribor⁽¹⁷⁾+8% payable partly in cash and partly capitalised.
- The partial modification of the package of debt guarantees.
- Relaxation of the contractual commitments of the existing debt, which will, among other improvements, allow for smoothing the financial ratios required by their current contracts.
- A refinancing, structuring and underwriting fee is agreed, which the Company may pay in cash or by issuing shares. Prisa opted to pay the aforementioned fee through issuing shares, whereby 32 million new Prisa shares were issued in June 2022, which it delivered to the creditor entities and those who acted as structuring and/or underwriters of the 2022 Refinancing, and who were entitled to the subscription.

The agreed 2022 Refinancing makes the terms of the Group's financial debt more flexible and provides it with a new financial structure to meet its financial commitments, to the benefit of the Group's stability in the short and medium term.

The 2022 Refinancing agreement also entailed a reorganisation of the debt in terms of borrowers, so that the financial debt previously held by Prisa Activos Educativos, S.A.U. was transferred to the Company for a nominal amount of EUR 691,590 thousand.

The new financial contracts stipulate the fulfilment of certain financial ratios for the Group, the application of which begins on 30 June 2022, the non-fulfilment of which would result in the occurrence of an early maturity event of the bank debt (see section 8.3 of the Registration Document). In addition, the agreements associated with the 2022 Refinancing include causes for early maturity that are customary in this type of agreement, including the non-payment of financial obligations by the Company and the guarantors of the debt, a change in the control structure of Prisa (excluding for these purposes the significant shareholders of Prisa at the date of the 2022 Refinancing) by one or more persons acting in concert among themselves (understood as (i) holding or controlling the exercise of more than 50% of the voting rights exercisable at a general shareholders' meeting, (ii) the ability to appoint or remove all or a majority of the directors, or equivalent positions, of the Company; or (iii) the ability to define the operating or financial policies of the Company), misrepresentation in financial statements, a declaration of insolvency at the level of the debt guarantors or material companies of the Prisa Group, the enforcement of any expropriation, embargo, foreclosure or similar process on assets of the Company or of any debt guarantors for an aggregate amount exceeding EUR 5,000,000, non-compliance with any provision of the financing agreement and of the intercreditor agreement that are not remedied within a period of less than 20 business days, the cessation of business or an expropriation of businesses or assets that would prevent the Prisa Group from continuing to carry out its business normally, among others.

In addition, the contracts include cross-default provisions that could trigger, if default occurs in connection with third-party financing agreements and above certain thresholds, an acceleration of debt repayment and early cancellation of the contracts. Such cross-default provisions would be enforceable in the event any third-party debt held by any member of the Group is not paid when due (nor within any originally applicable grace period), becomes payable prior to its specified maturity or is cancelled or suspended by a creditor as a consequence of the occurrence one of the events of default listed above. No such defaults have occurred since the effective date of the 2022 Refinancing, nor are they expected in the next 12 months.

Finally, as part of the 2022 Refinancing agreement, the distribution of Prisa's dividends is subject to the limitations and commitments acquired with financial creditors.

^{(17):} This is the 1, 3 or 6-month Euribor, depending on the interest settlement window chosen by the Company at each maturity. In other words, the Company periodically chooses the interest payment window according to the previous periods, and based on this, the Euribor for that term and for that interest settlement is applied. A new interest payment window would then start as described above.

Other aspects of debt:

The guarantee structure for syndicated debt is as follows:

 <u>Personal guarantees</u>: the Senior and Junior debt, as refinanced in April 2022, is jointly and severally guaranteed by Prisa and the companies Prisa Activos Educativos, S.A.U., Diario El País, S.L., Grupo de Medios Impresos y Digitales, S.L.U., Grupo Santillana Educación Global, S.L.U., Prisa Media S.A.U. and Prisa Gestión Financiera, S.L.U.

Likewise, and in accordance with this agreement, Prisa Activos Educativos and Prisa Media have been transformed into public limited companies, formerly limited liability companies.

- <u>Security interests</u>: As a result of the 2022 Refinancing, Prisa has currently pledged certain current accounts held by it and, in addition, the guarantors have pledged, as appropriate, shares and equity interests in certain Group companies and certain bank accounts held by them, all as security for the aforementioned creditors.

A security interest was also granted over the shares of Prisa Radio, S.A. (80% of its share capital) and 100% of the shares (100% of the share capital) of Prisa Activos Educativos, S.A.U., Prisa Media, S.A.U., Prisa Gestión Financiera, S.L.U. and Grupo Santillana Educación Global, S.L.U. Likewise, given its significance in the Group, a pledge was also constituted on 100% of the shares of Editora Moderna Ltda. (Brazil).

- Accounting aspects of 2022 Refinancing

The Company carried out an analysis of the conditions agreed under the 2022 Refinancing and concluded that they constitute a substantial modification of the previous conditions from a qualitative point of view, inter alia, due to the existence of a refinancing, structuring and underwriting fee that could be paid in shares, the modification of the collateral structure and the flexibility to carry out certain purchase and sale transactions. This resulted in the cancellation of the original financial liability and the recognition of a new liability arising from the 2022 Refinancing. The initial recognition of the financial liability was at fair value, which resulted in the recognition of finance income of EUR 38,285 thousand under "*fair value in financial instruments*" in the consolidated income statement at 30 June 2022, for the difference between the par value of the debt held by the Group and its fair value at the date of initial recognition. For this purpose, the listed value of the debt on the secondary market was used, according to information provided by a third party on the date of the public offering of the 2022 Refinancing agreement. The fair value of the 2022 Refinancing debt at that date and according to this calculation amounted to EUR 722,169 thousand.

In addition, all expenses and fees relating to the 2022 Refinancing were recognised in the account "*Debt arrangement expenses*" in the consolidated income statement at 30 June 2022, including, among others, various fees, in the form of initial discount ("*OID*") and participation fees ("*consent fees*") and other associated expenses, for a total amount of EUR 23,359 thousand. In this respect, the refinancing, structuring and underwriting fee, which Prisa opted to pay through the issue of the shares referred to above, was treated from the outset of the 2022 Refinancing as an equity instrument, as it was Prisa's discretion as to the method of settlement thereof. This resulted in the recording of an expense in the account "*Debt formalisation expenses*" in the amount of EUR 20,288 thousand with a credit to consolidated equity. For this purpose, the 32 million shares to be issued were valued at Prisa's share price on the date the 2022 Refinancing agreement was made public.

Finally, a positive impact was recorded under the heading "*Changes in value of financial instruments*" of the financial result in the amount of EUR 23,434 thousand, associated with the derecognition of the original financial liability for interest accrued in prior periods (which accrues at the effective interest rate ("*EIR*") that finally does not have to be paid. For further information, see section 18.2.1 of the Registration Document.

- Modification of the Super Senior Debt

In addition to the Senior and Junior loans referred to above (see *"2022 Refinancing"* above), Prisa signed on 8 April 2022 an agreement for the modification of the 2018 Super Senior debt (*"Super Senior Term & Revolving Facilities Agreement"*) for a maximum amount of up to EUR 240,000 thousand. This agreement entails an extension of its maturity until 30 June 2026, with a cost

indexed to Euribor^{(18)+5% payable in cash. In addition, the amendment of the agreement led to a change of lender.}

Of the total amount of the Super Senior Debt, EUR 80,000 thousand corresponds to a revolving credit facility to cover operational needs, which was undrawn at 30 June 2022. Therefore, the amount drawn down on the Super Senior Debt amounted to EUR 160,000 thousand at that date. Between October and November 2022, the Company drew down the full amount of the outstanding credit line of EUR 80,000 thousand. Therefore, as at the date of the Registration Document, the amount drawn down on the Super Senior Debt amounts to EUR 240,000 thousand.

The collateral structure of this Super Senior debt is the same as that referred to above in respect of Prisa's Senior and Junior debt, such that the creditors of this debt and the creditors of the syndicated debt share the same collateral package. However, the Super Senior debt has a preferential ranking for collection and enforcement of collateral over the Senior and Junior debt in the event of a default under the financing agreements.

In addition, expenses related to the cancellation of the Super Senior Debt with the previous lender were recognised in "*Other financial expenses*" in the consolidated income statement at 30 June 2022. The costs associated with the arrangement of the debt with the new lender were capitalised and are taken to the consolidated income statement over the term of the loan using the effective interest method.

Capital management policy

The principal objective of Prisa'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.

Accordingly, in recent years, the Directors of Prisa have taken a series of measures to strengthen the Group's financial and equity structure, with a focus on profitable growth and value creation as described below.

The General Shareholders' Meeting of Prisa held in November 2017 resolved on a series of capital and reserve reductions aimed at adjusting Prisa's equity structure, which were executed in November 2017. It also resolved to increase share capital by EUR 450,000 thousand, which was subsequently increased by a further EUR 113,220 thousand at Prisa's Board of Directors meeting on 22 January 2018. In February 2018, the capital increase was subscribed by an amount of EUR 563,220 thousand. Finally, in 2018, Prisa cancelled debt amounting to EUR 480,000 thousand with the funds from the cash capital increase described above and with cash on hand.

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

On 29 June 2020, the General Shareholders' Meeting of Prisa resolved to reduce the share capital in order to restore its equity balance.

On 19 October 2020, Prisa, through its subsidiary Grupo Santillana Educación Global, S.L., entered into an agreement with Sanoma Corporation, a Finnish media company with a presence in Europe in the education sector, for the sale of Santillana's pre K-12 and K-12 business in Spain. This deal was closed on 31 December 2020.

Finally, as mentioned above, in April 2022, the agreed 2022 Refinancing came into force that makes the terms of the Group's financial debt more flexible and provides it with a new financial structure to meet its financial commitments, to the benefit of the Group's stability in the short and medium term.

Currently, the net worth of Prisa (parent company) is more than two thirds of the share capital, which means that it is in a situation of equity equilibrium.

^{(18):} This is the 1, 3 or 6-month Euribor, depending on the interest settlement window chosen by the Company at each maturity. In other words, the Company periodically chooses the interest payment window according to the previous periods, and based on this, the Euribor for that term and for that interest settlement is applied. A new interest payment window would then start as described above.

Future payment commitments

The table below shows Prisa's obligations under firm contractual agreements as at 31 December 2021 excluding the Company's debt and interest thereon as detailed below:

				Yea	rs		
	Total	2022	2023	2024	2025	2026	2027 onwards
MATURITY OF THE DEBT			Unaudite	ed (thousan	ds of €)		
Bank borrowing ⁽¹⁾ Cash interest obligations in respect of	21,785	8,127	5,847	3,956	3,783	37	35
financial debt ⁽²⁾	30,768	6,956	5,953	5,953	5,953	5,953	0
Leases ⁽³⁾	85,387	17,934	12,298	12,298	9,379	9,379	24,099
Future commitments ⁽⁴⁾	83,193	20,127	9,345	7,239	7,241	7,243	31,998
Guarantees ⁽⁵⁾	9,745	1,942					7,803
Other liabilities ⁽⁶⁾	17,685	9,950	1,617	1401	1,261	983	2,473
Total	248,563	65,036 ⁽⁷⁾	35,060	30,847	27,616	23,595	66,408

(1): Includes the maturities of the debt with credit institutions of the Santillana and Media businesses at 31 December 2021.

(2): They represent an estimate of future cash interest payments from the Santillana and Media businesses based on prevailing interest rates in 2022, i.e., expected cash outflows in each year on that basis for the remuneration of loans and credit policies drawn down (excluding balances outstanding at closing date). Cash interest obligations include the remuneration of credit facilities which are usually drawn down and repaid during the same period, so that at the end of each year there is no balance outstanding or drawn down, which means that there is no cash variation in that period for that concept. However, if there is a negative cash variation due to the payment of interest associated with the period in which these policies have been available, which is what is reflected in this line.

(3): Includes minimum lease payments derived from various assets and services used by Prisa. The most important are the buildings in Gran Vía, 32 (Madrid), Miguel Yuste (Madrid), Caspe (Barcelona), Santillana's warehouses and offices in Mexico and Brazil and the vehicles of the management staff.

(4): They represent an estimate of the Group's contractual commitments with Axion for the use of radio frequencies until 2031, with Microsoft for the use of its licences until 2023 and with Indra Sistemas, S.A. for the provision of services until 2022.

(5): Guarantees with an unspecified maturity date are included in the maturity window "2027 onwards".

(6): Includes long-term provisions for taxes corresponding to the estimated amount of tax liabilities arising from inspections carried out at various Prisa companies, which were in progress at 31 December 2021. As the maturity date of these obligations is undetermined, this amount is included in the maturity tranche of "2027 onwards". It also includes the provision for employment regularisation processes, which are expected to be implemented in the coming years.

(7): Of this amount, approximately EUR 34 million had fallen due by 30 June 2022 and has been duly paid.

In addition, in May 2022 and as a result of the purchase of 20% of Prisa Radio from Godó Group (see section 5.3 of the Registration Document), the Group acquired a commitment to pay, in May 2023, EUR 15,000 thousand corresponding to the amount pending payment of the aforementioned transaction.

The table below shows the Company's obligations as at 30 June 2022 arising from the 2022 Refinancing agreement:

				Yea	rs		
DEBT AND INTEREST ARISING FROM THE 2022 REFINANCING	Total	2022	2023	2024 d (thousand	2025	2026	2027 onwards
				u (tilousaliu	,		
Bank borrowing ⁽¹⁾ Cash interest obligations in	977,533	0	0	0	0	735,105	242,428
respect of financial debt ⁽²⁾	284,889	23,258	70,235	76,567	76,299	38,530	0
Total	1,262,422	23,258	70,235	76,567	76,299	773,635	242,428

(1): Includes maturities of gross (nominal) debt. Includes payment in kind (PIK) on junior debt, i.e. interest that accrues and capitalises over the life of the loan and is not payable until the maturity of the loan. For this reason, the total debt with credit institutions in this table does not coincide with the Group's total debt at 30 June 2022.

(2): They represent an estimate of future cash interest payments based on the forward curve as at 28 September 2022, which assumes that from April 2023 onwards the 6-month Euribor would be above 3%, and based on current debt levels and principal maturity schedule. Semi-annual interest payments are due in April and October of each year.

Notwithstanding the foregoing, as indicated above, it is noted that, between October and November 2022, the Company has drawn down the entire outstanding credit facility of EUR 80,000 thousand of the Super Senior Debt (see section 8.1(B) of the Registration Document).

Liquidity risk management

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 Super Senior debt to meet operational needs and other Group companies have credit facilities for the same purpose.

The following table details the liquidity analysis of the Prisa Group at 30 June 2022, for its debt with credit institutions, which accounts for almost all non-derivative financial liabilities. The table has been compiled on the basis of cash outflows undiscounted from expected contractual maturities. The flows include both the expected repayments and interest payments. Where such settlement is not fixed, the amount has been determined by considering the forward Euribor curve at 28 September 2022 which assumed that, as of April 2023, the 6-month Euribor would be above 3%, current debt levels and the debt repayment schedule (on the basis that interest payments are made semi-annually in April and October). The calculation of the flows has been made taking into account that the Company currently has an interest rate hedge that limits the impact of any rise in Euribor above 2.25% on a nominal amount of EUR 150 million.

	30/06/2022	
MATURITIES OF DEBT WITH CREDIT INSTITUTIONS	Unaudited (thousands of €)	Floating euro rates
Within 3 months	0	2.07%
From 3 to 6 months	23,258	2.07%
From 1 to 3 years	146,802	3.20%
From 3 to 5 years ⁽¹⁾	1,092,362	3.06%
Total	1,262,422	

(1): Includes payment in kind (PIK) accrued on Junior syndicated debt, i.e. interest that accrues and is capitalised over the life of the loan and is not payable until the maturity of the loan.

The Group's main financial liabilities are the syndicated loan (Junior and Senior) and the Super Senior Debt, which are linked to the Euribor. Therefore, an increase in the Euribor would have a direct impact on the interest paid, and the impact would be calculated by multiplying this increase by the nominal amount of the syndicated loan and the Super Senior Debt (see risk factor no. 3).

Guarantees and collateral

At 30 June 2022 and 31 December 2021, the Prisa Group had provided personal guarantees (including counter-guarantees) amounting to EUR 7,803 thousand and EUR 9,745 thousand, respectively.

8.2. Sources and amounts of the issuer's cash flows

Prisa's sources and flows of cash are closely linked to the structure and nature of the revenues and costs that make up its income statement.

- Regarding the origin of funds, the main revenue lines (source) are:
 - *Advertising*: payments from advertising insertions in the Group's various media. The average collection period is around 90 days, except for programmatic advertising which is charged at 30 days.
 - Books: collections from institutional sales, schools, bookshops and other direct sales outlets, as well as
 those derived from education system models. The collection period is variable and is set out in the
 different sales contracts. In the case of income from the education system models, collection takes place
 either in full at the beginning of the school year or in instalments over the course of the school year.
 - *Circulation*: collections from sales of newspapers and periodicals and from subscriptions. The collection of sales of newspapers and magazines takes place in the month in which the sales are made and the collection of subscriptions at the time of subscription or according to the duration of the contract.
 - *Other income*: collections related to music sales, event organisation and management, e-commerce sales and internet services.
 - *Divestment proceeds*: divestments made in non-strategic assets, the proceeds of which were basically used to pay off part of the Group's financial debt.

- *Flows from financing activities*: from capital increases, execution of warrants or obtaining new liquidity facilities.
- Regarding payments, the main items are:
 - *Payments for the purchase of paper and other raw materials*: paper procurement for the production of the Group's books and newspapers.
 - *Staff payments*: payment of the remuneration of the Group's staff.
 - Commercial payments: payment for services contracted by the Group. The main services include:
 - Advertising and promotion.
 - Independent professional services: partners, auditors, lawyers, consultants, etc.
 - o Transport.
 - *Structure payments*: rents, supplies, general services, advertising commissions, royalties, etc.
 - *Financial liabilities*: remuneration related to existing bank loans and other sources of financing, which are settled in accordance with the terms of the contracts entered into.
 - *Investment payments*: operational investments to ensure the correct development of the Group's various activities.

Prisa's consolidated cash flow statements for the financial years 2021, 2020 and 2019 as well as Prisa's consolidated cash flow statements for the first half of the 2022 financial year are included in sections 18.1.1 and 18.2.1 of the Registration Document.

The main changes in the Prisa Group's cash flows during the period covered by the historical financial information (2021, 2020 and 2019), as well as during the first half of the 2022 financial year, are shown below.

First half of 2022

The net balance of cash flows in the first half of 2022 was negative EUR 43,190 thousand. In the first half of 2022, operating activities generated EUR 37,242 thousand, while investing and financing activities consumed EUR 22,330 thousand and EUR 66,460 thousand, respectively. The exchange rate effect was positive and contributed EUR 8,358 thousand of cash.

The most significant variations are detailed below:

- The most significant movements in cash flows from operating activities correspond to the collection of advertising for the last quarter of 2021 in Media and part of the 2021 South Campaigns in Santillana, as well as the collection of advertising for the first months of 2022 and a large part of the 2022 North Campaign in Santillana, which is higher than the payment of taxes (EUR 9,022 thousand), termination benefits (EUR 12,337 thousand) and current expenses for the first half of 2022, generating a cash flow from operating activities of EUR 37,022 thousand.
- The most important movements in cash flows derived from investing activities correspond, fundamentally, to the investments made by Santillana in digital developments and learning systems (EUR 2,116 thousand) and prototypes (EUR 12,903 thousand), as well as the investments of both Media and Santillana in equipment for information processes (EUR 964 thousand) and computer applications (EUR 4,862 thousand) amounting to EUR 22,324 thousand.
- The most significant cash flow movements from financing activities relate to: (i) the payment of part of the purchase of 20% of Prisa Radio from Godó Group in the amount of EUR 30,000 thousand; (ii) the payment of EUR 23,676 thousand of interest; (iii) the payment of EUR 11,979 thousand associated with lease liabilities; (iv) the payment of EUR 9,336 thousand of costs of the 2022 Refinancing; and (v) the disposal of EUR 13,557 thousand of debt.

2021

The net balance of cash flows in 2021 was negative EUR 53,207 thousand. In 2021, operating activities generated EUR 78,663 thousand, while investing and financing activities consumed EUR 47,719 thousand

and EUR 86,522 thousand, respectively. The exchange rate effect was positive and contributed EUR 2,371 thousand of cash.

The most significant variations are detailed below:

- The most significant movements in cash flows from operating activities corresponded to the collection of advertising sold until the last quarter of 2021 in Media and that of the last quarter of 2020, of the entire Santillana North Campaign and a large part of the South Campaign, as well as the collection of VAT assessments amounting to EUR 8,300 thousand, which is higher than the payment of current costs, termination benefits (EUR 30,348 thousand) and taxes (EUR 13,219 thousand), which generated a cash flow from operating activities of EUR 78,663 thousand.
- The most important movements in cash flows derived from investing activities corresponded, fundamentally, to the investments made by Santillana in digital developments and learning systems (EUR 5,908 thousand) and prototypes (EUR 21,856 thousand), as well as the investments of both Media and Santillana in equipment for information processes (EUR 2,414 thousand) and computer applications (EUR 11,667 thousand) amounting to EUR 45,268 thousand. Additionally, in 2021, EUR 9,469 thousand of costs associated with the sale of Santillana España were paid in December 2020 and EUR 5,156 thousand of asset sales and EUR 1,828 thousand of dividends were collected.
- The most significant cash flow movements from financing activities related to: (i) the payment of EUR 36,127 thousand of interest; (ii) the payment of EUR 46,926 thousand associated with lease liabilities. This payment includes EUR 20,572 thousand of extraordinary fee for the renegotiation of the rental contracts of the Miguel Yuste (Madrid), Gran Vía (Madrid) and Caspe (Barcelona) offices; (iii) the payment of EUR 4,800 thousand of costs of the 2020 Refinancing; and (iv) the disposal of EUR 7,716 thousand of debt.

2020

The net balance of cash flows in 2020 was positive EUR 55,299 thousand. In 2020, operating activities generated EUR 54,158 thousand, investing activities generated EUR 425,859 thousand, while financing activities consumed EUR 437,652 thousand. The exchange rate effect was negative and consumed EUR 12,453 thousand of cash and discontinued operations generated EUR 25,387 thousand.

The most significant variations are detailed below:

- The most significant movements in cash flows from operating activities corresponded to the collection of advertising sold until the last quarter of 2020 in Media and that of the last quarter of 2019, of the entire Santillana North Campaign and a large part of the 2019 South Campaign, as well as EUR 22 million from the 2019 institutional sale of Brazil, which is higher than the payment of current costs, termination benefits (EUR 8,361 thousand) and taxes (EUR 17,849 thousand), which generated cash flow from operating activities of EUR 54,158 thousand.
- The most important movements in cash flows derived from investing activities corresponded, fundamentally, to the investments made by Santillana in digital developments and learning systems (EUR 8,655 thousand) and prototypes (EUR 19,548 thousand), as well as the investments of both Media and Santillana in equipment for information processes (EUR 2,548 thousand) and computer applications (EUR 11,099 thousand) amounting to EUR 45,411 thousand. In addition, in 2020, EUR 411,206 thousand net of costs were collected from the sale of Santillana España and EUR 40,029 thousand net of costs from the sale of 94.69% of Media Capital. In addition, EUR 10,922 thousand of dividends were collected.
- The most significant cash flow movements from financing activities related to: (i) the payment of EUR 61,170 thousand of interest; (ii) the payment of EUR 27,133 thousand associated with lease liabilities; (iii) the payment of EUR 9,846 thousand of costs of the 2020 Refinancing; (iv) the repayment of EUR 417,000 thousand of debt with the proceeds from the sale of Media Capital and Santillana España and the disposal of EUR 80,000 thousand of the Super Senior policy.
- The change in cash flows from discontinued operations of EUR 25,387 thousand includes the cash generated by Media Capital and Santillana España up to the time of their sale.

2019

The net balance of cash flows in 2019 was positive EUR 39,201 thousand. In 2019, operating activities generated EUR 70,021 thousand, while investing activities consumed EUR 368,981 thousand and financing activities generated EUR 131,203 thousand. Discontinued operations generated EUR 39,201 thousand.

The most significant variations are detailed below:

- The most significant movements in cash flows from operating activities corresponded to the collection of advertising sold up to the last quarter of 2019 in Media and that of the last quarter of 2018, of the entire Santillana North Campaign and part of the 2019 South Campaign (with EUR 22 million pending collection from the institutional sale of Brazil for 2020), which is higher than the payment of current costs, termination benefits (EUR 12,634 thousand), taxes (EUR 25,013 thousand) and the extraordinary payment of the unfavourable ruling in the Mediapro dispute amounting to EUR 51,000 thousand, which generated a cash flow from operating activities of EUR 70,021 thousand.
- The most important movements in cash flows derived from investing activities corresponded, fundamentally, to the investments made by Santillana in digital developments and learning systems (EUR 8,255 thousand) and prototypes (EUR 29,458 thousand), as well as the investments of both Media and Santillana in equipment for information processes (EUR 2,743 thousand) and computer applications (EUR 14,210 thousand) amounting to EUR 61,571 thousand. Additionally, in 2019, EUR 313,194 thousand were paid for the purchase of 25% of Santillana and EUR 36,131 thousand for the acquisition of the 6.11% stake in Prisa Radio held by 3i Group plc. In addition, in 2019, EUR 7,964 thousand net of costs were collected in relation to the escrow contract signed with Cofina associated with the sale of Media Capital, EUR 17,148 thousand associated with the sale of assets and a deposit of EUR 15,000 thousand was executed to cover the payment of the unfavourable ruling in the dispute with Mediapro.
- The most significant cash flow movements from financing activities related to: (i) the inflow of funds derived from a capital increase in the amount of 192,304 net of costs; (ii) the payment of EUR 54,592 thousand of interest; (iii) the payment of EUR 28,965 thousand associated with lease liabilities; (iv) the payment of EUR 2,305 thousand of costs of the 2018 Refinancing; (v) the payment of EUR 38,812 thousand of dividends to the minority shareholders of Radio and Santillana; (vi) the provision of EUR 71,500 thousand of debt to meet the payment of the unfavourable ruling in the Mediapro dispute and the acquisition of 6.11% of Prisa Radio, described above.
- The change in cash flows from discontinued operations of EUR 39,201 thousand includes the cash generated by Media Capital and Santillana España.

8.3. Information regarding the borrowing requirements and the funding structure of the issuer.

The financing structure of Prisa is described in section 8.1.(B) of the Registration Document.

Financing contracts contain three types of obligations, which are common in this type of contract: (i) financial obligations; (ii) reporting obligations; and (iii) general obligations.

(i) Obligations of a financial nature

The contracts associated with the Junior and Senior syndicated debt and the Super Senior Debt include the obligation to comply with three financial ratios:

- Consolidated Net Financial Debt (including IFRS 16 liabilities) over consolidated EBITDA. The above figures are adjusted for amounts attributable to minority shareholders, and in the case of EBITDA for other adjustments set out in the contracts.
- Maintenance of a minimum level of liquidity in Spanish cash pooling perimeter companies.
- Hedging of interest and principal payments on the financial debt associated with the 2022 Refinancing, so that the Group's cash flow is sufficient to meet the payment of these commitments.

The financial ratios required for the coming years under the contracts associated with the Junior and Senior Syndicated Debt and the Super Senior Debt are as follows:

Ratio of consolidated net financial debt/consolidated EBITDA(***) shall	31 December 2023: 7.71
not exceed(*):	31 March 2024: 7.00
	30 June 2024: 7.24
	30 September 2024: 6.83
	31 December 2024: 6.09
	31 March 2025: 5.61
	30 June 2025: 6.3
	30 September 2025: 5.97
	31 December 2025: 5.38
Minimum liquidity level (cash pooling) of not less than(**):	31 December 2022: EUR 80 million
	31 March 2023: EUR 60 million
	30 June 2023: EUR 40 million
	30 September 2023: EUR 40 million
Group cash flow change (excluding the amount in the denominator from this	From 31 December 2023: 1.00
cash flow change)(***)/ Interest and principal payments on the financial debt	
associated with the 2022 Refinancing(***) shall not be less than(*):	

(*): Definitions agreed in the 2022 Refinancing contracts, which differ from the definitions used by the Company in the development of the

alternative performance measures included in Appendix I of the Registration Document ("Glossary of alternative performance measures").

(**): The minimum liquidity level will be increased by the undrawn amount of the Super Senior Debt.
 (***): Amounts referring to the 12-month period prior to the measurement date of the financial ratio.

Compliance with these ratios is assessed on a quarterly basis (if applicable, according to the schedule foreseen in the respective contracts) by sending a certificate of compliance to the agent entity, in its capacity as agent for the financial debt associated with the 2022 Refinancing, signed by Prisa's CFO. Annually, the certificate incorporates a report prepared by the Company's auditors.

A breach of the above financial ratios would result in the occurrence of an early maturity event of the bank debt included in the framework of the 2022 Refinancing which could result in the financial debt becoming immediately due and payable (see risk factor no. 2 and section 8.1(B) of the Registration Document). As at the date of the Registration Document, Prisa considers that it complies with the above ratios.

(ii) Reporting obligations

Financing contracts incorporate information obligations that are customary in this type of contract, including the following:

- Consolidated quarterly interim financial information of the Company, certified by Prisa's chief financial officer and accompanied by a statement from the chief executive officer comparing the information for the reporting period against budget and the same period of the previous year.
- Monthly consolidated financial information of the Company in terms of cash flow, net indebtedness, cash flow statement and income statement.
- In the case of annual reporting, the audited financial statements of the Group, guarantors and other subsidiaries set out in the financing agreements, as well as a certification by the chief financial officer of each company that such information gives a true and fair view of its financial position and operations as at that date, shall be included.
- Certificates of compliance with financial ratios on a quarterly basis, as described above, including representation that the Company is not in default.
- Annual and monthly budget with forecasts of results and cash flows, working capital, investment in fixed capital, among other aspects for the Prisa Group.
- Presentation to lenders of the results and progress of business 30 days after the Group's annual financial statements are disclosed to the market.
- Annual confirmation that the guarantor subsidiaries account for more than 85% of consolidated EBITDA and net assets (according to the methodology defined in the contracts) and of the material subsidiaries for the purpose of the contracts.
- Sustainability report.

(iii) General obligations

In addition, Prisa and the obligors have assumed a number of obligations (both to do and not to do) that are customary in this type of financing agreement, including the obligation not to create or allow any security interest or charge to be created over its property or assets, except for legal charges or certain permitted guarantees, the obligation not to incur indebtedness or grant loans, credits, personal guarantees or any type of financing in favour of third parties (except as expressly permitted in the contract) or prohibitions on the incorporation and acquisition of companies, shares, businesses or assets and sales of assets, except as permitted.

Likewise, Prisa and the obligors have assumed certain obligations related to the management of the Group, including the obligation to have their consolidated financial statements audited annually by a firm of recognised prestige, not to vary their accounting criteria and practices unless required by applicable regulations, to carry out transactions between Group companies on an arm's length basis, comply with applicable regulations, maintain and retain any relevant licences, permits or authorisations necessary for the conduct of its business, keep its business and assets insured, not agree to a material change in the nature or scope of its business, and not pay dividends, except in the case of permitted distributions, as described in section 18.5 of this Registration Document.

8.4. Information regarding any restrictions on the use of capital resources which, directly or indirectly, have materially affected or may materially affect the issuer's operations.

As described in sections 8.1.(B) of the Registration Document, the financing agreements entered into by Prisa, as is customary in this type of agreement, contain limitations, except in expressly permitted cases, on the Group's capacity for additional indebtedness and on the granting of financing to Group entities outside the scope of the guarantors of the financing agreements, as well as on the capacity to make new acquisitions or divestments. Similarly, the aforementioned contracts provide for the obligation to allocate a relevant variable portion of the net proceeds from permitted asset disposals to debt repayment and to comply with certain financial ratios (see section 8.3 of the Registration Document).

8.5. Information concerning the expected sources of the funds necessary to meet the commitments mentioned in section 5.7.2.

In general, Prisa expects to finance current and future investments with the resources it has available at any given time, except for specific resources that may be necessary, where appropriate, in relation to activities outside the ordinary course of the Group's business.

9. REGULATORY FRAMEWORK

9.1. Regulatory framework in which the issuer operates and which may materially affect its business, together with information on any administrative, economic, fiscal, monetary or political actions or factors which, directly or indirectly, have materially affected or may materially affect the issuer's operations.

(i) Introduction

Prisa's businesses, activities and investments in the fields of education, audiovisual, radio and press are subject to various laws, decrees, regulations, rules and procedures in Spain and in the other countries in which Prisa operates. The following is a summary of the substantive laws, decrees, rules, regulations, procedures and authorisations to which Prisa's business, activities and investments are currently subject. These summaries are not intended to be exhaustive and should be read in conjunction with the full texts of the relevant laws, decrees, rules, regulations, procedures and authorisations described therein. In addition, these laws and regulations are subject to change and, in some cases, new interpretations, all of which could substantially alter the following.

(ii) Legal regime for radio services

1. Radio services in Spain:

Radio broadcasting in Spain is mainly carried out by SER and its Spanish subsidiaries and investees, which are subject to the General Audiovisual Communication Law and the various regional decrees that implement it and which are applicable when broadcasting is carried out in their territorial area of coverage.

The General Law on Audiovisual Communication regulates public and private audiovisual communication services, television and radio in Spain, establishing a basic common framework currently applicable to all of them regardless of the form of transmission and the technology used (terrestrial broadcasting, cable, satellite, etc.). The new regulatory framework replaces the existing legislation until 2010 (the "**previous legislation**") on television and radio and content regulations, including, inter alia, Law 10/1988 of 3 May on Private Television, Law 66/1997 of 30 December, Law 7/2009 of 3 July, Law 37/1995 of 12 December, Law 25/1994 of 12 July, Law 21/1997 of 3 July and Law 31/1987 of 18 December.

Under the previous legislation, the provision of broadcasting services by private individuals was considered a "public service" and required an administrative concession to be obtained beforehand. Concessions were awarded by public tender and had a term of 10 years. This period could be extended at the request of the holders, for successive periods of the same duration.

With the General Law on Audiovisual Communication, radio broadcasting services are now considered radio audiovisual communication services and their nature is that of "services of general interest" which are provided in the exercise of editorial responsibility in accordance with the principles of Title I and under the protection of constitutional rights; these services are subject to obtaining a licence, but not to an administrative concession. The concessions of the companies integrated in Prisa Radio were transformed between 2010 and 2012 into licences for the provision of an audiovisual radio communication service. The term of the licences is 15 years from the date of conversion, automatically extendable for successive 15-year periods provided that the conditions laid down in the General Law on Audiovisual Communication are met.

Restrictions on the control of broadcasting licences

As indicated above, it is necessary to have an administrative licence granting the right to broadcast and operate in the radio audiovisual communication market. The VHF FM sound broadcasting frequencies on which administrative broadcasting licences are granted in Spain are basically those listed in *Royal Decree* 964/2006, of 1 September 2006, approving the National Technical Plan for VHF FM radio broadcasting (the "**Technical Plan for FMs 2006**") and in *Royal Decree* 765/1993, of 21 May 1993 approving the National Technical Plan for Medium Wave (MF) Sound Broadcasting (together with the 2006 FM Technical Plan, the "**Technical Plans**").

The Technical Plans plan the frequency bands in such a way that the signal from all stations are radioelectrically compatible without interference or disturbance between them. With the approval of the 2006 Technical Plan for FMs, it is not possible to speak of spectrum saturation, but rather of spectrum congestion in certain towns or places, a situation that is sometimes aggravated, mainly due to the existence of illegal stations operating without a licence, making it unlikely that the 2006 Technical Plan for FMs will be extended to accommodate more administrative licences to operate in the same service or coverage area.

The only way to expand the radio spectrum would be through its digitisation, and the approval of a technical plan for the integral digitisation of the terrestrial radio broadcasting service, which was foreseen in the previous legislation, and which the current General Law on Audiovisual Communication has not contemplated.

The main consequences of digitisation would be the purging of the spectrum of the presence of illegal broadcasters operating without a licence, and the possibility of expanding the range of audiovisual projects, since the new DAB+ technological standard present in some European countries can triple the broadcasting capacity of each of the multiplex frequency channels.

In accordance with the General Law on Audiovisual Communication, a single natural or legal person may not acquire shareholdings or voice rights that would allow it to directly or indirectly control more than 50% of the administrative licences to provide terrestrial radio broadcasting services that coincide in their area of coverage, with a maximum limit of five licences in the same area of coverage. In a single autonomous community, no natural or legal person may acquire holdings or voice rights that give them direct or indirect control of more than 40% of the existing licences in areas where only one licence is covered.

No natural or legal person may acquire holdings or voting rights that would give them direct or indirect control of more than one third of all administrative licences for the terrestrial radio broadcasting service with total or partial coverage over the whole of Spanish territory. In order to limit the number of licences that can be controlled at the same time, broadcasting stations directly managed by public entities are not counted when counting these limits.

All these limits shall apply separately to digital and analogue broadcasting licences. For the purposes of calculating these limits, the concept of "control" shall have the meaning set out in Article 42 of the Commercial Code.

Restrictions on ownership, transfer of shareholdings and transfer of licences

Under the previous legislation, broadcasting concessions could be obtained either directly by awarding them in competitions held for this purpose or by purchasing them from their holder, subject to administrative authorisation. Any change in the ownership of shares in companies holding radio concessions had to be authorised by the competent authority.

In accordance with the General Law on Audiovisual Communication, broadcasting licences may be transmitted and leased subject to certain conditions laid down in that law and with the prior authorisation of the competent authority, at state or regional level. The conclusion of these legal transactions shall be subject, in all cases, to the payment of a fee to be determined by the Government for State licences, or by the Autonomous Communities in all other cases. Furthermore, there are no restrictions on the transfer of shares or holdings of licensees (except in certain circumstances as explained in the following paragraph).

Holders of significant shareholdings in an audiovisual media service provider, such as broadcasters, must be registered in the State Register of Audiovisual Media Service Providers.

As far as foreign investments are concerned, according to the General Law on Audiovisual Communication, natural or legal persons who are nationals of countries that are not members of the European Economic Area (the "**EEA**") may only acquire equity or voting rights in holders of an audiovisual media service licence, such as broadcasters, in accordance with the principle of reciprocity. Under this principle, a natural or legal person who is a national of a non-EEA country may hold a percentage interest in the share capital of a terrestrial broadcasting service licensee in Spain which is equal to or less than the percentage interest which a Spanish person may hold in the capital of a terrestrial broadcasting service licensee in the non-EEA country concerned.

The General Law on Audiovisual Communication also includes a ceiling on direct or indirect ownership by a natural or legal person who is a national of a non-EEA member state. Individual shareholdings may not exceed, directly or indirectly, 25% of the share capital. In addition, the aggregate of the holdings in the same legal person of several natural or legal persons who are nationals of non-EEA countries must be less than 50% of the share capital.

Penalty regime

The penalty regime applicable to the provision of terrestrial television services is contained in Articles 154 et seq. of the General Law on Audiovisual Communication. Infringements are graded according to their seriousness and the penalties applicable are determined on a case-by-case basis. In particular, penalties for providers of audiovisual radio communication services range from a fine of up to EUR 50,000 for minor infringements, EUR 100,000 for serious infringements and up to EUR 200,000 and revocation of the licence for very serious infringements.

2. Radio Services in Colombia:

The radio activity in Colombia is carried out mainly through the company Caracol Primera Cadena Radial Colombiana, S.A. (Caracol, S.A.) and its Colombian subsidiaries and investees. In 1999, Prisa becomes a minority shareholder in Caracol, S.A. (19%) and in 2003 Prisa acquired controlling interest in Caracol, S.A. (77%) which it currently holds.

Radio broadcasting in Colombia is a public service, under the responsibility and ownership of the State, aimed at satisfying the telecommunications needs of the inhabitants of the national territory and whose broadcasts are intended to be received by the general public. In this respect, the provision of the public radio broadcasting service requires a concession licence (in the case of community and public interest broadcasters) or concession contract (in the case of commercial broadcasters), which include the spectrum use permit, granted by the Ministry of Information and Communication Technologies (the "**MINTIC**").

Concessions are granted by the MINTIC by means of a concession contract following an objective selection procedure and subject to the "National Technical Plan" (technology, coverage, power, etc.). The concession is granted for periods of 10 years, which may be extended indefinitely (subject to minimum requirements) for equal periods. There are no automatic or free extensions.

The rights, guarantees and duties provided for in the Political Constitution of the Republic of Colombia (1991); Law 80 of 1993; Law 1098 of 2006; Law 1150 of 2007; Law 1341 of 2009, as amended by Law 1978 of 2019, which defines principles and concepts on the information society and the organisation of Information and Communications Technologies (ICT), creates the National Spectrum Agency and establishes other provisions, are applicable to the sound broadcasting service; Law 1978 of 2019, which modernises the Information and Communications Technologies (ICT) sector, distributes competences, creates a single regulator and establishes other provisions; the Regulations of the Public Service of Sound Broadcasting (MINTIC Resolution 2614 of 2022) and the national technical plans for sound broadcasting that integrate the General Plan for Sound Broadcasting.

Infringements and penalties

The sanctioning regime applicable to the provision of sound broadcasting services is provided for in Articles 63 and following of Law 1341 of 2009. Without prejudice to the criminal or civil liability that the offender may incur, the natural or legal person who incurs in any of the infringements shall be sanctioned, in addition to the order to immediately cease the conduct that is contrary to the provisions set forth in the applicable rules, with: (i) reprimand; (ii) fine of up to the equivalent of 2,000 legal monthly minimum wages for natural persons; (iii) fine of up to the equivalent of 15,000 legal monthly minimum wages for legal persons; (iv) suspension of operation to the public for up to two months; or (v) termination of the contract or cancellation of the licence, authorisation or permit.

3. Radio services in Chile:

Broadcasting activity in Chile is carried out through different commercial companies that are subject to the General Telecommunications Law (the "**LGT**"), law 18.168 issued on October 2, 1982. This law has a general character for the whole territory of the Republic of Chile and regulates public and private telecommunications services subject to the concession regime of open radio and television frequencies granted by the State, without prejudice that the latter has a special law that regulates it.

According to the LGT, radio stations operate under the regime of concessions granted by the State after a public tender and have a term of 25 years. At the end of their term of validity, concessions enter a public tender process in which the current concession holder has a preferential right to be awarded the concession, which consists in the fact that if the current concession holder obtains a score equal to the rest of the applicants in the tender, the concession or frequency will be awarded directly. In turn, there is a Broadcasting Regulation contained in Decree 126 issued on 19 February 1998, which regulates in more detail the regime of the radio broadcasting service, whose transmissions are intended for free and direct reception by the general public, with respect to the granting, renewal, commissioning, modification, transfer, provisional authorisation of modification, termination and expiry of concessions.

4. Radio services in Mexico:

Radio activity in Mexico is carried out through Sistema Radiópolis, S.A. de C.V. and its subsidiaries (Radiópolis), and is regulated by the Federal Telecommunications and Broadcasting Law, published in the Official Gazette of the Federation on 14 July 2014 (the "**Federal Telecommunications Law**").

The Federal Telecommunications Law aims to regulate in Mexico, among others, the use, development and exploitation of the radio spectrum (the space used to provide telecommunications and broadcasting services), public telecommunications networks, the provision of public telecommunications and broadcasting services of general interest, fixed and mobile telephony, restricted and free-to-air television services and content, and the convergence between these. Likewise, the Federal Telecommunications Law provides for the rights of users and audiences, and the process of competition and free concurrence in these sectors so that they contribute to the purposes and exercise of the rights established in the Mexican Constitution.

The Federal Telecommunications Law, among other matters, sets out that broadcasting is a public service of general interest and that at all times the State will maintain control over the radio spectrum, and may allow the use, development and exploitation of the radio spectrum by granting concessions to private parties. There are four types of concessions: (i) commercial use; (ii) public use; (iii) private use; and (iv) social use.

Granting of concessions

The authority in charge of granting these concessions is the Federal Telecommunications Institute (the "**IFT**"). Concessions are granted to individuals or companies of Mexican nationality, through a public bidding procedure and the payment of a fee set by the Ministry of Finance and Public Credit. The IFT is the competition authority for the broadcasting and telecommunications sectors.

The participation of foreign investment in concession companies is allowed under the terms of the Foreign Investment Law ("**LIE**"), which provides for a maximum percentage of 49% foreign participation in the broadcasting sector; within this maximum foreign investment, reciprocity in the country where the investor is incorporated will be taken into account. The LIE establishes the possibility of having a neutral investment, defined as an investment that is not computed to determine the percentage of foreign investment in the share capital of Mexican companies.

Radiópolis has 17 concession titles for the use, exploitation and exploitation of radio spectrum frequency bands for commercial use. This type of concession is granted by the IFT for a period of up to 20 years and may be extended for equal periods.

Concessions for commercial use may be assigned to third parties with the prior authorisation of the IFT, provided that a period of 3 years has elapsed since the concession was granted. In addition, authorisation from the IFT is required to lease concessioned frequency bands for commercial use.

State Time

Commercial concessionaires are obliged to make daily free broadcasts in favour of the State on each station for up to 30 continuous or discontinuous minutes, dedicated to educational, cultural and social interest issues. These transmission times are administered by the Ministry of the Interior.

Transfer of shares

In any case of subscription or disposal of shares, representing 10% or more of the amount of the concessionaire's share capital, authorisation from the IFT is required. IFT's authorisation is not required in the case of mergers, spin-offs or corporate restructurings, provided that the changes in shareholding are within the same controlling group.

Sanctions regime

Violations of the Federal Telecommunications Law are sanctioned by the IFT with fines ranging from 0.01% to 10% of the concessionaire's revenues, depending on the infraction committed by the concessionaire. In the event of a repeat offence, the IFT may impose a fine of up to double the above amounts.

(iii) Legal regime for the marketing of advertising in Spain Marketing of advertising

The advertising sales activity of all the media of the various companies of Prisa Group in Spain is carried out mainly (i) through Prisa Media, and (ii) by SER and its Spanish subsidiaries and investees; all of them subject to the *General Advertising Law 34/1988 of November 11* (the "**General Advertising Law**"); *Law 34/2002 on Information Society Services and Electronic Commerce of 11 July* (the "**LSSI**"); and the regulations of the Association for the Self-Regulation of Commercial Communication ("Autocontrol").

General advertising legislation

The General Law on Advertising imposes a ban on unlawful, subliminal advertising and advertising of certain goods, establishing actions in the event of non-compliance with such activities. Unlawful advertising is understood as advertising that violates the dignity of the person or infringes rights recognised in the Constitution. Advertising aimed at minors that incites them to purchase a good or service, exploiting their inexperience or credulity, or in which they appear to persuade parents or guardians to purchase, subliminal advertising and advertising aimed at the purchase of certain products whose advertising is regulated by particular regulations (e.g. health products, alcoholic beverages, gambling, etc.) is also unlawful. Misleading, unfair and aggressive advertising, which constitute acts of unfair competition in accordance with *Law 3/1991 of 10 January on Unfair Competition* is also considered unlawful.

These rules apply to advertising in traditional media, such as print and radio, as well as to new technologies.

Internet advertising

In addition to the General Advertising Law, Prisa Group companies that market advertising in Spain comply with the provisions set out in the LSSI, following its amendment by Royal Decree-Law 13/2012 of 30 March, which affects the wording of article 22 relating to the revocation of consent to receive commercial communications and installing cookies on users' devices.

In this regard, information society service providers must obtain the user's consent, under the terms and with the guarantees laid down in Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016, General Data Protection, applicable since 25 May 2018, and *Organic Law 3/2108, of 5 December, on the Protection of Personal Data and guarantee of digital rights*, in force since 7 December 2018.

Self-regulatory codes

Likewise, the companies of the Prisa Group are members of Autocontrol, and therefore the Autocontrol Code of Advertising Conduct, based on the International Code of Advertising Practices of the International Chamber of Commerce, as well as the sectoral codes of conduct published by Autocontrol (<u>link</u>).

(iv) Legal status of the press in Spain

The main activity of the press business division is the operation of all types of press media through the companies that publish the Group's print and digital media titles; in particular, Ediciones El País, S.L., Diario As, S.L., Diario Cinco Días, S.A.U. and Espacio Digital Editorial, S.L.U., publishers, respectively, of the print and digital editions of El País and As, the print edition of Cinco Días, and the digital edition of the Huffington Post in Spanish.

At present, and within the framework of the fundamental right set out in Article 20 of the Spanish Constitution, regulations originally aimed at the print media coexist with regulations applicable to the digital environment where they actively carry out their activity, as a result of the digital transformation of the sector.

In this regard, we find specific legal regulations such as *Law 14/1966 of 18 March on the Press and Printing Press*, partially in force, which regulates, among other matters, the regime of publishing companies and the civil liability of the media; *Organic Law 2/1984 of 26 March, regulating the right of rectification* that both natural and legal persons have recognised against information disseminated by any means of social communication about facts that allude to them, which they consider inaccurate and the disclosure of which may cause them harm, and *Organic Law 2/1997 of 19 June, regulating the conscience clause of information professionals*, which aims to guarantee independence in the performance of their professional duties. Of lesser regulatory rank, we can also highlight *Decree 744/1967, of 13 April, approving the revised text of the Statute of the Profession of Journalism*.

In the digital sphere, the press media are also subject to the LSSI applicable to the identification and maintenance of electronic information services, cookies and the area of e-commerce, privacy, etc. In short, Spanish and European legislation regulating the digital market is applicable to digital editions, insofar as the publishing companies and sole editorial managers of the media are Spanish companies, based in Spain and carrying out their main activity in this territory; they also have correspondents in various countries around the world in order to report on a range of events occurring in those countries.

Finally, the regulations on the protection of honour, privacy and image are applicable to journalistic activity, which sometimes clash with the information published in the media and, in the same respect, the legislation applicable to minors, Intellectual and Industrial Property and Consumers and Users.

(v) Santillana's legal regime for publishing content

Santillana's activity is located in Latin America, focused on pre-K-12 and K-12 business, operationally separated between public and private business, which means that the regulatory framework of the activity differs according to its geographical scope (each country) and its material scope of business (private or public). Each of the Santillana companies established in its respective local area is aware of and adapts to the respective national regulations applicable in the different Latin American countries.

Currently, without prejudice to certain local particularities, public business in general is the one that has a more specific regulation, especially as regards the determination of the curriculum that the books, contents or services to be provided must contain, which is what public entities evaluate in order to grant access to the sale of these educational materials or services.

Also relevant are the conditions set out for participation in public tendering processes which, due to their nature, vary according to the objectives set by the governments of the various countries, although they are similar in nature in terms of the requirements demanded in the public procurement framework in which they are found.

The private business falls within the framework of the general regulation of private business activity in each country, with no special features for Santillana's business.

10. TREND INFORMATION

10.1. Recent significant trends in production, sales and inventory, and in costs and selling prices, as well as significant changes in the group's financial performance, from the end of the last financial year to the date of the registration document.

The most significant trends in relation to the activities and the income and expenses of the Prisa Group from 1 January to 30 June 2022 are set out in section 18.2.1 of the Registration Document. In addition, the most significant trends in relation to the activities and the income and expenses of the Prisa Group in the third quarter of 2022 are set out in the report and results presentation of the Prisa Group dated 25 October 2022 corresponding to the third quarter of 2022.

Pursuant to the provisions of Article 19 of Regulation (EU) 2017/1129, the report and presentation of results of Prisa Group for the third quarter of 2022 are incorporated by reference in the Registration Document and can be consulted on the website of the CNMV (<u>www.cnmv.es</u>) and on the website of Prisa (<u>link</u>).

From 30 September 2022 to the date of the Registration Document, there have been no significant changes in the activities and revenues and expenses of the Prisa Group.

10.2. Known trends, uncertainties, demands, commitments or events that could reasonably be expected to have a material effect on the issuer's prospects.

The main factors that could have an impact on Prisa's prospects are those contained in Section I (*risk factors*) of the Registration Document.

11. PROFIT FORECASTS OR ESTIMATES

11.1. Profit forecasts or estimates by the issuer relating to a period not yet completed

In the Prisa results presentation Q3 2022 and in the January-September 2022 results report, both dated 25 October 2022, which have been incorporated by reference into the Registration Document, as well as in prior period results communications, and in the Capital Markets Day (CMD) presentation which was communicated to the market through the publication on 22 March 2022 of the corresponding "other relevant information" on the CNMV website (<u>www.cnmv.es</u>) with registration number 15106 and on the Company's website (<u>www.prisa.com</u>), the Company has included forecasts (guidance) of certain financial aggregates at the consolidated level for the 2022 and 2025 financial years (unaudited information), which remain current and valid as at the date of the Registration Document, which are reproduced below in accordance with Regulation (EU) 2017/1129.

	Guidance 2022	Guidance 2025
FUTURE INDICATORS (GUIDANCE) OF THE PRISA GROUP	Unaudited (millio	ns of €)
Operating income	770-800	950-1,050
Percentage of revenues by geography (Spain/Latam/USA) (%)		37%/59%/4%
Percentage of digital revenues (%)		52%
Operating expenses		<800
Percentage of fixed costs (%)		56%
Adjusted EBITDA (excl. termin. ben.)		>230
Adjusted EBITDA margin (%)	15%-17%	22%-25%
Expenditure on termination benefits		<10
EBITDA		>220
Working capital		c. 120
Ratio of working capital to operating income (%)		10%-12%
CAPEX		c. 60
CAPEX to operating income ratio (%)		c. 6%
Percentage of digital CAPEX (%)		>33%
Free cash flow Ratio (conversion) of free cash flow to adjusted EBITDA		>100
(excl. termin. ben.) (%)		c. 50%
Cumulative free cash flow 2022-2025		c. 300
Cash generation (cash flow) Ratio (conversion) cash generation (cash flow) to adjusted EBITDA		>50
(excl. termin. ben.) (%)		c. 25%
Cash generation (cash flow), excluding one-offs	>1.6	
Ratio Net Debt/Adjusted EBITDA (excl. termin. ben.)		<3.0x

As of the date of the Registration Document, Prisa has not published any additional updates to the forecasts (guidance) reproduced in this section. In addition, the Company has chosen not to include new estimates or forecasts of financial aggregates in the Registration Document.

11.2. Main assumptions on which the issuer has based the profit forecast/estimate

In preparing the forecasts (guidance) for 2022 and 2025 shown above, the Company has taken as a basis the income statement for 2021, as well as the following main assumptions for the remaining forecast periods.

INDICATORS	MAIN ASSUMPTIONS ON WHICH THE PROJECTIONS HAVE BEEN BASED (GUIDANCE) OF 2022 AND 2023
Operating income	 Projected growth for the 2022-2025 period between 8% and 9% CAGR (compound annual growth rate) based on estimated growth for Education and Media. Education, between 9% and 11% CAGR: progressive recovery of sales to pre-pandemic levels acceleration in the transformation from the traditional (didactic) model to educational systems (subscription model) and stable development and maintenance of market shares in the public sales market. Consideration of inflation and exchange rates based on March 2022 macroeconomic forecasts. Media, between 6% and 8% CAGR: acceleration in the digital transformation (increase in digita revenues), gradual recovery of the advertising market according to market analysis by independent third parties, and gain in advertising share in the media in which the Group operates, supported by the strength of the brands. Consideration of inflation and exchange rates based on March 2022 macroeconomic forecasts.
% Revenues by geography	Projection of a lower weight of revenues generated in 2025 in Spain compared to 2021, considering the estimated revenue growth for the USA and Latam based on a greater presence in these markets: greater product/service penetration and consequently greater ability to accumulate and monetise audiences.
% Digital revenues	Projection of digital revenues 2025 considering the growth of Santillana's system revenues (subscription models) and Media's digital revenues (digital advertising and revenues from El País' subscription paymen model, mainly). The increase in the weight of digital revenues to 52% is based on the acceleration in the digital transformation strategy of the Education and Media businesses, in line with what is mentioned in the "operating revenues" indicator, as described in section 5.4 of the Registration Document.
Operating expenses	 The projected operating expenses for 2025 include consumption costs, personnel costs, external services changes in provisions and losses on disposal of fixed assets. Consideration of inflation and exchange rates based on March 2022 macroeconomic forecasts. <i>Cost of materials used:</i> includes paper, printing of books and periodicals, costs of promotions, bool purchases, content consumption and cost of promotional books. That is, essentially, the direct cost of sales of Education and the cost of sales of newspaper production in Media. Education's cost of sales as a percentage of total operating revenues has been projected at a level similar to that of 2021 for the 2025 financial year. For the Media business cost of materials used in 2025, a decline in newspaper production has been considered in line with the estimated market decline and the historical trend of the business, and taking into account an increasing paper cost in line with inflation forecast by independent third parties over the 2022-2025 period. <i>Staff costs:</i> Based on the headcount figure and associated personnel expenditure at year-end 2021, a stable headcount target until 2025 and the application of inflation forecast for the 2022-2025 period in each of th countries according to independent third parties have been considered. In addition, a shift from traditiona profiles to more digital profiles has been considered over the period, with an associated recurring compensation expense that does not imply relevant restructuring after the one completed in 2021. <i>Provisions:</i> all provisions (bad debts, inventories and returns) have been projected for 2025, considering similar levels as in 2021. Losses on the disposal of fixed assets: no losses on disposal of fixed asset have been projected in 2025. <i>Outside services:</i> by exclusion, includes all operating expense items associated with the Education and Media businesses other than consumables, personnel, provisions and fixed asset losse
% Fixed costs	A reduction in the weight of fixed costs as a proportion of total expenses is projected for 2025, in line with the stability projected for the large fixed cost items (staff, fixed external service costs), as described above for the

"operating costs" indicator.

INDICATORS	MAIN ASSUMPTIONS ON WHICH THE PROJECTIONS HAVE BEEN BASED (GUIDANCE) OF 2022 AND 2025
Adjusted EBITDA (excl. termin. ben.)	Projected adjusted EBITDA (excluding termination benefits) for 2025 reflects the result of the difference between operating revenues and operating expenses (excluding termination benefit expenses) projected for 2025 as described above.
Adjusted EBITDA margin	The projected adjusted EBITDA margin for 2022 and 2025 reflects the result of dividing adjusted EBITDA by operating revenues, both projected for those years, as described above. In relation to the adjusted EBITDA (excluding termination benefits) projected for 2022, it has been additionally considered that operating expenses have been projected for 2022 using the same criteria as those described for 2025 in the indicator "operating expenses".
Expenditure on term. ben.	The projected termination benefits expense for 2025 reflects the estimated profit and loss expense for 2025 as a result of the strategy of shifting from traditional to more digital profiles, as described above for the "operating expenses" indicator.
EBITDA	Projected reported EBITDA for 2025 reflects the result of including in adjusted EBITDA the projected termination benefit expenses for 2025 as described above.
Working capital	Projected working capital for 2025 reflects the result of the difference between projected current assets and projected non-financial current liabilities for 2025, considering a slight reduction compared to 2021, despite solid growth in revenues and margins, based on a number of initiatives aimed at optimisation: exhaustive monitoring of customer receivables; continuous review and optimisation of supplier payment terms; and optimisation of inventories thanks to an increasingly digital business approach (with less physical/traditional component).
Ratio of working capital to operating income	The projected working capital to operating income ratio for 2025 reflects the result of dividing working capital by operating income, both projected for 2025 as described above, showing a slight reduction compared to 2021, despite the projected strong growth in revenues and margins, based on the initiatives described above for the "working capital" indicator.
CAPEX	The projected capital expenditure (CAPEX) for 2025 has been estimated in line with the investment made in the last financial year before the COVID-19 pandemic (2019) as a result of two factors: (i) the strong growth projected for the Group's businesses over the 2022-2025 period; and (ii) the comprehensive investment project control policies through the CAPEX Committee established by the Group.
CAPEX to operating income ratio	The projected CAPEX to operating revenues ratio for 2025 reflects the result of dividing capital expenditure (CAPEX) by operating revenues, both projected for 2025 as described above, showing a slight reduction compared to 2021, despite the projected strong growth in revenues, based on the comprehensive project control policies described above for the "CAPEX" indicator.
% CAPEX digital	An increase in the weight of digital capital expenditure (CAPEX) has been projected for 2025, as a consequence of the digital transformation strategy of the Education and Media businesses, in line with the "operating income" indicator, as described in section 5.4 of the Registration Document.
Free cash flow	 The projected free cash flow before debt service, i.e. before interest payments, for 2025 results mainly from the sum of adjusted EBITDA (excluding termination benefits), including working capital variation, CAPEX, tax payments and IFRS 16 lease payments. Adjusted EBITDA (excluding termination benefits) projected to 2025 as described above for this indicator. Projected change in working capital by 2025 as described above for the indicators "working capital" and "working capital to operating income ratio". Projected CAPEX for 2025 as described above for the indicators "CAPEX" and "CAPEX to operating revenues ratio". Projected (corporate) tax payments for 2025 by applying the effective tax rates for 2021 to the projected results for 2025 in each of the countries of operation (as described above for the different indicators) without considering relevant legislative changes. Projected IFRS 16 lease payment for 2025 in line with the payment made in the 2021 financial year, applying expected inflation in accordance with the Group's negotiated contracts for 2025 (based on estimates as at March 2022), and incorporating an estimated saving of c. EUR 3 million based on the office space cost optimisation savings initiatives implemented by the Group during 2021.
Ratio (conversion) of free cash flow to adjusted EBITDA (excl. termin. ben.)	The projected 2025 free cash flow to EBITDA (conversion) ratio reflects the result of dividing free cash flow by adjusted EBITDA (excluding termination benefits), both projected to 2025, as described above.
Cumulative free cash flow 2022- 2025	The cumulative free cash flow forecast for the 2022-2025 period has been estimated based on the same assumptions as described above for free cash flow 2025, applied additionally to 2022 to 2025, including, therefore, in the estimated amount of c. EUR 300 million, the >EUR 100 million of free cash flow estimated for 2025.

INDICATORS	MAIN ASSUMPTIONS ON WHICH THE PROJECTIONS HAVE BEEN BASED (GUIDANCE) OF 2022 AND 2025
Cash generation (cash flow)	The projected cash generation (cash flow) for 2025 results mainly from the difference between the estimated free cash flow for 2025 and the financing cash flow, which mainly corresponds to the payment of the financial interest associated with the Group's bank debt according to the terms agreed in the 2022 Refinancing described in section 8.1 of the Registration Document.
Ratio (conversion) cash generation (cash flow) to adjusted EBITDA (excl. termin. ben.)	The ratio (conversion) of cash generation (cash flow) to EBITDA projected for 2025 reflects the result of dividing cash generation (cash flow) by adjusted EBITDA (excluding termination benefits), both projected for 2025, as described above.
Cash generation (cash flow), excluding one-offs	 The projected cash generation (cash flow), excluding one-off effects for 2022, results mainly from the sum of adjusted EBITDA (excluding termination benefits) minus working capital variation, CAPEX, tax payments, IFRS 16 lease payments and financial interest payments; thus excluding one-off effects such as termination benefits associated with the 2021-2022 restructuring plan, payment of expenses of the 2022 Refinancing and payment of expenses linked to corporate transactions executed in 2022. Adjusted EBITDA (excluding termination benefits) projected to 2022 as described above for the indicators "operating income" and "adjusted EBITDA margin". Change in working capital, projected for 2022, in line with the change in working capital in 2021 and considering that the institutional sale of PNLD Brazil is fully collected in 2022, so there is no effect on working capital. Projected CAPEX for 2022 at a similar level as in 2021, with some growth in line with the projected growth in operating income, estimating the CAPEX to operating income ratio for 2022 at c. 6%. Projected (corporate) tax payment for 2022 in line with the payment for the 2021 financial year. Projected IFRS 16 lease payment in 2022 in line with the payment made in 2021, incorporating an estimated saving of c. EUR 3 million based on the office space cost optimisation savings initiatives implemented by the Group during 2021. Projected financial interest payment for 2022 based on the interest settlement under the 2020 Refinancing expected in April 2022 and the terms agreed in the 2022 Refinancing for the remainder of the year, described in section 8.1 of the Registration Document.
Ratio Net Debt/Adjusted EBITDA (excl. termin. ben.)	The Net Debt/EBITDA (excluding termination benefits) ratio projected to 2025 reflects the result of dividing the estimated Net Debt to 2025 by the projected EBITDA 2025 to 2025 as described above for the indicator "Adjusted EBITDA (excluding termination benefits)". The estimated Net Debt for 2025 results mainly from applying the cash flows resulting from the 2022-2025 period to the Net Debt for 2021: Cumulative free cash flow 2022-2025, less financial interest payments associated with the Group's bank debt under the terms agreed in the 2022 Refinancing (described in section 8.1 of the Registration Document), and assuming no maturities until 2026-2027, as set out in the 2022 Refinancing. In addition, extraordinary cash flows from termination benefits and the forecast payment of expenses from the 2022 Refinancing are considered. No impacts from corporate transactions are considered in the 2025 net debt forecast.

The following are the hypotheses and assumptions used as the basis for Prisa's consolidated forecasts (guidance) for 2022 and 2025 that are outside the Company's influence:

- Advertising market developments according to forecasts and analysis by independent experts at the end of 2021 and beginning of 2022.
- Gain in advertising share in the media in which the Group is present.
- Trend of the public sales market in Latin America and maintenance of quotas, by Education, in line with historical data.
- Trend of the digital press advertising market in Latin America.
- Trend of market for subscription models in Latin America.
- Level of agreements with third parties for digital operations.
- Change in exchange rates.
- Change in interest rates.
- Change in the cost of raw materials and supplies.
- Change in macroeconomic variables such as inflation.
- Legislative changes that may affect taxes and duties.

Regulatory changes that may impact Media and Education businesses.

In addition, the hypotheses and assumptions used as the basis for Prisa's consolidated forecasts (guidance) for 2022 and 2025 that can be influenced by the Company are set out below:

- Price level considered for Education sales (subscription and book sales models), advertising sales and for the El País subscription payment model.
- Level of fixed external services expenditure.
- Staffing level.
- Volume (excluding unit prices) of production costs to meet the demand for Education and Media.
- Level of investments to be incurred for business development.

The risks that could materially affect the achievement of the Company's consolidated forecasts (guidance) for the 2022 and 2025 financial years detailed in section 11.1 of the Registration Document are included in Section I (risk factors) of the Registration Document.

11.3. Comparability of profit forecasts or profit estimates with historical financial information and consistency with the issuer's accounting policies.

Prisa's consolidated forecasts (guidance) for the 2022 and 2025 financial years have been prepared on a basis comparable with the Company's consolidated annual financial statements and consistent with its accounting policies. In addition, the 2022 forecasts have been prepared on the basis of Prisa's 2022 Budget which was approved by the Board of Directors of the Company on 25 January 2022 and published by the Company on 28 February 2022. The 2025 forecasts have been prepared on the basis of the 2022-2025 Projections which were approved by the Board of Directors of the Company on 28 February 2022 and published at the Capital Markets Day (CMD) on 22 March 2022. The 2022 and 2025 forecasts have taken into account the economic, regulatory, market and any other situation prevailing at the date of publication of these forecasts by the Company (28 February 2022 for the 2022 forecasts and 22 March 2022 for the 2025 forecasts). Changes occurring after that date could significantly affect the outlook contained therein.

These forecasts contain certain estimates, projections and forecasts which are, by their nature, uncertain and may or may not be realised in the future. Although the Company believes that the expectations reflected in the forecasts made are reasonable, such forecasts are based on future or uncertain events, the fulfilment of which is impossible to determine at the time of approval. Forecasts may be affected by the occurrence of various factors, some of which are beyond the Group's control. Accordingly, these forecasts should not be taken as a basis for investment or as a guarantee of future results, and the Company accepts no responsibility for any deviations that may occur in the various factors influencing the future performance of the Group. Any material and significant deviation of reality from these assumptions could cause results and trends to diverge materially from expectations. Additionally, see Section I (risk factors) of the Registration Document.

12. ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES, AND SENIOR MANAGEMENT

12.1. Name, business address and functions in the issuer, as well as additional information, of the members of the administrative, management or supervisory bodies and senior management.

(A) Administrative, management and supervisory bodies

(A.1) Board of Directors

The Board of Directors is regulated in articles 15 to 23 of the Company's Articles of Association as well as in the Board of Directors' Regulations. The Board of Directors is entrusted with the management, administration and representation of the Company.

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The Board of Directors shall consist of no fewer than 5 and no more than 15 members, who shall be appointed by the General Meeting of Shareholders, which shall determine the exact number of directors upon proposal of the Board of Directors. The Extraordinary General Meeting of Shareholders of the Company held on 7 September 2022 resolved to set the total number of members of the Board of Directors at 14.

The following table shows the composition of the Board of Directors of the Company as at the date of the Registration Document:

Name/Company name	Position	Nature	Date of first appointment	Date of last appointment	Shareholder proposing his/her appointment
					Amber Active
Mr Joseph Oughourlian	Chairperson Deputy	Proprietary	18/12/2015	29/06/2020	Investor Limited
Mr Rosauro Varo Rodríguez	Chairperson	Independent Independent	22/12/2020	29/06/2021	
Ms Béatrice de Clermont-		(Coordinating			
Tonnerre ⁽¹⁾ Mr Andrés Varela	Board member	Director)	03/06/2019	03/06/2019	 Global Alconaba,
Entrecanales	Board member	Proprietary	07/09/2022	07/09/2022	S.L. Amber Capital
Amber Capital UK, LLP ⁽²⁾ Ms María Teresa Ballester	Board member	Proprietary	22/03/2018	29/06/2020	UK LLP
Fornés	Board member	Independent	30/07/2019	29/01/2020	
Mr Francisco Cuadrado Pérez Ms Carmen Fernández de	Board member	Executive	27/07/2021	28/06/2022	
Alarcón Roca Ms María José Marín	Board member	Proprietary	29/06/2021	29/06/2021	Vivendi, S.E.
Rey-Stolle	Board member	Independent	23/02/2021	29/06/2021	
Mr Carlos Núñez Murias	Board member	Executive	29/06/2021	29/06/2021	
Mr Manuel Polanco Moreno	Board member	Proprietary	19/04/2001	29/06/2020	Timón, S.A.
Ms Teresa Quirós Álvarez	Board member	Independent	30/11/2021	28/06/2022	
Mr Javier Santiso Guimaras Shk. Dr. Khalid Bin Thani Bin	Board member	Independent	22/12/2020	29/06/2021	 International Media
Abdullah Al Thani	Board member	Proprietary	18/12/2015	29/06/2020	Group S.à.r.l.

(1): Ms Beatrice de Clermont was appointed director at the Annual General Meeting of Shareholders held on 3 June 2019, for the then statutory term of 4 years. (2): Represented by Mr Miguel Barroso Ayats.

Mr Pablo Jiménez de Parga is Secretary non-director of the Board of Directors of Prisa, and Ms Mónica Varela Miura, Deputy Secretary, non-Board member.

The business address of all members of the Board of Directors is the registered office of Prisa (calle Gran Vía, 32, 28013, Madrid). A brief description of the professional and biographical profile of the members of the Board of Directors of Prisa is included in section (A.6) below.

During the 2021 financial year, the Prisa Board of Directors met a total of 10 times. In addition, the Board of Directors has met 7 times so far in 2022.

The Board of Directors also has an Delegated Commission, an Audit, Risks and Compliance Commission, an Nominations, Compensation and Corporate Governance Commission and a Sustainability Commission. For further information on these fees, see sections (A.2), (A.3), (A.4) and (A.5) below, respectively.

(A.2) Delegated Commission

The Delegated Commission is regulated in article 26 of the Regulations of the Board of Directors. The Delegated Commission is a delegated body of the Board of Directors. The permanent delegation by the Board of Directors to the Delegated Commission shall include all or part of the powers of the Board, as provided for in Article 22 of the Articles of Association, except those that cannot be delegated by law or those that cannot be delegated by virtue of the provisions of the Articles of Association or the Regulations of the Board of Directors.

The Delegated Commission shall consist of at least one third of the members of the Board of Directors and shall be composed of at least two non-Executive Directors, at least one of whom shall be independent. The appointment of the members of the Delegated Commission shall be made by the Board of Directors, at the proposal of the Nominations, Compensation and Corporate Governance Commission, with the favourable vote of two-thirds of the directors. The Chair of the Board and the Executive Directors shall be members of the Delegated Commission, as well as, if any, the Coordinating Director. The Delegated Commission shall be chaired by the Chair of the Board of Directors, unless the Board resolves that it shall be chaired by an Executive Director. In the event of the temporary absence or temporary incapacity of the person acting as Chair, he/she shall be replaced by the Chair of the Board, in his/her absence, by the first or only Vice-Chair of the Board and, in the absence of these, by the Coordinating Director or, in his/her absence, by another external director to be determined by the Committee itself. The members of the Delegated Commission shall resign when they cease to be directors and when so resolved by the Board of Directors.

The composition of the Delegated Commission as at the date of the Registration Document is as follows:

Name	Position	Nature
Mr Joseph Oughourlian	Chairperson	Proprietary
Mr Francisco Cuadrado Pérez	Board member	Executive
Ms Béatrice de Clermont-Tonnerre	Board member	Independent
Ms María José Marín Rey-Stolle	Board member	Independent
Mr Carlos Núñez Murias	Board member	Executive
Mr Manuel Polanco Moreno	Board member	Proprietary
Mr Javier Santiso Guimaras	Board member	Independent
Mr Rosauro Varo Rodríguez	Board member	Independent

The Delegated Commission shall meet whenever the interests of the Company so require in the opinion of its Chair, who is responsible for convening it sufficiently in advance, as well as when requested by two or more members of the Delegated Commission or an Executive Director. The Delegated Commission shall report to the first plenary session of the Board following its meetings on its activities and shall be accountable for the work carried out. The Board shall always be informed of the matters dealt with and the decisions taken by the Delegated Commission. When convened by the Chair of the Committee, other directors who are not members of the Committee, as well as those directors whose reports are necessary or advisable to exercise the Committee's functions, may also attend the meetings of the Committee, with the right to speak but not to vote.

During the 2021 financial year, the Delegated Commission met a total of 3 times. In addition, in the 2022 financial year, the Delegated Commission has met on 2 occasions to date.

(A.3) Audit, Risks and Compliance Commission

The Audit, Risks and Compliance Commission is regulated in article 27 of the Regulations of the Board of Directors.

The Audit, Risks and Compliance Commission shall be composed of the number of directors determined by the Board of Directors from time to time, with a minimum of 3 and a maximum of 5. The members of the Audit, Risks and Compliance Commission shall all be non-Executive Directors and the majority of them must be independent directors.

The members of the Audit, Risks and Compliance Commission as a whole, and in particular its Chair, shall be appointed on the basis of their knowledge and experience in accounting, auditing and risk management, both financial and non-financial. The appointment and removal of the members of the Committee shall be made by the Board of Directors upon proposal of the Nominations, Compensation and Corporate Governance Commission. The members of the Committee shall resign when they cease to be directors or when so resolved by the Board of Directors. The Chair of the Committee shall be elected by the Board of Directors, at the proposal of the Nominations, Compensation and Corporate Governance Commission, from among those members of the Committee who are independent directors. The Chair of the Committee shall be replaced every 4 years, and may be re-elected after one year has elapsed since he/she ceased to hold office. In the absence of the Chair, the meeting shall be chaired by the independent director appointed for this purpose by the Committee.

The composition of the Audit, Risks and Compliance Commission as at the date of the Registration Document is as follows:

Name	Position	Nature
Ms Teresa Quirós Álvarez	Chairperson	Independent
Ms María Teres Ballester Fornés	Board member	Independent
Ms María José Rey-Stolle	Board member	Independent
Ms Carmen Fernández de Alarcón Roca	Board member	Proprietary

The Audit, Risks and Compliance Commission shall meet periodically as required and at least four times a year. During the 2021 financial year, the Audit, Risks and Compliance Commission met a total of 8 times. In addition, in the 2022 financial year, the Audit, Risk and Compliance Committee has met on 7 occasions to date.

In addition to the functions assigned to it by law, the Audit, Risks and Compliance Commission shall have the following powers:

- (i) Ensuring that the financial statements that the Board of Directors submits to the General Meeting of Shareholders are drawn up in accordance with accounting regulations. In cases where the auditor has included a qualification in its audit report, the Chair of the Audit, Risks and Compliance Commission shall clearly explain at the general meeting the opinion of the Audit, Risks and Compliance Commission on its content and scope, and a summary of such opinion shall be made available to the shareholders at the time of publication of the notice of call to the meeting, together with the rest of the proposals and reports of the Board, together with the rest of the proposals and reports of the Board.
- (ii) Supervising the Internal Audit unit to ensure the proper functioning of the internal control and information systems. The Internal Audit unit will report functionally to the Audit, Risks and Compliance Commission. The Committee shall evaluate the Internal Audit unit and its management, annually approve the functions, action plans and resources of said unit and propose, where appropriate, the selection, appointment and removal of its head, as well as its remuneration conditions and contractual relationship with the Company, which shall require a favourable report from the Nominations, Compensation and Corporate Governance Commission. The head of the Internal Audit unit shall submit its annual work plan to the Audit, Risks and Compliance Commission for approval, and shall report on its execution, including any possible incidents and limitations to the scope that may arise in its development, the results and the follow-up of its recommendations. It shall also inform the Committee of any incidents arising during the performance of the internal audit function and shall submit an activity report to the Committee at the end of each financial year.
- (iii) In relation to information and internal control systems and the units responsible for them: (i) supervising and assessing the preparation process and the integrity of financial and non-financial information (in coordination with the Sustainability Commission, as regards the matters within its competence), as well as the control and management systems for financial and non-financial risks relating to the Company and the Group, including operational, technological, legal, social, environmental, political, reputational and corruption-related risks, reviewing compliance with regulatory requirements, the appropriate delimitation of the scope of consolidation and the correct application of accounting criteria; (ii) ensuring the independence of the unit that assumes the Internal Audit function; (iii) approving the orientation and annual work plan of internal audit, ensuring that its activity is mainly focused on the Company's relevant risks (including reputational risks); (iv) receiving regular information on its activities; and (v) verifying that senior management takes into account the conclusions and recommendations of its reports.
- (iv) In relation to the external auditor channel the relationship with the external auditor and in particular: (i) in the event of resignation of the external auditor, examining the circumstances giving rise to it; (ii) ensuring that the external auditor's remuneration does not compromise its quality or independence; (iii) overseeing that the Company notifies the CNMV of the change of auditor and accompanies it with a statement on the possible existence of disagreements with the outgoing auditor and, if any, its content; (iv) maintaining fluid communication with the external auditor and ensuring that the latter holds an annual meeting with the full Board of Directors to report to it on the work performed and on the development of the Company's accounting, equity, financial and risk situation; and (v) ensuring that the Company and the external auditor comply with current regulations on the provision of non-audit services, the limits on the concentration of the auditor's business and, in general, other regulations on auditor independence.

The Audit, Risks and Compliance Commission shall be responsible for the process of proposing the auditor, in which it shall take into account, inter alia, and without prejudice to the provisions of the regulations applicable from time to time, factors such as the scope of the work to be performed, the qualifications, experience and resources of the audit team and of the audit firm itself, the fees, as well as its independence and the effectiveness and quality of the services to be rendered.

- (v) In relation to related-party transactions: (i) informing the General Meeting and the Board of Directors, in advance, of the related-party transactions that they must approve and ensuring that information on such transactions is communicated to the market in the terms required by law and the Board of Directors' Regulations; and (ii) overseeing the internal procedure established by the Company for those related-party transactions whose approval has been delegated in accordance with the law.
- (vi) Overseeing compliance with the Company's environmental, social and corporate governance policies and rules, as well as with the Company's internal codes of conduct, ensuring that the corporate culture is aligned with its purpose and values, in coordination with the Sustainability Commission as regards matters within its competence.
- (vii) Assessing the Group's non-financial risks, including, among others, operational, technological, legal, social, environmental, political and reputational risks, including those related to corruption, in coordination with the Sustainability Commission as regards the matters within its competence.

The Audit, Risks and Compliance Commission shall establish and oversee a mechanism to enable employees and other persons related to the Company, such as directors, shareholders, suppliers, contractors or subcontractors, to report potentially significant irregularities, including financial, accounting or any other irregularities related to the Company that they become aware of within the Company or its group. This mechanism must guarantee confidentiality and, in any case, provide for cases in which communications can be made anonymously, respecting the rights of the complainant and the reported.

The Audit, Risks and Compliance Commission shall periodically assess that the risk control and management function is exercised with due independence, verifying that the appropriate processes are in place so that management, the Committee itself and the Board can know whether the risk control and management system has functioned in accordance with the policies and criteria approved by the Board. The units responsible for this function or, failing that, the Committee, shall be attributed the following functions: a) ensure the proper functioning of the risk control and management systems and, in particular, that all significant risks affecting the Company are identified, managed and adequately quantified; b) participate actively in the development of the risk strategy and in major risk management decisions; and c) ensure that the risk control and management systems adequately mitigate risks within the framework of the policy defined by the Board of Directors. The Audit, Risks and Compliance Commission shall generally ensure that the established internal control policies and systems are effectively implemented in practice.

The Audit, Risks and Compliance Commission shall have the power to request and obtain advice, legal opinions or expert reports when it deems appropriate. It shall be obliged to attend the meetings of the Committee and to cooperate with it and provide it with access to the information available to any member of the management team or staff of the Company who is required to do so. The Committee may also require the auditors of accounts to attend its meetings.

The Audit, Risks and Compliance Commission shall prepare an annual report on its functioning, highlighting the main incidents arising, if any, in relation to its functions, and shall propose to the Board that it be published sufficiently in advance of the ordinary General Shareholders' Meeting.

In addition, the Committee may evaluate its own performance in a targeted manner in order to strengthen its functioning and improve planning for the next exercise. For this purpose, it may seek the opinion of the other directors and, if it considers it appropriate, be assisted by an external consultant. Irrespective of the procedure chosen, the Board should be informed of the aspects analysed and the outcome of the analysis, to be taken into account in the Board's annual evaluation. The annual report on the functioning of the Committee shall include the extent to which the analysis has led to significant changes in its internal organisation and procedures.

(A.4) Nominations, Compensation and Corporate Governance Commission

The Nominations, Compensation and Corporate Governance Commission is regulated in article 28 of the Regulations of the Board of Directors.

The Nominations, Compensation and Corporate Governance Commission shall be composed of a minimum of 3 and a maximum of 5 non-Executive Directors, the majority of whom must be independent directors. The members of this Committee shall be appointed with the knowledge, skills and experience appropriate to the functions they are called upon to perform and, in particular, in matters of corporate governance, analysis and strategic evaluation of human resources, selection of directors and executives, performance of senior management functions and design of remuneration policies and plans for directors and executives.

The appointment and removal of the members of the Nominations, Compensation and Corporate Governance Commission shall be made by the Board of Directors at the proposal of the Nominations, Compensation and Corporate Governance Commission itself. The members of the Nominations, Compensation and Corporate Governance Commission shall resign when they cease to be directors or when so resolved by the Board of Directors. The Chair of the Committee shall be elected by the Board of Directors, at the proposal of the Nominations, Compensation and Corporate Governance Commission and Corporate Governance Commission itself. The members of the Board of Directors, at the proposal of the Nominations, Compensation and Corporate Governance Commission itself, from among the members of the Committee who are independent directors. In the absence of the Chair, the meeting shall be chaired by the independent director appointed for this purpose by the Committee.

The composition of the Company's Nominations, Compensation and Corporate Governance Commission as at the date of the Registration Document is as follows:

Name/Company name	Position	Nature
Ms Béatrice de Clermont-Tonnerre	Chairperson	Independent
Mr Rosauro Varo Rodríguez	Board member	Independent
Mr Javier Santiso Guimaras	Board member	Independent
Ms Carmen Fernández de Alarcón Roca	Board member	Proprietary

The Committee shall meet periodically as required and at least three times a year. In any case, the Committee shall meet whenever the Board of Directors of the Company or the Delegated Commission requests the issuance of a report or the approval of proposals within the scope of its powers and whenever, in the opinion of the Chair of the Committee, it is appropriate for the proper performance of its duties. During 2021, the Company's Appointments and Remuneration Committee met a total of 14 times. In the addition, in 2022, the Appointments and Remuneration Committee has met on 9 occasions to date.

In addition to the functions assigned to it by law, the Nominations, Compensation and Corporate Governance Commission shall have the following powers:

- i. Concerning the composition of the Board of Directors and the Committees of the Board of Directors of the Company and of the administrative bodies of other Group companies:
 - a. Annually verify compliance with the Policy on diversity in the composition of the Board of Directors and the selection of directors approved by the Board of Directors.
 - b. Assess the skills, knowledge and experience required on the Board of Directors. To this end, it shall draw up a matrix of the Board's competencies, define the functions and skills required of the candidates to fill each vacancy, and assess the time and dedication necessary for them to perform their duties effectively.
 - c. Make proposals, in the case of independent directors, and report on proposals submitted to the Board, in the case of other directors, for the appointment of directors for appointment by co-option or for submission to the decision of the General Shareholders' Meeting, taking into consideration the criteria referred to in article 20.4 of the Regulations of the Board of Directors, as well as to carry out the equivalent actions in relation to their re-election or removal by the General Meeting of Shareholders or when there is just cause for the director to have breached the duties inherent to his office and disciplinary proceedings are instituted that may lead to the director's removal.

- d. Propose the classification of directors in the categories of executive, proprietary, independent or other external director, when the appointment of directors is to be made or ratified by the Board itself or by the General Meeting.
- e. Verify on an annual basis that each director maintains the status with which he/she was appointed, which shall be reported in the Annual Corporate Governance Report.
- f. Propose and report, jointly with the Chair of the Board, except as specifically referred to him, on the appointments of the Chair, the Deputy Chairs, the Coordinating Director, the Managing Directors, if any, the members of the Delegated Commission and the other Committees of the Board of Directors, as well as their respective Chairmen.
- g. To report on proposals for the appointment of the Secretary and Deputy Secretary.
- h. Propose and report, jointly with the Chair of the Board, except as specifically referred to him, on proposals for the removal, dismissal or replacement of any position on the Board and its Committees, other than that of Secretary and Vice-Secretary.
- i. To report on proposals for the appointment of the Company's representatives on the governing bodies of the Group's companies.
- j. Drawing up the succession plan for the Chair of the Board, for the Executive Directors who are also chief executives in one or several business units of the Group, with the involvement of the Coordinating Director, if any, and of the Chair of the Board and the aforementioned Executive Directors in relation to the succession plan of the latter.
- k. Make the appropriate proposals for the Board to carry out adequate planning for the renewal and orderly succession of its members, in particular independent directors, taking into account their length of service and the profiles that the Board as a whole should have at any given time.
- ii. In relation to the Group's senior management:
 - a. To report on proposals for the appointment and removal of senior officers, their remuneration and the contractual conditions of their relationship with the Company, as well as to receive information and, if appropriate, issue, prior to their application, reports on disciplinary measures relating to the Company's senior officers.
 - b. Supervise the succession plan for senior management, which the Company must keep updated under the responsibility of the Executive Directors.
- iii. In relation to the remuneration policy for directors and senior management:
 - a. Propose to the Board of Directors the remuneration policy for directors and senior executives, as well as the individual remuneration and other contractual conditions of Executive Directors.
 - b. Ensure compliance with and periodically review the remuneration policy applied to directors and senior officers, including share-based remuneration systems and their application, and ensure that their individual remuneration is commensurate with their responsibility and dedication and that of the other directors and senior officers of the Company.
 - c. Report to the Board on proposals regarding the terms of the variable remuneration of Executive Directors and senior officers of the Company, as well as other incentive plans for them and, if appropriate, verify the degree of compliance with the objectives to which they are subject.
 - d. Verify the information on directors' and senior management remuneration contained in the various corporate documents and, in particular, prepare the Annual Report on Directors' Remuneration for approval by the Board.
- iv. In relation to the corporate governance system:
 - a. Promote the Company's corporate governance policies.
 - b. Propose to the Board of Directors the approval of the Annual Corporate Governance Report.
 - c. Prepare a preliminary report on which the Board will base its annual evaluation of its functioning in accordance with the terms set out in article 8 of the Regulations of the Board of Directors.

- d. Ensure that any external advice the Committee and the Board may receive in this area is provided with due independence.
- e. Evaluate and periodically review the corporate governance system so that it fulfils its mission of promoting the corporate interest and takes into account the legitimate interests of its stakeholders, and propose to the Board such modifications to the Company's policies, rules, practices and procedures as it deems appropriate, stating the reasons for the same. In particular, report on proposals to amend the Articles of Association, the Regulations of the Board, the Regulations of the General Meeting, the Rules of Operation of the Electronic Shareholders' Forum, the Internal Code of Conduct, the Code of Ethics and any other rules of governance of the Company. These functions shall be carried out in coordination with the Sustainability Commission with regard to matters within its competence.
- f. Oversee the implementation of the general policy regarding the communication of economicfinancial, non-financial and corporate information as well as communication with shareholders and investors, proxy advisors and other stakeholders. Likewise, the way in which the Company communicates and relates to small and medium-sized shareholders shall be monitored, in coordination with the Sustainability Commission as regards the matters within its competence.
- g. Oversee and evaluate the processes of relations with the various stakeholders, in coordination with the Sustainability Commission as regards the matters within its competence.
- h. Review the compliance policy and propose all necessary measures to strengthen it.

In order to perform its duties, the Nominations, Compensation and Corporate Governance Commission shall have the power to request and obtain advice, legal opinions or reports from experts, when it deems appropriate. In order to perform its duties, the Committee may request the attendance at its meetings of any member of the management team or staff of the Company and any collaborator of the Company or of any of the Group companies, and shall have access to all the information it deems necessary. The presence of other directors, executive or non-executive, managers or any third party at Committee meetings should only take place at the invitation of the Chair of the Committee and should be strictly limited to those items on the agenda to which they are invited.

The Nominations, Compensation and Corporate Governance Commission shall annually approve a report on its functioning and propose to the Board of Directors its publication, sufficiently in advance of the ordinary General Shareholders' Meeting.

(A.5) Sustainability Commission

The Sustainability Commission is regulated in article 29 of the Regulations of the Board of Directors.

The Sustainability Commission shall be composed of a minimum of three and a maximum of five non-Executive Directors, the majority of whom shall be independent directors. The members of this Committee shall be appointed with a view to ensuring that they have the knowledge, skills and experience appropriate to the functions they are called upon to perform. The appointment and removal of the members of the Committee shall be made by the Board of Directors upon proposal of the Nominations, Compensation and Corporate Governance Commission. The members of the Sustainability Commission shall resign when they cease to be directors or when so resolved by the Board of Directors. The Chair of the Committee shall be elected by the Board of Directors, at the proposal of the Nominations, Compensation and Corporate Governance Commission, from among the members of the Committee who are independent directors. In the absence of the Chair, the meeting shall be chaired by the independent director appointed for this purpose by the Committee. The composition of the Sustainability Commission as at the date of the Registration Document is as follows:

Ms Béatrice de Clermont-Tonnerre	me	Position	Nature
Ms Teresa Quirós Álvarez Board member Independe Amber Capital UK, LLP ⁽¹⁾ Board member Proprietar	María Teresa Ballester Fornés	Chairperson	Independent
Amber Capital UK, LLP ⁽¹⁾ Board member Proprietar	Béatrice de Clermont-Tonnerre	Board member	Independent
	Teresa Quirós Álvarez	Board member	Independent
Ms Carmen Fernández de Alarcón Roca Board member Pronrietar	ıber Capital UK, LLP ⁽¹⁾	Board member	Proprietary
	Carmen Fernández de Alarcón Roca	Board member	Proprietary

(1): Represented by Mr Miguel Barroso Ayats.

The Committee shall meet periodically as required and at least four times a year. In any case, the Committee shall meet whenever the Board of Directors of the Company or any of the committees requests the issuance of a report or the approval of proposals within the scope of its powers and whenever, in the opinion of the Chair of the Committee, it is appropriate for the proper performance of its duties. Since the date of constitution of the Sustainability Commission (28 February 2022), the Sustainability Commission has met, to date, on 6 occasions.

The functions assigned to the Sustainability Commission include, among others, the following:

- (i) Promoting and guiding the Company's strategy, policy and internal regulations in relation to sustainability in environmental and social matters, as well as its adaptation to national and international standards, recommendations and best practices in these areas.
- (ii) Evaluating and periodically reviewing the Company's internal regulations on sustainability and, in particular, the sustainability policy, in order to ensure that they fulfil their mission of promoting the corporate interest and taking into account, as appropriate, the legitimate interests of the Company's other stakeholders; and proposing to the Board such updates and amendments as it deems appropriate, in coordination with the Nominations, Compensation and Corporate Governance Commission.
- (iii) Overseeing compliance with the Company's internal regulations on sustainability and, in particular, the sustainability policy, in coordination with the Audit, Risks and Compliance Commission.
- (iv) Promoting, in coordination with the Nominations, Compensation and Corporate Governance Commission, a proactive strategy of relations with the Company's stakeholders (customers, investors, suppliers, employees and society in general) in relation to matters within the Committee's remit, with the aim of defining material issues for the Company from the perspectives of risk and opportunity.
- (v) Overseeing that the Company's environmental and social practices are in line with its strategy and policies.
- (vi) To be informed of: i) the different public and private initiatives implemented by the Company in the countries in which it is present in the field of social and environmental sustainability and ii) the inclusion and valuation of the Company in international sustainability indices.
- (vii) Promoting the Company's compliance with the Sustainable Development Goals approved by the United Nations.
- (viii)Overseeing the management of the Company's intangible assets such as reputation, brand image, intellectual capital and transparency, and proposing measures for improvement.
- (ix) Overseeing, within the scope of its competencies, the preparation process and the integrity of regulated and non-regulated non-financial information, in coordination with the Audit, Risks and Compliance Commission. In particular, it shall report to the Board of Directors, together with the Audit, Risks and Compliance Commission, on the statement of non-financial information, prior to its formulation.
- (x) Assessing the Group's non-financial risks in the areas of sustainability and social reputation, in coordination with the Audit, Risks and Compliance Commission.

- (xi) Proposing to the Nominations, Compensation and Corporate Governance Commission the terms of the variable remuneration of the Company's Executive Directors and senior officers that are linked to sustainability objectives.
- (xii) Proposing to the Board of Directors the approval of the annual sustainability report.

The Committee shall have the power to request and obtain advice, legal opinions or expert reports when it deems appropriate. In order to perform its duties, the Committee may request the attendance at its meetings of any member of the management team or staff of the Company and any collaborator of the Company or of any of the Group companies, and shall have access to all the information it deems necessary. The presence of other directors, executive or non-executive, managers or any third party at Committee meetings should only take place at the invitation of the Chair of the Committee and should be strictly limited to those items on the agenda to which they are invited.

The Sustainability Commission shall annually approve a report on its functioning and propose to the Board of Directors its publication, sufficiently in advance of the ordinary General Shareholders' Meeting.

(A.6) Brief description and professional profile of the members of the administrative, management or supervisory bodies.

Below is a brief CV of each of the members of the Company's Board of Directors.

Mr Joseph Oughourlian

Joseph Oughourlian is Chair of the Board of Directors and Chair of the Delegated Commission.

Joseph Oughourlian is the founder of Amber Capital. He founded Amber Capital in New York in November 2005 and began his career at *Société Générale* in Paris in 1994 and moved to New York in 1996. In 1997, he ventured into proprietary trading at Société Generale, which led to the first Amber Fund being established in October 2001 with seed capital from the Bank.

MrOughourlian 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 and has been Deputy Chair of the Board of Directors since 29 April 2019. In February 2021 he was appointed Chair.

Mr Rosauro Varo Rodríguez

Rosauro Varo Rodríguez is the Deputy Chair of the Board of Directors, Member of the Delegated Commission and Member of the Nominations, Compensation and Corporate Governance Commission.

Rosauro Varo has a degree in Law from the University of Seville. He has been successfully forging a career in business for 20 years with various entrepreneurial projects. 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, S.A., the publishing company behind digital newspaper El Español and the business and finance portal Invertia. He is a lecturer for the Masters in Finance and Banking at the Pablo Olavide University of Seville and the Senior Management Programme 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 Theatre as well as the of the CYD Foundation on behalf of PRISA Group.

In June 2022, he was honoured with the Spain Entrepreneur of the Year Award, given by the consulting firm EY, after winning the same firm's prize for Andalusia, Extremadura, Ceuta and Melilla the previous year.

Ms Béatrice de Clermont-Tonnerre

Béatrice de Clermont-Tonnerre is a Member of the Board of Directors, a Member of the Delegated Commission, the Chair of the Appointments, Compensation and Corporate Governance Committee, a Member of the Sustainability Commission and the Coordinating Director.

Béatrice de Clermont Tonnerre is General Manager of Public Sector at Microsoft France. Previously, from 2019 to 2022, she was a member of the Delegated Commission and Chief Revenue Officer at the artificial intelligence company Kayrros, which focuses on energy markets. Until September 2019 she served as Director of AI Partnerships at Google. She is based at the AI Research Centre 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.

Béatrice 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 defence 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).

Béatrice de Clermont Tonnerre also served on the Board of Société Européenne de Satellites (Luxembourg) and as deputy chairperson of the Board of Hürriyet, the leading newspaper in Turkey to be publicly listed.

She currently serves as deputy chairperson of the Board at Klépierre, a European specialist in Shopping Centres, listed on the Paris Stock Exchange, and sits on the Board of MyMoneyBank. She is also a Board Observer of KAYRROS (a pioneering technology company in the quantification of climate change). Beatrice de Clermont Tonnerre has been bestowed with the distinction of *Chevalier dans l'Ordre National du Mérite* (National Order of Merit) in France.

Mr Andrés Varela Entrecanales

Andrés Varela Entrecanales is a member of the Board of Directors.

After studying at the Colegio Estudio and at the Faculty of Veterinary Medicine, in 1985 Varela Entrecanales began his career as a journalist and presenter for musical programmes on Radio El País. In 1986 he moved to London where he worked for BBC Radio and Warner Music as well as on the launch of Channel 10 in Spain.

In 1990, he returned to Spain and joined Canal Plus from the start of its broadcasts and worked in the channel's self-promotion department. As a founding partner of GECA, he chaired the television consultancy from 1993 to 1997, specializing in the analysis of audiences and programming trends.

In 1995 GECA merged with Globomedia, and he combined his duties at GECA with the post of head of Entertainment Programs at Globomedia, where he produced more than 20 entertainment programs in Spain and Latin America through the company Promofilm. With the subsequent merger of Globomedia and Mediapro, he joined the boards of Grupo Imagina and La Sexta, after its launch in 2006.

In 2015 he left Grupo Imagina to found and chair The Pool TM, an audiovisual production company. His family group has been part of PRISA since its foundation and he has sat on the Board of SER for two years.

Mr Miguel Barroso Ayats (individual representing Amber Capital UK, LLP)

Miguel Barroso Ayats is a member of the Board of Directors and a member of the Sustainability Commission, representing the advisor Amber Capital UK, LLP.

Miguel Barroso Ayats 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.

Ms María Teresa Ballester Fornés

María Teresa Ballester Fornés is a member of the Board of Directors, Chair of the Sustainability Commission and member of the Audit, Risks and Compliance Commission.

María Teresa Ballester Fornés holds a BA *cum laude* in Finance and Political Science from Boston College and 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. She 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 is a member of the Board of Trustees of the Junior Achievement Foundation and of the Directors' Institute (ICA) – where she also teaches – as well as the Women Corporate Directors (WCD) and the International Women's Forum. She collaborates with business schools and professional associations on matters such as sustainability and private equity.

Mr Francisco Cuadrado Pérez

Francisco Cuadrado Pérez has held the position of Executive Chair of Santillana and that of Executive Director of Prisa and has been a Member of the Delegated Commission since July 2021.

Francisco Cuadrado Pérez holds 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 career at Prisa Group, 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.

Ms Carmen Fernández de Alarcón Roca

Carmen Fernández de Alarcón Roca is a member of the Board of Directors, a member of the Nominations, Compensation and Corporate Governance Commission, a member of the Audit, Risks and Compliance Commission and a member of the Sustainability Commission.

Carmen Fernández de Alarcón Roca holds a degree in Economics and Business Administration (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 digitisation of businesses and brands. She began her 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 Delegated Commission 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 organised by PWC (a programme which seeks to help women managers become directors). She is currently a member of the Alumni Board of said programme. In addition, she has made the list of the 100 Women Leaders in Spain in the Senior Management category (2019) and was named one of the 100 Most Influential Women 2022 by Forbes. She serves on the Board at Agile Content and is a member of the Delegated Commission of ACT (Transformative Creativity Association).

Ms María José Marín Rey-Stolle

María José Marín Rey-Stolle is a member of the Board of Directors, a member of the Delegated Commission and a member of the Audit, Risks and Compliance Commission.
María José Marín Rey-Stolle graduated in E4 in 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 digitisation. We Are Knitters is an example of digitisation in a purely analogue and traditional market that has built up a community of more than a million people worldwide.

María José Marín was honoured 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".

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 Internationalisation and the Award for Internationalisation 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, ISDI, ICADE and IESE.

In May 2021 she became the First Secretary of Ateneo Madrid, promoting the dynamisation and regeneration of "Grupo 1820", which is committed to the diffusion of Arts, Science, and Literature, with more than 200 years of life.

Mr Carlos Núñez Murias

Carlos Núñez Murias has been the Executive Chairman of PRISA Media since May 2021. He is also a member of the Board of Directors and a member of the PRISA Delegated Commission.

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, PRISA Media's new Executive Chairperson 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.

Mr Manuel Polanco Moreno

Manuel Polanco Moreno is a member of the Board of Directors and a member of the Delegated Commission.

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 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 production and video division while Deputy Chair of the Group. Polanco has been a director of PRISA since 2001 and a member of its Delegated Commission since 2008. On 1 January 2018, he took over as Chairman of the Board of Directors of PRISA, a post he held until December of that year.

Ms Teresa Quirós Álvarez

Teresa Quirós Álvarez is a member of the Board of Directors, Chair of the Audit, Risks and Compliance Commission and member of the Sustainability Commission.

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.

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 Delegated Commission, 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, Tubos Reunidos having previously held the same post at Hispasat.

Mr Javier Santiso Guimaras

Javier Santiso Guimaras is a member of the Board of Directors, a member of the Delegated Commission and a member of the Nominations, Compensation and Corporate Governance Commission.

Javier Santiso is CEO and General Partner of Mundi Ventures, a venture capital fund (EUR 500M). He is an investor in tech unicorns such as Farfetch and Skyscanner in the UK, Auto1 and Wefox in Berlin, Bolttech in Singapore, Betterfly in Miami, Klarna in Stockholm and Shift Technology in Paris. He is on the boards of a range of startups, such as Clarity (New York), Twinco (Rotterdam) and Convelio (Paris).

He is also a member of the board of directors of FNAC Darty in Paris, where he serves on its appointments and remuneration committee. Previously, he was chief economist at Indosuez (Paris) and BBVA (Madrid), heading emerging markets. He served as director of the OECD, the youngest in the entire history of the organisation, and as chief economist of the OECD Development Centre. 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 (USD 50 billion) and as its global head of technology investments. Khazanah has invested in a dozen unicorns, including Alibaba in China, Palantir in the United States and Farftech in Europe. He was instrumental in the development of its international office and in setting up its headquarters in London. At that time he was also on the board of directors of Axiata Digital, where he had oversight of the investment committee.

Santiso is an avid art collector and is a patron of culture. He is on the International Board of Trustees of the Prado Museum and the Teatro Real; he is also a member of the Board of Trustees of the San Fernando Royal Academy of Arts. He is the founder of the art and poetry publishing house La Cama Sol, and works with artists such as Lita Cabellut, Etel Adnan, Soledad Sevilla, Anselm Kiefer, Jaume Plensa, Miquel Barceló, Rafael Canogar, Juan Uslé, and authors such as Joan Margarit, Pere Gimferrer, Christian Bobin, Tahar Ben Jelloum, Pascal Quignard, some of whom he has translated into Spanish.

He has published a dozen books, including Un sol de pulpa oscura (A sun of dark pulp) (Madrid, Franz Ediciones, 2020) with the Iranian artist Shirin Salehi, the novel Vivir con el corazón (Living with the heart) (Madrid, La Huerta Grande, 2021) about the life of Van Gogh, El sabor a sangre no se me quita de la voz (La Huerta Grande, 2022), about the life of Camarón de la Isla; and El cuento de las risas perdidas (The tale of lost laughter) (La Huerta Grande, 2023).

In 2023, he published his first novel in French with the Gallimard publishing house, under the prestigious NRF "Blanche" imprint: Un pas de deux (Gallimard, 2023), a fictional life of Jo and Edward Hopper. He has a number of upcoming novels, including Outrenoirs, a nod to the painter Pierre Soulages.

Shk. Dr. Khalid Bin Thani Bin Abdullah Al Thani

Shk. Dr. Khalid bin Thani bin Abdullah Al Thani is a member of the Board of Directors.

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 organisations 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.

(B) Senior management

As at the date of the Registration Document, the following persons are considered to be members of senior management:

Name	Position
Mr Carlos Núñez Murias	Executive Chairman of Prisa Media
Mr Francisco Cuadrado Pérez	Executive Chairman of Santillana
Mr Pablo Jiménez de Parga Maseda	Secretary of the Board of Directors
Ms Pilar Gil Miguel	Chief Financial Officer (CFO)
Mr Jorge Rivera García	Corporate and Institutional Relations Director
Ms Rosa Junquera Santiago	Sustainability Director

Name	Position
Ms Marta Bretos Serrano	Director of People and Talent
Ms Cristina Zoilo Cabrera	Communication Director
Ms Virginia Fernández Iribarnegaray	Director of Internal Audit

The Internal Audit Director is included in this senior management group for the sole purpose of the Company's legally mandated reporting obligations.

The business address of all members of the senior management of the Prisa Group is the registered office of Prisa (calle Gran Vía, 32, 28013, Madrid).

The following is a brief description of the professional and biographical profile of the members of the senior management of the Prisa Group, except for those who are also members of the Board of Directors of the Company.

Mr Pablo Jiménez de Parga Maseda

Pablo Jiménez de Parga is Secretary of the Board of Directors of Prisa.

Pablo Jiménez de Parga holds a degree in Law, with the Extraordinary Degree Award, from the Complutense University of Madrid, where he also completed his Doctorate in Commercial Law. He subsequently taught as Associate Lecturer of Commercial Law at the Complutense University and at the Rey Juan Carlos University of Madrid.

Jiménez de Parga has been a practicing lawyer since 1989 and was a member of the Governing Board of the Madrid Bar Association.

He was Managing Partner of the Jiménez de Parga Law Firm for more than 20 years, until its merger in 2019 with ECIJA, a firm of which he is currently Executive Vice President. The firm has offices in Spain, Portugal and 14 Latin American countries, and boasts a multidisciplinary team of more than 750 professionals.

Pablo Jiménez de Parga has extensive experience in advising clients on business and company law, and he has an outstanding reputation for his defence of cases before the Courts of Justice.

In the commercial field, Pablo specializes in advising companies, both Spanish and international, on commercial contracts and corporate law, with particular attention to corporate governance issues. He acts as Secretary of the Board of Directors of numerous companies.

In the procedural field, Pablo has been professionally involved in many of the most notable judicial cases of recent years in the business and company sector, including cases held before the Supreme Court, the National Court and other Courts of Justice.

Pablo also has extensive experience in commercial and sports arbitration. He has been President of the Court of Arbitration of the Madrid Bar Association and, currently, he is an arbitrator of the Madrid Court of Arbitration, of the Arbitration Court of the Madrid Bar Association and of the Spanish Court of Arbitration for Sport.

He has been the Secretary of the Board Directors at PRISA since July 2021.

Ms Pilar Gil Miguel

Pilar Gil is the Chief Financial Officer of Prisa.

Pilar Gil has a degree in Economics from ICADE (E-2) and has completed the executive education programme (PDD) at IESE. She began her career at Chase Manhattan Bank, specializing in tracking international markets, before moving to Arthur Andersen, where for three years she audited a range of companies.

Pilar Gil who originally joined PRISA to oversee its IPO in 2000, has been a key participant in all the company's key events since then, both with regard to refinancing operations and capital increases as well as Prisa's ambitious plans as the group has continued to evolve in a highly competitive technological environment. In addition, she has been instrumental in the development of the Group's current Strategic Plan and has overseen the company's first Capital Markets Day.

In May 2021 she was named Chief Cabinet of PRISA's President and responsible for dealings with shareholders and investors. She has been the Chief Financial Officer of Prisa since July 2022.

Mr Jorge Rivera García

Jorge Rivera is the Corporate and Institutional Relations Director of Prisa.

Jorge Rivera holds a degree in Information Sciences from the Complutense University of Madrid. He began his professional career at Cinco Días. He was also part of the founding teams of both La Gaceta de los Negocios and El Sol. In 1991 he joined EL PAÍS, where he served as deputy editor of the Economy section. In 2000 he returned to Cinco Días, as head of the Business pages. He was then deputy editor of the newspaper before being appointed editor-in-chief in 2005. In March 2016 he joined EL PAÍS as deputy editor and, in January 2018, he was appointed Director of Communications and Institutional Relations at PRISA y desde julio de 2022 es Director Corporativo y de Relaciones Institucionales de Prisa.

Ms Rosa Junquera Santiago

Rosa Junquera is the Director of Sustainability at Prisa.

Rosa Junquera has spent much of her professional career at Prisa Group. Since 2010, she has been the global director of Communications and Marketing at Santillana, and a member of the company's Management Committee. Here, she oversaw the launch of international education projects and the positioning of subscription models in the market, thereby reinforcing the value proposition of brands such as Compartir, a leader in Latin America. She has also had responsibilities in the area of academic consulting and has led the company's sustainability strategy.

Rosa Junquera holds a degree in Political Science, a Master's in Journalism (UAM-El País) and a Master's in Sustainability (Competitive Social Transformation, UCM). She began her professional career in the area of Marketing and Audiences at RTVE before joining the Marketing department of El País. As a journalist, she has worked in the news services and programs of Cadena SER.

Before heading the Communication and Marketing Department at Santillana in 2010, she worked for 15 years as Press Officer and Director of Communication for the Alfaguara and Taurus publishing imprints. She was also director of the Office of the Author.

From 2011 to 2021 she was a member of the Madrid Publishers Association and she has lectured on the Master's Degree in Publishing at the UCM.

She has been the Director of Sustainability at Prisa since May 2022.

Ms Marta Bretos Serrano

Marta Bretos is the Director of People and Talent at Prisa.

Marta Bretos holds a degree in Political Science from the Complutense University of Madrid and is a Labour and Social Security Inspector on leave of absence. In 2011, she joined Prisa as Director of Human Resources for the Radio division and in 2021 she took over this position for the entire media group. Prior to joining Prisa, she was HR Director at Corporación Radiotelevisión Española.

She began her career in 1992 as a Labour and Social Security Inspector, first in Álava and then in Albacete. In 1994, she joined the Ministry of Public Works as Head of the Labour Relations Service; in 1996, she was appointed Head of the Economic Area of the Ministry of Public Works and a year later, Head of the Labour Personnel Area of the same Ministry. In 2001, she joined the Correos Group as Corporate HR Director until 2007, when she was appointed HR Director of RTVE.

Ms Cristina Zoilo Cabrera

Cristina Zoilo is the Communications Director of Prisa.

Cristina Zoilo holds a degree in Information Sciences from the Complutense University of Madrid. She worked for 14 years in the development of the communications department at EY, where she held the post of director of external communications. Likewise, she was responsible for communications at the Ministry of Science and Technology. She has worked for a range of media such as ABC, EFE and Expansión, where she was in charge of their digital editions. She also has experience in the field of television and has combined her professional work with work as a trainer in communications for spokespersons. In March 2021, she left EY to join PRISA as director of external communications. In July 2022, she became the Communication Director of Prisa.

Ms Virginia Fernández Iribarnegaray

Virginia Fernández is Prisa's Director of Internal Audit.

Fernández Iribarnegaray has a degree in Economics and Business Administration. She began her professional career at Arthur Andersen (now Deloitte) in 1995 in the Audit and Business Consulting division. In 2000, she was appointed Manager of the Transportation, Products, Distribution and Services Sector, becoming Senior Manager of the same in 2006. During that period, in addition to conducting financial audits, she also led consulting and business advisory projects, including company valuations, definition of strategic plans and process design.

Since May 2007, she has directed and managed PRISA's Internal Audit Department at a national and international level, reporting to the Prisa Audit Committee. She has led a wide range of projects including the definition and implementation of the internal control system in the Group's financial sphere (SOX and SCIIF). In 2016, she joined the corporate compliance unit, from where she oversaw the definition of the Group's criminal compliance model.

(C) Additional information

According to the information provided to the Company by the members of the Board of Directors and by the members of the senior management of the Prisa Group, there is no family relationship whatsoever between the persons mentioned in section 12.1.

The following is a list of the persons mentioned in section 12.1 who, to the best of the Company's knowledge, are or have been, during the last five years, members of the administrative, management or supervisory bodies, or partners in other companies or associations, excluding: (i) companies of a purely proprietary or family nature, except for those that are particularly relevant to the Company due to their link to the Group or their percentage of ownership in the share capital; (ii) shareholdings in listed companies that do not have the status of significant shareholdings; and (iii) companies and entities that are or have been Group companies. Subsidiaries of an issuer of which the person is also a member of the administrative, management or supervisory body are not listed.

NAME	COMPANY	POSITION	VALIDITY
Mr Joseph Oughourlian ⁽¹⁾	Amber Capital Italia SGR S.p.A.	Chairperson of the Board of Directors	In force
r Joseph Oughourlian ⁽¹⁾	Racing Club Lens	Chairperson	In force
 Joseph Oughourlian⁽¹⁾ k. Dr. Khalid Bin Thani Bin Abdullah Al Thani⁽²⁾ Manuel Polanco Moreno Manuel Polanco Moreno María Teresa Ballester Fornés 	Amber Capital UK, LLP	Managing Partner	In force
Shk. Dr. Khalid Bin Thani Bin Abdullah Al Thani ⁽²⁾	Ezdan Holding Group Quatar International	Director	In force
	Islamic Bank Dar Al Sharq Printing Publishing &	Chairperson	In force
	Distribution Co. Dar Al Arab Publishing	Chairperson Deputy	In force
	& Distribution, Co.	Chairperson	Not in force
	Qatar Islamic Insurance	Chairperson	In force
Mr Manuel Polanco Moreno		Chief Executive Officer and holder of 25% of the	
	Rucandio, S.A.	share capital Deputy	In force
	Timón, S.A.	Chairperson Director and holder, directly and indirectly, of	In force
	Rucandio Inversiones	10.26% of the	
	ICAV Qualitas Venture Capital,	share capital	In force
	S.A., S.C.R.	Director	In force
	Tropical Hoteles, S.A. Canal Club de Distribución de Ocio y	Director	In force
	Cultura, S.A.	Joint administrator	Not in force
Ms María Teresa Ballester Fornés	Repsol, S.A.	Director	Not in force
	Afera Investments, S.L. Significant Impact	Director	Not in force
	Systems, S.L.	Director	In force
	Spaicol, Lda.	Director	In force
	Nexxus Iberia I.	Director	In force
Ms Beatrice de Clermont-Tonnerre	SES	Director	Not in force
	Klepierre	Vice-President General Manager of Public Sector	In force
	Microsoft	(France)	In force
	MyMoneyBank	Director	In force
	Kayrros	Board Observer Director	In force
	Grupo Le Monde	representing Prisa Group Director AI Partnerships EMEA and Southern Europe Monetisation	In force
	Google	Director Vice President for	Not in force
	Lagardere	Development	Not in force
	Hurriyet	Vice-President	Not in force

NAME	COMPANY	POSITION	VALIDITY
Mr Javier Santiso Guimaras	FNAC Darty	Director	In force
	Mr Jeff	Director	In force
	Clarity.ai	Director	In force
	Twinco	Director	In force
	La Cama Sol	CEO	In force
	Arros	Director	In force
	Le Monde	Director	In force
Mr Rosauro Varo Rodríguez	Gat Headquarters, S.L.	Chairperson	In force
	Acciona Energía, S.A.	Director	In force
Ms Teresa Quirós Álvarez	Greenergy Renovables, S.A.	Director	In force
	SNGULAR	Director	In force
	Tubos Reunidos	Director	In force
	Hispasat	Director	Not in force
Mr Andrés Varela Entrecanales	The Pool Anvar Holding, S.L.	Chairperson	In force
	MGVH 2000, S.L.	Joint administrator	In force
Mr Carlos Núñez Murias	Catenon	Director	In force
	Factoría Plural	Director	Not in force
	Radio Zaragoza Publicaciones y Ediciones	Director	Not in force
	del Alto Aragón	Director	Not in force
	Diximedia	Director	Not in force
	IT Hiberius	Director	Not in force
Ms Carmen Fernández de Alarcón Roca	Havas España	CEO	In force
	Agile Content	Director	In force
Ms María José Marín Rey-Stolle	We are Knitters, S.L.	Director	In force
Mr Miguel Barroso Ayats (individual representing Amber Capital UK, LLP)	DGP, S.A. Desarrollo de Inversiones	Director	In force
	Plaza San Miguel, S.L.	Sole Administrator	In force

(1): Mr Joseph Oughourlian is a senior partner of Amber Capital Management LP, which owns Amber Capital UK Holdings Limited, which in turn owns Amber Capital UK LLP.

(2): Shk. Dr. Khalid Bin Thani Bin Abdullah Al-Thani is a proprietary director representing International Media Group, S.A.R.L. (IMG). IMG is wholly owned by International Media Group Limited, which in turn is wholly owned by Mr Al Thani.

According to the information provided by the members of the Board of Directors of the Company, as well as by the members of the senior management of the Prisa Group, it is hereby stated that, in the five years prior to the date of the Registration Document, none of the aforementioned persons: (i) has been convicted of fraud offences; (ii) has been a member of the board of directors or senior management of entities in bankruptcy or receivership proceedings; or (iii) has been publicly and officially incriminated, sanctioned by statutory or regulated authorities or disqualified by any court for acting as a member of the administrative, management or supervisory bodies of an issuer or for acting in the management of an issuer.

12.2. Conflicts of interest of administrative, management and supervisory bodies, and senior management.

(a) Possible conflicts of interest between the duties of the persons mentioned in section 12.1 to the issuer and their private interests and/or other duties.

In the case of the Company's directors, article 37 of the Board of Directors' Regulations establishes that directors must adopt the necessary measures to avoid incurring in situations in which their interests, whether their own or those of others, may conflict with the corporate interest and with their duties to the Company. Exceptions are those cases in which the Company has given its consent in the terms indicated below.

A conflict of interest shall be deemed to exist in those situations in which the interests of the Company or of the companies forming part of its Group and the personal interests of the director directly or indirectly collide. A director has a personal interest when the matter concerns him or a person related to him.

For the purposes of the Regulations of the Board of Directors, the persons related to the director shall be considered to be those persons established at any given time by the legislation in force.

In particular, in situations of conflict of interest, the director shall refrain from:

- to carry out transactions with the Company, except in the case of ordinary transactions, made on standard terms and conditions for customers or suppliers and of little relevance, under the terms provided for by law;
- (ii) use the name of the Company or invoke his or her status as a director to improperly influence the conduct of private transactions;
- (iii) make use of corporate assets, including confidential information of the Company, for private purposes, as provided for in Article 38 of the Board of Directors' Regulations;
- (iv) take advantage of the Company's business opportunities, as provided for in Article 40 of the Board of Directors' Regulations; and
- (v) obtain benefits or remuneration from third parties other than the Company and the Group in connection with the performance of their duties, except in the case of mere courtesies.

The above provisions shall also apply if the beneficiary of the prohibited acts or activities is a person related to the director.

In those cases in which the situation of conflict of interest is, or may reasonably be expected to be, of such a nature as to constitute a structural and permanent conflict of interest between the director (or a person related him/her or, in the case of a proprietary director, the shareholder or shareholders who proposed or made the director's appointment or persons directly or indirectly related to him/her) and the Company or the companies forming part of its Group, it shall be deemed that the director lacks, or no longer possesses, the qualifications required to hold office.

Directors must notify the Board of Directors of any situation of direct or indirect conflict that they or any person related to them may have with the interests of the Company. In particular, they must report any situations that may imply the existence of conflicts of interest, as established in the *Internal Code of Conduct* on Matters Relating to the Securities Markets of Promotora de Informaciones, S.A. and its Group of Companies (the "Internal Code of Conduct").

They must also communicate: (i) the positions they hold on other boards of directors to which they belong, whether or not they are listed companies, as well as any other remunerated activities of any kind; and (ii) the shares in the Company, and options thereon, held directly or indirectly.

Notwithstanding the foregoing, the Company may waive the prohibitions contained in that section in individual cases by authorising: (i) the execution by a director or a related person of a specific transaction with the Company (in accordance with the Board of Directors' Regulations); (ii) the use of certain corporate assets; (iii) the taking of a specific business opportunity; (iv) the obtaining of an advantage; or (v) remuneration of a third party.

The authorisation must be approved by the general meeting if it is intended to waive the prohibition on obtaining an advantage or remuneration from third parties, or if it concerns a transaction whose value exceeds 10% of the company's assets.

In other cases, the authorisation may also be granted by the Board of Directors, provided that the independence of the members granting the authorisation with respect to the director dispensed is guaranteed, also ensuring the harmlessness of the authorised transaction for the company's assets or, as the case may be, its execution under market conditions and the transparency of the process.

In the cases envisaged above, the Board, following a report from the Nominations, Compensation and Corporate Governance Commission, shall require the adoption of such measures as, in its opinion, are necessary to preserve the corporate interest.

The Company shall make public the situations of conflict of interest in which the directors find themselves under the terms provided at all times in the applicable regulations.

In the case of members of senior management, the mechanisms for detecting conflicts are based primarily on the obligation for persons subject to the Internal Code of Conduct to declare a conflict of interest. The Internal Rules of Conduct set out the guidelines to be followed in the event of conflicts of interest, which also apply to the members of the Board of Directors.

Likewise, Prisa's Code of Ethics, also applicable to directors and executives, stresses the duty to avoid situations that could give rise to a conflict between private interests and those of the company and also obliges them to communicate such situations to the Company.

Except as set out below and according to the information provided to the Company, none of the persons referred to in 12.1 above have any conflict of interest between their duties to the Company and their private interests, nor do they engage in any activities for their own account or for the account of others that involve effective competition, whether actual or potential, with the Company or otherwise place them in a continuing conflict with the interests of the Company.

The Board of Directors has been informed by the directors of the following activities carried out by them or by certain persons related to them, in companies with the same, similar or complementary type of activity to that which constitutes the corporate purpose of the Company or of the companies of the Group:

Director	Activity ⁽¹⁾	Person related to the Director	Activity
	He controls Amber Capital, its associates and		
	subsidiaries, who act as investment managers,		
	partners, managers and directors of funds, accounts and other investment vehicles, which		
	invest in listed and unlisted companies in		
	Europe, North America and Latin America,		
	including trading activities of entities with		
	activities that are the same, similar or		
	complementary to those of Prisa's corporate		
	purpose. Mr Oughourlian also serves as		
Mr Joseph Oughoulian	Managing Partner of Amber Capital and as portfolio manager of various funds.		
	0.041% stake in the capital of Telefónica,		
Mr Rosauro Varo Rodríguez	owner of the Movistar + television platform.		
	CEO and General Partner of Mundi Ventures,		
	a venture capital firm focused on technology		
Mr Javier Santiso Guimaras	companies.		
Shk. Dr. Khalid Bin Thani Bin	Chairman of Dar Al Sharq Printing Publishing &		
Abdullah Al Thani	Distribution Co.		

(1): This list does not include Prisa Group companies.

(b) Any agreement or understanding with major shareholders, customers, suppliers or others, whereby any person referred to in section 12.1 has been appointed to the administrative, management or supervisory bodies or to senior management.

Apart from the Proprietary Directors mentioned in section 12.1 (A) above, none of the members of the Board of Directors of the Company or of the senior management of the Prisa Group has been appointed to their position by virtue of any type of agreement or understanding with major shareholders, customers, suppliers or any other person.

(c) Any restriction agreed by the persons referred to in 12.1 on the disposal for a certain period of time of their shareholding.

Without prejudice to the obligations of non-alienation during a specific period of time of the shares delivered to the beneficiaries of the share delivery plans implemented by the Company (see section 13.1 of the Registration Document), it is hereby stated that, according to the information provided to the Company, none of the persons mentioned in 12.1 above, who are holders of Prisa shares or securities, have assumed any temporary restriction on their free disposal.

13. REMUNERATION AND BENEFITS

13.1. Remuneration paid and benefits in kind granted to the persons referred to in 12.1 by the issuer and its subsidiaries for services of all kinds rendered by any such persons to the issuer and its subsidiaries.

(A) Preliminary considerations

In accordance with the provisions of article 18 of Prisa's Articles of Association, the position of director is remunerated. Both the aforementioned article of the Articles of Association and Chapter IX of the Board of Directors' Regulations contain the rules applicable to directors' remuneration.

Directors shall be entitled to receive the remuneration set by the Board of Directors in accordance with the provisions of the Articles of Association and the directors' remuneration policy approved by the General Meeting.

Non-Executive Directors shall receive, in their capacity as such, a fixed annual allowance and may receive per diems for attending meetings of the Board of Directors and its Committees. The fixed annual allowance may consist, in whole or in part, of shares or be linked to their performance. The maximum amount of the annual remuneration of all the directors in their capacity as such must be approved by the General Meeting, and shall remain in force until such time as its modification is approved. Within the aforementioned maximum amount, the Board of Directors shall be responsible for determining the remuneration corresponding to each director in his or her capacity as such, taking into consideration the duties and responsibilities attributed to each one, the membership and positions attributed on Board Committees and any other objective circumstances it deems relevant, and shall be compatible with the payment of allowances for attending meetings. The remuneration of external directors shall reflect the level of dedication required and, in the case of independent directors, shall be determined in such a way as to provide incentives for their dedication but not constitute an obstacle to their independence.

Directors entrusted with executive duties shall be entitled to receive remuneration for performing such duties, which shall be determined by the Board of Directors in accordance with the directors' remuneration policy approved by the General Meeting and which shall be included in a contract to be entered into between the director and the Company, and which must contain all the items for which remuneration may be obtained for performing executive duties, as well as the terms of cessation and termination thereof. It is also incumbent upon the board, following a report from the Nominations, Compensation and Corporate Governance Commission, to determine individually the remuneration of each director for the performance of the executive duties attributed to him/her, within the framework of the foregoing. The contract must first be approved by the Board of Directors with the favourable vote of two thirds of its members, and shall be annexed to the minutes of the meeting. The director concerned shall abstain from attending the deliberations and from voting. The contract must contain all information required by law and be in accordance with the Company's remuneration policy.

By way of example and without limitation, the remuneration of Executive Directors may consist of: (i) fixed remuneration; (ii) variable remuneration, whether short, medium or long term, based on meeting business, economic, financial, strategic or personal performance targets, or on the performance of the share price or other share price-related indicators; (iii) pension systems and deferred remuneration concepts; (iv) insurance; (v) savings plans; (vi) termination benefits; (vii) extraordinary incentives based on the execution of the business plan, delivery of Company shares, share options or other remuneration instruments indexed to the share value (subject to prior agreement to that effect by the General Shareholders' Meeting); and (viii) exclusivity, post-contractual non-competition or permanence covenants.

The Board shall endeavour to ensure that the director's remuneration is reasonably proportionate to the Company's relevance, its financial situation at any given time and the market standards of comparable companies. Likewise, in relation to Executive Directors, (i) the remuneration system established should be geared towards promoting the long-term profitability and sustainability of the Company and incorporate the necessary safeguards to avoid excessive risk-taking and the rewarding of unfavourable results; and (ii) remuneration linked to the Company's results should take into account any qualifications in the audit report that reduce such results.

Without prejudice to the above-mentioned remuneration, directors' remuneration may consist of the delivery of shares, share options or remuneration linked to the value of the shares. The application of this type of remuneration shall require a resolution of the General Meeting stating, where appropriate, the maximum number of shares that may be assigned in each financial year to this remuneration system, the exercise price or the system for calculating the exercise price of the share options, the value of the shares that, where appropriate, is taken as a reference, the term of this remuneration system and such other conditions as it may deem appropriate. If the remuneration of non-Executive Directors provides for the delivery of shares, this should be conditional on them holding such shares until they cease to be directors. The foregoing shall not apply to shares which the director needs to dispose of, if any, in order to meet the costs related to their acquisition.

The Company shall take out civil liability insurance for its directors.

Directors may hold any other office or position in the Company, or in any other company belonging to its Group, whether remunerated or free of charge, except in the case of legal or discretionary incompatibility on the part of the Board.

(B) Remuneration for 2021

The financial statements for 2021, which include the Annual Corporate Governance Report as well as the Annual Report on Directors' Remuneration for 2021, contain the legally required information as well as additional information that the Company has deemed appropriate to provide sufficient information on the remuneration of the members of the Board of Directors and senior management.

Pursuant to Article 19 of Regulation (EU) 2017/1129, the Annual Corporate Governance Report for 2021 (<u>link</u>) and the Annual Report on Remuneration of Prisa's Directors (<u>link</u>) are incorporated by reference into the Registration Document and are available on the CNMV's website (<u>www.cnmv.es</u>) and on the Company's website (<u>www.prisa.com</u>). The Ordinary General Shareholders' Meeting of the Company held on 28 June 2022 approved, on a consultative basis under item 6.4 of the agenda, the Annual Report on Remuneration of Prisa's Directors for 2021.

The remuneration policy for Prisa's directors that has been applicable in 2021 was the "*Remuneration policy for directors of Promotora de Informaciones, S.A. for 2021, 2022 and 2023*" approved by the Ordinary General Shareholders' Meeting of the Company held on 29 June 2021, under item 5.1 of the agenda. This policy is available on the Company's website (link). This policy replaced the "Remuneration policy for directors of *Promotora de Informaciones, S.A. for 2021*" (link) which was approved by the Extraordinary General Meeting of Shareholders of the Company held on 18 December 2020, following the restructuring of the Group undertaken in the first half of 2021.

Section B of the Annual Report on Remuneration of Prisa Directors for 2021 summarises how the *"Remuneration policy for directors of Promotora de Informaciones, S.A. for 2021, 2022 and 2023"* was applied, which includes the fixed and variable components of the remuneration of Prisa Directors in 2021, as well as the agreed compensation systems, among others. In addition, see sections (D) and (E) below (*"Remunerations of the members of the Board of Directors of Prisa during 2021"* and *"Remunerations of the members of the Company during 2021"*, respectively).

It is hereby stated for the record that the "*Remuneration policy for the directors of Promotora de Informaciones, S.A. for 2021, 2022 and 2023*" has been replaced by the "*Remuneration policy for the directors of Promotora de Informaciones, S.A. for 2022, 2023 and 2024*" (the "**New Remuneration Policy**") approved by the Ordinary General Shareholders' Meeting of the Company held on 28 June 2022 under item 6.3 of the agenda and available on Prisa's website (<u>link</u>). Notwithstanding the foregoing, all remuneration paid to directors or former directors under the "*Remuneration policy for directors of Promotora de Informaciones, S.A. for 2021, 2022 and 2023*" shall be valid, without the approval of the New Remuneration Policy entailing a modification of the amounts already accrued under the previous policy.

(C) Directors' remuneration policy applicable for 2022, 2023 and 2024

Below is a summary of the New Remuneration Policy that will be applicable for 2022, 2023 and 2024:

(i) Maximum amount of directors' remuneration

The maximum amount of remuneration that may be paid annually by the Company to all its directors, unless the General Meeting of Shareholders decides to modify it in the future, shall be the aggregate amount: (i) the maximum annual amount of EUR 2,000,000 that may be paid to directors in their capacity as such (for the items set out in section (ii)(a) below); and (ii) the amounts for the items set out in section (iii) below, corresponding to the remuneration for the executive duties performed by Executive Directors (including the amount to which they would be entitled in the event of termination of the Executive Directors' duties, as provided in the terms of their contract). The amounts indicated in respect of remuneration are gross and each director shall bear the corresponding applicable taxes, which shall be borne by such director.

- (ii) Remuneration of directors in their capacity as directors
- (a) Fixed remuneration of directors in their capacity as such:
 - Fixed annual remuneration of the Chairperson of the Board of Directors: as long as the Chairperson is non-executive, the amount of his annual fixed remuneration shall be a fixed amount for all items in the range of between EUR 200,000 and EUR 300,000 per annum. The specific fixed amount corresponding at any given time to the non-executive Chairperson of the Company shall be established by the Board of Directors, at the proposal of the Nominations, Compensation and Corporate Governance Commission, within that range, taking into account the levels of responsibility and dedication required as Chairperson of the Board of Directors and of the Delegated Commission and the specific circumstances of the activities to be carried out by the non-executive Chairperson, also taking into consideration the specific characteristics of the person occupying the post from time to time, such as his professional background and experience, his abilities and aptitudes for the performance of the post. This remuneration shall be paid in full in cash and pro rata on a monthly basis, and shall be incompatible with the receipt of the remuneration established in the following points of this section (a) (specifically, with the remuneration for participation in the Board of Directors, in the Board Committees and in the Boards of Directors of other companies of the Group). In the event that the Board of Directors decides that the Chairperson shall assume executive duties, his/her remuneration system shall be set by the Board of Directors, at the proposal of the Nominations, Compensation and Corporate Governance Commission, taking into account the provisions of section (f) below in relation to the incorporation of new Executive Directors.
 - Fixed annual remuneration for membership of the Board of Directors: the maximum amount of fixed annual remuneration for this item shall be EUR 70,000 per director per year. The fixed annual remuneration that non-Executive Directors receive for being members of the Board of Directors shall be paid to each of the non-Executive Directors in full in cash and pro rata on a monthly basis. The Board of Directors, at the proposal of the Nominations, Compensation and Corporate Governance Commission, shall determine the amount corresponding to each director based on different objective circumstances and, consequently, it may not be the same amount for all directors.
 - Fixed annual remuneration for participation on Board Committees: In addition to the fixed annual remuneration for participation in the Board of Directors, non-Executive Directors may receive an additional fixed annual remuneration for being members of the Board Committees. This remuneration shall be paid in cash, pro rata on a monthly basis, and the maximum amounts shall be as follows:

- Remuneration for participation in the Delegated Commission: EUR 30,000 per year per director.
- Remuneration for participation in the Audit, Risks and Compliance Commission, the Nominations, Compensation and Corporate Governance Commission and the Sustainability Commission: EUR 20,000 per year per director, and twice this amount for their respective Chairs (i.e. EUR 40,000).
- Remuneration for other positions on the Board of Directors: the Board of Directors, upon proposal of the Nominations, Compensation and Corporate Governance Commission, may determine a specific remuneration for any other office of the Board of Directors. Such remuneration shall be fixed taking into account the levels of responsibility and dedication required in the exercise of the office and the specific circumstances that may arise, also taking into consideration the specific characteristics of the person holding the office at any given time, such as his or her professional background and experience, abilities and aptitudes for the performance of the office. This remuneration may not exceed that envisaged for the non-executive Chairperson of the Board of Directors and shall be paid in full in cash and pro rata on a monthly basis, being incompatible with the receipt of remuneration for participation on the Board of Directors, the Board Committees and the Boards of Directors of other Group companies.
- <u>Membership of the Boards of Directors of other Group companies</u>: Prisa's directors may earn other fees for their participation on the Boards of Directors of other Group companies, in accordance with their respective Articles of Association, which will be reported on an annual basis in the Annual Report on Remuneration of the Company's Directors.
- <u>Other elements of remuneration</u>: the remuneration of directors in their capacity as such does not provide for the granting of loans, advances or guarantees. Nor does it contemplate the participation of non-Executive Directors in social welfare systems or the right to any compensation in the event of termination of their duties as directors, or the granting of any other remuneration in addition to that described in the New Remuneration Policy.
- (b) Other projections:
 - Expenditure associated with Board and Committee meetings: expenses associated with travel and accommodation for attendance at meetings of the Board of Directors and Committees shall be reimbursed by the Company to the directors, provided that they have been previously notified to and accepted by the Company, and are duly justified. Apart from the above, the directors of Prisa do not receive allowances for participation in the Board and Committees or other fixed remuneration as directors.
 - <u>Civil liability insurance</u>: the Company has taken out civil liability insurance for all its directors on usual market conditions and proportionate to the circumstances of the Company itself.
- (iii) Remuneration of directors for the performance of executive duties

Currently, the Board of Directors of Prisa has two Executive Directors: an Executive Director who is the chief executive officer and executive chairperson of Santillana (the "**Santillana Executive Director**") and an Executive Director who is the chief executive officer and executive chairperson of Prisa Media (the "**Prisa Media Executive Director**"). The contracts of the Santillana Executive Director and the Prisa Media Executive Director, whose conditions are those set out in the New Remuneration Policy, have been entered into with the companies Santillana and Prisa Media, respectively.

The Executive Directors shall not receive any amount for the items contemplated in section (ii) above (without prejudice to the remuneration they are entitled to receive for their executive duties in the businesses for which they are responsible, currently Santillana and Prisa Media, respectively). However, the Executive Directors are beneficiaries of the civil liability insurance that the Company has taken out for its Directors.

(a) Fixed remuneration:

The Executive Directors shall receive for their executive and senior management functions a fixed annual remuneration in cash, which in the case of the Executive Director Santillana is EUR 475,000 and in the case of the Executive Director Prisa Media is EUR 400,000. These amounts shall remain fixed as long as the Board of Directors does not resolve to update them, in accordance with the provisions of section (c) below.

(b) Variable remuneration:

The variable remuneration system for Executive Directors currently includes a short-term annual variable amount and a medium-term multi-year variable incentive. Executive Directors may also be beneficiaries of an extraordinary incentive linked to the success of key strategic operations in the interests of the Group, when so decided by the Board of Directors.

The variable remuneration targets for Executive Directors are approved by the Board of Directors, at the proposal of the Nominations, Compensation and Corporate Governance Commission on the basis of the metrics previously set out in the New Remuneration Policy. In turn, the Sustainability Commission shall propose to the Nominations, Compensation and Corporate Governance Commission the terms of variable remuneration that are linked to sustainability objectives. The Board of Directors, at the proposal of the Nominations, Compensation and Corporate Governance Commission, is responsible for assessing the degree of achievement of the objectives previously set. Notwithstanding the foregoing, the Board of Directors, subject to a favourable report from the Nominations, Compensation and Corporate Governance Commission, and Corporate Governance Commission, and sustainability of the Company as a whole or to ensure its viability.

Annual variable remuneration: the annual variable remuneration of the Executive Directors is that regulated in their respective contracts. In accordance with them, the Executive Directors shall receive a non-consolidable variable remuneration, in cash, in accordance with the degree of fulfilment of the objectives assigned to them for each of the annual periods included in the term of their contract and which shall be established annually by the Board of Directors at the proposal of the Nominations, Compensation and Corporate Governance Commission.

The annual variable remuneration of the Executive Directors, which will be determined according to a performance scale, will be mainly linked to the achievement of specific and quantifiable financial and non-financial targets set by the Board of Directors. The determination of the annual variable remuneration of Executive Directors mainly takes into account quantitative business objectives, including the Group's operational and financial objectives, value creation objectives and sustainability objectives, and may also establish qualitative objectives related to the skills and behaviour required of executives of their characteristics. In particular, in order to determine the short-term variable remuneration of the Executive Directors for 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
Santillana Executive Chairperson	EBIT Cash flow from operations
	Subscription income
	ESG objectives
Prisa Media Executive Chairperson	EBITDA
	Cash flow
	Digital revenues
	ESG objectives

These objectives aim to improve financial, operational and service results, with particular emphasis on EBITDA/EBIT (depending on whether Prisa Media or Santillana), cash generation and the generation of digital or subscription revenues. In addition, 5% will be linked to meeting ESG objectives.

These metrics will be based on the budget for the year and a weighting and compliance scale has been established for each of them.

The target short-term variable remuneration of the Executive Directors for a level of 100% achievement of the objectives set for 2022 amounts to EUR 250,000, with the possibility of increasing this amount up to a maximum of 150%, in the event that the degree of achievement of the objectives set is higher than 135%, so that the maximum amount that each Executive Director may receive for this remuneration item is EUR 375,000 gross.

In addition, the Executive Chairperson of Prisa Media may receive 10% of his annual target variable remuneration (i.e. EUR 25,000) if two specific targets linked to subscriptions and digital revenues are achieved in 2022, on more demanding terms than those foreseen in Prisa Media's budget for 2022.

For the following financial years, 2023 and 2024, the Board of Directors will have discretion to set the variable remuneration system for Executive Directors within the framework of the metrics set out above (i.e. it will determine the weighting for each of them, the performance scales and whether or not there is a "key target").

Annual variable remuneration is accrued on an annual basis and the degree of meeting objectives will be measured at the end of each financial year. The Nominations, Compensation and Corporate Governance Commission will verify the degree of compliance with 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. Payment is made in arrears in the first half of the calendar year following the year of generation.

The contracts of Executive Directors may include a reduction clause ("*malus*") based on the deferral for a sufficient period of time of the payment of a portion of the variable components, implying their total or partial forfeiture in the event of an event occurring prior to the time of payment that makes it advisable to do so.

The Nominations, Compensation and Corporate Governance Commission and the Board of Directors, in the event of exceptional and supervening circumstances occurring during the financial year, and in order to ensure that variable remuneration is effectively related to the professional performance of the Executive Directors, may modify the objectives and/or evaluation criteria previously established.

Variable remuneration in the medium to long term:

- Medium-term incentive plan 2020-2025 linked to Santillana's value creation from the execution of a corporate transaction and payable in cash.

The Executive Director Santillana is the beneficiary of a medium-term incentive plan linked to the value creation of Santillana in the period from 1 September 2020 to 31 December 2025. The plan was approved by the Board of Directors on 26 January 2021 and has been amended on 24 May 2022, in order to specify the assumptions in which Santillana may be deemed to have been revalued and to extend its duration until 2025 (initially it was until 2023). The plan is foreseen in the New Remuneration Policy.

This plan aims to link a portion of the remuneration of certain key executives of Prisa and Santillana (including the Executive Director Santillana) to the interests of Prisa's shareholders in a multi-year framework and to generate long-term shareholder value. Following on from this, the plan aims to: (i) incentivise participants to maximise the value creation of the education business (Santillana) for shareholders over a period of approximately three years; (ii) reward the extraordinary effort required to achieve the value creation targets set; and (iii) recognise the value contribution of participants to Prisa and Santillana.

The incentive plan will allow beneficiaries to participate in the value creation of Santillana during the reporting period provided that a minimum target revaluation of Santillana (EUR 1.4 billion) is exceeded and all other conditions set out in a plan regulation approved by Prisa's Board of Directors are met. Such a revaluation shall be deemed to have taken place in the event that any of the corporate transactions provided for in the plan's regulations (sale or flotation of Santillana) is carried out and the price or value set for Santillana in the transaction is higher than the minimum revaluation target of EUR 1,400 million.

The beneficiaries will be entitled to receive, in cash, a percentage of the value creation of Santillana understood as the positive difference between the valuation of Santillana (enterprise value) on the date on which the specific corporate transaction is carried out and on the initial date (i.e. 1 September 2020), taking into account the amount of dividends distributed, as well as other capital flows. The enterprise value of Santillana on the Completion Date will be the price or value set for Santillana in the particular corporate transaction entered into. For its part, the enterprise value of Santillana at the initial date was set at EUR 1.25 billion.

The percentage of the value creation to which, if any, the beneficiaries are entitled will depend, in turn, on the level of revaluation of Santillana according to a predetermined scale which, in the case of Santillana's Executive Director, may be up to a maximum of 1.65% of such value creation.

Although the duration of the plan extends until 31 December 2025, the plan will be settled early on the date on which the specific corporate transaction foreseen in the plan is actually executed.

In order to receive the corresponding incentive, the Santillana Executive Director must maintain his/her contractual relationship with the Group until the date of payment of the incentive, except in certain cases of termination of the relationship, duly set out in the plan's regulations.

The incentive plan includes the corresponding *malus* and clawback clauses, customary in incentive plans of a similar nature, which will be applicable for a period of two years from the date of payment of the incentive. In the case of the Santillana Executive Director, the term of application of the aforementioned clauses is three years.

Finally, in the event of significant internal or external changes that do not entail a change of control (e.g. Group scope, macroeconomic environment or regulation), which would make it necessary to review the previously established objectives, the Board of Directors may modify the terms of the Santillana Incentive Plan and its objectives, which would be duly disclosed in the corresponding Annual Report on Directors' Remuneration.

- Medium-term 2022-2025 incentive plan linked to Prisa Media's value creation and payable in shares.

The Executive Director of Prisa Media is the beneficiary of a medium-term incentive plan 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 2022, 2023, 2024 and 2025, and which is payable in shares. The plan was approved by the Board of Directors on 21 December 2021 and was subsequently amended by the Board (to extend it to 2025, in line with the Company's Strategic Plan, and to modify the frequency of settlement) on 26 April and 24 May 2022. The plan came into effect with the approval of the plan by the Ordinary General Meeting of Shareholders of the Company held on 28 June 2022, under item 6.1 of the agenda. This plan is also foreseen in the New Remuneration Policy.

The Prisa Media Executive Director has been assigned a number of theoretical shares equivalent to EUR 500,000 gross for each year of the duration of the plan, which will serve as a reference to determine the final number of shares to be delivered (specifically, he has been assigned 923,494 theoretical shares for each year of the duration of the Plan, making a total of 3,693,976 theoretical shares). The calculations have been made considering the average stock market value of the Prisa share during the last quarter of 2021. In addition, the incentive may be increased depending on how Prisa's share price increases.

Compliance with the objectives for each financial year shall be verified at the end of the relevant financial year, after the annual accounts for that year have been drawn up. The resulting incentive for each financial year shall be paid in three thirds over the following three financial years on a date to be determined by the Board of Directors within 60 calendar days after the accounts for the immediately preceding financial year have been drawn up.

This plan aims to link a portion of the remuneration of the Prisa Media Executive Director to the interests of Prisa's shareholders in a multi-year framework and to generate long-term shareholder value. The incentive plan will allow its beneficiary to participate in the value creation 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 Prisa's Board of Directors are met.

In order to accrue the incentive, the Prisa Media Executive Director must maintain his/her contractual relationship with Prisa Media throughout the term of the Plan and until the date of delivery of the shares. The departure of the Executive Director (either of his own free will or by decision of the Company) would not, in principle, give rise to a right to his liquidation, unless the Board of Directors, at the proposal of the Nominations, Compensation and Corporate Governance Commission as the case may be, adopts a different criterion.

The incentive plan includes the corresponding *malus* and clawback clauses, customary in incentive plans of a similar nature. The clawback clause shall apply for one year following the date of delivery of the shares.

- Medium-term 2022-2025 incentive plan linked to Santillana's value creation and payable in shares.

In addition to the 2020-2025 medium-term incentive plan linked to Santillana's value creation through the execution of a corporate transaction, the Executive Director Santillana is the beneficiary of a medium-term incentive plan linked to meeting certain quantitative financial targets set out in Santillana's budget (linked to EBIT and cash flow) in 2022, 2023, 2024 and 2025, and which is payable in shares. The plan was approved by the Board of Directors on 24 May 2022 and came into effect with the approval of the plan by the Ordinary General Meeting of Shareholders held on 28 June 2022 under agenda item 6.2. This plan is also foreseen in the New Remuneration Policy.

The Santillana Executive Director has been assigned a number of theoretical shares equivalent to EUR 500,000 gross for each year of the duration of the plan, which will serve as a reference to determine the final number of shares to be delivered (specifically, he has been assigned 923,494 theoretical shares for each year of the duration of the Plan, making a total of 3,693,976 theoretical shares). The calculations have been made considering the average stock market value of the Prisa share during the last quarter of 2021.

In addition, the incentive may be increased depending on how Prisa's share price increases.

Compliance with the objectives for each financial year shall be verified at the end of the relevant financial year, after the annual accounts for that year have been drawn up. The resulting incentive for each financial year shall be paid in three thirds over the following three financial years on a date to be determined by the Board of Directors within 60 calendar days after the accounts for the immediately preceding financial year have been drawn up.

This plan aims to link a portion of the remuneration of the Santillana Executive Director to the interests of Prisa's shareholders in a multi-year framework and to generate long-term shareholder value.

The incentive plan will allow its beneficiary to participate in the value creation of Santillana during the reference period provided that minimum targets are exceeded and the other conditions established in the incentive plan's regulations approved by Prisa's Board of Directors are met.

In order to accrue the incentive, the Santillana Executive Director must maintain his/her contractual relationship with Santillana throughout the term of the Plan and until the date of delivery of the shares. The departure of the Executive Director (either of his own free will or by decision of the Company) would not, in principle, give rise to a right to his liquidation, unless the Board of Directors, at the proposal of the Nominations, Compensation and Corporate Governance Commission and the Board of Directors as the case may be, adopts a different criterion. By way of exception to the foregoing, the Executive Director Santillana will maintain his right to receive the previously accrued incentive, which will be paid on the respective delivery date, in certain cases of termination of his relationship with the Group, as provided for in a plan regulation.

The incentive plan includes the corresponding *malus* and clawback clauses, customary in incentive plans of a similar nature. The clawback clause shall apply for one year following the date of delivery of the shares.

- Extraordinary incentives linked to the success of key strategic operations in the interests of the Prisa Group.

In accordance with the New Remuneration Policy, in 2022, 2023 and 2024, the Executive Directors will be entitled to receive a non-consolidable variable remuneration, in cash, when the Board of Directors, following a favourable report from the Nominations, Compensation and Corporate Governance Commission, 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 event, the extraordinary incentives granted will include clauses clawback, 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 Executive Directors within the framework of these extraordinary incentives shall amount to a maximum of two times their annual fixed remuneration set out in their contract and its final determination, if applicable, within said maximum, shall be the responsibility of the Board of Directors, following a favourable report from the Nominations, Compensation and Corporate Governance Commission. In addition, Executive Directors must maintain an uninterrupted relationship with Prisa Group 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 commercial 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 Nominations, Compensation and Corporate Governance Commission, may agree to the early liquidation of the plan. In such cases, the 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, at the proposal of the Nominations, Compensation and Corporate Governance Commission.

(c) Compensation in the event of termination of duties as an Executive Director:

The right to receive a termination benefit in certain cases of early termination of executive duties is included in the contracts of the Executive Directors with Santillana (in the case of the Executive Director Santillana) and Prisa Media (in the case of the Executive Director Prisa Media).

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 set out in the contract; (ii) at the will of the Executive Director in the event of a change of control (as defined in the contracts as "change of control"); (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 or Santillana, depending on which Executive Director is concerned; or (v) in the event of total or partial revocation of the powers delegated in favour of the Executive Directors shall be entitled to receive the following termination benefits:

- i. The Executive Chairperson Prisa Media would receive a gross termination benefit equivalent to eighteen months of his fixed remuneration and his annual variable remuneration in cash.
- ii. The Santillana Executive Chairperson would receive:
 - A total termination benefit of EUR 1,643,020 gross. In determining this figure, the following has been taken into account:
 - the amounts of termination benefits for unfair dismissal that would have corresponded to the Santillana Executive Chairperson for the termination of the ordinary and senior management employment relationships that the Santillana Executive Chairperson has maintained with the various entities of the Prisa Group from 18 October 1989 until the entry into force of the current contract; and
 - a *gross up* to mitigate the loss for the Santillana Executive Chairperson of not being able to benefit from the maximum exemption provided for in Article 7.e) of the Personal Income Tax Law for termination benefits for dismissal or termination of employment.
 - A gross supplementary compensation 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 this benefit. In any event, if Santillana's Executive Chairperson is paid unemployment benefits from the corresponding public body, he shall be obliged to repay to the Company the amount received as such supplementary compensation up to the amount of the benefit obtained, and must make the repayment within a maximum period of one month from the date on which the unemployment benefit was recognised. However, this gross additional compensation shall not be paid in the event of termination of the contract as a result of a change of control.

Likewise, in the above cases, Executive Directors shall be entitled to receive, as part of their termination benefit, 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 financial year in which the contract is terminated, in the event that such termination is due to the will of the Executive Directors, 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 financial 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) to which they would have been entitled, if any, provided that the annual targets set are proportionally met. The annual variable remuneration shall be paid in the first half of the calendar year following the year of generation.

In either case, the corresponding amounts will not be paid until the Company has been able to verify that the Executive Directors have complied with the criteria or conditions established for their receipt. The essential terms and conditions of the contracts of the Executive Directors are described in section 14.2 of the Registration Document.

- (d) Other remuneration in kind:
 - Life and accident insurance: Prisa has taken out a policy with an insurance company that covers the contingencies of death from any cause, total disability and total permanent disability with a capital sum equivalent to two and a half years of the beneficiary's fixed remuneration (fixed salary received in the previous year), an extra capital sum in the event of accidental death or total disability due to an accident and an extra capital sum in the event of death or permanent disability due to a traffic accident. On the Board of Directors of the Company, only the Executive Directors are beneficiaries of this policy. The main death risk has an age limit of 75 years old and the supplementary risks with extra capital have an age limit of 65 years old. In accordance with the terms of the policy, the sum insured for Executive Directors is 2.5 annuities of the fixed remuneration associated with their respective positions in the immediately preceding year. The premiums of this policy are reviewed annually depending on the claims ratio of the Group's group policies and also vary according to the age of the insured party. To this end, in the first quarter of each year, the bonuses attributable to Executive Directors are reviewed.
 - Private health insurance: The Prisa Group's policy for all its executives includes 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 out in the corresponding policy.

Private health insurance premiums are reviewed annually based on the claims ratio of the Group's policies and the change in the Consumer Price Index (CPI) for health care, as proposed by the insurance broker. To this end, in the last quarter of the year, the premium for the following year is set.

(e) Other benefits:

Executive Directors shall also be entitled to the use of a chauffeur-driven vehicle, in accordance with the terms of the Prisa Group's vehicle fleet policy.

(f) Incorporation of new Executive Directors:

In the event of the incorporation of new Executive Directors (including the change of status to executive of a director who was already a member of the Board of Directors of Prisa) during the term of the New Remuneration Policy, their remuneration will be determined by the level of responsibility assigned and by their professional career, ensuring the maintenance of internal equity and external competitiveness and establishing remuneration in line with best market practices.

In this regard, in view of the corporate interest in ensuring the viability and continuity of corporate management, the Board of Directors, at the proposal of the Nominations, Compensation and Corporate Governance Commission, may apply temporary exceptions to the New Remuneration Policy, it being understood that these exceptions shall apply until the holding of the first General Meeting at which the remuneration policy must be adapted as necessary.

In this respect, the Nominations, Compensation and Corporate Governance Commission and the Board of Directors shall determine the elements and amounts of the remuneration system applicable to the new Executive Director, taking into account, in particular, the level of remuneration they had before assuming such executive duties, market conditions and comparable positions, their level of experience and qualifications, and the duties attributed and responsibilities assumed, which shall be duly reflected in the corresponding contract to be signed between the Company and the new Executive Director.

New Executive Directors shall be entitled to receive termination benefits in the event of termination of their executive relationship with the Company, provided that such termination is not the result of a breach attributable to them or due solely to their own will, for a gross amount equivalent to 18 months of their fixed remuneration and their annual variable remuneration in cash.

However, the Board of Directors, at the proposal of the Nominations, Compensation and Corporate Governance Commission, may authorise the payment of some extraordinary remuneration or incentive to attract talent and compensate new Executive Directors for variable remuneration or contractual rights lost upon leaving their previous position, to the extent necessary to ensure the recruitment of suitable candidates, taking into account the corporate interest.

The appointment of new Executive Directors and their specific remuneration during the first year as Executive Director will be disclosed in the annual Directors' Remuneration Report. In addition, at the next General Meeting to be held, the amendment or a new directors' remuneration policy will also be submitted for approval, which will specify the remuneration of the new Executive Directors on an individual basis.

(iv) Other remuneration of Directors for services rendered other than those inherent to their office

The Company may remunerate certain directors for the provision of other services, at the proposal of the Nominations, Compensation and Corporate Governance Commission and by resolution of the Board of Directors. Such remuneration may not, in the case of independent directors, reach a level of remuneration such as to compromise the independent performance of their duties.

(D) Remuneration of the members of the Board of Directors of Prisa during 2021

The individualised detail of the remuneration accrued by each of the directors of Prisa during 2021, broken down by remuneration item, is shown below:

						:	2021					
			Remuneratio	n accrued in the C	Company ⁽¹⁾		Remuneration accrued in Group companies ⁽¹⁾					
	Accrual	Total cash remuneration	Gross profit from consolidated shares or financial instruments	Remuneration by savings schemes	Remuneration for other items	Total Company	Total cash remuneration	Gross profit from consolidated shares or financial instruments	Remuneration by savings schemes	Remuneration for other items	Total Group companies	Total Company + Group companies
NAME	period						(thousand €)					
	01/01											
Mr Joseph Oughourlian	to 31/12	200	0	0	0	200	0	0	0	0	0	200
Mi Joseph Oughour han	01/01	200	0	0	0	200	0	0	0	0	0	200
Mr Rosauro Varo Rodríguez	to											
	31/12	92	0	0	0	92	0	0	0	0	0	92
	01/01											
Ms Beatrice De Clermont-	to	110	0	0	0	110	0	0	0	0	0	110
Tonnerre	31/12 01/01	113	0	0	0	113	0	0	0	0	0	113
Mr Roberto Alcántara	01/01 to											
Rojas ⁽²⁾	31/12	50	0	0	0	50	0	0	0	0	0	50
,	01/01											
	to											
Amber Capital UK LLP ⁽³⁾	31/12	67	0	0	0	67	0	0	0	0	0	67
Ms María Teresa Ballester	01/01											
Fornés	to 31/12	72	0	0	0	72	0	0	0	0	0	72
	27/07	, 2	0	0	0		0	0	0	Ū	0	, _
Mr Francisco Cuadrado	to											
Pérez ⁽⁴⁾	31/12	0	0	0	0	0	349	0	0	0	349 ⁽⁵⁾	349
	29/06											
Ms Carmen Fernández	to	24	0	0	0		0	0	0	0	0	24
de Alarcón	31/12 23/02	31	0	0	0	31	0	0	0	0	0	31
Ms María José Marin Rey-	23/02 to											
Stolle	31/12	73	0	0	0	73	0	0	0	0	0	73
	24/05			-	-		-		-	-		
	to											
Mr Carlos Nuñez Murias	31/12	0	0	0	0	0	413	0	0	0	413(6)	413
Ma Manual Dalamaa Maasaa	01/01											
Mr Manuel Polanco Moreno	to 31/12	74	0	0	0	74	17	0	0	0	17	91
	51/12	/4	0	0	0	/4	17	0	0	0	17	91

			2021												
			Remuneratio	n accrued in the (Company ⁽¹⁾		Remuneration accrued in Group companies ⁽¹⁾								
	Accrual	Total cash remuneration	Gross profit from consolidated shares or financial instruments	Remuneration by savings schemes	Remuneration for other items	Total Company	Total cash remuneration	Gross profit from consolidated shares or financial instruments	Remuneration by savings schemes	Remuneration for other items	Total Group companies	Total Company + Group companies			
NAME	period						(thousand €)								
	30/11 to														
Ms Teresa Quirós Álvarez	31/12	8	0	0	0	8	0	0	0	0	0	8			
	01/01														
Shk. Dr. Khalid Bin Thani	to														
Abdullah Al Thani	31/12	50	0	0	0	50	0	0	0	0	0	50			
	01/01 to														
Mr Javier Santiso Guimaras .	31/12	96	0	0	0	96	0	0	0	0	0	96			
	01/01 to														
Mr Dominique D'Hinnin	30/11	89	0	0	0	89	0	0	0	0	0	89			
	01/01 to														
Mr Manuel Mirat Santiago ⁽⁷⁾	27/07	2,869	0	0	0	2,869 ⁽⁸⁾	47	0	0	0	47(9)	2,916			
Mr Javier de Jaime Guijarro	01/01 to 23/02	12	0	0	0	12	0	0	0	0	0	12			
Mi javier de jallie Guljarro	23/02	12	0	0	0	12	0	0	0	0	U	12			

(1): The amount of total directors' remuneration is the amount accrued in 2021 following the criteria set out in CNMV Circular 3/2021 of 28 September, which establishes, among others, the model for the annual report on remuneration of directors of listed companies, and differs by EUR 94 thousand from the total amount of directors' remuneration disclosed in the notes to the consolidated annual accounts and in the half-yearly financial information for 2021, which corresponds to the accounting records.

(2): Mr Roberto Alcántara Rojas ceased to be a director of the Company on 28 June 2022.

(3): This includes both the period during which it was represented by Mr Fernando Martínez Albacete (January-March 2021), and that accrued while it has been represented by Mr Miguel Barroso (March-December 2021).

(4): 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 that position were not effectively implemented until 1 August.

(5): Includes life, accident and medical insurance in the amount of EUR 3 thousand.

(6): Includes life, accident and medical insurance in the amount of EUR 3 thousand.

(7): In relation to the "2018-2020 Medium Term Incentive Plan" and Mr Mirat, the following is noted: At the Ordinary Shareholders' Meeting of the Company held on 25 April 2018, a medium-term deferred remuneration plan was approved for the period from 2018 to 2020, consisting of the delivery of shares in the Company linked to the development of the stock market value and the achievement of certain objectives, aimed at the then CEO of Prisa (Mr Mirat) and certain executives, who could receive a certain number of ordinary shares in the Company after a reference period of three years and provided that certain predefined requirements were met. In 2018, the Company allocated a number of "notional shares" ("Restricted Stock Units" or "RSUs") to each beneficiary and specified targets (other than share price) to 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 any. After analysing the degree of compliance with the targets, cash flow compliance was 85.8%, while the EDITDA and value enhancement targets were not met. This degree of Origina greed that the stellement and delivery of this deferred remuneration be delayed to the period between 1 January and 28 February 2022 (delivery which, in accordance with the general conditions governing this remuneration plan, was to be made within 60 days after the preparation of the accounts for the 2020 financial year). The cash consideration for the 471,900 gross shares is EUR 178,213. The cash value of the shares is EUR 178,213. The cash value of the shares has been calculated on the basis of the share price on the day on which the Delegated Commission took the decision to proceed with the liquidation (25 January 2022).

(8): Includes life, accident and medical insurance in the amount of EUR 3 thousand.

(9): Including life, accident and medical insurance of EUR 2 thousand, and accrued and unused leave of EUR 3 thousand.

The following is an individualised breakdown of the cash remuneration received by each of the Prisa Directors during the 2021 financial year:

	2021										
	Remuneration accrued in the Company										
		Fixed remuneration	Subsistence allowance	Remuneration for membership of Board Committees	Salary	Short-term variable remuneration	Long-term variable remuneration	Termination benefit	Other items	Total Company	
NAME	Accrual period				(tho	ousand €)					
Mr Joseph Oughourlian	01/01 to 31/12	200	0	0	0	0	0	0	0	200	
Mr Rosauro Varo Rodríguez	01/01 to 31/12	56	0	36	0	0	0	0	0	92	
Ms Beatrice De Clermont-Tonnerre	01/01 to 31/12	56	0	57	0	0	0	0	0	113	
Mr Roberto Alcántara Rojas	01/01 to 31/12	50	0	0	0	0	0	0	0	50	
Amber Capital UK LLP	01/01 to 31/12	50	0	17	0	0	0	0	0	67	
Ms María Teresa Ballester Fornés	01/01 to 31/12	56	0	16	0	0	0	0	0	72	
Mr Francisco Cuadrado Pérez	27/07 to 31/12	0	0	0	0	0	0	0	0	0	
Ms Carmen Fernández de Alarcón	29/06 to 31/12	23	0	8	0	0	0	0	0	31	
Ms María José Marin Rey-Stolle	23/02 to 31/12	47	0	26	0	0	0	0	0	73	
Mr Carlos Nuñez Murias	24/05 to 31/12	0	0	0	0	0	0	0	0	0	
Mr Manuel Polanco Moreno	01/01 to 31/12	50	0	24	0	0	0	0	0	74	
Ms Teresa Quirós Álvarez	30/11 to 31/12	5	0	3	0	0	0	0	0	8	
Shk. Dr. Khalid Bin Thani Abdullah Al Thani	01/01 to 31/12	50	0	0	0	0	0	0	0	50	
Mr Javier Santiso Guimaras	01/01 to 31/12	56	0	40	0	0	0	0	0	96	
Mr Dominique D'Hinnin	01/01 to 30/11	51	0	38	0	0	0	0	0	89	
Mr Manuel Mirat Santiago	01/01 to 27/07	0	0	0	224	175	0	1,742	728	2,869	
Mr Javier de Jaime Guijarro	01/01 to 23/02	8	0	4	0	0	0	0	0	12	

					2021						
			Remuneration accrued in Group companies								
		Fixed remuneration	Subsistence allowance	Remuneration for membership of Board Committees	Salary	Short-term variable remuneration	Long-term variable remuneration	Termination benefit	Other items	Total Group companies	
NAME	Accrual period				(th	ousand €)					
Mr Francisco Cuadrado Pérez	27/07 to 31/12	0	0	0	198	148	0	0	3	349	
Mr Carlos Nuñez Murias	24/05 to 31/12	0	0	0	242	168	0	0	3	413	
Mr Manuel Polanco Moreno	01/01 to 31/12	17	0	0	0	0	0	0	0	17	

English translation for information purposes only. In case of discrepancies between the Spanish original and the English translation, the Spanish version shall prevail

		2021									
			Remuneration accrued in Group companies								
		Plane d	Cali al atauna a	Remuneration for		Short-term	Long-term	T	041	Total	
		Fixed remuneration	Subsistence allowance	membership of Board Committees	Salary	variable remuneration	variable remuneration	Termination benefit	Other items	Group companies	
NAME	Accrual period				(th	ousand €)					
Mr Manuel Mirat Santiago	01/01 to 27/07	0	0	0	42	0	0	0	5	47	

(E) Remuneration of the members of the Company's senior management during 2021

As of the date of the Registration Document, the senior management team is made up of the Secretary of the Board of Directors, Mr Pablo Jiménez de Parga, the Chief Financial Officer, Ms Pilar Gil (since she took up this position in July 2022), the Corporate and Institutional Relations Director, Mr Jorge Rivera, the Communications Director, Ms Cristina Zoilo (since she took up this position in July 2022), the Sustainability Director, Ms Rosa Junquera (since she took up this position in March 2022), the Director of People and Talent Ms Marta Bretos (since she joined the senior management team in March 2022) and, in addition, Prisa's Director of Internal Audit, Ms Virginia Fernández. The Internal Audit Director is included in this senior management group for the sole purpose of the Company's legally mandated reporting obligations. For more information on the current members of senior management, see section 12.1(B) of the Registration Document.

However, the composition of the senior management team in 2021 (whose remuneration is reported below) was different.

The senior management team underwent a major reorganisation during 2021. Until 30 June 2021, this group consisted of the members of the now defunct Management Committee and the persons who regularly attended it, as well as Prisa's Internal Audit Director. Since then and for the remainder of 2021, the senior management team has consisted of the Executive Chairmen of the Group's two businesses, Education and Media, who were (and are), in turn, Executive Directors of Prisa (Mr Francisco Cuadrado and Mr Carlos Nuñez, respectively), the Secretary of the Board of Directors (Mr Pablo Jiménez de Parga, who joined the Company in July 2021), the then Chief Financial Officer (Mr David Mesonero, who also joined the Company in July 2021), the then Director of Communication and Institutional Relations (Mr Jorge Rivera) and the Director of Internal Audit (Ms Virginia Fernández).

Mr Mesonero resigned as Chief Financial Officer with effect from 30 June 2022.

During 2021, members of the Company's senior management who were not Executive Directors of Prisa earned monetary remuneration amounting to EUR 9,733 thousand.

This aggregate remuneration of the members of senior management in 2021 (EUR 9,733 thousand) corresponds to the four members of senior management who were not Executive Directors of Prisa, i.e. Mr Pablo Jiménez de Parga, Mr David Mesonero, Mr Jorge Rivera and Ms Virginia Fernández and also includes the remuneration of Mr Xavier Pujol, Mr Guillermo de Juanes, Mr Augusto Delkader, Mr Miguel Ángel Cayuela, Mr Pedro García-Guillén and Mr Alejandro Martínez Peón, until the time of their respective resignations in the first half of 2021, as General Secretary and Secretary of the Board of Directors of Prisa, Chief Financial Officer, Editorial Director, CEO of Santillana, CEO of Prisa Radio and CEO of Prisa Noticias. This amount also includes the remuneration of the former members and assistants of the Management Committee, Mr Jorge Bujía (Director of Risk Control and Management Control) and Ms Marta Bretos (HR and Talent Management Director) until 30 June 2021.

This total remuneration is the amount accrued in 2021 in accordance with the criteria set out in CNMV Circular 3/2021 of 28 September and differs from the total amount of remuneration disclosed in the notes to the consolidated annual accounts and in the half-yearly financial information for 2021 (EUR 10,319 thousand), which corresponds to the accounting records.

In addition to the above information on the remuneration of the members of the Company's senior management during 2021, the following is stated in relation to the medium-term incentive plans that have been in force during the 2021 and/or 2022 financial years:

"2018-2020 Medium Term Incentive Plan": this plan has been settled in 2022 through the delivery of
the corresponding shares to the beneficiaries of the Plan, among which were some of the members of
the senior management group in 2021 (for further information on this plan, see footnote 7 included in
the table in section (D) above regarding the individualised detail accrued by each of the Prisa Directors
during the 2021 financial year, broken down by remuneration items).

- "2022-2025 incentives plan of the former CFO of Prisa, Mr David Mesonero": The former Chief Financial Officer of Prisa, Mr David Mesonero (who has resigned from his position effective 30 June 2022), has been the beneficiary of a medium-term incentive plan linked to the achievement of the Prisa Group's adjusted cash flow target (to be established in each of the budgets annually approved by the Board of Directors of Prisa for the consolidated Prisa Group) payable in shares. This plan was approved by the Board of Directors of the Company on 21 December 2021 and subsequently amended by the Board on 26 April 2022 (to extend it to 2025, in line with the Company's Strategic Plan). Mr Mesonero was allocated a theoretical number of shares equivalent to EUR 300 thousand gross for each year of the duration of the plan, which would serve as a reference to determine the final number of shares to be delivered. The calculations were made considering the average stock market value of the Prisa share during the last quarter of 2021. The incentive could also be increased depending on how Prisa's share price increases. The plan also foresaw an increase in the event that refinancing would take place, as foreseen in the plan. This refinancing was executed in April 2022 and Mr Mesonero has received the resulting settlement of this part of the plan, in shares. Following the termination of Mr Mesonero's employment relationship with the Company, this incentive has been extinguished and without effect (without prejudice to the shares already received by Mr Mesonero in compliance with the refinancing part of the plan).
- *"2022-2025 incentive plan of the new CFO of Prisa, Ms. Pilar Gil"*: CFO of Prisa, Ms Pilar Gil, is the beneficiary of a medium-term incentive plan linked to the fulfilment of the adjusted cash flow target of the Prisa Group (the one established in each of the budgets annually approved by the Board of Directors of Prisa for the consolidated Prisa Group) in the 2022, 2023, 2024 and 2025 financial years, in similar terms to those of her predecessor in the position, Mr David Mesonero, but with the necessary adaptations. This plan was approved by the Board of Directors on 26 July 2022. Ms Gil has been allocated a theoretical number of shares equivalent to EUR 300,000 gross for each year of the duration of the plan, considering the average stock market value of the share during the last quarter of 2021, and which will serve as a reference to determine the final number of shares to be delivered. In addition, the incentive may be increased depending on how Prisa's share price increases.

Compliance with the objectives for each financial year shall be verified at the end of the relevant financial year, after the annual accounts for that year have been drawn up. The resulting incentive for each financial year shall be paid in three thirds over the following three financial years on a date to be determined by the Board of Directors within 60 calendar days after the accounts for the immediately preceding financial year have been drawn up.

 "Management Team 2022-2025 Incentive Plan (Prisa Media, Santillana and Prisa Corporate)": The Board of Directors of Prisa, at its meeting held on April 26, 2022, approved a medium-term incentive plan, of which a group of executives of Prisa Media, Santillana and Prisa Corporativo are beneficiaries. Specifically, only one member of the current senior management team is a beneficiary of this plan.

The plan is linked to meeting the following quantitative financial targets in 2022, 2023, 2024 and 2025: (i) in the case of Prisa Media, the targets are linked to EBITDA, cash flow and digital revenues in its budget; (ii) in the case of Santillana, they are linked to EBIT and cash flow in its budget; and (iii) in the case of Prisa Corporativo, they are linked to the adjusted cash flow of the Prisa Group. This plan is payable in shares. Each of the aforementioned groups of executives of Prisa Media and Santillana has been assigned a number of theoretical shares equivalent to a total of EUR 700,000 gross for each year of the duration of the plan, and the group of beneficiaries of Prisa Corporativo has been assigned a number of theoretical shares equivalent to a total of shares to be delivered. The plan, which will serve as a reference to determine the final number of shares to be delivered. The calculations have been made considering the average stock market value of the Prisa share during the last quarter of 2021. In addition, the incentive may be increased depending on how Prisa's share price increases.

Compliance with the objectives for each financial year shall be verified at the end of the relevant financial year, after the annual accounts for that year have been drawn up. The resulting incentive for each financial year shall be paid in three thirds over the following three financial years on a date to be determined by the Board of Directors within 60 calendar days after the accounts for the immediately preceding financial year have been drawn up.

13.2. Total amounts provided or accrued by the issuer or its subsidiaries for pension, retirement or similar benefits.

There are none.

14. MANAGEMENT PRACTICES

14.1. Date of expiry of the current term of office of the members of the administrative, management or supervisory bodies of the issuer and the period during which they have held such office.

Pursuant to article 17 of Prisa's current Articles of Association, the members of the Board of Directors shall hold office for a term of three years and may be re-elected one or more times for terms of equal duration. The date of the first and last appointment of the Directors is set out in section 12.1 of the Registration Document.

The appointment of Prisa directors shall expire when, once the term has expired, the next General Shareholders' Meeting has been held or the legal term for the holding of the General Shareholders' Meeting to resolve on the approval of the accounts of the previous year has elapsed.

14.2. Information on contracts of members of the administrative, management or supervisory bodies with the issuer or any of its subsidiaries providing for benefits upon termination of their functions.

The Annual General Meeting of Shareholders of the Company held on 28 June 2022 approved, under agenda item 6.3, the Company's Remuneration Policy for 2022, 2023 and 2024 (see item 13.1 of the Registration Document) which provides for the main terms and conditions of the contracts of the Executive Directors.

As of the date of the Registration Document, the Board of Directors of Prisa has two Executive Directors: (i) an Executive Director who is the chief executive officer and Executive Chairman of Santillana, Mr Francisco Cuadrado Pérez and (ii) an Executive Director who is the Chief Executive Officer and Executive Chairman of Prisa Media, Mr Carlos Núñez Murias.

The contract of Mr Carlos Núñez Murias, Executive Chairman of Prisa Media, is with Prisa Media itself and the contract of Mr Francisco Cuadrado Pérez, Executive Chairman of Santillana, is with Santillana.

For the purposes of article 249 of the LSC, both contracts were approved by the Board of Directors of Prisa (at the proposal of the Nominations, Compensation and Corporate Governance Commission) insofar as these contracts regulate the executive functions of Mr Carlos Núñez Murias and Mr Francisco Cuadrado Pérez.

For the purposes of this point, the companies Prisa Media and Santillana shall be considered (depending on which Executive Director is concerned) as the Company.

The contracts regulating the performance of directors' duties and responsibilities include clauses in line with standard market practice in this area, with the aim of attracting and retaining outstanding professionals and safeguarding the Company's legitimate interests.

The essential terms and conditions of the Executive Directors' contracts are set out below:

- (i) <u>Duration</u>: indefinitely, without prejudice to 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) <u>Exclusivity and non-competition</u>: Exclusively for the Company and the Prisa Group, the Executive Directors may not provide services or carry out professional activities, under any contractual relationship, to other persons or entities, unless authorised by the Company. It also includes a specific prohibition of non-competition.
- (iii) <u>Notice period</u>: in the event of termination of the contract by decision of the Executive Directors, they must give the Company at least three months' notice of termination. In the event of total or partial non-compliance with the notice period, the Executive Director shall be obliged to pay the fixed remuneration in cash corresponding to the non-complied 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 defined in their contracts as "change of control"), they must notify the Company of their decision within two months of the change of control and one month's notice must be given. In case of breach of the notice obligation, 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 breached notice period.

The Company shall give at least three months' notice in the event of corporate withdrawal. In the event of total or partial non-compliance with the notice period, the Company shall be obliged to pay the fixed remuneration in cash corresponding to the non-complied notice period.

- (iv) <u>Termination benefits</u>: 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 set out in the contract; (ii) at the will of the Executive Director in the event of a change of control (as defined in the contracts as "change of control"); (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 or Santillana, depending on which Executive Director is concerned; or (v) in the event of total or partial revocation of the powers delegated in favour of the Executive Director or of the powers granted in his favour by the Company, the Executive Directors shall be entitled to receive the following termination benefits:
 - Mr Carlos Nuñez (Executive Chairman of Prisa Media) would receive a gross termination benefit equivalent to 18 months of his fixed remuneration and his annual variable remuneration in cash.
 - Mr Francisco Cuadrado (Executive Chairman of Santillana) would receive:
 - A total termination benefit of EUR 1,643,020 gross. In order to determine this figure, the following has been taken into account: (a) the amounts of termination benefits for unfair dismissal that would have corresponded to Mr Cuadrado for the termination of the ordinary and senior management employment relationships that Mr Cuadrado had with the various 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 will be entailed for Mr Cuadrado by being unable to benefit from the maximum exemption provided for in article 7.e) of the Personal Income Tax Law for termination benefits for dismissal or termination of employees.
 - A gross supplementary compensation 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 this benefit. In any event, if Mr Cuadrado is paid unemployment benefits from the corresponding public body, he shall be obliged to repay to the Company the amount received as such supplementary compensation up to the amount of the benefit obtained, and must make the repayment within a maximum period of one month from the date on which the unemployment benefit was recognised. However, this gross additional compensation shall not be paid in the event of termination of the contract as a result of a change of control.

Likewise, in the above cases, Executive Directors shall be entitled to receive, as part of their termination benefit, 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 financial year in which the contract is terminated, in the event that such termination is due to the will of the Executive Directors, 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 2 months of the financial 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) to which they would have been entitled, if any, provided that the annual targets set are proportionally met. The annual variable remuneration shall be paid in the first half of the calendar year following the year of generation.

- (v) Post-contractual non-competition: 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 concurrently 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 employ any person who at 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 the departure of any employee of such group. This non-competition agreement shall last for 12 months after the termination of the contract for any reason. Executive directors would receive, as financial consideration for these obligations, a compensation 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 obliged to repay the amount of compensation received for such concept and an indemnity equal to 6 monthly payments of the fixed remuneration in force at the time of termination of the concept and an indemnity equal to 6 monthly payments of the fixed remuneration in force at the time of termination of the concept and an indemnity equal to 6 monthly payments of the fixed remuneration in force at the time of termination of the concept and an indemnity equal to 6 monthly payments of the fixed remuneration in force at the time of termination of the concept and an indemnity equal to 6 monthly payments of the fixed remuneration in force at the time of termination of the contract.
- (vi) <u>Clawback clause</u>: in general terms, the contracts of Executive Directors include a clawback clause that allows the Company to claim reimbursement of the variable components of the remuneration in the event that in the year following their payment any event or circumstance occurs that has the effect of significantly altering or modifying 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 do not faithfully reflect the situation of the Company or the Group as a result of which there is a well-founded review of compliance with the objectives established for the accrual of the variable remuneration in question, regardless of whether or not the Executive Director was responsible for this.

14.3. Information on the audit committee and the remuneration committee of the issuer

Information on the Company's Audit, Risks and Compliance Commission, including its composition and functioning, is set out in section (A.3) of section 12.1 of the Registration Document. Likewise, the information relating to the Company's Nominations, Compensation and Corporate Governance Commission is set out in section (A.4) of section 12.1 of the Registration Document.

14.4. Statement as to whether the issuer complies with the corporate governance regime(s) applicable to the issuer.

Prisa complies with current Spanish corporate governance regulations. The Company reports annually in the Annual Corporate Governance Report, among other matters, on the degree of compliance with the recommendations of the Good Governance Code for Listed Companies, approved by the CNMV. The information relating to this point is included in section G "Degree of compliance with the Corporate Governance recommendations" of the Company's Annual Corporate Governance Report for 2021, which has been filed with the CNMV.

Recommendations on corporate governance

As at 31 December 2021, of the total of 64 recommendations of the Corporate Governance Code for listed companies, the Company fully complied with 57, partially complied with 2 and 5 were not applicable.

In particular, the Company partially complied, firstly, with recommendation 36 regarding that the full board of directors of the company should evaluate once a year and adopt, if necessary, an action plan to correct the deficiencies detected with respect to (a) the quality and efficiency of the functioning of the board of directors; (b) the functioning and composition of its committees; (c) the diversity in the composition and competencies of the board of directors; (d) the performance of the chairman of the board of directors and the chief executive of the company; (e) the performance and contribution of each director, paying special attention to the heads of the various board committees.

With regard to this recommendation 36, the Rules of Procedure of the Board of Directors regulate the procedure for carrying out the annual evaluation of the Board. However, the individual performance and contribution of each director during the year was not evaluated (although the Chairs of the Board of Directors and of the Board committees, the Executive Directors and the coordinating director were evaluated individually and in the exercise of their specific responsibilities). The assessment for 2019 was carried out with the assistance of an external consultant (KPMG), but not for 2020 and 2021, as this was not considered necessary.

Secondly, the Company partially complied with recommendation 64 regarding that payments for termination or extinction of the contract should not exceed an amount equivalent to 2 years of the total annual remuneration and that they should not be paid until the company has been able to verify that the director has complied with the criteria or conditions set out for receiving it.

With respect to this recommendation 64, firstly, reference is made to the termination of the contractual relationship between the Company and Mr Manuel Mirat in July 2021. Mr Mirat was an Executive Director of Prisa until July 2021 (Executive Chairman of Santillana between June and July 2021 and CEO of Prisa until June 2021). The amount resulting from the settlement of this contractual termination exceeded the amount equivalent to 2 years of Mr Mirat's total annual remuneration, although it was paid to Mr Mirat once the Company had verified that the criteria or conditions set out for receiving it had been met. However, it should be borne in mind that this settlement included compensation for the common employment relationship that Mr Mirat had with the Company, which was independent of that derived from the commercial relationship that governed his executive functions, first as CEO of Prisa and then as Executive Chairman of Santillana. Secondly, the contract between the Company and one of the current Executive Directors, Mr Francisco Cuadrado (Executive Chairman of Santillana), sets out that, in the event of termination of his contract due to: (i) the Director's will as a consequence of a change of control of the Company (as defined in the contract); or (ii) unilateral withdrawal by simple will of the Company or breach by the Company, the Executive Director shall be entitled to receive compensation for post-contractual non-competition, equivalent to 6 monthly payments of the last gross salary, of a fixed nature and, in addition, a total indemnity of EUR 1,643,020 gross. In order to determine this figure, the following has been taken into account: (a) the amounts of compensation for unfair dismissal that would have corresponded to Mr Cuadrado for the termination of the ordinary and senior management employment relationships that Mr Cuadrado had with the various entities of the Group from 18 October 1989 until the entry into force of the current contract (in July 2021); and (b) a gross up to mitigate the loss that will be entailed for Mr Cuadrado by being unable to benefit from the maximum exemption provided for in article 7.e) of the Personal Income Tax Law for termination benefits for dismissal or termination of employees. In addition, the termination of Mr Cuadrado's employment relationship will entitle him to receive a gross supplementary compensation equivalent to the amount established at that time as the Social Security contributory unemployment benefit, taking as a reference the maximum contribution base and also the maximum period for which such benefit would be granted. By virtue of the above, if the commercial contract governing Mr Cuadrado's executive functions were to be terminated, the quantitative limits for compensation provided for in recommendation 64 would be exceeded.

Finally, the following recommendations were not applicable to the Company in 2021: (i) Recommendation 2 concerning the business relationships that a listed company maintains with the company that controls it; (ii) Recommendation 10 concerning the information and action to be taken by the board of directors when a shareholder entitled to do so exercises its right, prior to the general meeting of shareholders, to add to the agenda or submit new proposals to the general meeting of shareholders; (iii) Recommendation 11 on the general policy on attendance fees at the general meeting of shareholders; (iv) Recommendation 19 on the appointment of proprietary directors at the request of shareholders whose shareholding is less than 3% of the share capital; and (v) Recommendation 48 on a large cap company having a separate appointments committee and remuneration committee.

Internal Control over Financial Reporting System (ICFR)

The Group's Internal Control over Financial Reporting System (the "**ICFR**") is based on the recommendations guide on this matter issued by the CNMV in June 2010. In this regard, the Group's ICFR was initially developed based on the COSO 1992 methodological framework, and adapted in 2014 to the new COSO 2013 framework. The Annual Corporate Governance Report for 2021, which is incorporated by reference to the Registration Document, includes a general description of the main elements that make up the Prisa Group's ICFR.

14.5. Possible significant effects on corporate governance, including future changes in the composition of the board of directors and committees.

As of the date of the Registration Document, neither the General Shareholders' Meeting nor the Board of Directors of Prisa have agreed any changes relating to the Board of Directors or its Committees that may have a significant impact on the corporate governance of Prisa.

15. EMPLOYEES

15.1. Number of employees and information

As of 30 November 2022, the number of employees of Prisa Group amounted to 6,977.

The following table includes a breakdown by professional category of the average number of employees of Prisa Group companies during the first half of 2022 and during 2021, 2020 and 2019.

AVERAGE NUMBER OF PRISA GROUP EMPLOYEES BY PROFESSIONAL CATEGORY	First half of 2022	2021	2020	2019
Senior management ⁽¹⁾	6	4	11	11
Other employees of the Company ⁽²⁾	39	58	68	35
Other employees of the Group	6,852	6,748	6,998	8,664
Prisa Group Total	6,897	6,810	7,077	8,709
Total Prisa	44	62	73	40

(1) Includes persons classified as members of the Group's senior management as referred to in the Annual Corporate Governance Report, excluding Executive Directors.

(2): Prisa employee data does not include members of senior management.

The data on the average headcount of Prisa Group companies by operating segment for the first half of 2022 and for 2021, 2020 and 2019 were as follows:

AVERAGE NUMBER OF PRISA GROUP EMPLOYEES BY OPERATING SEGMENT	First half of 2022	2021	2020	2019
Media	3,428	3,459	3,475	3,519
Education	3,425	3,290	3,515	4,016
Other	44	62	87	1,175
Total	6,897	6,810	7,077	8,709

In the first half of 2022 and 2021, an average of 6,453 and 6,391 people, respectively, were on permanent contracts, representing 94% in both cases of the total Prisa Group workforce in those periods.

Data on the average workforce by geographical origin are included below:

AVERAGE NUMBER OF PRISA GROUP EMPLOYEES BY GEOGRAPHICAL ORIGIN	First half of 2022	2021	2020	2019
Spain	2,344	2,422	2,337	3,001
International	4,554	4,388	4,740	5,709
Total	6,897	6,810	7,077	8,709

15.2. Participating interests and stock options

According to the information in the possession of the Company, as at the date of the Registration Document, the interests of the members of the Board of Directors in the share capital are as follows:

	No. of voting rights		Percentage share of total voting	Shareholder	
Name/company name	Direct	Indirect	rights	proposing his/her appointment	
Mr Joseph Oughourlian	0	218,997,241(1)	29.57%	Amber Active Investor Limited	
Mr Rosauro Varo Rodríguez	0	0	0%		
Ms Béatrice de Clermont-Tonnerre	0	0	0%		
Mr Andrés Varela Entrecanales	95,769	0	0.01%	Global Alconaba, S.L.	
Ms María Teresa Ballester Fornés	0	0	0%		
Mr Francisco Cuadrado Pérez	23,263	0	0%		
Ms Carmen Fernández de Alarcón Roca	0	0	0%	Vivendi, S.E.	
Ms María José Marín Rey-Stolle	0	0	0%		
Mr Carlos Núñez Murias	0	0	0%		
Mr Manuel Polanco Moreno	63,187	150,246	0.03%	Timón, S.A. ⁽³⁾	
Ms Teresa Quirós Álvarez	0	0	0%		
Mr Javier Santiso Guimaras	0	0	0%		
Shk. Dr. Khalid Bin Thani Bin Abdullah Al Thani	0	36,422,971 ⁽²⁾	4.92%	International Media Group S.à.r.l.	
Total	182,219	255,570,458	34.53%		

(1): Through Oviedo Holding, S.A.R.L. (25,54%) and Amber Capital Investment Management ICAV - Amber Global Opportunities Fund (4.03%). Mr Joseph Oughourlian controls Amber Capital UK, LLP, (who is also a Director of Prisa) who is an investment manager of Oviedo Holdings S.A.R.L. and Amber Capital Investment Management ICAV - Amber Global Opportunities Fund. According to the notification made to the CNMV on 15 December 2022, as a result of a internal reorganisation of holdings of Prisa shares managed by Amber Capital UK, LLP, on December 14, 2022, Amber Capital Investment Management ICAV - Oviedo Investments II (previously holder of 101,987,187 shares of PRISA, representing 13.77% of the share capital) transferred all its shares in Prisa to Oviedo Holdings, S.A.R.L. Oviedo Holdings, S.A.R.L is managed by Amber Capital UK LLP.

the funds managed by Amber Capital UK LLP, the 101,987,187 Prisa shares held by Amber Active Investor Limited until 31 December 2021 were transferred to its sub-fund Amber Capital Investment Management ICAV - Amber Active Investors Fund which, in turn, transferred them on 25 May 2022 to Amber Capital Investment Management ICAV - Oviedo Investments II. These funds are managed by Amber Capital UK LLP.

(2): Through International Media Group, S.A.R.L., which is wholly owned by International Media Group Limited, which in turn is wholly owned by Shk. Dr. Khalid bin Thani bin Abdullah Al-Thani.

(3): Company controlled by Rucandio, S.A. As stated in Prisa's Annual Corporate Governance Report for 2021: (i) Rucandio, S.A. indirectly controls 100% of the share capital of Aherlow Inversiones, S.L. (Prisa shareholder) through Timón, S.A., (ii) Rucandio, S.A. directly controls 8.32% of the share capital of Promotora de Publicaciones, S.L. (Prisa shareholder) and indirectly controls 82.95% through Timón, S.A. According to Rucandio's notification to the CNMV dated 30 January 2018 and by virtue of an internal reorganisation, the Prisa shares then held directly by Timón, S.A. were transferred on 26 January 2018 to Aherlow Inversiones, S.L.

It is also noted that Mr Miguel Barroso Ayats, representative of Amber Capital UK LLP on the Board of Directors of Prisa, indirectly holds 850,624 Prisa shares (representing 0.12% of the share capital).

As of the date of the Registration Document, to the knowledge of the Company, the number of Prisa shares held by members of the senior management of the Prisa Group who are not members of the Board of Directors amounts to 54,621 shares. Furthermore, no member of the Board of Directors of the Company or any member of the senior management of the Prisa Group holds stock options.

However, the Executive Directors Mr Francisco Cuadrado and Mr Carlos Nuñez, as well as Prisa's CFO, Ms Pilar Gil, and another member of the senior management team, are beneficiaries of the Medium-Term Incentive Plans, payable in shares, referred to in section 13 of the Registration Document. Under these plans, they have been assigned a theoretical number of shares for each year of the plan's duration, which will serve as a reference to determine the final number of shares to be delivered (assuming that the objectives to which their respective plans are linked are met).

15.3. Description of any employee shareholding arrangements in the issuer's capital

Except for the share delivery plans described in section 13.1 of the Registration Document, and as indicated in section 15.2, there are currently no employee share ownership arrangements in the capital of Prisa.

16. MAIN SHAREHOLDERS

16.1. Name of any person outside the administrative, management or supervisory bodies who, directly or indirectly, has a reportable interest in the issuer's capital or voting rights, under the issuer's national law.

The following table sets out the significant shareholders of Prisa, excluding the Directors (see section 15.2), as at the date of the Registration Document:

SIGNIFICANT SHAREHOLDERS	No. of direct voting rights	No. of indirect voting rights	Percentage of total share capital
Vivendi, S.E	70,410,336	0	9.51%
Rucandio, S.A	0	$53,938,328^{(1)}$	7.28%
Global Alconaba, S.L	50,174,058	0	6.77%
Mr Roberto Lázaro Alcántara Rojas	18,565	35,570,206 ⁽²⁾	4.81%
Banco Santander, S.A	17,239,369	17,017,746 ⁽³⁾	4.63%
Control Empresarial de Capitales, S.A. de C.V	30,509,047	0	4.12%
Mr Carlos Fernández González	0	28,539,429(4)	3.85%
Total	168,351,375	135,065,709	40.97%

Source: according to communications made to the CNMV (CNMV website consulted at the date of the Registration Document) and, in some cases, information provided by the shareholders themselves to the Company.

(1): Through Aherlow Inversiones, S.L.U. (7.25%), Promotora de Publicaciones, S.L. (0.01%) and Rucandio Inversiones SICAV, S.A. (0.01%). Rucandio, S.A. (a family company controlled by the heirs of Mr Jesús Polanco Gutierrez and other members of the Polanco family, signatories of the shareholders' agreement notified to the CNMV on 14 August 2007) directly controls 56.53% of Timón, S.A. (which in turn controls 100% of Aherlow Inversiones, S.L.U.). Rucandio, S.A. directly controls 8.32% of the share capital of Promotora de Publicaciones, S.L. and indirectly controls 82.95% through Timón, S.A. Likewise, Rucandio, S.A. holds 58.35% of the share capital of Rucandio Inversiones SICAV, S.L.

(2): Through Consorcio Transportista Occher, S.A. de C.V., 85% owned by Roberto Lázaro Alcántara Rojas.

(3): According to the information available to the Company, as of 18 December 2020, the date of the last General Shareholders' Meeting of Prisa attended by Banco Santander, the latter held, directly and indirectly, the voting rights listed in the table above, through Cántabra de Inversiones, S.A. (0.76%), Cántabro-Catalana de Inversiones, S.A. (0.78%) and Suleyado 2003, S.L. (0.76%), Santander Group companies.

(4): Through F Capital Dutch, B.V., Carlos Fernández González controls the majority of the capital and voting rights of Grupo Far-Luca, S.A. de C.V., the entity that owns 99% of Grupo Finaccess, S.A.P.I. de C.V., which, in turn, owns 64.30% of the capital and voting rights of Finaccess Capital, S.A. de C.V. The latter owns 100% of the share capital of FCapital Dutch, B.V.

In addition, according to the information published on the CNMV's website, the ownership of significant shareholdings in financial instruments with underlying voting rights in Prisa is as follows:

COMPANY NAME	No. of voting rights that can be acquired if the instrument is exercised or redeemed	% of total voting rights	
Melqart Opportunities Master Fund LTD ⁽¹⁾	15,629,271	2.11%	
Polygon European Equity Opportunity Master Fund ⁽²⁾	7,090,807	0.96%	

(1): Melqart Asset Management (UK) Ltd. acts as an Investment Manager of Melqart Opportunities Master Fund Ltd.

(2): Polygon European Equity Opportunity Master Fund is a fund managed by Polygon Global Partners LLP.

Regarding the share in the voting rights of the members of the Board of Directors and senior management of the Prisa Group, see section 15.2 of the Registration Document.

Shareholders' agreements

According to publicly available information, the Company's shareholders' agreements as at the date of the Registration Document are set out below. In this respect, Prisa has no further information on the content of these shareholder agreements beyond publicly available information.

- Rucandio shareholders' agreement: on 23 December 2003, Mr Ignacio Polanco Moreno, Ms Isabel Polanco Moreno - deceased - (whose children have succeeded her in her position in this agreement), Mr Manuel Polanco Moreno, Ms María Jesús Polanco Moreno, plus her father, deceased, Mr Jesús de Polanco Gutiérrez, and her mother, Ms Isabel Moreno Puncel, signed a Family Protocol, which includes as an appendix a Syndication Agreement relating to the shares of Rucandio, S.A., the purpose of which is to prevent third parties outside the Polanco Family from entering Rucandio, S.A., and which establishes the mechanisms for voting, representation, exercise of the rights of the shareholders and transfer of the shares.
- Promotora de Publicaciones, S.L. shareholders' agreement: on 21 May 1992, Timón, S.A. and certain shareholders of Prisa entered into a shareholders' agreement with the Madrid notary José Aristónico Sánchez to regulate the contribution of their shares in Prisa to Promotora de Publicaciones, S.L. and the rules governing their participation in it (participation in the administrative body, voting rights, transfer of shares, etc.). According to what Rucandio has told the Company, the only signatories of the agreement who remain at Promotora de Publicaciones, S.L. are Rucandio, S.A. and Timón, S.A.

16.2. Explanation of whether the issuer's major shareholders have different voting rights.

At present, all shares representing the share capital of Prisa grant the same political and economic rights to all holders.

16.3. Statement as to whether the issuer is owned or controlled, directly or indirectly, by a third party.

As at the date of the Registration Document, Prisa is not controlled, alone or in concert, directly or indirectly, by any natural or legal person.

16.4. A description of any agreement, known to the issuer, the implementation of which may at a later date result in a change in control of the issuer.

Notwithstanding the provisions of section 16.1 above, according to the information available to the Company, there is no agreement the implementation of which may, at a later date, result in a change in control of Prisa.

17. RELATED-PARTY TRANSACTIONS

17.1. Details of related-party transactions that the issuer has entered into during the period covered by the historical financial information and up to the date of the registration document.

Set out below is a detail of Prisa's related-party transactions (which for these purposes are defined in accordance with the rules adopted under Regulation (EC) No. 1606/2002) during the period covered by the historical financial information (2021, 2020 and 2019 financial years) and during the first half of 2022. The latest available information on related-party transactions is as at 30 June 2022 as such information is prepared by Prisa on a half-yearly basis. However, from 30 June 2022 until the date of the Registration Document, no related-party transactions have taken place that differ significantly from those indicated in this item. The Prisa Group carries out all its related-party transactions at market value.

Related-party transactions during 2021, 2020 and 2019

Information on related party transactions for the 2021, 2020 and 2019 financial years can be found in section D of the annual report on corporate governance for 2021 (<u>link</u>), 2020 (<u>link</u>) and 2019 (<u>link</u>), respectively.

Pursuant to Article 19 of Regulation (EU) 2017/1129, the Company's Annual Corporate Governance Report for 2020 and 2019 is also incorporated by reference into the Registration Document and is available on the CNMV's website (<u>www.cnmv.es</u>) and on Prisa's website. The Annual Corporate Governance Report of the Company for 2021 is incorporated by reference in section 13.1 of the Registration Document.

Related-party transactions during the first half of 2022

Information on related party transactions for the first half year 2022 ended 30 June 2022 is set out in note 15—*"Related-party transactions"* to the condensed consolidated interim financial statements for the six months ended 30 June 2022, which have been incorporated by reference into the Registration Document. Related-party transactions in the six months ended 30 June 2022 were as follows:

	30/06/2022			
	Directors and executives	Group employees, companies or entities	Significant shareholders	
RELATED-PARTY TRANSACTIONS	Unau	dited ⁽¹⁾ (thousands of €)		
Finance costs		10		
Services received	14	285	1.180	
Leases				
Purchase of goods				
Other expenses	1,472	230		
Total expenses	1,486	525	1,180	
Interest income		17		
Services rendered		6,071	13,205	
Other income		32		
Total revenue		6,120	13,205	

(1): Information subject to limited review.

Balances held with associates and related companies as at 30 June 2022 are as follows:

	30/06/2022		
	Group employees, companies or entities	Significant shareholders	
BALANCES WITH PERSONS, COMPANIES OR ENTITIES OF THE GROUP	Unaudited ⁽¹⁾ (thousands of €)		
Receivable	4,408	11,741	
Financial credits	350		
Total accounts receivable	4,758	11,741	
Trade payables	1,423	263	
Total accounts payable	1,423	263	

(1): Information subject to limited review.

18. FINANCIAL INFORMATION ABOUT THE ISSUER'S ASSETS AND LIABILITIES, FINANCIAL POSITION AND PROFIT AND LOSS.

18.1. Historical financial information

18.1.1. Audited historical financial information covering the last three fiscal years

The historical financial information for the financial years ended 31 December 2021, 2020 and 2019 has been audited by EY (2021 and 2020) and Deloitte (2019), and has been prepared in accordance with International Financial Reporting Standards (the "**IFRS**") issued by the *International Accounting Standards Board* (IASB) as adopted by the European Union, in accordance with Regulation (EC) No. 1066/2002 of the European Parliament and of the Council of Ministers of the European Union, taking into account all the accounting principles and standards and valuation criteria of mandatory application that have a significant effect, as well as the Commercial Code, the mandatory regulations approved by the Spanish Accounting and Auditing Institute and other applicable Spanish legislation.
Pursuant to Article 19 of Regulation (EU) 2017/1129, the audited individual and consolidated annual accounts of Prisa for the years ended 31 December 2021, 2020 and 2019, together with the corresponding audit reports and management reports, are hereby incorporated by reference into the Registration Document and are available for consultation on the CNMV's website (<u>www.cnmv.es</u>) and on the Prisa website (<u>www.prisa.com</u>).

This item includes the audited consolidated historical financial information of Prisa for the financial years ended 31 December 2021, 2020 and 2019, except for the consolidated income statement and the consolidated cash flow statement for 2019 which were restated by the Company in the consolidated financial statements for 2020 in accordance with IFRS 5 and to enhance comparability of information. In the aforementioned restated financial information for 2019, the results and cash flows of the operations of Santillana España were presented as a discontinued operation, as it leaves the Group's scope of consolidation in 2020 as a result of the sale transaction described in section 5.3 of the Registration Document. Therefore, the restated financial information has not been audited.

The consolidated balance sheets, income statement, cash flow statement, statement of comprehensive income and statement of changes in equity for 2021, 2020 and 2019 are presented below. As indicated above, in the case of the consolidated income statement and the consolidated cash flow statement for 2019, the information is restated to facilitate the comparability of the information. All other financial information included in these financial statements is audited financial information.

A. Prisa's consolidated balance sheet at 31 December 2021, 2020 and 2019

The following table sets out the audited consolidated balance sheet of Prisa as at 31 December 2021, 2020 and 2019:

	31/12/2021	Change 2021-	31/12/2020	Change	31/12/2019
	Audited	2021- 2020	Audited	2020-2019	Audited
CONSOLIDATED BALANCE SHEET (under IFRS)	(thousand €)	(%)	(thousand €)	(%)	(thousand €)
A) Non-current assets	399,222	(9.9)	443,259	(32.1)	652,461
I. Property, plant and equipment	109,678	(29.5)	155,464	(18.5)	190,728
II. Goodwill	109,542	(2.6)	112,501	(25.5)	151,073
III. Intangible assets	96,008	(1.6)	97,543	(22.0)	125,008
IV. Non-current financial assets V. Investments accounted for using the	11,359	8.3	10,493	(49.2)	20,665
equity method	27,020	9.5	24,679	(49.3)	48,711
VI. Deferred tax assets	45,601	7.1	42,563	(63.4)	116,250
VII. Other non-current assets	14	(12.5)	16	(38.5)	26
B) Current assets	479,061	(9.3)	528,460	(42.5)	919,703
I. Inventories	39,920	(12.7)	45,708	(45.9)	84,423
II. Trade receivables and other receivables	265,737	6.8	248,712	(35.1)	383,354
1. Customers for sales and services	265,004	5.1	252,120	(32.5)	373,339
2. Associates	4,807	26.6	3,797	(8.5)	4,149
3. Public administrations	32,638	31.2	24,883	(27.2)	34,192
4. Other debtors	22,806	(3.8)	23,698	(28.3)	33,038
5. Provisions	(59,518)	(6.7)	(55,786)	9.1	(61,364)
III. Current financial assets	2,425	(68.6)	7,718	62.8	4,740
IV. Cash and cash equivalents	168,672	(24.0)	221,879	33.2	166,580
V. Non-current assets held for sale	2,307	(48.1)	4,443	(98.4)	280,606
TOTAL ASSETS	878,283	(9.6)	971,719	(38.2)	1,572,164
A) Equity	(511,815)	(27.0)	(402,980)	2.1	(411,604)
I. Subscribed capital	70,865	0.0	70,865	(89.4)	666,131

English translation for information purposes only. In case of discrepancies between the Spanish original and the English translation, the Spanish version shall prevail

	31/12/2021	Change 2021-	31/12/2020	Change	31/12/2019
	Audited	2021-2020	Audited	Change 2020-2019	Audited
CONSOLIDATED BALANCE SHEET (under IFRS)	(thousand €)	(%)	(thousand €)	(%)	(thousand €)
II. Other reserves and retained earnings from prior periods III. Profit/(loss) for the year attributable to the	(429,393)	16.8	(516,048)	43.5	(913,209)
parent company	(106,506)		89,737	149.2	(182,298)
IV. Treasury shares	(1,320)	13.7	(1,530)	40.9	(2,591)
V. Translation differences	(90,410)	2.0	(92,275)	(86.8)	(49,393)
VI. Minority interests	44,949	(2.9)	46,271	(33.7)	69,756
B) Non-current liabilities	1,033,811	9.0	948,543	(28.8)	1,331,843
I. Non-current bank borrowings	934,342	15.3	810,568	(30.4)	1,164,869
II. Non-current financial liabilities	53,854	(45.8)	99,348	(15.2)	117,207
III. Deferred tax liabilities	21,335	26.7	16,840	(32.6)	24,993
IV. Long-term provisions	21,016	9.5	19,195	(13.3)	22,139
V. Other non-current liabilities	3,264	25.9	2,592	(1.6)	2,635
C) Current liabilities	356,287	(16.4)	426,156	(34.6)	651,925
I. Commercial creditors	195,983	2.4	191,454	(29.2)	270,523
II. Associates	1,123	8.6	1,034	(32.5)	1,531
III. Other non-trade payables	43,774	10.4	39,656	(24.6)	52,591
IV. Current bank borrowings	14,918	(85.5)	102,746	104.7	50,188
V. Current financial liabilities	15,884	(14.4)	18,558	(21.8)	23,745
VI. Public administrations	34,204	16.7	29,321	(29.3)	41,499
VII. Current provisions	14,087	41.1	9,986	(15.4)	11,799
VIII. Other current liabilities IX. Liabilities associated with non-current	35,218	17.5	29,967	(16.2)	35,767
assets held for sale	1,096 878,283	(68.1) (9.6)	3.434 971,719	(97.9) (38.2)	164,282 1,572,164
TO THE EXOTITING ENDERTIES INTERNATION	070,200	(2.0)	<i>,</i> ,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	(30.2)	1,57 2,104

Main changes between Prisa's audited consolidated balance sheets as at 31 December 2021, 2020 and 2019:

Assets

The changes in the main "asset" items in 2021, 2020 and 2019 are described below:

Property, plant, and equipment: as at 31 December 2021, the amount of property, plant and equipment amounted to EUR 109,678 thousand, representing a decrease of 29.5% compared to the amount of property, plant and equipment as at 31 December 2020 (EUR 155,464 thousand). Additions to the Group's consolidated financial statements during the 2019, 2020 and 2021 financial years amounted to EUR 16,914 thousand, EUR 13,899 thousand and EUR 10,936 thousand, respectively, corresponding mainly to investments in technical installations and machinery, investments made by Santillana in digital equipment and learning systems, and investments by all business units in information processing equipment (see section 5.7.1 of the Registration Document).

In 2021, derecognitions (net of accumulated depreciation) amounted to EUR 31,797, and were mainly due to the fact that in December 2021 the Group formalised, among others, a renegotiation of the lease agreements for its offices in Miguel Yuste (Madrid), Gran Vía (Madrid) and Caspe (Barcelona), which involved, among other aspects, the early disposal of three of the buildings in the Miguel Yuste complex, a decrease in the minimum duration of the existing lease agreements and a reduction in future lease payments. This meant that at the effective date of the lease amendment (December 2021) the financial liability and lease tangible fixed assets associated with such contracts were recalculated and reduced considering the effects described above.

The balance of property, plant and equipment also includes lease assets, which mainly relate to the activation of the Group's office and warehouse lease contracts, the net balance of which at 31 December 2021 amounted to EUR 53,298 thousand (EUR 96,680 thousand at 31 December 2020 and EUR 116,569 thousand in 2019). Santillana includes leased technological equipment for use in the classroom by pupils and teachers integrated in education systems for a net amount of EUR 8,206 thousand, recorded in *"Other items of property, plant and equipment"* (EUR 8,097 thousand as at 31 December 2020 and EUR 8,757 thousand in 2019).

• **Goodwill**: The following is a detail of the composition and movements in goodwill of the fully consolidated Group companies for 2021 and 2020.

	Balance at 31/12/2020	Translation adjustment	Transfers	Balance at 31/12/2021
COMPOSITION AND MOVEMENT OF GOODWILL IN 2021		Audited (thou	usands of €)	
Editora Moderna, Ltda.	34.833	191	(22.086)	12.938
Santillana Educaçao Ltda.			22,086	22,806
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.	-,			-,
Other companies	27,217			27,217
Goodwill	11,605	2		11,607
	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 was distributed between Editora Moderna Ltda. (public business) and Santillana Educaçao Ltda. (private business). Valuations of both businesses on the basis of future projections were used to make this allocation.

COMPOSITION AND MOVEMENT	Balance at 31/12/2019	Translation adjustment	Change in the scope/recognition	Impairment	Transfers	Balance at 31/12/2020			
OF GOODWILL IN 2020	Audited (thousands of €)								
Editora Moderna, Ltda Grupo Latino de Radiodifusión	48,975	(14,142)				34,833			
Chile, Ltda	48,656	(1,816)		(16,602)		30,238			
Propulsora Montañesa, S.A Sociedad Española de	8,608					8,608			
Radiodifusión, S.L.	35,585				(8,368)	27,217			
Other companies	9,249	(61)	573		1,844	11,605			
Goodwill	151,073	(16,019)	573	(16,602)	(6,524)	112,501			

In 2020, the result of the impairment test resulted in the recognition of an impairment of EUR 16,602 thousand in the goodwill of Grupo Latino de Radiodifusión Chile, Ltda. (GLR Chile), mainly as a consequence of the impact of COVID-19 on future projections, which implied a decrease in GLR Chile's projected long-term growth. 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. As a result, the Group's goodwill as at 31 December 2020 amounted to EUR 112,501 thousand, which was 25.5% lower than the amount of goodwill as at 31 December 2019 (EUR 151,073 thousand).

Intangible assets: The most significant additions in 2019, 2020 and 2021 were in "Prototypes" corresponding to additions of prototypes for book publishing at Santillana amounting to EUR 37.8 million in 2019, EUR 19.5 million in 2020 and EUR 21.9 million in 2021, as well as in "Software"

applications" corresponding to applications acquired or developed by third parties for Group companies amounting to EUR 14.2 million in 2019, EUR 11.2 million in 2020 and EUR 21.1 million in 2021, 21.9 million in 2021, as well as under the heading "Software applications" corresponding to applications acquired or developed by third parties for Group companies amounting to EUR 14.2 million in 2019, EUR 11.1 million in 2020 and EUR 11.7 million in 2021.

In addition, as a consequence of the sale of Santillana España in the 2020 financial year, intangible assets for a net amount of EUR 9,618 thousand were transferred to "*Non-current assets held for sale*".

- Non-current financial assets: In 2021 there were no significant changes in this heading. In 2020, the decrease in non-current financial investments of EUR 10.2 million was mainly due to the derecognition of the receivable from Le Monde for a net provision of EUR 6,790 thousand, offset by the addition of the long-term receivable of EUR 2,679 thousand as part of the agreement to sell the Group's receivables from Le Monde, and to the impairment of the loan granted to Green Emerald Business, Inc. for EUR 1,157 thousand and the impairment of a financial investment related to Prisa Radio's shareholding in associated companies in the USA for EUR 3,400 thousand. Thus, as at 31 December 2020, the amount of the Group's non-current financial investments stood at EUR 10,493 thousand, which represented a decrease of 49.2% compared to the amount of non-current financial investments as at 31 December 2019 (EUR 20,665 thousand).
- **Investments accounted for using the equity method**: The following is a breakdown of investments accounted for using the equity method during 2021 and 2020.

COMPOSITION AND MOVEMENTS IN 2021	Balance at 31/12/2020	Translation adjustments	Changes in scope Audi	Share of <u>results</u> ted (thous	Transfers sands of €)	Dividends/Other	Balance at 31/12/2021
Sistema Radiópolis, S.A. de C.V	24,065	1,293		979		3	26,340
Other companies Investments accounted for using the equity	614	(486)	227	425	115	(215)	680
method	24,679	807	227	1,404	115	(212)	27,020

During 2021, the change in "Investments accounted for using the equity method" was mainly due to the share in the result of Radiópolis in the amount of EUR 979 thousand and the exchange rate effect.

COMPOSITION/MOVEMENTS	Balance at 31/12/2019	Translation adjustments	Changes in scope	Share of results/Impairment losses	Transfers	Dividends/Other	Balance at 31/12/2020
IN 2020			of€)				
Sistema Radiópolis, S.A. de C.V	46,624	(7,232)		(8,775)	5,866	(12,418)	24,065
Other companies Investments accounted for using	2,087	460	(2.629)	317	369	10	614
the equity method	48,711	(6,772)	(2,629)	(8,458)	6,235	(12,408)	24,679

During 2020, the change in this heading was mainly due to the dividend distributed by Radiópolis amounting to EUR 12,418 thousand, the share in the Company's profit amounting to EUR 1,636 thousand, the impairment recorded on the investment in the aforementioned company amounting to EUR 10,411 thousand and the effect of the exchange rate. As a result, as at 31 December 2020, the balance of the Group's equity accounted investments amounted to EUR 24,679 thousand, a decrease of 49.3% compared to the balance of equity accounted investments as at 31 December 2019.

• **Deferred tax assets:** The following table shows the source and amount of deferred tax assets, recognised for accounting purposes in 2020 and 2021, as well as their movement:

	Balance at 31/12/2020	Additions	Disposals	Balance at 31/12/2021		
COMPOSITION AND MOVEMENT OF DEFERRED TAX ASSETS IN 2021	EMENT OF DEFERRED TAX ASSETS IN 2021 Audited (thousands of €)					
Tax loss carryforwards	10,718	610	(2,414)	8,914		
Other temporary differences	31,845	8.003	(3,161)	36,687		
Deferred tax assets	42,563	8.613	(5,575)	45,601		

The net increase in the heading "*Deferred tax assets*" includes the effect of the finalisation of the inspection carried out by the Spanish State Tax Administration Agency (AEAT) for the 2016-2018 period, the effect of the accounting recording of tax credits resulting from temporary differences and losses generated in some companies of the Santillana and Radio business in Latin America in 2021 and exchange rate variations.

COMPOSITION AND MOVEMENT OF DEFERRED TAX	Balance at 31/12/2019	Transfers	Additions	Disposals	Balance at 31/12/2020
ASSETS IN 2020					
Non-deductible expenses	40,244	(2)		(40,242)	
Unused tax credit recognised	16,436			(16,436)	
Tax loss carryforwards	16,824		3,221	(9,327)	10,718
Other temporary differences	42,746	(356)	562	(11,107)	31,845
Deferred tax assets	116,250	(358)	3,783	(77,112)	42,563

As at 31 December 2020, the amount of the Group's deferred tax assets amounted to EUR 42,563 thousand, which was a decrease of 63.4% compared to the amount of deferred tax assets as at 31 December 2019 (EUR 116,250 thousand). The derecognitions recorded in 2020 were due to the fact that, following the analysis of the recovery of tax credits, in accordance with the criteria laid down by accounting regulations, tax credits totalling EUR 64,108 thousand were derecognised from the consolidated balance sheet at 31 December 2020, with an impact on the consolidated income statement, tax credits for a total amount of EUR 64,108 thousand corresponding to (i) tax deductions for a total amount of EUR 14,572 thousand; (ii) tax credits derived from the non-deductibility of the net financial expense for EUR 40,238 thousand; and (iii) credits for tax loss carryforwards for EUR 9,298 thousand.

These disposals were mainly due to the revision of future business projections as a result of the impact of COVID-19, which led to a decrease in the projected long-term growth of the Group's businesses, as well as the impact of the sale of the Santillana España business, and the refinancing of the Group's syndicated debt realised in 2020.

- Current assets: the amount corresponding to the item "*Current assets*" EUR 479,061 thousand at 31 December 2021, 9.3% lower than the amount of this item at 31 December 2020, mainly due to the cash consumption in 2021, as explained in section 8.2 of the Registration Document. Trade receivables from sales and services increased slightly during the year, mainly due to the increase in sales in 2021, after 2020 that was marked by the adverse impact of the COVID-19 pandemic on the Group's businesses.
- **Inventories:** the heading *"Inventories"* includes mainly finished products, mainly publishing products, for a net amount of EUR 26,880 thousand at 31 December 2021 (EUR 35,553 thousand in 2020) and also includes raw materials, mainly paper.

Liabilities and equity

The changes in the main "equity" and "liabilities" items in 2021, 2020 and 2019 are described below:

Share capital: Prisa's share capital at 31 December 2021 and 2020 was EUR 70,865 thousand and was represented by 708,650,193 ordinary shares, all of the same class and series, with a par value of EUR 0.10 each, fully paid up and with identical rights.

At 31 December 2019, the share capital of Prisa was EUR 666,131 thousand, represented by 708,650,193 ordinary shares, all belonging to the same class and series, with a par value of EUR 0.94 each, fully paid up and with identical rights. At the Ordinary General Meeting of Shareholders of the Company on 29 June 2020, various capital reductions were adopted in order to restore the Company's equity imbalance. For further information on such capital reductions, see section 19.1.7 of the Registration Document.

• **Minority interests**: correspond to the minority interests' share in the net asset value and profit or loss for the year. The movements in this heading in 2020 and 2021 were as follows:

COMPOSITION AND	Balance at 31/12/2020	Translation adjustment	Share of results	Changes in scope	Dividends paid/received	Other	Balance at 31/12/2021
MOVEMENTS IN 2021			Audited	(thousands o	of€)		
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 Grupo Santillana Educación Global, S.A.	9,382	(1,073)	1,035		(327)		9,017
and subsidiaries Prisa Radio, S.A. and	118	(3)	(4)				111
subsidiaries (Spain)	20,187		(1,080)	(102)	39	833	19,877
Other companies	1,267	(284)	(347)	407	1	344	1.388
Minority interests	46,271	(2,035)	663	305	(1,381)	1,126	44,949

COMPOSITION AND	Balance at 31/12/2019	Translation adjustment	Share of results	Changes in scope	Dividends paid/received	Other	Balance at 31/12/2020
MOVEMENTS IN 2020		Audited (thousands of €)					
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 Grupo Santillana Educación Global, S.A.	15,171	(349)	(3,653)		(1,505)	(282)	9,382
and subsidiaries Grupo Media Capital, SGPS, S.A. and	193	(63)	(2)		(15)	5	118
subsidiaries Prisa Radio, S.A. and	4,711	164	(2,127)	(2,748)			
subsidiaries (Spain)	21,704		(3,831)		2.376	(62)	20,187
Other companies	5,628	(107)	(422)	12	(3,195)	(649)	1,267
Minority interests	69,756	(1,431)	(14,287)	(2,736)	(3,643)	(1,388)	46,271

Long-term provisions: details of the changes during the 2020 and 2021 financial years in the various accounts under the heading "Non-current liabilities – liabilities" was the following:

COMPOSITION AND MOVEMENTS OF NON-CURRENT PROVISIONS IN 2021	Balance at 31/12/2020	Translation adjustments	Allocations/overruns Audited (thousar	Amounts used/disposals nds of €)	Transfers	Balance at 31/12/2021
For taxes	3,378	4	(310)	(2,445)	(3)	624
For termination benefits For third-party liability	2,555	8	7.036	(2,488)		7,111
and other	13,262	62	3.521	(3,678)	114	13,281
Long-term provisions	19,195	74	10,247	(8,611)	111	21,016

COMPOSITION AND MOVEMENTS OF NON-CURRENT PROVISIONS IN 2020	Balance at 31/12/2019	Translation adjustments	Allocations/overruns Audited (thousar	Amounts used/disposals nds of €)	Transfers	Balance at 31/12/2020
For taxes	3,384	(4)	22	(4)	(20)	3,378
For termination benefits For third-party liability	4,061	(339)	1,106	(1,289)	(984)	2,555
and other	14,694	(1,238)	4,780	(4,143)	(831)	13,262
Long-term provisions	22,139	(1,581)	5,908	(5,436)	(1,835)	19,195

The decrease in the tax provision in 2021 was mainly due to the completion of the aforementioned tax audits relating to income tax for 2016 to 2018 of the tax consolidation group 2/91, with no significant impact on the consolidated income statement.

The provision for termination benefits increased in 2021 mainly due to personnel restructuring processes carried out in the Media segment in 2021, 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 made a provision of EUR 7,036 thousand and applied EUR 2,488 thousand in this connection as a result of termination benefits and the issuance of promissory notes. During 2020, the Group made a provision of EUR 1,106 thousand, applied EUR 551 thousand as a result of termination benefits and the issuance of promissory notes.

The provision for liabilities and others corresponds to the estimated amount required to meet other probable claims and litigation against Group companies and other future obligations to employees. In addition, it also includes Group interests in companies accounted for using the equity method, the net value of which is negative.

• **Deferred tax liabilities**: The following table shows the source and amount of deferred tax liabilities, recognised for accounting purposes in 2020 and 2021, as well as their movement:

COMPOSITION AND MOVEMENT OF DEFERRED TAX LIABILITIES IN	Balance at 31/12/2020	Additions	Disposals	Balance at 31/12/2021			
2021	Audited (thousands of €)						
Deferral for reinvestment of extraordinary income	1,044		(38)	1,006			
Accelerated depreciation and amortisation Different accounting and tax recognition criteria for	2,568	423	(67)	2,924			
income and expenses	4,720	2,555		7,275			
Other	8,508	1,676	(54)	10,130			
Deferred tax liabilities	16,840	4,654	(159)	21,335			

As at 31 December 2021, the amount of the Group's deferred tax liabilities amounted to EUR 21,335 thousand, which was an increase of 26.7% compared to the amount of deferred tax liabilities as at 31 December 2020 (EUR 16,840 thousand). 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.

COMPOSITION AND MOVEMENT OF DEFERRED TAX	Balance at 31/12/2019	Transfers	Additions	Disposals	Balance at 31/12/2020					
LIABILITIES IN 2020		Audited (thousands of €)								
Impairment losses on equity investments and goodwill Deferral for reinvestment of extraordinary income	217	(217)		(379)						
income	1,425			(3/9)	1,044					
Accelerated depreciation and amortisation Different accounting and tax recognition	3,237		7	(676)	2,568					
criteria for income and expenses	7,169		727	(3,176)	4,720					
Other	12,947		28	(4,467)	8,508					
Deferred tax liabilities	24,993	(217)	762	(8,698)	16,840					

- **Current and non-current payables to credit institutions:** The information relating to the heading *"Current and non-current bank borrowings"* is described in section 8.1(B) of the Registration Document.
- **Non-current and current financial liabilities:** The information relating to the heading "*Non-current and current financial liabilities*" is described in section 8.1(B) of the Registration Document.
- **Other non-trade payables:** The information relating to the heading "*Other non-trade payables*" is described in section 8.1(B) of the Registration Document.
- **Other current liabilities:** The information relating to the heading "*Other current liabilities*" is described in section 8.1(B) of the Registration Document.

B. Prisa's consolidated income statement at 31 December 2021, 2020 and 2019

The following table sets out Prisa's audited consolidated income statement as at 31 December 2021 and 2020, as well as Prisa's consolidated income statement as at 31 December 2019 restated for comparative purposes:

English translation for information purposes only. In case of discrepancies between the Spanish original and the English translation, the Spanish version shall prevail

	31/12/2021	Change	31/12/2020	Change 2020-	31/12/2019
CONSOLIDATED INCOME STATEMENT	Audited	2021-2020	Audited	2019	Unaudited ⁽¹⁾
(under IFRS)	(thousand €)	(%)	(thousand €)	(%)	(thousand €)
Revenue	729,350	5.6	690,942	(26.3)	937,178
Other income	11,818	21.8	9,699	(65)	27,707
Operating income	741,168	5.8	700,641	(27.4)	964,885
Cost of materials used	(103,093)	2.7	(105,931)	27.2	(145,430)
Staff costs	(307,945)	(14.9)	(268,007)	13.4	(309,563)
Depreciation and amortisation	(78,317)	(10.9)	(70,637)	7.9	(76,717)
Outside services	(257,116)	(2.5)	(250,882)	29.9	(357,973)
Change in allowances, write-downs and provisions	(9,917)	15.5	(11,730)	14.4	(13,700)
Impairment of goodwill			(16,602)		(866)
Impairment and losses on fixed assets	(4,489)	24.7	(5,961)	17.3	(7,205)
Operating expenses	(760,877)	(4.3)	(729,750)	19.9	(911,454)
Operating income	(19,709)	32.3	(29,109)	(154.5)	53,431
Interest income	11,513		2,367	(34.0)	3,587
Finance costs	(60,444)	27.2	(83,022)	(9.5)	(75,809)
Change in value of financial instruments	(15,791)	65.7	(46,072)		(5,439)
Exchange differences (net)	1,461	169.6	(2,098)	47.3	(3,980)
Financial profit or loss Result of companies accounted for using the	(63,261)	50.9	(128,825)	(57.8)	(81,641)
equity method	1,404	116.6	(8,458)		2.676
Profit/(loss) before tax from continuing operations	(81,566)	51.0	(166,392)		(25,534)
Corporation tax	(20,969)	74.1	(81,071)	(53.7)	(52,752)
Profit/(loss) from continuing operations Post-tax profit or loss of discontinued	(102,535)	58.6	(247,463)		(78.286)
operations	(3,308)	(101.0)	322,913		(94,532)
Consolidated result for the year Profit/(loss) attributable to non-controlling	(105,843)		75.450	143.7	(172,818)
interests Profit/(loss) for the year attributable to the	(663)	(104.6)	14,287		(9,480)
parent company	(106.506)		89,737	149.2	(182,298)
Basic earnings per share (in euros)	(0,15)		0,13	148.1	(0,27)
Diluted earnings per share (in euros)	(0,15)		0,13	148.1	(0,27)
 Basic earnings per share of continuing operations (in euros) Basic earnings per share from discontinued 	(0,15)	54.5	(0,33)	(153.8)	(0,13)
operations (in euros)			0,46		(0,14)

(1): Financial information restated by the Company to enhance comparability of information. In accordance with IFRS 5, the results and cash flows from the operations of Santillana España were presented in the restated financial information for 2019 as a discontinued operation, as the Company left the scope of consolidation in 2020 as a result of a sale transaction, which is described in section 5.3 of the Registration Document.

Development of the main items of Prisa's audited consolidated income statement in 2021 and 2020, as well as the restated consolidated income statement for 2019:

- **Operating income:** The Group's operating income amounted to EUR -19,709 thousand at 31 December 2021, EUR -29,109 thousand at 31 December 2020 and EUR 53,431 thousand at 31 December 2019. The analysis of the items comprising the operating result are detailed in the individual and consolidated management reports of Prisa for 2021, 2020 and 2019, as well as the consolidated summary interim management report of the Company for the first half of 2022, which are incorporated by reference to the Registration Document.
- **Financial profit or loss:** The Group's financial loss amounted to EUR -63,261 thousand during 2021 ended 31 December, which was an increase of 50.9% compared to the Group's financial loss during

2020 (EUR -128,825 thousand). The table below shows a breakdown of the balance of this heading for the years ended 31 December 2021, 2020 and 2019.

	31/12/2021	31/12/2020	31/12/2019	
	Aud	lited	Unaudited ⁽¹⁾	
BREAKDOWN OF THE FINANCIAL RESULT		(thousand €)		
Income from current financial assets	963	1,077	1,100	
Income from equity investments	1		174	
Other finance income	10,549	1,290	2,313	
Interest income	11,513	2,367	3,587	
Interest on debt	(49,731)	(71,112)	(57,708)	
Adjustments for inflation	(486)	801	1,730	
Other finance costs	(10,227)	(12,711)	(19,831)	
Finance costs	(60,444)	(83,022)	(75,809)	
Exchange gains	27,333	30,557	45,834	
Exchange losses	(25,872)	(32,655)	(49,814)	
Exchange differences (net)	1,461	(2,098)	(3,980)	
Change in fair value of financial instruments	(15,791)	(46,072)	(5,439)	
Financial profit or loss	(63,261)	(128,825)	(81,641)	

(1): Restated information (unaudited).

At 31 December 2021, the heading "*Other financial income*" included the income derived from the favourable ruling of the Central Economic-Administrative Tribunal (TEAC) in relation to the Value Added Tax inspection for the period from May 2010 to December 2011 in the amount of EUR 7,841 thousand, mainly corresponding to VAT on invoices associated with debt formalisation expenses.

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.

The heading "*Other financial expenses*" mainly includes the effect of the restatement of the financial liabilities associated with the lease contracts (EUR 6,925 thousand in 2021, EUR 7,376 thousand in 2020 and EUR 8,028 thousand in 2019). Also, as at 31 December 2020, this included the reversal of a provision for a financial loan amounting to EUR 2,461 thousand.

Finally, the heading "*Changes in value of financial instruments*" in 2021 included the financial result accrued from the transfer to the consolidated income statement of the difference between the amount of the debt associated with the 2020 Refinancing of the Group's syndicated debt made on 31 December 2020 on the initial recording date and its nominal amount over the term of the loan, as well as the accrual of debt arrangement costs, in both cases using the effective interest method. Likewise, and associated with the aforementioned refinancing carried out on 31 December 2020, the heading "Changes in value of financial instruments" in 2020 included an expense of EUR 37,217 thousand derived 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 said refinancing and its present value once refinanced considering the discounting of future flows calculated on the basis of the effective interest rate (EIR) of the original debt.

As at 31 December 2020, the heading "*Changes in value of financial instruments*" also included an accrued finance cost amounting to EUR 8,855 thousand, resulting from the transfer to the consolidated income statement of the difference between the amount of the debt associated with the 2018 Refinancing at the date of initial registration and its nominal amount over the term of the loan, using the effective interest method, considering the effect of the syndicated debt repayments made in 2020 and up to the effective date of the refinancing made on 31 December 2020. Similarly, the heading "*Changes in value of financial instruments*" in 2019 includes a financial expense of the same nature as the one mentioned above in this paragraph. For more information on the 2020 Refinancing and the 2018 Refinancing, see section 5.3 of the Registration Document.

• **Result of companies accounted for using the equity method:** This heading mainly includes the Prisa Group's share in the results of Radiópolis amounting to EUR 979 thousand, EUR 1,636 thousand and EUR 3,468 thousand in 2021, 2020 and 2019, respectively.

The result of companies accounted for using the equity method was a loss of EUR 8,458 thousand at 31 December 2020 and a profit of EUR 2,676 thousand at 31 December 2019. In this regard, an impairment on Radiópolis' investment of EUR 10,411 thousand was recorded in 2020, mainly as a result of the impact of COVID-19 on future projections, adversely impacting Radiópolis' advertising revenues and its expected future growth. Also, and to a lesser extent, the impairment of the investment is the result of an increase in the applicable discount rate.

Corporation tax: in 2020, this heading included a higher expense of EUR 64,108 thousand arising from the analysis performed for the recovery of tax credits, in accordance with the criteria laid down by accounting regulations, which led to the derecognition in the consolidated balance sheet at 31 December 2020 and with an impact on the consolidated income statement of tax credits for the aforementioned amount corresponding to (i) tax deductions totalling EUR 14,572 thousand; (ii) tax credits arising from the non-deductibility of the net financial expense amounting to EUR 40,238 thousand; and (iii) tax loss carryforwards amounting to EUR 9,298 thousand.

These disposals were mainly due to the revision of future business projections as a result of the impact of COVID-19, which led to a decrease in the projected long-term growth of the Group's businesses, as well as the impact of the sale of the Santillana España business, and the refinancing of the Group's syndicated debt realised on 31 December 2020.

In 2019, the analysis of the recovery of tax credits resulted in the derecognition in the consolidated balance sheet for 2019 of tax credits relating to (i) investment tax credits totalling EUR 1,128 thousand; (ii) double taxation tax credits amounting to EUR 2,653 thousand; (iii) tax credits arising from the non-deductibility of net finance costs amounting to EUR 16,235 thousand; and (iv) tax loss carryforwards amounting to EUR 1,027 thousand.

• **Post-tax profit or loss of discontinued operations:** Post-tax profit or loss of discontinued operations for 2021 included a provision associated with the 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 DTS, a subsidiary that was sold to the aforementioned company in 2015.

The amount of profit after tax from discontinued operations amounted to EUR 322,913 thousand as at 31 December 2020, and included the following items associated with the sales of Media Capital and Santillana España in 2020 (see section 5.3 of the Registration Document).

Media Capital:

- Impairment was recorded for the loss resulting from the agreement to purchase 30.22% of Media Capital from Pluris (minus costs of the sale) in May 2020, amounting to EUR 28,769 thousand.
- Recognition of an additional impairment for the loss resulting from the sale and purchase agreement for the remaining 64.47% of the Portuguese subsidiary (less costs of sale) in September 2020 amounting to EUR 48,522 thousand.

Santillana España:

- Recognition of the capital gain net of costs arising from the sale of the Santillana España companies for EUR 377,344 thousand on 31 December 2020.
- The contribution of the result of Santillana España to the Group's results during 2020, for a positive amount of EUR 22,441 thousand.

Post-tax profit or loss of discontinued operations at 31 December 2019 amounted to EUR -94,532 thousand and included the results of Media Capital and Santillana España during that year, as well as the impairment arising from the agreement for the sale of Media Capital signed in 2019 described in section 5.3 of the Registration Document.

 Profit/(loss) attributable to non-controlling interests: The change in "Result attributable to minority interests" in 2020 compared to 2019 was mainly due to the adverse impact of the COVID-19 pandemic on subsidiaries held by minority interests, primarily in the Media segment, which resulted in their share of net losses. In 2021, the previous situation was reversed, mainly due to the improvement in the net income of these subsidiaries as a result of the recovery of the businesses.

C. Consolidated statement of comprehensive income as at 31 December 2021, 2020 and 2019

The following table sets out the audited consolidated statement of comprehensive income of Prisa as at 31 December 2021, 2020 and 2019:

CONSOLIDATED STATEMENT OF	31/12/2021 Audited	Change 2021-2020	31/12/2020 Audited	Change 2020-2019	31/12/2019 Audited
COMPREHENSIVE INCOME (under IFRS)	(thousand €)	(%)	(thousand €)	(%)	(thousand €)
Consolidated result for the year Items that may be reclassified subsequently	(105,843)		75,450	143,7	(172,818)
to profit or loss for the period	(5,941)	90,5	(62,551)		(9,932)
Translation differences	(6,952)	87,6	(56,261)		(12,888)
Valuation gains/(losses)	(6,891)	87,9	(56,823)		(12,718)
Amounts transferred to the P&L account	(61)	(110,9)	562		(170)
Other financial assets at fair value					397
Valuation gains/(losses)					(18)
Amounts transferred to the P&L account					415
Tax effect Entities accounted for using the equity method					(98)
	1,011	116,1	(6,290)		2,657
Total recognised income and expenses	(111,784)		12,899	107,1	(182,750)
Attributed to the parent entity	(110,412)		28,701	115,0	(191,604)
Attributed to minority interests	(1,372)	91,3	(15,802)		8,854

D. Statement of changes in Prisa's consolidated equity at 31 December 2021, 2020 and 2019

Prisa's audited consolidated statement of changes in equity for 2021, 2020 and 2019 is set out below:

CONSOLIDATED STATEMENT OF CHANGES	Share capital	Share premium	Reserves	Accumulated profit for prior years	Treasury shares	Translation differences	Accumulated profit for the year	Equity attributable to the parent company	Minority interests	Equity
IN EQUITY (under IFRS)				A	udited (thou	sands of €)				
Balance as at 31 December 2018	524,902	201,512	(636,059)	(87,692)	(2,856)	(40,918)	(269,347)	(310,458)	74,649	(235,809)
Capital increase	141,229	52,668						193,897		193,897
Transactions in treasury shares:										
- Purchase and sale of treasury shares					(250)			(250)		(250)
- Provisions for treasury shares			(515)		515					
Distribution of 2018 profit:										
- Reserves			110,201	(379,548)			269,347			
Income and expenses recognised in equity:										
- Translation differences				(1,129)		(8,475)		(9,604)	(626)	(10,230)
- Consolidated result for 2019							(182,298)	(182,298)	9.480	(172,818)
- Valuation of financial instruments			(13)					(13)		(13)
- Other recognised income and expenses			311					311		311
Other movements			4,893	(177,838)				(172,945)	607	(172,338)
Variations of external partners:										
- Dividends paid during the year									(11,480)	(11,480)
- Changes in the scope of consolidation									48	48
- For changes in the percentage shareholding									(2,922)	(2,922)
Balance as at 31 December 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							
Transactions in treasury shares:										
- Delivery of treasury shares					58			58		58
- Purchase and sale of treasury shares					20			20		20
- Provisions for treasury shares			(983)		983					

CONSOLIDATED STATEMENT OF CHANGES	Share capital	Share premium	Reserves	Accumulated profit for prior years	Treasury shares	Translation differences	Accumulated profit for the year	Equity attributable to the parent company	Minority interests	Equity
IN EQUITY (under IFRS)				А	udited (thou	sands of €)				
Distribution of 2019 profit:										
- Reserves			(209,606)	27,308			182,298			
Income and expenses recognised in equity:										
- Translation differences				(18,154)		(42,882)		(61,036)	(1,515)	(62,551)
- Consolidated result for 2020							89,737	89,737	(14,287)	75,450
Other movements		(254,180)	254,651	2,859				3,330	(1,304)	2,026
Variations of external partners:										
- Dividends paid during the year									(3,643)	(3,643)
- Changes in the scope of consolidation									(2.736)	(2.736)
Balance as at 31 December 2020	70,865		118,146	(634,194)	(1,530)	(92,275)	89,737	(449,251)	46,271	(402,980)
Transactions in treasury shares:										
- Delivery of treasury shares										
- Purchase and sale of treasury shares					(629)			(629)		(629)
- Provisions for treasury shares			(839)		839					
Distribution of 2020 profit:										
- Reserves			(52,793)	142,530			(89,737)			
Income and expenses recognised in equity:										
- Translation differences				(5,771)		1,865		(3,906)	(2,035)	(5,941)
- Consolidated result for 2021							(106,506)	(106,506)	663	(105,843)
Other movements			1.521	2.007				3.528	1.126	4.654
Variations of external partners:										
- Dividends paid during the year									(1,381)	(1,381)
- Changes in the scope of consolidation Balance as at 31 December 2021									305	305
	70,865		66,035	(495,428)	(1,320)	(90,410)	(106,506)	(556,764)	44,949	(511,815)

E. Consolidated cash flow statements of Prisa at 31 December 2021, 2020 and 2019

Prisa's audited consolidated cash flow statements for 2021 and 2020, as well as Prisa's consolidated cash flow statement for 2019 restated for comparative purposes, are included below:

	31/12/2021	Change 2021-	31/12/2020	Change	31/12/2019
CONSOLIDATED STATEMENTS OF CASH	Audited	2020	Audited	2020-2019	Unaudited ⁽¹⁾
FLOWS (under IFRS)	(thousand €)	(%)	(thousand €)	(%)	(thousand €)
ACCOUNTING PROFIT (LOSS) BEFORE TAX	(81,566)	51.0	(166,392)		(25,534)
Depreciation and provisions	92,715	(11.5)	104,704	6.4	98,446
Change in working capital	7,842		(1,691)	96.6	(49,906)
Inventories	5,788	(79.4)	28,106		(13,668)
Receivable	(27,111)	(127.1)	100,185		(62,329)
Payable	29,165	122.4	(129,982)		26,091
Receipts (payments) for income tax	(13,219)	25.9	(17,849)	28.6	(25,013)
Other adjustments to profit or loss	72,891	(46.2)	135,386	88.0	72,028
Financial profit or loss	63,261	(50.9)	128,825	57.8	81,641
Sale of assets	(469)	61.8	(1,229)	87.7	(9,969)
Other adjustments to profit or loss	10,099	29.6	7,790		356
CASH FLOW FROM OPERATING ACTIVITIES	78,663	45.2	54,158	(22.7)	70,021
Recurrent investments	(45,266)	0.3	(45,411)	26.2	(61,571)
Investments in intangible assets	(34.330)	(8.9)	(31,512)	29.4	(44,657)
Investments in tangible fixed assets	(10.936)	21.3	(13,899)	17.8	(16,914)
Investments in financial fixed assets	(12,336)		(921)	99.7	(350,248)
Divestment proceeds	8,193	(98.2)	461,269		41,895
Other cash flows from investing activities	1,690	(84.5)	10.922		943
CASH FLOW FROM INVESTING ACTIVITIES	(47,719)	(111.2)	425,859		(368,981)
Proceeds (payments) for equity instruments	(629)		20		192,053
Proceeds from financial liability instruments	112,080	20.1	93,354	9.6	85,189
Payments for financial liability instruments Dividend and remuneration payments on other	(104,364)	75.6	(427,997)		(16,041)
equity instruments	(1,779)	27.5	(2,453)	93.7	(38,812)
Interest payments	(36,127)	40.9	(61,170)	(12.0)	(54,592)
Other cash flows from financing activities	(55,703)	(41.4)	(39,406)	(7.7)	(36,594)
CASH FLOW FROM FINANCING ACTIVITIES	(86,522)	80.2	(437,652)		131,203
Effect of exchange rate changes	2,371	119.0	(12,453)		43
CHANGE IN CASH FLOWS FROM CONTINUING OPERATIONS Cash flow from operating activities of	(53,207)		29,912	117.8	(167,714)
discontinued operating activities of Cash flow from investing activities of			57,444	(14.9)	67,521
discontinued operations			(34,354)	(83.9)	(18,678)
Cash flow from financing activities of discontinued operations			2,297	123.8	(9,642)
CHANGE IN CASH FLOWS FROM DISCONTINUED			25 207	(25.3)	
OPERATIONS	(53.305)		25,387	(35.2)	39.201
CHANGE IN CASH FLOWS FOR THE YEAR Cash and cash equivalents at the beginning of	(53,207)	(196.2)	55,299	143.0	(128,513)
the period	221,879	33.2	166.580	(43.5)	295,093
- Cash	168,712	56.8	107.610	(57.0)	250,360

	31/12/2021	Change 2021-	31/12/2020	Change	31/12/2019
CONSOLIDATED STATEMENTS OF CASH	Audited	2021	Audited	2020-2019	Unaudited ⁽¹⁾
FLOWS (under IFRS)	(thousand €)	(%)	(thousand €)	(%)	(thousand €)
- Other equivalent liquid resources Cash and cash equivalents at the end of the	53,167	(9.8)	58,970	31.8	44,733
period	168,672	(24.0)	221,879	33.2	166,580
- Cash	132,968	(21.2)	168,712	56.8	107,610
- Other equivalent liquid resources	35,704	(32.8)	53,167	(9.8)	58,970

(1): Financial information restated by the Company to enhance comparability of information. In accordance with IFRS 5, the results and cash flows from the operations of Santillana España were presented in the restated financial information for 2019 as a discontinued operation, as the Company left the scope of consolidation in 2020 as a result of a sale transaction, which is described in section 5.3 of the Registration Document.

The cash flow analysis is detailed in section 8.2 of the Registration Document.

18.1.2. Change of accounting reference date

Prisa has not changed its accounting reference date during the period covered by the historical financial information included in the Registration Document.

18.1.3. Accounting standards

The Prisa historical financial information included in the Registration Document has been prepared in accordance with IFRS, taking into account the relevant circulars and subsequent amendments to it.

18.1.4. Change in the accounting framework

Prisa does not intend to adopt a new accounting standards framework in its next published financial statements.

18.1.5. Where the audited financial information is prepared in accordance with national accounting standards, such information should include at least: (a) the balance sheet; (b) the income statement; (c) a statement showing all changes in equity; (d) the cash flow statement; and (e) the accounting policies used and explanatory notes.

As indicated in section 18.1.3 of the Registration Document, the Prisa historical financial information included in the Registration Document has been prepared in accordance with IFRS, taking into account the relevant circulars and subsequent amendments to it.

18.1.6. Consolidated financial statements

The consolidated financial statements of Prisa are included in section 18.1.1 of the Registration Document.

18.1.7. Age of financial information

The balance sheet date for the last audited financial reporting period (2021) does not precede the date of the Registration Document by more than 16 months.

18.2. Interim and other financial information

18.2.1. Half-yearly financial information

Prisa's condensed interim consolidated financial statements for the six months ended 30 June 2022, which have been subject to a limited review by EY, are included below.

Pursuant to Article 19 of Regulation 2017/1129, the condensed consolidated interim financial statements of Prisa for the six months ended 30 June 2022, as well as the related limited review and management reports, are incorporated by reference into the Registration Document and are available on the CNMV website (www.cnmv.es) and on the Prisa website (link).

A. Consolidated balance sheet of Prisa at 30 June 2022 and 31 December 2021

The following table sets out Prisa's consolidated balance sheet as at 30 June 2022 which has been subject to limited review and Prisa's audited consolidated balance sheet as at 31 December 2021:

	30/06/2022		31/12/2021
	Unaudited ⁽¹⁾	Change	Audited
CONSOLIDATED BALANCE SHEET (under IFRS)	(thousand €)	(%)	(thousand €)
A) Non-current assets	420,903	5.4	399,222
I. Property, plant and equipment	107,565	(1.9)	109,678
II. Goodwill	117,566	7.3	109,542
III. Intangible assets	104,588	8.9	96,008
IV. Non-current financial assets	7,254	(36.1)	11,359
V. Investments accounted for using the equity method	30,186	11.7	27,020
VI. Deferred tax assets	53,729	17.8	45,601
VII. Other non-current assets	15	7.1	14
B) Current assets	421,996	(11.9)	479,061
I. Inventories	64,743	62.2	39,920
II. Trade receivables and other receivables	228,780	(13.9)	265,737
1. Customers for sales and services	218,061	(17.7)	265,004
2. Associates	4,408	(8.3)	4,807
3. Public administrations	35,275	8.1	32,638
4. Other debtors	27,663	21.3	22,806
5. Provisions	(56,627)	4.9	(59,518)
III. Current financial assets	1,727	(28.8)	2,425
IV. Cash and cash equivalents	125,482	(25.6)	168,672
V. Non-current assets held for sale	1,264	(45.2)	2,307
TOTAL ASSETS	842,899	(4.0)	878,283
A) Equity	(527,468)	(3.1)	(511,815)
I. Subscribed capital	74,065	4.5	70,865
II. Other reserves and retained earnings from prior periods	(523,652)	(22.0)	(429,393)
III. Profit/(loss) for the year attributable to the parent company	(13,996)	86.9	(106,506)
IV. Treasury shares	(728)	44.8	(1,320)
V. Translation differences	(77,966)	13.8	(90,410)
VI. Minority interests	14,809	(67.1)	44,949
B) Non-current liabilities	991,225	(4.1)	1,033,811
I. Non-current bank borrowings	895,787	(4.1)	934,342
II. Non-current financial liabilities	56,278	4.5	53,854
III. Deferred tax liabilities	19,525	(8.5)	21,335
IV. Long-term provisions	16,526	(21.4)	21,016
V. Other non-current liabilities	3,109	(4.7)	3,264
C) Current liabilities	379,142	6.4	356,287
I. Commercial creditors	209,920	7.1	195,983
II. Associates	1,423	26.7	1,123
III. Other non-trade payables	41,881	(4.3)	43,774
IV. Current bank borrowings	25,554	71.3	14,918

	30/06/2022	0/06/2022	
	Unaudited ⁽¹⁾	Change	Audited
CONSOLIDATED BALANCE SHEET (under IFRS)	(thousand €)	(%)	(thousand €)
V. Current financial liabilities	31,734	99.8	15,884
VI. Public administrations	29,194	(14.6)	34,204
VII. Current provisions	6,679	(52.6)	14,087
VIII. Other current liabilities	32,334	(8.2)	35,218
IX. Liabilities associated with non-current assets held for sale	423	(61.4)	1,096
TOTAL EQUITY AND LIABILITIES	842,899	(4.0)	878,283

(1): Financial information subject to limited review.

Main changes between Prisa's consolidated balance sheets as at 30 June 2022 and 31 December 2021:

Assets

The changes in the main "asset" items as at 30 June 2022 and 31 December 2021 are described below:

- Property, plant, and equipment: as at 30 June 2022, the amount of property, plant and equipment amounted to EUR 107,565 thousand, representing a decrease of 1.9% compared to the amount of property, plant and equipment as at 31 December 2021 (EUR 109,678 thousand). Additions to *"Property, plant and equipment"* during the first half of 2022 amounted to EUR 4,136 thousand, mainly corresponding to investments made by Santillana in digital developments and learning systems (EUR 2,116 thousand) as well as investments in both Media and Santillana in equipment for information processes, amounting to EUR 964 thousand. This amount is lower than the depreciation of the items and therefore the tangible fixed assets compared to December 2021 decrease by 5.4%.
- **Goodwill:** As at 30 June 2022, the amount of goodwill amounted to EUR 117,566 thousand, representing an increase of 7.3% compared to the amount of goodwill as at 31 December 2021 (EUR 109,542 thousand). The increase in *"goodwill"* was mainly due to the effect of exchange rate changes on goodwill resulting from the investment in Editora Moderna, Ltda. and Santillana Educaçao, Ltda.
- Intangible assets: As at 30 June 2022, the amount of intangible assets amounted to EUR 104,588 thousand, which represented an increase of 8.9% compared to the amount of intangible assets as at 31 December 2021 (EUR 96,008 thousand). Additions to "*intangible assets*" during the first half of the 2022 financial year amounted to EUR 18,188 thousand and mainly relate to the investment in prototypes in the Education area (EUR 12,903 thousand) and the acquisition of computer applications by Group companies (EUR 4,862 thousand).
- Non-current financial assets: the decrease in "*Non-current financial investments*" in the first half of 2022 (by 36.1% compared to 31 December 2021) was mainly due to:
 - (i) The derecognition of loans granted to Green Emerald Business, following the sale of the company, amounting to EUR 2,643 thousand, for which the Group had set up a provision for liabilities and charges for the negative net value of the stake in the company.
 - (ii) The derecognition of a financial investment related to Prisa Radio's shareholding in the associated companies El Dorado Broadcasting Corporation and WSUA Broadcasting Corporation amounting to EUR 1,411 thousand as a result of their sale and for which the Group had set up a provision for liabilities and charges for the negative net value of the shareholding in the companies.
- **Investments accounted for using the equity method:** during the first half of 2022, the 11.7% increase in this heading compared to 31 December 2021 was mainly due to the share in the result of Radiópolis in the amount of EUR 389 thousand and the exchange rate effect.

- Deferred tax assets: the net increase in "Deferred tax assets" during the first half of 2022 amounting to EUR 8,128 thousand includes the effect of the accounting recording of tax credits as a result of losses generated in some companies of the Santillana business which are in the phase of expense generation campaigns and have not yet accrued income and also in radio subsidiaries in Latin America during the period, temporary differences recorded in the closing at 30 June 2022 and exchange rate variations.
- **Current assets:** the amount corresponding to the item "*current assets*" EUR 421,996 thousand at 30 June 2022, 11.9% lower than the amount of this item at 31 December 2021, mainly due to the cash consumption in the first half of 2022, as explained in section 8.2 of the Registration Document. In addition, during the aforementioned period, trade receivables for sales and services were reduced, among other factors, by the collection of invoices issued during the last months of 2021.

Liabilities and equity

The changes in the main "Total equity" and "Liabilities" items as at 30 June 2022 and 31 December 2021 are described below:

- **Equity:** As at 30 June 2022, the Company's consolidated equity is negative in the amount of EUR 527,468 thousand. Among other negative results, this amount includes losses associated with the sales of DTS and Media Capital, impairments of goodwill and tax credits, the impact of the unfavourable Mediapro ruling and the negative impact of translation differences. The above adverse effects were offset in 2020 by the positive result associated with the sale of Santilla España (see section 5.3 of the Registration Document).
- **Share capital:** At 1 January 2022, Prisa's share capital amounted to EUR 70,865 thousand, represented by 708,650,193 ordinary shares, all of the same class and series, with a par value of EUR 0.10 each, fully paid up and with identical rights.

The 2022 Refinancing agreement signed in 2022 (see sections 5.3 and 8.1(B) of the Registration Document) included a financing, structuring and underwriting fee, which Prisa could pay, at its option, either in cash or by capitalisation. Prisa opted to pay the aforementioned fee by means of its capitalisation and consequent delivery of newly issued shares. Thus, the Ordinary General Meeting of Shareholders of the Company held on 28 June 2022 resolved to increase the share capital by a nominal amount of EUR 3,200 thousand, by issuing and putting into circulation 32 million new ordinary shares of EUR 0.10 par value each, of the same class and series as those currently in circulation, by offsetting credits. By virtue of the authorisation granted by the General Shareholders' Meeting, the Board of Directors of Prisa held on 28 June 2022 agreed on the execution of the increase adopted by the General Meeting, fixing all its terms. Consequently, the new shares issued in the aforementioned capital increase were subscribed and paid in full by the entities that were creditors of the aforementioned commissions through the offsetting of such commissions. Following this set-off, these claims were extinguished. For further information on this capital increase, see section 19.1.7 of the Registration Document.

As a result of the foregoing, at 30 June 2022, Prisa's share capital amounted to EUR 74,065 thousand, represented by 740,650,193 ordinary shares, all of the same class and series, with a par value of EUR 0.10 each, fully paid up and with identical rights.

- Minority interests: As at 30 June 2022, the amount of minority interests amounted to EUR 14,809 thousand, representing a decrease of 67.1% compared to the amount of minority interests as at 31 December 2021 (EUR 44,949 thousand). This change was mainly due to the decrease in minority interests in Prisa Radio and subsidiaries (Spain), as well as in Caracol, S.A. and GLR Chile as a result of the purchase transaction in May 2022, whereby Prisa Media acquired the remaining 20% of Prisa Radio from Godó Group. With this acquisition, the Prisa Group owns 100% of the shares in Prisa Radio. For more information on this transaction, see section 5.3 of the Registration Document.
- Long-term provisions: the decrease in "*non-current provisions*" in the first half of 2022 (by 21.4% compared to 31 December 2021) was mainly due to the derecognition of provisions associated with Green Emerald Business, Inc, WSUA Broadcasting Corporation and El Dorado Broadcasting

Corporation (companies accounted for using the equity method) as a result of the sale of their shareholdings in 2022 in the amount of EUR 5,337 thousand.

- **Deferred tax liabilities:** the net decrease in "*Deferred tax liabilities*" amounting to EUR 1,810 thousand mainly reflects the different accounting and tax allocation criteria for certain intangible amortisation expenses and certain institutional sales in Brazil.
- **Current and non-current debt with credit institutions:** The information relating to the heading *"current and non-current bank borrowings"* is described in section 8.1(B) of the Registration Document.
- Non-current and current financial liabilities: The information relating to the heading "*Non-current and current financial liabilities*" is described in section 8.1(B) of the Registration Document.

B. Prisa's consolidated income statements for the first half of 2022 and 2021

The following table sets out Prisa's consolidated income statements for the first half of 2022 and 2021 ended 30 June, which have been subject to limited review:

	30/06/2022		30/06/2021
	Unaudited ⁽¹⁾	Change	Unaudited ⁽¹⁾
CONSOLIDATED INCOME STATEMENT (under IFRS)	(thousand €)	(%)	(thousand €)
Revenue	381,690	26.5	301,810
Other income	6,481	47.1	4,405
Operating income	388,171	26.8	306,215
Cost of materials used	(61,550)	(49.7)	(41,115)
Staff costs	(145,543)	(1.2)	(143,848)
Depreciation and amortisation	(34,787)	(12.5)	(30,921)
Outside services	(141,652)	(18.1)	(119,975)
Change in allowances, write-downs and provisions	5,319		1,455
Impairment of goodwill			
Impairment and losses on fixed assets	161	173,2	(220)
Operating expenses	(378,052)	(13.0)	(334,624)
Operating income	10,119	135.6	(28,409)
Interest income	2,867	(70.1)	9,603
Finance costs	(85,334)	(165.1)	(32,193)
Change in value of financial instruments	59,424		(7,703)
Exchange differences (net)	603	(51.3)	1,238
Financial profit or loss	(22,440)	22.8	(29,055)
Result of companies accounted for using the equity method	3,475		(306)
Profit/(loss) before tax from continuing operations	(8,846)	84.7	(57,770)
Corporation tax	(5,524)		(664)
Profit/(loss) from continuing operations	(14,370)	75.4	(58,434)
Post-tax profit or loss of discontinued operations			
Consolidated result for the period	(14,370)	75.4	(58,434)
Profit/(loss) attributable to non-controlling interests	374	(83.4)	2,255
Profit/(loss) attributable to the parent company	(13,996)	75.1	(56,179)
Basic earnings per share (in euros)	(0.02)	75.0	(0.08)
Diluted earnings per share (in euros)	(0.02)	75.0	(0.08)

(1): Financial information subject to limited review.

Changes in the main items of Prisa's consolidated income statement during the first half of 2022:

- **Operating income:** The Group's operating profit for the first half of 2022 amounted to EUR 10,119 thousand, 135.6% higher than for the first half of 2021 (-EUR 28,409 thousand). The analysis of the items comprising the operating result is detailed in the Company's consolidated interim management report for the first half of 2022 which are incorporated by reference to the Registration Document.
- **Financial profit or loss:** The table below provides a breakdown of the balance of this item for the first half of 2022 and 2021.

	30/06/2022	30/06/2021
BREAKDOWN OF THE FINANCIAL RESULT	Unaudited ⁽¹⁾ (th	ousands of €)
Income from current financial assets	1,632	369
Other finance income	1,235	9,234
Interest income	2.867	9,603
Interest on debt	(32,385)	(26,361)
Adjustments for inflation	(2,844)	(926)
Debt formalisation costs	(43,647)	
Other finance costs	(6,458)	(4,906)
Finance costs	(85,334)	(32,193)
Exchange gains	22,034	12,771
Exchange losses	(21,431)	(11,533)
Exchange differences (net)	603	1,238
Change in fair value of financial instruments	59,424	(7,703)
Financial profit or loss	(22,440)	(29,055)

(1): Information subject to limited review.

At 30 June 2021, the heading "*Other financial income*" included the income derived from the favourable ruling of the Central Economic-Administrative Tribunal (TEAC) in relation to the Value Added Tax inspection for the period from May 2010 to December 2011 in the amount of EUR 7,841 thousand, mainly corresponding to VAT on invoices associated with debt formalisation expenses.

At 30 June 2022, the heading "*Other financial expenses*" included EUR 2,364 thousand for the effect of the restatement of the financial liability associated with the lease contracts (EUR 3,368 thousand at 30 June 2021). It also included the expense for the derecognition of a financial investment related to Prisa Radio's shareholding in the associated companies El Dorado Broadcasting Corporation and WSUA Broadcasting Corporation, as a result of their sale, amounting to EUR 2,119 thousand.

As at 30 June 2022, the heading "*Debt arrangement expenses*" included all expenses and fees relating to the 2022 Refinancing (see section 8.1(B) of the Registration Document), including the expense of the refinancing, structuring and underwriting fee that the Company has decided to pay through issuing shares. Additionally, at 30 June 2022, the heading "*Change in value of financial instruments*" included a positive impact amounting to EUR 23,434 thousand, associated with the derecognition of the original financial liability (i.e. the Group's syndicated loan subject to the 2022 Refinancing) for interest accrued in prior periods (accruing at the effective interest rate (EIR)) that ultimately does not have to be paid.

Also, at 30 June 2022, the heading "*Changes in value of financial instruments*" included a positive impact of EUR 38,285 thousand for the difference between the par value of the 2022 Refinancing debt and its fair value at the initial recording date. Thereafter, the difference between the par value of the debt and its initial fair value will be expensed in the consolidated income statement using the effective interest method.

At 30 June 2021, the heading "*Change in value of financial instruments*" included the financial result accrued from the transfer to the condensed consolidated income statement of the difference between the amount of debt associated with the 2022 Refinancing at the date of initial recognition and its nominal amount over the life of the loan, as well as the accrual of debt arrangement fees, in both cases

using the effective interest method. For more information on the 2022 Refinancing, see section 5.3 of the Registration Document.

C. Consolidated cash flow statements of Prisa at 30 June 2022 and 2012

Prisa's consolidated cash flow statements at 30 June 2022 and 2021 are included below:

Unaudited ¹⁰ ChangeUnaudited ¹⁰ CONSOLIDATED STATEMENTS OF CASH FLOWS (under IPRS)(thousand €)(%)(thousand F)ACCOUNTING PROFT (LOSS) BEFORE TAX.(8,846)84.7(57,770)Depreteiation and provisions.29,292(1.3)29,600Change in working capital10,13115533,969Inventories.(24,823)-(5,479)Receivable.56,21539.240,370Payable.(21,261)11.2(30,922)Receivable.(9,022)(1.6)(8,884)Other adjustments to profit or loss15,687(58.0)37,360Financial profit or loss(24,402)(21,261)(21,271)Aller of assets(22,440)(24,323)(24,472)Other adjustments to profit or loss(14,669)(15,277)8,852CASH FLOW FROM OPERATING ACTIVITES37,242-4,355Recurrent investments(11,818)(36,40)(13,578)Investments in intagible assets(11,786)(22,324)(20,412)Investments in intagible fixed assets(11,786)(24,23)(20,425)Other cash flows from investing activities1,688Other adjustments for on insetting activities(17,86)(24,23)Investments in financial fixed assets(11,786)(24,23)Investments in financial fixed assets(11,786)(24,23)Investments in financial fixed assets(12,373)(36,48)Investments in financial fixed assets(12,373) <th></th> <th>30/06/2022</th> <th></th> <th>30/06/2021</th>		30/06/2022		30/06/2021
ACCOUNTING PROFIT (LOSS) BEFORE TAX		Unaudited ⁽¹⁾	Change	Unaudited ⁽¹⁾
Depreciation and provisions 29,292 (1.3) 29,680 Change in working capital 10,131 155.3 3,969 Inventories (24,823) - (5,479) Receivable 56,215 39.2 40,370 Payable (21,261) 31.2 (30,922) Receipts (payments) for income tax (9,022) (1.6) (8,884) Other adjustments to profit or loss 22,440 (22,8) 29,055 Sale of assets (2,084) - (547) Other adjustments to profit or loss (4,669) (152.7) 8,852 CASH FLOW FROM OPERATING ACTIVITIES 37,242 - 4,355 Recurrent investments (22,324) (28.1) (17,421) Investments in intangible assets (14,188) (34.0) (13,578) Investments in financial fixed assets (1,786) 82.7 (10,305) Divestment proceeds 1,780 (68.7) 5,693 Other cash flows from investing activities (2,304) - (715) Proceeeds form f	CONSOLIDATED STATEMENTS OF CASH FLOWS (under IFRS)	(thousand €)	(%)	(thousand €)
Change in working capital 10,131 155.3 3,969 Inventories (24,823) (5,479) Receivable 55,215 39.2 40,370 Payable (21,261) 31.2 (30,922) Receipts (payments) for income tax (9,022) (1.6) (6,884) Other adjustments to profit or loss 15,667 (58.0) 37,360 Financial profit or loss 22,440 (22.8) 29,055 Sale of assets (2,084) (547) Other adjustments to profit or loss (4,669) (15,27) 8852 CASH FLOW FROM OPERATING ACTIVITIES 37,242 4,355 Recurrent investments (22,324) (28.1) (17,421) Investments in intangible assets (1,8188) (34.0) (13,578) Investments from investing activities - - 1,608 CASH FLOW FROM INVESTING ACTIVITES (22,330) (9.3) (20,425) Proceeds (payments) for equity instruments (1,786) 82.7 (1,569) Proceeds from financial lability instruments (3,471) 96.4 (96,065) <td>ACCOUNTING PROFIT (LOSS) BEFORE TAX</td> <td>(8,846)</td> <td>84.7</td> <td>(57,770)</td>	ACCOUNTING PROFIT (LOSS) BEFORE TAX	(8,846)	84.7	(57,770)
Inventories (24,823) - (5,479) Receivable 56,215 39.2 40,370 Payable (21,261) 31.2 (30,922) Receivable (9,022) (1.6) (8,884) Other adjustments to profit or loss 15,687 (58.0) 37,360 Sale of assets (2,044) - (547) Other adjustments to profit or loss (2,044) - (547) Other adjustments to profit or loss (2,084) - (547) Other adjustments to profit or loss (2,084) - (547) Other adjustments to profit or loss (4,669) (152.7) 8,852 CASH FLOW FROM PERATING ACTIVITIES 37,242 - 4,355 Receivable (34,16) (7.6) (3,843) Investments in tangible fixed assets (1,786) 82.7 (10,305) Divestments in financial fixed assets (1,786) 82.7 (10,305) Divestments in financial fixed assets (2,2,330) (9.3) (20,425) Proceeds from financial lability instruments (3,0094) - (715) <	Depreciation and provisions	29,292	(1.3)	29,680
Receivable 56,215 39.2 40,370 Payable (21,261) 31.2 (30,922) Receipts (payments) for income tax (9,022) (1.6) (8,884) Other adjustments to profit or loss 15,687 (58.0) 37,360 Financial profit or loss (2,044) - (547) Other adjustments to profit or loss (2,044) - (547) Other adjustments to profit or loss (2,044) - (547) Other adjustments to profit or loss (4,669) (152.7) 8,852 CASH FLOW FROM OPERATING ACTIVITIES 37,242 - 4,355 Recurrent investments (14,136) (7.6) (3,843) Investments in intangible fixed assets (1,176) 82.7 (10,305) Divestment proceeds (1,780) (82.7) (10,305) Divestment proceeds (payments) for equity instruments (2,2,330) (9.3) (20,425) Proceeds (payments) for equity instruments (3,741) 964 (96,605) Dividend and remuneration payments on other equity instruments (3,	Change in working capital	10,131	155.3	3,969
Payable (21,261) 31.2 (30,922) Receipts (payments) for income tax (9,022) (1.6) (8,884) Other adjustments to profit or loss 22,440 (22.8) 29,055 Sale of assets (2,084) - (547) Other adjustments to profit or loss (2,084) - (547) Other adjustments to profit or loss (2,084) - (547) Other adjustments to profit or loss (2,084) - (547) Other adjustments to profit or loss (2,084) - (4,355 Recurrent investments (22,324) (28,11) (17,421) Investments in financial fixed assets (1,81,88) (34.0) (13,578) Investments in financial fixed assets (1,766) 82.7 (10,305) Divestment proceeds 1,780 (68.7) 5,693 Other cash from investing activities - - 1,608 CASH FLOW FROM INVESTIVA ACTIVITIES (30,094) - (715) Proceeds from financial liability instruments (30,094) - (715) Proceeds from financial liability instruments (3,723) <td>Inventories</td> <td>(24,823)</td> <td></td> <td>(5,479)</td>	Inventories	(24,823)		(5,479)
Receipts (payments) for income tax (9,022) (1.6) (8,884) Other adjustments to profit or loss 15,687 (58.0) 37,360 Financial profit or loss 22,440 (22.8) 29,055 Sale of assets (2,084) - (547) Other adjustments to profit or loss (2,084) - (4,57) Other adjustments to profit or loss (2,234) (28.1) (17,421) Investments (18,188) (34.0) (13,578) Investments in itangible fixed assets (1,136) (26,1) (17,421) Investments in financial fixed assets (1,1786) (87.7) (1,0305) Divestment proceeds 1,780 (68.7) 5,693 Other cash flows from investing activities (3,004) - (715) Proceeds (payments) for equity instruments (3,004) - (715) Proceeds from financial liability instruments (3,723) (158.0) (1,443) Interest payments or financing activities (22,524) (151.1) (19,573) CASH FLOW FROM FINASCINCA CLYNTHES	Receivable	56,215	39.2	40,370
Other adjustments to profit or loss 15,687 (58.0) 37,360 Financial profit or loss 22,440 (22.8) 29,055 Sale of assets (2,084) (547) Other adjustments to profit or loss (4,669) (152.7) 8,852 CASH FLOW FROM OPERATING ACTIVITIES 37,242 4,355 Recurrent investments (18,188) (34.0) (13,578) Investments in intangible assets (14,136) (7,6) (3,843) Investments in financial fixed assets (1,786) 82.7 (10,305) Divestment proceeds 1,780 (68.7) 5,693 Other cash flows from investing activities 1,608 CASH FLOW FROM INVESTING ACTIVITIES (22,330) (9.3) (20,425) Proceeds from financial liability instruments (30,094) (715) Proceeds from financial liability instruments (3,471) 96.4 (96,065) Dividend and remuneration payments on other equity instruments (3,723) (158.0) (1,443) Interest payments	Payable	(21,261)	31.2	(30,922)
Financial profit or loss 22,440 (22.8) 29,055 Sale of assets (2,084) (547) Other adjustments to profit or loss (4,669) (152.7) 8,852 CASH FLOW FROM OPERATING ACTIVITES 37,242 4,355 Recurrent investments (22,324) (28.1) (17,421) Investments in intangible assets (18,188) (34.0) (13,578) Investments in financial fixed assets (1,786) 82.7 (10,005) Divestment proceeds 1,780 (68.7) 5,693 Other cash flows from investing activities - - 1,608 CASH FLOW FROM INVESTING ACTIVITIES (22,330) (9.3) (20,425) Proceeds (payments) for equity instruments (30,094) - (715) Proceeds from financial liability instruments (3,471) 96.4 (96.065) Dividend and remuneration payments on other equity instruments (3,723) (158.0) (1,443) Interest payments (23,676) (56.2) (15,160) Other cash flows from financing activities (22,524) (15.1) (19,573)	Receipts (payments) for income tax	(9,022)	(1.6)	(8,884)
Sale of assets (2,084) - (547) Other adjustments to profit or loss (4,669) (152.7) 8,852 CASH FLOW FROM OPERATING ACTIVITIES 37,242 - 4,355 Recurrent investments (22,324) (28.1) (17,421) Investments in intangible assets (18,188) (34.0) (13,578) Investments in financial fixed assets (4,136) (7.6) (3,843) Investments in financial fixed assets (1,786) 82.7 (10,305) Divestment proceeds 0.1,780 82.7 (10,305) Other cash flows from investing activities - - 1,608 CASH FLOW FROM INVESTING ACTIVITIES (22,330) (9.3) (20,425) Proceeds (payments) for equity instruments (3,0094) - (715) Proceeds from financial liability instruments (3,471) 96.4 (96,065) Dividend and remuneration payments on other equity instruments (23,676) (56.2) (15,160) Other cash flows from financing activities (22,524) (15.1) (19,573) CASH FLOW FROM INNACING ACTIVITIES (66,460) - (7,387)	Other adjustments to profit or loss	15,687	(58.0)	37,360
Other adjustments to profit or loss (4,669) (152.7) 8,852 CASH FLOW FROM OPERATING ACTIVITIES 37,242 4,355 Recurrent investments (22,324) (28.1) (17,421) Investments in intangible assets (18,188) (34.0) (13,578) Investments in intangible fixed assets (4,136) (7.6) (3,843) Investments in financial fixed assets (1,786) 82.7 (10,305) Divestment proceeds 1,780 (68.7) 5,693 Other cash flows from investing activities - - 1,608 CASH FLOW FROM INVESTING ACTIVITIES (22,330) (9.3) (20,425) Proceeds (payments) for equity instruments (3,0094) - (7,15) Proceeds from financial liability instruments (3,471) 96.4 (96.065) Dividend and remuneration payments on other equity instruments (3,723) (158.0) (1,443) Interest payments (22,676) (56.2) (15.10) (19,573) CASH FLOW FROM FINANCING ACTIVITIES (23,676) (56.2) (15.10) (19,573) CASH FLOW FROM FINANCING ACTIVITIES (66,	Financial profit or loss	22,440	(22.8)	29,055
CASH FLOW FROM OPERATING ACTIVITIES 37,242 4,355 Recurrent investments (22,324) (28.1) (17,421) Investments in intangible assets (18,188) (34.0) (13,578) Investments in tangible fixed assets (4,136) (7.6) (3,843) Investments in financial fixed assets (1,786) 82.7 (10,305) Divestment proceeds 1,780 (68.7) 5,693 Other cash flows from investing activities - - 1,608 CASH FLOW FROM INVESTING ACTIVITIES (22,330) (9.3) (20,425) Proceeds (payments) for equity instruments (30,094) (7,15) Proceeds from financial liability instruments (3,471) 96.4 (96,065) Dividend and remuneration payments on other equity instruments (3,723) (15.00) (1,443) Interest payments (22,524) (15.1) (19,573) CASH FLOW FROM FINANCING ACTIVITIES (66,460) (7,87) Effect of exchange rate changes 8,358 - 2,599 CHANGE IN CASH FLOW SFROM DISCONTINUED OPERATIONS (43,190) (107.1) (20,858)	Sale of assets	(2,084)		(547)
Recurrent investments (22,324) (28.1) (17,421) Investments in intangible assets (18,188) (34.0) (13,578) Investments in intangible fixed assets (4,136) (7.6) (3,843) Investments in financial fixed assets (1,786) 82.7 (10,305) Divestment proceeds 1,780 (68.7) 5,693 Other cash flows from investing activities - - 1,608 CASH FLOW FROM INVESTING ACTIVITIES (22,330) (9.3) (20,425) Proceeds (payments) for equity instruments (30,094) - (715) Proceeds from financial liability instruments (3,471) 96.4 (96,065) Dividend and remuneration payments on other equity instruments (3,723) (158.0) (1,443) Interest payments (23,676) (56.2) (15,160) (14,43) Other cash flows from financing activities (22,524) (15.1) (19,573) CASH FLOW FROM FINANCING ACTIVITIES (66,460) - (7,387) Effect of exchange rate changes 8,358 - 2,599 CHANGE IN CASH FLOWS FROM DISCONTINUED OPERATIONS - <td< td=""><td>Other adjustments to profit or loss</td><td>(4,669)</td><td>(152.7)</td><td>8,852</td></td<>	Other adjustments to profit or loss	(4,669)	(152.7)	8,852
Investments in intangible assets (18,188) (34.0) (13,578) Investments in tangible fixed assets (4,136) (7.6) (3,843) Investments in financial fixed assets (1,786) 82.7 (10,305) Divestment proceeds 1,780 (68.7) 5.693 Other cash flows from investing activities - - 1.608 CASH FLOW FROM INVESTING ACTIVITIES (22,330) (9.3) (20,425) Proceeds (payments) for equity instruments (30,094) - (715) Proceeds from financial liability instruments (3,471) 96.4 (96,065) Dividend and remuneration payments on other equity instruments (3,723) (158.0) (1,443) Interest payments (23,676) (56.2) (15,160) (14,43) Other cash flows from financing activities (22,524) (15.1) (19,573) CASH FLOW FROM FINANCING ACTIVITIES (66,460) - (7,387) Effect of exchange rate changes 8,358 - 2,599 CHANGE IN CASH FLOWS FROM CONTINUING OPERATIONS (43,190) (107.1) (20,858) CASH FLOWS FROM DISCONTINUED OPERATIONS -	CASH FLOW FROM OPERATING ACTIVITIES	37,242		4,355
Investments in tangible fixed assets (4,136) (7.6) (3,843) Investments in financial fixed assets (1,786) 82.7 (10,305) Divestment proceeds 1,780 (68.7) 5,693 Other cash flows from investing activities 1,608 CASH FLOW FROM INVESTING ACTIVITIES (22,330) (9.3) (20,425) Proceeds (payments) for equity instruments (30,094) (715) Proceeds from financial liability instruments (3,471) 96.4 (96,065) Dividend and remuneration payments on other equity instruments (3,723) (158.0) (1,443) Interest payments (23,676) (56.2) (15,160) (1,443) Other cash flows from financing activities (22,524) (15.1) (19,573) CASH FLOW FROM FINANCING ACTIVITIES (66,460) (7,387) Effect of exchange rate changes 8,358 2,599 CHANGE IN CASH FLOWS FROM ONTINUED OPERATIONS CHANGE IN CASH FLOWS FROM DISCONTINUED OPERATIONS CHANGE IN CASH FLOWS FROM THE YEAR (43,190)	Recurrent investments	(22,324)	(28.1)	(17,421)
Investments in financial fixed assets. (1,786) 82.7 (10,305) Divestment proceeds 1,780 (68.7) 5,693 Other cash flows from investing activities 1,608 CASH FLOW FROM INVESTING ACTIVITIES (22,330) (9.3) (20,425) Proceeds (payments) for equity instruments (30,094) (715) Proceeds from financial liability instruments (3,471) 96.4 (96,065) Dividend and remuneration payments on other equity instruments (3,723) (115.0) (1,443) Interest payments (22,524) (15.1) (19,573) CASH FLOW FROM FINANCING ACTIVITIES (66,460) (7,387) Effect of exchange rate changes 8,358 2,599 CHANGE IN CASH FLOWS FROM DISCONTINUED OPERATIONS CHANGE IN CASH FLOWS FOR THE YEAR (43,190) (107.1) (20,858) Cash and cash equivalents at the beginning of the period 168,672 (24.0) 221,879 Cash 132,968 (21.2) 168,712 168,712 Other equivalent liquid resources 35,704 (32.8)	Investments in intangible assets	(18,188)	(34.0)	(13,578)
Divestment proceeds 1,780 (68.7) 5,693 Other cash flows from investing activities 1,608 CASH FLOW FROM INVESTING ACTIVITIES (22,330) (9.3) (20,425) Proceeds (payments) for equity instruments (30,094) (715) Proceeds from financial liability instruments 17,028 (86.4) 125,569 Payments for financial liability instruments (3,471) 96.4 (96,065) Dividend and remuneration payments on other equity instruments (3,723) (158.0) (1,443) Interest payments (22,524) (15.1) (19,573) CASH FLOW FROM FINANCING ACTIVITIES (66,460) (7,387) Effect of exchange rate changes 8,358 2,599 CHANGE IN CASH FLOWS FROM CONTINUING OPERATIONS (43,190) (107.1) (20,858) CHANGE IN CASH FLOWS FOR THE YEAR (43,190) (107.1) (20,858) CHANGE IN CASH FLOWS FOR THE YEAR (43,190) (107.1) (20,858) Cash and cash equivalents at the beginning of the period 168,672 (24.0) 221,879 Cash and cash equivalents at the end of the period 35,7	Investments in tangible fixed assets	(4,136)	(7.6)	(3,843)
Other cash flows from investing activities1,608CASH FLOW FROM INVESTING ACTIVITIES(22,330)(9.3)(20,425)Proceeds (payments) for equity instruments(30,094)(715)Proceeds from financial liability instruments17,028(86.4)125,569Payments for financial liability instruments(3,471)96.4(96,065)Dividend and remuneration payments on other equity instruments(3,723)(158.0)(1,443)Interest payments(23,676)(56.2)(15,160)Other cash flows from financing activities(22,524)(15.1)(19,573)CASH FLOW FROM FINANCING ACTIVITIES(66,460)(7,387)Effect of exchange rate changes8,3582,599CHANGE IN CASH FLOWS FROM DISCONTINUED OPERATIONSCHANGE IN CASH FLOWS FOR THE YEAR(43,190)(107.1)(20,858)Cash and cash equivalents at the beginning of the period168,672(24.0)221,879Cash and cash equivalents at the end of the period125,482(37.6)201,021Cash104,084(46.8)195,651	Investments in financial fixed assets	(1,786)	82.7	(10,305)
CASH FLOW FROM INVESTING ACTIVITIES.(22,330)(9.3)(20,425)Proceeds (payments) for equity instruments(30,094)(715)Proceeds from financial liability instruments17,028(86.4)125,569Payments for financial liability instruments(3,471)96.4(96,065)Dividend and remuneration payments on other equity instruments(3,723)(158.0)(1,443)Interest payments(23,676)(56.2)(15,160)Other cash flows from financing activities(22,524)(15.1)(19,573)CASH FLOW FROM FINANCING ACTIVITIES(66,460)(7,387)Effect of exchange rate changes8,3582,599CHANGE IN CASH FLOWS FROM DISCONTINUED OPERATIONS(43,190)(107.1)(20,858)Change IN CASH FLOWS FROM DISCONTINUED OPERATIONSCHANGE IN CASH FLOWS FOR THE YEAR(43,190)(107.1)(20,858)Cash and cash equivalents at the beginning of the period168,672(24.0)221,879Cash35,704(32.8)53,167Cash and cash equivalents at the end of the period125,482(37.6)201,021Cash104,084(46.8)195,651	Divestment proceeds	1,780	(68.7)	5,693
Proceeds (payments) for equity instruments(30,094)(715)Proceeds from financial liability instruments17,028(86.4)125,569Payments for financial liability instruments(3,471)96.4(96,065)Dividend and remuneration payments on other equity instruments(3,723)(158.0)(1,443)Interest payments(23,676)(56.2)(15,160)Other cash flows from financing activities(22,524)(15.1)(19,573)CASH FLOW FROM FINANCING ACTIVITIES(66,460)(7,387)Effect of exchange rate changes8,3582,599CHANGE IN CASH FLOWS FROM CONTINUED OPERATIONS(43,190)(107.1)(20,858)CHANGE IN CASH FLOWS FROM DISCONTINUED OPERATIONSCHANGE IN CASH FLOWS FROM DISCONTINUED OPERATIONS168,672(24.0)221,879Cash132,968(21.2)168,7120ther equivalents at the beginning of the period168,672(24.0)221,879Cash35,704(32.8)53,167Cash and cash equivalents at the end of the period125,482(37.6)201,021Cash104,084(46.8)195,651104,084(46.8)195,651	Other cash flows from investing activities			1,608
Proceeds from financial liability instruments17,028(86.4)125,569Payments for financial liability instruments(3,471)96.4(96,065)Dividend and remuneration payments on other equity instruments(3,723)(158.0)(1,443)Interest payments(23,676)(56.2)(15,160)Other cash flows from financing activities(22,524)(15.1)(19,573)CASH FLOW FROM FINANCING ACTIVITIES(66,460)(7,387)Effect of exchange rate changes8,3582,599CHANGE IN CASH FLOWS FROM CONTINUING OPERATIONS(43,190)(107.1)(20,858)CHANGE IN CASH FLOWS FOR THE YEAR(43,190)(107.1)(20,858)Cash and cash equivalents at the beginning of the period168,672(24.0)221,879Cash and cash equivalents at the end of the period125,482(37.6)201,021Cash104,084(46.8)195,651	CASH FLOW FROM INVESTING ACTIVITIES	(22,330)	(9.3)	(20,425)
Payments for financial liability instruments(3,471)96.4(96,065)Dividend and remuneration payments on other equity instruments(3,723)(158.0)(1,443)Interest payments(23,676)(56.2)(15,160)Other cash flows from financing activities(22,524)(15.1)(19,573)CASH FLOW FROM FINANCING ACTIVITIES(66,460)(7,387)Effect of exchange rate changes8,3582,599CHANGE IN CASH FLOWS FROM CONTINUED OPERATIONS(43,190)(107.1)(20,858)CHANGE IN CASH FLOWS FOR THE YEAR(43,190)(107.1)(20,858)Cash and cash equivalents at the beginning of the period168,672(24.0)221,879Cash and cash equivalents at the end of the period35,704(32.8)53,167Cash and cash equivalents at the end of the period104,084(46.8)195,651	Proceeds (payments) for equity instruments	(30,094)		(715)
Dividend and remuneration payments on other equity instruments(3,723)(158.0)(1,443)Interest payments(23,676)(56.2)(15,160)Other cash flows from financing activities(22,524)(15.1)(19,573)CASH FLOW FROM FINANCING ACTIVITIES(66,460)(7,387)Effect of exchange rate changes8,3582,599CHANGE IN CASH FLOWS FROM CONTINUED OPERATIONS(43,190)(107.1)(20,858)CHANGE IN CASH FLOWS FOR THE YEAR(43,190)(107.1)(20,858)Cash and cash equivalents at the beginning of the period168,672(24.0)221,879Cash and cash equivalents at the end of the period35,704(32.8)53,167Cash	Proceeds from financial liability instruments	17,028	(86.4)	125,569
Interest payments (23,676) (56.2) (15,160) Other cash flows from financing activities (22,524) (15.1) (19,573) CASH FLOW FROM FINANCING ACTIVITIES (66,460) (7,387) Effect of exchange rate changes 8,358 2,599 CHANGE IN CASH FLOWS FROM CONTINUED OPERATIONS (43,190) (107.1) (20,858) CHANGE IN CASH FLOWS FROM DISCONTINUED OPERATIONS CHANGE IN CASH FLOWS FOR THE YEAR (43,190) (107.1) (20,858) Cash and cash equivalents at the beginning of the period 168,672 (24.0) 221,879 Cash 132,968 (21.2) 168,712 0ther equivalent liquid resources 35,704 (32.8) 53,167 Cash and cash equivalents at the end of the period 125,482 (37.6) 201,021	Payments for financial liability instruments	(3,471)	96.4	(96,065)
Other cash flows from financing activities (22,524) (15.1) (19,573) CASH FLOW FROM FINANCING ACTIVITIES (66,460) (7,387) Effect of exchange rate changes 8,358 2,599 CHANGE IN CASH FLOWS FROM CONTINUING OPERATIONS (43,190) (107.1) (20,858) CHANGE IN CASH FLOWS FROM DISCONTINUED OPERATIONS CHANGE IN CASH FLOWS FOR THE YEAR (43,190) (107.1) (20,858) CHANGE IN CASH FLOWS FOR THE YEAR (43,190) (107.1) (20,858) Cash and cash equivalents at the beginning of the period 168,672 (24.0) 221,879 Cash 132,968 (21.2) 168,712 Other equivalent liquid resources 35,704 (32.8) 53,167 Cash and cash equivalents at the end of the period 125,482 (37.6) 201,021 Cash 104,084 (46.8) 195,651	Dividend and remuneration payments on other equity instruments	(3,723)	(158.0)	(1,443)
CASH FLOW FROM FINANCING ACTIVITIES	Interest payments	(23,676)	(56.2)	(15,160)
Effect of exchange rate changes 8,358 2,599 CHANGE IN CASH FLOWS FROM CONTINUING OPERATIONS (43,190) (107.1) (20,858) CHANGE IN CASH FLOWS FROM DISCONTINUED OPERATIONS CHANGE IN CASH FLOWS FROM DISCONTINUED OPERATIONS CHANGE IN CASH FLOWS FOR THE YEAR (43,190) (107.1) (20,858) Cash and cash equivalents at the beginning of the period 168,672 (24.0) 221,879 Cash 132,968 (21.2) 168,712 Other equivalent liquid resources 35,704 (32.8) 53,167 Cash and cash equivalents at the end of the period 125,482 (37.6) 201,021 Cash 104,084 (46.8) 195,651	Other cash flows from financing activities	(22,524)	(15.1)	(19,573)
CHANGE IN CASH FLOWS FROM CONTINUING OPERATIONS (43,190) (107.1) (20,858) CHANGE IN CASH FLOWS FROM DISCONTINUED OPERATIONS CHANGE IN CASH FLOWS FOR THE YEAR (43,190) (107.1) (20,858) Cash and cash equivalents at the beginning of the period 168,672 (24.0) 221,879 Cash 132,968 (21.2) 168,712 Other equivalent liquid resources 35,704 (32.8) 53,167 Cash and cash equivalents at the end of the period 125,482 (37.6) 201,021 Cash 104,084 (46.8) 195,651	CASH FLOW FROM FINANCING ACTIVITIES	(66,460)		(7,387)
CHANGE IN CASH FLOWS FROM DISCONTINUED OPERATIONS CHANGE IN CASH FLOWS FOR THE YEAR (43,190) (107.1) (20,858) Cash and cash equivalents at the beginning of the period 168,672 (24.0) 221,879 Cash 132,968 (21.2) 168,712 Other equivalent liquid resources 35,704 (32.8) 53,167 Cash and cash equivalents at the end of the period 125,482 (37.6) 201,021 Cash 104,084 (46.8) 195,651	Effect of exchange rate changes	8,358		2,599
CHANGE IN CASH FLOWS FOR THE YEAR (43,190) (107.1) (20,858) Cash and cash equivalents at the beginning of the period 168,672 (24.0) 221,879 Cash 132,968 (21.2) 168,712 Other equivalent liquid resources 35,704 (32.8) 53,167 Cash and cash equivalents at the end of the period 125,482 (37.6) 201,021 Cash 104,084 (46.8) 195,651	CHANGE IN CASH FLOWS FROM CONTINUING OPERATIONS	(43,190)	(107.1)	(20,858)
Cash and cash equivalents at the beginning of the period 168,672 (24.0) 221,879 Cash 132,968 (21.2) 168,712 Other equivalent liquid resources 35,704 (32.8) 53,167 Cash and cash equivalents at the end of the period 125,482 (37.6) 201,021 Cash 104,084 (46.8) 195,651	CHANGE IN CASH FLOWS FROM DISCONTINUED OPERATIONS			
Cash 132,968 (21.2) 168,712 Other equivalent liquid resources 35,704 (32.8) 53,167 Cash and cash equivalents at the end of the period 125,482 (37.6) 201,021 Cash 104,084 (46.8) 195,651	CHANGE IN CASH FLOWS FOR THE YEAR	(43,190)	(107.1)	(20,858)
Other equivalent liquid resources 35,704 (32.8) 53,167 Cash and cash equivalents at the end of the period 125,482 (37.6) 201,021 Cash 104,084 (46.8) 195,651	Cash and cash equivalents at the beginning of the period	168,672	(24.0)	221,879
Cash and cash equivalents at the end of the period 125,482 (37.6) 201,021 Cash 104,084 (46.8) 195,651	Cash	132,968	(21.2)	168,712
Cash 104,084 (46.8) 195,651	Other equivalent liquid resources	35,704	(32.8)	53,167
	Cash and cash equivalents at the end of the period	125,482	(37.6)	201,021
Other equivalent liquid resources	Cash	104,084	(46.8)	195,651
	Other equivalent liquid resources	21,398		5,370

(1): Financial information subject to limited review.

The cash flow analysis for the first half of 2022 is detailed in section 8.2 of the Registration Document.

18.3. Audit of annual financial information

18.3.1. Declaration that the annual financial information has been audited

The individual and consolidated annual accounts of Prisa for the 2021 and 2020 financial years have been audited by EY and those for the 2019 financial year by Deloitte with an unqualified favourable report for each year.

18.3.2. Indication of other information in the registration document that has been examined by the auditors

With the exception of Prisa's consolidated annual accounts for 2021, 2020 and 2019, which have been audited by EY (2021 and 2020) and Deloitte (2019), there is no other information in the Registration Document that has been audited by the auditors.

18.3.3. Where the financial information in the registration document has not been extracted from the audited financial statements of the issuer, indication of the source of the information and specification that it has not been audited.

With the exception of the data extracted from the annual accounts, which are the subject of the audit reports referred to in section 18.3.2 of the Registration Document, as well as those others where the source is expressly mentioned, all other data and information on the Company contained in the Registration Document have been extracted from the Company's internal accounting and management information system, which have not been separately audited.

18.4. Pro forma financial information

Not applicable.

18.5. Dividend policy

18.5.1. Description of the issuer's policy on the distribution of dividends and any restrictions thereon

The Company has not adopted any specific policy on dividend distributions or shareholder remuneration, so that dividend distributions are reviewed on an annual basis.

In this respect, the Company's dividend distribution depends primarily on (i) the existence of distributable profits and the financial position of the Company, (ii) its debt servicing obligations as well as those arising from its commitments to its financial creditors under the Group's financing agreements, (iii) the cash generation derived from the normal course of its activities, (iv) the existence or not of attractive investment opportunities that generate value for the Group's shareholders, (v) the Group's reinvestment needs, (vi) the execution of Prisa's business plan, and (vii) other factors that Prisa considers relevant from time to time.

In addition, as at 31 December 2021 and 30 June 2022, the Company had a legal reserve of EUR 7,087 thousand and EUR 12,646 thousand, respectively, representing 10% and 17% of the current capital in those dates, respectively. In accordance with the Spanish Companies Act, the Company must transfer 10% of the profits obtained to the legal reserve until the reserve reaches at least 20% of the subscribed share capital.

Regarding restrictions on dividend distributions, within the 2022 Refinancing agreement and in relation to the Company's dividend distribution, dividends are subject to the limitations and commitments made with financial creditors.

In this regard, the Company will only be able to pay dividends if the aggregate amount available for distribution from net income for the previous financial year has been determined and subject to the following limitations: (i) so long as the Consolidated Net Financial Debt (including IFRS16 liabilities) to EBITDA ratio, as detailed in section 8.3 of the Registration Document, is above 4.5 in respect of the 12 month period ending on the day prior to such distribution, total dividends paid shall not exceed 10,000 thousand Euros on aggregate over the life of the financing facilities; or (ii) provided that the above-mentioned ratio

does not exceed 4.5 over the 12 month period prior to the distribution date, then total dividends paid shall amount to 10,000 thousand Euros per annum, ignoring the limitation set forth on point (i) above.

18.5.2. Amount of dividends per share for each financial year during the period covered by the historical financial information.

The Company has not agreed to distribute profits and/or dividends per share or other form of shareholder remuneration during the period covered by the historical financial information (2021, 2020 and 2019).

18.6. Judicial and arbitration proceedings

18.6.1. Information on any administrative, judicial or arbitration proceedings (including proceedings which are pending or which the issuer believes may affect it), during a period covering at least the preceding 12 months, which may have or have had in the recent past significant effects on the financial position or profitability of the issuer and/or the group.

Except for the litigation detailed below, no Group company is or has been in the last 12 months prior to the date of the Registration Document involved in any governmental, judicial or arbitration proceedings, including those proceedings which are pending or which could be commenced to the knowledge of the Company, which have had or could have a material effect on the Group or its financial position or profitability.

• Corporativo Coral

On 17 July 2019, the company Corporativo Coral, S.A. de C.V. ("**Coral**") signed a contract for the sale to a third party of a 50% stake in the capital of Radiópolis. On the same day, it signed a shareholders' agreement with SER, which holds the other 50% of Radiópolis' capital. Coral's purchase and sale of the stake was completed in July 2020.

Once the shareholding was acquired, Coral refused to execute the agreements contained in the shareholders' agreement, committing several breaches of it. As a result, SER has initiated various proceedings, both before judges in Mexico City and before the Court of Arbitration of the International Chamber of Commerce in Paris, to demand compliance with its agreements with Coral and to defend its position as a shareholder of Radiópolis. On 26 April 2022, Coral and SER signed a settlement agreement, together with the financial group Crédito Real, which puts an end to the litigation, with SER retaining all its rights as a shareholder and as a foreign investor in Mexico. As at the date of the Registration Document, the transaction agreement is subject to a condition precedent requiring the Federal Telecommunications Institute to approve Crédito Real's shareholder status in Radiópolis. This condition precedent does not affect or condition SER's historical contractual or statutory rights.

CNMC

The Comisión Nacional de los Mercados y la Competencia (CNMC), by Resolution of 30 May 2019, declared that some Santillana companies, Santillana Educación, S.L., Ediciones Grazalema, S.L., Edicions Obradoiro, S.L., Edicions Voramar, S.A., Zubia Editoriala S.L. and Grup Promotor d'Ensenyament i Difusio en Catala, S.L. (the "Affected Companies") (as well as companies belonging to other publishing groups) would have committed two very serious infringements of article 1 of Law 15/2007 on the Defence of Competition and article 101 of the Treaty on the Functioning of the European Union, specifically the existence of 2 allegedly typical, unlawful and culpable conducts constituting: (i) a single and continuous infringement consisting of the making and implementation of agreements and concerted practices between competing publishers, with the collaboration of ANELE (the sector's employers' association), to share out the market for the publishing and marketing of non-university textbooks in Spain and to fix certain commercial conditions in this market, through the development and implementation of a Code of Conduct (CDC) for the sector. This Code of Conduct was signed by the publishers in question through ANELE in order to prevent malpractice in the adoption of textbooks by schools, as well as to prevent the exchange of sensitive commercial information in relation to the commercial offers made by themselves and their direct competitors to educational institutions; and (ii) an infringement consisting of the making and implementation of agreements and concerted practices between competing publishers, with the collaboration of ANELE,

aimed at fixing prices and coordinating the conditions for the marketing of textbooks in digital format. For these infringements, the CNMC imposed a cumulative penalty of EUR 9,214 thousand, without prejudice to the breakdown of the penalties that the Resolution applies to each company.

On 19 July 2019, a contentious-administrative appeal was filed against the aforementioned Resolution before the Sixth Section of the National High Court and the suspension of the enforceability of the Resolution was requested for the duration of the proceedings. On 4 September 2019, the Audiencia Nacional suspended the enforceability of the Resolution, subject to the presentation of security for the amount of the sanction imposed by the Resolution. On 4 November 2019, a bank guarantee was presented to the Audiencia Nacional for the aforementioned amount and by order of 6 November 2019, the Court agreed to consider the condition imposed to have been met in due time and form and, therefore, to suspend the enforceability of the Resolution. On 16 April 2020, the Affected Companies filed the corresponding lawsuit before the National High Court requesting the full nullity of the Resolution and, alternatively, the full nullity of the sanction imposed or its significant reduction. The State Attorney's Office filed the corresponding response in due time and form, on 26 October the expert ratification by the Claimants' expert witness took place and on 27 November 2020 the Affected Companies filed their written conclusions. The State Attorney's Office also presented its written conclusions, dated 22 December 2020. On 31 December 2020, the sale by Santillana of 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 Promotord'Ensenyament i Difusió en Catalá, S.L.) to Sanoma Pro Ov was completed, so that these companies do not form part of the Group's scope, However, in accordance with the terms of the sale and purchase agreement signed between the parties, Santillana granted an indemnity to Sanoma Pro Oy for the outcome of this process.

On 3 January 2022, Santillana filed a written submission with the Audiencia Nacional, by virtue of which a judgment recently issued by the Chamber for Contentious Administrative Proceedings (and subsequent to the date on which Santillana submitted its conclusions) in ordinary proceedings against a CNMC decision - substantially identical to Santillana's - was added to the file, by virtue of which the Chamber accepted the arguments on which the nullity requested was based and which also fully coincided with those put forward by Santillana in the proceedings. As of the date of the Registration Document, the proceedings are pending the announcement of the vote and judgement. In addition, the Group has not recognised any provision for this item as the Group's internal and external legal advisors do not consider it probable that the resolution of these proceedings will give rise to significant liabilities not recognised by the Group.

18.7. Significant change in the issuer's financial position

18.7.1. A description of any significant changes in the financial position of the group that have occurred since the end of the last financial period for which audited financial statements or interim financial information have been published.

Since 30 June 2022 and up to the date of the Registration Document, there has been no significant change in the financial position of the Company other than those included in the Registration Document.

19. ADDITIONAL INFORMATION

19.1. Share capital

19.1.1. Amount of issued capital and additional information

At the date of the Registration Document, the share capital of Prisa is EUR 74,065,019.30, divided into 740,650,193 ordinary shares represented by book entries, of a single class and series and a par value of EUR 0.10 each, fully subscribed and paid up. Prisa shares are listed on the Madrid, Barcelona, Bilbao and Valencia stock exchanges. For further information on the development of the share capital, see section 19.1.7 of the Registration Document.

- (a) Number of authorised shares
 - (i) The Ordinary General Shareholders' Meeting of Prisa held on 29 June 2021 approved, under item eight on the agenda, to delegate to the Board of Directors, with express power of substitution, the power to increase the share capital, on one or more occasions and within a maximum period of

5 years from the date of adoption of the resolution, up to the maximum amount equivalent to half of the share capital at the time of authorisation (i.e. up to a maximum nominal amount of EUR 35,432,509.65), when and as the needs of the Company so require in the opinion of the Board, which may set the terms and conditions of the capital increase and the characteristics of the shares.

The aforementioned delegation to the Board of Directors of the Company also includes the power for the Board of Directors to exclude, in whole or in part, the pre-emptive subscription right up to a maximum of 20% of the share capital of the Company at the time of authorisation (i.e. up to a maximum nominal amount of EUR 14,173,003.86). This resolution cancelled the authorisation granted by the Ordinary General Meeting of Shareholders of the Company held on 3 June 2019, under item nine of the agenda, to the extent not provided for.

As of the date of the Registration Document, the Board of Directors of the Company has not made use of this authorisation.

(ii) In addition, the Ordinary General Shareholders' Meeting of Prisa held on 28 June 2022 approved, under point nine of the agenda, to delegate to the Board of Directors, with express power of substitution, the power to issue, for a maximum period of 5 years from the date of adoption of the resolution, fixed-income securities convertible into newly issued shares and/or exchangeable for outstanding shares of the Company and other companies, warrants (options to subscribe new shares to acquire outstanding shares of Prisa or other companies), promissory notes and preference shares, up to an aggregate maximum amount of EUR 1,000,000,000 or its equivalent in another currency.

The aforementioned delegation to the Company's Board of Directors also includes the power for the Board of Directors to exclude, in whole or in part, in the issue of convertible bonds and, if applicable, warrants on newly issued shares, the pre-emptive subscription rights of the shareholders, when this is required in order to raise financial resources on international markets, to use techniques for prospecting demand, to incorporate industrial or financial investors that may facilitate the creation of value and the fulfilment of the strategic objectives of the Prisa Group or in any other way justified by the interests of the Company.

To this end, the Board of Directors was delegated the power to increase the capital by the amount necessary to meet requests for conversion or exercise of the warrant on newly issued shares. This power may only be exercised to the extent that the Board, adding together the capital to be increased to cover the issue of convertible bonds or the exercise of warrants and the other capital increases agreed under authorisations by the General Meeting, does not exceed the limit of half the share capital at the time of authorisation or, in the event that the issue excludes pre-emptive subscription rights, 20% of the share capital. This authorisation to increase the capital includes the authorisation to issue and put into circulation, on one or more occasions, the shares representing the capital necessary to carry out the conversion or exercise of the warrant and, where appropriate, to cancel that part of the capital increase which has not been necessary for the conversion into shares or for the exercise of the warrant. In accordance with the provisions of article 304.2 of the Capital Companies Act, the capital increase carried out by the Board of Directors to meet such conversion requests shall not give rise to pre-emptive rights of the Company's shareholders.

As at the date of the Registration Document, the Board of Directors of the Company has not made use of this authorisation and has not issued any securities exchangeable for or convertible into shares or warrants.

(iii) Likewise, the Ordinary General Shareholders' Meeting of Prisa held on 28 June 2022 approved, under items 6.1. and 6.2. of the agenda, 2 Medium-Term Incentive Plans for the period from 2022 to 2025, consisting of the delivery of shares in the Company linked to the achievement of certain objectives, addressed to the Executive Chairman of Prisa Media and the Executive Chairman of Santillana (who are, in turn, the Executive Directors of Prisa) (see section 13.1. of the Registration Document). These plans may be hedged through treasury shares, newly issued shares, or through the Company's use of appropriate financial hedging instruments. The Board of Directors was

delegated, with express power of substitution, to implement, develop, formalise and execute such remuneration systems.

(b) Number of issued and fully paid-up shares and issued but not paid-up shares

As at the date of the Registration Document, there is no amount pending to be released, as the capital is fully subscribed and paid up.

(c) Par value per share

The par value of the Prisa shares is EUR 0.10 per share.

(d) Number of Prisa shares outstanding at the beginning and end of 2021

The number of Prisa shares outstanding at the beginning and end of 2021 was 708,650,193 ordinary shares.

19.1.2. If there are shares that do not represent capital, number and main characteristics of those shares

There are no shares that do not represent share capital.

19.1.3. Number, book value and par value of shares held by the issuer or on its behalf by its subsidiaries.

As of 30 November 2022, the Company held 1,375,898 treasury shares, representing 0.19% of Prisa's share capital.

Currently, the Company has entered into a liquidity contract with JB Capital Markets, Sociedad de Valores, S.A., valid until 11 July 2023, with the aim of favouring liquidity and regularity in the listing of Prisa shares. This contract was initially signed in July 2019 (announced to the market through the publication of the corresponding "significant event" registration number 280677) and has been extended by agreement between the parties in July 2020, 2021 and 2022 until July 2021, 2022 and 2023, respectively. This liquidity contract has been temporarily suspended on 2 occasions:

- (i) From May to June 2021, to enable the commencement of operations under the temporary treasury share buyback programme that the Company agreed to carry out in May 2021 in accordance with market abuse regulations, in order to comply with the obligations under the "Medium-Term Incentive Plan for the period between 2018 and 2020", addressed to the former Chief Executive Officer and certain executives of the Group.
- (ii) From May until July 2020, during the period of time when Prisa's share price was below its par value and therefore it was not possible to trade under the liquidity contract.

In addition, the General Meeting of Shareholders held on 28 June 2022 resolved to grant express authorisation for the derivative acquisition of shares in the Company itself, either directly by the Company or through any of its subsidiaries, subject to the following limits or requirements:

- (i) *Procurement forms*: by purchase, exchange, gift in lieu of payment or any other "inter vivos" act for valuable consideration, as well as any other act permitted by law, in one or more instalments.
- (ii) *Maximum amount*: the par value of the shares acquired directly or indirectly, when added to those already held by the Company and its subsidiaries and, where applicable, by the parent company and its subsidiaries, does not exceed, at any time, the legal maximum permitted.
- (iii) *Characteristics of the shares acquired*: the shares acquired are free of any liens or encumbrances, are fully paid up and are not subject to any kind of obligation.
- (iv) *Compulsory reservation*: a restricted reserve equal to the amount of own shares shown on the assets side of the balance sheet must be set aside in the Company's equity. This reserve shall be maintained

until such time as the shares are disposed of or redeemed or a legislative amendment authorising such disposal or redemption occurs.

- (v) *Term*: 5 years from the date of approval of the agreement.
- (vi) Minimum and maximum price or countervalue: where the acquisition is for valuable consideration, the price or consideration shall be not less than the par value and not more than 20% higher than the quoted value in either case at the time of the acquisition in question. Transactions in the acquisition of own shares shall comply with the rules and practices of the securities markets.

All of the above is without prejudice to the application of the general regime for derivative acquisitions provided for in Article 146 of the Capital Companies Act. Furthermore, the shares acquired as a result of this authorisation may be used both for their disposal or redemption and for the implementation of the remuneration systems, plans or agreements through the delivery of shares and stock options to the members of the Board of Directors and management personnel of the Company or the Group in force at any given time, and it is expressly authorised that the shares acquired by the Company or its subsidiaries in use of this authorisation and those owned by the Company at the date of the General Shareholders' Meeting may be used, in whole or in part, to facilitate compliance with such plans or agreements, as well as to undertake programmes to encourage participation in the Company's capital, such as, for example, dividend reinvestment plans, loyalty bonds or other similar instruments. Likewise, the shares acquired as a result of the aforementioned authorisation may be used, in whole or in part, for potential corporate or business operations or decisions, as well as for any other legally possible purpose. The Board of Directors was also authorised to replace the powers delegated to it by the General Meeting of Shareholders in favour of the Chairman of the Board of Directors or the Secretary of the Board.

19.1.4. Amount of any convertible security, exchangeable security or security with warrants.

As at the date of the Registration Document, Prisa has not issued and there are no securities exchangeable or convertible into shares or warrants.

Notwithstanding the foregoing, the Ordinary General Shareholders' Meeting of Prisa held on 28 June 2022 approved, under point nine of the agenda, to delegate to the Board of Directors, with express power of substitution, the power to issue, for a maximum period of 5 years from the date of adoption of the resolution, fixed-income securities convertible into newly issued shares and/or exchangeable for outstanding shares of the Company and other companies, warrants (options to subscribe new shares to acquire outstanding shares of Prisa or other companies), promissory notes and preference shares, up to an aggregate maximum amount of EUR 1,000,000,000 or its equivalent in another currency.

The aforementioned delegation to the Company's Board of Directors also includes the power for the Board of Directors to exclude, in whole or in part, in the issue of convertible bonds and, if applicable, warrants on newly issued shares, the pre-emptive subscription rights of the shareholders, when this is required in order to raise financial resources on international markets, to use techniques for prospecting demand, to incorporate industrial or financial investors that may facilitate the creation of value and the fulfilment of the strategic objectives of the Prisa Group or in any other way justified by the interests of the Company.

This resolution cancelled the authorisation granted by the Ordinary General Meeting of Shareholders of the Company held on 25 April 2018, under item nine of the agenda, to the extent not provided for. As of the date of the Registration Document, the Board of Directors of the Company has not made use of this authorisation.

19.1.5. Information and terms of any acquisition rights and/or obligations in respect of authorised but unissued capital or commitment to increase capital.

Apart from the provisions of section 19.1.1.a) and the obligations arising from the Company's share delivery plans (see section 13.1), as at the date of the Registration Document there are no acquisition rights and/or obligations in respect of the authorised but unissued capital or on the resolution to increase the share capital.

19.1.6. Information on any capital of any member of the group which is under option or which has been conditionally or unconditionally agreed to be put under option.

Apart from the provisions of section 19.1.1.a) and the obligations under the Company's share delivery plans (see section 13.1), Prisa has not granted any outstanding options on shares of the Company.

19.1.7. History of share capital, highlighting information on any changes during the period covered by the historical financial information.

During the period covered by the historical financial information and up to the date of the Registration Document, the development of the share capital is summarised in the table below:

Execution		Shares issued/	Nominal per share	Nominal total	Total cash	Final number of	Share capital
date	Description	reduced	(euros)	(thousand €)	(thousand €)	shares	(euros)
	Capital increase						
	(offsetting of					740,650,19	
06/2022	claims)	32,000,000	0.10	3,200	20,288	3	74,065,019.30
	Reduction of capital ⁽¹⁾						
	(decrease in par					708,650,19	
06/2020	value of shares)		0.10	267,418		3	70,865,019.30
	Reduction of capital ⁽²⁾						
	(decrease in par					708,650,19	
06/2020	value of shares)		0.48	7,087		3	338,282,965.93
	Reduction of capital ⁽³⁾						
	(decrease in par					708,650,19	
06/2020	value of shares)		0.49	320,762		3	345,369,467.86
	Capital increase						
	(pre-emptive					708,650,19	
04/2019	subscription right)	150,243,297	0.94	141,229	199,824	3	666,131,181.42

(1): Reduction of the share capital by EUR 267,418 thousand, by reducing the par value of the Company's shares by EUR 0.377362413 to EUR 0.10 per share, in order to create a reserve which can only be drawn down under the same conditions as those required for the capital reduction.

(2): Reduction of the share capital by EUR 7,086 thousand, by decreasing the par value of the Company's shares by EUR 0.01 to EUR 0.477362413 per share, in order to increase the legal reserve.

(3:) Reduction of share capital by EUR 320,762 thousand, by reducing the par value of the Company's shares by EUR 0.452637587 to EUR 0.487362413 per share, in order to offset losses.

2022 financial year (up to the date of the Registration Document)

On 28 June 2022, the Ordinary General Meeting of Shareholders of the Company resolved to increase the share capital of Prisa by a nominal amount of EUR 3,200,000 through the issue and flotation of 32,000,000 ordinary shares of the Company with a par value of EUR 0.10 each. This share capital increase was registered in the Madrid Mercantile Register on 26 July 2022.

2021 financial year

Neither the amount of share capital nor the number of ordinary shares outstanding changed during 2021.

2020 financial year

On 29 June 2020, the Ordinary General Meeting of Shareholders of the Company resolved 3 capital reductions in order to restore Prisa's equity balance:

- Reduction of share capital by EUR 320,761,713.56, i.e. from EUR 666,131,181.42 to EUR 345,369,467.86, by reducing the par value of each of the 708,650,193 ordinary shares with voting rights that made up the share capital from EUR 0.94 per share to 0.487362413.
- Reduction of share capital by EUR 7,086,501.93, i.e. from EUR 345,369,467.86 to EUR 338,282,965.93, by reducing the par value of each of the 708,650,193 ordinary voting shares comprising the share capital by EUR 0.01, i.e. from EUR 0.487362413 per share to EUR 0.477362413.

Reduction of share capital by EUR 267,417,946.63, i.e. from EUR 338,282,965.93, by reducing the par value of each of the 708,650,193 ordinary voting shares comprising the share capital by EUR 0.377362413, i.e. from EUR 0.477362413 per share resulting from the capital reduction to EUR 0.10 per share.

The aforementioned share capital reductions were registered with the Madrid Mercantile Registry on 13 July 2020.

2019 financial year

On 20 March 2019, the Company resolved to carry out a capital increase by means of cash contributions and with recognition of pre-emptive subscription rights for a total nominal amount of EUR 141,228,699.18, by issuing and putting into circulation 150,243,297 ordinary shares of EUR 0.94 par value each, with a share premium of EUR 0.39 per share. This capital increase, the total effective amount of which amounted to EUR 199,824 thousand, was fully subscribed in April 2019. The proceeds of the capital increase were used to partially finance the acquisition of 25% of the share capital of Santillana, S.L.

This share capital increase was registered with the Madrid Mercantile Registry on 12 April 2019.

19.2. Memorandum and articles of association

19.2.1. Registration and entry number. A description of the issuer's objects and purposes and an indication of where the updated memorandum and articles of association can be found.

Prisa's registration details with the Madrid Mercantile Registry are set out in section 4.2 of the Registration Document.

Pursuant to Article 2 of the Company's Articles of Association, Prisa's corporate purpose is to carry on the following activities:

- "1. The objects of the Company are:
 - a) The management and operation of all kinds of information and social communication media, whether its own or those of third parties, whatever their technical support, including the publication of printed newspapers and educational material.
 - b) The promotion, planning and execution, for its own account or for the account of others, directly or through third parties, of all kinds of projects, businesses or media companies, publishing and distribution of books (in any format) including educational, industrial, commercial and services.
 - c) The incorporation of companies and partnerships, the participation, including majority participation, in other existing companies and the association with third parties in operations and businesses, by means of collaboration formulas.
 - d) The acquisition, direct or indirect holding, exploitation by lease or otherwise, and disposal of all kinds of movable and immovable property and rights.
 - e) The contracting and provision of advisory services, acquisitions and management of the interests of third parties, whether through intermediation, representation or any other means of collaboration on its own behalf or on behalf of third parties.
 - f) Acting in the capital and money markets by managing them, buying and selling fixed-income securities, equities or any other type of security, on its own account.
- 2. The activities described are understood to refer to companies and enterprises, operations or businesses, national or foreign, in compliance with the respective legal requirements. If the law requires an administrative licence, registration in a public register or any other requirement for the commencement of any of the activities listed in the preceding paragraph, the Company may not commence the specific activity until the requirement has been met.
- 3. The activities included in the company object may be carried on by the Company in whole or in part, indirectly, through participation in other companies with a similar object".

Without prejudice to obtaining or consulting them at the Madrid Mercantile Registry, Prisa's Articles of Association can be consulted on the Company's web page. (<u>www.prisa.com</u>). In addition, the deed of incorporation of the Company is available at the Mercantile Registry of Madrid.

19.2.2. Description of the rights, preferences and restrictions relating to each class of existing shares

All the shares into which Prisa's share capital is divided are ordinary, of a single series and carry the same rights and obligations. The Articles of Association of the Company do not contain any provisions on special privileges, powers or duties arising from the ownership of shares.

19.2.3. A brief description of any provisions in the issuer's articles of association or by-laws which have the effect of delaying, deferring or preventing a change in control of the issuer.

There are no provisions in the Articles of Association or internal regulations that have the effect of delaying, postponing or preventing a change of control in the Company.

20. MAJOR CONTRACTS

Apart from the contracts detailed below, and those mentioned throughout the Registration Document, in the 2 years prior to the date of the Registration Document, no Prisa Group company has entered into relevant contracts other than those related to its own ordinary activity. Furthermore, during this period, the Prisa Group companies have also not entered into any contract containing clauses by virtue of which any Prisa Group company has an obligation or a right that is relevant to the Prisa Group.

List of relevant contracts signed by Prisa Group companies:

 Three contracts for the provision of technology services (the "Service Contracts") entered into, on 27 November 2017 and as one single act, between Indra Sistemas, S.A. ("Indra") and Prisa Tecnología (today Prisa Media), and Santillana.

Under the Service Contracts, Indra provides the Group's companies based in Spain, in addition to certain maintenance services to the Mexican and Brazilian subsidiaries within the scope of Santillana, as beneficiaries, mainly management services for communication systems and IT systems, and infrastructure management.

The initial duration of the Service Contracts is five years and the initial global price agreed for these services is EUR 44 million. Prisa Media and Santillana, concluding the negotiation of the renewal of the Service Contracts with Indra for the next three years, on the basis of a contract that is expected to be signed in January 2023 for a total estimated cost for the referred period of 11 million euros for the aforementioned period.

21. AVAILABLE DOCUMENTS

During the period of validity of the Registration Document (12 months from the date of its registration in the official registers of the CNMV), the following documents of the Company may be consulted on the websites indicated:

Document	Prisa website ⁽¹⁾	CNMV website ⁽²⁾
Articles of Association	link	No
Regulations of the General Meeting of Shareholders	link	Yes
Rules of Procedure of the Board of Directors	link	Yes

 ^{(1): &}lt;u>www.prisa.com</u>.
 (2): <u>www.cnmv.es</u>.

Prisa's articles of association are available to the public and can be consulted at the Madrid Mercantile Registry.

22. DOCUMENTS INCORPORATED BY REFERENCE

The documents incorporated by reference into the Registration Document are listed below, with the corresponding link to access these documents:

DOCUMENTS INCORPORATED BY REFERENCE	Prisa website
Prisa Group results information for the third quarter of 2022	link
Presentation of Prisa Group results for the third quarter of 2022 Consolidated condensed interim financial statements for the first half of 2022, with related management and limited review reports	<u>link</u> link
Individual annual accounts for the 2021 financial year, including management and audit reports	link
Consolidated annual accounts for 2021, including management report and auditors' report	link
Annual corporate governance report for 2021	<u>link</u>
Annual report on directors' remuneration for 2021	<u>link</u>
Individual annual accounts for the 2020 financial year, including management and audit reports	<u>link</u>
Consolidated annual accounts for 2020, including management report and auditors' report	<u>link</u>
Annual corporate governance report for 2020	<u>link</u>
Individual annual accounts for the 2019 financial year, including management and audit reports	<u>link</u>
Consolidated annual accounts for 2019, including management report and auditors' report	<u>link</u>
Annual corporate governance report for 2019	link

Madrid, 19 December 2022.

Signed for and on behalf of Promotora de Informaciones, S.A. p.p.

Pilar Gil Miguel Chief Financial Officer (CFO)

APPENDIX I: Glossary of alternative performance measures

The Registration Document includes financial measures and ratios that are considered alternative performance measures ("**APMs**") in accordance with the guidelines of the European Securities and Markets Authority (ESMA) published in October 2015, which Prisa has followed in its preparation. The Company considers that it follows and complies with ESMA's recommendations regarding APMs.

The APMs are presented for a better assessment of the Group's financial performance, cash flows and financial position to the extent that they are used by Prisa in making financial, operational or strategic decisions for the Group. However, the APMs are not audited and are not required or presented in accordance with IFRS and therefore should not be considered in isolation but as supplementary information to the audited financial information prepared in accordance with IFRS. Furthermore, these measures may differ in definition and calculation from similar measures calculated by other companies and therefore may not be comparable.

1. EBITDA

Prisa defines EBITDA as operating profit, as shown in its financial statements, plus depreciation and amortisation, changes in operating provisions, impairment of fixed assets and impairment of goodwill.

The Group uses EBITDA to monitor the progress of its business and to establish the operational and strategic objectives of Group companies.

Prisa presents EBITDA because it believes that it is frequently used by analysts, investors and other stakeholders for the purpose of evaluating similar issuers, a considerable number of which present EBITDA (or a similar measure) when publishing their results.

Although Prisa uses EBITDA to assess the profitability of its businesses, its use has important limitations, such as the following:

- does not reflect funds available for dividend distribution, reinvestment or other uses;
- does not reflect cash outflows for capital expenditure or contractual commitments;
- does not reflect changes in working capital;
- does not reflect financial expenses or cash requirements to meet interest or principal payments on debt;
- does not reflect taxes on profits and the funds needed to pay them;
- excludes depreciation and impairment and, although they are not cash outflows, assets that are subject to depreciation and impairment will normally have to be replaced in the future;
- does not reflect the funding requirements for such replacements; and
- may be calculated differently by other companies, including companies in Prisa's sector, limiting its usefulness as a comparative measure.

Because of these limitations, EBITDA should not be considered a measure of Prisa's cash available to invest in the growth of its businesses and is used by the Company only in addition to other economic measures.

EBITDA reconciliation – Operating income (EBIT):

The reconciliation between operating profit (EBIT) and EBITDA, for the Group and each business unit at the dates indicated for the first half of 2022 and for the financial years 2022 (until 30 September), 2021, 2020 and 2019, is presented below:

RECONCILIATION OF OPERATING PROFIT (EBIT)	2022 financial year (until 30/09)	First half of 2022	2021	2020	2019 ⁽³⁾
AND PRISA GROUP EBITDA		Unaudited (thousands of €	E)	
Operating income (EBIT)	19,993	10,119 ⁽¹⁾	(19,709) ⁽²⁾	(29,109) ⁽²⁾	53,431

RECONCILIATION OF OPERATING PROFIT (EBIT)	2022 financial year (until 30/09)	First half of 2022	2021	2020	2019 ⁽³⁾
AND PRISA GROUP EBITDA	Unaudited (thousands of €)				
Depreciation and amortisation	49,133	34,787(1)	78,317(2)	70,637(2)	76,717
Impairment of assets	11	(176) ⁽¹⁾	4,481(2)	5,735 ⁽²⁾	7,165
Impairment of goodwill	0	0(1)	0(2)	16,602(2)	866
EBITDA	69,136	44,730	63,089	63,865	138,177

(1): Information subject to limited review.

(2): Audited information.

(3): Unaudited restated financial information as at 31 December 2019 (see section 18.1.1 of the Registration Document). As detailed in section 18.1.1 of the Registration Document, the consolidated income statement and the consolidated cash flow statement for the 2019 financial year were restated by the Company in the consolidated financial statements for the 2020 financial year in order to enhance the comparability of the information. In accordance with IFRS 5, the results and cash flows from the operations of Santillana España were presented in the restated financial information for 2019 as a discontinued operation, as the Company left the scope of consolidation in 2020 as a result of a sale transaction, which is described in section 5.3 of the Registration Document.

RECONCILIATION OF OPERATING PROFIT (EBIT)	2022 financial year (until 30/09)	First half of 2022	2021	2020	2019 ⁽³⁾	
AND EDUCATION AREA EBITDA	Unaudited (thousands of €)					
Operating income (EBIT)	27,527	16,652 ⁽¹⁾	26,118 ⁽²⁾	34,141 ⁽²⁾	70,766	
Depreciation and amortisation	28,207	20,328(1)	39,821(2)	41,945(2)	47,864	
Impairment of assets	(148)	(334)(1)	3,330(2)	942(2)	3,617	
Impairment of goodwill	0	0(1)	0(2)	0(2)	0	
EBITDA	55,587	36,645	69,268	77,027	122,247	

(1): Information subject to limited review.

(2): Audited information.

(3): Unaudited restated financial information as at 31 December 2019 (see section 18.1.1 of the Registration Document). As detailed in section 18.1.1 of the Registration Document, the consolidated income statement and the consolidated cash flow statement for the 2019 financial year were restated by the Company in the consolidated financial statements for the 2020 financial year in order to enhance the comparability of the information. In accordance with IFRS 5, the results and cash flows from the operations of Santillana España were presented in the restated financial information for 2019 as a discontinued operation, as the Company left the scope of consolidation in 2020 as a result of a sale transaction, which is described in section 5.3 of the Registration Document.

RECONCILIATION OF OPERATING PROFIT (EBIT)	2022 financial year (until 30/09)	First half of 2022	2021	2020	2019 ⁽⁴⁾	
AND MEDIA EBITDA	Unaudited (thousands of €)					
Operating income (EBIT)	(1,558)	(2,498)(1)	(28,929) ⁽²⁾	(54,103) ⁽³⁾	43,667	
Depreciation and amortisation	19,815	13,737 ⁽¹⁾	37,694 ⁽²⁾	27,458 ⁽³⁾	27,475	
Impairment of assets	158	158(1)	1,138(2)	4,588(3)	3,534	
Impairment of goodwill	0	0(1)	0(2)	16,681(3)	866	
EBITDA	18,415	11.397	9,903	(5,375)	75,542	

(1): Information subject to limited review.

(2): Audited information.

(3): Financial information at 31 December 2020 as amended (unaudited) by the Company for the purpose of presenting it in accordance with the new segments (Education and Media) into which the Prisa Group's activities are grouped from 2021 and to make the information comparable. Such amended financial information is included in Note 17-"Business Segments" of Prisa's audited consolidated financial statements for 2021.

(4): Financial information as at 31 December 2019 (see section 18.1.1 of the Registration Document), itself modified by the Company for the purpose of presenting it in accordance with the new segments (Education and Media) into which the Prisa Group's activities are grouped from 2021 and for the information to be comparable. As detailed in section 18.1.1 of the Registration Document, the consolidated income statement and the consolidated cash flow statement for the 2019 financial year were restated by the Company in the consolidated financial statements for the 2020 financial year in order to enhance the comparability of the information. In accordance with IFRS 5, the results and cash flows from the operations of Santillana España were presented in the restated financial information for 2019 as a discontinued operation, as the Company left the scope of consolidation in 2020 as a result of a sale transaction, which is described in section 5.3 of the Registration Document.

EBITDA margin

The Group also uses the EBITDA margin, which is the ratio of EBITDA to operating income for the same period, as an indicator of operating performance. This APM is interpreted as the Group's operating profit per euro of operating income and is used to assess the performance of the various business areas and business lines on a comparable basis, irrespective of their relative contribution to the Group's operating income.

The reconciliation of this APM for the first half of 2022 and for 2022 (until 30 September), 2021, 2020 and 2019 is presented below:

	2022 financial year (until 30/09)	First half of 2022	2021	2020	2019
RECONCILIATION OF EBITDA MARGIN	Unaudited (thousands of €)				
EBITDA	69,136	44,730	63,089	63,865	138,177
Operating income	587,314	388,171(1)	741,168(2)	700,641(2)	964,885 ⁽³⁾
EBITDA margin	11.8%	11.5%	8.5%	9.1%	14.3%

(1): Information subject to limited review.

(2): Audited information.

(3): Restated (unaudited) financial information. As detailed in section 18.1.1 of the Registration Document, the consolidated income statement and the consolidated cash flow statement for the 2019 financial year were restated by the Company in the consolidated financial statements for the 2020 financial year in order to enhance the comparability of the information. In accordance with IFRS 5, the results and cash flows from the operations of Santillana España were presented in the restated financial information for 2019 as a discontinued operation, as the Company left the scope of consolidation in 2020 as a result of a sale transaction, which is described in section 5.3 of the Registration Document.

2. Adjusted EBITDA

Prisa defines adjusted EBITDA as EBITDA plus one-off effects consisting of termination benefits and other one-off effects resulting from judgements settling litigation.

The Group uses adjusted EBITDA to monitor the progress of its business and to establish the operational and strategic objectives of Group companies. Prisa considers that adjusted EBITDA is a measure of the profitability and performance of its businesses insofar as it provides information on the profitability of its assets net of non-recurring expenses.

Notwithstanding the above, the use of adjusted EBITDA has the limitations noted above in relation to EBITDA.

Reconciliation Adjusted EBITDA - EBITDA:

RECONCILIATION EBITDA - ADJUSTED EBITDA	2022 financial year (until 30/09)	First half of 2022	2021	2020	2019
OF THE PRISA GROUP	Unaudited (thousands of €)				
EBITDA	69,136	44,730	63,089	63,865	138,177
Termination benefits	6,734	4,944	43,628	9,127	10,643
Mediapro ruling					51,036
Adjusted EBITDA	75,870	49,674	106,717	72,992	199,856

RECONCILIATION EBITDA - ADJUSTED EBITDA	2022 financial year (until 30/09)	First half of 2022	2021	2020	2019
OF THE EDUCATION AREA	Unaudited (thousands of €)				
EBITDA	55,587	36,645	69,268	77,027	122,247
Termination benefits	3,012	1,961	6,183	3,855	4,508
Adjusted EBITDA	58,599	38,606	75,451	80,882	126,755

RECONCILIATION EBITDA - ADJUSTED EBITDA OF THE MEDIA AREA	2022 financial year (until 30/09)	First half of 2022 Unaudited (the	2021	2020	2019
EBITDA	18,415	11,397	9,903	(5,375)	75,542
Termination benefits	3,673	2,934	31,958	4,601	5,857
Adjusted EBITDA	22,088	14,331	41,862	(774)	81,399

Adjusted EBITDA margin

The Group also uses the adjusted EBITDA margin, which is the ratio of adjusted EBITDA to operating income for the same period, as an indicator of operating performance. This APM is interpreted as the Group's recurring operating profit per euro of operating income and is used to assess the performance of the different business areas and business lines on a comparable basis, regardless of their relative contribution to the Group's operating income.

The reconciliation of this APM for the first half of 2022 and for 2022 (until 30 September), 2021, 2020 and 2019 is presented below:

	2022 financial year (until 30/09)	First half of 2022	2021	2020	2019
RECONCILIATION OF ADJUSTED EBITDA MARGIN	Unaudited (thousands of €)				
Adjusted EBITDA	75,870	49,674	106,717	72,992	199,856
Operating income	587,314	388,171(1)	741,168(2)	700,641(2)	964,885 ⁽³⁾
Adjusted EBITDA margin	12.9%	12.8%	14.4%	10.4%	20.7%

(1): Information subject to limited review.

(2): Audited information.

(2): Audited Information.

(3): Restated (unaudited) financial information. As detailed in section 18.1.1 of the Registration Document, the consolidated income statement and the consolidated cash flow statement for the 2019 financial year were restated by the Company in the consolidated financial statements for the 2020 financial year in order to enhance the comparability of the information. In accordance with IFRS 5, the results and cash flows from the operations of Santillana España were presented in the restated financial information for 2019 as a discontinued operation, as the Company left the scope of consolidation in 2020 as a result of a sale transaction, which is described in section 5.3 of the Registration Document.

3. EBIT Margin

Prisa defines EBIT Margin as the ratio of book operating income to operating revenues for the same period.

This APM is interpreted as the Group's operating profit per euro of operating income and is used for the assessment of the operating profit of the different business areas and business lines on a comparable basis, irrespective of their relative contribution to the Group's operating income.

The reconciliation of this APM for the first half of 2022 and for 2022 (until 30 September), 2021, 2020 and 2019 is presented below:

	2022 financial year (until 30/09)	First half of 2022	2021	2020	2019	
RECONCILIATION OF EBIT MARGIN	Unaudited (thousands of €)					
Operating income	19,993	10,119(1)	(19,709)(2)	(29,109) ⁽²⁾	53,431 ⁽³⁾	
Operating income	587,314	388,171(1)	741,168(2)	700,641(2)	964,885(3)	
EBIT margin	3.4%	2.6%	(2.7)%	(4.2)%	5.5%	

(1): Information subject to limited review.

(2): Audited information.

(3): Restated (unaudited) financial information. As detailed in section 18.1.1 of the Registration Document, the consolidated income statement and the consolidated cash flow statement for the 2019 financial year were restated by the Company in the consolidated financial statements for the 2020 financial year in order to enhance the comparability of the information. In accordance with IFRS 5, the results and cash flows from the operations of Santillana España were presented in the restated financial information for 2019 as a discontinued operation, as the Company left the scope of consolidation in 2020 as a result of a sale transaction, which is described in section 5.3 of the Registration Document.

4. Exchange rate effect

Prisa defines the exchange rate effect as the difference between the financial magnitude at current rate and the same financial magnitude at the previous year's exchange rate. The calculation is made monthly using the average monthly rate of the same month of the previous year (January 2021 at the average exchange rate of January 2020, February 2021 at the average exchange rate of February 2020, etc.). The annual exchange rate effect is the monthly aggregate of the exchange rate effect calculated in each month.

The reconciliation of this APM to the current rate measures for the first half of 2022 and for 2022 (until 30 September), 2021, 2020 and 2019 is presented below:

	2022 financial year (until 30/09)	First half of 2022	2021	2020	2019
RECONCILIATION OF THE EXCHANGE RATE EFFECT)			
Operating income at current rate Exchange rate effect compared to	587,314	388,171(1)	741.168 ⁽²⁾	700.641 ⁽²⁾	964.885 ⁽³⁾
previous year	28,977	13,412	(24,984)	(72,208)	(24,145)
Brazil exchange rate effect	10,216	6,838	(19,203)	(38,423)	(9,549)
Mexico exchange rate effect	10,389	4,603	3,782	(10,277)	3,921
Argentina exchange rate effect	1,835	(415)	(1,219)	(10,045)	(17,503)
Chile exchange rate effect	(787)	(650)	(199)	(4.586)	(2.387)
Ecuador exchange rate effect	2,760	1,238	(870)	60	1.294
Colombia exchange rate effect	463	(22)	(4,407)	(7,990)	(3,903)
Peru exchange rate effect	475	391	(1.979)	636	1.195
Exchange rate effect by other countries Operating income at constant rate (without	3,627	1,429	(890)	(1,583)	2,787
previous year's exchange rate effect)	558,337	374,759	766,152	772,848	989,031

(1): Information subject to limited review.

(2): Audited information.

(3): Restated (unaudited) financial information. As detailed in section 18.1.1 of the Registration Document, the consolidated income statement and the consolidated cash flow statement for the 2019 financial year were restated by the Company in the consolidated financial statements for the 2020 financial year in order to enhance the comparability of the information. In accordance with IFRS 5, the results and cash flows from the operations of Santillana España were presented in the restated financial information for 2019 as a discontinued operation, as the Company left the scope of consolidation in 2020 as a result of a sale transaction, which is described in section 5.3 of the Registration Document.

5. Net bank debt

Net bank debt

Net bank borrowings comprise non-current and current bank borrowings increased by the amount equivalent to arrangement fees and fair value in financial instruments (as both, arrangement fees and fair value in financial instruments, reduce on-balance sheet bank borrowings) less current financial investments (adjusted for the short-term finance lease receivable associated with IFRS 16 and the dividend receivable) and cash and cash equivalents.

Net bank debt is an indicator used by the Company for the analysis of the Group's financial position.

The reconciliation of this APM for the first half of 2022 and for 2022 (until 30 September), 2021, 2020 and 2019 is presented below:

	30/09/2022	30/06/2022	31/12/2021	31/12/2020	31/12/2019		
RECONCILIATION OF NET BANK DEBT	Unaudited (thousands of €)						
Current bank borrowings	40,704	25,554(1)	14,918(2)	102,746(2)	50,188(2)		
Non-current bank borrowings	899,290	895,787(1)	934,342(2)	810,568(2)	1,164,869(2)		
Fair value in financial instruments	37,573	39,415(1)	(22,411) ⁽²⁾	(6,035) ⁽²⁾	17,400(2)		
Gross bank debt	977,568	960,756	926,849	907,279	1,232,457		
Current financial assets	(1,827)	(1,727) ⁽¹⁾	(2,425) ⁽²⁾	(7,718)(2)	(4,740) ⁽²⁾		
Finance lease receivable (IFRS 16)	0	0(1)	319(2)	0(2)	0(2)		
Dividend receivable	0	0(1)	0(2)	1,621(2)	0(2)		
Cash and cash equivalents	(130,512)	(125,482)(1)	(168,672) ⁽²⁾	(221,879) ⁽²⁾	(166,580) ⁽²⁾		
Net bank debt	845,229	833,547	756,071	679,303	1,061,138		

(1): Information subject to limited review.

(2): Audited information.

Net bank debt including IFRS 16

The net bank debt including IFRS 16 is obtained by adding to the net bank debt the financial liabilities associated with IFRS 16, both current and non-current, and by adding the short-term finance lease receivable associated with IFRS 16.

The reconciliation of this APM for the first half of 2022 and for 2022 (until 30 September), 2021, 2020 and 2019 is presented below:

RECONCILIATION OF NET BANK DEBT AND NET	30/09/2022	30/06/2022	31/12/2021	31/12/2020	31/12/2019			
BANK DEBT INCLUDING IFRS 16	Unaudited (thousands of €)							
Net bank debt	845,229	833,547	756,071	679,303	1,061,138			
Non-current lease liabilities IFRS 16	54,954	54,287(1)	53,766 ⁽²⁾	99,203 ⁽²⁾	117,006(2)			
Current lease liabilities IFRS 16 Finance lease receivable IFRS 16	15,118 0	16,079 ⁽¹⁾ 0 ⁽¹⁾	15,555 ⁽²⁾ (319) ⁽²⁾	18,462 ⁽²⁾ 0 ⁽²⁾	23,675 ⁽²⁾ 0 ⁽²⁾			
Net bank debt including IFRS 16	915,301	903,913	825,073	796,967	1,201,819			

(1): Information subject to limited review.

(2): Audited information.

This indicator is used to measure the Group's level of financial leverage.

Ratio of net bank debt including IFRS 16 to adjusted EBITDA

The Group also uses the ratio of net bank debt including IFRS 16 to adjusted EBITDA to measure its level of financial indebtedness and the ability to repay its bank debt. Thus, the ratio of net bank debt including IFRS 16 to adjusted EBITDA is interpreted as the pay-back of bank debt (meeting principal only) to adjusted EBITDA, thus disregarding flows earmarked for reinvestment or dividend payments

Prisa considers adjusted EBITDA to be a more appropriate indicator of the cash generation capacity of its operating assets, insofar as it excludes termination benefits and other extraordinary effects, which are non-recurring. Consequently, Prisa considers that adjusted EBITDA is a more appropriate measure to calculate the net bank debt ratio and, consequently, to measure the repayment capacity of its bank debt by meeting only the principal.

The reconciliation of this ratio at 30 September 2022, 30 June 2022 and 31 December 2021, 2020 and 2019 is presented below:

RECONCILIATION OF THE RATIO OF NET BANK DEBT	2022 financial year (until 30/09)	First half of 2022	2021	2020	2019	
INCLUDING IFRS 16 TO ADJUSTED EBITDA	Unaudited (thousands of €)					
Net bank debt including IFRS 16	915,301	903,913	825,073	796,967	1,201,819	
Adjusted EBITDA ⁽¹⁾ Net bank debt including IFRS 16 / adjusted	140,518	138,424	106,717	72,992	199,856	
EBITDA	6.5x	6.5x	7.7x	10.9x	6.0x	

(1): Adjusted EBITDA for the first half of 2022 is the annualised figure (last 12 months from July 2021 to June 2022). Adjusted EBITDA for the 2022 financial year (up to 30 September) is the annualised figure (last 12 months from October 2021 to September 2022).

6. Cash generation (cash flow) excluding extraordinary items

Prisa defines cash generation (cash flow) excluding extraordinary effects such as the variation in cash flows from continuing activities, adjusted for the effects of changes in exchange rates on cash flows, collections and payments of financial liability instruments, deposits and all those non-recurring extraordinary items that affect cash flows in a timely manner in a given period. The Group uses cash generation (cash flow) excluding extraordinary items to track cash inflows and outflows (cash) in each period. Prisa considers that this APM shows the company's recurring capacity to generate liquidity without considering one-off extraordinary effects in each year and is important to analyze the evolution of the company's financial

situation. The reconciliation of cash generation (cash flow) excluding extraordinary items at 30 September 2022, 30 June 2022 and 31 December 2021, 2020 and 2019 is presented below:

RECONCILIATION OF CASH GENERATION (CASH FLOW)	2022 financial year (until 30/09)	First half of 2022	2021	2020	2019
EXCLUDING ONE-OFFS		Unaudited (t	housands of €)	
Change in cash flows from continuing operations	(38,160)	(43,190) ⁽¹⁾	(53,207) ⁽²⁾	29,912 ⁽²⁾	(167,714) ⁽³⁾
Effect of exchange rate changes Proceeds from financial liability	(8,408)	(8,358) ⁽¹⁾	(2,371) ⁽²⁾	12,453(2)	(43)(3)
instruments Payments from financial liability	(21,541)	(17,028) ⁽¹⁾	(112,080) ⁽²⁾	(93,354) ⁽²⁾	(85,189) ⁽³⁾
instruments	5,671	3,471(1)	104,364(2)	427,997 ⁽²⁾	16,041(3)
Deposits ⁽⁴⁾	0	0	(2,371)	(198)	(15,231)
Renegotiation in leases contracts ⁽⁴⁾			20,572		
Refinancing costs ⁽⁴⁾	15,999	9,336	4,800	9,846	2,305
M&A operations costs ⁽⁴⁾	33,571	33,571	11,584	(451,235)	341,361
Payments in redundancies(4)	15,276	12,337	30,348	8,361	12,634
Mediapro unfavorable rulling conflict (4)					51,036
Capital increase ⁽⁴⁾ DLJ dividend payment (Santillana					(192,304)
minorities) ⁽⁴⁾					29,545
Cash generation (Cash Flow) excluding one offs	2,408	(9,861)	1,639	(56,218)	(7,559)

(1): Information subject to limited review.

(2): Audited information.

(3): Restated (unaudited) financial information. As detailed in section 18.1.1 of the Registration Document, the consolidated income statement and the consolidated cash flow statement for the 2019 financial year were restated by the Company in the consolidated financial statements for the 2020 financial year in order to enhance the comparability of the information. In accordance with IFRS 5, the results and cash flows from the operations of Santillana España were presented in the restated financial information for 2019 as a discontinued operation, as the Company left the scope of consolidation in 2020 as a result of a sale transaction, which is described in section 5.3 of the Registration Document.

(4): Extracted from the Company's internal accounting and management information systems. To obtain this information the Company has followed the same accounting principles as the ones used to elaborate the financial information in accordance to the scope of applicable financial information.

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