



SECURITIES NOTE

PUBLIC OFFER FOR SUBSCRIPTION OF SUBORDINATED BONDS MANDATORILY CONVERTIBLE INTO ORDINARY SHARES OF PROMOTORA DE INFORMACIONES, S.A. FOR A TOTAL MAXIMUM NOMINAL AMOUNT OF UP TO 129,999,500 EUROS WITH RECOGNITION OF PRE-EMPTIVE SUBSCRIPTION RIGHTS.

January 2023

This securities note, drawn up in accordance with Annexes 11 (sections 3.1 and 3.2), 14 and 18 of Commission Delegated Regulation (EU) 2019/980 of 14 March 2019, which includes the corresponding summary note in Section I, itself drawn up in accordance with Article 7 of Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017, has been approved and registered in the official records of the Comisión Nacional del Mercado de Valores (CNMV) on 10 January 2023.

This securities note is only one of the parts of the prospectus prepared by Promotora de Informaciones, S.A. (Prisa) in accordance with Regulation (EU) 2017/1129, and is supplemented by the summary note included in Section I of the securities note and by the universal registration document of Prisa also registered in the official records of the CNMV on 20 December 2022, which is available on the CNMV website (www.cnmv.es)^(*) and on Prisa's corporate website (www.prisa.com)^(*).

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

INDEX

I.	SUMMARY NOTE OF PROSPECTUS OF PUBLIC OFFER FOR SUBSCRIPTION OF SUBORDINATED BONDS MANDATORILY CONVERTIBLE INTO ORDINARY SHARES OF PROMOTORA DE INFORMACIONES, S.A. FOR A TOTAL MAXIMUM NOMINAL AMOUNT OF UP TO 129,999,500 EUROS WITH RECOGNITION OF PRE-EMPTIVE SUBSCRIPTION RIGHTS.	1 -
II.	RISK FACTORS PERTAINING TO THE SECURITIES.....	1
III.	INFORMATION ON THE SECURITIES (SECURITIES NOTE FOR RETAIL NON-EQUITY SECURITIES).....	13
1.	RESPONSIBLE PERSONS, INFORMATION ON THIRD PARTIES, EXPERT REPORTS AND APPROVAL BY THE COMPETENT AUTHORITY.....	13
1.1	Indication of the persons responsible for the information provided in the securities note.....	13
1.2	Declaration of those responsible for the securities note on the information provided in the securities note	13
1.3	Declarations or reports attributed to persons as experts included in the securities note.	13
1.4	Declaration on the truthfulness and accuracy of the information from a third party included in the securities note.....	13
1.5	Declaration on the approval of the securities note by the competent authority.	14
2.	RISK FACTORS PERTAINING TO THE SECURITIES.....	14
3.	ESSENTIAL INFORMATION.....	14
3.1	Declaration on working capital.....	14
3.2	Capitalisation and indebtedness.....	14
3.3	Interest of natural and legal persons in the issue/offer.....	16
3.4	Reasons for the offer and use of the proceeds	17
4.	INFORMATION ON THE SECURITIES TO BE PUBLICLY OFFERED AND ADMITTED TO TRADING.....	19
4.1	Description of type and class of securities offered and to be admitted to trading, as well as the underlying share.....	19
4.2	Legislation under which the securities will be created	20
4.3	Form of representation of the securities	20
4.4	Total amount of securities to be publicly offered and admitted to trading.....	20
4.5	Currency of issue of the securities.....	21
4.6	Ranking of offered securities in issuer's capital structure in the event of insolvency.	21
4.7	Description of rights attached to securities, including any limitation on such rights, and procedure for their exercise.....	25
4.8	Nominal interest rate and provisions on payable interest.....	34
4.9	Maturity date and forms of redemption, including procedures for reimbursement.....	35
4.10	Indication of yield and description of method for calculating it.....	37
4.11	Representation of holders of non-equity securities holders	38
4.12	Resolutions, authorisations and approvals under which the securities will be created and/or issued.	39
4.13	Scheduled issue date of securities.....	39
4.14	Description of any restrictions on the free transferability of the securities	40
4.15	Tax considerations	40
4.16	Identity and contact details of legal person offeror of securities and/or of the person, legal person applying for admission to trading if these are not the issuer.....	54
4.17	Rights and obligations of shareholders in the event the mandatory acquisition offers and/or forms of withdrawal and buyback of securities.	55
4.18	Third-party takeover bids for capital of issuer during previous year and current year.	55
4.19	Comparison of the stake in the share capital and voting rights of shareholders prior to and following capital increase resulting from public offering and net asset value per share on most recent date prior to the public offer and the price per share of offer to the public.	55
5.	TERMS AND CONDITIONS OF PUBLIC SHARE OFFER.....	55
5.1	Terms and conditions, statistics of offer, expected timetable and acquired required to apply to participate in offer.	55

5.2	Distribution and allotment plan	69
5.3	Pricing	72
5.4	Placement and underwriting.....	72
6	ADMISSION TO TRADING OF THE SECURITIES.....	75
6.1	Application for admission to trading.....	75
6.2	Regulated markets in which securities of the same class are now admitted to trading	76
6.3	Entities which have a firm commitment to act as intermediaries in secondary trading, providing liquidity through bid and offer rates	76
6.4	Price of issue of the securities	76
7	ADDITIONAL INFORMATION.....	77
7.1	Advisory persons and entities in the offer	77
7.2	Other information in the securities note that has been audited or reviewed by the auditors.....	77
7.3	Credit ratings assigned to securities at the request of or with the cooperation of the issuer in the rating process.....	77
7.4	Information not contained in the securities note in the event of partial replacement of summary note with information mentioned in Article 8.3.c) and i) of Regulation (EU) 1286/2014.....	77
	APPENDIX I: RULES FOR ADJUSTMENT TO CONVERSION PRICE	1
	APPENDIX II: REGULATIONS OF BONDHOLDERS' SYNDICATE	1

I. SUMMARY NOTE OF PROSPECTUS OF PUBLIC OFFER FOR SUBSCRIPTION OF SUBORDINATED BONDS MANDATORILY CONVERTIBLE INTO ORDINARY SHARES OF PROMOTORA DE INFORMACIONES, S.A. FOR A TOTAL MAXIMUM NOMINAL AMOUNT OF UP TO 129,999,500 EUROS WITH RECOGNITION OF PRE-EMPTIVE SUBSCRIPTION RIGHTS.

This summary note (the “**Summary Note**”), drawn up in accordance with Article 7 of Regulation (EU) 2017/1129 of the European Parliament and of the Council, of 14 June 2017 is only a part of the prospectus prepared by Promotora de Informaciones, S.A. (“**Prisa**”, the “**Issuer**” or the “**Company**”, together with its subsidiaries, the “**Prisa Group**” or the “**Group**”). In this regard, the Summary Note is supplemented by the Company’s universal registration document (the “**Registration Document**”) and the Company’s securities note (the “**Securities Note**”), together with the Registration Document and the Summary Note, the “**Prospectus**”), which have been registered in the official registers of the Comisión Nacional del Mercado de Valores (the “**CNMV**”) on 20 December 2022 and 10 January 2023, respectively, and which is available on the CNMV’s website (www.cnmv.es)⁽¹⁾ or the Company’s website (www.prisa.com)⁽¹⁾.

SUB-SECTION 1—INTRODUCTION
NAME AND INTERNATIONAL SECURITIES IDENTIFICATION NUMBER
<ul style="list-style-type: none"> ▪ Issuer Name: Promotora de Informaciones, S.A. or, in abbreviation, and in commercial terms, “Prisa”. ▪ Identification number of the Issuer’s securities: the Company’s shares (ISIN ES0171743901) are admitted to trading on the Madrid, Barcelona, Bilbao and Valencia Stock Exchanges (the “Spanish Stock Exchanges”) through the Spanish Stock Exchange Interconnection System (SIBE).
IDENTITY AND CONTACT DETAILS OF THE ISSUER
<ul style="list-style-type: none"> ▪ Issuer’s Identity: Prisa’s tax identification number is A-28297059 and its LEI code is 959800U3NGPXSCQH54. ▪ Issuer’s contact details: Prisa’s contact details are as follows: <ul style="list-style-type: none"> - Calle Gran Vía 32, 28013, Madrid, Spain. - (+34) 913 301 294.
IDENTITY AND CONTACT DETAILS OF THE COMPETENT AUTHORITY
<ul style="list-style-type: none"> ▪ identity of the competent authority that has approved the Prospectus: Comisión Nacional del Mercado de Valores (CNMV). ▪ Contact details of the competent authority: CNMV’s contact details are as follows: <ul style="list-style-type: none"> - Calle Edison, 4, 28006, Madrid, Spain. - (+34) 900 535 015.
DATE OF APPROVAL OF THE PROSPECTUS
<ul style="list-style-type: none"> ▪ Date of approval of the prospectus: the Registration Document and the Securities Note were registered in the official registers of the CNMV on 20 December 2022 and 10 January 2023, respectively.
WARNINGS
<ul style="list-style-type: none"> ○ The Summary Note should be read as an introduction to the Registration Document and the Securities Note. Any decision to invest in Convertible Bonds must be based on the investors consideration of the Prospectus as a whole. ○ The investor may lose all or part of the capital invested. ○ In the event a claim relating to the information contained in the Prospectus is brought before a court, the claimant investor may, under the national law of a Member State of the European Economic Area (EEA), have to bear the costs of translation of the Prospectus prior to the commencement of legal proceedings. ○ Liability will only attach to persons who have filed the Summary Note, including any translation thereof, and only where the Summary Note is misleading, inaccurate or inconsistent in relation to the other parts of the Prospectus, or fails to provide, when read together with the other parts of the Prospectus, information essential to assist investors in determining whether or not to invest in such securities.
SUB-SECTION 2—KEY INFORMATION ON THE ISSUER
WHO IS THE ISSUER OF THE SECURITIES?
<ul style="list-style-type: none"> ▪ Registered office, legal form, legal entity identifier, law and country of incorporation: Prisa is a public limited company incorporated in Spain, operating under Spanish law and subject mainly to the legal regime established in the Corporate Enterprises Act. Prisa’s LEI code is 959800U3NGPXSCQH54 and its registered office is at calle Gran Vía, no. 32, 28013, Madrid Spain. ▪ Main activities: Prisa is the Group’s parent company, and it 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. <p>The Group’s activities are grouped into two main business areas, equivalent to its operating segments: (i) Education, which carries out the transformation and digitisation of the K-12 education ecosystem in Latin America, with innovative content and technology solutions for students and schools; and (ii) Media, which is one of the largest Media and Entertainment groups in Spanish-speaking countries, at the forefront of digital transformation, with prominent brands in Spain, Latin America and the United States.</p>

(1): The information contained in this website is not part of the Summary Note and has not been examined or approved by the CNMV.

▪ **Significant shareholders:** the significant shareholders of the Company are those listed in the following table, according to the latest information available to the Company.

SIGNIFICANT SHAREHOLDERS	No. of direct voting rights	No. of indirect voting rights	Percentage of capital
Mr Joseph Oughourlian.....	0	218,997,241 ⁽¹⁾	29.57%
Vivendi, S.E.....	70,410,336	0	9.51%
Rucandio, S.A.	0	53,938,328 ⁽²⁾	7.28%
Global Alconaba, S.L.....	50,147,058	0	6.77%
Shk. Dr. Khalid Bin Thani Bin Abdullah Al Thani	0	36,422,971 ⁽³⁾	4.92%
Mr Roberto Lázaro Alcántara Rojas	18,565	35,570,206 ⁽⁴⁾	4.81%
Banco Santander, S.A.....	17,239,369	17,017,746 ⁽⁵⁾	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 ⁽⁶⁾	3.85%
Total.....	168,324,375	390,485,921	75.46%

Source: according to communications made to the CNMV (CNMV website consulted at the date of the Summary Note) and, in some cases, information provided by the shareholders themselves to the Company.

- (1): Through Oviedo Holdings, 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, (which is itself a Director of Prisa) which acts as investment manager of Oviedo Holdings, S.A.R.L. and Amber Capital Investment Management ICAV - Amber Global Opportunities Fund. As stated in the notification made to the CNMV on 15 December 2022, as a result of an internal reorganisation of Prisa's shareholdings managed by Amber Capital UK LLP, on 14 December 2022, Amber Capital Investment Management ICAV - Oviedo Investments II (previous holder of 101,987,187 shares representing 13.77% of Prisa's share capital) transferred all of its shares in the Company to Oviedo Holdings, S.A.R.L. Oviedo Holdings, S.A.R.L. is managed by Amber Capital UK LLP.
- (2): 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.
- (3): 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.
- (4): Through Consorcio Transportista Ocher, S.A. de C.V., 85% owned by Roberto Lázaro Alcántara Rojas.
- (5): According to the information available to the Company, as at 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.
- (6): 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 whose underlying consists of 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.

The Company is not controlled, alone or in concert, directly or indirectly, by any natural or legal person.

▪ **Board of Directors:** The membership of the Board of Directors of Prisa is as follows:

Name/Company name	Position	Nature	Date of first appointment	Date of last appointment	Shareholder proposing his appointment
Mr Joseph Oughourlian.....	Chairperson	Proprietary director	18/12/2015	29/06/2020	Amber Active Investor Limited
Mr Rosauro Varo Rodríguez.....	Deputy chairman	Independent	22/12/2020	29/06/2021	--
Ms Béatrice de Clermont-Tonnerre ⁽¹⁾	Board member	Independent (Coordinating Director)	03/06/2019	03/06/2019	--
Mr Andrés Varela Entrecanales.....	Board member	Proprietary director	07/09/2022	07/09/2022	Global Alconaba, S.L.
Amber Capital UK, LLP ⁽²⁾	Board member	Proprietary director	22/03/2018	29/06/2020	Amber Capital UK LLP
Ms María Teresa Ballester Fornés	Board member	Independent	30/07/2019	29/01/2020	--
Mr Francisco Cuadrado Pérez.....	Board member	Executive	27/07/2021	28/06/2022	--
Ms Carmen Fernández de Alarcón Roca	Board member	Proprietary director	29/06/2021	29/06/2021	Vivendi, S.E.
Ms María José Marín 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 director	19/04/2001	29/06/2020	Timón, S.A. ⁽³⁾
Ms Teresa Quirós Álvarez.....	Board member	Independent	30/11/2021	28/06/2022	--
Mr Javier Santiso Guimaras	Board member	Independent	22/12/2020	29/06/2021	--
Shk. Dr. Khalid Bin Thani Bin Abdullah Al Thani ...	Board member	Proprietary director	18/12/2015	29/06/2020	International Media 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.

(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.

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.

▪ **Auditors:** he Company's individual and consolidated financial statements for 2021 and 2020 were audited by Ernst & Young, S.L., with registered office in Madrid, at Calle Raimundo Fernández Villaverde, 65 (post code 28003), and registered in the Official Register of Auditors (ROAC) under number S0530. Prisa's individual and consolidated financial statements for 2019 were audited by Deloitte, S.L., with registered office in Madrid, at Plaza Pablo Ruiz Picasso, 1 (post code 28020), and registered in the Official Register of Auditors (ROAC) under number S0692.

The audit reports on Prisa's individual and consolidated financial statements for 2021, 2020 and 2019 contain an unqualified favourable opinion.

WHAT IS THE KEY FINANCIAL INFORMATION REGARDING THE ISSUER?

Selected historical and interim financial information: The following tables include selected consolidated financial information of Prisa for the financial years 2021, 2020 and 2019, as well as for the first half of the financial year 2022, stated in accordance with International Financial Reporting Standards (the "IFRS"). In the following table, as in the rest of the Summary Note, for the calculation of the percentage changes between periods for the different magnitudes analysed, the denominator is treated as an absolute value purposes of the sign of such changes.

Consolidated income statement:

	31/12/2021	31/12/2020	31/12/2019	30/06/2022	Change
	Audited	Audited	Unaudited ⁽¹⁾	Unaudited ⁽²⁾	1H.2022-1H.2022
SELECTED INCOME STATEMENT (under IFRS)	(thousand €)				(%)
Operating income	741,168	700,641	964,885	388,171	26.8
Results from operations	(19,709)	(29,109)	53,431	10,119	135.6
Profit for the year attributable to the parent Company	(106,506)	89,737	(182,298)	(13,996)	75.1
Year-on-year growth of operating income.....	5.8%	(27.4)%	--	26.8%	--
Operating profit margin ⁽³⁾	(2.7)%	(4.2)%	5.5%	2.6%	--
Basic earnings per share	(0.15)	0.13	(0.27)	(0.02)	75.0

(1): Financial information restated by the Company to enhance comparability of information. In accordance with IFRS 5, the restated financial information for 2019 presented the results and cash flows from the operations of Santillana in Spain as a discontinued operation, as the Company exited the consolidation perimeter in 2020 as a result of a sale transaction carried out in December 2021 under which Santillana's business in Spain was sold.

(2): Financial information subject to limited review.

(3): It corresponds to the EBIT Margin, which is an alternative measure of performance. Said relationship is calculated as the quotient between the accounting results from operations and the operating income for the same period.

Consolidated balance sheet:

	31/12/2021	31/12/2020	31/12/2019	30/06/2022
	Audited	Audited	Audited	Unaudited ⁽¹⁾
SELECTED BALANCE SHEET (under IFRS)	(thousand €)			
Total assets	878,283	971,719	1,572,164	842,899
Equity.....	(511,815)	(402,980)	(411,604)	(527,468)
Net bank debt including IFRS 16 ⁽²⁾	825,073	796,967	1,201,819	903,913

(1): Financial information subject to limited review.

(2): Alternative measure of performance, calculated as the result of adding to the net bank debt (= current debts with bank institutions + non-current debts with bank institutions + fair value in financial instruments- current financial investments + account receivable for financial leases (IFRS 16)+ active dividend receivable- cash and other cash equivalents), the non-current lease liability IFRS 16 and the current lease liability IFRS 16, less the finance lease account receivable IFRS 16.

Statement of cash flows:

	31/12/2021	31/12/2020	31/12/2019	30/06/2022	Change
	Audited	Audited	Unaudited ⁽¹⁾	Unaudited ⁽²⁾	1H.2022-1H.2022
SELECTED STATEMENT OF CASH FLOWS (under IFRS)	(thousand €)				(%)
Cash flows from operating activities	78,663	54,158	70,021	37,242	--
Cash flows from investing activities	(47,719)	425,859	(368,981)	(22,330)	(9.3)
Cash flows from financing activities	(86,522)	(437,652)	131,203	(66,460)	--

(1): Financial information restated by the Company to enhance comparability of information. In accordance with IFRS 5, the restated financial information for 2019 presented the results and cash flows from the operations of Santillana in Spain as a discontinued operation, as the Company exited the consolidation perimeter in 2020 as a result of a sale transaction carried out in December 2021 under which Santillana's business in Spain was sold.

(2): Financial information subject to limited review.

The report and presentation of results of Prisa Group for the third quarter of 2022 is available on the website of the CNMV (www.cnmv.es) and on the website of Prisa ([link](#)). From 30 September 2022 to the date of the Summary Note, there have been no significant changes in the activities and revenues and expenses of the Prisa Group.

WHAT ARE THE ISSUER'S MAIN SPECIFIC RISKS?

The following is a selection of the Company's specific risks contained in the Registration Document.

(A) Risks relating to the financial condition and equity situation of Prisa Group:

- Prisa's high level of debt reduces its strategic flexibility and could adversely affect its financial and equity position.
- The Group's financing contracts, contain certain contractual clauses, including the fulfilment of certain financial ratios (covenants) whose absence could result in an early maturity of the financial debt.
- 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.
- 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 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.

(B) Other financial risks:

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

(C) Strategic and operational risks of the Group's businesses:

(C.1) *Macroeconomic and geopolitical risks:*

8. 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.
9. 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.

SUB-SECTION 3—KEY INFORMATION ON THE SECURITIES

WHAT ARE THE MAIN FEATURES OF THE SECURITIES?

- **Type, class and ISIN:** The securities under the Offer (as defined below) are subordinated bonds mandatorily convertible into newly issued ordinary shares of Prisa (the "**Convertible Bonds**") and are issued in recognition of the pre-emptive subscription rights of the Company's shareholders. The Convertible Bonds will constitute a single series, will have the same terms and conditions and will confer identical rights to their holders. The ISIN code of the pre-emptive subscription rights is ES0671743963 and the ISIN code of the Convertible Bonds is ES0371743016.
The Convertible Bonds, as well as the pre-emptive subscription rights attached to the Company's shares, will be represented by book entries to be recorded in the corresponding accounting records held by Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A.U. ("**Iberclear**"), with registered office in Plaza de la Lealtad 1, 28014 Madrid and its participants (the "**Participants**").
- **Currency, denomination, nominal value and number of securities issued and maturity:** the Company intends to issue a maximum of up to 351,350 Convertible Bonds of 370 euros of nominal value each with maturity on the fifth anniversary of the Issue Date (the "**Maturity Date**"). The name of the issue of the Convertible Bonds is "*Issue of Subordinated Convertible Bonds of PRISA maturing in 2028*" (the "**Issue**"). The "Issue Date" of the Convertible Bonds is considered to be the scheduled date of execution of the notarial deed of subscription and payment of the Issuance and the registration of the Convertible Bonds in Iberclear's accounting records (the "**Issue Date**").
- **The rights attached to the securities:** The Convertible Bonds will entitle the holders thereof (i) to become members of the syndicate of bondholders (the "**Trustee**" of which is Bondholders, S.L.) which will be constituted upon execution of the notarial act of subscription and disbursement of the Convertible Bonds (the "**Bondholders' Syndicate**"); (ii) request conversion of the Convertible Bonds into New Shares in the Conversion Periods (as defined below) (iii) receive the New Shares (as defined below) resulting from the voluntary or mandatory conversion of the Convertible Bonds held by them; and (iv) to receive, in cash, the interest accrued on the Convertible Bonds upon their conversion into New Shares.
- **Ranking of securities and limitation of rights:** The interests of the Convertible Bonds constitute direct, unconditional and subordinated obligations and will not be secured by any collateral or personal guarantees, either from other companies of the Group or from third parties. In this sense, for the purposes of bankruptcy regulations, the nature of the amount of said accrued and unpaid interest means that its payment is placed, in a bankruptcy context, behind the privileged and ordinary credits of the Company, as well as behind the credits subordinated that may have preference according to the provisions of laws of a mandatory nature and of general application. In addition, the Convertible Bonds will be subject to the terms of the intercreditor agreement entered into on 8 April 2022 (the "**Intercreditor Agreement**") in connection with the refinancing of the Group's syndicated debt in 2022 (the "**2022 Refinancing**"). The subjection of the holders of the Convertible Bonds to the Intercreditor Agreement through the Trustee, which will be formalised at the time of the formation of the Bondholders' Syndicate, implies that the credit rights of the Convertible Obligations will be considered "subordinated debt of shareholders" for the purposes of the Intercreditor Agreement, which principally means that holders of the Convertible Bonds, prior to the payment of the interest derived from the Convertible Bonds at the due time, the Issuer must pay the debts payable at that time to the all the Group's creditors that are party to the Intercreditor Agreement, i.e.; the due payment of the super-senior, senior and junior debt, as these have a preferential ranking. In addition, by acceding to the Intercreditor Agreement, the holders of the Convertible Bonds assume certain limitations and restrictions on their rights in relation to their claims under the Convertible Bonds. For these purposes, by acceding to the Intercreditor Agreement, the holders of the Convertible Bonds (i) may not receive any payment by way of set-off of claims; and (ii) they undertake not to initiate certain procedural measures against the Group to seek judicial recovery of their claims, nor to file for the insolvency of the Company, among other matters, and (iii) in the event of enforcement of senior debt guarantees or the forced disposal of assets of the Prisa Group, the holders of the Convertible Bonds accept that the Security Agent of the debt under the 2022 Refinancing (GLAS SAS) may declare that the payment obligations arising from the Convertible Bonds no longer exist and provide a letter of payment for the amounts due to such holders, where the latter are not entitled to receive any sums.
- **Restrictions on the free transferability of the securities:** there are no restrictions on the free transferability of the Convertible Bonds.
- **Conversion of Convertible Bonds:**
 - **Terms, conversion periods and conversion procedure:** the Convertible Bonds shall be mandatorily convertible in New Shares of the Company on the Maturity Date or on the date on which an Event of Early Maturity or the Early Conversion of the Convertible Bonds occurs (as these terms are defined below). In addition, the holders of the Convertible Bonds shall be entitled to request the conversion of such number of Convertible Bonds as they deem appropriate into New Shares of the Company, at their sole discretion, (i) semi-annually each year, in two periods of ten calendar days each (the first commencing, each year, on 1 May and the second on 1 November) (the "**Ordinary Conversion Periods**"); and (ii) in the extraordinary conversion periods of ten calendar days each that may be provided upon the occurrence of certain events (the "**Extraordinary Conversion Periods**", together with the Ordinary Conversion Periods, the "**Conversion Periods**"). The holders of the Convertible Bonds will not require the right of authorisation of the other holders of Convertible Bonds or of the Company for exercise of such conversion. Holders of Convertible Bonds who wish to exercise the right to convert any or all of their Convertible Bonds during any of the Conversion Periods must contact the bank with which their Convertible Bonds are deposited and complete and sign the relevant application for conversion of the Convertible Bonds (the "**Conversion Application**"), which must be delivered to the bank through the channels established for such purpose prior to the end of the relevant Conversion Period.
 - **Conversion ratio:** the conversion price in effect on the Issue Date will be EUR 0.37 per New Share (the "**Conversion Price**"). This is a fixed conversion price until the Maturity Date, which will only be subject to anti-dilution adjustments that are customary in this type of transaction to ensure that, in the event that certain corporate transactions are carried out or certain resolutions are adopted that may result in the dilution of the value of the Company's share, the Conversion Price is adjusted so that such transactions or resolutions affect the Company's shareholders and the holders of the Convertible Bonds equally. In any event, the Conversion Price may in no event be reduced below the nominal amount per unit of the shares of the Company (EUR 0.10).

- **Nominal interest rate of Convertible Bonds:** the nominal interest rate of the Convertible Bonds will be 1.00%, per annum fixed not capitalizable, calculated on the basis of a 360-day year ("ACT/360"). The accrued interest will not be capitalised and the accrued amount will be payable in cash to the holders of the Convertible Bonds upon their voluntary or mandatory conversion into New Shares. The Convertible Bonds will bear interest from the Issue Date (inclusive) until, as the case may be, the Conversion Date or the Maturity Date (exclusively in either case).

Payment of accrued interest on the Convertible Bonds shall be made within ten Business Days after (i) the relevant Conversion Date, if the holder of Convertible Bonds has exercised its conversion right in one of the Conversion Periods or an Early Maturity Event or Early Conversion has occurred; or (ii) the Maturity Date, in the event that the holder of Convertible Bonds has not exercised their conversion right in any of the Conversion Periods or an Early Maturity Event or Early Conversion has not occurred.

- **Maturity of Convertible Bonds:** without prejudice to the possibility of voluntary conversion of the Convertible Bonds into New Shares during the Conversion Periods, all Convertible Bonds not previously converted will be mandatorily converted into New Shares of the Company on the Maturity Date. Notwithstanding the foregoing, upon the occurrence of certain events (each of them, an "Early Maturity Event") and at the option of the Issuer in the event that, as a result of the exercise of the voluntary conversion right, less than 5% of the issued Convertible Bonds remain sometime outstanding, the Convertible Bonds may be converted into New Shares on an early and mandatory basis (the "Early Conversion"). The holders of the Convertible Obligations may not request the conversion of their Convertible Obligations into New Shares before the Maturity Date, except in the Conversion Periods. Without prejudice of the previous, holders of Convertible Bonds representing at least 5% of the outstanding Convertible Bonds may request that the Company, at any time, allow an Extraordinary Conversion Period, through the Trustee, and undertake to convert in such Extraordinary Conversion Period the Convertible Bonds held by them which have allowed them to request the opening of such Extraordinary Conversion Period.

- **Dilution resulting from conversion of Convertible Bonds:** in the event that no Shareholders (as defined below) exercise their pre-emptive rights nor subscribe Convertible Bonds, assuming that the Issue is fully subscribed EUR 129,999,500 by third parties, the dilution that such shareholders would experience, upon conversion of the Convertible Bonds into New Shares, would be 32.17% of their pre-Issue holding.

WHAT ARE THE MAIN FEATURES OF THE UNDERLYING SECURITIES OF THE CONVERTIBLE BONDS?

- **Type, class, currency, nominal value and number of securities issued:** the newly issued Prisa shares that the Company issues upon conversion of the Convertible Bonds will be ordinary shares of Prisa of the same class and series as those currently existing, and will grant their holders the same political and economic rights as those attributed to the holders of the Company's outstanding shares (the "New Shares" or, each of them, a "New Share"). The ISIN code of the Company's outstanding shares, which currently have 0.10 euros in nominal value, and which are admitted to trading on the Spanish stock exchanges, is ES0171743901. As and when the corresponding conversions of the Convertible Bonds take place, and in order to meet such requests through the issue of New Shares, the Company will ask the ANCV to assign the New Shares a provisional ISIN code until they are equated to the outstanding Prisa shares once they are admitted to trading on the Spanish stock exchanges.

Insofar as a fixed Conversion Price of 0.37 euros has been established for the Convertible Bonds without prejudice to the adjustment mechanisms which are customary in this type of transaction, the number of New Shares to be issued in connection with the voluntary or mandatory conversion of the Convertible Bonds on the basis of such Conversion Price, is 351,350,000 New Shares, which represents 47.44% of the share capital at the time of adoption of the resolution relating to the Issue.

- **The rights attached to the securities:** the New Shares will grant their holders the rights provided for shareholders in the Corporate Enterprises Act and in Prisa's Articles of Association, such as: (i) to dividends; (ii) to attend and vote at the Company's General Shareholders' Meetings; (iii) to pre-emptive subscription and free allotment in the offer for subscription of securities of the same class; (iv) to a share in the profits of the Company; (v) to a share in any surplus in the event of liquidation; and (vi) to information. However, the New Shares, like the other shares comprising the current share capital of Prisa, do not carry the right to receive a minimum dividend, as they are all ordinary shares. The right to a dividend on shares in Prisa will arise only when the General Shareholders' Meeting or, in the event of distribution of interim dividends, the Board of Directors resolves to distribute the company's earnings.
- **Ranking of securities:** the New Shares will confer the right to participate in the assets resulting from the liquidation of the Company on the same terms as the remaining shares of the Company once the rights of its creditors have been satisfied.
- **Restrictions on the free transferability of the securities:** there are no restrictions on the free transferability of the New Shares.
- **Dividend and profit distribution policy:** the Company has not adopted any specific policy on dividend distribution or shareholder remuneration. Accordingly, dividend distributions are reviewed on an annual basis, subject to the limitations and commitments made to the Group's financial creditors. In this respect, the Company may only distribute dividends if the total amount available for distribution in any financial year has been determined based on the net profit of the previous financial year within the following limits: (i) as long as the ratio of Consolidated Net Financial Debt (including the liability associated with IFRS 16) over consolidated EBITDA, which is one of the financial ratios of the contracts associated with the syndicated junior and senior debt and that relating to the super senior debt of the Prisa Group, is above 4.5 during the 12 months prior to the dividend distribution date, the total distribution of dividends may not exceed a total of 10,000 thousand euros during the term of the contracts; or (ii) provided that the aforementioned ratio does not exceed 4.5 during the twelve months prior to the dividend distribution date, the dividend distribution may amount to 10,000 thousand euros per year, thus precluding the limit established in point (i) above.

WHERE WILL THE SECURITIES BE TRADED?

- **Admission to trading of the Convertible Bonds and of the New Shares, as well as the pre-emptive subscription rights:** Once the notarial deed of subscription and disbursement of the Convertible Bonds has been executed the Convertible Bonds will be entered in the accounting records of Iberclear. Once the amount effectively subscribed in the notarial instrument has been recorded via a marginal note added to the registration details of the Issue at the Mercantile Registry, the Company shall request prior verification of the admission to trading of the Convertible Bonds with the CNMV so that the Convertible Bonds are admitted to trading on the Spanish regulated fixed income market ("AIAF"). In addition, if conversion of the Convertible Bonds is requested, and in any event after the Maturity Date, application will be made for the New Shares to be admitted to trading on the Spanish stock exchanges. The pre-emptive subscription rights on the Convertible Bonds will be automatically admitted to trading on the Spanish stock exchanges and it is expected that they will be tradable for a period of 14 calendar days beginning on the day following the day of publication in the BORME of the announcement of the Issue.

WHAT ARE THE KEY RISKS OF THE SECURITIES?

(A) Risks related to the Convertible Bonds:

1. Convertible Bonds are complex financial instruments.
2. Liquidity risk in the market. In addition, the low liquidity of the Company's shares and pre-emptive rights could make it difficult to sell them in the market. The preferential subscription rights on the Convertible Bonds currently have a negative theoretical value.

3. Accession to the Intercreditor Agreement by the Trustee on behalf of the holders of the Convertible Bonds will mean undertaking certain commitments and obligations, among which stands out that the payment of the interest of the Convertible Bonds will be subordinate to payment of super-senior, senior and junior debt and certain restrictions or limitations of rights as described in this risk.

(B) Risks related to the New Shares:

4. The Conversion Price of the Convertible Bonds into New Shares is higher than the current trading price of the Company's shares and the net asset book value per share of the Company, which may hinder the ability of investors to sell their New Shares at a price equal to or higher than the Conversion Price in the future.
5. The low liquidity of the Company's shares could make it difficult to sell the New Shares in the market. Additionally, any delay in the admission to trading of the New Shares could significantly limit their liquidity and make it difficult to sell them until they are admitted to trading.
6. Limitation and future uncertainty about the distribution of dividends to the Company's shareholders. The Company does not plan to distribute dividends in the short term, its distribution being further limited by the 2022 Refinancing Agreement

SUB-SECTION 4—KEY INFORMATION ON THE OFFER

UNDER WHICH CONDITIONS AND TIMETABLE CAN I INVEST IN THIS SECURITY?

Total amount: the public offer for subscription of Convertible Bonds in New Shares of the Company is made for a total maximum nominal amount of up to 129,999,950 euros and with recognition of the pre-emptive subscription rights of Prisa Shareholders (the "**Offer**"), through the issue and placement into circulation of a total of 351,350 Convertible Bonds of 370 euros par value each. The Convertible Bonds will be placed in Spain through a public offering and outside the United States of America under Regulation S of the US Securities Act de 1933 through a private placement among qualified investors. The Convertible Bonds shall be issued at par value and will be offered to Company shareholders. For each 2,104 pre-emptive subscription rights held, one Convertible Bond may be subscribed. In any event, each Convertible Bond subscribed in exercise of the pre-emptive subscription right must be paid up at the issue price, i.e. EUR 370 (the "**Issue Price**").

▪ **Indicative timetable⁽²⁾:**

ESTIMATED DATE	MAIN MILESTONES AND ACTIONS
12/01/2023	Publication in the BORME of the announcement of the Issue, being the last day on which Prisa entitled shares are listed (<i>last trading date</i>).
13/01/2023	Commencement of the Pre-emptive Subscription Period (1st round), during which Additional Convertible Bonds may be requested, and of the negotiation of pre-emptive subscription rights on the Convertible Bonds. Therefore, the first day of trading of Prisa shares "with no rights" (<i>ex date</i>).
16/01/2023	Cut-off date on which Iberclear will determine the positions for the allotment of the pre-emptive subscription rights (<i>record date</i>).
17/01/2023	Payment date of pre-emptive subscription rights by Iberclear.
26/01/2023	Last day of trading of the pre-emptive subscription rights and end of the pre-emptive subscription period. Registration of the public deed for the Issue in the Mercantile Registry (at the latest).
01/02/2023	Additional Allotment Period (2nd round) in the event that there are Surplus Convertible Bonds and publication of the communication of "other relevant information" announcing the Convertible Bonds subscribed during the pre-emptive subscription period (1st round) and, if applicable, during the Additional Allotment Period (2nd round), as well as, if applicable, the commencement of the Discretionary Allotment Period (3rd round), which will also take place the same day. Publication of a notice of "other relevant information" announcing the number of Discretionary Allotment Convertible Bonds subscribed during the Discretionary Allotment Period (3rd round), if such period has commenced.
03/02/2023	Payout of Convertible Bonds. Execution of the corresponding notarial deed of subscription and payout and submission to the Mercantile Registry for registration. Addition of Convertible Bonds in the accounting records of Iberclear. Adherence to the Intercreditor Agreement by the Trustee on behalf of the holders of the Convertible Bonds.
06/02/2023	Annotation in the margin of the Issue entry in the Mercantile Register of the amount actually subscribed. Prior verification of admission to trading of the Convertible Bonds in the CNMV. Admission to trading of the Convertible Bonds on AIAF. Publication of notice of "other relevant information" announcing the prior verification of the requirements for the admission to trading of the Convertible Bonds by the CNMV and the admission to trading of the Convertible Bonds in AIAF.
07/02/2023	Start of trading of Convertible Bonds.

▪ **Subscription procedure:**

○ *Pre-emptive Subscription Period (1st round) and, if applicable, application for Additional Convertible Bonds:* will last for 14 calendar days, and will begin on the day following publication in the BORME of the announcement relating to the Issue (the "**Pre-emptive Subscription Period**") The Pre-emptive Subscription Period is expected to commence on 13 January 2023 and end on 26 January 2023 (both days inclusive). Pre-emptive subscription rights will be transferable under the same conditions as the shares from which they derive and will be tradable on the Spanish stock exchanges. The pre-emptive subscription rights are expected to be traded during the trading sessions between 13 January 2023 and 26 January 2023.

The Convertible Bonds are offered on a preferential basis to shareholders of the Company who have acquired their shares prior to 12 January 2023, the date of publication in the BORME of the announcement relating to the Issue and the last day on which Prisa entitled shares are listed (*last trading date*), and who are listed as shareholders of the Company in the records of Iberclear at 11:59 pm (CET) on 16 January 2023 the cut-off date on which Iberclear will determine the positions for the allotment of pre-emptive subscription rights (*record date*) (the "**Shareholders**").

During the Pre-emptive Subscription Period, Shareholders holding at least, 2,104 pre-emptive subscription rights may exercise their pre-emptive rights to the extent necessary to subscribe the Convertible Bonds. Furthermore, during the Pre-emptive Subscription Period, in addition to the Shareholders, other third party investors (the "**Investors in the Company**") may acquire on the market sufficient pre-emptive subscription rights and in the proportion necessary to subscribe Convertible Bonds, namely, 2,104 pre-emptive subscription rights for each Convertible Bond, and thereby subscribe the relevant Convertible Bonds. Pre-emptive rights not exercised during the Pre-emptive Subscription Period will be automatically extinguished at the end of the Pre-emptive Subscription Period.

Shareholders who exercise their pre-emptive subscription rights in full (the "**Eligible Shareholders**") and Investors in the Company who acquire pre-emptive subscription rights and exercise them in full (the "**Eligible Investors**") may, at the time of exercising their pre-emptive subscription rights through the Participant with which they have them deposited, additionally and unconditionally and irrevocably request to subscribe without quantitative limit for additional Convertible Bonds (the "**Additional Convertible Bonds**") which they wish to acquire in the Additional Allotment Period (2nd round), as defined below, in the event that, at the end of the Pre-emptive Subscription Period, there remain unsubscribed Convertible Bonds in exercise of the pre-emptive subscription rights (the "**Surplus Convertible Bonds**").

○ *Additional Allotment Period (2nd round):* in the event that, at the end of the Pre-emptive Subscription Period, there remain unsubscribed Convertible Bonds, an additional allotment period (the "**Additional Allotment Period**") will begin, in which the Surplus Convertible Bonds will be allotted. The allotment of Additional Convertible Bonds will take place on the fourth stock exchange business day following the end of the Pre-emptive Subscription Period. In this regard, the allotment of Additional Convertible Bonds is scheduled to take place on 1 February 2023. On that date, Société Générale, Sucursal in Spain in its capacity as agent of the Issue (the "**Agent**") will proceed to determine the number of Surplus Convertible Bonds and to allot them to Eligible Shareholders and Eligible Investors who have requested the allotment of Additional Convertible Bonds. If the number of Additional Convertible Bonds requested exceeds the number of Surplus Convertible Bonds, the Agent Entity will pro-rate the number of Additional Convertible Bonds requested.

○ *Discretionary Allotment Period (3rd round):* in the event that, at the end of the Additional Allotment Period, not all of the Convertible Bonds have been fully covered, a discretionary allotment period will then be opened exclusively for qualified investors, as this concept is defined in Article 2(e) of EU Regulation 2017/1129 (the "**Discretionary Allotment Period**"), which is expected to commence, if applicable, at any time after the end of the Additional Allotment Period and that ends on the same day. In this case, the allotment of the Convertible Bonds in the Discretionary Allotment Period (the "**Discretionary Allotment Convertible Bonds**") will take place, if applicable, on the fourth trading day following the end of the Pre-emptive Subscription Period (that is, scheduled for 1 February 2023).

In the event that not all of the Discretionary Allotment Convertible Bonds are subscribed for at the end of the Discretionary Allotment Period, the Company will declare the Issue to be incompletely subscribed. In any event, at the end of the relevant period in which all of the Convertible Bonds have been subscribed, or once the Issue has been declared incomplete, and the payout has been verified, the Company will proceed to execute the notarial deed of subscription and payment for the number of Convertible Bonds effectively subscribed and paid up and to file it with the Mercantile Registry.

○ *Early closure of the Offer:* notwithstanding the provisions of the preceding sections, Prisa may at any time terminate the Offer early, provided that the Issue has been fully subscribed.

⁽²⁾: The above timetable is an estimate and, as a result, its deadlines may not be met, with a resulting delay in the execution of the Issue.

▪ **Payout procedure:**

○ *Payout of Convertible Bonds subscribed in the Pre-Emptive Subscription Period:* the full payout of the Issue Price (370 euros) of each of the Convertible Bonds subscribed for in exercise of the pre-emptive subscription right by the Shareholders and/or the Investors in the Company must be carried out by the subscribers at the same time as the subscription order is placed through the corresponding Participant that placed the order.

○ *Payout of Convertible Bonds subscribed in the Additional Allotment Period:* the full pay-out of the Issue Price (370 euros) of each of the Convertible Bonds subscribed in exercise of the pre-emptive subscription right by the Shareholders and/or the Investors will be paid in full at the same time as the subscription order is placed through the relevant Participant that placed the subscription order. In connection with orders to subscribe for Additional Convertible Bonds for allotment, if any, to the Eligible Shareholders and Eligible Investors in the Additional Allotment Period, the Participants may request at the time of the application for Additional Convertible Bonds a non-interest-bearing provision of funds for the corresponding amount requested of Additional Convertible Bonds for subsequent payout, in the event that these are allotted to the Eligible Shareholders or Eligible Investors because the Issue has not been fully subscribed during the Pre-emptive Subscription Period.

If no Convertible Bonds are finally allotted to the applicant or the number of Convertible Bonds finally allotted is less than the number of Additional Convertible Bonds requested by the applicant, the Participant shall be obliged to return to the applicant, free of any expenses or fees, the amount corresponding to the provision of funds, if requested, or the amount of the excess of Additional Convertible Bonds not allotted, as the case may be. In the event that the Eligible Shareholder or the Eligible Investor has not been requested to make a provision of funds, he must pay the subscription amount at the time of notification of the definitive allotment of the Convertible Bonds by the relevant Participant to which his application for Additional Convertible Bonds has been submitted, in accordance with the specific payment procedure agreed between the Participating Entity and the relevant investor as client.

○ *Payout of Convertible Bonds subscribed in the Discretionary Allotment Period:* the full pay-out of the Issue Price EUR 370 of each of the Discretionary Allotment Convertible Bonds will be made in full by qualified investors allotted them through the Participants that go to process their subscription orders of the Discretionary Allotment Convertible Bonds. The *Joint Global coordinators and Bookrunners*, i.e. JB Capital Markets, S.V., S.A.U. and Société Générale and/or the Company, as the case may be, when receiving subscription requests for the Discretionary Allotment Period, may require, at their discretion, their applicants to make a provision of funds in the accounts of the Participating Entities with which they will process their subscription for Convertible Obligations of Discretionary Allocation to ensure payment of the price of the Discretionary Allotment Convertible Bonds that, if applicable, may be allotted to them. In the event of rejection or partial selection of the subscription proposal, the Participating Entities they shall return to such requesting parties the corresponding provision of funds, free of any charges or fees. In the event that the qualified investors allotted the Discretionary Allotment Convertible Bonds are not asked to make a provision of funds, they must pay the subscription amount at the time of notification of the definitive allotment of the Discretionary Allotment Convertible Bonds by the relevant Participant to which his subscription for Discretionary Allotment Convertible Bonds has been submitted, in accordance with the specific payment procedure agreed between the Participant and the relevant investor as client. Applications for Discretionary Allotment Convertible Bonds which are not paid up pursuant to the established terms will be deemed not to have been made.

○ *Payout to the Company of the Convertible Bonds subscribed for in the Pre-emptive Subscription Period, in the Additional Allotment Period and in the Discretionary Allotment Period:* no later than 9:00 am (CET) on the sixth stock exchange business day following the end of the Discretionary Allotment Period, scheduled for 3 February 2023, Iberclear shall debit the Participants that have placed orders to subscribe Convertible Bonds through the mechanisms established for this purpose for the corresponding amounts for subscription of the Convertible Bonds in accordance with the dates announced by the Agent Entity, and will pay them to the Agent Entity on behalf of the Issuer without prejudice an event of early closure of the Issue, in which case the market will be informed through the appropriate announcements.

▪ **Estimated expenses:** the estimated expenses of the Offer, Issue and admission to trading of the Convertible Bonds amount to approximately 2,539,412.28 euros (1.95% of the gross amount that Prisa would obtain in the event that the Issue is fully subscribed).

WHY HAS THIS PROSPECTUS BEEN PRODUCED?

▪ **Reasons for the Issue and use of the proceeds:** the issue of the Convertible Bonds will enable the Company mainly obtain the necessary funds, in accordance with the financing agreements entered into, to partially pay off early the tranche of the Group's syndicated financial debt that constitutes its largest interest financial expense, i.e. the junior debt tranche, which is benchmarked at Euribor+8%.

▪ **Estimated net amount of income (inflow of funds):** 127,460,087.72 euros, net of expected expenses in the event that the Issue is fully subscribed.

▪ **Underwriting:** none. Nevertheless, the Company has obtained firm and irrevocable investment commitments from certain shareholders for an amount exceeding 45.01% of the total maximum par value of the Issue.

▪ **Potential significant conflicts of interest for the offer:** there are none.

II. RISK FACTORS PERTAINING TO THE SECURITIES

Before reaching a decision to invest in the Convertible Bonds (as these are defined in 4.1 of the Securities Note) of Promotora de Informaciones, S.A. (“Prisa”, the “Issuer” or the “Company”, together with its subsidiaries, the “Prisa Group” or the “Group”), or in pre-emptive subscription rights thereon, Prisa shareholders (as defined in section 5.1.2 of the Securities Note) and/or potential investors should carefully consider the specific risk factors relating to the securities set out below, in addition to the risk factors specific to the Prisa Group and its sectors of activity included in Section I of the universal registration document of the Company registered in the official registers of the Comisión Nacional del Mercado de Valores (the “CNMV”) on 20 December 2022 (the “Registration Document”).

Any of these risks, if they materialised, could 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 adversely affect the trading price of the Convertible Bonds and the valuation of the Company, whose shares currently outstanding are listed on the Madrid, Barcelona, Bilbao and Valencia Stock Exchanges (the “Spanish Stock Exchanges”) and included in the Spanish Stock Exchange Interconnection System (SIBE). In addition, in the future, risks currently unknown or not considered material at present 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 listed price of the Convertible Bonds the Company’s valuation. The materialisation of any of these risks could also have a material adverse effect on the Company’s ability to make payment of the Interest Amount (as defined in paragraph 4.8 of the Securities Note) and a total or partial loss of the investment made by Prisa shareholders and/or investors.

However, there are currently other securities risks which, because they are considered to be minor or generic risks, have not been included in this section of the Securities Note (the “Securities Note”) 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”). For example, the following risks have not been included: (i) holders of pre-emptive subscription rights resident in jurisdictions other than Spain may be limited or prevented from exercising such rights; (ii) holders of Convertible Bonds in countries with currencies other than the euro may face additional investment risk linked to changes in exchange rates; (iii) foreign investors may be limited in their ability to take legal action or enforce judgements against the Company or members of the Board of Directors of the Company; (iv) the sale of shares after the announcement of the public offer for subscription of the Convertible Bonds, or the perception that they may be made, could adversely affect Prisa’s share price; (v) the Company cannot foresee the impact of any regulatory changes to the law applicable to the Convertible Bonds; (vi) holders of Convertible Bonds will not have pre-emptive subscription rights in future capital increases or issues of any securities of the Company until such time as the Convertible Bonds are converted into New Shares (as defined in paragraph 4.1 of the Securities Note) and (vii) the Conversion Periods (as defined in paragraph 4.7.1 of the Securities Note) are restricted, which limits the exercise of the conversion right of holders of Convertible Bonds.

(A) Risks related to the Convertible Bonds:

1. *The Convertible Bonds are complex financial instruments.*

The Convertible Bonds are complex financial instruments with newly issued shares of Prisa as the underlying asset. In this regard, the Convertible Bonds are subject to terms and conditions that affect, among other things, investors’ decision-making processes. In order to make an informed and reasonable judgement on the Convertible Bonds, an investor should therefore carefully and thoroughly review the Securities Note and, in particular, this section (*risk factors of the securities*) of the Securities Note to understand the characteristics and terms of the Convertible Bonds in the light of such process, so as to assess whether the Convertible Bonds are a suitable instrument for his investor profile and risk appetite. In particular, investors should ensure that they have (i) sufficient knowledge of and experience with this type of instrument; (ii) adequate access to additional

advice should they deem it necessary; (iii) sufficient financial resources to be able to subscribe the Convertible Bonds and, where appropriate, to bear any losses that the instrument may generate.

As stated in section 4.1 of the Securities Note, the Convertible Bonds are a packaged retail investment product in accordance with the provisions of Regulation (EU) 1286/2014 of the European Parliament and of the Council of 26 November 2014 on key information documents relating to packaged retail investment and insurance-based investment products (the "**Regulation (EU) 1286/2014**"). Accordingly, the Company, in its capacity as producer of the Convertible Bonds, has prepared the relevant key information document (KID) for investors required by Regulation (EU) 1286/2014, which will be available on the Company's website (www.prisa.com) from the first business day of the Pre-emptive Subscription Period (as defined in 5.1.2. of the Securities Note). Any person advising on the Convertible Bonds or selling them to a retail investor will provide him with the key information document in accordance with Regulation (EU) 1286/2014.

2. *Liquidity risk in the market. In addition, the low liquidity of the Company's shares and pre-emptive rights could make it difficult to sell them in the market. The preferential subscription rights on the Convertible Bonds currently have a negative theoretical value.*

This is the risk that investors will not find a counterparty for the Convertible Bonds and, therefore, that an investor will not be able to execute the desired purchase or sale transaction in the market once the Convertible Bonds have been subscribed.

The Convertible Bonds to be issued will be newly issued securities which may not be widely distributed and for which there is currently no active secondary trading market. Although the Company intends to apply for admission to trading of the Convertible Bonds in the Spanish regulated market AIAF fixed-income market ("**AIAF**") on the SEND platform, if the Convertible Bonds were to be subscribed by retail investors (see paragraph 6.1 of the Securities Note), there can be no assurance that there will be active trading of the Convertible Bonds on AIAF and, therefore, that there will be sufficient liquidity for the Convertible Bonds. The Convertible Bonds are expected to be admitted to trading on 6 February 2023 and that the beginning of the negotiation of the Convertible Bonds in AIAF is the 7 February 2023 (see 5.1.2 of the Securities Note). Any delay in the commencement of trading of the Convertible Bonds would deprive the securities of market liquidity and make it difficult for investors to sell the securities. In addition, in the event of a massive conversion of Convertible Bonds into New Shares during any of the Conversion Periods, there may be an increased risk of illiquidity of the Convertible Bonds in the market, as the number of outstanding Convertible Bonds would be significantly reduced. For the foregoing purposes, it is hereby stated for the record that the Company has not entered into any contract with a financial institution to provide liquidity to the Convertible Bonds and, therefore, it is not compliant in this regard with the "*Best Practice Criteria for Liquidity Provision to Fixed Income Issues intended for Retail Investors*" published by the CNMV on 25 October 2010.

The currently theoretical value of the pre-emptive subscription right is negative as detailed in section (5) of point 5.1.7 of the Securities Note.

The pre-emptive subscription rights on the Convertible Bonds will be automatically admitted to trading on the Spanish stock exchanges, and will be tradable through the Spanish Stock Exchange Interconnection System (SIBE) on those markets during the period of 14 calendar days from 13 January 2023 and 26 January 2023, both inclusive.

Prisa cannot assure holders of pre-emptive subscription rights that an active trading market will develop for such rights, or that such rights will be sufficiently liquid during such period, or guarantee the price at which such rights will trade. The low liquidity of the Company's shares (see risk factor no 16) could be reflected in the trading of pre-emptive subscription rights, for which liquidity is not expected to be high. In this respect, and to the extent that the trading price of the pre-emptive subscription rights of the Convertible Bonds will be affected by the trading price of the Company's shares, a significant fall in the trading price of the Company's shares could affect the trading price of the pre-emptive subscription rights and, therefore, such price could be adversely affected by the same risks as those relating to the Company's shares. In addition, a massive sell-off could lead to a significant drop in their price. In any event, pre-emptive subscription rights on the Convertible Bonds not

exercised during the Pre-emptive Subscription Period will be automatically extinguished at the end of this period. In this regard, Prisa Shareholders, or those who have acquired such rights, who do not exercise or sell their rights during the Pre-emptive Subscription Period will lose them and will not receive any financial compensation for them.

3. *The interest accruing on the Convertible Bonds will only be payable in cash upon voluntary or mandatory conversion of the Convertible Bonds into New Shares.*

The Convertible Bonds will bear interest at a nominal rate of 1.00% per annum from the Issue Date (as defined in paragraph 4.13 of the Securities Note). The accrued interest will not be capitalised and the accrued amount will be payable in cash to the holders of the Convertible Bonds upon the voluntary or mandatory conversion of the bonds into New Shares. For further information on the interest rate, see section 4.8 of the Securities Note.

Therefore, if the holder of the Convertible Bonds does not exercise the conversion right and the Convertible Bonds do not mature early (see paragraph 4.9 of the Securities Note), the holder of the Convertible Bonds will not receive any interest payment until after the Maturity Date, i.e. after 5 years from the Issue Date.

This also means that, in the event that a holder of Convertible Bonds disposes of Convertible Bonds in the market, such holder will not receive from the Company the amount of accrued interest by the Convertible Bonds until that moment, because such interest of the Convertible Bonds being only payable on the Conversion Date (as defined in paragraph 4.7 of the Securities Note) or the Maturity Date, as the case may be, as set out in paragraph 4.8 of the Securities Note.

4. *Accession to the Intercreditor Agreement by the Trustee on behalf of the holders of the Convertible Bonds will mean undertaking certain commitments and obligations, among which stands out that the payment of the interest of the Convertible Bonds will be subordinate to payment of super-senior, senior and junior debt and certain restrictions or limitations of rights as described in this risk.*

As indicated in paragraph 4.6 of the Securities Note, by subscribing to the Convertible Bonds, the holders of the Convertible Bonds assume contractual subordination to the Intercreditor Agreement (as defined in paragraph 4.6 of the Securities Note), through the accession thereto by the Trustee (as defined in paragraph 4.11 of the Securities Note) on their behalf after the formation of the Bondholders' Syndicate (as defined in paragraph 4.7.1 of the Securities Note) for the purpose of regulating the subordination of the debt of the holders of the Convertible Bonds to the super senior debt, the senior debt and the junior debt of the Group.

Being subject to the Intercreditor Agreement means for the holders of the Convertible Bonds, in particular, that prior to the payment of interest on the Convertible Bonds at the relevant time, the Issuer will have to make preferential payment of the debts due under the 2022 Refinancing (as defined in section 3.4 of the Securities Note), which may ultimately mean that the Issuer, even if it has sufficient resources to make partial payment of its debts, may not have the necessary funds to meet its payment obligations in respect of the Convertible Bonds. For these purposes, the Convertible Bonds will not be secured by collateral or personal guarantees either from other Group companies or third parties. In this respect, the credit rights of the Convertible Bonds will be secured solely, subordinately, by the solvency of the Company.

In addition, the Intercreditor Agreement sets out clauses regulating the relations and decision-making regime of the Group's various financial creditors. In this respect, creditors with senior debt have greater decision-making powers than those who, like the holders of the Convertible Bonds, have subordinated debt. For example, super-senior, senior and junior creditors of the Group may decide, in certain circumstances and in accordance with the rules governing the relations between such groups of creditors, whether to exercise their personal or in rem guarantees, or whether to apply for insolvency proceedings against Prisa or other guarantor companies of its Group. The interests of senior debt creditors may differ from the interests of the holders of the Convertible Bonds, and may have a significant and determining influence in pursuing certain claims relating to the Group's financial debt.

Apart from the foregoing, the letter of accession to the Intercreditor Agreement means undertaking the following additional material obligations or commitments that could affect the holders of the Convertible Bonds.

- Holders of the Convertible Bonds may receive no additional payment via setting off of claims. In the event that the holders of the Convertible Bonds have payment obligations to Prisa, they may not be set off against each other, and holders of the Convertible Bonds must make the full payments due to Prisa and collect the interest to which they are entitled at the time of accrual.
- Nor may Prisa repurchase any outstanding Convertible Bonds either at par value or at a discount. These may only be offered to Prisa for conversion into New Shares. For the same reason, Prisa may not purchase shares or equity interests representing the share capital of entities whose assets consist of Convertible Bonds.
- Holders of the Convertible Bonds undertake not to bring any legal action to seek collection of their claims or to file for insolvency proceedings against Prisa. This means that, even if Prisa fails to pay the interest owed to the holders of the Convertible Bonds, or if the Company fails to fulfil its obligation to deliver the New Shares, the holders of the Convertible Bonds undertake vis-à-vis the other preferential creditors not to take legal action against Prisa to claim payment of their debts or to request that Prisa be declared insolvent.

By way of exception, in an insolvency proceeding of Prisa, the holders of the Convertible Bonds are allowed to appear in the insolvency proceeding, and to bring their claims. Holders of the Convertible Bonds are also allowed to bring declaratory judicial proceedings aimed at achieving recognition of their rights, without prejudice to the subordination that will continue to apply to their claims;

- In the event that any amount is received from Prisa in breach of the subordination covenants, the holders of the Convertible Bonds undertake to deliver such amounts to the Agent of the 2022 Refinancing.
- In the event of enforcement of senior debt guarantees or the forced disposal of assets of the Prisa Group, the holders of the Convertible Bonds accept that the Security Agent of the debt under the 2022 Refinancing (GLAS SAS) may declare that the payment obligations arising from the Convertible Bonds no longer exist and provide a letter of payment for the amounts due to such holders, where the latter are not entitled to receive any sums.
- Lastly, by acceding to the Intercreditor Agreement, it is assumed that the holders of the Convertible Bonds authorise GLAS SAS, as security agent of the debt subject to the 2022 Refinancing, to carry out such actions as may be necessary to secure the above commitments.

In addition, the contractual subordination established in the Intercreditor Agreement applies even in extraordinary situations such as insolvency proceedings of Group companies, to the extent legally possible, with the rights of the creditors of the liabilities arising from the 2022 Refinancing prevailing at all times. Thus, for example, in the event of insolvency of a Group company, the subscribers to the Intercreditor Agreement are obliged to make available to the *security agent* of the 2022 Refinancing any amount or asset they receive from the company concerned, for the purpose of making the corresponding payment of debts on a preferential basis. For further information, see section 4.6 of the Securities Note.

This could ultimately affect the collection rights of the holders of the Convertible Bonds, which could result in investors suffering losses. In addition, the Intercreditor Agreement and the non-contractual obligations arising thereunder shall be governed by and construed in accordance with English law and the courts of England shall have exclusive jurisdiction to hear and determine any disputes in respect thereof. Accordingly, should a holder of Convertible Bonds wish to bring any action in connection with the Intercreditor Agreement, it must bring a case before the competent courts referred to above.

5. *The yields of the Convertible Bonds via fixed interest rate are not in line with the current market interest rates. The Convertible Bonds may offer a lower profitability than other simple financial products.*

The Convertible Bonds are financial instruments with a fixed annual interest rate which, once admitted to trading, may be traded at a price that amounts to either a premium or a discount on the Issue Price (as defined in paragraph 5.3.1 of the Securities Note), i.e. above or below their nominal amount. In this regard, if the Convertible Bonds are sold on the market, the return on the Convertible Bonds may also be determined by the difference between the sale price and the purchase price. In this case, both the purchase price and the sale price will vary depending on the price at which the Convertible Bond may trade, so that it is not possible a priori to determine the resulting return for each investor in such a situation. The market price of the Convertible Bonds depends on factors such as trends in Prisa's share price, prevailing market interest rates, the market price for similar securities and general economic conditions. In addition, increases in market interest rates, as well as the issuance of fixed income products with higher interest rates (due to new fixed income products offering more attractive interest rates than older fixed income products traded in the markets), may have an adverse effect on the trading price of the Convertible Bonds, as they may not be an attractive investment for investors, thus resulting in lower liquidity. Additionally, see risk factor no 2.

Notwithstanding the foregoing, interest on the Convertible Bonds will only be paid in cash upon conversion of the Convertible Bonds into New Shares and transfers of Convertible Bonds prior to the time of conversion may result in a loss of return. For further information, see risk factor no 3.

Furthermore, to the extent that the Convertible Bonds are necessarily convertible into New Shares, in the event that at the Maturity Date (as defined in paragraph 4.9) the Convertible Bonds have not been converted previously, the performance of the Convertible Bonds may also be determined by the volume of subscription of New Shares at the Conversion Price based on the listed price of the Company's shares (as defined in paragraph 4.7.1). Nevertheless, see risk factor no 15.

As this is a financial instrument that is convertible into shares of a Spanish listed company at a fixed Conversion Price, it is not possible to include comparative information with respect to other financial instruments of this type issued by other Spanish companies. Taking into account only the fixed annual interest rate not capitalizable of the Convertible Bonds (1.00%), it should be noted that this remuneration is not in line with the market conditions of other simple (non-convertible) financial instruments currently available. In this respect, during the financial year 2022, the yield on government bonds at five years (i) has mounted to an average interest rate of 1.562% during the year 2022 (56.2% more than the interest rate of the Convertible Bonds) and (ii) amounted to 2.841% on 6 January 2023 (184.1 basic points more than the interest rate of the Convertible Bonds). As such, the Convertible Bonds would generate a lower return than other simple (non-convertible) financial products, beyond investors' expectations of a potential fall in interest rates or a rise in the Company's share price above the Conversion Price.

6. *At the discretion of the Company, if less than 5% of the Convertible Bonds remain outstanding, or upon the occurrence of certain events, the Convertible Bonds may be converted in forced into New Shares prior to the Maturity Date.*

The terms and conditions of the Convertible Bonds give the Issuer the power to convert the Convertible Bonds early in the event that less than 5% of the Convertible Bonds remain sometime outstanding. Likewise, upon the occurrence of certain events, some of which are beyond the Company's control, the Convertible Bonds would mature early and, consequently, be converted. For further information, see section 4.9 of the Securities Note.

In the event that the Convertible Bonds are converted early into New Shares, the investor would only receive the amount of interest accrued from the Issue Date until the early conversion date and would therefore lose the right to receive the any sums of interest on the Convertible Bonds that have accrued between then and the Conversion Date (as defined in section 4.7.1 of the Securities Note) or the Maturity Date, as the case may be. In

addition, the Convertible Bonds would be converted into New Shares at the Conversion Price, which may (or may not) be higher than the listed price of the Company's share (see risk factor no 15 of the Securities Note).

7. Prisa Shareholders who do not exercise their pre-emptive subscription rights under the Convertible Bonds Offer will see their stake in the capital of the Company diluted.

The public offer for subscription of the Convertible Bonds (the "Offer") recognises the pre-emptive subscription right of Prisa Shareholders. Prisa Shareholders will have the opportunity to subscribe the Convertible Bonds with preference. However, Prisa shareholders who do not exercise their pre-emptive subscription rights under the Offer of Convertible Bonds will see their shareholding diluted up to by 32.17%, assuming that the Issue is subscribed for the maximum total nominal amount (129,999,950 euros) and the conversion of the Convertible Bonds at the Conversion Price in effect on the Issue Date. In this regard, there is a possibility that a significant current shareholder of Prisa, a current minority shareholder of the Company and/or a third party may acquire a significant number of Convertible Bonds, which could reduce, following the conversion of the Convertible Bonds into New Shares, the free float of the Company's shares available for trading and could also adversely affect the liquidity of the Company's shares. Such a circumstance could also put the significant shareholder, non-controlling shareholder and/or a third party in a position to gain access to the Board of Directors of the Company, appoint more proprietary directors or exercise significant influence over the Company.

Further, even if a Prisa shareholder were to transfer his unexercised pre-emptive subscription rights, the price, if any, that he receives as consideration may not be sufficient to fully compensate him for the future dilution of his interest in the capital of Prisa resulting from the Issue. For further information on the theoretical value of the pre-emptive subscription right, see paragraph (5) of section 5.1.7 of the Securities Note. In addition, at the end of the Pre-emptive Subscription Period, any pre-emptive subscription rights that have not been exercised will be extinguished and Prisa Shareholders who have not exercised or sold them will not be compensated in any way.

In addition, in the event that the Company's shareholders do not exercise their pre-emptive subscription rights in future capital increases or future issues of convertible instruments, or if such rights are excluded, in whole or in part, pursuant to the provisions of the Corporate Enterprises Act (as defined in section 1.3 of the Securities Note), the shareholders will see their interest in the Company's capital diluted.

8. Prisa Shareholders and/or investors exercising their pre-emptive subscription rights or make requests of Additional Convertible Bonds may not revoke their subscription requests except in limited circumstances.

Except in the cases provided for in Article 23.1 of Regulation (EU) 2017/1129, in which Prisa Shareholders and investors may revoke their subscription orders for Convertible Bonds, Prisa Shareholders and investors that they would have exercised pre-emptive subscription rights or submitted subscription requests for Additional Convertible Obligations during the Pre-emptive Subscription Period may not revoke that orders or requests. Subscription orders shall be deemed to be firm, irrevocable and unconditional. For further information, see section 5.1.3 of the Securities Note.

9. Investors acquiring pre-emptive subscription rights on the market would lose the amount invested in the acquisition of such rights in the event that the Issue is not executed due to the occurrence of any legal cause or due to the application of a judicial or administrative decision.

The Issue may not be executed or the Offer may be revoked due to the occurrence of any legal cause or the application of a judicial or administrative decision.

In such cases, the subscribers would be reimbursed for the cash contributions made or the contributions would be deposited in their name with the Banco de España or the Caja General de Depósitos. However, investors who had purchased pre-emptive subscription rights would not be reimbursed for the amounts paid for them and would therefore lose the price they had paid.

10. *The subscription or acquisition of Convertible Bonds by financial creditors could lead to a change in the direction of the Company's decisions.*

In the event of subscription of a significant portion of the Convertible Bonds by a creditor of the Group, and subsequent exercise of the conversion right, they would become shareholders of the Company, in which case conflicts of interest may arise in view of their status as a creditor of the Group, on the one hand, and also a shareholder of the Company, on the other. The interests of the creditors may not coincide or may be contrary to the interests of the holders of the Convertible Bonds and, in turn, of the shareholders of the Company.

In the event that a creditor of the Group acquires a significant number of Convertible Bonds and exercises their right to convert them into shares, provided that it acquires a significant percentage of voting rights, such a creditor could decide on the composition of Prisa's governing bodies and bring about changes in Prisa's management, strategic and economic policy, or orient it in such a way that repayment of the debt prevails over the corporate interest.

11. *The Convertible Bond issue is not underwritten and therefore may not be fully subscribed, which could affect the trading price of the Convertible Bonds and the Company's shares.*

To the extent that the Company has not entered into any underwriting agreement for the Offer with any entity, it is possible that the maximum aggregate maximum expected amount of the Issue may not be fully subscribed. In this respect, the total amount of the Issue will be fixed at the amount actually subscribed and paid up, regardless of the amount. Notwithstanding the foregoing, the Company has obtained firm and irrevocable Investment Commitments (as defined in paragraph 4.4 of the Securities Note) from certain shareholders for an equivalent amount of 45.01% of the total maximum nominal amount of the Issue. For further information on the Investment Commitments, see section 4.4 of the Securities Note.

Therefore, the Company cannot guarantee the success of the Offer, nor that the Issue will be subscribed for the full maximum amount. As a result, the value of the Company's shares and Convertible Bonds may decline and shareholders and holders of Convertible Bonds may suffer losses as a result. In addition, if the Issue is not subscribed for its total maximum nominal amount (129,999,950 euros), the Company will have the ability to cancel the junior debt tranche lower than expected, which will continue to bear interest at the Euribor+8% rate for the amount that cannot be paid in advance, between capitalisable interest (PIK) and payable in cash.

12. *The terms of the Convertible Bonds may be amended without the consent of all investors.*

The terms of the Convertible Bonds as initially envisaged may be modified without the consent of all the holders of the Convertible Bonds. In the event that a meeting of Convertible Bond holders is held, in accordance with applicable law, in order to amend the terms of the Convertible Bonds (see paragraph 4.11 of the Securities Note and Article 12 of the Regulations of the Bondholders' Syndicate which is included as Appendix II to the Securities Note), any changes decided by certain majorities of Convertible Bond holders could be binding upon all Convertible Bond holders, including those who did not attend and vote at such meeting and those whose vote was against the majority.

13. *The subordinated nature of the Convertible Bond receivables for insolvency purposes poses a risk to the collection rights of the holders of the Convertible Bonds.*

The interests of the Convertible Bonds constitute direct, unconditional and subordinated obligations and will not be secured by any collateral or personal guarantees, either from other companies of the Group or from third parties. The subordination of the credit rights of the Convertible Bonds means that, in the event of insolvency of the Company in accordance with the consolidated text of the Insolvency Law approved by Royal Legislative Decree 1/2020 of 5 May (the "**Insolvency Law**"), the credit right generated by the Convertible Bonds (i.e. the amount corresponding to the accrued and unpaid interest) will be classified as a subordinated credit for the purposes of the insolvency proceedings, which will mean that the payment thereof will be placed behind the privileged and ordinary credits, without prejudice to the fact that, in accordance with the insolvency

regulations, within the subordinated debts, a different ranking is established for the debts derived from the payment of interest or with those persons especially related to the insolvent party. For further information, see section 4.6 of the Securities Note.

In addition, in the event that the Issuer enters into additional ordinary borrowings or such borrowings are secured by collateral such as pledges or mortgages on certain assets, the credit rights of the holders of the Convertible Bonds in an insolvency proceeding would rank below the creditors of the additional borrowings in the order of priority in insolvency proceedings or guaranteed by real guarantees to the extent of the respective guarantee.

Therefore, in the event that the Company is declared insolvent, the regime applicable to the credit rights will be that set out in the Insolvency Law and, given the subordinated nature of the debt and the contractual subordination to the Intercreditor Agreement, the Company may not meet the interest payments on time, or it may pay them late or not pay them at all.

14. Risks related to the tax withholding regime in Spain

Payments of returns paid in respect of the Convertible Bonds, which qualify, according to their nature, as financial assets with explicit yield, may not be subject to withholding tax in Spain on account of the personal taxation of investors subject to corporate income tax ("IS") or non-resident income tax ("IRnR") provided that certain requirements are met and, in particular, certain reporting and documentation obligations are fulfilled.

In particular, in accordance with Law 10/2014 and Royal Decree 1065/2007 (as defined in section 4.15 of the Securities Note), payments of the income satisfied in relation to the Convertible Bonds will be made without withholding tax provided that the entities that hold the securities registered in third-party accounts with Iberclear or, as the case may be, the entities that manage the securities clearing and settlement systems based abroad that have an agreement with Iberclear deliver to the Issuer, in due time and form, an information certificate in the Spanish language (see section 4.15.2 of the Securities Note). In this regard, the Issuer believes that the Convertible Bonds meet the requirements to apply the tax regime of the first additional provision of Law 10/2014.

For such purposes, the Issuer must receive certain documentation relating to the Convertible Bonds. If this information is not received by the Issuer in due time and in due form, taking account of the particular circumstances in each case, the Issuer shall withhold the relevant amount, on account of the corporation tax or non-resident income tax payable by the investors, on the amount of interest paid in respect of the Convertible Bonds, or, as the case may be, on the proceeds obtained from the payment of the Convertible Bonds issued below their par value.

For this purpose, certain procedures are in place to facilitate collecting of the necessary information on the Convertible Bonds. These procedures may be modified, amended or supplemented in the event of changes in Spanish legislation. If, despite these procedures, the relevant information is not received by the Issuer in a timely manner, the Issuer will withhold the relevant information for the personal taxation of investors taxpayers of the IS and those of the IRnR at the then prevailing rate of tax (currently 19%) on any payments in respect of the relevant Convertible Bonds.

In addition, even if the agreed information gathering procedures are duly completed as required, for holders of Convertible Bonds, in certain circumstances, by Spanish entities subject to corporation tax and deposited with an entity resident in Spain acting as depositary or custodian of such Convertible Bonds, payments in respect of such Convertible Bonds may be subject to withholding tax at the then current personal tax rate (currently 19%) of the investor.

In relation to the application of the tax regime of Law 10/2014 to the Convertible Bonds, should the Spanish tax authorities maintain a different opinion, the Issuer will be bound by such opinion and, with immediate effect, will apply the general withholding tax regime.

(B) Risks related to the New Shares:

15. The Conversion Price of the Convertible Bonds into New Shares is higher than the current trading price of the Company's shares and the net asset book value per share of the Company, which may hinder the ability of investors to sell their New Shares at a price equal to or higher than the Conversion Price in the future.

No assurance can be provided by the Company that the New Shares to be issued upon conversion of the Convertible Bonds will in the future trade at a price equal to or above the Conversion Price which has been fixed at EUR 0.37 (without taking into account any of the adjustments set out in **Appendix I** to the Securities Note). In the last three years (from January 2020 to December 2022), the maximum price of the Company's shares was EUR 1.43 (2 January 2020) and the minimum price at EUR 0.28 (19 December 2022), with the arithmetic mean at EUR 0.68. In addition, in the last year (from January to December 2022), the maximum price of the Company's shares was EUR 0.69 (5 April 2022) and the minimum price at EUR 0.28 (19 December 2022), with the arithmetic mean at EUR 0.34. Included for information purposes is the average, maximum and price of the Company's shares, on a quarterly basis, for the years 2020, 2021 and 2022:

<u>LISTED PRICE OF THE COMPANY'S SHARES</u>	<u>Average price</u>	<u>Minimum price</u>	<u>Maximum price</u>
December 2022.....	EUR 0.34	EUR 0.28	EUR 0.39
September 2022	EUR 0.46	EUR 0.39	EUR 0.50
June 2022	EUR 0.59	EUR 0.51	EUR 0.69
March 2022.....	EUR 0.63	EUR 0.58	EUR 0.67
December 2021.....	EUR 0.54	EUR 0.47	EUR 0.67
September 2021	EUR 0.73	EUR 0.53	EUR 0.88
June 2021	EUR 0.91	EUR 0.77	EUR 0.98
March 2021.....	EUR 0.99	EUR 0.89	EUR 1.06
December 2020.....	EUR 0.75	EUR 0.39	EUR 1.05
September 2020	EUR 0.43	EUR 0.38	EUR 0.50
June 2020	EUR 0.59	EUR 0.49	EUR 0.75
March 2020.....	EUR 1.19	EUR 0.52	EUR 1.43

Prisa's share price can be volatile and can fluctuate significantly over short periods of time. Factors such as the following could have a material adverse impact on the listed price of the Company's shares: (i) the Company's actual or expected operating results or financial position; (ii) the evolution of the sectors in which it operates and the current and future macroeconomic and geopolitical situation; (iii) changes in the recommendations of stock market analysts and/or credit rating agencies; (iv) the situation of the Spanish and international financial markets; (v) corporate transactions or sales of the Company's shares, as well as the perception as to whether these events may take place; (vi) a low trading volume of the shares; (vii) the perception of the success or impact of the Issue; (viii) any negative publicity; and (ix) changes in the legal and regulatory framework in which the Group operates. In addition, stock markets in Spain and the rest of the world have experienced significant volatility in the prices and trading volumes in recent years, and these are often unrelated to the underlying operating performance of the companies concerned, but rather with the current social and economic situation. Such volatility could adversely affect the listed price of the Company's shares (and Convertible Bonds) irrespective of the Group's results and financial position. This could prevent investors from selling their New Shares in the market at a price equal to or above the Conversion Price in the future. Likewise, in the event that, following the relevant conversion, sales of the Company's shares were to take place, there could be a significant decline in the Company's share price.

Also, a low trading volume in the Company's shares (see risk factor no 16) may lead to significant changes in the listed price of the Company's shares when orders are placed in larger than usual volumes, where this is not directly attributable to Company's business performance or to its economic, financial or asset situation. In addition, as a general rule, the listed price of an issuer's shares is subject to increased volatility during the period

immediately following the announcement of the issuance of new shares or bonds convertible into new shares and during the execution period.

Therefore, if at the time of conversion of the Convertible Bonds, the Company's shares were trading at a price below the Conversion Price, the holders of the Convertible Bonds would be acquiring New Shares in the Company at a price higher than their listed price. The Conversion Price in effect on the Issue Date represents a premium of 23.33% over the quoted price of the Company's shares at the close of business on 6 January 2023 (0.30 euros). Furthermore, if the net asset value per share of the Company on an individual basis were lower than the Conversion Price at the time of conversion of the Convertible Bonds, holders of the Convertible Bonds would be subscribing New Shares in the Company at a price higher than their net asset value per share. This means that the Conversion Price in effect on the Issue Date represents a variation (a premium (+) or discount (-)) over the net book value per share of the Company at the individual and consolidated level as at 31 October 2022 of -7.04% and 149.33% (in absolute value), respectively (EUR 0.398 per share calculated on the basis of the figures of the individual financial statements (under the Spanish National Chart of Accounts) of the Company as at 31 October 2022 and EUR -0.75 per share calculated on the basis of the consolidated equity attributable to the Parent (under IFRS) as at that date).

As a result, investors may not recover their investment and may experience losses if they are unable to sell their New Shares at or above the Conversion Price in the future, i.e. in cases where the Company's shares are trading at or below the Conversion Price on the Conversion Date.

16. *The low liquidity of the Company's shares could make it difficult to sell the New Shares in the market. Additionally, any delay in the admission to trading of the New Shares could significantly limit their liquidity and make it difficult to sell them until they are admitted to trading.*

As detailed in section 6.1 of the Securities Note, the Company will apply for admission to trading on the Spanish Stock Exchanges, together with the remaining shares of the Company, of the New Shares to be issued upon the conversion of the Convertible Bonds. Prisa shares are listed on the Spanish Stock Exchanges and included in the Stock Exchange Interconnection System (SIBE).

However, there are no guarantees as to the volume of trading in the Company's New Shares, nor as to their level of liquidity, notwithstanding the Company's current liquidity contract (see section 6.3 of the Securities Note), which may be subject to suspension or expiry. Since 1 July 2022 until 6 January 2023, in 135 trading sessions an average of 201,926 Company shares were traded in the market with an average trade volume of approximately 80,786 euros per day. Considering that Prisa currently has 740,650,193 shares outstanding, the liquidity volume is 0.027% daily, which implies limited liquidity.

Further, as noted in risk factor no 7, there is a possibility that a significant current shareholder of Prisa, a current minority shareholder of the Company and/or a third party may acquire a significant number of Convertible Bonds, which could reduce, following the conversion of the Convertible Bonds into New Shares, the free float of the Company's shares available for trading and could also adversely affect the liquidity of the Company's shares.

Accordingly, the New Shares may be less liquid than those of other companies whose shares are admitted to trading on the "continuous market". Consequently, Prisa Shareholders and/or investors who invest in Convertible Bonds may find it difficult to make a divestment after conversion because they will not be able to find a counterparty for their New Shares. In addition, any delay in the admission of the New Shares to trading and the commencement of trading would deprive the New Shares of market liquidity, making it difficult for investors to sell the New Shares.

17. Limitation and future uncertainty about the distribution of dividends to the Company's shareholders. The Company does not plan to distribute dividends in the short term, its distribution being further limited by the 2022 Refinancing Agreement.

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.

However, the Company does not plan to distribute dividends in the short term. 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. At 31 December 2021 and 30 June 2022, the Company had a legal reserve of 7,087 thousand euros and 12,646 thousand euros, respectively, representing at those dates 10% and 17% of the current capital, respectively.

In addition, the Company is subject to restrictions on distribution of dividends. Specifically, under the 2022 Refinancing agreement, certain limitations were established and the Company entered into certain commitments with financial creditors. In this respect, the Company may only distribute dividends if the total amount available for distribution in any financial year has been determined based on the net profit of the previous financial year within the following limits: (i) as long as the ratio of Consolidated Net Financial Debt (including the liability associated with IFRS 16) over consolidated EBITDA, as detailed in section 8.3 of the Registration Document, which is one of the financial ratios of the contracts associated with the syndicated junior and senior debt and that relating to the super senior debt of the Prisa Group, is above 4.5 during the 12 months prior to the dividend distribution date, the total distribution of dividends may not exceed in aggregate 10,000 thousand euros during the term of the contracts, or (ii) provided that the aforementioned ratio does not exceed 4.5 during the 12 months prior to the dividend distribution date, the dividend distribution may amount to 10,000 thousand euros per year, thus obviating the limit established in point (i) above.

Therefore, it cannot be guaranteed that the Company will distribute dividends in the future or that, if it does, dividends will increase progressively over time.

18. Foreign investors may be affected by the existing regime for the control of foreign direct investment in Spanish companies.

In the context of the COVID-19 health crisis, and with the aim of protecting the strategic sectors of the Spanish economy, the Spanish government approved numerous regulations, including Royal Decree-Law 8/2020 of 17 March. This Royal Decree-Law introduced a new Article 7.bis in *Law 19/2003 of 4 July 2003 on the legal regime governing the movement of capital and economic transactions abroad and on certain measures to prevent money laundering* (the "**Law 19/2003**") suspending the regime of liberalisation of investments in Spain for certain investments ("**Foreign Direct Investments**") likely to affect security and public order.

For the purposes of Article 7.bis of Law 19/2003, Foreign Direct Investments are considered to be those whereby the investor holds either a controlling interest or an interest equal to or greater than 10% of the share capital of the Spanish company, provided that one of the following conditions applies: that they are made by residents of countries outside the European Union ("**EU**") and the European Free Trade Association ("**EFTA**") or by residents of EU or EFTA countries when the beneficial owners are from outside the EU or EFTA. Beneficial owner shall mean the person who ultimately holds, directly or indirectly, more than 25% of the investor's capital or voting rights, or otherwise exercises control, directly or indirectly, over the investor.

Foreign Direct Investments in Spanish companies operating in strategic sectors, as is the case of the Company, require the authorisation of the Council of Ministers. Similarly, Foreign Direct Investments in Spanish companies not operating in strategic sectors require authorisation by the Council of Ministers if the foreign investor (i) is controlled by the government of a third country; (ii) has made investments or engaged in activities in sectors affecting security, public order and public health in another Member State; or (iii) there is a serious risk that the foreign investor will engage in criminal or illegal activities affecting public security, public order or public health in Spain.

Until 31 December 2024, the above rules also apply to EU and EFTA investors if the Spanish investee company, in addition to operating in a strategic sector, is listed or, if not listed, the value of the investment exceeds EUR 500 million (single transitory provision of *Royal Decree-Law 34/2020 of 17 November on urgent measures to support business solvency and the energy sector, and on tax matters* which was amended by Article 62 of *Royal Decree-Law 20/2022 of 27 December on measures in response to the economic and social consequences of the war in Ukraine and support for the reconstruction of the island of La Palma and other situations of vulnerability*).

All investors who intend to subscribe for securities should first consider whether the subscription is subject to the Foreign Direct Investment control regime. In the event they are subject thereto, investors must have obtained the necessary prior administrative authorisation. Such authorisation may be denied or not resolved before the date planned for the investment and, if the Foreign Direct Investment is executed without authorisation, it will not be legally valid and effective (until legalisation is achieved by obtaining administrative authorisation) and in any case it will be classified as a very serious administrative offence.

III. INFORMATION ON THE SECURITIES (SECURITIES NOTE FOR RETAIL NON-EQUITY SECURITIES).

The prospectus, consisting of the Securities Note, the summary note included in Section I of the Securities Note (the “**Summary Note**”) and the Registration Document (all together, the “**Prospectus**”), will be valid for 12 months from the date of approval by the CNMV of the Securities Note, which includes the Summary Note. However, as the Prospectus refers to the Offer, its period of validity will end with the admission to trading of the Convertible Bonds.

Please note that in the event that significant new factors have occurred or material errors or serious inaccuracies have been detected, the obligation to supplement prospectuses drawn up in accordance with Regulation (EU) 2017/1129, such as the Prospectus, will not apply in the event that the prospectus is no longer valid.

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 securities note.

Ms Pilar Gil Miguel, in the name and on behalf of the Company, in his capacity as Chief Financial Officer (CFO), and by virtue of the powers delegated to him by resolution of the Board of Directors of Prisa at its meeting held on 9 January 2023, assumes responsibility for the contents of the Securities Note.

1.2 Declaration of those responsible for the securities note on the information provided in the securities note.

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

1.3 Declarations or reports attributed to persons as experts included in the securities note.

Section 4.7.1 of the Securities Note contains information relating to the independent expert’s report dated 9 January 2023 prepared by PricewaterhouseCoopers Auditores, S.L., appointed by the Mercantile Registry at the request of the Company within the framework of the Offer, pursuant to the provisions of articles 414.2 and 510 of the revised text of the Capital Companies Act approved by Royal Legislative Decree 1/2010, of 2 July (the “**Capital Companies Act**”). PricewaterhouseCoopers Auditores, S.L., with tax identification number (NIF) B-79031290, has its registered office in Madrid, Spain, at Paseo de la Castellana, 259B (post code 28046).

The information relating to this report has been included in the Securities Note with the consent of the person responsible for the report. Further, the Company is not aware of the existence of any interest between the Company and PricewaterhouseCoopers Auditores, S.L., other than the strictly professional relationship arising from the preparation of the relevant report.

1.4 Declaration on the truthfulness and accuracy of the information from a third party included in the securities note.

The Securities Note does not include statements or reports from a third party.

1.5 Declaration on the approval of the securities note by the competent authority.

It is hereby noted that:

- (i) The Securities Note has been approved by the CNMV, in its capacity as the Spanish competent authority under Regulation (EU) 2017/1129.
- (ii) The CNMV only approves the Securities Note to the extent that it meets the standards of completeness, consistency and intelligibility required by Regulation (EU) 2017/1129.
- (iii) Such approval should not be considered as an endorsement of the quality of the securities referred to in the Securities Note.
- (iv) Investors should make their own assessment as to the suitability of investing in the securities.

2. RISK FACTORS PERTAINING TO THE SECURITIES

See Section II (“*Risk factors pertaining to the securities*”) of the Securities Note.

3. ESSENTIAL INFORMATION

3.1 Declaration on working capital

Prisa believes that its current working capital is sufficient to meet the Group’s requirements and obligations over the next 12 months.

The working capital of the Prisa Group as at 31 December 2021 and 31 October 2022 amounted to 121,563 thousand euros and 33,979 thousand euros, respectively.

3.2 Capitalisation and indebtedness

Between 31 October 2022 and the date of the Securities Note, there was no material change to the information on the Company’s capitalisation and indebtedness at the consolidated level set out in this item.

Notwithstanding the foregoing, and although this does not affect the financial indebtedness⁽³⁾ of the Prisa Group, in November 2022, the Company has drawn down the entire credit line that was pending drawdown of the super senior debt in the amount of 60,000 thousand euros, which has meant that the amount drawn down of the super senior debt amounts to 240,000 thousand.

(a) Declaration of capitalisation:

The following table shows the sources of bank financing (debts with credit institutions) and the liabilities associated with IFRS 16 (leasing) and the capitalisation of the Prisa Group at 31 October 2022, including, in addition to the equity on the Company’s consolidated balance sheet at that date, the sources of bank and financing under IFRS 16 on the Company’s consolidated balance sheet, distinguishing between secured debt (both through personal and in rem guarantees) and unsecured debt. For a description of these guarantees, see section 8.1(B) of the Registration Document.

(3): Corresponds to net bank debt including IFRS 16, which is an alternative performance measure. For more information, see Appendix I of the Registration Document (“*Glossary of alternative performance measures*”).

	31/10/2022
	Unaudited
	(thousands of €)
BANK BORROWINGS AND IFRS 16 LIABILITIES AND GROUP CAPITALISATION (under IFRS)	
Total current debt (excluding present part of non-current debt)	35,055
Secured	--
With guarantee	--
Unsecured/no guarantee	35,055
Total non-current debt (excluding present part of non-current debt)	1,011,070
Secured	945,508 ⁽¹⁾
With guarantee	--
Unsecured/no guarantee	65,562
Shareholders' equity ⁽²⁾	(507,531)
Share capital	74,065
Legal reserve	12,646
Other reserves	70,975
Share premium	17,088
Reserves	53,887
Accumulated profit	(605,440)
Treasury shares	(488)
Exchange differences	(73,885)
Equity attributable to the parent company	(552,127)
Minority interests.....	14,596
Total	(507,531)

(1): Includes the fair value of financial instruments associated with debt with credit institutions amounting to 36,957 thousand euros at 31 October 2022. This is because the Group calculates the net financial indebtedness, that is an alternative performance measure (see Appendix I of the Registration Document) by considering gross (nominal) bank debt. Therefore, it adjusts the amount of the fair value of the financial debt. For more information, see section 8 of the Registration Document.

(2): It excludes the result of the year attributable to the parent company and minority interests.

(b) Declaration of indebtedness:

The liquidity and financial indebtedness items⁽⁴⁾ of the Group as at 31 October 2022 are as follows.

	31/10/2022
	Unaudited
	(thousands of €)
NET FINANCIAL INDEBTEDNESS⁽¹⁾ OF THE GROUP (under IFRS)	
(A) Cash	84,468
(B) Cash equivalents	43,126
(C) Other current financial assets	1,741
(D) Liquidity [(A)+(B)+(C)]	129,335
(E) Current financial debt (including debt instruments, but excluding current portion of non-current financial debt).....	35,055
(F) Present part of the non-current financial debt.....	-
(G) Current financial indebtedness [(E+F)]	35,055
(H) Current net financial indebtedness [(G-D)]	(94,280)
(I) Non-current financial debt (excluding present part and debt instruments) ⁽²⁾	1,011,070
(J) Debt instruments.....	--

(4): Corresponds to net bank debt including IFRS 16, which is an alternative performance measure. For more information, see Appendix I of the Registration Document ("Glossary of alternative performance measures").

	<u>31/10/2022</u>
	Unaudited
	(thousands of €)
NET FINANCIAL INDEBTEDNESS⁽¹⁾ OF THE GROUP (under IFRS)	
(K) Non-current trade payables and other payables.....	--
(L) Non-current financial indebtedness [(I)+(J)+(K)].....	1,011,070
(M) Net Financial Indebtedness ⁽¹⁾ [(H)+(L)].....	916,790

(1): Corresponds to net bank debt including IFRS 16, which is an alternative performance measure. For more information, see Appendix I of the Registration Document ("*Glossary of alternative performance measures*").

(2): The Group calculates this alternative performance measure (see Appendix I of the Registration Document) by considering gross (nominal) bank debt. Therefore, it adjusts the amount of the fair value of the financial debt (36,957 thousand euros at 31 October 2022).

It is noted that the syndicated financing contracts of the 2022 Refinancing have, among other financial obligations, the compliance with certain financial ratios (covenants), among which is the maintenance of a minimum level of liquidity in companies of the Spanish cash pooling perimeter. For more information, see point 8.3 of the Registration Document.

Secondly, the liquidity indicated in the table above includes 10,000 thousand euros received by the Company under the escrow agreement associated with the sale and purchase agreement of Vertix by Cofina in 2019. This amount has been in dispute with Cofina since Cofina's breach of the aforementioned sale and purchase agreement in April 2020 and the Company cannot make use of this amount until the dispute is resolved (see section 5.3 of the Registration Document).

The net financial indebtedness included in the above table includes the financial liability associated with IFRS 16 (lease) of the Prisa Group at 31 October 2022, the current and non-current amounts of which total Euros 14,100 thousand and Euros 53,502 thousand, respectively.

The existing indirect and contingent debt is not material (see description of guarantees and collateral included in section 8.1(B) of the Registration Document).

At 31 October 2022, the ratio of net bank debt including IFRS 16 to adjusted EBITDA⁽⁵⁾ stood at 6.5x.

3.3 Interest of natural and legal persons in the issue/offer

The Company is not aware of the existence of any material interest between Prisa and the entities participating in the Offer listed in section 7.1 of the Securities Note, except for the strictly professional relationship arising from the relevant advisory services and the aforementioned in this section.

The Joint Bookrunners (as defined in section 5.4.1 of the Securities Note) and the Financial Advisers (as defined later), as well as other entities within their respective groups or those controlled by their respective beneficial owners, perform, and may in the future perform, investment banking and other services for the Company and the Group, for which they have received, and will continue to receive, the fees and expenses that are customary for such services. In addition, in the ordinary course of business, the Joint Bookrunners and the Financial Advisers, as well as other entities of their respective groups, are, and may in the future be, holders of shares of the Company and other financial instruments issued by the Company or by companies of the Group.

Among other services or relationships, and without limitation, (i) JB Capital Markets, S.V., S.A.U. ("**JB Capital**"), which is acting as Joint Bookrunner for the Issue, provides the services of liquidity provider for the shares of the Company (see section 6.3 of the Securities Note); (ii) Houlihan Lokey (Europe) GmbH, which is acting as Financial Adviser of the Issue, has provided services of advise the Company regarding the structuring, negotiation an implementation of the Refinancing 2022 ; y (iii) Barclays Bank Ireland PLC, which is also acting as Financial Adviser of the Issue, is a funder of the Company and Group companies through a syndicated credit.

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

In the Securities Note, Houlihan Lokey (Europe) GmbH and Barclays Bank Ireland PLC will be jointly referred to as the “**Financial Advisers**”.

The Joint Bookrunners and the Financial Advisers are acting exclusively for the Company in connection with the Issue and shall not regard any other person (whether or not such person is a recipient of the Securities Note) as a client in connection therewith. Accordingly, they shall not be liable to anyone other than the Company for their advice in relation to the contents of this document or the Issue.

This document should not be construed as legal, commercial, financial or tax advice. Shareholders and potential investors should consult their own legal, business, financial or tax advisors for legal, business, financial or tax advice. In making an investment decision, each shareholder or investor should base his or her decision on his or her own examination, analysis and investigation of the Company, the Convertible Bonds and the terms of the Offer, including the benefits and risks involved in the investment.

None of the Joint Bookrunners and none of the Financial Advisers, nor any of the entities within their respective groups or entities controlled by their respective beneficial owners, represents and warrants, expressly or by implication, the truthfulness, correctness, accuracy, completeness or sufficiency of the information contained in this document.

3.4 Reasons for the offer and use of the proceeds

The Issue is an instrument to reduce the Group’s syndicated financial debt, which is linked to a variable interest rate and which was refinanced in April 2022 (the “**2022 Refinancing**”). 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 different 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 respective contracts. In addition, the Company’s super senior debt was modified, which, among other terms, entailed an extension of its maturity until June 2026.

However, the current unfavourable market environment, in which monetary authorities (such as the European Central Bank) are taking forceful measures to raise interest rates, is having a direct and significant impact on the financial expenses associated with the Group’s bank debt, and a correction of this trend is not expected in the short term.

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 context, the Board of Directors of Prisa has considered different formulas that might contribute to improving the financial situation and, after due analysis, has concluded that the issue of the Convertible Bonds is an appropriate instrument for this purpose.

The issue of the Convertible Bonds will enable the Company, mainly to obtain the necessary funds, in accordance with the financing agreements entered into, to partially pay off early the tranche of the Group’s syndicated financial debt that constitutes its largest interest financial expense, i.e. the junior debt tranche, which amounted to 190,060 thousand euros at 31 October 2022 and which is benchmarked at Euribor+8%.

In this way, the issue of the Convertible Bonds will lower the cost of the Company’s financial debt to the extent that the Convertible Bonds, as detailed in section 4.8 of the Securities Note, will bear a much lower annual interest rate (1.00% p.a.) and fixed interest rate, which will result in more stable cash flows. In addition, the issue of the Convertible Bonds, with a fixed conversion price of EUR 0.37 for 5 years (see sections 4.7.1 and 4.9

(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%.

of the Securities Note), will enable the issue of a financial instrument with an annual return payable in cash at the time of the relevant conversion, the underlying of which are shares of the Company, at a fixed conversion price higher than the market price (0.30 euros at the close of trading on 6 January 2023).

Furthermore, as it is an instrument that can be treated as equity (because it is a mandatorily convertible security), the issue of the instrument and the partial prepayment of the junior debt tranche will reduce the Company's leverage level, thereby increasing the margin on the Company's financial covenants.

The Offer will enable all shareholders of the Company to subscribe the Convertible Bonds, giving them the opportunity to request their conversion into shares of the Company during the Conversion Periods and, in any case, perceive them on the Maturity Date, all this, without prejudice to the cases of early expiration due to the occurrence of certain events or for the early conversion of the Convertible Bonds. Thus, Prisa Shareholders subscribing Convertible Bonds in proportion to their existing interest in the Company will not see their interest in the share capital of the Company diluted upon conversion of the Convertible Bonds. It is also expected that the Convertible Bonds will be admitted to trading on AIAF, which could allow for the potential development of a trading market for the Convertible Bonds.

Lastly, the issue of the Convertible Bonds, which will allow the partial repayment of part of the Group's financial borrowings, as well as the issue of the New Shares resulting from the mandatory conversion of the Convertible Bonds, will strengthen the Company's balance sheet and reduce its financial indebtedness.

Total net proceeds of the Issue and estimated total expenses of the Offer and the Issue, as well as the admission to trading of the Convertible Bonds:

If all the Convertible Bonds are fully subscribed at the Issue Price, Prisa would obtain gross proceeds (before deduction of the expenses referred to below) of EUR 129,999,500. However, the final amount will vary depending on the number of Convertible Bonds ultimately subscribed and paid up under the Offer.

A breakdown of the estimated total expenses of the Offer and the Issue, as well as of the admission to trading of the Convertible Bonds, is set out below:

ESTIMATED TOTAL EXPENSES OF THE OFFER, ISSUE AND ADMISSION TO TRADING OF THE CONVERTIBLE BONDS	Estimated amount⁽¹⁾
	(euros)
CNMV fees	72,842.28
Iberclear fees.....	6,070.00
AIAF fees and charges.....	8,000.00
Other expenses ⁽²⁾	2,452,500.00
Total.....	2,539,412.28

(1): Under the assumption that the Issue is subscribed for the maximum total amount (129,999,950 euros).

(2): Including expenses related to notary fees, mercantile registry fees, Financial Advisers, the Joint Bookrunners,, Agent, Calculation Agent, Trustee, independent expert, legal advice, translations, advertising, etc.

Based on the above estimates, the total expenses derived from the Offer and the Issue, as well as from the admission to trading of the Convertible Bonds, would represent approximately 1.95% of the gross amount that Prisa would obtain in the event that the Issue is subscribed for its maximum total amount. Accordingly, the estimated total net estimated proceeds for Prisa (cash inflow), net of expected expenses, would amount to approximately EUR 127,460,087.72.

4. INFORMATION ON THE SECURITIES TO BE PUBLICLY OFFERED AND ADMITTED TO TRADING.

4.1 Description of type and class of securities offered and to be admitted to trading, as well as the underlying share.

The bonds convertible into newly issued shares of Prisa that the Company intends to issue under the Offer (the “**Convertible Bonds**” or, each of them, a “**Convertible Bond**”) are hybrid securities, which by their nature have aspects similar to fixed income and other aspects similar to equities (see risk factor no 1).

The Convertible Bonds will be subordinated bonds of EUR 370 of par value each and will constitute a single series. In this respect, all Convertible Bonds will have the same terms and conditions, which are described in the Securities Note, and will confer identical rights and obligations to their holders. The name of the issue of the Convertible Bonds is “*Issue of Subordinated Convertible Bonds of Prisa maturing 2028*” (the “**Issue**”).

The Convertible Bonds may be converted into New Shares during the Conversion Periods (see section 4.7.1 of the Securities Note), as well as on a mandatory early conversion basis upon the occurrence of certain events or at the option of the Issuer if, as a result of the exercise of the conversion right by the holders of the Convertible Bonds, less than 5% of the issued Convertible Bonds remain outstanding. In any event, the Convertible Bonds will be mandatorily converted into New Shares on the Maturity Date, with no option to repay the principal in cash. For further information on the mandatory conversions, see section 4.9 of the Securities Note.

The National Numbering Agency (ANCV), an entity under the CNMV, has assigned the ISIN code ES0671743963 to the pre-emptive subscription rights on the Convertible Bonds and the ISIN code ES0371743016 to the Convertible Bonds.

Shareholders of the Issuer and holders of the Convertible Bonds who do not have, directly or indirectly through their depositaries, an account with Iberclear may be holders (and exercise) the pre-emptive subscription rights of the Convertible Bonds and the Convertible Bonds through bridge accounts each held with Iberclear by Euroclear Bank S.A./N.V. and Clearstream Banking, Société Anonyme, Luxembourg. Iberclear will manage the settlement of the Convertible Bonds through Euroclear Bank S.A./N.V. and Clearstream Banking, Société Anonyme, Luxembourg.

The newly issued Prisa shares that the Company issues upon conversion of the Convertible Bonds will be ordinary shares of Prisa of the same class and series as those currently existing, and will grant their holders the same political and economic rights as those attributed to the holders of the Company’s outstanding shares (the “**New Shares**” or, each of them, a “**New Share**”).

The ISIN code of the Company’s outstanding shares, which currently have 0.10 euros in par value, and which are admitted to trading on the Spanish stock exchanges, is ES0171743901. As and when the corresponding conversions of the Convertible Bonds take place, and in order to meet such requests through the issue of New Shares, the Company will ask the National Numbering Agency (ANCV) to assign the New Shares a provisional ISIN code until they are equated to the outstanding Prisa shares once they (the New Shares) are admitted to trading on the Spanish stock exchanges. Therefore, following admission to trading of the New Shares, all the Company’s shares will have the same ISIN code (ES0171743901).

The Company’s website (www.prisa.com)⁽⁷⁾ and the website of BME Holding (Bolsas y Mercados Españoles Sociedad Holding de Mercados y Sistemas Financieros), S.A., governing body of the Spanish stock exchanges (www.bolsasymercados.es)⁽⁷⁾, contain information that is free of charge on the Company’s shares, including information on their historical share prices. The information contained on Prisa’s corporate website, as well as the information available on the other websites referred to in the Prospectus, does not form part of the

(7): The information contained in this website is not part of the Securities Note and has not been examined or approved by the CNMV.

Prospectus and has not been examined or approved by the CNMV, except for that information which has been incorporated by reference in the Prospectus.

The Convertible Bonds are a packaged retail investment product under Regulation (EU) 1286/2014 and are offered on a preferential basis to all shareholders of the Company (including retail investors). Accordingly, the Company, in its capacity as producer of the Convertible Bonds, has prepared the relevant key information document (KID) for investors required by Regulation (EU) 1286/2014, which will be available on the Company's website (www.prisa.com) since the first business day of the Pre-emptive Subscription Period. Any person advising on the Convertible Bonds or selling them to a retail investor will provide him with the key information document in accordance with Regulation (EU) 1286/2014.

4.2 Legislation under which the securities will be created

The legal regime applicable to both the Convertible Bonds and the New Shares is that provided for in Spanish law and, specifically, in the provisions included in the Capital Companies Act and in the consolidated text of the Securities Market Act approved by Royal Legislative Decree 4/2015, of 23 October (the "**Securities Market Act**"), its respective implementing regulations and other applicable regulations.

The Offer and the Issue, including the exercise of pre-emptive subscription rights, shall be governed by and construed in accordance with Spanish law. By exercising the pre-emptive subscription rights, the application for Additional Convertible Bonds and the requests for subscription of Discretionary Allotment Convertible Bonds (as such terms are defined in section 5.1.2 of the Securities Note), Prisa Shareholders and investors irrevocably and unconditionally agree that the courts of Madrid have exclusive jurisdiction to resolve any dispute that may arise in relation to the Offer and the Issue, or arising out of and in connection with the Convertible Bonds.

While the Convertible Bonds are subject to Spanish law, as their holders are party (through the Trustee) to the Intercreditor Agreement, any disputes arising between the bondholders and other Prisa creditors who are also party to the Intercreditor Agreement will be subject to English law and to the jurisdiction of the English courts. These disputes could include matters relating to the proper or undue payment of interest to the holders of the Convertible Bonds.

4.3 Form of representation of the securities

The Convertible Bonds and the New Shares, as well as the pre-emptive subscription rights attached to the Convertible Bonds allotted to the Company's shares, will be represented by book entries to be recorded in the corresponding accounting records held by Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A.U. ("**Iberclear**"), with registered office in Plaza de la Lealtad 1, (post code 28014) Madrid, Spain and its authorised participants (the "**Participants**").

4.4 Total amount of securities to be publicly offered and admitted to trading

The Offer will be made for a total maximum nominal amount of up to 129,999,950 euros, through the issue and putting into circulation of up to a total of 351,350 Convertible Bonds of 370 euros par value each.

The total amount of the Issue will therefore be fixed by the amount actually subscribed (see risk factor no. 11) following the Pre-emptive Subscription Period, the Additional Allotment Period and the Discretionary Allotment Period (as defined in section 5.1.2 of the Securities Note), as set out in section 5.1.2 of the Securities Note.

It is noted that, as part of the Offer, the Company has obtained certain investment commitments from shareholders of the Company (the "**Investment Commitments**"). Information on the Investment Commitments is provided below:

- On 5 January 2023, Amber Capital UK LLP, who acts as “investment manager” of Oviedo Holdings, S.A.R.L. and Amber Capital Investment Management ICAV - Amber Global Opportunities Fund has firmly and irrevocably undertaken, directly or indirectly, to exercise all pre-emptive subscription rights under the Offer corresponding to the stake in the share capital of Prisa of Oviedo Holdings, S.A.R.L. and Amber Capital Investment Management ICAV - Amber Global Opportunities Fund (jointly, 218,997,241 shares representing 29.57%), as well as to subscribe and pay the corresponding Convertible Bonds at the Issue Price.
- On 22 December 2022, Vivendi, S.E. has firmly and irrevocably undertaken, directly or indirectly, to exercise all pre-emptive subscription rights under the Offer corresponding to its stake in the share capital of Prisa (70,410,336 shares, representing of the 9.506%), as well as to subscribe and pay the corresponding Convertible Bonds at the Issue Price. Additionally, Vivendi, S.E. has undertaken to request Surplus Convertible Bonds (as defined in section 2.1 of item 5.1.2 of the Securities Note) in the event there are any Surplus Convertible Bonds (as defined in section 2.1 of item 5.1.2 of the Securities Notes) in such a way that the sum of the initial subscription in the Pre-emptive Subscription Period plus the allocation of Surplus Convertible Bonds, as the case may be, is for a maximum total amount of 20 million euros. The maximum number of Convertible Bonds that Vivendi would subscribe, if any, in the Additional Allotment Period, would be equal to 5.86% of the Issue, such that it might subscribe up to 15.38% of the entire Issue.

It is noted that in the event of termination of the Placing Agreement (see section 5.4.3 of the Securities Note) the Investment Commitments referred to above will not be revoked.

Insofar as, pursuant to section 4.7 of the Securities Note, a fixed Conversion Price of EUR 0.37 euros has been established for the Convertible Bonds without prejudice to the adjustment mechanisms detailed in Appendix I to the Securities Note, the maximum number of New Shares that could be issued in connection with the Issue, taking as a reference the referred price of conversion, is 351,350,000 New Shares, which represents 47.44% of the share capital at the time of adoption of the resolution relating to the Issue.

4.5 Currency of issue of the securities

Both the Convertible Bonds and the New Shares will be issued in euros (€).

4.6 Ranking of offered securities in issuer’s capital structure in the event of insolvency.

(a) Convertible Bonds:

As indicated below, the interests of the Convertible Bonds shall constitute direct, unconditional and subordinated obligations and will not be secured by any collateral or personal guarantees, either from other companies of the Group or from third parties.

○ Security of Convertible Bonds:

The Convertible Bonds will not be secured by collateral or personal guarantees either from other Group companies or third parties. In this respect, the credit rights of the Convertible Bonds will be secured solely and in a subordinate way by the solvency of the Company.

○ Legal priority and ranking of the credit rights under the Convertible Bonds:

Pursuant to the provisions of the Insolvency Law, the credit rights of the holders of the Convertible Bonds vis-à-vis the Issuer derived of the Convertible Bonds will have the same priority (*pari passu*), preference or privileges as the rights of the Issuer’s other unsecured subordinated creditors, except for those obligations of this subordinate rank that may have preference according to the provisions of the laws of an imperative nature and of general application. Therefore, the subordination of the Convertible Bonds’ claims means that, in the event of insolvency of the Company under the Insolvency Act, the credit claim arising from the

Convertible Bonds (i.e. the amount corresponding to accrued and unpaid interest) will be classified as a subordinated claim for the purposes of the insolvency proceedings, which will result in the payment thereof being placed behind the Company's privileged and ordinary claims. Likewise, the nature of the credit right generated by the Convertible Obligations (that is, the amount corresponding to accrued and unpaid interest) implies that the payment of the same is behind the credits in this subordinated ranking that have *pari passu* under mandatory and generally applicable laws.

Notwithstanding the foregoing, and in compliance with the contractual subordination detailed in the section "*contractual subordination and limitation of rights*" below, the credit rights of the holders of the Convertible Bonds vis-à-vis the Issuer will be subordinated at all times to the rights of the creditors of the liabilities arising from the 2022 Refinancing until they have been repaid in full.

By subscribing the Convertible Bonds, the holders of the Convertible Bonds will assume their general status as subordinated creditors of the Company. In addition, holders of the Convertible Bonds should understand and appreciate the potential additional situations in which a legal subordination of their position in the Company's receivables will occur (see "*potential subordination of credits derived from the Bankruptcy Law*" below).

- Contractual subordination and right limitations

In addition to what is described in the preceding and subsequent sections, regarding the eventual subordination of the Convertible Bonds by the provisions of the Spanish bankruptcy regulations, the Convertible Bonds will be expressly subject to the terms of the intercreditor agreement entered into on 8 April 2022 under the 2022 Refinancing by the Company and various subsidiaries of Prisa as obligors, the Group's financial creditors and GLAS SAS, acting as financing agent and security agent (the "**Intercreditor Agreement**"). Holders of the Convertible Bonds must accede to the Intercreditor Agreement because the 2022 Refinancing agreements would otherwise prohibit Prisa from incurring additional indebtedness such as that arising from the Issue. To this end, the Trustee, in the name and on behalf of the holders of the Convertible Bonds, will sign a letter of accession to the Intercreditor Agreement, the same which will be formalised at the time of the creation of the Bondholders' Syndicate. Therefore, by subscribing the Convertible Bonds, holders of the Convertible Bonds will contractually and directly accept the subordination of the Convertible Bonds with respect to the syndicated debt of Prisa Group, becoming considered a debt subject to the Intercreditor Agreement on the terms set out in the aforementioned letter of accession and to the Intercreditor Agreement as described below. For more information on the 2022 Refinancing and the syndicated financing agreements, see sections 5.3, 8.1(B) and 8.3 of the Registration Document.

In general, the Intercreditor Agreement states (i) the different ranges of credits held by the Company's financial creditors that are part of said contract ; (ii) the order of allotment of payments in relation to the amounts obtained and, where appropriate, in a context of insolvency or arising from the enforcement of personal and in rem guarantees created for the benefit of the aforementioned creditors; and (iii) the adoption of decisions in relation to any claims for non-payment.

Pursuant to the Intercreditor Agreement, the credit rights of the Convertible Bonds will have the status of "shareholder subordinated debt" which means as main consequence that such debt is subordinated to the exercise of the rights of the super senior debt, the senior debt and the junior debt, derived of the Refinancing 2022. In this regard, for holders of the Convertible Bonds, being subject to the Intercreditor Agreement means, in particular, that prior to the payment of interest on the Convertible Bonds at the due time, the Issuer must pay the debts due at that time on a preferential basis to all Group creditors that are party to the Intercreditor Agreement, as it has a preferential ranking (see risk factor no 4). In other words, the interest on the Convertible Bonds cannot be paid if, at the time such payment should be made, there are amounts due and unpaid of the Group's remaining syndicated debt.

Apart from the foregoing, the letter of accession to the Intercreditor Agreement means undertaking additional material obligations or commitments that could affect the holders of the Convertible Bonds.

- Holders of the Convertible Bonds may not receive any payment by way of set-off of receivables. In the event that the holders of the Convertible Bonds have payment obligations to Prisa, they may not be set off against each other, and holders of the Convertible Bonds must make the full payments due to Prisa and collect the interest to which they are entitled at the time of accrual.
- Nor may Prisa repurchase any outstanding Convertible Bonds either at par value or at a discount. These may only be offered to Prisa for conversion into New Shares. For the same reason, Prisa may not purchase shares or equity interests representing the share capital of entities whose assets consist of Convertible Bonds.
- Holders of the Convertible Bonds undertake not to bring any legal action to seek collection of their claims or to file for insolvency proceedings against Prisa. This means that, even if Prisa fails to pay the interest owed to the holders of the Convertible Bonds, or if the Company fails to fulfil its obligation to deliver the New Shares, the holders of the Convertible Bonds undertake vis-à-vis the other preferential creditors not to take legal action against Prisa to claim payment of their debts or to request that Prisa be declared insolvent.
- By way of exception, in an insolvency proceeding of Prisa, the holders of the Convertible Bonds are allowed to appear in the insolvency proceeding, and to bring their claims. The holders of the Convertible Obligations are also allowed to request declaratory judicial procedures, aimed at recognizing their rights, all of this without prejudice to the subordination that will continue to apply to their collection rights.
- In the event that any amount is received from Prisa in breach of the subordination covenants, the holders of the Convertible Bonds undertake to deliver such amounts to the guarantee agent of the debt associated to the 2022 Refinancing (GLAS SAS).
- In the event of the enforcement of senior debt guarantees or the forced disposal of assets of the Prisa Group, the holders of the Convertible Bonds agree that the collateral agent of the 2022 Refinancing debt (GLAS SAS) may declare that the payment obligations derived from the Convertible Bonds have ceased to exist and provide a letter of payment for the amounts due to such holders, where the latter are not entitled to receive any sums.
- Finally, by acceding to the Intercreditor Agreement, it is assumed that the holders of the Convertible Bonds authorise GLAS SAS, as Security Agent of the debt subject to the 2022 Refinancing, to carry out such actions as may be necessary to secure the above commitments.

The Trustee shall have no liability whatsoever as a result of the execution of the letter of accession either to the Issuer, to the holders of the Convertible Bonds or to third parties, without prejudice to the obligations to which it shall be subject as a result of such accession on behalf of the holders of the Convertible Bonds. The Commissioner may not resign or be removed from his contractual position in the Intercreditor Agreement unless a third person with sufficient powers of representation of the holders of the Convertible Bonds has assumed his position in the Intercreditor Agreement and accepted the terms of the subordination of the Convertible Bonds in accordance with the terms of the letter of accession to the Intercreditor Agreement. A third person with sufficient powers to represent the holders of the Convertible Bonds shall mean a trustee of the Bondholders' Syndicate who has been appointed by the general meeting of the Bondholders' Syndicate.

The commitments under the Intercreditor Agreement will remain in force for the holders of the Convertible Bonds until all of the debt subject to the 2022 Refinancing has been repaid in full, or until the Convertible Bonds have been converted into New Shares (and interest thereon duly paid) or, otherwise, until 125 years from the date of signature thereof.

Both the Intercreditor Agreement and the non-contractual obligations arising thereunder shall be governed by and construed in accordance with English law and the courts of England shall have exclusive jurisdiction to hear and determine any disputes in respect thereof. Accordingly, should a holder of Convertible Bonds wish to bring any action in connection with the Intercreditor Agreement, it must bring a case before the competent courts referred to above.

○ Potential subordination of credit derived from the Bankruptcy Law

Circumstances beyond the Company's control could result in the ranking of the claims under the Convertible Bonds in a different order of priority from that established by convention as a consequence of the application of the Bankruptcy Law. Thus, in a situation of insolvency, in accordance with Articles 283.1 and 435.2 of the Insolvency Act, claims arising from obligations of persons especially related to insolvent debtor will have a different order of priority within the subordinated claims than those of the rest of the holders of such obligations. Specifically, within the order of priority established for subordinated credits, the credits held by any of the persons especially related to the insolvent party will be paid in 5th place in accordance with article 281 of the Insolvency Act, while the credits deriving from the Convertible Bonds would be paid in 2nd place given that they are considered credits that by contractual agreement have the character of subordinate with respect to all other credits against the insolvent party. For these purposes, the following persons shall be considered as persons especially related to the insolvent debtor in question:

- (i) shareholders who at the time the credit arose held, directly or indirectly, at least 5% of the share capital. When the shareholders are natural persons (individuals), persons who are specially related to the company's shareholders under the provisions of Article 282 of the Insolvency Act (spouse, ascendants, descendants and related legal persons) shall also be considered to be persons specially related to the company;
- (ii) the de jure or de facto administrators, liquidators of the insolvent party and the managing directors of the legal person with general powers of attorney of the company, as well as those who have been so within the 2 years prior to the declaration of insolvency;
- (iii) companies forming part of the same group as the company in the case of an application for a declaration of insolvency; and
- (iv) the joint shareholders of the company and of the companies in the group, provided that at the time of subscription of the claim in question they hold, directly or indirectly, at least 5% of the share capital in that company, if the company has securities admitted to trading on the official secondary market, or 10% if it does not.

In addition, in accordance with Article 284 of the Insolvency Act, any person acquiring the financial instruments in question from any of the aforementioned parties will also be presumed to be a person with special links to the company if the acquisition takes place in the two years prior to the declaration of insolvency, unless it is executed (formalised) through the regulated market itself, as in the case of AIAF, in which the buyer does not know the identity of the seller.

Lastly, Article 152 of the Spanish Insolvency Act establishes that the accrual of interest (except for interest on secured claims, which will be payable to the extent of the corresponding guarantee) will be suspended from the date of the declaration of insolvency and interest accrued and not paid up to that date will be classified as subordinated credits.

(b) New Shares:

In the event that the holders of the Convertible Bonds, due to the exercise of their conversion rights or due to the mandatory conversion of the Convertible Bonds, lose their status as holders of the Convertible Bonds and become shareholders of Prisa, they will enjoy the same voting and economic rights as the rest of the shareholders of Prisa at the time of issue of the New Shares, and their right to payment will be placed, in the event of insolvency of the Company, in the order of priority of the rest of the shareholders of the Company, that is to say, behind the common and subordinated creditors of Prisa.

4.7 Description of rights attached to securities, including any limitation on such rights, and procedure for their exercise.

4.7.1 Rights accruing to the holders of the Convertible Bonds

As long as the Convertible Bonds remain outstanding, because they have not been converted into New Shares, their holders will have all the rights recognised to them by the legislation in force from time to time. The most significant rights associated with the holding of Convertible Bonds are set out below:

(a) Political rights:

Under applicable law, the Convertible Bonds have no voting rights other than those of the Bondholders' Syndicate of the Issue (the "**Bondholders' Syndicate**"), of which all holders of Convertible Bonds will be members. The Bondholders' Syndicate will be constituted once the notarial act of subscription and payment of the Convertible Bonds has been executed.

In this regard, the lawful holders of outstanding Convertible Bonds at any given time will form part of the Bondholders' Syndicate, which will remain in force until all the obligations arising from the Convertible Bonds issued have been fulfilled or they are fully converted into New Shares.

The purpose of the Bondholders' Syndicate is to unify and safeguard the rights and actions of the holders of Convertible Bonds. The operation and regulation of the Bondholders' Syndicate shall be in accordance with the provisions of the legislation in force from time to time. The governance of the Bondholders' Syndicate will be vested in the General Meeting and the Trustee (see section 4.11 of the Securities Note).

The regulation of the **Bondholders' Syndicate** is attached as Appendix II to the Securities Note. The regulations of the Bondholders' Syndicate will be available at any time at the Company's offices and on its corporate website (www.prisa.com).

(b) Economic rights:

The economic rights for the holders of the Convertible Bonds are those deriving from the interest rate, yield and interest payment terms on which the Convertible Bonds are issued. The Convertible Bonds will bear interest at a fixed rate (not capitalized) and the interest (coupon) will not be compounded and will be payable in cash only upon conversion of the Convertible Bonds into New Shares. Therefore, in general terms, there will be no variable component in determining the interest rate of the Convertible Bonds. For further information on the economic rights of the Convertible Bonds, see section 4.8 of the Securities Note.

The financial service of the Convertible Bonds will be serviced by the Agent (as defined in section 5.4.2 of the Securities Note), the corresponding amounts being credited directly on the relevant payment date through Iberclear to the accounts of the Participants where the holders hold the Convertible Bonds, the Participants being responsible for crediting the amounts received to each of the cash accounts of the holders of the Convertible Bonds and without the need for them to take any further action in relation to the economic rights deriving from the Convertible Bonds (without prejudice to the exercise of the conversion right pursuant to section (c.2)(ii) below).

(c) Other rights:

(c.1) Anti-dilution protection

The holders of the Convertible Bonds will enjoy anti-dilution protection in the circumstances and on the terms provided for in article 418 of the Capital Companies Act and in accordance with the adjustment mechanisms detailed in Appendix I of the Securities Note.

(c.2) Right to convert the Convertible Bonds during the Conversion Periods and right to receive the New Shares resulting from the conversion of the Convertible Bonds.

The holders of the Convertible Bonds will have the right to convert, during the conversion periods indicated below, thus excluding the application of Article 418.1 of the Capital Companies Act, the Convertible Bonds held by them into New Shares of the Company, which Prisa will issue on the occasion of the relevant conversion. Accordingly, the holders of the Convertible Bonds shall be entitled to receive the New Shares resulting from the conversion of the Convertible Bonds.

(i) Conversion periods and deadlines:

The Convertible Bonds shall be mandatorily convertible in New Shares of the Company on the Maturity Date (see section 4.9 of the Securities Note).

In addition, the holders of the Convertible Bonds shall be entitled to request the conversion of such number of Convertible Bonds as they deem appropriate into New Shares of the Company, at their sole discretion, (i) semi-annually each year, in 2 periods of 10 calendar days each (the first commencing , each year, on 1 May and the second on 1 November) (the “**Ordinary Conversion Periods**”); (for further detail, see section “*Ordinary Conversion Periods*” below) and (ii) in the extraordinary conversion periods that may be provided upon the occurrence of any of the events set out in the section “*Extraordinary Conversion Periods*” below, also for ten calendar days (the “**Extraordinary Conversion Periods**”, together with the Ordinary Conversion Periods, the “**Conversion Periods**”). The holders of the Convertible Bonds will not require the right of authorisation of the other holders of Convertible Bonds or of the Company for exercise of such conversion.

Upon conversion of the Convertible Bonds into New Shares, and as from the shares’ registration in the accounting records of Iberclear and the Participants, all obligations of the Company in relation to the Convertible Bonds will be deemed to have been fulfilled, without prejudice to any claims that may be made in respect of unsatisfied claims or rights arising on or before the Conversion Date or Maturity Date.

o Ordinary Conversion Periods:

The Ordinary Conversion Periods shall be as follows:

- FIRST ORDINARY CONVERSION PERIOD: 1 May 2023 to 10 May 2023 (inclusive of such dates).
- SECOND ORDINARY CONVERSION PERIOD: 1 November 2023 to 10 November 2023 (inclusive of such dates).
- THIRD ORDINARY CONVERSION PERIOD: 1 May 2024 to 10 May 2024 (inclusive of such dates).
- FOURTH ORDINARY CONVERSION PERIOD: 1 November 2024 to 10 November 2024 (inclusive of such dates).
- FIFTH ORDINARY CONVERSION PERIOD: 1 May 2025 to 10 May 2025 (inclusive of such dates).
- SIXTH ORDINARY CONVERSION PERIOD: 1 November 2025 to 10 November 2025 (inclusive of such dates).
- SEVENTH ORDINARY CONVERSION PERIOD: 1 May 2026 to 10 May 2026 (inclusive of such dates).
- EIGHTH ORDINARY CONVERSION PERIOD: 1 November 2026 to 10 November 2026 (inclusive of such dates).
- NINTH ORDINARY CONVERSION PERIOD: 1 May 2027 to 10 May 2027 (inclusive of such dates).
- TENTH ORDINARY CONVERSION PERIOD: 1 November 2027 to 10 November 2027 (inclusive of such dates).

The Company will announce to the market and to the holders of the Convertible Bonds through the publication of the relevant notice of “other relevant information” on the website of the CNMV (www.cnmv.es) and on the Company’s website (www.prisa.com) the provision of each of the Ordinary Conversion Periods. Following the end of the relevant Ordinary Conversion Period, the Company will publish a further notice of “other relevant information” indicating, inter alia, the number of Convertible

Bonds converted into New Shares and the number of Convertible Bonds outstanding following the end of the Ordinary Conversion Period.

o Extraordinary Conversion Periods:

In addition, Extraordinary Conversion Periods of ten calendar days each shall commence upon the occurrence of any of the following events:

- A prior announcement or request for authorisation of a takeover bid for the Company's securities is made, provided such a takeover involves a change of control, or a delisting offer, in accordance with the regulations governing takeover bids, mainly *Royal Decree 1066/2007, of 27 July, on the rules governing takeover bids for securities, provided that this might involve a change of control in accordance with the aforementioned regulations.*
- Notice is given to open negotiations with the Company's creditors or the approval of a restructuring plan is requested directly in accordance with the provisions of Article 583 et seq. of the Insolvency Act.
- The announcement is made of a merger or spin-off of Prisa, or any structural modification of the Company, which could result in a dilution of the Company's shareholders of more than 49%.
- An announcement is made of an issue of Prisa equity securities, or securities that could entitle holders to subscribe shares in the Company, with recognition of the pre-emptive subscription rights of the Company's shareholders.
- In addition, holders of Convertible Bonds representing at least 5% of the outstanding Convertible Bonds request that the Company, at any time, allow an Extraordinary Conversion Period, through the Trustee, and undertake to convert in such Extraordinary Conversion Period the Convertible Bonds held by them which have allowed them to request the opening of such Extraordinary Conversion Period. In this case, the Company undertakes to open the corresponding Extraordinary Conversion Period as soon as possible after receiving the corresponding request.

The Company will announce to the market and to the holders of the Convertible Bonds through the publication of the relevant notice of "privileged information" on the website of the CNMV (www.cnmv.es) and on the Company's website (www.prisa.com) the provision of the Extraordinary Conversion Period. Following the end thereof, the Company will publish a notice of "other relevant information" indicating, inter alia, the number of Convertible Bonds converted into New Shares and the number of Convertible Bonds outstanding following the end of the Extraordinary Conversion Period.

(ii) **Procedure for conversion of Convertible Bonds:**

o Exercise of conversion right by holders of Convertible Bonds:

Holders of Convertible Bonds who wish to exercise the right to convert any or all of their Convertible Bonds during any of the Conversion Periods must contact the bank with which their Convertible Bonds are deposited and complete and sign the relevant application for conversion of the Convertible Bonds (the "**Conversion Application**"), which must contain all the information required by the corresponding operating instruction (including the certification of non-residence in the United States of America referred to below) and which must be delivered to the bank through the channels established for such purpose prior to the end of the relevant Conversion Period. Once received by the depositary entity, Conversion Applications shall be irrevocable. The depositary entity that receives the Conversion Application shall forward it, where appropriate and on a case-by-case basis, to the relevant Participant.

Each Participant shall block the securities balances corresponding to the Convertible Bonds for which conversion is requested, in accordance with the instructions set out in the Conversion Application. The Participants shall send to the Agent and/or Iberclear the information required on the basis of the corresponding operating instruction prepared by the Agent, and within the established deadlines, in

relation to the holders wishing to exercise the conversion right in each of the Conversion Periods. Otherwise, the Conversion Applications shall not be valid and the Agent and/or Iberclear shall, on the same day on which it receives the Conversion Application, return it to the Participant that sent it and specify the reasons for the return.

During the relevant Conversion Period, the Participants will notify the Agent (which, in turn, must transmit such information to the Company) on a daily basis of the list of Convertible Bonds which have exercised the conversion right and the Convertible Bonds to be converted.

No later than the Business Day prior to the Book-Entry Date (as defined below), the Participants shall, through the mechanisms established by Iberclear, be responsible for notifying Iberclear of the securities involved in the conversion, so that Iberclear may provisionally delete or cancel them until the New Shares are recorded in Iberclear's book-entry register.

For the purposes of conversion into New Shares in respect of Conversion Applications received within a Conversion Period, the date to be used will be the date of receipt of the Conversion Application by the Agent (and not the date of receipt of the Conversion Application by the depositary entity or by the Participant), provided that it contains all the information requested, which should be taken into account by the holders of Convertible Bonds when exercising their conversion rights. In addition, the date of receipt of the Conversion Application by the Agent must be a Business Day within the Conversion Period. Therefore, if the date of receipt is not a Business Day, the Conversion Application shall be deemed to have been received on the next Business Day, provided that such Business Day is within the Conversion Period.

Notwithstanding the foregoing, as indicated in section 4.9 of the Securities Note, the Convertible Bonds will be mandatorily converted into New Shares of the Company on the Maturity Date or upon the occurrence of an Early Maturity Event or of Early Conversion. In such cases, the holder of the Convertible Bonds will not be required to take any action for the purpose of converting the Convertible Bonds into New Shares.

○ Conversion Date:

The Conversion Date shall mean the last business day of the Conversion Period on which the holder of Convertible Bonds has requested a conversion of Convertible Bonds (regardless of the date on which the Conversion Application was made in the Conversion Period) or the date on which an Early Maturity Event or the Early Conversion of the Convertible Bonds occurs, as defined in section 4.9 of the Securities Note (the "**Conversion Date**").

○ Conversion Expenses:

The Issuer shall pay all stamp, issue, registration or other similar taxes and duties (if any) payable in Spain arising from the issue of the New Shares or from the conversion of the Convertible Bonds, their transfer and delivery to the order of the holder of Convertible Bonds making the conversion as well as any expenses for obtaining the admission to trading of such New Shares on the Spanish stock exchanges and all expenses of the Agent as set out in the relevant agency agreement entered into with the Agent.

Notwithstanding the foregoing, as a prerequisite to conversion, the Convertible Bond holder will pay to the Company (or such person as it may direct) all stamp, issue, registration or other similar taxes and duties (if any) arising on the conversion which may be payable, if any, in any jurisdiction other than Spain as a result of the issue, transfer or delivery of the New Shares or other assets or cash on conversion to or to the order of the holder of Convertible Bonds making the conversion.

○ Certification of non-residence in the United States of America:

At the time of exercising the conversion right attaching to any Convertible Bond, the holder of Convertible Bonds must represent and agree in the Conversion Request that, at the time of execution and deposit of such Conversion Request, neither it nor the person who is the beneficial owner of the Convertible Bond resides in the United States of America (within the meaning of Regulation S under the United States Securities Act of 1933 (the "**Securities Act**")) and that neither it nor such person acquired

such Convertible Bond, or the beneficial ownership thereof, in a transaction pursuant to Rule 903 or Rule 904 of Regulation S. No New Shares will be issued to a holder of Convertible Bonds if he does not satisfy these requirements.

o Exercise of conversion right by holders of Convertible Bonds:

- **CONVERSION RATIO:**

The number of New Shares to be delivered to holders of Convertible Bonds exercising their conversion right will be determined by dividing the nominal amount of the Convertible Bonds in respect of which the conversion right is exercised (the “**Conversion Amount**”) by the Conversion Price in effect on the relevant Conversion Date, rounded down to the nearest whole number of New Shares.

The conversion price in effect on the Issue Date will be EUR 0.37 per New Share. This is a fixed conversion price until the Maturity Date of the Convertible Bonds, which will only be subject to the adjustments described in Appendix I of the Securities Note (the “**Conversion Price**”) that are customary in this type of transaction to ensure that, in the event that certain corporate transactions are carried out or certain resolutions are adopted that may result in the dilution of the value of the Company’s share, the Conversion Price is adjusted so that such transactions or resolutions affect the Company’s shareholders and the holders of the Convertible Bonds equally. In any event, the Conversion Price may in no event be reduced below the nominal amount per unit of the shares of the Company (EUR 0.10).

Accordingly, the formula to be applied to determine the number of New Shares to be issued upon exercise of the conversion right will be as follows:

$$\text{New Shares to be issued} = \frac{\text{Conversion amount (= unit par value x number of Convertible Bonds)}}{(\text{Conversion Price in effect on Conversion Date})}$$

Taking into account the Conversion Price, i.e. EUR 0.37 per New Share, and assuming that none of the adjustments described in Appendix I to the Securities Note are made, the conversion of each Convertible Bond of EUR 370 par value will result in the delivery of 1,000 New Shares of the Issuer.

The Agent shall be responsible for determining the number of New Shares to be issued and delivered to each holder of Convertible Bonds who has exercised its conversion right in accordance with the provisions of this section and for making the relevant calculations and rounding, where appropriate (see section “*share fractions*” below).

- **FUNGIBILITY OF THE NEW SHARES AND THE ABSENCE OF SPECIFIC CONVERSION GUARANTEES:**

The conversion rights of holders of Convertible Bonds are not exercisable in respect of specific shares and no existing shares have been pledged, deposited or otherwise reserved for the purpose of securing or satisfying the Company’s obligations in respect of the conversion rights.

- **FRACTIONS OF NEW SHARES:**

In the event that the result of dividing the par value of the Convertible Bonds by the Conversion Price does not result in a whole number of New Shares to be issued, such number will be rounded down to the next lower whole number. Therefore, no fractions of New Shares will be issued upon conversion.

However, if the same holder of Convertible Bonds is to convert several Convertible Bonds at the same time so that the New Shares are registered in favour of the same person, the number of New Shares to be issued as a result of the conversion will be calculated on the basis of the total principal amount of the Convertible Bonds being converted. If a fraction of a New Share is to be issued upon conversion, it will proceed to be paid to the holder of the Convertible Bonds in question within 5 business days following the Book-Entry Date and in accordance with the corresponding operating

instruction, the amount produced by multiplying the fraction of the New Share by the closing price of Prisa shares on the Conversion Date (with rounding, as appropriate, down to two decimal places) indicated by the Calculation Agent for these purposes.

○ Issue and admission to trading of the New Shares:

- **DEADLINES FOR THE ISSUE OF THE NEW SHARES. PROCEDURE FOR APPROVAL AND IMPLEMENTATION OF THE ISSUE OF THE NEW SHARES AND ADMISSION TO TRADING OF THE NEW SHARES:**

The Board of Directors of the Company shall, within 15 business days following the Conversion Date, adopt the corresponding resolution to implement the capital increase so that the New Shares are admitted to trading within one month from the relevant Conversion Date or Maturity Date, at the latest. In any event, the Company will make its best efforts to ensure that the New Shares commence trading as soon as possible.

It is hereby stated that, in accordance with the Capital Companies Act, there will be no pre-emptive rights of the Company's shareholders in such capital increases insofar as they are due to the conversion of bonds into shares. The holders of the Convertible Bonds who have exercised their conversion right will acquire the right to receive the corresponding New Shares as from the date on which the Board of Directors adopts the resolution to implement the capital increase resulting from the conversion.

Once the public deed of capital increase has been executed, the Issuer will apply for its registration with the Commercial Registry. Following registration of the deed at the Commercial Registry, the Issuer will apply for the registration of the New Shares in the accounting records of Iberclear and the Participants and their admission to trading on the Spanish stock exchanges through the Spanish Stock Exchange Interconnection System (SIBE).

The New Shares may not be transferred until the date on which they have been recorded in the relevant registers maintained by Iberclear and the Participants (the "**Book-Entry Date**"). The registration of the ownership of the New Shares issued in such registers will also be necessary for the exercise of voting rights.

The Issuer, through the Participants and the corresponding disclosure to the market on the CNMV's website (www.cnmv.es) and on the Company's website (www.prisa.com), will notify the holders of the Convertible Bonds of the number of New Shares issued as a result of the conversion on each Conversion Date or, as the case may be, on the Maturity Date, the expected Book-Entry Date of the New Shares and the estimated date of admission to trading of the New Shares on the Spanish stock exchanges. In addition to the delivery of the relevant New Shares, the holders of the Convertible Bonds will be entitled to receive the interest accrued up to the relevant Conversion Date or Maturity Date.

In the event of significant delays in relation to the above deadlines, the Issuer shall make public the reasons for the delay by means of an appropriate disclosure to the market.

- **EFFECTS OF CONVERSION:**

Once the New Shares have been issued and registered in the name of the holders of the Convertible Bonds, all obligations of the Issuer in relation to the holders of the Convertible Bonds who have exercised their conversion rights will be deemed to have been fully discharged (except where there has been any delay in the issue and registration of the New Shares, as set out in section 4.8 of the Securities Note).

○ report by auditors and directors:

The Board of Directors of the Company, pursuant to the provisions of Articles 414.2 and 510 of the Capital Companies Act, approved at its meeting held on 9 January 2023, a report explaining, among other matters, the bases and modalities of the conversion of the Convertible Bonds, which was the

subject of a report prepared and issued by PricewaterhouseCoopers Auditores, S.L., an auditor other than the Company's auditor appointed as an independent expert for such purpose by the Commercial Registry (the "**Independent Expert Report**").

PricewaterhouseCoopers Auditores, S.L. confirmed, in the Independent Expert Report, that the aforementioned directors' report contains the required information compiled by the relevant technical standards in relation to the preparation of special reports on this type in the case under Articles 414.2 and 510 of the Capital Companies Act.

Both reports are available on the Company's website (www.prisa.com).

4.7.2 Rights accruing to the holders of the New Shares

The New Shares to be issued to cover the conversions of the Convertible Bonds will be ordinary shares of the Company and will be delivered with title guarantee, fully paid up, free of any liens, encumbrances, pre-emptive subscription rights or other rights of third parties and will enjoy the same voting and dividend rights as the other shares of the Company as from the Book-Entry Date, i.e. the date of their registration in the relevant accounting registers held by Iberclear and the Participants. The holders of the New Shares will be treated by the Issuer, for all purposes, as shareholders of the Company with effect from and including the Book-Entry Date.

In particular, the most significant rights of the Company's shares provided for in the Capital Companies Act and in Prisa's Articles of Association are detailed below. The Articles of Association of the Company do not provide any additional benefits, privileges, powers or duties arising from the ownership of the Company's shares.

(a) Rights of dividends:

Fixed date(s) on which entitlement arises:

The New Shares, on the same terms as the Company's other shares, will entitle the holders to participate in full in the dividends that Prisa decides to distribute to its shareholders as from the Book-Entry Date. However, the New Shares, like the other shares comprising the current share capital of Prisa, do not carry the right to receive a minimum dividend, as they are all ordinary shares. The right to a dividend on shares in Prisa will arise only when the General Shareholders' Meeting or, in the event of distribution of interim dividends, the Board of Directors resolves to distribute the company's earnings.

At the date of the Securities Note there are no active dividends or interim dividend amounts resolved and outstanding. Prisa is currently limited in its ability to undertake dividend distributions as the Company made a commitment to its financial creditors under the agreement for the amendment of the Group's syndicated financial debt which came into effect in April 2022 to only distribute dividends if the total amount available for distribution in any financial year has been determined from the net profit of the previous year within the following limits: (i) as long as the ratio of Consolidated Net Financial Debt (including the liability associated with IFRS 16) over consolidated EBITDA, which is one of the financial ratios of the contracts associated with the syndicated junior and senior debt and that relating to the super senior debt of the Prisa Group, is above 4.5 during the 12 months prior to the dividend distribution date, the total distribution of dividends may not exceed a total of 10,000 thousand euros during the term of the contracts; or (ii) provided that the aforementioned ratio does not exceed 4.5 during the twelve months prior to the dividend distribution date, the dividend distribution may amount to 10,000 thousand euros per year, thus precluding the limit established in point (i) above.

In addition, as at 31 December 2021, the Company had a legal reserve of EUR 7,087 thousand, representing 10% of the current capital. Therefore, in accordance with the provisions of the Spanish Capital 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.

Time limit after which entitlement to dividend lapses and an indication of the person in whose favour the lapse operates:

The income, if any, from the New Shares may be realised in such manner as may be announced in each case. The limitation period for the right to collect is five years in accordance with the provisions of Article 947 of the Commercial Code published by Royal Decree of 22 August 1885. The beneficiary of such limitation shall be the Company.

○ Dividend restrictions and procedures for non-resident holders:

As the New Shares will be represented by book entries, the rights to receive dividends, as well as any other economic rights to which such shares give rise, will be exercised through Iberclear and the Participants.

The Company is not aware of any restrictions on the receipt of dividends by non-resident shareholders in Spain, without prejudice to any withholding tax on account of non-resident income tax that may be applicable.

○ Tate of dividend or method of its calculation, periodicity and cumulative or non-cumulative nature of payments:

The New Shares, like the other shares comprising the share capital of the Company, will not carry the right to receive a minimum dividend, as they are all ordinary shares. Therefore, the right to a share dividend shall only arise from the moment the General Shareholders' Meeting of the Company or, as the case may be, the Board of Directors, resolves on a distribution of corporate profit and they shall be paid, as the case may be, in the manner and within the term determined from time to time in such resolutions.

(b) Attendance and voting rights:

The New Shares will confer on their holders, in accordance with Article 93 of the Capital Companies Act, the right to attend and vote at general shareholders' meetings of the Company as well as the right to challenge corporate resolutions under the same conditions as the other shareholders of the Company, in accordance with the general regime established in the Capital Companies Act, as well as in the Articles of Association and in the Regulations of the General Meeting of Prisa.

In particular, with regard to the right to attend general shareholders' meetings, Article 11 of the Articles of Association and Article 7 of the Regulations of the General Meeting of Prisa state that all shareholders, regardless of the number of shares they hold, may attend General Meetings of Shareholders provided that they are registered in the corresponding accounting registers five calendar days prior to the date on which the meeting is to be held, and remain registered until the meeting is held.

In order to exercise their right to attend, shareholders must first be authorised to do so by means of the corresponding attendance card issued by one of the Participants, or in any other form permitted by the legislation in force.

Shareholders may be represented at the General Shareholders' Meeting by another person. The appointment of the proxy and the notification of the appointment may be made especially for each General Shareholders' Meeting in writing or by such electronic means as the Board of Directors may determine, where appropriate, when calling each General Shareholders' Meeting and in accordance with the provisions of the Regulations of the General Shareholders' Meeting of Prisa, with proper assurances of the identity of the proxy holder and the proxy.

Each share with voting rights present or represented at the General Meeting gives the right to one vote, and no limitations are envisaged on the maximum number of votes that may be cast by each shareholder or by companies belonging to its group, in the case of legal persons.

(c) Pre-emption rights and free allotment in offers for subscription of securities of the same class:

The New Shares shall confer on their holders, in the same way as the other shares of the Company, on the terms established in the Capital Companies Act, the pre-emptive subscription right in any capital increase with the issue of new shares (ordinary, preferred or otherwise) by means of cash contributions, and in the issue of any

bonds convertible into shares, without prejudice to the possibility of total or partial exclusion of the pre-emptive subscription right in accordance with the provisions of the Capital Companies Act.

In addition, all the Company's shares confer on their holders the free allotment right provided in the Capital Companies Act in the event of capital increases charged to reserves.

(d) Right to share in the Issuer's profits:

In accordance with the provisions of Article 93.a) of the Capital Companies Act, the New Shares shall confer the right to a share in the distribution of the Company's profits on the same terms as the other shares of the Company.

(e) Rights to share in any surplus in the event of liquidation:

In accordance with the provisions of Article 93.a) of the Capital Companies Act, the New Shares shall confer the right to a share in the distribution of the Company's profits on the same terms as the other shares of the Company.

(f) Right to information:

On the same terms as the other shares of Prisa, the New Shares will confer on their holders the right to information set forth in Articles 93.d), 197 and 520 of the Capital Companies Act, as well as those rights which, as special manifestations of the right to information, are included in said Act and in *Law 3/2009, of 3 April, on structural modifications of commercial companies* in detail, when dealing with the modification of bylaws, increase and reduction of share capital, approval of financial statements, issue of bonds (convertible or not into shares), transformation, merger and spin-off, dissolution and liquidation of companies, global transfer of assets and liabilities, international transfer of the registered office and other corporate acts or operations.

From the day of publication of the notice of a General Shareholders' Meeting, the Company's shareholders may, up to the fifth day prior to the date scheduled for the General Meeting, or verbally at the General Meeting itself, request such information or clarifications as they deem necessary regarding the items on the agenda, or ask such questions in writing as they deem appropriate. Shareholders may also request from the directors, in writing and within the same period, or verbally during the General Meeting, such clarifications as they deem necessary regarding the information accessible to the public that the Company has provided to the CNMV since the last General Meeting was held and regarding the auditor's report.

The Company shall be obliged to provide the requested information, except in cases where (i) the information is unnecessary for the protection of the shareholder's rights; (ii) there are objective reasons to consider that the information could be used for purposes unrelated to the company; and/or (iii) the disclosure of the information would be detrimental to the Company or related companies. However, the information requested may not be denied when the request is supported by shareholders of the Company representing at least 25% of the share capital. In the event of abusive or harmful use of the information requested, the shareholder shall be liable for any harm and loss caused. In the event that the requested information cannot be provided at the General Shareholders' Meeting itself and denial is not appropriate, the directors shall be obliged to provide such information in writing within seven days of the end of the General Shareholders' Meeting.

Shareholders representing at least 3% of the share capital may request, under the terms of Article 519 of the Capital Companies Act, that a supplement to the notice of the ordinary General Shareholders' Meeting be published, including one or more items on the agenda, provided that the new items are accompanied by a justification or, as the case may be, a proposed resolution with an explanation. In no case may such right be exercised with respect to the calling of extraordinary General Meetings of Shareholders. Likewise, shareholders representing at least 3% of the share capital may submit, under the terms provided for in Article 519 of the Capital Companies Act, reasoned proposals for resolutions on matters already included or to be included on the agenda of a General Shareholders' Meeting that has already been called.

(g) Redemption provisions:

Not applicable.

(h) Conversion provisions:

Not applicable.

4.8 Nominal interest rate and provisions on payable interest

(a) Nominal interest rate:

The nominal interest rate of the Convertible Bonds will be 1.00% per annum fixed per annum, not capitalizable calculated on an annual basis of 360 days ("ACT/360") (the "**Interest Rate**"). The accrued interest will not be capitalised and the accrued amount will be payable in cash to the holders of the Convertible Bonds solely when indicated in section (c) below.

(b) Date from which interest becomes payable:

The Convertible Bonds will bear interest from the Issue Date (inclusive) until, as the case may be, the Conversion Date or the Maturity Date (exclusively in either case), without prejudice to the provisions of section (c) below.

In this regard, "**Interest Period**" shall mean the period commencing on the Issue Date (inclusive) and ending, as the case may be, on the Conversion Date or the Maturity Date (exclusive of either).

(c) Provisions relating to interest payable:

○ Date from which interest becomes payable:

Payment of accrued interest on the Convertible Bonds shall be made within ten Business Days after (i) the relevant Conversion Date, if the holder of Convertible Bonds has exercised its conversion right in one of the Conversion Periods or an Early Maturity Event or Early Conversion has occurred; or (ii) the Maturity Date, in the event that the holder of Convertible Bonds has not exercised their conversion right in any of the Conversion Periods or an Early Maturity Event or Early Conversion has not occurred.

○ Calculation of amount of interest:

The Agent shall calculate the amount of interest (the "**Interest Amount**") on each Convertible Bond in respect of the applicable Interest Period.

The Interest Amount per Convertible Bond shall be calculated by applying the Interest Rate to the unit face value of the Convertible Bonds multiplied by the actual number of calendar days contained in the relevant Interest Period on the basis of a year of 360 days, and rounding the resulting figure to the nearest cent (rounded up by half a cent), calculated in accordance with the formula set out below:

$$\text{Amount of Interest per Convertible Bond} = 1.00\% \times (\text{unit par value}) \times \frac{\text{No of days}}{360}$$

○ Failure to deliver the New Shares or failure to pay the Interest Amount and/or fractions of New Shares:

In the event that payment of the Interest Amount and/or fractions of New Shares, or delivery of the New Shares, is unduly withheld, delayed or refused beyond the time limits provided for, the relevant Convertible Bonds from which such bonds arise shall be deemed to continue to bear interest at the Interest Rate plus late payment interest at the current legal interest rate until the date on which the relevant payment(s) is made or the Book-Entry Date, as the case may be.

The amount of interest payable on each Convertible Bond will be calculated by applying the late payment interest to the outstanding amount or number of New Shares to be delivered.

○ Payments:

- *Payments into account:* payments in respect of the Convertible Bonds will be made through Iberclear into the accounts of the Participants where the holders hold the Convertible Bonds, the Participants being responsible for crediting the amounts received into each of the cash accounts of the holders and without the need for the holders of the Convertible Bonds to take any additional action in relation to the economic rights deriving from the Convertible Bonds.

- *Payments subject to tax laws:* All payments in respect of the Convertible Bonds will in all cases be subject to the tax and other laws applicable in the place of payment, subject as set out below. No fees or expenses will be charged to holders of Convertible Bonds for such payments. All payments in respect of the Convertible Bonds made by or on behalf of the Issuer will be made free and clear of and without withholding or deduction for taxes, duties, assessments or public charges of any kind levied, collected, withheld or assessed in Spain or by any other jurisdiction or its political subdivisions or bodies having powers of taxation, unless such deductions or withholdings are required by law. In such case, the appropriate withholding or deduction will be made and no additional amounts will be paid by the Issuer to the holders of Convertible Bonds to offset such deductions or withholdings. In addition, see section 4.15 of the Securities Note.

- *Payments on business days:* if the due date for payment of an amount in respect of a Convertible Bond is not a payment business day, the relevant holder of Convertible Bonds will only be entitled to payment of the overdue amount, up to the due date for payment, on the next succeeding payment business day and will not be entitled to additional interest or other payments for such delay.

○ Notifications:

All notices, opinions, determinations, certifications, calculations, listed prices and decisions given, expressed, made or obtained for the Convertible Bonds for the purposes of this Securities Note by the Agent or the Calculation Agent shall (in the absence of obvious error) bind the Issuer, the Trustee and the holders of Convertible Bonds.

(d) Valid period within which the sums owed can be claimed:

Pursuant to Article 1964 of the Civil Code, the repayment of the Interest Amount and fractions of New Shares, if any, will cease to be due after five years from the Conversion Date or Maturity Date of the Convertible Bonds.

4.9 Maturity date and forms of redemption, including procedures for reimbursement.

(a) Ordinary maturity:

Unless previously converted into New Shares, and notwithstanding that an Early Maturity Event or Early Conversion may occur as provided in section (b) below, all Convertible Bonds not previously converted will be mandatorily converted into New Shares of the Company on the fifth anniversary of the Issue Date (the “**Maturity Date**”). The Maturity Date is scheduled to take place on 3 February 2028.

The number of New Shares to be delivered will be determined in accordance with section (c.2) of Section 4.7.1 of the Securities Note, and fractions of New Shares, if any, will be paid in cash in accordance with that section. In addition to the delivery of the relevant New Shares, the holders of the Convertible Bonds will be entitled to receive the interest accrued up to the Maturity Date in cash.

(b) Early maturity:

○ For the occurrence of certain events:

The Convertible Bonds will mandatorily convert into New Shares early upon the occurrence of any of the following events (each of them, an “**Early Maturity Event**”):

- (i) If the Issuer is declared insolvent as planned in the Insolvency Act;
- (ii) If the Issuer takes any corporate action (other than merger, demerger and global transfer of assets and liabilities) leading to its voluntary or involuntary dissolution and liquidation; or
- (iii) If the Group's ability to carry on its business is wholly or substantially limited or restricted by any expropriation, seizure, embargo, nationalisation, intervention, restriction or any other similar action by or on behalf of any governmental authority, regulator or person in relation to the Group or any of its assets.

In such cases, in addition to the delivery of the relevant New Shares, the holders of the Convertible Bonds will be entitled to receive in cash the interest accrued up to the relevant Conversion Date and, if applicable, the fractions of New Shares corresponding to them in cash. Upon conversion to New Shares and from the Book-Entry Date, all obligations of the Issuer in relation to the Convertible Bonds will be deemed to have been fulfilled, without prejudice to any claims that may be made by holders of Convertible Bonds in respect of unsatisfied claims or rights arising on or before the Conversion Date. On or before such date, the Agent must have received from the depositaries of the Convertible Bonds the referred information in section (c) of section 4.7.1 of the Securities Note.

The Company will announce the occurrence of an Early Maturity Event to the market and to the holders of the Convertible Bonds through the publication of the relevant notice of "privileged information" on the website of the CNMV (www.cnmv.es) and on the Company's website (www.prisa.com). This notice will indicate the number of New Shares to be issued as well as the Conversion Date, the expected Book-Entry Date and the estimated date of admission to trading of the New Shares on the Spanish stock exchanges.

o At the request of the Company:

The Company reserves the right to convert all Convertible Bonds into New Shares (the "**Early Conversion**"), by giving 10 natural days' notice to the holders of the Convertible Bonds, though the Commissioner in the event that, as a result of the exercise of the voluntary conversion right by the holders of the Convertible Bonds, less than 5% of the issued Convertible Bonds will remain sometime outstanding.

In such cases, in addition to the delivery of the relevant New Shares, the holders of the Convertible Bonds will be entitled to receive in cash the interest accrued up to the relevant Conversion Date and, if applicable, the fractions of New Shares corresponding to them in cash.

As soon as Prisa has adopted the decision to execute the Early Conversion, the Company will inform the market and the holders of the Convertible Bonds by means of the corresponding notice of "privileged information" on the CNMV's website (www.cnmv.es) and on the Company's website (www.prisa.com). This notice will indicate the number of New Shares to be issued as well as the Conversion Date, the expected Book-Entry Date and the estimated date of admission to trading of the New Shares on the Spanish stock exchanges.

o At the request of the holders of the Convertible Bonds:

Holders of Convertible Bonds may not apply for conversion of their Convertible Bonds into New Shares prior to the Maturity Date, except in the Conversion Periods.

(c) **Redemption of Convertible Bonds:**

Redemption of Convertible Bonds shall necessarily occur upon conversion of the same into New Shares: Repayment of the principal amount in cash of the Convertible Bonds may therefore not be demanded under any circumstances, even in the event of an arrangement with creditors of the Company. It is also noted that the Company has undertaken not to purchase, directly or indirectly through any Group company, Convertible Bonds for the purpose of early redemption.

(d) Conversion of Convertible Bonds:

The situations described in sections (a) and (b) of this point 4.9 of the Securities Note will be subject to the provisions of “*Conversion expenses*”, “*Certification of non-residence status in the United States*”, “*Value of the Convertible Bonds and New Shares for conversion purposes*” and “*Issue and admission to trading of the New Shares*” within Point 4.7.1, Section C.2 of the Securities Note.

4.10 Indication of yield and description of method for calculating it

The Convertible Bonds will entitle their holders to receive, upon conversion, the Interest Rate described in section 4.8 (a) of the Securities Note and the number of New Shares to which they are entitled pursuant to section 4.7.1 (c) of the Securities Note.

The investor’s return during the Issue can be calculated by using the annual internal rate of return (IRR), which is the discount rate that equals at any date the present value of the cash delivered and received by the holder of Convertible Bonds over the life of the Issue.

The effective yield on the Convertible Bonds for investors will be: (i) until the Conversion Date, the Interest Rate and (ii) upon conversion, the difference between the quoted price of the Company’s shares on such date and the Conversion Price, such that in the event that on the date of delivery of the New Shares the listed price is lower than the Conversion Price, the holders of Convertible Bonds will suffer a loss on the amount invested, without taking into account the yield obtained by charging the Interest Rate (see risk factors no 3 and 13).

Accordingly, the return to investors will depend, in each case, on the amount invested in their subscription (their par value) or their acquisition (the price paid for their purchase in the market) taking into account the cost of acquiring pre-emptive acquisition rights if such acquisition is necessary, the time at which each investor transfers, if any, the Convertible Bonds and the transfer price, the time of conversion or maturity, the trading price of the Company’s shares on the market at the time of delivery of the New Shares, the time at which each holder of Convertible Bonds transfers the New Shares the holder receives as a result of the conversion, the consideration the holder obtains for their sale, the dividends, if any, the holder he receives while holding the New Shares and the Interest Amount received.

For illustrative purposes, and without making any estimates or predictions, the following are examples of investor returns under different scenarios.

For the calculation of the IRR for the holders of the Convertible Bonds, different scenarios have been calculated, depending on the timing of the investor’s decision to exercise the conversion right. The assumptions common to each of these scenarios are as follows:

- The calculation has been made on the basis of the subscription by the investor of a Convertible Bond of EUR 370 par value for such amount.
- No adjustment is made to the Conversion Price, i.e. the Conversion Price is EUR 0.37 per New Share.
- No Early Maturity Event or Early Conversion.
- Selling price: hypothetical values above and below the Conversion Price have been used to quantify, in terms of return, the theoretical capital gains or losses that the investor will see.

Accordingly, it is noted that the scenarios used (i) do not encompass all events that may occur during the life of the Issue; (ii) are based on mere hypotheses; and (iii) may change over the life of the Issue.

Scenarios for calculating the IRR:

- *Case 1:* The Convertible Bonds are not requested to be converted and the holder of the Convertible Bonds receives the Interest Amount (EUR 18.8) per Convertible Share on the Maturity Date and subsequently sells the New Shares at a same price as Conversion Price (0.37 euros per share).
Resulting IRR: 1.0% (calculated on the Conversion Date as if the New Shares were sold on the Conversion Date).
- *Case 2:* The Convertible Bonds are not requested to be converted and the holder of the Convertible Bonds receives the Interest Amount (EUR 18.8) per Convertible Share on the Maturity Date and subsequently sells the New Shares at a price of EUR 0.45 per share (0.08 euros above the Conversion Price).
Resulting IRR: 4.8% (calculated on the Conversion Date as if the New Shares were sold on the Conversion Date).
- *Case 3:* The Convertible Bonds are not requested to be converted and the holder of the Convertible Bonds receives the Interest Amount (EUR 18.8) per Convertible Share on the Maturity Date and subsequently sells the New Shares at a price of EUR 0.30 per share (0.07 euros below the Conversion Price).
Resulting IRR: -2.9% (calculated on the Conversion Date as if the New Shares were sold on the Conversion Date).
- *Case 4:* The holder of the Convertible Bonds exercises the conversion right, the Conversion Date being 10 May 2025, and subsequently sells the New Shares at a price of EUR 0.45 per share (0.08 euros above the Conversion Price). The holder of the Convertible Bonds will not receive the Interest Amount accrued in that date (EUR 8.5) per Convertible Share.
Resulting IRR: 9.9% (calculated as at Conversion Date as if the New Shares were sold on the Conversion Date).
- *Case 5:* The holder of the Convertible Bonds exercises the conversion right, the Conversion Date being 10 May 2025, and subsequently sells the New Shares at a price of 0.30 (0.07 euros below the Conversion Price). The holder of the Convertible Bonds will not receive the Interest Amount accrued in that date (EUR 8.5) per Convertible Share.
Resulting IRR: -7.7% (calculated as at Conversion Date as if the New Shares were sold on the Conversion Date).

4.11 Representation of holders of non-equity securities holders

Pursuant to the legislation in force and the rules of the Bondholders' Syndicate, the Bondholders' Syndicate of the Issue will be constituted once the notarial deed of subscription and disbursement of the Convertible Bonds has been executed.

The following entity has been appointed as a trustee of the Bondholders' Syndicate: Bondholders, S.L., with address for notice purposes at Valencia, Spain, Avenida de Francia, 17, A, 1 (post code 46023), who accepted the office on 9 January 2023 and shall hold office until removed by the general meeting of the Bondholders' Syndicate (the "**Trustee**").

Notwithstanding the foregoing, the removal of the Commissioner will not be effective until a successor commissioner has accepted his position and until the assignment of the contractual position of the new commissioner in the Inter-Creditor Agreement.

The regulations of the Bondholders' Syndicate will be available at any time at the Company's offices and on its corporate website (www.prisa.com).

4.12 Resolutions, authorisations and approvals under which the securities will be created and/or issued.

The Issue is made by virtue of the following resolutions:

- (i) Resolution of the Ordinary General Shareholders' Meeting of Prisa held on 28 June 2022, under item nine of the agenda, whereby the Board of Directors of the Company was delegated, in accordance with the provisions of Article 511 of the Capital Companies Act and the Regulations of the Commercial Registry, approved by Royal Decree 1784/1996, of 19 July, applying by analogy the provisions of Article 297.1.b) of the Capital Companies Act, so that, within a maximum period of five years from the date of adoption of the resolution and without the need for a call or subsequent resolution of the General Meeting, it may resolve to issue, on one or several occasions, fixed income securities, convertible and/or exchangeable for shares, among others, for an aggregate maximum amount of the issue of 1,000,000,000 euros or its equivalent in another currency. In addition, in the case of Convertible Bonds, the Board of Directors was empowered, inter alia, to (i) determine whether such securities are convertible and/or exchangeable securities, (ii) reserve the right to choose between conversion and exchange, and (iii) establish the premium or discount for the securities.
- (ii) Resolution of the Board of Directors of the Company adopted at its meeting held on 9 January 2023, in exercise of the delegation conferred by the Ordinary General Shareholders' Meeting of the Company held on 28 June 2022, under item nine of the agenda, by virtue of which it was resolved to issue up to 351,350 Convertible Bonds for a total nominal amount of EUR up to 129,999,950.

In exercise of the delegation conferred by the General Meeting, the Board of Directors, by virtue of the resolutions adopted at the aforementioned meeting, resolved to execute the aforementioned resolution and to approve the terms and conditions governing the Issue, setting, among other matters, the amount of the Issue, the conversion ratio of the Convertible Bonds, the appointment of the Agent and the Calculation Agent, the approval of the regulations of the Bondholders' Syndicate, the appointment of the Trustee and the procedure for the subscription of the Convertible Bonds, among other terms which are set out in the Securities Note.

In this regard, the substantial content of the terms and conditions of the Convertible Bonds, which will be set out in the public deed of the Issue, has been included in the Securities Note and no material aspect of the same has been omitted.

In addition, the General Shareholders' Meeting 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:

4.13 Scheduled issue date of securities

The expected issue date of the Convertible Bonds is 3 February 2023, the date on which the notarial deed of subscription and disbursement of the Issue is expected to be executed and the Convertible Bonds will be entered in the accounting records of Iberclear (the "Issue Date").

The Issuer may, without the consent of the Convertible Bond holders, create and issue additional bonds having the same terms and conditions, in all respects as possible constituting a single series with the Convertible Bonds.

In addition, New Shares will be issued, where applicable, as described in section 4.7.1 (c.2) and 4.9 of the Securities Note.

4.14 Description of any restrictions on the free transferability of the securities

There is no restriction on the free transferability of the Convertible Bonds and/or the New Shares, and they will therefore be freely transferable in accordance with the provisions of the Capital Companies Act, the Securities Market Act and other implementing legislation.

4.15 Tax considerations

The Convertible Bonds issued under the Securities Note will be subject to the general tax regime in force from time to time for securities issues in Spain. The tax regime applicable to the acquisition, ownership and, if applicable, subsequent transfer of the Convertible Bonds offered is set out below. This is without prejudice to the modifications of the taxes involved in the regional tax regimes of the Economic Regime and the Economic Arrangement, respectively, in the historical territories of the Basque Country and the Community of Navarre, or any other exceptional taxes that may be applicable due to the specific characteristics of the investor.

By way of example, but not exclusively, the applicable regulations shall be:

- Law 35/2006, of 28 November, on Personal Income Tax and partially amending the laws on Corporate Income Tax, Non-Resident Income Tax and Wealth Tax (the “**LIRPF**” in Spanish), as well as Royal Decree 439/2007, of 30 March, approving the Regulations on Personal Income Tax and amending the Regulations on Pension Plans and Funds, approved by Royal Decree 304/2004, of 20 February (the “**RIRPF**” in Spanish).
- Law 27/2014, of 27 November, on Corporate Income Tax, (the “**LIS**” in Spanish) as well as the Corporate Income Tax Regulations approved by Royal Decree 634/2015, of 10 July (the “**RIS**” in Spanish).
- The consolidated text of the Non-Resident Income Tax Law approved by Royal Legislative Decree 5/2004, of 5 March (the “**TRLIRnR**” in Spanish), as well as Royal Decree 1776/2004, of 30 July, approving the Non-Resident Income Tax Regulations (the “**RIRNR**” in Spanish).
- Law 19/ 1991, of 6 June, on Wealth Tax, (the “**LIP**” in Spanish).
- The Law 38/2022, of 27 December for the establishment of temporary energy levies and levies on credit institutions and financial credit establishments and creating the temporary solidarity tax on large fortunes, and amending certain tax rules.
- Law 29/1987 of 18 December, on Inheritance and Gift Tax (the “**LISD**” in Spanish) and its implementing regulations, approved by Royal Decree 1629/1991 of 8 November.

In addition, account must be taken of the first additional provision of Law 10/2014 of 26 June on the organisation, supervision and solvency of credit institutions (the “**Law 10/2014**”), and Royal Decree 1065/2007 of 27 July, approving the General Regulation on actions and procedures for tax management and inspection and the development of common rules for tax application procedures (“**RD 1065/2007**”). In this regard, Article 44 of Royal Decree 1065/2007 establishes the information procedures applicable to preference shares and debt instruments that may benefit from the special tax regime provided for in the first additional provision of Law 10/2014.

The Issuer hereby irrevocably instructs the Agent to notify Iberclear, on its behalf, of the mandatory corporate event relating to the payment of interest on the Convertible Bonds so that payment is made, in any event, net of withholding tax on account of personal income tax, corporate income tax and non-resident income tax (at the general rate legally in force from time to time). Consequently, the procedure established by Iberclear in Instruction no. 20/2019 of 17 October (Payment of coupons of public and private fixed income issues shall not apply. Credit for the gross amount). However, Participants may apply to the Company for a refund of the amounts over-withheld by delivering to the Company by the 10th day of the month following the interest payment date the statement described in section 4.15.2 (“*Reporting obligations*”) below.

This extract does not purport to be a comprehensive description of all tax considerations that may be relevant to a decision to purchase the Convertible Bonds, nor does it purport to cover the tax consequences applicable to all categories of potential investors, some of which (such as financial institutions, entities exempt from corporate income tax, collective investment schemes, pension funds, cooperatives, entities under income attribution regimes, etc.) may be subject to special rules.

Those interested in acquiring the Convertible Bonds should their lawyers or tax advisers, who will be able to provide personalised advice in view of their specific circumstances. Likewise, they will have to be alert to any changes that the legislation currently in force or its interpretation criteria may undergo in the future.

The Securities Note also includes a description of the tax consequences of holding and transferring the Company's shares, should the conversion of the Convertible Bonds be executed.

References in this section to investors include the beneficial owners of the Convertible Bonds. Investors should note that the appointment in respect of the Convertible Bonds by an investor, or any person through whom an investor holds its Convertible Bonds, of a custodian, agent or similar person in any jurisdiction may have tax implications.

4.15.1. Direct taxation on income generated as a result of the holding and conversion of the Convertible Bonds.

The description in this section sets out the tax treatment applicable to the Convertible Bonds.

(a) Holders of Convertible Bonds resident for tax purposes in Spain

This section analyses the tax treatment applicable to holders of Convertible Bonds resident for tax purposes in Spain.

(a.1) Tax residence in Spanish territory

For these purposes, the following shall be considered tax residents in Spain, without prejudice to the provisions of the Double Taxation Avoidance Agreements (the "DTA") signed by Spain: (i) entities resident in Spanish territory in accordance with Article 8 of the LIS, (ii) individual taxpayers who have their habitual residence in Spain, as defined in Article 9 of the LIRPF, (iii) residents abroad who are members of Spanish diplomatic missions, Spanish consular offices and other official posts, under the terms of Article 10 of the aforementioned law, and (iv) individuals of Spanish nationality who, having ceased their tax residence in Spain, prove their new tax residence in a non-cooperative jurisdiction, both during the tax period in which the change of residence takes place and in the four following periods.

This section also applies to other holders of Convertible Bonds who are individuals resident in other member States of the European Union (provided that they are not resident in a territory classified by regulations as a non-cooperative jurisdiction) who are taxpayers liable to IRnR, whose income obtained in Spanish territory from work and economic activities amounts to at least 75% of their total income for the year and who choose to be taxed as income tax payers, provided that such income has been effectively taxed for IRnR during the tax period in accordance with the provisions of Article 46 of the TRLIRnR.

(a.2) Taxation of returns

In the event that the holders of the Convertible Bonds are individuals or legal entities resident for tax purposes in Spain, the taxation of the return produced will be determined by the LIRPF and the LIS, as well as their implementing regulations.

Taxable persons for personal income tax purposes

In particular, with respect to Personal Income Tax (the “**Personal Income Tax**”), both (i) the collection of the amount of interest derived from the holding of the Convertible Bonds and (ii) the difference between the subscription or acquisition value of the Convertible Bond and its transfer, conversion or redemption value will be considered as income from movable capital, which will form part of the investor’s savings income, and a tax rate of 19% (for the first 6,000 euros of savings income obtained by the individual), 21% (for income between 6,000.01 euros and 50,000 euros), 23% (for income between 50,000.01 euros and 200,000 euros) and 26% (for income exceeding 200,000 euros). However, with effect for the year 2023, the Law 31/2022 of 23 December of the General State Budget for 2023 (“**General State Budget for 2023**”) has additionally introduced for a tax rate of 27% for income from movable capital exceeding 200,000.00 euros, and a tax rate of 28% for those exceeding 300,000.00 euros.

Pursuant to Article 26 of the LIRPF, the administration and depository expenses of negotiable securities are deductible, but not those of discretionary and individualised portfolio management.

Income from the Convertible Bonds will be subject to withholding tax at a fixed rate of 19%. In this case, the investor will be able to deduct the withholdings from their final personal income tax liability for the tax year in question.

As they are financial assets with an explicit yield, there is no obligation to withhold tax on income obtained by individuals resident in Spain deriving from the transfer or redemption of the Convertible Bonds, provided that they are represented by book entries and are traded on an official secondary securities market in Spain (Article 75.3.e of the RIRPF). However, the portion of the price equal to the accrued coupon on transfers of the Convertible Bonds made in the 30 days immediately preceding the maturity of the coupon will be subject to withholding when the following requirements are met:

- (i) The acquirer is a person or entity not resident in Spanish territory or is a corporate taxpayer.
- (ii) Express returns are exempt from withholding tax in relation to the acquirer.

Likewise, premiums on the conversion of Convertible Bonds into New Shares are exempt from withholding in accordance with Article 75.3 c) of the RIRPF.

Taxable persons for corporate income tax purposes

Holders of Convertible Bonds who are subject to corporate income tax (the “**Corporate Income Tax**”) will include in their taxable income the full amount of the income they obtain as a result of the ownership of the Convertible Bonds, both as interest and from the transfer, redemption or repayment thereof, or from their conversion into New Shares of the Company. Likewise, the expenses inherent to the acquisition or subscription of the Convertible Bonds will be included in their taxable base, in the manner provided for in Article 10 and following of the LIS.

As they are financial assets with an explicit yield, pursuant to Article 61.q) of the RIS, there is no obligation to withhold tax on income obtained by legal entities resident in Spain deriving from the transfer or redemption of the Convertible Bonds, provided that they are represented by book entries and are traded on an official secondary securities market in Spain.

Without prejudice to the foregoing, the procedure provided for in Article 44 of RD 1065/2007 may be applicable, by virtue of which no withholding shall be made on the income derived from the Convertible Bonds provided that the requirements and formalities provided for in Law 10/2014 and in Article 44 of RD 1065/2007 itself are complied with, including that the entities that hold the securities registered in third party accounts with Iberclear or, as the case may be, the entities that manage the securities clearing and settlement systems based abroad that have an agreement signed with Iberclear, provide the Issuer, in due time and form, with a declaration containing the information established in article 44 of the RD 1065/2007, as described in section 4.15.2, “Reporting obligations” below.

Likewise, premiums on the conversion of Convertible Bonds into New Shares are exempt from withholding in accordance with Article 61.f) of the RIS.

(b) Holders of Convertible Bonds non-resident in Spain for tax purposes

This section analyses the tax treatment applicable to holders of Convertible Bonds who are non-resident for tax purposes in Spain. This section shall also be applicable, in general, to holders of Convertible Bonds who are individuals who acquire the status of tax residents in Spanish territory as a result of their move to that territory and who, having fulfilled the requirements established in Article 93 of the LIRPF, opt to pay IRnR tax during the tax period in which the change of tax residence takes place and the following five tax years.

(b.1) Tax non-residence in Spanish territory

Non-resident holders of Convertible Bonds are individuals who are not taxpayers of personal income tax as described above and persons or entities not resident in Spanish territory, in accordance with the provisions of Article 6 of the TRLIRnR.

The system described below is of a general nature, without prejudice to the specific conditions of each taxable person and those resulting from the DTAs concluded between third countries and Spain.

(b.2) Taxation in Spain of income obtained by non-resident investors not acting in Spain through a permanent establishment

In the event that the holders of Convertible Bonds are individuals or legal entities not resident for tax purposes in Spain and who do not act in respect of the Convertible Bonds through a permanent establishment in Spain, the income derived from the Convertible Bonds, including the income generated, if applicable, as a result of their conversion into New Shares will be exempt from taxation in Spain, irrespective of the tax residence of the non-resident subscribers receiving the income, provided that the requirements and formalities set forth in Law 10/2014 and in Article 44 of Royal Decree 1065/2007 are complied with. In this regard, with respect to the income payments corresponding to the Convertible Bonds made by the Issuer, it is necessary that the entities that hold the securities registered in third party accounts with Iberclear or, as the case may be, the entities that manage the securities clearing and settlement systems based abroad that have an arrangement with Iberclear, provide the Issuer, in due time and form, with a declaration containing the information established in Article 44 of RD 1065/2007, as described in the section 4.15.2“Reporting obligations” below.

In the event that the requirements to apply Law 10/2014 or the procedure provided for in Article 44 of RD 1065/2007 are not met, or if the Issuer does not receive in due time and form the declaration containing the information established in Article 44 of RD 1065/2007 in respect of payments derived from the Convertible Bonds, the income derived from the securities will generally be subject to withholding tax at the rate in force from time to time (currently 19%).

Investors who are entitled to receive income payments in respect of the Convertible Bonds free of withholding tax on account of IRnR, but in respect of which income payments have been made net of withholding tax, may apply directly to the Spanish tax authorities for any refund to which they may be entitled, in accordance with the procedures set out in the TRLIRnR.

(b.3) Taxation in Spain of income obtained by non-resident investors acting in Spain through a permanent establishment

If the Convertible Bonds form part of the assets of a permanent establishment in Spain of an individual or legal entity not resident for tax purposes in Spain, the tax rules applicable to the income derived from such Convertible Bonds are generally the same as those set out above for Spanish taxpayers under Corporate Income Tax (4.15.1(a.2) *Taxation of income - Corporate income tax payers*). The ownership of the Convertible Bonds by

investors who are not resident for tax purposes in Spain will not in itself create the existence of a permanent establishment in Spain.

The Issuer shall comply with the reporting obligations under Spanish tax law in respect of beneficial owners of the Convertible Bonds who are individuals or legal entities not resident for tax purposes in Spain and who act in respect of the Convertible Bonds through a permanent establishment in Spain.

(b.4) Obligations arising from the regulatory framework on “hybrid mismatches”

For the correct compliance with the tax obligations of the Issuer, and with the purpose of giving the appropriate treatment to the expenses derived from the Convertible Bonds, for the purposes of Directive (EU) 2016/1164 of 12 July 2016 regarding hybrid mismatches that occur between Spain and other member States of the European Union and between Spain and third countries or territories and in the article 15.bis of LIS, any investor non-resident for tax purposes in Spain and that at some point in time acquires the status of person or entity related to the Issuer in accordance with the provisions of article 18 of the LIS must, at the request of the Issuer with due notice, must notify the Issuer, stating:

- The status of related entity.
- The tax treatment in its country of origin of any expenditure, income or transaction linked to the Convertible Bonds.

For these purposes, the reference to related persons or entities shall include:

- a) Related persons or entities in accordance with the provisions of Article 18 of the LIS.
- b) An entity which holds, directly or indirectly, an interest of at least 25% in the voting rights of the taxpayer or is entitled to receive at least 25% of the profits of the taxpayer, or in which the taxpayer holds such an interest or rights.
- c) The person or entity in respect of which the taxpayer acts jointly with another person or entity in respect of voting rights or ownership of the capital of the taxpayer, or the person or entity acting jointly with another person or entity in respect of voting rights or ownership of the capital of the taxpayer.

For these purposes, the taxpayer or, in the second case, the person or entity, shall be treated as the holder of an interest in respect of all voting rights or ownership of the capital of the entity or the taxpayer, respectively, owned by the other person or entity.

- d) An entity over whose management the taxpayer has a significant influence or an entity that has a significant influence over the management of the taxpayer. For this purposes, significant influence is deemed to exist when one has the power to intervene in the financial policy and operating decisions of another entity, although without attaining control or joint control over the entity.

4.15.2. Reporting obligations

In relation to the reporting obligations and the practical procedure for the exemption to apply, it will be necessary to follow the procedures set out in Article 44.4 of RD 1065/2007.

By virtue of the foregoing and in accordance with section 4 of the aforementioned Article 44, entities that hold the securities registered in their third-party accounts, as well as the entities that manage the securities clearing and settlement systems based abroad that have an arrangement with the aforementioned securities clearing and settlement entity domiciled in Spanish territory must submit a declaration on the business day prior to the date of each interest maturity, containing the information of the model that appears as an annex to the aforementioned Regulation, reflecting the situation at the close of the market on that same day.

The declaration shall contain the following information:

- (i) Identification of the securities
- (ii) Total amount of returns
- (iii) Amount of income corresponding to personal income taxpayers
- (iv) Tax on returns payable in full.

Failure by any of the obliged entities to file on the date stipulated in the previous paragraph will result in the issuer being obliged to pay interest for the net amount resulting from the application of the general rate of 19%.

Subsequently, before the 10th day of the month following the month in which the interest is due, the entity obliged to provide information shall submit the corresponding declaration to the Company, which shall pay the amounts withheld in excess.

Non-resident holders of Convertible Bonds who are entitled to apply the exemption described in the second paragraph of this section, and who have incurred a withholding due to failure to file the aforementioned declaration, may apply to the Spanish tax authorities, in accordance with the established procedure and deadlines, for a refund of the amount withheld.

4.15.3. Direct taxation on income generated as a result of the holding of Company shares.

The description in this section sets out the tax treatment applicable to Company shares.

(a) Shareholder tax residents in Spain

This section analyses the tax treatment applicable to Company shareholders resident in Spain for tax purposes.

(a.1) Tax residence in Spanish territory

Taxable persons for personal income tax purposes

See section 4.15.1 of the Securities Note.

(i) Income from investment capital

Under the provisions of article 25 of the LIRPF, the following, without limitation, will be considered investment income: dividends, attendance allowances to General Meetings, income from the establishment or assignment of rights or capacity for the use and enjoyment of shares; and, in general, participation in the Company's profits and any other benefit received from this entity as a shareholder.

The investment income obtained by the Company's shareholders as a result of the ownership of the shares will be included in the net income resulting from deducting, where applicable, the administration and deposit expenses from their gross amount, but not those of discretionary and individualised management of the portfolio, in the savings tax base of the year in which they are payable by the recipient, and will be taxed in the 2022 tax period at the fixed rate of 19% (for the first 6,000 euros of savings income obtained by the individual), 21% (for income between 6,000.01 euros and 50,000 euros), 23% (for income between 50,000.01 euros and 200,000 euros) and 26% (for income exceeding 200,000 euros). However, with effect for the year 2023 the General State Budget for 2023 has additionally introduces for a tax rate of 27% for income from movable capital exceeding 200,000.00 euros, and a tax rate of 28% for those exceeding 300,000.00 euros.

The amount obtained as a result of the distribution of the issue premium on shares admitted to trading on any of the regulated securities markets defined in Directive 2004/39/EC of the European Parliament and of the Council of 21 April 2004 (such as the Company's shares) will, until it is cancelled, reduce the acquisition value

of the securities affected and only any excess arising will be taxed as investment income, under the terms indicated in the preceding paragraph.

In accordance with current legislation, the withholding tax rate will be 19% on the full amount of the distributed profit. The withholding tax will be deductible from the net tax liability and, in the event it is insufficient, will give rise to the refunds provided for in Article 103 of the LIRPF. As an exception, no withholding tax is levied on the distribution of the share premium.

(ii) Capital gains and losses

Changes in the value of the assets of personal income taxpayers that become apparent on the occasion of any alteration of such assets will give rise to capital gains or losses which, in the case of the transfer for valuable consideration of the Company's shares, will be quantified by the negative or positive difference, respectively, between the acquisition value of these securities and their transfer value, which will be determined (i) by their market value on the date on which said transfer takes place or (ii) by the agreed price when it is higher than said market value.

When there are securities of the same kind, those transferred shall be deemed to be those which were acquired first for the purposes of determining the acquisition value and the change in net worth for personal income tax purposes.

Both the acquisition value and the transfer value shall be increased or reduced, respectively, by the expenses and taxes inherent to such transactions which have been paid by the acquirer or the transferor, respectively.

Capital gains or losses arising as a result of the transfer of the Company's shares will be included and offset in the savings tax base of the tax period in which the change in assets takes place, and will be taxed in the 2022 tax period at a rate of 19% (for the first 6,000 euros of savings income obtained by the individual), 21% (for income between 6,000.01 euros and 50,000 euros) and 23% (for income between 50,000.01 euros and 50,000 euros) and 26% (for income exceeding 200,000 euros). However, with effect for the year 2023, the General State Budget for 2023 has additionally introduced a tax rate of 27% for incomes exceeding 200,000.00 euros, and a tax rate of 28% for incomes exceeding 300,000.00 euros.

Capital gains arising from the transfer of shares in the Company are not subject to the 19% withholding tax. Lastly, certain losses arising from transfers of the Company's shares will not be counted as capital losses when securities of the same kind have been acquired within two (2) months before or after the date of the transfer giving rise to the aforementioned loss. In such cases, the capital losses would be integrated as the securities that remain in the taxpayer's ownership are transferred.

(iii) Pre-emptive subscription rights

Distributions to Spanish individual shareholders of pre-emptive subscription rights are not deemed to be income under Spanish tax law. The exercise of pre-emptive subscription rights is not considered a taxable event under Spanish law for personal income tax purposes.

The sum obtained from the sale of pre-emptive subscription rights on the Company's shares will be considered a capital gain for the transferor in the tax period in which the transfer takes place, and will be subject to personal income tax withholding by the depositary and, failing that, by the financial intermediary or the notary public who has intervened in the transfer.

Such capital gains will be included and offset in the savings tax base at a rate of 19% (for the first 6,000 euros of savings income obtained by the individual), 21% (for income between 6,000.01 euros and 50,000 euros), 23% (for income between 50,000.01 euros and 200,000 euros) and 26% (for income exceeding 200,000 euros).

However, the General State Budget for 2023 provides for a tax rate of 27% for incomes exceeding 200,000.00 euros, and a tax rate of 28% for incomes exceeding 300,000.00 euros.

Taxable persons for corporate income tax purposes

(i) Dividends

Taxpayers subject to IS or those who, as IRnR taxpayers, act for these purposes in Spain through a permanent establishment, will include in their tax base the full amount of the dividends or shares in profits received as a result of the ownership of the securities subscribed, as well as the expenses inherent to the holding, in the manner provided for in Article 10 et seq. of the LIS, generally taxed at a rate of 25%. However, the Draft General State Budget Bill for 2023 provides for a tax rate of 23% for those entities whose revenue in the previous year is less than 1 million euros and which are not considered to be an asset-holding company. For distribution of the share premium, the amount received by the taxpayers will reduce, until it is cancelled, the tax value of the securities concerned and only the excess over that value will be included in their taxable income.

Notwithstanding the above, as a general rule, dividends or shares in the profits of entities may qualify for an exemption of 95% of the amount distributed in the corporate income tax, in accordance with the conditions stipulated in Article 21 of the LIS, provided that the direct or indirect shareholding in the capital or equity of the entity is at least 5%. In order for the exemption to be applicable, among other requirements, the relevant interest must have been held continuously during the year preceding the day on which the profit to be distributed becomes payable or, failing that, must be held thereafter for the time necessary to complete that period.

If the Company obtains dividends, shares in the earnings or income from the transfer of shares representing the capital or own funds of entities greater than 70% of income, the exemption is conditioned fulfilment of complex requirements, which essentially require the holder of the Company shares to have an indirect ownership interest in these entities of at least 5% of the share capital, unless these subsidiaries comply with the requirements referred to in Article 42 of the Commercial Code to form part of the same group of companies as the entity in which a holding is held directly and they prepare consolidated accounting statements. Investors are advised to consult their lawyers or tax advisors to determine whether the requirements of this exemption apply to their particular case.

Likewise, taxpayers liable to income tax will be subject to a 19% withholding tax on the full amount of the profit distributed, unless any of the withholding exclusions provided for in current legislation are applicable. The distribution of the share premium is not subject to withholding for corporate income tax.

The withholding made will be deductible from the net corporate income tax liability and, in the event it is insufficient, it will give rise to the refunds provided for in Article 127 of the LIS.

(ii) Income from transfer of Company shares

Profit or loss derived from the transfer for valuable consideration or profit of the Company's shares, or from any other change in assets relating thereto, will be included in the taxable income of payers of corporate income tax, or IRnR taxpayers acting, for these purposes, through a permanent establishment in Spain, in the manner provided for in Article 10 et seq. of the LIS, and will be taxed at the general rate of 25%. However, the Draft General State Budget for the financial year 2023 provides for a tax rate of 23% for entities whose revenue in the previous financial year is less than 1 million euros and which are not considered to be an asset-holding entity

Income from transfer of Company shares is not subject to withholding.

As a general rule, the income from transfers of shareholdings in an entity may qualify for an exemption of 95% of the capital gain in Corporate Income Tax, in accordance with the conditions stipulated in Article 21 of the LIS, provided that the direct or indirect shareholding in the capital or equity of the entity is at least 5%. In order for

the exemption to be applicable, among other requirements, the relevant shareholding must have been held continuously during the year preceding the day on which the transfer occurred.

If the Company obtains dividends, shares in the earnings or income from the transfer of shares representing the capital or own funds of entities greater than 70% of income, the exemption is conditioned fulfilment of complex requirements, which essentially require the holder of the Company shares to have an indirect ownership interest in these entities of at least 5% of the share capital, unless these subsidiaries comply with the requirements referred to in Article 42 of the Commercial Code to form part of the same group of companies as the entity in which a holding is held directly and they prepare consolidated accounting statements. Investors are advised to consult their lawyers or tax advisors to determine whether the requirements of this exemption apply to their particular case.

(iii) Pre-emptive subscription rights

The delivery of pre-emptive subscription rights cannot generate income taxable under Corporate Income Tax.

The amount obtained from the sale of pre-emptive subscription rights on the Company's shares will be included in the taxable income and taxed in accordance with the general Corporate Income Tax rules at the current standard rate of 25%. However, the Draft General State Budget for the financial year 2023 provides for a tax rate of 23% for entities whose revenue in the previous financial year is less than 1 million euros and which are not considered to be an asset-holding entity.

(b) Tax non-residence in Spanish territory

See section 4.15.1 of the Securities Note.

(b.1) Shareholders subject to IRnR tax acting through a permanent establishment in Spain

The ownership of the Company shares by investors who are not resident for tax purposes in Spain will not in itself create the existence of a permanent establishment in Spain.

If the Company shares form part of the assets of a permanent establishment in Spain of a natural or legal person not resident for tax purposes in Spain, the IRnR rules applicable to the income derived from such shares are the same as those for Spanish taxpayers under Corporate Income Tax.

(b.2) Shareholders subject to IRnR tax not acting through a permanent establishment in Spain

(i) Income from investment capital

The dividends and other returns from the shareholding in an entity's own funds obtained by natural or legal persons not resident in Spain operating without a permanent establishment will be subject to 19% IRnR tax for the full sum received. The amount obtained as a result of the distribution of the issue premium on shares admitted to trading on any of the regulated securities markets defined in Directive 2004/39/EC of the European Parliament and of the Council of 21 April 2004 (such as the New Shares) will, until it is cancelled, reduce the acquisition value of the securities affected and only any excess arising will be taxed under IRnR as investment income.

Dividends received by residents in a Member State of the European Union or in the European Economic Area, which have an information exchange arrangement with Spain may deduct the administration and custody expenses from the expenses that have a direct and inseparable link with the obtaining of the income in accordance with the personal income tax or corporate income tax laws, depending on whether the non-resident taxpayer is an individual or a legal entity.

However, profits distributed by subsidiaries resident in Spanish territory to their parent companies resident in other Member States of the European Union or to permanent establishments of the latter located in other Member States will be exempt when the following requirements are met:

- Both companies are subject to and not exempt from any of the taxes on the profits of legal entities in the Member States of the European Union referred to in Article 2(c) of Council Directive 2011/96/EU of 30 June 2011 on the treatment of parent companies and subsidiaries of different Member States and the permanent establishments are subject to and not exempt from taxation in the State where they are located.
- The distribution of the profit is not a consequence of the liquidation of the subsidiary.
- Both companies must be in one of the forms provided for in the Annex to Council Directive 2011/96/EU of 30 June 2011 on the regime applicable to parent companies and subsidiaries of different member States, as amended by Council Directive 2014/86/EU of 8 July 2014.

A parent company shall be considered to be an entity which has a direct or indirect holding of at least 5% in the capital of another company. The latter shall be treated as a subsidiary company. Such a shareholding be held uninterruptedly for the year before the date on which the profit to be distributed becomes payable, failing that, it is held during the time necessary to complete one year.

This exemption will also apply to profits distributed by subsidiaries resident in Spanish territory to their parent companies resident in the Member States of the European Economic Area or to the permanent establishments of these parent companies which are located in other Member States, provided that certain requirements established in the LIRnR are met.

The aforementioned exemption will not be applicable if the dividend is obtained through a territory classified as an non-cooperative jurisdiction. Nor shall it be applicable if the majority of parent company's voting rights are directly or indirectly held by natural or legal persons who are not resident in Member States of the European Union or in States in the EEA with which there is an effective exchange of in matters tax information pursuant to the terms of section 4 of additional provision one of Law 36/2006, of 29 November, of measures for the prevention of tax fraud, except if the incorporation and operation of the company respond to valid economic motives and substantive business reasons.

As a general rule, the Company will, at the time of payment of the dividend, withhold 19% for IRnR. The distribution of the share premium is not subject to withholding for IRnR.

However, when, by virtue of the residence for tax purposes of the recipient, a DTA signed by Spain or an internal exemption is applicable, the reduced rate of taxation provided for in the DTA for this type of income or the exemption will be applied, where applicable, subject to proof of the shareholder's tax residence in the manner established in the current regulations. For these purposes, a special procedure is currently in force, approved by the Order of the Ministry of Economy and Finance of 13 April 2000, to make withholding taxes payable to non-resident shareholders, at the rate applicable in each case, or to exclude withholding tax, when the payment procedure involves financial institutions domiciled, resident or represented in Spain that are depositaries or manage the collection of the income from such securities.

In accordance with this rule, at the time of distribution of the dividend, the Company will withhold the full amount of the dividend at the rate of 19% and transfer the net amount to the depositaries. Depositary entities which, in turn, provide proof in the prescribed form of their clients' entitlement to the application of reduced rates or the exclusion of withholding tax (for which purpose the clients must provide the depositary entity, before the 10th day of the month following that in which the dividend is distributed, with a certificate of tax residence issued by the relevant tax authority in their country of residence which, if applicable, must expressly state that the investor is resident within the meaning of the applicable DTA; or, in cases where a limit of taxation laid down in a DTA developed by an order providing for the use of a specific form, the said form in lieu of the

certificate) shall immediately receive, for credit to them, the excess amount withheld. The above-mentioned residence certificate is generally valid for one year from the date of issue.

When an exemption is applicable or, due to the application of a DTA, the withholding rate is lower than that provided for by law, and the shareholder has not been able to prove his residence for tax purposes within the period established for this purpose, he may apply to the tax authorities for a refund of the amount withheld in excess, subject to the procedure and the declaration form provided for in Order EHA/3316/2010, of 17 December 2010. Shareholders of the Company are advised to consult their advisors as to the procedure to be followed, in each case, in order to request the aforementioned refund from the Spanish revenue authorities.

In any case, once the IRnR withholding has been made or the exemption has been recognised, the non-resident shareholders of the Company will not be obliged to file an IRnR return in Spain.

Investors are advised to consult their lawyers or tax advisors on the procedure to follow, in each case, in order to request the aforementioned refund from the Spanish revenue authorities.

(ii) Capital gains and losses

In accordance with the TRLIRnR, capital gains obtained by non-resident individuals or entities without a permanent establishment in Spain on the transfer of the Company's shares or any other capital gain related to such securities will be subject to IRnR taxation and such gains will be quantified, in general, in accordance with the rules set out in the LIRPF. In particular, capital gains derived from the transfer of shares in the Company will be subject to IRnR tax at the rate of 19%, unless an internal exemption or a DTA signed by Spain is applicable, in which case the provisions of such DTA will apply.

In this respect, the following capital gains will be exempt under Spanish domestic law:

- Those derived from the transfer of the Company's shares on official Spanish secondary securities markets, obtained without the intermediation of a permanent establishment in Spain by individuals or entities resident in a State that has signed a DTA with Spain with an exchange of information clause, provided that they have not been obtained through countries or territories classified by regulations as non-cooperative jurisdictions.
- Those derived from the transfer of shares in the Company obtained without the intermediary of a permanent establishment in Spain by individuals or entities resident for tax purposes in other Member States of the European Union or in the European Economic Area that have signed an information exchange agreement with Spain, or by permanent establishments of such residents located in another Member State of the European Union or in the European Economic Area that have signed an information exchange agreement with Spain, provided that they have not been obtained through countries or territories classified by regulations as non-cooperative jurisdictions. The exemption does not apply to capital gains derived from the transfer of shares or rights of an entity when (i) the assets of such entity consist mainly, directly or indirectly, of real estate located in Spanish territory, or (ii) in the case of a transferor who is a non-resident individual, at some time within the 12 months prior to the transfer, the transferor has held a direct or indirect shareholding of at least 25% of the capital or equity of the company (iii) in the case of transferors that are non-resident entities, the transfer does not meet the requirements for the application of the exemption provided in Article 21 of the LIS.

However, capital gains obtained by non-resident shareholders for tax purposes in Spain who benefit from a ratified DTA between their country of tax residence and Spain providing for taxation of such capital gains only in the country of residence will not be subject to taxation in Spain.

The capital gain or loss shall be calculated and taxed separately for each transfer, and offsetting of gains and losses is not possible in the case of several transfers with different results. Their quantification will be carried out by applying the rules of Article 24 of the TRLIRnR.

The delivery of pre-emptive subscription rights cannot generate income taxable under IRnR. The sum obtained from the sale of pre-emptive subscription rights on the Company's shares will be considered a capital gain for the transferor in the tax period in which the transfer takes place, and will be subject to taxation pursuant to the above-described criteria.

In accordance with the provisions of the TRLIRnR regulations, capital gains obtained by non-residents without the intermediation of a permanent establishment are not subject to IRNR withholding or interim payments.

The non-resident shareholder will be obliged to file a tax return, determining and paying, where applicable, the corresponding tax debt. The tax representative in Spain or the depositary or manager of the Company's shares may also make the declaration and payment, subject to the procedure and declaration form provided for in Order EHA/3316/2010 of 17 December 2010.

If an exemption is applicable either under Spanish law or a DTA, the non-resident investor must prove their entitlement by providing a certificate of tax residence issued by the relevant revenue authorities in his country of residence (which, if applicable, must expressly state that the investor is resident in that country within the meaning of the applicable DTA) or the form provided for in the Order implementing the applicable DTA. Such residence certificate is generally valid for one year from the date of issue.

4.15.4. Direct taxation in the acquisition and transfer of the Convertible Bonds and Company shares

Irrespective of the nature and tax residence of the beneficial owner of the Convertible Bonds and Company shares, the acquisition and, if applicable, subsequent transfer of the Convertible Bonds or Company shares will be exempt from Transfer Tax and Stamp Duty in accordance with the provisions of the consolidated text of the law regulating these taxes, approved by *Royal Legislative Decree 1/1993, of 24 September*, and Value Added Tax, in accordance with the provisions of *Law 37/1992, of 28 December*.

4.15.5. Wealth Tax

(a) Holders of Convertible Bonds and shareholders resident in Spain

Shareholders who are individuals resident in Spanish territory are subject to Wealth Tax (the "IP") on the total net assets they hold at 31 December, irrespective of where the assets are located or the rights can be exercised.

Taxation will be levied in accordance with the provisions of *Law 19/1991 of 6 June on Wealth Tax* (the "LIP") which, for these purposes, sets a minimum exemption of 700,000 euros, in accordance with a scale of taxation whose marginal rates range from 0.2% to 3.5%, all without prejudice to the specific regulations approved, where appropriate, by each autonomous community.

Individuals resident for tax purposes in Spain who acquire Convertible Bonds or Company shares and who are required to file a tax return for IP must declare the Convertible Bonds and New Shares, as the case may be, held by them as at 31 December of each year.

Specifically:

- a) The Convertible Bonds will be included in the taxable base of the IP at their average trading value in the fourth quarter of each year. For this purpose, the Ministry of Finance and the Public Function shall publish annually the aforementioned average trading value for the purposes of the said tax.
- b) The Company shares will be included in the taxable base of the IP at their average trading value in the fourth quarter of each year. For this purpose, the Ministry of Finance and the Public Function shall publish annually the aforementioned average trading value for the purposes of the said tax.

Entities resident in Spain are not subject to this tax.

(b) Holders of Convertible Bonds and shareholders not resident in Spain

Without prejudice to the effect of the DTAs signed by Spain, individuals who do not have their tax residence in Spanish territory pursuant to the provisions of Article 9 of the LIRPF and who are holders at 31 December of each of the aforementioned years of assets located in Spanish territory or of rights that could be exercised or would have to be fulfilled in Spanish territory could be subject to taxation under the Wealth Tax. In particular, investors acquiring Convertible Bonds or New Shareholders could be taxed under the IP in excess of the minimum exemption amounting to 700,000 euros at the general tax rate, the marginal rates of which range from 0.2% to 3.5% for 2022.

The Spanish authorities hold that the shares of a Spanish company must be considered assets located in Spain for tax purposes.

Convertible Bonds and shares in the Company owned by non-resident individuals will be counted on the same basis as for resident individuals (see section 4.15.5 (a) of the Securities Note).

Natural persons resident in a Member State of the European Union or of the European Economic Area shall be entitled to application of the own regulation approved by the autonomous community where the greatest value of the assets and rights of which they are holders are located and on which the tax is payable, because they are located, may be exercised or must be fulfilled in Spanish territory. Investors are advised to consult their lawyers or tax advisors.

4.15.6. Temporary Solidarity Tax on Large Fortunes

(a) Holders of Convertible Bonds and shareholders resident in Spain:

Shareholders who are individuals resident in Spanish territory are subject to Temporary Solidarity Tax on Large Fortunes (the “**Solidarity Tax**”) on the total net assets they hold at 31 December, irrespective of where the assets are located or the rights can be exercised from financial year 2022.

Taxation may be levied in accordance with the provisions of the LIP and the Law 38/2022 of 27 December for the establishment of temporary energy levies and of credit institutions and financial credit establishments and which creates the temporary solidarity tax on large fortunes, and modifies certain tax rules, and, in attention to the corresponding legal referrals provided for in this standard, in accordance with the provisions of the LIP. For these purposes, a minimum exemption of 700,000 euros is set. For its part, taxation will be determined in accordance with a tax scale whose marginal rates range from 1.7% to 3.5%. Specifically, the rate will be 1.7% when the taxable base exceeds the amount of 3,000,000 euros, 2.1% from 5,347,998.03 euros and 3.5% when it exceeds the amount of 10,695,996.06 euros.

The Solidarity Tax is incorporated into the tax law a complementary tax to the IP, levying an additional tax on the assets of individual, whose value, determined according to the IP rules, exceeds the 3,000,000 euros, and to the extent that they are not taxed by the IP, or do so for an amount lower than that which would result from taxation under this tax. In this sense, the liquid quota accrued by the Solidarity Tax will reduce, in addition to the deductions and allowances amount of the IP, by the liquid tax effectively paid in the same.

Taxpayers of this tax are, under the same terms, those who are subject to the IP in accordance with the provisions of the LIP.

Entities resident in Spain are not subject to this tax.

Individuals resident for tax purposes in Spain who acquire Convertible Bonds or Company shares and who are required to file a tax return for the Solidarity Tax must declare the Convertible Bonds and New Shares, as the case may be, held by them as at 31 December of each year. Specifically, the valuation of the Convertible Bonds and the New Shares will be carried out in accordance with the IP rules (see point 4.15.5.1(a) above).

The Solidarity Tax is established with an initial validity of two years, so that it will be applicable in the first two financial years in which the tax is due. However, the LIGTSGF incorporates a review clause to evaluate its results at the end of the period of its validity and initially planned to assess its maintenance or elimination.

(b) Holders of Convertible Bonds and shareholders not resident in Spain:

Without prejudice to the effect of the DTAs signed by Spain, individuals who do not have their tax residence in Spanish territory pursuant to the provisions of Article 9 of the LIRPF and who are holders at 31 December of each of the aforementioned years of assets located in Spanish territory or of rights that could be exercised or would have to be fulfilled in Spanish territory could be subject to taxation under the Solidarity Tax. In particular, investors acquiring Convertible Bonds or New Shareholders could be taxed under the Solidarity Tax at the general rate, the marginal rates of which range from 1.7% to 3.5% for 2022. Specifically, the rate will be 1.7% when the taxable base exceeds the amount of 3,000,000 euros; 2.1% from 5,347,998.03 euros; and 3.5% when it exceeds the amount of 10,695,996.06 euros.

4.15.7. Inheritance and gift tax

(a) Holders of Convertible Bonds and shareholders resident in Spain:

Transfers of Convertible Bonds or shares of the Company for lucrative purposes (by death or donation) to individuals resident in Spain are subject to Inheritance and Gift Tax (the “ISD” in Spanish) under the terms set forth in *Law 29/1987 of 18 December*, with the acquirer of the securities being the taxpayer, and without prejudice to the specific regulations approved, where applicable, by each autonomous community.

The tax rate applicable to the taxable base ranges from 7.65% to 34%; once the gross tax liability has been determined, certain multiplier coefficients are applied to it depending on the taxpayer’s pre-existing wealth and his or her degree of kinship with the taxpayer or donor, which means that effective tax rates ranging from 0% to 81.6% can be applied.

In the event of the acquisition free of charge of the Convertible Bonds or the shares of the Company by a taxpayer subject to corporate income tax, the income generated for the latter will be taxed in accordance with the rules of corporate income tax, where ISD is not applicable.

(b) Holders of Convertible Bonds and shareholders not resident in Spain:

Without prejudice to the provisions of the DTAs signed by Spain, acquisitions for profit by individuals not resident in Spain, regardless of the residence of the transferor, will be subject to ISD when the acquisition is of property situated in Spanish territory or of rights that can be exercised or must be fulfilled in that territory. The Spanish revenue authorities hold that the shares of a Spanish company must be considered assets located in Spain for tax purposes.

In the event of the acquisition of assets and rights by inheritance, legacy or any other inheritance title, provided that the deceased was resident in a member State of the European Union or of the European Economic Area other than Spain, the taxpayer would be entitled to the application of the regulations approved by the autonomous community where the greater value of the assets and rights of the residual estate located in Spain. Investors are advised to consult their lawyers or tax advisors.

In addition, in the case of acquisition of movable goods or of any other legal transaction without consideration and inter vivos, taxpayers who are not residents, but resident in a member State of the European Union or European Economic Area, will be entitled to be subject to the own law approved by the autonomous community where the movable goods are located for the greatest number of days in the period of five years immediately before, counting from date to date, ending on the day prior to that of accrual of the tax. Investors are advised to consult their lawyers or tax advisors. Likewise, the Supreme Court, in its judgments of

19 February, 21 March and 22 March 2018, based on the European principle of the free movement of capital, has declared that the application of the autonomous rules corresponding to the corresponding autonomous community according to the law must be extended in certain circumstances to heirs or donees even if they are not resident in a Member State of the European Union or the European Economic Area.

Companies not resident in Spain are not subject to this tax and the income they obtain for profit will generally be taxed as capital gains in accordance with the IRnR rules described above, without prejudice to the provisions of any applicable DTAs. In general, DTAs provide for taxation of such income in the investor's country of tax residence.

Noon-resident shareholders are advised to consult their lawyers or tax advisors on the terms in which the ISD applies in their particular case.

4.15.8. Financial Transaction Tax

The Financial Transaction Tax ("FTT") is governed by Spanish Law 5/2020 of 15 October 2020, on the Financial Transaction Tax ("FTT Law"), which was enacted on 7 October 2020 and published in the Official State Gazette on 16 October 2020. The FTT entered into force on 16 January 2021 (three months after the publication of the FTT Act in the Official State Gazette).

The FTT is levied at a rate of 0.2% on specific acquisitions of listed shares issued by Spanish companies whose market capitalisation exceeds EUR 1 billion on 1 December of the year immediately preceding the acquisition, no matter the jurisdiction of residence of the parties to the transaction.

For this purpose, prior to 31 December, the Spanish State Tax Administration Agency (AEAT) publishes a list of Spanish companies with a market capitalisation exceeding 1 billion euros as at 1 December of each year. The Issuer was not included in the list of Spanish companies with a market capitalisation of more than 1 billion euros published by the Spanish State Tax Administration Agency as at 1 December 2022 with effect for the financial year 2023. Therefore, the acquisition for valuable consideration of the New Shares during the year 2023 would not fall within the scope of FTT and thus would not be subject to this tax.

However, the FTT would apply (at a fixed rate of 0.2%) if the Issuer were to be included in the list of Spanish companies with a market capitalisation of more than 1 billion euros, no matter the jurisdiction of residence of the parties to the transaction.

Notwithstanding the foregoing, to the extent that the acquisition of the New Shares is a consequence of a new issue of shares by the Issuer, for example, as a result of a capital increase, the acquisition of the New Shares will be exempt from taxation under FTT pursuant to section 3 of the FTT Act. However, the FTT would apply (at a fixed rate of 0.2%) to other financial transactions involving shares of the Issuer if it is included in the list of Spanish companies with a market capitalisation of more than 1 billion euros published by the State Tax Administration Agency, no matter the jurisdiction of residence of the parties to the transaction.

Potential investors are advised to seek their own professional advice in relation to the FTT.

4.16 Identity and contact details of legal person offeror of securities and/or of the person, legal person applying for admission to trading if these are not the issuer.

Not applicable.

4.17 Rights and obligations of shareholders in the event the mandatory acquisition offers and/or forms of withdrawal and buyback of securities.

There are no special rules governing mandatory takeover bids or the mandatory withdrawal and repurchase of the Company's shares and Convertible Bonds, except for those arising from the rules on takeover bids contained in the Securities Market Act and Royal Decree 1066/2007 of 27 July on the rules governing takeover bids.

4.18 Third-party takeover bids for capital of issuer during previous year and current year.

No takeover bid has been made for the Company's shares during the last financial year ended 31 December 2021 or during the financial year commencing 1 January 2022. Accordingly, there is no takeover bid in progress for Prisa shares.

4.19 Comparison of the stake in the share capital and voting rights of shareholders prior to and following capital increase resulting from public offering and net asset value per share on most recent date prior to the public offer and the price per share of offer to the public.

In the event that no Prisa Shareholder exercise their pre-emptive rights nor subscribe Convertible Bonds, assuming that the Issue is fully subscribed (129,999,950 euros) by third parties, the dilution that the Company's current shareholders would experience, upon conversion of the Convertible Bonds into New Shares, would be 32.17% of their pre-Issue holding.

In addition, the individual and consolidated net book value per share on the date of the most recent balance sheet prior to the Issue, calculated on the basis of the figures of the individual financial statements of the Company (under the Spanish National Chart of Accounts) as at 31 October 2022 and the consolidated equity attributable to the Parent (under IFRS) as at that date, was EUR 0.398 per share and EUR -0.75 per share, respectively. The Conversion Price of the Convertible Bonds into New Shares is EUR 0.37 as indicated in section 4.7.1 (c.2) of the Securities Note.

5. TERMS AND CONDITIONS OF PUBLIC SHARE OFFER

5.1 Terms and conditions, statistics of offer, expected timetable and acquired required to apply to participate in offer.

5.1.1 Conditions to which the offer is subject

The Issue is not subject to any conditions.

Notwithstanding the foregoing, the Issue may not be executed or the Offer may be revoked at any time until the closing of the Offer or the delivery of the Convertible Bonds, whichever occurs first, due to the occurrence of any legal cause or the application of a judicial or administrative decision (see risk factor no 9). In any of the above cases, the Company must notify the CNMV as soon as possible by publishing the corresponding "privileged information" notice to the market on the website of the CNMV (www.cnmv.es) and on the website of the Company (www.prisa.com)

5.1.2 The time period, including any possible amendments, during which the offer will be open. Description of the application process.

(1) INDICATIVE TIMETABLE FOR THE ISSUANCE OF THE CONVERTIBLE BONDS

An indicative and estimated timetable for the Issue is set out below:

ESTIMATED DATE	MAIN MILESTONES AND ACTIONS
10/01/2023	▪ Registration of the Securities Note with the CNMV.

ESTIMATED DATE	MAIN MILESTONES AND ACTIONS
12/01/2023	<ul style="list-style-type: none"> ▪ Publication in the Official Gazette of the Commercial Registry (BORME) of the announcement of the Issue. ▪ Last day on which entitled Prisa shares are listed <i>last trading date</i>.
13/01/2023	<ul style="list-style-type: none"> ▪ Start of Pre-emptive Subscription Period (1st round) in which Additional Convertible Bonds may be applied for. ▪ First day of trading of Prisa shares “with no rights” (<i>ex date</i>). ▪ Start of negotiation of pre-emptive subscription rights on Convertible Bonds.
16/01/2023	<ul style="list-style-type: none"> ▪ Cut-off date on which Iberclear will determine the positions for the allotment of the pre-emptive subscription rights (<i>record date</i>).
17/01/2023	<ul style="list-style-type: none"> ▪ Payment date of pre-emptive subscription rights by Iberclear.
26/01/2023	<ul style="list-style-type: none"> ▪ Last day of trading of pre-emptive subscription rights. ▪ End of Pre-emptive Subscription Period (1st round) in which Additional Convertible Bonds may be applied for. ▪ Registration of the public deed for the Issue in the Mercantile Registry (at the latest).
01/02/2023	<ul style="list-style-type: none"> ▪ Additional Allotment Period (2nd round) in the event of Surplus Convertible Bonds. ▪ Publication of notice of “other relevant information” announcing the Convertible Bonds subscribed during the pre-emptive subscription period (1st round) and, if applicable, during the Additional Allotment Period (2nd round), as well as, if applicable, the commencement of the Discretionary Allotment Period (3rd round). ▪ Discretionary Allotment Period (3rd round) in the event of Discretionary Allotment Convertible Bonds. ▪ Publication by the Company of a notice of “other relevant information” announcing the number of Discretionary Allotment Convertible Bonds subscribed during the Discretionary Allotment Period (3rd round), if such period has commenced.
03/02/2023	<ul style="list-style-type: none"> ▪ Payout to the Agent by the Participants of the Convertible Bonds subscribed for in the Pre-emptive Subscription Period, in the Additional Allotment Period and in the Discretionary Allotment Period. ▪ Execution of the corresponding notarial deed of subscription and payout and submission to the Mercantile Registry for registration. ▪ Addition of Convertible Bonds in the accounting records of Iberclear (Issue Date). ▪ Adherence to the Intercreditor Agreement by the Trustee on behalf of the holders of the Convertible Bonds.
06/02/2023	<ul style="list-style-type: none"> ▪ Annotation in the margin of the Issue entry in the Mercantile Register of the amount actually subscribed. ▪ Prior verification of the requirements for admission to trading of the Convertible Bonds by the CNMV. ▪ Admission to trading of the Convertible Bonds on AIAF. ▪ Publication by the Company of notice of “other relevant informatio” announcing the prior verification of the requirements for the admission to trading of the Convertible Bonds by the CNMV and the admission to trading of the Convertible Bonds on AIAF.
07/02/2023	<ul style="list-style-type: none"> ▪ Start of trading of Convertible Bonds.

The above timetable is an estimate and, as a result, its deadlines may not be met, with a resulting delay in the execution of the Issue. In this regard, any delay in the admission to trading of the Convertible Bonds could significantly limit their liquidity and make it difficult to sell them until they are admitted to trading (see risk factor no 2 of the Securities Note).

In addition, there is the possibility of early closure of the Issue in the event that the Issue had been fully covered in any of the subscription periods.

In the event of a significant delay in the planned timetable, or the early closing of the Issue, Prisa will publish the corresponding notice of “other relevant information” on the CNMV website (www.cnmv.es) and on the Company’s website (www.prisa.com). The information contained on Prisa’s corporate website, as well as the information available on the other websites referred to in the Prospectus, does not form part of the Prospectus and has not been examined or approved by the CNMV, except for that information which has been incorporated by reference in the Prospectus.

As soon as the approval and registration of the Securities Note by the CNMV is verified, the Agent shall inform all Participants, in the operating instructions sent through Iberclear, of the deadlines and processing stages of the Issue.

(2) ISSUE SUBSCRIPTION PROCEDURE

(2.1) Pre-emptive Subscription Period (1st round) and, if applicable, application for Additional Convertible Bonds.

Shareholders of the Company have pre-emptive subscription rights in respect of the Convertible Bonds on the terms set out in the following sections.

(a) Allotment of pre-emptive subscription rights

The Convertible Bonds are offered on a preferential basis to shareholders of the Company who have acquired their shares prior to 12 January 2023, the date of publication in the Official Gazette of the Mercantile Registry (BORME) of the announcement relating to the Issue and the last day on which Prisa entitled shares are listed (*last trading date*), and who are listed as shareholders of the Company in the records of Iberclear at 11:59 pm (CET) on 16 January 2023 the cut-off date on which Iberclear will determine the positions for the allotment of pre-emptive subscription rights (*record date*) (the “**Shareholders**”).

(b) Pre-emptive subscription rights

Pursuant to the provisions of articles 304 and 503 of the Capital Companies Act, by reference to article 416.2 of the Capital Companies Act, Prisa Shareholders may exercise, during the Pre-emptive Subscription Period, the right to subscribe a number of Convertible Bonds proportional to the par value of the shares they hold.

In relation to the Company’s treasury shares, it is hereby stated that, as of 9 January 2023, Prisa holds 1,407,317 treasury shares, representing 0.19% of the share capital. For the purposes of not altering the calculation of the pre-emptive subscription rights necessary to subscribe Convertible Bonds, Prisa has given notice that it has suspended the liquidity contract with JB Capital referred to in point 6.3 of the Securities Note, effective 9 January 2023 and is expected to resume as from the first day of the Pre-emptive Subscription Period. Thus, on the date of *payment date* of the pre-emptive subscription rights by Iberclear, the Company will maintain the aforementioned number of shares in its name in Iberclear’s accounting records.

Secondly for the purpose of balancing the number of pre-emptive subscription rights that will be required to subscribe a whole number of Convertible Bonds, a managing shareholder of the Company has waived the exercise of the pre-emptive subscription rights attached to 2,476 shares of his ownership of the Company.

Accordingly, no pre-emptive subscription rights will be allotted in respect of the treasury shares of the Company and the number of shares held by managing shareholder indicated above and, therefore, such shares have not been taken into account for the purpose of calculating the proportion of the number of pre-emptive subscription rights required for the subscription of a Convertible Bond.

The calculations made for the determination of the number of pre-emptive subscription rights required for the subscription of Convertible Bonds are set out below:

- Total number of Prisa shares: 740,650,193 shares
- Number of shares held by Prisa as treasury shares (to which no pre-emptive subscription rights are recognised): 1,407,317 shares.
- Number of Prisa shares with pre-emptive subscription rights 739,242,876 shares.

- Number of shares of the managing shareholder who has not waived their pre-emptive subscription rights: 2,476 shares.
- Number of shares of shareholders who have not waived their pre-emptive subscription rights: 739,240,400 shares.
- Number of Convertible Bonds: 351,350 Convertible Bonds.
- Number of Convertible Bonds/Number of shares with pre-emptive subscription rights= $351,350/739,240,400 = 0.0005$

Each Prisa Shareholder shall be entitled to one pre-emptive subscription right for each share of the Company held. For each 2,104 pre-emptive subscription rights held, one Convertible Bond may be subscribed.

In any event, each Convertible Bond subscribed in exercise of the pre-emptive subscription right must be paid up at the Issue Price, i.e. EUR 370.

(c) Transferability of pre-emptive subscription rights

Pre-emptive subscription rights will be transferable under the same conditions as the shares from which they derive in accordance with the provisions of Article 306.2 of the Capital Companies Act, by reference to Article 416.2 of the Capital Companies Act, and will be tradable only on the Spanish stock exchanges through the Spanish Stock Exchange Interconnection System (SIBE). Accordingly, investors other than Prisa Shareholders will be able to acquire sufficient pre-emptive subscription rights in the necessary proportion and thereby subscribe the relevant Convertible Bonds.

(d) Exercise of pre-emptive subscription rights

In accordance with the minimum period provided for in Article 503 of the Capital Companies Act, the pre-emptive subscription period will have a duration of 14 calendar days, and will commence on the day following publication in the Official Gazette of the Mercantile Registry (BORME) of the announcement relating to the Issue (the “**Pre-emptive Subscription Period**”).

The Pre-emptive Subscription Period is expected to commence on 13 January 2023 and end on 26 January 2023 (both days inclusive). The pre-emptive subscription rights are also expected to be traded during the trading sessions between these dates, the first being 13 January 2023 and the last 26 January 2023. The Pre-emptive Subscription Period may not be extended.

During the Pre-emptive Subscription Period, Prisa Shareholders holding at least, 2,104 pre-emptive subscription rights may exercise their pre-emptive rights to the extent necessary to subscribe the Convertible Bonds. Furthermore, during the Pre-emptive Subscription Period, in addition to the Shareholders, other third party investors (the “**Investors in the Company**”) may acquire on the market sufficient pre-emptive subscription rights and in the proportion necessary to subscribe Convertible Bonds, namely, 2,104 pre-emptive subscription rights for each Convertible Bond, and thereby subscribe the relevant Convertible Bonds. Pre-emptive rights not exercised during the Pre-emptive Subscription Period will be automatically extinguished at the end of the Pre-emptive Subscription Period. Prisa Shareholders (or those who have acquired their rights) who do not exercise or sell their rights during the this period will lose them and will not receive any financial compensation for them.

In order to exercise the pre-emptive subscription rights, Prisa Shareholders and Investors in the Company must contact the Participant in whose book-entry register they have registered the pre-emptive subscription rights (which, in the case of Prisa Shareholders, will be the Participant in which they have deposited the shares of the Company conferring them the rights), indicating their wish to exercise the aforementioned pre-emptive right.

Orders placed in connection with the exercise of pre-emptive subscription rights shall be deemed to be firm, irrevocable and unconditional and shall entail the subscription of the Convertible Bonds to which they refer.

Such orders placed may not be revoked or modified by the holders of pre-emptive subscription rights, except in the event that a supplement to the Prospectus is published between the date of registration of the Securities Note with the CNMV and the date of the closing of the Offer or of the delivery of the Convertible Bonds, whichever comes first (see paragraph (a) of section 5.1.3 of the Securities Note), and will not be affected by the termination of the Placing Agreement (as this term is defined in section 5.4.3 of the Securities Note).

In no event will Prisa Shareholders and Investors in the Company be allotted more Convertible Bonds than they have applied for. The full payment of the Issue Price of each Convertible Bond subscribed during the Pre-emptive Subscription Period will be made in accordance with the provisions of section 5.1.5 of the Securities Note.

(e) Application for additional Convertible Bonds

During the Pre-emptive Subscription Period, Prisa Shareholders who exercise their pre-emptive subscription rights in full (the “**Eligible Shareholders**”) and Investors who acquire pre-emptive subscription rights and exercise them in full (the “**Eligible Investors**”) may, at the time of exercising their pre-emptive subscription rights through the Participant with which they have them deposited, additionally and unconditionally and irrevocably request to subscribe without quantitative limit for additional Convertible Bonds (the “**Additional Convertible Bonds**”) which they wish to acquire in the Additional Allotment Period (2nd round), in the event that, at the end of the Pre-emptive Subscription Period, there remain unsubscribed Convertible Bonds in exercise of the pre-emptive subscription rights (the “**Surplus Convertible Bonds**”) and, accordingly, the total amount of the Issue has not been covered.

Orders relating to the application for Additional Convertible Bonds must be made for a specified number or amount, in both cases with no quantitative limit. Orders placed for a given amount will be deemed to be placed for the number of Additional Convertible Bonds resulting from dividing the amount requested in euros by the Issue Price and rounded down to the nearest whole number of Additional Convertible Bonds.

The orders relating to the application for Additional Convertible Bonds shall be deemed to be firm, irrevocable and unconditional, without prejudice to the fact that they may not be fulfilled in part or in full in application of the rules for the allotment of Additional Convertible Bonds described in the following section. As with orders placed in connection with the exercise of pre-emptive subscription rights, orders relating to applications for Additional Convertible Bonds may not be revoked or modified, except in the case a supplement to the Prospectus is published between the date of registration with the CNMV of the Securities Note and the closing date of the Offer or the delivery of the Convertible Bonds, whichever occurs first (see section (a) point 5.1.3 of the Securities Note), and will not be affected by the termination of the Placement Agreement.

In no event will Eligible Shareholders and/or Eligible Investors in the Company be allotted more Convertible Bonds than they have applied for. In any event, the allotment of Additional Convertible Bonds is subject to the existence of Surplus Convertible Bonds after the Pre-emptive Subscription Period (1st round).

The Participants will be responsible for verifying that Eligible Shareholders and Eligible Investors applying for Additional Convertible Bonds have exercised all pre-emptive subscription rights they have on deposit with the Participant.

(f) Other considerations

During the Pre-emptive Subscription Period, the Joint Bookrunners will actively promote the subscription of the Convertible Bonds among the Identified Investors and will respond to expressions of interest from Unidentified Investors for acquisition of pre-emptive subscription rights and/or the subscription of Convertible

Bonds, without this implying in any case an active obligation to promote the Offer among such Unidentified Investors, in accordance with the provisions of section 5.4.3 of the Securities Note.

Secondly, it is noted, as detailed in section 4.4 of the Securities Note, that certain shareholders of the Company have undertaken to exercise all of the pre-emptive subscription rights to which they are entitled and one of them have undertaken to request, at the time of exercise, the subscription of Additional Convertible Bonds in the event that, at the end of the Pre-emptive Subscription Period, there are Surplus Convertible Bonds.

(2.2) Additional Allotment Period (2nd round)

In the event that at the end of the Pre-emptive Subscription Period there are Surplus Convertible Bonds, a process of allotment of Additional Convertible Bonds will be opened in which the Surplus Convertible Bonds will be allotted in the manner indicated below to those Eligible Shareholders and Eligible Investors who have applied for them.

The allotment of Additional Convertible Bonds will take place on the fourth trading day following the end of the Pre-emptive Subscription Period (the “**Additional Allotment Period**”). Accordingly, the allotment of the Additional Convertible Bonds is expected to take place on 1 February 2023. On that date, the Agent, in collaboration with Iberclear, will proceed to determine the number of Surplus Convertible Bonds and to allot them to those Eligible Shareholders and Eligible Investors who have requested the allotment of Additional Convertible Bonds in accordance with section (e) above (*request for Additional Convertible Bonds*), based on the information sent by the Participants to Iberclear, as indicated by the Agent in the operating instruction sent for that purpose.

In no event will Eligible Shareholders and/or Eligible Investors in the Company be allotted more Convertible Bonds than they have applied for. In any event, the allotment of Additional Convertible Bonds is subject to the existence of Surplus Convertible Bonds after the Pre-emptive Subscription Period (1st round).

In the event that the number of Additional Convertible Bonds requested for subscription in the Additional Allotment Period is equal to or less than the number of Surplus Convertible Bonds, these will be allotted to the applicants until their requests are fully satisfied.

If the number of Additional Convertible Bonds requested exceeds the number of Surplus Convertible Bonds, the Agent will pro-rate the number of Additional Convertible Bonds requested pursuant to the following rules:

- (i) The Surplus Convertible Bonds will be allotted in proportion to the volume of Additional Convertible Bonds applied for, using the percentage that the Additional Convertible Bonds applied for by each subscriber represent with respect to the total Additional Convertible Bonds applied for. These percentages to be used for proportional allotment will be rounded down to 3 decimal places (that is, 0.098983 equals 0.098).
- (ii) As a general rule, in case of fractions in the allotment, the allotment will be rounded down to the nearest whole number so as to result in an exact number of Additional Convertible Bonds to be allotted to each applicant (Eligible Shareholder and/or Eligible Investor).
- (iii) If, after the application of paragraphs (i) and (ii) above, there are Surplus Convertible Bonds not allotted due to the effect of rounding, these will be distributed one by one, in order of the highest to the lowest amount of the request and, in the event of equality, in the alphabetical order of the Eligible Shareholders and Eligible Investors according to the first (and, in the event of equality, next or subsequent) position of the “*first and last names or company name*” field, whatever its content, appearing in the electronic transmissions sent by the Participants, starting with the letter “A”.

The Agent shall communicate to the Participants through which the respective applications for Additional Convertible Bonds were made the number of Surplus Convertible Bonds allotted to the applicants for Additional Convertible Bonds during the fourth Business Day following the end of the Pre-emptive Subscription Period. Such notice from the Agent to the Participants is expected to take place on 1 February 2023.

The Surplus Convertible Bonds allotted to applicants for Additional Convertible Bonds shall be deemed to have been subscribed during the Additional Allotment Period.

The full payment of the Issue Price of the Surplus Convertible Bonds allotted during the Additional Allotment Period will be made in accordance with the provisions of section 5.1.5 of the Securities Note.

Notices from the Participants to the Agent in relation to the Pre-emptive Subscription Period and the Additional Allotment Period.

During the Pre-emptive Subscription Period, the Participants shall communicate daily by e-mail to the Agent, no later than 17:00 hours (CET), the total number of Convertible Bonds subscribed for in exercise of the pre-emptive right and the total number of Additional Convertible Bonds applied for, in all cases on an aggregate basis since the beginning of the Pre-emptive Subscription Period.

Furthermore, the Participants must notify the Agent, on behalf of their principals and, if applicable, in their own name, the total volume of subscriptions of Convertible Bonds made to them in exercise of the pre-emptive subscription right and, separately, the total volume of requests for subscription of Additional Convertible Bonds made to them by the Eligible Shareholders and the Eligible Investors, no later than 9:00 am (CET) on the fourth Business Day following the end of the Pre-emptive Subscription Period (expected to be 1 February 2023), following the operational instructions established for this purpose by the Agent.

Lastly, the Participants must send to the Agent the files containing the information on the Convertible Bonds subscribed during the Pre-emptive Subscription Period and, where applicable, the information on the Additional Convertible Bonds requested by the Eligible Shareholders and Eligible Investors, which must comply with the specifications of the *Corporate Event Performance Practice Guide* drawn up by the Spanish Banking Association (AEB) and the Spanish Confederation of Savings Banks published by Iberclear on 1 September 2017, no later than 9:00 am (CET) on the fourth trading day following the end of the Pre-emptive Subscription Period (expected to be 1 February 2023). The files must be received by the Agent with the details of the investors described in the aforementioned Guide, and under no circumstances shall the Agent be responsible for verifying the completeness and accuracy of the data provided by the Participants. The Participants shall be solely responsible for any errors or omissions in the information provided by the Participants, for any defects in the files sent or electronic transmissions made and, in general, for any failure by the Participants to comply with the provisions of this section, without the Agent assuming any liability in this regard.

The Agent may refuse to accept those notices from the Participants that have been transmitted after the date or time indicated, or those that fail to comply with any of the requirements or instructions required for such notices in the Agent's operating instructions or in the legislation in force, without any liability on its part or on the part of the Company, and without prejudice to any liability that the defaulting Participant may incur vis-à-vis the holders of the orders submitted in due time and form to the said Participant.

The result of the subscription for the Pre-emptive Subscription Period and the Additional Allotment Period will be communicated by the Agent to the Participants and to the Company so that the latter can announce the result of the subscription in the Pre-emptive Subscription Period and in the Additional Allotment Period to the market through the publication of the corresponding communication of "other relevant information" on the CNMV's website (www.cnmv.es) and on the Company's website (www.prisa.com).

(2.3) Discretionary Allotment Period (3rd round)

In the event that, at the end of the Additional Allotment Period (2nd round), the Convertible Bonds subscribed for during the Pre-emptive Subscription Period, together with the Additional Convertible Bonds requested, are not sufficient to cover the maximum number of Convertible Bonds subject to the Issue, the Agent will inform the Company and the Joint Bookrunners, as the entity in charge of the book-entry book-keeping, no later than 12:00 pm (CET) on the fourth trading day following the end of the Pre-emptive Subscription Period (scheduled for 1 February 2023). The Convertible Bonds resulting from the difference between the total number of Convertible Bonds in the Issue and the sum of the Convertible Bonds subscribed for in the Pre-emptive Subscription Period and in the Additional Allotment Period will be referred to as the “**Discretionary Allotment Convertible Bonds**”.

A discretionary allotment period for the Discretionary Allotment Convertible Bonds (the “**Discretionary Allotment Period**”) will then commence, if applicable, at any time subsequent to the end of the Additional Allotment Period, and no later than 5:30 pm (CET) of the same date, that is, 1 February 2023, on the fourth trading day following the end of the Pre-Emptive Subscription Period.

By way of exception, the Discretionary Allotment Period and up to no later than 6:00 am (CET) on the fifth trading day following the end date of the Pre-emptive Subscription Period (i.e. until 2 February 2023, as scheduled). If the Discretionary Allotment Period is opened, Prisa will inform the market by publishing the corresponding “other relevant information” notice on the CNMV’s website (www.cnmv.es) and on the Company’s website (www.prisa.com).

(a) Procedure for the application and allotment of Discretionary Allotment Convertible Bonds in the Discretionary Allotment Period.

During the Discretionary Allotment Period, the Joint Bookrunners will actively promote the subscription of the Discretionary Allotment Convertible Bonds among the Identified Investors and will respond to expressions of interest from Unidentified Investors for subscription of the Discretionary Allotment Convertible Bonds, without this implying in any case an active obligation to promote the Offer among such Unidentified Investors. In particular, the Joint Bookrunners will carry out the placement of the Convertible Bonds on the terms set out in section 5.4.3 of the Securities Note exclusively among the Investors (as defined in section 5.4.3 of the Securities Note). It is hereby noted that, under the jurisdiction of the United States of America, no action will be taken that would result in Prisa being required to register with the U.S. Securities and Exchange Commission a prospectus or to arrange any type of exemption or documentation, or that under any other jurisdiction, other than the Spanish jurisdiction, the Offer would be considered as a public offer or that requires any specific action for such purpose.

The Investors and any other investors who have approached the Company directly shall notify any of the Joint Bookrunners and the Company, respectively, of their proposal to subscribe Discretionary Allotment Convertible Bonds, indicating the Participant through which they will issue the subscription order and will make the payout of the Convertible Bonds of Discretionary Allotment Convertible Bonds requested, the number of Discretionary Allotment Convertible Bonds requested, with no quantitative limit, at the Issue Price (370 euros per Convertible Bond) and the total amount in euros requested.

These subscription proposals will not be firm, irrevocable and unconditional and may be revoked and modified until the corresponding final allotment of the Discretionary Allotment Convertible Bonds, without prejudice that in the event of termination of the Placing Agreement in accordance with the section 5.4.3. of the Securities Notes, the proposals submitted by Identified Investors and Non-Identified Investors (i.e. investors who have submitted proposals for subscription of Discretionary Allotment Convertible Bonds to the Joint Bookrunners, other than those investors who have committed themselves to the Issuer by entering into Investment Commitments (see section 4.4 of the Securities Note) or those who have approached the Company directly) will be revoked. During the Discretionary Allotment Period, no minimum number or amount of subscriptions per

application for Discretionary Allotment Convertible Bonds will be required. Furthermore, there will be no limit on the maximum number or amount per application for Discretionary Allotment Convertible Bonds.

The Joint Bookrunners shall communicate to the Company, on behalf of their Investors, no later than 5:30 pm (CET) on the same day as the end of the Discretionary Allotment Period (scheduled for 1 February 2023), the total volume and details of the subscription proposals for Discretionary Allotment Convertible Bonds that they have received from the Investors.

The Company, taking into account the opinion of the Joint Bookrunners, shall evaluate the subscription proposals received, applying criteria of quality and stability of the investment, and may admit, in whole or in part, or reject any such subscription proposals, without the need to state reasons by the Company, provided that it acts in good faith and that there is no unjustified discrimination between proposals of the same rank and characteristics.

In this regard, once the Discretionary Allotment Period has ended, the Company will proceed, taking into account the opinions of the Joint Bookrunners, to the definitive allotment of the Discretionary Allotment Convertible Bonds. In any event, the decision on the final allotment of the Convertible Bonds will be made solely and exclusively by the Company.

The Joint Bookrunners and the Company will communicate as soon as possible and after the end of the Discretionary Allotment Period (expected for 1 February, 2023) to the Agent the final allotments of the Discretionary Allotment Convertible Bonds between the investors and the accounts of their Participants. The Agent, in turn, shall immediately, on the same day, communicate the allotment of Discretionary Allotment Convertible Bonds to the Participants designated as liquidators by the investors, who shall confirm this status to the Agent. Once the allotments of Discretionary Allotment Convertible Bonds have been communicated to the investors, their bids will automatically become firm subscription orders, unless the Placing Agreement is terminated, in which case the bids submitted by the Identified Investors and by the Unidentified Investors (that is, the investors who have submitted proposals for subscription of Discretionary Allotment Convertible Bonds to the Joint Bookrunners, other than those investors who have committed to the Issuer signing Investment Commitments (see section 4.4. of the Securities Note) or those that have been addressed directly to the Issuer) will be revoked.

(b) Publication of the result of the subscription of the Offer

Once the Joint Bookrunners have communicated to the Agent the final allotments of the Discretionary Allotment Convertible Bonds, the Agent shall in turn notify the Company of the result of the subscription for the Discretionary Allotment Period so that the Company may, if appropriate, announce this result to the market together with the final total subscription of Convertible Bonds of the Issue by publishing the corresponding communication of “other relevant information” on the website of the CNMV (www.cnmv.es) and on the Company’s website (www.prisa.com).

(2.4) Early closure of the Offer

Notwithstanding the provisions of the preceding sections, Prisa may at any time terminate the Offer early, provided that the Issue has been fully subscribed.

5.1.3 Description of the possibility to reduce subscriptions and the manner for refunding excess amounts paid by applicants.

(a) Ability to reduce subscriptions:

Subscription requests for Convertible Bonds made during the Pre-emptive Subscription Period and, if applicable, during the Additional Allotment Period (i.e. both those made in exercise of pre-emptive subscription rights and, if applicable, requests for Additional Convertible Bonds) will be considered firm subscription orders and will therefore be irrevocable, the requests for Additional Convertible Bonds) will be considered firm

subscription orders and will therefore be irrevocable, notwithstanding the fact that the aforementioned requests for Additional Convertible Bonds may not be met in their entirety in application of the rules for the allotment of Surplus Convertible Bonds described in section 2.2) of 5.1.2 of the Securities Note.

However, if any of the events giving rise to the publication of a supplement to the Prospectus pursuant to Article 23.1 of Regulation (EU) 2017/1129 and its implementing regulations, investors who have already accepted the purchase or subscription of Convertible Bonds before the supplement is published will have the right to withdraw their acceptance and may do so within two business days following the publication of the supplement, provided that the significant new factor, material mistake or severe material misstatement relating to the information included in the Prospectus which could affect the evaluation of the securities has arisen, or has been discovered, prior to the close of the offer period or the delivery of the Convertible Bonds, whichever comes first.

In addition, the subscription proposals of Discretionary Allotment Convertible Bonds will not be firm, irrevocable and unconditional and may be revoked and modified until the corresponding allotment of the Discretionary Allotment Convertible Bonds, without prejudice to the fact that, in the event of termination of the Placing Agreement, the proposals submitted by Identified Investors and Non-Identified Investors (i.e. investors who have submitted proposals for subscription of Discretionary Allotment Convertible Bonds to the Joint Bookrunners, other than those investors who have committed themselves to the Issuer by entering into Investment Commitments (see section 4.4 of the Securities Note) or those who have approached the Company directly) will be revoked.

It is hereby noted that the Placing Agreement may be terminated by the Joint Bookrunners in the event on the date of signing (9 January 2023) and until the closing of the Issue, that which will be formalized through the execution of the notarial deed of subscription and payment of the Convertible Bonds (scheduled no later than 12:00 am (CET) on the Issue Date planned 3 February 2023, as scheduled) if happens any termination event occurs in accordance with the terms and conditions provided for in the Placing Agreement and described in section 5.4.3 of the Securities Note, with the consequences also described therein.

(b) Refund of the excess amount paid by applicants:

As indicated in greater detail in section 5.1.5 of the Securities Note, the Participants, the Joint Bookrunners and/or the Company, as the case may be, may request, at their discretion, from the subscribers a provision of funds in the accounts of the Participating Entities with which process their subscription in the amount corresponding to the Issue Price of the Additional Convertible Bonds and, if applicable, of the Discretionary Allotment Convertible Bonds requested, respectively. In any event, if the number of Additional Convertible Bonds finally allotted to each applicant is less than the number of Additional Convertible Bonds requested by the applicant, or if the proposal for subscription of Discretionary Allotment Convertible Bonds made by the applicant is not met in whole or in part, the Participant shall be obliged to return such applicants, free of any expenses or fees, the amount corresponding to the provision of funds or the sum corresponding to the excess of the amount not allotted, in accordance with the procedures applicable to such entities. If for reasons attributable to the Participant there is a delay in repayment, the Participant shall pay interest for late payment at the prevailing statutory interest rate, which shall accrue from the date on which repayment should have taken place until repayment actually takes place.

(c) Repayment in the event of total revocation of the Offering:

In the event that the Issue is not completed or the Offer is revoked, as set out in section 5.1.1 of the Securities Note, the Participating Entity and/or the Company, as applicable, must return, free of any expenses or fees, the full amount of any and all funds to have been delivered or the amount corresponding to the Issue Price, in accordance with the procedures applicable to such entities. If for reasons attributable to the Participant and/or the Company there is a delay in returning these amounts, the Participant and/or the Company, as the case may

be, shall pay late payment interest at the prevailing legal interest rate, which shall accrue from the date on which repayment should have taken place until repayment actually takes place.

5.1.4 Details of minimum and/or maximum number of subscription applications

Each outstanding Company share shall be entitled to one pre-emptive subscription right on the Convertible Bonds. For each 2,104 pre-emptive subscription rights held, one Convertible Bond may be subscribed. In the case of fractions in the allotment, the allotment will be rounded down to the nearest whole number so as to produce a whole number of Convertible Bonds to be allotted to each subscriber.

In addition, subscribers of Convertible Bonds who have applied for Additional Convertible Bonds during the Pre-emptive Subscription Period may subscribe for Additional Convertible Bonds on the terms indicated in section 5.1.2 of the Securities Note. Notwithstanding that applications for Additional Convertible Bonds will have no quantitative limit, the maximum effective number of Additional Convertible Bonds that may be subscribed for by Eligible Shareholders and Eligible Investors will depend on the number of Surplus Convertible Bonds and the conditions and rules of allotment described in paragraph (2.2) of section 5.1.2 of the Securities Note.

During the Discretionary Allotment Period there will be no quantitative limit on the number or amount (neither minimum nor maximum) per subscription proposal, although the maximum effective number of Convertible Bonds that may be subscribed for by shareholders or third parties will depend on the number of Discretionary Allotment Convertible Bonds and the conditions and rules of allotment described in paragraph (2.3) of section 5.1.2 of the Securities Note.

5.1.5 Method and time limits for paying up the securities and for delivery of the securities

(1) PAYOUT OF CONVERTIBLE BONDS

(1.1) Payout by investors of Convertible Bonds subscribed in the Pre-Emptive Subscription Period.

The full disbursement of the Issue Price (370 euros) of each of the Convertible Bonds subscribed for in exercise of the pre-emptive subscription right by the Prisa Shareholders and/or the Investors in the Company must be made by the subscribers upon subscription of the Convertible Bonds, i.e. at the same time of making the subscription order and through the Participant through which they have placed their subscription orders.

In the event that subscribers revoke their orders pursuant to paragraph (a) of section 5.1.3 of the Securities Note, the relevant Participants shall return to the subscribers the amounts already paid in or deposit them in their name with the Banco de España or the Caja General de Depósitos. These amounts will be returned, as applicable, on the trading day following the end of the Pre-emptive Subscription Period. If, for reasons attributable to the Participant, there is a delay in the return of the corresponding amounts, the Participant shall pay default interest at the prevailing legal interest rate from the date on which it should have been made until the date of its actual return.

(1.2) Payout of Convertible Bonds subscribed in the Additional Allotment Period

The full payout of the Issue Price (EUR 370) of each of the Convertible Bonds subscribed in the Additional Allotment Period must be made by subscribers through the Participants with which they have placed their orders to subscribe Additional Convertible Bonds.

In connection with orders to subscribe for Additional Convertible Bonds for allotment, if any, to the Eligible Shareholders and Eligible Investors in the Additional Allotment Period, the Participants may request at the time of the application for Additional Convertible Bonds a non-interest-bearing provision of funds for the corresponding amount requested of Additional Convertible Bonds for subsequent payout, in the event that

these are allotted to the Eligible Shareholders or Eligible Investors because the Issue has not been fully subscribed during the Pre-emptive Subscription Period.

If no Convertible Bonds are finally allotted to the applicant or the number of Convertible Bonds finally allotted is less than the number of Additional Convertible Bonds requested by the applicant, the Participant shall be obliged to return to the applicant, free of any expenses or fees, the amount corresponding to the provision of funds, if requested, or the amount of the excess of Additional Convertible Bonds not allotted, as the case may be. The allotment of Additional Convertible Bonds will take place on the fourth trading day following the end of the Pre-emptive Subscription Period. If, for reasons attributable to the Participant, there is a delay in the return of the corresponding provision of funds, the Participant shall pay default interest at the prevailing legal interest rate from the date on which it should have been made until the date of its actual return.

In the event that the Eligible Shareholder or the Eligible Investor has not been requested to make a provision of funds, he must pay the subscription amount at the time of notification of the definitive allotment of the Convertible Bonds by the relevant Participant to which his application for Additional Convertible Bonds has been submitted, in accordance with the specific payment procedure agreed between the Participant and the relevant investor as client. Applications for Additional Convertible Bonds which are not paid up by Eligible Shareholders or Eligible Investors within the terms provided for will be deemed not to have been made.

In the event that subscribers revoke their orders pursuant to paragraph (a) of section 5.1.3 of the Securities Note, the relevant Participants shall return to the subscribers the amounts already paid in or deposit them in their name with the Banco de España or the Caja General de Depósitos. These amounts will be returned, as applicable, on the trading day following the end of the Discretionary Allotment Period. If, for reasons attributable to the Participant, there is a delay in the return of the corresponding amounts, the Participant shall pay default interest at the prevailing legal interest rate from the date on which it should have been made until the date of its actual return.

(1.3) Payout of Convertible Bonds subscribed in the Discretionary Allotment Period

The full pay-out of the Issue Price (EUR 370) of each of the Discretionary Allotment Convertible Bonds will be made in full by qualified investors allotted them through the Participants that go to process their subscription of the Convertible Bonds.

The Joint Bookrunners and/or the Company, as the case may be, when receiving subscription requests for the Discretionary Allotment Convertible Bonds, may apply, at their discretion, for their applicants to make a provision of funds in the accounts of the Participants with which they will process their subscription for Discretionary Allotment Convertible Bonds to ensure payment of the price of any Discretionary Allotment Convertible Bonds that may be allotted to them. In the event of rejection of the subscription proposal, the Participants shall return to such applicant parties the corresponding provision of funds, free of any charges or commissions. In case of partial selection of a subscription proposal, the return of the provision of funds shall only concern the part of such subscription proposal that has not been selected or confirmed. These amounts will be returned, as applicable, on the trading day following the end of the Discretionary Allotment Period. If, for reasons attributable to the Participant there is a delay in repayment, the Participants shall pay interest for late payment at the prevailing statutory interest rate, which shall accrue from the date on which repayment should have taken place until repayment actually takes place.

In the event that the qualified investors allotted the Discretionary Allotment Convertible Bonds are not asked to make a provision of funds, they must pay the subscription amount at the time of notification of the definitive allotment of the Convertible Bonds by the relevant Participant to which his subscription for Discretionary Allotment Convertible Bonds has been submitted, in accordance with the specific payment procedure agreed between the Participant and the relevant investor as client. Applications for Discretionary Allotment Convertible Bonds which are not paid up pursuant to the established terms will be deemed not to have been made.

(1.4) Payment to the Company for the subscription of the Convertible Bonds.

No later than 9:00 am (CET) on the sixth trading day following the end of the Pre-emptive Subscription Period, scheduled for 3 February 2023, Iberclear shall debit the Participants that have placed orders to subscribe Convertible Bonds in the Pre-emptive Subscription Period, the Additional Allotment Period and the Discretionary Allotment Period through the mechanisms established for this purpose for the corresponding amounts for subscription of the Convertible Bonds in accordance with the dates announced by the Agent, and they will be paid to the Agent on account of the Issuer, without prejudice an event of early closure of the Issue, in which case the market will be informed through the appropriate announcements.

If any of the Participants fails to make, in whole or in part, the payment of the amounts corresponding to the subscriptions of Convertible Bonds within the aforementioned deadlines, the Agent may not allot the Convertible Bonds to the corresponding Participant, without any liability on the part of the Agent, the Company or the Joint Bookrunners, and without prejudice to any liability that may be incurred by the defaulting Participant to the holders of the subscription orders for Convertible Bonds submitted in due form and time to such Participant.

For their part, if any of the Participants, having paid the amounts corresponding to the subscriptions within the aforementioned deadlines, fails to notify the Agent of the list of subscribers in the terms indicated by the latter in the operating instructions, the Convertible Bonds corresponding to such subscriptions will be allotted to the corresponding Participant, likewise without any liability whatsoever on the part of the Agent or the Company, and without prejudice to any liability that the defaulting Participant may incur vis-à-vis the holders of the subscription orders for additional Convertible Bonds submitted in due form and time to such Participant.

In the event that subscribers revoke their orders pursuant to paragraph (a) of section 5.1.3 of the Securities Note, the relevant Participants shall return to the subscribers the amounts already paid in or deposit them in their name with the Banco de España or the Caja General de Depósitos.

(2) DELIVERY OF CONVERTIBLE BONDS

Once the Convertible Bonds have been paid up and the certificate or certificates accrediting the receipt of the funds corresponding to all the Convertible Bonds that have been subscribed for have been issued, the Issue will be declared closed and subscribed and the Company will execute the notarial deed of subscription and payment of the Convertible Bonds for subsequent entry in the Mercantile Register.

The Convertible Bonds will be created by their entry in the register of Iberclear as soon as possible, when, with the deed of the Issue entered in the Mercantile Registry and the notarial deed of subscription and payment of the Convertible Bonds has been executed. On the same day as the registration of the Convertible Bonds in the central register held by Iberclear, the Participants will make the corresponding entries in their accounting records in favour of the holders of the Convertible Bonds.

The holders of the Convertible Bonds will be entitled to obtain from the Participants the corresponding certificates of eligibility in accordance with the provisions of *Royal Decree 878/2015, of 2 October, on clearing, settlement and registration of marketable securities represented by book entries, on the legal regime of central securities depositories and central counterparties and on transparency requirements for issuers of securities admitted to trading on an official secondary market*. Participants shall issue such certificates by the end of the trading day following the day on which they are requested by subscribers.

Once the amount actually subscribed has been recorded in the margin of the registration of the Issue in the Mercantile Registry with the commercial deed, the corresponding notarial certificate of the deed and the notarial deed of subscription and disbursement registered in the Mercantile Registry will be immediately delivered to AIAF, and Prisa will apply for admission to trading of the Convertible Bonds on AIAF.

It is expected that on or around 6 February 2023, the Convertible Bonds will be admitted to trading on the AIAF following prior verification by the CNMV of the requirements for admission to trading of the Convertible Bonds,

and that the first day of trading of the Convertible Bonds will be 7 February 2023 (see paragraph (2) of section 5.1.2 of the Securities Note).

5.1.6 A full description of the manner and date in which results of the offer are to be made public.

Prisa will communicate the result of the Offer through the publication of the corresponding notice of “other relevant information” on the CNMV’s web page (www.cnmv.es) and on the Company’s website (www.prisa.com):

- (i) After the Pre-emptive Subscription Period, the number of Convertible Bonds subscribed during the Pre-emptive Subscription Period and, if the Additional Allotment Period is allowed, the number of Additional Convertible Bonds allotted and indicating, if applicable, the pro-rata coefficient applied and, if the Issue was not fully subscribed, the provision of the Discretionary Allotment Period; and
- (ii) After the Discretionary Allotment Period, if applicable, the result of the Offer, detailing the number of Convertible Bonds subscribed for in each of the periods.

5.1.7 The procedure for the exercise of any right of pre-emption, the marketability of subscription rights and the treatment of subscription rights not exercised.

(1) Holders of pre-emptive subscription rights:

Pre-emptive subscription rights to the Convertible Bonds will be held by Prisa Shareholders, as well as by Investors in the Company who, having acquired them during the Pre-emptive Subscription Period, are holders of pre-emptive subscription rights.

On the so-called *payment date* (scheduled for 17 January 2023), the business day following the cut-off date on which Iberclear determines the positions for the allotment of pre-emptive subscription rights (*record date*), scheduled for 16 January 2023, Iberclear will proceed to credit the accounts of the Participants with the pre-emptive subscription rights corresponding to each of them, sending them the pertinent communications so that, in turn, they may make the appropriate credits to the accounts of the Prisa Shareholders.

(2) Marketability of pre-emptive subscription rights:

Pre-emptive subscription rights shall be transferable under the same conditions as the shares from which they derive, in accordance with Article 306.2 of the Capital Companies Act, by reference to Article 416.2 of the Capital Companies Act. Therefore, the pre-emptive subscription rights will be freely tradable on the Spanish stock exchanges between 13 of January 2023 and 26 January 2023, where no assurance can be provided beforehand on the valuation that the market will give to them and that, in any case, it was found to a large extent of the price of Prisa’s shares during said period (see risk factor no 2).

(3) Procedure for the exercise of pre-emptive subscription rights:

Pre-emptive subscription rights may be exercised in accordance with the provisions of paragraph (2) of section 5.1.2 of the Securities Note.

(4) Treatment of pre-emptive subscription rights not exercised:

At the end of the Pre-emptive Subscription Period, any pre-emptive subscription rights that have not been exercised will be extinguished.

(5) Theoretical value of the pre-emptive subscription right:

The theoretical value of each pre-emptive subscription right shall be calculated on the basis of the closing price on the Stock Exchange Interconnection System (SIBE) corresponding to the trading session prior to the start of the Pre-emptive Subscription Period, in accordance with the following formula:

$$\text{TVR} = \frac{(\text{PC} - \text{PE}) \times \text{NAN}}{\text{NAP} + \text{NAN}}$$

Where:

- TVR: theoretical value of right.
- MP: market price of the Company's shares at the close of trading on the day prior to the start of the Pre-emptive Subscription Period.
- IP: Issue price of the shares, i.e. the Conversion Price of the Bonds, with no adjustment: EUR 0.37.
- NPS: number of shares prior to the Issue, 739,242,876 shares⁽⁸⁾.
- NNS: maximum number of new shares of the Company to be issued upon conversion of the Convertible Bonds⁽⁹⁾, 351,350,000 shares.

As an example, this formula applied to the closing price at 6 January 2023 (EUR 0.30 per share) would result in a theoretical value of each pre-emptive subscription right of EUR -0.023 per share:

$$\text{TVR} = \frac{(0.30 - 0.37) \times 351,350,000}{739,242,876 + 351,350,000}$$

Notwithstanding the fact that the theoretical value of the subscription right is negative according the previous formula, the setting of the first price of the pre-emptive subscription right will be determined by the Madrid stock exchange (the Company's main stock exchange) and published by means of the relevant operating instruction, without in any case the preferential subscription right on the Convertible Bonds may be negative.

In any event, the pre-emptive subscription rights are expected to be freely tradable on the Spanish stock exchanges during the period of 14 days between 13 January 2023 and 26 January 2023, both inclusive (see paragraph (1) of section 5.1.2 of the Securities Note), where no assurance can be provided as to the valuation the market will give to them, in any case, it was found to a large extent of the price of Prisa's shares during said period.

5.2 Distribution and allotment plan

5.2.1 Categories of investors to which the securities are offered

The Convertible Bonds will be placed in Spain through a public offering and outside the United States of America under Regulation S of the US Securities Act of 1933 through a private placement among qualified investors. Therefore, the Offer is aimed primarily at Prisa Shareholders and potential purchasers of pre-emptive subscription rights and, secondarily, at qualified investors, whether domestic or foreign, all in accordance with the terms and conditions set out in the Securities Note.

Accordingly with the last, the Convertible Bonds are offered on a preferential basis to shareholders of the Company who have acquired their shares prior to 12 January 2023, the date of publication in the Official Gazette of the Mercantile Registry (BORME) of the announcement relating to the Issue and the last day on which Prisa entitled shares are listed (*last trading date*), and who are listed as shareholders of the Company in the records of Iberclear at 11:59 pm (CET) on 16 January 2023 the cut-off date on which Iberclear will determine the positions for the allotment of pre-emptive subscription rights (*record date*). Furthermore, during the Pre-emptive Subscription Period, in addition to Prisa Shareholders, third party investors other than Prisa Shareholders may acquire on the market sufficient pre-emptive subscription rights and in the proportion necessary to subscribe for Convertible Bonds.

⁽⁸⁾: No treasury shares of the Company were taken into account, pursuant to Article 148 of the Capital Companies Act. The total treasury shares held by Prisa at the registration date of the Securities Note is 1,407,317 shares, representing 0.19% of the Company's capital.

⁽⁹⁾: Taking into account the par value of the Convertible Bonds (400 euros) and the unadjusted Conversion Price of EUR (0.40 euros).

If, at the end of the Additional Allotment Period, there remain unsubscribed Convertible Bonds (Discretionary Allotment Convertible Bonds), the Offer will be addressed to qualified investors, national and/or foreign, which, in accordance with the applicable regulations in each country, jurisdiction or territory where it is addressed, does not require any approval by their regulatory bodies, and without prejudice to the fact that in Spain the Offer constitutes a public offer that requires the publication of a prospectus in accordance with the provisions of Regulation (EU) 2017/1129 and, therefore, requires the authorisation of the CNMV. In particular, the Discretionary Allotment Convertible Bonds to be offered during the Discretionary Allotment Period will be exclusively addressed to investors who are qualified investors within the meaning of Article 2(e) of Regulation (EU) 2017/1129.

In addition, the Joint Bookrunners will carry out their tasks of placing the Convertible Bonds, pursuant to the terms of section 5.4.3 of the Securities Note, only between the Investors (as defined in section 5.4.3 of the Securities Note) who are considered to be “qualified investors” or “qualified counterparties” within the meaning of article 2(e) of the Prospectus Rules of the Securities Note) and always that the (i) are considered to be qualified investors within the meaning of article 2(e) of the (EU) 2017/1129, in the understanding that the Joint Bookrunners undertake to carry out the placement tasks provided for in point 5.4.3. of Securities Notes only among those Investors who are considered to be “professional clients” or “eligible counterparties” within the meaning of the Securities Market Act and Royal Decree 217/2008 of 15 February on the legal regime for investment services firms and other entities providing investment services and partially amending the Regulations of Law 35/2003, of 4 November on Collective Investment Undertakings, approved by Royal Decree 1309/2005 of 4 November, and (ii) the Investors comply with the client identification and verification procedures (Know Your Client or KYC) and any other requirement or procedure that the Joint Bookrunners must observe in accordance with the applicable rules of conduct.

This document and the information contained herein is not intended for investors in Australia, Canada, the United States of America or Japan or in any other State or jurisdiction where it is restricted by Law and does not constitute an offer of securities and may not be communicated to any person within those countries. No securities may be offered or sold within Australia, Canada, the United States of America or Japan or in any other State or jurisdiction where it is restricted by Law unless registered under applicable securities laws and regulations (and, in the specific case of the United States of America, under the U.S. Securities Exchange Act or the U.S. Securities Act of 1933) or a registration exemption for such an offer or sale. The Company does not intend to register the offer or sale of the Convertible Bonds in Australia, Canada, the United States of America or Japan or in any other State or jurisdiction where it is restricted by Law or to make a public offer in such countries. Accordingly, neither the Pre-emptive Subscription Rights nor the Convertible Bonds may be offered, exercised, sold or delivered in these countries. The Company and the Joint Bookrunners assumes no responsibility in the event of a violation of these restrictions by any person.

In the specific case of US investors, no subscription for Convertible Bonds may be accepted from an investor within the United States of America or from any person acting in the name or on behalf of an investor within the United States of America. Each investor (or the financial institution representing such investor) will be deemed to make the following declaration at the time of exercising their pre-emptive subscription rights or subscribing Convertible Bonds:

“I confirm that (i) I have not received within the United States of America either the Prospectus (consisting of the registration document, the securities note and the summary note) or any other document relating to the Issue of Promotora de Informaciones, S.A. or the exercise of pre-emptive subscription rights in respect of the Convertible Bonds of Promotora de Informaciones, S.A.; and (ii) at the time of exercising my pre-emptive subscription rights I am outside the United States of America, I am not acting on behalf of or for the account of persons within the United States of America and I am acquiring Convertible Bonds of Promotora de Informaciones, S.A. in an offshore transaction within the meaning of Regulation S under the U.S. Securities and Exchange Act or the US Securities Act of 1933.”

Authorised financial intermediaries must not accept the exercise of pre-emptive subscription rights or proposals to subscribe for Convertible Bonds made by clients domiciled in the United States of America. Any envelope containing a subscription proposal and stamped (whether physically, by facsimile or electronically) in the United States of America will not be accepted and the Issue Price will be returned without interest.

Solely for the purposes of the product governance requirements under MiFID II (mainly Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 and Commission Delegated Directive (EU) 2017/593 of 7 April 2016) (the “**MiFID II Product Governance Requirements**”), the Convertible Bonds have been subjected to a product approval process pursuant to section 18 of the guidelines on the MiFID II Product Governance Requirements published by the European Securities and Markets Authority on 5 February 2018, and following the assessment of the target market for the Convertible Bonds, it has been concluded that (i) the target market for the Convertible Bonds is compatible “retail clients”, “professional clients” and “eligible counterparties”, as defined for each of those terms in the MiFID II Product Governance Requirements; and (ii) all channels of distribution of the Convertible Bonds to such retail clients, professional clients and eligible counterparties are appropriate in accordance with MiFID II (the “**Target Market Analysis**”). Notwithstanding the foregoing, distributors should note that the price of the Convertible Bonds may fall and investors may lose all or part of their investment; that the Convertible Bonds do not guarantee any income or provide any security for the principal amount invested; and that an investment in the Convertible Bonds is compatible only with investors who do not require a guaranteed income or any protection for the principal amount invested and who, individually or with the assistance of a financial adviser, are able to appreciate the value of the Convertible Bonds; and an investment in the Convertible Bonds is suitable only for investors who do not require a guaranteed income or protection of the principal amount invested and who, individually or with the assistance of a financial adviser, are able to appreciate the risks and rewards of such investment and who have sufficient resources to withstand any losses that may arise from such investment.

Each distributor subject to MiFID II must carry out its own assessment of the target market in respect of the Convertible Bonds and determine the appropriate distribution channels on its own responsibility. It is expressly stated that the Target Market Analysis does not constitute (i) an analysis of the suitability or appropriateness for the purposes of MiFID II; nor (ii) a recommendation to invest in, purchase or otherwise deal in the Convertible Bonds.

As set out in section 4.1 of the Securities Note, the Convertible Bonds are a packaged retail investment product under Regulation (EU) 1286/2014. Accordingly, the Company, in its capacity as producer of the Convertible Bonds, has prepared the relevant key information document (KID) for investors required by Regulation (EU) 1286/2014, which will be available on the Company's website (www.prisa.com) since the first business day of the Pre-emptive Subscription Period. Any person advising on the Convertible Bonds or selling them to a retail investor will provide him with the key information document in accordance with Regulation (EU) 1286/2014.

5.2.2 Process for notifying applicants of the amount allotted and an indication whether dealing may begin before notification is made.

Through their Participant, applicants will be apprised of the amount of Convertible Bonds finally allotted to them, once the Agent has so notified the relevant Participant as indicated in section 5.1.2 of the Securities Note.

The admission to trading of the Convertible Bonds is expected to take place after the relevant notifications to the applicants have been made. However, failure or delay in notifying applicants will not prevent or delay the admission to trading of the Convertible Bonds.

5.3 Pricing

5.3.1 Price at which the securities will be offered any expenses and taxes charged to the subscriber

Price

The unit nominal amount of the Convertible Bonds is EUR 370 each, which also corresponds to their effective unit amount, as the Convertible Bonds are issued at par (that is, at 100% of its nominal value) and to the issue and subscription price of the Convertible Bonds (the “**Issue Price**”).

Expenses for subscribers of the Convertible Bonds

The Company will not pass on any expenses to the subscribers in respect of the Convertible Bonds. No charges will be incurred for the first registration of the Convertible Bonds in the accounting records of the Participants. However, the Participants that keep the accounts of the holders of the Company’s Convertible Bonds may, in accordance with the legislation in force, establish such administration fees and expenses as they may freely determine, arising from the maintenance of the securities in the accounting records.

The Participants through which the subscription is made may, in accordance with current legislation, establish recoverable administration fees and expenses as they may freely determine for the handling of securities subscription orders and the buying and selling of pre-emptive subscription rights.

The foregoing is without prejudice to any particular characteristics that may exist in other jurisdictions under the provisions of their respective legal systems.

5.4 Placement and underwriting

5.4.1 Name(s) and address(es) of the coordinator(s) and placers of the global offer

JB Capital Markets, with address in Madrid, calle Serrano Anguita, 1 (post code 28004), and Société Générale (“**Société Générale**”), with address in Paris (France), at Boulevard Haussmann, 29 (post code 75009), are acting as *Joint Bookrunners* of the Issue (together, the “**Joint Bookrunners**”).

5.4.2 Name and address of any paying agents and depository agents

Société Générale, Sucursal en España with address in Madrid, at Plaza Pablo Ruiz Picasso, 1, Torre Picasso (post code 28020), is acting as agent for the Issue, tax paying agent and conversion agent (the “**Agent**”).

Iberclear and the Participants will be the entities responsible for accounting of the Convertible Bonds and the New Shares, as they are for the remaining shares of the Company.

Issuer Solutions, S.L., with address in Valencia, Spain at Avenida de Francia, 17, A, 2, (post code 46023), is also acting as calculation agent for the Issue (the “**Calculation Agent**”).

The Issuer reserves the right at any time to change or revoke the appointment of the Agent and the Calculation Agent and to appoint a successor Agent or a successor Calculation Agent, where it undertakes to maintain an Agent or a Calculation Agent at all times. In addition, the Agent and the Calculation Agent undertake not to cease or relinquish the functions assigned by the Company under the agency agreement and the contract for the provision of calculation agent services, respectively, until the successor agent or the successor calculation agent has accepted their position.

5.4.3 Name and address of the entities agreeing to underwrite the issue on a firm commitment basis, and name and address of the entities agreeing to place the issue without a firm commitment or under best 'efforts' arrangements.

Underwriting agreement

None.

Placing agreement

On 9 January 2023, the Company and the Joint Bookrunners entered into a placing agreement (the "**Placing Agreement**") pursuant to which the Joint Bookrunners will carry out the placement tasks of the Convertible Bonds object of the Offer only among (i) a limited number of investors (including present shareholders of the Company and, if applicable, potential new investors), previously agreed with the Company (the "**Identified Investors**"); and (ii) investors other than the Identified Investors they send to the Joint Bookrunners, on the basis of a *reverse enquiry* or *passive solicitation* process, enquiries and solicitations in connection with the subscription of the Convertible Bonds (the "**Unidentified Investors**" and, together with the Identified Investors, the "**Investors**"). The Investors will be different from those who have committed themselves directly to the Issuer by virtue of one of the Investment Commitments described in section 4.4. of the Securities Notes and any other investors who have contacted the Company directly. In addition, the majority of investors subscribing to Discretionary Allotment Convertible Bonds must in any event comply with the requirements set out in section 5.2.1 of the Securities Note. Specifically, the Joint Bookrunners jointly undertake to assist the Issuer in placing the Convertible Bonds among the Identified Investors and to respond to expressions of interest from Unidentified Investors for acquisition of Pre-emptive Subscription Rights and or the Convertible Bonds, without this implying in any case an active obligation to promote the Offer among such Unidentified Investors.

As remuneration for its services in the Issue, Prisa will pay to the Joint Bookrunners a management, coordination and placing fee for the performance of its customary functions for a total amount of EUR 750,000.

The Placing Agreement may be terminated by the Joint Bookrunners at any time from the signing date of the Placing Agreement up to the execution of the notarial deed of subscription and payment of the Convertible Bonds (scheduled no later than 12:00 am (CET) on the Issue Date) if any of the following events occur:

- breach by the Issuer of its obligations under the Placing Agreement (such as failure to make true or correct, in respect of the matters referred to, the respective representations and warranties contained in the Placing Agreement) and provided that the remediable breach of obligations has not been remedied within 24 hours of notification by any of the Joint Bookrunners to the Issuer of such breach;
- if each and every condition customary for this type of transaction as set out in the Placing Agreement is not performed in whole or in part, to the satisfaction of the Joint Bookrunners calling for termination, or that of the Joint Bookrunners, as the case may be.
- upon the occurrence of any of the following circumstances of Material Adverse Change (as defined in the Placement Agreement in line with usual market practise) of force majeure or extraordinary change in market circumstances which, in the joint opinion and discretion of the Joint Bookrunners, and in a reasonable and non-arbitrary manner, may adversely affect the transaction or make it impossible or exceptionally burdensome or objectively inadvisable for them to perform their obligations under Placing Agreement:
 - a material adverse change in financial markets in Spain, European Union, United Kingdom or United States;
 - the unleashing a war, a act of physical terrorism, a declaration of a state of emergency or exception or siege in Spain, a global health crisis or any other calamity, other than the Ukrainian war situation and

the COVID-19 health crisis as it exists at the date of the Placing Agreement (but without excluding a significant aggravation of any of them);

- any change or event involving a global crisis in international exchange markets or in domestic or international political, financial or economic conditions;
- the suspension of general trading on the Spanish stock exchanges or New York stock exchanges or the imposition of price caps and floors, or a substantial disruption of banking and payment services and/or securities clearing and settlement activities in Spain, European Union, United Kingdom, United States or New York state;
- the declaration of a moratorium on banking activities by the competent authorities in Spain, European Union, United Kingdom, United States or New York state, or a Material Adverse Change that affects to the Issuer;
- In addition, the Placing Agreement may be terminated immediately at the request of any of the Joint Bookrunners from the date of the Placing Agreement and up until the time immediately prior to the admission to trading of the Convertible Bonds, in the following cases:
 - o if the Issue, Offer or admission to trading of the Convertible Bonds is suspended or voided due to the occurrence of any legal cause or the application of a judicial or administrative decision, or
 - o if the Prospectus or any of the documents comprising the Prospectus is supplemented in accordance with the applicable regulations.

In addition, the Placement Agreement will be terminated immediately, where the Company or the Joint Bookrunners need not request such termination in the event that the Issue does not take place prior to 28 February 2023.

Consequences of termination of the Placing Agreement

In the event of termination of the Placing Agreement prior to the granting by the Issuer of the notarial deed of subscription and disbursement of the Issuance of Convertible Bonds, the Identified Investors and Unidentified Investors allotted Discretionary Allotment Convertible Bonds (for clarification purposes, different of investors who had signed the Investment Commitments or any other investors who contacted the Company directly to communicate their subscription orders of Discretionary Allotment Convertible Bonds) will be released from the obligation to pay for the Discretionary Allotment Convertible Bonds and the Issuer will be released from the obligation to issue the Discretionary Allotment Convertible Bonds, and in the event that Iberclear has already debited the Participants processing orders to subscribe the Discretionary Allotment Convertible Bonds at the Issue Price of the Discretionary Allotment Convertible Bonds allotted to any of the Investors, such amount shall be returned by the Company within the 3 business days following the date of termination of the Placement Agreement.

Subsequent to execution by the Issuer of the notarial deed of subscription and payment of the Convertible Bonds, no subscriber may revoke their subscription order or be released from the obligation to pay for such Bonds.

Issuer's non deposition commitment

The Issuer undertakes vis-à-vis the Joint Bookrunners, from the date of the Placing Agreement until 90 days following the Issue Date, without the prior express written consent of each of the Joint Bookrunners, which consent shall not be unreasonably withheld or delayed, (i) not to issue, offer, encumber, sell, or announce an intention to sell or undertake to sell, sell options or undertake to purchase, purchase options or grant options, rights or warrants to purchase, lend, encumber or otherwise dispose of, directly or indirectly, shares of the Issuer or securities convertible into or exchangeable for shares of the Issuer, or enter into any transaction which

would have a similar effect to the foregoing; and (ii) not to enter into any swap contracts (*swaps*), or any other contracts or transactions by virtue of which the economic effects of the ownership of shares or securities convertible into or exchangeable for shares of the Issuer are transferred in whole or in part, directly or indirectly, regardless of whether the transaction described in (i) above or the swap described in (ii) above is to be settled by the delivery of shares of the Issuer, securities convertible into, exercisable for or exchangeable for shares of the Issuer, for cash or by any other means.

However, this commitment on the part of the Issuer shall not apply in the following cases: (i) the issue of new shares as a result of the conversion of the Convertible Bonds; (ii) sales of shares made by JB Capital on behalf of the Issuer in execution of the liquidity agreement to which point 6.3. of the Securities Notes refers, (iii) transfers of shares between entities belonging to the same group of companies (within the meaning of Article 42 of the Royal Decree of August 22, 1855 by which the Commercial Code is published), provided that the acquiring entity undertakes the same commitment not to transfer shares for the remaining period, and (iv) the implementation of the share incentive plan for executives directors and executives described in the Registration Document.

5.4.4 Date of underwriting agreement

Not applicable.

6 ADMISSION TO TRADING OF THE SECURITIES

6.1 Application for admission to trading

Once the notarial deed formalising the subscription and payment of the Convertible Bonds has been executed, they will be registered in the accounting records kept by Iberclear. Thereafter, and once the amount actually subscribed with the notary deed has been recorded in the margin of the Issue's entry in the Mercantile Registry, pursuant to the resolutions adopted by the Ordinary General Shareholders' Meeting of the Company held on 28 June 2022, under item nine of the agenda, and by the Board of Directors of Prisa at its meeting held on 9 January 2023, the Company will request from the CNMV prior verification of requirements for admission to trading of the Convertible Bonds for the purpose of admittance to trading of the Convertible Bonds on the Spanish regulated market AIAF Mercado de Renta Fija.

The Convertible Bonds are expected to be admitted to trading on AIAF on 6 February 2023. The first day of trading of the Convertible Bonds on the AIAF, through the SEND platform if the Convertible Bonds are subscribed by retail investors, would be the next trading day, i.e. 7 February 2023 (see paragraph (1) of section 5.1.2 of the Securities Note).

To this end, the Company will make the relevant applications, prepare and submit all appropriate documents in the terms it deems appropriate and carry out all acts necessary in the CNMV and the AIAF Mercado de Renta Fija to achieve the admission to trading of the Convertible Bonds.

Likewise, with respect to the New Shares issued to cover the conversion of the Convertible Bonds, once the corresponding public deed has been registered with the Mercantile Registry, the Company will request the registration in the accounting records of Iberclear of the New Shares issued and their admission to trading on the Spanish stock exchanges through the Stock Exchange Interconnection System (SIBE) with the aim that such admission takes place as soon as possible and at the latest within 1 month from the corresponding Conversion Date or Maturity Date of the Convertible Bonds.

The Company is aware of the requirements and conditions for admission, continued listing and delisting of the Convertible Bonds and the New Shares on the aforementioned secondary markets in accordance with the regulations in force and the requirements of their governing bodies, and undertakes to comply with them.

In the event of significant delays in the admission to trading of the Convertible Bonds and the New Shares, the Company undertakes to publicise the reasons for the delay by publishing the corresponding notice to the

market on the corporate website of the CNMV (www.cnmv.es) and on the Company's website (www.prisa.com), without prejudice to any liability that Prisa may incur for such delay.

6.2 Regulated markets in which securities of the same class are now admitted to trading

Not applicable for the Convertible Bonds to the extent that the Company currently has no securities of the same class as the Convertible Bonds in issue.

With respect to the New Shares to be issued to cover the conversion of the Convertible Bonds, the shares of Prisa are admitted to trading on the Spanish stock exchanges through the Spanish Stock Exchange Interconnection System (SIBE). Upon conversion of the Convertible Bonds into New Shares, as indicated in section 6.1 of the Securities Note, the Company will apply for admission to trading of the New Shares on the Spanish stock exchanges through the Spanish Stock Exchange Interconnection System (SIBE).

6.3 Entities which have a firm commitment to act as intermediaries in secondary trading, providing liquidity through bid and offer rates

The Company has not entered into any agreement for the Issue pursuant to which there is an entity acting as an intermediary in the secondary trading of the Convertible Bonds by providing liquidity.

Notwithstanding the foregoing, the Company has entered into a liquidity contract with JB Capital Markets that is 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.

As indicated in paragraph (2.1) of section 5.2.1 of the Securities Note, Prisa has been suspended from the liquidity contract effective 9 January 2023 and is expected to resume as from the first day of the Pre-emptive Subscription Period. Thus, on the *payment date* of the pre-emptive subscription rights by Iberclear, the Company will maintain the same number of shares for the purpose of determining the number of pre-emptive subscription rights that are necessary for the subscription of the Convertible Bonds.

In addition, 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.

According to the notice of "other relevant information" dated 5 January 2023 published by the Company on the website of the CNMV (www.cnmv.es) with registration number 19884 and on the Company's website (www.prisa.com), the current balances of the aforementioned liquidity agreement are 273,310 Prisa shares and 40,503.99 euros (153,024 shares and 212,091.26 euros at the signing of the liquidity agreement).

6.4 Price of issue of the securities

The Issue Price of the Convertible Bonds is at par, i.e. EUR 370 par value each as indicated in section 5.3.1 of the Securities Note.

7 ADDITIONAL INFORMATION

7.1 Advisory persons and entities in the offer

- ECIJA Legal, S.L. is acting as legal counsel to Prisa under Spanish law in connection with the Issue.
- Latham & Watkins LLP is acting as legal adviser to Prisa under Spanish and English law in connection with certain aspects of the Issue and its conformity with the 2022 Refinancing agreements.
- Houlihan Lokey (Europe) GmbH is acting as Financial Adviser to Prisa in connection with the Issue.
- Barclays Bank Ireland PLC is acting as Financial Adviser to Prisa in connection with the Issue.
- JB Capital Markets, S.V., S.A.U. is acting *Joint Bookrunner* for the Convertible Bonds under the Issue.
- Société Générale is acting as *Joint Bookrunner* of the Convertible Bonds in the Issue, and as Agent.
- Uría Menéndez Abogados, S.L.P. is acting as legal adviser to the Joint Bookrunners on the legal aspects of the Issue under Spanish law.

7.2 Other information in the securities note that has been audited or reviewed by the auditors

None.

7.3 Credit ratings assigned to securities at the request of or with the cooperation of the issuer in the rating process.

The Company has not sought, and will not seek, a credit rating of the Convertible Bonds from any rating agency.

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 (S&P)⁽¹⁰⁾ and on 15 January 2021 by Moody’s Investors Service España, S. A.⁽⁷⁾, 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. The credit ratings can be consulted on the Prisa website ([link](#)).

7.4 Information not contained in the securities note in the event of partial replacement of summary note with information mentioned in Article 8.3.c) and i) of Regulation (EU) 1286/2014.

Not applicable. Notwithstanding the foregoing, as set out in section 4.1 of the Securities Note, the Convertible Bonds are a packaged retail investment product under Regulation (EU) 1286/2014. Accordingly, the Company, in its capacity as producer of the Convertible Bonds, has prepared the relevant key information document (KID) for investors required by Regulation (EU) 1286/2014, which will be available on the Company’s website (www.prisa.com) since the first business day of the Pre-emptive Subscription Period. Any person advising on the Convertible Bonds or selling them to a retail investor will provide him with the key information document in accordance with Regulation (EU) 1286/2014.

⁽¹⁰⁾: 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*.

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

Madrid, 9 January 2023.

Signed for and on behalf of Promotora de Informaciones, S.A.
p.p.

Pilar Gil Miguel
Directora Financiera (CFO)

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

APPENDIX I: RULES FOR ADJUSTMENT TO CONVERSION PRICE

RULES FOR ADJUSTMENT TO CONVERSION PRICE

The following are the rules for adjusting the Conversion Price of the Convertible Bonds into New Prisa Shares that are customary in this type of transaction. In this regard, should any of the events described below occur, the Conversion Price shall be adjusted as indicated by the Calculation Agent. The Company will announce the occurrence of an Early Maturity Event to the market and to the holders of the Convertible Bonds through the publication of the relevant notice of communication on the website of the CNMV (www.cnmv.es) and on the Company's website (www.prisa.com) of adjustments to the Conversion Price.

Definitions of defined terms used in this Annex that are not expressly defined in the individual sections or in the Securities Note are set out in section 14 of this Appendix.

Any decision of the Calculation Agent or, if applicable, an Expert, made in accordance with the terms and conditions of the Securities Note will be final and binding (in the absence of manifest error) on the Issuer, the holders of Convertible Bonds, the Calculation Agent (if the decision is made by an Expert) and the Agent.

The Calculation Agent shall act only when requested to do so by and solely as agent for the Issuer and in accordance with the terms and conditions of the Convertible Bonds. Neither the Calculation Agent (acting in this capacity) nor any Expert appointed in connection with the Convertible Bonds (acting in such capacity) shall thereby assume any obligation to, or agency or fiduciary relationship with, the holders of the Convertible Bonds or the Agent and shall not be liable or incur any liability in respect of anything done or not done in good faith in accordance with the terms and conditions of the Convertible Bonds. In particular, but not limited thereto, the Calculation Agent and the Expert are exempted from verifying the circumstances with respect to the legality or otherwise of the share issue required for the exercise of the conversion right.

If, after consultation between the Issuer and the Calculation Agent, any doubt arises as to whether an adjustment should be made to the Conversion Price or as to the corresponding adjustment to the Conversion Price, and after consultation between the Issuer and an Expert, a written opinion of such Expert on the same shall be conclusive and binding on the Issuer, the holders of the Convertible Bond, the Calculation Agent (if his opinion is different) and all other parties, except in the case of manifest error.

1. DIVIDENDS

- (a) **Adjustment event:** whenever the Issuer distributes Dividends to shareholders, the Conversion Price will be subject to adjustment under this section.
- (b) **Effective Date:** for the purposes of this section, “**Effective Date**” shall mean the first date on which the shares of the Company are traded ex dividend on the Spanish stock exchanges or, in the case of the purchase, redemption or repurchase of shares or depositary receipts (or other slips or certificates) representing the shares, the date on which such purchase, redemption or repurchase is made or (in each case), if later, the date on which the Fair Market Value of the relevant Dividend is capable of being determined as herein provided.
- (c) **Adjustment to Conversion Price:** whenever the Issuer distributes dividends to shareholders, the Conversion Price in respect of each Convertible Bond for which the Conversion Date has not occurred prior to the Effective Date will be adjusted by multiplying the Conversion Price in effect immediately prior to the Effective Date by the following fraction:

$$\frac{A - B}{A}$$

Where:

- A = The Current Market Price of a share of the Company (in euro) on the Trading Day immediately preceding the Effective Date.

- B = The Fair Market Value on the Effective Date of the portion of the Dividend attributable to a share of the Company.

(d) **Adjustment effect:** the Conversion Price adjusted pursuant to this section shall apply, with effect from and including the Effective Date, to each Convertible Bond for which the Conversion Date has not arisen prior to the Effective Date. This adjustment shall be subject to further adjustment in accordance with the sections of this appendix.

2. BONUS SHARE ISSUES

(a) **Adjustment event:** whenever the Issuer makes a Bonus Share Issue, the Conversion Price will be subject to adjustment under this section.

(b) **Effective Date:** for the purposes of this section, “**Effective Date**” shall mean the date of issue of the relevant bonus shares.

(c) **Adjustments to Conversion Price:** in respect of each Convertible Bond for which the Conversion Date has not arisen prior to the Effective Date, the Conversion Price will be adjusted by multiplying the Conversion Price in effect immediately prior to the Effective Date by the following fraction:

$$\frac{A}{B}$$

Where:

- A = Number of shares of the Company in issue immediately prior to the issue of the corresponding bonus shares.
- B = Number of shares of the Company in issue immediately following the issue of the corresponding bonus shares.

(d) **Adjustment effect:** the Conversion Price adjusted pursuant to this section shall apply, with effect from and including the Effective Date, to each Convertible Bond for which the Conversion Date has not arisen prior to the Effective Date. This adjustment shall be subject to further adjustment in accordance with the sections of this appendix.

3. CHANGE IN THE PAR VALUE OF THE SHARES

(a) **Adjustment event:** whenever there is a change in the par value of the Company’s shares as a result of a split or grouping, the Conversion Price will be subject to adjustment under this section.

(b) **Effective Date:** for the purposes of this section, “**Effective Date**” shall mean the date when such splitting or group takes effect.

(c) **Adjustments to Conversion Price:** in respect of each Convertible Bond for which the Conversion Date has not arisen prior to the Effective Date, the Conversion Price will be adjusted by multiplying the Conversion Price in effect immediately prior to the Effective Date by the following fraction:

$$\frac{A}{B}$$

Where:

- A = Number of shares of the Company in issue immediately prior to such change.
- B = Number of shares of the Company in issue immediately following such change.

(d) **Adjustment effect:** the Conversion Price adjusted pursuant to this section shall apply, with effect from and including the Effective Date, to each Convertible Bond for which the Conversion Date has not arisen

prior to the Effective Date. This adjustment shall be subject to further adjustment in accordance with the sections of this appendix.

4. SHARES, RIGHTS AND EQUITY-LINKED SECURITIES ISSUED TO SHAREHOLDERS.

- (a) **Adjustment event:** whenever the Issuer issues, grants or offers shares in the Company, Equity-Linked Securities, Share Rights or Rights in Equity-Linked Securities to all or substantially all shareholders as a class as a result of which, in each case, shareholders are entitled to acquire shares at a Consideration per Share (as defined in section 13 of this Appendix) of less than 95% of the Current Market Price of the shares of the Company on the Business Day immediately preceding the date of the first public announcement of such issue, grant or offer, the Conversion Price shall be subject to adjustment in accordance with this section.
- (b) **Effective Date:** for the purposes of this section, “**Effective Date**” shall mean the first date on which the Company’s shares are traded ex-rights, ex-warrants or ex-options on the Spanish stock exchanges.
- (c) **Adjustments to Conversion Price:** in respect of each Convertible Bond for which the Conversion Date has not arisen prior to the Effective Date, the Conversion Price will be adjusted by multiplying the Conversion Price in effect immediately prior to the Effective Date by the following fraction:

$$\frac{A + B}{A + C}$$

Where:

- A = Number of shares of the Company in issue on the Trading Day immediately preceding the date of the first public announcement of the issue.
 - B = Number of shares in the Company that would be purchased with the Total Consideration (as defined in section 13 of this Appendix) at such Current Market Price; and
 - C = (i) in the case of an issue, grant or offer of shares, the number of new shares comprised in the issue, grant or offer; or (ii) in the case of an issue, grant or offer of Equity-Linked Securities, Share Rights or Rights on Equity-Linked Securities, the maximum number of shares which could be issued upon the exercise of all pre-emptive subscription, purchase or acquisition rights under the terms of such Equity-Linked Securities, Share Rights or Rights on Equity-Linked Securities at the initial price or exchange.
- (d) **Formula:** if on the date (the “**Specified Date**”) of issue, grant or offer of the relevant Equity-Linked Securities, Share Rights or Rights on Equity-Linked Securities, the maximum number of shares which could be issued upon the exercise of all rights to subscribe for, purchase or acquire the shares pursuant to the terms of such Equity-Linked Securities, Share Rights or Rights on Equity-Linked Securities is to be determined by the application of a formula or other variable element or the occurrence of an event at a later time, for the purposes of this section. “C” shall be determined by the application of such formula or variable element or as if the relevant event occurred or had occurred on the Specified Date and as if such subscription, purchase or acquisition had taken place on the Specified Date.
- (e) **Adjustment effect:** the Conversion Price adjusted pursuant to this section shall apply, with effect from and including the Effective Date, to each Convertible Bond for which the Conversion Date has not arisen prior to the Effective Date. This adjustment shall be subject to further adjustment in accordance with the sections of this appendix.

5. ISSUES OF OTHER SECURITIES TO SHAREHOLDERS

- (a) **Adjustment event:** whenever the Issuer issues securities (other than shares, Equity-Linked Securities, Share Rights or Rights on Equity-Linked Securities) to all or substantially all shareholders as a class or the

Issuer issues or grants Rights to any securities (other than shares, Equity-Linked Securities, Share Rights or Rights on Equity-Linked Securities) or assets to all or substantially all shareholders as a class, the Conversion Price will be subject to adjustment under this section.

- (b) **Effective Date:** for the purposes of this section, “**Effective Date**” shall mean the first date on which the shares are traded ex-rights, ex-warrants or ex-options on the Spanish stock exchanges.
- (c) **Adjustments to Conversion Price:** in respect of each Convertible Bond for which the Conversion Date has not arisen prior to the Effective Date, the Conversion Price will be adjusted by multiplying the Conversion Price in effect immediately prior to the Effective Date by the following fraction:

$$\frac{A - B}{A}$$

Where:

- A = The Current Market Price of a share of the Company on the Trading Day immediately preceding the date of the first public announcement of the terms of such issue or grant.
 - B = The Fair Market Value on the date of such announcement of the portion of rights attributable to a share of the Company.
- (d) **Adjustment effect:** the Conversion Price adjusted pursuant to this section shall apply, with effect from and including the Effective Date, to each Convertible Bond for which the Conversion Date has not arisen prior to the Effective Date. This adjustment shall be subject to further adjustment in accordance with the sections of this appendix.

6. ISSUANCE OF SHARES BELOW THE CURRENT MARKET PRICE

- (a) **Adjustment event:** whenever the Issuer issues shares, wholly for cash, or issues or grants Share Rights or Rights on Equity-Linked Securities, wholly for cash or free of charge, as a result of which, in each case, the persons to whom the shares or Rights are issued or granted are entitled to acquire shares for a Consideration per Share of less than 95% of the Current Market Price of the shares on the Business Day immediately preceding the date of the first public announcement of such issue or grant, the Conversion Price shall be subject to adjustment in accordance with this section. However, if such issue or grant also falls within the scope of section 4 (shares, Rights and Equity-Linked Securities issued to shareholders) or constitutes an issue of shares arising from the exercise of conversion rights or the exercise of any other rights to exchange, convert or subscribe for shares, the Conversion Price shall not be subject to adjustment under this section.
- (b) **Effective Date:** for the purposes of this section, “**Effective Date**” shall mean the date of issue of the relevant shares or, as the case may be, the date of issue or grant of such Rights.
- (c) **Adjustments to Conversion Price:** in respect of each Convertible Bond for which the Conversion Date has not arisen prior to the Effective Date, the Conversion Price will be adjusted by multiplying the Conversion Price in effect immediately prior to the Effective Date by the following fraction:

$$\frac{A + B}{A + C}$$

Where:

- A = Number of shares of the Company in issue on the Trading Day immediately preceding the date of such announcement.
 - B = Number of shares in the Company that could be purchased with the Total Consideration at such Current Market Price.
 - C = Number of new Company shares issued.
- (d) **Formula:** if on the date (the “**Specified Date**”) of issue or grant of the relevant Equity-Linked Securities, Share Rights or Rights on Equity-Linked Securities, the maximum number of Shares which could be issued

upon the exercise of all rights to subscribe for, purchase or acquire the shares and, as the case may be, Equity-Linked Securities, pursuant to the terms of such Rights and Equity-Linked Securities, is to be determined by the application of a formula or other variable element or the occurrence of an event at a later time, for the purposes of this section. "C" shall be determined by the application of such formula or variable element or as if the relevant event occurred or had occurred on the Specified Date and as if such subscription, purchase or acquisition had taken place on the Specified Date.

- (e) **Adjustment effect:** the Conversion Price adjusted pursuant to this section shall apply, with effect from and including the Effective Date, to each Convertible Bond for which the Conversion Date has not arisen prior to the Effective Date. This adjustment shall be subject to further adjustment in accordance with the sections of this appendix.

7. SHARES, RIGHTS AND SECURITIES RELATED TO SHARES INDIVIDUALS OTHER THAN SHAREHOLDERS.

- (a) **Adjustment event:** whenever the Issuer or a Group company or (pursuant to agreements with the Issuer or one of its subsidiaries) any other person or entity issues, wholly for cash or free of charge, any Equity-Linked Securities or grants, to existing issued securities, rights which cause them to be Equity-Linked Securities, as a result of which the persons to whom the Equity-Linked Securities or such rights are issued or granted are entitled to acquire shares in the Company for a Consideration per Share of less than 95% of the Current Market Price of the shares on the Business Day immediately preceding the first public announcement of the terms of issue of such Equity-Linked Securities or the terms of such grant, the Conversion Price shall be subject to adjustment in accordance with this section. However, if such issue or grant also falls within the scope of section 4 (*shares, Rights and Equity-Linked Securities issued to shareholders*), section 5 (*issue of other securities to shareholders*) or section 6 (*issue of shares below the Current Market Price*), the Conversion Price will not be subject to adjustment under this section.
- (b) **Effective Date:** for the purposes of this section, "**Effective Date**" shall mean the date of issue of the Equity-Linked Securities or the granting of such rights.
- (c) **Adjustments to Conversion Price:** in respect of each Convertible Bond for which the Conversion Date has not arisen prior to the Effective Date, the Conversion Price will be adjusted by multiplying the Conversion Price in effect immediately prior to the Effective Date by the following fraction:

$$\frac{A + B}{A + C}$$

Where:

- A = Number of shares of the Company in issue on the Trading Day immediately preceding the date of such announcement.
 - B = Number of shares in the Company that could be purchased with the Total Consideration at such Current Market Price.
 - C = Maximum number of shares of the Company that could be issued upon the exercise of all rights to subscribe for, purchase or acquire the shares pursuant to the terms of such Equity-Linked Securities at the initial price or exchange.
- (d) **Formula:** if on the date (the "**Specified Date**") of issue of the relevant Equity-Linked Securities, or on the date of granting of such rights, the maximum number of Company Shares which could be issued upon the exercise of all rights to subscribe for, purchase or acquire pursuant to the terms of such Equity-Linked Securities, is to be determined by the application of a formula or other variable element or the occurrence of an event at a later time, for the purposes of this section. "C" shall be determined by the application of such formula or variable element or as if the relevant event occurred or had occurred on the Specified Date and as if such subscription, purchase or acquisition had taken place on the Specified Date.

- (e) **Adjustment effect:** the Conversion Price adjusted pursuant to this section shall apply, with effect from and including the Effective Date, to each Convertible Bond for which the Conversion Date has not arisen prior to the Effective Date. This adjustment shall be subject to further adjustment in accordance with the sections of this appendix.

8. MODIFICATION OF THE TERMS OF RIGHTS OR EQUITY-LINKED SECURITIES.

- (a) **Adjustment event:** whenever the rights to pre-emptive subscription, purchase or acquisition of Shares pursuant to the terms of any Rights or Equity-Linked Securities are modified (other than in accordance with their terms and conditions of issue, including the terms and conditions relating to the adjustment of such rights) so that on the occasion of such amendment the Consideration per Share (i) is reduced and (ii) is less than 95% of the Current Market Price of the shares of the Company on the Business Day immediately preceding the date of the first public announcement of the proposal for such change, the Conversion Price shall be subject to adjustment in accordance with this section.
- (b) **Effective Date:** for the purposes of this section, “Effective Date” shall mean the date of modification of such rights.
- (c) **Adjustments to Conversion Price:** in respect of each Convertible Bond for which the Conversion Date has not arisen prior to the Effective Date, the Conversion Price will be adjusted by multiplying the Conversion Price in effect immediately prior to the Effective Date by the following fraction:

$$\frac{A + B}{A + C}$$

Where:

- A = Number of shares of the Company in issue on the Trading Day immediately preceding the date of such announcement.
 - B = Number of shares in the Company that could be purchased with the Total Consideration (calculated taking account of the modified rights) at such Current Market Price.
 - C = the maximum number of shares of the Company which could be issued upon the exercise of all rights to subscribe for, purchase or acquire shares pursuant to the terms of such Rights or Equity-Linked Securities at the modified subscription, purchase or acquisition price or exchange (but taking into account, as determined by an Expert as appropriate, any prior adjustments pursuant to section 4 (Shares, Rights and Equity-Linked Securities issued to shareholders), section 7 (Equity-Linked Securities issued to persons other than shareholders) or this section).
- (d) **Adjustment effect:** the Conversion Price adjusted pursuant to this section shall apply, with effect from and including the Effective Date, to each Convertible Bond for which the Conversion Date has not arisen prior to the Effective Date. This adjustment shall be subject to further adjustment in accordance with the sections of this appendix.

9. SPLIT-OFF OR DEMERGER

- (a) **Adjustment event:** whenever the Issuer or a Group company or (pursuant to agreements with the Issuer or one of its subsidiaries) any other person or entity makes an offer of securities pursuant to which shareholders as a class are entitled to participate in a system whereby they may acquire such securities, the Conversion Price will be subject to adjustment under this section. However, if such an offer would also cause the Conversion Price to be adjusted pursuant to section 4 (*Shares, Rights and Equity-Linked Securities issued to shareholders*) or section 5 (*issue of other securities to shareholders*) (or would cause the Conversion Price to be adjusted if the relevant Consideration per Share were less than 95% of the Current Market Price per Share on a Trading Day immediately prior to the date of the first public announcement of this offer), the Conversion Price will not be subject to adjustment under this section.

- (b) **Effective Date:** for the purposes of this section, “**Effective Date**” shall mean the first date on which the shares are traded ex-rights on the Spanish stock exchanges.
- (c) **Adjustments to Conversion Price:** in respect of each Convertible Bond for which the Conversion Date has not arisen prior to the Effective Date, the Conversion Price will be adjusted by multiplying the Conversion Price in effect immediately prior to the Effective Date by the following fraction:

$$\frac{A - B}{A}$$

Where:

- A = The Current Market Price of a share of the Company on the Trading Day immediately preceding the date of the first public announcement of the offer.
 - B = The Fair Market Value on the date of such announcement of the portion of the offer attributable to a share.
- (d) **Adjustment effect:** the Conversion Price adjusted pursuant to this section shall apply, with effect from and including the Effective Date, to each Convertible Bond for which the Conversion Date has not arisen prior to the Effective Date. This adjustment shall be subject to further adjustment in accordance with the sections of this appendix.

10. OTHER EVENTS OR SIMULTANEOUS EVENTS

- (a) **Adjustment event:** if the Issuer determines that:
- (i) an adjustment to the Conversion Price must be made as a result of one or more events or circumstances not mentioned in sections 1 (*dividends*) to 9 (*split-off or demerger*) (even if the relevant event or circumstance is expressly excluded from the application of sections 1 (*dividends*) to 9 (*split-off or demerger*));
 - (ii) a number of events have occurred or will occur that cause or are likely to cause an adjustment to the Conversion Price within such a short period of time that a modification of the system of adjustment provisions is required to produce the intended result; or
 - (iii) an event has occurred or will occur which causes or is likely to cause an adjustment to the Conversion Price such that a modification of the system of adjustment provisions is required to produce the intended result,

the Issuer shall, at its own expense, use its reasonable endeavours to ensure that the adjustment (if any) of the Conversion Price is fair and reasonable to take account of such events and the date on which such adjustment shall take effect shall be determined by an Expert, provided that the Conversion Price may not be increased pursuant to this section.

- (b) **Effective Date:** on such determination, the Issuer shall arrange for such adjustment (if any) to be made in accordance with the determination.
- (c) **Expert Certificate:** if any doubt arises as to any appropriate adjustment of the Conversion Price, the Issuer shall use its reasonable endeavours to procure that the appropriate adjustment is Determined by an Expert and the relevant Expert’s Certificate as to the appropriate adjustment of the Conversion Price shall, in the absence of manifest error, be conclusive and binding on all concerned parties.

11. MINOR ADJUSTMENTS AND NO ADJUSTMENTS

- (a) **Rounding and adjustments below 1%:** in a Conversion Price adjustment, the resulting Conversion Price, if it is not a whole multiple of one cent, shall be rounded down to the nearest cent. No adjustment to the Conversion Price shall be made where such adjustment (rounded down, if applicable) is less than 1% of

the then prevailing Conversion Price. Adjustments not required to be made and amounts where the Conversion Price has been rounded down shall be carried forward and taken into account in any subsequent adjustment, but such subsequent adjustment shall be made on the basis that the unrequired adjustment was made at the relevant time.

- (b) **Employee share plans:** no adjustment to the Conversion Price will be made where shares or other securities (including rights, warrants or options) are issued, offered, exercised, allotted, allocated, awarded, modified or granted to employees or former employees (including directors who hold or formerly held executive office) of the Issuer or of a Group company or associated company of the Issuer under an employee share plan (including a dividend reinvestment plan).
- (c) **Adjustments not permitted by law:** the Conversion Price may not be adjusted in such a way that the exercise of the conversion right would require the issue of shares in circumstances not permitted by applicable law.

12. ADJUSTMENTS DUE TO CONVERSION CLOSE TO A CUT-OFF DATE

- (a) **Adjustment event:** provided that the Conversion Price is to be adjusted in accordance with section 1 (*dividends*) to 9 (*split-off or demerger*) and the Conversion Date relating to a Convertible Bond is:
 - (i) after the Cut-off Date for the issue, distribution, grant or offer referred to in the relevant section but prior to the time at which the adjustment under the relevant section takes effect; or
 - (ii) prior to the relevant Cut-Off Date for the issue, distribution, grant or offer referred to in the relevant section, but in circumstances where the relevant holder of Convertible Bonds is unable, prior to the relevant Cut-Off Date, to duly acquire the right to the shares in order to receive the issue, distribution, grant or offer referred to in the relevant section,

the conversion right attaching to the Convertible Bond shall be subject to adjustment in accordance with this section.

- (b) **Adjustment to conversion right:** where the adjustment takes effect under the relevant section, the Issuer shall cause to be issued to the converting Convertible Bond holder in accordance with the instructions contained in the Conversion Application (notwithstanding any exchange control laws or regulations or other regulations) such additional number of shares as, together with the shares issued or to be issued upon conversion of the Convertible Bond, is equal to the number of shares which would have been issued upon conversion of such Convertible Bond if the relevant adjustment to the Conversion Price had been made and become effective immediately prior to the Conversion Date.

Such additional shares will be issued on the date of issue of the New Shares.

13. TOTAL CONSIDERATION AND CONSIDERATION PER SHARE

- (a) **Applicability of this section:** for the purpose of calculating any adjustment to the Conversion Price in the event of:
 - (i) an issue, grant or offer of shares, Equity-Linked Securities, Share Rights or Rights on Equity-Linked Securities; or
 - (ii) a grant to issued and existing securities of rights that result in those securities acquiring the status of Equity-Linked Securities; or
 - (iii) an amendment of any Rights or Equity-Linked Securities (other than in accordance with their terms of issue),

the “**Total Consideration**” and the “**Number of Shares**” shall be calculated or determined (if necessary) in accordance with the following provisions of this section and the “**Consideration per Share**” shall, in each case, be the relevant Total Consideration divided by the Number of Shares.

- (b) **Shares for cash:** in the event of an issue, grant or offer of shares for cash:
- (i) the Total Consideration shall be the amount of such cash, where no deduction shall be made for fees or expenses paid or incurred by the Issuer in underwriting the issue or otherwise; and
 - (ii) the Number of Shares shall be the number of shares issued, granted or offered.
- (c) **Shares for non-cash consideration:** in the event of the issue, grant or offer of shares for consideration other than, in whole or in part, cash:
- (i) the Total Consideration shall be the amount of such cash (if any) plus the non-cash consideration, which shall be deemed to be the Fair Market Value thereof; and
 - (ii) the Number of Shares shall be the number of shares issued, granted or offered.
- (d) **Issue of Equity-Linked Securities:** in the case of the issue, grant or offer of Equity-Linked Securities or Rights in Equity-Linked Securities or in the case of the vesting of any entitled securities issued that result in such securities acquiring the status of Equity-Linked Securities:
- (i) the Total Consideration will be:
 - (A) the consideration received (if any) by the Issuer for such Equity-Linked Securities and (if applicable) Rights or, as the case may be, such grant; plus
 - (B) the additional consideration (if any) to be received by the Issuer for (and assuming) the exercise of all rights to subscribe for, purchase or acquire Shares pursuant to the terms of such Equity-Linked Securities at the initial price or exchange and (if applicable) the exercise of all rights to subscribe for, purchase or acquire Equity-Linked Securities pursuant to the terms of such Rights at the initial price or exchange,
- and the consideration shall be determined in each case in the same manner as provided for in (b) and (c) of this section; and
- (ii) the Number of Shares will be the number of shares to be issued by (and assuming) the exercise of all rights to subscribe for, purchase or acquire Shares pursuant to the terms of such Equity-Linked Securities at the initial price or exchange and (if applicable) the exercise of all rights to subscribe for, purchase or acquire Equity-Linked Securities pursuant to the terms of such rights at the initial price or exchange,
- (e) **Modification of Equity-Linked Securities, Share Rights or Rights on Equity-Linked Securities:** in the event of a modification of the terms of any Equity-Linked Securities and/or Rights on Equity-Linked Securities (in both cases, except in accordance with their terms of issue):
- (i) the Total Consideration will be:
 - (A) the consideration received (if any) by the Issuer for such amendment; plus
 - (B) the additional consideration (if any) to be received by the Issuer for (and assuming) the exercise of all rights to subscribe for, purchase or acquire Shares pursuant to the terms of such Equity-Linked Securities at the initial price or exchange, or (in the case of an amendment to the terms of such Equity-Linked Securities) the amended price or exchange, and (if applicable) the exercise of all rights to subscribe for, purchase or acquire Equity-Linked Securities pursuant to the terms of such Rights at the initial price or exchange, or (in the case of a modification of the terms of such Rights) the modified price or exchange,

and the consideration will be determined in each case in the same manner as provided for in (b) and (c) of this section; and

- (ii) the Number of Shares will be the number of shares to be issued by (and assuming) the exercise of all rights to subscribe for, purchase or acquire Shares pursuant to the terms of such Equity-Linked Securities at the initial price or exchange and (if applicable) the exercise of all rights to subscribe for, purchase or acquire Equity-Linked Securities pursuant to the terms of such rights at the initial price or exchange,
- (f) **Share rights:** in the case of the issue, grant or offer of Share Rights or the modification of the terms of any Share Rights (other than in accordance with their terms of issue):
- (i) the Total Consideration will be:
 - (A) the consideration received by the Issuer for such Rights or, as the case may be, for such amendment; plus
 - (B) the additional consideration (if any) to be received by the Issuer for (and assuming) the exercise of all rights to subscribe for, purchase or acquire shares pursuant to the terms of such Rights at the initial price or exchange or (in the event of modification of the terms of such Rights) at the modified price or exchange,and the consideration will be determined in each case in the same manner as provided for in (b) and (c) of this section; and
 - (ii) the Number of Shares will be the number of shares to be issued (and assuming) the exercise of all rights to subscribe for, purchase or acquire shares pursuant to the terms of such Rights at the initial price or exchange or (in the event of modification of the terms of such Rights) at the modified price or exchange.
- (g) **Currency conversion:** if the consideration referred to in any of the preceding paragraphs of this section is received in a currency other than the euro, such consideration shall be converted into euro for the purposes of this section:
- (i) provided that there is a fixed rate of exchange between the euro and the relevant currency for the purposes of the issue, grant or offer of Shares, Equity-Linked Securities or Rights, the exercise of rights to subscribe for, purchase or acquire Equity-Linked Securities pursuant to such Rights or the exercise of rights to subscribe for, purchase or acquire shares pursuant to the terms of such Rights or Equity-Linked Securities, at such fixed rate of exchange; and
 - (ii) in all other cases, at the Screen Rate on the date on which such consideration is to be calculated.

14. DEFINITIONS

In this appendix to the Securities Note, the following terms shall have the meanings set out below. Investors should bear these definitions in mind when analysing the contents of this appendix to the Securities Note.

“Rights” in respect of securities or assets means any options, warrants or other rights (other than Equity-Linked Securities) which, by virtue of their terms of issue, embody the right to subscribe for or acquire such securities or assets.

“Determined by an Expert” means determined in good faith by an Expert acting in such capacity.

“Trading Day” shall mean any day which is a trading day on the Spanish stock exchanges, other than a day on which the Spanish stock exchanges are scheduled to close before their normal daily closing time.

“Dividends” means a dividend or any type of distribution attributable to shareholders, whether in cash or in other assets, and regardless of its denomination, and except for those cases expressly stated as Dividends that do not give rise to a conversion adjustment, taking into account that:

- (i) a distribution or payment to shareholders on the occasion of, or in connection with, a reduction of capital shall constitute a Dividend;
- (ii) in the case where a distribution is announced by way of distribution from available reserves (other than a Cash Dividend) or in the case where a Cash Dividend is announced which will or may, at the option of a Shareholder or Shareholders, be satisfied by the delivery of shares or other assets or property, such Dividend shall be deemed to be a cash Dividend of the Current Market Price of the shares so distributed or, as the case may be, the Fair Market Value of such assets or property (as at the date of the first public announcement of such Dividend or, if later, the date on which the number of shares (or amount of property or assets, as the case may be) which may be issued, transferred or delivered is determined);
- (iii) a purchase, redemption or repurchase of the Issuer’s share capital by the Issuer or its subsidiaries shall only constitute a Dividend if the weighted average price per share (before expenses) on any day for such purchases, redemptions or repurchases exceeds by more than 5% the arithmetic mean of the daily Volume Weighted Average Price of a share on the Spanish stock exchanges for the five Business Days immediately preceding such day, in which case such purchase, redemption or repurchase shall be deemed to constitute a Dividend to the extent that the total price (before expenses) paid for the shares purchased, redeemed or repurchased by the Issuer or, as the case may be, its subsidiaries exceeds the product of multiplying: (a) 105% of the arithmetic mean of the daily Volume Weighted Average Price of the shares determined as mentioned, and (b) the number of shares purchased, redeemed or repurchased, provided that where an announcement has been made (excluding, for the avoidance of doubt, a general authorisation for such purchases, redemptions or repurchases, approved by a General Shareholders’ Meeting or an announcement convening a General Shareholders’ Meeting for such purpose) of the intention to purchase, redeem or repurchase shares at a future date and at a certain price, the relevant five Business Days shall be the five Business Days immediately preceding the date of such announcement; and
- (iv) if the Issuer or any of its subsidiaries purchases, redeems or repurchases depositary receipts (or any other receipts or certificates) representing shares, the provisions of section (iii) above shall apply in such manner and with such modifications (if any) as may be determined by an Expert.

“Bonus Share Issue” shall mean any issue of bonus Shares to shareholders carried out through capitalisation of available profits, reserves or share premiums.

“Expert” means, in relation to any matter to be determined by an expert, an independent investment bank and/or audit firm of international standing which has been appointed to act as an expert in relation to the Convertible Bonds.

“Cut-Off Date” shall mean, in relation to the right to receive dividends or any other distributions declared, paid or made, or any rights granted, the date of recognition of the right under the rules of the Spanish stock exchanges.

“Effective Date” for the purposes of any section in which such term is used shall have the meaning set out in the relevant section of this Appendix to the Securities Note.

“Volume Weighted Average Price” of a share on a Trading Day means the Officially Published (or such other means as may be determined) volume weighted average price of a share on such Trading Day.

“Current Market Price” means, for each share on a given date, the arithmetic mean of the daily Volume Weighted Average Price of a share over the five consecutive Trading Days ending on the Trading Day immediately preceding such given date (the **“Relevant Period”**), taking into account that:

- (i) If, at any time during the Relevant Period, the shares are trading ex-dividend (or ex-entitlement), i.e. without entitlement to the dividend or any other entitlement, and at another part of the Relevant Period the shares are trading with a dividend (or with any other entitlement):
 - (A) if the shares to be issued are not entitled to the Dividend (or right) in question, the Volume Weighted Average Price calculated by data providers on the dates on which the share traded with a Dividend (or any other right) shall be deemed for the purposes of this definition to be reduced by an amount equal to the Fair Market Value of such Dividend (or right) per share (excluding any associated tax credit and less any tax (if any) to be deducted on payment to a resident in Spain); or
 - (B) if the shares to be issued are entitled to the Dividend (or entitlement) in question, the Volume Weighted Average Price calculated by data providers on the dates on which the shares are traded ex-Dividend (or ex any other entitlement) shall, for the purposes of this definition, be deemed to be increased by the same amount; and
- (ii) if, on each of the five Trading Days of the Relevant Period, the shares have been quoted with a Dividend (or any other entitlement) in respect of a Dividend (or entitlement) which has been declared or announced, but the shares to be issued are not entitled to such Dividend (or entitlement), the Volume Weighted Average price calculated by data providers on each such date shall, for the purposes of this definition, be deemed to be reduced by an amount equal to the Fair Market Value of such Dividend (or entitlement) per share (excluding any associated tax credit and less any tax (if any) to be deducted on payment thereof to a resident of Spain);
- (iii) if such Volume Weighted Average Prices are not available on each of the five Trading Days of the Relevant Period, the arithmetic mean of the Volume Weighted Average Prices that are available in the Relevant Period shall be used (provided that at least two such Volume Weighted Average Prices are available); and
- (iv) if only one or none of such Volume Weighted Average Prices is available in the Relevant Period, the Current Market Price shall be Determined by an Expert.

“Officially Published” shall mean:

- (i) for the Convertible Bonds, that published by AIAF;
- (ii) in the case of shares, published by or on behalf of the Spanish stock exchanges, or by data providers such as Bloomberg or Refinitiv/Eikon at market close and without adjustments.

“Fair Market Value” shall mean:

- (a) in the case of a Cash Dividend or other cash amount, its cash amount per share; and
- (b) for any other asset at any date, the fair market value of that asset as Determined by an Expert,

however, it is well understood that in any case:

- (i) where these other assets (options, warrants or other rights) are publicly traded on a market which, in the opinion of an Expert acting in good faith, is sufficiently liquid, the fair market value of such options, warrants or rights shall be equal to the arithmetic mean of the daily Volume Weighted Average Prices of such options, warrants or rights, warrants or rights for a period of five trading days on that market from that date (or, if later, the first trading day on which such options, warrants or rights are publicly traded) or the shortest period for which such options, warrants or rights are publicly traded;

- (ii) any Cash Dividend declared or paid in a currency other than the euro shall be converted into euro at the exchange rate used to determine the amount payable to shareholders who received or are to receive such Cash Dividend in euro; and
- (iii) any other amount or value expressed in a currency other than the euro shall be converted into euro at the Screen Rate on that date.

“Equity-Linked Securities” means any securities which by virtue of their terms of issue:

- (i) incorporate a right to subscribe for, purchase or acquire shares or securities which, according to their terms of issue, may be converted into shares; or
- (ii) may be converted into shares or become entitled to subscribe for, purchase or acquire shares.

“Screen Rate” means, on any day and for the conversion of one currency into another currency, the rate of exchange between such currencies as shown on Reuters, page ECB 37 or in Refinitiv/Eikon on such day or, if such page is not available or the rate of exchange is not shown on such page on such day, the rate of exchange between such currencies as shown on another display or information service, or as otherwise determined as the Issuer may direct.

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

APPENDIX II: REGULATIONS OF BONDHOLDERS' SYNDICATE

REGULATIONS OF BONDHOLDERS' SYNDICATE

ISSUANCE OF PRISA CONVERTIBLE SUBORDINATED BONDS MATURITY 2028

TITLE I: INCORPORATION, NAME, PURPOSE, DOMICILE, GOVERNANCE AND DURATION OF THE BONDHOLDERS' SYNDICATE

Article 1: Incorporation

Subject to the provisions of Chapter IV, Title XI of the consolidated text of the Capital Companies Act approved by Royal Legislative Decree 1/2010, of 2 July (the "**Capital Companies Act**"), once the notarial deed of subscription and payment has been executed for Convertible Bonds (the "**Convertible Bonds**") issued by Promotora de Informaciones, S. A. (the "**Issuer**"), by individuals with the status of bondholders (the "**Bondholders**") under the Issue (as this is defined in Article 2), the bondholders' syndicate of the issue (the "**Bondholders' Syndicate**") has been formed.

The Bondholders' Syndicate shall be governed by these Regulations, by the Capital Companies Act and by the legal provisions in force.

The subscription or purchase of Convertible Bonds implies the express acceptance of these Regulations by the Bondholder.

Article 2: Name

The Bondholders' Syndicate shall be called "*BONDHOLDERS' SYNDICATE OF THE ISSUE OF PRISA CONVERTIBLE SUBORDINATED BONDS MATURING 2028*" (the "**Issue**").

Article 3: Purpose

The purpose of the Bondholders' Syndicate shall be to represent and defend the legitimate interests of the Bondholders vis-à-vis the Issuer, through the exercise of the rights recognised by the laws by which it is governed and these Regulations, to exercise and preserve them collectively and under the representation determined in these rules.

Article 4: Domicile

The address of the Bondholders' Syndicate is fixed at Madrid Spain, calle Gran Via 32 (post code 28013).

The General Meeting of Bondholders (as defined below) may, however, meet, when deemed appropriate, in any other place or even by telematic means (provided that the identity of the Bondholders is duly guaranteed), provided that this is stated in the convening notice.

Article 5: Duration

The Bondholders' Syndicate shall remain in force until all the Convertible Bonds have been converted and the Bondholders have been paid any rights to the delivery of shares and payment of interest or otherwise.

TITLE II: FUNCTIONING OF BONDHOLDERS' SYNDICATE

Article 6: Governing bodies of the Bondholders' Syndicate

The governance of the Bondholders' Syndicate shall be vested in:

- (a) The general meeting of the Bondholders (the "**General Meeting**"), and
- (b) The Trustee of the General Meeting of Bondholders (the "**Trustee**").

Article 7: Legal nature

The General Meeting, duly convened and constituted, is the organ of expression of the will of the Bondholders, subject to these Regulations, and its resolutions are binding on all Bondholders in the manner prescribed by law, including those not attending and dissenters.

Article 8: Legitimacy for the call

The General Meeting shall be convened by the Board of Directors of the Issuer or by the Trustee whenever they deem it appropriate.

Notwithstanding the foregoing, the Trustee shall convene a meeting when requested in writing, and stating the purpose of the meeting, by Bondholders representing at least: (i) one twentieth of the total amount of the Convertible Bonds issued and not yet redeemed, or (ii) the minimum provided by law. In this case, the Assembly shall be convened to be held within 45 days of the date on which the Trustee received the written request.

However, the General Meeting shall be deemed to be convened and validly constituted for the transaction of any business within the competence of the Bondholders' Syndicate, provided that the Bondholders representing all outstanding Convertible Bonds are present and the attendees unanimously agree to the universal holding of the General Meeting.

Article 9: Form of call

The General Meeting shall be convened at least 15 days prior to the date set for the meeting by means of (i) a notice published on the Issuer's website, and (ii) by means of the corresponding communication of "other relevant information" on the website of the Comisión Nacional del Mercado de Valores and (iii) by delivery of the corresponding notice to the entities participating in the Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A.U. (the "Participants"). (the "**Participants**"). Such notices shall be deemed to be delivered to the Bondholders on the day of delivery of such notice to the Participants.

In any event, the notice shall state the name of the Issuer and the name of the Bondholders Syndicate, the place or, as the case may be, the form and date of the meeting, the business to be addressed and the manner of proving ownership of the Convertible Bonds in order to be entitled to attend the General Meeting.

Article 10: Attendance rights:

Bondholders who have acquired such status at least five working days prior to the date on which the meeting is to be held shall be entitled to attend the General Meeting.

The Trustee may request the attendance of the members of the Board of Directors of the Issuer.

The members of the Board of Directors of the Issuer shall have the right to attend the General Meeting, even if they have not been called.

The Trustee will attend the General Meeting even though such meeting had not previously been convened by the Commissioner.

In the event of co-ownership of one or more Convertible Bonds, the concerned parties must designate one of them to represent them, with turns being established in the absence of agreement on the designation.

In the case of a usufruct of Convertible Bonds, the usufructuary shall be entitled to the interest and other rights of the bare owner. And in the case of a pledge, the Bondholder is entitled to exercise all the rights, and the pledgee must facilitate the debtor's exercise of these rights until the pledge is executed.

Article 11: Right of representation

Any Bondholder entitled to attend the General Meeting may be represented by another person, whether a Bondholder or not. In addition, any Bondholder entitled to attend may be represented by the Trustee, but may not in any event be represented by the directors of the Issuer, even if they are Bondholders.

The right to represent shall be conferred in writing for each General Meeting.

Article 12: Quorum for attendance and adoption of resolutions

The resolutions of the General Assembly shall be adopted by an absolute majority of the votes cast, without the need for a minimum quorum of attendance. By way of exception, in order to validly modify either the relevant term or modalities of conversion, to declare early maturity or early conversion of the Convertible Bonds in cases other than those provided for in the terms and conditions of the Convertible Bonds (in agreement with the Issuer), as well as and a declaration of the insolvency of the Issuer will require an affirmative vote of two thirds of the Convertible Bonds outstanding.

Article 13: Voting rights

At meetings of the Meeting, each Convertible Bond shall confer on the Bondholder a voting right proportionate to the unredeemed par value of the then existing Convertible Bonds held by him.

In any event, if so provided in the relevant notice of the General Meeting of Bondholders, voting may be exercised by remote means of communication, including postal correspondence or by telematic means provided that (i) the identity of the Bondholder exercising the voting right is duly guaranteed and (ii) the voting right is recorded on some kind of medium.

Notwithstanding the foregoing, in the event that any of the Convertible Bonds are held by the Issuer or any group entity of the Issuer, for so long as the Issuer or any group entity of the Issuer owns or holds such Convertible Bonds, the voting rights attached thereto shall be suspended and such Convertible Bonds shall not be taken into account for the purposes of calculating the quorum required for the General Meeting or for the majorities required in each case.

Article 14: Chairmanship of the General Meeting

The General Meeting shall be chaired by the Trustee, who shall direct debates, deem discussions to be ended, as he/she considers appropriate, and rule, whenever matters should be subject to a vote. The Trustee, as Chairman, may appoint a Secretary who may or may not be a Bondholder.

Article 15: List of attendees

Before discussing the agenda, the Commissioner shall draw up a list of those attending, stating the nature and representation of each of them, if applicable, and the outstanding balance of the Convertible Bonds owned by them or by others with which they are attending.

Article 16: Powers of the General Meeting

The General Meeting may resolve as necessary for the best defence of the legitimate interests of the Bondholders against the Issuer; remove or appoint a Trustee; bring, where appropriate, the corresponding legal actions; approve the expenses incurred in the defence of the common interests of the Bondholders, which shall be borne by the Issuer on the terms provided in Article 420 of the Capital Companies Act; to amend, in agreement with the Issuer, the terms and conditions of the Convertible Bonds (including, in particular, to adopt the resolutions referred to in article 12 above on the terms set out therein) or to grant any waiver or consent in relation thereto; and any other powers conferred on it by applicable law.

Article 17: Challenging resolutions

The resolutions of the General Meeting may be challenged by the Bondholders in accordance with the provisions of Chapter IX of Title V of the Capital Companies Act.

Article 18: Minutes

The minutes of the meeting may be approved by the General Meeting after the meeting has been held or, if not, within a period of fifteen days by the Trustee and at least one Bondholder appointed for such purpose by the General Meeting.

Article 19: Certifications

Certifications of the resolutions of the General Meeting shall be issued by the Trustee.

Article 20: Individual exercise of actions

The Bondholders may only individually exercise the judicial or extra-judicial actions to which they are entitled when they do not contradict the resolutions previously adopted by the of Bondholders' Syndicate, within its competence, and are compatible with the powers conferred on it.

Article 21: Collective exercise of actions

Proceedings or actions affecting the general or collective interest of the Bondholders may only be conducted on behalf of the Bondholders' Syndicate by virtue of the authorisation of the Bondholders' Meeting, and shall bind all of them, without distinction, subject to the right to challenge the resolutions of the Bondholders' Meeting provided by law.

Any Bondholder wishing to bring such an action shall submit it to the Trustee, who, if he considers it well founded, shall convene a meeting of the General Meeting.

If the General Meeting rejects the Bondholder's proposal, no holder of Convertible Bonds shall be entitled to challenge it before the Courts of Justice in his own interest, unless there is a clear contradiction with the resolutions and regulations of the Bondholders' Syndicate.

TITLE III: THE TRUSTEE

Article 22: Legal nature of Trustee

The Commissary shall be the legal representative of the Bondholders' Syndicate and shall act as a liaison body between the Bondholders' Syndicate and the Issuer. The Issuer shall be liable to the Bondholders and, as the case may be, to the Issuer, for actions carried out in the performance of his duties lacking in proper due care.

The Issuer appoints Bondholders, S.L. as Trustee, notwithstanding the General Meeting's power to remove the appointed Trustee and appoint another person if it deems it appropriate. The remuneration of the Trustee shall be fixed by the Issuer.

Article 23: Appointment and term of office

The Trustee has been appointed by the Issuer and shall exercise his post until replaced by the General Meeting or he resigns.

Article 24: Powers

The powers of the Trustee shall be those provided for by law and, in particular:

1. To safeguard the common interests of the Bondholders.
2. To call and chair General Meetings.
3. To attend, with the right to speak but not vote, the General Meetings of the Issuer.
4. To inform the Issuer of the resolutions of the Bondholders' Syndicate and to request from the Syndicate such reports as in their opinion or that of the General Meeting, may be of interest to them.
5. To oversee the payment of interest.
6. To execute the resolutions of the General Meeting.
7. To exercise actions to which the Bondholders' Syndicate is entitled.
8. To sign, in the name and on behalf of the Bondholders, any public or private documents to be executed under or in connection with the Convertible Bonds.
9. In general, those conferred by the Law and these Regulations.

TITLE IV: SPECIAL PROVISIONS

Article 25: Submission to jurisdiction

For any controversies arising from these regulations, the Bondholders, by the mere fact of being Bondholders, submit themselves solely, with express waiver of any other jurisdiction to which they may be entitled, to Spanish common law and to the jurisdiction of the Courts and Tribunals of the city of Madrid.